

GENERAL

Ordinance Fact Sheet

200152

Ordinance Number

Brief Title

Authorizing the issuance of General Obligation Bonds, Series 2020A, in a principal amount not to exceed \$60,000,000 to provide funds to pay a portion for Streets, Sidewalks, and Bridge Projects, Flood Control Project, Public Buildings Projects, and pay the cost of issuing the Bonds.

Reason

Authorizing the issuance of General Obligation Bonds, Series 2020A.

<p>Reason for Legislation</p> <p>Authorizing the issuance of General Obligation Bonds, Series 2020A ("Series 2020A Bonds"), in a principal amount not to exceed \$60,000,000; prescribing the form and details of said bonds; providing for the levy and collection of an annual tax for the purpose of paying the principal of and interest on said bonds as they become due; and authorizing certain other documents and actions in connection therewith.</p>	<p>Sponsor</p> <p>Tammy Queen, Director of Finance</p>
<p>Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)</p> <p>On April 4, 2017, qualified voters authorized \$600 million of general obligation bonds for the purpose of making improvements to roads, sidewalks and bridges; \$150 million of general obligation bonds for the purpose of making improvements to flood control infrastructure; and \$50 million of general obligation bonds for the purpose of making improvements to public buildings, facilities and constructing a new animal shelter (collectively the "2017 Authorization"). To date, there have been two issuances from the 2017 Authorization, the General Obligation Improvement and Refunding Bonds, Series 2018A ("Series 2018A Bonds") and the General Obligation Bonds, Series 2019A ("Series 2019A Bonds"). The Series 2018A Bonds, issued March 14, 2018, utilized \$41.70 million of the 2017 Authorization. The Series 2019A Bonds, issued April 3, 2019, utilized \$57.29 million. After issuance of the Series 2019A Bonds, \$534.1 million of authorization is estimated to remain for roads, sidewalks and bridges; \$138.4 is estimated to remain for flood control; and \$28.4 million is estimated to remain for public buildings.</p> <p>The Series 2020A Bonds are being issued in the aggregate principal amount not to exceed \$60,000,000 for the purpose of providing \$25.6 million in funds to pay a portion of the cost for the roads, sidewalks, and bridges projects, \$12.9 million to pay for a portion of the costs for the flood control projects, \$12.4 million to pay a portion of the costs for the public buildings projects, pay the costs of issuing the Bonds, and pay \$731,000 to the Municipal Arts Projects Fund.</p> <p>The Series 2020A Bonds projects were approved on Ordinance No. 190175 as part of the annual budget for FY2019-20 and as part of the Five Year Financial Plan dated 2018 (ordinance 180711).</p>	<p>Programs, Departments, or Groups Affected</p> <p>Finance Department</p> <p>Applicants / Proponents</p> <p>Applicant</p> <p>City Department Finance Department</p> <p>Other</p> <p>Opponents</p> <p>Groups or Individuals</p> <p>None Known</p> <p>Basis of opposition</p> <p>Staff Recommendation</p> <p><input checked="" type="checkbox"/> For</p> <p><input type="checkbox"/> Against</p> <p>Reason Against</p>
	<p>Board or Commission Recommendation</p> <p>By</p> <p><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken</p> <p><input type="checkbox"/> For, with revisions or conditions (see details column for conditions)</p>
	<p>Council Committee Actions</p> <p><input type="checkbox"/> Do pass</p> <p><input type="checkbox"/> Do pass (as amended)</p> <p><input type="checkbox"/> Committee Sub.</p> <p><input type="checkbox"/> Without Recommendation</p> <p><input type="checkbox"/> Hold</p>

(Continued on reverse side)

Details

For a full listing of the proposed projects to be funded, please see the attached list entitled "General Obligation Bonds, Series 2020A Projects List". The aforementioned projects have been reviewed by the Finance Department and Bond Counsel and were found to qualify for tax-exempt financing.

