



Proposal for a Comprehensive Capital Improvements Program

Presentation to Joint Council Committee

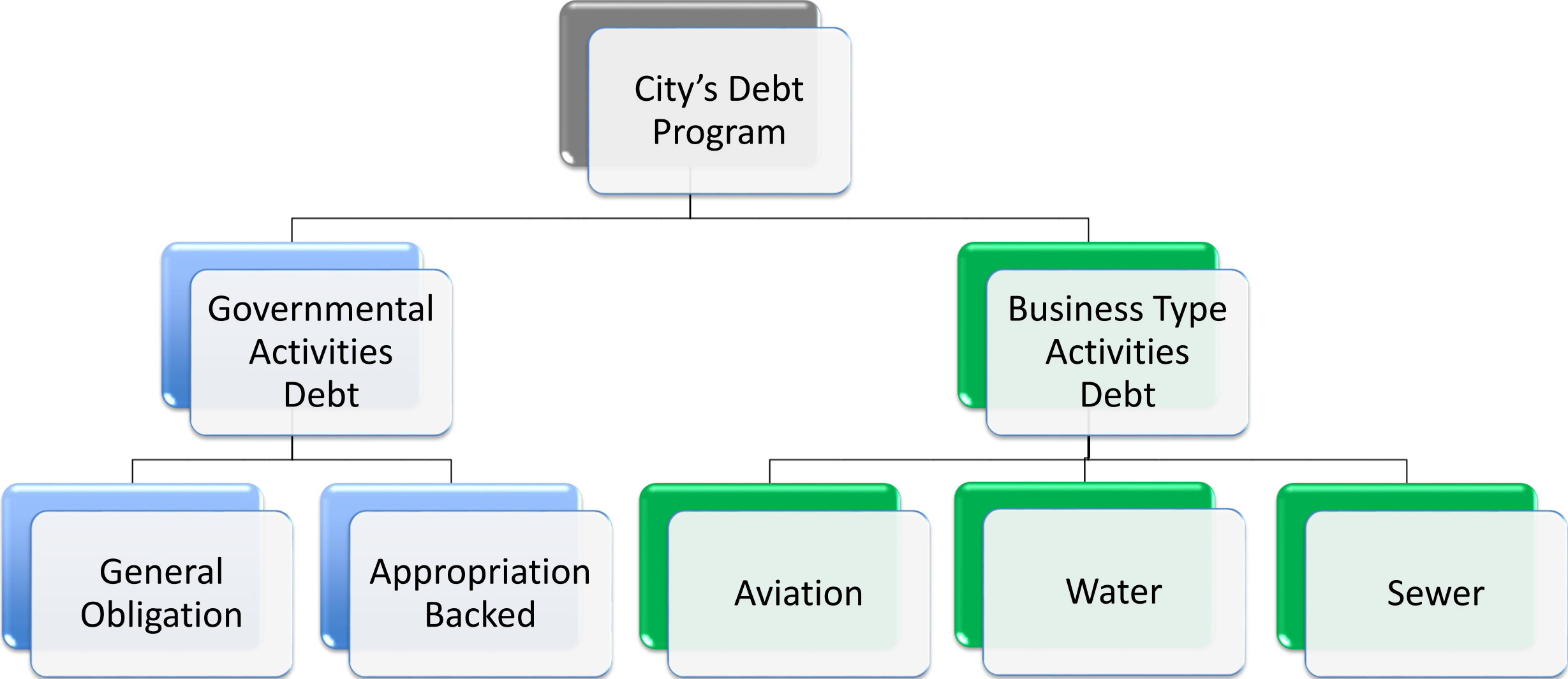
December 7, 2016

Proposed General Obligation Bond Program

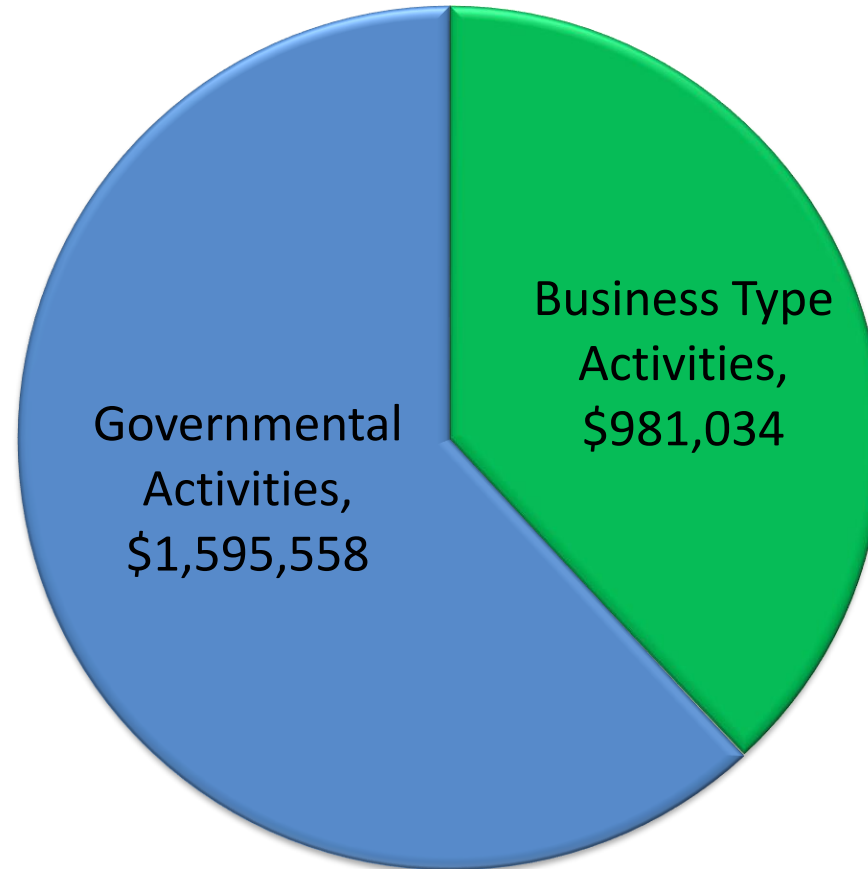
- Repair, replace, rebuild and maintain existing infrastructure
- Proposed \$800M bond issue (estimated \$40M in bonds per year for 20 years)
- Proposed for citywide vote on April 4, 2017
- Election would include bond approval and renewal of CIP sales tax
- 57.1% approval required for bonds



Debt Framework



Total Outstanding Debt - \$2.57 billion



As of 4/30/16, in thousands

Debt Position as of 4/30/16

Governmental Activities - \$1,595 million

General Obligation - \$347 million

Limited Obligation - \$1,085 million

Leasehold Revenue - \$101 million

Lease Purchase - \$62 million

Business Type Activities - \$981 million

Airport - \$195 million

Water - \$352 million

Sewer - \$431 million

Stormwater - \$2 million

Total - \$2.576 billion

Credit Rating

General Obligation Credit		Appropriation Backed Credit	
S&P	Moody's	S&P	Moody's
AAA	Aaa	AAA	Aaa
AA+	Aa1	AA+	Aa1
AA	Aa2	AA	Aa2
AA-	Aa3	AA-	Aa3
A+	A1	A+	A1
A	A2	A	A2
A-	A3	A-	A3
BBB+	Baa1	BBB+	Baa1
BBB	Baa2	BBB	Baa2
BBB-	Baa3	BBB-	Baa3

Credit Rating

- Both rating agencies use a rating methodology to establish a “grid-indicated” rating by weighting the various objective (quantitative) factors that are included in the analysis.
- The grid-indicated rating is then adjusted by more subjective (qualitative) factors.

Rating Factor	Weight	
	Standard & Poor's	Moody's
Economy/Tax Base	30%	30%
Finances	30%	30%
Management	20%	20%
Debt/Contingent Liabilities	10%	20%
Institutional Framework	<u>10%</u>	<u>0%</u>
Total	100%	100%

