

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

FISCAL YEAR 2021

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 It rescinded Executive Order 01.01.1989.13 and re-established procedures by which the Department of Budget and Management plans and reviews State agency debt and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

2021 Approved Amount/Issued: \$9,805,000

OUTSTANDING DEBT AS OF JUNE 30, 2021:

\$24,567,056

SUMMARY OF FISCAL YEAR 2021 TRANSACTIONS: N/A

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:

2021 Approved Amount/Issued: \$0/\$0

OUTSTANDING DEBT AS OF JUNE 30, 2021:

None.

SUMMARY OF FISCAL YEAR 2021 TRANSACTIONS: N/A

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:

2021 Approved Amount/Issued: \$746,005,000

OUTSTANDING DEBT AS OF JUNE 30, 2021:

\$2,479,496,000

SUMMARY OF FISCAL 2021 TRANSACTIONS:

TITLE & AMOUNT:	\$746,005,000 Series 2021 Transportation Facilities Projects Revenue Bonds
CLOSING DATE:	April 7, 2021
CREDIT ENHANCEMENT:	Debt Service Reserve Insurance Policy
RATING:	Moody's: Aa2 Fitch: AA
INTEREST RATE:	2.00% to 5.00%
FINAL MATURITY:	July 1, 2051
PURPOSE:	To refinance the Series 2008A TIFIA loan and to fund 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:

2021 Approved Amount/Issued: \$0/\$0

OUTSTANDING DEBT AS OF JUNE 30, 2021:

\$222,115,000 (includes Revolving Loan Fund and Bay Restoration Fund)

SUMMARY OF FISCAL YEAR 2021 TRANSACTIONS: N/A

**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 (CDA) 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, 2021:

\$945,034,801 (including stand-alones)

SUMMARY OF FISCAL 2021 TRANSACTIONS:

TITLE & AMOUNT: **\$19,350,000 Housing Revenue Bonds;
Series 2020 C (Non-AMT)**

CLOSING DATE: July 9, 2020

CREDIT ENHANCEMENT: FHA Risk-Sharing Program

RATING: Moody's: Aa2

INTEREST RATE: 0.625% to 3.100% (multiple bonds)

FINAL MATURITY: July 1, 2062

PURPOSE: Provide funding to finance the rehabilitation of River Bend Court (77 units) located in Cumberland, Maryland and finance the new construction of Renaissance Row Apartments (84 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$16,000,000 Multi-family Note
(Knowles Manor Senior Housing)**

CLOSING DATE: July 17, 2020

CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure

RATING: Private Placement

INTEREST RATE: 3.59%

FINAL MATURITY: August 1, 2040

PURPOSE: Provide funding to finance the acquisition and construction of Knowles Manor Senior Housing (94 units) located in Kensington, Maryland.

TITLE & AMOUNT: **\$15,575,000 Multifamily Development Revenue Bonds; Series 2020 C (Greenspring Overlook Apartments)**

CLOSING DATE: July 24, 2020

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 0.850%

MATURITY: August 1, 2022

PURPOSE: Provide funding to finance a portion of the acquisition, construction and rehabilitation of Greenspring Overlook Apartments (189 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$19,100,000 Multi-family Note (Suitland Senior Apartments)**

CLOSING DATE: September 25, 2020

CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure

RATING: Private Placement

INTEREST RATE: 3.55%

FINAL MATURITY: April 1, 2041

PURPOSE: Provide funding to finance the acquisition and construction of Suitland Senior Apartments (137 units) located in Suitland, Maryland.

TITLE & AMOUNT: **\$11,485,000 Housing Revenue Bonds;
Series 2020 D (Non-AMT)**

CLOSING DATE: October 22, 2020

CREDIT ENHANCEMENT: FHA Risk-Sharing Program

RATING: Moody's: Aa2

INTEREST RATE: 0.25 to 2.95% (multiple bonds)

MATURITY: July 1, 2062

PURPOSE: Provide funding to finance the rehabilitation of two multifamily residential rental projects of Fairview Apartments (75 units) in Rising Sun, Maryland and The Villas at Whitehall (71 units) in Elkton, Maryland.

