



## CITY COUNCIL Study Session

June 24, 2024

6:00 PM, Council Chambers - 111 E. Maple Ave.

To view a Council meeting agenda, visit <https://independencemo.portal.civicclerk.com/> and select 'Most Recent Council Agenda'.

### PRESENTATIONS

1. 2024 State Legislative Update
2. Independence Economic Development Partnership Update
3. Independence Square Master Redevelopment Plan Presentation
4. Municipal Capital Financing "Bonds 101"

### INFORMATION ONLY

1. **Please Note:** *In accordance with RSMo. 610.021, the City Council may convene in an Executive Session during or after the meeting, in the Council Chambers and move to Conference Room D for the closed meeting, on matters of litigation, legal action, and/or attorney client communications, as permitted by Sec. 610.021(1), on matters of personnel, as permitted by Sec. 610.021(3) and personnel records, as permitted by 610.021(13), on matters of contracts, as permitted by 610.021(12), on matters of real estate, as permitted by 610.021(2) and/or matters of labor negotiations, as permitted by 610.021(9).*



## City of Independence, Missouri 2024 State Legislative Agenda

The 2024 City of Independence State Legislative Agenda is a policy document expressing the positions of the City of Independence for the 2024 Missouri General Assembly Session. It is not intended to be either an exclusive or an all-inclusive document, but rather captures the major policy positions of the City. In general, the City of Independence supports local control of issues that local governments are best positioned to address for the needs of their local constituents and welcomes regional cooperation on issues of mutual interest.

### TOP LEGISLATIVE PRIORITIES

The following are the top legislative priorities for the City of Independence for the 2024 legislative session. The corresponding pages in the policy provide additional information:

1. The City opposes any changes to Economic Development tools, such as Community Improvement Districts (CID) that would hamper development and redevelopment. (Page 3).
2. The City opposes any reductions, caps or altering of the local sales tax rate. (Page 4).
3. The City opposes any legislation that takes away the right of cities to manage public rights of way in regard to pole attachments or to charge fees to telecommunication and video service providers that use the public right of way (Page 6)
4. The City supports increased funding for mental health services in Independence and Eastern Jackson County. (Page 6)
5. The City supports funding support for City Tourism Assets including enhancements to the Historic Preservation Tax Credit (Page 3).

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## **STATE LEGISLATIVE POLICY**

### **ECONOMIC DEVELOPMENT**

#### **Business Incubation**

**The City supports legislation that promotes startup businesses, including business opportunities for graduates from the Ennovation Center.** The Independence Regional Ennovation Center formerly housed the Independence Regional Hospital. In 2007 the hospital announced its closure, and community leaders worked together to repurpose the building. The Ennovation Center opened in 2010 and has housed over 60 startup businesses. Resources are needed to help tenants graduate into expansion spaces within the community. Research confirms that new and young businesses create most of the new jobs nationwide.

#### **Financing Tools**

**The City opposes any changes in state law that would restrict the flexibility of cities to use financing tools to promote economic development in their communities.** The ability to utilize Community Improvement Districts (CID), Chapter 353 tax abatement, and Transportation Development Districts (TDD) is critical for development and redevelopment in Independence. This is especially true in blighted or distressed areas that would not otherwise support investment at market rates. These tools are essential to communities throughout Missouri when engaging in public improvement and economic development projects.

#### **Historic Preservation Tax Credit**

**The City supports the Historic Preservation Tax Credit.** Independence has a thriving tourism industry built upon its rich historical heritage and resources. The State Historic Preservation Tax Credit is a key tool to preserve and protect the community's historic assets. Taxpayers may access credits equal to 25% of the eligible costs of rehabilitation of historic structures. Studies have shown that for every one dollar of tax credit issued there has been approximately four dollars of reinvestment.

### Pay Day Loans

**The City supports legislation to control payday loan interest rates.** The City has zoning codes to limit the number and types of businesses that profit from loaning money to low-income people. The City supports legislation to cap the amount of interest that may be charged by payday and car title loan companies. According to the State Commissioner of Finance’s report to the Governor, the average interest rate for payday loans in Missouri in 2023 is 365.07%.

## FINANCE

### Sales Tax Caps

**The City opposes legislation to limit or cap sales tax rates.** In 1980 Missouri voters approved the “Hancock Amendment” to the Missouri Constitution Article X Section 22. This provision states that a majority of the qualified voters of the political subdivision must vote to approve any increases in local taxes. In the last several years several bills were filed that would cap or otherwise alter sales taxes. This legislation would tie the hands of local leaders in addressing future needs and could result in the reduction or elimination of City services that our citizens require and have come to expect.

### Sales Tax Exemptions

**The City opposes legislation to expand sales tax exemptions.** In 2016, voters approved a constitutional amendment to prohibit local governments from asking voters to expand sales taxes beyond goods. It is important to preserve the existing tax base to ensure stable local revenues to deliver crucial municipal services. Further exemptions threaten to erode revenues generated by retail sales.

### Unfunded Mandates

**The City opposes legislation that impose state mandated costs for which there is no guarantee of local reimbursement or other related benefits.** The City welcomes open dialogue with members of the General Assembly regarding the burden of unfunded mandates on the daily operations of local governments.

## MUNICIPAL COURT

### Appropriate Fines

**The City supports legislation to raise municipal court fines to \$500 in order to be a deterrent to criminal behavior and offset the staff time dedicated to processing criminal offenses.**

The City has experienced increased numbers of serious violations, including fraudulent use of credit cards, bad checks, assaults, and stealing cases that are now handled in municipal court. The City supports raising fines up to \$1,000 for cases that could be filed as felonies, such as possession of methamphetamines, possession of heroin and car thefts. Municipal courts in Jackson County are processing more of these serious offenses.

### **Driver's License Suspension**

**The City supports legislation to allow municipal courts to suspend driver's licenses for offenders who fail to pay court fines and/or appear in court.** Several loopholes exist in state law which allow those found guilty of certain "minor traffic violations" to avoid compliance with judicial renderings in municipal court, thereby eliminating any real incentive for an offender to comply with state and local laws. With the passage of Senate Bill 5 in 2015, municipal courts lost much of their enforcement authority, including the ability to suspend in-state driver's licenses for non-compliance with judgments. In the past four years, Independence has experienced a considerable decline in compliance. This poses a real threat to public safety since traffic offenders understand they can ignore tickets and judge's verdicts with little consequence. This is especially important to communities like Independence with multiple major state and federal highway routes.

## **PUBLIC SAFETY**

### **Crisis Intervention Teams**

**The City supports legislation for sustainable funding and partnerships to expand Crisis Intervention Teams for local law enforcement.** Crisis Intervention Teams (CITs) are police officers trained to safely respond to persons with mental illness in crisis. As a result, those persons receive appropriate access to emergency, inpatient, and community-based mental health treatment services instead of jail time. The Independence Police Department currently has grant funding to support one CIT officer, but the need far exceeds this single resource and finite funding stream. Based on a recent Community Health Assessment and feedback received through the Community Health Improvement Planning process, the Independence Health Department identified mental health as one of the top health priority areas for Independence.

### **Felony Fleeing**

**The City supports Felony Fleeing legislation to ensure accountability for those who endanger others by fleeing from police.** Police pursuits pose an inherent danger to the safety of citizens, as well as to the officers involved in the pursuits. Often accidents occur after police terminate an active pursuit but the suspect continues at a high rate of speed. Police departments like

Independence have restrictive policies which balance the inherent risk of pursuit with the need to apprehend suspects who may commit more serious crimes if they evade arrest. The City of Independence utilizes the new StarChase technology to insert a GPS tracking device in lieu of pursuing a vehicle that flees. However, the technology is expensive and cannot be implemented in every situation. Stronger laws are needed to impose sufficient penalties to deter flight and to place responsibility on suspects who flee.

## Mental Health

**The City supports increased funding for Mental Health Services in our community.** 1 in 5 adults and 1 in 6 youth in the United States experience a mental health disorder each year. The 2022 Independence Health Assessment indicated that Mental Health was one of the top public health concerns by our residents. Independence has a higher suicide rate than Eastern Jackson County, Kansas City, the State of Missouri, and the United States in 2020.

## Ground Emergency Medical Transportation

**The City of Independence supports legislation that would provide reimbursement for any agency that provides emergency medical transport services for a particular area.** This legislation would allow the City of Independence to appreciate these funds from the state of Missouri through the Center for Medicaid and Medicare Services (CMS) if it chose to provide this service in the future.

## TOURISM

### Short-Term Rentals

**The City opposes any legislation that would limit the authority of local governments to regulate short-term rentals.** Communities like Independence are increasingly seeing owner-occupied homes used as short-term rentals for short-term stays through websites such as Airbnb and VRBO. Short-term housing can benefit local economies by increasing tourism and the affordability of housing. Cities need flexibility to regulate short-term rentals in a way that best meets the needs of the local community.

## UTILITIES

### Video Services and Telecommunications Issues

**The City opposes any legislation to limit local control of telecom attachments to municipally-owned utility facilities. The City also opposes any legislation that would diminish the ability of local governments to charge fees to telecommunication and video service providers that use**

**public rights of way to deliver their products and services.** Independence Power & Light has the responsibility of managing the safe and reliable delivery of electrical power to Independence ratepayers. This mission is often complicated by the competing needs of telecommunications companies that seek to attach to utility poles and related rights-of-way and infrastructure. The City has worked closely with telecommunications providers to develop new ordinances and applications to accommodate small cell wireless attachments on utility poles. The City must maintain authority to impose reasonable regulations to protect its assets and the public interest. In addition, flexibility is necessary to impose fees to recoup the costs of maintenance, inspections, plan reviews, etc. and to ensure the private business costs of telecommunications and video service companies are not displaced to the citizens of Independence.



John Bardgett ♦ Jacque Bardgett ♦ Chris Roepe ♦ Mark Habbas ♦ Carol Kemna

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## FINAL 2024 MISSOURI LEGISLATIVE SESSION REPORT

### ***City of Independence***

The Second Regular Session of the 102<sup>nd</sup> Missouri General Assembly adjourned for the year on Friday, May 17<sup>th</sup>. The legislature completed their constitutional duty by approving the state's operating budget for the next fiscal year (FY '25) which commences on July 1<sup>st</sup>. The \$51.7 billion budget is one of the largest in our state's history. Many were in doubt that the legislature would even be able to come to an agreement on the FY '25 budget as numerous legislative demands had to be met before several Senators would even let the budget bills be taken up for consideration.

The legislative session started off in a tumultuous fashion with 7 of the 24 Senate Republicans forming the Missouri Freedom Caucus and announcing their legislative demands on the floor of the Senate in the first week of January. They then began filibustering for days and weeks until some of their demands were met. As a response, the 17 Regular Senate Republicans caucused and decided to strip 4 of the ringleaders of the Senate Freedom Caucus of their Committee Chairmanships and prime capitol parking locations. These actions only heightened the Senate skirmishes into a full-on firefight with name calling, screaming and threats being the regular order of business on the Senate floor. Meanwhile, the 10 Senate Democrats sat back and nibbled on popcorn as they watched the chaos unveil as if they were watching a movie. As the session progressed there were a couple of days that all the Senators seemed to work as adults, but they were few and far between. The threats and demands from the Freedom Caucus derailed the Senates normal business on multiple occasions throughout this chaotic and dysfunctional Senate session. As the controversial Initiative Petition Constitutional Amendment legislation (SJR 74) returned to the Senate for a final vote, the Senate Democrats did exactly what they have told everyone they would do, if the legislation returned with additional provisions included, filibuster! They did just that for 50 straight hours from Monday through Wednesday, shutting down any legislation from moving.

Across the Capitol, the House began the session with their own drama unfolding as the Speaker of the House was under a House Ethics Committee investigation that began in October with a House member basically using a newspaper article as the basis for his ethics complaint against the Speaker. What could have been fact checked in a couple

meeting and either corroborated or not, instead drug on for 8 months. The Ethics Committee, after 8 months of investigating Speaker Dean Plocher, issued a final bipartisan one sentence report that stated, “the Ethics Committee dismisses all allegations against Dean Plocher”. Many capitol observers and reporters believe the investigation turned into a politically motivated vendetta by the Chairperson of the Ethics Committee.

In her second year as Senate Majority Floor Leader, Senator Cindy O’Laughlin exhibited tremendous leadership skills as she wrestled the 34-member Senate and the newly formed Freedom Caucus and kept the trains running on time. She kept bills moving and knew exactly how far to let a debate go before she adjourned for the day. Next year she hopes to be elected as President of the Senate.

Speaker Dean Plocher (R – St. Louis Co.) and Majority Floor Leader Jon Patterson, M.D., (R – Lee’s Summit) worked very cooperatively and you could see the shift in power at about the midpoint of the session start moving to Rep. Patterson who will take the reins as Speaker of the House next January for a 2-year stint.

### General Session Information

There were over 2,500 pieces of legislation filed during the 2024 legislative session with 46 pieces of legislation making it all the way through the process to final passage.

The Governor has until July 14, 2024, to either sign or veto bills passed during the legislative session. All legislation passed by the General Assembly, if signed into law by the Governor, will become effective on August 28, 2024, unless the legislation provided for a specific effective date or contained an emergency clause. If the Governor fails to sign or veto the bill, the bill becomes law.

### Bills Truly Agreed to and Finally Passed (TAFP):

Here is a link to the complete list of bills which were Truly Agreed to and Finally Passed that might be of interest to your organization. [2024 TAFP Legislation](#)

### Major Topics that Passed

- SB 727 – Expands an education voucher program that pays for private school expenses, increases funding for public schools and teacher salaries, and permits charter schools in Boone County.
- HB 2634 – Planned Parenthood: Bars state Medicaid dollars from being used to reimburse Planned Parenthood for health care services.
- HB 1803 – Low-interest loans: Expands MOBUCKS, a state-financed low-interest loan program for small businesses, local governments, agriculture business and farmers.
- HB 2016 – Missouri National Guard in Texas: Funds Missouri National Guard soldiers and Highway Patrol troopers assisting with U.S.-Mexico border security as part of Texas’ Operation Lone Star.

- HB 1751 – Kansas City landfill: After protests by residents, prohibits a landfill from being built close to a Kansas City suburb.
- HB 2062 – Eviction moratoriums: Would prohibit local governments from imposing a moratorium on eviction proceedings.
- HB 2111 – State auditor: Allows the state auditor to launch a probe of cities, fire and ambulance districts, counties and other local units of government without permission from or a request by local voters.
- HB 2134 – Meatpacking sludge: Creates new regulations for the storage of animal waste products for use as fertilizer.
- SB 748 – Federal Reimbursement Allowance: Extends for five years a tax on hospitals that brings in billions of dollars to the state’s Medicaid program.
- HB 1495 / SB 912 – Veterans: Tasks the Missouri Veterans Commission with developing suicide-prevention measures.
- HB 1659 / SB 754 – Crime: The omnibus crime bill would raise the age that minors can be charged as adults, bars celebratory gunfire in municipalities (known as Blair’s Law), impose tougher penalties for harming or killing police dogs (known as Max’s Law), and create a cyberstalking task force.
- SB 756 – Senior property tax freeze: Would change the eligibility for a homeowner property tax freeze for seniors to an age requirement of 62 rather than eligibility for Social Security retirement benefits and prohibit property value caps or means testing for program participation.

