



**Council of the Town of Leonardtown
Ordinance No. 175**

**Subject: Financing and Refinancing of Purchase of Real Property and Related
Appurtenances to be Used as a New Town Hall and Related Activities**

Date Introduced on First Reading: May 9, 2016

Date Passed on Second Reading: May __, 2016

Date Effective: June __, 2016

AN ORDINANCE for the purpose of authorizing and empowering The Commissioners of Leonardtown (the “Town”) to issue and sell from time to time, upon its full faith and credit, one or more series of general obligation bonds, notes or other evidences of indebtedness in an aggregate principal amount not to exceed Six Hundred Fifty Thousand Dollars (\$650,000) for the public purpose of financing, reimbursing or refinancing costs of the acquisition of certain real property located at 22670 Washington Street, Leonardtown, Maryland, and related property appurtenances as described herein, and the renovation of the same for use as a new Town Hall, together with costs related to such undertaking; determining that each series of bonds, notes or other evidences of indebtedness (the “Indebtedness”) shall be sold by private (negotiated) sale without advertisement or solicitation of competitive bids unless the Council of the Town (the “Council”) determines otherwise by resolution; authorizing the Council by resolution to determine all details of any series of the Indebtedness; authorizing and empowering the Town to issue and sell from time to time, upon its full faith and credit, one or more series of general obligation bonds, notes or other evidences of indebtedness (the “Refunding Indebtedness”) in order to refund any series of the Indebtedness issued pursuant to the authority of this Ordinance and to fund related costs, provided that, the aggregate principal amount of any such series of the Refunding Indebtedness shall not exceed one hundred thirty percent (130%) of the aggregate principal amount of the Indebtedness refunded therefrom; determining that any series of the Refunding Indebtedness shall be sold at a private sale, without soliciting bids, unless the Council determines otherwise by resolution; authorizing the Council by resolution to determine all details of any series of the Refunding Indebtedness; providing for the levy and collection of ad valorem taxes sufficient for, and pledging the full faith and credit and unlimited taxing power of the Town to, the prompt payment of the principal of and interest on each series of the Indebtedness and the Refunding Indebtedness (the “Obligations”); providing that principal and interest on each series of the Obligations may be paid from any other sources lawfully available for such purpose; allowing the consolidation of any series of the Obligations with any other indebtedness of the Town; authorizing and empowering Town officials and employees to take any and all action in

connection with the transactions contemplated by this Ordinance; providing that this title, or a condensed version hereof, is a fair summary of this Ordinance; providing that the provisions of this Ordinance shall be liberally construed; and otherwise generally relating to the issuance, sale, delivery and payment of and for the Obligations.

RECITALS

WHEREAS, The Commissioners of Leonardtown, a municipal corporation of the State of Maryland and a municipality within the meaning of the Enabling Act and the Refunding Act identified below (the “Town”), is authorized and empowered by Sections 19-301 to 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Enabling Act”), and Section 719 of the Charter of the Town of Leonardtown, as replaced, supplemented or amended (the “Charter”), to borrow money for any proper public purpose and to evidence such borrowing by the issuance and sale of its general obligation bonds, notes or other evidences of indebtedness; and

WHEREAS, the Town has determined to acquire certain real property located at 22670 Washington Street, Leonardtown, Maryland and the related rights, ways, privileges, easements, land and improvements appurtenant or related thereto, and the fixtures, equipment and personal property attached or appurtenant to such land and improvements, which acquisition and related activities were approved by Ordinance No. 174, passed by the Council on April 18, 2016, approved by the Mayor on April 18, 2016 and anticipated to be effective on May 9, 2016, and to undertake renovations on such property, for use of the same as a new Town Hall, and, in connection with such undertakings, to acquire or pay for, as applicable, the acquisition of necessary property rights and equipment (including acquisition costs of such real and personal property, fixtures and equipment), related site improvements and utilities, related architectural, planning, design, engineering, surveying, bidding, document development, permitting, acquisition, construction, improvement, installation, modification, demolition, removal, renovation, reconstruction, rehabilitation, equipping, inspection, construction administration and related costs, related financial, administrative and legal expenses, and costs of related activities, including (without limitation) closing costs, moving expenses and information technology improvements, and has determined to borrow money for the public purpose of financing, reimbursing or refinancing all or a portion of the costs of any components of such activities, including costs of issuance relating to any such borrowing (collectively, the “Project”); and

