

# **Kenai Peninsula Borough**

*144 North Binkley Street  
Soldotna, AK 99669*



## **Meeting Agenda**

**Tuesday, September 17, 2024**

**6:00 PM**

**Betty J. Glick Assembly Chambers**

### **Assembly**

*Brent Johnson, President*

*Tyson Cox, Vice President*

*Kelly Cooper*

*Cindy Ecklund*

*Bill Elam*

*Brent Hibbert*

*Peter Ribbens*

*Ryan Tunseth*

*Mike Tupper*

**CALL TO ORDER****PLEDGE OF ALLEGIANCE****INVOCATION**

*Any invocation that may be offered at the beginning of the assembly meeting shall be a chaplain from borough fire and emergency service areas. No member of the community is required to attend or participate in the invocation.*

**ROLL CALL****COMMITTEE REPORTS****APPROVAL OF AGENDA AND CONSENT AGENDA**

*(All items listed with an asterisk (\*) are considered to be routine and non-controversial by the Assembly and will be approved by one motion. Public testimony will be taken. There will be no separate discussion of these items unless an Assembly Member so requests, in which case the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda.)*

**ACTION ITEMS CURRENTLY ON CONSENT AGENDA:**

KPB-6313: September 3, 2024 Regular Assembly Meeting Minutes

Ordinance 2024-19-11: Deobligating Some or All In-Kind Services by the Cities of Kenai, Soldotna and Homer

Ordinance 2024-19-12: Appropriating up to \$53,221.25 to the Disaster Response Fund

KPB-6316: Approval of Precinct Boards, Canvass Board, and Absentee Voting

Officials for the October 1, 2024 Regular Municipal Election

**ACTION ITEM ELIGIBLE TO BE ADDED TO THE CONSENT AGENDA:**

Ordinance 2024-19-06: Deobligating Bond Proceeds in the South Kenai Peninsula Hospital Service Area Capital Project Fund and Appropriating the Remaining Bond Proceeds to Fund the Annual Debt Service for South Kenai Peninsula Hospital Service Area

Ordinance 2024-19-07: Acquisition of Real Property Located Adjacent to the North Star School Campus in Nikiski and Appropriating Funds from the Land Trust Fund for the Purchase

Ordinance 2024-19-08: Appropriating Funds from Road Service Area Operating Fund Balance to Support RSA Board Approved RIAD Projects and to Prepare the Fund for Proposed Fiscal Year 2025 Projects

Ordinance 2024-19-10: Redirecting Previously Appropriated Solid Waste Capital Project Funds for Projects at Solid Waste Facilities in Seward and Homer

Ordinance 2024-26: Accepting Grant Funds from the State of Alaska Department of Education and Early Development for the Homer High School Partial Roof Replacement and Authorizing the Mayor to Execute the Project Agreement

KPB-6315: Certification of the 2024 Personal Property Tax Supplemental Assessment Roll

**APPROVAL OF MINUTES**

[KPB-6313](#) LAYDOWN September 3, 2024 Regular Assembly Meeting Minutes

## COMMENDING RESOLUTIONS AND PROCLAMATIONS

[KPB-6318](#) A Resolution Commending the State of Alaska Department of Transportation and Public Facilities for Their Extraordinary Efforts in the Structural Upgrades to Funny River Road During the Construction Period March 2023 Through August 2024 (Elam)

*Attachments:* [DOT Commending](#)

## PRESENTATIONS WITH PRIOR NOTICE

*(20 minutes total)*

1. [KPB-6273](#) Central Peninsula General Hospital Inc., Quarterly Report, Shaun Keef, CEO

*Attachments:* [CPH Borough Assembly Quarterly Report 090324](#)

2. [KPB-6312](#) Cooper Landing Library Update, Virginia Morgan, Board Member (10 Minutes)

*Attachments:* [Public Library Assistance Grant Presentation](#)

## MAYOR'S REPORT

[KPB-6314](#) Mayor's Report Cover Page

*Attachments:* [Mayor's Report Cover Page](#)

1. Assembly Requests/Responses
2. Agreements and Contracts
3. Other
  - a. [KPB-6315](#) Certification of the 2024 Personal Property Tax Supplemental Assessment Roll

*Attachments:* [Certification of the 2024 Personal Property Supplemental Assessment Roll](#)

## PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

*(3 minutes per speaker; 20 minutes aggregate)*

## ITEMS NOT COMPLETED FROM PRIOR AGENDA

## PUBLIC HEARINGS ON ORDINANCES

*(Testimony limited to 3 minutes per speaker)*

## Ordinances referred to Finance Committee

1. [2024-19-06](#) An Ordinance Deobligating Bond Proceeds in the South Kenai Peninsula Hospital Service Area Capital Project Fund and Appropriating the Remaining Bond Proceeds to Fund the Annual Debt Service for South Kenai Peninsula Hospital Service Area General Obligation Bonds (Mayor)  
  
*Attachments:* [Ordinance 2024-19-06](#)  
[Memo](#)  
[Reference Copy O2016-15](#)  
[Reference Copy R2016-067](#)
  
2. [2024-19-07](#) An Ordinance Authorizing the Acquisition of Real Property Located Adjacent to the North Star School Campus in Nikiski Necessary for Future School Use and Appropriating Funds from the Land Trust Fund for the Purchase (Mayor)  
  
*Attachments:* [Ordinance 2024-19-07](#)  
[Memo](#)  
[Purchase Agreement](#)  
[Vicinity Map](#)
  
3. [2024-19-08](#) An Ordinance Appropriating Funds from the Road Service Area Operating Fund Balance to the Engineer's Estimate Fund to Support RSA Board Approved RIAD Projects in Process and to Prepare the Fund for Proposed Fiscal Year 2025 Projects (Mayor)  
  
*Attachments:* [Ordinance 2024-19-08](#)  
[Memo](#)
  
4. [2024-19-10](#) An Ordinance Redirecting Previously Appropriated Solid Waste Capital Project Funds for Projects at Solid Waste Facilities in Seward and Homer (Mayor)  
  
*Attachments:* [Ordinance 2024-19-10](#)  
[Memo](#)  
[Reference Copy O2021-19-21](#)
  
5. [2024-26](#) Accepting Grant Funds from the State of Alaska Department of Education and Early Development for the Homer High School Partial Roof Replacement and Authorizing the Mayor to Execute the Project Agreement (Mayor)

Attachments:     [Ordinance 2024-26](#)  
                          [Memo](#)  
                          [Homer Roof Grant DEED PA AGR](#)  
                          [Reference Copy O2020-19-21](#)  
                          [Reference Copy O2021-19-28](#)

## UNFINISHED BUSINESS

### NEW BUSINESS

1. Resolutions - None
2. Ordinances for Introduction

Ordinances for Introduction and referred to Finance Committee

- \*a.     [2024-19-11](#)     An Ordinance Deobligating Some or All In-Kind Services by the Cities of Kenai, Soldotna, and Homer and Appropriating their Cash Contributions as Required Match Funds for the Safe Streets and Roads for All Grant Project (Mayor) (Hearing on 10/08/24)

Attachments:     [Ordinance 2024-19-11](#)  
                          [Memo](#)  
                          [Reference Copy O22-19-50](#)

- \*b.     [2024-19-12](#)     An Ordinance Appropriating Up To \$53,221.25 to the Disaster Response Fund for Expenditures Responding to the Recent Flooding in the Seward Bear Creek Flood Service Area (Mayor) (Hearing on 10/08/24)

Attachments:     [Ordinance 2024-19-12](#)  
                          [Memo](#)

### 3. Other

- \*a.     [KPB-6316](#)     Approval of Precinct Boards, Canvass Board, and Absentee Voting Officials for the October 1, 2024 Regular Municipal Election

Attachments:     [Memo Approval of Precinct Boards, Canvass Board](#)

## PUBLIC COMMENTS AND PUBLIC PRESENTATIONS

### ASSEMBLY COMMENTS

### PENDING LEGISLATION

*(This item lists legislation which will be addressed at a later date as noted.)*

1. [2023-005](#) A Resolution of Intent by the Kenai Peninsula Borough Assembly Establishing that Financing of Energy and Resilience Improvement Projects through Assessments Serves a Valid Public Purpose and Related Matters (Ecklund) (Referred to Lands Committee) [Tabled on 10/24/23]

*Attachments:* [Resolution 2023-005](#)  
[Memo](#)  
[Ecklund Amendment](#)  
[C-PACER Program Handbook](#)  
[102423 Public Comments](#)  
[010323 Public Comments](#)  
[eComment](#)

2. [2024-029](#) (Cox, Hibbert) Substitute: A Resolution Placing an Areawide Question on the October 2024 Ballot Asking whether the Borough Should Levy Up to a 12 Percent Lodging Tax on Short-Term Rental Accommodations and Overnight Camping Facilities, Exempt these Rentals from the General Sales Tax, and Provide that up to One Half of the Tax may be Exempted Inside Cities with an Adopted Lodging Tax (Cox, Hibbert) (Referred to Finance Committee) [Tabled on 06/18/24]

*Attachments:* [Resolution 2024-029 Substitute](#)  
[Memo Substitute](#)  
[SOA Bed Tax Comparison](#)  
[Cox Lodging Tax Benefits Summary](#)  
[Public Comment 070924](#)  
[Resolution 2024-029 \(amended by Sub 06/18/24\)](#)  
[Public Comment 061824](#)  
[Fiscal Note](#)  
[CPL Master Plan 2023 Data](#)  
[Memo](#)  
[eComment 061824](#)

## INFORMATIONAL MATERIALS AND REPORTS

## ASSEMBLY MEETING AND HEARING ANNOUNCEMENTS

1. October 8, 2024 6:00 PM  
Regular Assembly Meeting  
Betty J. Glick Assembly Chambers  
Borough Administration Building  
Remote participation available through Zoom  
Meeting ID: 895 1103 3332 Passcode: 193069

## **ADJOURNMENT**

*The next meeting of the Kenai Peninsula Borough Assembly will be held on October 8, 2024 at 6:00 P.M. in the Borough Assembly Chambers, Soldotna, Alaska.*

*This meeting will be broadcast on KDLL-FM 91.9 (Central Peninsula), KBBI-AM 890 (South Peninsula), K201AO(KSKA)-FM 88.1 (East Peninsula).*

*The meeting will be held in the Betty J. Glick Assembly Chambers, Borough Administration Building, Soldotna, Alaska. The meeting will also be held via Zoom, or other audio or video conferencing means whenever technically feasible. To attend the Zoom meeting by telephone call toll free 1-888-788-0099 or 1-877-853-5247 and enter the Meeting ID: 895 1103 3332 Passcode: 193069. Detailed instructions will be posted on at the Kenai Peninsula Borough's main page at [www.kpb.us](http://www.kpb.us): "Borough Assembly Meeting Notices" "Assembly Meeting Calendar".*

*For further information, please call the Clerk's Office at 714-2160 or toll free within the Borough at 1-800-478-4441, Ext. 2160. Visit our website at [www.kpb.us](http://www.kpb.us) for copies of the agenda, meeting minutes, ordinances and resolutions.*

Introduced by:  
Date:  
Action:  
Vote:

Elam  
09/17/24

**KENAI PENINSULA BOROUGH  
COMMENDING RESOLUTION**

**A RESOLUTION COMMENDING THE STATE OF ALASKA DEPARTMENT OF  
TRANSPORTATION AND PUBLIC FACILITIES FOR THEIR EXTRAORDINARY  
EFFORTS IN THE STRUCTURAL UPGRADES TO FUNNY RIVER ROAD DURING  
THE CONSTRUCTION PERIOD MARCH 2023 THROUGH AUGUST 2024**

**WHEREAS,** the State of Alaska, Department of Transportation and Public Facilities, (DOT&PF) pursuant to road project number 0485002CHWY00493 upgraded and improved 16 miles of Funny River Road (FRR) in the Kenai Peninsula by, in an extraordinary professional manner, completing the following actions:

- Resurfaced 13 road miles of FRR while employing a safe and professional construction safe work area;
- Replaced and upgraded over 10 undersized drainage culverts;
- Restriped the entire road identifying appropriate passing lanes, center and breakdown lanes; Replaced all informational, warning, street and speed enforcement signs;
- Upgrading and paved five pullout/parking areas;
- Created positive grade drainage slopes thereby ensuring excess surface water is diverted to appropriate drainage culverts; thereby, not allowed water overflow to freeze on the road surface during spring break-up; and
- Through positive traffic control in the construction area, minimized the inconvenience of local and business vehicle traffic; and

**WHEREAS,** through the positive actions of the State of Alaska, DOT&PF a safe surface traffic corridor was improved; and

**WHEREAS,** by these actions the residents and visitors to the Funny River community now can enjoy a safe and much more efficient sole vehicle traffic corridor; and

**WHEREAS,** by the collective efforts of DOT&PF this road upgrade will allow the residents an improved exit route during times of emergency evacuation;

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



**SECTION 1.** That the Assembly recognizes and commends the outstanding efforts of the State of Alaska DOT&PF for their professional efforts in the budgeting for, project design, contractor selection process, on-site project management oversight and project updates to Funny River Road; thereby enhancing the Funny River community.

**SECTION 2.** That the Kenai Peninsula Borough further recognizes and commends the professionalism demonstrated by Mr. Ramadan 'Donny' Greva, Project Engineer; Mr. Ryan Hammel, Design Engineer, and employees of Knik Construction, Inc., DOT&PF's general contractor on the project, throughout this five year endeavor.

**SECTION 3.** That a copy of this resolution shall be provided to the Commissioner of the DOT&PF.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF SEPTEMBER 2024.**

---

Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:



# CPGH, Inc. Quarterly Report

Prepared for  
The Kenai Peninsula Borough  
Assembly and Administration  
September 3, 2024

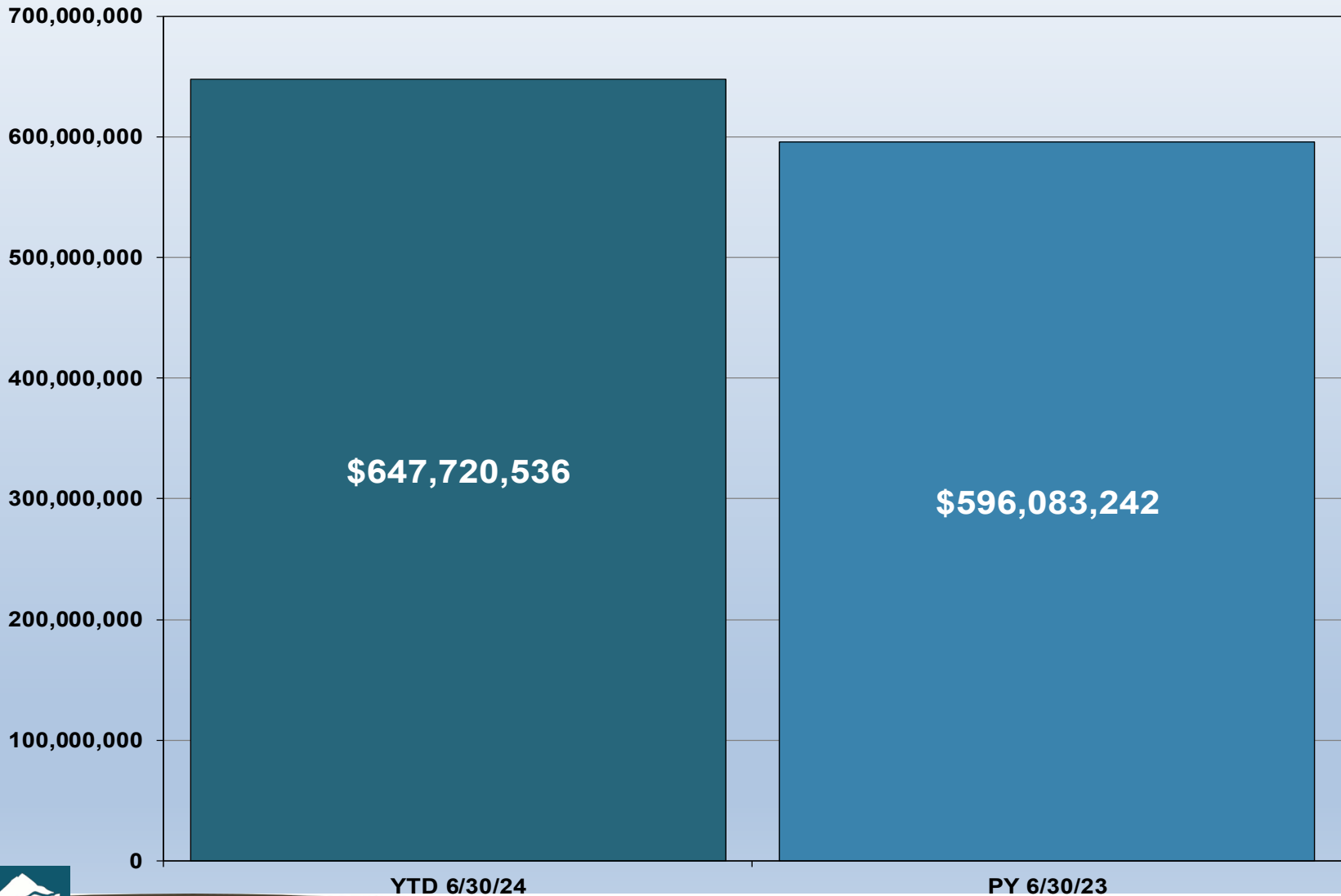


# Presentation Agenda

- Finance Report (Unaudited-Draft) as of June 30, 2024
- Community Benefit Program and Bad Debt FY24
- PREF Update
- Statistical Review FY24
- Bonds & Community Benefits – A 13-Year Lookback
- New Staff at CPGH, Inc.



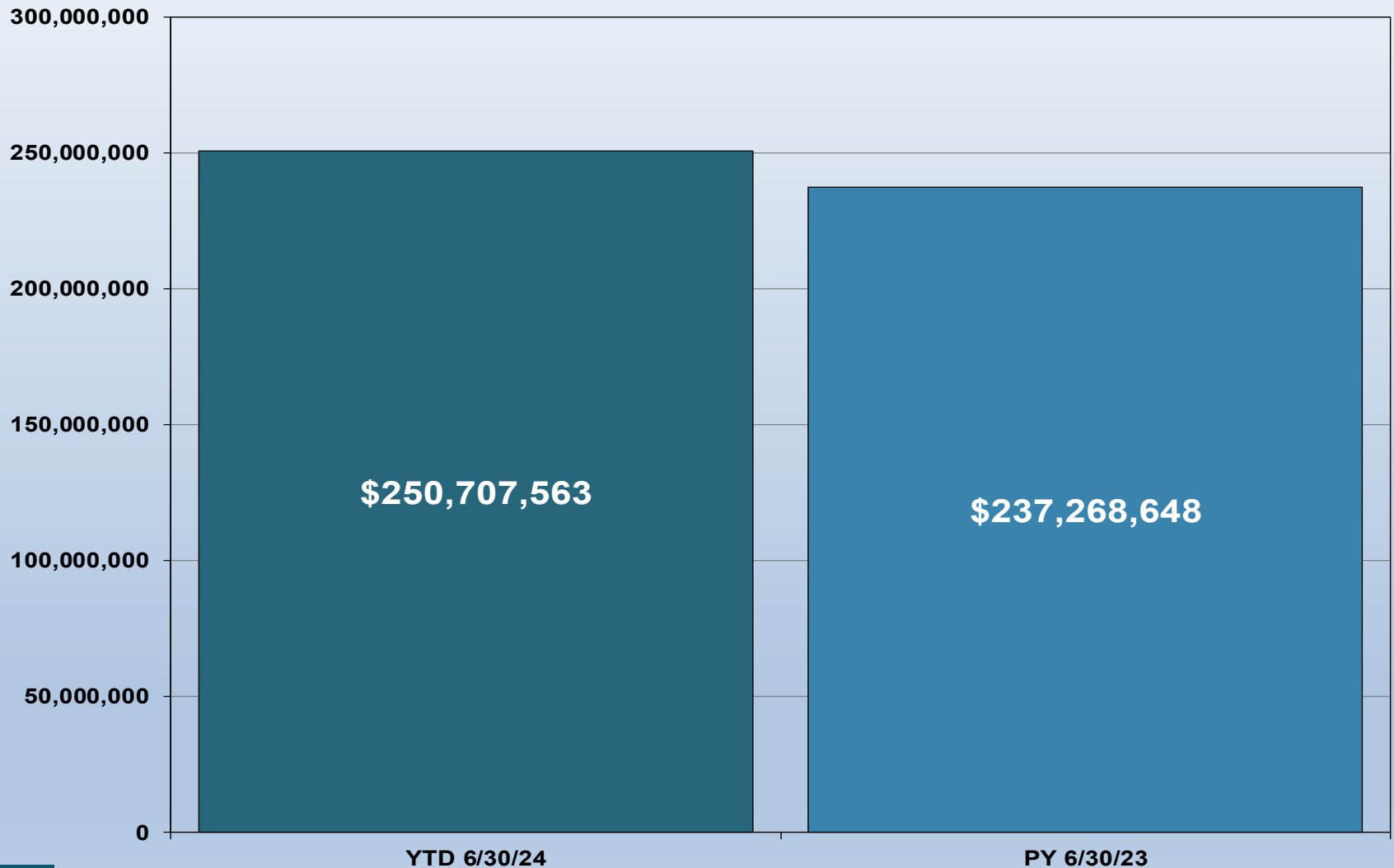
# CPH Gross Patient Revenue – FY2024



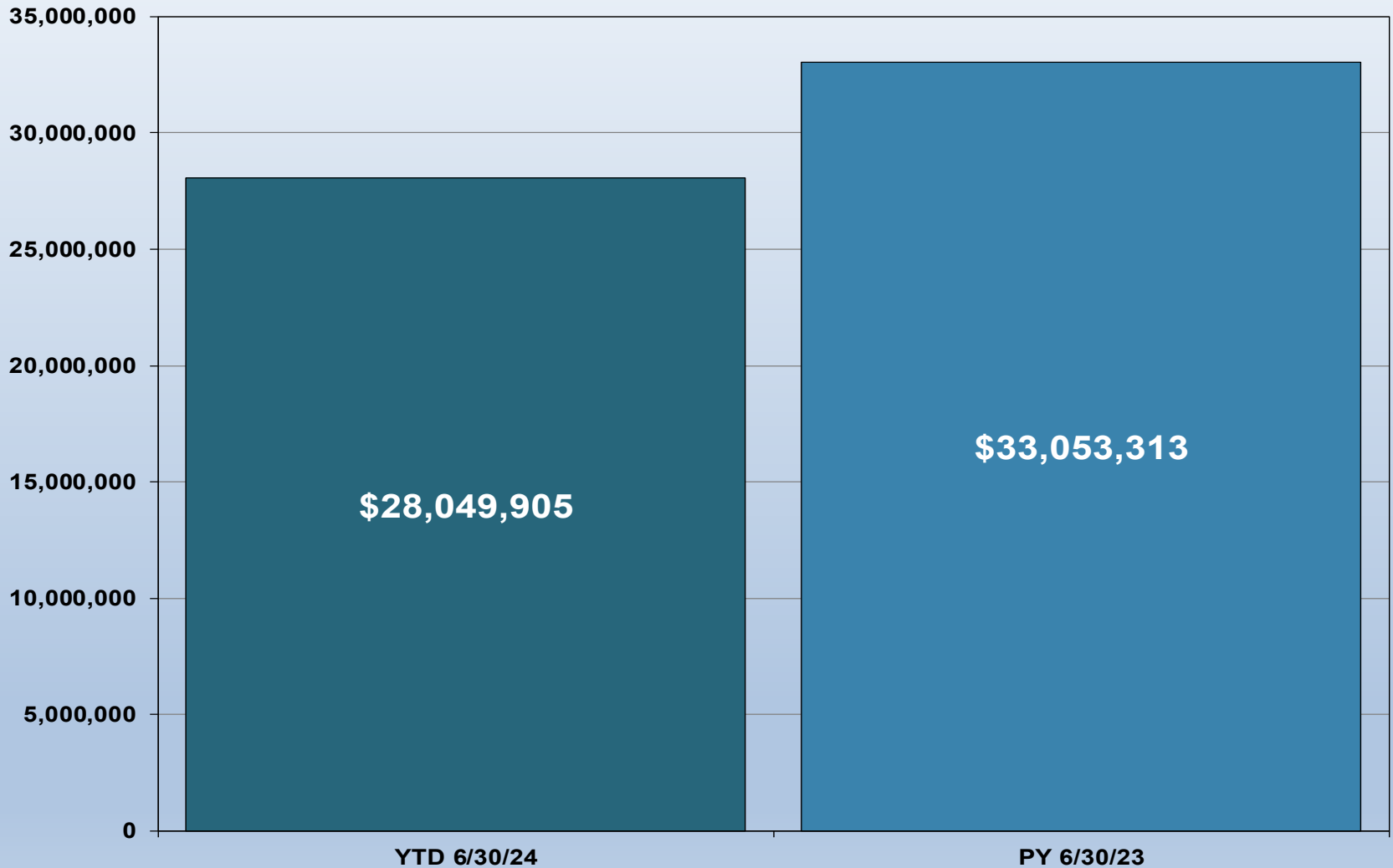
*State-of-the-Art Technology. State-of-the-Heart Care.*