#### Major Topics that Failed to Pass

- HB 1481 – State takeover of St. Louis City Police: St. Louis police will stay in local hands after the Missouri Senate didn’t take up and vote on a plan for a state board to oversee the police department.
- SJR 74 – Initiative petitions: Raises the threshold of votes required to amend the state constitution via citizen-led ballot initiative.
- HB 2211 – Sports Betting: Legalization of sports betting once again failed to pass the legislature. An initiative petition to place sports wagering on the ballot for a statewide vote has been turned in to the Secretary of State’s office with the appropriate number of signatures that are required.
- HB 1989 – Open Enrollment: Legislators failed to approve school choice expansion within public education.

- HB 2763 – Bayer cancer lawsuits: Would protect Bayer, which acquired Monsanto in 2018, from lawsuits accusing the company of failing to warn consumers about risks associated with the Roundup weedkiller.
- SB 742 / HB1488 – Childcare tax credits: Would offer certain tax incentives to employers, childcare providers, and taxpayers in an effort to expand child care options.
- HB 1957 / SJR 52 – Farmland ownership: Would either reduce the amount of Missouri farmland that can be owned by foreigners or prohibit foreign farmland ownership entirely.
- HB 1516 – St. Louis earnings tax: Would exempt remote workers who live outside St. Louis city limits from paying the city's 1% earnings tax.
- HB 2385 – Section 8 housing vouchers: Would prohibit cities from requiring landlords to accept federal housing vouchers.
- HB 2413 – Birth control annual supply: Would require private health insurers in Missouri to cover a full year's supply of birth control.
- SB 767 – Child marriage: Would bar marriage for anyone younger than 18.
- HB 1706 – Human trafficking: Would impose felony charges on those who pay for sex and tougher penalties for those who purchase sex with a minor.

### Tidbits

- For the first time that anyone can recall there were ZERO conference committees formed this session on any bills, policy or budget.
- The 2024 Governor's race is on and for all intents and purposes, the Republican primary will be the election. Lt. Governor Kehoe, Secretary of State Ashcroft, and Senator Bill Eigel - all Republicans - have already started attack ads against each other for the primary in August of 2024.
- State Senator Greg Razer (D – Kansas City) was appointed to the State Tax Commission the last week of April and resigned from the Senate and withdrew as a candidate for re-election. His withdrawal re-opened the filing period for that Senate seat for 5 days.
- Missouri's unemployment rate increased slightly for the first time in several months to 3.4 percent. An estimated 105,408 Missourians were unemployed in April, according to the Missouri Economic Research and Information Center (MERIC) monthly jobs report.

### Issues Headed for Statewide Vote

- A proposal to enshrine abortion rights in Missouri's constitution.
- A proposal to change the constitution to legalize sports wagering.
- An initiative changing state law to increase the minimum wage in Missouri to \$15 an hour starting in 2026 and require employers to provide paid leave for illness and to care for a family member.
- A proposal to allow a new casino near the Lake of the Ozarks.
- The legislature passed SJR 78 which would prohibit ranked choice voting.
- The legislature passed SJR 71 which would clarify a funding source for salaries and benefits for sheriffs, prosecuting attorneys, and circuit attorneys.

### 2024 Missouri Election

We will be sending you a 2024 Missouri election preview on candidates and offices later this week.

### Missouri State Budget Awaits Governor's Action

The Missouri General Assembly completed their work on the Fiscal Year 2025 (FY25) State Operating Budget (HB 2002-2013), Supplemental Budget (HB 2015), Reappropriations (HB 2017) and Capital Improvement Budgets (HB 2018-2020) three hours shy of the Constitutional deadline on Friday, May 10<sup>th</sup>. The budget process that occurred this session was all but normal over the course of unusual turn of events.

The five House Appropriations Sub-Committees kicked off the budget drafting process back in December with state department leaders explaining their budget requests. At that time, it was a jumpstart to understand what the various state departments needed to run their programs and serve the state. However, two months later, the five House Appropriations Sub-Committees learned they would have no other responsibility in the budget drafting process.

The House Budget Committee moved ahead to meeting three or four days a week through March to learn how each state department's budget requests fared in comparison to Governor Parson's budget recommendations. No hearing for public input was scheduled until the day the House Budget Committee Chairman's changes were already drafted and being released. In addition to no public comment, House Budget Committee members were not allowed to ask questions about the Chairman's budget changes even though the amendments reduced the Governor's budget total spending by an estimated \$2 billion.

The unusual drafting process continued when the state budget moved to the upper chamber. The Senate Appropriations Committee did not schedule public testimony either. They spent only two days developing their version of the budget before things went silent. At that point, the Senate Appropriations Committee Chair, Sen. Hough (R – Springfield), and House Budget Committee Chair, Rep. Smith (R – Carthage) began communicating behind closed doors about their budget differences. They worked through what would have normally been the charge of a Budget Conference Committee to negotiate the House and Senate differences. The private negotiations continued

while Senate Majority leaders figured out how to prepare for the Senate Freedom Caucus, who promised to filibuster the budget if it was found to be overspending. After demands by the Senate Freedom Caucus were met to defund planned parenthood, the Federal Reimbursement Allowance (provider tax) renewal legislation was finally approved which paved the way for the Senate to finally start debating the FY25 State Budget on Thursday, May 9<sup>th</sup>.

Members of the Senate Freedom Caucus spent the first few hours of floor debate airing their objections with the private negotiation process and increased level of earmarks. After many hours, the Senate approved a \$51.7 billion spending package and passed it on to the House. Running short on time, the House of Representatives followed suit on Friday, May 10<sup>th</sup> and passed the \$51.7 billion spending package, which sent it on to Governor Parson for ultimate action. House leaders had to call for a vote on budget bills to cut off debate as Democrats spent time airing their frustrations about allowing no public input, no time for getting questions answered, and negotiating privately between two men.

The \$51.7 billion spending package leaves \$1.8 billion in state surplus on the bottom line and distributes the remaining one-time America Rescue Plan Act funding Missouri received during the pandemic. The one-time federal funding must be allocated by the end of calendar year 2024.

Governor Parson has on or before June 30, 2024, to act on the FY25 State Budget. He has the power to sign, line-item veto, or withhold any of the funding items within a budget bill as passed by the General Assembly.

### Final Budget Priorities

City of Independence related funding of interest included in the FY25 Budget is as follows:

- HB 2011, Section 11.238
  - For a community drop-in center located in a county with more than seven hundred thousand but fewer than eight hundred thousand inhabitants that creates the opportunity to make more progress in helping individuals obtain permanent housing, provided this center will be open during normal business hours and allows guest to find their case manager for consultation, mental and physical health services, and dental, and vision programs \$500,000 (1x)

### Legislative Activity of Specific Interest

There were several dozen pieces of legislation introduced in the 2024 Missouri legislative session that would have negatively impacted local political subdivisions right to charge various taxes within their jurisdictions. It was our pleasure to work on behalf of the City of Independence to specifically defeat attempts to eliminate the food sales tax which is currently charged by cities across our state. With the help and cooperation of a coalition with lobbyists representing other cities across the state of Missouri we were able to convince House and Senate leadership and their chairpersons of various

House and Senate committees that the elimination of food sales tax was not a wise decision for the state of Missouri to make.

### Homeless Drop-In Center

We were able to secure funding in the budget for a community drop-in center located in a county with more than seven hundred thousand but fewer than eight hundred thousand inhabitants that creates the opportunity to make more progress in helping individuals obtain permanent housing, provided this center will be open during normal business hours and allows guests to find their case manager for consultation, mental and physical health services, and dental, and vision programs.

Program Distribution from Temporary Assistance for Needy Families Federal Fund (0199) 12 (one-time) \$500,000

### Tourism Tax

Unfortunately, because we were brought on to lobby midway through the legislative session, we were not able to pre-file SB 1488. Sen. Rizzo filed SB 1488 at the bill filing deadline of February 28<sup>th</sup>. This gave us a very late start and were not able to pass the legislation this year. We were able to have the language amended to another bill with similar provisions that was two votes away from passage. Next session this bill can be pre-filed in the House and Senate to significantly increase its chance of passage. The legislation would allow Independence the ability to submit to city voters the authorization to use tourism tax revenues to help fund operations of the planned community center.

### Property Tax Legislation

This legislative session there were an incredible number of bills filed to freeze, reduce, and repeal real and personal property taxes in the state of Missouri. Many politicians file these bills during an election year so that they can brag to their constituents that they tried to lower their taxes. We were able to work with a coalition of lobbyists that represent other organizations that receive funds from property taxes and prevent all of the negative property tax bills from passing. One piece of legislation that was called "the SB 190 fix" did pass the legislature and is now awaiting Governor Parson's action. SB 756 clarifies who is eligible for the senior citizen property tax credit if their county opts in. Here is a description of SB 756:

- SB 756 - Current law authorizes a property tax credit for certain seniors who are eligible for Social Security retirement benefits. This act modifies the definition of "eligible credit amount" and adds a definition of "initial credit year". This act also modifies the definition of "eligible taxpayer" by providing that a taxpayer shall be 62 years of age or older, rather than eligible for Social Security retirement benefits, and that the taxpayer shall not owe delinquent taxes, interest, or penalties to the county. This act also provides that an ordinance authorizing a property tax credit that is adopted by a county shall not preclude such ordinance from being subsequently amended or superseded by a petition adopted pursuant to the act. This act also provides that the real property tax liability for the eligible taxpayer's initial credit year shall be increased to reflect the real property tax liability attributable to any new construction and improvements made to the

taxpayer's homestead in addition to any property tax liability owed to a taxing jurisdiction that has annexed the taxpayer's homestead subsequent to the taxpayer's initial credit year. Finally, this act requires that a county granting a tax credit shall notify each political subdivision within such county of the total credit amount applicable to such political subdivision by no later than November 30th of each year.

We are certain that property tax reform legislation will be at the top of the legislative agenda in 2025 in Missouri.

#### Passed Legislation to Be Aware Of

HB 2057 – modifies the definition of “video service” for provisions of law relating to video service providers to now include streaming content. This prohibits a franchise tax on streaming services.

HB 2062 – omnibus legislation pertaining to “real property.”

- Prohibits local governing bodies from implementing eviction moratoriums.
- Protecting Missouri Small Business Act - requiring local governing bodies that implement a shutdown order to waive business license fees and reduce real and personal property tax liability during the shutdown.
- Enabling language allowing for the creation of Land Banks and collection of delinquent property taxes.
- Prohibits local governments from requiring the seller of a property to have a home inspection conducted unless it is for new construction or occupancy permits.
- Creates penalties and process for the removal of squatters from residential property.
- Historic Tax Credits
- Prohibits homeowners’ associations from restricting chicken coops with 6 or less chickens.
- Prohibits local governments from requiring churches or non-profits from requiring EV charging station installations.

HB 2111 - gives new powers to the State Auditor over political subdivisions.

SB 754 – an omnibus judiciary bill with several provisions of interest to municipalities.

- Arrests for traffic violations or default judgements.
- Blair’s Law – unlawful discharge of a firearm in city limits.
- Max’s Law – increases the penalty for the assault on a law enforcement K-9.
- Valentine’s Law – creates aggravated fleeing a stop or detention of a motor vehicle.
- Changes to current civilian review boards, limiting their power.

SB 872 – is an omnibus utility infrastructure bill that includes the following provisions of interest.

- This bill modifies the definition of "video service" to include the provision of video programming by a video service provider provided through wireline facilities located in a public right-of-way without regard to the delivery technology. "Video service" does not include any video programming accessed via a service that enables users to access content over the Internet, including streaming content.
- This bill extends the sunset date of the Uniform Small Wireless Facility Deployment Act from January 1, 2025, to December 31, 2029.

SB 895 – The bill adds two new sections relating to landlord-tenant proceedings.

- Unless a state law specifically authorizes a moratorium on evictions, no county, municipality or other political subdivision shall impose or enforce a moratorium.
- If a rental property has outstanding collectible judgments, all transfers of title for that property must be filed in circuit court within 30 days after transfer of title.

SB 1359 – This act modifies provisions relating to financial institutions.

- This act provides that municipalities shall select a municipal depository with a state-chartered or federally chartered banking institution through a competitive process. Each municipality shall develop requirements for a request for proposals, as provided in the act, to provide to banking institutions interested in becoming a municipal depository. The governing body of a municipality shall select a banking institution and shall enter into a contract outlining the terms and conditions of the depository relationship. Finally, this act repeals provisions relating to procedures for third- and fourth-class cities selecting banking institutions to be depositories for the municipality.

SJR 78 – upon voter approval, this resolution changes the state constitution to state that only citizens of the United States are entitled to vote. This resolution specifies that all elections be by paper ballot or by any mechanical method prescribed by law. It also prohibits ranked choice voting, with an exception for municipalities that already have an ordinance in place allowing it (City of St. Louis).

### Preemption Legislation

Every legislative session we see a slew of bills introduced that would preempt local governments and their department's ability to pass rules, regulations, and ordinances. This year was no different as we worked to stop, modify, and water down dozens of bills moving through the legislative process.

- Prohibiting building permits if work is done by a homeowner.
- Requiring local health departments to reimburse fines issued for COVID-19 violations.
- Requiring local governing bodies to allow for at least 3 minutes per speaker during every public meeting of that body.
- Prohibiting local gov'ts from regulating any healthcare provider.

HB 1415 – sponsored by Rep. Stacy (R – Blue Springs) establishes the "Unmanned Aerial Systems Security Act of 2024". This would greatly inhibit first responders use of

drones. Rep. Stacy attempted on several occasions to amend the drone language onto other bills, however the legislation did not make it to final passage.

In the Senate, Sen. Brattin (R – Harrisonville) tried to amend the drone language onto an omnibus public safety bill, HB 1659. The bill sponsor was able to talk him out of continuing to pursue the amendment but it is clear that the folks pushing this drone language have gotten the Freedom Caucus on board with the Anti-China rhetoric.

HB 2870 – sponsored by Rep. Casteel (R – High Ridge) establishes the "Missouri Building Codes Act". This act providing for a statewide building code was filed on the last day to file bills this session, and never moved any further. Local code officials' construction companies and homebuilders all have serious concerns with this bill as written. This is probably a topic for next legislative session.

Below is a list of bills which were Truly Agreed to and Finally Passed that might be of interest to your organization. We encourage you to review them here – [2024 TAFP Legislation](#)

- HB 1909
- HB 2057
- HB 2062
- HB 2111
- SB 754
- SB 756
- SB 872
- SB 895
- SB 1359
- SJR 78

#### Upcoming Dates of Interest

Listed below are several 2024 key dates which may be of interest:

- July 1 First Day of the State's new fiscal year (FY 2025)
- July 14 Last Day for Governor to sign or veto legislation
- August 28 Legislation enacted during the legislative session becomes effective unless the legislation carried a specific date or emergency clause
- September 11 Annual Veto Session in Jefferson City
- December 1 First day to pre-file legislation for the 2025 legislative session
- January 8, 2025 First day of the 2025 legislative session

#### Governmental Affairs Communication

Let us take this opportunity to thank you for allowing us to represent your interests before the Missouri General Assembly in 2024. Our goal is to keep you informed of all state legislative happenings in a very timely fashion. We hope we have done this to

your satisfaction. We would appreciate any thoughts you might have as to how we can better serve you, our client, in the ever-changing world of information transmission. Please feel free to give us a call if we can answer any questions or provide any additional information. As always, if anything arises during the interim of interest to your legislative priorities, we will update you accordingly.

