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**File #: 260238**

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ORDINANCE NO. 260238

Approving the issuance by the City of Kansas City Missouri of its special obligation bonds in more than one series (collectively, the "Series 2026 Bonds"), including a series of bonds to finance certain projects on a taxable basis with an estimated cost of \$45,080,817.20, a series of tax-exempt bonds to finance certain projects on a tax-exempt basis with an estimated cost of \$59,246,600.00 and a series of bonds to refund a portion of the bonds issued by The Industrial Development Authority of the City of Kansas City, Missouri to finance the Kansas City Downtown Redevelopment District, such Series 2026 Bonds to be issued in an aggregate principal amount not to exceed \$150,000,000; approving and authorizing certain documents and actions relating to the issuance of the Series 2026 Bonds; estimating and appropriating revenue in Fund No. 3456, the Taxable Special Obligation Series 2026A Bond Fund and Fund No. 3457, the Special Obligation Series 2026B and Series 2026C Bond Fund; designating requisitioning authority; declaring the City's intent to reimburse itself from bond proceeds; authorizing the Director of Finance to modify and close project accounts; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the City of Kansas City, Missouri (the "City") is authorized under its charter to issue its bonds or other obligations in evidence thereof; and

WHEREAS, the City proposes to issue its Taxable Special Obligation Bonds (Kansas City, Missouri Projects), which shall be designated the Series 2026A Bonds or such other series designation as the Director of Finance shall determine (the "Series 2026A Bonds"), to provide funds: (a) to design, construct, reconstruct and/or improve certain projects within the City with an estimated aggregate cost of \$45,080,817.20, as set forth on Schedule I attached hereto and made a part hereof by reference (the "Taxable City Projects"), and (b) to pay certain costs related to the issuance of the Series 2026A Bonds; and

WHEREAS, the City proposes to issue its Special Obligation Bonds (Kansas City, Missouri Projects), which shall be designated the Series 2026B Bonds or such other series designation as the Director of Finance shall determine (the "Series 2026B Bonds"), to provide funds: (a) to design, construct, reconstruct and/or improve certain projects within the City with an estimated aggregate cost of \$62,246,600.00, as set forth on Schedule II attached hereto and made a part hereof by reference (the "Tax-Exempt City Projects"), and (b) to pay certain costs related to the issuance of the Series 2026B Bonds; and

WHEREAS, the Series 2026A Bonds and the Series 2026B Bonds shall be issued pursuant to a Trust Indenture (the "Series 2026A and B Indenture") by and between the City and UMB Bank, N.A., as Trustee (the "Trustee"); and

WHEREAS, The Industrial Development Authority of the City of Kansas City, Missouri (the "IDA") previously issued its Tax-Exempt Refunding Revenue Bonds, Series 2011A (the "Series 2011A Bonds"), which refunded, as fixed rate bonds, the IDA's Variable Rate Demand Tax-Exempt Revenue Bonds, Series 2005B, Series 2006A and Series 2006B, issued to pay a portion of the costs of a downtown retail/entertainment district, together with necessary infrastructure improvements and the construction of public parking facilities within the retail/entertainment district (the "Kansas City Downtown Redevelopment District Project"); and

WHEREAS, the City proposes to issue its Special Obligation Refunding Bonds (Kansas City Downtown Redevelopment District), which shall be designated the Series 2026C Bonds or such other series designation as the Director of Finance shall determine (the "Series 2026C Bonds"), to provide funds: (a) to refund a portion of the currently outstanding Series 2011A Bonds of the IDA (the "Refunded Series 2011A Bonds") and (b) to pay certain costs related to the issuance of the Series 2026C Bonds; and

WHEREAS, the Series 2026C Bonds shall be issued pursuant to a Second Supplemental Trust Indenture (the "Second Supplemental Downtown Redevelopment Indenture"), supplementing the Trust Indenture dated as of March 1, 2017 (the "Original Downtown Redevelopment Indenture" and with the Second Supplemental Downtown Redevelopment Indenture and the hereinafter-defined First Supplemental Downtown Redevelopment Indenture, the "Series 2026C Indenture") by and between the City and the Trustee, pursuant to which the City previously issued its Special Obligation Refunding Bonds (Kansas City Downtown Redevelopment District), Series 2017C (the "Series 2017C Bonds") to refund the IDA's Tax-Exempt Revenue Bonds (Kansas City Downtown Redevelopment District), Series 2005A previously issued to pay a portion of the costs of the Kansas City Downtown Redevelopment Project, as previously supplemented by the First Supplemental Trust Indenture (the "First Supplemental Downtown Redevelopment Indenture"), pursuant to which the City previously issued its Special Obligation Refunding Bonds (Kansas City Downtown Redevelopment District), Series 2021C Bonds (the "Series 2021C Bonds") to advance refund a portion of the Series 2011A Bonds of the IDA; and

