



# **Series 2020 KCI Airport Terminal Bond Issuance**

Ordinance Nos. 200703 and 200706

Finance, Governance and Public Safety Committee

September 16, 2020






# Background

- November 2017 - voters approved KC Airport Terminal Modernization Project
- In 2019, the Industrial Development Authority (IDA) issued three series of Special Obligation Bonds to finance a portion of the Terminal Modernization Project
- Series 2019 issuances: \$985 Million




# Purpose

- Authorize the issuance of KCI Terminal Bonds, Series 2020
  - Up to an amount not to exceed \$710 million
    - Up to \$615 million for project funds, capitalized interest, debt service reserve and transaction costs
    - Up to \$95 million to refund City General Airport Refunding Revenue Bonds, Series 2013A
- As with the 2019 Bonds, the Series 2020 Bonds will be secured by an annual appropriation of net revenues of the airport system



## **Ordinance No. 200706 – Amend Master Bond Ordinance**

- Amends Master Bond Ordinance (MBO) to allow for the designation of the refunding bonds as a Senior Appropriation Obligation.



## Ordinance No. 200703 – Supplemental Ordinance

- Authorizes the issuance by the IDA of Special Obligation bonds with a not to exceed principal amount of \$710 million
- Authorizes a financing agreement between the City and the IDA whereby the City agrees to annually appropriate debt service on the IDA bonds
- Approves selection of financial professionals
- Provides funds to finance the Terminal Modernization Project and refund the City General Improvement Airport Refunding Revenue Bonds, Series 2013A
  - Net Present Value savings of 5% of the refunding bonds, estimated to be \$3.8 million
- Estimates and appropriates revenue from bond proceeds
  - Proposed Committee Substitute increases the financing amount to preserve cash on hand
- Final bond issuance for the KCI Terminal Modernization project



# Financial Professionals

- Financial Advisors
  - Hilltop Securities, Inc.
  - Moody Reid Financial Advisors
- Bond Counsel
  - Kutak Rock, LLP
  - The Hardwick Law Firm, LLC
  - Martha E. Schach, Attorney at Law, LLC
- Disclosure Counsel
  - Lewis Rice, LLC
  - Fields & Brown, LLC
  - Martha E. Schach, Attorney at Law, LLC
- Senior Underwriter
  - Morgan Stanley & Co., LLC



# Calendar

- October 5<sup>th</sup>      Receive Bond Ratings
- October 5<sup>th</sup>      Bond Ordinance Effective
- October 20<sup>th</sup>     Bond Pricing
- November 3<sup>rd</sup>     Closing