

CITY OF BALTIMORE
ORDINANCE _____
Council Bill 06-0349

Introduced by: The Council President
At the request of: The Administration (Department of Planning)
Introduced and read first time: March 6, 2006
Assigned to: Taxation and Finance Committee

Committee Report: Favorable with amendments
Council action: Adopted
Read second time: July 10, 2006

AN ORDINANCE CONCERNING

Bond Issue — Cultural Institutions Loan — \$3,600,000

1
2 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution
3 I of 2006 approved by the members of the Maryland General Assembly representing
4 Baltimore City) to create a debt, and to issue and sell its certificates of indebtedness as
5 evidence thereof, and proceeds not exceeding \$3,600,000 from the sale of such certificates of
6 indebtedness to be used for the cost of issuance, including the expense of engraving, printing,
7 advertising, attorneys' fees, and all other incidental expenses connected therewith, and the
8 remainder of such proceeds to be used for or in connection with the development of cultural
9 institutions in the City of Baltimore, including but not limited to, the acquisition by purchase,
10 lease, condemnation or any other legal means, of land or property, or on other land or
11 property, or any rights therein, in the City of Baltimore, and constructing and erecting on said
12 land or property new buildings, structures, and other auxiliary facilities; and for the
13 renovation, alteration, construction, reconstruction, installation, improvement and repair of
14 existing buildings, structures or facilities, to be or now being used for or in connection with
15 the operations, functions, and activities of cultural institutions in the City of Baltimore; and
16 for equipment for any and all facilities authorized to be constructed, renovated, altered or
17 improved by the provisions hereof; and for architectural or engineering services or surveys
18 and any other necessary professional services, and any other activities relating to planning
19 for the purposes above mentioned; and for doing any and all things necessary, proper or
20 expedient in connection with or pertaining to any or all of the matters or things hereinbefore
21 mentioned; authorizing the issuance of refunding bonds; conferring and imposing upon the
22 Board of Finance of Baltimore City certain powers and duties; authorizing the submission of
23 this Ordinance to the legal voters of the City of Baltimore, for their approval or disapproval,
24 at the Election to be held in Baltimore City on Tuesday, the 7th day of November, 2006; and
25 providing for the expenditure of the proceeds of sale of said certificates of indebtedness in
26 accordance with the provisions of the Charter of the Mayor and City Council of Baltimore,
27 and by the municipal agency designated in the annual Ordinance of Estimates of the Mayor
28 and City Council of Baltimore.

29 Cultural institutions provide significant economic and social benefits to the City of
30 Baltimore. The development and improvement of cultural institutions foster and support the
31 general welfare of the City of Baltimore and its citizens.

EXPLANATION: CAPITALS indicate matter added to existing law.
[Brackets] indicate matter deleted from existing law.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by
amendment or deleted from existing law by amendment.

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1 Therefore, it is in the best interests of the Mayor and City Council of Baltimore that the funds
2 for the development of cultural institutions in the City of Baltimore, including but not limited to
3 those listed below, be used in the following amounts:

4	• Upton Cultural Visitor Center	\$400,000
5	• B&O Museum	\$200,000
6	• Great Blacks in Wax	\$800,000
7	• Arena Players	\$350,000
8	• Babe Ruth Birthplace and Museum	\$200,000
9	• Reginald F. Lewis Museum	\$400,000
10	• Center Stage	\$200,000
11	• Creative Alliance	\$350,000
12	• USS Constellation Museum	\$500,000
13	• Sankofa Center for Cultural Enrichment	\$200,000
14	Total	\$3,600,000

15 **WHEREAS**, By Resolution I of 2006, approved by the members of the Maryland General
16 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to
17 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as
18 evidence thereof, and proceeds not exceeding \$3,600,000 from the sale of such bonds to be used
19 ~~in connection with the community development program of the Mayor and City Council of~~
20 Baltimore for or in connection with the development of cultural institutions in the City of
21 Baltimore as authorized by said Resolution; and

22 **WHEREAS**, Funds are now needed for said purposes; now, therefore,

23 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
24 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
25 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
26 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
27 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
28 from time to time and at such times as shall be requisite, and proceeds not exceeding \$3,600,000
29 from the sale of such bonds shall be used for the purposes hereinafter named, provided that this
30 Ordinance shall not become effective unless it shall be approved by a majority of the votes of the
31 legal voters of Baltimore City cast at the time and place hereinafter designated by this
32 Ordinance.

33 **SECTION 2. AND BE IT FURTHER ORDAINED**, That:

34 (a) The denomination or denominations of the bonds to be issued at any particular time
35 and the place or places for the payment of principal and interest thereof are to be determined by
36 the Board of Finance.

37 (b) The bonds authorized to be issued and sold under the provisions of this Ordinance
38 may be issued to mature on such dates and in such amounts as the Board of Finance may
39 determine; provided that the entire principal amount represented thereby shall be discharged not
40 more than 40 years from the date of issuance of the bonds.

