

GENERAL

Ordinance Fact Sheet

220180

Ordinance Number

Brief Title

Authorizing the issuance of General Obligation Bonds, Series 2022A, in a principal amount not to exceed \$150,000,000 to provide funds to pay a portion for Streets, Sidewalks, and Bridge Projects, Flood Control Project, Public Buildings Projects, pay the cost of issuing the Bonds, and refund the General Obligation Bonds, Series 2012A

Reason

Authorizing the issuance of General Obligation Bonds, Series 2022A.

Reason for Legislation

Authorizing the issuance of General Obligation Refunding and Improvement Bonds, Series 2022A ("Series 2022A Bonds"), of the City of Kansas City, Missouri, in a principal amount not to exceed \$150,000,000; 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 of and interest on said bonds as they become due; and authorizing certain other documents and actions in connection therewith.

Discussion (explain all financial aspects of the proposed legislation, including future implications, any direct/indirect costs, specific account numbers, ordinance references, and budget page numbers.)

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").

To date, there have been four 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").

• **Prior issuances – across all three questions**

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

• **Remaining Authorization - \$608,145,000**

- o \$476.8 million - Question 1 Streets, Bridges, Sidewalks
- o \$117.6 million - Question 2 Flood Control
- o \$13.71 million - Question 3 Public Buildings, ADA

The Series 2022A Bonds are being issued in the aggregate principal amount not to exceed \$150,000,000 for the purpose of providing \$61.3 million in funds to pay a portion of the cost for the roads, sidewalks, and bridges projects, \$3.2 million to pay for a portion of the costs for the flood control projects, \$2.8 million to pay a portion of the costs for the public buildings projects, and pay the costs of issuing the Bonds. \$622,655 of the above will go toward municipal artworks for the projects.

Refunding Bond Projects:

The Series 2022A Bonds will fully refund the General Obligation Bonds, 2012A, refunding \$76,335,000.

Sponsor	Tammy Queen, Director of Finance
Programs, Departments, or Groups Affected	Finance Department
Applicants / Proponents	Applicant City Department Finance 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

Details

For a full listing of the proposed projects to be funded, please see the attached list entitled "General Obligation Bonds, Series 2022A Projects List". All projects were previously appropriated by Ordinance 210178. The aforementioned projects have been reviewed by the Finance Department and Bond Counsel and were found to qualify for tax-exempt financing.

The City has retained Gilmore & Bell to serve as co-bond counsel and co-disclosure counsel. New co-counsel is in the process of being selected, as Ulysses "Deke" Clayborn has accepted a federal appointment that will no longer allow Clayborn & Associates, LLC to serve in its prior capacity. The estimated legal fees are \$62,208.00.

Hilltop Securities Inc. and Mood 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. At this time, the financial advisory fees are estimated at \$150,000 plus reimbursable printing and electronic dissemination costs.

The Bonds are anticipated to be sold on March 9, 2022.

Is it good for the children?

Yes. This ordinance will provide funds to improve construction and reconstruction of streets, bridges and sidewalks, improvement of flood control, improvement of public buildings, and provide the City with funding resources for strategic public improvements and capital maintenance projects located in neighborhoods and throughout the City, which will benefit the public health, safety and welfare of its citizens.

How will this contribute to a sustainable Kansas City?

This ordinance contributes to a sustainable Kansas City by financing improvements and upgrades to the City's infrastructure and environmental attractions that enhance neighborhood vitality and enrich the lives of its residents and visitors. This is the fourth bond issuance of a twenty-year program that will go towards addressing these issues.

Outstanding debt information as of January 31, 2022:

General Municipal Debt Outstanding:

Debt Service as a Percent of Governmental Funds Revenue
Actual: 15.6%
Target: < 14.5%

Total Debt Outstanding as a Percent of Governmental Funds Revenue
Actual: 132.1%
Target: < 125.0%

Debt Outstanding as a Percent of Market Value
Actual: 3.7%
Target: < 4.5%

Percent of Debt Retired in 10 Years: 67%

Policy/Program Impact

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

Finances

Cost & Revenue Projections -- Including Indirect Costs	Based on a February 9, 2022 analysis prepared by Hilltop Securities, Inc., the City's co-financial advisor, the following are the debt service estimates, assuming a tax-exempt true interest cost of 3.00%.
Financial Impact	Par: \$137,360,000 Average Annual Debt Service: \$8,789,733.43 Total Debt Service: \$174,354,128.89 Refunding Savings: Net PV Savings: \$3,383,734 Savings Percent of Refunding Bonds: 4.55%
Fund Source (s) and Appropriation Account Codes	Source of repayment for debt service is tax revenue from ad valorem property taxes.

(Use this space for further discussion, if necessary)

Applicable Dates:
Fact Sheet Prepared by:
 Name: Michael Buckman Date 02/10/2022
 Title: Analyst
Reviewed by:
 Name: Kimberly Carter Date 02/10/2022
 Title: City Treasurer

GO 2022A Project List

Question 1 - Roads, Bridges, and Sidewalks

Project Description	Budget
Street Preservation	\$ 20,000,000.00
Lee's Summit Rd	\$ 7,900,000.00
Green Hills Rd - NW 78th to Barry	\$ 7,800,000.00
Street Preservation	\$ 7,100,000.00
Sidewalk Repair	\$ 5,000,000.00
Arlington Road Link	\$ 3,000,000.00
Gregory Boulevard Bridge	\$ 2,200,000.00
Grand Blvd	\$ 1,750,000.00
Linwood Blvd & Main St	\$ 1,750,000.00
ADA Curb Ramps	\$ 2,500,000.00
Ward Parkway Signals	\$ 800,000.00
22nd/23rd Roadway Phase III	\$ 600,000.00
Public Art - Q1	\$ 514,362.00
NE Vivion Road Streetscape Imp	\$ 300,000.00
Benton over Brush Creek	\$ 100,000.00
	\$ 61,314,362.00

Question 2 - Flood Control

Project Description	Budget
Swope Park Industrial Flyover	\$ 2,000,000.00
Turkey Creek Flood Control	\$ 640,000.00
8501 Holmes Rd-Arch Metal Pipe	\$ 500,000.00
Public Art - Q2	\$ 80,101.00
	\$ 3,220,101.00

Question 3 - Public Buildings

Project Description	Budget
Zoo ADA Improvements	\$ 2,791,000.00
Public Art - Q3	\$ 28,192.00
	\$ 2,819,192.00

Total GO 2022A Projects **\$ 67,353,655.00**