



# City of Kansas City, Missouri

## Docket Memo

Ordinance/Resolution #: 250216

Submitted Department/Preparer: Finance

Revised 6/10/24

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

Approving the issuance by the City of Kansas City Missouri of its special obligation bonds in more than one series (collectively, the "Series 2025 Bonds"), including a series of bonds to finance certain projects on a taxable basis with an estimated cost of \$109,950,000.00, a series of tax-exempt bonds to finance certain projects with an estimated cost of \$30,650,000.00 and a series of bonds to refund certain bonds of the City previously issued to refinance the downtown arena, such Series 2025 Bonds to be issued in an aggregate principal amount not to exceed \$295,000,000; approving and authorizing certain documents and actions relating to the issuance of the Series 2025 Bonds; estimating and appropriating revenue in Fund No. 3453, the Taxable Special Obligation Series 2025A Project Fund and Fund No. 3454, the Special Obligation Series 2025B and 2025C 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 its Series 2025 Bonds in the aggregate principal amount not to exceed \$295,000,000. The City hereby authorizes the issuance of its Series 2025A 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 2025A Bonds. The City hereby authorizes the issuance of its Series 2025B 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 2025B Bonds. The City hereby authorizes the issuance of its Series 2025C Bonds for the purpose of providing funds for the following: (a) To refund the Refunded Series 2016E Bonds and (b) to pay certain costs of issuance of the Series 2025C Bonds.

Two projects previously appropriated are being reduced in this ordinance. The Performing Arts Center Garage Fire Suppression project is reduced by \$200,000 to \$450,000 due to additional cash funding being made available to cover project costs. The Vine District Garage is reduced by \$500,000 to \$19.5 million due to more accurate estimates of actual construction being received since appropriation.

## 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 2025 Bonds will fund project appropriations and transaction costs with respect to the Series 2025 Bonds.
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 2026. Bond issuance costs 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. The transaction costs are one-time.

Average annual debt service related to the Taxable Series 2025A bonds, assuming a 6.3% true interest cost and average estimated average annual debt service of \$13.3 million. Debt service will begin in FY 2026.

Average annual debt service related to the Series 2025B bonds, assuming a 4.7% true interest cost and estimated average annual debt service of \$1.9 million. Debt service will begin in FY 2026.

Average annual debt service related to the Series 2025C bonds, assuming a 3.8% true interest cost and estimated average annual debt service of \$12.2 million. Debt service will begin in FY 2026. The Net Present Value of the Refunding savings is 5.79%.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?  
No, the only revenue is bond proceeds.

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

- 1. This legislation is supported by the general fund.  Yes  No
- 2. This fund has a structural imbalance.  Yes  No
- 3. Account string has been verified/confirmed.  Yes  No

**Additional Discussion (if needed)**

Click or tap here to enter text.

**Citywide Business Plan (CWBP) Impact**

- 1. View the [Adopted 2025-2029 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**

<b><u>Taxable SO 2025A</u></b>	<b><u>\$ Amount</u></b>	<b><u>Ordinance</u></b>
Barney Allis Garage	\$90,000,000	Committee Sub for 240313
PAC Fire Suppression	\$450,000*	240692
18th & Vine Garage	\$19,500,000*	Committee Sub for 240346
<b>Total</b>	<b><u><u>\$109,950,000</u></u></b>	

<b><u>Tax-Exempt SO 2025B</u></b>	<b><u>\$ Amount</u></b>	<b><u>Ordinance</u></b>
Grand Avenue Bridge	\$7,300,000	240648
Swope Golf Renovations	\$8,500,000	240918

West Bottoms Infrastructure	\$14,850,000	Committee Sub for 240647
<b>Total</b>	<b>\$30,650,000</b>	

\* Reduced from original appropriation as noted in the description above.

### **Service Level Impacts**

This ordinance will provide authorization to issue bonds to fund projects that develop public infrastructure.

### **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 infrastructure.
4. Does this legislation create or preserve new housing units?  
No.
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.

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 50%.

6. Does this legislation seek to approve a contract resulting from an Invitation for Bid?  
  
No.

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

No.