

**CITY OF BALTIMORE
COUNCIL BILL 18-0213
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Department of Planning)
Introduced and read first time: March 26, 2018
Assigned to: Taxation, Finance and Economic Development Committee

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

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue - Community and Economic Development Loan - \$47,000,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to General
4 Assembly House Resolution III and Senate Resolution I of 2018 approved by the members of
5 the Maryland General Assembly representing Baltimore City) to create a debt, and to issue
6 and sell its certificates of indebtedness as evidence thereof, and proceeds not exceeding
7 \$47,000,000 from the sale of such certificates of indebtedness to be used for the cost of
8 issuance, including the expense of engraving, printing, advertising, attorneys' fees, and all
9 other incidental expenses connected therewith, and the remainder of such proceeds to be used
10 for or in connection with planning, developing, executing, and making operative the
11 community, commercial and industrial economic development programs of the Mayor and
12 City Council of Baltimore, including, but not limited to, the acquisition, by purchase, lease,
13 condemnation or any other legal means, of land or property, or any right, interest, franchise,
14 easement or privilege therein, in the City of Baltimore; the payment of any and all costs and
15 expenses incurred in connection with or incidental to the acquisition and management of said
16 land or property, including any and all rights or interest therein hereinbefore mentioned; the
17 payment of any and all costs and expenses incurred for or in connection with relocating and
18 moving persons or other legal entities displaced by the acquisition of said land or property, or
19 any of the rights or interest therein hereinbefore mentioned; the development or
20 redevelopment, including, but not limited to, the comprehensive renovation or rehabilitation
21 of any land or property, or any rights or interests therein hereinbefore mentioned, in the City
22 of Baltimore, and the disposition of land and property for such purposes; the elimination of
23 unhealthful, unsanitary, or unsafe conditions, lessening density, eliminating obsolete or other
24 uses detrimental to the public welfare or otherwise removing or preventing the spread of
25 blight or deterioration in the City of Baltimore; the creation of healthy, sanitary, and safe, and
26 green conditions in the City of Baltimore; the demolition, removal, relocation, renovation or
27 alteration of land, buildings, streets, highways, alleys, utilities or services, and other
28 structures or improvements and for the construction, reconstruction, installation, relocation
29 or repair of buildings, streets, highways, alleys, utilities or services, and other structures or
30 improvements; making loans and grants to various projects and programs related to growing
31 businesses in the City; attracting and retaining jobs; providing homeownership incentives and
32 home repair assistance; making loans and grants to various projects and programs related to
33 improving the cultural life and promotion of tourism in Baltimore City; and the lending or

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

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1 granting of funds to any person or other legal entity to be used for or in connection with the
2 rehabilitation, renovation, redevelopment, improvement or construction of buildings and
3 structures to be used or occupied for residential or commercial purposes and the payment of
4 any and all costs and expenses incurred for, or in connection with, doing any or all of the
5 things herein mentioned, including, but not limited to, the costs and expenses of securing
6 administrative, appraisal, economic analysis, engineering, planning, designing, architectural,
7 surveying, and other professional services; and for doing any and all things necessary, proper,
8 or expedient in connection with or pertaining to any or all of the matters or things
9 hereinbefore mentioned; all such land or property shall be acquired, developed, redeveloped,
10 renovated, rehabilitated, altered, improved, held or disposed of, as provided by law;
11 authorizing the issuance of refunding bonds; conferring and imposing upon the Board of
12 Finance of Baltimore City certain powers and duties; authorizing the submission of this
13 Ordinance to the legal voters of the City of Baltimore, for their approval or disapproval, at the
14 General Election to be held in Baltimore City, on Tuesday, the 6th day of November, 2018;
15 and providing for the expenditure of the proceeds of sale of said certificates of indebtedness
16 in accordance with the provisions of the Charter of the Mayor and City Council of Baltimore,
17 and by the municipal agency designated in the annual Ordinance of Estimates of the Mayor
18 and City Council of Baltimore.

19 **WHEREAS**, By General Assembly House Resolution III and Senate Resolution I of 2018,
20 approved by the members of the Maryland General Assembly representing Baltimore City, the
21 Mayor and City Council of Baltimore is authorized to create a debt and to issue and sell its
22 certificates of indebtedness (hereinafter called "bonds") as evidence thereof, and proceeds not
23 exceeding \$47,000,000 from the sale of such bonds to be used in connection with the community
24 development program of the Mayor and City Council of Baltimore as authorized by said
25 Resolution; and

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

27 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
28 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
29 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
30 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
31 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
32 from time to time and at such times as shall be requisite, and proceeds not exceeding
33 \$47,000,000 from the sale of such bonds shall be used for the purposes hereinafter named,
34 provided that this Ordinance shall not become effective unless it shall be approved by a majority
35 of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated
36 by this Ordinance.

