

Legislation Text

File #: BILL NO. 23-011, **Version:** 1

An Ordinance calling an election to authorize the issuance of general obligation bonds for the City of Lee's Summit, Missouri, related to transportation purposes.

(Note: First read by City Council on January 10, 2023. Passed by unanimous vote.)

Issue/Request:

Throughout the December 2022 meetings, staff has been working with the Mayor and City Council to identify projects or initiatives to place on an April 4, 2023 ballot for a "no tax increase" bond issue. Through the course of those meetings and discussions, the Mayor and City Council have narrowed the priorities and potential projects from an overall list that exceeded \$400 million down to a priority list of an estimated \$185 million.

Based on the potential projects or initiatives being considered, staff has worked with Sid Douglas, with Gilmore & Bell who is the City's Bond Counsel on preparing the no tax increase ballot question(s). The attached transportation related ordinance would entail the issuance of up to \$98,000,000 in projects or initiatives.

The attached ordinance must be approved in order to place a no tax increase ballot question on the April 4, 2023 municipal election and the Jackson County Election Board must be notified of the ballot question on or before January 24, 2023.

This ballot question would provide necessary resources to pursue projects including but not limited to:

- Improvements to SW Scherer Parkway and Scherer Road (\$35M)
- Improvements to SW Longview Blvd. (\$3.5M - Longview Road to Scherer Pkwy)
- Improvements to Todd George Parkway (\$24M - between Colbern Rd. & Woods Chapel)
- Improvements to SE Douglas St. (\$5M - 5th St. to Blue Pkwy)
- Improvements to NE Lakewood Way (\$6.4M - south of Bowlin Rd)
- Improvements to NE Lakewood Way (\$4.35M - north of Bowlin Rd.)
- Improvements to Langsford Rd. (\$5M)
- New Hangar 2 and other improvements to the LS Airport

Key Issues:

The currently established debt service levy established at \$.3697 per \$100 assessed valuation provides approximately \$9.8 million annually to finance capital projects.

The annual debt levy revenues are anticipated to grow each year as assessed valuation grows.

The current debt service schedule for previously issued bonds includes pay-off of most of the debt by April 2025.

All existing debt service for existing bonds is scheduled to pay off by April 2029.

All previously voter-approved authorizations have been fully exhausted by issuance of those bonds.

Voters must approve the issuance of any additional bonds.

Any approved debt issuance would be structured to be paid from the debt service levy revenues based on a

debt levy of \$.3697 per \$100 assessed valuation.

Any requested voter approval for debt issuance typically includes the list of projects expected to be financed by the debt issuance.

Proposed City Council Motion:

I move for adoption of an Ordinance calling an election to authorize the issuance of general obligation bonds for the City of Lee's Summit, Missouri, related to transportation purposes.

Background:

The City has an extensive list of capital project needs that require financing sources. In 2021, the voters approved an increase to the general operating property tax levy of \$.10 per \$100 assessed valuation and the City Council agreed to drop the debt service levy by the same amount, thereby maintaining a consistent total property tax levy. That lower debt service levy of \$.3697 per \$100 assessed valuation provides approximately \$9.8 million in revenue to finance capital projects subject to voter approval for bond issues. Most of the previously issued bonds are scheduled for pay-off by April 2025. Based on these facts, the City has an opportunity to utilize the potential revenues from the debt levy to finance the needed capital projects.

Mark Dunning, City Manager

Bette Wordelman, Finance Director

Sid Douglas, Gilmore & Bell, City's Bond Counsel