

**CITY OF BALTIMORE
COUNCIL BILL 06-0349
(First Reader)**

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

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 — Cultural Institutions Loan — \$3,600,000**

3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution
4 I 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 \$3,600,000 from the sale of such certificates of
7 indebtedness to be used for the cost of issuance, including the expense of engraving, printing,
8 advertising, attorneys' fees, and all other incidental expenses connected therewith, and the
9 remainder of such proceeds to be used for or in connection with the development of cultural
10 institutions in the City of Baltimore, including but not limited to, the acquisition by purchase,
11 lease, condemnation or any other legal means, of land or property, or on other land or
12 property, or any rights therein, in the City of Baltimore, and constructing and erecting on said
13 land or property new buildings, structures, and other auxiliary facilities; and for the
14 renovation, alteration, construction, reconstruction, installation, improvement and repair of
15 existing buildings, structures or facilities, to be or now being used for or in connection with
16 the operations, functions, and activities of cultural institutions in the City of Baltimore; and
17 for equipment for any and all facilities authorized to be constructed, renovated, altered or
18 improved by the provisions hereof; and for architectural or engineering services or surveys
19 and any other necessary professional services, and any other activities relating to planning
20 for the purposes above mentioned; and for doing any and all things necessary, proper or
21 expedient in connection with or pertaining to any or all of the matters or things hereinbefore
22 mentioned; authorizing the issuance of refunding bonds; conferring and imposing upon the
23 Board of Finance of Baltimore City certain powers and duties; authorizing the submission of
24 this Ordinance to the legal voters of the City of Baltimore, for their approval or disapproval,
25 at the Election to be held in Baltimore City on Tuesday, the 7th day of November, 2006; and
26 providing for the expenditure of the proceeds of sale of said certificates of indebtedness in
27 accordance with the provisions of the Charter of the Mayor and City Council of Baltimore,
28 and by the municipal agency designated in the annual Ordinance of Estimates of the Mayor
29 and City Council of Baltimore.

30 Cultural institutions provide significant economic and social benefits to the City of
31 Baltimore. The development and improvement of cultural institutions foster and support the
32 general welfare of the City of Baltimore and its citizens.

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

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1 Therefore, it is in the best interests of the Mayor and City Council of Baltimore that the funds
2 for the development of cultural institutions in the City of Baltimore, including but not limited to
3 those listed below, be used in the following amounts:

4	• Upton Cultural Visitor Center	\$400,000
5	• B&O Museum	\$200,000
6	• Great Blacks in Wax	\$800,000
7	• Arena Players	\$350,000
8	• Babe Ruth Birthplace and Museum	\$200,000
9	• Reginald F. Lewis Museum	\$400,000
10	• Center Stage	\$200,000
11	• Creative Alliance	\$350,000
12	• USS Constellation Museum	\$500,000
13	• Sankofa Center for Cultural Enrichment	\$200,000
14	Total	\$3,600,000

15 **WHEREAS**, By Resolution I of 2006, approved by the members of the Maryland General
16 Assembly representing Baltimore City, the Mayor and City Council of Baltimore is authorized to
17 create a debt and to issue and sell its certificates of indebtedness (hereinafter called "bonds") as
18 evidence thereof, and proceeds not exceeding \$3,600,000 from the sale of such bonds to be used
19 in connection with the community development program of the Mayor and City Council of
20 Baltimore as authorized by said Resolution; and

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

22 **SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE**, That the
23 Mayor and City Council of Baltimore, acting by and through the Board of Finance of said
24 municipality, be and it is hereby authorized and empowered to create a debt and to issue and sell
25 bonds of the Mayor and City Council of Baltimore from time to time, as may be needed or
26 required for the purposes hereinafter named and said bonds shall be sold by the Board of Finance
27 from time to time and at such times as shall be requisite, and proceeds not exceeding \$3,600,000
28 from the sale of such bonds shall be used for the purposes hereinafter named, provided that this
29 Ordinance shall not become effective unless it shall be approved by a majority of the votes of the
30 legal voters of Baltimore City cast at the time and place hereinafter designated by this
31 Ordinance.

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

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

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

40 (c) The bonds, when issued, shall bear interest at such rate or rates as may be determined
41 by the Board of Finance, which rate or rates may be fixed or variable or as determined by a

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1 method approved by the Board of Finance, and such interest shall be payable at such time or
2 times as may be determined by the Board of Finance.

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (b) The remainder of such proceeds shall be used for the development of the Cultural
20 Institutions, including but not limited to, the acquisition by purchase, lease, condemnation or any
21 other legal means, of land or property, or on other land or property, or any rights therein, in the
22 City of Baltimore, and constructing and erecting on said land or property new buildings,
23 structures, and other auxiliary facilities; and for the renovation, alteration, construction,
24 reconstruction, installation, improvement and repair of existing buildings, structures or facilities,
25 to be or now being used for or in connection with the operations, functions, and activities of the
26 Cultural Institutions in the City of Baltimore, including, but not limited to, those defined in
27 Section 1; and for equipment for any and all facilities authorized to be constructed, renovated,
28 altered or improved by the provisions hereof; and for architectural or engineering services or
29 surveys and any other necessary professional services, and any other activities relating to
30 planning for the purposes above mentioned; and for doing any and all things necessary, proper or
31 expedient in connection with or pertaining to any and all of the matters or things hereinbefore
32 mentioned.

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
35 Finance thereof, is hereby authorized and empowered to issue its bonds for the purpose of
36 refunding any bonds authorized to be issued under the provisions of this Ordinance by payment
37 at maturity or the purchase or redemption of bonds in advance of maturity. The validity of any
38 refunding bonds shall in no way be dependent upon or related to the validity or invalidity of the
39 bonds being refunded. Such refunding bonds may be issued by the Mayor and City Council of
40 Baltimore, acting by and through the Board of Finance thereof, for the purpose of providing it
41 with funds to pay any of its outstanding bonds authorized to be issued under the provisions of
42 this Ordinance at maturity, to purchase in the open market any of its outstanding bonds
43 authorized to be issued under the provisions of this Ordinance prior to their maturity, to redeem
44 prior to their maturity any outstanding bonds which are, by their terms, redeemable, to pay
45 interest on any outstanding bonds prior to their payment at maturity or purchase or redemption in

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1 advance of maturity, or to pay any redemption or purchase premium in connection with the
2 refunding of any of its outstanding bonds authorized to be issued under the provisions of this
3 Ordinance.

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

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

8 (2) Debt restructuring that:

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

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

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

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

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

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

35 (g) The proceeds of the sale of any refunding bonds authorized to be issued and sold
36 under the provisions of this Ordinance, after the payment of issuance costs relating thereto, shall
37 be set aside by the Mayor and City Council of Baltimore as a separate trust fund to be used
38 solely 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,
10 and by the municipal agency designated in the annual Ordinance of Estimates of the Mayor and
11 City Council of Baltimore.