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FREQUENTLY ASKED QUESTIONS ABOUT KANSAS CITY'S GO BONDS PACKAGE

Kansas City's General Obligation Bond questions, also known as the "GO Bonds," is a package of three separate ballot questions on the April 4th ballot. Approval of the three GO Bonds proposals will allow Kansas City to borrow money at low interest rates to invest \$800 million in critical infrastructure projects (streets, bridges, sidewalks, flood control, improved access to public buildings for those with disabilities, a new animal shelter, and more) that are long overdue.

Q: What are "GO" Bonds?

General Obligation bonds, also known as GO Bonds, are bonds issued by the city and backed by the full faith and credit of the city that allow us to borrow money to help pay for infrastructure-related projects.

On April 4, Kansas City voters will have the opportunity to vote on a package of three GO Bond questions: one for streets, bridges, and sidewalks, one for flood control, and one for building upgrades and repairs to the animal shelter.

Voting YES on all three GO Bond questions is important because Kansas City is growing and thriving like never before. The GO Bonds will allow us to upgrade and repair our aging infrastructure AND create jobs across the city.

Q: Do all three ballot questions have to pass for them to take effect?

No, each ballot question stands on its own. However, the package was put together as a comprehensive program to address all of our most critical infrastructure needs. It is essential to the future well-being of the city for all three ballot issues to be approved.

Q: Why do we need these improvements?

Geographically speaking, Kansas City has a gigantic footprint. The city covers hundreds of square miles and is spread out over multiple counties. As a result, the city's infrastructure demands are significant. Kansas City has to maintain 6,300 lane miles of streets and 4,000 miles of sidewalks, for example. Not to mention that neighborhoods across the city need protection from frequent flooding problems and aging public buildings are still not in compliance with the Americans with Disabilities Act.

Unfortunately, in the past, the city deferred on taking care of some of these needs and now we can't wait any longer.

Citizen satisfaction surveys clearly indicate residents want more infrastructure improvements. This is a responsible, conservative, pay as you go approach to address our needs.



Q: How do we pay for all this?

Paying back \$800 million over time will result in a modest and gradual property tax increase. For the typical Kansas City homeowner that will mean an average increase in property taxes of about \$8 every year for the next 20 years.

More importantly, the property tax increase is a small price to pay to ensure that bridges don't collapse, homes and businesses stop flooding, and streets and sidewalks are safer.

Q: What does "infrastructure" mean and how can we be sure these funds will be spent as promised?

The revenue provided to the city from the GO Bonds can **only** be used on projects related to the city's infrastructure. Specifically, that means that money from the GO Bonds can only be used for projects that are primarily construction-focused, such as improving streets, repairing sidewalks, updating bridges, flood control, and upgrading public buildings. A limited amount of the resources may be used for administering the projects, but that will be a small fraction of the spending. Money from the GO Bonds will go toward getting critical projects paid for to keep our city up and running based on a needs assessment provided by the city. Plus, the city will issue an annual report card detailing how the bond funds were spent in the prior 24 months and then list the projects to be undertaken in the coming year.

Q: How will the city decide where the bond funds will be spent in each category?

The city will start by prioritizing projects with the most urgent needs. At the end of each year the city will announce in the annual report card what projects were completed, what is underway, and what will be tackled in the upcoming year. The list of projects to be undertaken first was included in the resolution passed by city council in January. It can be found at <http://www.progresskc.com/project-list/>

Q: What impact does this proposal have on the city's debt?

The city has a solid AA bond rating, which allows it to borrow money at favorable interest rates. This is a conservative, pay-as-you-go proposal, borrowing and putting to work \$40 million each year over the next 20 years. It was specifically put together in a way that would not jeopardize the city's bond rating.

Q: What is the city's plan for sidewalks?

A key feature of the plan calls for a complete change in the way the city repairs sidewalks. Question 1 will provide revenue to allow the city to pay for residential sidewalks repairs, rather than charging adjacent property owners, as has been the process in the past. The city would create a program to systematically evaluate, repair, and replace sidewalks across the city.

Q: What about those homeowners already assessed for their sidewalk repairs?

For those currently paying a special assessment, the city would forgive the balance of the assessment.



Q: Why do we need a new animal shelter?

The city's current and only municipal animal shelter is located in an aging warehouse that the Kansas City Star called "an embarrassment of a structure." The present undersized shelter rescues or receives and cares for some 10,000 animals each year.

The animal shelter is unique in that bond proceeds would be matched by millions of dollars in private contributions to create a larger and more modern no-kill animal shelter on land near the zoo in Swope Park.

Q: Why can't the city pay for all these improvements with the tax dollars we already pay?

Because, in the past, the city has deferred some critical infrastructure projects, the cost of taking care of our most urgent needs cannot be handled by the current budget.

Q: Isn't the Trump administration saying it will fund infrastructure projects like these?

We simply can't risk waiting to find out. Part of the reason for our success and momentum is that we're taking care of our own city. We're not waiting on help from Washington, DC or Jefferson City that may never come. The KC GO Bonds will allow us to take control of our infrastructure needs, investing in and improving the basics that make our city an even better place to live, work, and play.

Q: There will be a new mayor and council in 2019. How do know future leaders will keep these commitments to infrastructure repairs and improvements?

Because the city will sell bonds each year, and the bond covenants will legally require the city to only spend the bond funds on infrastructure needs. The annual report card will detail how the money was spent, where it was spent, and what is coming in the year ahead.