



Procurement Services Division
City of Kansas City, Missouri
1st Floor, Room 102 W, City Hall
414 East 12th Street
Kansas City, Missouri 64106-2793

ADDITIONAL QUESTIONS

NUMBER: 062017
TITLE: RFQ/P - Design, Construct and Private Financing of KCI
DATE DUE: Thursday, August 17, 2017 at 12:00 p.m. (Central Time)

TO ALL PROSPECTIVE PROPOSERS:

Please answer each question and submit your responses as a Reply All to this email no later than **Thursday, 12:00 p.m. (Central), August 17, 2017**, attention David.Long@kcmo.org.

Previous provide questions:

Question 1 - With respect to the General Proposal/Qualification or the Financial Proposal submitted:

- a. Other than those identified as “confidential information”, are you willing to open to the public the remaining portions of your General Proposal /Qualifications submittal, or your Financial Proposal submittal? The City would not release that information until the appropriate time.
- b. Most of the Proposers have provided information marked “*confidential*” within the Financial Submittal or this correspondence. Are you willing to open to the public any portions of such information? If so, please identify those specific pages. The City would not release that information until the appropriate time.

Question 2 - Please provide your proposed annual lease payment on the basis of the following assumptions and requirements:

- a. Total construction cost - \$1,117,000,000
- b. DBO – May 1, 2022
- c. First year of full payment – FY 2023
- d. Payment term – 30 years after DBO
- e. Wrap payments around existing debt service so that total debt service and payments through and including FY 2022 do not exceed current total annual debt service on Series 2013 A&B (approximately \$27.2 million)
- f. Using MMD scale as of August 9, 2017, show the spread in assumed yields for debt financing:
 - i. State assumed rating level for debt financing
- g. Show full Sources and Uses of funds, including debt and equity, to provide construction proceeds and other requirements:

- i. Detail all use components, including capitalized interest, debt service reserve (or, indicate why not required/assumed), financing costs, and other
- ii. Detail all sources of funds, including premium, AIP grants, PFC, and other. For purposes of this analysis, assume:
 - a. \$96,141,000 in PFC pay-as-you-go funding
 - b. \$60,000,000 in AIP grants
- h. Complete annual schedules reflecting components of required annual payments from airport, including:
 - i. Annual debt service on private financing: show principal, interest (including assumed interest rates), and total annual debt service
 - a. Show calculated True Interest Cost (TIC) rate
 - ii. Annual recovery/return of equity capital
- i. Please provide the following information on any Interim Construction Financing:
 - i. Term and Maturity
 - ii. Interest Rate/ ROI for Equity
 - iii. Source of the Financing
 - iv. Commitment Letter available?
 - v. Description of Financing (CP,S/T Notes, Equity)

Question 3 - What is your total weighted cost of capital, including long-term debt, equity, and interim financing?

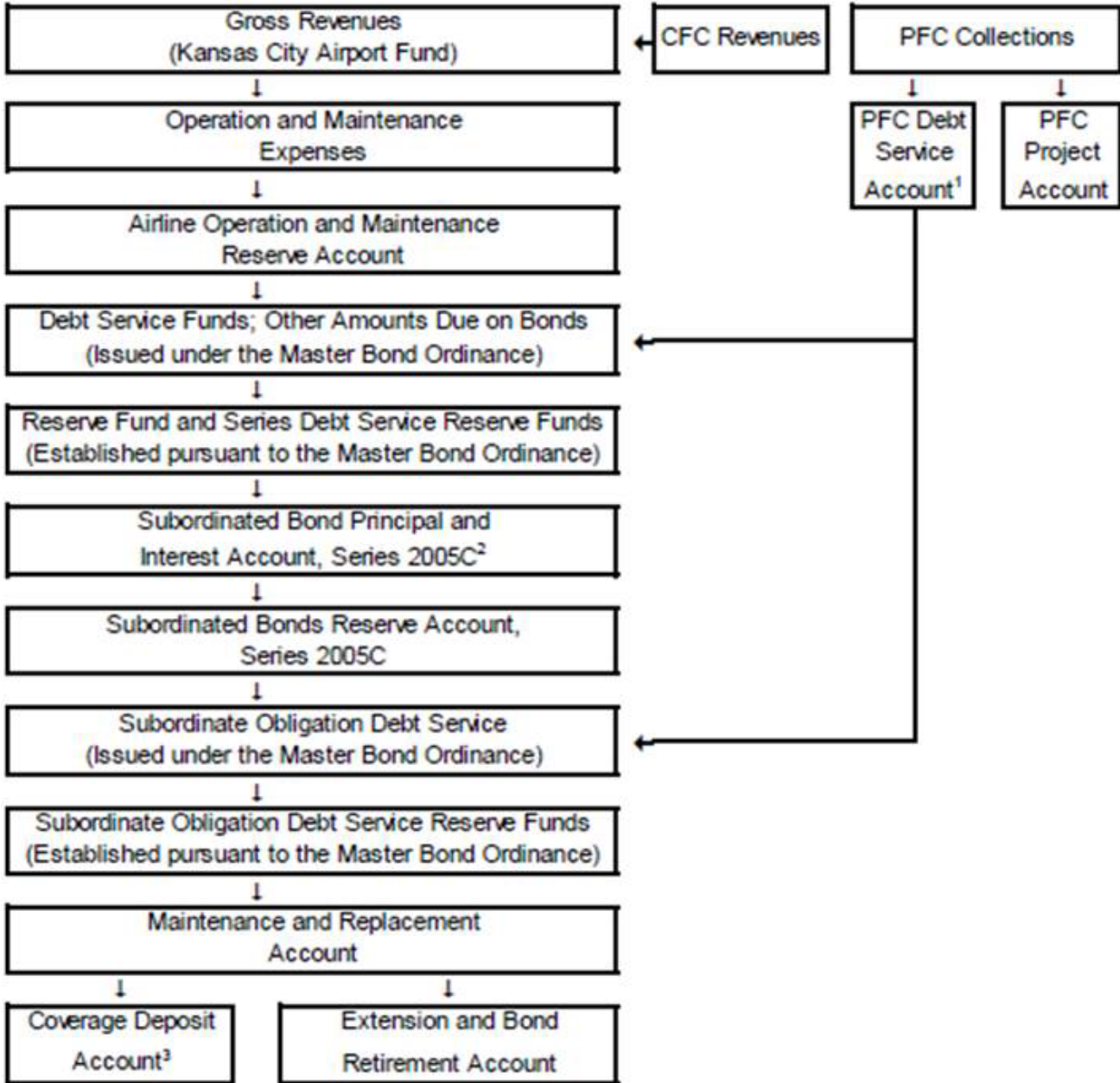
Question 4 - Assuming no delay in design and construction, if the City issued its own conduit debt, would you be willing to separate your financial proposal from your design/build proposal?

Question 5 - Please confirm that your financing approach is in full compliance with the Master Bond Ordinance. (*Please see attached Master Bond Ordinance for reference*). Specifically, please state where your lease payment would fall in the flow of funds below.

City of Kansas City, Missouri Department of Aviation
Notes to Financial Statements
April 30, 2016 and 2015

Ordinances establish the priorities for the allocation of revenues and said allocation is to the following accounts in the order listed below:

FLOW OF FUNDS



- ¹ Only PFC revenues eligible to pay debt service pursuant to certain additional supplemental ordinances.
- ² The 2005C Bonds will have priority payment on any subordinated obligations issued under the Master Bond Ordinance as long as the 2005C Bonds remain outstanding.
- ³ An amount not to exceed 25% of the amount debt service as defined by the rate reserve amount.