



City of Kansas City, Missouri

Docket Memo

Ordinance/Resolution #: 240242

Submitted Department/Preparer: Finance

Revised 11/01/23

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

Click or tap here to provide a general summary in plain language as to why this ordinance/resolution should be approved.

Approving the issuance by the City of Kansas City Missouri of its Special Obligation bonds in more than one series (collectively, the “Series 2024 Bonds”), including a series of bonds to finance certain costs of the Main Streetcar Extension project on a tax-exempt basis with an estimated cost of \$16,741,084.00, a series of bonds to finance certain projects on a tax-exempt basis with an estimated cost of \$43,758,064.00 and a series of bonds to finance certain projects on a taxable basis with an estimated cost of \$5,250,015.00, such Series 2024 Bonds to be issued in an aggregate principal amount not to exceed \$75,000,000.00; approving and authorizing certain documents and actions relating to the issuance of the Series 2024 Bonds; estimating and appropriating revenue in Fund No. 3449, the Special Obligation Series 2024A Streetcar Project Fund, Fund No. 3452, the Special Obligation Series 2024B Project Fund and Fund No. 3451, the Taxable Special Obligation Series 2024C Project 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.

Discussion

The City hereby authorizes the issuance of Series 2024A Bonds for the purpose of providing funds for the following: (a) to finance certain costs of the Main Streetcar Extension Project, (b) to fund a debt service reserve fund and (c) to pay certain costs related to the issuance of the Series 2024A Bonds. The City hereby authorizes the issuance of its Series 2024B Bonds for the purpose of providing funds for the following: (a) to finance the acquisition of fire pumpers rear mount aerial platform trucks, rescue and tiller vehicles for the Kansas City Fire Department and (b) to pay certain costs of issuance of the Series 2024B Bonds. The City hereby authorizes the issuance of its Taxable Series 2024C Bonds for the purpose of providing funds for the following: (a) to finance the City contribution to parking facilities related to a downtown apartment complex and (b) to pay certain costs of issuance of the Series 2024C Bonds.

Fiscal Impact

1. Is this legislation included in the adopted budget? ☐ Yes ☒ No

2. What is the funding source?

Proceeds from the sale of the Series 2024 Bonds will fund project appropriations, transactions costs and a debt service reserve with respect to the Series 2024B bonds, and transaction costs.

3. How does the legislation affect the current fiscal year?

Passage of this ordinance will authorize a bond issuance to reimburse the City for previously appropriated funds. Debt service payments on the bonds will begin in FY 2025. Bond issuance costs will be paid with bond proceeds.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.

Yes.

Average annual debt service related to the Series 2024A bonds (Main Street Streetcar project), assuming a 4.39% federally tax-exempt true interest cost, is estimated at \$1,287,211.00 over a 24-year period. Debt service is assumed to begin in fiscal year 2025.

Average annual debt service related to the Series 2024B bonds (fire pumpers and other heavy vehicles) assuming a 3.63% federally tax-exempt true interest cost, is estimated at \$4,651,964.00 over a 12- year period. Debt service is assumed to begin in fiscal year 2025.

Average annual debt service related to the Taxable Series 2024C bonds, (City contribution to a parking facility) assuming a 6.52% federally true interest cost , average annual debt service is estimated at \$486,433.00 over a 20-year period. Debt service is assumed to begin in fiscal year 2025.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?

The Main Street Streetcar extension project utilizes a \$174 million grant from the federal Department of Transportation, of which the Series 2024A bonds provide a portion of the local match, and a \$24.6 million grant from federal American Rescue Plan legislation.

Office of Management and Budget Review
(OMB Staff will complete this section.)

- | | | |
|---|---|--|
| 1. This legislation is supported by the general fund. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. This fund has a structural imbalance. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Account string has been verified/confirmed. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

Additional Discussion (if needed)
Click or tap here to enter text.

Citywide Business Plan (CWBP) Impact

1. View the [FY23 Citywide Business Plan](#)
2. Which CWBP goal is most impacted by this legislation?
Infrastructure and Accessibility (Press tab after selecting.)
3. Which objectives are impacted by this legislation (select all that apply):
 - ☐ Engage in thoughtful planning and redesign of existing road networks to ensure safety, access, and mobility of users of all ages and abilities.
 - ☒ Enhance the City's connectivity, resiliency, and equity through a better-connected multi-modal transportation system for all users.
 - ☒ Build on existing strengths while developing a comprehensive transportation plan for the future.
 - ☐ Develop environmentally sustainable infrastructure strategies that improve quality of life and foster economic growth.
 - ☐ Ensure adequate resources are provided for continued maintenance of existing infrastructure.
 - ☐ Focus on delivery of safe connections to schools.

Prior Legislation

Ordinance No. 230545, passed on June 29, 2023, authorized the appropriation of \$16,741,084.00 for the Main Streetcar Extension Project.

Ordinance No. 230888, passed on October 12, 2023, authorized the appropriation of \$44,123,574.00 for Fire Pumpers and heavy fleet replacement vehicles.

Ordinance No. 240156, passed on February 8, 2024, authorized the appropriation of \$5,250,015.00 for the parking facilities for the Midland Theatre Residential Facility.

Service Level Impacts

This ordinance will provide authorization to issue bonds to fund projects that develop public transportation, sustain fire safety operations, and assist in the development of rental housing.

Other Impacts

1. What will be the potential health impacts to any affected groups?
None
2. How have those groups been engaged and involved in the development of this ordinance?
N/A
3. How does this legislation contribute to a sustainable Kansas City?
This ordinance contributes to a sustainable Kansas City by financing public transportation, public safety infrastructure and development of rental housing.
4. Does this legislation create or preserve new housing units?
No

Total Number of Units 133 residential units

Number of Affordable Units [Click or tap here to enter text.](#)

5. Department staff certifies the submission of any application Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), and Letters of Intent to Subcontract (LOIs) to CREO prior to, or simultaneously with, the legislation entry request in Legistar.

Yes - I have submitted documents for CREO Review (Press tab after selecting)
Please attach or copy and paste CREO's review.

The Financial Advisor Contract for this project has been reviewed and approved by CREO. Bond counsel firms are reviewed by the City Attorney's Office for equity at the time of bid.

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 Kutak Rock 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%.

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

No(Press tab after selecting)

Click or tap here to enter text.

7. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

Yes

Approval of financial advisory services contract resulting from procurement EV2267.

In an effort to prevent disclosure of confidential information, a separate communication will be provided to City Council members to reflect the top three proposers for the RFP/Q.