### Hall of Famous Missourians

Seems appropriate to end our final legislative report quoting a song from our very own famous Missourian displayed in our State Capitol, *“I’ve Enjoyed as Much of This as I Can”*.



**Porter W. Wagoner (1927-2007)** — Inducted March 2, 2020. Born and raised in West Plains, Wagoner was a visionary in the country music and entertainment world whose music and television show entertained countless Missourians and people across the United States. Known throughout his career as “Mr. Grand Ole Opry”, Wagoner charted 81 singles from 1954 to 1983, and was inducted into the Country Music Hall of Fame in Nashville in 2002.

*Wagoner and his band first made a name for themselves while performing in West Plains at a local butcher shop, of which Wagoner was an employee. The band was discovered and picked up by KWTO, a local radio station in Springfield, Missouri.*

*During the 1960’s Wagoner produced a TV show called the Porter Wagoner Show, where their songs and skits entertained millions for more than two decades. At its peak, his show was featured in over 100 markets, with an average viewership of over three million. During the show, he introduced the world to a singer who went on to become one of the greatest female recording artists in country music history, Dolly Parton.*



# CITY COUNCIL UPDATE

Yvonne Hall - Chamber Board Chair

Tom Lesnak - Chamber President

Jodi Krantz - Sr. Vice President of Economic Development

June 24, 2024



# TONIGHT'S PRESENTATION

Overview of economic development project activity

Progress report on the Partnerships Strategic Plan

Overview of Key Performance Indicators and economic development related data

Questions



## HISTORY OF THE PARTNERSHIP

- Contract for services approved In December 2022. 2 year term with option for extension
- Operates as a public/private partnership under the Chamber umbrella
- Economic Development division of the Chamber Is led by Ron Finke who serve as IEDP Board Chair
- Advisory board Is made up 20 members and meets quarterly
- Updated strategic plan adopted In April 2023



## TONIGHT'S **PRESENTERS**



**JODI KRANTZ**  
SR. VP OF ECONOMIC  
DEVELOPMENT



**TOM LESNAK**  
CHAMBER OF COMMERCE  
PRESIDENT/CEO



First two Northpoint Industrial buildings drawing Interest

Retail shifting towards developments that provide an “experience”

Strong continued Interest in housing projects

Business license feedback survey

Assisting Ennovation Center graduates In finding space In Independence.





# STRATEGIC PLAN IMPLEMENTATION



## WEBSITE

### **[indeppartnership.biz](http://indeppartnership.biz)**

- Business assistance and Incentive Information
- Commercial real estate database
- Community demographics
- Workforce training programs
- Monthly development update video



## WORKFORCE DEVELOPMENT

Creation of workforce development committee comprised of over 20 organizations engaged in workforce training and skills enhancement



## JOBS BOARD

### **[indepjobs.com](http://indepjobs.com)**

Launched in May, this digital jobs board provides free listings for employers to post jobs and job seekers to post their resumes

## KEY PERFORMANCE INDICATORS

# ECONOMIC DEVELOPMENT DATA

Success in economic development is difficult to measure on a daily basis but looking at “big picture” data can indicate if we are achieving our goals for growth

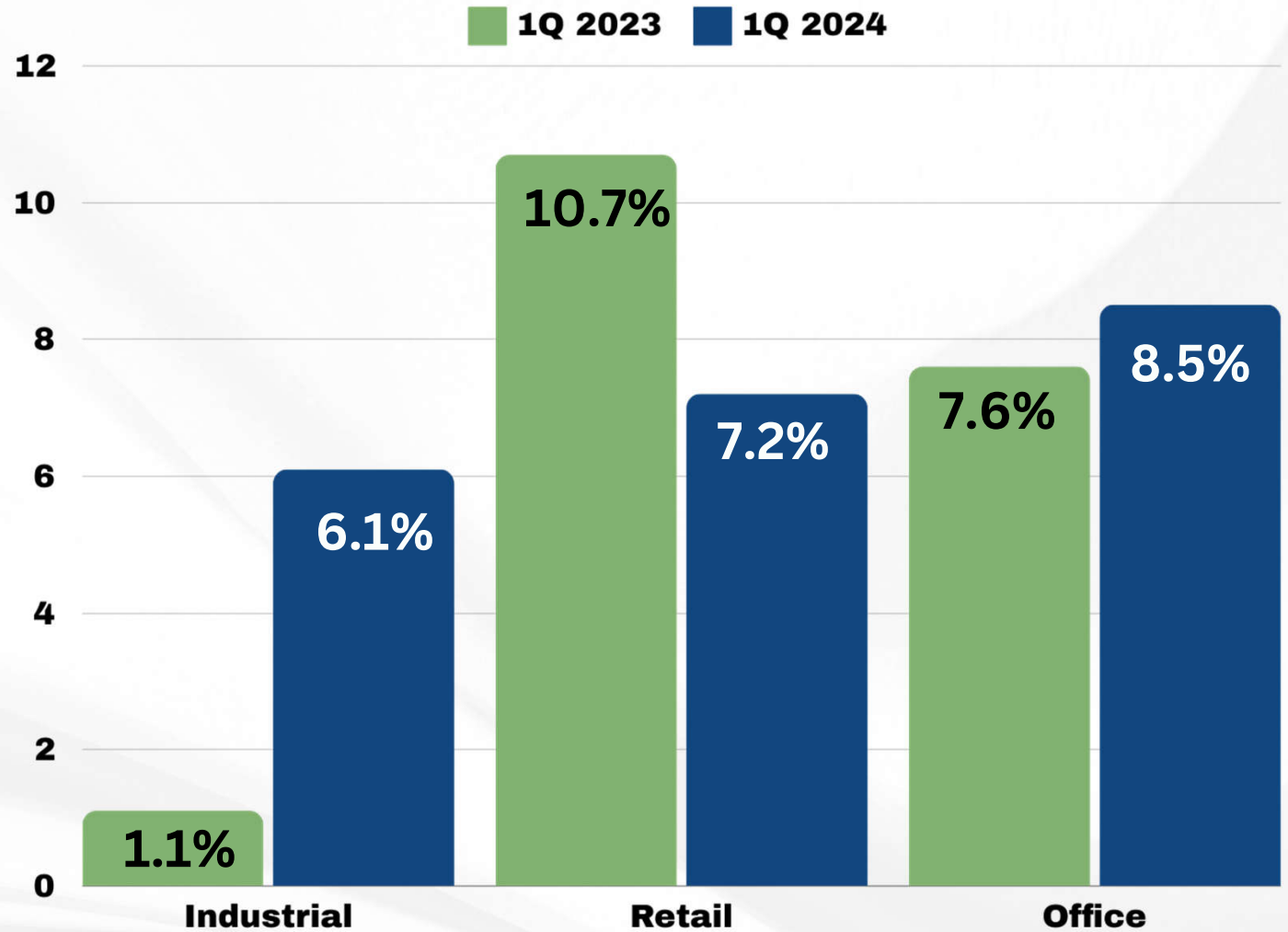
Areas to measure:

- Commercial property vacancy
- Business licenses Issued
- Building permits Issued & their value
- Employment Levels





