



# Maryland

DEPARTMENT OF BUDGET  
AND MANAGEMENT

LARRY HOGAN  
*Governor*

DAVID R. BRINKLEY  
*Secretary*

BOYD K. RUTHERFORD  
*Lieutenant Governor*

MARC L. NICOLE  
*Deputy Secretary*

February 22, 2021

The Honorable Larry Hogan  
Governor of Maryland  
State House  
Annapolis MD 21401

The Honorable Peter Franchot  
Comptroller of Maryland  
80 Calvert Street Room 121  
Annapolis MD 21401

The Honorable William Ferguson  
President of the Senate  
State House, Room H-107  
Annapolis MD 21401

The Honorable Nancy K. Kopp  
Treasurer of Maryland  
80 Calvert Street, Room 109  
Annapolis MD 21401

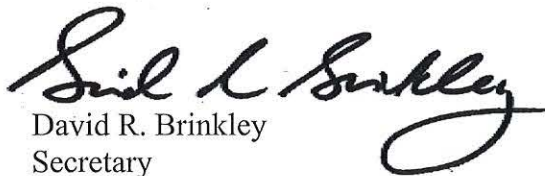
The Honorable Adrienne Jones  
Speaker of the House of Delegates  
State House, Room H-101  
Annapolis MD 21401

Dear Ladies and Gentlemen:

Executive Order 01.01.1998.07 requires the Secretary of the Department of Budget and Management to report to the General Assembly and the Board of Public Works on Debt Issued by Maryland State Agencies and Independent Authorities. The report provides an overview and information on certain agencies authorized to issue debt, the general purpose of the debt, and a summary of debt issued by each agency during fiscal year 2018. The debt covered in the report generally is neither under the purview of the Capital Debt Affordability Committee nor otherwise constrained by State or federal limitations.

Appendix Table I compares debt outstanding at the end of fiscal years 2014 through 2018 and provides summary data on debt issued, redeemed, and outstanding for fiscal year 2018.

Sincerely,



David R. Brinkley  
Secretary

**DEBT ISSUED BY MARYLAND STATE  
AGENCIES AND  
INDEPENDENT AUTHORITIES**

**FISCAL YEAR 2018**

**Presented to the  
Board of Public Works and  
the Maryland General Assembly**

**Department of Budget and Management  
November 1, 2018**

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## **OVERVIEW OF STATE AGENCY DEBT PROGRAM**

Executive Order 01.01.1998.07 was issued by the Governor on February 10, 1998. It rescinded Executive Order 01.01.1989.13 and re-established procedures by which the Department of Budget and Management plans and reviews State agency debt and recommends to the Governor the level of debt issuances for certain State agencies each year.

Under the Executive Order, the Department of Budget and Management continues to monitor and coordinate issuances of debt by State agencies. The Department of Budget and Management recommends annual debt issuance levels for the Maryland Environmental Service, Maryland Food Center Authority, Maryland Transportation Authority, and Maryland Water Quality Financing Administration. In general, debt of these issuers is not State tax-supported debt under the purview of the Capital Debt Affordability Committee, constrained by the federal private activity bond cap, pass-through or on-behalf-of debt, or otherwise limited by statute; however the GARVEE debt, the Calvert Street Parking Garage debt, the Department of Transportation headquarters debt and the DHMH public health lab debt in MEDCO, and part of the Maryland Water Quality Financing Administration debt are counted both in this report and as tax-supported debt. Notification of the debt levels must be sent to the Board of Public Works, the respective State agencies, and reported in the Maryland Register. The Governor may modify debt issuance levels during the fiscal year.

All State agencies and independent authorities authorized to issue debt are required to report each bond transaction of \$25 million or more to the Department of Budget and Management 30 days prior to the proposed date of issue.

The Executive Order requires annual reports by the Department of Budget and Management to the General Assembly and the Board of Public Works on financing transactions and levels of outstanding debt of those agencies whose debt is not limited in amount by State law.

**STATE AGENCIES  
SUBJECT TO  
DEBT ISSUANCE LEVELS**

## MARYLAND ENVIRONMENTAL SERVICE

### **Purpose of the Debt:**

Title 3 of the Natural Resources Article authorizes the Maryland Environmental Service (MES) to issue debt to provide financing or refinancing for the acquisition, construction and improvement of water supply systems and waste facilities. MES enters into agreements with local governments to construct and operate water and wastewater treatment and solid waste disposal facilities. Additionally, MES is responsible for all water and wastewater treatment plants at State-owned facilities and may provide assistance to local systems.

### **Security and Revenue Authorized for Pledge:**

The issuance of debt by MES does not create or constitute any indebtedness or obligation of the State or any political subdivision. MES pledges its revenue from the operation of water and wastewater, solid waste, and recycling facilities as security for debt. Governmental entities may charge a fee or a special tax to repay obligations due MES.

### **DEBT ISSUANCE:**

2018 Approved Amount/Issued: \$0/\$0

### **OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$23,098,046

### **SUMMARY OF FISCAL YEAR 2018 TRANSACTIONS:**

None.