TITLE & AMOUNT: **\$11,000,000 Multifamily Development Revenue Bonds;
Series 2020 E (Princess Anne Townhouses)**

CLOSING DATE: December 4, 2020

CREDIT ENHANCEMENT: Cash Collateral

RATING: Private Placement

INTEREST RATE: 0.575%

MATURITY: December 1, 2022

PURPOSE: Provide funding to finance the acquisition, construction and rehabilitation of Princess Anne Townhouses (120 units) located in Princess Anne, Maryland.

TITLE & AMOUNT: **\$23,860,000 Housing Revenue Bonds; Series 2020 E (Non-AMT)**

CLOSING DATE: December 17, 2020

CREDIT ENHANCEMENT: FHA Risk-Sharing Program

RATING: Moody's: Aa2

INTEREST RATE: 0.20% to 2.70% (multiple bonds)

FINAL MATURITY: July 1, 2062

PURPOSE: Provide funding to finance the rehabilitation of two multifamily residential rental projects of Hickory Ridge Place (108 units) located in Columbia, Maryland and Henrietta Lacks Village III (36 units) located in Dundalk, Maryland.

TITLE & AMOUNT: **\$21,100,000 Multi-family Note (Snowden's Ridge Apartments)**

CLOSING DATE: December 21, 2020

CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure

RATING: Private Placement

INTEREST RATE: 3.21%

MATURITY: January 1, 2038

PURPOSE: Provide funding to finance the acquisition and rehabilitation of Snowden's Ridge Apartments (87 units) located in Silver Spring, Maryland.

TITLE & AMOUNT: **\$11,800,000 Multi-Family Note (Newtowne 20)**
CLOSING DATE: December 22, 2020
CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure
RATING: Private Placement
INTEREST RATE: 3.68%
MATURITY: July 1, 2041
PURPOSE: Provide funding to finance the new construction of Newtowne 20 (78 units) located in Annapolis, Maryland.

TITLE & AMOUNT: **\$73,500,000 Multi-family Note (Rye Street Apartments)**
CLOSING DATE: December 30, 2020
CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure
RATING: Private Placement
INTEREST RATE: 3.72%
MATURITY: January 1, 2042
PURPOSE: Provide funding to finance the acquisition and construction of Rye Street Apartments (254 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$10,000,000 Multi-family Note (Hillbrooke Towers)**
CLOSING DATE: February 1, 2021
CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure
RATING: Private Placement
INTEREST RATE: 3.89%
MATURITY: August 1, 2040
PURPOSE: Provide funding to finance the acquisition and rehabilitation of Hillbrooke Towers Apartments (55 units) located in Silver Spring, Maryland.

TITLE & AMOUNT: **\$11,400,000 Multifamily Development Revenue Bonds; Series 2021 A (Rosemont Gardens 4 Apartments)**
CLOSING DATE: May 13, 2021
CREDIT ENHANCEMENT: Cash Collateral
RATING: Private Placement
INTEREST RATE: .83%
MATURITY: May 1, 2023
PURPOSE: Provide funding to finance the acquisition and rehabilitation of Rosemont Gardens 4 Apartments (131 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$22,000,000 Multi-family Note (525 Aisquith Apartments)**

CLOSING DATE: June 3, 2021

CREDIT ENHANCEMENT: Freddie Mac Tax-Exempt Loan Structure

RATING: Private Placement

INTEREST RATE: 4.52%

MATURITY: January 1, 2042

PURPOSE: Provide funding to finance the acquisition and construction of 525 Aisquith (123 units) located in Baltimore, Maryland.