WHEREAS, the Series 2026A Bonds, Series 2026B Bonds and Series 2026C Bonds are referred to collectively herein as the "Series 2026 Bonds;" and

WHEREAS, the Series 2026A and B Indenture and the Second Supplemental Downtown Redevelopment Indenture are referred to collectively herein as the "Indentures," the Series 2026 Bonds issued on a tax-exempt basis are referred to collectively herein as the "Tax-Exempt Bonds" and the Series 2026 Bonds issued on a taxable basis are referred to collectively herein as the "Taxable Bonds"; and

WHEREAS, in order to enhance the security for the Series 2026 Bonds and achieve a lower cost of borrowing, it may be desirable for the City to arrange for a municipal bond insurance policy, letter of credit or other credit enhancement facility, insuring or guaranteeing the payment of the principal of and interest on the Series 2026 Bonds and/or a surety bond or

debt service reserve fund policy for any debt service reserve fund, to be issued by a bond insurance company, commercial bank or other financial institution acceptable to the City; and

WHEREAS, the City has found and determined that the financing of the Tax-Exempt City Projects and the Taxable City Projects as described above will benefit the citizens of the City; and

WHEREAS, it is expected that the Tax-Exempt City Projects will be financed with the proceeds of Tax-Exempt Bonds, however, any such project may be financed with the proceeds of Taxable Bonds in whole or in part, and it is further expected that the Taxable City Projects will be financed with the proceeds of Taxable Bonds, however, any such project may be financed with the proceeds of Tax-Exempt Bonds in whole or in part, in each case if the Director of Finance determines that such issuance would be in the best interests of the City, acting upon the recommendation of co-bond counsel; and

WHEREAS, it is expected that each of the Series 2026B Bonds and Series 2026C Bonds will be issued as Tax-Exempt Bonds, however, each such series may be issued as Taxable Bonds in whole or in part if the Director of Finance, acting upon the recommendation of co-bond counsel, determines that such issuance would be in the best interests of the City; and

WHEREAS, it is expected that the Series 2026 Bonds will be issued as three series of bonds pursuant to the applicable Indenture for the purposes described herein, however, any such series of bonds may be combined with another series of bonds and may be issued pursuant to another Indenture if the Director of Finance, acting upon the recommendation of co-bond counsel, determines that such issuance would be in the best interests of the City; and

WHEREAS, in order to accomplish the foregoing, it is necessary and desirable that the City approve the transactions described in this Ordinance and the execution and delivery of the financing documents and certain other matters in connection with the transaction, as herein provided; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

**Section 1. Authorization of Bonds; Authorization and Execution of Bond Purchase Agreement and Certificates of Final Terms.** The City hereby authorizes the issuance of its Series 2026 Bonds in the aggregate principal amount not to exceed \$150,000,000. The City hereby authorizes the issuance of its Series 2026A Bonds for the purpose of providing funds for the following: (a) to finance the Taxable City Projects and (b) to pay certain costs of issuance of the Series 2026A Bonds. The City hereby authorizes the issuance of its Series 2026B Bonds for the purpose of providing funds for the following: (a) to finance the Tax-Exempt City Projects and (b) to pay certain costs of issuance of the Series 2026B Bonds. The City hereby authorizes the issuance of its Series 2026C Bonds for the purpose of providing funds for the following: (a) to refund the Refunded Series 2011A Bonds and (b) to pay certain costs of issuance of the Series 2026C Bonds. Each series of the Series 2026 Bonds shall be dated the date set forth in the applicable Indenture and applicable form of Bond. The Tax-Exempt Bonds shall bear interest at rates initially not to exceed a true interest cost of 5.75% and the Taxable Bonds shall bear

interest at rates initially not to exceed a true interest cost of 7.75%. Each series of the Series 2026 Bonds shall have such other terms and provisions as shall be provided in the applicable Indenture and the Bond Purchase Agreement approved by the Director of Finance.