# MARYLAND FOOD CENTER AUTHORITY

## **Purpose of the Debt:**

Title 10, Subtitle 2 of the Economic Development Article authorizes the Maryland Food Center Authority to issue debt to finance the cost of development or projects that facilitate the wholesale food industry.

## **Security and Revenue Authorized for Pledge:**

The issuance of bonds by the Authority does not create or constitute any indebtedness or obligation of the State or of any political subdivision. Debt may be secured by a trust agreement, which may include revenues received from projects and money realized from the sale, rental and other payments relating to the projects.

## **DEBT ISSUANCE:**

2018 Approved Amount/Issued:     \$0/\$0

## **OUTSTANDING DEBT AS OF JUNE 30, 2018:**

None.

## **SUMMARY OF FISCAL YEAR 2018 TRANSACTIONS:**

None.

# **MARYLAND TRANSPORTATION AUTHORITY**

## **Purpose of the Debt:**

Title 4 of the Transportation Article authorizes the Maryland Transportation Authority to issue debt to finance the capital costs of transportation facilities projects, which include the Potomac River Bridge (Harry W. Nice Memorial Bridge), the Chesapeake Bay Bridge (William Preston Lane, Jr. Memorial Bridge), the Outer Harbor Bridge (Francis Scott Key Bridge), the Baltimore Harbor Tunnel, the Fort McHenry Tunnel, the Susquehanna River Bridge (Thomas J. Hatem Memorial Bridge), the John F. Kennedy Memorial Highway (including the Express Toll Lanes “ETLs”), the Intercounty Connector, projects at Baltimore/Washington International Thurgood Marshall Airport, and certain parking garage projects located in Maryland.

## **Security and Revenue Authorized for Pledge:**

The debt is secured by revenues collected from various toll facilities, generated by gas stations and restaurants on the John F. Kennedy Memorial Highway; and revenues received from the Maryland Aviation Administration (Passenger Facility Charges), parking facility revenues, Customer Facility Charges; and parking garage lease revenues payable by the Washington Metropolitan Area Transit Authority and the State Department of General Services (DGS).

Revenue Bonds issued to refinance the Annapolis parking garage facility in 2015 and Grant and Revenue Anticipation (GARVEE) Bonds issued for the Intercounty Connector in 2007 and 2008 are considered State tax supported debt and are, therefore, included in the Capital Debt Affordability Committee analysis. The GARVEE bonds are secured by annual allocations of Federal highway aid available to the State of Maryland and a subordinated pledge of certain State tax revenues deposited to the Maryland Transportation Trust Fund.

## **DEBT ISSUANCE:**

2018 Approved Amount/Issued: \$67,150,000

## **OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$2,280,680,258 (including GARVEE bonds)



**SUMMARY OF FISCAL 2018 TRANSACTIONS:**

**TITLE & AMOUNT:** \$67,150,000 Maryland Transportation Authority Grant and Revenue Anticipation "GARVEE" Refunding Bonds, Series 2017

**CLOSING DATE:** July 27, 2017

**CREDIT ENHANCEMENT:** Freddie Mac Tax-Exempt Loan Structure

**RATING:** Unrated

**INTEREST RATE:** 4.95%

**MATURITY:** March 1, 2019

**PURPOSE:** Refunding of the Grant and Revenue Anticipation "GARVEE" Bonds, Series 2007.

# MARYLAND WATER QUALITY FINANCING ADMINISTRATION

## **Purpose of Debt:**

Title 9 of the Environment Article authorizes the Maryland Water Quality Financing Administration to issue bonds.

For the Revolving Loan Fund (RLF) Programs, the bond proceeds are used to make loans to local governments for the construction, acquisition, or refinancing of wastewater facilities. These State revolving funds provide loans and other forms of financial assistance to finance, among other things, the construction of publicly owned wastewater treatment facilities. States receiving federal capitalization grants must provide an amount equal to 20 percent of the capitalization grants for deposit to the State revolving funds.

Legislation enacted by the 2004 General Assembly authorized the Administration to issue bonds to fund the Bay Restoration Fund, which will be used to provide grants to upgrade wastewater treatment plants. Security for the bonds is the revenues from a fee imposed on users of wastewater facilities. The bonds are considered State tax supported; therefore, issuances will also be incorporated into the analysis of the Capital Debt Affordability Committee.

## **Security and Revenue Authorized for Pledge:**

The issuance of bonds by the Administration does not create or constitute any indebtedness or obligation of the State or of any political subdivision. Bonds are payable solely from the revenue of the Administration received in connection with the respective projects financed or refinanced. Deposits in funds and accounts maintained under the indenture are also used as security for the bonds.

## **DEBT ISSUANCE:**

2018 Approved Amount/Issued: \$0/\$0

## **OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$293,910,000 (includes Revolving Loan Fund and Bay Restoration Fund)

## **SUMMARY OF FISCAL YEAR 2018 TRANSACTIONS:**

**TITLE & AMOUNT:            \$0**

**OTHER STATE AGENCIES  
AND  
DEPARTMENTS**

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**COMMUNITY DEVELOPMENT ADMINISTRATION**  
**MULTI-FAMILY PROGRAM**

**Purpose of the Debt:**

Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland authorize the Community Development Administration to issue debt through its Multi-Family Programs to provide loan financing for the construction and rehabilitation of multi-family rental housing developments for limited income families.

