

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 170458

Authorizing certain actions related to the purchase of two streetcars for the Downtown Streetcar system; authorizing the Director of Finance to accept a proposal from Banc of America Public Capital Corp (“BAPCC”) to finance the acquisition of one streetcar; appropriating \$250,000.00 from the Unappropriated Fund Balance of the Streetcar Fund to the Transfer to the Public Mass Transportation Fund; estimating revenue in that amount and appropriating the same to the Street Resurfacing account; appropriating \$21,800.00 from the Unappropriated Fund Balance of the Public Mass Transportation Fund to the Smart Kiosks account; estimating revenue in the amount of \$192,000.00 in the Public Mass Transportation Fund; estimating revenue in the amount of \$346,000.00 in the Streetcar Fund; appropriating that amount to the Streetcar Phase I account; appropriating \$6,922,000.00 from the Unappropriated Fund Balance of the Streetcar Fund; estimating revenue in the amount of \$5,010,000.00 in the Equipment Lease Capital Acquisition Fund; appropriating that amount to the Streetcar Phase I and Cost of Issuance accounts; authorizing the Director of Finance to close the project account; declaring the City’s intent to reimburse itself from the lease proceeds; and recognizing this ordinance as having an accelerated effective date.

WHEREAS, the City, the Kansas City Streetcar Authority (the “Authority”), and the Kansas City Downtown Streetcar Transportation Development District (the “Streetcar TDD”) have mutually agreed that \$250,000.00 of the surplus funds (“Surplus”) in the Streetcar Fund shall be used by the City for remaining arbitration expenses; and

WHEREAS, the City, borrowed \$250,000.00 from Fund No. 2080, Public Mass Transportation Fund, to fund the agreement initially, and with this ordinance is repaying the City funds borrowed; and

WHEREAS, the City, the Authority, and the Streetcar TDD have mutually agreed to purchase two additional streetcars for the downtown line by cash funding one streetcar plus extra parts and requesting the City to finance the second streetcar through its master lease purchase agreement; and

WHEREAS, the Authority has agreed to pay the \$346,000.00 to the City to cover a portion of the costs of the vehicles; and

WHEREAS, the City, the Authority, and the Streetcar TDD have mutually agreed that \$6,922,000.00 of the Surplus in the Streetcar Fund shall be used by the City for purchase of one streetcar plus extra parts needed; and

WHEREAS, the cost of acquisition and implementation of the second streetcar (the “Project”) is expected to be financed under the Master Lease Purchase Agreement (“Lease”) with BAPCC by one (1) draw upon the Lease; and

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WHEREAS, the payment of scheduled debt service payments on the draw made under the Lease will be made by annual appropriation of monies from the City's General Municipal Revenues over a successive ten (10) year period; and

WHEREAS, the City will use funds on deposit in the Streetcar Fund for the payment of the annual debt service payments under the Lease; and

WHEREAS, the City, the Authority, and the Streetcar TDD have mutually agreed that any of the Surplus not used will remain in the Initial Phase Fund; and

WHEREAS, the City implemented an agreement with Smart City Media for the installation of Smart City kiosks which included a revenue sharing component; and

WHEREAS, the Smart City Media agreement contemplated the distribution of the kiosk revenue to the Streetcar Authority and VisitKC, with a portion to be retained by the City for costs related to kiosk maintenance; and

WHEREAS, in Fiscal Year 2016-17, the City received \$21,800.00 in kiosk revenue; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the sum of \$250,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Streetcar Fund to the following account:

18-2085-129998-902080	Transfer to the Public Mass Transportation Fund	\$ 250,000.00
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Section 2. That the revenue of \$250,000.00 is hereby estimated in the following account of the Public Mass Transportation Fund:

18-2080-120000-502085	Transfer from the Streetcar Fund	\$ 250,000.00
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Section 3. That the sum of \$250,000.00 is hereby appropriated from the Unappropriated Fund Balance in the Public Mass Transportation Fund to the following account:

18-2080-897701-B-89008533	Street Resurfacing	\$ 250,000.00
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Section 4. That the sum of \$21,800.00 is hereby appropriated from the Unappropriated Fund Balance in the Public Mass Transportation Fund to the following account:

18-2080-892023-B	Smart Kiosks	\$ 21,800.00
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Section 5. That the revenue of \$192,000.00 is hereby estimated in the following account of the Public Mass Transportation Fund:

18-2080-892023-462895 Advertising Income-Smart Cities Kiosks \$ 192,000.00

Section 6. That the revenue of \$346,000 is hereby estimated in the following account of the Streetcar Fund:

18-2085-121452-481000 Misc. Contributions \$ 346,000.00

Section 7. That the sum of \$346,000.00 is hereby appropriated in the following account of the Streetcar Fund:

18-2085-898044-B-89022000 Streetcar Phase I \$ 346,000.00

Section 8. That the sum of \$6,922,000.00 is hereby appropriated from the Unappropriated Fund Balance in the Streetcar Fund to the following account:

18-2085-898044-B-89022000 Streetcar Phase 1 \$6,922,000.00

Section 9. That the Director of Finance is authorized to accept the proposal of BAPCC for the financing of the Project through one (1) draw upon the Lease in an approximate principal amount not to exceed \$5,010,000.00.

Section 10. That the Director of Finance is authorized to execute, deliver and file in the name of the City, the Lease and any and all documents and agreements necessary to complete such financing.

Section 11. That the revenue in the following account of the Equipment Lease Capital Acquisition Fund is hereby estimated in the following amount:

AL-3230-120000-583000 Lease Proceeds \$5,010,000.00

Section 12. That the sum of \$5,010,000.00 is hereby appropriated from the Unappropriated Fund Balance of the Equipment Lease Capital Acquisition Fund to the following accounts:

AL-3230-898044-B-89022000	Streetcar Phase I	\$5,000,000.00
AL-3230-129620-B	Cost of Issuance	<u>10,000.00</u>
	TOTAL	\$5,010,000.00

Section 13. That the Director of Public Works is hereby designated as requisitioning authority for Account Nos. 18-2080-897701, 18-2085-898044, 18-2080-892023 and AL-3230-898044 and that the Director of Finance is hereby designated as requisitioning authority for Account Nos. 18-2085-129998 and AL-3230-129620.

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Section 14. That the Director of Finance is hereby authorized to close the project account, open encumbrances and retainage of Account No. AL-3230-898044 and return the unspent portion of the Fund Balance from which it came upon the earliest of: (i) Project's completion; (ii) final maturity of financing or (iii) five years after issuance.

Section 15. That the City approves Kutak Rock LLP to serve as Lease Counsel for the City in connection with the financing of the Project.

Section 16. That the City hereby declares its official intent to reimburse itself for certain expenditures made within sixty (60) days prior to or on and after the date of this ordinance with respect to the Project with the proceeds of the lease expected to be drawn from the Lease. The maximum principal of amount of lease proceeds for the Project expected to be financed under the Lease is \$5,010,000.00. This constitutes a declaration of official intent under Treasury Regulation Section 1.150-2.

Section 17. That this ordinance, relating to the design, repair, maintenance or construction of a public improvement and that it appropriates money, is recognized as an ordinance with an accelerated effective date as provided by Section 503(a)(3)(C) and (D) of the City Charter and shall take effect in accordance with Section 503, City Charter.

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I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

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Randall J. Landes  
Director of Finance

Approved as to form and legality:

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Nelson V. Munoz  
Assistant City Attorney