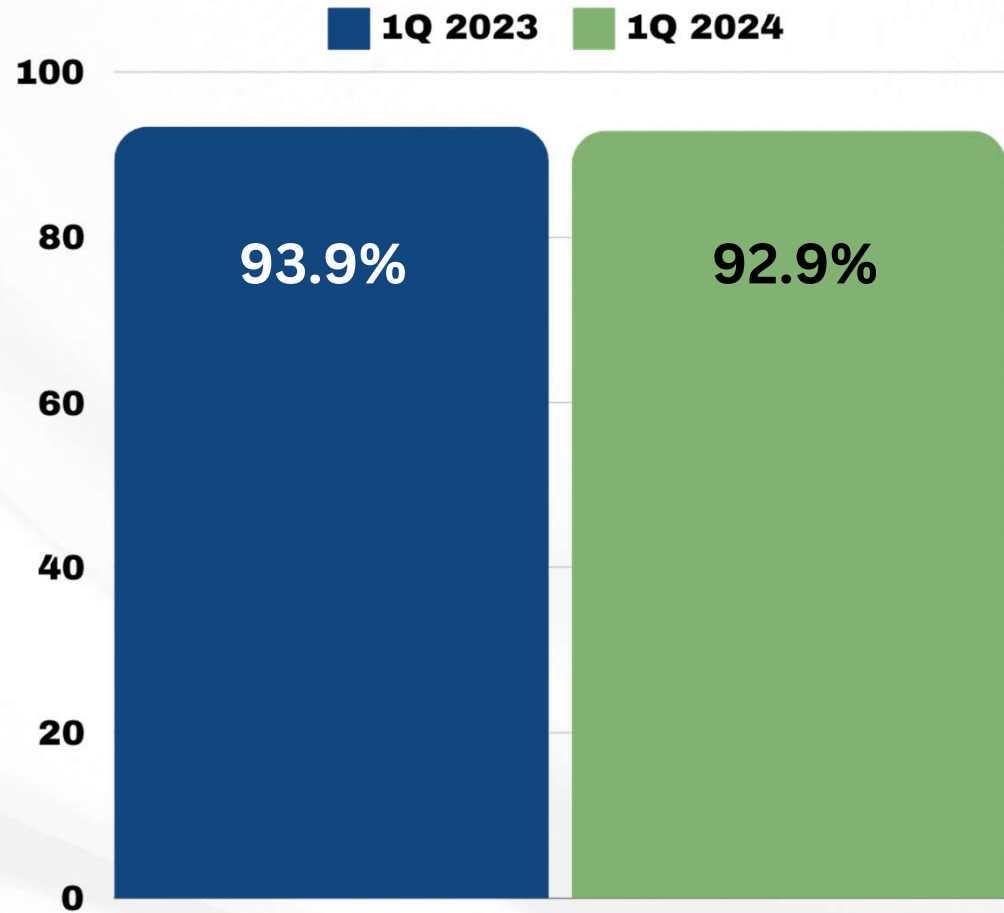
# COMMERCIAL VACANCY IN INDEPENDENCE



Source: CoStar Commercial Real Estate Database



# ABOUT MULTI-FAMILY OCCUPANCY

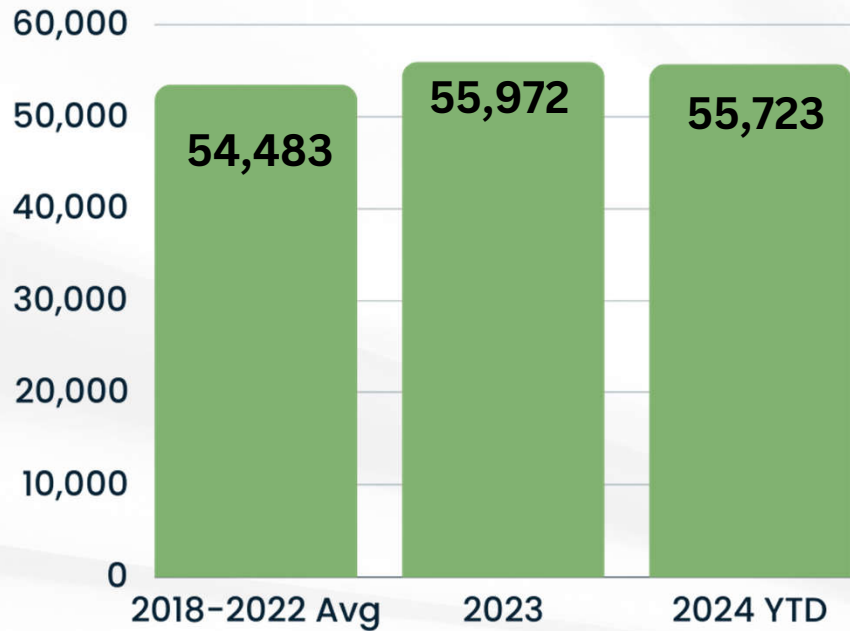


Source: CoStar Commercial Real Estate Database

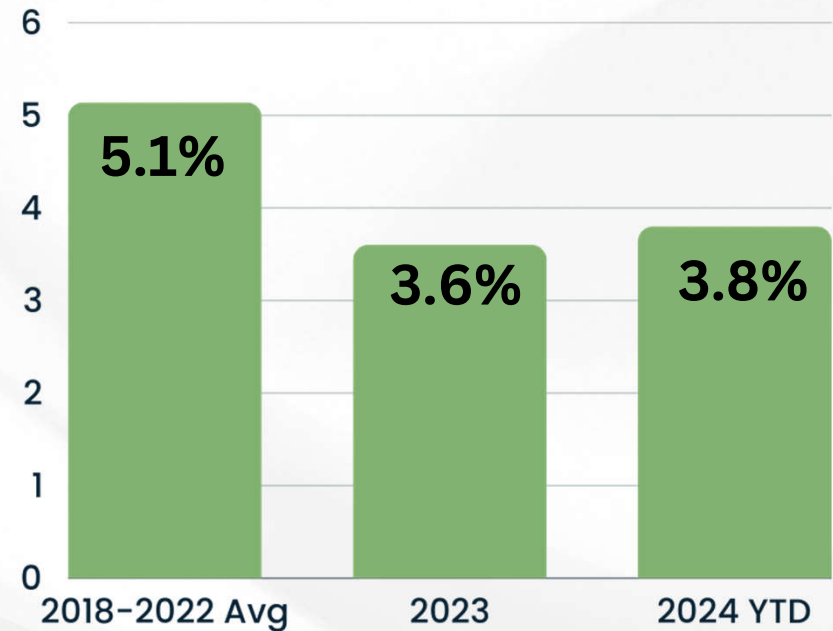
# ABOUT EMPLOYMENT



## TOTAL EMPLOYMENT

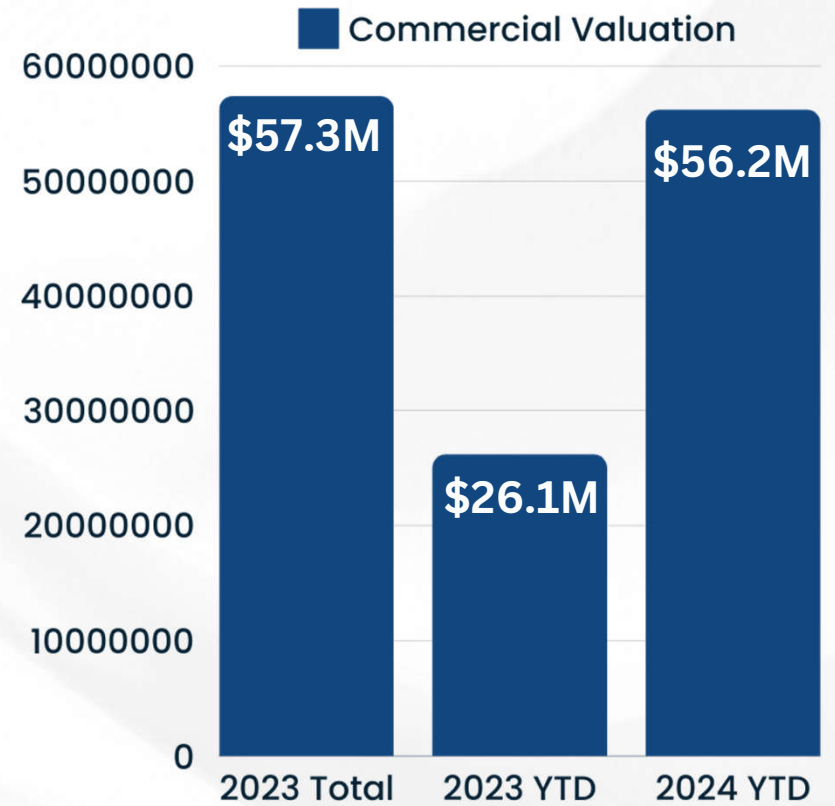
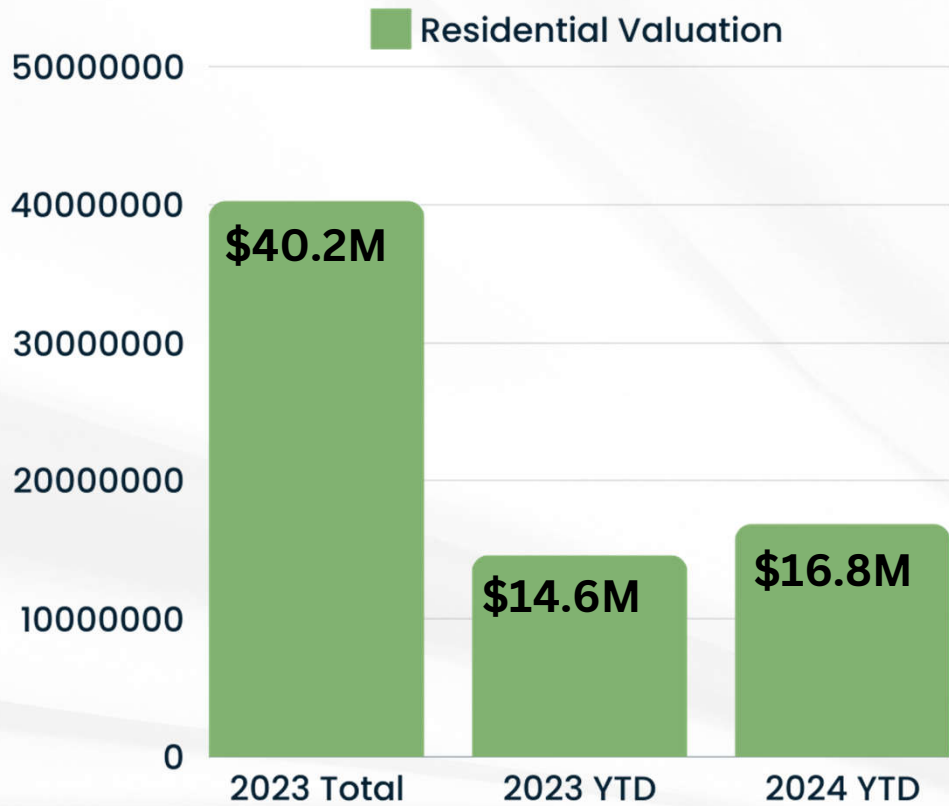


## UNEMPLOYMENT



Source: Missouri Economic Research and Information Center

# ABOUT BUILDING PERMITS



Source: Independence Community Development



# QUESTIONS?

# CITY COUNCIL WORK SESSION MEETING



JUNE 24, 2024

# AGENDA

Review the master plan and funding process to guide future development within the Square.

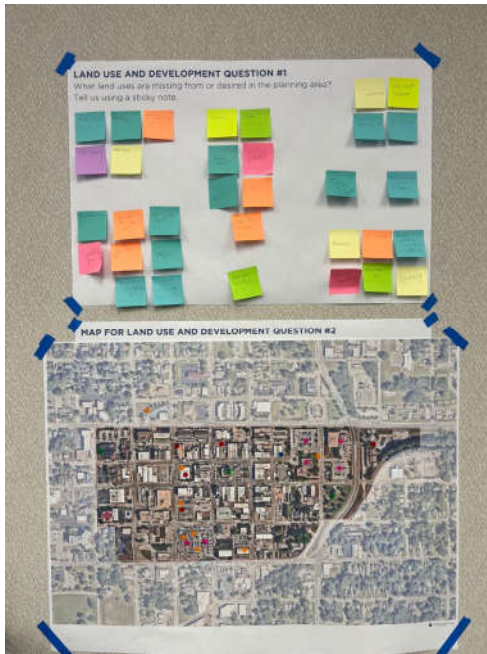
Topics include:

- **Master Vision**
- **Municipal Capital Financing “Bond 101”**
- **Next Steps**

# MASTER VISION



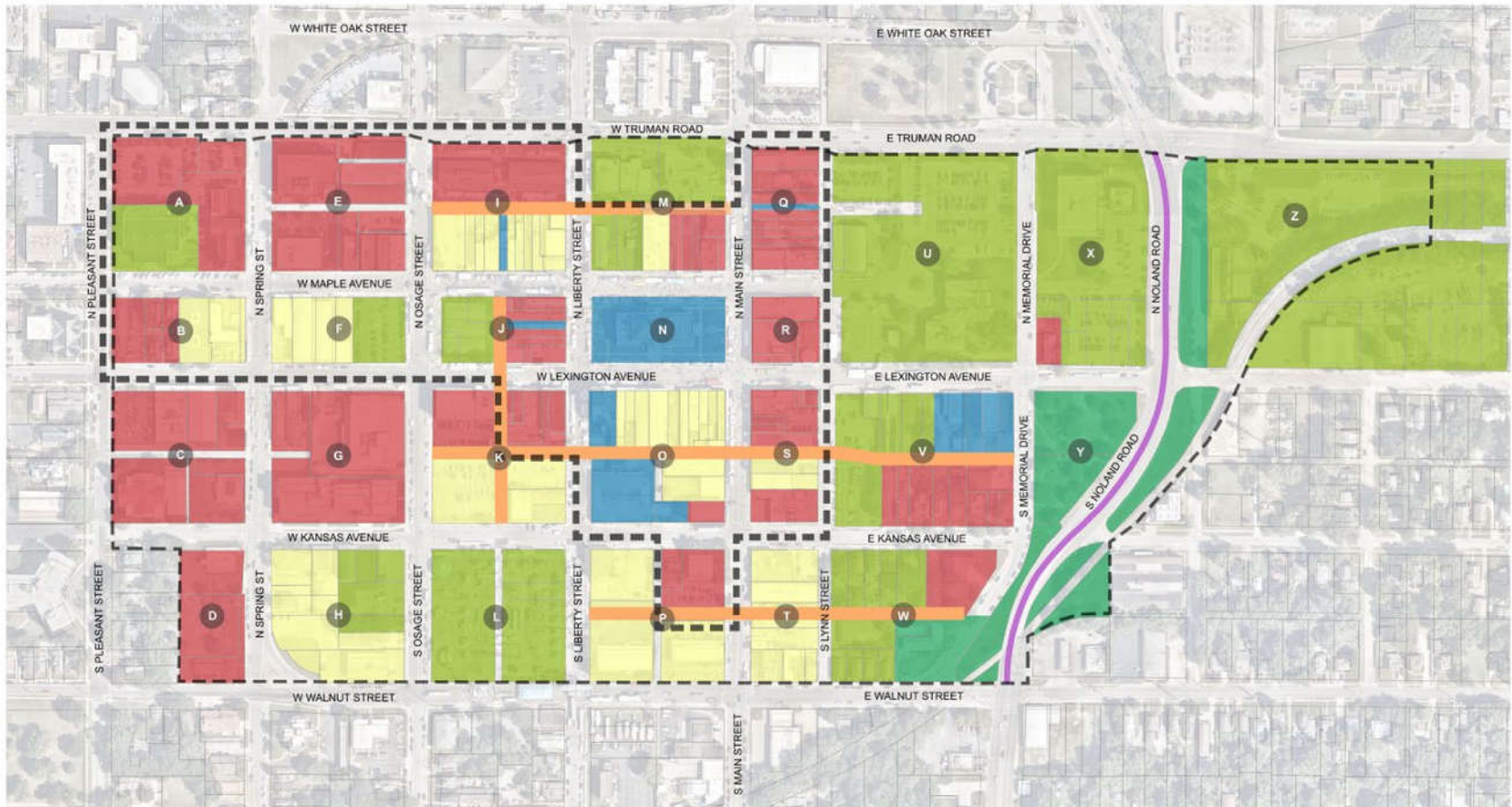
# MASTER PHYSICAL PLAN



# REDEVELOPMENT OPPORTUNITY PLAN

## LEGEND

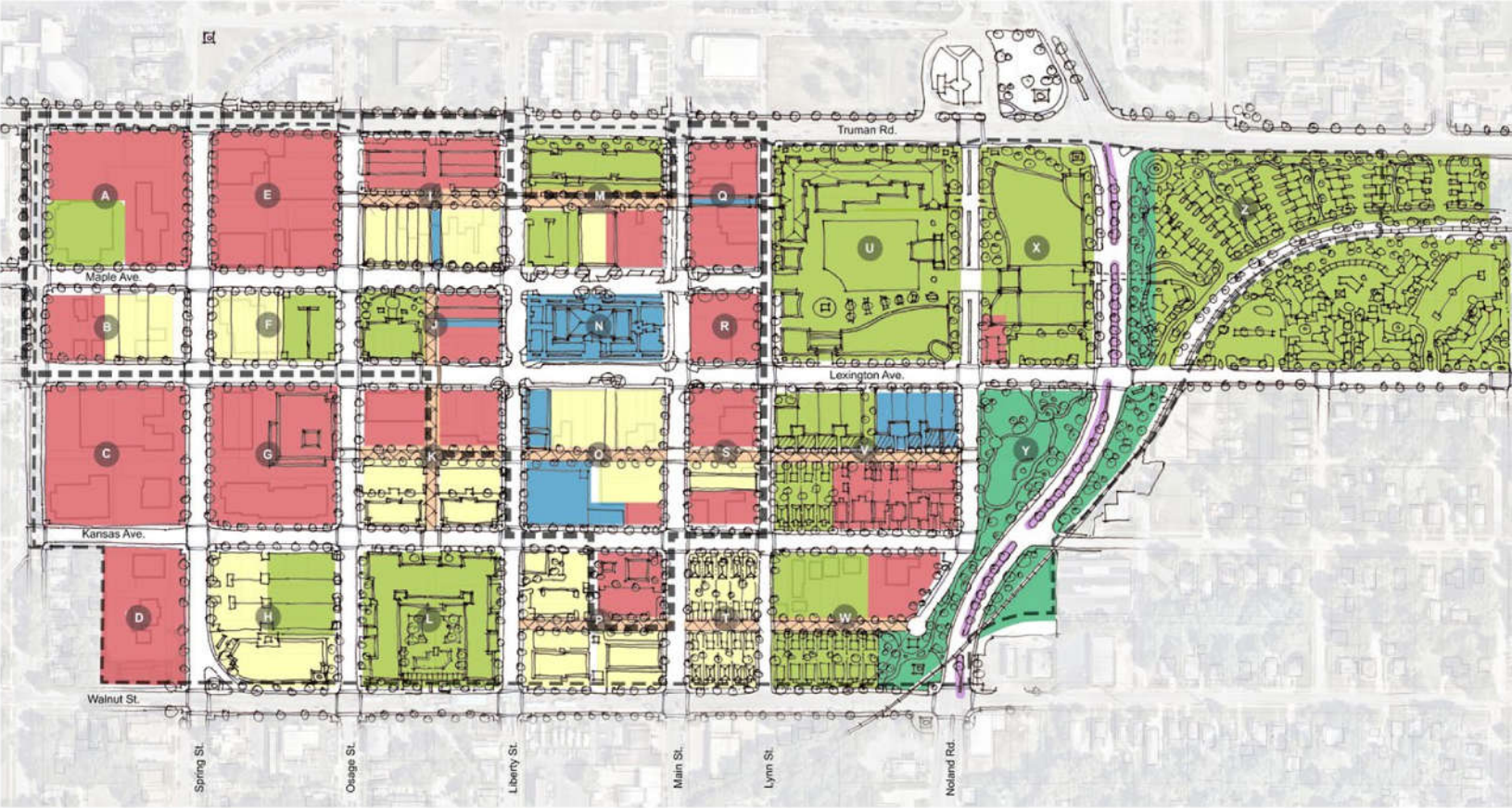
- REDEVELOPMENT OPPORTUNITY
- FUTURE OPPORTUNITY
- PARK IMPROVEMENT OPPORTUNITY
- PARKWAY OPPORTUNITY
- STUDY BOUNDARY
- BLOCK LABEL
- NO OPPORTUNITY
- REPURPOSING OPPORTUNITY
- SINGLE PARCEL OWNER
- ALLEY-WAY CORRIDOR
- NATIONAL LANDMARK DISTRICT