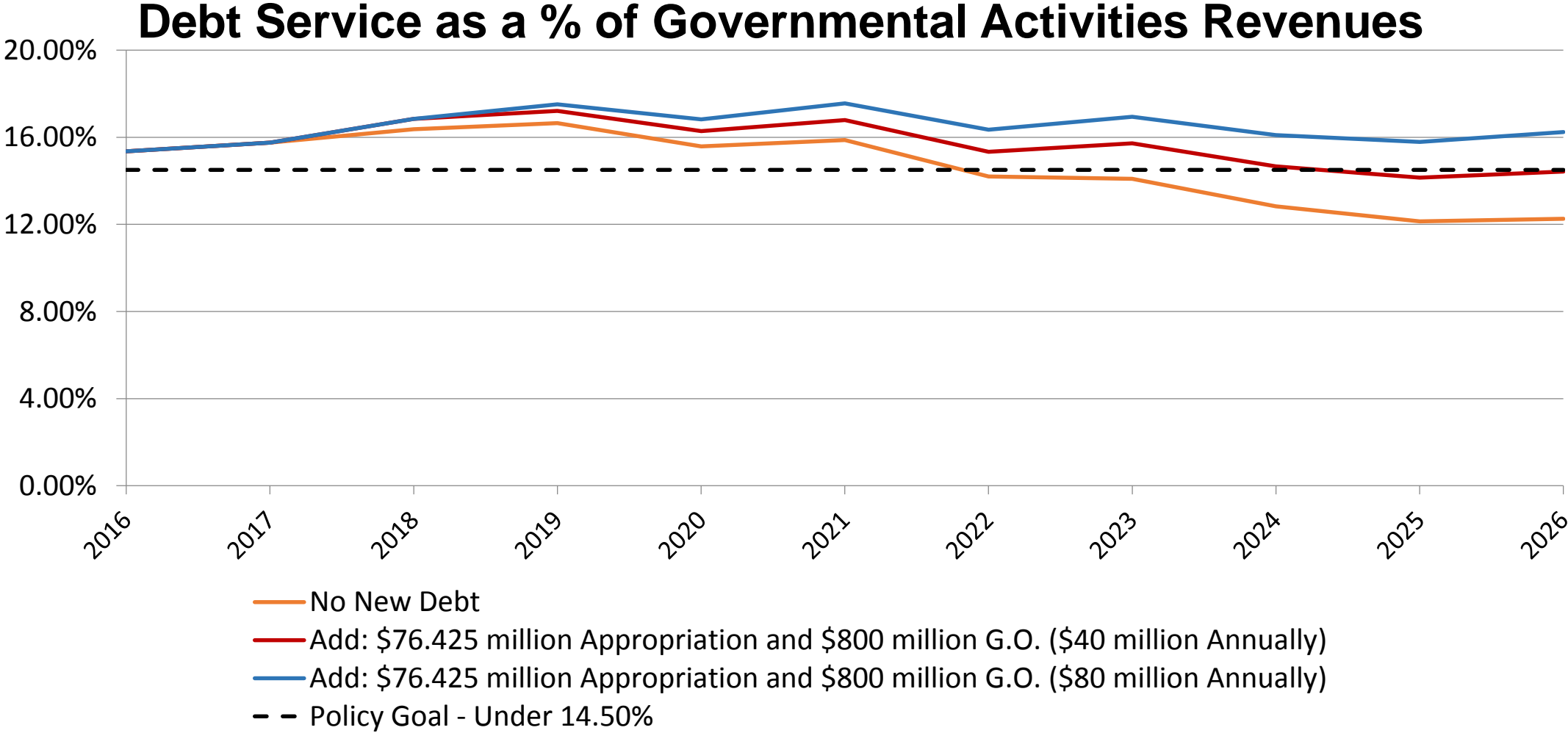
Debt Policy

- Committee Substitute for Ordinance No. 160883
- Tax-exempt vs. taxable
 - Public vs. private – use, payment, security
 - Tax-exempt is cheaper
- Term for GO bonds
 - 20 year limit per state statute
 - Must be less than or equal to useful life of asset
 - Intergenerational equity
- Uses of GO bonds
 - Projects which benefit City as a whole and are consistent with voted authority
 - Not for operating or maintenance expense
 - Essential public purpose

Debt Policy

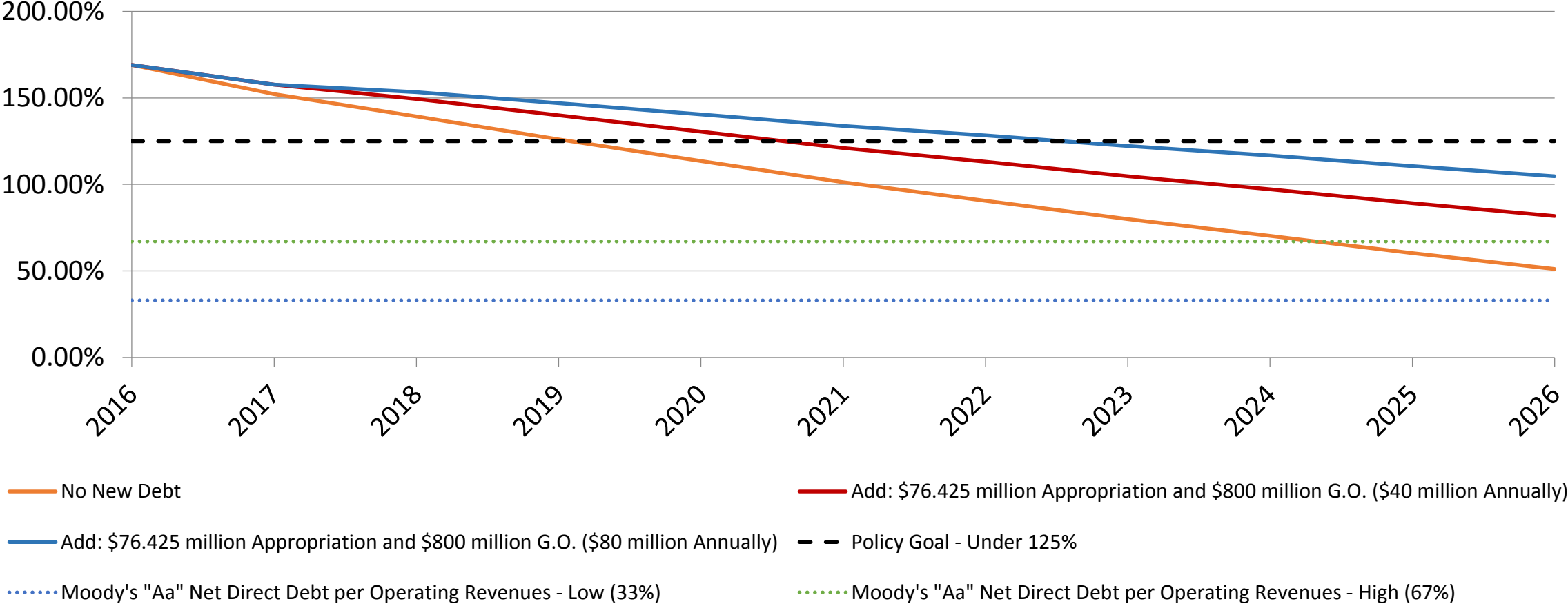
- Debt issuance targets
 - Designed to allow for manageable and affordable growth in the City's debt burden
 - Designed with potential GO bond program in mind
 - Debt Service as a Percent of Revenues < 14.5%
 - Outstanding Debt as a Percent of Revenues < 125%
 - Outstanding Debt as a Percent of Full Value of Property < 4.5%

