

**CITY OF BALTIMORE
COUNCIL BILL 16-0642
(First Reader)**

Introduced by: The Council President
At the request of: The Administration (Department of Planning)
Introduced and read first time: March 21, 2016

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 Transportation

A BILL ENTITLED

1 AN ORDINANCE concerning

2 **Bond Issue - Community and Economic Development Loan - \$45,000,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution
4 II of 2016 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 \$45,000,000 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 or in connection with planning,
10 developing, executing, and making operative the community, commercial and industrial
11 economic development programs of the Mayor and City Council of Baltimore, including, but
12 not limited to, the acquisition, by purchase, lease, condemnation or any other legal means, of
13 land or 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 and the creation of healthy, sanitary, and safe, and green conditions in
26 the City of Baltimore; the demolition, removal, relocation, renovation or alteration of land,
27 buildings, streets, highways, alleys, utilities or services, and other structures or
28 improvements, and for the construction and reconstruction, installation, relocation or repair
29 of buildings, streets, highways, alleys, utilities or services, and other structures or
30 improvements; the payment of any and all costs and expenses incurred for or in connection
31 with doing any or all of the things herein mentioned, including, but not limited to, the costs
32 and expenses of securing administrative, appraisal, economic analysis, engineering, planning,
33 designing, architectural, surveying, and other professional services; the lending or granting of

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

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1 funds to pay any person or other legal entity to be used for or in connection with the
2 rehabilitation, renovation, redevelopment, improvement, or construction, removal or
3 demolition of buildings and structures located within the boundaries of Baltimore City, which
4 buildings or structures are to be used or occupied for residential or commercial purposes;
5 making loans and grants to various projects and programs related to improving the cultural
6 life and promotion of tourism in Baltimore City, including but not limited to the Modell Lyric
7 Foundation, Inc., the Maryland Zoo in Baltimore, Baltimore Heritage Area, Maryland
8 Science Center, American Visionary Arts Museum, Creative Alliance and B&O Railroad
9 Museum, Baltimore Museum of Art, the National Aquarium, Port Discovery, National Great
10 Blacks in Wax, Reginald F. Lewis Museum, Star Spangled Flag House, and the Walters Art
11 Museum; and doing any and all things necessary, proper or expedient in connection with or
12 pertaining to any or all of the matters or things hereinabove mentioned; all such land or
13 property shall be acquired, developed, redeveloped, renovated, rehabilitated, altered,
14 improved, held or disposed of, as provided by law; authorizing the issuance of refunding
15 bonds; conferring and imposing upon the Board of Finance of Baltimore City certain powers
16 and duties; authorizing the submission of this Ordinance to the legal voters of the City of
17 Baltimore, for their approval or disapproval, at the General Election to be held in Baltimore
18 City, on Tuesday, the 8th day of November, 2016; and providing for the expenditure of the
19 proceeds of sale of said certificates of indebtedness in accordance with the provisions of the
20 Charter of the Mayor and City Council of Baltimore, and by the municipal agency designated
21 in the annual Ordinance of Estimates of the Mayor and City Council of Baltimore.

22 **WHEREAS**, By Resolution II of 2016, approved by the members of the Maryland General
23 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to
24 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as
25 evidence thereof, and proceeds not exceeding \$45,000,000 from the sale of such bonds to be used
26 in connection with the community development program of the Mayor and City Council of
27 Baltimore as authorized by said Resolution; and

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

29 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
30 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
31 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
32 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
33 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
34 from time to time and at such times as shall be requisite, and proceeds not exceeding
35 \$45,000,000 from the sale of such bonds shall be used for the purposes hereinafter named,
36 provided that this Ordinance shall not become effective unless it shall be approved by a majority
37 of the votes of the legal voters of Baltimore City cast at the time and place hereinafter designated
38 by this Ordinance.

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

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

43 (b) The bonds authorized to be issued and sold under the provisions of this Ordinance
44 may be issued to mature on such dates and in such amounts as the Board of Finance may

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1 determine; provided that the entire principal amount represented thereby shall be discharged not
2 more than 40 years from the date of issuance of the bonds.

