

# **Downtown Market Plaza: Construction Financing Plan**

**CCO #1**

**GMP 2**

**GMP 3**

City Council – February 27, 2024



**LEE'S SUMMIT**  
MISSOURI



*Yours Truly*

# Change Order #1

- Unknown underground obstructions
- Utility conflicts
- Additional sanitary sewer scope
- Work and materials necessary for property acquisition
- Special disposal as a result of demolition
- 15 Calendar Day increase

# GMP 2 & GMP 3

- Advertised 12/29/2023 – 1/19/2024
  - KC Star
  - Dos Mundos
  - KC Hispanic News
  - Building Connected bidding platform
  - City Website
- Open to all interested parties

# Project Uses

Amount	Use
\$4,863,000	Land Acquisition
\$6,484,375	GMP 1 + CCO1 (Public Utilities)
\$22,506,605	GMP 2 (Farmer's Market & Plaza)
\$3,065,638	GMP 3 (Johnson & 3 <sup>rd</sup> ST)
\$6,613,883	Soft Costs
<u>\$466,499</u>	Overall Project Contingency
<b>\$44,000,000</b>	<b>Total Uses</b>

# Financing Plan

Amount	Anticipated Repayment Source
\$14,809,367	Secured Funding – Available Cash / Bills Paid
\$9,495,546	Capital Improvement Plan Funding
*\$7,000,000	Cash from General Fund Reserve
<u>\$13,000,000</u>	Bond Issuance (**\$3.25M CID financing)
\$44,304,913	Total Sources

\* Per 2/16/2024 Finance and Budget Committee Meeting

\*\* CID:  $\$162,500 \times 20 \text{ Years} = \$3.25\text{M} \rightarrow \$2.11\text{M project fund}$

# Council Actions

1. Change Order 1 – 1<sup>st</sup> Reading Tonight
2. GMP 2 – 1<sup>st</sup> Reading Tonight
3. GMP 3 – 1<sup>st</sup> Reading Tonight
4. Ordinance: Budget Amendment for cash appropriation into Green Street Fund
  - Capital Improvement Plan Funding
  - Amount from Unassigned General Fund Balance
3. Ordinance: Issue Special Obligation Bonds to achieve remaining Unsecured Amount

# Options from Unassigned General Fund Balance

- Ordinance 9757 approved September 26, 2023:  
“**Unassigned General Fund Balance**” should be a minimum 25%, maximum 35% of recurring general fund operating revenues or expenditures, whichever is greater, based on prior fiscal year.
- FY23 expenditures were \$95,660,867. FY23 Unassigned General Fund Balance is \$44,538,976, which is 46.6% of FY23 expenditures.
- Range of options under the new policy:

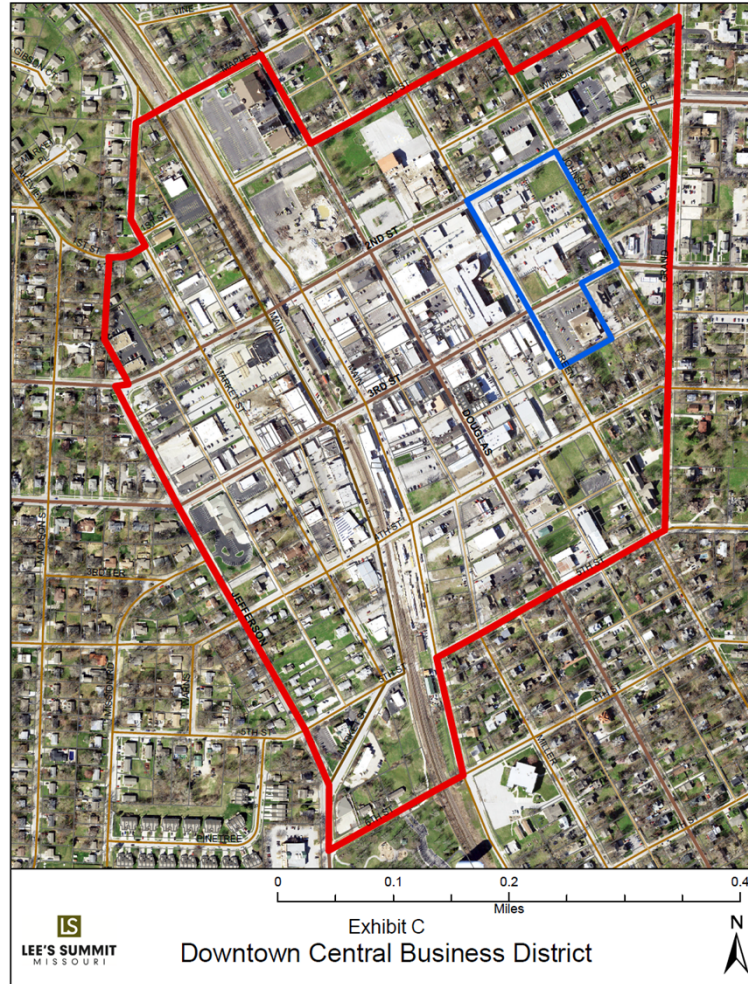
Balance	%	Spend
\$44,538,976	46.6%	\$0
\$33,481,303	35%	\$11,057,673
\$23,915,217	25%	\$20,623,759

# Bond Term & Debt Service Schedule

Duration	10 Year	15 Year	20 Year	25 Year
Interest Cost %	2.94%	3.4%	<b>3.79%</b>	4.06%
Annual Debt Service per \$1,000,000 debt	\$115,000	\$85,000	<b>\$70,000</b>	\$65,000
Project Fund	\$13M	\$13M	<b>\$13M</b>	\$13M
Annual Debt Service	\$1,495,000	\$1,105,000	<b>\$910,000</b>	\$845,000



# Comparison to Downtown Revenues



# City Downtown Annual Revenues

Downtown City Revenue Source	Amount
Property Taxes	\$2,000,000
Sales Taxes at 2.75%	<u>\$1,520,000</u>
Total	\$3,520,000

# Bond Issuance

- Special obligation bonds
- Issued by City
- No public vote required
- Annual appropriation of City to repay
- AAA Bond Rating for General Obligation Bonds
- Resolution of Intent authorized future reimbursement from bond proceeds
- Ordinance to issue bonds