

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 190510

Stating the intent of the City Council to finance the streetcar system expansion project in an amount not to exceed \$185,000,000.00; establishing Fund No. 3440, the Special Obligation Series 2020B Fund; estimating revenue and appropriating \$9,100,000.00 in Fund 3440, the Special Obligation Series 2020B Fund; authorizing certain streetcar-related agreements; approving a plan of finance for the streetcar expansion; designating requisitioning authorities; authorizing the Director of Finance to close project accounts upon completion; declaring the intent of the City to reimburse itself from the bond proceeds for certain expenditures; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the Kansas City Downtown Streetcar Transportation Development District (“Downtown TDD”) was established in 2012; and

WHEREAS, the City has incurred certain debt obligations for construction of the current streetcar system (“System”), the debt service on which is currently paid from revenues collected by the Downtown TDD; and

WHEREAS, the City desires to expand the System to incorporate parts of the Plaza and UMKC campus not currently serviced by the System (“Project”); and

WHEREAS, the City, the Kansas City Streetcar Authority (KCSA), and the Kansas City Area Transportation Authority (KCATA) have been working in partnership to support the planning, design, funding, staffing and operations of the Project; and

WHEREAS, in furtherance of the Project, the Kansas City Main Street Rail Transportation Development District (“Expanded TDD”) was established in 2017 and, subject to certain conditions, is expected to collect revenues in support of the Project and which will replace the Downtown TDD revenues; and

WHEREAS, the conditions that must be satisfied before the Expanded TDD revenue can be collected are (a) the Downtown Streetcar TDD is abolished, terminated or dissolved, or merged with or into the Expanded TDD, or its revenue sources reduced to zero by action of the Board of Directors of the Downtown Streetcar TDD or otherwise, in accordance with then applicable law, and (b) the Board of Directors of the Extension TDD determines that there are sufficient funds to be derived from sources other than revenue of the Extension TDD in order to make the construction of a substantial portion of the Phase 2 Line financially viable when aggregated with revenue of the Extension TDD; and

WHEREAS, in order to facilitate the Project, the City needs to authorize the execution of certain agreements and approve the overall plan of finance; and

WHEREAS, the City expects to finance a portion of the Project through the issuance of special obligation bonds secured by the City’s annual appropriation pledge with Expanded TDD revenues as the source of repayment; and

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WHEREAS, certain preliminary design work related to the Project is required and will be financed through the issuance of the City's special obligation bonds in 2020 ("2020 Special Obligation Bonds"); and

WHEREAS, the payment of scheduled debt service on the 2020 Special Obligation Bonds will be made by annual appropriation of monies from the City's General Municipal Revenues over a successive five (5) year period with its primary source of revenues being those collected by the Downtown TDD; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Council hereby determines and declares the intent to finance the acquisition, construction, renovation, rehabilitation, equipping and improvement of the Project with proceeds of bonds and notes in an aggregate principal amount not to exceed \$185,000,000.00.

Section 2. That Fund No. 3440, the Special Obligation Series 2020B Fund, is hereby established in the records of the City of Kansas City, Missouri.

Section 3. That the revenue in the following account of the Special Obligation Series 2020B Fund is hereby estimated in the following amount:

AL-3440-120000-590000	Bond Proceeds	\$9,100,000.00
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Section 4. That the sum of \$9,100,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Special Obligation Series 2020B Fund to the following accounts:

AL-3440-898044-B-89022014	Streetcar Expansion	\$9,000,000.00
AL-3440-129620-B	Cost of Issuance	<u>100,000.00</u>
	TOTAL	\$9,100,000.00

Section 5. That the Director of Public Works is hereby designated as requisitioning authority for Account No. AL-3440-898044 and that the Director of Finance is hereby designated as requisitioning authority for Account No. AL-3440-129620.

Section 6. That the Director of Finance is hereby authorized to close project accounts, encumbrances and retainage related to the accounts in Section 4, and return the unspent portion to the fund balance from which it came upon the earliest of: (i) Project's completion; (ii) final maturity of financing, or (iii) five years after issuance.

Section 7. That the City 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 the Project with the proceeds of the bonds to be issued. The maximum principal of amount of bonds intended to be issued for the Project

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expected is \$9,100,000. This constitutes a declaration of official intent under Treasury Regulation Section 1.150-2.

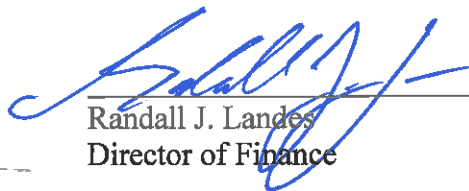
Section 8. The Cooperative Agreement for Streetcar Transition Process, for the purpose of establishing responsibilities of the Downtown TDD and Expanded TDD, and the Cooperative Agreement for Streetcar Phase 2, allocating responsibilities for the Project, are hereby approved in substantial form as attached hereto. The City Manager is hereby authorized to execute the Cooperative Agreement for Streetcar Transition Process and the Cooperative Agreement for Streetcar Phase 2 with such changes therein as shall be approved by the City Manager, including the allocation of responsibilities to KCATA with respect to financing, real estate, and operational support of the Project, his signature thereon being conclusive evidence of his approval thereof. Copies of the Agreements are on file with the City Clerk's office.

Section 9. That the City hereby approves the attached plan of finance for the Project, a copy of which is on file with the City Clerk's office.

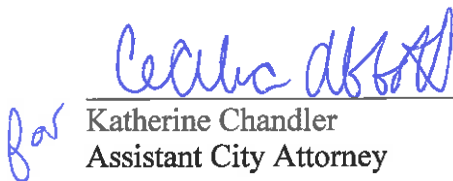
Section 10. That the City Manager and Director of Finance are instructed to look for debt issuance alternatives (revenue bond, KCATA or TDD issuance, TIFIA, etc.) that would reduce financing costs and/or debt obligations for the City's benefit.

Section 11. That this ordinance is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) of the City Charter in that it appropriates money, and shall take effect in accordance with that section.

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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Randall J. Landes  
Director of Finance

Approved as to form and legality:

  
\_\_\_\_\_  
for Katherine Chandler  
Assistant City Attorney



Authenticated as Passed

  
\_\_\_\_\_  
City James, Mayor

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

JUL 11 2019

Date Passed