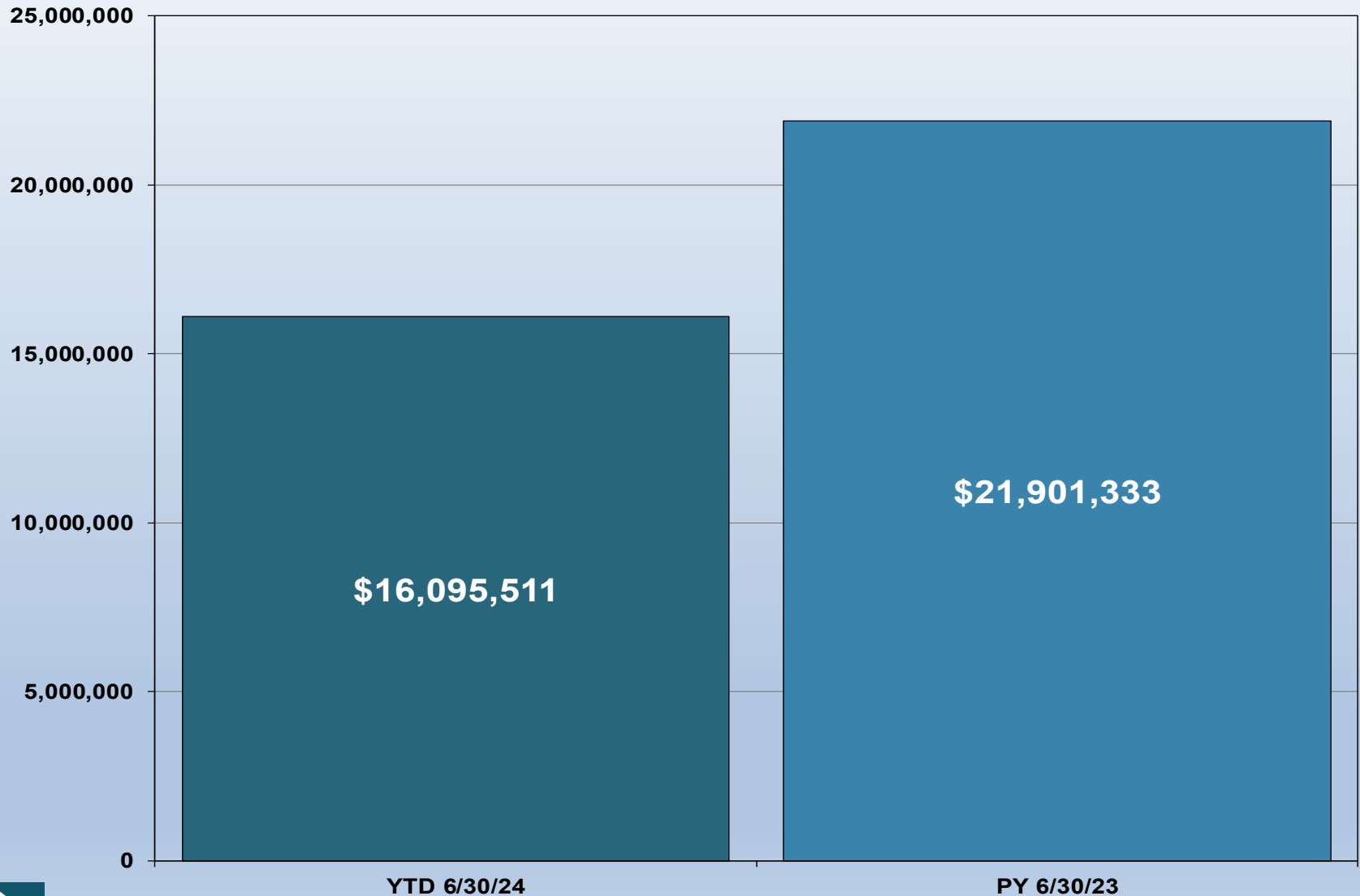
# CPH Net Patient Revenue – FY2024



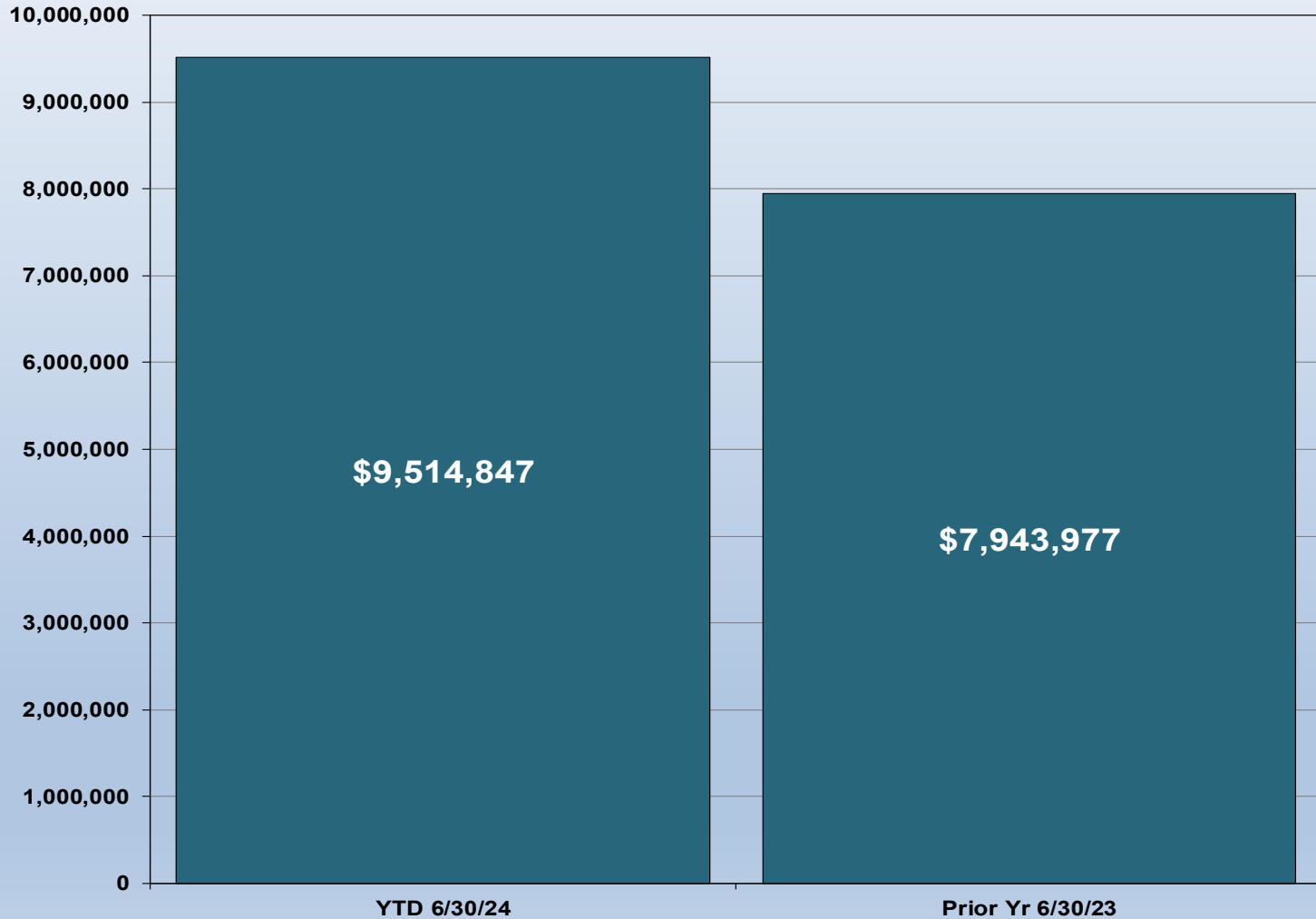
# Operating Income / (Loss) – FY2024



# CPH Net Income / (Loss) – FY2024

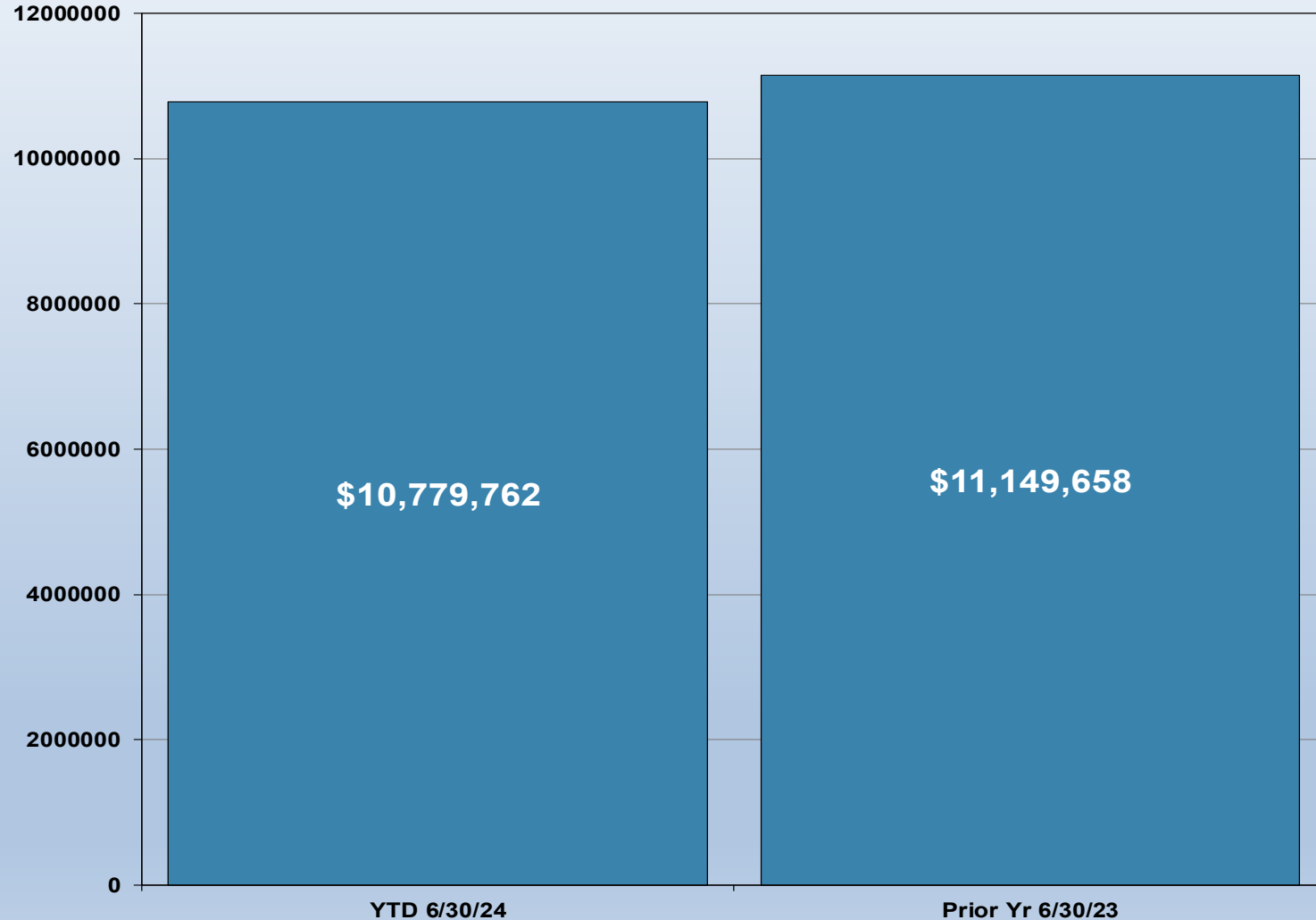


# Uncompensated Care – FY2024 Community Benefits Program

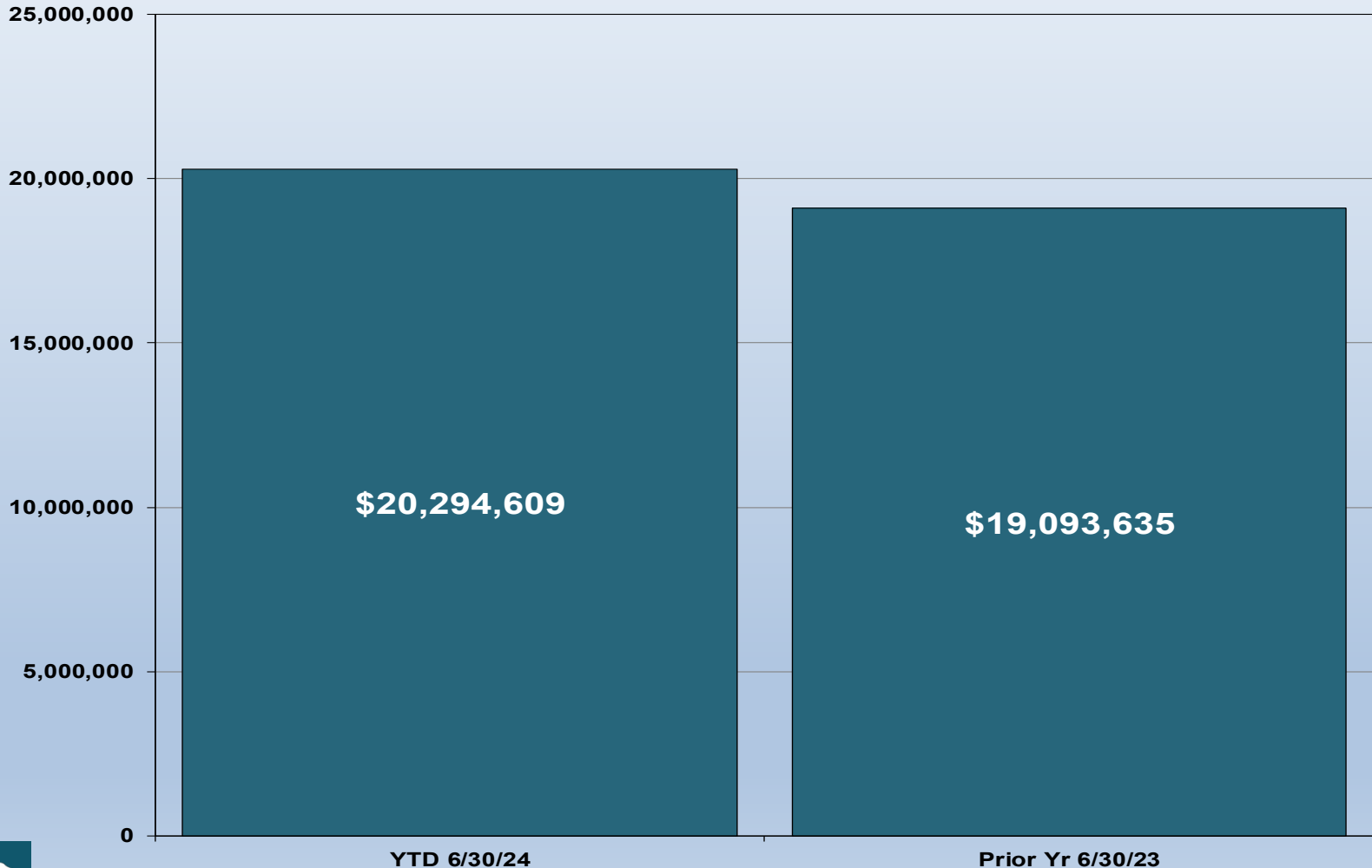




# Uncompensated Care – FY2024 Bad Debt

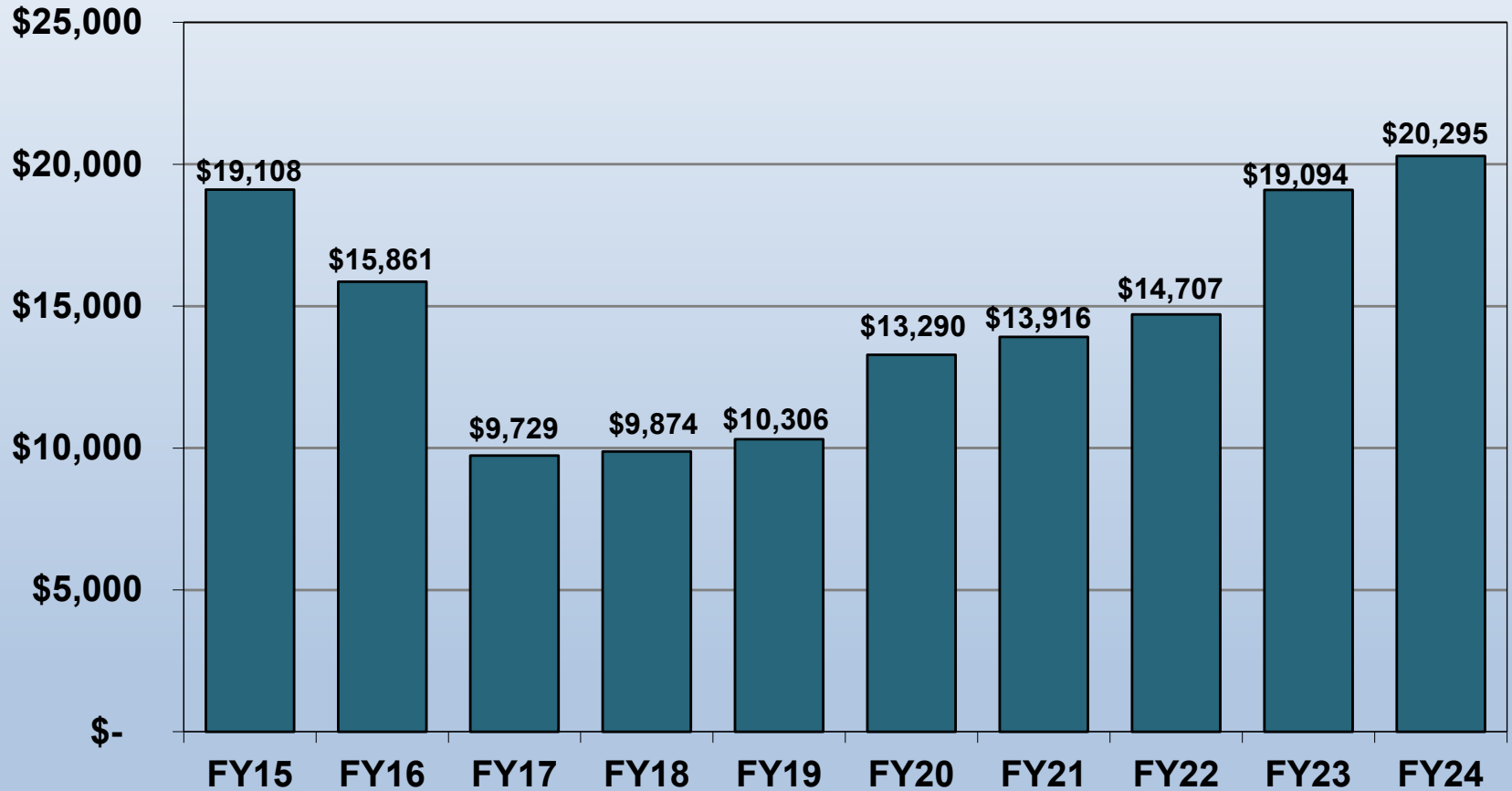


# Uncompensated Care – FY2024 Community Benefits Program & Bad Debt Combined



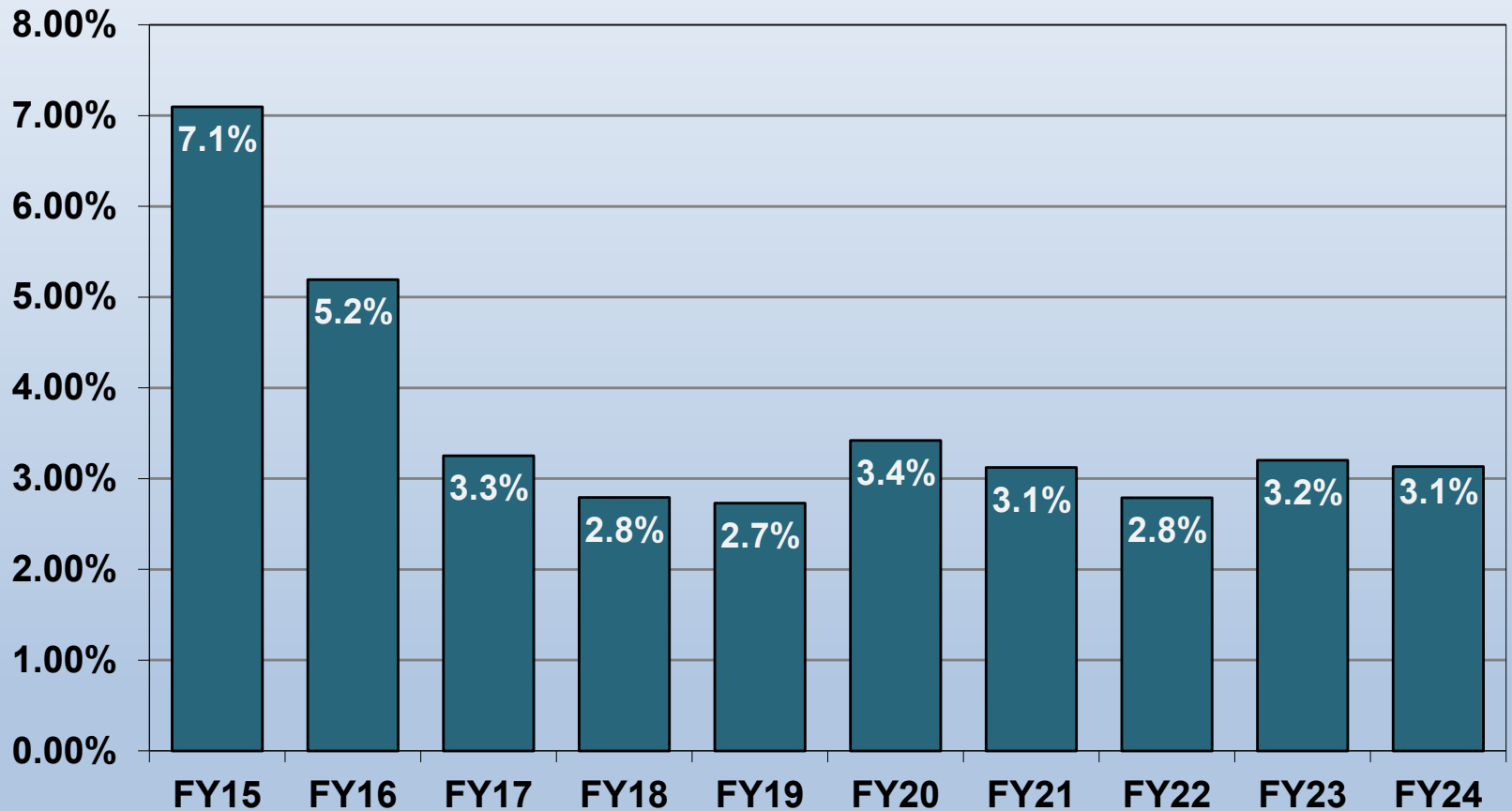
# Uncompensated Care Trend

(Community Benefits Program & Bad Debt, in thousands of Dollars)



# Uncompensated Care Trend

(Community Benefits Program & Bad Debt as Percentage of Gross Revenue)

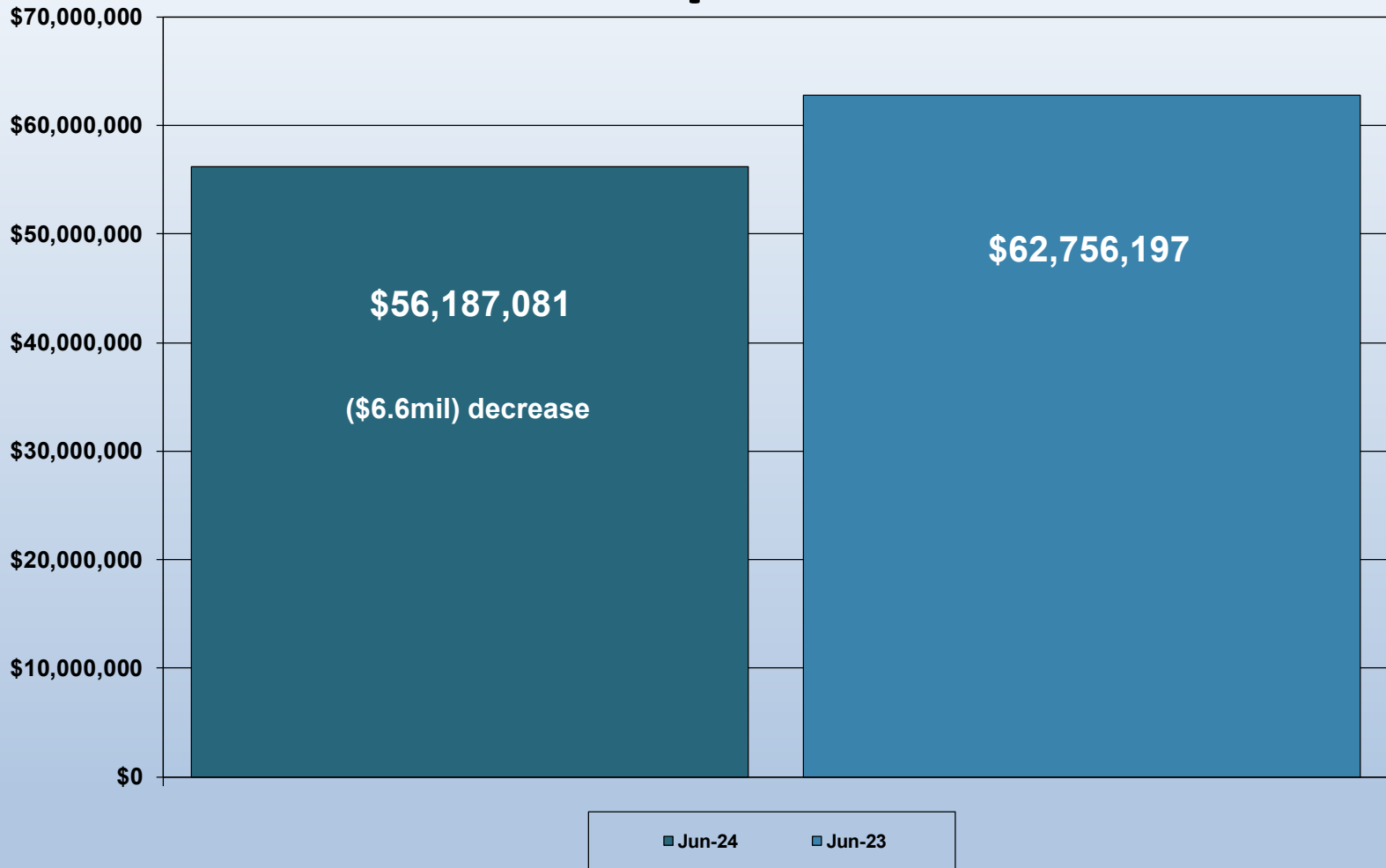


# Community Benefits Program & Bad Debt FY 2024

- \$20.3 Million in uncompensated care provided to community members YTD.
- Community Benefits Program Brochure and application available at the following website:
  - <https://www.cpgh.org/financial>
- Want to do a quick check to see if you qualify for a Community Benefit Discount?
  - <https://www.cpgh.org/check>



# Cash & Cash Equivalents FY2024



**Total of \$9.3 million transferred out of Operating Cash beyond normal business through 6/30/2024. This includes:**

- \$9.3 million in Net Cash Transfers to Plant Replacement Fund



# Transfers to Plant Replacement & Expansion Fund

- PREF account balance at 6/30/2024 = \$75,618,801
- CPH Days Operating Cash on Hand at 6/30/2024 = 81.58 days
- Amount transferred to PREF in FY24 as of 6/30/2024 = \$9,318,667
  - \$7,409,265 in September 2023 for quarter ending 6/30/23
  - \$1,909,402 in October 2023 for quarter ending 9/30/2023



# Statistical Review July 1, 2023 – June 30, 2024

Year over Year FYTD24 - June 30, 2024 Comparison			
	FYTD24	Prior FYTD23	Difference
Acute Care Patient Days	11,023	11,378	(355)
Swing Bed Days	4,617	4,126	491
Births	385	340	45
Serenity House Census Days	4,156	4,126	30
Total Hospital Outpatient Visits	187,334	178,343	8,991
Surgery Cases	5,500	5,095	405
Oncology/Infusion Units	41,540	38,710	2,830
Emergency Room Visits	17,081	17,044	37
Laboratory Total Billed Procedures	297,172	296,546	626
Pathology Procedures	11,625	11,316	309
Radiology Procedures	23,800	23,721	79
CT Scans	12,785	12,021	764
MRI Procedures	4,927	4,572	355
Mammography/Bone Density Procedures	5,199	4,841	358
Pharmacy Doses Dispensed	3,578,169	2,912,622	665,547
Physical Therapy Units	59,758	56,609	3,149
Occupational Therapy Units	14,600	12,315	2,285
Speech Therapy Units	9,611	7,734	1,877
Family Practice Clinic Visits	11,971	11,477	494
Specialty Clinic Visits	39,259	34,767	4,492
Specialty Clinic Surgical Cases	4,115	3,750	365
Cath Lab Procedures	1,280	187	1,093
Urgent Care Visits	8,087	6,807	1,280





# Bonds and Community Benefit

## A 13-year Lookback

- Since 2011, CPH has paid \$46,555,375 in General Obligation Bonds on behalf of the Taxpayers
- Since 2011, CPH has provided \$88,060,896 through the Community Benefit Program
- Total of \$134,616,271 Combined

Description	Date of Issue	Amount Issued	Maturity Date (FY)	Annual Pymt FY25	Principal Outstanding 06/30/24
GO Bonds 2003	12/10/2003	47,985,000	2004-2024	-	-
Revenue Bonds 2014	2/20/2014	32,490,000	2014-2029	2,955,312	15,095,000
Revenue Bonds 2017	11/29/2017	28,955,000	2018-2038	2,057,976	23,985,000
	<b>Total:</b>	<b>109,430,000</b>	<b>Total:</b>	<b>5,013,288</b>	<b>39,080,000</b>

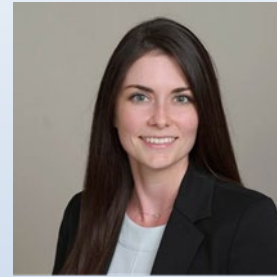
Estimated GO Bond Debt Paid on Behalf of Taxpayers Since 2011	46,555,375
Community Benefit to Taxpayers Since 2011	88,060,896
<b>Total Bond and Charity Care Paid:</b>	<b><u>134,616,271</u></b>



# New Staff at CPGH, Inc.



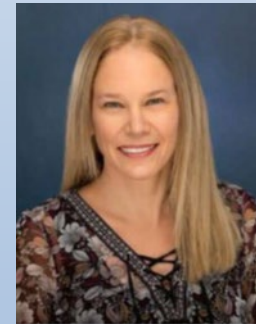
Jefferson Wassen, DO  
Family Practice Physician



Rachelle Blanc, DO  
Family Practice Physician



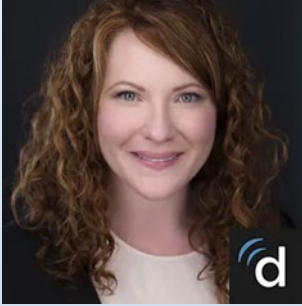
Eric Berger, MD  
Internal Medicine Physician



Naomi Arenson, MD  
Neurologist



# New Staff at CPGH, Inc.



Michelle Moyer, DO, MSW  
Psychiatrist



Samual Adams  
Orthopaedic Spine Surgeon



Marshall Pearson  
Chief Information Officer



# QUESTIONS?



# Public Library Assistance Grant Reduction

Cooper Landing Community Library  
*Virginia Morgan, Volunteer Director*  
cooperlandinglibrary@gmail.com



# Devastating News

- August 16 - Dr. Amy Phillips-Chan, Director of Alaska State Libraries, Archives & Museums, reduced Public Library Assistance Grants for FY25.
- Grants were reduced from **\$7,000** to **\$1,829** for over 80 libraries in the state.
- Severe consequences for small rural libraries.

# Background

- Governed by AK Statute 14.56.300.
- Up to \$7,000 per public library.
- Must be matched by local money, the fair value of volunteer labor, or a combination.
- Must provide at least the following services free of charge to residents:
  - a collection of books and other materials for loaning;
  - interlibrary loan services;
  - children's programs;
  - reference information.
- Used for books and media, utilities, and other operating expenses.



# Funding Changes

- Consistent and predictable funding for at least 37 years
- Alaska Public Library Statistics from FY1987 to present
- Over \$411,605 cut from FY 24 to FY 25, nearly 74% reduction

**FY22**

**\$608,969**

87 libraries

**FY23**

**\$602,000**

86 libraries

**FY24**

**\$561,605**

79 libraries

**FY25**

**\$150,000**

82 libraries  
(projected)

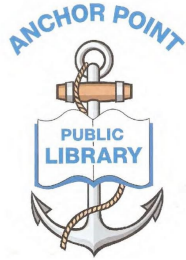


A stack of several old, worn books with wooden covers and dark spines, arranged in a slightly overlapping manner. The books are positioned at the bottom of the slide, partially obscured by the white text box.

# \$51,710

Approximate loss of revenue for Kenai Peninsula's Libraries

# Kenai Peninsula's Volunteer Libraries



**Anchor Point**



**Cooper Landing**



**Hope**



**Moose Pass**



**Ninilchik**



**Seldovia**

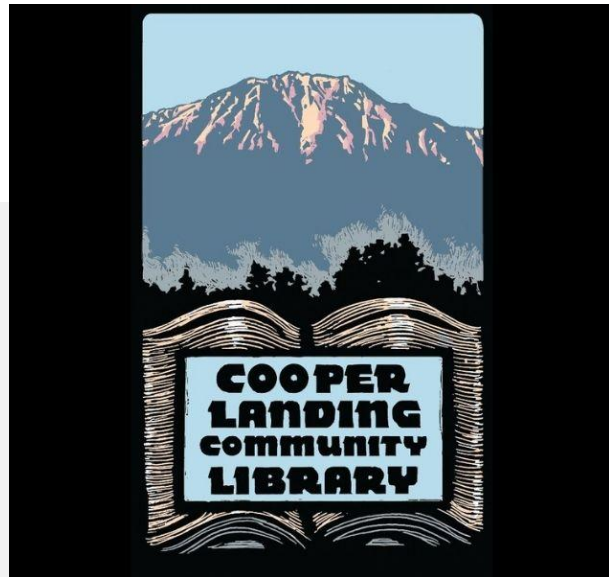
# How you can help

- Donate to small libraries!
- Email [eed.library.grants@alaska.gov](mailto:eed.library.grants@alaska.gov) with comments and concerns about this cut to PLA Grant funding.
- Let the Governor and state legislators know the value libraries provide to their communities and how much they depend on state support.



# Thank You

Questions? Email [cooperlandinglibrary@gmail.com](mailto:cooperlandinglibrary@gmail.com).



SCAN TO DONATE



Kenai Peninsula Borough  
Office of the Borough Mayor

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MAYOR'S REPORT TO THE ASSEMBLY

TO: Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

FROM: Peter A. Micciche, Kenai Peninsula Borough Mayor

DATE: September 17, 2024



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Assembly Request / Response

*None*

Agreements and Contracts

*None*

Other

- a. Certification of the 2024 Personal Property Supplemental Assessment Roll

**MEMORANDUM**

**TO:** Peter A. Micciche, Borough Mayor  
**FROM:** Adeena Wilcox, Borough Assessor  
**DATE:** September 1, 2024  
**RE:** Certification of the 2024 Personal Property Supplemental Assessment Roll

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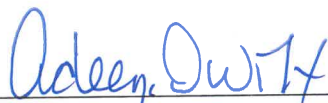
The undersigned, duly qualified and appointed Assessor of the Kenai Peninsula Borough, does hereby certify that the following is the total valuation contained in the 2024 Personal Property Supplemental Assessment Roll as of September 1, 2024.

**The total assessed value for the Kenai Peninsula Borough, including all properties on this assessment roll is as follows:**

<b>PERSONAL PROPERTY</b>	<b>TOTAL PROPERTY</b>
\$25,876,865	<b>\$25,876,865</b>

**The total taxable value for the Kenai Peninsula Borough is as follows:**

<b>PERSONAL PROPERTY</b>	<b>TOTAL PROPERTY</b>
\$18,861,273	<b>\$18,861,273</b>

  
Adeena Wilcox, Borough Assessor

**KENAI PENINSULA BOROUGH  
SUMMARY OF COMBINED PROPERTY VALUES**

**Assessed Value before Exemptions**

<b>Assessed Value</b>		<b>VALUE</b>
<b>Personal Property</b>	<b>\$</b>	<b>25,876,865</b>
<b>Real Property</b>	<b>\$</b>	<b>-</b>
<b>Oil Property</b>	<b>\$</b>	<b>-</b>
<b>TOTAL BOROUGH ASSESSED</b>	<b>\$</b>	<b>25,876,865</b>

**Assessed Value after Exemptions**

<b>Taxable Value</b>		<b>VALUE</b>
<b>Personal Property</b>	<b>\$</b>	<b>18,861,273</b>
<b>Real Property</b>	<b>\$</b>	<b>-</b>
<b>Oil Property</b>	<b>\$</b>	<b>-</b>
<b>TOTAL BOROUGH TAXABLE</b>	<b>\$</b>	<b>18,861,273</b>

2024 CERTIFIED SUPP PPV ROLL

SERVICE AREA TAXABLE CERTIFIED SUPPLEMENTAL PPV VALUES

TAG 57	Bear Creek Fire Service Area	
	Assessed Value	Taxable Value
REAL	-	-
OIL	-	-
PERSONAL	1,180,822	988,864
<b>TOTAL</b>	<b>1,180,822</b>	<b>988,864</b>

TAG 54, 58, 70	Central Emergency Services Area	
	Assessed Value	Taxable Value
REAL	-	-
OIL	-	-
PERSONAL	10,506,141	8,230,093
<b>TOTAL</b>	<b>10,506,141</b>	<b>8,230,093</b>

TAG 30,53,54,55,58,61,63,70	Central Kenai Peninsula Hospital Service Area (TY18 & Prior)	
	Assessed Value	Taxable Value
REAL	-	-
OIL	-	-
PERSONAL	14,770,590	10,722,839
<b>TOTAL</b>	<b>14,770,590</b>	<b>10,722,839</b>

TAG 30,53,54,55,58,59,61,62,63,70	Central Kenai Peninsula Hospital Service Area (TY19 & Future)	
	Assessed Value	Taxable Value
REAL	-	-
OIL	-	-
PERSONAL	14,800,590	10,746,589
<b>TOTAL</b>	<b>14,800,590</b>	<b>10,746,589</b>

TAG 62,63,64	Central Peninsula Emergency Med	
	Assessed Value	Taxable Value
REAL	-	-
OIL	-	-
PERSONAL	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

TAG 81	Kachemak Emergency Service Area	
	Assessed Value	Taxable Value
REAL	-	-
OIL	-	-
PERSONAL	219,539	113,289
<b>TOTAL</b>	<b>219,539</b>	<b>113,289</b>

TAG 11,43,53,54,55,57,58,59,61,62,63,64,65,67,68,69,81	Road Service Area	
	Assessed Value	Taxable Value
REAL	-	-
OIL	-	-
PERSONAL	10,686,731	8,314,602
<b>TOTAL</b>	<b>10,686,731</b>	<b>8,314,602</b>

TAG 53, 55	Nikiski Fire Service Area	
	Assessed Value	Taxable Value
REAL	-	-
OIL	-	-
PERSONAL	1,128,943	552,299



**2024 CERTIFIED SUPP PPV ROLL**

	<b>TOTAL</b>	<b>1,128,943</b>	<b>552,299</b>
<b>TAG 55</b>	<b>Nikiski Senior Service Area</b>		
		<b>Assessed Value</b>	<b>Taxable Value</b>
	REAL	-	-
	OIL	-	-
	PERSONAL	897,957	515,674
	<b>TOTAL</b>	<b>897,957</b>	<b>515,674</b>
<b>TAG 53,54,55</b>	<b>North Peninsula Recreation Area</b>		
		<b>Assessed Value</b>	<b>Taxable Value</b>
	REAL	-	-
	OIL	-	-
	PERSONAL	1,128,943	552,299
	<b>TOTAL</b>	<b>1,128,943</b>	<b>552,299</b>
<b>TAG 40,41,43,57</b>	<b>Seward / Bear Creek Flood Service Area</b>		
		<b>Assessed Value</b>	<b>Taxable Value</b>
	REAL	-	-
	OIL	-	-
	PERSONAL	7,638,093	5,796,733
	<b>TOTAL</b>	<b>7,638,093</b>	<b>5,796,733</b>
<b>TAG 20,21,52,59,62,64,65,68,80,81</b>	<b>South Kenai Peninsula Hospital Service Area (TY18 &amp; Prior)</b>		
		<b>Assessed Value</b>	<b>Taxable Value</b>
	REAL	-	-
	OIL	-	-
	PERSONAL	2,865,680	2,111,431
	<b>TOTAL</b>	<b>2,865,680</b>	<b>2,111,431</b>
<b>TAG 11,20,21,52,62,64,65,68,69,80,81</b>	<b>South Kenai Peninsula Hospital Service Area (TY19 &amp; Future)</b>		
		<b>Assessed Value</b>	<b>Taxable Value</b>
	REAL	-	-
	OIL	-	-
	PERSONAL	3,136,135	2,238,780
	<b>TOTAL</b>	<b>3,136,135</b>	<b>2,238,780</b>
<b>TAG 10,11</b>	<b>Seldovia RSA</b>		
		<b>Assessed Value</b>	<b>Taxable Value</b>
	REAL	-	-
	OIL	-	-
	PERSONAL	252,785	33,607
	<b>TOTAL</b>	<b>252,785</b>	<b>33,607</b>
<b>TAG 59, 68</b>	<b>Western Emergency Services</b>		
		<b>Assessed Value</b>	<b>Taxable Value</b>
	REAL	-	-
	OIL	-	-
	PERSONAL	803,381	584,674
	<b>TOTAL</b>	<b>803,381</b>	<b>584,674</b>
<b>ALL TAGS</b>	<b>KPB - Borough Wide</b>		
		<b>Assessed Value</b>	<b>Taxable Value</b>
	REAL	-	-
	OIL	-	-
	PERSONAL	25,876,865	18,861,273
	<b>TOTAL</b>	<b>25,876,865</b>	<b>18,861,273</b>

Introduced by: Mayor  
Date: 09/03/24  
Hearing: 09/17/24  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2024-19-06**

**AN ORDINANCE DEOBLIGATING BOND PROCEEDS IN THE SOUTH KENAI  
PENINSULA HOSPITAL SERVICE AREA CAPITAL PROJECT FUND AND  
APPROPRIATING THE REMAINING BOND PROCEEDS TO FUND THE ANNUAL  
DEBT SERVICE FOR SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA  
GENERAL OBLIGATION BONDS**

**WHEREAS,** at the regular election held in the Borough on October 4, 2016, a majority of the qualified electors of the South Kenai Peninsula Hospital Service Area (“Service Area”) voted in favor a Proposition 2 authorizing the issuance of general obligation bonds of the Service Area in principal amount not to exceed \$4,800,000 to finance planning, designing, constructing and equipping South Peninsula Hospital Facilities and Homer Medical Clinic, as authorized by Ordinance No. 2016-15 of the Borough, passed by the Assembly on June 7, 2016 (the “Election Ordinance”); and

**WHEREAS,** Resolution 2016-067 authorized the issuance of bonds not to exceed \$4,800,000 through the Alaska Municipal Bond Bank to finance planning, designing, constructing and equipping South Peninsula Hospital Facilities and Homer Medical Clinic; and

**WHEREAS,** the project was completed in two phases and the remaining bond proceeds may be spent on annual debt service for the respective issuance;

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

**SECTION 1.** That \$1,478.19 in bond proceeds are deobligated from account number 491.81210.17SPM.49999 in the South Kenai Peninsula Hospital Service Area Capital Project Fund.

**SECTION 2.** That \$1,478.19 in South Kenai Peninsula Hospital Service Area bond proceeds is transferred and appropriated to account number 361.81210.17SPH.44010 the South Kenai Peninsula Hospital Service Area Debt Service Fund to support the final debt service payment for the 2017 South Kenai Peninsula Hospital Service Area General Obligation Bonds.

**SECTION 3.** That this ordinance shall be effective immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \* 2024.**

\_\_\_\_\_  
Brent Johnson, Assembly President

ATTEST:

\_\_\_\_\_  
Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Finance Department

## MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *PM*

**FROM:** Brandi Harbaugh, Finance Director *BH*

**DATE:** August 22, 2024

**SUBJECT:** Ordinance 2024-19- 06 Deobligating Bond Proceeds in the South Kenai Peninsula Hospital Service Area Capital Project Fund and Appropriating the Remaining Bond Proceeds to Fund the Annual Debt Service for South Kenai Peninsula Hospital Service Area General Obligation Bonds (Mayor)

At the regular election held in the Borough on October 4, 2016, a majority of the qualified electors of the South Kenai Peninsula Hospital Service Area (“Service Area”) voted in favor a Proposition 2 authorizing the issuance of general obligation bonds of the Service Area in principal amount not to exceed \$4,800,000 to finance planning, designing, constructing and equipping South Peninsula Hospital Facilities and Homer Medical Clinic, as authorized by Ordinance No. 2016-15 of the Borough, passed by the Assembly on June 7, 2016 (the “Election Ordinance”).

Resolution 2016-067 authorized the issuance of bonds not to exceed \$4,800,000 through the Alaska Municipal Bond Bank to finance planning, designing, constructing and equipping South Peninsula Hospital Facilities and Homer Medical Clinic.

This Ordinance would deobligate bond proceeds from the SPH Capital Project Fund and appropriate the remaining bond proceeds to fund a portion of the annual debt service payment for the 2017 SPH bonds.

Your consideration is appreciated.

FINANCE DEPARTMENT ACCOUNT/FUNDS VERIFIED	
Acct. No.	<u>491.81210.17SPM.49999</u>
Amount:	<u>\$1,478.19</u>
By: <u>  <i>BH</i>  </u>	Date: <u>8/19/2024</u>

Introduced by:	Mayor
Date:	05/17/16
Hearing:	06/07/16
Action:	Enacted
Vote:	7 Yes, 1 No, 1 Absent
Election Date:	10/04/16
Certified Date:	10/11/16
Ratified by the Voters:	58.32%, 41.68%

**KENAI PENINSULA BOROUGH  
ORDINANCE 2016-15**

**AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED  
VOTERS OF SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA THE  
QUESTION OF THE ISSUANCE OF NOT-TO-EXCEED FOUR MILLION EIGHT  
HUNDRED THOUSAND DOLLARS (\$4,800,000) OF GENERAL OBLIGATION  
BONDS OF THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA TO  
PAY COSTS OF PLANNING, DESIGN, CONSTRUCTION, AND EQUIPPING OF  
FACILITIES AT THE SOUTH PENINSULA HOSPITAL AND HOMER MEDICAL  
CENTER AT AN ELECTION IN AND FOR THE KENAI PENINSULA BOROUGH  
ON OCTOBER 4, 2016**

**WHEREAS,** the Kenai Peninsula Borough ("Borough") owns and provides for the operation of a 22-bed acute care and 25-bed long-term care hospital ("South Peninsula Hospital") and for other health services and medical facilities, through the South Kenai Peninsula Hospital Service Area ("SKPHSA"); and

**WHEREAS,** the Borough has entered into a Sublease and Operating Agreement ("SL&OA") with South Peninsula Hospital, Inc. ("SPHI") for the sublease and operation of the hospital and other medical facilities, to operate these medical facilities on a nonprofit basis in order to ensure the continued availability of the medical services to the service area residents and visitors; and

**WHEREAS,** the SL&OA provides that the Borough may make capital improvements to the hospital and other medical facilities; and

**WHEREAS,** the South Peninsula Hospital is located in the South Kenai Peninsula Hospital Service Area ("Service Area"); and

**WHEREAS,** SPHI continues to expand its health services to meet community needs; and

**WHEREAS,** there has been identified a need to expand the Homer Medical Center, which is the Service Area's main primary care facility providing family practice, obstetrics/gynecology, midwifery, nurse practitioners and other services; and

**WHEREAS,** the Borough's capital projects department has estimated the proposed addition will cost between \$2,800,000 and \$3,000,000 including project management and administrative costs; and

**WHEREAS,** there has been identified an immediate need to replace the heating, ventilation and air conditioning ("HVAC") units for the South Peninsula Hospital's operating rooms; and

**WHEREAS,** the Borough's capital project department has estimated the additional funding needed to replace the HVAC units is \$1,800,000 including project management and administrative costs; and

**WHEREAS,** under provisions of AS 29.47.190 a municipality may incur general obligation debt only after a bond authorization ordinance is approved by a majority of those voting on the question at a regular or special election; and

**WHEREAS,** the capital improvements mentioned above are necessary and beneficial to the community;

**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 that the South Kenai Peninsula Hospital Service Area incur general obligation bonded indebtedness in an amount not to exceed Four Million Eight Hundred Thousand Dollars (\$4,800,000), for the purpose of paying the cost of planning, designing, site preparation, constructing, acquiring, renovating, installing and equipping facilities of the South Peninsula Hospital and Homer Medical Center (the Project).

**SECTION 2.** The sum of not to exceed Four Million Eight Hundred Thousand Dollars (\$4,800,000) shall be borrowed by, for, and on behalf of the Borough for the Project and shall be evidenced by the issuance of general obligation bonds of the Borough. The bond proceeds shall be used only for capital improvements and costs of issuance of the bonds. The full faith and credit of only the Service Area is pledged for the payment of the principal of and interest on the bonds; and ad valorem taxes upon all taxable property in the Service Area shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

**SECTION 3.** An election is to be held on October 4, 2016, in and for the Borough for the purpose of submitting a general obligation bond proposition to the qualified voters of the Service Area for approval or rejection. The proposition must receive a majority vote of those in the Service Area voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. \_\_\_\_

SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA GENERAL OBLIGATION BONDS

Shall Kenai Peninsula Borough borrow up to \$4,800,000 through the issuance of South Kenai Peninsula Hospital Service Area general obligation bonds?

The bond proceeds of \$4,800,000 will be used for the purpose of paying the cost of planning, designing, site preparation, constructing, acquiring, renovating, installing and equipping facilities of the South Peninsula Hospital, including the Homer Medical Center, located within the South Kenai Peninsula Hospital Service Area.

The general obligation bond debt shall be paid from operating revenues generated by the South Peninsula Hospital and from ad valorem taxes on all property levied and collected within the South Kenai Peninsula Hospital Service Area. The South Kenai Peninsula Hospital Service Area will pledge its full faith and credit for payment of the general obligation debt.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value in the South Kenai Peninsula Hospital Service Area (based on the estimated total FY2017 assessed valuation) an annual tax of approximately \$21.10 (an amount equal to .21 mills) to retire the proposed debt.


**SECTION 4.** 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 5.** The Bonds 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 Kenai Peninsula Borough.

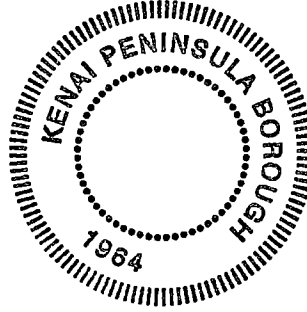
**SECTION 6.** Section 2 and 5 of this ordinance shall become effective only if the proposition described in Section 3 is approved by a majority of the qualified voters voting on the proposition at the regular borough election on October 4, 2016. The remaining sections of this ordinance shall become effective upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF JUNE, 2016.

