

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY'S GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES ON A TAX-EXEMPT AND/OR TAXABLE BASIS, IN ORDER TO PROVIDE THE FUNDS NECESSARY TO (I) FINANCE VARIOUS CAPITAL PROJECTS SPECIFIED IN THE CITY'S FISCAL YEAR 2024 AND 2026 CAPITAL BUDGETS AND (II) REFUND A GENERAL OBLIGATION BOND ANTICIPATION NOTE AND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY; AND PROVIDING FOR THE SALE OF THE BONDS; AND AUTHORIZING OTHER NECESSARY ACTION

#0096

Sponsor:

Council
Member
Harlee

WHEREAS, the City of Wilmington (the "City") presently intends to finance a project consisting of funding various capital projects specified in the capital budgets for its Fiscal Years ending June 30, 2024 and June 30, 2026 (collectively, the "Capital Projects"); and

WHEREAS, the City also intends to refinance prior debt obligations consisting of the (i) refunding of the City's General Obligation Bond Anticipation Note (Capital Projects – Capital Budgets 2022 and 2024), Series of 2024 (the "2024 BAN") to provide long-term, permanent funding for such 2024 BAN, and (ii) refunding of certain of the City's outstanding General Obligation Bonds, including the 2015 General Obligation Bonds (collectively, the "Refunding Projects," and together with the Capital Projects, the "Project"); and

WHEREAS, in order to finance the Capital Projects and the costs of issuing the Capital Bonds (as defined herein), the City has determined to issue on a tax-exempt and/or taxable basis one or more series of its General Obligation Bonds in an aggregate principal amount not to exceed \$50,000,000; and

WHEREAS, in order to finance the Refunding Projects and the costs of issuing the Refunding Bonds (as defined herein), the City has determined to issue its General Obligation Bonds in an aggregate principal amount not to exceed \$41,000,000 in one or more series on a tax-exempt and/or taxable basis; and

WHEREAS, the City has heretofore adopted the General Obligation Bond Ordinance, No. 83-019, Division 7 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 refunding prior debt obligations of the City; and

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

NOW, THEREFORE, 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 General Obligation Bonds. The City hereby authorizes the issuance of its General Obligation Bonds in an aggregate principal amount not to exceed \$50,000,000 (the "Capital Bonds") in one or more series on a tax-exempt and/or taxable basis in order to finance the Capital Projects. The City hereby also authorizes the issuance of its General Obligation Bonds in an aggregate principal amount not to exceed \$41,000,000 (the "Refunding Bonds") in one or more series on a tax-exempt and/or taxable basis in order to refund the 2024 BAN and certain outstanding debt of the City, including the 2015 General Obligation Bonds. The Capital Bonds and the Refunding Bonds (collectively, the "Bonds") shall be issued pursuant to and in accordance with the General Ordinance, as supplemented by this Ordinance, and the Bond Committee Resolution (as defined herein) for the purpose of financing the Project and the costs of issuing the Bonds. The Bonds shall be sold at a private negotiated sale or competitive sale as determined by such Bond Committee Resolution.

The Bonds shall be awarded and sold by the Bond Committee to one or more underwriters, placement agents, or other financial institutions (the "Underwriter") to be selected by the Bond Committee at a purchase price and in accordance with such terms and conditions as will be set forth (i) in a bond purchase agreement, or similar agreement, to be entered into by the Underwriter and the City, or (ii) in the case of a competitive sale, in a bid form submitted to the Bond Committee in response to an invitation to bid prepared and distributed by the Bond Committee. In the case of clause (ii) above, the Bond Committee will accept the bid form which represents the lowest true interest cost to the City. The appropriate officials of the City are hereby authorized to enter into such bond purchase agreement and to execute the bond purchase agreement on behalf of the City, or to accept the most favorable bid form.

The Bonds shall bear such rate or rates of interest (not to exceed 6.0%), 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 in the resolution adopted by the Bond Committee (the "Bond Committee Resolution"). A series designation for any particular series of Bonds shall be made in the Bond Committee Resolution corresponding to such series.

SECTION 3. Authorization of Paying Agent's Agreement. If the Bond Committee determines that retaining a Paying Agent (as defined herein) is in the best financial interests of the City, a fiscal agent, paying agent, and registrar for the Bonds (the "Paying Agent") may be selected and appointed by the Bond Committee. In the event that it is determined that it is advantageous to use a Paying Agent, the appropriate officials of the City are hereby authorized and directed to contract with the Paying Agent in connection with the performance of duties as paying agent and registrar on the usual and customary terms. The paying agent agreement entered into between the City and the Paying Agent shall be in such form as shall be approved by the Bond Committee.

