

**CITY OF BALTIMORE  
COUNCIL BILL 06-0355  
(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 6, 2006  
Assigned to: Taxation and Finance 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 — Economic Development Loan — \$24,400,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution  
4 VII of 2006 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 \$24,400,000 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 commercial and industrial economic  
11 development program of the Mayor and City Council of Baltimore, including, but not limited  
12 to, the acquisition, by purchase, lease, condemnation or any other legal means, of land or  
13 property, or any right, interest, franchise, easement or privilege therein, in the City of  
14 Baltimore; the payment of any and all costs and expenses incurred in connection with or  
15 incidental to the acquisition and management of said land or property, including any and all  
16 rights or interests therein hereinbefore mentioned; the payment of any and all costs and  
17 expenses incurred for or in connection with relocating and moving persons or other legal  
18 entities displaced by the acquisition of said land or property, or any of the rights or interests  
19 therein hereinbefore mentioned; the development, or redevelopment, including, but not  
20 limited to, the comprehensive renovation or rehabilitation of any land or property, or any  
21 rights or interests therein hereinbefore mentioned, in the City of Baltimore, and the  
22 disposition of land and property for such purposes; the elimination of unhealthful, unsanitary  
23 or unsafe conditions, lessening density, eliminating obsolete or other uses detrimental to the  
24 public welfare or otherwise removing or preventing the spread of blight or deterioration in  
25 the City of Baltimore; the demolition, removal, relocation, renovation or alteration of land,  
26 buildings, streets, highways, alleys, utilities or services, and other structures or  
27 improvements, and for the construction, reconstruction, installation, relocation or repair of  
28 buildings, streets, highways, alleys, utilities or services, and other structures or  
29 improvements; the payment of any and all costs and expenses incurred for or in connection  
30 with doing any or all of the things herein mentioned, including, but not limited to, the costs  
31 and expenses of securing administrative, appraisal, economic analysis, engineering, planning,  
32 designing, architectural, surveying, and other professional services; authorizing the making  
33 of loans and grants to persons and other legal entities; and for doing any and all things

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

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1 necessary, proper or expedient in connection with or pertaining to any or all of the matters or  
2 things hereinbefore mentioned; authorizing the issuance of refunding bonds; conferring and  
3 imposing upon the Board of Finance of Baltimore City certain powers and duties; authorizing  
4 the submission of this Ordinance to the legal voters of the City of Baltimore, for their  
5 approval or disapproval, at the General Election to be held in Baltimore City on Tuesday, the  
6 7th day of November, 2006; and providing for the expenditure of the proceeds of sale of said  
7 certificates of indebtedness in accordance with the provisions of the Charter of the Mayor  
8 and City Council of Baltimore, and by the municipal agency designated in the annual  
9 Ordinance of Estimates of the Mayor and City Council of Baltimore.

10 **WHEREAS**, By Resolution VII of 2006, approved by the members of the Maryland General  
11 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to  
12 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as  
13 evidence thereof, and proceeds not exceeding \$24,400,000 from the sale of such bonds to be  
14 used in connection with the economic development program of the Mayor and City Council of  
15 Baltimore as authorized by said Resolution; and

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

17 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the  
18 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said  
19 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell  
20 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or  
21 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance  
22 from time to time and at such times as shall be requisite, and proceeds not exceeding  
23 \$24,400,000 from the sale of such bonds shall be used for the purposes hereinafter named,  
24 provided that this Ordinance shall not become effective unless it shall be approved by a majority  
25 of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated  
26 by this Ordinance.

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

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

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

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

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

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

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

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

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

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

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

27 (c) All bonds issued and sold pursuant to the provisions of this Ordinance may be sold at  
28 public sale by the solicitation of competitive bids or at private (negotiated) sale without  
29 advertisement or solicitation of competitive bids, for a price or prices which may be at, above or  
30 below par value of the bonds, as determined by resolution of the Board of Finance of the Mayor  
31 and City Council of Baltimore. If the Board of Finance determines to sell the bonds at public  
32 sale, the bonds shall be sold to the highest responsible bidder or bidders therefor after due notice  
33 of such sale, but the Mayor and City Council of Baltimore, acting by and through the Board of  
34 Finance thereof, shall have the right to reject any or all bids therefor for any reason.

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

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

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

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

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

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

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

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

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

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

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

35               (vi) The demolition, removal, relocation, renovation or alteration of land, buildings,  
36 streets, highways, alleys, utilities or services, and other structures or improvements, and for the  
37 construction, reconstruction, installation, relocation or repair of buildings, streets, highways,  
38 alleys, utilities or services, and other structures or improvements;

39               (vii) The payment of any and all costs and expenses incurred for or in connection  
40 with doing any or all of the things herein mentioned, including, but not limited to, the costs and

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1 expenses of securing administrative, appraisal, economic analysis, engineering, planning,  
2 designing, architectural, surveying, and other professional services;

3 (viii) The making of loans and grants to persons and other legal entities engaged in  
4 the acquisition, development, redevelopment, rehabilitation and disposition of land and property,  
5 including any right, interest, franchise, easement or privilege therein in the City of Baltimore;  
6 and

7 (ix) Doing any and all things necessary, proper or expedient in connection with or  
8 pertaining to any or all of the matters or things hereinbefore mentioned.

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

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

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

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

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

31 (2) Debt restructuring that:

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

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

38 (c) Any refunding bonds authorized to be issued and sold under the provisions of this  
39 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose  
40 for the issuance of the refunding bonds, which amount may be in excess of the principal amount

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1 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under  
2 Section 1 of this Ordinance.

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

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

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

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

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

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

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