WHEREAS, by this Ordinance, the Council desires to authorize the issuance and sale from time to time of one or more series of its general obligation bonds, notes or other evidences of indebtedness, including evidences of indebtedness in the form of a commercial loan or line of credit or similar facility, in order to finance, reimburse or refinance all or any portion of the costs of any components of the Project; and

WHEREAS, the Town has determined that each series of the bonds, notes or other evidences of indebtedness authorized hereby shall be sold by private (negotiated) sale without advertisement or solicitation of competitive bids, unless by resolution the Council provides for the sale of any series of the bonds, notes or other by solicitation of competitive bids at public sale; and

WHEREAS, subsequent to the issuance of any series of bonds, notes or other evidences of indebtedness provided for herein, the Town may desire to currently refund or advance refund all or a portion of such series of bonds, notes or other evidences of indebtedness through the issuance from time to time of one or more series of its general obligation refunding bonds, notes or other evidences of indebtedness pursuant to the authority of Section 19-207 of the Local Government Article of the Annotated Code of Maryland, as replaced, supplemented or amended (the “Refunding Act”); and

WHEREAS, the Town has determined to pledge its full faith and credit and unlimited taxing power to the prompt payment of debt service on any indebtedness or refunding indebtedness issued pursuant to authority of this Ordinance; and

WHEREAS, the Town shall issue any series of the obligations authorized hereby in accordance with the terms and conditions provided for in a resolution or resolutions to be adopted by the Council pursuant to this Ordinance.

SECTION I. BE IT ORDAINED BY THE COUNCIL OF THE TOWN OF LEONARDTOWN, that:

(a) The Recitals to this Ordinance are deemed a substantive part of this Ordinance and incorporated by reference herein. Capitalized terms used in the Sections of this Ordinance that are not otherwise defined herein shall have the meanings given to such terms in the Recitals to this Ordinance.

(b) References in this Ordinance to any official by title shall be deemed to refer (i) to any official authorized under the Charter or other applicable law to act in such titled official’s stead during the absence or disability of such titled official, (ii) to any person who has been elected, appointed or designated to fill such position in an acting capacity under the Charter or other applicable law, (iii) to any person who serves in a “Deputy”, “Associate” or “Assistant” capacity as such an official, provided that the applicable responsibilities, rights or duties referred to herein have been delegated to such deputy, associate or assistant in accordance with applicable law or authority, and/or (iv) to the extent an identified official commonly uses another title not provided for in the Charter or the code of ordinances of the Town (the “Town Code”), the official, however known, who is charged under the Charter, the Town Code or other applicable law or authority with the applicable responsibilities, rights or duties referred to herein.

SECTION II. AND BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act and the Charter, the Town hereby determines to borrow money and incur indebtedness from time to time for the public purpose of financing, reimbursing or refinancing all or a portion of the costs of any components of the Project. Costs of the components of the Project as set forth in the definition of the Project contained in the Recitals to this Ordinance shall include, but shall not be limited to, any such activities undertaken by the seller of the property that is a component of the Project and the costs of which such activities are either included in, or are in addition to, the purchase price of such property.

SECTION III. AND BE IT FURTHER ORDAINED that to evidence the borrowing and indebtedness authorized in Section II of this Ordinance, the Town, acting pursuant to the authority of the Enabling Act and Section 719 of the Charter, is hereby authorized and empowered to issue and sell from time to time, in one or more series, upon its full faith and credit, its general obligation bonds, notes or other evidences of indebtedness in an aggregate principal amount not to exceed Six Hundred Fifty Thousand Dollars (\$650,000.00) (collectively, the “Indebtedness”). Any series of the Indebtedness may be issued as one or more general obligation bonds, notes or other evidences of indebtedness and any such bond, note or other evidence of indebtedness may be issued in installment form and/or draw-down form. In addition, any series of the Indebtedness may be structured as commercial loan financing or as a line of credit or similar facility and/or to provide both construction period and permanent financing, with appropriate conversion and/or reissuance features, and with different terms applying during the construction and permanent financing periods.

