

GENERAL

Ordinance Fact Sheet

Ordinance Number

Brief Title

First Amendment to the Master Bond Ordinance.

Reason for Legislation

First Amendment to the Master Bond Ordinance for the issuance and incurrence of General Airport Revenue Bonds and Obligations to provide for debt obligations to be designated as Senior Appropriation Obligations; authorizing certain actions and prescribing other matters relating thereto.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers,

Background

On July 13, 2013, the City Council of the City of Kansas City, Missouri ("Council") passed Committee Substitute for Ordinance No. 130081 that authorized the issuance of Airport General Airport Revenue bonds under a Master Bond Ordinance ("MBO"), and that such bonds shall be payable from the net revenues of the airport system. \$77 million of the Airport General Airport Revenue Series 2013A ("Series 2013A") are currently outstanding.

On March 21, 2019, the City Council passed Ordinance No. 190026 that amended and restated the MBO to provide for the incurrence or issuance of Appropriation Obligations, on a senior or subordinate basis and made certain other modifications.

Purpose of this Legislation

This ordinance as a supplement to the amended and restated master bond ordinance (MBO), authorizes the incurrence of debt obligation to be designated as a Senior Appropriation Obligation. This amendment is to allow for the refinancing of the Series 2013A bonds, which previously refunded a City General Airport Revenue Bond issue, by and issue of the IDA. The City will incur a senior appropriation obligation to pay the debt service on the IDA refunding bonds. The City has been advised, by bond market professionals, that refinancing the Series 2013A bonds on the same credit level as bonds that are financing the Airport Terminal Modernization Program would satisfy potential bond-owners.

Reason

Amending the Master Bond Ordinance in order to allow for the designation of a debt obligation as a senior appropriation obligation. This amendment will allow for the refunding of a previously issued airport revenue refunding bond issue wherein the City incurs a senior appropriation obligation for the debt service of an issuance of refunding bonds by the Industrial Development Authority of the City of Kansas City, Missouri.

Sponsor

Tammy L. Queen, Director of Finance
Pat Klein, Director of the Aviation Department

Programs, Departments, or Groups Affected

Finance Department
Aviation Department

Applicants / Proponents

Applicant
City Department
Finance Department
Aviation Department
Other

Opponents

Groups or Individuals

None Known
Basis of opposition

Staff Recommendation

☒ For
☐ Against

Reason Against

Board or Commission Recommendation

By
☐ For ☐ Against ☐ No action taken
☐ For, with revisions or conditions
(see details column for conditions)

Council Committee Actions

☐ Do pass
☐ Do pass (as amended)
☐ Committee Sub.
☐ Without Recommendation
☐ Hold

(Continued on reverse side)

Details

Is it good for the children?

Yes, the a new airport terminal will enhance economic activity in the City for current and future generations of citizens of Kansas City.

How will this contribute to a sustainable Kansas City? The ordinance allows for the refunding of the Series 2013A bonds on the same credit level as all current airport obligations in order efficiently and cost effectively finance a new airport terminal.

Policy/Program Impact

Policy or Program
Change

☒ No ☐ Yes

Operational
Impact
Assessment

Finances

Cost & Revenue
Projections --
Including Indirect
Costs

Financial Impact

Fund Source (s)
and Appropriation
Account Codes

(Use this space for further discussion, if necessary)

Applicable Dates:**Fact Sheet Prepared by:**

Name: Dan Grandcolas
Title: Public Finance Manager

Date: August 21, 2020

Reviewed by:

Name: Kimberly C. Carter
Title: City Treasurer

Date: August 21, 2020

Reference Numbers