

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

FISCAL YEAR 2020

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

**Department of Budget and Management
November 1, 2022**

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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 It rescinded Executive Order 01.01.1989.13 and re-established procedures by which the Department of Budget and Management plans and reviews State agency debt and recommends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:

2020 Approved Amount/Issued: \$0/\$0

OUTSTANDING DEBT AS OF JUNE 30, 2020:

\$26,790,366

SUMMARY OF FISCAL YEAR 2020 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:

2019 Approved Amount/Issued: \$0/\$0

OUTSTANDING DEBT AS OF JUNE 30, 2019:

None.

SUMMARY OF FISCAL YEAR 2019 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 are considered State tax supported debt and are therefore included in the Capital Debt Affordability Committee analysis.

DEBT ISSUANCE:

2020 Approved Amount/Issued: \$400,000,000

OUTSTANDING DEBT AS OF JUNE 30, 2020:

\$2,393,468

SUMMARY OF FISCAL 2020 TRANSACTIONS:

TITLE & AMOUNT:	\$400,000,000 Series 2020 Transportation Facilities Projects Revenue Bonds
CLOSING DATE:	June 25, 2020
CREDIT ENHANCEMENT:	Debt Service Reserve
RATING:	Moody's: Aa2 Fitch: AA
INTEREST RATE:	4.00 % to 5.00%
FINAL MATURITY:	July 1, 2050
PURPOSE:	To finance significant capital infrastructure projects

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:

2020 Approved Amount/Issued: \$0/\$0

OUTSTANDING DEBT AS OF JUNE 30, 2020:

\$ 247,245,000 (includes Revolving Loan Fund and Bay Restoration Fund)

SUMMARY OF FISCAL YEAR 2020 TRANSACTIONS:

None.

**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, 2020:

\$1,007,966,985 (including stand-alones)

SUMMARY OF FISCAL 2020 TRANSACTIONS:

TITLE & AMOUNT: **\$16,000,000 Housing Revenue Bonds;
\$10,315,000 Series 2020 A (Non-AMT)
\$5,685,000 Series 2020 B (Non-AMT)**

CLOSING DATE: June 30, 2020

CREDIT ENHANCEMENT: GNMA & Short Term Cash Collateral

RATING: Moody's: Aa2

INTEREST RATE: 0.625% to 3.10% (multiple bonds)

FINAL MATURITY: July 1, 2062

PURPOSE: Provide funding to finance a portion of the rehabilitation of the Catoclin View Apartments (76 units) located in Frederick, Maryland.

TITLE & AMOUNT: **\$31,000,000 Multifamily Development Revenue Bonds;
Series 2020 D (Fireside Park Apartments)**

CLOSING DATE: June 30, 2020

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 0.85%

FINAL MATURITY: December 1, 2022

PURPOSE: Provide funding to finance the acquisition and rehabilitation of Fireside Park Apartments (236 units) located in Rockville, Maryland.

TITLE & AMOUNT: **\$19,875,000 Multi-family Note (Hollander Ridge)**
CLOSING DATE: April 29, 2020
CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure
RATING: Private Placement
INTEREST RATE: 3.96%
MATURITY: May 1, 2040
PURPOSE: Provide funding to finance a portion of the construction and rehabilitation of Hollander Ridge (94 units) located at scattered sites throughout Baltimore, Maryland.

TITLE & AMOUNT: **\$33,000,000 Multifamily Development Revenue Bonds; Series 2020 B (Meade Village)**
CLOSING DATE: April 24, 2020
CREDIT ENHANCEMENT: Cash Collateral
RATING: Private Placement
INTEREST RATE: 1.40%
FINAL MATURITY: April 1, 2022
PURPOSE: Provide funding to finance the acquisition, construction and rehabilitation of Meade Village (224 units) located in Severn, Maryland.

