

GENERAL

Ordinance Fact Sheet

Ordinance Number

Brief Title

First Amendment to the Master Bond Ordinance.

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.

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 further amends the Amended and Restated MBO by allowing for the designation, through the passage of a supplemental ordinance to the MBO, of a debt obligation as a senior appropriation obligation. The purpose of this amendment is to allow for the refinancing of the Series 2013A bonds, which previously refunded a City General Airport Revenue Bond issue, through the issuance of bonds by a conduit issuer, the Industrial Development Authority (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 putting the refunding bonds on parity with the bonds that have been and will be issued to finance the Airport Terminal Modernization Program would be in the City's best interests.

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| 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 | <input checked="" type="checkbox"/> For <input type="checkbox"/> Against Reason Against |
| Board or Commission Recommendation | By <input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions) |
| Council Committee Actions | <input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> 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

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

Finances

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|---|--|
| 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