TITLE & AMOUNT: **\$13,605,000 Housing Revenue Bonds Series 2021 A (Non-AMT) (Sustainability Bonds)**

CLOSING DATE: June 24, 2021

CREDIT ENHANCEMENT: FHA Risk-Sharing Program

RATING: Moody's: Aa2

INTEREST RATE: 0.35% to 2.65% (multiple bonds)

MATURITY: July 1, 2063

PURPOSE: Provide funding to finance the new construction of Hamilton Station (80 units, across five three-story buildings) located in Frederick, 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, 2021:

\$181,500,000

SUMMARY OF FISCAL 2021 TRANSACTIONS:

TITLE & AMOUNT: **\$24,210,000 Local Government Infrastructure Bonds**
\$16,740,000 2020 Series A-1 (Senior Obligations)
\$7,470,000 2020 Series A-2 (Subordinate Obligations)

CLOSING DATE: August 20, 2020

CREDIT ENHANCEMENT: Local Obligations of the participating local governments

RATING: 2020 Series A-1: Moody’s Investor Serv.: Aa2 (stable outlook)
 2020 Series A-2: Moody’s Investor Serv.: Aa3 (stable outlook)

INTEREST RATE: 2020 Series A-1: 4.00%
 2020 Series A-2: 4.00%

FINAL MATURITY: June 1, 2049 (multiple bonds)

PURPOSE: Proceeds financed infrastructure loans for seven (7) local governments: Town of District Heights, Town of Havre de Grace, City of Westminster, Town of Aberdeen, Town of Oakland, the Somerset County Sanitary Commission and the St. Mary’s Metropolitan Commission.

**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, 2021:

\$690,000

SUMMARY OF FISCAL 2021 TRANSACTIONS: N/A

**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, 2021:

\$1,977,168,668

SUMMARY OF FISCAL 2021 TRANSACTIONS

TITLE & AMOUNT:	\$160,000,000 Residential Revenue Bonds; 2020 Series D (Non-AMT)
CLOSING DATE:	August 27, 2020
CREDIT ENHANCEMENT:	Mortgage insurance guarantee programs provided by FHA, VA and USDA/RD, private mortgage insurance and the MHF
RATING:	Series 2020 D: Moody's: Aa1 (stable outlook)
INTEREST RATE:	Series 2020 D: 0.150% to 3.250% (multiple bonds)

FINAL MATURITY: Series 2020 D: September 1, 2050

PURPOSE: The proceeds of the sale of the 2020 Series D Bonds were used to (i) redeem the 2020 Series D Refunded Bonds, (ii) to purchase on or about the delivery date of the 2020 Series D Bonds certain Mortgage-Backed Securities, or participations therein, credited to the Warehouse Loan Fund, (iii) to purchase additional Mortgage-Backed Securities or Mortgage Loans, or participations thereon, following the Delivery Date of the 2020 Series D Bonds, and (iv) to pay costs of issuance related to the 2020 Series D Bonds.

TITLE & AMOUNT: **\$197,725,000 Residential Revenue Bonds;
2021 Series A (Non-AMT)**

CLOSING DATE: February 25, 2021

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

RATING: Series 2021 A: Moody's: Aa1 (stable outlook)

INTEREST RATE: Series 2021 A: 0.100% to 3.000%% (multiple bonds)

FINAL MATURITY: Series 2021 A: September 1, 2051

PURPOSE: The proceeds of the sale of the 2021 Series A Bonds were used to (i) redeem the 2021 Series A Refunded Bonds, (ii) to purchase on or about the delivery date of the 2021 Series A Bonds certain Mortgage-Backed Securities, or participations therein, credited to the Warehouse Loan Fund, and (iii) to purchase additional Mortgage-Backed Securities or Mortgage Loans, or participations thereon, following the Delivery Date of the 2021 Series A 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.

OUTSTANDING DEBT AS OF JUNE 30, 2021:

\$213,048,663 (includes Revolving Loan Fund and Bay Restoration Fund)

SUMMARY OF FISCAL YEAR 2021 TRANSACTIONS: N/A

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.

Note: As of Fiscal Year 2021, nontraditional debt is not included in this report. The General Assembly currently establishes an annual limit on the amount of nontraditional debt and provides a process in the budget bill to increase the amount of nontraditional debt if more is needed.