TITLE & AMOUNT: **\$10,500,000 Multi-family Note (Windsor and Main)**
CLOSING DATE: April 9, 2020
CREDIT ENHANCEMENT: Freddie Mac Tax Exempt Loan Structure
RATING: Private Placement
INTEREST RATE: 3.96%
MATURITY: May 1, 2039
PURPOSE: Provide funding to finance the construction of two multifamily residential rental projects of Birchwood on Main (50 units) and Willows at Windsor Village (50 units) in Elkton, Maryland.

TITLE & AMOUNT: **\$13,200,000 Multi-family Note (Ox Fibre Apartments)**
CLOSING DATE: March 23, 2020
CREDIT ENHANCEMENT: Freddie Mac Tax Exempt Loan Structure
RATING: Private Placement
INTEREST RATE: 3.93%
MATURITY: April 1, 2037
PURPOSE: Provide funding to finance the acquisition and rehabilitation of Ox Fibre Apartments (83 units) located in Frederick, Maryland.

TITLE & AMOUNT: **\$7,700,000 Multifamily Development Revenue Bonds; Series 2020 A (Park View at Coldspring)**

CLOSING DATE: February 4, 2020

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 1.75%

FINAL MATURITY: February 1, 2022

PURPOSE: Provide funding to finance the acquisition and rehabilitation of Park View at Coldspring (99 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$10,000,000 Multifamily Development Revenue Bonds; Series 2019 H (Somerset Extension)**

CLOSING DATE: December 24, 2019

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 1.795%

MATURITY: January 1, 2022

PURPOSE: Provide funding to finance the acquisition, rehabilitation and construction of Somerset Extension (64 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$7,030,000 Multi-Family Note (The Residences at Glenarden Hills 2)**

CLOSING DATE: December 19, 2019

CREDIT ENHANCEMENT: Freddie Mac Tax Exempt Loan Structure

RATING: Private Placement

INTEREST RATE: 3.80%

MATURITY: January 1, 2039

PURPOSE: Provide funding to finance the acquisition and construction of The Residences at Glenarden Hills 2 (55 units) located in Lanham, Maryland.

TITLE & AMOUNT: **\$23,500,000 Multifamily Development Revenue Bonds; Series 2019 F (Rosemont Tower)**

CLOSING DATE: November 22, 2019

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 2.01%

MATURITY: November 1, 2021

PURPOSE: Provide funding to finance the acquisition and rehabilitation of Rosemont Tower (203 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$6,020,000 Housing Revenue Bonds;
Series 2019 E (Non-AMT)**

CLOSING DATE: November 14, 2019

CREDIT ENHANCEMENT: FHA Risk Sharing Program

RATING: Moody's: Aa2

INTEREST RATE: 1.35% to 3.40% (multiple bonds)

MATURITY: July 1, 2061

PURPOSE: Provide funding to finance the new construction of Ivy Hills Town Homes and Apartments (37 units) located in Havre de Grace, Maryland. In addition, to fund a portion of the debt service reserve fund.

TITLE & AMOUNT: **\$11,500,000 Multifamily Development Revenue Bonds;
Series 2019 G (Orchard Mews)**

CLOSING DATE: September 20, 2019

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 2.06%

MATURITY: September 1, 2021

PURPOSE: Provide funding to finance the acquisition and rehabilitation of Orchard Mews (101 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$30,440,000 Housing Revenue Bonds;
Series 2019 D (Non-AMT)**

CLOSING DATE: August 8, 2019

CREDIT ENHANCEMENT: FHA Risk Sharing Program

RATING: Moody's: Aa2

INTEREST RATE: 1.35% to 3.60% (multiple bonds)

MATURITY: July 1, 2061

PURPOSE: Provide funding to finance the new construction of Woodlands at Reid Temple, LP (252 units) located in Glendale, Maryland. In addition, to fund a portion of the debt service reserve fund.

TITLE & AMOUNT: **\$8,300,000 Multi-Family Note (Greenmount and Chase)**

CLOSING DATE: July 24, 2019

CREDIT ENHANCEMENT: Freddie Mac Tax Exempt Loan Structure

RATING: Private Placement

INTEREST RATE: 4.07%

MATURITY: August 1, 2036

PURPOSE: Provide funding to finance a portion of the construction of Greenmount and Chase (60 units) located in Baltimore, Maryland.