The City has retained Gilmore & Bell and Clayborne & Associates, LLC to serve as co-bond counsel and co-disclosure counsel. The estimated legal fees are \$31,900.00.

Hilltop Securities Inc., and Independent Public Advisors ("IPA") will serve as the City's co-financial advisors. The MBE/WBE goal for this engagement is 20%. IPA is currently a certified MBE/WBE firm. At this time, the financial advisory fees are estimated at \$83,000 plus reimbursable printing and electronic dissemination costs.

The Bonds are anticipated to be sold on April 9, 2020.

Is it good for the children?

Yes. This ordinance will provide the City with funding resources for strategic public improvements and capital maintenance projects located in neighborhoods and throughout the City, which will benefit the public health, safety and welfare of its citizens.

How will this contribute to a sustainable Kansas City?

This ordinance contributes to a sustainable Kansas City by financing improvements and upgrades to the City's infrastructure and environmental attractions that enhance neighborhood vitality and enrich the lives of its residents and visitors.

Outstanding debt information as of January 31, 2020:

General Municipal Debt Outstanding: \$1,472,698,230

Debt Service as a Percent of Governmental Funds Revenue

Actual: 15.7%
Target: < 14.5%

Total Debt Outstanding as a Percent of Governmental Funds Revenue

Actual: 131.4%
Target: < 125.0%

Debt Outstanding as a Percent of Market Value

Actual: 4.4%
Target: < 4.5%

Percent of Debt Retired in 10 Years: 64%

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	Based on a February 12, 2020 analysis prepared by Hilltop Securities, Inc., the City's co-financial advisor, the following are the debt service estimates, assuming a tax-exempt true interest cost of 4.25%.
Financial Impact	Par: \$51,035,000.00 Average Annual Debt Service: \$3,922,547.06 Total Debt Service: \$77,710,015.55
Fund Source (s) and Appropriation Account Codes	Source of repayment for debt service is tax revenue from ad valorem property taxes.

(Use this space for further discussion, if necessary)

Applicable Dates:

Fact Sheet Prepared by:

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Title: Analyst

Reviewed by:

Name: Douglas Buehler Date: 02/13/2020
Title: City Treasurer

GO 2020A Project List

Question No. 1 - Roads, Bridges, and Sidewalks

Project Description	Budget
Front Street I-435 to I-35	\$ 19,997.12
Chouteau Parkway and I-35	\$ 1,000,000.00
Maple Woods	\$ 600,000.00
Paseo Gateway	\$ 2,000,000.00
Beardsley Road Bridge Repairs	\$ 1,500,000.00
Parvin Road at Prather	\$ 700,000.00
Front Street I-435 to I-35	\$ 3,480,002.88
Noland & 350 Highway	\$ 1,000,000.00
NW Prairie View & 62nd to 64th	\$ 2,000,000.00
Prospect Max	\$ 669,600.00
Red Bridge Road/Holmes/Wornall	\$ 2,600,000.00
75th and Wornall Traffic Study	\$ 4,100,000.00
Gregory Boulevard Bridge	\$ 850,000.00
(RFQ) for Sidewalk Inspection	\$ 540,100.00
GOBond Citywide Sidewalk	\$ 359,900.00
19-20 CWA N of Mo River	\$ 2,000,000.00
19-20 CWA S of the Mo river	\$ 2,100,000.00
Municipal Arts Commission	\$ 452,000.00
	\$ 25,971,600.00

Question No. 2 - Flood Control

Project Description	Budget
Turkey and Dodson Creek	\$ 7,620,826.00
Swope Industrial District	\$ 4,550,000.00
Indian Creek	\$ 800,000.00
Municipal Arts Commission	\$ 173,000.00
	\$ 13,143,826.00

Question No. 3 - Public Buildings

Project Description	Budget
Community Centers ADA Projects	\$ 1,400,000.00
Animal Shelter	\$ 11,000,000.04
Municipal Arts Commission	\$ 106,000.00
	\$ 12,506,000.04