



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #

Submitted Department/Preparer: Finance

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 the issuance by the City of Kansas City Missouri of its special obligation bonds in more than one series (collectively, the "Series 2023 Bonds"), including a series of bonds to finance certain projects on a tax-exempt basis with an estimated cost of \$61,572,000.00 and a series of bonds to finance certain costs of the Main Streetcar Extension project on a tax-exempt basis with an estimated cost of \$8,334,150.00, such Series 2023 Bonds to be issued in an aggregate principal amount not to exceed \$79,000,000; approving and authorizing certain documents and actions relating to the issuance of the Series 2023 Bonds; estimating and appropriating revenue in Fund No. 3448, the Special Obligation Series 2023A City Projects Fund and Fund No. 3447, the Special Obligation Series 2023B Streetcar Project Fund; designating requisitioning authority; declaring the City's intent to reimburse itself from bond proceeds; and authorizing the Director of Finance to modify and close project accounts; and recognizing this ordinance as having an accelerated effective date.

### Discussion

The Series 2023A tax-exempt bonds will finance the (1) KCPD Radios and the City Hall Improvement Projects, and (2) to pay certain costs related to the issuance of Series 2023A Bonds. The Series 2023B Bonds are being issued for the purpose of providing funds to (1) finance certain project costs of the Main Streetcar Extension Project; (2) fund a debt service reserve fund for the Series 2023B (Main Streetcar Extension Project), and (3) pay certain costs related to the issuance of Series 2023B Bonds. The Series 2023A Bonds (City Projects) and the Series 2023B Bonds (Main Streetcar Extension Project) will be issued pursuant to separate Trust Indentures by and between the City and UMB Bank, N.A. as Trustee.

### Fiscal Impact

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

2. What is the funding source?

Series 2023A City Hall Projects - City's capital improvements sales tax revenues.

Series 2023A KCPD Radios - Annual allocation from the Police Department.

Series 2023B Streetcar Extension Project - Transportation Development District ("TDD") revenues.



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3. How does the legislation affect the current fiscal year?

Project appropriation will become available for use in the current fiscal year upon passage of this ordinance so that the projects can proceed.

4. Does the legislation have fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

Yes. At an assumed federally tax-exempt fixed interest rate of 4.12% for the Series 2023A Bonds, the debt service is estimated to average approximately \$4.0 million per year for the City Hall improvements portion for fifteen (15) years and \$2.4 million per year for the police radio system over a ten (10) year period. At an assumed federally tax-exempt fixed interest rate of 4.69% for the Series 2023B Bonds (Streetcar Project) the debt service is estimated to average approximately \$632,000.00 per year for a twenty-four (24) year period.

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

The Main Street Streetcar extension project also utilizes a \$174 million grant from the federal Department of Transportation, of which the Series 2023B bonds provide a portion of the local match, and a \$24.6 million grant from federal American Rescue Plan legislation.

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### Budget Review

(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

### Additional Discussion (if needed)

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### Citywide Business Plan Impact

The Series 2023A bonds engages in efforts to strategically invest in City infrastructure. The Series 2023B bonds enhances the City's connectivity, resiliency and equity by financing a safe, efficient public streetcar system.



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### Prior Legislation

Ordinance No. 220634 establishing fund No. 3447 for Streetcar passed August 4, 2022; Ordinance No. 221063 establishing fund No. 3448 for KCPD Radios passed December 8, 2022; Ordinance No. 221091 passed January 5, 2023; KCPD MOU signed January 11, 2023;

### Service Level Impacts

Click or tap here to provide a description of how this ordinance will impact service levels. List any related key performance indicators and impact.

### Other Impacts

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

This ordinance will provide funding for the extension of public transportation system in the core of Kansas City, upgrades to City Hall Projects, and a better communication system for KCPD. There are expected positive health impacts for City employees and the City as a whole with construction and financing of these improvements.

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?

This ordinance contributes to a sustainable Kansas City by financing upgrades to the City's public transportation, infrastructure, and communication.

4. Does the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

Not applicable. This ordinance does not seek approval of contracts.

5. Has the ordinance/resolution been submitted for review of economic equity & inclusion requirements in compliance with the Code of Ordinances (Chapter 3, titled "Contracts and Leases")?

Not applicable. This ordinance does not seek approval of contracts.