OUTSTANDING DEBT AS OF JUNE 30, 2021:

\$100,595,000

SUMMARY OF FISCAL YEAR 2021 TRANSACTIONS: N/A

**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 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, 2021:

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

\$729,099,162 (bonds and notes)
\$2,758,232,047 (includes conduit debt)

SUMMARY OF FISCAL YEAR 2021 TRANSACTIONS

Amount & Title:	\$80,825,000 Senior Student Housing Revenue Bonds (Morgan State University Project) Series 2020
Closing Date:	December 10, 2020
Credit	N/A
Enhancement:	
Rating:	BBB-
Interest Rate:	4.00-5.00%
Longest Maturity:	July 1, 2056
Purpose:	Finance the cost of constructing, furnishing, refurbishing and equipping a student housing facility containing approximately 670 beds, as part of a multi-use building, for the use of Morgan State University, fund a deposit to the debt service reserve fund, fund interest expected to accrue through February 1, 2023 and pay cost of issuance of the bonds and other transaction costs.

Amount & Title: **\$137,485,000 Special Obligation Bonds (Port Covington Project) Series 2020**
Closing Date: December 30, 2020
Credit: N/A
Enhancement:
Rating: N/A
Interest Rate: 3.25%-4.00%
Longest Maturity: September 1, 2050
Purpose: Finance the acquisition, development, and construction of certain public and other infrastructure improvements that will be located within the Port Covington Development District and the Port Covington Special Tax District, fund a deposit to the Series 2020 Reserve Fund, fund a deposit to the Series 2020 Capitalized Interest Account, pay certain administrative costs, and pay cost of issuance.

Amount & Title: **\$123,437,000 Lease Revenue Refunding Bond (Maryland Public Health Laboratory Project) Series 2021**
Closing Date: April 30, 2021
Credit: N/A
Enhancement:
Rating: N/A
Interest Rate: 1.19%
Longest Maturity: June 1, 2031
Purpose: Currently refund the Maryland Economic Development Corporation Economic Development Revenue Bonds (Maryland Public Health Laboratory Project) Series 2011 which financed the acquisition, construction and equipping by MEDCO of the State public health laboratory; and finance certain costs related to the issuance of the bonds and other transaction-related costs.

Amount & Title: **\$265,985,000 Federal Lease Revenue Bonds (SSA Baltimore Project) Federally Taxable Series 2021**
Closing Date: June 29, 2021
Credit: N/A
Enhancement:
Rating: N/A
Interest Rate: 3.997%
Longest Maturity: April 1, 2034
Purpose: Finance or refinance the acquisition of 100% of the membership interests by NLCA GSA Baltimore, LLC in SSA Baltimore Holdings, LLC, which owns the Level IV security office building located at 6100 Wabash Avenue in the City of Baltimore, Maryland and the land on which it is situated, fund the required reserves and pay costs of issuance and related costs.

**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, 2021 \$8,475,239,000

SUMMARY OF FISCAL YEAR 2021 TRANSACTIONS

TITLE & AMOUNT:	\$78,260,000 University of Maryland Medical System Issue, Series 2020 B-1 \$74,420,000 University of Maryland Medical System Issue, Series 2020 B-2 \$600,000,000 University of Maryland Medical System Issue, Series 2020D - Taxable
CLOSING DATE:	July 22, 2020
CREDIT ENHANCEMENT:	None
RATING:	Series B-1: Moody's A2; S&P A Series B-2: Moody's A2; S&P A Series D: Moody's A2; S&P A
INTEREST RATE:	Series B-1: 5.0% Series B-2: 5.0%

Series D: 3.052%/3.197%

LONGEST MATURITY: Series B-1: 2045
Series B-2: 2045
Series D: 2050

PURPOSE: A public offering to finance capital expenditures related primarily to three capital projects: The Shore Regional at Dorchester Transformation Project, The Upper Chesapeake Transformation Project and The Baltimore Washington Ambulatory Care Expansion Project. UMMS utilized the Series 2020D bonds to refinance certain existing debt and provide funding for capital projects included in their master plan.

TITLE & AMOUNT: \$8,430,000 St. John's College Issue, Series 2020

CLOSING DATE: July 27, 2020

CREDIT ENHANCEMENT: None

RATING: S&P: BBB

INTEREST RATE: 3.00%/4.00%

LONGEST MATURITY: 2040

PURPOSE: A public offering to refinance certain outstanding debt not issued through the Authority and finance various equipment purchases and renovation projects at the Annapolis campus.

