

ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY'S GENERAL OBLIGATION BOND (WETLAND PARK PROJECT), SERIES OF 2018B-WPCRF IN ORDER TO PROVIDE THE FUNDS NECESSARY FOR THE CITY'S WETLAND PARK PROJECT; PROVIDING FOR THE SALE OF THE BOND; AND AUTHORIZING OTHER NECESSARY ACTION

#4556

Sponsor:

Council
Member
Guy

WHEREAS, the City of Wilmington (the "City") has included in its fiscal year 2014, 2016, and 2018 Capital Budgets and determined to undertake the Wetland Park Project (the "Project") in order to: (i) replace a combined sewer system in the City's Southbridge area with separate sanitary sewer and stormwater collection and conveyance systems; (ii) restore and revitalize wetlands and improve environmental conditions; (iii) provide an area to redirect flood waters and separated stormwater; and (iv) create a passive park open space destination for the community and an environment conducive for economic development; and

WHEREAS, in order to finance the Project and pay certain administrative costs relating to the Project and the costs of issuing the 2018B Bond (as defined herein), the City has determined to issue its General Obligation Bond, Series of 2018B-WPCRF (the "2018B Bond"), in a principal amount not to exceed \$15,107,399; and

WHEREAS, the City has heretofore adopted the General Obligation Bond Ordinance, No. 83-019, Division 4 of Article VI of Chapter 2 of the Wilmington City Code (the "General Ordinance"), authorizing the City to issue general obligation bonds secured by a pledge of the City's full faith, credit and taxing power, for the purpose of, among other things, paying the costs of capital projects; and

WHEREAS, this Ordinance is a Supplemental Ordinance adopted pursuant to the General Ordinance and provides for the issuance and sale of the Bonds.

THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

SECTION 1. Defined Terms. Terms used in this Ordinance and not otherwise defined shall have the meaning specified in the General Ordinance.

SECTION 2. Authorization of the 2018B Bond. The City hereby authorizes the issuance of its General Obligation Bond, Series of 2018B-WPCRF, or such other series designation as the Bond Committee (defined herein) shall determine, in a principal amount not to exceed \$15,107,399 as supplemented by this Ordinance and the Bond Committee Resolution (as defined herein) for the purpose of financing the Project. The Bond shall be sold to the Delaware Water Pollution Control Revolving Fund.

The 2018B Bond shall be in such principal amount (not exceeding \$15,107,399), shall bear such rate or rates of interest, shall mature in such principal amounts and on such dates, shall be subject to redemption, shall be sold at such price and in such manner, and shall be in such form and contain or be subject to such other terms and conditions, as shall be determined by the City of Wilmington Bond Committee (the "Bond Committee") pursuant to a resolution of said committee (the "Bond Committee Resolution").

SECTION 3. Execution of the 2018B Bond. The 2018B Bond shall be executed by the manual or facsimile signatures of the Mayor, the City Treasurer and the City Auditor, and by the manual or facsimile impression of the City seal, both attested by the manual or facsimile signature of the City Clerk or Deputy City Clerk. The 2018B Bond in definitive form may be printed, typewritten or lithographed without steel engraved borders.

SECTION 4. Security for the 2018B Bond. The full faith, credit and taxing power of the City is hereby pledged to the prompt payment of the principal of, premium if any, and the interest on the 2018B Bond. The 2018B Bond shall be the direct and unlimited obligation of the City, and unless paid from other sources, the City shall levy *ad valorem* taxes upon all taxable property in the City for the payment of the 2018B Bond subject to the limitation contained in applicable law.

SECTION 5. Further Action. The appropriate officers of the City are hereby authorized and directed to take all such action, execute, deliver, file and record all such documents, publish all notices and otherwise carry out the intent of the General Ordinance and this Ordinance in the name of and on behalf of the City.

SECTION 6. Inconsistent Provisions. In the event that any provision of the 2018B Bond, or any term or condition contained in any agreement relating to the 2018B Bond, shall be inconsistent with any of the provisions of the General Ordinance or this Ordinance, the 2018B Bond and such agreement shall be controlling with respect to the 2018B Bond and such agreement.

SECTION 7. Relation to General Ordinance. This Ordinance is supplemental to the General Ordinance and all sections of the General Ordinance, except as modified herein in accordance therewith, are applicable to the 2018B Bond authorized hereunder.

SECTION 8. Effective Date. This Ordinance shall become effective upon its passage by Council and approval by the Mayor.

First Reading June 21, 2018
Second Reading June 21, 2018
Third Reading

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2018

Mayor

SYNOPSIS: This Ordinance authorizes the issuance of the City's General Obligation Bond Series of 2018B-WPCRF, in an amount not to exceed \$15,107,399 (the "2018B Bond"). The 2018B Bond which will be sold to the Delaware Water Pollution Control Revolving Fund in order to finance capital projects of the City, specifically, the Wetland Park Project.

FISCAL IMPACT: Notable impact is on the City's debt service expenditure which is subject to the operating budget for such fiscal year, that is a product of the interest rate specified and the outstanding balance on the loan on such dates as set forth in the financing agreement. Debt service related to the City's enterprise funds are not subject to the statutory limit. Full accrual schedule will be set at project completion at which time, principal and interest of the bonds payable will amortize over the remaining term to maturity to achieve level debt service. Although principal payments are not expensed, there is fiscal impact on the City's cashflow from financing activities, subject to review by the City Treasurer.