  
Blaine Gilman, Assembly President

ATTEST:

  
John Blankenship, MMC, Borough Clerk



Yes: Bagley, Cooper, Dunne, Holmdahl, Johnson, Knopp, Ogle  
No: Welles  
Absent: Gilman



Introduced by: Mayor  
Date: 11/22/16  
Action: Adopted  
Vote: 8 Yes, 1 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2016-067**

**A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, IN ONE OR MORE SERIES, OF THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$4,800,000 TO FINANCE THE COSTS OF CERTAIN CAPITAL IMPROVEMENTS TO THE SOUTH KENAI PENINSULA HOSPITAL AND HOMER MEDICAL CENTER IN THE BOROUGH AS AUTHORIZED BY ORDINANCE NO. 2016-15 OF THE BOROUGH AND RATIFIED BY THE BOROUGH'S VOTERS AT AN ELECTION HELD ON OCTOBER 4, 2016, FIXING CERTAIN DETAILS OF SUCH BONDS, AND PLEDGING THE FULL FAITH AND CREDIT OF THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA TO THE PAYMENT THEREOF**

**WHEREAS,** at an election held in the Kenai Peninsula Borough, Alaska (the "Borough"), on October 4, 2016, a majority of the qualified electors of the South Kenai Peninsula Hospital Service Area voting thereon voted in favor of a Proposition 2 authorizing the issuance of general obligation bonds of the South Kenai Peninsula Hospital Service Area in an aggregate principal amount not to exceed \$4,800,000 to finance costs of planning, designing, construction and equipping of facilities at the South Peninsula Hospital and Homer Medical Center ("Proposition No. 2"), as authorized by Ordinance No. 2016-15 of the Borough, passed by the Assembly on June 7, 2016 (the "Election Ordinance"); and

**WHEREAS,** Section 29.47.410 of the Alaska Statutes provides that the Assembly by ordinance or resolution may provide for the form and manner of sale of bonds and notes; and

**WHEREAS,** it is in the best interest of the Borough and its residents that the Borough proceed to plan, design, construct, and equip the capital improvements within the South Kenai Peninsula Hospital Service Area described in Proposition 2 (the "Project"), and issue not to exceed \$4,800,000 principal amount of general obligation bonds referred to in Proposition No. 2, constituting the unsold general obligation bonds referred to therein, to pay costs of the Project; and

**WHEREAS,** the Assembly wishes to delegate to each the Mayor and Finance Director the authority to sell the general obligations bonds referred to herein to the Alaska Municipal Bond Bank pursuant to the terms of a loan agreement, or a financial institution pursuant to the terms of a bond purchase agreement, as determined to be in the best interests of the Borough;

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

**SECTION 1.** Definitions. The following terms shall have the following meanings in this resolution:

- (A) “Assembly” means the Assembly of the Borough, as the general legislative authority of the Borough, as the same shall be duly and regularly constituted from time to time.
- (B) “Bond” means the general obligation bonds of the Borough authorized by this resolution to be issued as a single bond if sold to the Bond Bank, or issued as a single or serial bonds if sold to a financial institution, each in an aggregate principal amount not to be exceed \$4,800,000.
- (C) “Bond Bank” means the Alaska Municipal Bond Bank, a public corporation and instrumentality of the State of Alaska, created pursuant to the provisions of Chapter 85, Title 44, Alaska Statutes, as amended.
- (D) “Bond Purchase Contract” means the agreement by and between the Borough and a financial institution, dated on or about the sale date of the Bond.
- (E) “Bond Register” means the registration books maintained by the Registrar, which include the names and addresses of the owners or nominees of the Registered Owners of the Bond.
- (F) “Borough” means the Kenai Peninsula Borough, a municipal corporation of the State of Alaska, organized as a second class borough under Title 29 of the Alaska Statutes.
- (G) “Code” means the Internal Revenue Code of 1986, as amended from time to time, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Bond.
- (H) “Cost” or “Costs” means the cost of planning, designing, site preparation, constructing, acquiring, renovating, installing and equipping the Project, including interest on the Bond during the period of planning, designing, site preparation, constructing, acquiring, renovating, installing and equipping the Project, the cost whether incurred by the Borough or by another of field surveys and advance

planning undertaken in connection with the Project properly allocable to the Project, the cost of acquisition of any land or interest therein required as the site or sites of the Project or for use in connection therewith, the cost of any indemnity and surety bonds and premiums on insurance incurred in connection with the Project prior to or during construction thereof, all related direct administrative and inspection expenses whether incurred by the Borough or by another in connection with the Project prior to or during construction thereof and allocation portions of direct costs of the Borough, legal fees, costs of issuance of the Bond by the Borough, including financing charges and fees and expenses of bond counsel, financial advisors and consultants in connection therewith, the cost of any bond insurance premium, the cost of audits, the cost of all machinery, apparatus and equipment, cost of engineering, architectural services, designs, plans, specifications and surveys, estimates of cost, the reimbursement of all moneys advanced from whatever source for the payment of any item or items of cost of the Project, and all other expenses necessary or incidental to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incidental to the acquisition and development of the Project, the financing thereof and the putting of the same in use and operation.

- (I) "Loan Agreement" means the Loan Agreement between the Borough and the Bond Bank, dated on or about the sale date of the Bond.
- (J) "Project" means the capital improvements to the South Peninsula Hospital and Homer Medical Center, each owned by the Borough, which are authorized and more fully described in the Election Ordinance and Proposition 2.
- (K) "Registered Owner" means the person named as the registered owner of a Bond in Bond Register.
- (L) "Registrar" means the Finance Director of the Borough, or any successor that the Borough may appoint by resolution, for the purposes of registering and authenticating the Bond, maintaining the Bond Registrar, and paying the principal of and interest on the Bond.
- (M) "Rule" means Rule 15c2-12 of the United Securities and Exchange Commission under the Securities Exchange Act of 1934.

**SECTION 2.** Authorization of Bond and Purpose of Issuance. The Borough shall now issue and sell not to exceed \$4,800,000 of the general obligation bonds authorized by the Election Ordinance and approved by the qualified electors of the South Kenai Peninsula Hospital Service Area at an election held on October 4, 2016, to finance a plan of capital improvements to the South Peninsula Hospital and

Homer Medical Center of the Borough and pay costs of issuance of the Bond. The Bond shall be designated "Kenai Peninsula Borough, Alaska, South Kenai Peninsula Hospital Service Area General Obligation Medical Facilities Bond, 2017," or such further or different designation the Finance Director determines is appropriate and reasonable.

The Mayor and Finance Director are each hereby authorized to determine whether the Bond shall be sold to the Bond Bank, pursuant to the terms of a Loan Agreement, or a financial institution, pursuant to the terms of a Bond Purchase Agreement, based on the best interests of the Borough. If the Bond is sold to the Bond Bank, the Bond will be issued as a single bond in an aggregate principal amount not to exceed \$4,800,000. If the Bond is sold to a financial institution, the Bond may be issued as serial bonds or a single bond in an aggregate principal amount to exceed \$4,800,000.

Notwithstanding the foregoing, the Bond may be issued in one or more series, referred to herein as the "Taxable Bond" and the "Tax-Exempt Bond," if determined that only a portion of the Bond may be issued on a tax-exempt basis under the Code. The Bond forms shall clearly identify which series of Bond is being issued as a Taxable Bond and which series of Bond is being issued as a Tax-Exempt Bond.

The Borough has ascertained and hereby determines that each and every matter and thing as to which provision is made in this resolution is necessary in order to carry out and effectuate the purpose of the Borough in accordance with the Constitution and the statutes of the State of Alaska and to incur the indebtedness and issue the Bond as referred to in Proposition 2.

**SECTION 3.** Obligation of Bond. The Bond shall be a direct and general obligation of the South Kenai Peninsula Hospital Service Area and the full faith and credit of the South Kenai Peninsula Hospital Service Area are hereby pledged to the payment of the principal of and interest on the Bond. The Borough hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the South Kenai Peninsula Hospital Service Area without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Bond as the same become due and payable.

**SECTION 4.** Date, Maturities, Interest Rates, and Other Details of Bond. The Bond shall be dated the date of sale and delivery to the purchaser shall be in the denomination of \$5,000 or any integral multiple thereof, or such other denominations as may be determined by the Mayor or Finance Director, and shall be numbered in such manner and with any additional designation as the Registrar deems necessary for purposes of identification and control.

The Bond shall bear interest from the date thereof, and semiannually thereafter of each year. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months. The Mayor and Finance Director are each authorized to fix and determine the principal installment payment dates and the rate of interest on each principal installment of the Bond, provided that (i) the true interest cost of the Bond shall not exceed five percent (5%) unless approved by resolution of the Assembly; and (ii) the final principal installment date shall of the Bond shall be on or before December 31, 2034.

**SECTION 5.** Place and Medium of Payment. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. If the Bond is registered in the name of the Bond Bank, payments of principal and interest thereon shall be made as provided in the Loan Agreement. If the Bond is not owned by the Bond Bank, payments of principal and interest on the Bond will be made by check or draft mailed by first class mail to the Registered Owners of the Bond at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the payment date, provided that the final installment of principal and interest on the Bond will be payable at the principal office of the Bond.

**SECTION 6.** Prepayment. Provisions for the prepayment of some or all of the principal installments of the Bond shall be established pursuant to Section 13 of this resolution and shall be as set forth in the Loan Agreement or Bond Purchase Contract, as applicable.

**SECTION 7.** Form of Bond. The Bond shall be in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF ALASKA

KENAI PENINSULA BOROUGH  
(A Municipal Corporation of the State of Alaska)

NO. \_\_\_\_\_ \$ \_\_\_\_\_

SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA  
GENERAL OBLIGATION MEDICAL FACILITIES BOND, 2017  
[TAXABLE][TAX-EXEMPT]

REGISTERED OWNER:

PRINCIPAL AMOUNT:

FINAL MATURITY DATE:

INTEREST RATES; See below.

Kenai Peninsula Borough, Alaska (the "Borough"), a municipal corporation organized and existing under and by virtue of the laws and Constitution of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, the Principal Amount indicated above in accordance with the installment payment schedule set forth below (unless prepaid prior thereto as provided herein), together with interest on such installments from the date hereof or the most recent date to which interest has been paid or duly provided for, at the interest rates set forth below, on \_\_\_\_\_, \_\_, 20\_\_, and on each \_\_\_\_\_ 1 and \_\_\_\_\_ 1 thereafter:

Year of Principal Installment Payment (_____ 1)	Principal Installment Amount	Interest Rate
---	---------------------------------	---------------

Both principal or and interest on this bond are payable in lawful money of the United States of America. Installments of principal of and interest on this bond are payable by check or draft of the Finance Director of the Borough ("Registrar") mailed (on the date such interest is due) to the Registered Owner hereof at the address appearing on the bond register of the Borough on the 15th day of the month preceding the payment date, provided that the final installment of principal and interest on this Bond will be payable upon surrender of this bond at the office of the Registrar. Notwithstanding the foregoing, so long as the Alaska Municipal Bond Bank (the "Bank") is the Registered Owner of this bond, payments of principal and interest shall be made as provided in the Loan Agreement between the Bank and the Borough (the "Loan Agreement"). Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

This bond is a general obligation bond of the South Kenai Peninsula Hospital Service Area, as authorized by the voters of the Borough and issued pursuant to Ordinance No. 2016-15 of the Borough and Resolution No. 2016-067 adopted by the Borough Assembly on November 22, 2016 (the "Bond Resolution, and together with Ordinance No. 2016-15, the "Bond Legislation"), to provide funds for making certain capital improvements to the South Peninsula Hospital and Homer Medical Facilities of the Borough. Capitalized terms used in this bond and not otherwise defined herein have the meanings given those terms in the Bond Legislation.

The Bond is subject to prepayment as provided in the Bond Legislation and [Loan Agreement] [Bond Purchase Agreement].

This Bond is transferable as provided in the Bond Legislation, (i) only upon the bond register of the Borough, and (ii) upon surrender of this Bond together with a written instrument of transfer duly executed by the registered owner or the duly authorized attorney of the registered owner, and thereupon a new fully registered bond in the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Bond Legislation and upon the payment of charges, if any, as therein prescribed. The Borough may

treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or prepayment price, if any, hereof and interest due hereon and for all other purposes whatsoever.

Upon surrender to the Registrar, this bond is interchangeable for a bond or bonds (in denominations of \$5,000 or any integral multiple thereof) of an equal aggregate principal amounts and of the same interest rates and principal amounts as this bond. Such exchange or transfer shall be without cost to the Registered Owner or transferee. The Borough may deem the person in whose name this bond is registered to be the absolute owner hereof the purpose of receiving payment of the principal of and interest on this bond and for any and all other purposes.

This bond is a general obligation of the South Kenai Peninsula Hospital Service Area, and the full faith and credit of the South Kenai Peninsula Hospital Service Area are pledged for the payment of the principal of and interest on the Bond as the same shall become due.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts or things required by the constitution or statutes of the State of Alaska to exist, to have happened or to have been performed precedent to or in the issuance of this bond, exist, have happened and have been performed, and that this bond, together with all other indebtedness of the Borough, is within every debt and other limit prescribed by said constitution or statutes.

IN WITNESS WHEREOF, THE KENAI PENINSULA BOROUGH, ALASKA, has caused this bond to be signed in its name and on its behalf by its Mayor and its corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_, 2017.

\_\_\_\_\_  
\_\_\_\_\_, Mayor

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_, Borough Clerk

**SECTION 8.** Execution. The Bond shall be executed in the name of the Borough by the Mayor, and its corporate seal shall be impressed or otherwise reproduced thereon and attested by the Borough Clerk. The execution of the Bond on behalf of the Borough by persons that at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bond or shall not have held office on the date of the Bond.

**SECTION 9.**     Registration.

- (A)    The Bond shall be issued only in registered form as to both principal and interest. The Borough designates the Borough Finance Director as Registrar for the Bond. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the Borough.
  
- (B)    The Borough, in its discretion, may deem and treat the Registered Owner of each Bond as the absolute owner thereof for all purposes, and neither the Borough nor the Registrar shall be affected by any notice to the contrary. Payment of any such Bond shall be made only as described in Section 5, but such registration may be transferred as herein provided. All such payments made as described in Section 5 shall be valid and shall satisfy and discharge the liability of the Borough upon such Bond to the extent of the amount or amounts so paid.
  
- (C)    The Bond shall be transferred only upon the Bond Register kept by the Registrar. Upon surrender for transfer or exchange of any Bond at the office of the Registrar, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the registered owner or its duly authorized attorney, the Borough shall execute and the Registrar shall delivery an equal aggregate principal amount of Bond of the same maturity of any authorized denominations, subject to such reasonable regulations as the Registrar may prescribe and upon payment sufficient to reimburse it for any tax, fee or other governmental charge required to be paid in connection with such transfer or exchange. Any Bond surrendered for transfer or exchange shall be canceled by the Registrar. The Registrar shall not be required to transfer or exchange any Bond after the Bond has been called for redemption.
  
- (D)    The Borough covenants that, until the Bond has been surrendered and canceled, it will maintain a system for recording the ownership of the Bond that complies with the provisions of Section 149 of the Code.

**SECTION 10.**   Mutilated, Destroyed, Stolen or Lost Bond. Upon surrender to the Registrar of a mutilated Bond, the Borough shall execute and deliver a new Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the Borough that a Bond has been destroyed, stolen or lost and of the ownership thereof, and upon furnishing the Borough with identification satisfactory to it, the Borough shall execute and deliver a new Bond of like maturity and principal amount. The person requesting the authentication and delivery of a new Bond pursuant to this section shall comply with such other



reasonable regulations as the Borough may prescribe and pay such expenses as the Borough may incur in connection therewith.

**SECTION 11.** Disposition of the Sale Proceeds of the Bond. The Finance Director is hereby authorized and directed to create a fund designated as the “South Peninsula Hospital and Clinic Capital Project Fund” to be used for the payment of Costs of the Project. The proceeds of the Bond (except for accrued interest, if any, which shall be applied to payment of interest on the Bond) shall be deposited into the South Peninsula Hospital and Clinic Capital Project Fund to be used to pay costs of issuing the Bond and costs of the plan of capital improvements to the South Peninsula Hospital and Homer Medical Clinic facilities of the Borough as authorized by the Election Ordinance; provided however, that any Bond premium exceeding the costs of issuing the Bond shall be deposited into the fund for payment of principal and interest on the Bond, or for other lawfully authorized purposes.

**SECTION 12.** Tax Covenants. The Borough covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the tax-exempt Bond from gross income for federal income tax purposes. The Borough covenants that it will make no use of the proceeds of the tax-exempt Bond which will cause the tax-exempt Bond to be an “arbitrage bonds” subject to federal income taxation by reason of Section 148 of the Code. The Borough covenants that it will not take or permit any action that would cause the tax-exempt Bond to be “private activity bonds” as defined in Section 141 of the Code.

The Borough covenants to comply with the tax certificate executed upon issuance of the tax-exempt Bond unless it receives advice from nationally recognized bond counsel or the Internal Revenue Service that certain provisions have been amended or no longer apply to the tax-exempt Bond.

**SECTION 13.** Sale of the Bond; Loan Agreement/Bond Purchase Agreement. The Borough Mayor and Finance Director each is hereby authorized to negotiate the sale of the Bond to the Bond Bank or financial institution on terms and conditions consistent with the Election Ordinance and this resolution and as set forth in a Loan Agreement or a Bond Purchase Agreement. Such Agreement shall include the aggregate principal amount, the principal installment payment schedule, interest rates, the interest rate payment schedule and prepayment provisions, all as provided for in this resolution. Approval of the Borough Mayor or Finance Director of the terms and conditions of a Loan Agreement or a Bond Purchase Agreement shall be evidenced by execution of such Agreement. The Mayor or Borough Finance Director is hereby authorized to execute and deliver a Loan Agreement or a Bond Purchase Agreement, and a Continuing Disclosure Certificate if required by the purchaser of the Bond.

If the Bond is sold to the Bond Bank, in accordance with the Rule and as the Bond Bank may require, the Borough may now or in the future be an “obligated person” with respect to bonds issued by the Bond Bank.

The Mayor and Finance Director are each authorized to execute and deliver all such documents as may be necessary to effectuate issuances of the Bond on behalf of the Borough.

**SECTION 14.** Authority of Officers. The Mayor, the acting Mayor, the Borough Finance Director, the acting Borough Finance Director, the Borough Clerk and the acting Borough Clerk are, and each of them hereby is, authorized and directed to do and perform all things and determine all matters not determined by this resolution, or to be determined by a subsequent ordinance or resolution, to the end that the Borough may carry out its obligations under the Bond and this resolution.

**SECTION 15.** Amendatory and Supplemental Resolutions.

(A) The Assembly from time to time and at any time may adopt a resolution or resolutions supplemental hereof, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more of the following purposes:

- (i) To add to the covenants and agreements of the Borough in this resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the Borough.
- (ii) To make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this resolution or in regard to matters or questions arising under this resolution as the Assembly may deem necessary or desirable and not inconsistent with this resolution and which shall not adversely affect the interest of the Registered Owner of the Bond.

Any such supplemental resolution may be adopted without the consent of the Registered Owner of the Bond at any time outstanding, notwithstanding any of the provisions of subsection (b) of this section.

(B) With the consent of a bond insurer, if any, or the Registered Owners of not less than 60 percent in aggregate principal amount of the Bond at the time outstanding, the Assembly may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the

provisions of this resolution or of any supplemental resolution; provided, however that no such supplemental resolution shall:

- (i) extend the fixed maturity of the Bond, or reduce the rate of interest thereon, or reduce the amount or change the date of any sinking fund installment, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the owners of each Bond so affected; or
- (ii) reduce the aforesaid percentage of owners of the Bond required to approve any such supplemental resolution without the consent of the owners of the Bond then outstanding.

It shall not be necessary for the consent of the Registered Owners of the Bond under this subsection to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

- (A) Upon the adoption of any supplemental resolution under this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this resolution of the Borough and the Registered Owners of the outstanding Bond shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes.
- (B) Any Bond executed and delivered after the execution of any supplemental resolution adopted under this section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, a new Bond modified so as to conform, in the opinion of the Borough, to any modification of this resolution contained in any such supplemental resolution may be prepared by the Borough and delivered without cost to the Registered Owner of the Bond then outstanding, upon surrender for cancellation of such Bond in equal aggregate principal amounts.

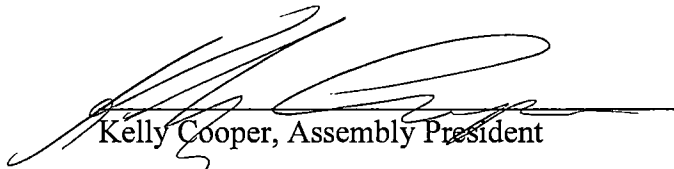
**SECTION 16.** Miscellaneous. No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this resolution against any member of the Assembly or officer of the Borough or any person executing the Bond. The Bond is not and shall not be in any way a debt or liability of the State of Alaska *or* of any political subdivision thereof, except the South Kenai Peninsula Hospital Service Area of the Borough, and do not and shall not create or constitute an indebtedness or obligation, either legal,

moral or otherwise, of said State or of any political subdivision thereof, except the South Kenai Peninsula Hospital Service Area of the Borough.


**SECTION 17.** Severability. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

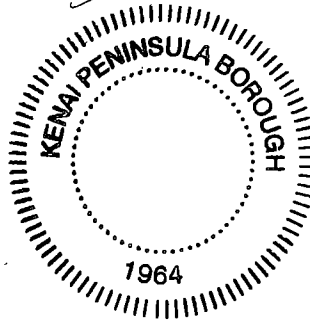
**SECTION 18.** Effective date. This resolution shall take effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 22ND DAY OF NOVEMBER, 2016.**

  
Kelly Cooper, Assembly President

ATTEST:

  
John Blankenship, MMC, Borough Clerk



Yes: Bagley, Dunne, Fischer, Gilman, Holmdahl, Knopp, Ogle, Cooper  
No: Welles  
Absent: None

Introduced by: Mayor  
Date: 09/03/24  
Hearing: 09/17/24  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2024-19-07**

**AN ORDINANCE AUTHORIZING THE ACQUISITION OF REAL PROPERTY  
LOCATED ADJACENT TO THE NORTH STAR SCHOOL CAMPUS IN NIKISKI  
NECESSARY FOR FUTURE SCHOOL USE AND APPROPRIATING FUNDS FROM  
THE LAND TRUST FUND FOR THE PURCHASE**

- WHEREAS,** the Kenai Peninsula Borough School District (“KPBSD”) currently provides K-5 educational instruction at the Nikiski North Star Elementary school campus; and
- WHEREAS,** the existing school campus consists of a 28-acre parcel, bounded by private land holdings and Salamatof Lake, limiting future management and potential expansion of the school facility; and
- WHEREAS,** the subject parcel consists of 4.62 acres and is located immediately adjacent to the Nikiski North Star Elementary school campus; and
- WHEREAS,** the subject parcel is currently listed by a local real estate agent and was actively marketed on the MLS with an asking price of \$59,900; and
- WHEREAS,** the Kenai Peninsula Borough's (“KPB”) Land Management Division (“Land Management”) has identified the strategic acquisition of the subject parcel as being necessary to proactively secure adjacent lands for future management options involving this KPB-owned school site; and
- WHEREAS,** Land Management disposes of lands surplus to KPB needs through land sale auctions, resulting in sale proceeds used for the acquisition of real property necessary to satisfy current and future KPB realty needs, like the subject parcel; and
- WHEREAS,** the Nikiski APC, at its regular meeting of September 5, 2024 recommended \_\_\_\_\_  
\_\_\_\_\_ ; and
- WHEREAS,** the KPB Planning Commission, at its regular meeting of September 9, 2024 recommended \_\_\_\_\_ ;

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

**SECTION 1.** That pursuant to KPB 17.10.040, the assembly finds that purchasing the subject parcel, which is the following-described real property, is in KPB’s best interests as it secures additional school campus utility, planning and growth:

LOT 6, HAROLD SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF, FILED UNDER PLAT NUMBER 92-71, RECORDS OF THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA. (PARCEL NO. 01524049)

**SECTION 2.** That the terms and conditions substantially in the form of the Purchase Agreement accompanying this ordinance are hereby approved. The purchase price will be \$53,000 for the subject parcel, plus closing and due diligence costs not to exceed \$6,000.

**SECTION 3.** That the subject parcel will be classified as “Government” pursuant to KPB 17.10.080.

**SECTION 4.** That the Mayor is authorized to execute any and all documents necessary to purchase the subject parcel described in Section 1 in accordance with the terms and conditions contained in this ordinance and the accompanying Purchase Agreement, consistent with applicable provisions of KPB Chapter 17.10.

**SECTION 5.** That \$59,000 is appropriated from the Land Trust Fund fund balance to Account No. 250.21210.LNDNS.48610 for the purchase and estimated due diligence or closing costs of the subject parcel located in Nikiski, Alaska.

**SECTION 6.** That this ordinance shall be effective immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2024.**

\_\_\_\_\_  
Brent Johnson, Assembly President

ATTEST:

\_\_\_\_\_  
Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Planning Department – Land Management Division

### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *PM*  
Brandi Harbaugh, Finance Director *BH*  
Robert Ruffner, Planning Director *RR*

**FROM:** Aaron Hughes, Land Management Officer *RR*

**DATE:** August 22, 2024

**RE:** Ordinance 2024-19- 07, Authorizing the Acquisition of Real Property Located Adjacent to the North Star School Campus in Nikiski Necessary for Future School Use and Appropriating Funds from the Land Trust Fund for the Purchase (Mayor)

The Kenai Peninsula Borough School District (KPBSD) provides K-5 educational instruction to approximately 242 students at the North Star School facility. While the existing campus consists of a 28-acre parcel of KPB-owned land, its proximity to private land holdings and Salamatof Lake limits future decision making, management and campus planning. The strategic acquisition of the subject parcel will help to secure additional flexibility and longevity for the existing school site.

Land Management disposes of KPB lands identified as being surplus to KPB needs. The sale proceeds from these disposals are held in trust within the Land Trust Fund for the future management of KPB lands and the acquisition of real property necessary to satisfy KPB needs, like the subject parcel.

The proposed purchase price of \$53,000.00, is consistent with current market comparables in the area. An additional \$6,000.00 will be used to cover due diligence costs and closing fees related to the acquisition. The purchase agreement provides up to 90 days to close.

This Ordinance authorizes the purchase of the subject parcel and appropriates \$59,000 from the Land Trust Fund to cover the costs associated with the purchase. The Ordinance also provides for the classification of the subject parcel as “Government”.

Your consideration is appreciated.

<b>FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED</b>	
Account:	<u>250.21210.LNDNS.48610</u>
Amount:	<u>\$59,000</u>
By:	<i>BH</i> _____
Date:	<u>8/19/2024</u>



## PURCHASE AGREEMENT

This Purchase Agreement ("Agreement") is made by and between BRENDA DALE AND PAUL DALE, wife and husband, as sellers, whose address is PO Box 701, Kenai, AK 99611, (jointly, "Sellers") and the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, as buyer, whose address is 144 North Binkley Street, Soldotna, Alaska 99669 ("KPB") (together, "the Parties").

WHEREAS, Sellers are the owners of that real property located in the Kenai Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

LOT 6, HAROLD SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF, FILED UNDER PLAT NUMBER 92-71, RECORDS OF THE KENAI RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA.

(PARCEL NO. 01524049) ("the Property"); and

WHEREAS, KPB has offered to buy, and Sellers are willing to sell the Property as evidenced by this Agreement;

NOW THEREFORE, in consideration of the conditional promises herein contained, Sellers hereby agree to sell to KPB, and KPB hereby agrees to buy from Sellers, the Property on the terms and conditions as set forth below:

**1. PURCHASE PRICE**

The purchase price of the Property is FIFTY-THREE THOUSAND DOLLARS (\$53,000.00). The purchase price must be paid by KPB at time of closing. The purchase of the Property and appropriation of funding for the purchase are subject to approval by the KPB Assembly.

**2. EXPIRATION OF OFFER**

Sellers must sign and return this Agreement to KPB on or before JULY 23, 2024, at 4:30pm; otherwise, this offer shall terminate.

**3. TITLE**

Title must be delivered at time of closing by statutory warranty deed, which must be issued to KPB. Sellers warrant and covenant that at the time of closing there will be no liens or judgments recorded against Sellers in the same recording district in which the Property subject to this Agreement is situated. Title must be clear of liens and encumbrances except title is subject to reservations, easements, rights-of-way, covenants, conditions and restrictions of record as agreed to by KPB.

4. ESCROW AND CLOSING COSTS

KPB agrees to pay for all KPB-related closing costs not otherwise addressed in this Agreement to include buyer closing, and recording fees. Sellers agree to pay for seller-related closing costs, not otherwise addressed in this Agreement to include the ALTA Standard Owners Title Insurance policy, seller closing and recording fees. Property taxes for the current year, if any, will be prorated to the date of closing. Sellers are responsible for realtor's commission, if any; all unpaid taxes for prior years, if any; and all unpaid outstanding assessments, if any. All costs will be paid in full at the time of closing.

5. CLOSING

Unless otherwise agreed to in writing, closing will occur on or before **October 31, 2024**, or as specifically agreed to by both Parties. At closing, KPB will pay the balance of the purchase price. Both Parties will execute all documents required to complete the Agreement and, if applicable, establish an escrow account. The closing agent will be determined by the Sellers.

6. POSSESSION

Possession will be delivered to KPB at time of recording unless otherwise agreed to in writing by all Parties.

7. KENAI PENINSULA BOROUGH ASSEMBLY APPROVAL

Purchase of the Property by KPB is subject to authorization by the KPB Assembly and appropriation of funds. If the KPB Assembly fails to authorize the purchase of the Property and appropriate funds, this Agreement will terminate without penalty.

8. EXCHANGE

If Sellers intend for this transaction to be part of a Section 1031 like-kind exchange, KPB agrees to cooperate in the completion of the like-kind exchange provided KPB does not incur any additional liability or cost in doing so. If Sellers intend for this transaction to be part of a Section 1031 like-kind exchange, Sellers may assign their rights under this Agreement to a qualified intermediary or any entity expressly created for the purposes of completing a Section 1031 like-kind exchange.

9. DISCLOSURES

Sellers hereby agree to provide written property disclosures including any and all information regarding known defects, deficiencies, legal matters, environmental issues or hazards, that may be personally known by the Sellers. If said written disclosures present a matter unsatisfactory to KPB, KPB may terminate this Agreement without penalty.

10. CONTINGENT ON INSPECTION

This offer and agreement are contingent upon the completion of a property inspection satisfactory to KPB for its use and at KPB's expense. Sellers must, upon reasonable notice, provide access to the Property for inspection purposes to KPB and its representatives. Any invasive inspection procedures require Sellers' expressed permission and must promptly be

repaired by KPB in a workman-like manner. Unless otherwise provided in writing, KPB will have 30 days from the date of full execution of this Agreement to complete its property inspection.

#### 11. HAZARDOUS MATERIAL

Sellers covenant to the best of Sellers' knowledge that, as of the date of this Agreement, except as specifically identified herein, the Property is free of all contamination from petroleum products or any hazardous substance or hazardous waste, as defined by applicable state or federal law, and there are no underground storage tanks or associated piping on the Property. Sellers agree that no hazardous substances or wastes will be located on, nor stored on the Property or any adjacent property owned or leased by Sellers, owner or contractors, nor will any such substance be owned, stored, used, or disposed of on the Property or any adjacent property by Sellers, their agents, employees, contractors, or invitees, prior to KPB's ownership, possession, or control of the Property.

#### 12. ENVIRONMENTAL CONTINGENCY

If, during the course of KPB's due diligence inspection of the Property pursuant to Section 9, KPB discovers the presence of environmental hazards on or released from the Property in any quantity or concentration exceeding the limits allowed by applicable law, or that are deemed undesirable by KPB, KPB will have the right to give notice to Sellers, accompanied by a copy or copies of the third-party report(s) disclosing and confirming the presence of such hazardous materials. The notice and accompanying third-party report must be given no later than 60 days from receipt of said report. The notice under this Section must state:

- (i) that KPB is terminating this Agreement due to the presence of such hazardous materials on or adversely affecting the Property; OR
- (ii) provide Sellers 30 days from notice to provide a mitigation plan outlining steps taken by Sellers to remedy said hazards to KPB's satisfaction at Sellers' expense.

Following the notice and report described in this Section, the Parties may negotiate other resolutions as may be agreeable to the Parties in writing to be included as a part of this Agreement. In the event the Parties cannot agree in writing on a resolution to remedy any environmental concerns within 90 days of the notice, this Agreement will automatically terminate.

It is expressly understood that, by execution of this Agreement, Sellers hereby indemnify KPB for any and all CERCLA-related claims, liabilities or matters, unless otherwise provided for in this Agreement. Said indemnification will survive closing and termination of this Agreement. Upon successful close of escrow said indemnification will continue for a period of not less than 12 months, from the date of closing unless otherwise provided for in this Agreement.

If this Agreement is terminated pursuant to any report detailing environmental conditions that may or may not exist on the Property, such report(s) will remain confidential and proprietary.

The report(s) will be marked as confidential and will not be released to a private individual, entity, or non-profit without express agreement of the Parties. Notwithstanding, the report will be released pursuant to a valid court order and may be released to the State of Alaska upon request.

13. ENTIRE AGREEMENT

This Agreement and the documents referred to herein contain the entire agreement of the Parties with respect to the subject matter hereof. Any changes, additions or deletions hereto must be made in writing and signed by both KPB and Sellers or their respective successors in interest. Provisions of this Agreement, unless inapplicable on their face, will be covenants constituting terms and conditions of the sale, and will continue in full force and effect until the purchase price is paid in full or this Agreement is earlier terminated.

14. BREACH REMEDY

Prior to closing of the sale, in the event that KPB or Sellers fail to make any payment required, or fail to submit or execute any and all documents and papers necessary for closing and transfer of title within the time period specified in this Agreement, the Sellers or KPB may terminate this Agreement.

15. MISCELLANEOUS

- A. Time. Time is of the essence in performance of this Agreement.
- B. Cancellation. This Agreement, while in good standing, may be canceled in whole or in part, at any time, upon mutual written agreement by Sellers and the KPB Mayor. This Agreement is subject to cancellation in whole or in part if improperly issued through error in procedure or with respect to material facts. KPB may cancel this Agreement without penalty in the event additional contracts required of this project are not secured.
- C. Notice. Any notice or demand which, under the terms of this Agreement or under any statute must be given or made by the Parties thereto, must be in writing, and be given or made by registered or certified mail, addressed to the other Party at the address shown on the contract. However, either Party may designate in writing such other address to which such notice of demand may thereafter be so given, made or mailed. A notice given hereunder will be deemed received when deposited in a U.S. general or branch post office by the addressor.
- D. Interpretation. This Agreement will be deemed to have been jointly drafted by the Parties. It will be construed according to the fair intent of the language as a whole, not for or against either Party. The interpretation and enforcement of this Agreement will be governed by the laws of the State of Alaska. Any lawsuit brought arising from this Agreement must be filed in the superior court of the Third Judicial District, State of Alaska, located in the City of Kenai, Alaska. The titles of sections in this Agreement are not to be construed as limitations of definitions but are for identification purposes only.
- E. Condition of Property.

Sellers will deliver the Property in its as-is condition.

- F. Confidentiality. This Agreement will be considered proprietary to the Parties until closing occurs. Following closing, this Agreement may be considered a public record.
- G. Counterparts. This Agreement may be executed in counterpart, and may be executed by way of copy, facsimile or verified electronic signature in compliance with AS 09.80, and if so, each of which will be deemed an original but all of which together will constitute one and the same instrument

KENAI PENINSULA BOROUGH:

SELLERS:

\_\_\_\_\_  
Peter A. Micciche, Mayor (Date)

*Brenda Dale* 7/22/24  
\_\_\_\_\_  
Brenda Dale (Date)  
*Paul Dale* 7/22/24  
\_\_\_\_\_  
Paul Dale (Date)

ATTEST:

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
Michele Turner, CMC  
Borough Clerk

\_\_\_\_\_  
A. Walker Steinhage  
Deputy Borough Attorney

**Seller's Real Estate Disclosure Statement for Unimproved Property**  
 (To be completed by Seller when property is listed)  
 This form authorized for use ONLY by active Real Estate Licensee Subscribers of Alaska Multiple Listing Service, Inc.



1 In the Property Address or Location:

2 L6 Maud Circle Nikiski AK 99635

3 Legal Description: Harold L6

4 Real Property Tax ID Number: 01524049

5 Owner's Name(s) (please print): Paul Dale Brenda Dale

6  
7 All disclosures in this statement are made in good faith and to the best of the Seller's knowledge. The Seller is disclosing  
8 known defects or other conditions in the real property or the real property being transferred. Disclosure need not require  
9 a search of public records nor does it require a professional inspection of the property. If additional information or  
10 explanation is necessary, use Section 16, or attach an Unimproved Property Disclosure Addendum/Amendment  
11 (UPDA) form and/or other appropriate documentation to this form.

12 **YES NO**

13  
14  
15 1. How long have you owned the property? 34 years

16  
17 2. **ENCROACHMENTS/EASEMENTS** (e.g. fences, buildings, rockeries, driveways, garden, septic, well,  
18 etc.)

- 19   A. Does anything on your property extend onto (encroach on) an adjacent lot?  
20   B. Does anything on an adjacent lot extend onto (encroach on) your property?  
21   C. Are you aware of any easements or other's rights affecting the property?  
22 If you marked "Yes" on any of the above, explain in Section 16.

23  
24 3. **ACCESS.**

- 25   A. Is there a road or easement for access to the property?  
26   B. If your answer to A is "Yes," is there a recorded document?  
27   C. If the road or access is shared with any other property, is there a written agreement  
28 for sharing the maintenance and repair costs?  
29   D. If your answer to C is "Yes," is a copy attached to this form?  
30   E. If the road or other access is improved, is there any standing or running water, flooding, mud, etc.,  
31 that affects use of the access during any time of the year? If "Yes", explain in Section 16.

32  
33 4. **SURVEY.**

- 34   A. Has the property ever been surveyed?  
35   B. If your answer to A is "Yes," is a copy of the survey attached?

36  
37 5. **PROPERTY BOUNDARIES.** If known, describe the property boundaries: (e.g. fence, hedge, survey  
38 stakes, rockery, etc.)

39 North line: S 89° 59' 00" W  
40 7  
41 South line: N 89° 59' 00" E  
42 805.30'  
43 West line: 846.99'

44  
45 6. **ZONING & RESTRICTIONS.**

46 The present zoning of the property is \_\_\_\_\_

- 47   A. Are you aware of any covenants, codes, or restrictions regarding the use of the property?  
48   B. Are you aware of any proposed covenants, codes or restrictions, including future construction?  
49   C. Is the property, or any part of it, in a designated shoreline master plan, slide area, avalanche area,  
50 wetlands, erosion zone or environmentally sensitive area?  
51

Form 7083, Revised 10/19.

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Page 1 of 4

1 1  
Buyer(s)

P. Dale  
Seller(s)



**Seller's Real Estate Disclosure Statement for Unimproved Property Described As:**

Address: L6 Maud Circle Nikiski AK 99635

Legal (the Property): Harold L6

This form authorized for use ONLY by active Real Estate Licensee Subscribers of Alaska Multiple Listing Service, Inc.



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YES NO

**7. SOIL STABILITY, STORAGE TANKS & CONTAMINATION.**

- A. Are you aware of any settlement, earth movement, cracking, slides, accretion, erosion or similar problems affecting the property?
- B. To the best of your knowledge has any part of the property been built-up, dug-out or altered, in any way, including but not limited to: fill dirt; waste; toxic waste; organic or off-site material; used for a landfill; or legal/illegal dumping?
- C. Has the property ever been used for commercial or industrial purposes, including but not limited to: a service station; auto repair shop; dry cleaners; printing shop; manufacturing facility; or any other use which might have contaminated the soil?
- D. Are you aware of any soil contamination or has the property been tested for hazardous waste contamination? (If "tested" attach a copy of the inspection report.)
- E. Do you have any reason to believe that the soils may not be acceptable for the installation of a septic system? (If "Yes," explain in Section 16.)
- F. Does the property currently have a storage tank that was used to store anything that is defined as fuel, toxic and/or hazardous.
- G. Are you aware of the property previously having a storage tank? If "Yes", the storage tank was removed on or about: \_\_\_\_\_
- H. If the answer to G is "Yes", is a copy of the removal report and soils report attached?

**8. FLOODING OR SEEPAGE.**

- A. Has there been, or is there currently, standing water on the property during any time of the year? If "Yes", explain in Section 16.
- B. If your answer to A is "Yes," has anything been done to mitigate? Explain in Section 16.
- C. Is the property located in a designated flood zone or flood plain?