**Security and Revenue Authorized for Pledge:**

The Community Development Administration pledges revenues from mortgage loan repayments and other permissible income of the program as security. In addition, mortgage loans generally are insured by the Maryland Housing Fund, the Federal Housing Administration or other entities of the United States government with similar powers, or secured by various forms of credit enhancement. Also, CDA holds GNMA mortgage-backed securities that are issued in connection with mortgage loans for multi-family projects. The Maryland Housing Fund is an instrumentality of the State created to provide insurance on loans made under the multi-family and single family housing programs.

**OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$975,426,285 (including stand-alones)

**SUMMARY OF FISCAL 2018 TRANSACTIONS:**

**TITLE & AMOUNT:** \$19,000,000 Multi-Family Note (Momentum at Shady Grove Metro)

CLOSING DATE: June 22, 2018

CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure

RATING: Private Placement

INTEREST RATE: 4.86%

MATURITY: January 1, 2039

PURPOSE: Provide funding to finance a portion of the construction of Momentum at Shady Grove Metro (110 units) located in Derwood, Maryland.

**TITLE & AMOUNT:** \$42,430,000 Housing Revenue Bonds; Series 2018 A

CLOSING DATE: May 31, 2018

CREDIT ENHANCEMENT: FHA Risk-Sharing Program

RATING: Moody's: Aa2

INTEREST RATE: Series 2018 A: 1.700% to 4.250%

FINAL MATURITY: January 1, 2060 (multiple bonds)

PURPOSE: Provide funding to finance the acquisition and rehabilitation and some new construction of Freetown Village Apartments (190 units) located in the Anne Arundel County, Maryland. Provide funding to finance the acquisition and rehabilitation of Parkview Manor (53 units) located in the Prince George's County, Maryland. In addition, \$12 million in bond proceeds will be used to finance future loan purchases and \$2 million was used to refund bonds.

**TITLE & AMOUNT:** **\$19,200,000 Multifamily Development Revenue Bonds;  
Series 2018 C (The Village at Lakeview)**

CLOSING DATE: May 17, 2018

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 2.76%

MATURITY: May 1, 2020

PURPOSE: Provide funding to finance the acquisition and rehabilitation of The Village at Lakeview (223 units) located in Harford County, Maryland.

**TITLE & AMOUNT:** **\$5,360,000 Multifamily Development Revenue Bonds;  
Series 2018 B (Adams Crossing Apartments Phase 3)**

CLOSING DATE: April 13, 2018

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 2.61%

MATURITY: April 1, 2020

PURPOSE: Provide funding to finance the acquisition and construction of Adams Crossing Apartments Phase 3 (48 units) located in Charles County, Maryland.

**TITLE & AMOUNT:** **\$30,000,000 Multifamily Development Revenue Bonds;  
Series 2018 A (Zion Towers)**

CLOSING DATE: March 29, 2018

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 2.44%

MATURITY: March 1, 2020

PURPOSE: Provide funding to finance the acquisition and rehabilitation of Zion Towers (211 units) located in Baltimore City, Maryland.

**TITLE & AMOUNT:** **\$28,755,000 Housing Revenue Bonds;  
Series 2017 C**

CLOSING DATE: December 18, 2017

CREDIT ENHANCEMENT: FHA Risk-Sharing Program

RATING: Moody's: Aa2

INTEREST RATE: Series 2017 C: 1.55% to 3.80%

FINAL MATURITY: July 1, 2059 (multiple bonds)

PURPOSE: Provide funding to finance the rehabilitation of Elk River Manor (55 units) located in Cecil County, Maryland, Hillside Park Apartments (94 units) located in Baltimore City, Maryland, Shalom Square (50 units) located in Howard County, Maryland and Riverfront Townhomes (126 units) located in Baltimore City, Maryland.

**TITLE & AMOUNT:** **\$25,200,000 Multifamily Development Revenue Bonds;  
Series 2017 G (Bolton North)**

CLOSING DATE: August 9, 2017

CREDIT ENHANCEMENT: Fannie Mae

RATING: Moody's: Aaa

INTEREST RATE: Series 2017 G: 0.80% to 3.35%

MATURITY: September 15, 2034

PURPOSE: Provide funding to finance the acquisition and rehabilitation of Bolton North (209 units) located in Baltimore City, Maryland.

**TITLE & AMOUNT:** **\$8,500,000 Multifamily Development Revenue Bonds;  
Series 2017 F (Bethel Gardens)**

CLOSING DATE: August 4, 2017

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 1.80%

MATURITY: February 1, 2019

PURPOSE: Provide funding to finance the acquisition and rehabilitation of Bethel Gardens (94 units) located in Washington County, Maryland.



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**COMMUNITY DEVELOPMENT ADMINISTRATION**  
**SINGLE FAMILY PROGRAM**

**Purpose of the Debt:**

Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland authorize the Community Development Administration to issue debt through its Single Family Programs to provide financing for the acquisition of owner-occupied single family residences by qualified purchasers. To qualify, purchasers must fall within the income limitations and purchase price limits set by the Administration and federal tax law. The income limits range from 100% of the Area or Statewide Median Income for a one- or two-member household in a Non-Targeted Area to 140% of the Area or Statewide Median Income for a three or more member household in a Targeted Area. Based on the annual determination of the median income and other factors determined by law, the actual dollar limits may change at least annually.