**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, 2020:

\$195,875,000

SUMMARY OF FISCAL 2020 TRANSACTIONS:

TITLE & AMOUNT: **\$17,070,000 Local Government Infrastructure Bonds;
\$11,810,000 2019 Series B-1 (Senior Obligations)
\$5,260,000 2019 Series B-2 (Subordinate Obligations)**

CLOSING DATE: November 21, 2019

CREDIT ENHANCEMENT: Local Obligations of the participating local governments

RATING: 2019 Series B-1: Moody’s Investor Serv.: Aa2 (stable outlook)
2019 Series B-2: Moody’s Investor Serv.: Aa3 (stable outlook)

INTEREST RATE: 2019 Series B-1: 3.000% to 4.000%
2019 Series B-2: 3.000% to 4.000%

FINAL MATURITY: June 1, 2049 (multiple bonds)

PURPOSE: Proceeds financed infrastructure loans for seven (7) local
governments: Town of Capitol Heights, City of Cumberland,
Town of Edmonston, City of Frostburg, Town of New Windsor,
St. Mary’s Metropolitan Commission and Town of University
Park.

**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, 2020:

\$1,640,000

SUMMARY OF FISCAL 2020 TRANSACTIONS

None.

**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, 2020:

\$2,029,189,672

SUMMARY OF FISCAL 2020 TRANSACTIONS

TITLE & AMOUNT:	\$140,000,000 Residential Revenue Bonds; \$130,750,000 2020 Series A (Non-AMT) \$9,250,000 2020 Series B (AMT)
CLOSING DATE:	February 25, 2020
CREDIT ENHANCEMENT:	Mortgage insurance guarantee programs provided by FHA, VA and USDA/RD, private mortgage insurance and MHF
RATING:	Series 2020 AB: Moody's: Aa1 (stable outlook)
INTEREST RATE:	Series 2020 A: 0.875% to 3.750% Series 2020 B: 1.000% to 1.400%
FINAL MATURITY:	Series 2020 A: March 1, 2050 (multiple bonds) Series 2020 B: September 1, 2023 (multiple bonds)
PURPOSE:	<p>The proceeds of the sale of the 2020 Series A Bonds were used (i) for the purpose of refunding portions of the Administration's Residential Revenue Bonds 2010 Series A, 2011 Series A, 2014 Series C, 2015 Series A, 2018 Series A, 2019 Series A, 2019 Series B and 2019 Series C that are otherwise maturing or subject to redemption from related prepayments, (ii) to purchase certain Mortgage-Backed Securities credited to the Warehouse Loan Fund, which are expected to be purchased on or about the Delivery Date, (iii) to purchase Mortgage-Backed Securities expected to be purchased by April 1, 2020, (iv) to purchase Mortgage-Backed Securities or participations therein expected to be purchased by April 1, 2023, and (v) the remaining balance into the 2020 Series AB Costs of Issuance Account to pay costs of issuance related to the 2020 Series AB Bonds.</p> <p>The 2020 Series B Bond proceeds were used for the purpose of refunding portions of the Administration's Residential Revenue Bonds 2014 Series B, 2014 Series D and 2018 Series B that are otherwise maturing or subject to redemption from related prepayments.</p>

TITLE & AMOUNT: **\$347,070,000 Residential Revenue Bonds;**
\$319,580,000 2019 Series C (Non-AMT)
\$27,490,000 2019 Series D (Federally Taxable)

CLOSING DATE: October 16, 2019

CREDIT ENHANCEMENT: Mortgage insurance guarantee programs provided by FHA, VA
and USDA/RD, private mortgage insurance and MHF

RATING: Series 2019 CD: Moody's: Aa2 (positive outlook)

INTEREST RATE: Series 2019 C: 1.300% to 5.000%
Series 2019 D: 1.636% to 3.335%

FINAL MATURITY: Series 2019 C: March 1, 2050 (multiple bonds)
Series 2019 D: March 1, 2050 (multiple bonds)

PURPOSE: The proceeds of the sale of the 2019 Series C and 2019 Series
D Bonds were used (i) to purchase certain Mortgage-Backed
Securities credited to the Warehouse Loan Fund, which are
expected to be purchased on or about the Delivery Date and (ii)
to purchase Mortgage-Backed Securities expected to be
purchased by February 1, 2020 (iii) the remaining balance into
the 2019 Series CD Costs of Issuance Account to pay costs of
issuance related to the 2019 Series CD Bonds.