**9. SEWAGE.**

- A. Is the property served by:  public sewer main  septic tank system  other disposal system (describe): \_\_\_\_\_
- B. Is public sewer on or adjacent to the property?
- C. If there is a sewer main across one or more sides of the property, is there a connection or hook-on charge payable before the property can be connected to the sewer?

**10. WATER.**

- A. Is the property served by a public water main?
- B. Is there a well on this property? If "Yes", provide location, depth, source and/or provide documentation: \_\_\_\_\_
- C. Does the well provide water to any other properties or entities?
- D. If your answer to C is "Yes," is there a written maintenance agreement for sharing costs of repair or replacement? If "Yes", attach a copy.
- E. Has the water been tested? (attach any report(s))
- F. Are you aware of any deficiencies or defects in the well system?

**11. ELECTRICITY & GAS.**

- A. Is electricity on or adjacent to the property?
- B. Is natural gas on or adjacent to the property?

**12. NEIGHBORHOOD.**

- A. Are you aware of any waste dumps, disposal sites or landfills within one mile of the property?
- B. Are you aware of any manufacturing, agricultural, quarrying or other uses or conditions within one mile of the property, which cause smoke, smell, noise or pollution?
- C. Are you aware of any abandoned coal or other mine shafts under or within one mile of the property?

Form 7083. Revised 10/19.

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Page 2 of 4

Buyer(s)

Seller(s)



**Seller's Real Estate Disclosure Statement for Unimproved Property Described As:**

Address: L6 Maud Circle Nikiski AK 99635  
Legal (the Property): Harold L6

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**YES NO**

- D. Are you aware of any street or utility improvements planned that may affect and/or be assessed against the property?
- E. Are you aware of any zoning or land use changes planned or being considered that may affect the Property.
- F. Are you aware of any noise sources that may affect the property, including airplanes, trains, dogs, traffic, race tracks, neighbors, etc.? If "Yes", explain in Section 16.
- G. Are you aware if there is water access (lakes, rivers, streams, etc.) included in the purchase of this property? If "Yes", explain in Section 16 how or where these rights are defined?

- 13. **AGREEMENTS TO PAY FOR FUTURE PUBLIC IMPROVEMENTS.**  
Are you aware if there are any covenants or any recorded/unrecorded agreements requiring owners of the property to pay for (and/or waiving the right to protest) future public improvements including, but not limited to: roads or streets; flood and/or storm water control, street lighting; sewer, water, telephone, electrical, gas and/or other utilities? If "Yes", explain in Section 16.

**14. DEVELOPER INFORMATION.**

If this information relates to a development where the owner plans to install utilities as a part of the purchase price and/or a part of the marketing plan for the property, include the projected date for installation on the following:

Electric	Date _____	Source _____
Natural Gas	Date _____	Source _____
Public Water	Date _____	Source _____
Public Sewer	Date _____	Source _____
Paved Streets	Date _____	Source _____
Street Lights	Date _____	Source _____
Storm Drains	Date _____	Source _____
Other: _____	Date _____	Source _____

**15. OTHER.**

- A. Are you aware of anything else which could affect the value or desirability of the property? If "Yes", explain in Section 16.
- B. Are there any government protected or declared endangered wildlife on or within one mile of the property? If "Yes", in Section 16.
- C. Are there any loans or liens tied to this property? If "Yes", explain in Section 16.
- D. Is there a burial site tied to this property? If "Yes", explain in Section 16.

**16. COMMENTS.** Reference Item Number (i.e. #3E). If additional space is needed, use the attached UPDA.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Attached Addenda:**

- Unimproved Property Disclosure Addendum/Amendment (UPDA)

Form 7083. Revised 10/19.

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Page 3 of 4

1 1  
Buyer(s)

2 1 202  
Seller(s)





**Seller's Real Estate Disclosure Statement for Unimproved Property Described As:**

Address: L6 Maud Circle Nikiski AK 99635  
Legal (the Property): Harold L6



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The foregoing information is furnished to the best of my/our knowledge, after careful consideration of each of the questions. I/We understand that representations will be made to prospective buyers based on the foregoing information, and I/we authorize copies of this to be given to prospective buyers. I/We agree to hold harmless the Brokers and Licensees of Alaska Multiple Listing Service, Inc. from any claim that the foregoing information is incorrect.

**Seller Signature(s)**

Seller 1: Paul Dale Date: 7/22/2024  
Paul Dale

Seller 2: Brenda Dale Date: 7/22/2024  
Brenda Dale

Seller 3: \_\_\_\_\_ Date: \_\_\_\_\_

**Buyer's Notice and Receipt of Copy**

**Buyer Awareness Notice:** Buyer is independently responsible for determining whether a person who has been convicted of a sex offense resides in the vicinity of the property that is the subject of the Buyer's potential real estate transaction. This information is available at the following locations: Alaska State Trooper Posts, Municipal Police Departments, and on the State of Alaska, Department of Public Safety Internet site: [www.dps.state.ak.us](http://www.dps.state.ak.us).

The State of Alaska maintains a list of properties that have been identified by Alaska law enforcement agencies as illegal drug manufacturing sites, including meth labs. For more information on this subject and to obtain a list of these properties, go to <http://www.dec.state.ak.us>.

**Buyer Awareness Notice:** Buyer is independently responsible for determining whether, in the vicinity of the property that is the subject of the transferee's potential real estate transaction, there is an agricultural facility or agricultural operation that might produce odor, fumes, dust, blowing snow, smoke, burning, vibrations, noise, insects, rodents, the operation of machinery including aircraft, and other inconveniences or discomforts as a result of lawful agricultural operations.

**The Buyer is urged to inspect the property carefully and to have the property inspected by an expert. Buyer understands that there are aspects of the property of which the Seller may not have knowledge and that this disclosure statement does not encompass those aspects. Buyer also acknowledges that he/she has read and received a signed copy of this statement from the Seller or any licensee involved or participating in this transaction.**

**Buyer Signature(s)**

Buyer 1: \_\_\_\_\_ Date: \_\_\_\_\_

Buyer 2: \_\_\_\_\_ Date: \_\_\_\_\_

Buyer 3: \_\_\_\_\_ Date: \_\_\_\_\_



# ALASKA REAL ESTATE COMMISSION CONSUMER DISCLOSURE

This Consumer Disclosure, as required by law, provides you with an outline of the duties of a real estate licensee (licensee). This document is not a contract. By signing this document you are simply acknowledging that you have read the information herein provided and understand the relationship between you, as a consumer, and a licensee. (AS 08.88.600 – 08.88.695)

There are different types of relationships between a consumer and a licensee. Following is a list of such relationships created by law:

## Specific Assistance

The licensee does not represent you. Rather the licensee is simply responding to your request for information. And, the licensee may "represent" another party in the transaction while providing you with specific assistance.

***Unless you and the licensee agree otherwise, information you provide the licensee is not confidential.***

Duties **owed** to a consumer by a licensee providing specific assistance include:

- a. Exercise of reasonable skill and care;
- b. Honest and good faith dealing;
- c. Timely presentation of all written communications;
- d. Disclosing all material information known by a licensee regarding the physical condition of a property; and
- e. Timely accounting of all money and property received by a licensee.

## Representation

The licensee represents only one consumer unless otherwise agreed to in writing by all consumers in a transaction.

Duties **owed** by a licensee when representing a consumer include:

- a. Duties owed by a licensee providing specific assistance as described above;
- b. Not intentionally take actions which are adverse or detrimental to a consumer;
- c. Timely disclosure of conflicts of interest to a consumer;
- d. Advising a consumer to seek independent expert advice if a matter is outside the expertise of a licensee;
- e. Not disclosing consumer confidential information during or after representation without written consent of the consumer unless required by law; and
- f. Making a good faith and continuous effort to accomplish a consumer's real estate objective(s).

## Neutral Licensee

A neutral licensee is a licensee that provides specific assistance to both consumers in a real estate transaction but does not "represent" either consumer. A neutral licensee must, prior to providing specific assistance to such consumers, secure a Waiver of Right to be Represented (form 08-4212) signed by both consumers.

Duties **owed** by a neutral licensee include:

- a. Duties owed by a licensee providing specific assistance as described above;
- b. Not intentionally taking actions which are adverse or detrimental to a consumer;
- c. Timely disclosure of conflicts of interest to both consumers for whom the licensee is providing specific assistance;
- d. If a matter is outside the expertise of a licensee, advise a consumer to seek independent expert advice;
- e. Not disclosing consumer confidential information during or after representation without written consent of the consumer unless required by law; and
- f. Not disclosing the terms or the amount of money a consumer is willing to pay or accept for a property if different than what a consumer has offered or accepted for a property.

If authorized by the consumers, the neutral licensee may analyze and provide information on the merits of a property or transaction, discuss price terms and conditions that might be offered or accepted, and suggest compromise solutions to assist consumers in reaching an agreement.

## Designated Licensee

In a real estate company, a broker may designate one licensee to represent or provide specific assistance to a consumer and another licensee in the same office to represent or provide specific assistance to another consumer in the same transaction.

**ACKNOWLEDGEMENT:**

I/We, Kenai Peninsula Borough have read the information provided in this Alaska Real Estate  
*(print consumer's name(s))*

Consumer Disclosure and understand the different types of relationships I/we may have with a real estate licensee. I/We

understand that Fred Braun of Jack White Real Estate Kenai  
*(licensee name)* *(brokerage name)*

will be working with me/us under the relationship(s) selected below.

(Initial)

**Specific assistance without representation.**

**Representing the Seller/Lessor only.** (may provide specific assistance to Buyer/Lessee)

**Representing the Buyer/Lessee only.** (may provide specific assistance to Seller/Lessor)

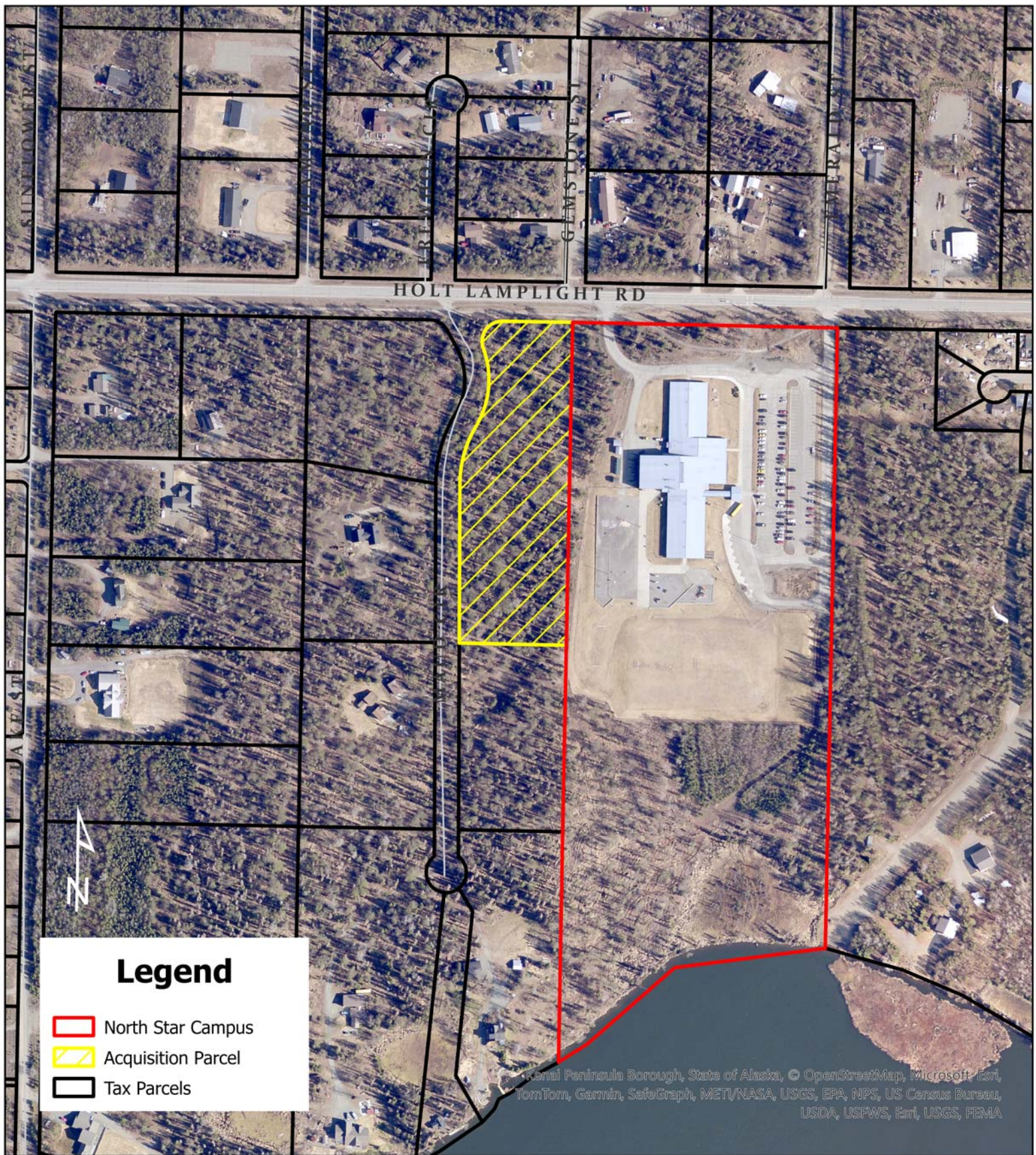
**Neutral Licensee.** (must attach Waiver of Right to be Represented, form 08-4212)

Date: \_\_\_\_\_ Signature: \_\_\_\_\_  
*(Licensee) Fred Braun*

Date:  \_\_\_\_\_ Signature:  \_\_\_\_\_  
*(Consumer) Kenai Peninsula Borough*

Date: \_\_\_\_\_ Signature: \_\_\_\_\_  
*(Consumer)*

**THIS CONSUMER DISCLOSURE IS NOT A CONTRACT**



# North Star School Parcel Acquisition

Introduced by: Mayor  
Date: 09/03/24  
Hearing: 09/17/24  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2024-19-08**

**AN ORDINANCE APPROPRIATING FUNDS FROM THE ROAD SERVICE AREA  
OPERATING FUND BALANCE TO THE ENGINEER'S ESTIMATE FUND TO  
SUPPORT RSA BOARD APPROVED RIAD PROJECTS IN PROCESS AND TO  
PREPARE THE FUND FOR PROPOSED FISCAL YEAR 2025 PROJECTS**

**WHEREAS**, in order to determine the estimated cost of a road improvement assessment district (“RIAD”) project an engineering report must be completed that includes a site review, geotechnical investigation, utility locates, and any other observed site-specific requirements to complete the project; and

**WHEREAS**, the KPB's Road Service Area (“RSA”) Operating Fund has allocated \$22,500 for FY25 to provide for engineering estimates associated with the RIAD project process; and

**WHEREAS**, there is an unusually high number of RIAD projects in the queue to be completed in FY25; and

**WHEREAS**, due to the number of RIAD projects the total cost of engineering services has exceeded the allocated budget and it is necessary to appropriate additional funds to complete the necessary engineering report prior to adverse winter conditions; and

**WHEREAS**, the KPB RSA Board, at its regular meeting of August \_\_\_\_, 2024 recommended \_\_\_\_\_;

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

**SECTION 1.** That \$50,000 is appropriated from the Road Service Area Fund fund balance to be transferred to account 237.33950.00000.43011 to provide for engineering estimates associated with road improvement assessments.

**SECTION 2.** That this ordinance shall be effective immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \*, 2024.**

\_\_\_\_\_  
Brent Johnson, Assembly President

ATTEST:

\_\_\_\_\_  
Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Road Service Area

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *PM*  
Brandi Harbaugh, Finance Director *BH*

**FROM:** Scott Griebel, Roads Director *SG*

**COPY:** John Hedges, Purchasing and Contracting Director

**DATE:** August 22, 2024

**RE:** Ordinance 2024-19- 08 , Appropriating Funds from the Road Service Area Operating Fund Balance to the Engineer’s Estimate Fund to Support RSA Board Approved RIAD Projects in Process and to Prepare the Fund for Proposed Fiscal Year 2025 Projects (Mayor)

---

Traditionally, the RSA has allocated \$12,000 annually to provide for engineering estimates associated with the Road Improvement Assessment District (RIAD) project process. There is currently a historically high number of RIAD projects in the queue, so the Engineer’s Estimate Fund (Fund 237) allocation for FY25 was increased to \$22,550 through the budget process.

Five RIAD projects, approved by the RSA Board, have simultaneously reached the engineering estimated phase and have been competitively bid as a group. The final bid for the group of projects is \$30,000. Additionally, there are two (2) separate RIAD projects currently approaching the engineering estimated phase.

In order to determine the estimated cost of a RIAD project an engineering report must be completed that includes a site review, geotechnical investigation, utility locates, and any other observed site-specific requirements to complete the project.

Due to the number of RIAD projects the total cost of engineering services has exceeded the allocated budget and it is necessary to appropriate additional funds to complete the necessary engineering report prior to adverse winter conditions.

Therefore, this Ordinance will appropriate \$50,000 from the RSA operating fund balance to Fund 237, in order to support approved projects in process and other proposed FY25 Projects.

Your consideration is appreciated.

<b>FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED</b>	
Acct. No.:	<u>236.27910</u> Amount: \$ <u>50,000</u>
By: <u>  <i>BH</i>  </u>	Date: <u>8/19/2024</u>

Introduced by: Mayor  
Date: 09/03/24  
Hearing: 09/17/24  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2024-19-10**

**REDIRECTING PREVIOUSLY APPROPRIATED SOLID WASTE CAPITAL  
PROJECT FUNDS FOR PROJECTS AT SOLID WASTE FACILITIES IN SEWARD  
AND HOMER**

**WHEREAS,** the FY24 budget appropriated \$100,000 for an excavation, clearing, and expansion project at the Seward Monofill/Transfer Facility; and

**WHEREAS,** the KPB Solid Waste Department did not expend the funds because it was necessary to first expand permitted limits of the Seward Monofill; and

**WHEREAS,** the Solid Waste Department plans to use these funds for excavation, clearing, and expansion project at the Seward Monofill and also for improvements to the gravel access road to the facility and this ordinance will redirect the project funds appropriated in the FY24 budget; and

**WHEREAS,** additionally, this ordinance redirects funds related to projects at the Homer Monofill/Transfer Facility; and

**WHEREAS,** Ordinance 2021-19-21, appropriated \$326,446 in capital funds for the Homer Monofill Cut and Fill Project to prepare the third phase of the Homer Monofill for waste placement; and

**WHEREAS,** the Cut and Fill Project is completed and \$79,529.09 remaining in the project account will be redirected for facility and site improvements and purchase of equipment for the Homer Transfer Facility;

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

**SECTION 1.** That \$100,000 is redirected from 411.32150.24500.49999 to account 411.32150.25496.49999 for the Excavation, Clearing, and Expansion Project and Access Road Improvement costs at the Seward Monofill/Transfer Facility.

**SECTION 2.** That \$79,529.09 is redirected from 411.32310.HOMMF.49999 to account 411.32310.25496.49999 for the facility and site improvements and equipment purchases and related costs at the Homer Monofill/Transfer Facility.



**SECTION 3.** That the redirected appropriations made in this ordinance are project length in nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 4.** That this ordinance shall be effective immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2024.**

---

Brent Johnson, Assembly President

ATTEST:

---

Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Solid Waste Department

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *PM*  
Brandi Harbaugh, Finance Director *BH*

**FROM:** Lee Frey, Solid Waste Director *LF*

**DATE:** August 22, 2024

**RE:** Ordinance 2024-19-10, Redirecting Previously Appropriated Solid Waste Capital Project Funds for Projects at Solid Waste Facilities in Seward and Homer (Mayor)

---

In the FY24 budget, \$100,000 was appropriated for an excavation, clearing and expansion project at the Seward Monofill. None of those funds have been spent to date. The Solid Waste Department is working to expand the permitted limits of the Seward Monofill prior to utilizing any funds. The Solid Waste Department respectfully requests redirection of these capital project funds. The \$100,000 for the Seward Monofill will be redirected for use in excavation, clearing and expansion of the monofill, and for use in improving the access road to the Seward Transfer Facility. The Solid Waste Department is developing a project to cap the gravel access road to the Seward Transfer Facility for improved driving and maintenance.

In addition, this Ordinance will redirect funds related to projects at the Homer Monofill. Ordinance 2021-19-21, appropriated \$326,446 in capital funds for the Homer Monofill Cut and Fill Project to prepare the third phase of the Homer Monofill for waste placement. This project was completed and \$79,529.09 remains in the account.

The \$79,529.09 remaining following completion of the Cut and Fill Project at the Homer Monofill will be redirected for facility and site improvements and purchase of equipment for the Homer Transfer Facility. Additional funding is needed to complete some paving replacement and roof repairs and we are planning on purchasing a yard tractor instead of renting one.

Your consideration is appreciated.

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.:	<u>411.32150.24500.49999</u> Amt: <u>\$100,000</u>
Acct. No.:	<u>411.32310.HOMMF.49999</u> Amt: <u>\$79,529.09</u>
By: <u>  <i>BH</i>  </u>	Date: <u>8/21/2024</u>

Introduced by: Mayor  
Date: 10/12/21  
Hearing: 10/26/21  
Action: Enacted  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2021-19-21**

**AN ORDINANCE APPROPRIATING FUNDS FROM THE SOLID WASTE CAPITAL  
PROJECT FUND FOR THE COMPLETION OF THE HOMER SOLID WASTE  
FACILITY MONOFILL CUT AND FILL PROJECT**

**WHEREAS,** the Homer Monofill is currently permitted to only place waste in a portion of the Phase III or final portion of the monofill; and

**WHEREAS,** this portion of the Phase III cell is filling up quickly; and

**WHEREAS,** prior to utilization of the entire Phase III cell, the Alaska Department of Environmental Conservation (“ADEC”) required a survey of the remaining area of the Phase III cell (completed in June 2021), which found that a significantly greater portion of the unused Phase III cell does not meet the ADEC’s groundwater separation requirements, a condition which was previously unknown; and

**WHEREAS,** work will need to be completed as soon as possible in order to ensure that there is adequate air space available for waste disposal; and

**WHEREAS,** this ordinance appropriates \$326,446 from the Solid Waste Capital Project Fund for the purpose of funding the Homer Solid Waste facility monofill cut and fill project;

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

**SECTION 1.** That \$326,446 is appropriated from the Solid Waste Capital Project Fund fund balance to account 411.32310.HOMMMF.49999 to provide funding for the Homer Solid Waste Facility Monofill Cut and Fill Project.

**SECTION 2.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 3.** That upon enactment this ordinance shall be effective immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 26TH DAY OF OCTOBER, 2021.**

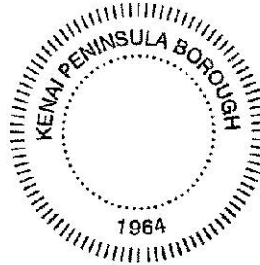
*Brent Johnson*

Brent Johnson, Assembly President

ATTEST:

*John Blankenship*

Johni Blankenship, MMC, Borough Clerk



Yes: Bjorkman, Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Tupper, Johnson

No: None

Absent: None

Introduced by: Mayor  
Date: 09/03/24  
Hearing: 09/17/24  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2024-26**

**ACCEPTING GRANT FUNDS FROM THE STATE OF ALASKA DEPARTMENT OF  
EDUCATION AND EARLY DEVELOPMENT FOR THE HOMER HIGH SCHOOL  
PARTIAL ROOF REPLACEMENT AND AUTHORIZING THE MAYOR TO EXECUTE  
THE PROJECT AGREEMENT**

**WHEREAS**, Ordinance 2020-19-21 appropriated \$180,000 in local funds for the purpose of design, development of a comprehensive scope of work and bid ready documents for the Homer High School Roof Replacement Phase I Project; and

**WHEREAS**, once design was complete, on December 7, 2021, Ordinance 2021-19-28 was passed, appropriating \$2,203,341 in U.S. Department of the Treasury, Coronavirus State and Local Fiscal Recovery funds (“SLFRF”) and \$1,800,000 in General Fund fund balance to provide funding for completion of all phases of the Homer High School Roof Replacement Project (“Project”); and

**WHEREAS**, the Project was submitted to the Alaska Department of Education and Early Development during the FY2024 major maintenance grant application process and awarded funding through the 2024/25 Budget; and

**WHEREAS**, this ordinance will reimburse the Kenai Peninsula Borough (“KPB”) \$1,120,299 for the locally funded portion of the project as allowable grant expenditures, KPB will then provide the required 35% match using the SLFRF funds;

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

**SECTION 1.** That the Mayor is authorized to accept the grant from the Alaska Department of Education & Early Development, School Major Maintenance Grant Fund and to execute a Project Agreement with the State substantially in the form of the agreement accompanying this ordinance for the Homer High School Partial Roof Replacement Project and execute any other documents deemed necessary to accept and expend the grant funds, and to fulfill the intents and purposes of this ordinance.

**SECTION 2.** That previous appropriations of \$3,204,327 were utilized to complete the Homer High School Partial Roof Replacement Project and the accepted grant funds will reimburse \$1,020,299 of local funds originally spent on the project.

**SECTION 3.** That this ordinance shall be effective retroactively to July 1, 2021.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \*  
DAY OF \*, 2024.**

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Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough

## Finance Department

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *AM*

**FROM:** Brandi Harbaugh, Finance Director *BH*  
John Hedges, Purchasing and Contracting Director *JH*

**COPY:** Elizabeth Hardie, Grants Administrator and Community Liaison

**DATE:** July 22, 2024

**SUBJECT:** Ordinance 2024- 26 , Accepting Grant Funds from the State of Alaska Department of Education and Early Development for the Homer High School Partial Roof Replacement (Mayor)

---

Ordinance 2020-19-21, enacted March 2, 2021, appropriated \$180,000 in local funds for the purpose of design, development of a comprehensive scope of work and bid ready documents for the Homer High School Roof Replacement Phase I Project. The roof had exceeded its useful life and was experiencing regular failures in the roof system, leading to more maintenance costs.

Once design was complete, on December 7, 2021, Ordinance 2021-19-28 was passed, appropriating \$2,203,341 in U.S. Department of the Treasury, Coronavirus State and Local Fiscal Recovery funds and \$1,800,000 in General Fund fund balance to provide funding for completion of all phases of the Homer High School Roof Replacement Project. The project was completed in FY24 with total project expenditures of \$3,204,327.

The Project was submitted to the Alaska Department of Education and Early Development (“DEED”) during the FY2024 grant application process and awarded funding through the 2024/25 Budget. This will reimburse the Borough \$1,120,299 for the locally funded portion of the project as allowable grant expenditures, we will then provide the required 35% match using the U.S. Department of the Treasury, Coronavirus State and Local Fiscal Recovery funds.

Your consideration is appreciated.

<b>FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED</b>	
Acct. No.:	<u>400.72010.HHSRF.49999</u>
Amount :	<u>\$1,120,299</u>
By: <u>  BH  </u>	Date: <u>  8/21/2024  </u>

**PROJECT AGREEMENT**  
for the project  
**Homer High School Partial Roof Replacement**

between

**State of Alaska, Department of Education & Early Development**

and

**Kenai Peninsula Borough School District**

**THIS CONTRACTUAL AGREEMENT (“Agreement”)**, effective **July 1, 2024**, is made between the State of Alaska, Department of Education and Early Development (hereinafter called State) and the Kenai Peninsula Borough (hereinafter called Recipient). The State and the Recipient are entering into this agreement pursuant to AS 14.11.020 and 4 AAC 31.023 et seq. as applicable to grant funding.

Whereas funds have been appropriated by the Legislature to the Department of Education and Early Development for the project described in Appendix "A" (hereinafter also referred to as "the Project") of the Agreement, and whereas the Recipient has made a request to the State that the Recipient be allowed to assume all responsibility for the planning, design and construction of the Project, and whereas the scope of this Agreement consists of all contract clauses as set forth below and incorporates the provisions and requirements of Appendices A through E as listed below:

Appendix A	Project Scope and Budget
Appendix B	Payment Schedule
Appendix C	Laws, Codes, Regulations, Standards and Guidelines
Appendix D	Submittal Requirements
Appendix E	Budget Category Definitions & Account Codes

The parties enter into the following agreement:

**Contract Clauses**

1. **Assumption of Responsibility.** The Recipient agrees to assume all responsibility heretofore held by the Department of Education and Early Development and the Department of Transportation and Public Facilities relating to planning, design, and construction of the Project. Nothing in this Agreement, express or implied, is intended or shall be construed to give any person, other than the State of Alaska and the Recipient, any right, remedy or claim under or by reason of this Agreement. The covenants, stipulations and agreements in this Agreement are and shall be for the sole and exclusive benefit of the State and the Recipient, and their successors and assigns.
2. **Project Coordinator:** The Recipient’s coordinator for this agreement is **Project Coordinator Name, Project Coordinator Title**. The Recipient agrees to notify the State of any change in coordinator.
3. **Governing Provisions:** This Agreement shall be governed by the laws of the State of Alaska. The Recipient agrees during the planning, design, and construction to comply with all applicable provisions of federal law and state law and regulation for public works. Failure to comply with the requirements set out in this paragraph is subject to the default procedure and remedies provided in clause 16.



# PROJECT AGREEMENT

The following table lists the state laws and regulations most frequently applied to school capital projects and their citation:

Accessibility	4 AAC 31.014(a)(1)
Bidding and Award	4 AAC 31.080 and AS 36.05
Budget Reductions	4 AAC 31.022(e) & 4 AAC 31.062
Construction Management Costs	AS 14.11.020(c)
Facility Disposal	4 AAC 31.085
Project Agreement	4 AAC 31.023(c)
Project Document Approval	4 AAC 31.040 & 4 AAC 31.062
Project Document Reviews	4 AAC 31.030 & 4 AAC 31.062
Purchase of Temporary Facilities	4 AAC 31.050
Reporting Procedures	4 AAC 31.060
School Space	4 AAC 31.020 & 4 AAC 31.061
Site Acquisition and Selection	4 AAC 31.025
Use of Consultants	4 AAC 31.065

4. Grant Funds: The State agrees to transfer the funds appropriated by the Legislature for the Project to a special account in the state treasury. The Recipient, with the approval of the State, may draw on the special account for the costs of planning, design, and construction of the project. The procedures to be followed by the Recipient drawing on the special account are set out in Appendix "B".
5. Project Document Reviews: The Recipient shall submit the elements of the Project plan as outlined in 4 AAC 31.030 for State review as they are developed. Drawings must be submitted in Portable Document Format (PDF), and must be clearly indexed on the title sheet or in a cover letter to the department. Other project documentation must be provided in electronic format wherever practicable. Final construction document submittals shall be signed and stamped by the Registered Design Professional (4 AAC 31.040). Each applicable document shall be provided at no cost to the State. Cost estimates are required at each design phase and shall be provided in the State's standard building system estimate format (DEED Cost Format). Compliance with ASHRAE Standard 90.1 will be measured using the State's checklist, or an approved equal, and Recipient will provide required supporting documents. When required, the Recipient shall provide a report that provides estimated annual energy consumption and cost information for electricity and heating following construction of the Project. When required the Recipient shall contract with a commissioning agent to review systems impacted/implemented by the project and submit all reports on the systems that the commissioning agent has provided.
6. Approvals and Permits: The Recipient shall coordinate all regulatory agency reviews and obtain all necessary written approvals from all agencies having jurisdiction over the Project.
7. Safety Precautions and Programs: The Recipient shall provide for and oversee all safety orders, precautions, and programs necessary to ensure reasonable safety for the planning, design, and construction of the Project. In this connection, the Recipient shall take reasonable precautions for the safety of all project employees and all other persons whom the Project might affect, all work and materials incorporated in the Project, all property and improvements on the construction site and adjacent thereto, and shall comply with all applicable laws, ordinances, rules, regulations and orders.

# PROJECT AGREEMENT

8. Project Scope Review: The Recipient is responsible to ensure the Project conforms to the scope of work as described in Appendix A and as further defined following department review and approval of the elements of the plan. Modifications to the scope of work for Additional Work will be permitted as outlined in the department's *Capital Project Administration Handbook* and will be submitted to the State in a written amendment for review and approval as required. New Work, as defined in the handbook, is not permitted. The Recipient shall forward copies of all final bid or proposal documents to the State prior to advertising as set out in 4 AAC 31.040. If any such documents conflict with the Project scope of work, the Recipient will be notified that further grant funds will not be paid by the State until those conflicting aspects are corrected.
9. Value Analysis: During the design of the Project, the Recipient, and the Recipient's consultants, shall incorporate value based design efforts with the goal of reducing the cost of the Project without sacrificing value. A formal Value Analysis may be required as specified in Appendix B.
10. Final Inspection and Acceptance: The Recipient shall provide timely notification to the State of any beneficial occupancy or substantial completion inspections of the Project. The State may, in its discretion, participate in these inspections, and the costs of State participation shall be an expense of the Project and shall be funded or reimbursed by the Recipient. Should the State decline to participate, the Recipient shall furnish to the State, within 10 workdays of the inspection, project documents certifying beneficial occupancy and/or substantial completion. Final acceptance of the Project by the Recipient shall occur in conformance with the Project documents and shall be noticed to the State. The State shall have fifteen (15) days after receipt of notice of final acceptance to make objections, after which time the Project shall be deemed accepted by the State. Objections will be presented in writing by the State and must be responded to in a satisfactory manner by the Recipient.
11. Project Audit: In accordance with 4 AAC 31.023(c)(3), the Recipient's performance is subject to financial audit at any time. Project records shall be maintained for three (3) years after the project completion and acceptance. Within three hundred and sixty-five (365) days after certification of beneficial occupancy and/or substantial completion, the Recipient agrees to provide an auditable accounting of expenditures of the Project. If the amount of the funding is more than \$300,000, the Recipient may be required to provide an independent project audit. The cost of an audit required by the State is an allowable project expense.
12. Project Accounting: Project accounting shall include all sources of revenues and Project expenditures by budgeted expense category. The expense categories shall conform to the categories indicated in Appendix A and defined in Appendix E. Any proposed change to the project budget and accounting must be approved by an amendment to this agreement. Accounting for the Project shall comply with the *Codification of Governmental Accounting and Financial Reporting Standards* as published by the Governmental Accounting Standards Board (GASB).
13. Facility Disposal: If, as a result of the Project, a State-owned facility is determined no longer needed for educational purposes, the entity operating this facility shall provide the following for a period not to exceed one year: (1) maintenance of the facility in the condition it was when vacated; (2) sufficient security to discourage vandalism and ensure that the facility is not accessible to unauthorized persons; (3) property loss and liability insurance through the School District's risk management program with the State named as an additional insured. In addition, the School District shall, if requested, act as the agent for the state in disposing of the facility in accordance with 4 AAC 31.085(b)-(h).

# PROJECT AGREEMENT

14. Project Close-out: Within sixty (60) days of the issuance of final project accounting by the Recipient, the Recipient will return the full amount of the unexpended grant funding to the State of Alaska Department of Education and Early Development. Interest earned on any money paid to the Recipient under this agreement shall be held by it to pay for project cost overruns, change orders or other legitimate project costs as provided for in 4 AAC 31.063. If at completion of the Project, any money earned as interest remains, the Recipient agrees to transfer that amount to a capital reserve account for school capital projects.
15. Maintenance, Operation, Ownership of the Completed Project: Responsibilities for maintenance, operations, and ownership of the facility shall be borne by the Recipient or their legal designee. The Recipient shall acquire from the project's designers and contractor, project documentation required to establish an effective facility management and preventive maintenance program that satisfies the requirements of AS 14.11.011(b)(4). The Recipient shall provide evidence to the State that the completed project has been incorporated in the district's facility management program and the Recipient, if required, has established legal ownership of the facility.
16. Termination of Contract for Cause: If, through any cause, the Recipient shall fail to fulfill in timely and proper manner its obligations under this contract, or if the Recipient shall violate any of the covenants, agreements or stipulations of this contract, the State shall provide written notice of the breach and an accompanying cure. If the Recipient fails to cure the breach within 30 days after receiving notification, Recipient will be considered in default of this Agreement unless the cure period is extended at the discretion of the State. In the event of termination, all finished or unfinished documents, data, studies, drawings, maps, models, photographs, and reports or other materials prepared by the Recipient under this contract shall, at the option of the State, become the State's property and the Recipient shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and materials. Notwithstanding the above, the Recipient shall not be relieved of any liability to the State for damages sustained by the State by virtue of any breach of the contract by the Recipient, and the State may withhold any payments to the Recipient for the purpose of offset until such time as the exact amount of damages due to the State from the Recipient is determined.
17. Termination for Convenience of the State: The State may terminate this contract at any time by giving written notice to the Recipient of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In that event, all finished or unfinished documents and other materials as described in paragraph 16 above shall, at the option of the State, become the State's property. If the contract is terminated by the State as provided herein, the Recipient shall be reimbursed for that portion of the actual out-of-pocket expenses not otherwise reimbursed under this contract which were incurred by the Recipient during the contract period and which are directly attributable to the Recipient's performance of this contract. If this contract is terminated due to the fault of the Recipient or its subcontractors, paragraph 16 shall apply.
18. Contracting: In the event the Recipient contracts any work covered by this project agreement, the Recipient shall require compliance by its contractors with wage rate requirements in AS 36.05.010 through AS 36.05.110, and shall require compliance with all other applicable federal, state, and local laws, regulations and ordinances.
19. Participating Share: The Recipient agrees to provide the participating share of the total costs of the Project required under AS 14.11.008. If the Recipient is eligible to provide its participating share through a contribution of labor, material or equipment, it must provide notice to the State

# PROJECT AGREEMENT

within thirty (30) days after signing this agreement. A description of the specific in-kind services must be included. The State may not unreasonably withhold its consent, but may impose record keeping requirements that allow it to monitor the incorporation of the local contribution into the Project. [4 AAC 31.023(d)]

20. Percent for Art: If the Project includes new construction or if the Project includes renovation over \$250,000 and an Educational Specification is required in Appendix D, the Recipient shall expend on art an amount equal to the percentage (as specified in AS 35.27.020) of the cost of construction. Art will be selected by an Artwork Selection Committee consisting of (at a minimum): The school district superintendent (or that entity’s designated representative), the Project Coordinator, the Project architect, and a designated individual from the Alaska State Council on the Arts (ASCA).
21. State Held Harmless: The Recipient shall indemnify, defend, and hold harmless the State of Alaska and the Department of Education and Early Development, its officers, agents, and employees from and against any and all suits, claims, damages, losses and expenses arising out of any act or omission of the Recipient under this agreement or the Project specified hereunder.
22. Reporting Requirements: Annual reports shall be filed by July 31 of each year for grant projects using form 0519-059, or most current, available on the department’s website, or upon request.
23. In-House Requests: Recipient may request, in writing, that all or portions of the Project be completed utilizing Recipient employees. A request to utilize in-house forces to complete work on the Project must be approved by the Commissioner prior to initiation of the work. [4 AAC 31.080(a)]
24. Alternative Procurement: Recipient may request, in writing, that an alternative method of procurement be utilized for construction of the Project. A request to utilize alternative procurement methods for construction of the Project must be approved by the State in advance of advertising for construction. [4 AAC 31.080(f)]
25. Funding Expiration: State funding for this project expires five years from the effective date of the project agreement unless an extension, requested by the Recipient, is granted by the State.

