

**CITY OF BALTIMORE
COUNCIL BILL 08-0073
(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

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue — Community Development Loan — \$30,500,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution
4 XIII 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 \$30,500,000 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 community development program of the
11 Mayor and City Council of Baltimore, including, but not limited to, the acquisition, by
12 purchase, lease, condemnation or any other legal means, of land or property, or any right,
13 interest, franchise, easement or privilege therein, in the City of Baltimore; the payment of
14 any and all costs and expenses incurred in connection with or incidental to the acquisition
15 and management of said land or property, including any and all rights or interest therein
16 hereinbefore mentioned; the payment of any and all costs and expenses incurred for or in
17 connection with relocating and moving persons or other legal entities displaced by the
18 acquisition of said land or property, or any of the rights or interest therein hereinbefore
19 mentioned; the development, or redevelopment, including, but not limited to, the
20 comprehensive renovation or rehabilitation of any land or property, or any rights or interests
21 therein hereinbefore mentioned, in the City of Baltimore, and the disposition of land and
22 property for such purposes; the elimination of unhealthful, unsanitary or unsafe conditions,
23 lessening density, eliminating obsolete or other uses detrimental to the public welfare or
24 otherwise removing or preventing the spread of blight or deterioration in the City of
25 Baltimore; the demolition, removal, relocation, renovation or alteration of land, buildings,
26 streets, highways, alleys, utilities or services, and other structures or improvements, and for
27 the construction, reconstruction, installation, relocation or repair of buildings, streets,
28 highways, alleys, utilities or services, and other structures or improvements; the payment of
29 any and all costs and expenses incurred for or in connection with doing any or all of the
30 things herein mentioned, including, but not limited to, the costs and expenses of securing
31 administrative, appraisal, economic analysis, engineering, planning, designing, architectural,
32 surveying, and other professional services; and for doing any and all things necessary, proper
33 or expedient in connection with or pertaining to any or all of the matters or things

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

Council Bill 08-0073

1 hereinbefore mentioned; authorizing the issuance of refunding bonds; conferring and
2 imposing upon the Board of Finance of Baltimore City certain powers and duties; authorizing
3 the submission of this Ordinance to the legal voters of the City of Baltimore, for their
4 approval or disapproval, at the General Election to be held in Baltimore City, on Tuesday,
5 the 4th day of November, 2008; and providing for the expenditure of the proceeds of sale of
6 said certificates of indebtedness in accordance with the provisions of the Charter of the
7 Mayor and City Council of Baltimore, and by the municipal agency designated in the annual
8 Ordinance of Estimates of the Mayor and City Council of Baltimore.

9 **WHEREAS**, By Resolution XIII of 2008, approved by the members of the Maryland General
10 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to
11 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as
12 evidence thereof, and proceeds not exceeding \$30,500,000 from the sale of such bonds to be
13 used in connection with the community development program of the Mayor and City Council of
14 Baltimore as authorized by said Resolution; and

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

16 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
17 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
18 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
19 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
20 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
21 from time to time and at such times as shall be requisite, and proceeds not exceeding
22 \$30,500,000 from the sale of such bonds shall be used for the purposes hereinafter named,
23 provided that this Ordinance shall not become effective unless it shall be approved by a majority
24 of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated
25 by this Ordinance.

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

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

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

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

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

41 (a) The amount of debt to be incurred by the Mayor and City Council of Baltimore at any
42 particular time, and from time to time, under and pursuant to the provisions of this Ordinance;

Council Bill 08-0073

1 the date or dates when any bonds representing said debt, or any part thereof, are to mature, and
2 the amount or amounts of said debt, or any part thereof, which shall mature upon the aforesaid
3 date or dates; and the date or dates in each year, during the entire period of time when any of
4 said bonds are outstanding, when interest on any of said bonds shall be payable;

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

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

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

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

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

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

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

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

39 **SECTION 7. AND BE IT FURTHER ORDAINED, That** prior to the date of the election
40 hereinbefore mentioned, notice shall be given to the public of the amount of money which the
41 Mayor and City Council of Baltimore is authorized to borrow, and the general purposes for
42 which such borrowed funds may be expended, under the terms and provisions of this Ordinance,

Council Bill 08-0073

1 and the time when the election hereinbefore mentioned is to be held; and such public notice shall
2 be given in such manner and by such means or through such media and at such time or times as
3 may be determined, from time to time, by a majority of the Board of Finance.

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

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

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

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

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

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

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

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

31 (vi) The demolition, removal, relocation, renovation or alteration of land, buildings,
32 streets, highways, alleys, utilities or services, and other structures or improvements, and for the
33 construction, reconstruction, installation, relocation or repair of buildings, streets, highways,
34 alleys, utilities or services, and other structures or improvements;

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

39 (viii) Doing any and all things necessary, proper or expedient in connection with or
40 pertaining to any or all of the matters or things hereinbefore mentioned.

Council Bill 08-0073

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

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

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

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

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

23 (2) Debt restructuring that:

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

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

30 (c) Any refunding bonds authorized to be issued and sold under the provisions of this
31 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose
32 for the issuance of the refunding bonds, which amount may be in excess of the principal amount
33 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under
34 Section 1 of this Ordinance.

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

40 (e) Any refunding bonds authorized to be issued and sold under the provisions of this
41 Ordinance may be sold at public sale by the solicitation of competitive bids or at private

Council Bill 08-0073

1 (negotiated) sale without advertisement or solicitation of competitive bids, for a price or prices
2 which may be at, above or below the par value of the refunding bonds, as determined by
3 resolution of the Board of Finance of the Mayor and City Council of Baltimore.

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

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

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

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

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