

**CITY OF BALTIMORE  
COUNCIL BILL 10-0460  
(First Reader)**

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Introduced by: The Council President  
At the request of: The Administration (Department of Planning)  
Introduced and read first time: April 12, 2010  
Assigned to: Taxation, Finance and Economic Development Committee

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REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Planning Commission, Department of Housing and Community Development, Baltimore Development Corporation, Department of Finance

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A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue — Community Development Loan — \$18,050,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution  
4 III of 2010 approved by the members of the Maryland General Assembly representing  
5 Baltimore City) to create a debt, and to issue and sell its certificates of indebtedness as  
6 evidence thereof, and proceeds not exceeding \$18,050,000 from the sale of such certificates  
7 of indebtedness to be used for the cost of issuance, including the expense of engraving,  
8 printing, advertising, attorneys' fees, and all other incidental expenses connected therewith,  
9 and the remainder of such proceeds to be used for or in connection with planning,  
10 developing, executing, and making operative the community development program of the  
11 Mayor and City Council of Baltimore, including, but not limited to, the acquisition, by  
12 purchase, lease, condemnation or any other legal means, of land or property, or any right,  
13 interest, franchise, easement or privilege therein, in the City of Baltimore; the payment of  
14 any and all costs and expenses incurred in connection with or incidental to the acquisition  
15 and management of said land or property, including any and all rights or interest therein  
16 hereinbefore mentioned; the payment of any and all costs and expenses incurred for or in  
17 connection with relocating and moving persons or other legal entities displaced by the  
18 acquisition of said land or property, or any of the rights or interest therein hereinbefore  
19 mentioned; the development, or redevelopment, including, but not limited to, the  
20 comprehensive renovation or rehabilitation of any land or property, or any rights or interests  
21 therein hereinbefore mentioned, in the City of Baltimore, and the disposition of land and  
22 property for such purposes; the elimination of unhealthful, unsanitary or unsafe conditions,  
23 lessening density, eliminating obsolete or other uses detrimental to the public welfare or  
24 otherwise removing or preventing the spread of blight or deterioration in the City of  
25 Baltimore; the demolition, removal, relocation, renovation or alteration of land, buildings,  
26 streets, highways, alleys, utilities or services, and other structures or improvements, and for  
27 the construction, reconstruction, installation, relocation or repair of buildings, streets,  
28 highways, alleys, utilities or services, and other structures or improvements; the payment of  
29 any and all costs and expenses incurred for or in connection with doing any or all of the  
30 things herein mentioned, including, but not limited to, the costs and expenses of securing  
31 administrative, appraisal, economic analysis, engineering, planning, designing, architectural,  
32 surveying, and other professional services; and for doing any and all things necessary, proper  
33 or expedient in connection with or pertaining to any or all of the matters or things

EXPLANATION: CAPITALS indicate matter added to existing law.  
[Brackets] indicate matter deleted from existing law.

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1       hereinbefore mentioned; authorizing the issuance of refunding bonds; conferring and  
2       imposing upon the Board of Finance of Baltimore City certain powers and duties; authorizing  
3       the submission of this Ordinance to the legal voters of the City of Baltimore, for their  
4       approval or disapproval, at the General Election to be held in Baltimore City, on Tuesday,  
5       the 2nd day of November, 2010; and providing for the expenditure of the proceeds of sale of  
6       said certificates of indebtedness in accordance with the provisions of the Charter of the  
7       Mayor and City Council of Baltimore, and by the municipal agency designated in the annual  
8       Ordinance of Estimates of the Mayor and City Council of Baltimore.

9       **WHEREAS**, By Resolution III of 2010, approved by the members of the Maryland General  
10       Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to  
11       create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as  
12       evidence thereof, and proceeds not exceeding \$18,050,000 from the sale of such bonds to be  
13       used in connection with the community development program of the Mayor and City Council of  
14       Baltimore as authorized by said Resolution; and

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

16       **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the  
17       Mayor and City Council of Baltimore, acting by and through the Board of Finance of said  
18       municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell  
19       bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or  
20       required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance  
21       from time to time and at such times as shall be requisite, and proceeds not exceeding  
22       \$18,050,000 from the sale of such bonds shall be used for the purposes hereinafter named,  
23       provided that this Ordinance shall not become effective unless it shall be approved by a majority  
24       of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated  
25       by this Ordinance.

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

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

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

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

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

41       (a) The amount of debt to be incurred by the Mayor and City Council of Baltimore at any  
42       particular time, and from time to time, under and pursuant to the provisions of this Ordinance;

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1 the date or dates when any bonds representing said debt, or any part thereof, are to mature, and  
2 the amount or amounts of said debt, or any part thereof, which shall mature upon the aforesaid  
3 date or dates; and the date or dates in each year, during the entire period of time when any of  
4 said bonds are outstanding, when interest on any of said bonds shall be payable;

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

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

### 18 SECTION 4. AND BE IT FURTHER ORDAINED, That:

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

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

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

30 SECTION 5. AND BE IT FURTHER ORDAINED, That until all of the interest on and principal of  
31 any bonds issued pursuant to the provisions of this Ordinance have been paid in full, the Mayor  
32 and City Council of Baltimore shall levy and impose an annual tax on each \$100 of assessable  
33 property in the City of Baltimore at a rate sufficient to produce revenue to pay all interest on and  
34 principal of all bonds theretofore issued and outstanding or authorized to be issued and  
35 outstanding, payable in the next succeeding year.