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1 (c) The bonds, when issued, shall bear interest at such rate or rates as may be determined
2 by the Board of Finance, which rate or rates may be fixed or variable or as determined by a
3 method approved by the Board of Finance, and such interest shall be payable at such time or
4 times as may be determined by the Board of Finance.

5 **SECTION 3. AND BE IT FURTHER ORDAINED**, That a majority of the Board of Finance of the
6 Mayor and City Council of Baltimore be, and they are hereby, authorized to pass a resolution or
7 resolutions, from time to time, to determine and set forth any or all of the following:

8 (a) The amount of debt to be incurred by the Mayor and City Council of Baltimore at any
9 particular time, and from time to time, under and pursuant to the provisions of this Ordinance;
10 the date or dates when any bonds representing said debt, or any part thereof, are to mature, and
11 the amount or amounts of said debt, or any part thereof, which shall mature upon the aforesaid
12 date or dates; and the date or dates in each year, during the entire period of time when any of
13 said bonds are outstanding, when interest on any of said bonds shall be payable;

14 (b) The form or forms of the bonds representing the debt, or any part thereof, authorized
15 to be issued under the provisions of this Ordinance at any particular time; and

16 (c) If the bonds are to be sold at public sale, the time, place, manner and medium of
17 advertisement of the readiness of the Board of Finance, acting for and on behalf of the Mayor
18 and City Council of Baltimore, to receive bids for the purchase of the bonds authorized to be
19 issued hereunder or any part thereof; the form, terms and conditions of such bids; the time, place
20 and manner of awarding bonds so bid for, including the right whenever any of the bonds
21 authorized by this Ordinance are offered for sale and sold at the same time as other bonds of the
22 City, to establish the conditions for bids and awards and to award all of the bonds on an all or
23 none basis, and the time, place, terms and manner of settlement for the bonds so bid for;
24 provided, however, that notwithstanding anything in this section, the Mayor and City Council of
25 Baltimore, or the Board of Finance, as the case may be, shall have the right to reject any or all
26 bids therefor for any reason.

27 **SECTION 4. AND BE IT FURTHER ORDAINED**, That:

28 (a) All premiums resulting from the sale of any of the bonds issued and sold pursuant to
29 the provisions of this Ordinance shall be applied as directed by the Board of Finance.

30 (b) The debt authorized by the provisions of this Ordinance, and the bonds issued and
31 sold pursuant thereto and their transfer, and the principal and interest payable thereon (including
32 any profit made in the sale thereof), shall be and remain exempt from any and all State, county
33 and municipal taxation in the State of Maryland.

34 (c) All bonds issued and sold pursuant to the provisions of this Ordinance may be sold at
35 public sale by the solicitation of competitive bids or at private (negotiated) sale without
36 advertisement or solicitation of competitive bids, for a price or prices which may be at, above or
37 below par value of the bonds, as determined by resolution of the Board of Finance of the Mayor
38 and City Council of Baltimore.

39 **SECTION 5. AND BE IT FURTHER ORDAINED**, That until all of the interest on and principal of
40 any bonds issued pursuant to the provisions of this Ordinance have been paid in full, the Mayor
41 and City Council of Baltimore shall levy and impose an annual tax on each \$100 of assessable
42 property in the City of Baltimore at a rate sufficient to produce revenue to pay all interest on and

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1 principal of all bonds theretofore issued and outstanding or authorized to be issued and
2 outstanding, payable in the next succeeding year.

3 **SECTION 6. AND BE IT FURTHER ORDAINED,** That this Ordinance shall be submitted to the
4 legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to
5 be held in Baltimore City, on Tuesday, the 7th day of November, 2006.

6 **SECTION 7. AND BE IT FURTHER ORDAINED,** That prior to the date of the election
7 hereinbefore mentioned, notice shall be given to the public of the amount of money which the
8 Mayor and City Council of Baltimore is authorized to borrow, and the general purposes for
9 which such borrowed funds may be expended, under the terms and provisions of this Ordinance,
10 and the time when the election hereinbefore mentioned is to be held; and such public notice shall
11 be given in such manner and by such means or through such media and at such time or times as
12 may be determined, from time to time, by a majority of the Board of Finance.

13 **SECTION 8. AND BE IT FURTHER ORDAINED,** That the actual cash proceeds derived from the
14 sale of the bonds authorized to be issued under the provisions of this Ordinance shall be used
15 exclusively for the following purposes, to wit:

16 (a) So much thereof as may be necessary for the cost of issuance, including the expense
17 of engraving, printing, advertising, attorneys' fees, and all other incidental expenses connected
18 therewith (which may include the proportion of the compensation of employees and general
19 administrative expenses of the Department of Finance reasonably allocated to the issuance of the
20 bonds); and

21 (b) The remainder of such proceeds shall be used for the development of the Cultural
22 Institutions, including but not limited to, the acquisition by purchase, lease, condemnation or any
23 other legal means, of land or property, or on other land or property, or any rights therein, in the
24 City of Baltimore, and constructing and erecting on said land or property new buildings,
25 structures, and other auxiliary facilities; and for the renovation, alteration, construction,
26 reconstruction, installation, improvement and repair of existing buildings, structures or facilities,
27 to be or now being used for or in connection with the operations, functions, and activities of the
28 Cultural Institutions in the City of Baltimore, including, but not limited to, those defined in
29 Section 1; and for equipment for any and all facilities authorized to be constructed, renovated,
30 altered or improved by the provisions hereof; and for architectural or engineering services or
31 surveys and any other necessary professional services, and any other activities relating to
32 planning for the purposes above mentioned; and for doing any and all things necessary, proper or
33 expedient in connection with or pertaining to any and all of the matters or things hereinbefore
34 mentioned.

