

Introduced by: Mayor
Date: 06/07/22
Hearing: 06/21/22
Action: Enacted as Amended
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2022-20**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE KENAI PENINSULA BOROUGH THE QUESTION OF THE ISSUANCE OF NOT-TO-EXCEED SIXTY-FIVE MILLION FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$65,550,000.00) OF GENERAL OBLIGATION BONDS OF THE KENAI PENINSULA BOROUGH TO PAY THE COST OF EDUCATIONAL CAPITAL IMPROVEMENTS IN THE BOROUGH ON OCTOBER 4, 2022

WHEREAS, Kenai Peninsula Borough School District (KPBSD) staff and administration met with Kenai Peninsula Borough (KPB) staff and administration to develop the list of School Capital Projects for the purpose of requesting voter approval in the October 4, 2022 election; and

WHEREAS, the operational and organization assessment study identifies and recommends that major maintenance, capital improvements, and facility replacement are a critical part of value added facilities management; and

WHEREAS, an in-depth facility asset inspection and review has been completed; and

WHEREAS, a capital improvement list was developed with an estimated \$225 million worth of major maintenance and capital improvement projects; and

WHEREAS, in collaboration, the KPBSD and the KPB identified twelve school projects as priority and critical to maintaining key infrastructure for both community and educational needs; and

WHEREAS, site improvements are needed at Homer High School to maintain building integrity; and

WHEREAS, the Nikiski and Seward High School tracks surface and base asphalt have exceeded their useful life and are now deteriorating, and artificial turf will enable the school district and community greater utilization than natural turf without risking damage; and

WHEREAS, the roofs at the following schools in the Kenai Peninsula Borough are at the end of their useful life: Hope school, Mountain View Elementary and Nikiski North Star Elementary; and

WHEREAS, a feasibility study was completed for Soldotna area schools that indicated the need for replacement of the 62-year-old Soldotna Elementary school and relocation of

the District office, River City Academy, Soldotna Montessori, Connections Home School to the former Soldotna Prep facility and necessary improvements required to meet educational requirements, alleviate overcrowding in the Borough Administration Building and extend the life of the facilities; and

WHEREAS, the exterior building envelope is failing at Soldotna High School and repair of the building envelope will extend the life of the facilities and reduce energy consumption; and

WHEREAS, educational improvement projects are needed at Kenai Middle School and Kenai High School to more adequately serve the student population; and

WHEREAS, the expansion of the KPB/KPBSD maintenance shop will improve maintenance efficiency and allow for additional maintenance of our schools and equipment; and

WHEREAS, school traffic patterns have changed with an increase of student drop off by parents rather than buses, resulting in the backup of traffic onto adjacent roads and highways, the district has prioritized a number of these sites Chapman School, Homer Middle School, Kenai Middle School and Mountain View Elementary; and

WHEREAS, it is expected the estimated cost of these capital improvements will not exceed sixty-five million five hundred fifty thousand dollars (\$65,550,000);

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. It is hereby determined to be for a public purpose and in the public interest of the Kenai Peninsula Borough (Borough) to incur general obligation bonded indebtedness in the amount not to exceed sixty-five million five hundred fifty thousand dollars (\$65,550,000) for the purpose of financing capital improvements and major maintenance to areawide educational facilities to include costs of planning, designing, site preparations, construction, acquiring, renovating, installing, and equipping educational capital improvement projects including Soldotna Elementary Replacement, Soldotna Preparatory Renovation, School Student Drop-off, Seward and Nikiski High School Track and Field, KPB/KPBSD Maintenance Shop, Various School Roofs, Kenai Middle School Safety and Security Renovation, Kenai High School Field Restroom and Concession, Homer High School Front Entrance Improvements, Soldotna High School Siding, and similar educational capital improvements in the Borough, and costs related to the issuance and selling of the bond(s). The use of proceeds of the bonds to finance the costs of education capital improvements currently qualify for 50-70% debt service reimbursement under A.S. 14.11.100. Debt reimbursement is subject to annual legislative appropriation by the State of Alaska.

