

**CITY OF BALTIMORE
COUNCIL BILL 08-0084
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Department of Planning)
Introduced and read first time: March 17, 2008
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, Department of Recreation and Parks

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue — Recreation and Parks Loan — \$16,000,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution
4 XII of 2008 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 \$16,000,000 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 the acquisition, construction,
10 reconstruction, installation, erection, protection, extension, enlargement, renovation or
11 modernization of, and additions to, public park or recreational land, property, buildings,
12 structures or facilities; and for the acquisition and installation of equipment for any and all
13 existing facilities or new facilities authorized to be acquired, constructed, reconstructed,
14 erected, protected, extended, enlarged, renovated, modernized, improved or added to by the
15 provisions hereof; the payment of any and all costs and expenses incurred for or in
16 connection with doing any or all of the things herein mentioned, including, but not limited to,
17 the costs and expenses of securing administrative, appraisal, economic analysis, engineering,
18 planning, designing, architectural, surveying, and other professional services; and for doing
19 any and all things necessary, proper or expedient in connection with or pertaining to any or
20 all of the matters or things hereinbefore mentioned; authorizing the issuance of refunding
21 bonds; conferring and imposing upon the Board of Finance of Baltimore City certain powers
22 and duties; authorizing the submission of this Ordinance to the legal voters of the City of
23 Baltimore, for their approval or disapproval, at the General Election to be held in Baltimore
24 City on Tuesday, the 4th day of November, 2008; and providing for the expenditure of the
25 proceeds of sale of said certificates of indebtedness in accordance with the provisions of the
26 Charter of the Mayor and City Council of Baltimore, and by the municipal agency designated
27 in the annual Ordinance of Estimates of the Mayor and City Council of Baltimore.

28 **WHEREAS**, By Resolution XII of 2008, approved by the members of the Maryland General
29 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to
30 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as
31 evidence thereof, and proceeds not exceeding \$16,000,000 from the sale of such bonds to be
32 used for recreation and parks purposes as authorized by said Resolution; and

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

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

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

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

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

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

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

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

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

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

35 (c) If the bonds are to be sold at public sale, the time, place, manner and medium of
36 advertisement of the readiness of the Board of Finance, acting for and on behalf of the Mayor
37 and City Council of Baltimore, to receive bids for the purchase of the bonds authorized to be
38 issued hereunder or any part thereof; the form, terms and conditions of such bids; the time, place
39 and manner of awarding bonds so bid for, including the right whenever any of the bonds
40 authorized by this Ordinance are offered for sale and sold at the same time as other bonds of the
41 City, to establish the conditions for bids and awards and to award all of the bonds on an all or

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1 none basis, and the time, place, terms and manner of settlement for the bonds so bid for;
2 provided, however, that notwithstanding anything in this section, the Mayor and City Council of
3 Baltimore, or the Board of Finance, as the case may be, shall have the right to reject any or all
4 bids therefor for any reason.

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

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

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

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

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

23 **SECTION 6. AND BE IT FURTHER ORDAINED,** That this Ordinance shall be submitted to the
24 legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to
25 be held in Baltimore City, on Tuesday, the 4th day of November, 2008.

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

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

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

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1 (b) The remainder of such proceeds shall be used for the acquisition, construction,
2 reconstruction, installation, erection, protection, extension, enlargement, renovation or
3 modernization of, and additions to, public park or recreational land, property, buildings,
4 structures or facilities; and for the acquisition and installation of equipment for any and all
5 existing facilities or new facilities authorized to be acquired, constructed, reconstructed, erected,
6 extended, enlarged, renovated, modernized, improved or added to by the provisions hereof; the
7 payment of any and all costs and expenses incurred for or in connection with doing any or all of
8 the things herein mentioned, including, but not limited to, the costs and expenses of securing
9 administrative, appraisal, economic analysis, engineering, planning, designing, architectural,
10 surveying, and other professional services; and for doing any and all things necessary, proper or
11 expedient in connection with or pertaining to any or all of the matters or things hereinbefore
12 mentioned.

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

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

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

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

33 (2) Debt restructuring that:

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

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

40 (c) Any refunding bonds authorized to be issued and sold under the provisions of this
41 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose
42 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.