



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 240220

Submitted Department/Preparer: Finance

Revised 11/01/23

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

Authorizing the issuance of General Obligation Bonds, Series 2024A, in a principal amount not to exceed \$80,000,000. Increasing and appropriating revenue in the amount of \$600,000 in the GO Series 2024A Question 1 Bond Fund, \$110,000 in the GO Series 2024A Question 2 Bond Fund, \$50,000 in the GO Series 2024A Question 3 Bond Fund for bond issuance costs, and \$6,155,000 in the GO Series 2024A Q1-22 Bond Fund for project and issuance costs. Designating requisitioning authorities and declaring an official intent to reimburse expenditures with bond proceeds. The Director of Finance is authorized to modify revenue estimates and appropriations as required, and close project accounts upon completion.

Discussion

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").

On November 8, 2022, qualified voters authorized \$125 million of general obligation bonds for the purpose of paying for the acquisition, construction, renovation, improvement, equipping, and furnishing of City parks, recreation, and entertainment facilities (collectively the "2022 Authorization").

To date, there have been six issuances from the 2017 Authorization, the General Obligation Improvement and Refunding Bonds, Series 2018A ("Series 2018A Bonds"), the General Obligation Bonds, Series 2019A ("Series 2019A Bonds"), the General Obligation Bonds, Series 2020A ("Series 2020A Bonds"), and the General Obligation Improvement and Refunding Bonds, Series 2021A ("Series 2021A Bonds"), and the General Obligation Bonds, Series 2022A ("Series 2022A Bonds"), and a portion of the General Obligation Bonds, Series 2023A ("Series 2023A Bonds"). There has been one issuance from the 2022 Authorization, a portion of the General Obligation Bonds, Series 2023A ("Series 2023A Bonds").

- Prior issuances – across all three questions from the 2017 Authorization
 - o \$41.70 million – Series 2018A
 - o \$57.29 million – Series 2019A
 - o \$43.36 million – Series 2020A
 - o \$49.50 million – Series 2021A
 - o \$61.26 million – Series 2022A
 - o \$48.42 million – Series 2023A
- Prior issuances – from Question 1 of the 2022 Authorization
 - o \$32 million – Series 2023A
- Remaining 2017 Authorization - \$498,470,000
 - o \$385.17 million - Question 1 Streets, Bridges, Sidewalks
 - o \$104.51 million - Question 2 Flood Control
 - o \$8.79 million - Question 3 Public Buildings, ADA
- \$93 million – Question 1, 2022 Authorization, City parks, recreation, and entertainment facilities

The Series 2024A Bonds are being issued in the aggregate principal amount not to exceed \$80,000,000 for the purpose of providing \$31.31 million in funds to pay a portion of the cost for the roads, sidewalks, and bridges projects, \$5.94 million to pay for a portion of the costs for the flood control projects, \$2.53 million to pay a portion of the costs for the public buildings projects, and pay the costs of issuing the Bonds. \$393,791 of the above will go toward municipal artworks for the projects pursuant to the 2017 Authorization. The Series 2023A bonds also finance \$16.75 million of improvements to Parks and Recreation Department facilities and \$5.75 million of improvements to Conventions and Entertainment Facilities pursuant to the 2022 Authorization.

Fiscal Impact

1. Is this legislation included in the adopted budget? Yes No
2. What is the funding source?
Ad valorem property taxes.
3. How does the legislation affect the current fiscal year?
Passage of this ordinance will authorize a bond issuance to reimburse the City for certain projects which have been previously appropriated and provide funding for other projects. Debt service payments on the bonds will begin in FY 2025.
4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
Yes. At a federally tax-exempt interest rate of 5.02% and aggregate principal amount of \$62,050,000, debt service is expected to average \$5.10 million per

year for 20 years for this portion of the GO 2024A bonds. The debt service on the bonds issued pursuant to the 2022 Authorization will be funded from existing property tax revenues and the debt service on the bonds issued pursuant to the 2017 Authorization will be funded from an anticipated increase in the debt levy portion of the property tax.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

Flood Control Projects (Question 2 of the 2017 Authorization) receive matching funds from the Army Corp of Engineers. Across the other questions, improvements to area roads, bridges, parks, and the Convention Center will create a better experience for those visiting and allow it to continue hosting events that bring tourism revenue to the City.

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)

Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

1. View the [FY23 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Infrastructure and Accessibility (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):
- Engage in thoughtful planning and redesign of existing road networks to ensure safety, access, and mobility of users of all ages and abilities.
 - Enhance the City's connectivity, resiliency, and equity through a better-connected multi-modal transportation system for all users.
 - Build on existing strengths while developing a comprehensive transportation plan for the future.
 - Develop environmentally sustainable infrastructure strategies that improve quality of life and foster economic growth.

- Ensure adequate resources are provided for continued maintenance of existing infrastructure.
- Focus on delivery of safe connections to schools.

Prior Legislation

Committee Substitute for Ordinance 160877 authorized the election in which voters authorized the City of Kansas City, Missouri to issue a total of \$800 million in bonds over 20 years, spread across three separate questions on the ballot. Question 1 authorized \$600 million for roads, bridges, and sidewalks. Question 2 authorized \$150 million for Flood Control. Question 3 authorized \$50 million for public buildings.

Committee Substitute for Ordinance 220663 authorized the election in which voters approved the issuance of \$125,000,000 in bonds to finance improvements to park and entertainment facilities.

The following ordinances estimated and appropriated funds to allow projects to proceed in advance of the bond sale.

1. Ordinance 230176 approved \$31.31M for Question 1 (Streets, Bridges, and Sidewalks), \$5.94M for Question 2 (Flood Control), and \$2.53M for Question 3 (Public Buildings) of the 2017 Authorization
2. Ordinance 230529 approved \$2M for Question 1 (Parks and Entertainment Facilities) of the 2022 Authorization
3. Committee Substitute for Ordinance 230744 approved \$14.75M for Question 1 (Parks and Entertainment Facilities) of the 2022 Authorization

Service Level Impacts

This ordinance will provide authorization to issue bonds to fund improvements to roads, sidewalks, bridges, flood control, and public buildings, improvements parks and convention facilities.

Other Impacts

1. What will be the potential health impacts to any affected groups?
Improvements and repairs to roads, bridges mean safer roadways for people living in, working in, and visiting Kansas City. Upgraded flood control systems reduce losses to personal and real property. Improvement and repairs to public buildings promote a safer environment for people visiting City-owned facilities.

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

Voters approved the general bond authorizations in 2017 and 2022.

3. How does this legislation contribute to a sustainable Kansas City?
Keeping roadways in serviceable condition reduce auto accidents and damage to vehicles, reducing the cost required to repair or replace those vehicles. Flood control keeps buildings in operational shape and reduces the cost due to property losses.

4. Does this legislation create or preserve new housing units?

No (Press tab after selecting)

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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.

Yes - I have submitted documents for CREO Review (Press tab after selecting)
Please attach or copy and paste CREO's review.

The Financial Advisor Contract for this project has been reviewed and approved by CREO. Bond counsel firms are reviewed by the City Attorney's Office for equity at the time of bid.

Hilltop Securities Inc. and Moody Reid Financial Advisors will serve as the City's co-financial advisors. The MBE goal for this engagement is 20%. Moody Reid is currently a City certified MBE firm. The City has retained Gilmore & Bell and Hardwick Law, LLC to serve as co-bond counsel and co-disclosure counsel. Hardwick Law, LLC is a City certified MBE firm. The MBE goal for this engagement is 25%.

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

No(Press tab after selecting)

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7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

No(Press tab after selecting)