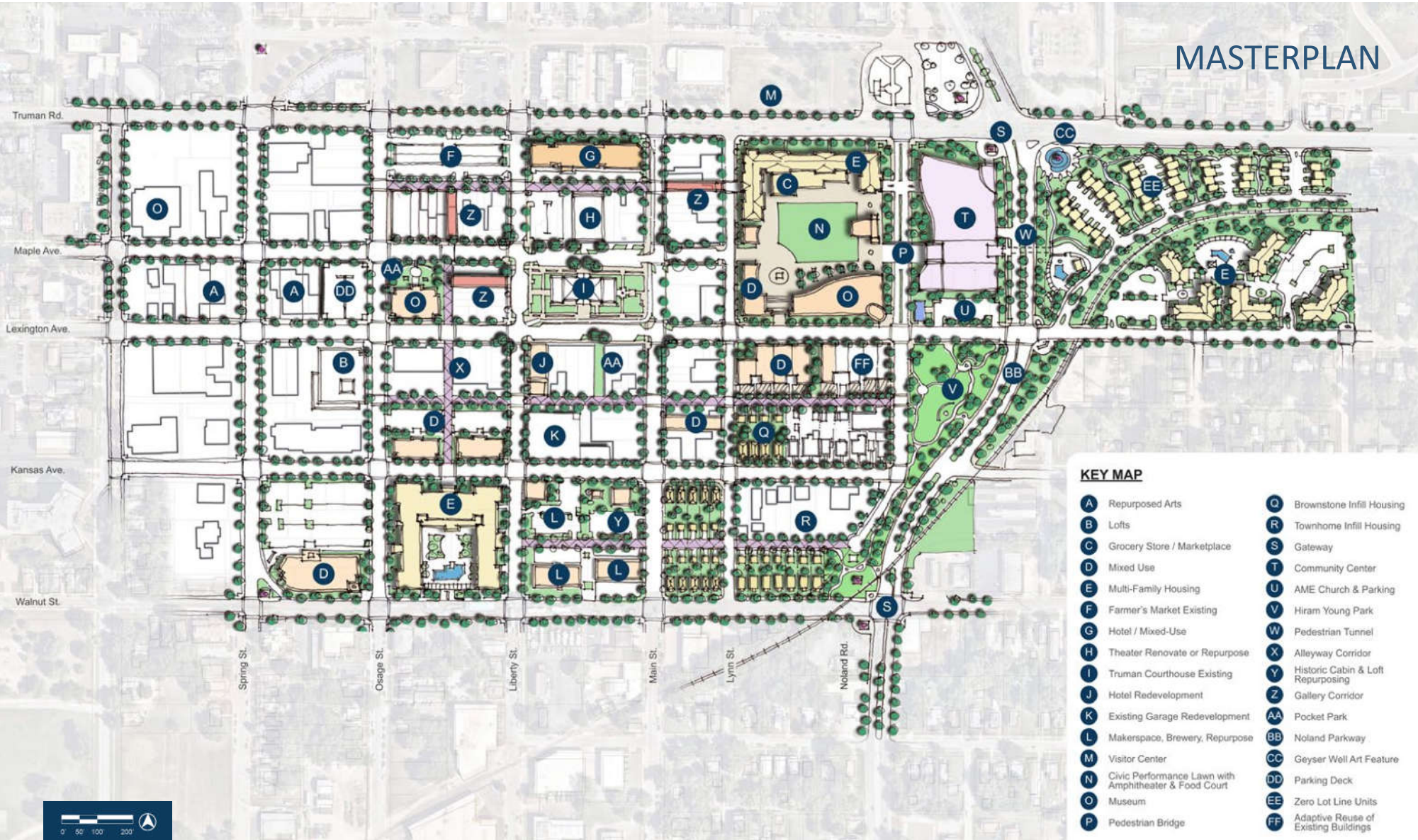
# REDEVELOPMENT/MASTER PLAN OVERLAY DIAGRAM

**LEGEND**

-  REDEVELOPMENT OPPORTUNITY
-  FUTURE OPPORTUNITY
-  PARK IMPROVEMENT OPPORTUNITY
-  PARKWAY OPPORTUNITY
-  STUDY BOUNDARY
-  BLOCK LABEL
-  NO OPPORTUNITY
-  REPURPOSING OPPORTUNITY
-  SINGLE PARCEL OWNER
-  ALLEY-WAY CORRIDOR
-  NATIONAL LANDMARK DISTRICT



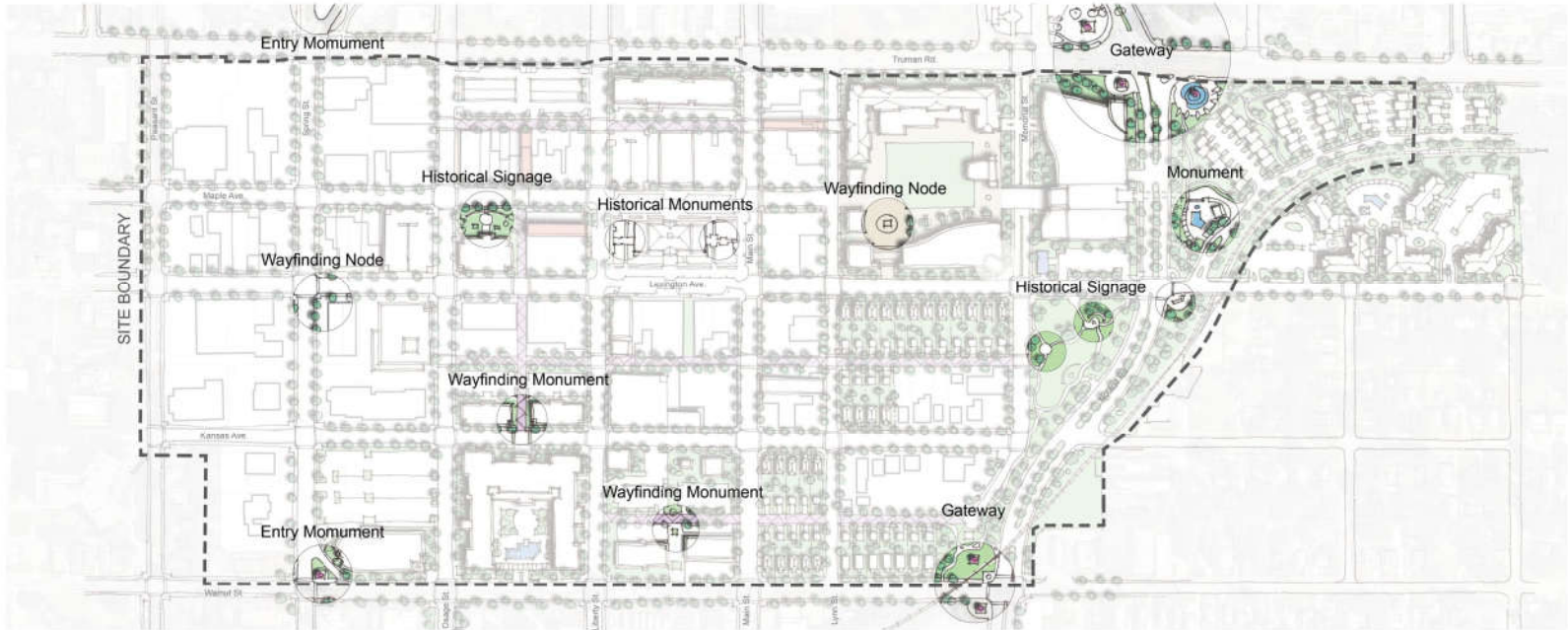
# MASTERPLAN



## KEY MAP

- |  |  |
|--|--|
| <b>A</b> Repurposed Arts                                       | <b>Q</b> Brownstone Infill Housing             |
| <b>B</b> Lofts   | <b>R</b> Townhome Infill Housing               |
| <b>C</b> Grocery Store / Marketplace                           | <b>S</b> Gateway                               |
| <b>D</b> Mixed Use   | <b>T</b> Community Center                      |
| <b>E</b> Multi-Family Housing                                  | <b>U</b> AME Church & Parking                  |
| <b>F</b> Farmer's Market Existing                              | <b>V</b> Hiram Young Park                      |
| <b>G</b> Hotel / Mixed-Use                                     | <b>W</b> Pedestrian Tunnel                     |
| <b>H</b> Theater Renovate or Repurpose                         | <b>X</b> Alleyway Corridor                     |
| <b>I</b> Truman Courthouse Existing                            | <b>Y</b> Historic Cabin & Loft Repurposing     |
| <b>J</b> Hotel Redevelopment                                   | <b>Z</b> Gallery Corridor                      |
| <b>K</b> Existing Garage Redevelopment                         | <b>AA</b> Pocket Park                          |
| <b>L</b> Makerspace, Brewery, Repurpose                        | <b>BB</b> Noland Parkway                       |
| <b>M</b> Visitor Center  | <b>CC</b> Geyser Well Art Feature              |
| <b>N</b> Civic Performance Lawn with Amphitheater & Food Court | <b>DD</b> Parking Deck                         |
| <b>O</b> Museum  | <b>EE</b> Zero Lot Line Units                  |
| <b>P</b> Pedestrian Bridge                                     | <b>FF</b> Adaptive Reuse of Existing Buildings |