TITLE & AMOUNT: \$13,000,000 Roland Park Country School Issue (2020)

CLOSING DATE: August 6, 2020

CREDIT ENHANCEMENT: None

RATING: N/A

INTEREST RATE: 2.158%

LONGEST MATURITY: 2050

PURPOSE: A private placement to finance the construction of the new Harris Center main entrance and reception area and other related improvements and capital expenditures and to refinance the

Authority's Revenue Bonds, the Roland Park country School Issue (2009).

TITLE & AMOUNT: **\$14,300,000 Kennedy Krieger Institute Issue (2020)**

CLOSING DATE: August 20, 2020

CREDIT ENHANCEMENT: None

RATING: N/A

INTEREST RATE: 83% (LIBOR + 1.30%)

LONGEST MATURITY: 2038

PURPOSE: A private placement to refinance the Authority's Revenue Bonds, Kennedy Krieger Issue (2011).

TITLE & AMOUNT: **\$18,725,000 Adventist HealthCare Issue, Series 2020**

CLOSING DATE: December 30, 2020

CREDIT ENHANCEMENT: None

RATING: Moody's: Baa3

INTEREST RATE: 4.0%

LONGEST MATURITY: 2038

PURPOSE: A public offering to refund Adventist HealthCare Issue (2014A).

TITLE & AMOUNT: **\$126,380,000 Stevenson University Issue, Series 2021A**
\$14,779,000 Stevenson University Issue (2021B) – Taxable

CLOSING DATE: January 28, 2021

CREDIT ENHANCEMENT: None

RATING: S&P: BBB-

INTEREST RATE: Series A: 4.0%
Series B: 2.350%

LONGEST MATURITY: Series A: 2028-2055

Series B: 2028

PURPOSE: A public offering and private placement to finance capital expenditures related to the construction of a new library facility and other capital improvements on the University's Owings Mills campus and to refinance the Authority's Revenue Bonds, Stevenson University Issue, (2013 A,B&C).

TITLE & AMOUNT: **\$16,539,000 Calvert Health System Issue (2021)**

CLOSING DATE: April 15, 2021

CREDIT ENHANCEMENT: None

RATING: N/A

INTEREST RATE: 2.0%

LONGEST MATURITY: 2035

PURPOSE: A private placement to refund the Authority's Revenue Bonds, Calvert Memorial Hospital Issue (2015), and finance related costs of issuance.

TITLE & AMOUNT: **\$46,680,000 Mercy Medical Center Issue (2021)**

CLOSING DATE: April 21, 2021

CREDIT ENHANCEMENT: None

RATING: N/A

INTEREST RATE: 1.650%

LONGEST MATURITY: 2031

PURPOSE: A private placement to refund the Authority's Revenue Bonds, Mercy Medical Center Issue, Series 2011, and to finance the purchase of medical equipment and to finance the related costs of issuance.

APPENDIX

APPENDIX TABLE I

Debt Outstanding at Year End

Fiscal Years 2017-2021

(in thousands of \$)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
State Agencies with Debt Issuance Levels					
Maryland Environmental Service	23,908	21,362	28,990	26,790	24,567
Maryland Food Center Authority	-	-	-	-	-
Maryland Transportation Authority	2,928,440	2,149,928	2,097,498	2,393,468	2,479,469
Water Quality Financing Administration	<u>317,530</u>	<u>293,910</u>	<u>271,180</u>	<u>247,245</u>	<u>222,115</u>
Total	<u>3,269,878</u>	<u>2,465,200</u>	<u>2,397,668</u>	<u>2,667,503</u>	<u>2,726,151</u>
Other State Agencies and Departments					
Community Development Administration:					
-Multifamily	398,350	456,745	466,334	473,755	518,642
-Multi-Family Stand Alone	569,591	518,681	464,367	534,212	426,393
-Single Family Programs	1,474,163	1,317,768	1,668,191	2,029,190	1,977,169
-Infrastructure Programs	167,765	183,960	191,850	195,875	181,500
-Public Housing Authority Capital Fund Securitization Revenue Bonds	3,315	2,715	2,300	1,640	690
Maryland Industrial Development Financing Authority	286,372	265,786	236,992	223,615	213,049
Department of Transportation:					
- County Transportation Revenue Bonds	108,800	97,020	128,275	113,350	100,595
- Certificates of Participation (non-State tax supported)	<u>33,395</u>	<u>29,845</u>	<u>26,085</u>	<u>22,115</u>	<u>17,900</u>
Total	<u>3,330,087</u>	<u>2,872,520</u>	<u>3,184,394</u>	<u>3,593,752</u>	<u>3,435,938</u>
Authorities and Corporations					
Maryland Economic Development Corporation	2,310,969	2,301,926	2,373,024	2,453,697	2,758,232
Health and Higher Educational Facilities Authority	<u>9,042,783</u>	<u>9,063,371</u>	<u>8,903,807</u>	<u>8,339,574</u>	<u>8,475,239</u>
Total	<u>11,353,752</u>	<u>11,365,297</u>	<u>11,276,831</u>	<u>10,793,271</u>	<u>11,233,471</u>