**Security and Revenue Authorized for Pledge:**

The Community Development Administration pledges revenues from mortgage loan repayments and other permissible income of the program as security. In addition, mortgage loans generally are secured by various forms of credit enhancement, which can include insurance provided through the FHA, the Department of Veteran Affairs, Rural Housing Services, private mortgage insurers, and the Maryland Housing Fund (an instrumentality of the State created to provide insurance on loans made under the multi-family and single family housing programs).

**OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$1,317,768,426

**SUMMARY OF FISCAL 2018 TRANSACTIONS**

None.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**COMMUNITY DEVELOPMENT ADMINISTRATION**  
**LOCAL INFRASTRUCTURE PROGRAM**

**Purpose of the Debt:**

Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland authorize the Department of Housing and Community Development's Community Development Administration to issue debt through its Local Infrastructure Program to finance local public infrastructure projects. The bond proceeds are loaned to local governments to fund various capital projects for roads, sewer and water systems, municipal buildings, and public schools.

**Security and Revenue Authorized for Pledge:**

To secure its debt, the Community Development Administration pledges loan repayments made by the local governments and other income of the program. Participating local governments execute an agreement with the State that pledges their full faith and credit or other assets and revenues deemed acceptable. In the event of default, the agreement provides for the Comptroller and the State Treasurer to intercept any State payments due from participating local governments.

**OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$183,960,000

**SUMMARY OF FISCAL 2018 TRANSACTIONS:**

**TITLE & AMOUNT:**           **\$39,035,000 Local Government Infrastructure Bonds;  
\$27,310,000 2017 Series A-1 (Senior Obligations)  
\$11,725,000 2017 Series A-2 (Subordinate Obligations)**

**CLOSING DATE:**           August 2, 2017

**CREDIT ENHANCEMENT:** Local Obligations of the participating local governments

**RATING:**                   2017 Series A-1: Moody's: Aa2 (stable outlook)  
2017 Series A-2: Moody's: Aa3 (stable outlook)

**INTEREST RATE:**           2017 Series A-1: 2.00% to 4.00%  
2017 Series A-2: 2.00% to 4.00%

**FINAL MATURITY:**       June 1, 2047 (multiple bonds)

**PURPOSE:**                 To finance infrastructure loans for ten local governments:  
Town of Boonsboro, Town of Centreville, Town of Crisfield,  
City of Cumberland, City of Laurel, City of New Carrollton, City  
of Takoma Park, Town of Trappe, Town of Union Bridge, and  
City of Westminster.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**COMMUNITY DEVELOPMENT ADMINISTRATION**  
**LOCAL PUBLIC HOUSING AUTHORITY CAPITAL SECURITIZATION PROGRAM**

**Purpose of the Debt:**

Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland authorize the Community Development Administration to issue debt to finance community development projects. The Community Development Administration acts as the conduit issuer on behalf of a “pool” of local housing authorities. The bond proceeds are loaned to local housing authorities to fund renovations and repairs in public housing developments.

**Security and Revenue Authorized for Pledge:**

The Quality Housing and Work Responsibility Act of 1998 give local housing authorities the ability to use their capital fund allocation (from HUD) for “the development, financing, and modernization of public housing projects...” The “financing” language provides for the underlying authority to use these funds to pay debt service on a bond issue. HUD has approved the securitization of future capital fund appropriations to be used for debt service on bonds as an eligible capital fund expense.

To secure the debt, the Community Development Administration pledges loan repayments made by the participating housing authorities and other income of the program. Participating housing authorities execute an agreement with the State that pledges their future capital fund appropriations from HUD, which are paid directly by HUD to a trustee.

**OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$2,715,000

**SUMMARY OF FISCAL 2018 TRANSACTIONS**

None.

## **MARYLAND INDUSTRIAL DEVELOPMENT FINANCING AUTHORITY**

### **Purpose of Debt:**

Title 5, Subtitle 4, of the Economic Development Article authorizes the Maryland Industrial Development Financing Authority (MIDFA) to issue debt for the financing and refinancing of capital acquisition and improvement projects promoting economic development, business retention, and new industry.

Legislation enacted by the 2000 General Assembly consolidated certain financing assistance programs (Chapter 305, Acts 2000) and expanded the authority of the Maryland Industrial Development Financing Authority to include financing energy projects effective July 1, 2000. The legislation also replaced various insurance and guarantee funds, including the Authority's Bond Insurance Fund and Authorized Purpose Insurance Fund, with the Industrial Development Fund for the purpose of providing insurance for bonds and other obligations.

The prior issuance of bonds by the Maryland Energy Financing Administration (MEFA) did not create or constitute any indebtedness or obligation of the State or of any political subdivision. To the extent those bonds were secured by trust agreements, such agreements remain in place.

### **Security and Revenue Authorized for Pledge:**

The issuance of bonds by the Authority does not create or constitute any indebtedness or obligation of the State or of any political subdivision. Security for financing by MIDFA varies slightly with each transaction; it is primarily from revenues generated by the facility or project.

