

FISCAL IMPACT NOTE

Legislation No: O-43-16

First Reader Date: 9-26-16

Note Date: 9-20-16

Legislation Title: Issuance of General Obligation Refunding Bonds

Description: For the purpose of authorizing and empowering the City of Annapolis (the "City") to issue and sell, upon its full faith and credit, one or more series of its general obligation bonds in the aggregate principal amount not to exceed \$64,000,000, pursuant to Sections Section 19-207 and 19-301 through 19-309, inclusive, of the Local Government Article of the Annotated Code of Maryland, as amended, and Article VII, Section 11 of the Charter of the City of Annapolis, as amended, to be designated as the "Public Improvements Refunding Bonds, 2016 Series", and to be issued and sold for the public purpose of refunding all or a portion of certain outstanding general obligation bonds of the City, as provided in this Ordinance; prescribing the form and tenor of the Bonds; determining the method of sale of the Bonds and other matters relating to the issuance and sale thereof; providing for the disbursement of the proceeds of the Bonds; covenanting to levy and collect all taxes necessary to provide for the payment of the principal of and interest on the Bonds; and generally providing for and determining various matters relating to the issuance, sale and delivery of the Bonds.

Analysis of Fiscal Impact: This legislation would allow the City to spend the proceeds of the bonds authorized pursuant to this Ordinance to refund all or a portion of the City's Public Improvements and Refunding Bonds, 2011 Series, Public Improvements and Refunding Bonds, 2012 Series, Public Improvements Refunding Bonds, 2015 Series B, General Obligation Refunding Revenue Bonds (Park Place) Series 2013B (Tax-Exempt), General Obligation Refunding Revenue Bonds (Park Place Project) Series 2013C (Taxable), and such other general obligation bonds designated by the Mayor of Annapolis (the "Mayor") pursuant to an executive order (collectively, the "Refunded Bonds") and pay the costs of issuing such bonds.

The Refunding Act authorizes the City to issue bonds for the purpose of refunding outstanding bonds issued by the City in order to realize debt service savings on either a direct comparison or present value basis. The City has determined that it is in the best interest of the City to borrow money and incur indebtedness and the City is authorized and empowered to issue and sell, upon its full faith and credit its general obligation, fully-registered bonds in the aggregate principal amount not to exceed Sixty-Four Million Dollars (\$64,000,000), to be known as the "Public Improvements Refunding Bonds, 2016 Series" (the "Bonds") or such other designation as deemed appropriate by the Mayor or the City Manager of Annapolis (the "City Manager"), for the purposes of refunding all or a portion of the Refunded Bonds and paying the costs of issuing such Bonds in order to realize savings to the City in the aggregate cost of debt service. This legislation will not produce additional debt service, but rather produce a savings in debt service.