SECTION 4. Preparation of Preliminary Official Statement and Official Statement. If the City determines to sell the Bonds pursuant to a public sale, the Bond Committee is authorized and directed to prepare, approve, and "deem final" a preliminary official statement and an official statement with respect to the Bonds. The final official statement shall contain the final terms of the Bonds and shall be prepared for use in the public offering and the sale of the Bonds.

SECTION 5. Execution of the Bonds. The Bonds shall be executed by the manual or facsimile signatures of the Mayor, the City Treasurer, and the City Auditor, and by the actual or facsimile impression of the City Seal, both attested by the manual or facsimile signatures of the City Clerk or Deputy City Clerk. The Bonds in definitive form may be printed, typewritten, or lithographed without steel engraved borders.

SECTION 6. Security for the Bonds. 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 Bonds. The Bonds shall be the direct and unlimited obligations 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 Bonds without limitation as to rate or amount.

SECTION 7. Federal Tax Covenants. In the event that part or all of the Bonds are issued on a tax-exempt basis, the City hereby covenants not to take or omit to take any action so as to cause interest on the Bonds to be no longer excluded from gross income for purposes of federal income taxation and to otherwise comply with the requirements of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations promulgated with respect thereto, throughout the term of the Bonds. The City further covenants with the registered owners of the Bonds that it will make no investments or other use of the proceeds of the Bonds, respectively, which would cause such Bonds to be "arbitrage bonds" as defined in Section 148 of the Code. The City further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code or any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with rebate requirements, to the extent applicable.

SECTION 8. Official Intent. In accordance with Treasury Reg. § 1.150-2, the City hereby confirms its intentions that a portion of the proceeds of the Capital Bonds authorized by this Ordinance will be used to reimburse itself for qualifying expenditures paid prior to the date of issuance of the Capital Bonds authorized by this Ordinance. All original expenditures to be reimbursed will be capital expenditures (as defined in Treasury Reg. § 1.150-1(b)) and other amounts permitted to be reimbursed pursuant to Treasury Reg. § 1.150-2(d)(3) and (f).

SECTION 9. Proceeds of the Bonds. The moneys raised by the issuance of the Capital Bonds, after the payment of charges and expenses connected with the preparation, sale, and issuance thereof, shall be expended for the purposes and in the respective amounts authorized in this Ordinance, or as may otherwise be properly authorized by City Council, including, but not limited to, reimbursement of City funds for authorized advances made prior to the sale of such Capital Bonds. If for any reason any part of such proceeds of the Capital Bonds is not applied to or is not necessary for such purposes, such unexpended proceeds of the Capital Bonds, after consultation with the City's bond counsel, may (i) be used to finance any other capital project set forth in capital budgets adopted prior to the Fiscal Year ending June 30, 2024 or in any capital budgets adopted subsequent to the Fiscal Year ending June 30, 2026, or (ii) be applied to the payment of the principal of or interest on the Capital Bonds.

SECTION 10. 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 11. Inconsistent Provisions. In the event that any provision of the Bonds, or any term or condition contained in any agreement relating to the Bonds or in this Ordinance, shall be inconsistent with any of the provisions of the General Ordinance, the provision of the Bonds, such agreements, and this Ordinance shall be controlling with respect to the Bonds, such agreements, and this Ordinance.

SECTION 12. 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 Bonds authorized hereunder.

SECTION 13. Effective Date. This Ordinance shall become effective immediately upon its passage by Council and approval by the Mayor.

First Reading.....August 21, 2025
Second Reading.....August 21, 2025
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved this ____ day of _____, 2025.

Mayor

SYNOPSIS: This Ordinance authorizes (i) the issuance of up to \$50,000,000 aggregate principal amount of General Obligation Bonds in order to finance any duly authorized capital project of the City specified in the City's capital budget for its Fiscal Years ending June 30, 2024 and June 30, 2026, (ii) the issuance of up to \$41,000,000 aggregate principal amount of General Obligation Bonds in order to currently refund certain outstanding debt of the City, including the 2024 BAN and the 2015 General Obligation Bonds, and (iii) the payment of the costs associated with issuance of the aforementioned Bonds.

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