Kenai Peninsula Borough (Name and Title)	Date
State of Alaska, Department of Education and Early Development	Date

# PROJECT AGREEMENT

## APPENDIX AA

**1. Project Scope of Work:**

*Eligible [Additional] Gross Square Footage: none; 4 AAC 31.020(e)*

This project is for recovery of funds of the 2<sup>nd</sup> phase of the Homer High School roof replacement and includes the following:

- Removal of the existing roofing and installation of new asphalt shingle roofing including roof sections A, B, C, D, E, F, G, H, J, K, L, O (partial) and P.
- Replace underlayment, joists, sleepers, and batt insulation as required.
- Remove and replace EPDM roofing in sump area K.

**2. The Recipient further agrees to comply with the following additional conditions:**

The District acknowledges the Municipality or Borough may assume any or all of the responsibilities of this grant. (AS 14.14.060)

**3. Project Funds - Major Maintenance Grant Fund (AS 14.11.007)**

Chapter 08/SLA 24, page 50, lines 10-12; AS 14.11.015(b) and 4 AAC 31.023(a)-(b)

<b>Grant Amount</b>	<b>\$2,132,123</b>
<b>Recipient's Participating Share:</b>	<b>\$1,148,066</b>
<b>Other Funds</b>	<b>\$0</b>
<b>Project Total</b>	<b>\$3,280,189</b>

**4. Project Budget**

Cost Category	% of Construction	Total Project Budget
1. Construction Management (by consultant)	1.23%	\$36,178
2. Land	N/A	\$0
3. Site Investigation	N/A	\$0
4. Design Services	5.51%	\$161,783
5. Construction	100.00%	\$2,934,342
6. Equipment	0.00%	\$0
7. District Administrative Overhead	5.04%	\$147,886
8. Percent for Art	0.00%	\$0
9. Project Contingency	0.00%	\$0
<b>Totals</b>	<b>111.79%</b>	<b>\$3,280,189</b>

# PROJECT AGREEMENT

## APPENDIX B

### PAYMENT SCHEDULE

Upon submission of the following documents, the Recipient shall submit a separate request to the State for payment. Upon receipt of the payment request and verification and/or approval of submittals, the State shall issue a warrant to the grant recipient.

1. Payment #1; [5%]      Project Agreement complete and DEED approval of financial structure. (Required before any payments will be issued).
2. Payment #2; [5%]      DEED receipt/approval of the Recipient's participating share.
3. Payment #3; [10%]      DEED receipt/approval of planning documents to include condition surveys, ~~site selection report, soils investigation report, educational specifications, cultural resources review,~~ A/E services agreement, and ~~commissioning agent services agreement.~~ (Appendix D; Items 2, 3, 4, 5, 6, 7, and 8)
4. Payment #4; [35%]      DEED receipt/approval of design, construction and bid documents, and final cost estimate. DEED receipt/approval of a value analysis, conformed ASHRAE 90.1 compliance checklist, commissioning plan, and an energy consumption and cost report as necessary, and if not provided with schematic design. (Appendix D; Items 9, 10, 11, 12, 13, and 14)
5. Payment #5; [10%]      DEED receipt/approval of proof of advertising, bid tabulations, construction contract, construction schedule, payment/performance bonds and building permit or fire marshal review. (Appendix D; Items 15, 16, 17, 18, 19, and 20)
6. Payment #6, [30%]      DEED receipt of occupancy permit or A/E certification of substantial completion. (Appendix D; Item 21)
7. Payment #7; [5%]      DEED receipt of Recipient's certification that funds were expended in a manner consistent with the project agreement and submission of closeout documents including a project closeout worksheet, a final change order log, commissioning report, ASHRAE compliance construction checklist, contractor's release of liens, contract termination, and Department of Labor and Department of Revenue clearances. DEED receipt/approval of preventive maintenance & facility management documents including PM components list by building system, PM schedule, custodial care plan, certification of training on building systems, renewal & replacement schedule for DEED standard building systems. (Appendix D; Items 10, 22, 23, 24, 25, 26, 27, 28, 29, 30, and 31)

# PROJECT AGREEMENT

## APPENDIX C

### LAWS, CODES, REGULATIONS, STANDARDS, AND GUIDELINES

It is the responsibility of the Recipient to comply with all applicable laws and regulations. While some of the following laws and regulations may be applicable, Recipient should not rely on the following for an exhaustive or current list of applicable laws and regulations.

#### LAWS

Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq. (amended 2008);

AS 36.05.010 - .110 Wages and Hours of Labor and regulations covering procurement requirements and wage rates.

#### CODES AND REGULATIONS

Americans with Disabilities Act of 1990, 28 C.F.R. §§ 35.151, 36.401-.402 (2010);

Building code adopted by the Department of Public Safety under 13 AAC 50.020;

Title 14 C.F.R., Part 77, Federal Aviation Administration Airspace Restrictions as adopted and modified by the Federal Aviation Administration;

Electrical code adopted by the Department of Labor & Workforce Development under 8 AAC 70.025;

Plumbing code adopted by AS 18.60.705;

Mechanical code adopted by the Department of Public Safety under 13 AAC 50.023;

National Boiler Inspection Code, as published by the American Society of Mechanical Engineers (A.S.M.E.) and as adopted by AS 18.60.180;

Fire code adopted by the Department of Public Safety under 13 AAC 50.025.

#### *NOTE:*

*If a subject is not covered in the building code, mechanical code, or the fire code adopted above, a recognized national standard such as N.F.P.A. Vols. 1-6, 1996 Edition will be utilized.*

Codes adopted by the Department of Environmental Conservation for Water, Wastewater, Sewer, and Oil and other Hazardous Substances Pollution, under AS 46.03.710-.850, 18 AAC 80, and 18 AAC 72, 18 AAC 75, and 18 AAC 80;

Fuel handling requirements as specified in 40 C.F.R 112.3(a) and, if applicable, as described in 40 C.F.R 112.20(f)(6), shall comply with 40 C.F.R. 117.7.1.

#### STANDARDS

Energy Conservation Requirements A.S.H.R.A.E. 90.1-2016;

State of Alaska, Department of Education and Early Development, Uniform Chart of Accounts and Account Code Descriptions for Public School Districts;

State of Alaska, Department of Education and Early Development, Alaska School Design and Construction Standards;

# PROJECT AGREEMENT

ASTM F1487-98 Standard Consumer Safety Performance Specifications for Playground Equipment for Public Use.

## GUIDELINES

The Council of Educational Facility Planning International, Creating Connections: The CEFPI Guide for Educational Facility Planning

State of Alaska, Department of Education and Early Development, A Handbook to Writing Educational Specifications

State of Alaska, Department of Education and Early Development, Capital Project Administration Handbook

State of Alaska, Department of Education and Early Development, Guidelines for School Equipment Purchases

State of Alaska, Department of Education and Early Development, Project Delivery Method Handbook

State of Alaska, Department of Education and Early Development, Swimming Pool Guidelines

State of Alaska, Department of Education and Early Development, Site Selection Criteria and Evaluation Guideline

State of Alaska, Council on the Arts, Guidelines for Art Requirements for Public Buildings



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## APPENDIX D

### SUBMITTAL REQUIREMENTS & REQUIRED APPROVALS (as applicable)

Item	Agency	Review Only	Review & Approval
1. Annual Report (due July 31)	Department of Education & Early Development	X	
<del>2. Site Selection Report</del>	<del>Department of Education &amp; Early Development</del>		<del>X</del>
<del>3. Soils Investigation Report</del>	<del>Department of Education &amp; Early Development</del>		<del>X</del>
4. Condition Surveys	Department of Education & Early Development		X
<del>5. Educational Specifications</del>	<del>Department of Education &amp; Early Development</del>		<del>X</del>
<del>6. Cultural Resources Review</del>	<del>Department of Natural Resources</del>		<del>X</del>
7. A/E Services Agreement	Department of Education & Early Development	X	
<del>8. Commissioning Agent Agreement</del>	<del>Department of Education &amp; Early Development</del>		<del>X</del>
<del>9. Schematic Design Documents</del>	<del>Department of Education &amp; Early Development</del>		<del>X</del>
10. ASHRAE Compliance Checklist	Department of Education & Early Development		X
<del>11. Value Analysis</del>	<del>Department of Education &amp; Early Development</del>		<del>X</del>
<del>12. Design Development Documents</del>	<del>Department of Education &amp; Early Development</del>		<del>X</del>
<del>13. Energy Consumption and Cost Report</del>	<del>Department of Education &amp; Early Development</del>		<del>X</del>
14. Construction Documents	Department of Education & Early Development Department of Public Safety (unless local review authority granted) Department of Environmental Conservation		X X X
15. Bid Documents	Department of Education & Early Development		X
16. Building Permit	Department of Education & Early Development	X	
17. Bid Tabulation	Department of Education & Early Development	X	
18. Construction Contract	Department of Education & Early Development Department of Labor ( <i>AS 36.05.035 Notification</i> )	X X	
19. Construction Schedule	Department of Education & Early Development	X	
20. Contractor's Payment/ Performance Bonds	Department of Education & Early Development	X	
21. Substantial Completion Certificate/ Occupancy Permit	Department of Education & Early Development	X	
22. Change Order Log	Department of Education & Early Development	X	
23. Release of Liens	Department of Education & Early Development	X	
24. Release from Contract	Department of Education & Early Development	X	
25. Commissioning Report	Department of Education & Early Development	X	
26. Preventive Maintenance and Facility Management Documents	Department of Education & Early Development		X
<del>27. Recorded Building Title</del>	<del>Department of Education &amp; Early Development</del>	<del>X</del>	
28. Final Project Accounting	Department of Education & Early Development	X	
Evidence of the construction contractor's provision of the following items to the appropriate entity.			
29. Corporate Income Tax Clearance	Department of Revenue		X
30. Employment Security Tax Clearance	Department of Labor & Workforce Development		X
31. Notice of Completion of Public Works	Department of Labor & Workforce Development		X

# PROJECT AGREEMENT

## APPENDIX E

### BUDGET CATEGORY DEFINITIONS & ACCOUNT CODES

Construction Management: By Consultant (CM) includes management of the project's scope, schedule, quality, and budget during any phase of the planning, design and construction of the facility and full time onsite representation. Consultant CM should include all costs incurred by private consultant to perform the CM work. Refer to AS 14.11.020(c) for the limitations on consultant CM. (DEED Chart of Accounts FC 884, OC 413)

Land includes actual purchase price plus title insurance, fees and closing costs. Land cost is limited to the current fair market value, by appraisal, not to exceed the amount budgeted for land in the project agreement. Land costs are excluded from project percent calculations. (DEED Chart of Accounts FC 882, OC 520)

Site Investigation includes land survey, geotechnical investigation, environmental and cultural survey, and site selection study costs, but not site preparation costs. Site investigation costs are excluded from project percent calculations. (DEED Chart of Accounts FC 882, OC various)

Design Services includes all full standard architectural and engineering services as described in AIA Documents B102-2007, and B201-2007, along with commissioning agent costs. Additional A/E services such as educational specifications, condition surveys, and post occupancy evaluations should also be categorized as Design Services, however, onsite owner representation and inspections beyond the scope of work described in AIA Documents B102-2007, and B201-2007 should be categorized as CM. (DEED Chart of Accounts FC 883, OC 416)

Construction includes the cost of all material, labor, equipment, and associated expenses required to perform the project's facility construction and site development. Construction costs can be incurred via a competitively awarded contract or, with prior department approval, via the use of in-house labor and procurement of materials per local ordinances. (DEED Chart of Accounts FC 885, OC 500)

Equipment includes all moveable furnishings and instructional devices or aids such as classroom furniture, musical instruments, science lab and physical education equipment and stage/sound equipment. It does not include installed equipment, or consumable supplies, with the exception of the initial purchase of library books. For more information see the DEED publication *Guidelines for School Equipment Purchases*. This item also includes Technology such as computers, 2D/3D printers/scanners, monitors, video projectors, interactive whiteboards, video cameras, digital cameras, large format displays, video recorders/players, image processors, robotics, calculators, electronic test equipment, voice over IP, digital telephone, etc. Consultant services necessary to make technology items operational may also be included. (DEED Chart of Accounts FC 886, OC 510)

District Administrative Overhead includes an allocable share of district overhead costs, such as payroll, accounts payable, procurement services, and preparation of the six-year capital improvement plan and specific project applications. The maximum for non-project specific indirect administrative costs is 3%, as defined in regulation [4 AAC 31.023(c)(7)]. It also includes In-House Construction Management (CM) which is similar to CM by Consultant, with the exception that in-house CM includes actual district/borough staff time allocated to the project, staff travel expenses, and other direct costs of the in-house activity. (DEED Chart of Accounts FC 881, OC 528)

Art includes the selection, design/fabrication and installation of works of art. (DEED Chart of Accounts FC 888, OC various)

Project Contingency is a safety factor to allow for unforeseen changes. The use of contingency funds to address budget overruns should be coordinated with the department. No costs shall be accounted for as Contingency expenditures. (DEED Chart of Accounts FC 889, OC [budget account only])

Introduced by: Mayor  
Date: 02/16/21  
Hearing: 03/02/21  
Action: Enacted  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2020-19-21**

**AN ORDINANCE APPROPRIATING GENERAL FUND FUND BALANCE FOR  
DESIGN DEVELOPMENT OF PHASE I OF THE HOMER HIGH SCHOOL ROOF  
REPLACEMENT**

- WHEREAS,** the Homer High School roof was installed in 1983 and has exceeded its useful life; and
- WHEREAS,** regular failures in the roof system have led to increased maintenance costs, interruptions in the programs supported by the facility and degradation of other facility infrastructure; and
- WHEREAS,** approximately 34,000 square feet of the roof is in immediate need of replacement; and
- WHEREAS,** the project is proposed to be funded through the use of \$1,252,552.88 in remaining 2014 school bond funds transferred from the Redoubt Elementary Roof replacement project, interest of \$25,523.17 and a supplemental amount from the general fund of \$521,923.95 for a total estimated project cost of \$1,800,000; and
- WHEREAS,** a resolution will be proposed on February 16, 2021 requesting that the Borough Mayor be authorized to submit a Bond Reimbursement Application to the Alaska Department of Education and Early Development for the approval of additional projects in the bond reimbursement program for bonds sold in 2014; and
- WHEREAS,** design development must start immediately if the project is to be completed this construction season; and
- WHEREAS,** the cost to develop a comprehensive scope of work and complete bid ready documents is estimated to be \$180,000;

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

**SECTION 1.** That funds in the amount of \$180,000 from the General Fund fund balance are appropriated from account 100.27910 to account 401.78050.22SCH.49999 to provide for development of a comprehensive scope of work and bid ready documents for the Homer High School Roof Replacement Phase I project.

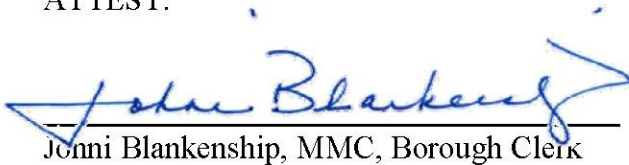
**SECTION 2.** That upon enactment this ordinance shall take effect immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 2ND DAY OF MARCH, 2021.**

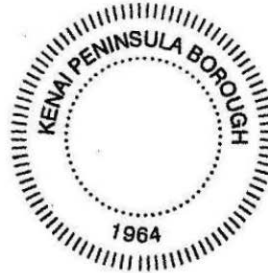


\_\_\_\_\_  
Brent Hibbert, Assembly President

ATTEST:



\_\_\_\_\_  
Jonni Blankenship, MMC, Borough Clerk



Yes: Bjorkman, Carpenter, Chesley, Cox, Derkevorkian, Dunne, Elam, Johnson, Hibbert  
No: None  
Absent: None

Introduced by: Mayor  
Date: 11/09/21  
Hearing: 12/07/21  
Action: Enacted  
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2021-19-28**

**AN ORDINANCE ALLOCATING AND REDIRECTING U.S. DEPARTMENT OF  
TREASURY, CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS  
ESTABLISHED BY THE AMERICAN RESCUE PLAN ACT OF 2021 AND  
APPROPRIATING GENERAL FUND FUND BALANCE TO SPECIFIC PAY-GO  
CAPITAL PROJECTS**

**WHEREAS**, Ordinance 2021-19-08 approved and appropriated \$11,403,341 from the U.S. Department of the Treasury, Coronavirus State and Local Fiscal Recovery Funds (“Grant Funds”), established by the American Rescue Plan Act of 2021; and

**WHEREAS**, the Grant Funds are governed by Sections 602 and 603 of the Social Security Act as added by Section 9901 of the American Rescue Plan Act of 2021, Pub. L. No. 117-2; and

**WHEREAS**, the Grant Funds were appropriated for three qualified projects that may provide the greatest public benefit on an areawide basis as follows:

\$2,000,000 of the Grant Funds allocated to educational services and transferred to the Kenai Peninsula Borough School District for education;

\$6,000,000 of the Grant Funds were allocated to the Solid Waste Leachate Project;

\$3,403,341 of the Grant Funds were allocated to “pay-go” infrastructure projects to be approved by the assembly; and

**WHEREAS**, this ordinance allocates Grants Funds of \$2,203,341 to fund the Homer High School Roof Replacement Pay-Go Critical Infrastructure Project; and

**WHEREAS**, this ordinance appropriates \$1,800,000 from the General Fund fund balance to complete Phase 2 and Phase 3 of the Homer High School Roof Replacement Project; and

**WHEREAS,** this ordinance allocates Grant Funds of \$700,000 to construct a new exterior side on a portion of West Homer Elementary to stop water intrusion; and

**WHEREAS,** this ordinance redirects Grant Funds of \$500,000 to fund critical bridge infrastructure by rebuilding and upgrading bridges within the Kenai Peninsula Borough;

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

**SECTION 1.** That \$2,203,341 in previously appropriated grant funds are allocated to fund the Homer High School Roof Replacement Pay-Go Critical Infrastructure Project account number 400.72010.SLF03.49999.

**SECTION 2.** That funds in the amount of \$1,800,000 are appropriated from the General Fund fund balance account 100.27910 to account 400.72010.HHSRF.49999 for the completion of Phase 2 and Phase 3 of the Homer High School Roof Replacement Project.

**SECTION 3.** That \$700,000 in previously appropriated grant funds are allocated to West Homer Elementary to fund the New Exterior Side Pay-Go Critical Infrastructure Project account number 400.72051.SLF04.49999.

**SECTION 4.** That \$500,000 in previously appropriated grant funds, account 271.94910.SLF03.49999, is redirected to 271.94910.SLF05.49999 to be transferred to 434.33950.SLF05.49999 for the completion of necessary pay-go critical borough bridge infrastructure improvements.

**SECTION 5.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

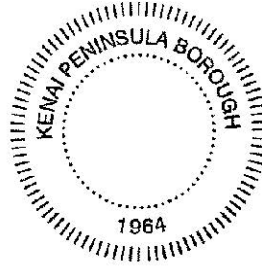
**SECTION 6.** That this ordinance shall become effective immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF DECEMBER, 2021.

Brent Johnson  
Brent Johnson, Assembly President

ATTEST:

John Blankenship  
John Blankenship, MMC, Borough Clerk



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

Introduced by: Mayor  
Date: 09/17/24  
Hearing: 10/08/24  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2024-19-11**

**AN ORDINANCE DEOBLIGATING SOME OR ALL IN-KIND SERVICES BY THE  
CITIES OF KENAI, SOLDOTNA, AND HOMER AND APPROPRIATING THEIR  
CASH CONTRIBUTIONS AS REQUIRED MATCH FUNDS FOR THE SAFE STREETS  
AND ROADS FOR ALL GRANT PROJECT**

- WHEREAS,** the Kenai Peninsula Borough and its joint applicants – the City of Homer, City of Kenai, City of Soldotna, City of Seward, and the City of Soldotna (“the Cities”) - were awarded a grant sponsored by the U.S. Department of Transportation Federal Highway Administration to complete a Safe Streets and Roads for All Comprehensive Safety Action Plan (“Project”); and
- WHEREAS,** the Project is expected to have a total cost of \$1,200,000, with \$960,000 in federal funds obligated, and \$240,000 in match funds obligated by the Borough and the Cities; and
- WHEREAS,** Ordinance 2022-19-50 approved \$59,214 in matching in-kind services provided by the Cities to meet their joint applicant match fund requirement; and
- WHEREAS,** Ordinance 2022-19-50 stated that the City of Soldotna would provide \$12,420 through in-kind services, and the City of Kenai would provide \$21,449 through in-kind services; and
- WHEREAS,** the City of Soldotna instead provided cash payment of \$12,420, which has been placed in a deferred revenue account; and
- WHEREAS,** this ordinance de-obligates, in-full, the in-kind services required per Ordinance 2022-19-50 for the City of Soldotna, and appropriate their cash payment as match funds; and
- WHEREAS,** the City of Kenai has provided cash payment of \$14,740, which has been placed in a deferred revenue account; and
- WHEREAS,** this ordinance de-obligates the equivalent in-kind services required per Ordinance 2022-19-50 for the City of Kenai, and appropriate their cash payment as match funds; and



**WHEREAS,** this ordinance conditionally de-obligates the equivalent in-kind services required by the City of Homer, and appropriate their cash payment as match funds provided that the City's cash payment is made prior to enactment of this ordinance;

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

**SECTION 1.** That \$12,420 received from the City of Soldotna be appropriated to account 271.94910.23SSR.49999 for the Safe Streets and Roads for All Project.

**SECTION 2.** That the City of Soldotna is fully de-obligated from providing in-kind services to meet match requirements for the Safe Streets and Roads for All Project.

**SECTION 3.** That \$14,740 received from the City of Kenai be appropriated to account 271.94910.23SSR.49999 for the Safe Streets and Roads for All Project.

**SECTION 4.** That the City of Kenai is de-obligated from that equivalent of in-kind services to meet match requirements for the Safe Streets and Roads for All Project.

**SECTION 5.** That \$\_\_\_\_\_ received from the City of Homer be appropriated to account 271.94910.23SSR.49999 for the Safe Streets and Roads for All Project.

**SECTION 6.** That the City of Homer is de-obligated from that equivalent of in-kind services to meet match requirements for the Safe Streets and Roads for All Project..

**SECTION 7.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 8.** That this ordinance shall be effective immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2024.**

\_\_\_\_\_  
Brent Johnson, Assembly President

ATTEST:

\_\_\_\_\_  
Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:

# Kenai Peninsula Borough Grants Administration

## MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *PM*  
Brandi Harbaugh, Finance Director *BH*  
Elizabeth Hardie, Grants Administrator & Community Liaison *EH*

**FROM:** Robert Ruffner, Planning Director *RR*

**DATE:** September 5, 2024

**RE:** Ordinance 2024-19-11 , Deobligating Some or All In-Kind Services by the Cities of Kenai, Soldotna, and Homer and Appropriating their Cash Contributions as Required Match Funds for the Safe Streets and Roads for All Grant Project (Mayor)

The Safe Streets and Roads for All (US Department of Transportation) grant program and required match was accepted and appropriated under Ordinance 2022-19-50. The purpose of the grant program is to develop and approve a comprehensive safety action plan that can later be used to further opportunities for the actions listed in the plan. The cities of Kenai, Soldotna, Homer, Seward, and Seldovia lent their support to the project and committed to provide matching funds, calculated on their number of road miles and population. All the cities agreed to meet their match portion with allowable in-kind activities, and approved that funding through individual Resolutions.

Since that time, the City of Soldotna has met their entire match obligation of \$12,420 with cash contribution rather than in-kind activities. The City of Kenai has chosen to meet a portion of their match with cash in the amount of \$14,740, rather than in-kind activities. The remainder of their match is being met with in-kind activities. The City of Homer intends to meet a portion of their match with cash in the amount of \$14,510, rather than in-kind activities. The remainder of their match is being met with in-kind activities.

This Ordinance requests de-obligation of in-kind activities from the City of Kenai, the City of Soldotna, and, conditionally, the City of Homer equal to the amount of their cash contribution, and appropriation of those contributions as required match for the Safe Streets and Roads for All Grant Project.

<b>FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED</b>	
<b>Account:</b>	<u>271.22100</u>
<b>Amount:</b>	<u>\$ 12,420</u>
<b>By:</b>	<i>[Signature]</i>
<b>Date:</b>	<u>9/5/2024</u>

Your consideration is appreciated.

Introduced by:	Mayor
Date:	03/14/23
Hearing:	04/04/23
Action:	Enacted as Amended
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2022-19-50**

**AN ORDINANCE ACCEPTING AND APPROPRIATING THE SAFE STREETS AND  
ROADS FOR ALL ASSISTANCE GRANT AND THE REQUIRED MATCH FUNDS  
THROUGH THE U.S. DEPARTMENT OF TRANSPORTATION**

**WHEREAS,** the Safe Streets and Roads for All Assistance Grant program with Federal Assistance Number 20.939 (“the Program”) under the Office of the Secretary of Transportation, U.S. Department of Transportation, was established by the Bipartisan Infrastructure Law to fund local, regional, and tribal initiatives through grants to support the goal of zero deaths and serious injuries on public roadways; and

**WHEREAS,** Resolution 2022-49 authorized and approved the Kenai Peninsula Borough (“Borough”) to submit an application in September, through the Program, for a comprehensive safety plan; and

**WHEREAS,** the Borough was the lead applicant, with the City of Homer, City of Kenai, City of Seldovia, City of Seward, and the City of Soldotna (“the Cities”) as co-applicants; and

**WHEREAS,** the application was selected for award for the full amount; and

**WHEREAS,** development of an action plan will better position the Borough to create safer streets and communities, and to pursue further grant opportunities in future funding cycles to improve the road systems within the Borough and the Cities (“the Project”); and

**WHEREAS,** the duration of the project is expected to take two years, with a total cost of \$1,200,000.00 with a 20% match of \$240,000; and

**WHEREAS,** the following match amounts will be met as a minimum match requirement from each of the grant applicants; and

Kenai Peninsula Borough	\$180,786
Kenai	21,449
Homer	17,110
Soldotna	12,420
Seward	7,500
Seldovia	735
<hr/> Total Match Requirement	<hr/> \$240,000

**WHEREAS,** Resolution 2022-049 also approved the grant match requirements; and

**WHEREAS,** \$180,786 of the required match funds will be appropriated from the General Fund; and

**WHEREAS,** \$59,214 of the required match funds will be provided through in-kind services by the Cities; and

**WHEREAS,** \$59,214 in matching in-kind services provided by the Cities will increase the expenditure and revenue budgets to reflect receipt of these required match funds ; and

**WHEREAS,** it is in the best interests of the Kenai Peninsula Borough to accept and appropriate the Safe Streets for All grant and required match funds;

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

**SECTION 1.** The Mayor or his designee is authorized to execute grant agreements and any other documents deemed necessary to expend the funds and to fulfill the intent and purpose of this ordinance.

**SECTION 2.** The amount of \$1,200,000 received from the Office of the Secretary of Transportation, U.S. Department of Transportation be appropriated to account 271.94910.23SSR.49999 for the Safe Streets and Roads for All grant.

**SECTION 3.** The amount of \$180.786 be appropriated from the General Fund fund balance to account 271.94910.23SSR.49999 as match funds.

**SECTION 4.** The amount of \$59,214 in in-kind match provided by the Cities be appropriated to account 271.21110.23SSR.49999 as match funds.


**SECTION 6.** That the appropriations made in this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 7.** That this ordinance is effective retroactively to February 21, 2023.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 4TH DAY OF APRIL, 2023.**

  
Brent Johnson, Assembly President

ATTEST:

  
Michele Turner, CMC, Acting Borough Clerk



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

Introduced by: Mayor  
Date: 09/17/24  
Hearing: 10/08/24  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
ORDINANCE 2024-19-12**

**AN ORDINANCE APPROPRIATING UP TO \$53,221.25 TO THE DISASTER  
RESPONSE FUND FOR EXPENDITURES RESPONDING TO THE RECENT  
FLOODING IN THE SEWARD BEAR CREEK FLOOD SERVICE AREA**

**WHEREAS**, the KPB’s FY25 budget appropriated \$100,000 for emergency and disaster response efforts in the Office of Emergency Management Contingency Fund (“Contingency Fund”); and

**WHEREAS**, the Mayor authorized the use of the Contingency Fund to address imminent flooding threatening public health, safety, welfare and property in the Seward Bear Creek Flood Service Area on August 7, 2024; and

**WHEREAS**, of the \$100,000 annual appropriation \$53,221.25 has been spent or encumbered; and

**WHEREAS**, it is in the best interests of the KPB to appropriate funds from the General Fund for expenditures responding to the flooding and high-water emergency;

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

**SECTION 1.** That up to \$53,221.25 is appropriated from the General Fund, fund balance to be transferred to account 260.11250.25F1A.49999, to cover expenditures that occurred in response to the high water and flooding emergency in the Seward Bear Creek Flood Service Area. The appropriation will also indirectly replenish disaster response funds to be available in the event of a future local disaster emergency.

**SECTION 2.** This ordinance shall be effective retroactively to August 7, 2024.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY  
OF \* 2024.**

\_\_\_\_\_  
Brent Johnson, Assembly President

ATTEST:

\_\_\_\_\_  
Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:



# Kenai Peninsula Borough

## Office of Emergency Management

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### MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *PM*  
Brandi Harbaugh, Finance Director *BH*

**FROM:** Brenda Ahlberg, Emergency Manager *BA*

**DATE:** September 5, 2024

**RE:** Ordinance 2024-19-12, Appropriating Up To \$53,221.25 to the Disaster Response Fund for Expenditures Responding to the Recent Flooding in the Seward Bear Creek Flood Service Area (Mayor)

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Repairs were made pursuant to KPB 5.28.290 to public infrastructure during the timeframe of August 7-8, 2024 in response to imminent flooding and high-water issues impacting public rights-of-way in the Seward Bear Creek Flood Service Area (SBCFSA).

This Ordinance requests appropriations for the amount spent or encumbered responding to the flooding and high-water emergency threatening public health, safety, property or welfare in the SBCFSA.

Your consideration is appreciated.

<b>FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED</b>	
<b>Account:</b> <u>100.27910</u>	
<b>Amount:</b> Up to <u>\$53,221.25</u>	
By: <u><i>CF</i></u>	Date: <u>9/5/2024</u>

Kenai Peninsula Borough  
Office of the Borough Clerk

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**MEMORANDUM**

**TO:** Brent Johnson, Assembly President  
Kenai Peninsula Borough Assembly Members

**FROM:** Michele Turner, Borough Clerk (MT)

**DATE:** September 10, 2024

**RE:** Approval of the Precinct Boards, Canvass Board and Absentee Voting Officials for the October 1, 2024 Regular Municipal

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PRECINCT NAME	NAME OF ELECTION WORKER
Anchor Point	Roberta (Bobby) Ness Mary Perry Carol Slavik Loretta Stapel Maureen Tracy
Bear Creek	Cindy Clock Mary Huss Marjorie McEldowney Frances Reese Phyllis Shoemaker Sharon Stevens-Ganser Catherine "Katy" Turnball
Central	Joan Corr Rich Lassahn Janet Morrison Cynthia "Cindy" Newby Johnny Riggins Anna Traylor
Diamond Ridge	Donna Beran Shari Daugherty Therese Lewandowski Colleen Powers Rhoda Roedl

<b>PRECINCT NAME</b>	<b>NAME OF ELECTION WORKER</b>
Funny River No. 1	Phyllis Cousins Bonnie Meinzinger Marcia Morgan Sandra Sandoval Mary Youngman
Funny River No. 2	Karen Hatfield Tanya Parshall Ryann Runion Emma Snyder
Homer No. 1	Vicki Berney Pamela Brodie T. Danaan Smith
Homer No. 2	Cynthia Barker Tressa Hidden Friend Joan Smith Kent Smith Alexander Stuart Kira Stuart Elizabeth "Betsy" Wolf
Kachemak / Fritz Creek	Tommy J. Early Shirley Forquer Karen McRae Bob Neubauer Susan Oesting
Kasilof	Terrell Brewer Ann Fraser Kay Gardner Gail Knobf Jolaine "Jodi" Toombs Jerri Williams
K-Beach	Carol Louthan Bridgette Nelson Morgan Nelson Deanne Pearson April Weber

<b>PRECINCT NAME</b>	<b>NAME OF ELECTION WORKER</b>
Kenai No. 1	Carol Freas Paul Klaben Suzanne Klaben Barbara Norbeck Joan Seaman Michelle Teates Virginia Walters Gwen Woodard
Kenai No. 2	Carolyn Potter Jennifer Ticknor Barbara Waters Arlene "Susan" Smalley
Kenai No. 3	Sharon "Sheri" Efta Michael Efta Brianna Hammond Jeannie Hammond Raleigh VanNatta
Mackey Lake	Angela Anderson Farrah Collver Teresa Minnich Stephanie Snyder
Nikiski	Erich DeLand Casey DeSiena Jeanette Diamond Leslie Hamman Virginia Jorgensen Kelly Noble
Ninilchik	Linda Bischoff Kimberly Delgado Myrtle-May Erickson Sherry Pinckley Madeline Thompson Patricia Wheeler

<b>PRECINCT NAME</b>	<b>NAME OF ELECTION WORKER</b>
Salamatof	Nicole Darwin Kelsey Fitzpatrick Jeff Reitter Cindy Slaughter Nancy Whiting
Seward / Lowell Point	Catherine Byars Lori Draper Mark Kansteiner Kristi Larson Patricia "Patty" Linville Mike Mahmood Sharyl Seese Vanessa Verhey
Soldotna	Kari Hudson Linda "Lin" Kennedy Bridget "Lonny" Piscoya Gloria Sweeney Cheryl Tachick Sally Tachick
Sterling No. 1	Barbara "Barb" Blakeley Denise Hall Karen Lassiter Grace Merkes Marnie Olcott Christina Ruth Wells
Sterling No. 2	Robin Bedunnah Tom Bedunnah Patricia Bouton Dianna Hollers Loren Hollers Niki Pereira
<b>Absentee Voting Officials (Two-Weeks Prior to Election &amp; Election Day):</b>	
Homer City Hall	Pamela Brodie Kate Finn Nancy Lord T. Danaan Smith

PRECINCT NAME	NAME OF ELECTION WORKER
Absentee Voting Officials (con't):	
Kenai City Hall	Carol Freas Andrea Martino Bob Molloy
Kenai Peninsula Borough	Pauline Mills Alyson Stogsdill Katharine "Katie" Tongue
Seldovia City Hall Seldovia Library (Election Day)	Liz Diament (City Clerk) Mary Jo Stanley
Seward City Hall	Kristi Larson Vanessa Verhey
Canvass Board	Teri Birchfield Linda Cusack Brekke Hewitt Pauline Mills Joanna Rodgers Janet St. Clair Debra "Sue" Stein
Logic and Accuracy Testing	Teri Birchfield Janet St. Clair Linda Cusack Debra "Sue" Stein Katharine "Katie" Tongue Johni Blankenship, Soldotna City Clerk Shellie Saner, Kenai City Clerk Liz Diament, Seldovia City Clerk
Election Review Board	Michele Turner (Borough Clerk) Jason Kasper (Deputy Borough Clerk) Teri Birchfield Linda Cusack

KPB 4.50.010 further provides that the clerk may appoint workers where they are needed to relieve the election judges of any undue hardship and may also appoint a replacement if any appointed election official is not able to serve on Election Day.

Introduced by:	Ecklund
Date:	01/03/23
Action:	Tabled
Vote:	9 Yes, 0 No, 0 Absent
Date:	09/19/23
Action:	Removed from the Table
Vote:	9 Yes, 0 No, 0 Absent
Date:	09/19/23
Action:	Postponed to 10/24/23
Vote:	9 Yes, 0 No, 0 Absent
Date:	10/24/23
Action:	Tabled
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2023-005**

**A RESOLUTION OF INTENT BY THE KENAI PENINSULA BOROUGH ASSEMBLY  
ESTABLISHING THAT FINANCING OF ENERGY AND RESILIENCE  
IMPROVEMENT PROJECTS THROUGH ASSESSMENTS SERVES A VALID PUBLIC  
PURPOSE AND RELATED MATTERS (PACER PROGRAM)**

**WHEREAS,** the Alaska State Legislature enacted the Municipal Property Assessed Clean Energy and Resilience Act ("PACER Act"), Alaska Statutes 29.55, as amended, restated, supplemented or otherwise modified from time-to-time, authorizing local governments to establish an energy and resilience improvement assessment program; and

**WHEREAS,** the PACER Act allows local governments to finance the installation or modification of permanent improvements, fixed to existing privately owned commercial or industrial property, to achieve reduced energy consumption or demand in areas designated by local governments; and

**WHEREAS,** installation or modification by property owners of energy and resilience improvement upgrades to commercial or industrial property in the Kenai Peninsula Borough will serve a public purpose by reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions and creating jobs; and

**WHEREAS,** the Kenai Peninsula Borough, finds that it is convenient and advantageous to establish a program under the PACER Act and designate the geographic area on an areawide basis within the Kenai Peninsula Borough's jurisdiction as an area within which Kenai Peninsula Borough and the record owners of qualified real property may participate under a program established by the PACER Act and enter into financing arrangements in connection therewith;

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

**SECTION 1.** The recitals to this resolution are true and correct and are incorporated into this resolution for all purposes.

**SECTION 2.** For purposes of this resolution, “PACER assessment” shall mean those assessments authorized by the PACER Act.

**SECTION 3.** The Kenai Peninsula Borough hereby determines that establishing a property assessed clean energy and resilience program and financing energy and resilience improvement projects through PACER assessment serves a valid public purpose by reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions, and creating jobs.

**SECTION 4.** The Kenai Peninsula Borough intends to allow privately owned commercial or industrial property owners to make contractual PACER assessment to repay financing for qualified energy and resilience improvement projects under, and pursuant to, the terms of a municipal property assessed clean energy and resilience program subject to, and pursuant to, the PACER Act (“PACER Program”).

**SECTION 5.** Qualified energy and resilience new construction or improvement projects under the PACER Program will include those projects which are fixed to new construction or existing privately owned commercial or industrial property and that (1) are energy improvement projects designed to reduce energy consumption or demand, energy costs, or emissions affecting local air quality, including a product, device, or interacting group of products or devices that use energy technology to generate electricity, provide thermal energy, or regulate temperature; or (2) improve building resilience; resilience improvement projects include projects for seismic improvements, storm water management, flood mitigation and protection, fire hardening, fire or wind resistance, erosion management, snow load management, micro grids for energy storage and backup power generation, water or wastewater efficiency including reuse and energy recovery, electric vehicle charging stations, retrofitting that improves the envelope, structure, or systems of the building, and any other improvement project approved by a municipality as a resilience improvement project.

PACER assessment may not be imposed to repay financing of facilities for undeveloped lots or lots undergoing development at the time of an assessment.

**SECTION 6.** To the extent permitted by law, the entire geographic area within Kenai Peninsula Borough’s jurisdiction may be available for energy and resilience improvement projects under the PACER Program.



