

# Kenai Peninsula Borough

## Community & Fiscal Projects

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### MEMORANDUM

**TO:** Charlie Pierce, Mayor

**THRU:** James Baisden, Chief of Staff

**FROM:** Brenda Ahlberg, Community & Fiscal Projects Manager 

**DATE:** 05/04/21

**RE:** Kachemak Selo K12 Construction Project – Grant Funding Update

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The request to state legislators to move the approved \$10,010,000 from AK Department of Education & Early Development (DEED) to AK Department of Commerce, Community, and Economic Development (DCCED) continues to move forward through the state legislative process. Senator Micciche and Senator Stevens has proposed amendment language in Alaska Senate Bill 50 to reappropriate the funds to DCCED as a municipal grant for the purpose of acquiring property, constructing and furnishing a community facility that serves the education, emergency or non-emergency needs of the unincorporated community of Kachemak Selo. This update has been provided to the school district administration.

The project summary and joint letter from the borough and the school district is attached for your reference. I will continue to provide updates as necessary.



# Kenai Peninsula Borough

Year 2021/2022 State Capital Improvement Projects

## KENAI PENINSULA BOROUGH CAPITAL PROJECT REAPPROPRIATION

**Funding Recipient:** Kenai Peninsula Borough

**Project Name:** Kachemak Selo Community and Educational Center

**Detailed Project Description and Justification:**

The Kenai Peninsula Borough (KPB) is requesting the \$10,867,503 grant be transferred from AK Department of Education and Early Development (DEED) to Department of Commerce, Community & Economic Development (DCCED) as a Designated Legislative Grant.

**Background:** Kachemak Selo K-12 School needs a new facility. The existing school occupies three separate buildings that are leased and not owned by the Borough. These are residential type buildings that have been modified for school use. The buildings are in poor condition with a broad range of deficiencies making them unfit for renovations or an educational environment. Currently the three buildings total approximately 5,400 square feet of space. In addition to the poor facilities, the village of Kachemak Selo is isolated from the road system and the main access is a steep switchback trail that is generally only drivable with all-terrain vehicles. Due to the beach and tides, access by water is also difficult.

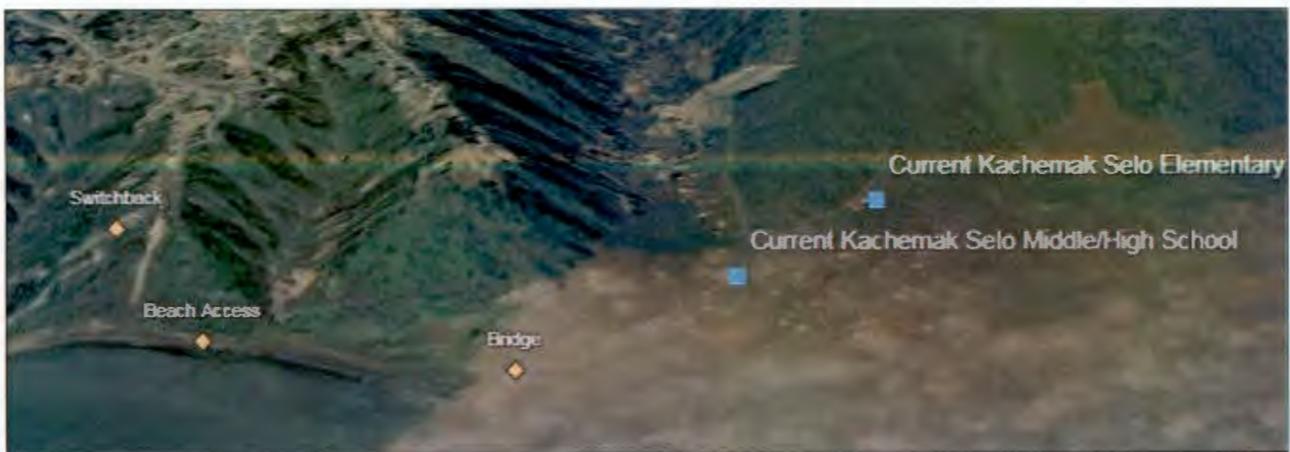
The KPB entered into DEED grant agreement for the total amount of \$15,400,000. The current agreement required a 35% match by KPB. A bond proposition in the amount of \$5,450,000 to supplement the match was put forward to voters in October of 2018 and failed. All other attempts by the Borough and School District to provide matching funds have been unsuccessful. The 2016 appropriation to DEED in the amount of \$10,867,503 was approved by way of State Legislative Action 2016, Senate Bill 138, Kachemak Selo K-12 School Construction, Chapter 2/4 SSLA 16 pg. 3, lines 24-25.