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.

DEBT ISSUANCE:

2020 Approved Amount/Issued: \$0/\$0

OUTSTANDING DEBT AS OF JUNE 30, 2020:

\$223,614,541

SUMMARY OF FISCAL YEAR 2020 TRANSACTIONS:

None.

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 the capital transportation grants allocation that is based upon the amount of revenues allocated to the Highway User Revenue Account in the Transportation Trust Fund, 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 these capital grants.

OUTSTANDING DEBT AS OF JUNE 30, 2020:

\$113,350,000

SUMMARY OF FISCAL YEAR 2020 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, and one in the original amount of \$23,490,000 issued in fiscal year 2019 for Parking Shuttle Buses at BWI airport. The Board of Public Works approved all of these issues. At June 30, 2020, debt outstanding on the three refunded issues and the 2019 Parking Shuttle Buses was \$44,415,000.

Other nontraditional, non-State tax supported debt outstanding includes \$448,370,000 issued by the Authority and \$114,945,000 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 \$5,245,000 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, 2020 totals \$607,730,000, while total nontraditional debt outstanding totals \$612,975,000 (A limit of \$951,000,000 was set by language in the fiscal year 2020 budget bill).

OUTSTANDING DEBT AS OF JUNE 30, 2020:

\$612,975,000

SUMMARY OF FISCAL YEAR 2020 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, 2020:

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

\$662,289,767 (bonds and notes)

\$2,453,696,847 (includes conduit debt)

SUMMARY OF FISCAL YEAR 2020 TRANSACTIONS

TITLE & AMOUNT: \$36,035,000 AFCO Airport Real Estate Group Series 2019

CLOSING DATE: August 21, 2019

CREDIT ENHANCEMENT: n/a

RATING: BBB

INTEREST RATE: 2.66%-5%

LONGEST MATURITY: July 1, 2044

PURPOSE: Finance the acquisition, development, and construction of airport facilities located at BWI Airport, fund a deposit to the Debt Service Reserve Fund, and pay cost of issuance.

TITLE & AMOUNT: \$7,500,000 University of Maryland, College Park Child Care Facility Project Series 2019

CLOSING DATE: September 6, 2019

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: Fixed 3.154%

LONGEST MATURITY: September 1, 2039

PURPOSE: Finance the cost of acquiring, constructing, renovating and equipping a full service child care center near the campus of the University in the City of College Park, cost of issuance of the bonds, and other related costs associated with the project.

TITLE & AMOUNT: **\$25,210,000 The Children's Guild Obligated Group Series 2019 A**

CLOSING DATE: November 14, 2019

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: 6.5%

LONGEST MATURITY: December 1, 2049

PURPOSE: Finance or refinance the acquisition of and/or improvement of educational facilities owned and/or operated by the Children's Guild, Inc. including miscellaneous capital replacements or repairs to the facilities and finance certain costs related to the issuance of the bonds.

TITLE & AMOUNT: **\$790,000 The Children's Guild Obligated Group Series 2019 B Taxable**

CLOSING DATE: November 14, 2019

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: 7.5% fixed

LONGEST MATURITY: June 1, 2024

PURPOSE: Finance or refinance the acquisition of and/or improvement of educational facilities owned and/or operated by the Children's Guild, Inc. including miscellaneous capital replacements or repairs to the facilities and finance certain costs related to the issuance of the bonds.

