

BILL NO. 24.124

ORDINANCE NO. 19638

AN ORDINANCE CALLING AN ELECTION TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR THE CITY OF INDEPENDENCE, MISSOURI.

WHEREAS, Missouri municipalities are authorized to issue general obligation bonds (“GO bonds”) pursuant to Article VI, Section 26(b) through (e) of the Missouri Constitution as well as Sections 95.115 to 95.130 of the Revised Statutes of the State of Missouri; and,

WHEREAS, GO bonds are a means to borrow money to generate revenue for acquisitions and construction projects; and,

WHEREAS, GO bonds are secured by the full faith, credit, and taxing power of a municipality and are paid back through property taxes; and,

WHEREAS, GO bonds pay for capital projects and cannot be used for operational costs like salaries and supplies; and,

WHEREAS, in recent years, many Missouri municipalities in the Kansas City region have issued, or have received voter authorization to issue, GO bonds to address capital maintenance and improvements on at least one occasion, including cities such as Blue Springs, Lee’s Summit, Raytown, Liberty, Kansas City, Platte City, and Pleasant Hill; and,

WHEREAS, on November 28, 2016, the City Council by consensus directed staff to prepare recommendations for steps the city can take to improve citizen satisfaction; and,

WHEREAS, the direction was prompted by the results of the 2016 Citizen Satisfaction Survey administered by ETC Institute and indicated a level of dissatisfaction with maintenance of City assets; and

WHEREAS, City staff prepared and presented a Deferred Maintenance Report in December 2016 detailing pending maintenance and improvement projects over the next 20 years that are either unfunded or deferred for an extended period due to the high demand for projects assigned to particular funding sources; and,

WHEREAS, the report estimated unfunded maintenance and improvement projects citywide totaled approximately \$903 million; and,

WHEREAS, the report provided several recommendations to address this backlog including renewal of the one-half cent Street Sales Tax that was scheduled to sunset in 2018, evaluation of utility rate structures to ensure fair and adequate rates, and pursual of one or more new revenue streams including a GO bond; and,

WHEREAS, on August 8th, 2017, voters renewed the Street Sales Tax and made it perpetual until repealed; and,

WHEREAS, electric, water, and sanitary sewer rates are routinely evaluated to ensure adequate revenue is produced to operate these utilities in a business-like manner; and

WHEREAS, numerous reports, plans, and studies have continued to recommend the approval of a GO bond issue including the Independence for All 2017-2021 Strategic Plan, 2018 Downtown Redevelopment Coordinating Committee Report, the 2023 City of Independence Action Plan, the 2024-2027 Independence City Council Strategic Agenda, and the Reshaping the Square Master Plan; and,

WHEREAS, on August 5th, 2024 the Independence City Council approved Resolution 7031 appointing 21 individuals to the Independence General Obligation Bond Advisory Committee (the Committee) to review the necessity of a GO bond, the total bond issuance amount, the various categories to be included in a potential GO bond issuance, and the total allocation to each of the project categories; and,

WHEREAS, the Committee met on August 14th, September 18th, October 2nd, October 16th, October 30th, and November 6th and included tours of various projects that might be funded by a GO bond issue, lengthy presentations to understand bond financing, a review of the City's credit rating and bonding capacities, sample bond amounts and financial implications for Independence taxpayers, an overview of past guiding documents, a review of previous citizen satisfaction surveys and other survey data, and detailed presentations from senior City staff regarding the needs within public facilities, streets, bridges, culverts, curbs, historical sites, animal shelter, and parks and recreation; and,

WHEREAS, the Committee presented their final recommendations to the Independence City Council on November 12th, 2024; and,

WHEREAS, the Committee determined that it was presented with substantial evidence indicating that successful communities periodically authorize the use of general obligation bonds to invest in themselves and that many of the City's proposed investments are significantly overdue; and,

WHEREAS, the Committee stated that the City Council is best positioned to determine the appropriate allocation of funds to ensure maximum return on investment; and,