**SECTION 7.** Financing for qualified energy and resilience new construction and improvement projects under the PACER Program will be provided by third-party capital providers under a written contract with property owners. The contracts will provide for capital providers to advance funds to property owners on such terms as are agreed between the capital providers and property owners for installation or modification of energy improvement projects, and service the debt secured by PACER assessment through the Kenai Peninsula Borough. The proposed arrangements for financing energy improvement projects may authorize property owners to (1) purchase directly the related equipment and materials for energy improvement and resilience projects; and (2) contract directly, including through lease, a power purchase agreement, or other service contract, for energy and resilience improvement projects.

The Kenai Peninsula Borough does not intend to finance or fund any loan under the PACER Program, rather, the Kenai Peninsula Borough intends to serve only as a Program sponsor to facilitate loan repayment by including PACER assessment on real property tax bills for the improved property, and shall incur no liability for the loan.

Benefited property owners will execute written contracts with the Kenai Peninsula Borough to impose a PACER Program assessment to repay financing of an energy improvement project located on such property. The contract between a property owner and the Kenai Peninsula Borough will authorize Kenai Peninsula Borough to service the debt by PACER assessment for the benefit of the capital provider and enforce the PACER assessment lien as provided in AS 29.45.320 - 29.45.470 for enforcement of property tax liens. In the case of third-party capital financing of energy improvement project(s), an agreement will be entered into by the Kenai Peninsula Borough and the third-party capital provider.

A person or entity that acquires property subject to an assessment under the PACER Program will assume the obligation to pay such PACER assessment.

**SECTION 8.** Subject to law, the Kenai Peninsula Borough shall collect, and enforce PACER assessments in the same manner as other property tax liens.

**SECTION 9.** The report on the proposed PACER Program, as required by AS 29.55.110, will be available for public inspection on the Internet website of [www.kpb.us](http://www.kpb.us) and in the Borough's Finance Department at 144 N. Binkley Street, Soldotna, AK 99669.

**SECTION 10.** The local official administering the PACER Program is the Borough Assessor, or designee, and the appropriate assigned assessor, who will collect the proposed PACE assessment with property taxes imposed on the assessed property.

**SECTION 11.** The Kenai Peninsula Borough will hold a public hearing on the proposed PACER Program and report.

**SECTION 12.** That this resolution takes effect immediately upon adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 3RD DAY OF JANUARY 2023.**

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Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Borough Clerk

01/03/23 Vote on motion to table:

Yes: Bjorkman, Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Tupper, Johnson

No: None

Absent: None

09/19/23 Vote on motion to remove from table:

Yes: Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Ribbens, Tupper, Johnson

No: None

Absent: None

09/19/23 Vote to postpone to 10/24/23:

Yes: Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Ribbens, Tupper, Johnson

No: None

Absent: None

10/24/23 Vote on motion to table:

Yes: Cooper, Cox, Ecklund, Elam, Hibbert, Ribbens, Tunseth, Tupper, Johnson

No: None

Absent: None

# Kenai Peninsula Borough Assembly

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## MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Cindy Ecklund, Assembly Member (NM) for CE

**DATE:** December 21, 2022

**SUBJECT:** Resolution 2023-005, Resolution of Intent by The Kenai Peninsula Borough Assembly Establishing that Financing of Energy and Resilience Improvement Projects through Assessments Serves a Valid Public Purpose and Related Matters (PACER Program) (Ecklund)

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The Alaska State Legislature enacted the Municipal Property Assessed Clean Energy and Resilience Act, Alaska Statutes 29.55, as amended, restated, supplemented or otherwise modified from time to time ("PACER Act"), authorizing local governments to establish an energy and resilience improvement assessment program.

The PACER Act allows local governments to finance the installation or modification of permanent improvements, fixed to new construction or existing privately owned commercial or industrial property, to achieve reduced energy consumption or demand in areas designated by local governments.

Installation or modification by property owners of energy and resilience improvement upgrades to commercial or industrial property in the Kenai Peninsula Borough will serve a public purpose by reducing energy costs, stimulating the economy, improving property valuation, reducing greenhouse gas emissions and creating jobs.

The Resolution of Intent includes a finding by Kenai Peninsula Borough Assembly that it is convenient and advantageous to establish a program under the PACER Act and designate the geographic area on an areawide basis within the Kenai Peninsula Borough's jurisdiction as an area within which Kenai Peninsula Borough and the record owners of qualified real property may participate under a program established by the PACER Act and enter into financing arrangements in connection therewith.

Your consideration is appreciated.

**MEMORANDUM**

**TO:** Brent Johnson, Assembly President  
Members, Kenai Peninsula Borough Assembly

**FROM:** Cindy Ecklund, Assembly member

**DATE:** September 19, 2023

**SUBJECT:** LAYDOWN Ecklund Amendment to Resolution 2022-005, a Resolution of Intent by the Kenai Peninsula Borough Assembly Establishing that Financing of Energy and Resilience Improvement Projects through Assessments Serves a Valid Public Purpose and Related Matters (Ecklund)

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These amendments account for updates in the law and date updates since this resolution was introduced.

[Please note the bold underlined language is new and the strikeout language in brackets is to be deleted.]

➤ Amend the second WHEREAS clause to read as follows:

**WHEREAS**, the PACER Act allows local governments to finance the installation or modification of permanent improvements, fixed to privately [~~existing~~] owned commercial or industrial property, **designed** to achieve reduced energy consumption or demand or **to increase resilience** in areas designated by local governments; and

➤ Amend Section 5 to read as follows:

**SECTION 5.** Qualified energy and resilience new construction or improvement projects under the PACER Program will include those projects which are fixed to new construction or existing privately owned commercial or industrial property and that (1) are energy improvement projects designed to reduce energy consumption or demand, energy costs, or missions affecting local air quality, including a product, device, or interacting group of products or devices that use energy technology to generate electricity, provide thermal energy, or regulate temperature; or (2) improve building resilience; resilience improvement projects include projects for seismic improvements, storm water management, flood mitigation and protection, fire hardening, fire or wind resistance, erosion management, snow load management, micro grids for energy storage and backup power generation, water or wastewater efficiency including reuse and energy recovery, electric vehicle charging stations, retrofitting that improves the envelope, structure, or systems of the building, and any other improvement project approved by a municipality as a resilience improvement project.

~~[PACER assessment may not be imposed to repay financing of facilities for undeveloped lots or lots undergoing development at the time of an assessment.]~~

➤ Amend Section 7 to read as follows:

**SECTION 7.** Financing for qualified energy and resilience new construction and improvement projects under the PACER Program will be provided by third-party capital providers under a written contract with property owners. The contracts will provide for capital providers to advance funds to property owners on such terms as are agreed between the capital providers and property owners for installation or modification of energy improvement projects, and service the debt secured by PACER assessment through the Kenai Peninsula Borough. The proposed arrangements for financing energy improvement projects may authorize property owners to (1) purchase directly the related equipment and materials for energy improvement and resilience projects; and (2) contract directly, including through lease, a power purchase agreement, or other service contract, for energy and resilience improvement projects.

The Kenai Peninsula Borough does not intend to finance or fund any loan under the PACER Program, rather, the Kenai Peninsula Borough intends to serve only as a Program sponsor to facilitate loan repayment by including PACER assessment on real property tax bills for the improved property, and shall incur no liability for the loan.

Benefited property owners will execute written contracts with the Kenai Peninsula Borough to impose a PACER ~~[Program]~~ assessment to repay financing of an energy and **resilience** improvement project located on such property. The contract between a property owner and the Kenai Peninsula Borough will authorize Kenai Peninsula Borough to service the debt by PACER assessment for the benefit of the capital provider and enforce the PACER assessment lien as provided in AS 29.45.320 - 29.45.470 for enforcement of property tax liens. In the case of third-party capital financing of energy improvement project(s), an agreement will be entered into by the Kenai Peninsula Borough and the third-party capital provider.

A person or entity that acquires property subject to an assessment under the PACER Program will assume the obligation to pay such PACER assessment.

Your consideration is appreciated.



## **PROGRAM HANDBOOK**

Updated: July 2023



## Definitions

**AK C-PACER Program Handbook** – the program handbook is adopted by local governments to explain to Property Owners the basic rules of the program and how to apply.

**AK C-PACER Program Guide for Local Governments** – this guide provides instruction to local governments looking to establish and administer a C-PACER program using the AK C-PACER program documents and administrative platform.

**Alaska Building Energy Efficiency Standard** – The Alaska Housing Finance Corporation’s Building Energy Efficiency Standard (BEES) was established by the State of Alaska to promote the construction of energy efficient buildings. More information can be found on [the AHFC website](#).

**Alaska C-PACER (“AK C-PACER”)** – an administrative platform, including all requisite template documents to establish and operate a C-PACE program, that any eligible local government choosing to establish a C-PACER program in Alaska can adopt.

**C-PACER** – commercial property assessed clean energy and resilience program.

**C-PACER Act** – HB 80 was signed into law August 2017 and amended by HB 227 in June 2022, codified at [AS 29.55.100 - .165](#). It allows local governments to establish and administer C-PACER programs.

**C-PACER Assessment** – an assessment imposed by a local government at the request of a Property Owner who obtains financing for an Eligible Improvement pursuant to the C-PACER Act.

**C-PACER Lien** – the C-PACER Assessment is a lien on the property as provided in the C-PACER Act which shall run with the improved property and is prior and paramount to all liens except municipal tax liens and special assessments

**C-PACER Project** – the construction, installation, or modification of Eligible Improvements financed pursuant to the C-PACER Act.

**Capital Provider** – a third-party provider of C-PACER financing.

**Capital Provider Contract** – the contract executed by the local government and the C-PACER capital provider that describes the servicing of the C-PACER assessment.

**Eligible Improvement** – an Energy and/or Resilience Improvement Project as described in the C-PACER Act.

**Eligible Property** – a property that may be considered for financing pursuant to the C-PACER Act and the applicable local government’s C-PACER Ordinance and Resolution.

**Energy Improvement Project** – a C-PACER Project designed to reduce energy consumption or demand, energy costs, or emissions affecting local air quality, including a product, device, or interacting group of products or devices that use energy technology to generate electricity, provide thermal energy, or regulate temperature.



**Independent Project Auditor** – an independent third-party not otherwise engaged in the C-PACER Project who holds one of the professional certifications described in the “Technical Requirements.”

**Notice of Contractual Assessment Lien** – the document recorded in the land records of the jurisdiction where a C-PACER project is located that provides notice of the imposition of the C-PACER Assessment on the property receiving the Eligible Improvement.

**Ordinance to Approve a C-PACER Program** – the non-codified ordinance approving a Program Report setting forth the terms and conditions of a C-PACER Program.

**Ordinance to Establish a C-PACER Program** – codified ordinance incorporating the previously enacted Resolution and Intent and Ordinance to Approve a C-PACER Program, establishing the C-PACER program in a particular jurisdiction.

**Owner Contract** – executed by the local government and the owner of an Eligible Property that specifies the terms of the C-PACER Assessment and financing.

**Program Report** – publicly available report describing the terms of a C-PACER program, as specified in the C-PACER Act.

**Renewable Energy** has the meaning given in [AS 42.45.350\(5\)](#).

**Resilience Improvement Project** – a C-PACER Project to improve building resilience including but not limited to projects for seismic improvements, stormwater management, flood mitigation and protection, fire hardening, fire or wind resistance, erosion management, snow load management, microgrids for energy storage and backup power generation, water or wastewater efficiency including reuse and energy recovery, electric vehicle charging stations, retrofitting that improves the envelope, structure, or systems of the building, or any other improvement project approved by a local government as a resilience improvement project.

**Resolution of Intent** – a legislative action taken pursuant to the C-PACER Act that establishes that the financing of Eligible Improvements through assessments serves a valid public purpose.

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## I. Introduction

### About C-PACER

The Alaska PACER statute (“PACER Act”) allows owners of eligible commercial property (“Property Owners”) to obtain long-term financing from qualified private capital providers (“Capital Providers”) for:

- a) energy projects (“EP”) designed to reduce energy consumption or demand, energy costs, or emissions affecting local air quality, including a product, device, or interacting group of products or devices that use energy technology to generate electricity, provide thermal energy, or regulate temperature; or
- b) resilience projects (“RP”) that improve building resilience, including seismic improvements, stormwater management, flood mitigation and protection, fire hardening, fire or wind resistance, erosion management, snow load management, microgrids for energy storage and backup power generation, water or wastewater efficiency including reuse and energy recovery, electric vehicle charging stations, retrofitting that improves the envelope, structure, or systems of the building, and any other improvement project approved by a local government as a resilience improvement project.

To obtain the funds for an EP or a RP, a Property Owner enters into a contract with the Local Government where the property is located to impose an assessment on the eligible property that receives the improvement to repay the financing.

Over 30 states and hundreds of local governments have adopted legislation like C-PACER. According to PACENation, through 2022, cumulative nationwide C-PACER financing exceeded \$4 billion in private investment across 2,900 projects, creating over 52,000 job-years.

This Program Handbook (Handbook) was developed as a guide for the AK C-PACER program platform. This Handbook contains information about:

- Eligibility requirements for properties and projects in Alaska.
- The process for applying for C-PACER project approval.

Local Governments administer a Commercial Property Assessed Clean Energy and Resilience financing program under Alaska Statutes 29.55.100 et seq. as amended by HB227 in 2022. The amendments renamed the program the “Municipal Property Assessed Clean Energy **and Resilience** Act.” Accordingly, this Handbook abbreviates the name as “C-PACER.”

References to sections of the Alaska Statutes (AS) are indicated by “AS [Title].[Chapter].[Section].”

## II. Benefits of C-PACER Financing

C-PACER financing offers benefits to property owners, developers, capital providers, government entities, mortgage lien holders, and building professionals.

### Benefits of C-PACER for Property Owners and Developers

C-PACER is an alternative source of financing to make cost- and energy-saving improvements to commercial buildings of all types, including retail, industrial, agricultural, and multifamily properties.

- **Smaller down payments.** One of the biggest barriers to installing clean energy and resilience upgrades is the sizeable down payment. C-PACER financing reduces the amount of the down payment. For retrofit projects, C-PACER financing typically covers 100% of the cost of the improvement. In new construction projects, C-PACER financing may cover qualified costs (described in the Handbook) up to 25% of the market value of the property.
- **Longer repayment periods.** C-PACER payments are made over the average useful life of the improvements, up to 30 years.
- **Lower interest rates.** The interest rate on C-PACER financing can be substantially lower than rate for subordinate debt or preferred equity. Note that interest rates are at the discretion of the capital provider based on their underwriting process.
- **Cash flow benefits.** Smaller down payments, longer repayment periods, and lower interest rates all contribute to improved project cash flow.
- **Increased property value.** Installing eligible improvements can increase property value by reducing operating costs.
- **Transferable upon sale.** If a Property Owner sells the property before the C-PACER financing is repaid, the C-PACER lien and assessment transfer to the new Owner.
- **Commercial leases may allow the installment payments to be passed through to tenants.** Depending on the terms of a commercial net lease, C-PACER payments may be passed through to the tenant that benefits from the energy cost savings.

### Benefits of C-PACER for Local Governments

C-PACER financing creates jobs by stimulating private investment. C-PACER financing comes entirely from the private sector, requiring no taxpayer funds. The financial risk is borne entirely by a private Capital Provider, and neither state nor local government is liable in the case of a payment default. By making it more affordable to improve commercial properties, the value of local building stock can increase. Energy and resilience upgrades create a more competitive environment for attracting new businesses by lowering energy costs and improving the structural soundness of buildings. Upgraded buildings may also generate higher property tax payments for the local government through higher property values. Finally, C-PACER programs can help local governments meet federal- or state-mandated energy standards as well as achieve local energy efficiency and resilience goals.

### Benefits of C-PACER for Capital Providers

Capital providers see in C-PACER a highly reliable, long-term investment. Requisite capital for C-PACER projects routinely run into the hundreds of thousands to millions of dollars. Through the seniority of the

property assessment, capital providers are secured by the value of the real estate and are repaid through a known repayment stream.

### **Benefits of C-PACER for Existing Mortgage Holders**

C-PACER financing requires the consent of all existing mortgage lien holders prior to closing. C-PACER projects boost net operating income by funding improvements that reduce a building's operating costs while charging a low annual repayment that is frequently less than the resulting energy savings. Increased cash flow improves debt service coverage and raises asset values. C-PACER financing offers lower interest rates than preferred equity or mezzanine debt, helping projects to fill gaps in the capital stack and achieve a lower overall blended cost of capital. Finally, in the unlikely event of default, C-PACER assessments are non-accelerating. Only delinquent installment payments are enforced through the C-PACER lien; the remaining future installments are paid by the Property Owner as they come due.

### **Benefits of C-PACER for Contractors, Architects, Building Engineers**

C-PACER financing enables Property Owners to afford more substantial energy and/or resilience improvement projects. C-PACER finances most hard and soft costs associated with the eligible improvements. For contractors, C-PACER financing is a way to pitch clients on deeper energy and resilience projects that might otherwise be value-engineered out of a building project.

## **III. C-PACER Financing Program Rules**

The Handbook establishes guidelines, eligibility, approval criteria, and an application checklist for the Local Government's C-PACER program ("Program"). The C-PACER Program enables financing for owners of commercial property ("Property Owners") for energy improvement projects and resilience improvement projects (each, an "Eligible Improvement") as described in the C-PACER Act and in this Handbook.

### **1. Establishment of a C-PACER Program**

Through an Ordinance, Local Governments establish a C-PACER Program for commercial properties within the Local Government's boundaries. Check <https://akcpacer.org/available-c-pacer-programs/> for availability in your area.

### **2. Role of the Program Administrator**

The Program Administrator will review the application (see Application Checklist in Exhibit A) for completeness, consistency, and possible errors. Several requirements require input and certification from qualified experts. The Program Administrator will confirm that the expert is appropriately credentialed and that their work satisfies the application requirements. The Program Administrator is not expected to independently re-calculate or re-do the work of the expert.

As part of Program operation, the Program Administrator will:

- Accept and review the Project Application to determine conformance with the Application Checklist (Exhibit A).
- Approve, conditionally approve, or disapprove the Project Application and communicate that decision to the applicant.

- If approved, execute (a) the Owner Contract, (b) the Capital Provider Contract, and (c) Notice of Contractual Assessment (“Notice of Contractual Assessment”) (Exhibit G).
- Record the Notice of Contractual Assessment.

### 3. Eligibility Requirements

All qualifying costs in a project application and approved by the Program Administrator constitute an “Eligible Project” (a “C-PACER Project” or “Project”). Property Owners may receive funding for their Eligible Improvements only from Capital Providers pursuant to a separate Financing Agreement negotiated between the Property Owner and Capital Provider (a “Financing Agreement”).

**Property Owners** must be the legal record holder of the property receiving the eligible improvement and must be current on mortgage and property taxes, and not insolvent or in bankruptcy proceedings. See AS 29.55.110. A Property Owner may be any type of business, corporation, individual, or non-profit organization. If the applicant will become the Owner of the Property when the C-PACER financing closes, the application must include evidence showing the anticipated transfer will occur, for example, a title insurance policy documenting the conditions of sale and conveyance of the Property.

A leasehold interest on qualifying commercial Property is eligible for C-PACER financing with the consent of the fee owner of the commercial Property. All owners of the fee simple title to the subject Property must sign the final application.

**Eligible Properties** are privately-owned commercial or industrial properties, including agricultural property, or a multi-family real property (as defined by the local government), within the boundaries established by the local government that enacted the C-PACER ordinance.

**Eligible Projects** include:

- The new construction, or installation or modification of an Eligible Improvement permanently affixed to an Eligible Property, including projects for the adaptive reuse or gut rehabilitation of an eligible Property.
- The refinancing of projects on existing properties that have had Eligible Improvements installed and completed for no more than two (2) years prior to the expected closing date of the C-PACER refinancing.

**Eligible Improvements:** C-PACER financing is available for the following uses.

- a) Energy Projects (“EP”) designed to reduce energy consumption or demand, energy costs, or emissions affecting local air quality, including a product, device, or interacting group of products or devices that use energy technology to generate electricity, provide thermal energy, or regulate temperature; or
- b) Resilience Projects (“RP”) that improve building resilience, including seismic improvements, stormwater management, flood mitigation and protection, fire hardening, fire or wind resistance, erosion management, snow load management, microgrids for energy storage and backup power generation, water or wastewater efficiency including reuse and energy recovery, electric vehicle charging stations, retrofitting that improves the envelope, structure, or systems



of the building, and any other improvement project approved by a local government as a resilience improvement project.

- c) Appliances that provide significant energy or other utility savings and are functionally attached to the Property for the full length of the assessment may be eligible.

Certain items that are not permanently affixed to a property and are ineligible include:

- Shading devices, furniture, fire extinguishers.
- Cosmetic improvements such as painting, new carpeting.
- Non-commercial / industrial appliances such as microwaves, non-affixed lighting, and other items not affixed to the Property.

#### **4. Technical Requirements**

The C-PACER Act requires the Property Owner on which a C-PACER assessment is imposed to obtain for each proposed energy improvement project or building resilience improvement project,

- (A) a review of the energy, emissions, or resilience baseline conditions, as applicable; and
- (B) the projected reduction in energy costs, energy consumption or demand, or emissions affecting local air quality, or increase in resilience, as applicable.

This requirement is met by a Certificate of Eligible Improvements from a qualified project auditor. Exhibit E lists the minimum acceptable qualifications of a project auditor, and the auditor must supply evidence of those qualifications.

The project auditor will determine if the Application meets the requirements of the C-PACER statute and this Program Handbook, and the auditor must supply work papers explaining the basis for their certifications that are sufficient to satisfy the Program Administrator that program requirements are met.

Exhibit E includes a description of the baseline conditions and necessary documentation for an energy improvement project and a building resilience improvement project for:

- Retrofit of an existing building;
- New construction of a building; and
- Refinancing of a retrofit or new construction.

Property owners, developers, and project auditors should read the baseline and documentation requirements carefully because they are essential to approval of a C-PACER project.

#### **5. Financing Requirements**

The term of C-PACER financing is capped at the lesser of 30 years or the weighted average useful life of the eligible improvements.

The C-PACER financing amount may not exceed 25% of the “market value” of the Property at the time of program application. Market Value means the assessed value of the current tax year or the current or prospective appraised market value as determined by an Alaska certified appraiser.

Existing mortgage lien holders must be given 30 days’ notice prior to the closing of the C-PACER financing, and all mortgage lien holders must consent in writing to the assessment for the project to close. See AS 29.55.115. Exhibit C provides an acceptable template for the notice and consent. A mortgage lien holder has complete discretion to approve or disapprove of C-PACER financing. A Property Owner should consult with their Capital Provider before approaching an existing mortgage lien holder, as many traditional lenders are not familiar with C-PACER financing and may misunderstand how it functions.

**Qualifying Costs** that can be paid for with C-PACER financing include:

- Materials and labor necessary for the eligible improvement project,
- Permit fees;
- Inspection fees;
- Financing and origination fees;
- Capitalized interest;
- Interest reserves;
- Program application and closing fees;
- Project development, architectural, and engineering fees;
- Escrow for prepaid property tax or insurance;
- Capitalized manufacturer’s warranty or maintenance agreement costs; and
- Any other fees or costs incurred by the Property Owner incident to the installation, modification, or improvement.<sup>1</sup>

## IV. Application Process

Property Owners should have a project in mind when they explore C-PACER financing. Property Owners may contact the Local Government or Program Administrator at any time with questions. Property Owners may also find it helpful to speak with a Capital Provider early in the design process for an estimate of the amount of financing available. Property Owners are free to work with any Capital Provider that will provide financing in accordance with the Program’s requirements.

After conferring with one or more Capital Providers, the Property Owner should define the Eligible Improvements. A Property Owner may engage an energy or resilience expert as a Project Auditor to advise during the design process. Each applicant will work with its own project development team to determine the final Project scope and qualifying costs.

The process of obtaining financing under the Program starts when a Property Owner approaches a Capital Provider. The Capital Provider will work with the Property Owner to collect various due diligence items. Once all the items have been received, reviewed, and approved by the Capital Provider, the parties will discuss financing terms.

A description of the C-PACER application process is as follows:

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<sup>1</sup> Examples of qualifying costs are structural improvements necessary to allow the installation of a solar PV array and electrical upgrades necessary to install an efficient HVAC system or efficient lighting.

- (1) The Property Owner and the Capital Provider prepare the Project Application, consisting of the Project Application Checklist and the supporting documents (see Exhibit A). Applicants should review the Project Application Checklist to assure that the documentation needed by the Program Administrator to verify compliance with the C-PACER Act and C-PACER Ordinance is available.
- (2) The Program Administrator will have 10 business days to review and approve the Project Application. If the Office has received an unusually high number of applications or review is delayed because of a *force majeure* event, the Office will notify the Property Owner that the application review will be delayed by no more than 10 additional business days.
- (3) The purpose of the Local Government's application review process is to confirm that the Project Application is complete, that no errors or internal inconsistencies are evident on the face of the Application, and that all attachments conform to the C-PACER Act, the Local Government Ordinance and the Handbook. ***Local Government approval does not constitute endorsement of any representations that may be made regarding the operation and any savings associated with the Eligible Improvements.*** The Local Government may request additional supporting documentation from the applicant. Incomplete Project Applications will be returned to the applicant, and the Program Administrator will notify the applicant about which items were not provided or are insufficient or inaccurate. If the Project Application and supporting documents comply with the Project Application Checklist, the Project Application will be approved, and the approval communicated in writing to the applicant.
- (4) The Project Application may be *conditionally* approved if the application is complete, but the mortgage lienholder consent is not yet available. Conditional approval will be treated the same as an approval with exceptions noted below.
- (5) Upon receipt of application approval, the Capital Provider will draft the Owner Contract, the Capital Provider Contract, and the Notice of Contractual Assessment Lien (Exhibit G). See AS 29.55.110(a) (2)-(3). At or before closing, at the request of the applicant, the designated and authorized official will sign these documents.
- (6) If the Project Application receives conditional approval, the Closing Documents executed by the Local Government will not be released from escrow unless and until all the written consents from mortgage lienholders have been received and executed in accordance with the C-PACER Act and C-PACER Ordinance.
- (7) At closing, the Local Government will record the Owner Contract, the Capital Provider Contract, and the Notice of Contractual Assessment Lien in the Office of the Register of Deeds for the Local Government. See AS 29.55.130. At the election of the applicant, the Local Government may delegate the recording of the Closing Documents to the applicant or its designee(s).
- (8) Following closing of the C-PACER financing and receipt of the proof of recording of the Notice of Contractual Assessment Lien, the Property Owner and its agents may initiate construction of the C-PACER project or otherwise fund the C-PACER financing in accordance with the agreements with the Capital Provider.

## Change Orders

All change orders that result in a substantial alteration of C-PACER funded improvements are required to be pre-approved by the local government or its Program Administrator to confirm that the changes are consistent with the Program. The Property Owner shall provide the following documentation:

- Narrative description of the change in project scope and the reason for such a change;
- Revised C-PACER project budget;
- A letter from a project auditor certifying that the revised improvements are eligible for C-PACER financing; and
- Written approval of the change order by the Capital Provider.

## **1. Application Documents**

The Project Application must be submitted with the following documents (see accompanying file for Exhibits):

1. Project Application Checklist (Exhibit A)
2. Title Search.
3. Proof of Insurance, as required by See AS 29.55.110(15).
4. Certificate of Property's Financial Eligibility (Exhibit B).
5. Mortgage Lienholder(s) Consent (Exhibit C-1 and C-2).
6. Disclosure of Risks (Exhibit D).
7. Certificate of Eligible Improvements (Exhibit E).

## **2. Closing Documents**

The following documents require the signature of the Local Government and shall be part of the closing of any C-PACER transaction. Each document must be similar in substance to the templates appended to this Handbook, although it is expected that Property Owners and Capital Providers will negotiate variations tailored to their specific projects.

- Owner Contract (Exhibit G)
- Capital Provider Contract (Exhibit G)
- Notice of Contractual Assessment Lien (Exhibit G)

## **3. Billing and Collection of Assessments**

C-PACER Assessment payments are billed and collected by the local government in the same manner as property taxes. The local government, or its agent, will remit the payment to the Capital Provider (Exhibit G). See AS 29.55.110(a)(3).

## **4. Delinquency and Enforcement**

Assessment liens will be enforced as provided in AS 29.45.320 - 29.45.470 for enforcement of property tax liens. Assessment liens run with the land, and that portion of the assessment under the assessment contract that has not yet become due is not eliminated by foreclosure of a property tax lien or a C-PACER lien. The Local Government will enforce the C-PACER Lien through the same mechanism that it uses to enforce the liens for ad valorem property taxes.

## **5. Program Fees**

A local government may impose fees to offset the costs of administering a program. See AS 29.55.100(d). The Property Owner must pay this fee to the Local Government at the closing of the transaction between the Property Owner and the Capital Provider, and such payment is a condition precedent to recording. Visit each program's website for details.

**Note:** The administrative fees determined by Local Government and/or its Program Administrator cover the regular costs of the administration of the Program. These costs and expenses do not include any specialized or extraordinary professional services that may be necessary should the circumstances of a particular C-PACER project require them. The Property Owner for such C-PACER project shall be responsible for covering such expenses at cost.

## **6. Templates of Closing Documents**

The Program has adopted template Closing Documents in Exhibit G, the Owner Contract, the Capital Provider Contract, and Notice of Contractual Assessment Lien. A Property Owner and Capital Provider may adapt the forms to the needs of their particular transaction but must not modify or omit any material substantive terms contained in the forms.

## **7. Local Government Has No Liability or Financial Responsibility**

Neither the Local Government, its governing body, executives, or employees are personally liable as a result of exercising any rights or responsibilities granted under this Program. The Local Government shall not pledge, offer, or encumber its full faith and credit for any lien amount under the C-PACER program. No public funds may be used to repay any C-PACER financing obligation.

## **8. Post-Completion Items**

For each completed C-PACER improvement project, the Property Owner must submit verification from an auditor that the Project was properly completed and is operating as intended (Exhibit F). See AS 29.55.120(2).

Upon written confirmation from the capital provider that the C-PACER Assessment has been repaid in full, the local government will release the Assessment from the Property.

## **9. Quality Assurance and Anti-Fraud Measures**

The Local Government and its Program Administrator may audit a C-PACER application or closing documentation at any time. To the extent authorized by state and local law, the Local Government and its Program Administrator may request supplementary information from the Property Owner concerning eligibility for the C-PACER program, use of proceeds of C-PACER financing, and the performance of the C-PACER project for the purpose of quality assurance and anti-fraud.

**Ward, Tamera**

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**Subject:** FW: <EXTERNAL-SENDER>C-PACER Resolution 2023-005

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**From:** Phil Kaluza <[pkaluza@gmail.com](mailto:pkaluza@gmail.com)>

**Sent:** Wednesday, October 18, 2023 4:23 PM

**To:** Turner, Michele <[MicheleTurner@kpb.us](mailto:MicheleTurner@kpb.us)>

**Subject:** <EXTERNAL-SENDER>C-PACER Resolution 2023-005

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**CAUTION:** This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

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To: KBS Assembly

I strongly urge you to adopt the proposed C-PACER resolution 2023-005.

In light of the diminishing availability of natural gas for space heating and the high cost of heating oil for everyone on the Kenai Peninsula, the C-PACER program will benefit everyone on the Peninsula at no cost to the taxpayer.

Phil Kaluza  
Seward Resident

Dear Members of the Kenai Peninsula Borough Assembly,

I am writing to express my strong support for Resolution 2023-005, which establishes the Property Assessed Clean Energy and Resilience Program (PACER Program) in the Kenai Peninsula Borough. This ordinance, rooted in the Alaska State Legislature's PACER Act, presents a valuable opportunity to address important energy and resilience needs within our community.

The PACER Program's focus on reducing energy costs, stimulating economic growth, improving property valuation, reducing greenhouse gas emissions, and creating jobs aligns perfectly with the priorities of our borough. It is encouraging to see our local government taking proactive steps to facilitate this program, allowing property owners to make contractual PACER assessments to finance energy and resilience improvement projects.

By making these critical improvements more accessible, this ordinance will undoubtedly have a positive impact on our community's sustainability and resilience. I firmly believe that the PACER Program serves a valid public purpose, and I am excited to see it move forward.

I encourage all members of the Kenai Peninsula Borough Assembly to support Resolution 2023-005, as it is a significant step towards a more energy-efficient and resilient future for our borough.

Thank you for your dedication to this important initiative.

Sincerely,

Casie Warner

Seward AK



**Samantha Allen**  
Executive Director

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**Lyrissa Hammer**

**Matt Cope**

**Cliff Krug**

October 19, 2023

To whom it may concern,

The Seward Chamber of Commerce is at the forefront of local business in our community. We recognize the availability of funding opportunities and the expense of year-round building operation as barriers to a thriving year-round economy in Seward. In the hopes of creating more opportunities for entrepreneurs to operate their business sustainably and economically, we are supporters of the C-PACER Legislation making its way to the Kenai Peninsula.

Energy efficiency is a hot topic in Seward and world-wide. The C-PACER Legislation will allow for new and existing services to have access to the grant funding they need to operate year-round. The C-PACER Legislation will have a trickle-down effect, promoting more critical services to operate on a year round schedule. This shift in our seasonally-dependent economy is crucial for the year-round citizens and business operators in Seward.

The Seward Chamber of Commerce supports the efforts of our Borough to make C-PACER Legislation attainable for all businesses on the Kenai Peninsula.

Please give this proposal your full consideration. If you have any questions please contact the Seward Chamber of Commerce at (907) 224-8951.

Best,

Samantha Allen  
Executive Director



## Ward, Tamera

---

**Subject:** FW: <EXTERNAL-SENDER>CPACER: Please Pass to Assembly Members

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**From:** KellyAnn Cavaretta <[kellyann.cavaretta@aksbdc.org](mailto:kellyann.cavaretta@aksbdc.org)>

**Sent:** Wednesday, October 25, 2023 2:44 PM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>; Cox, Tyson <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>; Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>

**Cc:** Ecklund, Cindy <[CEcklund@kpb.us](mailto:CEcklund@kpb.us)>

**Subject:** <EXTERNAL-SENDER>CPACER: Please Pass to Assembly Members

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Hello Mr. Micciche, Mr. Cox and assembly members

My name is KellyAnn Cavaretta. I am writing to you wearing many hats in support of passing the Property Assessed Clean Energy and Resilience - (CPACER) Program. I am really sorry I couldn't be there last night, but I am happy to see this vote has been postponed. I am commercial building owner outside Seward City limits, newly constructed Salted Roots Cabins, a commercial building owner inside city limits in Seward's downtown central business district, housing the both the Flamingo Lounge restaurant, 7 residential units, and 2 additional commercial units, and a transitioning property owner of a 4 plex and 3 additional cabins at Angels Rest on Resurrection Bay.

More importantly that this, I am a small business advisor on the eastern Kenai Peninsula for Alaska Small Business Development Center, and as a board member of Sustainable Seward, and I have been following the roll-out of CPACER program in Anchorage and eagerly awaiting this moment to, yet again, share my support for this program within our own borough. With the Anchorage borough's rollout as a model to learn from and grow with, I believe now is the time for us to think about the future of sustainable business in our communities. With an aging, historic downtown business district in Seward, I believe alternative and less conventional access to commercial capital can help sustain, boost, and thrive our economic environment. Available in the majority of lower 48 states, PACER programs streamline the partnership between commercial property owners, lending institutions and municipalities to finance energy efficiency upgrades.

**Although I cannot answer questions in regards to the toll on the municipality administration, I wanted to share this informative webinar that answers a lot of your questions regarding debt service of these loans.**

<https://www.youtube.com/watch?v=y9Yqm0OyrZ4>

A panel of building owners, banks, energy consultants and specialty lenders who have used or been involved with C-PACER funding talk about the *advantages* they've seen with this innovative type of financing for their commercial clean energy and new construction projects. Speakers: Jessica Lorentz, Sr. Energy Engineer & Principal, Bolder Energy Engineers Phil Reid, VP Commercial Loan Officer, Northrim Bank Sean Ribble, Senior Director Originations, Nuveen Stuart Ogilvie, Ogilvie Properties Inc

As a small business advisor and business owner of an aging commercial building myself, I know, first hand, that a lot of businesses are struggling to manage upkeep and improvements on older commercial buildings. This program would provide an avenue to improve infrastructure and provide an alternate loan process for businesses replacing windows,

adding heat pumps, solar panels, structural beams, LED lighting, and so forth. Oftentimes, it is the roadblock to capital that impedes business owners from making the necessary and expensive modifications on their real estate assets. This causes a generational dilemma, with young businesses inheriting older buildings at an inflated price, with no excess capital to bring its condition to the safety and production standards expected in 2023. CPACER loans are debt service based, rather than equity issues, so having them available makes it easier for motivated commercial building owners to access capital.

Between weatherization, air quality, and seismic issues, this would improve the safety, efficiency, real estate value, and curb appeal of our commercial districts. Additionally, as a borough, many of our businesses struggle around seasonality's cash flow issues. More efficient energy means lower energy bills, which equates to a business's ability to stay open longer and provide services to our community year round. If widely used in the Kenai Peninsula, PACER will ultimately reduce energy costs and carbon emissions across the borough, which is also in my favor as a Sustainable Seward board member.

Thank you for your time and consideration.

Best,

**KellyAnn Cavaretta**

Seward Small Business Advisor

Alaska SBDC Kenai Peninsula Center

W: [aksbdc.org](http://aksbdc.org) P: 907-224-5353 E: [kellyann.cavaretta@aksbdc.org](mailto:kellyann.cavaretta@aksbdc.org)

*In today's increasingly connected world, the protection of your business's digital assets is of paramount importance. October marks Cybersecurity Awareness Month, and Alaska SBDC can assist you in fortifying your business against increasingly sophisticated cyber threats. [Learn more to get started.](#)*

**Disclaimer:** *This e-mail message may contain confidential, privileged information intended solely for the addressee. Please do not read, copy, or disseminate it unless you are the addressee. If you have received this message in error, we would appreciate you forwarding the message back to us and deleting it from your system.*

**Warner, Avery**

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**From:** Cindy Ecklund  
**Sent:** Tuesday, January 3, 2023 1:08 PM  
**To:** Turner, Michele  
**Subject:** Fwd: <EXTERNAL-SENDER>CPACE legislation

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----- Forwarded message -----

**From:** Willy Dunne <[wdunne907@gmail.com](mailto:wdunne907@gmail.com)>  
**Date:** Wed, Dec 28, 2022 at 8:31 AM  
**Subject:** <EXTERNAL-SENDER>CPACE legislation  
**To:** Tupper, Mike <[mtupper@kpb.us](mailto:mtupper@kpb.us)>, Lane Chesley <[lchesley@kpb.us](mailto:lchesley@kpb.us)>, Ecklund, Cindy <[cecklund@kpb.us](mailto:cecklund@kpb.us)>  
**CC:** Johnson, Brent <[bjohnson@kpb.us](mailto:bjohnson@kpb.us)>, Scott Waterman <[scottwaterman.rsac@gmail.com](mailto:scottwaterman.rsac@gmail.com)>, Navarre Mike <[mnavarre@kpb.us](mailto:mnavarre@kpb.us)>

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Dear Assembly Members,

I am very glad to see the CPACE (aka PACER) program moving forward via KPB Resolution 2023-005. This program has proved beneficial in other Alaska municipalities as well as many states around the US. My participation in CPACE workshops over the past few years has convinced me that it is a valuable program worthy of being adopted here.

