

CITY OF BALTIMORE
ORDINANCE _____
Council Bill 06-0356

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

Committee Report: Favorable with amendments
Council action: Adopted
Read second time: July 10, 2006

AN ORDINANCE CONCERNING

Bond Issue — Public Buildings Loan — \$2,000,000

1
2 **Bond Issue — Public Buildings Loan — \$2,000,000**
3 FOR the purpose of authorizing the Mayor and City Council of Baltimore (pursuant to Resolution
4 VIII 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 \$2,000,000 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 the acquisition, by purchase, condemnation, or any
10 other legal means, of land or property, or any rights therein, in the City of Baltimore, and for
11 constructing and erecting, on said land or property, or on any land or property, new
12 buildings, structures and other auxiliary facilities owned by the Mayor and City Council of
13 Baltimore, and for the renovation, alternation, construction, reconstruction, installation,
14 improvement and repair of existing buildings, structures and facilities to be or now being
15 used in connection with the operations, and functions of buildings owned by the Mayor and
16 City Council of Baltimore; and to equip all facilities authorized to be constructed, renovated,
17 altered or improved by the provisions hereof; the payment of any and all costs and expenses
18 incurred for or in connection with doing any or all of the things herein mentioned, including,
19 but not limited to, the costs and expenses of securing administrative, appraisal, economic
20 analysis, engineering, planning, designing, architectural, surveying, and other professional
21 services; and for doing any and all things necessary, proper or expedient in connection with
22 or pertaining to any or all of the matters or things hereinbefore mentioned; authorizing the
23 issuance of refunding bonds; conferring and imposing upon the Board of Finance of
24 Baltimore City certain powers and duties; authorizing the submission of this Ordinance to the
25 legal voters of the City of Baltimore, for their approval or disapproval, at the election to be
26 held in Baltimore City on Tuesday, the 7th day of November, 2006; and providing for the
27 expenditure of the proceeds of sale of said certificates of indebtedness in accordance with the
28 provisions of the Charter of the Mayor and City Council of Baltimore, and by the municipal
29 agency designated in the annual Ordinance 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.
Underlining indicates matter added to the bill by amendment.
~~Strike out~~ indicates matter stricken from the bill by
amendment or deleted from existing law by amendment.

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1 **WHEREAS**, By Resolution VIII of 2006, 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 \$2,000,000 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 \$2,000,000
14 from the sale of such bonds shall be used for the purposes hereinafter named, provided that this
15 Ordinance shall not become effective unless it shall be approved by a majority of the votes of the
16 legal voters of Baltimore City cast at the time and place hereinafter designated by this
17 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
38 said 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
3 and City Council of Baltimore, to receive bids for the purchase of the bonds authorized to be
4 issued hereunder or any part thereof; the form, terms and conditions of such bids; the time, place
5 and manner of awarding bonds so bid for, including the right whenever any of the bonds
6 authorized by this Ordinance are offered for sale and sold at the same time as other bonds of the
7 City, to establish the conditions for bids and awards and to award all of the bonds on an all or
8 none basis; and the time, place, terms and manner of settlement for the bonds so bid for;
9 provided, however, that notwithstanding anything in this section, the Mayor and City Council of
10 Baltimore, or the Board of Finance, as the case may be, shall have the right to reject any or all
11 bids therefor for any 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 7th day of November, 2006.

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

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

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

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

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

40 (2) Debt restructuring that:

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

42 (ii) Is determined by the Board of Finance of the Mayor and City Council of
43 Baltimore to be in the best interests of Baltimore City, to be consistent with Baltimore City's

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1 long-term financial plan, and to realize a financial objective of Baltimore City including,
2 improving the relationship of debt service to a source of payment such as taxes, assessments, or
3 other charges.

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

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

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

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

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

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

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

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

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Certified as duly passed this _____ day of _____, 20__

President, Baltimore City Council

Certified as duly delivered to His Honor, the Mayor,
this _____ day of _____, 20__

Chief Clerk

Approved this _____ day of _____, 20__

Mayor, Baltimore City