**Justification:** The remote village of Kachemak Selo needs a community center that provides for community needs that include but are not limited to education, community gatherings, emergency shelter, arts and cultural programs. Conversion of the funds to a DCCED grant would allow KPB to move forward designing and constructing a community center in Kachemak Selo that would be used as an educational center for the school as well as other activities and needs for the community. This approach allows for a value analysis of the construction that will bring the project costs into an acceptable range. It would also remove the need for the 35% matching funds and allow KPB to move forward with the project and appropriate additional funding as needed and available. The program needs of a



community center and an education facility are compatible. A dual purpose facility is a more efficient use of funds. As indicated in the State Statutes for School Facility Planning and Construction, it addresses multiple community needs through one expenditure. The limited road access available to Kachemak Selo further increases the complications and cost with the construction project. Feasibility of road access has not been comprehensively evaluated. Further investigation of soils and existing topography need further investigation to improve access for the community, reduce costs associated with living in the community and reduce KPB costs to maintain and provide services to the community.

**Methodology:** Using the Educational Specifications developed through the DEED grant process to ensure that the intent of the educational purpose is met, a team of design professionals would be used to value engineer the project with best practices from the construction industry to develop a project with an efficient footprint and construction methodology that captures our available funding threshold and meets the intent of the project goals. A separate design team would also review possibilities to create better vehicular access to the community of Kachemak Selo.



Funding Requested: \$10,867,503  
 Total Project Cost: \$10,867,503  
 Local Match (if any): \$0  
 TOTAL: \$10,867,503

Election District: O, P  
 Senate: House: 29, 30, 31 & 32

**CONTACT INFORMATION**

Brenda Ahlberg, Community & Fiscal Projects Manager  
 Kenai Peninsula Borough  
 144 N. Binkley St., Soldotna AK 99669

Desk: 907-714-2153  
 Cell: 907-231-6505  
 Email: bahlberg@kpb.us

**FUNDING PLAN**

Total Project Cost:	\$10,867,503	Approved appropriation – Legislative Action 2016, Senate Bill 138
Funding Secured:	\$10,010,000	DEED grant agreement enacted; \$5,450,000 match required
Funding Requested:	\$10,867,503	Reappropriation to be transferred from DEED to DCCED
Pending Requests:	\$0	None; no project deficit anticipated with approved FY22 reappropriation action

**Please list Secured Funding Sources and Amounts:**

DEED grant \$10,010,000 secured. The borough has identified the land requirements and anticipates negotiations with the land owners. Final purchase of the properties is subject to assembly approval based on final designs.

**If this project is funded this year, will you be requesting state funding again? No**

**Please describe the project time-line and when the expenditures will occur:**

- Design Development: 2021
- Construction: 2022 construction season

**Has this project gone through a public review process at the local level?**

**If a community or service area meeting was conducted, how was it advertised? When and where was it held? Who attended?**

The borough and the school district coordinated public meetings in the village through flyers, phone tree and with the assistance of the school principal and documented. Public meetings for enacted legislation is posted via online and in the local newspaper. Note: The community is aware that the borough has requested the state to move the grant funds from the DEED grant to a Designated Legislative Grant from DCCED. This notification was done through community elders. Previous public meetings in regards to the DEED grant and educational needs are as follows:



- November 10, 2011-K-Selo Site Council Meeting-capital improvement planning-funding options for construction.
- June 14, 2012-K-Selo Site Council Meeting-Educational Facility Planning Council-project scoping and grant funding discussion.
- July 9, 2012-K-Selo residents submit petition to KPBSD school board requesting improved school facilities.
- November 15, 2012-K-Selo Site Council Meeting-Community Development Block Grant and next steps.
- September 24, 2013-K-Selo public meeting regarding Educational Specification, grant and next steps.
- December 2013 – February 2014 public meetings to gather input for Educational Specification plan.
- Project updates provided to K-Selo residents via school principal and/or meeting on 11/17/16, 2/3/17, 3/15/17, 12/14/17 and 12/20/17.
- February 7 and 16, 2018-K-Selo public meetings regarding selection of site.