Thanks to Cindy Ecklund for sponsoring this and the RSAC for promoting the idea. It will benefit business owners and the Borough. I look forward to seeing enabling ordinances soon.

Willy Dunne

--

Cindy L. Ecklund  
907-362-2276

## Warner, Avery

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**From:** Cindy Ecklund  
**Sent:** Tuesday, January 3, 2023 1:07 PM  
**To:** Turner, Michele  
**Subject:** <EXTERNAL-SENDER>Fwd: PACER resolution of intent

CAUTION:This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

----- Forwarded message -----

**From:** Peter Crimp <[petercrimp@gmail.com](mailto:petercrimp@gmail.com)>  
**Date:** Sun, Jan 1, 2023 at 1:22 PM  
**Subject:** Re: PACER resolution of intent  
**To:** Cindy Ecklund <[ecklundc@gmail.com](mailto:ecklundc@gmail.com)>  
**CC:** Hig Higman <[hig314@gmail.com](mailto:hig314@gmail.com)>, Lori Landstrom <[lmlandstrom81@gmail.com](mailto:lmlandstrom81@gmail.com)>, Scott Waterman <[scottwaterman.rsac@gmail.com](mailto:scottwaterman.rsac@gmail.com)>

Here's the comment that I just submitted to the KPB.  
-Peter

Dear Assembly President Johnson,

As a 20-year energy professional and 40-year Alaska resident, I support the establishment of a program under the State PACER Act for the Kenai Peninsula Borough. At negligible cost to the Borough the program has the potential to save business owners money, improve Borough property values and market competitiveness, protect property from earthquakes and other hazards, and create construction and engineering jobs. I am impressed with the innovative program's approach--including reducing risk to lenders and extending the period for businesses to capture benefits--through attaching the debt for improvements to the property and repaying through property taxes. It has been my experience that properly planned energy projects usually realize savings above debt service starting at year one.

Thank you for your consideration.

Peter Crimp, Principal

Crimp Energy Consulting, Homer, AK

[petercrimp@gmail.com](mailto:petercrimp@gmail.com) :: ph 907-440-6709

On Dec 29, 2022, at 9:54 PM, Hig <[hig314@gmail.com](mailto:hig314@gmail.com)> wrote:

Thanks Cindy - sounds good.

-Hig

On Thu, Dec 29, 2022 at 9:06 PM Cindy Ecklund <[ecklundc@gmail.com](mailto:ecklundc@gmail.com)> wrote:

Hig,

The State Statute section the new legislation is under is Chapter 55 - Municipal Programs. The KPB resolution mirrors the Mat-Su Resolution of intent except where it uses the new term PACER. I think were good. Hopefully the rest of the Assembly thinks so too.

Cindy

On Thu, Dec 29, 2022 at 4:53 PM Hig <[hig314@gmail.com](mailto:hig314@gmail.com)> wrote:

What I'm seeing is this first Whereas:

"the Alaska State Legislature enacted the Municipal Property Assessed Clean Energy and Resilience Act ("PACER Act"), Alaska Statutes 29.55, as amended, restated, supplemented or otherwise modified from time-to-time, authorizing local governments to establish an energy and resilience improvement assessment program;"

specifically mentions municipal properties rather than commercial properties,

However, down lower there's this clause:

"The Kenai Peninsula Borough intends to allow privately owned commercial or industrial property owners to make contractual PACER assessment to repay financing for qualified energy and resilience improvement projects under, and pursuant to, the terms of a municipal property assessed clean energy and resilience program subject to, and pursuant to, the PACER Act ("PACER Program")."

I'm not totally sure what that means, but maybe this implies that the definition of "municipal" will be extended to include eligible commercial properties, thus PACER would be like C-PACE but with "resiliency" and also applying to what would conventionally be called municipal properties?

Or am I misreading "municipal" entirely? I generally think of that as publicly owned property, but maybe I've got that wrong?

-Hig

On Thu, Dec 29, 2022 at 12:18 PM Cindy Ecklund <[ecklundc@gmail.com](mailto:ecklundc@gmail.com)> wrote:

Hig,

The new state plan documents are not out yet but as I understand the amended State statute they included the word resilience into the statute and will call the program PACER now instead of C-PACE. I called the state a month ago and they don't expect the new documents to be out until January or February. In Washington the program is called C-PACER but for now PACER is what the state said on the phone.

Peter please correct me if you know of other info.

Cindy

On Thu, Dec 29, 2022 at 11:40 AM Hig <[hig314@gmail.com](mailto:hig314@gmail.com)> wrote:

Hi Cindy and Peter,

Looking at the PACER resolution ([here](#)) it looks like this is not C-PACE, and that PACER is a separate program that is similar but allows municipal properties rather than commercial

properties to apply for loans like this. Peter - are you up on how PACER and C-PACE relate?

I have someone in Homer (Nancy Hillstrand) who sounds pretty game to comment, but just realized I'm not clear on this detail, so I'd like to get it straightened out before I respond to her with more details.

-Hig

On Wed, Dec 28, 2022 at 8:16 PM Hig <[hig314@gmail.com](mailto:hig314@gmail.com)> wrote:  
That's great Cindy,

I'll see if I can find someone else...

-Hig

On Wed, Dec 28, 2022 at 11:10 AM Lori Landstrom <[ljlandstrom81@gmail.com](mailto:ljlandstrom81@gmail.com)> wrote:  
Good news, I think I've found a Seward small business owner willing to speak on 1/3. Cindy has been apprised and is in contact with Kellyann.  
let's do this.

Lori

"Diversity is being invited to the party. Inclusion is being asked to dance."

-Verna Myers

On Wed, Dec 28, 2022 at 9:39 AM Cindy Ecklund <[ecklundc@gmail.com](mailto:ecklundc@gmail.com)> wrote:  
Peter,

It's been awhile since you presented to the Assembly. A short email in support that includes your experience in the area would be a good reminder.

Hopefully a business somewhere on KPB has been following the program and has some interest already. We can only try!

Thanks again,  
Cindy L. Ecklund

On Wed, Dec 28, 2022 at 9:13 AM Peter Crimp <[petercrimp@gmail.com](mailto:petercrimp@gmail.com)> wrote:  
Hi Cindy.

Looks great. I'm available to write a letter of support or help someone else do so. Since Hig and I spoke at the Assembly meeting earlier this year, would it be better for the message to come from someone else?

Agreed that it would be best for a commercial property owner to express interest, but it's a very short timeline. I'll check with a friend who owns a business in Homer and see if he would be willing.

Peter

On Dec 27, 2022, at 2:08 PM, Cindy Ecklund <[ecklundc@gmail.com](mailto:ecklundc@gmail.com)> wrote:

Hi,

This will be on the agenda 1/3/23. It would be helpful for some positive communication to the Assembly prior to that date. Even better would be finding someone who would be interested in applying for the program to communicate their interest.

Soon,  
Cindy L. Ecklund

----- Forwarded message -----

From: **Kelley, Sean** <[skelley@kpb.us](mailto:skelley@kpb.us)>

Date: Tue, Dec 27, 2022 at 10:35 AM

Subject: PACER resolution of intent

To: Ecklund, Cindy <[CEcklund@kpb.us](mailto:CEcklund@kpb.us)>

CC: Turner, Michele <[MicheleTurner@kpb.us](mailto:MicheleTurner@kpb.us)>, Cindy Ecklund <[ecklundc@gmail.com](mailto:ecklundc@gmail.com)>

Hi Cindy,

Sorry to include both of your emails but this is a bit time sensitive. Michele is going to hold packet until we know if you want to go forward with the resolution of intent.

I have attached a PDF version of both the resolution and accompanying memo. If you approve, you can either click through the Docusign buttons to initial and complete OR you can respond to this email or call Michele and give her approval to initial for you. Whatever you prefer works for us.

Thank you,

Sean

--

**Sean Kelley**

Borough Attorney

Kenai Peninsula Borough

(907)714-2120

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--

Cindy L. Ecklund

907-362-2276

<PACER Reso of Intent RESO & MEMO.pdf>

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Cindy L. Ecklund

907-362-2276

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Hig (Bretwood Higman, PhD)

[hig314@gmail.com](mailto:hig314@gmail.com)

907 290 6992

Ground Truth Alaska ([www.groundtruthalaska.org](http://www.groundtruthalaska.org))

Nuka Research ([www.nukaresearch.com](http://www.nukaresearch.com))

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Hig (Bretwood Higman, PhD)

[hig314@gmail.com](mailto:hig314@gmail.com)

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Cindy L. Ecklund

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Cindy L. Ecklund

907-362-2276

**Ward, Tamera**

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**Subject:** FW: <EXTERNAL-SENDER>C-PACER Resolution 2023-005

---

**From:** Phil Kaluza <[pkaluza@gmail.com](mailto:pkaluza@gmail.com)>

**Sent:** Wednesday, October 18, 2023 4:23 PM

**To:** Turner, Michele <[MicheleTurner@kpb.us](mailto:MicheleTurner@kpb.us)>

**Subject:** <EXTERNAL-SENDER>C-PACER Resolution 2023-005

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To: KBS Assembly

I strongly urge you to adopt the proposed C-PACER resolution 2023-005.

In light of the diminishing availability of natural gas for space heating and the high cost of heating oil for everyone on the Kenai Peninsula, the C-PACER program will benefit everyone on the Peninsula at no cost to the taxpayer.

Phil Kaluza  
Seward Resident

Dear Members of the Kenai Peninsula Borough Assembly,

I am writing to express my strong support for Resolution 2023-005, which establishes the Property Assessed Clean Energy and Resilience Program (PACER Program) in the Kenai Peninsula Borough. This ordinance, rooted in the Alaska State Legislature's PACER Act, presents a valuable opportunity to address important energy and resilience needs within our community.

The PACER Program's focus on reducing energy costs, stimulating economic growth, improving property valuation, reducing greenhouse gas emissions, and creating jobs aligns perfectly with the priorities of our borough. It is encouraging to see our local government taking proactive steps to facilitate this program, allowing property owners to make contractual PACER assessments to finance energy and resilience improvement projects.

By making these critical improvements more accessible, this ordinance will undoubtedly have a positive impact on our community's sustainability and resilience. I firmly believe that the PACER Program serves a valid public purpose, and I am excited to see it move forward.

I encourage all members of the Kenai Peninsula Borough Assembly to support Resolution 2023-005, as it is a significant step towards a more energy-efficient and resilient future for our borough.

Thank you for your dedication to this important initiative.

Sincerely,

Casie Warner

Seward AK



**Samantha Allen**  
Executive Director

**Board of Directors**

**Melissa Schutter**  
President

**Robbie Huett**  
Vice-President

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**Cliff Krug**

October 19, 2023

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The Seward Chamber of Commerce supports the efforts of our Borough to make C-PACER Legislation attainable for all businesses on the Kenai Peninsula.

Please give this proposal your full consideration. If you have any questions please contact the Seward Chamber of Commerce at (907) 224-8951.

Best,

Samantha Allen  
Executive Director

eComment  
Resolution 2023-005

**Melanie Lucas-Conwell**

Location:

Submitted At: 9:48pm 10-24-23

I'm writing in support of Resolution 2023-005. I administer the C-PACER program for the Municipality of Anchorage and have worked with Alaska Energy Authority to create a statewide C-PACER platform. Since launching the Anchorage C-PACER program in April 2021 and working with other jurisdictions to start their program, we have received many inquiries from commercial property owners in our community looking to use this financial mechanism to finance the installation, operations, and maintenance of upgrades on their buildings that they wouldn't have been able to finance otherwise. Additionally, this program is at no cost to taxpayers, as the loans are made by private lenders. In addition to improving our building stock, these projects are creating local jobs to install, maintain and operate these upgrades. We have closed two C-PACER loans in downtown Anchorage, one for the RIM office building and the other for the Aviator Hotel, both in partnership with Northrim Bank and the support of Mayor Bronson. I'm excited to support and to continue working with the Kenai Peninsula Borough on a C-PACER program and bringing a new financing option for its commercial property owners. Thank you.

Introduced by:	Cox, Hibbert
Substitute Introduced:	06/18/24
R2024-029 (Cox, Hibbert)	See Original for Prior History
Action:	Tabled
Vote:	6 Yes, 3 No, 0 Absent
Action:	Hibbert gave notice to remove from the table
Date:	07/09/24
Action:	
Vote:	

**KENAI PENINSULA BOROUGH  
RESOLUTION 2024-029  
(COX, HIBBERT) SUBSTITUTE**

**A RESOLUTION PLACING AN AREA WIDE QUESTION ON THE OCTOBER 2024  
BALLOT ASKING WHETHER THE BOROUGH SHOULD LEVY UP TO A 12  
PERCENT LODGING TAX ON SHORT-TERM RENTAL ACCOMMODATIONS AND  
OVERNIGHT CAMPING FACILITIES, EXEMPT THESE RENTALS FROM THE  
GENERAL SALES TAX, AND PROVIDE THAT UP TO ONE HALF OF THE TAX  
MAY BE EXEMPTED INSIDE CITIES WITH AN ADOPTED LODGING TAX**

**WHEREAS,** the Kenai Peninsula Borough ("borough") must raise revenue to protect the general fund which is declining because of losses in tax revenues due to our generous borough tax exemptions, to the continuing decline in state assistance to municipalities, and to the increasing reliance on borough funding for education; and

**WHEREAS,** currently, 49 Alaska municipalities including cities and boroughs have a short-term rental tax, also referred to as a short-term accommodations tax, room tax, bed tax or short-term lodging tax, in addition to other sales taxes, with such bed or lodging tax rates ranging from a low of 4 percent to a high of 12 percent; and

**WHEREAS,** of the 19 organized boroughs in Alaska only the Kenai Peninsula Borough, Aleutians East Borough, North Slope Borough, and North West Arctic Borough do not utilize an additional tax on short-term accommodations; and

**WHEREAS,** of the 5 most populated boroughs in Alaska (Anchorage Borough, Matanuska-Susitna Borough, Fairbanks North Star Borough, Kenai Peninsula Borough, and Juneau Borough) only the Kenai Peninsula Borough is without an additional lodging tax on short-term rental accommodations; and

**WHEREAS,** like the other 4 most populated boroughs in Alaska, the economy of the Kenai Peninsula Borough relies heavily on the several hundred thousand visitors who travel to the Kenai Peninsula each year; and

**WHEREAS,** this many visitors create a large demand on public services offered within the borough, which impact borough services including solid waste, roads, recreational services, senior citizen services, 911, emergency services, hospital services, and disaster services; and

**WHEREAS,** a lodging tax on short-term rentals would be defined to include a rental that is less than one month in duration; and

**WHEREAS,** a tax of 12 percent on short-term rentals is estimated to generate an additional revenue of approximately \$1,960,000 in FY2026, \$5,600,000 in FY2027, and \$5,600,000 in FY2028, not including any revenue collected from overnight camping facilities; and

**WHEREAS,** the estimated operating and capital cost to implement and collect a short-term accommodation tax of 12 percent is \$1,105,711 in FY2026, \$313,117 in FY2027, and \$318,680 in FY2028; and

**WHEREAS,** the tax cap of \$500 on sales in the borough outlined in KPB 5.18.430 will not apply to the tax levied on any short-term rental accommodations; and

**WHEREAS,** to enable the tax to apply evenly throughout the borough, the intent is for the ordinance that enacts the levy and code to exempt from the borough's 12 percent short-term accommodation tax an amount equal to a similar city tax of up to one-half of the borough's tax on such rentals inside cities with an adopted short-term rental tax; and

**WHEREAS,** the intent of a short-term lodging tax that exempts cities from up to one-half of the borough's tax in an amount equal to a similar city tax, is for the tax to apply more evenly throughout borough; and

**WHEREAS,** this resolution puts the question on the ballot, if approved, the borough would then follow-up with a short-term rental accommodations chapter of borough code, including overnight camping facilities, which will provide the levy, implementation, and process and procedure for the tax pursuant to AS 29.45.700(a) via future ordinance;

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

**SECTION 1.** That a ballot proposition shall be placed before borough voters at the regular election held on October 1, 2024 to read as follows:

Shall the Kenai Peninsula Borough levy an areawide lodging (bed) tax on short-term rental accommodations and overnight camping facilities?

This tax will:

- Apply to accommodations of less than 30 days;
- Remove the current 3 percent borough general sales tax from short-term accommodation and overnight camping rentals;
- Establish a borough lodging tax of up to 12 percent on short-term accommodation and overnight camping rentals with no daily sales cap of \$500;
- Exempt up to one-half of the borough’s lodging tax in an amount equal to a similar city tax on these rentals with the intent of helping to level the temporary lodging rates inside and outside of the cities in the borough;
- Become effective January 1, 2026.

Yes \_\_\_\_\_ A “yes” vote means you approve of a borough tax on short-term rentals and overnight camping facilities of up to 12 percent that will remove the general sales tax on these rentals. Short-term and overnight camping rentals within cities would be exempted from up to one-half of the borough’s tax in an amount equal to a similar city tax on these rentals.

No \_\_\_\_\_ A “no” vote means you oppose a borough tax on short-term accommodation rentals and overnight camping facilities of up to 12 percent that will remove the general sales tax on these rentals. Short-term and overnight camping rentals within cities would be exempted from up to one-half of the borough’s tax in an amount equal to a similar city tax on these rentals.

**SECTION 2.** That, if approved by a majority of the qualified voters voting on the question, the intent would be to follow-up by enacting a new chapter of KPB Code, the code will:

- 1) Apply to accommodations of less than 30 days;
- 2) Remove the current 3 percent borough general sales tax from short-term accommodation and overnight camping rentals;
- 3) Establish a borough lodging tax of up to 12 percent on short-term accommodation and overnight camping rentals with no daily sales cap of \$500;
- 4) Exempt up to one-half of the borough’s lodging tax in an amount equal to a similar city tax on these rentals with the intent of helping to level the temporary lodging rates inside and outside of the cities in the borough;
- 5) Define “Short-term rental accommodation”.
- 6) Define “Overnight camping facilities”.
- 7) Is effective January 1, 2026.



**SECTION 3.** That this resolution takes effect immediately.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2024.**

---

Brent Johnson, Assembly President

ATTEST:

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Michele Turner, CMC, Borough Clerk

06/18/24 Vote on motion to table:

Yes: Cooper, Elam, Hibbert, Tunseth, Tupper, Johnson

No: Cox, Ecklund, Ribbens

Absent: None

# Kenai Peninsula Borough Assembly

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## MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**FROM:** Tyson Cox, Assembly Vice President  
Brent Hibbert, Assembly Member

**DATE:** June 14, 2024

**SUBJECT:** **LAYDOWN SUBSTITUTE** Resolution 2024-029, Placing an Areawide Question on the October 2024 Ballot Asking Whether the Borough Should Levy Up To a 12 Percent Lodging Tax on Short-Term Rental Accommodations and Overnight Camping Facilities, Exempt these Rentals from the General Sales Tax, and Provide that Up To One Half of the Tax May Be Exempted Inside Cities with an Adopted Lodging Tax (Cox, Hibbert)

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### **Reason for a laydown substitution for Resolution 2024-029:**

This laydown substitution is being brought forward to address suggested wording changes requested from several of our cities to clarify to the public that cities are not being required or given permission by the borough to levy a lodging tax of their own. This oversight was gladly corrected.

The second change is to the wording of the ballot proposition so that it includes the specific items from Section 2 of the resolution. Making the ballot question more specific as to what residents are being asked is intended to help voters with their decision making process. The edits in the substitute do not change the action to be taken if approved by voters.

Your support in replacing Resolution 2024-029 with Substitute Resolution 2024-029 is appreciated.

### **The below are supporting paragraphs for Substitute Resolution 2024-029:**

Placing a lodging tax (“bed tax”) question on the Borough ballot has been before the Assembly several times since 2017. Ordinances 2017-29 and 2018-24, which would have asked the voters to approve a bed tax, were defeated by the Assembly. In June of 2019 Ordinance 2019-09, an updated version of the previous ordinances, was passed by the Assembly then vetoed by the Mayor with a veto override failing 4 Yes, 4 No, 1 Abstained. Five years later, we are asking that the question be placed on the ballot. If approved, the intent would be that this tax will take effect on January 1, 2026.

Currently 49 Alaska cities and boroughs have a bed tax. The tax rates range from a low of 4% to a high of 12%. Of the 19 organized boroughs in Alaska only the Kenai Peninsula Borough, Aleutians East Borough, North Slope Borough, and North West Arctic Borough do not utilize an additional tax on temporary lodging. Of the five most populated boroughs in Alaska (Anchorage Borough, Matanuska-Susitna Borough, Fairbanks North Star Borough, Kenai Peninsula Borough, and Juneau Borough), only the Kenai Peninsula Borough is without an additional sales tax on short-term rental accommodations.

Like the other four most populated boroughs in Alaska, the economy of the Kenai Peninsula Borough relies heavily on the several hundred thousand visitors who travel to the Kenai Peninsula each year. This many visitors create a large demand on public services offered within the Borough, which impacts Borough services including solid waste, roads, recreational and senior citizen services, 911 and emergency services, hospital services, and disaster services.

If placed on the ballot and approved by a majority of the qualified voters, the intent would be to follow-up by enacting a new chapter of KPB Code. The code will:

- Apply to accommodations of less than 30 days;
- Remove the current 3 percent borough general sales tax from short-term accommodation and overnight camping rentals;
- Establish a borough lodging tax of up to 12 percent on short-term accommodation and overnight camping rentals with no daily sales cap of \$500;
- Exempt up to one-half of the borough's lodging tax in an amount equal to a similar city tax on these rentals with the intent of helping to level the temporary lodging rates inside and outside of the cities in the borough;
- Become effective January 1, 2026.

The revenue from this tax will help offset visitor costs, maintain the fund balance, and lower the Borough mill rate as appropriate. Your support in giving Borough residents a chance to vote on including this type of taxation in the Borough is appreciated.

*Please note that the intent is to postpone the hearing on this to the July 9, 2024 regular Assembly meeting to give residents, cities, and interested parties time to comment and make suggestions.*

**BOROUGHS WITHOUT A BED TAX**  
**BOROUGHS WITH A BED TAX**  
**\* = BIG 5 BOROUGHS**

**Table 1B**

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
Adak	4%	\$ 524,868	5%	\$ 27,634	0	\$ -	0	\$ -	0	\$ -	2%	\$ 100,200	0	\$ -	\$ -
Akiak	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Akiak (2022)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Akutana	1.5%	\$ 1,789,165	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Alakanuk	4%	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Aleknagik	5%	\$ 146,086	9%	\$ 158,230	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Aleutians East Borough	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	2%	\$ 4,824,614	0	\$ -	\$ -
Allakaket	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Ambler	3%	\$ 36,998	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Anaktuvuk Pass	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
* Anchorage	0	\$ -	12%	\$ 39,797,520	8%	\$ 12,635,887	12.61c/stick	\$ 20,986,097	5%	\$ 15,893,264	0	\$ -	5%	\$ 5,798,412	\$ 23,070,338
Anderson	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Angoon (20220)	3%	\$ 82,730	5%	\$ 5,782	0	\$ -	0	\$ -	0	\$ -	\$10/box	\$ 12,000	0	\$ -	\$ -
Aniak	2%	\$ 90,767	0	\$ -	0	\$ -	30% of wholesale	\$ 43,213	0	\$ -	0	\$ -	0	\$ -	\$ -
Anvik	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Atkasuk	0	\$ -	10%	\$ 23,700	0	\$ -	0	\$ -	0	\$ -	2%	\$ 196,989	0	\$ -	\$ -
Bethel	6%	\$ 8,971,468	12%	\$ 515,506	0	\$ -	10.37c/stick or 45% wholesale	\$ 356,754	15%	\$ 554,351	0	\$ -	15%	\$ 892,643	\$ 515,506
Bettles	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
Brevig Mission	3%	\$ 40,791	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Bristol Bay Borough	0	\$ -	10%	\$ 318,241	0	\$ -	0	\$ -	0	\$ -	3%	\$ 2,950,650	0	\$ -	\$ 4,389,490
Buckland	6%	\$ 210,900	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Chefornak	2%	\$ 56,520	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Chevak	3%	\$ 125,319	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Chignik	2%	\$ 14,172	\$3/night	\$ 1,695	0	\$ -	0	\$ -	0	\$ -	1% or 2%	\$ 109,028	0	\$ -	\$ -
Chuathbaluk	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Clark's Point	6%	\$ 37,041	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Coffman Cove	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Cold Bay	0	\$ -	10%	\$ 22,074	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ 33,188
Cordova	6%	\$ 4,093,781	6%	\$ 182,936	6%	\$ 8,836	6%	\$ 86,900	6%	\$ 86,900	0	\$ -	6%	\$ 86,900	\$ -
Craig	5%	\$ 1,884,812	\$5/day	\$ 34,125	0	\$ -	0	\$ -	6%	\$ 151,445	0	\$ -	10%	Not Provided	\$ 41,891
Deering	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
Delta Junction	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Denali Borough	0	\$ -	7.5%	\$ 4,381,202	0	\$ -	0	\$ -	5%	\$ 408,600	0	\$ -	5%	\$ 65,585	\$ 59,539
Dillingham	6%	\$ 3,971,168	10%	\$ 125,635	0	\$ -	10c/stick or 45% wholesale	\$ 283,843	10%	\$ 304,609	0	\$ -	10%	\$ 95,070	\$ 40,458
Diomedes	4%	\$ 19,335	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Eagle	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Edna Bay	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Eek	2%	\$ 61,250	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Egegik	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	3%	\$ 3,002,439	0	\$ -	\$ -
Ekwok	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Elim	3%	\$ 148,001	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Emmonak	4%	\$ 354,343	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Fairbanks	0	\$ -	8%	\$ 4,279,586	0	\$ -	8%	\$ 1,185,478	5%	\$ 2,607,121	0	\$ -	5%	\$ 1,592,043	\$ 546,400
* Fairbanks North Star Borough	0	\$ -	8%	\$ 2,933,702	0	\$ -	8%	\$ 1,403,079	5%	\$ 1,350,005	0	\$ -	5%	\$ 312,521	\$ 79,647
False Pass	3%	\$ 121,616	6%	\$ 1,136	0	\$ -	0	\$ -	0	\$ -	2%	\$ 1,162,400	0	\$ -	\$ -
Fort Yukon	4%	\$ 203,101	0	\$ -	0	\$ -	4%	\$ 18,604	0	\$ -	0	\$ -	0	\$ -	\$ -
Galena	3%	\$ 265,746	6%	\$ 16,618	0	\$ -	6%	\$ 25,431	6%	\$ 25,431	0	\$ -	0	\$ -	\$ -
Gambell	3%	\$ 46,020	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Golovin	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Goodnews Bay	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Grayling	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Gustavus	3%	\$ 525,308	4%	\$ 109,715	0	\$ -	0	\$ -	0	\$ -	\$10/box	\$ 14,080	0	\$ -	\$ -
Haines Borough	5.5%	\$ 4,384,640	4%	\$ 159,000	0	\$ -	\$2/pack or 45% wholesale	\$ 156,890	0	\$ -	0	\$ -	2%	\$ 21,912	\$ -
Holy Cross	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Homer	4.85%	\$ 13,202,822	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Hoonah	6.5%	\$ 3,089,808	0	\$ -	0	\$ -	15%	\$ 68,681	6%	\$ 105,792	0	\$ -	0	\$ -	\$ -
Hooper Bay	5%	\$ 424,716	0	\$ -	0	\$ -	10%	\$ 31,973	0	\$ -	0	\$ -	0	\$ -	\$ -
Houston	2%	\$ 541,604	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	3%	\$ 172,013	\$ 52,175
Hughes	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Huslia	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Hydaburg	6%	\$ 52,897	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
* Juneau	5%	\$ 67,821,581	9%	\$ 3,202,323	0	\$ -	\$3/pack or 45% wholesale	\$ 2,859,330	3%	\$ 1,236,462	0	\$ -	3%	\$ 437,224	\$ -
Kachemak	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kake	5%	\$ 235,148	0	\$ -	0	\$ -	3%	\$ 8,529	3%	\$ 8,529	0	\$ -	0	\$ -	\$ -
Kaktovik	0	\$ -	12%	\$ 8,777	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kaltag	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kasaan	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kenai	3%	\$ 9,227,194	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
* Kenai Peninsula Borough	3%	\$ 45,937,596	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Ketchikan	4%	\$ 15,291,029	7%	\$ 818,595	0	\$ -	0	\$ -	0	\$ -	0	\$ -	5%	\$ 254,949	\$ -
Ketchikan Gateway Borough	2.5%	\$ 5,220,266	4%	\$ 106,710	0	\$ -	10c/stick	\$ 824,352	0	\$ -	2%	\$ 563,050	5%	\$ 116,096	\$ 38,823
Kiana (2022)	3%	\$ 71,683	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
King Cove	6%	\$ 929,261	0	\$ -	0	\$ -	0	\$ -	0	\$ -	2%	\$ 1,508,000	0	\$ -	\$ -
Kivalina	2%	\$ 59,590	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Klawock	6.5%	\$ 1,162,810	6%	\$ 27,860	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kobuk	3%	\$ 2,553	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kodiak	7%	\$ 16,599,840	5%	\$ 343,591	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kodiak Island Borough	0	\$ -	5%	\$ 121,608	0	\$ -	15c/stick or 75% wholesale	\$ 829,274	0	\$ -	0	\$ -	0	\$ -	\$ 2,280,445
Kotlik	3%	\$ 132,019	0	\$ -	0	\$ -	10%	\$ 48,552	0	\$ -	0	\$ -	0	\$ -	\$ -
Kotzebue	6%	\$ 4,665,785	6%	\$ 114,383	0	\$ -	11c/stick or 55% wholesale	\$ 326,500	0	\$ -	0	\$ -	0	\$ -	\$ -
Koyuk	3%	\$ 78,820	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Koyukuk	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kupreanof	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Kwethluk	5%	\$ 261,679	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Lake and Peninsula Borough	0	\$ -	6%	\$ 285,939	0	\$ -	0	\$ -	0	\$ -	2%	\$ 3,415,660	0	\$ -	\$ 25,279
Larsen Bay	3%	\$ 79,612	0	\$ -	0	\$ -	3%	\$ 1,571	0	\$ -	0	\$ -	0	\$ -	\$ 12,912
Lower Kalskag	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Manokotak	2%	\$ 37,405	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ 55,348
Marshall	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
* Matanuska-Susitna Borough	0	\$ -	8%	\$ 1,690,730	0	\$ -	1.28c/stick	\$ 8,967,727	0	\$ -	0	\$ -	5%	\$ 1,830,811	\$ 859,609
McGrath	0	\$ -	10%	\$ 10,721	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Mekoryuk	4%	\$ 30,888	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Metlakatla (2022)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Mountain Village	3%	\$ 149,232	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Napakia	5%	\$ 111,806	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Napaskiak	3%	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Nenana	4%	\$ 207,283	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
New Stuyahok	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Newhalen	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Nightmute (2022)	2%	\$ 2,187	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Nikolai	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Nome	5%	\$ 7,089,170	6%	\$ 208,910	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Nondalton (2022)	3%	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Noorvik	4%	\$ 161,969	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
North Pole	5.5%	\$ 5,597,198	8%	\$ 183,635	0	\$ -	8%	\$ 120,640	6%	\$ 363,360	0	\$ -	0	\$ -	\$ -
North Slope Borough	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Northwest Arctic Borough	0	\$ -	0	\$ -	0	\$ -	\$2/pack or 45% wholesale	\$ 606,754	0	\$ -	0	\$ -	\$25/oz flower; \$10/oz stems	\$ 66,891	\$ -
Nuiqsut (2022)	0	\$ -	12%	\$ 209,851	0	\$ -	10c/stick	\$ 75,677	0	\$ -	0	\$ -	0	\$ -	\$ -
Nulato	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Nunam Iqaa	4%	\$ 20,850	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Nunapitchook	4%	\$ 100,174	0	\$ -	0	\$ -	4%	\$ 34,018	0	\$ -	0	\$ -	0	\$ -	\$ -
Old Harbor	3%	\$ 35,851	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Ouzinkie	6%	\$ 26,883	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Palmer	3%	\$ 10,780,740	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Pelican	4%	\$ 215,908	\$14/night	\$ 32,076	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Petersburg Borough	6%	\$ 4,164,980	4%	\$ 71,821	0	\$ -	\$2.33/pack or 45% wholesale	\$ 274,071	0	\$ -	0	\$ -	\$25/oz	\$ 24,679	\$ -
Pilot Point	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	3%	\$ 1,751,752	0	\$ -	\$ -
Pilot Station	4%	\$ 154,279	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Platinum	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Point Hope (2022)	3%	\$ 193,951	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Port Alexander	4%	\$ 21,127	6%	\$ 2,144	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Port Heiden	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Port Lions	0	\$ -	5%	\$ 2,327	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Quinhagak	3%	\$ 216,566	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Ruby (2022)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Russian Mission	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Saint George	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Saint Mary's	3%	\$ 198,798	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Saint Michael (2022)	4%	\$ 172,108	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Saint Paul	3.5%	\$ 381,683	0	\$ -	0	\$ -	0	\$ -	0	\$ -	2% or 3.5%	\$ 524,888	0	\$ -	\$ -
Sand Point	4%	\$ 878,952	7%	\$ 11,727	0	\$ -	0	\$ -	0	\$ -	2%	\$ 310,522	0	\$ -	\$ -
Savoonga	4%	\$ 89,661	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Saxman	6.5%	\$ 4,939	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ 237,653
Scammon Bay (2022)	6%	\$ 189,714	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Selawik	6%	\$ 143,569	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Seldovia	2% Oct-Mar; 6.5% Apr-Sept	\$ 355,328	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Seward	4%	\$ 7,635,648	4%	\$ 804,511	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Shageluk (2022)	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Shaktolik	4%	\$ 86,078	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Shishmaref	3%	\$ 102,804	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Shungnak	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA	NO DATA
Sitka	5% Oct-Mar; 6% Apr-Sept	\$ 19,168,501	6%	\$ 793,040	0	\$ -	90% wholesale or 13.48c/stick	\$ 846,826	0	\$ -	\$10/box	\$ 148,530	6%	\$ 125,754	\$ -

Municipality	Sales Tax Rate	Sales Tax Revenue	Bed Tax Rate	Bed Tax Revenue	Car Rental Tax Rate	Car Rental Tax Revenue	Tobacco Tax Rate	Tobacco Tax Revenue	Alcohol Tax Rate	Alcohol Tax Revenue	Raw Fish Tax Rate	Raw Fish Tax Revenue	Marijuana Tax Rate	Marijuana Tax Revenue	Other Tax Revenue
Skagway	3% Oct-Mar; 5% Apr-Sept	\$ 6,803,195	8%	\$ 153,036	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Soldotna	3%	\$ 10,007,421	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Stebbins	5%	\$ 146,522	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Tanana	2%	\$ 23,583	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Teller	3%	\$ 51,563	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Tenakee Springs	2%	\$ 20,107	6%	\$ 1,617	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Thorne Bay	6%	\$ 557,823	4%	\$ 12,095	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Togiak	2%	\$ 188,217	0	\$ -	0	\$ -	0	\$ -	0	\$ -	2%	\$ 77,983	0	\$ -	\$ -
Toksook Bay	2%	\$ 75,586	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Unalakleet	5%	\$ 450,688	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Unalaska	3%	\$ 10,305,540	5%	\$ 190,190	0	\$ -	\$2/pack or 4%	\$ 633,021	0	\$ -	2%	\$ 4,967,773	0	\$ -	\$ 5,221,717
Upper Kalskag	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Utqiagvik (2022)	10%	\$ -	5%	\$ 105,884	0	\$ -	\$2/pack or 20% wholesale	\$ 508,429	0	\$ -	0	\$ -	8%	\$ 188,997	\$ -
Valdez	0	\$ -	6%	\$ 559,726	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Wainwright	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Wales	3%	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Wasilla	2.5%	\$ 22,025,521	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Whale Pass	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
White Mountain	1%	\$ 20,345	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -
Whittier	5%	\$ 717,127	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ 400,515
Wrangell	7%	\$ 3,804,290	6%	\$ 64,591	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$10/oz flower, \$2/oz stems	\$ 6,364	\$ -
Yakutat	5%	\$ 1,758,703	8%	\$ 202,083	8%	\$ 40,238	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -

## **BENEFITS OF A KENAI PENINSULA BOROUGH LODGING (BED) TAX**

- **Reduced Burden on Residents:** It will reduce the tax burden on Peninsula residents by shifting a portion of local taxation to visitors who benefit from our community services and amenities.
- **Mill Rate Reduction:** It can be used to reduce the Kenai Peninsula Borough mill rate for all property owners.
- **Revenue Generation:** It can be used to fund essential services, infrastructure improvements, tourism promotion, education, etc.
- **Diversification of Revenue Streams:** It will diversify Borough revenue streams, making our peninsula less dependent on property taxes and general sales tax.
- **Fairness and Equity:** It will be applied at the same rate throughout Borough by exempting a portion in the cities to create a more fair and equitable situation for short-term lodging businesses, both, within and outside of the cities.
- **Simplification of Process:** It will simplify the collect process for all short-term lodging businesses by only requiring a percentage of the sale be collected for an entire stay of a person or group rather than on a per unit, per day basis as it is currently structured.
- **Community Ownership and Pride:** It can be used to support initiatives that strengthen our community's sense of ownership and pride, making the Peninsula an even more appealing destination to visit.
- **Destination Maintenance:** It will create revenue that can be used to maintain and improve the very attractions and services that draw visitors to our Borough.

---

**Subject:** FW: <EXTERNAL-SENDER>Reconsideration: Resolution 2024-029

---

**From:** Duane Bannock <[Duane@uptownmotel.com](mailto:Duane@uptownmotel.com)>

**Sent:** Monday, July 8, 2024 2:44 PM

**To:** Tunseth, Ryan <[rtunseth@kpb.us](mailto:rtunseth@kpb.us)>; Ribbens, Peter <[pribbens@kpb.us](mailto:pribbens@kpb.us)>; Hibbert, Brent <[bhibbert@kpb.us](mailto:bhibbert@kpb.us)>; Cox, Tyson <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>; Elam, Bill <[belam@kpb.us](mailto:belam@kpb.us)>; Ecklund, Cindy <[CEcklund@kpb.us](mailto:CEcklund@kpb.us)>; Cooper, Kelly <[kcooper@kpb.us](mailto:kcooper@kpb.us)>; Tupper, Mike <[MTupper@kpb.us](mailto:MTupper@kpb.us)>; Johnson, Brent <[bjohnson@kpb.us](mailto:bjohnson@kpb.us)>

**Cc:** Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>; G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>Reconsideration: Resolution 2024-029

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Assembly Members:

Please forgive me in advance for not being in attendance at the July 9th, 2024 Assembly Meeting. As I've shared previously, this is the wrong time of year for me (and most likely for all of us in the hospitality industry) to be spending time away from our sales-tax-paying customers.

Knowing all that we know now regarding the Assembly's ability to 'postpone' as has been earlier suggested as the reason for reconsideration, and noting the calendar will prevent any meaningful time for discourse, I request your 'No' vote to reconsideration and allow this Resolution to die.