SECTION 2. The sum of not to exceed sixty-five million five hundred fifty thousand dollars (\$65,550,000) shall be borrowed by the Kenai Peninsula Borough for education capital improvements described above and shall be evidenced by the issuance of general obligation bonds of the Borough. The bond proceeds shall be used only for the purchase of capital improvements and costs if issuance of the bond. The full faith and credit of the Borough is pledged for the payment of the principal of and interest of bonds, and ad valorem taxes upon all taxable property in the Borough shall be levied without limitation as to the rate or amount to pay principal of and interest on the bonds when due.

SECTION 3. An election is to be held on October 4, 2022, in and for the Kenai Peninsula Borough, for the purpose of submitting a general obligation bond proposition to the qualified voters of the Borough for approval or rejection. The proposition must receive an areawide majority vote of those in the Borough voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. __

EDUCATIONAL CAPITAL IMPROVEMENT GENERAL OBLIGATION BONDS

Shall the Kenai Peninsula Borough incur indebtedness and issue up to \$65,550,000 of general obligation bonds?

The general obligation bond proceeds will be used to pay costs of planning, designing, site preparations, construction, acquiring, renovating, installing, and equipping educational capital improvement projects including Soldotna Elementary Replacement, Soldotna Preparatory Renovation, School Student Drop-off, Seward and Nikiski High School Track and Field, KPB/KPBSD Maintenance Shop, Various School Roofs, Kenai Middle School Safety and Security Renovation, Kenai High School Field Restroom and Concession, Homer High School Front Entrance Improvements, Soldotna High School Siding, and similar educational capital improvements in the Borough. The indebtedness will be repaid from ad valorem taxes levied on all taxable property located within the Borough. The Borough will pledge its full faith and credit for repayment of the indebtedness. Voter approval for this proposition authorizes for each \$100,000 of assessed real and personal property value in the Borough (based on the estimated FY2023 areawide assessed valuation) an Annual tax of approximately \$45 to retire the debt or \$25 if the State of Alaska lifts the debt service reimbursement moratorium. Debt service reimbursement is subject to annual legislative appropriation by the State of Alaska.

The indebtedness will be repaid from ad valorem taxes levied on all taxable property located within the Borough. The Borough will pledge its full faith and credit for repayment of the indebtedness.

Voter approval for this proposition authorizes for each \$100,000 of assessed real and personal property value in the Borough (based on the estimated FY2023 assessed valuation) an annual tax of approximately \$25 to retire the debt assuming 50-70% debt service reimbursement from the State of Alaska or \$45 without State reimbursement.

The proposition set forth in Section 3 shall be printed on a ballot which may set forth other general obligation bond propositions, and the following words shall be added as appropriate and next to an area provided for marking the ballot for voting:


PROPOSITION NO. ____ YES ____ NO ____

SECTION 4. The Bond(s) shall be issued upon such terms and conditions and in such form as the Finance Director finds to be in the best interests of the Borough, subject to approval by the Borough Assembly and laws.

SECTION 5. Sections 2 and 4 of this ordinance shall be effective only if and when the proposition described in Section 3 is approved by a majority of the qualified voters of the Borough voting on the proposition at the regular election on October 4, 2022.

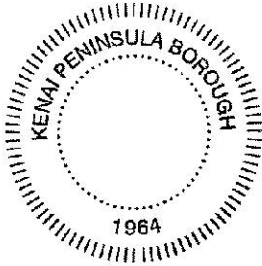
SECTION 6. Sections 1 and 3 of this ordinance shall be effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF * 2022.


Brent Johnson, Assembly President

ATTEST:


John Blankenship, MMC, Borough Clerk



- Yes: Bjorkman, Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Tupper, Johnson
- No: None
- Absent: None