SECTION IV. AND BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act and Section 719 of the Charter, the Town hereby determines that it is in the public interest of the Town to sell each series of the Indebtedness by private (negotiated) sale without advertisement or solicitation of competitive bids due to the size of the financing, market conditions, the ability to time the market, and the ability to negotiate terms and to thereby achieve a beneficial interest rate or rates and other beneficial terms, and the lower costs of issuance typically associated with a private (negotiated) sale, unless the Resolution (as defined in Section VI hereof) provides for the solicitation of competitive bids at public sale for any series of the Indebtedness.

SECTION V. AND BE IT FURTHER ORDAINED that the proceeds of the Indebtedness shall be used and applied by the Town exclusively and solely for the public purposes described in Section II of this Ordinance, unless a supplemental ordinance is enacted by the Council to provide for the use and application of such proceeds for some other proper public purpose authorized by the Enabling Act, the Charter or other applicable law.

SECTION VI. AND BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act, Section 719 of the Charter and this Ordinance, the Council, prior to the issuance, sale and delivery of each series of the Indebtedness, shall adopt a resolution or resolutions (in each such case and, collectively, the “Resolution”) specifying, prescribing, determining, providing for or approving such matters, details, forms (including, without limitation, the complete forms of the Indebtedness of such series and the form of the bond purchase agreement or any similar agreement with the purchaser or purchasers of such series of the Indebtedness, if deemed necessary or desirable or, if such series of the Indebtedness is to be sold by public sale at competitive bid, the form of any notice of sale for such series of the Indebtedness), documents or procedures as may be required by the Enabling Act, the Charter or this Ordinance or as the Council may deem appropriate for the authorization, sale, security, issuance, delivery, payment, prepayment or redemption of or for such series of the Indebtedness. The Resolution shall set forth, determine or provide for the determination of, or approve or provide for the approval of, among other matters, as applicable, the designation of such series of the Indebtedness; the date of issue of such series of the Indebtedness; the aggregate principal amount of such series of the Indebtedness; the denominations of such series of the Indebtedness; the maturity or maturities of such series of the Indebtedness; the principal installment or installments payable on such series of the Indebtedness or the method of determining such principal installments; the serial and/or term maturities of such series of the

Indebtedness; the rate or rates of interest, or the method of determining the rate or rates of interest, payable on such series of the Indebtedness, which may be fixed or variable; provisions for the payment of late fees and/or additional interest or penalties payable on the Indebtedness of such series or adjustments to interest rates in appropriate circumstances; the purchase price for such series of the Indebtedness or the method of determining the purchase price; provisions relating to the prepayment or redemption of such series of the Indebtedness at the Town's option or by mandatory sinking fund payments; provisions allowing the registered owners of such series of the Indebtedness to put or cause the prepayment or redemption of the same at their option; provisions relating to the sale of such series of the Indebtedness by private (negotiated) sale, unless the Resolution shall provide for the sale of the Indebtedness of such series by public sale and all matters in connection therewith, in which case the Resolution shall set forth the procedures for the sale of the Indebtedness of such series at public sale (including any advertising or bidding requirements) and the award of such series of the Indebtedness to the successful bidder, if appropriate; the limitations, if any, on the costs of the Project to which proceeds of such series of the Indebtedness may be applied; provisions for the appropriation, disposal and investment of proceeds of such series of the Indebtedness; provisions for the application of unexpended proceeds, any premium paid upon sale or investment earnings on proceeds of such series of the Indebtedness, which may include, without limitation, on costs of the Project or on debt service payable on such series of the Indebtedness, to the extent permitted by applicable law; the selection of any bond registrar, paying agent, investment bidding agent or other appropriate service providers in connection with such series of the Indebtedness; certifications, representations, determinations, designations or elections relating to the tax-exempt or taxable status of interest payable on such series of the Indebtedness; and all other terms and conditions pursuant to which such series of the Indebtedness will be issued, sold and delivered. Among other matters, the Council, pursuant to the Resolution, may authorize, approve or otherwise provide for (i) any commitment fee or similar fee and other costs (including, without limitation, other parties' legal costs) payable in connection with any series of the Indebtedness and any compensation payable to the purchaser or purchasers of such series of the Indebtedness in the event the Town fails to deliver such series of the Indebtedness, (ii) the obtaining of credit enhancement or liquidity support for any series of the Indebtedness (and the execution and delivery of any agreements or documents relating thereto), and (iii) any other agreements, documents, instruments or determinations necessary to enhance the marketability of or as security for any series of the Indebtedness, including (without limitation) any ratings, any official statement or similar disclosure document or any continuing disclosure undertaking required to satisfy the requirements of Securities and Exchange Commission Rule 15c2-12. References in this Section VI to providing for determinations or approvals pursuant to the Resolution shall be construed to permit the Council to delegate to one or more officials the authority to make on behalf of the Town any of the determinations contemplated by this Section VI. Any Resolution may determine the matters identified in this Section VI for more than one series of the Indebtedness.