Debt Policy Targets



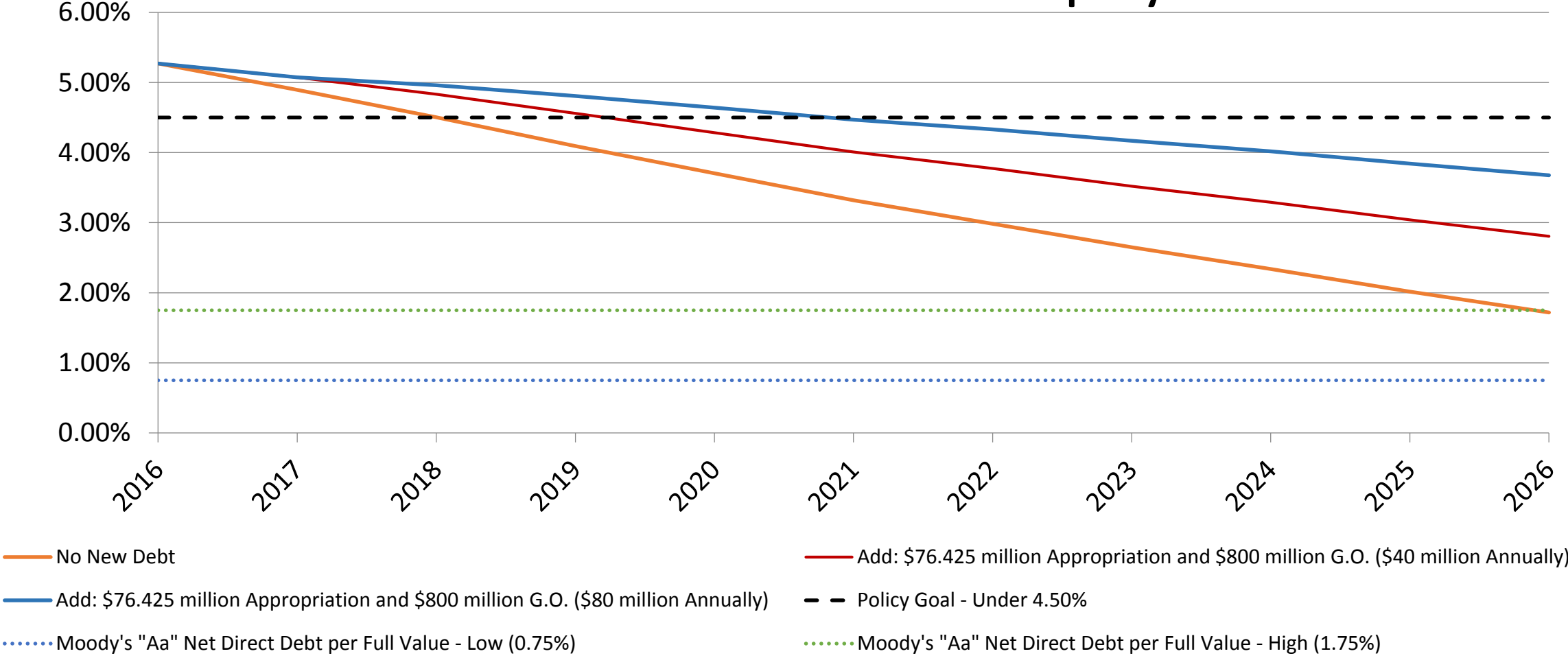
Debt Policy Targets

Debt as a % of Governmental Activities Revenues

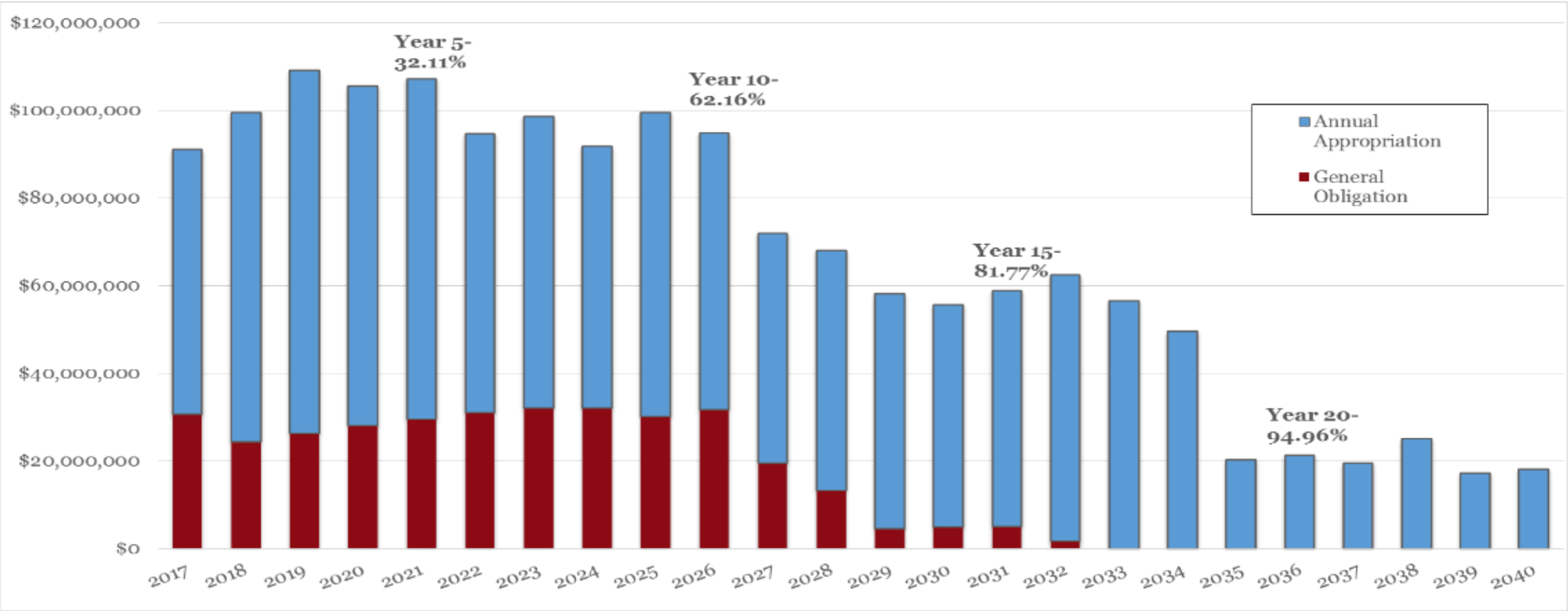


Debt Policy Targets

Debt as a % of Full Value of Property



Debt Amortization



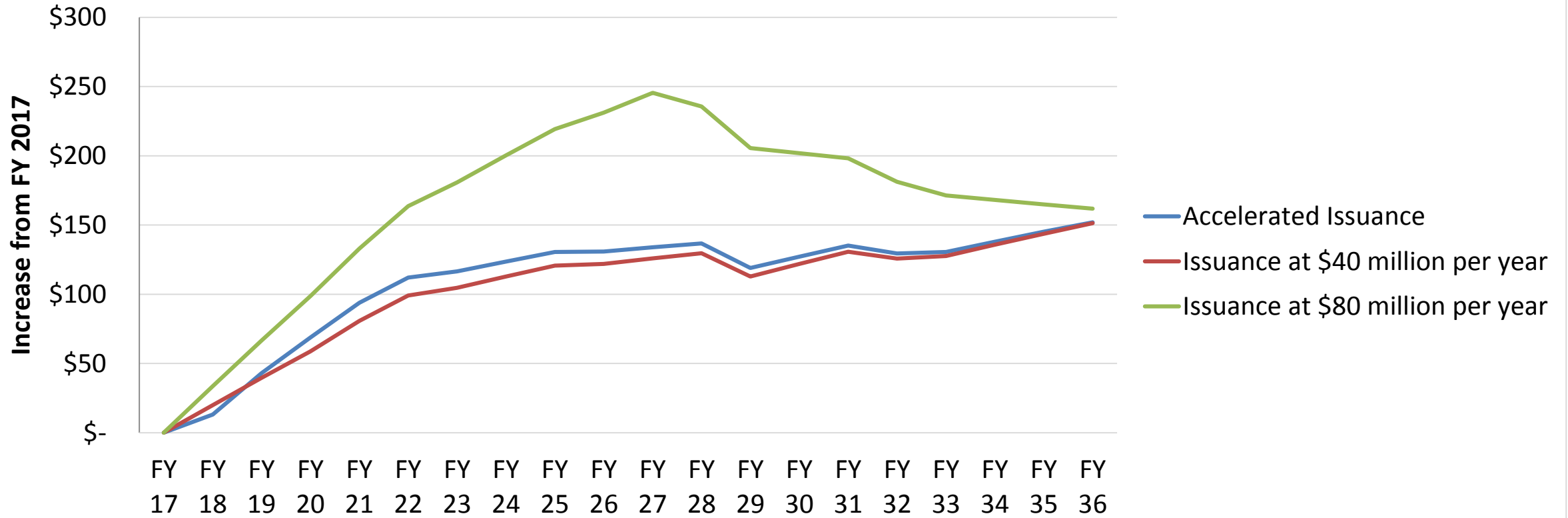
Taxpayer Impact

- Estimated cumulative property tax increase:

<u>RESIDENTIAL</u>	AVERAGE ANNUAL	YEAR 20
\$100,000 HOUSE/ \$15,000 CAR	\$6	\$120
\$140,000 HOUSE/ \$15,000 CAR	\$8	\$160
\$200,000 HOUSE/ \$35,000 CAR	\$12	\$250
<u>COMMERCIAL</u>		
\$1,000,000 BUILDING/ \$100,000 PERSONAL PROPERTY	\$88	\$1,767

Taxpayer Impact

Taxpayer Impact
\$140,000 Home; \$15,000 Automobile



Streets (examples)

Council District	Street	Segment	Design	Construction	Total
1, 2	Maplewoods Parkway	NE 96th Street to Anne Garney Park (for completion)	Funded	\$7,000,000	\$7,000,000