TITLE & AMOUNT: **\$44,915,000 Bowie State University Project Series 2020**

CLOSING DATE: February 26, 2020

CREDIT ENHANCEMENT: n/a

RATING: BBB-

INTEREST RATE: 4%-5%

LONGEST MATURITY: June 1, 2055

PURPOSE: Pay a portion of the costs of the acquisition, construction, furnishing and equipping of a student housing project, as part of a residential living-learning facility, on behalf of Bowie State University, establish a debt service reserve fund, pay the interest expected to accrue on the bonds, pay all or a portion of the working capital and marketing costs on the bonds, and pay cost of issuance of the bonds.

TITLE & AMOUNT: **\$10,000,000 National Park Service Project Series 2020**

CLOSING DATE: April 18, 2020

CREDIT ENHANCEMENT: n/a

RATING: n/a

INTEREST RATE: 2.5642%

LONGEST MATURITY: April 15, 2050

PURPOSE: Finance the development and construction of the new National Park Service headquarters.

Amount & Title: **\$123,437,000 Maryland Economic Development Corporation Lease Revenue Refunding Bond (Maryland Public Health Laboratory Project) Series 2021**

Closing Date: May 5, 2020

Credit Enhancement: N/A

Rating: N/A

Interest Rate: 1.198%

Longest Maturity: June 1, 2031

Purpose: Fund an escrow invested in eligible securities to defease MEDCO's Series 2011 Lease Revenue Bonds (Maryland Public Health Laboratory Project Series 2011 on the April 30, 2021 and fund transaction costs.
**The bonds will be purchased pursuant to a Forward Bond Purchase Agreement, which was executed on May 5, 2020 and the bonds will be issued and purchased on April 30, 2021.

Amount & Title: **\$27,500,000 University of Maryland, College Park Office Condominium Project Series 2020**

Closing Date: June 18, 2020

Credit Enhancement: N/A

Rating: N/A

Interest Rate: 1.85%

Longest Maturity: June 1, 2040

Purpose: Finance all or part of the cost of classroom/educational space, to be constructed as part of a larger project which will include a city hall facility for the use and benefit of the City of College Park and certain furnishings, machinery and equipment to be located in connection with the classroom/educational space.

**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, 2020	\$8,339,574,000
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SUMMARY OF FISCAL YEAR 2020 TRANSACTIONS

Amount & Title: \$190,955,000 University of Pittsburg Medical Center (UPMC)

Closing Date: April 29, 2020

Credit Enhancement: N/A

Rating: Moody's A2; S&P A

Interest Rate: 3.50/4.00/5.00%

Longest Maturity: 2050

Purpose: A public offering to refinance the outstanding UPMC Taxable Notes, Series 2020 (the "2020 Taxable Notes") issued in connection with UPMC's acquisition of UPMC Maryland Corporation (formerly known as Western Maryland Health System Corporation) ("UPMC Western Maryland").

Amount & Title: \$95,995,000 Peninsula Regional Health System Issue, Series 2020

Closing Date: May 13, 2020

Credit Enhancement: N/A

Rating: Moody's A3; S&P A

Interest Rate: 5.00/4.00/3.00%

Longest Maturity: 2048

Purpose: A public offering to refinance certain outstanding debt (not issued by the Authority for Nanticoke) and to finance the construction of a freestanding medical facility related to McCready Foundation, a pediatric behavioral health unit and various minor equipment and renovation projects at Peninsula Regional Medical Center.

Amount & Title: \$62,645,000 Frederick Health System Issue, Series 2020

Closing Date: June 25, 2020

Credit Enhancement: N/A

Rating: Moody's: Baa1; Fitch: A-

Interest Rate: 2.35%/4.00%

Longest Maturity: 2050

Purpose: A public offering to finance capital expenditures related to the construction of its Critical Care Pavilion; computer software and related equipment; the renovation of inpatient care units at the main hospital; installation of a nurse call system; and acquisition of Imaging 3T medical equipment and the refinancing of its Frederick Memorial Hospital Issue (2017A) bonds.