### **OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$265,786,289

**SUMMARY OF FISCAL YEAR 2018 TRANSACTIONS:**

**TITLE & AMOUNT:** Maryland Industrial Development Financing Authority,  
Economic Development Refunding Revenue Bonds. Garrison  
Forest School, Incorporated Facilities, Series 2017  
\$6,570,000

**CLOSING DATE:** 07/18/2017

**CREDIT ENHANCEMENT:** NONE

**RATING:** Standard and Poor's (S&P) A-/Stable

**INTEREST RATE:** Traditional Fixed Rate (rate varies with maturities)

**LONGEST MATURITY:** 06/01/2042

**PURPOSE:** Refund the Baltimore County, Maryland Variable Rate  
Economic Development Revenue Bonds (Garrison Forest  
School, Incorporated Project) series 2006 and finance certain  
costs relating to the issuance of the Series 2017 Bonds.  
Originally used to fund capital improvements of the Middle  
school building

**DEPARTMENT OF TRANSPORTATION**  
**COUNTY TRANSPORTATION REVENUE BONDS**

**Purpose of the Debt:**

Title 3, Subtitle 5, of the Transportation Article authorizes the Department of Transportation to issue revenue bonds on behalf of participating counties, including Baltimore City, to enable the counties to finance the cost of transportation facilities. The revenue bonds are debt of the participants.

**Security and Revenue Authorized for Pledge:**

To secure this debt, the Department of Transportation pledges loan repayments made by the participating counties. Participating counties execute an agreement with the Department that pledges their full faith and credit or other assets and revenues deemed acceptable. The participating county may pledge its share of highway user revenues, in which case, the Comptroller and the State Treasurer may cause such funds to be paid to the Department. Currently, bonds outstanding under this program are repaid from the participants' share of highway user revenues.

**OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$97,020,000

**SUMMARY OF FISCAL YEAR 2018 TRANSACTIONS:**

None

**DEPARTMENT OF TRANSPORTATION**  
**NON-TRADITIONAL DEBT**

The provisions of Executive Order 01.01.1998.07 provide for the Department of Budget and Management to report on issuances of debt other than that limited in amount by State law and other than that issued by the Board of Public Works. The intent is to report on those debt issuances that are not otherwise reviewed, considered, and reported upon – generally, debt other than that deemed State tax supported debt by the Capital Debt Affordability Committee.

In the case of the Department of Transportation, nontraditional debt is defined as anything that is not a Consolidated Transportation Bond or a GARVEE and includes issuances by MEDCO and the Maryland Transportation Authority (the “Authority”) on behalf of the Department as well as Certificates of Participation issued by the Department. The definition does not distinguish between State tax supported and non-State tax supported. Nontraditional debt is reviewed by General Assembly Budget Committees with debt outstanding and debt service reported to them semiannually.

The only debt included in this section of the report is nontraditional, non-State tax supported debt issued by the Department. To date, that includes three Certificates of Participation – one in the original amount of \$42,750,000 issued in 1999 for airport-related projects and refunded in the amount of \$19,610,000 issued in fiscal year 2011, one in the original amount of \$33,000,000 issued in fiscal year 2001 for parking facilities at the MARC BWI rail station and refunded in the amount of \$13,070,000 issued in fiscal year 2011, and one in the original amount of \$26,530,000 issued in fiscal year 2006 for the construction of a warehouse facility at the Port of Baltimore and in fiscal year 2018 refunded in the amount of \$15,040,000. The Board of Public Works approved all of these issues. At June 30, 2018, debt outstanding on the three refunded issues was \$29,845,000.

Other nontraditional, non-State tax supported debt outstanding includes \$391,500,000 issued by the Authority and \$136,455,000 issued by MEDCO; that debt is included in the total amount of debt outstanding for those agencies. Also included in outstanding nontraditional debt is an additional \$10,095,000 issued by MEDCO for the Department’s headquarters which is considered tax supported and included in the Capital Debt Affordability Committee analysis.

In summary, nontraditional, non-State tax supported transportation debt outstanding at June 30, 2018 totals \$557,800,000, while total nontraditional debt outstanding totals \$567,895,000 (A limit of \$567,895,000 was set by language in the fiscal year 2018 budget bill).

**OUTSTANDING DEBT AS OF JUNE 30, 2018:**

\$567,895,000

**SUMMARY OF FISCAL YEAR 2018 TRANSACTIONS:**

None



**STATE AND INDEPENDENT  
AUTHORITIES  
AND CORPORATIONS**

## **MARYLAND ECONOMIC DEVELOPMENT CORPORATION**

### **Purpose of Debt:**

Title 10, Subtitle 1 of the Economic Development Article of the Annotated Code of Maryland 2008 authorizes the Maryland Economic Development Corporation (MEDCO) to issue bonds to finance or refinance capital improvement projects related to economic development in such areas as manufacturing, retail, trade, service and supply industries, wholesaling, and warehousing. Such projects are designed to enhance technological change, strengthen the State's economy, and complement existing State marketing programs administered by the Department of Commerce.