3	Paseo Gateway	Paseo and Independence Blvd Intersection	\$300,000	\$6,000,000	\$6,300,000
3, 4, 5	Prospect Avenue	KCATA MAX Bus service match			\$12,000,000
6	Red Bridge Road	Wornall to Holmes Road	\$200,000	\$2,000,000	\$2,200,000
6	Holmes Road	Blue Ridge to 135th	\$650,000	\$6,350,000	\$7,000,000
2	Tiffany Springs Parkway	Platte Purchase Drive to Line Creek Parkway (west)	\$900,000	\$9,040,000	\$9,940,000
3	22nd/23rd Street	Prospect to I-70	\$400,000	\$3,700,000	\$4,100,000
2	Line Creek Parkway	Shoal Creek Pkwy to NW Stagecoach Road	\$2,000,000	\$22,000,000	\$24,000,000



Streets (examples-2)

Council District	Street	Segment	Design	Construction	Total
5	Blue River Rd	Reconstruct due to landslide issues – 9800 Blk to Chestnut Dr. (closed section)	\$600,000	\$5,900,000	\$6,500,000
6	Wornall Road	Reconstruct 63 rd to 79th	\$1,100,000	\$11,400,000	\$12,500,000
3	27 th Street	Reconstruct Troost Ave to Prospect Ave	\$550,000	\$5,250,000	\$5,800,000
1	N. Brighton Ave.	Pleasant Valley to 72 nd St.	\$1,300,000	\$13,700,000	\$15,000,000
4	N. Oak Trafficway	Reconstruct NKC city limits to N. Indianola Dr.	\$600,000	\$5,900,000	\$6,500,000
6	135 th Street	Wornall to Hwy 150	\$400,000	\$3,600,000	\$4,000,000

- Focused on existing arterial streets
- Includes evaluating for bike/ped facilities



Bridges (examples)

Council District	Bridge	Segment	Design	Construction	Total
3	Bryam's Ford bridge	Over Round Grove Creek (between Raytown Rd and 47th Ter)	\$150,000	\$1,250,000	\$1,400,000
5	Gregory Blvd bridge	Over the Big Blue River (between Elmwood Ave and Oldham Rd)	\$500,000	\$4,800,000	\$5,300,000
3	Benton Blvd. bridge	Over Brush Creek (between Emanuel Cleaver II Blvd and Blue Pkwy)	\$350,000	\$3,350,000	\$3,700,000
3	E. 12 th Street bridge	Over the Big Blue River (between Crystal and I-435 outer road)	\$500,000	\$4,600,000	\$5,100,000