Amount & Title: \$35,639,000 Springwell Senior Living Issue (2019) (Taxable)

Closing Date: July 17, 2019

Credit Enhancement: N/A

Rating: N/A

Interest Rate: 2.715%

Longest Maturity: 2034

Purpose: A private placement to refinance outstanding debt and finance additional capital expenditures.

**Amount & Title: \$20,000,000 Roland Park Place Issue (2019A)
\$40,000,000 Roland Park Place Issue (2019B)**

Closing Date: July 31, 2019

Credit Enhancement: N/A

Rating: N/A

Interest Rate: Series A: 3.320%
Series B: Variable – 81% of Libor + 150bps

Longest Maturity: 2049

Purpose: A private placement to finance Phase 2 of its two-phased repositioning strategy which consists of the construction of a new 8-story building and certain other renovations to the campus and existing facilities.

Amount & Title: **\$87,110,000 Integrace Issue (2020A)**
\$12,195,000 Integrace Issue (2020B) – Taxable

Closing Date: February 6, 2020

Credit Enhancement: N/A

Rating: N/A

Interest Rate: Series A: 5.0%
Series B: 3.30%

Longest Maturity: Series A: 2049
Series B: 2027

Purpose: Private placements to refund certain outstanding taxable and tax-exempt debt (not issued by the Authority); to finance certain capital improvements at three of its retirement communities; and to finance the transaction costs associated with the proposed financing.

Amount & Title: **\$5,000,000 St. Paul's Schools Issue (2019A)**
\$20,000,000 St. Paul's Schools Issue (2019B)

Closing Date: July 24, 2019

Credit Enhancement: N/A

Rating: N/A

Interest Rate: Series A: 2.470%
Series B: 2.360%

Longest Maturity: Series A: 2049
Series B: 2029

Purpose: A private placement to finance the construction of a new Upper School Classroom Building and other related improvement and capital expenditures.

Amount & Title: **\$8,600,000 Beth Tfiloh Dahan Community School Issue (2019)**

Closing Date: August 28, 2019

Credit Enhancement: N/A

Rating: N/A
Interest Rate: Variable – 81% of Libor + 123bps
Longest Maturity: 2044
Purpose: A private placement to refund the Authority’s Revenue Bonds, Beth Tfiloh Dahan Community School Issue (2007).

Amount & Title: \$20,712,565 Maryland School for the Blind Issue (2019)

Closing Date: September 25, 2019
Credit Enhancement: N/A
Rating: N/A
Interest Rate: 1.711%
Longest Maturity: 2049
Purpose: A private placement to refinance outstanding debt (not issued by the Authority).

Amount & Title: \$20,500,000 The SEED School of Maryland Issue (2019)

Closing Date: October 17, 2019
Credit Enhancement: N/A
Rating: N/A
Interest Rate: 2.576%
Longest Maturity: 2037
Purpose: A private placement to refund the Authority’s Revenue Bonds, The SEED School of Maryland Issue (2010).

Amount & Title: \$11,716,000 Patterson Park Public Charter School Issue (2019)

Closing Date: October 23, 2019
Credit Enhancement: N/A

Rating: N/A
Interest Rate: 3.210%
Longest Maturity: 2046
Purpose: A private placement to refund the Authority's Revenue Bonds, Patterson Park Public Charter School Issue, Series 2010A.

Amount & Title: **\$3,750,000 Bishop McNamara High School (2019A)**
\$8,000,000 Bishop McNamara High School (2019B)

Closing Date: December 17, 2019

Credit Enhancement: N/A

Rating: N/A

Interest Rate: 2.525%

Longest Maturity: Series A: 2039
Series B: 2029

Purpose: A private placement to finance the costs associated with the construction of a new science and innovation center as well as transaction costs associated with the proposed financing.