SECTION VII. AND BE IT FURTHER ORDAINED that pursuant to the authority of the Enabling Act, the Refunding Act and Section 719 of the Charter, the Town is hereby authorized and empowered to issue and sell from time to time, upon its full faith and credit, one or more series of its general obligation bonds (collectively, the "Refunding Indebtedness") for the purpose of currently refunding or advance refunding any of the Indebtedness then outstanding, including paying all or any portion of the following: outstanding principal, any prepayment or redemption premium and interest accrued or to accrue to the date of prepayment,

redemption, purchase or maturity of the Indebtedness to be refunded, paying costs and expenses in connection with the issuance, sale and delivery of such Refunding Indebtedness, and, to the extent determined by the Council by resolution, paying interest on such Refunding Indebtedness, for the public purpose of realizing savings to the Town in the total cost of debt service on a direct comparison or present value basis or in order to accomplish any debt restructuring that is permitted by applicable law; provided that, the aggregate principal amount of any such series of the Refunding Indebtedness shall not exceed one hundred thirty percent (130%) of the outstanding aggregate principal amount of the Indebtedness refunded therefrom. Any such series of the Refunding Indebtedness may consist of one or more general obligation refunding bonds, notes or other evidences of indebtedness and any such bond, note or other evidence of indebtedness may be issued in installment form and/or draw-down form. In addition, any series of the Refunding Indebtedness may be structured as commercial loan financing or as a line of credit or similar facility and/or with appropriate conversion and/or reissuance features. Prior to the issuance, sale and delivery of each series of the Refunding Indebtedness, the Council shall adopt a resolution or resolutions authorizing such series of the Refunding Indebtedness and specifying, describing, determining or providing for the determination of, providing for, or approving or providing for the approval of, with respect to such series of the Refunding Indebtedness, the same types of matters, details, forms, documents, procedures and determinations specified to be made or addressed in Section VI hereof with respect to each series of the Indebtedness, to the extent applicable to such series of the Refunding Indebtedness, and as otherwise may be authorized or required by applicable law, including the purposes of the Refunding Act to be achieved by the issuance of such series of the Refunding Indebtedness. Unless the Council determines otherwise in a resolution providing for any series of the Refunding Indebtedness, pursuant to the authority of the Refunding Act, each series of the Refunding Indebtedness shall be sold at a private sale, without soliciting bids, due to the ability to time the market, negotiate terms and thereby serve the public interest by achieving a beneficial interest rate or rates and other beneficial terms by undertaking a private sale, and the lower costs of issuance typically incurred with a negotiated sale.

SECTION VIII. AND BE IT FURTHER ORDAINED that:

(a) For the purpose of paying the principal of and interest on each series of the Indebtedness or the Refunding Indebtedness (each, a series of the “Obligations”) when due, the Town shall levy or cause to be levied, for each and every fiscal year during which any such series of the Obligations may be outstanding, ad valorem taxes upon all real and tangible personal property within its corporate limits subject to assessment for unlimited municipal taxation in rate and amount sufficient to provide for the prompt payment, when due, of the principal of and interest on such series of the Obligations in each such fiscal year. If the proceeds from the taxes so levied in any such fiscal year are inadequate for such payment, additional taxes shall be levied in the succeeding fiscal year to make up such deficiency.