### **Security and Revenue Authorized for Pledge:**

The issuance of bonds by MEDCO does not create or constitute any indebtedness or obligation of the State or of any political subdivision. Bonds are typically secured by a lien on the property and are payable from revenues of the project or borrower.

### **OUTSTANDING DEBT AS OF JUNE 30, 2018:**

(Including notes issued to other State agencies and financing programs)

\$591,722,898 (bonds and notes)

\$2,301,925,825 (includes conduit debt)

**SUMMARY OF FISCAL YEAR 2018 TRANSACTIONS**

**TITLE & AMOUNT:** \$13,400,700 Capitol Technology University Series 2017 A

CLOSING DATE: July 14, 2017

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: 3.074%

LONGEST MATURITY: July 1, 2047

PURPOSE: Finance the cost of the acquisition, construction, furnishing and equipping of a 222-bed student housing facility.

**TITLE & AMOUNT:** \$800,000 Capitol Technology University Series 2017 B

CLOSING DATE: July 14, 2017

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: 2.84%

LONGEST MATURITY: July 1, 2024

PURPOSE: Finance the cost of the acquisition, construction, furnishing and equipping of a 222-bed student housing facility.

**TITLE & AMOUNT:** \$7,175,000 AFCO Cargo BWI II, LLC Series 2017

CLOSING DATE: September 28, 2017

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: 4.00%

LONGEST MATURITY: July 1, 2024

PURPOSE: Refinance the outstanding amount of previously issued MEDCO Air Cargo Revenue Bonds (AFCCO Cargo BWI II LLC) Series 1999 and MEDCO Air Cargo Revenue Refunding Bonds (AFCCO Cargo BWI II LLC) Series 2003 bonds

**TITLE & AMOUNT:** \$33,700,000 PRG-Towson Place Properties, LLC Series 2017 A

CLOSING DATE: September 26, 2017

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: Variable Rate

LONGEST MATURITY: June 1, 2039

PURPOSE: Refinance the Baltimore County, Maryland Economic Development Revenue Bonds (PRG-Towson Place Properties L.L.C. Facility) Series 2009.

**TITLE & AMOUNT:** \$8,890,000 PRG-Towson Place Properties, LLC Series 2017 B-1

CLOSING DATE: September 26, 2017

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: 9.25%

LONGEST MATURITY: June 1, 2039

PURPOSE: Refinance the Baltimore County, Maryland Economic Development Revenue Bonds (PRG-Towson Place Properties L.L.C. Facility) Series 2009.

**TITLE & AMOUNT:** \$1,716,480 PRG-Towson Place Properties, LLC Series 2017 B-2

CLOSING DATE: September 26, 2017

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: n/a – No interest

LONGEST MATURITY: June 1, 2039

PURPOSE: Refinance the Baltimore County, Maryland Economic Development Revenue Bonds (PRG-Towson Place Properties L.L.C. Facility) Series 2009.

**TITLE & AMOUNT: \$27,000,000 Young Men's Christian Association of Central Maryland, Inc. Series 2017 A**

CLOSING DATE: December 27, 2017

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: Variable Rate

LONGEST MATURITY: December 15, 2040

PURPOSE: Refinance or finance the costs of the renovation and expansion of three activities buildings that include a gym, health and wellness center, lap pool, and more.

**TITLE & AMOUNT: \$5,000,000 Young Men's Christian Association of Central Maryland, Inc. Series 2017 B**

CLOSING DATE: December 27, 2017

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: Variable Rate

LONGEST MATURITY: December 15, 2040

PURPOSE: Refinance or finance the costs of the renovation and expansion of three activities buildings that include a gym, health and wellness center, lap pool, and more.

**TITLE & AMOUNT:** \$166,920,000 Seagirt Marine Terminal Series 2017 A

CLOSING DATE: December 27, 2017

CREDIT ENHANCEMENT: n/a

RATING: Baa3

INTEREST RATE: 2.160% to 5.00%

LONGEST MATURITY: June 1, 2035

PURPOSE: Refinance previously issued MEDCO Economic Development Revenue Bonds (Transportation Facilities Project) Series 2010 A and MEDCO Economic Development Revenue Bonds (Terminal Project) Series 2010 B.

**TITLE & AMOUNT:** \$81,755,000 Seagirt Marine Terminal Series 2017 B

CLOSING DATE: December 27, 2017

CREDIT ENHANCEMENT: n/a

RATING: Baa3

INTEREST RATE: 2.160% to 5.00%

LONGEST MATURITY: June 1, 2035

PURPOSE: Refinance previously issued MEDCO Economic Development Revenue Bonds (Transportation Facilities Project) Series 2010 A and MEDCO Economic Development Revenue Bonds (Terminal Project) Series 2010 B.

**TITLE & AMOUNT:** \$550,000 4445 Indian Head Highway, LLC (“Ely’s Warehouse”)  
Construction Loan

**CLOSING DATE:** May 2018

**CREDIT ENHANCEMENT:** n/a

**RATING:** n/a

**INTEREST RATE:** 4.00%

**LONGEST MATURITY:** September 30, 2019

**PURPOSE:** Construction financing for environmental remediation and demolition relating to the redevelopment of improvements located on the land.