# IDENTITY



HISTORICAL EDUCATION



HONORING THE ARTS



WAYFINDING



GATEWAY TO HISTORY

# STREETSCAPE



HISTORICAL CORRIDORS



STREETSIDE DINING

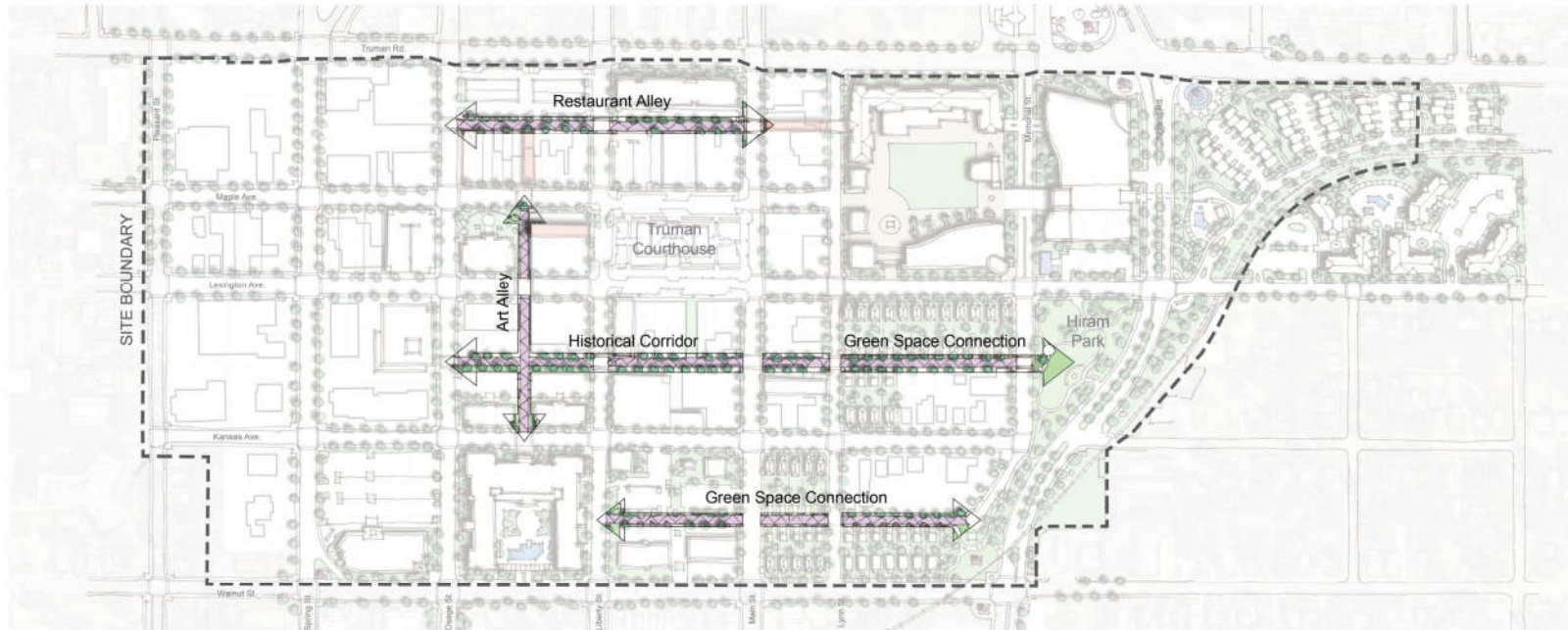


FESTIVE THOROUGHFARES



NOLAND ROAD IMPROVEMENTS

# ALLEY-WAY IMPROVEMENTS



HISTORICAL CORRIDOR



ARTISTIC UTILITY ACCESS

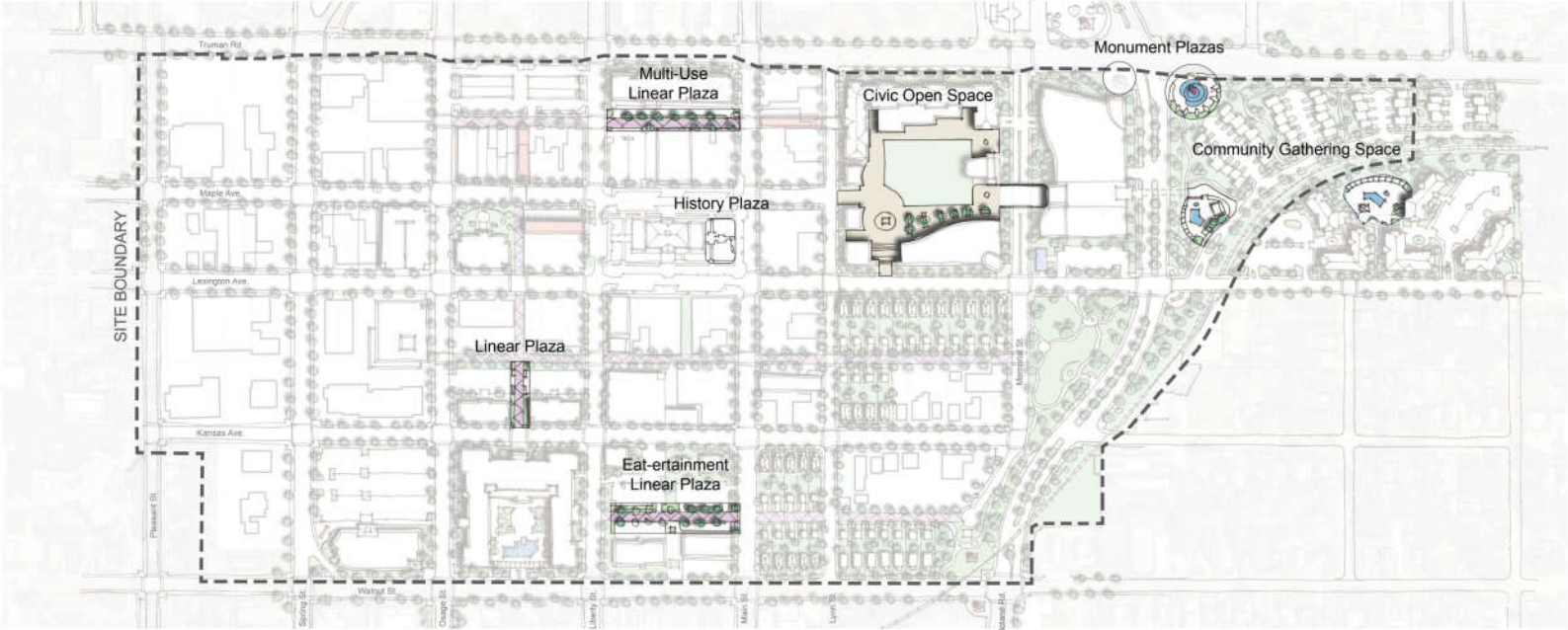


FESTIVE THOROUGHFARE



RESTAURANT ALLEY

PLAZA



NIGHT ON THE TOWN



MARKET DAYS



PLANTED PLAZAS



ARTISTIC COURTYARDS

# GREENSPACE



ROOFTOP GARDENS



TALK OF THE TOWN



STEP INTO HISTORY



FLEX LAWN

# COMMUNITY



ACCESSIBLE GROCERIES



COMMUNITY CENTER



ARTFUL ENCOUNTERS



MINI-GALLERIES

# HOUSING



ZERO LOT LINE UNITS



TOWNHOMES

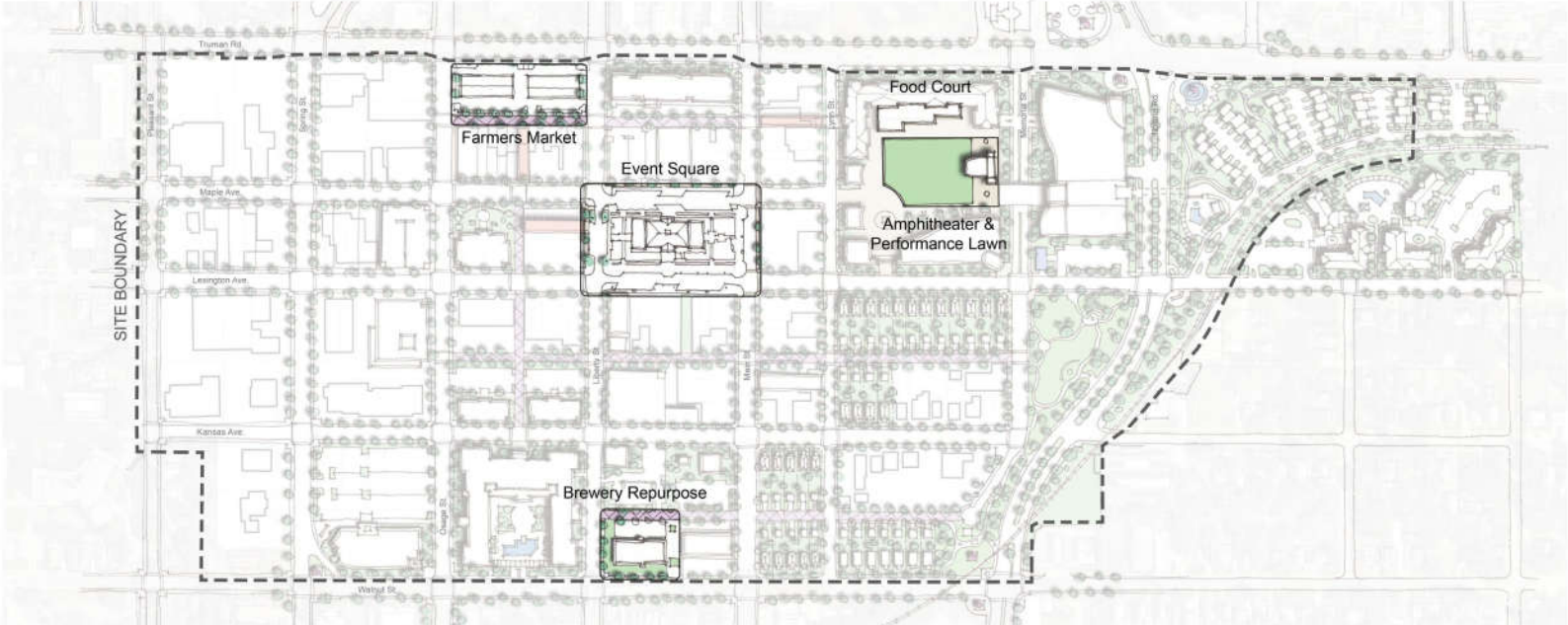


ROOFTOP AMENITIES



MID-RISE APARTMENTS

# ENTERTAINMENT



TASTE OF THE TOWN



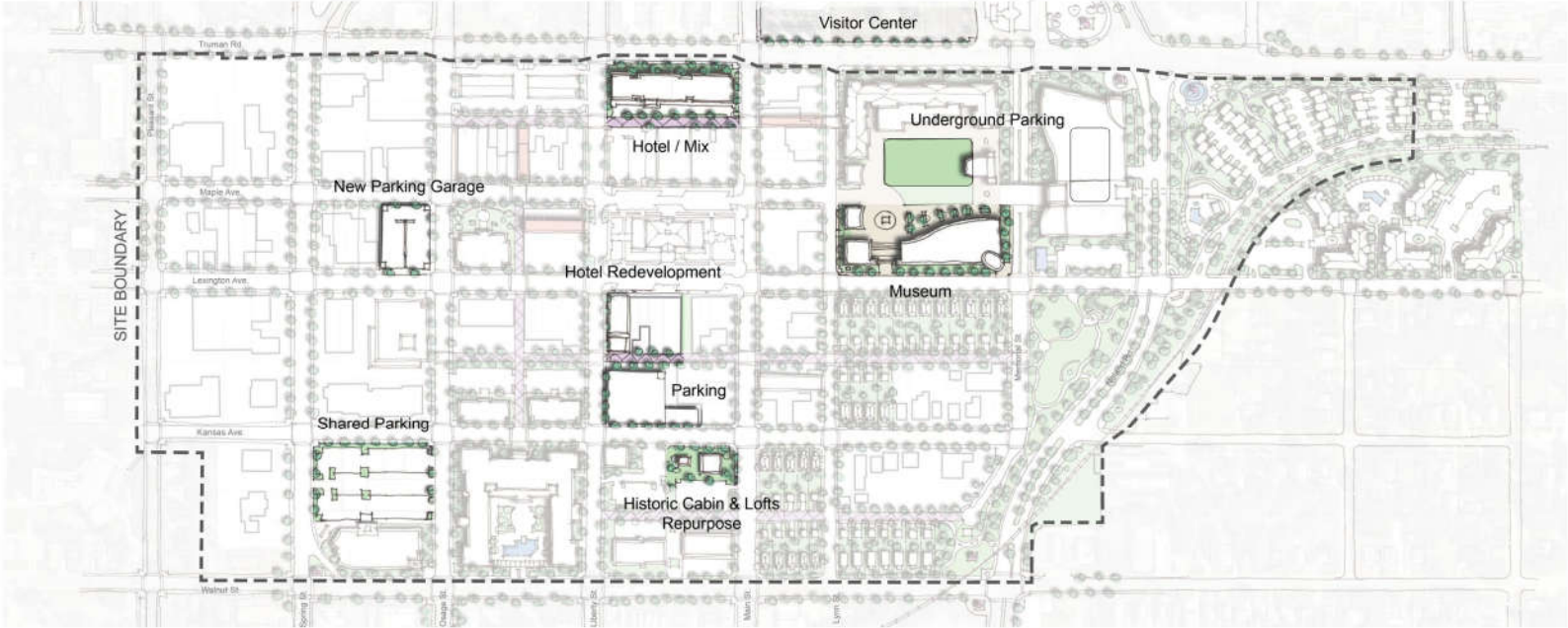
EAT-ERTAINMENT



MUSICAL GATHERINGS



EVENTFUL OUTINGS



BOUTIQUE HOTEL



HOME-AWAY-FROM-HOME

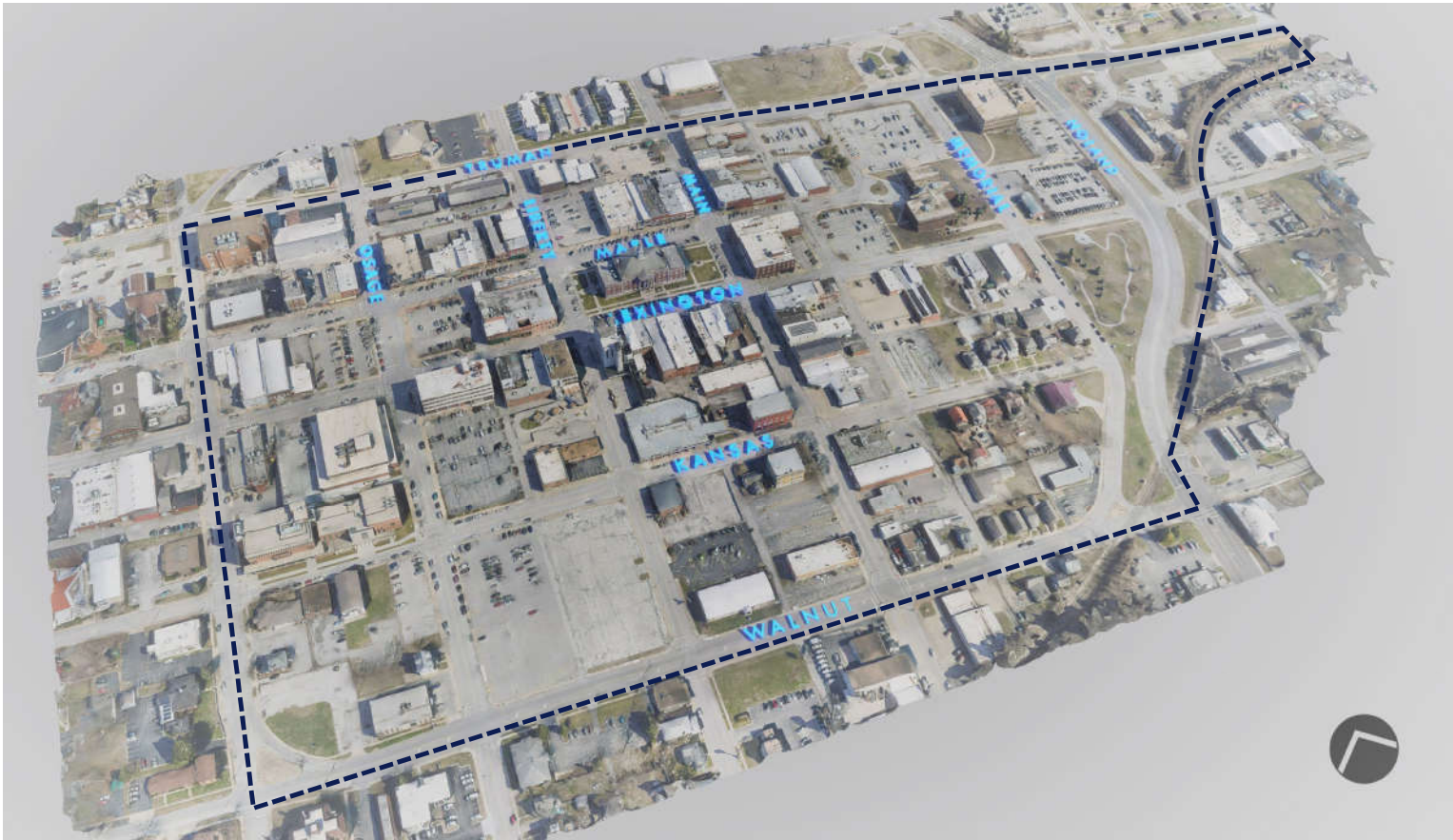


MUSEUM OUTINGS

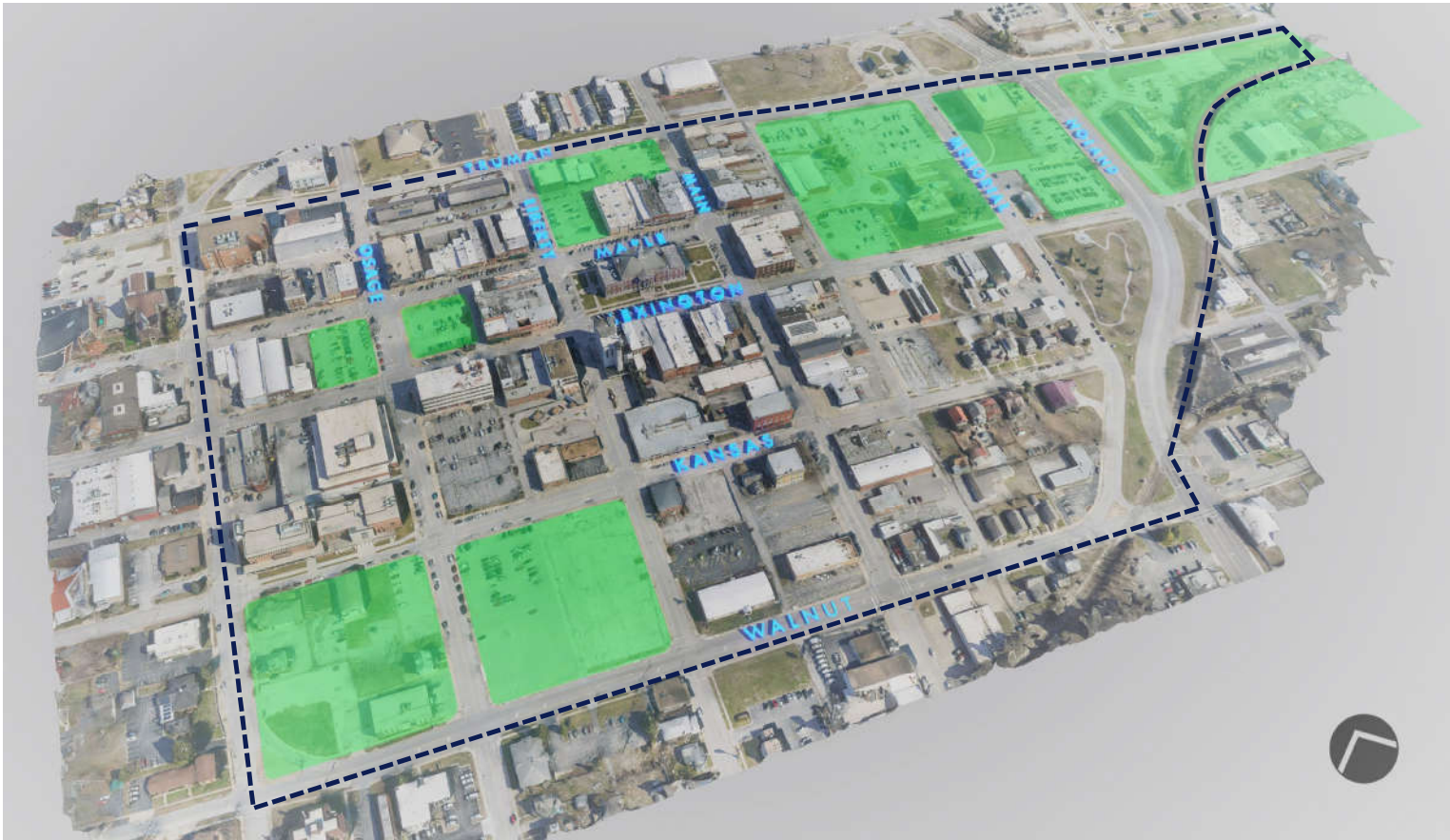


HISTORIC STAYS

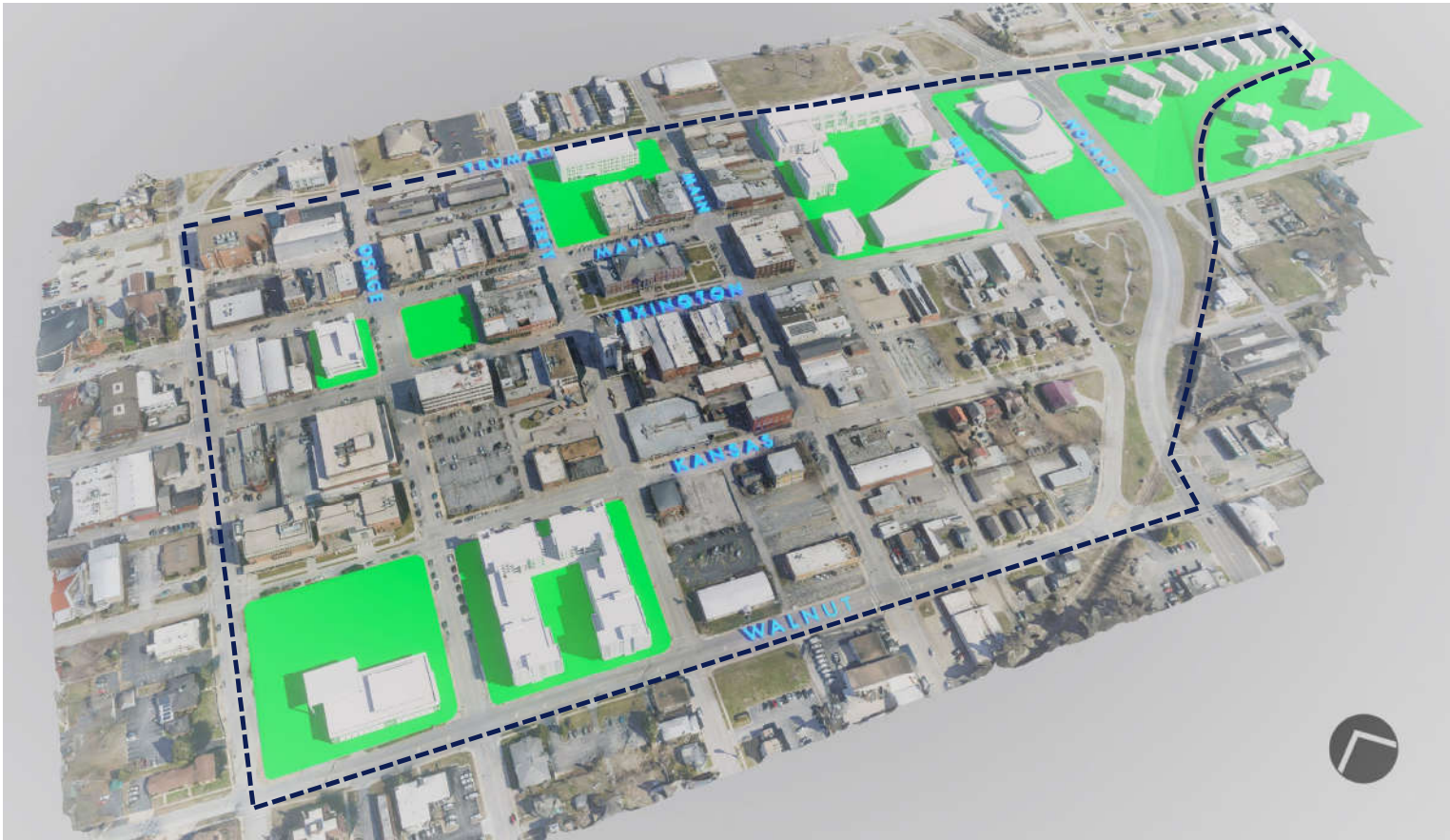
# 3-DIMENSIONAL VISUALIZATION



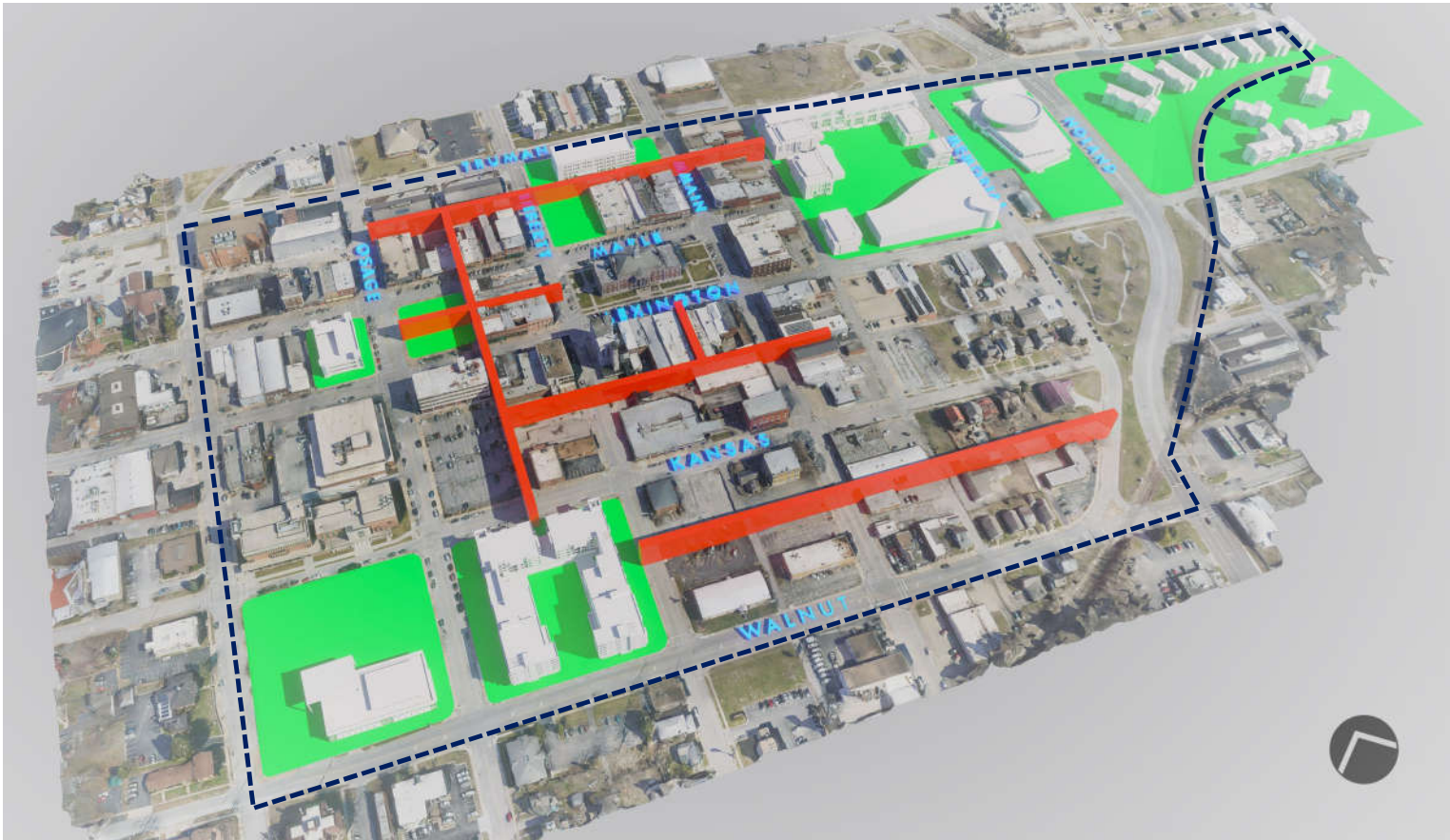
# 3-DIMENSIONAL VISUALIZATION



# 3-DIMENSIONAL VISUALIZATION



# 3-DIMENSIONAL VISUALIZATION



## MARKET ANALYSIS (THIRD-PARTY STUDY OF CURRENT CONDITIONS)

### RETAIL

- Independence Square has **lower retail supply per capita compared to neighboring areas**
- Projecting an increase of 100,000 to 150,000 square feet over the next several years

### MULTIFAMILY

- **No multifamily construction in Independence Square for over 20 years**, despite potential household growth.
- Surrounding submarkets have exceeded demand projections.

### OFFICE

- **No significant new demand for office space expected**; existing supply sufficient to meet projected needs.
- Increased population, pedestrian traffic, tourism, or external demand could alter office space projections.

### HOSPITALITY

- **An upscale select service hotel would suit Independence Square's repositioning**, targeting leisure and group travel.
- Demand drivers include historic and cultural attractions, family visits, shopping, sports events, and local festivals.

# MASTER BUSINESS PLAN

## Land Control Strategy

- Identify key parcels

## Conceptual Development Timeline

- Redevelopment Plan Adoption
- Land Control
- Public and Private Financing
- Design and Construction

## Developer Outreach

- Master Plan Presentations
- Market Tours

# MASTER ECONOMIC PLAN

## Bond Analysis

- Assessment of Independence’s current and projected bonding capacity

## Comprehensive Public Development Budget

- Land Acquisition
- Public Infrastructure
- Municipal Facilities
