



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

Authorizing the issuance of General Obligation Bonds, Series 2023A, of The City of Kansas City, Missouri, in a principal amount not to exceed \$100,000,000; prescribing the form and details of said bonds; providing for the levy and collection of an annual tax for the purpose of paying the principal and interest on said bonds; and authorizing certain other documents and actions in connection with the issuance of the bonds.

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 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"). No bonds have been issued to date pursuant to the 2022 Authorization.

To date, there have been five 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").

•Prior issuances – across all three questions

- \$41.70 million – Series 2018A
- \$57.29 million – Series 2019A
- \$43.36 million – Series 2020A
- \$49.50 million – Series 2021A
- \$61.26 million – Series 2022A

•Remaining Authorization - \$546,890,000

- \$421.05 million - Question 1 Streets, Bridges, Sidewalks
- \$114.69 million - Question 2 Flood Control
- \$11.15 million - Question 3 Public Buildings, ADA

The Series 2023A Bonds are being issued in the aggregate principal amount not to exceed \$100,000,000 for the purpose of providing \$39.18 million in funds to pay a portion of the cost for the roads, sidewalks, and bridges projects, \$11.11 million to pay for a portion of the costs for the flood control projects, \$2.58 million to pay a portion of the costs for the public buildings projects, and pay the costs of issuing the Bonds.



City of Kansas City, Missouri

Docket Memo

\$651,758 of the above will go toward municipal art for the projects pursuant to the 2017 Authorization. The Series 2023A bonds also finance \$8.25 million of improvements to Parks and Recreation facilities and \$26.75 million of improvements to Convention 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.

4. Does the legislation have 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 4.33% and aggregate principal amount of \$84,430,000, debt service is expected to average \$6.74 million per year for 20 years for this portion of the GO 2023A bonds attributable to these appropriations. 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?

The Flood Control projects under Fund 3623 have matching funding provided by the U.S. Army Corps of Engineers.

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



City of Kansas City, Missouri

Docket Memo

Additional Discussion (if needed)

Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

View the [FY23 Citywide Business Plan](#)

Which CWBP goal is most impacted by this legislation?

Infrastructure and Accessibility (Press tab after selecting.)

Which objectives are impacted by this legislation (select all that apply):

- Enhance the City's connectivity, resiliency, and equity through a safe, efficient, convenient, inclusive, accessible, sustainable and better connected multi-modal transportation system
- Develop environmentally sound and sustainable infrastructure strategies that improve quality of life and foster economic growth
- Increase and support local workforce development and minority, women, and locally-owned businesses
- Engage in efforts to strategically invest in the City's infrastructure and explore emerging technologies
-
-

Prior Legislation

The following ordinances estimated and appropriated funds for the 2017 Authorization in an effort to allow the projects to proceed in advance of the bond sale.

1. Committee Substitute for ordinance 220200, approved \$20M for Question 1 (Streets, Bridges & Sidewalks).
2. Ordinance 220486 approved \$11.5M for Question 1 (Streets, Bridges & Sidewalks).
3. Ordinance 220716 approved \$2M for Question 1 (Streets, Bridges & Sidewalks).
4. Committee Substitute for Ordinance 220553 approved \$5.7M for Question 1 (Streets, Bridges & Sidewalks), \$11.1M for Question 2 (Flood Control) and \$2.5M for Question 3 (Public Buildings).

Ordinance No. 230176 which estimates and appropriates funds for projects relating to the 2022 Authorization is under consideration by the City Council.



City of Kansas City, Missouri

Docket Memo

Service Level Impacts

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

Other Impacts

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

Improvements and repairs to roads and 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 in 2022.

3. How does this legislation contribute to a sustainable Kansas City?

Keeping roadways in serviceable condition reduces 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 the ordinance/resolution include Civil Rights antidiscrimination requirements in compliance with the Code of Ordinances (Chapter 38, titled "Civil Rights")?

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%. All goals will be met or exceeded.

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")?

The Financial Advisor contract will be submitted to CREO for review. Bond counsel firms are reviewed by the City Attorney's office for equity at the time of bid. All bond counsel and co-counsel contracts approved by the City Attorney's office meet the equity requirements of the City.