Sidewalks



Council District	Sidewalk	Segment	Total
Citywide	Neighborhood Sidewalk repairs	Systematic repair without assessment to adjoining property owners	\$10,000,000 Per year



Flood Control (examples)

Council District	Location	Work	Design	Construction	Total
3, 4, 5	Enshriner's Lake/Brush Creek	Dredge, restore shoreline, raise trail for east end of Brush creek. Leveraged funding	\$3,100,000	\$17,600,000	\$20,700,000
4, 6	Brookside Storm drainage	Prevent frequent flooding	\$7,125,000	\$40,375,000	\$47,500,000
5	Swope Park Industrial Area	Leveraged funding	\$2,100,000	\$11,900,000	\$14,000,000
4	Turkey Creek	Hillside drainage – leveraged funding	\$1,425,000	\$8,075,000	\$9,500,000
4	Westport/Mill Creek drainage	Prevent frequent flooding	\$8,175,000	\$46,325,000	\$54,500,000
2	Line Creek	Channel stabilization and modification along East Fork of Line Creek	\$2,400,000	\$13,600,000	\$16,000,000
6	Indian Creek	State Line to Wornall Road	\$4,500,000	\$25,500,000	\$30,000,000



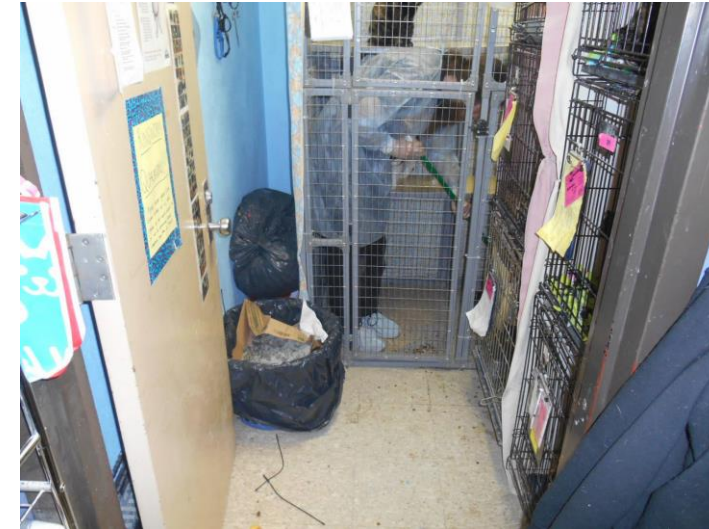
Parks (examples)

Council District	Park Feature or Item	Location	Description	Design	Construction	Total
CW	Park Facility ADA Improvements	Various Park Locations	ADA improvements at 163 Park locations (not buildings)	\$2,445,000	\$24,450,000	\$26,895,000
CW	Aquatics	6 Park Locations	Demos, renovation, replacements	\$615,000	\$6,150,000	\$6,765,000
CW	Shelters	5 Park Locations	Replace existing shelter with new	\$59,000	\$1,250,000	\$1,309,000



Public Buildings (examples)

Council District	Facility	Description	Design	Construction	Total
5	KC Animal Shelter	Replace, enlarge, provide serviceable space	\$140,000	\$13,860,000	\$14,000,000
5	Starlight Theater	ADA Improvements	\$655,000	\$6,547,000	\$7,202,000
3	4900 Swope Parkway Office Building	Complete renovation of all four floors to make building functional.	\$750,000	\$6,750,000	\$7,500,000
3	KC Museum	Restoration of Corinthian Hall	Funded	\$7,000,000	\$7,000,000
1, 2	North Park District	Replacement Building	\$700,000	\$7,000,000	\$7,700,000
3, 4	Park Facility Maintenance Div.	Replacement Building	\$500,000	\$5,000,000	\$5,500,000
2	Line Creek	Line Creek Community Center Ice Arena Upgrade	\$400,000	\$4,000,000	\$4,400,000



Public Buildings (examples-2)

Council District	Facility	Description	Design	Construction	Total
CW	City Hall	ADA upgrades & exterior work	\$2,000,000	\$18,000,000	\$20,000,000
4	Municipal Auditorium	Music Hall & Little Theater	\$414,000	\$3,726,000	\$4,140,000
3	Museums at 18 th & Vine	ADA upgrades and improvements	\$200,000	\$1,000,000	\$1,200,000
5	Swope Park	Swope Park Pool ADA Improvements	\$143,000	\$1,421,000	\$1,564,000