35 **SECTION 9. AND BE IT FURTHER ORDAINED,** That:

36 (a) The Mayor and City Council of Baltimore, acting by and through the Board of
37 Finance thereof, is hereby authorized and empowered to issue its bonds for the purpose of
38 refunding any bonds authorized to be issued under the provisions of this Ordinance by payment
39 at maturity or the purchase or redemption of bonds in advance of maturity. The validity of any
40 refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the
41 bonds being refunded. Such refunding bonds may be issued by the Mayor and City Council of
42 Baltimore, acting by and through the Board of Finance thereof, for the purpose of providing it
43 with funds to pay any of its outstanding bonds authorized to be issued under the provisions of
44 this Ordinance at maturity, to purchase in the open market any of its outstanding bonds

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1 authorized to be issued under the provisions of this Ordinance prior to their maturity, to redeem
2 prior to their maturity any outstanding bonds which are, by their terms, redeemable, to pay
3 interest on any outstanding bonds prior to their payment at maturity or purchase or redemption in
4 advance of maturity, or to pay any redemption or purchase premium in connection with the
5 refunding of any of its outstanding bonds authorized to be issued under the provisions of this
6 Ordinance.

7 (b) Any refunding bonds authorized to be issued and sold under the provisions of this
8 Ordinance may be issued for the public purpose of:

9 (1) Realizing savings to Baltimore City in the aggregate cost of debt service on either
10 a direct comparison or present value basis; or

11 (2) Debt restructuring that:

12 (i) In the aggregate effects such a reduction in the cost of debt service; or

13 (ii) Is determined by the Board of Finance of the Mayor and City Council of
14 Baltimore to be in the best interests of Baltimore City, to be consistent with Baltimore City's
15 long-term financial plan, and to realize a financial objective of Baltimore City including,
16 improving the relationship of debt service to a source of payment such as taxes, assessments, or
17 other charges.

18 (c) Any refunding bonds authorized to be issued and sold under the provisions of this
19 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose
20 for the issuance of the refunding bonds, which amount may be in excess of the principal amount
21 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under
22 Section 1 of this Ordinance.

23 (d) Any refunding bonds authorized to be issued and sold under the provisions of this
24 Ordinance may be issued to mature on such dates and in such amounts as the Board of Finance
25 may determine; provided that the entire principal amount represented by the refunding bonds
26 shall be discharged not more than 40 years from the date of issuance of the bonds being
27 refunded.

28 (e) Any refunding bonds authorized to be issued and sold under the provisions of this
29 Ordinance may be sold at public sale by the solicitation of competitive bids or at private
30 (negotiated) sale without advertisement or solicitation of competitive bids, for a price or prices
31 which may be at, above or below the par value of the refunding bonds, as determined by
32 resolution of the Board of Finance of the Mayor and City Council of Baltimore.

33 (f) Any refunding bonds authorized to be issued and sold under the provisions of this
34 Ordinance shall bear interest at such rate or rates as may be determined by the Board of Finance
35 of the Mayor and City Council of Baltimore, which rate or rates may be fixed or variable or as
36 determined by a method approved by the Board of Finance, and such interest shall be payable at
37 such time or times as may be determined by the Board of Finance.

38 (g) The proceeds of the sale of any refunding bonds authorized to be issued and sold
39 under the provisions of this Ordinance, after the payment of issuance costs relating thereto, shall
40 be set aside by the Mayor and City Council of Baltimore as a separate trust fund to be used
41 solely for the purposes stated in this Section 9.

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1 (h) Except as otherwise provided in this Section 9, the powers granted in, the limitations
2 and obligations imposed by, and the procedures specified in this Ordinance with respect to the
3 issuance of bonds shall be applicable to the issuance of refunding bonds.

4 (i) Any refunding bonds authorized to be issued and sold under the provisions of this
5 Ordinance shall not be subject to any debt policy limitation that may from time to time be
6 established by the Mayor and City Council of Baltimore.

7 **SECTION 10. AND BE IT FURTHER ORDAINED,** That the expenditure of the proceeds derived
8 from the sale of the bonds authorized to be issued under the provisions of this Ordinance shall be
9 in accordance with the provisions of the Charter of the Mayor and City Council of Baltimore,
10 and by the municipal agency designated in the annual Ordinance of Estimates of the Mayor and
11 City Council of Baltimore.

Certified as duly passed this ____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,
this ____ day of _____, 20__

Chief Clerk

Approved this ____ day of _____, 20__

Mayor, Baltimore City