

**CITY OF BALTIMORE
COUNCIL BILL 12-0046
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Department of Planning)
Introduced and read first time: March 19, 2012
Assigned to: Taxation, Finance and Economic Development Committee

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

A BILL ENTITLED

1 AN ORDINANCE concerning

2
3 **Bond Issue — Public Buildings Loan — \$17,000,000**

4 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution
5 V of 2012 approved by the members of the Maryland General Assembly representing
6 Baltimore City) to create a debt, and to issue and sell its certificates of indebtedness as
7 evidence thereof, and proceeds not exceeding \$17,000,000 from the sale of such certificates
8 of indebtedness to be used for the cost of issuance, including the expense of engraving,
9 printing, advertising, attorneys' fees, and all other incidental expenses connected therewith,
10 and the remainder of such proceeds shall be used for the development of the buildings owned
11 or controlled by the Mayor and City Council of Baltimore and the Enoch Pratt Free Library
12 including but not limited to, the acquisition, by purchase, lease, condemnation or any other
13 legal means, of land or property, or any rights therein, in the City of Baltimore, and
14 constructing and erecting on said land or property, or on any land or property, new buildings,
15 structures, and other auxiliary facilities; and for the renovation, alteration, construction,
16 reconstruction, installation, improvement and repair of existing buildings, structures or
17 facilities, to be or now being used for or in connection with the operations, functions and
18 activities of the Mayor and City Council of Baltimore and the Enoch Pratt Free Library, and
19 for equipment and fixtures for any and all facilities authorized to be constructed, erected,
20 altered, reconstructed, renovated, installed or improved by the provisions hereof; the payment
21 of any and all costs and expenses incurred for or in connection with doing any or all of the
22 things herein mentioned, including but not limited to, the costs and expenses of securing
23 administrative, appraisal, economic analysis, engineering, planning, designing, architectural,
24 surveying and other professional services; and for doing any and all things necessary, proper
25 or expedient in connection with or pertaining to any or all of the matters or things
26 hereinbefore mentioned; authorizing the issuance of refunding bonds; conferring and
27 imposing upon the Board of Finance of Baltimore City certain powers and duties; authorizing
28 the submission of this Ordinance to the legal voters of the City of Baltimore, for their
29 approval or disapproval, at the election to be held in Baltimore City on Tuesday, the 6th day
30 of November, 2012; and providing for the expenditure of the proceeds of sale of said
31 certificates of indebtedness in accordance with the provisions of the Charter of the Mayor and
32 City Council of Baltimore, and by the municipal agency designated in the annual Ordinance
33 of Estimates of the Mayor and City Council of Baltimore.

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

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1 **WHEREAS**, By Resolution V of 2012, approved by the members of the Maryland General
2 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to
3 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as
4 evidence thereof, and proceeds not exceeding \$17,000,000 from the sale of such bonds to be used
5 in connection with buildings owned by the Mayor and City Council of Baltimore as authorized
6 by said Resolution; and

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

8 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
9 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
10 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
11 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
12 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
13 from time to time and at such times as shall be requisite, and proceeds not exceeding
14 \$17,000,000 from the sale of such bonds shall be used for the purposes hereinafter named,
15 provided that this Ordinance shall not become effective unless it shall be approved by a majority
16 of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated
17 by this Ordinance.

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

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

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

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

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

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

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

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

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

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

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

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

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

30 **SECTION 6. AND BE IT FURTHER ORDAINED, That** this Ordinance shall be submitted to the
31 legal voters of the City of Baltimore, for their approval or disapproval, at the election to be held
32 in Baltimore City, on Tuesday, the 6th day of November, 2012.

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

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

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

6 (b) The remainder of such proceeds shall be used for the development of the buildings
7 owned or controlled by the Mayor and City Council of Baltimore and the Enoch Pratt Free
8 Library including but not limited to, the acquisition, by purchase, lease, condemnation or any
9 other legal means, of land or property, or any rights therein, in the City of Baltimore, and
10 constructing and erecting on said land or property, or on any land or property, new buildings,
11 structures, and other auxiliary facilities; and for the renovation, alteration, construction,
12 reconstruction, installation, improvement and repair of existing buildings, structures or facilities,
13 to be or now being used for or in connection with the operations, functions and activities of the
14 Mayor and City Council of Baltimore and the Enoch Pratt Free Library, and for equipment and
15 fixtures for any and all facilities authorized to be constructed, erected, altered, reconstructed,
16 renovated, installed or improved by the provisions hereof; the payment of any and all costs and
17 expenses incurred for or in connection with doing any or all of the things herein mentioned,
18 including but not limited to, the costs and expenses of securing administrative, appraisal,
19 economic analysis, engineering, planning, designing, architectural, surveying and other
20 professional services; and for doing any and all things necessary, proper or expedient in
21 connection with or pertaining to any or all of the matters or things hereinbefore mentioned.

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

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

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

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

41 (2) Debt restructuring that:

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

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

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

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

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

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

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

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

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

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