City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 250250
Submitted Department/Preparer: Finance
Revised 6/10/24

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in Administrative Regulation (AR) 4-1.

Executive Summary

Approving a plan of finance for City's contribution to the Northland Workforce Development Center; establishing Fund No. 3456, 2026A Taxable Special Obligation Bond Fund; estimating and appropriating bond proceeds in the amount of $29,500,000.00 for the purpose of providing the City's contribution to the project; authorizing the City Manager to execute an agreement to establish certain conditions for the City's contribution; directing the City Manager, as necessary, to identify in the initial quarterly budget clean-up sources to fill any funding gaps existing in project delivery; and declaring the effective date of this ordinance to be May 1, 2025.

Discussion

On February 13, 2025, the City Council adopted Committee Substitute for Ordinance No. 250132 directing the City Manager to develop a plan of finance to support the development of the new workforce development facility in an amount not to exceed $30,000,000.00. The total cost of the new workforce development facility is estimated to be approximately $74,000,000.00 and the State of Missouri has appropriated $37,000,000.00 towards the development of a Northland Workforce Development Center with the balance to come from $7 million in private donations and a City contribution. The City Council allocated $500,000.00 as a contribution to the Northland Workforce Development Center through its FY2024-25 Adopted Budget and said contribution was made on October 16, 2024, reducing the City's current contribution for the project to an amount not to exceed $29,500,000.00 with said contribution being counted toward the estimated $7 million in private donations. The City desires to support the project but will have no responsibility for maintenance or operation of the facility and will impose certain conditions to reflect the level of contribution being made by the City. The Finance Department has developed several options for a plan of finance to fund debt service on bonds issued to provide cash for the City's contribution and the City Council desires to approve the plan outlined in Attachment A to this ordinance.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No

2. What is the funding source?
   Fund No. 3456, 2026A Taxable Special Obligation Bond Fund

3. How does the legislation affect the current fiscal year?
   This ordinance shall become effective on May 1, 2025.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
   This ordinance will estimate and appropriate $29,500,000.00 in Fiscal Year 2025-26. If dedicated revenues are insufficient in a given fiscal year, general fund revenues will be needed to cover debt service.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
   No.

Office of Management and Budget Review
(OMB Staff will complete this section.)

1. This legislation is supported by the general fund. ☒ Yes ☐ No

2. This fund has a structural imbalance. ☒ Yes ☐ No

3. Account string has been verified/confirmed. ☒ Yes ☐ No

Additional Discussion (if needed)
This ordinance establishes a taxable special obligation bond fund, estimates and appropriates $29.5 million for contribution to the Northland Workforce Development Center

Citywide Business Plan (CWBP) Impact

1. View the Adopted 2025-2029 Citywide Business Plan

2. Which CWBP goal is most impacted by this legislation?
   Finance and Governance (Press tab after selecting.)

3. Which objectives are impacted by this legislation (select all that apply):

- ☐ Ensure the resiliency of a responsive, representative, engaged, and transparent City government.
- ☒ Engage in workforce planning including employee recruitment, development, retention, and engagement.
- ☐ Foster a solutions-oriented, welcoming culture for employees and City Partners.
- ☐
- ☐
- ☐

Prior Legislation

Ordinance 250132

Service Level Impacts

The City shall have no financial, legal, or operational responsibility for the maintenance, upkeep, or repair of the Northland Workforce Development Center, either now or in the future.
The City shall have the ability to use the Northland Workforce Development Center, at no charge, for activities including, but not limited to, community meetings, training facilities/courses for City Departments, and career fairs.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   N/A

2. How have those groups been engaged and involved in the development of this ordinance?
   N/A

3. How does this legislation contribute to a sustainable Kansas City?
   N/A

4. Does this legislation create or preserve new housing units?
   No (Press tab after selecting)

   N/A
   Click or tap here to enter text.

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

   No - CREO's review is not applicable (Press tab after selecting)
   Please provide reasoning why not:
   Click or tap here to enter text.

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

   No(Press tab after selecting)

   N/A

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?
   No(Press tab after selecting)