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

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

41 (b) The bonds authorized to be issued and sold under the provisions of this Ordinance
42 may be issued to mature on such dates and in such amounts as the Board of Finance may
43 determine; provided that the entire principal amount represented thereby shall be discharged not
44 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 said
13 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 and
18 City Council of Baltimore, to receive bids for the purchase of the bonds authorized to be issued
19 hereunder or any part thereof; the form, terms and conditions of such bids; the time, place and
20 manner of awarding bonds so bid for, including the right whenever any of the bonds authorized
21 by this Ordinance are offered for sale and sold at the same time as other bonds of the City, to
22 establish the conditions for bids and awards and to award all of the bonds on an all or none basis,
23 and the time, place, terms and manner of settlement for the bonds so bid for; provided, however,
24 that notwithstanding anything in this section, the Mayor and City Council of Baltimore, or the
25 Board of Finance, as the case may be, shall have the right to reject any or all bids therefor for any
26 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

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1 property in the City of Baltimore at a rate sufficient to produce revenue to pay all interest on and
2 principal of all bonds theretofore issued and outstanding or authorized to be issued and
3 outstanding, payable in the next succeeding year.

4 **SECTION 6. AND BE IT FURTHER ORDAINED,** That this Ordinance shall be submitted to the
5 legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to
6 be held in Baltimore City, on Tuesday, the 6th day of November, 2018.

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

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

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

22 (b) The remainder of such proceeds shall be used for or in connection with planning,
23 developing, executing and making operative the community, commercial and industrial
24 economic development programs of the Mayor and City Council of Baltimore, including, but not
25 limited to:

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

29 (ii) The payment of any and all costs and expenses incurred in connection with or
30 incidental to the acquisition and management of said land or property, including any and all
31 rights or interests therein hereinbefore mentioned;

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

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

39 (v) The elimination of unhealthful, unsanitary, or unsafe conditions, lessening density,
40 eliminating obsolete or other uses detrimental to the public welfare or otherwise removing or

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1 preventing the spread of blight or deterioration in the City of Baltimore; and the creation of
2 healthy, sanitary, and safe, and green conditions in the City of Baltimore;

3 (vi) The demolition, removal, relocation, renovation or alteration of land, buildings,
4 streets, highways, alleys, utilities or services, and other structures or improvements, and for the
5 construction, reconstruction, installation, relocation or repair of buildings, streets, highways,
6 alleys, utilities or services, and other structures or improvements;

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

11 (viii) The lending or granting of funds to any person or other legal entity to be used
12 for or in connection with the rehabilitation, renovation, redevelopment, improvement or
13 construction, removal or demolition of buildings and structures located within the boundaries of
14 Baltimore City, which buildings or structures are to be used or occupied for residential or
15 commercial purposes;

16 (ix) Making loans and grants to various projects and programs related to growing
17 businesses in the City; attracting and retaining jobs; encouraging homeownership and providing
18 home repair assistance and improving the cultural life and promotion of tourism in Baltimore
19 City; and

20 (xii) Doing any and all things necessary, proper or expedient in connection with or
21 pertaining to any or all of the matters or things hereinbefore mentioned.

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

24 SECTION 9. AND BE IT FURTHER ORDAINED, That:

25 (a) The Mayor and City Council of Baltimore, acting by and through the Board of Finance
26 thereof, is hereby authorized and empowered to issue its bonds for the purpose of refunding any
27 bonds authorized to be issued under the provisions of this Ordinance by payment at maturity or
28 the purchase or redemption of bonds in advance of maturity. The validity of any refunding bonds
29 shall in no way be dependent upon or related to the validity or invalidity of the bonds being
30 refunded. Such refunding bonds may be issued by the Mayor and City Council of Baltimore,
31 acting by and through the Board of Finance thereof, for the purpose of providing it with funds to
32 pay any of its outstanding bonds authorized to be issued under the provisions of this Ordinance at
33 maturity, to purchase in the open market any of its outstanding bonds authorized to be issued
34 under the provisions of this Ordinance prior to their maturity, to redeem prior to their maturity
35 any outstanding bonds which are, by their terms, redeemable, to pay interest on any outstanding
36 bonds prior to their payment at maturity or purchase or redemption in advance of maturity, or to
37 pay any redemption or purchase premium in connection with the refunding of any of its
38 outstanding bonds authorized to be issued under the provisions of this Ordinance.

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

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

3 (2) Debt restructuring that:

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

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

10 (c) Any refunding bonds authorized to be issued and sold under the provisions of this
11 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose
12 for the issuance of the refunding bonds, which amount may be in excess of the principal amount
13 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under
14 Section 1 of this Ordinance.

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

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

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

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

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

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

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