**MARYLAND HEALTH AND HIGHER EDUCATIONAL  
FACILITIES AUTHORITY**

**Purpose of Debt:**

Title 10, Subtitle 3 of the Economic Development Article authorizes the Maryland Health and Higher Educational Facilities Authority (MHHEFA) to issue bonds for the purpose of financing and refinancing the capital acquisition and improvement projects essential to the operation of non-profit health, higher education, and non-collegiate institutions.

**Security and Revenue Authorized for Pledge:**

Bonds issued by the MHHEFA do not create or constitute any indebtedness or obligation of the State or of any political subdivision. Furthermore, bonds issued by the MHHEFA are limited obligations payable solely from amounts payable by participating institutions under the loan or lease agreements executed in connection with the issuance of the bonds or revenues of the project financed. MHHEFA has no outstanding debt constituting a general obligation of the Authority or a pledge of its faith and credit. Repayment funds may include the mortgaging of a project, a collateral fund, reserves and sinking funds, rentals, fees and other charges.

**OUTSTANDING DEBT:**

As of June 30, 2017	\$ 9,042,783,000
Debt issued in fiscal 2018	940,412,000
Debt redeemed in fiscal 2018	<u>(919,824,000)</u>
As of June 30, 2018	<u>\$ 9,063,371,000</u>

There are no issues or issuers to report that are not making the required debt service payments or contributions to a sinking fund (regardless of whether there is a delinquency from a legal standpoint).

**SUMMARY OF FISCAL YEAR 2018 TRANSACTIONS**

**TITLE & AMOUNT:** \$27,514,000 Revenue Bonds – Atlantic General Hospital Issue (2017 A & B)

**CLOSING DATE:** September 14, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** None

**INTEREST RATE:** 2017A Variable – 10 year term – 70% of 1 month Libor + 1.34%  
2017B Variable – 15 year term – 75% of 1 month Libor + 1.52%

**LONGEST MATURITY:** 2042

**PURPOSE:** Private placements to refinance existing debt and to finance a new building for a Regional Cancer Care Center, expand the Women’s Health Center and finance equipment and other capital improvements.

**TITLE & AMOUNT:** \$165,825,000 Revenue Bonds – The Johns Hopkins Health System Issue (2017 B)

**CLOSING DATE:** October 11, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** None

**INTEREST RATE:** Variable – 7 Year term – 69.5% of 1 month LIBOR + .47%

**LONGEST MATURITY:** 2038

**PURPOSE:** A private placement to refund the Authority’s Revenue Bonds, The Johns Hopkins Health System Obligated Group Issue, Series 2012C and the The Johns Hopkins Health System Obligated Group Issue, Series 2012D.

**TITLE & AMOUNT:** \$42,485,000 Revenue Bonds – Anne Arundel Health System Issue, Series 2017 A

**CLOSING DATE:** November 1, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** Moody’s A3; S&P A; Fitch A-

**INTEREST RATE:** Fixed – TIC = 3.483872%

**LONGEST MATURITY:** 2034

**PURPOSE:** A public offering to partially refund the Authority’s Revenue Bonds, Anne Arundel Health System Issue, Series 2010.

**TITLE & AMOUNT:** \$17,760,000 Revenue Bonds – Anne Arundel Health System Issue, Series 2017 B (taxable)

**CLOSING DATE:** November 1, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** Moody’s A3; S&P A; Fitch A-

**INTEREST RATE:** Fixed – TIC = 3.278069%

**LONGEST MATURITY:** 2027

**PURPOSE:** A public offering to partially refund the Authority’s Revenue Bonds, Anne Arundel Health System Issue, Series 2010.

**TITLE & AMOUNT:** \$118,120,000 Revenue Bonds – LifeBridge Health Issue, Series 2017

CLOSING DATE: November 9, 2017

CREDIT ENHANCEMENT: None

RATING: Moody's A1; S&P A+

INTEREST RATE: Fixed – TIC - 3.571682%

LONGEST MATURITY: 2044

PURPOSE: A public offering to refund the Authority's Revenue Bonds, LifeBridge Heal Issue, Series 2008.

**TITLE & AMOUNT:** \$7,500,000 Revenue Bonds – The Johns Hopkins Health System Obligated Group Issue (2017 C)

CLOSING DATE: November 16, 2017

CREDIT ENHANCEMENT: None

RATING: None

INTEREST RATE: Variable – 5 year term – 67% of 1 month LIBOR + .55%

LONGEST MATURITY: 2038

PURPOSE: A private placement to finance capital improvements.

**TITLE & AMOUNT:** \$40,000,000 Revenue Bonds – Adventist HealthCare Issue (2017)

**CLOSING DATE:** December 14, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** None

**INTEREST RATE:** Fixed – 2.77%

**LONGEST MATURITY:** 2042

**PURPOSE:** A private placement to finance the construction of a central utility plant at the new White Oak Campus.

**TITLE & AMOUNT:** \$145,265,000 Revenue Bonds – University of Maryland Medical System Issue, Series 2017D

**CLOSING DATE:** December 19, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** Fitch A-; Moody’s A2; S&P A

**INTEREST RATE:** Fixed – TIC = 3.985726%

**LONGEST MATURITY:** 2048

**PURPOSE:** A public offering to partially finance the construction of a new Regional Medical Center in Largo, MD which will replace the University of Maryland Prince George’s Hospital Center located in Cheverly, MD and adjacent ambulatory care center and freestanding medical facility in Laurel, MD to replace the existing Laurel Regional Hospital.