APPENDIX TABLE I (Continued)
Debt Issued, Redeemed, and Outstanding*
Fiscal Year 2021

(in thousands of \$)

	Outstanding 6/30/2020	Increases		Decreases		Outstanding 6/30/2021
		Issues	Accreted Interest/ Other	Redemptions	Refunded/ Other	
State Agencies with Debt Issuance Levels						
Maryland Environmental Service:						
-Bonds	24,963	9,805	1,700		(13,260)	23,208
-Equipment Financing	1,827				(468)	1,359
Maryland Food Center Authority						
Maryland Transportation Authority ^(a)	2,393,468	746,005		(229,749)	(430,255)	2,479,469
Water Quality Financing Administration	247,245			(25,130)		222,115
Other State Agencies and Departments						
Community Development Administration:						
-Multifamily	473,755	68,300		(23,413)		518,642
-Multi-Family Stand Alone ^(b)	534,212	37,975	63,766	(203,720)	(5,840)	426,393
-Single Family Programs	2,029,190	357,725		(409,746)		1,977,169
-Infrastructure Programs	195,875	24,210		(38,585)		181,500
-Public Housing Authority Capital Fund Securitization Revenue Bonds	1,640			(950)		690
Maryland Industrial Development Financing Authority	223,615				(10,566)	213,049
Department of Transportation:						
-County Transportation Revenue Bonds	113,350			(12,755)		100,595
-Certificates of Participation (non-State tax supported)	22,115			(4,215)		17,900
Authorities and Corporations						
Maryland Economic Development Corporation ^{(c)(d)}						
-Bonds and notes	662,290	84,323		(14,933)	(2,581)	729,099
-Capital leases						
-Conduit Debt	1,791,407	526,907		(289,181)		2,029,133
Health and Higher Educational Facilities Authority	8,339,574	1,011,513			(875,848)	8,475,239

*Totals may not add due to rounding.

(a) Balances for MDTA's zero coupon bonds are stated at their current liability (i.e., balances include liability for interest accreted through each year ended)

(b) These issues are conduit financings and are not included in the financial statements of the Revenue Obligation Funds. They are secured solely by the revenues generated by the projects and any credit enhancements; neither the General Bond Reserve Fund nor any other assets are pledged.

(c) The amounts issued include any premium or discount.

(d) May not equal the amount of bonds sold, in the case where not all of the proceeds have been drawn.

APPENDIX TABLE II
State Agency Debt Issuance Levels
(in thousands of \$)

	FISCAL 2019		FISCAL 2020		FISCAL 2021		FISCAL 2022
	Issuance Levels		Issuance Levels		Issuance Levels		Issuance Levels
	<u>Approved</u>	<u>Issued</u>	<u>Approved</u>	<u>Issued</u>	<u>Approved</u>	<u>Issued</u>	<u>Approved</u>
Maryland Environmental Service	N/A	8,915	N/A	-	N/A	9,805	N/A
Maryland Food Center Authority	N/A	-	N/A	-	N/A	-	N/A
Maryland Transportation Authority	N/A	207,285	N/A	400,000	N/A	746,005	N/A
Water Quality Financing Administration	N/A	-	N/A	-	N/A	-	N/A
Total	<u>-</u>	<u>216,200</u>	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>755,810</u>	<u>-</u>