- Commercial Facade Improvements

## Public-Private Partnership Strategy

- Currently Adopted Tools
- Proposed Tools for Adoption



# MUNICIPAL CAPITAL FINANCING “BONDS 101”



# MUNICIPAL CAPITAL FINANCING "BONDS 101"



June 2024  
*City of Independence, MO*



## STIFEL | Public Finance

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SECTION II:	BOND ISSUANCE PROCESS
SECTION III:	CITY OF INDEPENDENCE CREDIT
SECTION IV:	CITY OF INDEPENDENCE – POTENTIAL FUNDING OPTIONS

### APPENDICES:

- *GLOSSARY OF TERMS*

## I. WHAT IS A MUNICIPAL BOND?

A Municipal Bond (“Muni”) is a security or obligation issued by a state or local government to finance capital infrastructure. It is funded by a loan made by one or more investors brought together by an underwriter. Repayment is of the face value of the bond (i.e., the principal, or “par” amount) plus interest over a period of time. The source of funds for repayment depends on the type of bond.

- General Obligation Bonds
- Revenue Bonds (dedicated revenue source)
  - Sales Tax Revenue Bonds
  - Water/Sewer Revenue Bonds
  - Tax Increment Financing (TIF) Bonds
- Annual Appropriation or Lease Debt
  - Certificates of Participation

## CHARACTERISTICS OF GENERAL OBLIGATION BONDS AND ANNUAL APPROPRIATION REVENUE AND/OR LEASE DEBT BONDS

### General Obligation Bonds

- Supported by an ad valorem tax on real property within the issuer's limits. Issuer can support with other sales tax revenues, but pledge remains.
- Require voter approval of 4/7 or 2/3 majority, depending on bond election date
- Higher credit rating
- Lower interest rates
- Debt limit as a % of assessed valuation(AV) (10% for Missouri Cities [General], another 10% for streets sewers and another 10% for water and electric **BUT** cannot exceed 20% of current AV)
- Maximum maturity of 20 years

### Lease Debt or Revenue Bonds

- May need voter approval of revenue source - Only requires simple majority for voter approval of new operating levy (if needed)
- Does not require voter approval if it can be paid from current operating levy, revenues of the proposed project, or any legally available funds of the City
- Lower credit rating
- Slightly higher interest rates
- No debt limit
- Maximum maturity of 30+ years, depending on security

# GENERAL OBLIGATION BONDS |

## ELECTION CALENDAR & IMPORTANT DATES

Election Month	Approval Requirements for Odd Numbered Years	Approval Requirements for Even Numbered Years
February	2/3 or 66.67%	2/3 or 66.67%
April	4/7 or 57.14%	4/7 or 57.14%
August	2/3 or 66.67%	4/7 or 57.14%
November	2/3 or 66.67%	4/7 or 57.14%

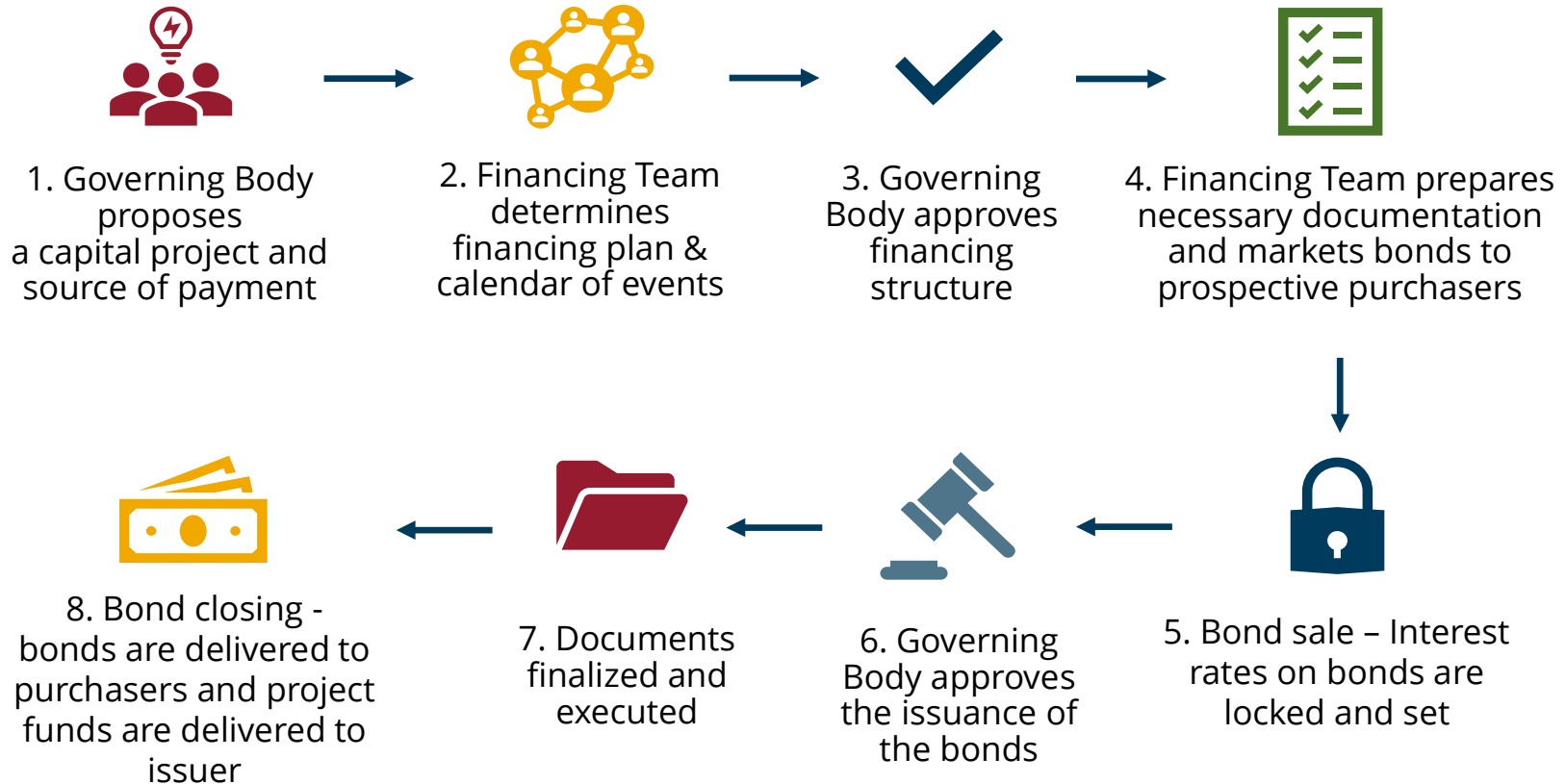
(Election Dates are the first Tuesday after the first Monday in February, April, August and November.)