WHEREAS, the City Council, after meeting on November 19th, 2024 and carefully considering the many infrastructure needs of the city, believes that the allocation of funds proposed in this ordinance represents the greatest opportunity to address the needs of the community; and,

WHEREAS, in accordance with Article 10 of the City Charter, the City's Interim Director of Finance has prepared and filed in the office of the City Clerk the debt statement attached hereto as Exhibit 3 (the "Debt Statement"); and,

WHEREAS, the City Council desires to approve the Debt Statement and proceed with calling an election on questions relating to the issuance of GO bonds;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. The City Council of the City of Independence, Missouri, finds it necessary and hereby declares its intent to borrow \$197,000,000 for the purposes described in the ballot questions below. The City Council hereby approves of the Debt Statement attached hereto as Exhibit 3. City Staff is directed to arrange for the publication of the Debt Statement in *The Examiner* at least two weeks prior to April 8, 2025.

SECTION 2. That an election is hereby called and shall be held on April 8, 2025, placing before the voters within the City of Independence the following questions in the following order:

GENERAL OBLIGATION BOND QUESTION NO. 1

Shall the City of Independence, Missouri, issue its general obligation bonds in the amount of \$130,000,000 for the purpose of acquiring, constructing, renovating, improving and equipping public safety buildings, facilities and grounds including constructing, improving and equipping a new justice center, demolishing existing law enforcement facilities housing functions that will be moved to the new justice center and preparing such sites for alternative uses, and acquiring, renovating and equipping an animal control facility?

GENERAL OBLIGATION BOND QUESTION NO. 2

Shall the City of Independence, Missouri, issue its general obligation bonds in the amount of \$55,000,000 for transportation purposes, including acquiring land and rights of way, and acquiring, constructing, reconstructing, repairing and improving streets, roads, bridges, culverts and sidewalks throughout the City?

GENERAL OBLIGATION BOND QUESTION NO. 3

Shall the City of Independence, Missouri, issue its general obligation bonds in the amount of \$12,000,000 for the purpose of renovating, improving and equipping parks and recreation buildings, facilities and grounds, including historic buildings and the Independence Athletic Complex?

SECTION 3. That the Notice of Election showing said questions, a copy of which is attached hereto and made part hereof as Exhibit 1, is hereby approved.

SECTION 4. That voter approval of the Bonds will authorize the levy and collection of an annual tax in addition to the other taxes provided for by law on all taxable tangible property in the City, sufficient to pay the interest and principal of the Bonds as they fall due and to retire the same within twenty (20) years from the date on which such Bonds are issued.

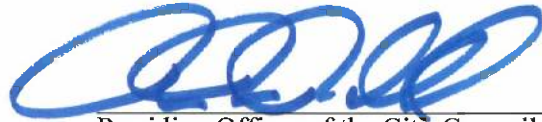
SECTION 5. That the City Clerk is hereby authorized and directed to notify the Board of Election Commissioners of Jackson County, Missouri and the Board of Election Commissioners of Clay County, Missouri, of the passage of this Ordinance no later than 5:00 P.M. on January 28, 2025, in accordance with laws applicable to this election.

SECTION 6. That any question(s) approved by the voters of the City at the April 8, 2025 election shall become effective immediately after certification of the election results.

SECTION 7. That this Ordinance shall be in full force from and after its passage and approval.


SECTION 8. That the City expects to make expenditures on and after the date of passage of this Ordinance in connection with the projects, and the City intends to reimburse itself for such expenditures with the proceeds of the Bonds described above. The maximum principal amount of Bonds expected to be issued for the Projects is set forth in Section 1.

PASSED THIS 11th DAY OF December, 2024, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.