Amount & Title: **\$14,000,000 The Boys' Latin School of Maryland Issue (2020A)**
\$12,000,000 The Boys' Latin School of Maryland Issue (2020B)

Closing Date: January 16, 2020

Credit Enhancement: N/A

Rating: N/A

Interest Rate: 2.510%

Longest Maturity: 2050

Purpose: A private placement to refinance the Authority's Revenue Bonds, The Boys' Latin School of Maryland Issue (2009) and to finance land acquisition and certain new capital projects.

Amount & Title: **\$25,000,000 Legends Charter School Issue, Series 2020A**

\$1,000,000 Legends Charter School Issue, Series 2020B – Taxable

Closing Date: March 12, 2020

Credit Enhancement: N/A

Rating: N/A

Interest Rate: Series A: 7.0%
Series B: 6.25%

Longest Maturity: Series A: 2055
Series B: 2027

Purpose: A limited public offering to finance the acquisition of a 74,175 square foot building situated on 7.12 acres and its renovation to house the Legends Charter School.

Amount & Title: \$10,500,000 The Norwood School Issue (2020)

Closing Date: May 4, 2020

Credit Enhancement: N/A

Rating: N/A

Interest Rate: 2.24%

Longest Maturity: 2050

Purpose: A private placement to finance the construction of a new Lower School Connector Building which will be named the Marriott Early Childhood Building.

**Amount & Title: \$43,640,000 Loyola University Maryland (2019A)
\$34,775,000 Loyola University Maryland (2019B) - Taxable**

Closing Date: December 19, 2019

Credit Enhancement: N/A

Rating: Moody's A2; S&P A

Interest Rate: Series A: 5.0%
Series B: 2.31%-3.65%

Longest Maturity:

Series A: 2049
Series B: 2039

Purpose:

A public offering to refund the Authority's Revenue Bonds, Loyola University Issue, Series 2012A and Loyola University Issue (2012B) and to finance renovation and infrastructure upgrades and an addition to an existing building.

APPENDIX

APPENDIX TABLE I
Debt Outstanding at Year End
Fiscal Years 2016-2020
(in thousands of \$)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
State Agencies with Debt Issuance Levels					
Maryland Environmental Service	25,671	23,098	21,362	19,632	26,790
Maryland Food Center Authority	-	-	-	-	-
Maryland Transportation Authority	3,062,015	2,928,440	2,149,928	2,097,498	2,393,468
Water Quality Financing Authority	<u>330,820</u>	<u>317,530</u>	<u>293,910</u>	<u>271,180</u>	<u>247,245</u>
Total	<u>3,417,596</u>	<u>3,269,068</u>	<u>2,465,200</u>	<u>2,388,310</u>	<u>2,667,503</u>
Other State Agencies and Departments					
Community Development Administration:					
-Multifamily	366,780	398,350	456,745	466,334	473,755
-Multi-Family Stand Alone	516,990	569,591	518,681	464,367	534,212
-Single Family Programs	1,646,628	1,474,163	1,317,768	1,668,191	2,029,190
-Infrastructure Programs	156,085	167,765	183,960	191,850	195,875
-Public Housing Authority Capital Fund Securitization Revenue Bonds	5,495	3,315	2,715	2,300	1,640
Maryland Industrial Development Financing Authority	288,336	286,372	265,786	280,165	223,615
Department of Transportation:					
- County Transportation Revenue Bonds	120,225	108,800	97,020	128,275	113,350
- Certificates of Participation (non-State tax supported)	<u>38,155</u>	<u>33,395</u>	<u>29,845</u>	<u>26,085</u>	22,115
Total	<u>3,427,030</u>	<u>3,330,087</u>	<u>2,872,520</u>	<u>3,184,394</u>	<u>3,593,752</u>
Authorities and Corporations					
Maryland Economic Development Corporation	2,426,583	2,310,969	2,301,926	2,373,025	2,453,697
Health and Higher Educational Facilities Authority	<u>8,664,024</u>	<u>9,042,783</u>	<u>9,063,371</u>	<u>8,903,807</u>	<u>8,339,574</u>
Total	<u>11,090,607</u>	<u>11,353,752</u>	<u>11,365,297</u>	<u>11,276,832</u>	<u>10,793,271</u>