

# KENAI PENINSULA BOROUGH PROPOSITION SUMMARY

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## PROPOSITION NO. 2

### EDUCATIONAL CAPITAL IMPROVEMENT GENERAL OBLIGATION BONDS

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*(To be voted on by all borough voters)*

**BACKGROUND:** 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.

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. An in-depth facility asset inspection and review has been completed. A capital improvement list was developed with an estimated \$225 million worth of major maintenance and capital improvement projects. 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. The estimated costs of the projects submitted to the State of Alaska Department of Education are as follows:

Soldotna Elementary Reconstruction .....	\$21,500,000
Soldotna Preparatory Renovation (School District Administration) .....	\$18,500,000
School Student Drop-off improvements (Area Wide) .....	\$5,500,000
Seward and Nikiski High School Track and Field .....	\$4,500,000
KPB/KPBSD Maintenance Shop.....	\$5,000,000
Various School Roof Replacements .....	\$4,800,000
Kenai Middle School safety/Security renovation.....	\$2,500,000
Kenai High School Field Restroom and Concession .....	\$500,000
Homer High School Front Entrance Improvements.....	\$750,000
Soldotna High School Siding repair.....	\$2,000,000

Site improvements are needed at Homer High School to maintain building integrity. 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.

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.

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. 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. Educational improvement projects are needed at Kenai Middle School and Kenai High School to more adequately serve the student population.

The expansion of the KPB/KPBSD maintenance shop will improve maintenance efficiency and allow for additional maintenance of our schools and equipment.

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.

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

**FISCAL NOTE:** 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 increase 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.

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### BALLOT LANGUAGE

*As approved by Ordinance 2022-20*

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#### PROPOSITION NO. 2 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 & 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 increase 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

YES A "Yes" vote approves the issuance of bonds.

NO A "No" vote opposes the issuance of bonds.