Presiding Officer of the City Council
of the City of Independence, Missouri

ATTEST:


City Clerk

APPROVED - FORM AND LEGALITY:


City Counselor

REVIEWED BY:



City Manager



EXHIBIT 1

PUBLIC NOTICE OF ELECTION FOR THE CITY OF INDEPENDENCE, MISSOURI

Public notice is hereby given to the qualified voters of the City of Independence, Missouri, that the Independence City Council has called an Election to be held Tuesday, April 8, 2025, commencing at six o'clock A.M. and closing at seven o'clock P.M., local time, on the questions contained in the following sample ballot:

OFFICIAL BALLOT

CITY OF INDEPENDENCE, MISSOURI

ELECTION

TUESDAY, APRIL 8, 2025

GENERAL OBLIGATION BOND QUESTION NO. 1

Shall the City of Independence, Missouri, issue its general obligation bonds in the amount of \$130,000,000 for the purpose of acquiring, constructing, renovating, improving and equipping public safety buildings, facilities and grounds including constructing, improving and equipping a new justice center, demolishing existing law enforcement facilities housing functions that will be moved to the new justice center and preparing such sites for alternative uses, and acquiring, renovating and equipping an animal control facility?

YES NO

INSTRUCTIONS TO VOTERS:

Instructions to Voters: If you are in favor of the question, place an X in the box opposite "YES."
If you are opposed to the question, place an X in the box opposite "NO."

GENERAL OBLIGATION BOND QUESTION NO. 2

Shall the City of Independence, Missouri, issue its general obligation bonds in the amount of \$55,000,000 for transportation purposes, including acquiring land and rights of way, and acquiring, constructing, reconstructing, repairing and improving streets, roads, bridges, culverts and sidewalks throughout the City?

YES NO

INSTRUCTIONS TO VOTERS:

Instructions to Voters: If you are in favor of the question, place an X in the box opposite "YES."
If you are opposed to the question, place an X in the box opposite "NO."

GENERAL OBLIGATION BOND QUESTION NO. 3

Shall the City of Independence, Missouri, issue its general obligation bonds in the amount of \$12,000,000 for the purpose of renovating, improving and equipping parks and recreation buildings, facilities and grounds, including historic buildings and the Independence Athletic Complex?

YES NO

INSTRUCTIONS TO VOTERS:

Instructions to Voters: If you are in favor of the question, place an X in the box opposite "YES."
If you are opposed to the question, place an X in the box opposite "NO."

The election will be held at the following polling places in the City:

PRECINCT

POLLING PLACE

DATED: _____, 202__.

Board of Election Commissioners of
Jackson County, Missouri

Board of Election Commissioners of
Clay County, Missouri

EXHIBIT 2

ESTIMATED EXPENDITURES OF GENERAL OBLIGATION BOND PROCEEDS

Project	Category Total	Total Amount by Question
Justice Center	\$127,000,000	
Animal Shelter Acquisition and Improvements	\$3,000,000	
Existing Law Enforcement Facility Demolition and Site Preparation	\$4,000,000	
<i>Sub-Total Question 1</i>		\$130,000,000
Street Construction & Overlay	\$30,000,000	
Sidewalks	\$10,000,000	
Bridges & Culverts	\$15,000,000	
<i>Sub-Total Question 2</i>		\$55,000,000
Park Revitalization	\$5,000,000	
Recreational Historic Sites	\$7,000,000	
<i>Sub-Total Question 3</i>		\$12,000,000
<i>General Obligation Plan Total</i>		\$197,000,000

EXHIBIT 3
DEBT STATEMENT

The aggregate principal amount of all outstanding general obligation bonds and notes of the City of Independence, Missouri (the "City") is as follows: \$-0-

Deductions, if any, permitted by the state constitution or law: -0-

The amount of the existing net general obligation indebtedness of the City: -0-

The amount of the net general obligation indebtedness of the City after the issuance of the bonds authorized by the bond ordinance authorizing questions for the April 8, 2025 election:

Question 1:	\$130,000,000
Question 2:	55,000,000
Question 3:	<u>12,000,000</u>
Total:	<u>\$197,000,000</u>

The assessed valuation of taxable tangible property within the City as shown by the last completed assessment for state and county purposes:	Jackson County: \$2,315,184,778
	Clay County: <u>58,611</u>
	Total: <u>\$2,315,243,389</u>

The aggregate principal amount of general obligation bonds and notes which the City may issue pursuant to the state constitution and law: \$463,048,677.80

Prepared by the Interim Director of Finance
of the City of Independence, Missouri

November 20, 2024