The Director of Finance or designee is hereby authorized and directed to approve the purchase price for each series of the Series 2026 Bonds, the principal amounts by maturity, the interest rates, the terms of credit enhancement, if any, and the other final terms of the Series 2026 Bonds, including applicable redemption provisions, subject to the limitations set forth in this Section, and in that connection, to execute and deliver, for each series of the Series 2026 Bonds, the Certificate of Final Terms for and on behalf of and as the act and deed of the City, which approval will be conclusively evidenced by the Director of Finance's execution of the Certificate of Final Terms. Upon execution, the Certificate of Final Terms for the Series 2026A Bonds will be attached to this Ordinance as **Exhibit A-1**, the Certificate of Final Terms for the Series 2026B Bonds will be attached to this Ordinance as **Exhibit A-2**, the Certificate of Final Terms for the Series 2026C Bonds will be attached to this Ordinance as **Exhibit A-3** and the City Clerk is hereby authorized to file each such Certificate of Final Terms with this Ordinance. The City is authorized to enter into a Bond Purchase Agreement for the Series 2026 Bonds in accordance with the Certificates of Final Terms. The Director of Finance is authorized to execute the Bond Purchase Agreement for and on behalf of and as the act and deed of the City.

**Section 2. Limited Obligations.** Each series of the Series 2026 Bonds and the interest thereon shall be special, limited obligations of the City payable solely out of Appropriated Moneys (as defined in the applicable Indenture) and moneys in the Funds and Accounts held by the Trustee under such Indenture (other than the Rebate Fund), and shall be secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the owners of the applicable Bonds. Each series of the Series 2026 Bonds and interest thereon shall not be deemed to constitute a debt or liability of the City within the meaning of any constitutional, statutory or charter limitation or provision, and shall not constitute a pledge of the full faith and credit of the City, but shall be payable solely from the funds provided for in the Indenture. The issuance of the Series 2026 Bonds shall not, directly, indirectly or contingently, obligate the City to levy any form of taxation therefor or to make any appropriation for their payment.

**Section 3. Authorization and Approval of Financing Documents.** The proposed documents relating to the financing (the "Financing Documents") are hereby approved in substantially the forms submitted to the City Council, and the Director of Finance or designee is authorized to execute and deliver the Financing Documents with such changes therein and additions thereto as the Director of Finance deems necessary or appropriate.

(a) Indentures.

(b) Tax Compliance Agreement between the City and the Trustee relating to the Tax-Exempt Bonds, or any series thereof, which sets forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of such Tax-Exempt Bonds, to establish and maintain the exclusion of interest on such Bonds from gross income for federal income tax purposes, and to provide

guidance for complying with the arbitrage rebate provisions of Section 148(f) of the Internal Revenue Code.

(c) Continuing Disclosure Undertaking relating to the Series 2026 Bonds, or any series thereof, under which the City agrees to provide continuing disclosure of certain financial information, operating data and material events, for the benefit of the owners of such Bonds and to assist the Underwriters thereof in complying with Rule 15c2-12 of the Securities and Exchange Commission.

(d) Bond Purchase Agreement relating to the Series 2026 Bonds, or any series thereof, between the City and the Underwriters of such Bonds, under which the City agrees to sell and the Underwriters agree to purchase the Series 2026 Bonds, upon such terms and conditions thereof as set in such Bond Purchase Agreement and the Certificates of Final Terms, as described in **Section 1**.

(e) Escrow Agreement or other escrow instruction between the City and the Trustee or Escrow Agent relating to the refunding of the Refunded Series 2011A Bonds.

The City Council further approves the execution and delivery by the City of any documents which may be required in connection with the execution and delivery by the City of the Indentures and issuance of the Series 2026 Bonds and of such other documents as the Director of Finance deems necessary or appropriate in connection with the transactions authorized by this Ordinance.

**Section 4. Credit Enhancement.** The City hereby authorizes the Director of Finance or designee to obtain a bond insurance policy, letter of credit or other credit enhancement (“Credit Enhancement”) for some or all of the Series 2026 Bonds and the purchase or a surety bond or debt service reserve fund policy for any debt service reserve fund, if necessary or desired, from a credit provider with such credit rating that, in the opinion of the applicable Underwriters, the Financial Advisors and the Director of Finance, there will be achieved an economic benefit for the City if the Series 2026 Bonds are secured by such Credit Enhancement. The purchase of such Credit Enhancement and the entering into of such agreements with respect thereto as may be necessary or appropriate are hereby approved. Such credit enhancement may be such type, in such amount and provided by such entity or entities as the Director of Finance or designee shall determine to be in the best interest of the City. The officials of the City are authorized and directed to execute all documents, agreements, instruments and certificates in connection with such credit enhancement.