(b) The full faith and credit and unlimited taxing power of the Town are hereby irrevocably pledged to the prompt payment of the principal of and interest on each series of the Obligations as and when they become due and payable and to the levy and collection of the taxes hereinabove described as and when such taxes may become necessary in order to provide sufficient funds to meet the debt service requirements of such series of the Obligations. The Town hereby

covenants and agrees with the registered owners, from time to time, of each series of the Obligations to levy and collect the taxes hereinabove described and to take any further lawful action that may be lawfully appropriate from time to time during the period that such series of the Obligations remains outstanding and unpaid to provide the funds necessary to pay promptly the principal thereof and the interest due thereon.

(c) The foregoing provisions shall not be construed so as to prohibit the Town from paying the principal of and interest on any series of the Obligations from the proceeds of the sale of any other obligations of the Town (including, without limitation, with respect to the Indebtedness, from the proceeds of the Refunding Indebtedness). Subject to any applicable limitations of federal or Maryland law, the Town may apply to the payment of the principal of or interest on any series of the Obligations any funds received by it from the State of Maryland or the United States of America, or any governmental agency or instrumentality, or from any other source, if such funds are granted or paid to the Town for the purpose of assisting the Town in the type of project which the Obligations of such series are issued to finance, reimburse or refinance or are otherwise available for such purpose, and to the extent of any such funds received or receivable in any fiscal year, the taxes hereby required to be levied may be reduced proportionately.

SECTION IX. AND BE IT FURTHER ORDAINED that by resolution, the Council may determine that any of the Indebtedness or the Refunding Indebtedness may be consolidated with any bonds, notes or other evidences of indebtedness and/or refunding bonds, notes or other evidences of indebtedness authorized by the Council and issued as a single series of bonds, notes or other evidences of indebtedness.

SECTION X. AND BE IT FURTHER ORDAINED that the Mayor, the Town Administrator, the Treasurer, the Town Secretary and all other appropriate officials and employees of the Town are hereby authorized and directed to take any and all action necessary to complete and close the sale, issuance and delivery of each series of the Indebtedness or the Refunding Indebtedness and to negotiate, approve, execute and deliver all documents, certificates and instruments necessary or appropriate in connection therewith, and to consummate and carry out the transactions contemplated by this Ordinance and any resolution adopted in furtherance of this Ordinance.

SECTION XI. AND BE IT FURTHER ORDAINED that this Ordinance is not intended to become part of the Town Code.

SECTION XII. AND BE IT FURTHER ORDAINED that the title of this Ordinance, or a condensed version thereof prepared in accordance with Section 209 of the Charter, shall be deemed to be, and is, a fair summary of this Ordinance for publication and all other purposes.

SECTION XIII. AND BE IT FURTHER ORDAINED that this Ordinance shall become effective at the expiration of twenty (20) days following approval by the Mayor or passage by the Council over the Mayor's veto, in accordance with Section 210 of the Charter, subject to the provisions of Section 211 of the Charter.

[SIGNATURES FOLLOW ON THE NEXT PAGE]

Attest:

COUNCIL OF THE TOWN OF
LEONARDTOWN:

Laschelle E. McKay
Town Administrator

Leslie E. Roberts
Vice President

Thomas M. Combs
Council Member

(SEAL)

Hayden T. Hammett
Council Member

J. Maguire Mattingly, IV
Council Member

Roger L. Mattingly
Council Member

This Ordinance was presented to the Mayor for his approval or disapproval pursuant to Section 210 of the Charter of the Town of Leonardtown this _____ day of _____, 2016.

Laschelle E. McKay, Town Administrator

In accordance with Section 210 of the Charter of the Town of Leonardtown, I hereby (Approve) or (Disapprove) _____ this Ordinance this _____ day of _____, 2016.

Daniel W. Burriss, Mayor

Key:

Underlining = material added by amendment after introduction

~~Strikethrough~~ = material deleted by amendment after introduction

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