

**CITY OF BALTIMORE  
COUNCIL BILL 18-0213  
(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: 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

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**A BILL ENTITLED**

1      **AN ORDINANCE concerning**

**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     unhealthy, 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.

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 6<sup>th</sup> 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.

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

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

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

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

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

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

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

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

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

**SECTION 5. AND BE IT FURTHER ORDAINED,** That until all of the interest on and principal of any bonds issued pursuant to the provisions of this Ordinance have been paid in full, the Mayor and City Council of Baltimore shall levy and impose an annual tax on each \$100 of assessable

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 6<sup>th</sup> 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, 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

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:

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.

**Council Bill 18-0213**

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.