**Section 5. Official Statement.** The City hereby delegates authority to the Director of Finance or designee to prepare, approve and deem final any Preliminary Official Statement and any final Official Statement, with the signature of the Director of Finance or designee thereon being conclusive evidence of the Director's approval and the City's approval thereof and to approve the final terms of each series of the Series 2026 Bonds, including any credit enhancement of a series of the Series 2026 Bonds. The City hereby consents to the use and public distribution of any Preliminary Official Statement and any final Official Statement in connection with the offering for sale of each series of the Series 2026 Bonds.

**Section 6. Approval of Selection of Professionals.**

(a) The City has approved the selection of Hilltop Securities Inc., and Moody Reid Financial Advisors to act as Co-Financial Advisors, the selection of Kutak Rock LLP, the Hardwick Law Firm LLC and Bushyhead LLC to act as Co-Bond Counsel, and the selection of Kutak Rock LLP, the Hardwick Law Firm LLC and Bushyhead LLC to act as Co-Disclosure Counsel, in connection with the issuance of the Series 2026 Bonds.

(b) The City approves the selection of Barclays Capital Inc. or an affiliate thereof to act as senior Underwriter in connection with the issuance of the Series 2026 Bonds, and authorizes the Director of Finance or designee to select the remaining members of the underwriting syndicate.

**Section 7. Further Authority.** The officials of the City are further authorized and directed to execute such documents, instruments and certificates and to take such further actions on behalf of the City as shall be necessary or desirable to effect the terms and provisions of this Ordinance.

**Section 8. Estimated Revenue.** That revenue of \$ 780,000.00 is hereby increased in Fund No. 3456, the Taxable Special Obligation Series 2026A Bond Fund, in the following accounts in the following amounts:

AL-3456-120000-590000	Bond Proceeds	\$780,000.00
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**Section 9. Appropriations.** That the sum of \$780,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3456, the Taxable Special Obligation Series 2026A Bond Fund, to the following accounts in the following amounts:

AL-3456-129620-G	Cost of Issuance	\$340,000.00
AL-3456-129631-G	Underwriter Discount	<u>440,000.00</u>
	TOTAL	\$780,000.00

**Section 10. Renaming Fund.** That Fund No. 3457, the Special Obligation Series 2026B Project Fund is renamed Special Obligation Series 2026B and 2026C Bond Fund in the books and records of the City of Kansas City, Missouri.

**Section 11. Estimated Revenue.** That revenue of \$55,520,000.00 is hereby increased in Fund No. 3457, the Special Obligation Series 2026B and 2026C Bond Fund, in the following accounts in the following amounts:

AL-3457-120000-590000	Bond Proceeds	\$48,805,000.00
AL-3457-120000-485100	Premium on Sale of Bonds	<u>6,715,000.00</u>
	TOTAL	\$55,520,000.00

**Section 12. Appropriations.** That the sum of \$55,520,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3457, the Special Obligation Series 2026B and 2026C Bond Fund, to the following accounts in the following amounts:

AL-3457-129632-G	Discount on Sale of Bonds	\$ 1,025,000.00
AL-3457-129612-G	Capitalized Interest	1,450,000.00
AL-3457-129620-G	Cost of Issuance	700,000.00
AL-3457-129686-B	Arbitrage Rebate Calculation Expense	10,000.00
AL-3457-129631-G	Underwriter Discount	735,000.00
AL-3457-077210-B-07P26027	Detention Center Design	5,000,000.00
AL-3457-127053-B	ERP System	20,000,000.00
AL-3457-129671-G	Defeasance of Bonds	<u>26,600,000.00</u>
	TOTAL	\$55,520,000.00

**Section 13. Reduction of Appropriations.** That the appropriation in the following account of Fund No. 3456, the Taxable Special Obligation Series 2026A Bond Fund is hereby reduced in the following amount:

AL-3456-107522-B- 10007014	Northland Workforce Development Ctr	\$25,000,000.00
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**Section 14. Reduction in Revenue.** That revenue of \$3,000,000.00 is hereby decreased in Fund No. 3456, the Taxable Special Obligation Series 2026A Bond Fund, in the following account in the following amount:

AL-3456-120000-590000	Bond Proceeds	\$ 3,000,000.00
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**Section 15. Reappropriation.** That the sum of \$22,000,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3456, the Taxable Special Obligation Series 2026A Bond Fund to the following account:

AL-3456-129998-903457	Transfer to Fund No. 3457	\$22,000,000.00
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**Section 16. Estimated Revenue.** That revenue of \$ 22,000,000.00 is hereby increased in Fund No. 3457, the Special Obligation Series 2026B and 2026C Bond Fund, in the following account in the following amounts:

AL-3457-120000-503456	Transfer from Fund No. 3456	\$22,000,000.00
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**Section 17. Appropriations.** That the sum of \$ 22,000,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3457, the Special Obligation Series 2026B and 2026C Bond Fund, to the following accounts in the following amount:

AL-3457-107522-B- 10007014	Northland Workforce Development Ctr	\$22,000,000.00
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**Section 18. Estimated Revenue.** That the revenue estimated in the following accounts of the Capital Improvements Sales Tax Fund, No. 3090, is hereby re-estimated in the following additional amount:

26-3090-120000-485380	Reimbursement from TIF	
	Commission	\$ 935,000.00
26-3090-120000-481000	Park Plaza TDD Proceeds	430,066.00
26-3090-120000-485381	Contribution TIF District –	
	Briarcliff	<u>1,634,934.00</u>
	TOTAL	\$ 3,000,000.00

**Section 19. Appropriation.** That the sum of \$3,000,000.00 is hereby appropriated from the Unappropriated Fund Balance of Fund No. 3090, the Capital Improvements Fund to the following account:

26-3090-107522-B-100007014	Northland Workforce Development	
	Ctr	\$ 3,000,000.00

**Section 20. Authorization to Transfer Funds.** That the Director of Finance is hereby authorized to transfer existing encumbrances and expenditures in an amount not to exceed \$22,000,000 from AL-3456-107522-B-10007014, to AL-3457-107522-B-10007014 and is authorized to transfer existing encumbrances and expenditures in an amount not to exceed \$3,000,000 from AL-3456-107522-B-10007014 to 26-3090-107522-B-10007014.

**Section 21. Requisitioning Authority.** That the Director of Finance is designated as the requisitioning authority for Accounts Nos. AL-3456-129620-G, AL-3456-129631-G, AL-3457-129632-G, AL-3457-129612-G, AL-3457-129620-G, AL-3457-129686-B, AL-3457-129631-G, AL-3457-127053-B, AL-3457-129671-G, that the Director of General Services is designated as requisition authority for Account No. AL-3457-077210-B and that the City Manager is designated as the requisitioning authority for Account No. AL-3457-107522-B and 26-3090-107522-B-10007014.


**Section 22. Reimbursement.** That the City Council hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this Ordinance with respect to appropriations in **Section 12 and Section 17** (the “Appropriations”) with the proceeds of bonds expected to be issued by the City. The maximum principal amount of bonds expected to be issued for the Appropriation is not to exceed \$55,520,000.00. This constitutes a declaration of official intent under Treasury Regulation 1.150-2.

**Section 23. Modification of Accounts.** That the Director of Finance is hereby authorized to modify the previously approved estimated revenues and appropriations in **Sections 8, 9, 11, 12, 13, 14, 15, 16 and 17** as required to correctly record the budgetary amounts finalized through the sale of the Bonds into the marketplace.

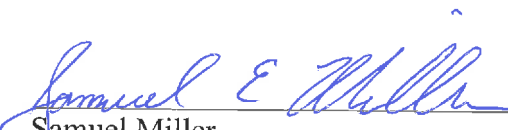
**Section 24. Closing of Accounts.** That the Director of Finance is hereby authorized to close accounts, open encumbrances and retainage related to the accounts in **Section 12, Section 15 and Section 17**, and return the unspent portion to the Fund balance from which it came upon the earliest of: (i) the provisions of this ordinance; (ii) final maturity of financing or (iii) five years after issuance.

**Section 25. Accelerated Effective Date.** That this ordinance, appropriating money, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter as shall take effect in accordance with Section 503 of the City Charter.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

  
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William Choi  
Interim Director of Finance

Approved as to form:

  
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Samuel Miller  
Assistant City Attorney



Authenticated as Passed

  
\_\_\_\_\_  
Quinton Lucas, Mayor

  
\_\_\_\_\_  
Marilyn Sanders, City Clerk

MAR 05 2026

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Date Passed