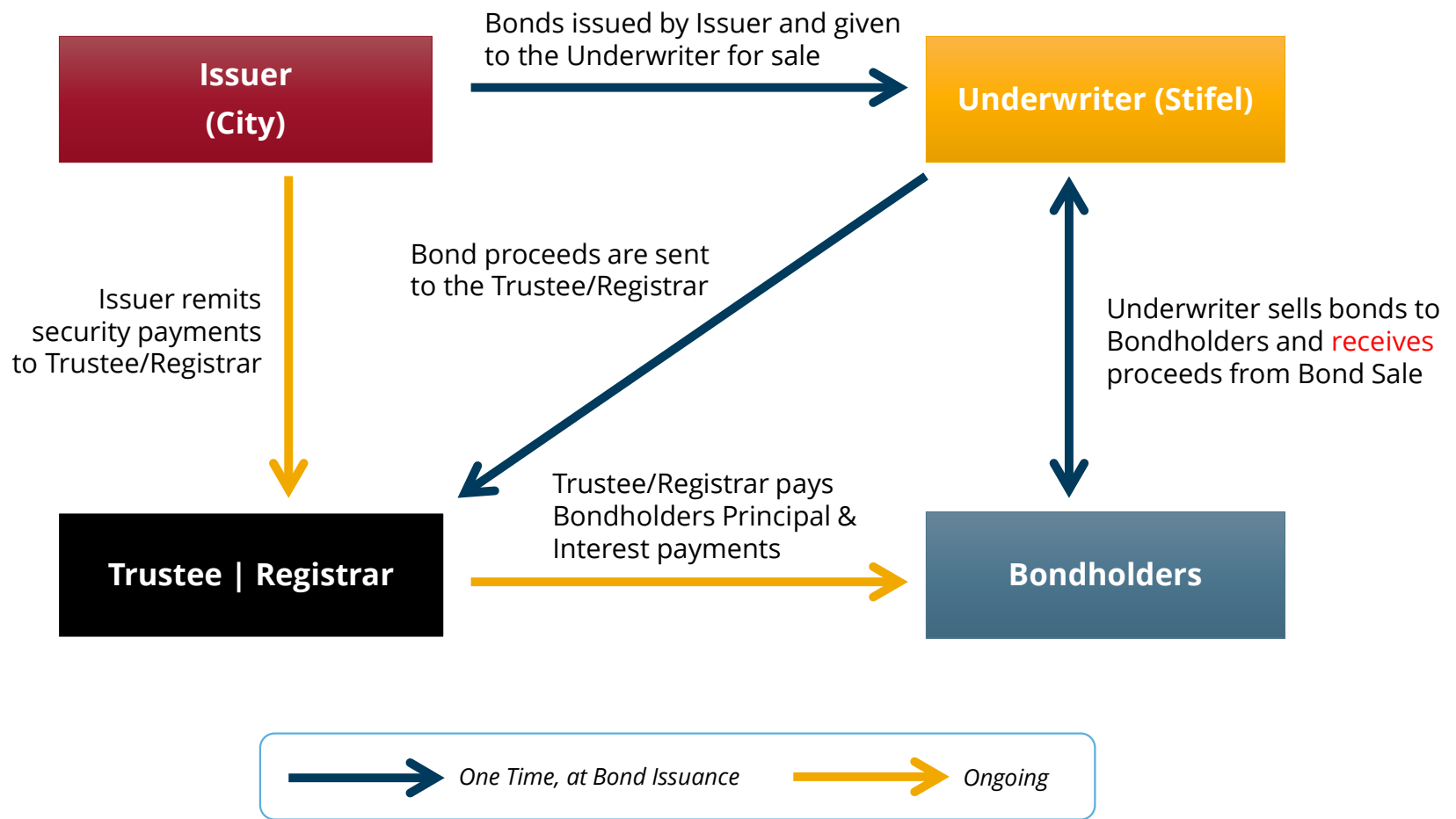
2024 - 2025	
Notice to Election Authority (Tuesdays)	Election Days (Tuesdays)
August 27, 2024 November 26, 2024 January 28, 2025 June 3, 2025 August 26, 2025	November 5, 2024 <sup>(2)</sup> February 4, 2025 <sup>(1)</sup> April 8, 2025 <sup>(2)</sup> August 5, 2025 November 4, 2025

- (1) Bond elections only; no other issues allowed.
- (2) General obligation bond questions submitted on these election days require a four-sevenths majority (instead of the two-thirds majority required for all other election dates).



## II. BOND ISSUANCE PROCESS





## II. BOND ISSUANCE PROCESS | CONSIDERATIONS

- Financial condition of the issuer (credit history, past ratings)
- Sources of repayment of the debt (new \$ or not?)
- Cash flows and reserves (how much “cushion” exists?)
- Current and future borrowing needs
- Issuer’s current bonding and additional legal debt capacity, as applicable (Constitutional limit on certain debt)
- Desire for local distribution of bonds

## II. BOND ISSUANCE PROCESS | THE CREDIT RATING CHART

CREDIT QUALITY	MOODY'S	STANDARD & POOR'S	FITCH
<i>Investment Grade</i>			
Prime	Aaa	AAA	AAA
Excellent	Aa	AA	AA
Upper Medium	<b>A</b>	<b>A</b>	<b>A</b>
Lower Medium	Baa	BBB	BBB
<i>Non-Investment Grade</i>			
Speculative	Ba	BB	BB
Very Speculative	B, Caa	B, CCC, CC	B, CCC, CC, C
Default	Ca, C	D	DDD, DD, D

Source: The Bond Market Association

## II. BOND ISSUANCE PROCESS | CREDIT RATING ANALYSIS

- Independent bond rating agencies determine underlying rating by a credit analysis of the issuer
- All three credit rating agencies use slightly different methodologies to evaluate and rate an issuer's credit, but in general, the following are key:
  - Demographics (income, growth, economy)
  - Financial position (debt, reserves, operations)
  - Management – what policies/procedures are in place, and are they being followed?
- Release Written Rating Report
  - Provides investors with a “relative” indication of credit quality
  - Analysis of the Issuer's ability and willingness to repay the debt obligation
- Rating Agencies charge a fee that is based on the type of issue, for example, whether it is General Obligation or COP/Leasehold Revenue (Annual Appropriation), as well as the par amount of the issue
- General Obligation bonds and smaller issues typically have the lowest fee

## II. BOND ISSUANCE PROCESS | QUANTITATIVE SCORING

Each “Key Factor” is assigned a weight and scored

- Some factors, like “Economy” cannot be controlled by issuer
- Financial Performance (Fund Balance & Liquidity) account for 30% of the scoring

### Moody’s Investor Services Scorecard Excerpt

#### US Cities and Counties Scorecard Overview

Factor	Factor Weighting*	Sub-factor	Sub-factor Weighting
Economy	30%	Resident Income (MHI Adjusted for RPP / US MHI)†	10%
		Full Value per Capita (Full Valuation of Tax Base / Population)	10%
		Economic Growth (Difference Between Five-Year Compound Annual Growth in Real GDP and Five-Year CAGR in Real US GDP) ‡	10%
Financial Performance	30%	Available Fund Balance Ratio (Available Fund Balance + Net Current Assets / Revenue)	20%
		Liquidity Ratio (Unrestricted Cash / Revenue)	10%
Institutional Framework	10%	-- **	10%
Leverage	30%	Long-term Liabilities Ratio (((Debt + ANPL + Adjusted Net OPEB + Other Long-Term Liabilities) / Revenue)††	20%
		Fixed-Costs Ratio (Adjusted Fixed Costs / Revenue)	10%
<b>Total</b>	<b>100%</b>		<b>100%</b>

### III. CITY OF INDEPENDENCE CREDIT PROFILE – CURRENT CREDIT RATING/PROFILE

The most recent rating report from S&P for the City of Independence (November 2021) through the MDFB for the Independence Events Center Project resulted in an Issuer Credit Rating (ICR) of **A**. The report highlighted the following:

#### **Credit Overview**

Weakening our view of the city's credit profile is its historically heavy debt burden, which strained general fund finances in recent years. A significant portion of its debt relies on tax base growth of tax increment fund (TIF) areas to support debt service, which to date has not occurred and led to previous restructurings of debt. The city's reserves are relatively thin, in our view, due to historical inconsistent budgetary performance, increasing operational risks in the event of unforeseen expenditures. We also note that the city has historically contributed less than actuarially-determined amounts towards its pension contributions, which can lead to cost acceleration and credit pressure in the medium-to-long term.

The 'A' underlying ICR rating reflects our assessment of the following factors:

- Adequate economy, with access to the broad and diverse Kansas City MSA, though this is partially offset by weaker incomes;
- Standard financial policies and practices under our Financial Management Assessment (FMA) methodology, with an approved fund balance policy which the city is falling short of, and an adequate institutional framework score;
- Uneven historical budgetary performance, which has led to reserves which are adequate, though lower than similarly-rated credits; and
- Very weak debt and contingent liability profile, reflecting the city's substantial debt burden and significant unfunded pension liability.”

## IV. CITY OF INDEPENDENCE – POTENTIAL FUNDING OPTIONS FOR CAPITAL PLAN

- City Manager and Staff have estimated \$250 million in potential public improvement projects to be funded within the City
- General Obligation Bonds have been discussed as a funding option (*capacity limited by State Constitution*)
  - Current City Assessed Valuation = \$1,913,947,167
    - ✓ Limitation of 10% for General Purposes = \$191,394,716  
*(Another 10% available for streets, sewers, water & electric but aggregate cannot exceed 20% of assessed valuation)*
    - ✓ Total (20%) capacity = \$382,789,432
- Other funding options exist such as sales tax (existing or new sales tax authorizations), special district assessments and/or incentive financing from new development
- All of this remains to be discussed and strategized in the best interests of the City and the citizens of the City as the plan of finance develops

# QUESTIONS?



## GLOSSARY OF TERMS – PARTICIPANTS

### Bond Counsel -

Prepares all the necessary legal documents and opinions required to ensure the issuer adheres to legal parameters. Writes election ballot language and ensures the issuer adheres to all legal requirements. Is selected by, and works for, the issuer.

### Issuer -

The **public entity** or conduit authority that issues securities and is named as the issuer-obligor on those securities. The public entity is the **“Issuer”** even in those cases where the actual source of the money to pay debt service is to be an entity other than the issuer.

### Underwriter -

The firm that purchases the bonds from the issuer and distributes them to individual bond holders (the lenders), structures the bonds and provides market expertise to minimize borrowing costs. Helps to model the long-term financing plan for the issuer in relationship to revenue stream, projected levy growth and future debt requirements. Provides market feedback regarding current investor expectations and preferences relative to yield.

### Underwriter’s/ Disclosure Counsel -

Prepares all the necessary legal documents required for the marketing of the bonds to the public. Prepares the legal documentation required to finalize the bond sale between the issuer and the Underwriter

## GLOSSARY OF TERMS – KEY TERMS

**BOND TERM:** Length of the borrowing term. (10, 15, 20, 30+ years).

**CALL OPTIONS (Term/Premium):** Date specific when the issuer may pre-pay the bonds in part or whole.

**CAPITALIZED INTEREST:** When expenses such as property tax, construction costs, etc. must be paid before matching revenues are obtained, the underwriter will assist the issuer to set up a capitalized interest fund with bond proceeds (the money loaned by investors). In the capitalized interest fund, bond proceeds earn interest for a fixed time period.

**COSTS OF ISSUANCE:** These costs include all those associated with the transaction and are paid from bond proceeds or other issuer funds. Must be project related.

**CREDIT ALTERNATIVES:**

- Letter of Credit
  - Fixed vs. Variable Rate
- Bond Insurance
- Rated Transaction
- Non-Rated Transaction

**INTEREST RATE MODE:** Fixed or variable

**INTEREST RATE:** Rates are assigned to each bond as it matures (when payment is due). Bonds mature in various years and rates are different in each year.

## GLOSSARY OF TERMS – KEY TERMS (CONT.)

**LEGAL OPINION:** Necessary to disclose to purchasers at the time of sale.

**METHOD OF SALE:**

- Private Placement vs. Public Offering

**PAR, DISCOUNT, PREMIUM PRICING:** The underwriter negotiates with the issuer and purchaser. Whether the bonds are priced at par, a discount, or a premium depends on the bond's assigned interest rate (coupon) and what investors are demanding in the marketplace. The pricing impacts the amount of proceeds delivered to the issuer.

**PAYMENT FREQUENCY:** Number of principal and interest payments made each year. Usually, one principal payment and two interest payments are made each year.

**PAYMENT PROVISIONS:** Outline of how and when the issuer will repay the bonds, and circumstances allowing for prepayment, if any.

**PERMITTED INVESTMENTS/PROJECT EARNINGS**

**SECURITY PROVISIONS:** Similar to bond insurance, security provisions reduce the risk of nonpayment for the investor. Common security provisions are pledges of revenues and reserve funds, as well as leased property pledged as collateral.

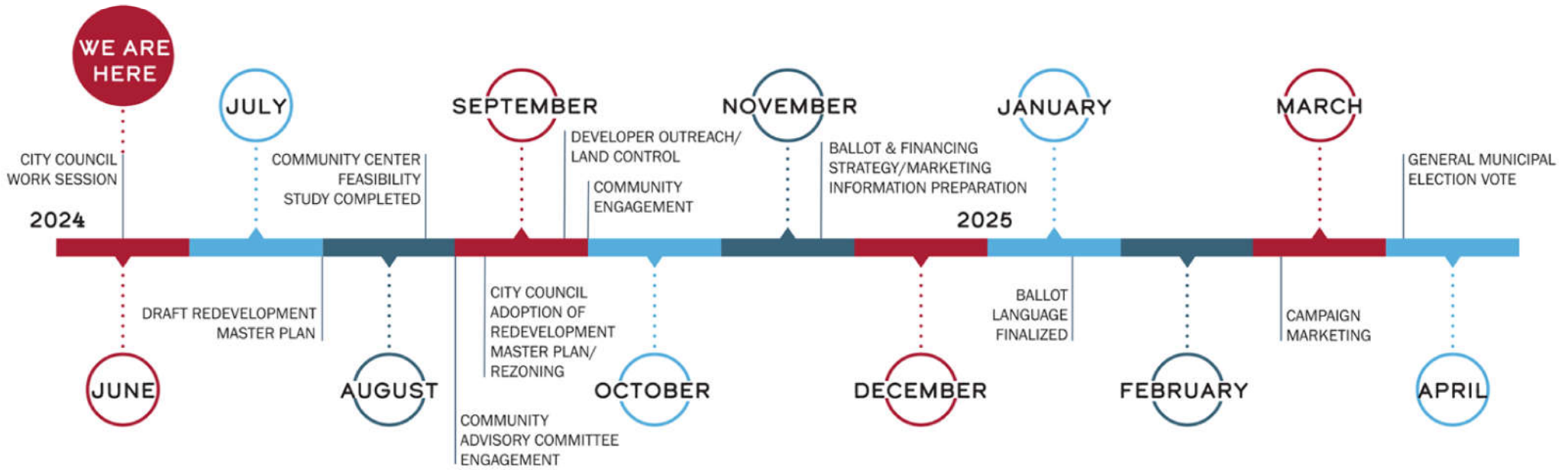


- 15c2-12 Continuing Disclosure

# NEXT STEPS



# NEXT STEPS



# THANK YOU