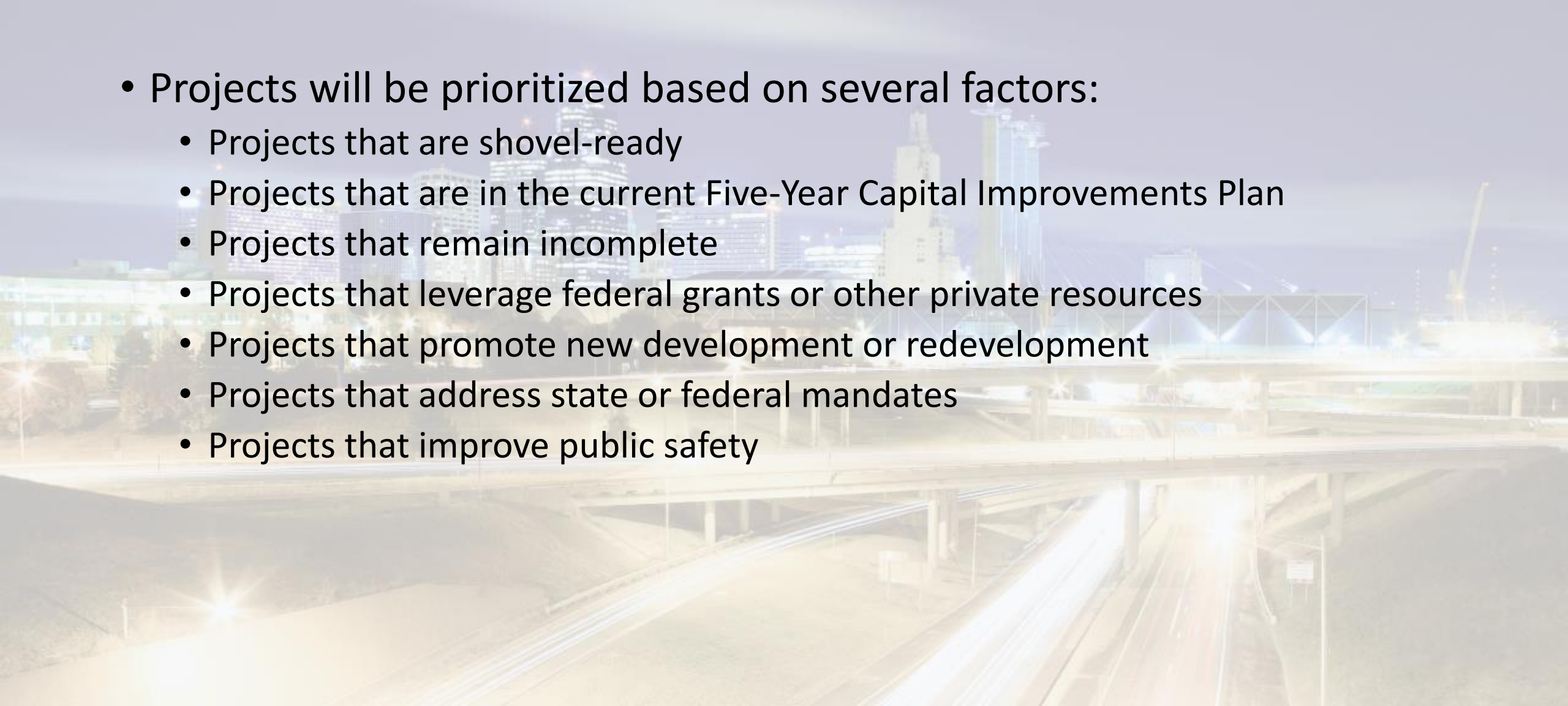


Proposed Capital Maintenance Sales Tax Renewal

- Current one-cent sales tax for capital improvements set to expire in December, 2018
 - Generates \$70 million a year for capital improvements and capital maintenance
 - Propose to renew one-cent sales tax for neighborhood capital improvements (PIAC) and capital maintenance for 20 years
 - **35% for neighborhood capital improvements as recommended by PIAC (current allocation)**
 - **65% for citywide capital maintenance needs (roads, buildings, parks)**
 - Provides adequate maintenance of City's existing capital assets
 - No change in current City sales tax rate
 - Simple majority required for approval

Prioritizing Projects



- Projects will be prioritized based on several factors:
 - Projects that are shovel-ready
 - Projects that are in the current Five-Year Capital Improvements Plan
 - Projects that remain incomplete
 - Projects that leverage federal grants or other private resources
 - Projects that promote new development or redevelopment
 - Projects that address state or federal mandates
 - Projects that improve public safety
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Summary

- Comprehensive approach to build and maintain the City's capital assets
 - \$800 million general obligation bond authorization
 - Renew capital improvements one-cent sales tax
 - Delivers highest priority needs picked by residents in annual citizen satisfaction surveys
 - Small increase in annual property tax bills offset by eliminating sidewalk special assessments
- City Council to review all options and consider placing before voters
 - January 19, 2017 – Final Council meeting before ballot deadline
 - April 4, 2017 – Election date