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

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

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

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

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

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

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

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

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

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

7 **SECTION 6. AND BE IT FURTHER ORDAINED**, That this Ordinance shall be submitted to the
8 legal voters of the City of Baltimore, for their approval or disapproval, at the General Election to
9 be held in Baltimore City, on Tuesday, the 8th day of November, 2016.

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

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

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

25 (b) The remainder of such proceeds shall be used for or in connection with planning,
26 developing, executing and making operative the community, commercial and industrial
27 economic development programs of the Mayor and City Council of Baltimore, including, but not
28 limited to:

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

32 (ii) The payment of any and all costs and expenses incurred in connection with or
33 incidental to the acquisition and management of said land or property, including any and all
34 rights or interests therein hereinbefore mentioned;

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

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

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

5 (v) The elimination of unhealthful, unsanitary, or unsafe conditions, lessening density,
6 eliminating obsolete or other uses detrimental to the public welfare or otherwise removing or
7 preventing the spread of blight or deterioration in the City of Baltimore and the creation of
8 healthy, sanitary, and safe, and green conditions in the City of Baltimore;

9 (vi) The demolition, removal, relocation, renovation or alteration of land, buildings,
10 streets, highways, alleys, utilities or services, and other structures or improvements, and for the
11 construction and reconstruction, installation, relocation or repair of buildings, streets, highways,
12 alleys, utilities or services, and other structures or improvements;

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

17 (viii) The lending or granting of funds to any person or other legal entity to be used
18 for or in connection with the rehabilitation, renovation, redevelopment, improvement or
19 construction, removal or demolition of buildings and structures located within the boundaries of
20 Baltimore City, which buildings or structures are to be used or occupied for residential or
21 commercial purposes;

22 (ix) Making loans and grants to various projects and programs related to improving
23 the cultural life and promotion of tourism in Baltimore City, including but not limited to the
24 Modell Lyric Foundation, Inc., the Maryland Zoo in Baltimore, Baltimore Heritage Area,
25 Maryland Science Center, American Visionary Arts Museum, Creative Alliance and B&O
26 Railroad Museum, Baltimore Museum of Art, the National Aquarium, Port Discovery, National
27 Great Blacks in Wax, Reginald F. Lewis Museum, Star Spangled Flag House and the Walters Art
28 Museum; and

29 (x) Doing any and all things necessary, proper or expedient in connection with or
30 pertaining to any or all of the matters or things hereinbefore mentioned.

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

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

34 (a) The Mayor and City Council of Baltimore, acting by and through the Board of Finance
35 thereof, is hereby authorized and empowered to issue its bonds for the purpose of refunding any
36 bonds authorized to be issued under the provisions of this Ordinance by payment at maturity or
37 the purchase or redemption of bonds in advance of maturity. The validity of any refunding bonds
38 shall in no way be dependent upon or related to the validity or invalidity of the bonds being
39 refunded. Such refunding bonds may be issued by the Mayor and City Council of Baltimore,
40 acting by and through the Board of Finance thereof, for the purpose of providing it with funds to
41 pay any of its outstanding bonds authorized to be issued under the provisions of this Ordinance at

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1 maturity, to purchase in the open market any of its outstanding bonds authorized to be issued
2 under the provisions of this Ordinance prior to their maturity, to redeem prior to their maturity
3 any outstanding bonds which are, by their terms, redeemable, to pay interest on any outstanding
4 bonds prior to their payment at maturity or purchase or redemption in advance of maturity, or to
5 pay any redemption or purchase premium in connection with the refunding of any of its
6 outstanding bonds authorized to be issued under the provisions of this Ordinance.

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

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

11 (2) Debt restructuring that:

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

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

18 (c) Any refunding bonds authorized to be issued and sold under the provisions of this
19 Ordinance may be issued in whatever principal amount shall be required to achieve the purpose
20 for the issuance of the refunding bonds, which amount may be in excess of the principal amount
21 of the bonds refunded or the maximum principal amount of bonds authorized to be issued under
22 Section 1 of this Ordinance.

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

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

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

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

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

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

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