**TITLE & AMOUNT:** \$44,700,000 Revenue Bonds – University of Maryland Medical System Issue, Series 2017 E (taxable)

**CLOSING DATE:** December 19, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** Fitch A-; Moody's A2; S&P A

**INTEREST RATE:** Fixed – TIC – 4.230778%

**LONGEST MATURITY:** 2048

**PURPOSE:** A public offering to partially finance the construction of a new Regional Medical Center in Largo, MD which will replace the University of Maryland Prince George's Hospital Center located in Cheverly, MD and adjacent ambulatory care center and freestanding medical facility in Laurel, MD to replace the existing Laurel Regional Hospital.

**TITLE & AMOUNT:** \$178,748,000 Revenue Bonds – Sheppard Pratt Health System Issue (2017)

**CLOSING DATE:** December 20, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** None

**INTEREST RATE:** Fixed – 15 Year Term - 2.48%

**LONGEST MATURITY:** 2048

**PURPOSE:** A private placement to refund the Authority's Revenue Bonds, Sheppard Pratt Health System Issue (2012A) and Sheppard Pratt Health System Issue (2012B) and to finance the construction of a new psychiatric hospital in Elkridge, Maryland and to finance other routine capital expenditures.

**TITLE & AMOUNT:** \$16,000,000 Revenue Bonds – Calvert Hall College Issue (2017)

**CLOSING DATE:** December 21, 2017

**CREDIT ENHANCEMENT:** None

**RATING:** None

**INTEREST RATE:** Fixed – 20 Year Term = 2.609%

**LONGEST MATURITY:** 2038

**PURPOSE:** A private placement to refinance existing debt and finance an athletic facilities project.

**TITLE & AMOUNT:** \$48,245,000 Revenue Bonds – Johns Hopkins Health System Issue (2018 A)

**CLOSING DATE:** April 25, 2018

**CREDIT ENHANCEMENT:** None

**RATING:** None

**INTEREST RATE:** Variable – 5 year term – .81% of 1 month Libor + .46%

**LONGEST MATURITY:** 2048

**PURPOSE:** A private placement to refund the Authority’s Revenue Bonds, The Johns Hopkins Health System Issue, Series 2015B.

**TITLE & AMOUNT:** \$88,250,000 Revenue Bonds – Johns Hopkins System Issue (2018B)

**CLOSING DATE:** May 10, 2018

**CREDIT ENHANCEMENT:** None

**RATING:** None

**INTEREST RATE:** Variable – 5 year term – 79% of 1 month LIBOR + .45%

**LONGEST MATURITY:** 2046

**PURPOSE:** A private placement to refund the Authority’s Revenue Bonds, The Johns Hopkins Health System Issue, Series 2013A.



**APPENDIX**

**APPENDIX TABLE I**  
**Debt Outstanding at Year End**  
**Fiscal Years 2014-2018**  
(in thousands of \$)

	2014	2015	2016	2017	2018
<b>State Agencies with Debt Issuance Levels</b>					
Maryland Environmental Service	27,939	26,377	24,761	27,939	26,377
Maryland Food Center Authority	-	-	-	-	-
Maryland Transportation Authority	3,179,310	3,176,384	3,062,015	3,179,310	3,176,384
Water Quality Financing Authority	<u>169,725</u>	<u>163,165</u>	<u>330,820</u>	<u>169,725</u>	<u>163,165</u>
Total	3,376,974	3,365,926	3,417,596	3,269,068	2,595,952
<b>Other State Agencies and Departments</b>					
Community Development Administration:					
-Multifamily	413,070	358,250	366,780	413,070	358,250
-Multi-Family Stand Alone	345,390	369,895	516,990	569,591	518,681
-Single Family Programs	1,965,566	1,795,351	1,646,628	1,474,163	1,317,768
-Infrastructure Programs	137,125	164,130	156,085	167,765	183,960
-Public Housing Authority Capital Fund Securitization Revenue Bonds	59,185	33,490	5,495	3,315	2,715
Maryland Industrial Development Financing Authority	335,135	312,573	288,336	286,372	335,135
Department of Transportation:					
- County Transportation Revenue Bonds	94,930	87,860	120,225	94,930	87,860
- Certificates of Participation (non-State tax supported)	<u>44,690</u>	<u>41,510</u>	<u>44,690</u>	<u>41,510</u>	<u>38,155</u>
Total	3,395,090	3,163,059	3,427,030	3,330,087	2,872,520
<b>Authorities and Corporations</b>					
Maryland Economic Development Corporation	2,244,780	2,192,654	2,426,583	2,310,969	2,244,780
Health and Higher Educational Facilities Authority	<u>8,837,199</u>	<u>8,779,533</u>	<u>8,664,024</u>	<u>9,042,783</u>	<u>8,837,199</u>
Total	11,081,979	10,972,187	11,090,607	11,353,752	11,365,297