36 SECTION 6. AND BE IT FURTHER ORDAINED, That this Ordinance shall be submitted to the  
37 legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to  
38 be held in Baltimore City, on Tuesday, the 2nd day of November, 2010.

39 SECTION 7. AND BE IT FURTHER ORDAINED, That prior to the date of the election  
40 hereinbefore mentioned, notice shall be given to the public of the amount of money which the  
41 Mayor and City Council of Baltimore is authorized to borrow, and the general purposes for  
42 which such borrowed funds may be expended, under the terms and provisions of this Ordinance,

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1 and the time when the election hereinbefore mentioned is to be held; and such public notice shall  
2 be given in such manner and by such means or through such media and at such time or times as  
3 may be determined, from time to time, by a majority of the Board of Finance.

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

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

12 (b) The remainder of such proceeds shall be used for or in connection with planning,  
13 developing, executing and making operative the community development program of the Mayor  
14 and City Council of Baltimore, including, but not limited to:

15 (i) The acquisition, by purchase, lease, condemnation, or any other legal means, of  
16 land or property, or any right, interest, franchise, easement or privilege therein, in the City of  
17 Baltimore;

18 (ii) The payment of any and all costs and expenses incurred in connection with or  
19 incidental to the acquisition and management of said land or property, including any and all  
20 rights or interest therein hereinbefore mentioned;

21 (iii) The payment of any and all costs and expenses incurred for or in connection with  
22 relocating and moving persons or other legal entities displaced by the acquisition of said land or  
23 property, or any of the rights or interests therein hereinbefore mentioned;

24 (iv) The development or redevelopment, including, but not limited to, the  
25 comprehensive renovation or rehabilitation of any land or property, or any rights or interests  
26 therein hereinbefore mentioned, in the City of Baltimore, and the disposition of land and  
27 property for such purposes;

28 (v) The elimination of unhealthful, unsanitary or unsafe conditions, lessening density,  
29 eliminating obsolete or other uses detrimental to the public welfare or otherwise removing or  
30 preventing the spread of blight or deterioration in the City of Baltimore;

31 (vi) The demolition, removal, relocation, renovation or alteration of land, buildings,  
32 streets, highways, alleys, utilities or services, and other structures or improvements, and for the  
33 construction, reconstruction, installation, relocation or repair of buildings, streets, highways,  
34 alleys, utilities or services, and other structures or improvements;

35 (vii) The payment of any and all costs and expenses incurred for or in connection  
36 with doing any or all of the things herein mentioned, including, but not limited to, the costs and  
37 expenses of securing administrative, appraisal, economic analysis, engineering, planning,  
38 designing, architectural, surveying, and other professional services; and

39 (viii) Doing any and all things necessary, proper or expedient in connection with or  
40 pertaining to any or all of the matters or things hereinbefore mentioned.

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1 All such land or property shall be acquired, developed, redeveloped, renovated,  
2 rehabilitated, altered, improved, held or disposed of, as provided by law.

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

4 (a) The Mayor and City Council of Baltimore, acting by and through the Board of  
5 Finance thereof, is hereby authorized and empowered to issue its bonds for the purpose of  
6 refunding any bonds authorized to be issued under the provisions of this Ordinance by payment  
7 at maturity or the purchase or redemption of bonds in advance of maturity. The validity of any  
8 refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the  
9 bonds being refunded. Such refunding bonds may be issued by the Mayor and City Council of  
10 Baltimore, acting by and through the Board of Finance thereof, for the purpose of providing it  
11 with funds to pay any of its outstanding bonds authorized to be issued under the provisions of  
12 this Ordinance at maturity, to purchase in the open market any of its outstanding bonds  
13 authorized to be issued under the provisions of this Ordinance prior to their maturity, to redeem  
14 prior to their maturity any outstanding bonds which are, by their terms, redeemable, to pay  
15 interest on any outstanding bonds prior to their payment at maturity or purchase or redemption in  
16 advance of maturity, or to pay any redemption or purchase premium in connection with the  
17 refunding of any of its outstanding bonds authorized to be issued under the provisions of this  
18 Ordinance.

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

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

23 (2) Debt restructuring that:

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

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

30 (c) Any refunding bonds authorized to be issued and sold under the provisions of this  
31 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose  
32 for the issuance of the refunding bonds, which amount may be in excess of the principal amount  
33 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under  
34 Section 1 of this Ordinance.

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

40 (e) Any refunding bonds authorized to be issued and sold under the provisions of this  
41 Ordinance may be sold at public sale by the solicitation of competitive bids or at private

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1 (negotiated) sale without advertisement or solicitation of competitive bids, for a price or prices  
2 which may be at, above or below the par value of the refunding bonds, as determined by  
3 resolution of the Board of Finance of the Mayor and City Council of Baltimore.

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

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

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

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

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