**KPB Legislation and public meetings:**

- KPB O2012-19-51 (5/21/13) Ordinance Accepting and Appropriating Up to \$154,000 from the Community Development Block Grant Program [...] (Funding supplemented the completion of the K-Selo K-12 Education Specification Plan)
- KPB-0636 (3/8/16) Kachemak-Selo School Construction Timeline – Work Session
- KPB O2018-21 (5/4/18) Ordinance Providing for the Submission of the Qualified Voters of the Kenai Peninsula Borough the question of the Issuance of Not to Exceed Five Million Four Hundred Fifty Thousand Dollars (\$5,450,000) of General Obligation Bonds of the [...]
- KPB O2018-19-02 (8/7/18) Ordinance Accepting and Appropriating \$10,010,000 from DEED Subject to Voter Approval [...]
- KPB-1813 (8/7/18) Approval of the Proposition Summary to be included in the Voter Pamphlet for Prop No. 1 [...]
- KPB O2018-19-25 (1/22/19) Ordinance Accepting and Appropriating \$10,010,000 from DEED [...] (without \$5,450,000 match).

**Who will own the project or facility?** Kenai Peninsula Borough

**Entity responsible for providing ongoing operation and maintenance of this project?** Kenai Peninsula Borough

**How will operations and maintenance be funded after the project is complete?** Kenai Peninsula Borough and Kenai Peninsula Borough School District Operating Budgets.

**Please select a project type** (choose only one):

- Planning and Research
- Maintenance and Repairs
- Remodel, Reconstruction and Upgrades
- New Construction and Land Acquisition
- Equipment and Materials
- Information System and Technology
- Other:

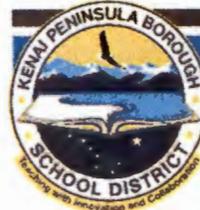
**Photos (page 1 – 3)**

1. Elementary Building #1
2. Elementary Building #2
3. Middle/High School Building
4. Aerial map Kachemak Selo, building locations
5. Example of switchback trail conditions
6. Access into the village by trail and across beach at low tide
7. GIS aerial map
8. - 10. Interior photos
11. Educational Specification Plan - public meeting



Office of the Borough Mayor

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(907) 714-2150



Office of the Superintendent

148 N. Binkley Street  
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(907) 714-8888

April 30, 2021

Peter Micciche, Alaska State Senator  
State of Alaska  
State Capital Room 111  
Juneau, AK 99801

*Sent via email*

Subject: Kachemak Selo K12 Construction Project

Dear Senator Micciche:

Let this letter reflect the collaborative request from the borough and the school district for your sponsorship to re-appropriate \$10,010,000 from Alaska Department of Education and Early Development (DEED) to Alaska Department of Community, Commerce, and Economic Development (DCCED).<sup>1</sup> Moving the funds from DEED pursuant to AS 14.11.020 and 4AAC 31.023 *et seq* to DCCED as a designated legislative grant pursuant to the provisions of AS 37.05.315, Grants to Municipalities SLA 2021, will allow the borough to construct a facility that serves the educational, emergency or non-emergency needs in the unincorporated community of Kachemak Selo. Upon execution of the legislative grant, the borough will own and maintain the facility.

Re-appropriating these funds to DCCED will solve some of the extraordinary transportation and access issues by allowing the borough to work with private industry to solve the challenges of providing a facility in this remote community. This approach will meet the educational and community needs of the Kachemak Selo community as well as save millions of dollars in taxpayer funds.

For your consideration, suggested amendment language to *Senate Bill 50* would re-appropriate the funding: [...] to the Kenai Peninsula Borough for use toward constructing a facility that serves the educational needs in the remote village of Kachemak Selo.<sup>2</sup>

Please contact Brenda Ahlberg, Community & Fiscal Projects Manager should you need additional information at 907-714-2153 or [bahlberg@kpb.us](mailto:bahlberg@kpb.us)

Sincerely,

Charlie Pierce  
Mayor

ba/CP, JO

Sincerely,

John O'Brien  
Superintendent

CC: James Baisden, KPB Chief of Staff  
Brenda Ahlberg, KPB Community & Fiscal Projects Manager  
John Hedges, KPB Purchasing & Capital Projects Manager

Clayton Holland, KPBSD Assistant Superintendent of Instruction  
Dave Jones, KPBSD Assistant Superintendent  
Kevin Lyon, KPBSD Planning & Operations Director

<sup>1</sup> State Legislative Action 2016, Senate Bill 138, Kachemak Selo K-12 School Construction, Chapter 2/4 SSIA 16 page 3, lines 24-25.

<sup>2</sup> State Legislative Action 2021, Senate Bill 50: "An Act making appropriations, including capital appropriations, reappropriations, and other appropriations; making supplemental appropriations; making appropriations to capitalize funds; and providing for an effective date."