

# GENERAL

## Ordinance Fact Sheet

200173

Ordinance Number

### Brief Title

To approve the issuance of City of Kansas City, Missouri Special Obligation Bonds, Series 2020A (taxable), Series 2020B and 2020C (Collectively, the "Series 2020 Special Obligation Bonds" ) in a principal amount not to exceed \$30,100,000, pay the issuance costs of the bonds, and designate requisitioning authority.

### Reason

Authorizing the issuance of the Series 2020 Special Obligation Bonds, pay issuance costs, and designate requisitioning authority.

### Reason for Legislation

Authorizing the issuance of Series 2020 Special Obligation Bonds, in a principal amount not to exceed \$30,100,000; prescribing the form and details of said bonds; providing for annual appropriation 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

This ordinance authorizes the issuance of the Series 2020 Special Obligation Bonds ("Series 2020 Bonds"). The Series 2020 Bonds are being issued in the aggregate principal amount not to exceed \$30,100,000, for the purpose of providing funds for the Projects as shown on the attached project listings and that have been previously appropriated.

The taxable Series 2020A bonds will finance certain projects with an estimated cost of \$11,208,636 (see attached Schedule I), and the Series 2020B bonds will finance certain projects with an estimated cost of \$7,827,058 (see attached Schedule II) on a federally tax-exempt basis.

The federally tax-exempt Series 2020C bonds will fund up-front costs associated with expanding the Kansas City Streetcar from the existing terminus at Union Station to the UMKC campus, near the Country Club Plaza.

**Sponsor** Tammy Queen, Director of Finance

**Programs, Departments, or Groups** Finance Department

**Affected**

**Applicants / Proponents** Applicant

**City Department**  
Finance Department

**Other**

**Opponents** Groups or Individuals

None Known

**Basis of opposition**

**Staff Recommendation**  For

Against

**Reason Against**

**Board or Commission Recommendation** By

For  Against  No action taken

For, with revisions or conditions  
(see details column for conditions)

**Council Committee Actions**

Do pass

Do pass (as amended)

Committee Sub.

Without Recommendation

Hold

**Details**

The City has retained Kutak Rock LLP and the Hardwick Law Firm, LLC to serve as co-bond counsel and co-disclosure counsel. The estimated legal fees are \$75,000.

Hilltop Securities Inc., and Moody Reid Financial Advisors ("Moody Reid") will serve as the City's co-financial advisors. The MBE/WBE goal for this engagement is 20%. Moody Reid is currently a certified MBE/WBE firm. At this time, the financial advisory fees are estimated at \$71,083 plus reimbursable printing and electronic dissemination costs.

The Bonds are anticipated to be sold on April 8, 2020, with a settlement date of April 22, 2020.

Is it good for the children?

Yes. Many of those projects fund upgrades at or near important attractions, such as the Liberty Memorial and the River Market area. In addition, the extension of the streetcar line will allow for easier transportation in and through the city.

How will this contribute to a sustainable Kansas City?

Many of the projects funded by this issue will improve infrastructure in such a way that flows of pedestrian and vehicular traffic will be more efficient.

**Outstanding debt information as of January 31, 2020:**

General Municipal Debt Outstanding: \$1,472,698,230

Debt Service as a Percent of Governmental Funds Revenue  
Actual: 15.7%  
Target: < 14.5%

Total Debt Outstanding as a Percent of Governmental Funds Revenue  
Actual: 131.4%  
Target: < 125.0%

Debt Outstanding as a Percent of Market Value  
Actual: 4.4%  
Target: < 4.5%

Percent of Debt Retired in 10 Years: 64%

**Policy/Program Impact**

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

**Finances**

<b>Cost &amp; Revenue Projections -- Including Indirect Costs</b>	Based on preliminary analyses prepared by Hilltop Securities, the City's co-financial advisor, the following are the debt service estimates:  a) Series 2020A Taxable Par Amount: \$11,505,000 Avg. Annual Debt Service: \$761,183 Total Debt Service: \$15,179,259  b) Series 2020B Tax-Exempt Par Amount: \$8,005,000 Avg. Annual Debt Service: \$506,486 Total Debt Service: \$10,100,182  c) Series 2020C Tax-Exempt Private Placement Par Amount: \$9,100,000 Avg. Annual Debt Service: \$4,040,657 Total Debt Service: \$9,529,217
<b>Financial Impact</b>	
<b>Fund Source (s) and Appropriation Account Codes</b>	Source of repayment for debt service is annual appropriations from the City's budget. The streetcar is funded by the Transportation Development District ("TDD") tax.

(Use this space for further discussion, if necessary)

**Applicable Dates:****Fact Sheet Prepared by:**

Name: Mike Buckman  
Title: Analyst

Date 02/24/2020

**Reviewed by:**

Name: Douglas Buehler  
Title: City Treasurer

Date 02/24/2020