If the Assembly desires to reexamine this matter in the future and pledges to go forth in an honest manner, you can count on our willingness to participate using real time customer a and sales tax revenue data.

Thank you for your consideration,

Duane Bannock  
Uptown Motel  
47 Spur View Drive  
Kenai, AK 99611  
907 283 3660  
907 398 2316 cell



---

**Subject:** FW: <EXTERNAL-SENDER>Imploring collaboration - NO 12% bed tax

---

**From:** Kelli Johnson <[kjohnson@aspenhotelsak.com](mailto:kjohnson@aspenhotelsak.com)>

**Sent:** Tuesday, July 9, 2024 8:09 AM

**To:** Tunseth, Ryan <[rtunseth@kpb.us](mailto:rtunseth@kpb.us)>; Ribbens, Peter <[pribbens@kpb.us](mailto:pribbens@kpb.us)>; Hibbert, Brent <[bhibbert@kpb.us](mailto:bhibbert@kpb.us)>; Cox, Tyson <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>; Elam, Bill <[belam@kpb.us](mailto:belam@kpb.us)>; Ecklund, Cindy <[CEcklund@kpb.us](mailto:CEcklund@kpb.us)>; Cooper, Kelly <[kcooper@kpb.us](mailto:kcooper@kpb.us)>; Tupper, Mike <[MTupper@kpb.us](mailto:MTupper@kpb.us)>; Johnson, Brent <[bjohnson@kpb.us](mailto:bjohnson@kpb.us)>; Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>; G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>; Hibbert, Brent <[bhibbert@kpb.us](mailto:bhibbert@kpb.us)>

**Cc:** Carol Fraser <[cfraser@aspenhotelsak.com](mailto:cfraser@aspenhotelsak.com)>

**Subject:** <EXTERNAL-SENDER>Imploring collaboration - NO 12% bed tax

---

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Greetings, members of the assembly -

I regret to announce that I will be unable to attend tonight's meeting. I would like to take a minute to 'speak' on the matters at hand... This email is intended to clearly express my opposition of the proposed 12% bed tax. It has been expressed by others in opposition, and I feel compelled to reiterate that hotels are already uniquely taxed. Travelers are taxed nightly throughout their stay - however long, with no cap on that tax. All the pennies add up to dollars, and everyone is looking to save.

We are already experiencing booking trends that lead us to believe a 12% bed tax would be detrimental; Where companies once booked 6 rooms for a 6-man crew, they're now booking 3 rooms and requiring their employees to room together to save. That project that brought them here in the first place? They're doing everything they can to get it done before the deadline to leave early - *to save*.

It's peak season for us. We've asked that this motion be postponed until we can pull together the data to reinforce our statements of opposition on this matter. *The proof* - that this motion would come at a detriment to hoteliers on the peninsula. *We will* do that - if you allow us the time. We will collaborate with the assembly and together we can derive a solution that's equitable and fair for all. Let's do this in the winter - together!

Please, consider the opportunity to collaborate on a better solution with us during winter months. Don't pass a 12% bed tax!

I appreciate your time and consideration,



Aspen Cares For Alaskans

**Kelli Johnson**

**Communications Manager**

P.O. Box 90244 | Anchorage, AK 99509

P: 907.394.4418 F: 907.260.7786

[www.AspenHotelsak.com](http://www.AspenHotelsak.com)

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---

**Subject:** FW: New Public Comment to Assembly Members

---

**From:** Kenai Peninsula Borough <[webmaster@kpb.us](mailto:webmaster@kpb.us)>

**Sent:** Tuesday, July 9, 2024 9:14 AM

**To:** BoroughAssembly <[Borough-Assembly@kpb.us](mailto:Borough-Assembly@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** New Public Comment to Assembly Members

**Your Name:** Scott Adams

**Your Email:** [Showmethefish@yahoo.com](mailto>Showmethefish@yahoo.com)

**Subject:** Bed Tax

**Message:**

Kenai Peninsula Borough Assembly

Please let this resolution die at this moment. To bring up anything of importance during the peak summer months, when most if not all, are really busy, is wrong in my opinion.

I find it interesting that the borough claims, the general fund is declining because of losses in tax revenues due to our generous borough tax exemptions.

I feel this claim is off base, as property values have climbed, in the Homer area at an average of 15-20% in the last couple of years. Making some exemptions pretty much non existent. At the going rate, the KPB will be taxing Homesteaders/Pioneers or folks on limited income, out of their homes.

A bed tax of the very vague of up to 12%, leads one to know, the borough will take the max.

This very well might tip the scale for tourists to look for a different vacation spot. I feel any tax that is placed on one industry vs another, is wrong. As stated by many, this will be a burden on locals, that are staying on the Kenai for work or play.

The KPB states they don't have all the information needed to push this resolution thur, but if the voters approve it. They'll have a year-to see it's affect.

It would have been nice if the KPB Assembly had spent sometime on a a resolution Against Trawler Bycatch, to be put on the ballot. This is something that affects residents of the KPB, if not most of our state.

I hope the KPB Assembly lets this subject die.

Thank you for your time,  
Scott Adams

**Louis Forstner**

**IT Systems Manager**

**Office:** (907) 714-2200

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**Subject:** FW: <EXTERNAL-SENDER>Letter for tonight's assembly packet ...  
**Attachments:** AWA letter to KPB on bed tax.docx

---

**From:** Kirkawa <[kirkawa@aol.com](mailto:kirkawa@aol.com)>  
**Sent:** Tuesday, July 9, 2024 9:40 AM  
**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>  
**Cc:** [kirk@alaska-wildland.com](mailto:kirk@alaska-wildland.com); [david@alaska-wildland.com](mailto:david@alaska-wildland.com)  
**Subject:** <EXTERNAL-SENDER>Letter for tonight's assembly packet ...

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Hello Assembly Clerk,  
Please include the attached letter in the packet for tonight's meeting. Thank you very much, Kirk.

**Kirk Hoessle, President and CEO (Chief Exploration Officer)**

Alaska Wildland Adventures

PO Box 389  
Girdwood, Alaska 99587  
907.783.2928

[www.alaskawildland.com](http://www.alaskawildland.com)  
[www.kenairiversidefishing.com](http://www.kenairiversidefishing.com)  
[www.kenaifjordsglacierlodge.com](http://www.kenaifjordsglacierlodge.com)  
[www.kenaibackcountrylodge.com](http://www.kenaibackcountrylodge.com)



# Alaska Wildland Adventures

July 8, 2024

Kenai Peninsula Borough Assembly  
144 N Binkley Street  
Soldotna, AK 99669

Dear Assembly Members,

While we appreciate the efforts the Borough and the Assembly have made to adequately fund our education system and the services needed for residents and visitors, this letter speaks against the proposed 12% bed tax. Please consider the following points:

+ It would be most responsible for you to take up this particular issue when the businesses affected are not involved in operating their essential peak season. This strategy has been repeated by the Assembly many times over the years for travel and tourism matters, and it feels like an underhanded approach to take advantage of getting an initiative swiftly pushed through while so many of us are preoccupied. My colleagues and I have much better things to do this time of year than to write letters like this in the late evening hours the night before a public meeting. Please show some consideration for the businesses ***that truly are your partners for collecting so much of your sales taxes***. Let us tell our story and advocate for our cause in the off-season when we can give it our full attention.

+ We are already faced with an overly aggressive sales tax that hits visitors harder than residents. Visitors pay an uncapped, per day sales tax on activities and accommodations. This means that a visitor pays more tax for a three-night stay at most hotels than a KPB resident does when they buy a boat. Additionally, this overly complicated sales tax puts an outsized burden on business' bookkeeping staff. Why would you burden us with yet another tax? It is time to look to other sources of revenue.

+ Visitors do not vote and therefore have no voice in the matter, yet an unfair financial burden will be placed upon them at a time when inflation is already causing dramatic price increases in the hospitality industry. We should not be financially punishing visitors for their desire to explore the natural and cultural wonders of our Borough. Instead, we should be welcoming, honoring, and respecting them for their willingness to spend their

P.O. Box 389 • Girdwood, Alaska 99587 • Direct: 907.783.2928  
Toll-Free: 800.334.8730 • Fax: 907.783.2130 • Email: [info@alaska-wildland.com](mailto:info@alaska-wildland.com)  
[www.alaskawildland.com](http://www.alaskawildland.com)

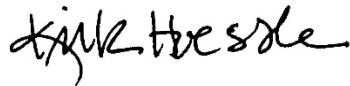
money and time in our communities. Excessive taxation without representation while avoiding increases for residents who benefit from many of these services is irresponsible and, in my view, unethical. Ultimately, we will be driving visitors away over time with this short-sighted approach. Why would we do that?

+ Any and all taxes on the visitor industry must allow a full year before they are enacted. We and other responsible companies have already established our 2025 rates and have entered into contracts with our suppliers and marketing partners for the costs and fees for our services. It is very unfair to initiate new taxes on short notice to a sector of our economy that is in a state of rebound from losses experienced from both the Swan Lake Wildfire of 2019 and the lost year of Covid of 2020.

+ A much more responsible and respectful approach would be to work with the hospitality and travel and tourism community in the off-season months to collaboratively work through fair and equitable tax structures on visitors.

Thank you for considering these points. I urge you to take no action on this initiative.

Respectfully,



Kirk Hoessle, President  
Alaska Wildland Adventures Family of Companies

Kenai Riverside Lodge, Cooper Landing  
Kenai Backcountry Lodge, Skilak Lake  
Kenai Fjords Glacier Lodge, Aialik Bay  
Kenai Fjords Sea Treks, LLC DBA Weather Permitting, Seward  
Alaska Wildland Adventures, Girdwood

---

**Subject:** FW: <EXTERNAL-SENDER>Please table the Resolution 2024-029 and Substitute Resolution 2024-029 until fall season....

---

**From:** Serena Sevenser-Byerly (Kenai GM) <[sbyerly@aspenhotelsak.com](mailto:sbyerly@aspenhotelsak.com)>

**Sent:** Tuesday, July 9, 2024 10:31 AM

**To:** Tunseth, Ryan <[rtunseth@kpb.us](mailto:rtunseth@kpb.us)>; Ribbens, Peter <[pribbens@kpb.us](mailto:pribbens@kpb.us)>; Hibbert, Brent <[bhibbert@kpb.us](mailto:bhibbert@kpb.us)>; Cox, Tyson <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>; Elam, Bill <[belam@kpb.us](mailto:belam@kpb.us)>; Ecklund, Cindy <[CEcklund@kpb.us](mailto:CEcklund@kpb.us)>; Cooper, Kelly <[kcooper@kpb.us](mailto:kcooper@kpb.us)>; Tupper, Mike <[MTupper@kpb.us](mailto:MTupper@kpb.us)>; Johnson, Brent <[bjohnson@kpb.us](mailto:bjohnson@kpb.us)>; Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>; G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>Please table the Resolution 2024-029 and Substitute Resolution 2024-029 until fall season....

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Dear Assembly Members and Mayor  
Micciche,

July 9, 2024

I want to thank you for this opportunity to let the council know how important it is not to tax people for a quick solution to budget your funding. A targeting taxation towards our hospitality industry welcoming our guests, who are not all tourists, but mostly our local Alaskan residents, corporate workers, people transitioning to Alaska, Alaskan families with kids in Sports Teams.

AK residents, visitors, and businesses revamp how they do business to cut costs. AK Residents are having to cut out expenses daily, to continue to live here. Businesses will Zoom their meetings or drive down for the day and drive back to Anchorage, to save on their costs. Businesses will double up their people in rooms with 2 beds to save on cost, putting more strain on our businesses if we can't offer them more Double queen rooms for their needs. During the summer months, our fishing guests will book their reservation for a week and then once they catch their fish, will check out earlier than planned (after 2 or 3 days) and leave us with higher volumes of check outs and not enough housekeepers to cover the quantity of check outs in a day, costing us more in payroll.

People hate being taxed, that is why we live here in Alaska right? No state tax, and affordable taxes in each borough is fair for the services we require to live in this beautiful state.

What we need is collaboration with our community and the council. I would suggest looking at all the Tax Exemption rules we have in each borough and see if we can't revise these first. In the hotel guests staying 30 days or longer, can request a flat tax and not pay the daily 6% tax for their room rate. I think it is time to take this flat tax away.

You state this in the first Whereas, 'The Kenai Peninsula Borough must raise revenue to protect the general fund which is declining because of losses in tax revenues due to our generous borough tax exemptions, to the continuing decline in state assistance to municipalities, and to the increasing reliance on borough funding for education.'

Why are we giving the short- and long-term people a break from paying the daily tax for all the water they use, garbage they make, and roads they travel? How is this fair to our local communities, losing out on the funding you could use for these services and your budgeting? A flat tax of 30.00 sure beats paying 196.20 if they are paying a 109.00 daily room charge for 30 days. Times that by 10 rooms they rent, and you have 300.00 vs 1962.00. I'm sure that 1962.00 would be appreciated by the borough for their budget.

I'm sure there are other Tax Exemption regulations that need revisited and put on the table for our community to vote if it works or if it needs revised to help the budget.

Let's not forget what happened to Seward when the Cruise tax per person was in effect. The cruise lines rerouted their destination to Anchorage, who was more than happy to take their business and not tax each person to visit their town. They lost revenue from each visitor to the shops, restaurants, and entire town. It was a lesson for all of us to learn from. Additional tax is not setting out the "Welcome Mat" to help support our towns and businesses.

We need to look at our own history and not repeat other peoples' mistakes. What might have worked and made the local people happy in 1972 in caps or tax exemptions, might not be working in 2024.

Tourism was flourishing here 40 years ago. We had King fishing that was World Famous for our local guides to make a good living from May-September. Those days are gone. We used to have the months of June, July and August booked a year in advance at all the hotels, just because of King, Red, pink (even years) and Silver Salmon Seasons. I remember when the guides tried to warn Fish & Game not to allow certain size hens to be caught. It was going to ruin their future return to the Kings, but they did not listen. That kind of ignorance we cannot afford when people are trying to manage business for our future generations.

We live on the Kenai Peninsula because of the beauty, slower pace of the big cities and community support. We really are blessed to live here, and we will fight for what is right and what is wrong, to keep this community to be the value it needs to be.

I am requesting that the Resolution 2024-029 and Substitute Resolution 2024-029 not be put on the ballot to vote on and the council schedule an open working session this fall, with our community to find a better way to tax, that is fair to all industries to help fund our government budget better.

Sincerely,



Aspen Cares For Alaskans

**Serena Sevener - Byerly**

**General Manager - Kenai**

10431 Kenai Spur Hwy | Kenai, AK 99611

P: 907.283.2272 F: 907.283.2278

www.AspenHotelsak.com

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---

**Subject:** FW: <EXTERNAL-SENDER>Resolution 2024-029  
**Attachments:** Aspen Hotels Resolution 2024-029 Please vote no.pdf

---

**From:** Carol Fraser <[cfraser@aspenhotelsak.com](mailto:cfraser@aspenhotelsak.com)>  
**Sent:** Tuesday, July 9, 2024 12:03 PM  
**To:** Tunseth, Ryan <[rtunseth@kpb.us](mailto:rtunseth@kpb.us)>; Ribbens, Peter <[pribbens@kpb.us](mailto:pribbens@kpb.us)>; Hibbert, Brent <[bhibbert@kpb.us](mailto:bhibbert@kpb.us)>; Cox, Tyson <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>; Elam, Bill <[belam@kpb.us](mailto:belam@kpb.us)>; Ecklund, Cindy <[CEcklund@kpb.us](mailto:CEcklund@kpb.us)>; Cooper, Kelly <[kcooper@kpb.us](mailto:kcooper@kpb.us)>; Tupper, Mike <[MTupper@kpb.us](mailto:MTupper@kpb.us)>; Johnson, Brent <[bjohnson@kpb.us](mailto:bjohnson@kpb.us)>  
**Cc:** Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>; G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>  
**Subject:** <EXTERNAL-SENDER>Resolution 2024-029

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Attached please find an additional letter from Aspen Hotels of Alaska requesting you to vote no on Resolution 2024-029. I am unable to attend the assembly meeting in person as July is our busiest month and I'm in Juneau supporting operations at our Juneau Aspen Hotel. I will be on Zoom and would like to provide comments if there is time.

Thank you,  
Carol



**Carol Fraser**

*Vice President*

P.O. Box 90244 | Anchorage, AK 99509

P: 907.258.0006 F: 907.770.3425

[www.AspenHotelsak.com](http://www.AspenHotelsak.com)

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July 9, 2024

Kenai Peninsula Borough Assembly  
144 N Binkley St.  
Soldotna, AK 99669

Dear Mayor and Assembly Members:

We appreciate your efforts to find additional revenue sources for the Kenai Peninsula Borough but Aspen Hotels of Alaska with hotels in Homer, Soldotna and Kenai are against adding a 12% bed tax based on the following reasons:

Hotels in the Borough are already taxed unlike any other industry. We don't have a tax cap of \$500 like other industries. You are charged tax on your hotel room up until the 30<sup>th</sup> consecutive night. If we charge \$200 a night for 29 days – you pay tax on \$5,800 room. If you buy a trailer for \$5,800 – you only pay tax on the first \$500. Why ANOTHER targeted tax on the hotel industry?

The Kenai Peninsula Borough no longer has a marketing organization that promotes the Borough to visitors. Anchorage has a 12% bed tax – 4% of this tax is dedicated to marketing Anchorage – to the world. \$16 million+ a year is used for social media, online/print marketing, sales trips, convention attendance promotions and more. Their mission is to bring MORE visitors to Anchorage by using the bed tax funds – not just to tax the ones we currently have. The assembly's reasoning behind your proposed 12% is.....to quote the assembly president, "To stick it to tourists like they stick it to us when we travel". Brilliant analogy.

As we have mentioned at the last assembly meeting – without any involvement, communication, or work sessions with our industry – you have pulled a number out of the air to add additional taxes on our industry – and bring it up during the 4 months we have to make our year-round revenue. It would be more responsible of the assembly to slow this process down – host multiple work sessions in the off season where we can provide facts and figures to support a modest bed tax – or determine if one is needed at all. And if a tax is needed – how about a seasonal sales tax instead of just negatively targeting the hotel industry?

**Please vote no** on this initiative and represent the small businesses in the borough by meeting with us, planning thoughtfully for the future and giving us an opportunity to partner with you instead of fighting for what's right and just.

Thank you,

A handwritten signature in cursive script that reads "Carol Fraser".

Carol Fraser  
Vice President

P.O. Box 90244  
Anchorage, AK 99509  
AspenHotelsAK.com • 907.258.0006

---

**Subject:** FW: <EXTERNAL-SENDER>Borough Meeting Tonight

---

**From:** Jamie Eastlick (Soldotna GM) <[soldotnagm@aspenhotelsak.com](mailto:soldotnagm@aspenhotelsak.com)>  
**Sent:** Tuesday, July 9, 2024 12:41 PM  
**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>  
**Subject:** <EXTERNAL-SENDER>Borough Meeting Tonight

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Good Afternoon,

I was very disappointed when I found out that the bed tax was back on the agenda for tonight. Last month many of us expressed that we would love to meet with the assembly members on the off season and find a fair solution to this. Here we are, July, the busiest month for us and it will be voted on again tonight. I am going to do my best to be at the meeting to speak on this. Unfortunately, I do have another meeting scheduled for tonight. I will be back and forth between the two. In case I miss my chance to speak. I would like to encourage you to please table this until we can all meet and find real solutions. We would love to be a part of helping the borough come up with idea.

Please show the hospitality industry some respect and meet with us. Give us a chance to have a solution-based conversation together.



**Jamie Eastlick**

*General Manager* - Soldotna  
326 Binkley Cir. | Soldotna, AK 99669  
P: 907.260.7736 F: 907.260.7786  
[www.AspenHotelsak.com](http://www.AspenHotelsak.com)

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"Aspen cares: Join us in honoring and celebrating cancer survivors and their willful journey toward recovery."

---

**Subject:** FW: <EXTERNAL-SENDER>Kenai Peninsula Borough Assembly Letter - final  
**Attachments:** Kenai Peninsula Borough Assembly Letter - final.pdf

---

**From:** Samuels, Ralph (HAP) <[rsamuels@hagroup.com](mailto:rsamuels@hagroup.com)>  
**Sent:** Tuesday, July 9, 2024 1:30 PM  
**To:** Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>; G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>  
**Cc:** Smith, Tracy (HAP) <[tsmith@hagroup.com](mailto:tsmith@hagroup.com)>; Zadra, Steve (HAP) <[szadra@hagroup.com](mailto:szadra@hagroup.com)>; Ducharme, Marc (HAP) <[MDucharme@hagroup.com](mailto:MDucharme@hagroup.com)>  
**Subject:** <EXTERNAL-SENDER>Kenai Peninsula Borough Assembly Letter - final

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July 9, 2024  
Kenai Peninsula Borough Assembly  
144 N. Binkley St.  
Soldotna, AK 99669

Assembly Members and Mayor Micciche:

As the owners of the Kenai Princess Wilderness Lodge in Cooper Landing, we are writing to express our opposition to the proposed bed tax for the Borough.

We are already taxed without the \$500 cap for room nights, which is a targeted tax at one particular segment of the tourism industry.

In other bed tax discussions, the local jurisdiction usually works with hoteliers in setting policies that can both generate monies for the local government, and increase traffic to the hotel. This is a win-win.

The proposal before you does not encourage investment into new hotel properties, expansion of current hotel properties or increasing the yields for the benefit of both the local government and the hotelier.

Instead, it simply punishes hoteliers that have invested in the community with capital spending, job creation, property taxes and economic activity for other small businesses.

Please reject this proposal and vote NO on reconsideration.

Sincerely,

Ralph Samuels  
VP, HAP

The information contained in this email and any attachment may be confidential and/or legally privileged and has been sent for the sole use of the intended recipient. If you are not an intended recipient, you are not authorized to review, use, disclose or copy any of its contents. If you have received this email in error please reply to the sender and destroy all copies of the message. Thank you.

To the extent that the matters contained in this email relate to services being provided by Princess Cruises and/or Holland America Line (together "HA Group") to Carnival Australia/P&O Cruises Australia, HA Group is providing these services under the terms of a Services Agreement between HA Group and Carnival Australia.



July 9, 2024  
Kenai Peninsula Borough Assembly  
144 N. Binkley St.  
Soldotna, AK 99669

Assembly Members and Mayor Micchiche:

As the owners of the Kenai Princess Wilderness Lodge in Cooper Landing, we are writing to express our opposition to the proposed bed tax for the Borough.

We are already taxed without the \$500 cap for room nights, which is a targeted tax at one particular segment of the tourism industry.

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The proposal before you does not encourage investment into new hotel properties, expansion of current hotel properties or increasing the yields for the benefit of both the local government and the hotelier.

Instead, it simply punishes hoteliers that have invested in the community with capital spending, job creation, property taxes and economic activity for other small businesses.

Please reject this proposal and **vote NO** on reconsideration.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Samuels", written in a cursive style.

Ralph Samuels  
VP, HAP

---

**Subject:** FW: <EXTERNAL-SENDER>Resolution 2024-029- letter to the Assembly.  
**Attachments:** KPB Res. 2024-29 short-term accommodation- Seldovia Letter.pdf

---

**From:** Heidi Geagel <[citymanager@cityofseldovia.com](mailto:citymanager@cityofseldovia.com)>  
**Sent:** Tuesday, July 9, 2024 1:30 PM  
**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>  
**Cc:** Liz Diament <[cityclerk@cityofseldovia.com](mailto:cityclerk@cityofseldovia.com)>  
**Subject:** <EXTERNAL-SENDER>Resolution 2024-029- letter to the Assembly.

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Hello,

Please see the attached letter from the City of Seldovia to the KPB Assembly regarding Resolution 2024-029.

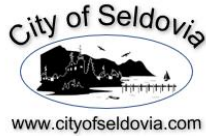
Thank you,

*Heidi Geagel*

City Manager  
City of Seldovia  
(907)234.7643 (office)  
(907)234.7430 (fax)



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P.O. Box B Seldovia, Alaska 99663 Phone: (907) 234-7643 email: [citymanager@cityofseldovia.com](mailto:citymanager@cityofseldovia.com)

---

July 9, 2024

Kenai Peninsula Borough  
144 N. Binkley St.  
Soldotna, AK 99669  
via email: [assemblyclerk@kpb.us](mailto:assemblyclerk@kpb.us)

Dear Kenai Peninsula Borough Assembly Members,

I am writing to you on behalf of the Seldovia City Council to express concern regarding KPB Resolution 2024-029 placing an areawide question on the October ballot asking whether the Borough should levy up to a 12% tax on short-term accommodation rentals and overnight camping facilities, exempt those rentals from the general sales tax, and provide that all cities within the Kenai Peninsula Borough may exempt up to one-half of the Borough's tax on these rentals. While we recognize the potential benefits of generating additional revenue, there are several significant questions and considerations that we believe should be addressed before implementing such a measure.

**Intent of Additional Funds:**

- What is the overall intent of the revenue generated by this tax?
- Can the borough provide a clear breakdown of where revenue will be collected from and how funds will be utilized to support the taxed industry, as well as the overall well-being of the Kenai Peninsula Borough, its residents, and business owners?
- If revenue from the short-term accommodation rentals tax is not committed to education, what impact will this have on educational funding currently provided by the 3% general sales tax?
- Has the borough considered exploring broader tourism-based taxes to share the burden across different sectors of the tourism industry?

**Impact on First Class Cities (e.g., Seldovia):**

- If short-term accommodation rentals are exempted from the general sales tax, how will this impact first-class cities that rely on sales tax revenue?
- For Seldovia, which has a 6.5% summer sales tax, how will the revenue be impacted if short-term accommodations are taxed at 6% year-round without a tax cap?
- Can first-class cities, upon approval by the voter, increase their short-term accommodation tax beyond the borough's proposed tax, for instance, by an additional 0.5% to make up for the difference in existing sales tax?

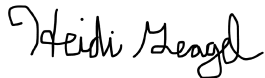
**Studies on Impact:**

- Have studies been conducted to assess the potential impact of a short-term accommodation tax in our area, including the risk that such a tax could decrease tourism spending in our communities?
- Is there consideration of how businesses may be affected by the additional costs associated with implementing and managing this tax?
- Can the process be simplified to minimize the burden on businesses, particularly regarding professional services like CPAs and bookkeepers?

In conclusion, the Seldovia City Council urges the Kenai Peninsula Borough Assembly to carefully consider any potential impacts of this proposition and invites stakeholders—business owners, residents, and municipalities—to discuss how to devise a thoughtful and well-prepared execution of such a proposition. It is crucial that we ensure transparency, fairness, and thoughtful planning in how this tax may be implemented and utilized.

Thank you for considering our views on this matter. We look forward to your response and to further dialogue on how we can best support our community.

Respectfully,



Heidi Geagel  
City Manager  
City of Seldovia



---

**Subject:** FW: New Public Comment to Assembly Members

---

**From:** Kenai Peninsula Borough <[webmaster@kpb.us](mailto:webmaster@kpb.us)>

**Sent:** Tuesday, July 9, 2024 2:54 PM

**To:** BoroughAssembly <[Borough-Assembly@kpb.us](mailto:Borough-Assembly@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** New Public Comment to Assembly Members

**Your Name:** Heather Merrill

**Your Email:** [alpineinnmotel@gmail.com](mailto:alpineinnmotel@gmail.com)

**Subject:** 12% Bed Tax

**Message:**

The Alpine Inn Motel is a small, 12 room, seasonal motel. We make our earnings through the months of June-October each year. This timeframe doesn't allow much margin to remain break-even to profitable with inflation and increases in taxation. Because many of the businesses in CL are semi-remote, sole proprietor, mom & pop and seasonal, I petition that it is not prudent to burden us with an additional bed tax of 12%. Thank you in advance for voting against this proposition for our area.

**Louis Forstner**

**IT Systems Manager**

**Office:** (907) 714-2200

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**Subject:** FW: <EXTERNAL-SENDER>RE: Resolution 2024-029 (Proposed KPB Bed Tax) - VOTE NO

---

**From:** [sleepybear@alaska.net](mailto:sleepybear@alaska.net) <[sleepybear@alaska.net](mailto:sleepybear@alaska.net)>

**Sent:** Tuesday, July 9, 2024 4:46 PM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>RE: Resolution 2024-029 (Proposed KPB Bed Tax) - VOTE NO

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To all KPB Assembly Members:

My apologies, I am unable to attend tonight's meeting in person as we are smack in the middle of peak-season but will be attending virtually.

As the majority of lodging owners do, I believe a KPB bed tax is not only unnecessary, but completely the wrong platform and not a sustainable model to use for collecting additional sales tax. Without proven metrics, the members proposing this resolution are merely taking a shot in the dark.

I second Duane Bannock's comments submitted for the 9 July meeting and request "your '**No**' vote to reconsideration and allow this Resolution to die."

Thank you for your time and consideration.

Teresa Cosman  
Sleepy Bear Cabins LLC  
907-235-5625  
866-235-5630  
907-235-5626 (Fax)  
[sleepybear@alaska.net](mailto:sleepybear@alaska.net)  
[sleepybearalaska.com](http://sleepybearalaska.com)

---

**From:** [sleepybear@alaska.net](mailto:sleepybear@alaska.net) <[sleepybear@alaska.net](mailto:sleepybear@alaska.net)>

**Sent:** Monday, June 17, 2024 2:30 PM

**To:** [assemblyclerk@kpb.us](mailto:assemblyclerk@kpb.us)

**Subject:** Resolution 2024-029 (Proposed KPB Bed Tax) - OPPOSE

---

To all KPB Assembly Members:

As a short-term lodging owner in Anchor Point, I am against a KPB bed tax, especially at the current proposed rate of up to 12%. A bed tax in Anchor Point would cause lodging owners to lose business.

- Public comment and assembly voting should be delayed until after the peak season at the earliest to allow more business owners to be made aware of / become familiar with the details of this proposal, provide feedback and attend meetings. Most of us who are currently aware of

the proposal have only had six days (some of those days are over a weekend) to read through the proposal, spread the word, and submit comments during the busiest time of year prior to the 18 June regular meeting and in preparation for the 9 July public hearing.

I agree with the below comments put forth by other lodging businesses and associations:

- The Borough needs to prove that it can collect sales tax from all short-term rentals before imposing a higher tax rate on businesses that already are complying. Those that already collect and pay will be at an even greater disadvantage against those who are not collecting and paying now and still won't at an even higher rate.
- We propose that the borough consider a lower, broader 'Tourism Tax' that would apply to multiple business categories and not levy so high a rate on lodging alone. So far there has been no interest in considering this model, even though it has been successful in other locales (e.g., [Tourism Tax | South Dakota Department of Revenue \(sd.gov\)](#)).
- Revenues from the tax do not benefit the lodging sector or broader tourism in any way. In Anchorage, 1/3 of its 12% bed tax funds the convention center, 1/3 funds tourism marketing, 1/3 is general funds. The KPB proposal does nothing to support the business sector that is generating the revenue.
- This is not a net neutral cost to local businesses. Increasing the amount of tax dollars collected increases the direct cost of credit card fees by hundreds to thousands of dollars per year, based on the number of accommodations a business has. Lodging businesses already pay more than their fair share of sales tax as we cannot apply the \$500 cap to a guest's full stay but against each day.

As events like the pandemic have proven, all areas of tourism can be and have been adversely affected economically. Relying on one area of commerce to bear the brunt of the burden for sales tax is not a sustainable model. If an additional sales tax must be imposed, a much smaller tax (i.e., 1%) which businesses and their customers, across multiple business categories, can more easily absorb would better provide the necessary tax funds to the borough while covering the ebb-and-flow of the tourism economy and having less negative impact on the profits of each individual business category.

Thank you for your time and consideration.

Teresa Cosman  
Sleepy Bear Cabins LLC  
907-235-5625  
866-235-5630  
907-235-5626 (Fax)  
sleepybear@alaska.net  
sleepybearalaska.com

---

**Subject:** FW: <EXTERNAL-SENDER>Subject: Urgent Opposition to Resolution 2024-029 (Bed Tax)

---

**From:** Quality Inn Kenai <[gm.qualityinnkenai@gmail.com](mailto:gm.qualityinnkenai@gmail.com)>

**Sent:** Thursday, July 11, 2024 2:49 PM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>Subject: Urgent Opposition to Resolution 2024-029 (Bed Tax)

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Subject: Urgent Opposition to Resolution 2024-029 (Bed Tax)

Dear Kenai Peninsula Borough Assembly Members,

I am writing to you today as the General Manager of the Quality Inn in Kenai and Best Western King Salmon in Soldotna to express my strongest opposition to Resolution 2024-029, which proposes a 12% bed tax on Kenai Peninsula hotels.

The hospitality industry in the Borough already faces a unique and unfair tax burden unlike any other industry. We are currently subject to hotel room tax with no cap on the taxable amount. Unlike other industries that benefit from a \$500 tax cap on purchases, hotels are taxed on the entirety of a guest's stay, even for extended periods exceeding 30 nights. Imposing an additional 12% bed tax on top of this existing, uncapped tax structure is simply unreasonable and punitive.

This proposed bed tax will have a significant negative impact on our industry and the tourism sector as a whole. Guests will be less likely to choose our hotels, opting for alternative lodging options or even shortening their stays to avoid the additional cost. This will not only hurt our bottom line, but also negatively affect related businesses that rely on tourism revenue, such as restaurants, attractions, and retail stores.

We, the hotel industry of the Kenai Peninsula, are committed to being a valuable partner in the Borough's economic development. Instead of resorting to an unfair and targeted tax, I urge the Assembly to consider alternative solutions. We are open to working together to explore options that ensure a fair and equitable distribution of the tax burden across all industries.

For the reasons outlined above, I implore the Assembly to **vote NO** on Resolution 2024-029. Let's work together to find a solution that benefits the entire Borough, not just target small businesses like hotels.

Thank you for your time and consideration.

Sincerely,

Melinda Leichter

General Manager

Quality Inn Kenai, 10352 Kenai Spur Hwy, Kenai, AK 99611

Best Western King Salmon, 35546 Kenai Spur Hwy, Soldotna, AK 99669

--



**Melinda Leichter**  
GENERAL MANAGER  
T. 907.283.6060  
Melinda.QualityInnKenai@gmail.com

Quality Inn  
10352 Kenai Spur Highway  
Kenai, AK 99611  
T. 907.283.6060 | F. 907.283.3874  
QualityInnKenai.com



**Melinda Leichter**

**General Manager**

**Best Western King Salmon**

35546A Kenai Spur Highway

Soldotna, AK 99669

907-262-5857

[www.bestwestern.com](http://www.bestwestern.com)

Introduced by: Cox, Hibbert  
Date: 06/18/24  
Action:  
Vote:

**KENAI PENINSULA BOROUGH  
RESOLUTION 2024-029**

**A RESOLUTION PLACING AN AREA WIDE QUESTION ON THE OCTOBER 2024  
BALLOT ASKING WHETHER THE BOROUGH SHOULD LEVY UP TO A 12  
PERCENT TAX ON SHORT-TERM ACCOMMODATION RENTALS AND  
OVERNIGHT CAMPING FACILITIES, EXEMPT THESE RENTALS FROM THE  
GENERAL SALES TAX, AND PROVIDE THAT ALL CITIES WITHIN THE KENAI  
MAY EXEMPT UP TO ONE-HALF OF THE BOROUGH'S TAX ON THESE RENTALS**

**WHEREAS,** the Kenai Peninsula Borough ("borough") must raise revenue to protect the general fund which is declining because of losses in tax revenues due to our generous borough tax exemptions, to the continuing decline in state assistance to municipalities, and to the increasing reliance on borough funding for education; and

**WHEREAS,** currently, 49 Alaska municipalities including cities and boroughs have a short-term accommodation rentals tax, also referred to as a room tax, bed tax or short term lodging rental tax, in addition to other sales taxes, with such bed or lodging tax rates ranging from a low of 4 percent to a high of 12 percent; and

**WHEREAS,** of the 19 organized boroughs in Alaska only the Kenai Peninsula Borough, Aleutians East Borough, North Slope Borough, and North West Arctic Borough do not utilize an additional tax on short-term accommodations; and

**WHEREAS,** of the 5 most populated boroughs in Alaska (Anchorage Borough, Matanuska-Susitna Borough, Fairbanks North Star Borough, Kenai Peninsula Borough, and Juneau Borough) only the Kenai Peninsula Borough is without an additional sales tax on short-term accommodations; and

**WHEREAS,** like the other 4 most populated boroughs in Alaska, the economy of the Kenai Peninsula Borough relies heavily on the several hundred thousand visitors who travel to the Kenai Peninsula each year; and

**WHEREAS,** this many visitors create a large demand on public services offered within the borough, which impact borough services including solid waste, roads, recreational & senior citizen services, 911 & emergency services, hospital services, and disaster services; and

**WHEREAS** a short-term accommodation rentals tax would be defined to include a rental that is less than one month in duration; and

**WHEREAS,** a short-term accommodation rentals tax of 12 percent is estimated to generate an additional revenue of approximately \$1,960,000 in FY2026, \$5,600,000 in FY2027, and \$5,600,000 in FY2028, not including any revenue collected from overnight camping facilities; and

**WHEREAS,** the estimated operating and capital cost to implement and collect a short-term accommodation rentals tax of 12 percent is \$1,105,711 in FY2026, \$313,117 in FY2027, and \$318,680 in FY2028; and

**WHEREAS,** the tax cap of \$500 on sales in the borough outlined in KPB 5.18.430 will not apply to the tax levied on any short-term accommodations; and

**WHEREAS,** to enable the cities to levy a similar tax and allow the tax to apply evenly throughout the borough, the intent would be for the ordinance that enacts the levy and code will exempt from the borough’s 12 percent short-term accommodation rentals tax an amount equal to a similar city tax of up to one-half of the borough’s tax on such rentals; and

**WHEREAS,** this resolution puts the question on the ballot, if approved, the borough would then follow-up with a short-term accommodation rentals and overnight camping facilities chapter of borough code, which will provide the levy, implementation, and process and procedure for the tax including specifically authorizing all cities within the borough to levy a short-term accommodation rentals tax, pursuant to AS 29.45.700(a), via future ordinance;

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

**SECTION 1.** That a ballot proposition shall be placed before borough voters at the regular election held on October 1, 2024 to read as follows:

Shall the Kenai Peninsula Borough levy a tax of up to 12 percent on short-term accommodation rentals and overnight camping facilities, exempt such rentals from the general sales tax, and provide that all cities within the Kenai Peninsula Borough may exempt up to one-half of the Borough's short-term accommodations tax?

Yes \_\_\_\_\_ A “yes” vote means you approve of a borough tax on short-term accommodation rentals and overnight camping facilities of up to 12 percent that will remove the general sales tax on these rentals.

No \_\_\_\_\_ A “no” vote means you oppose a borough tax on short-term accommodation rentals and overnight camping facilities of up to 12 percent that will remove the general sales tax on these rentals.

**SECTION 2.** That, if approved by a majority of the qualified voters voting on the quest, the intent would be to follow-up by enacting a new chapter of KPB Code, the code will:

- 1) Establishes a borough tax of up to 12 percent on short-term accommodations or rentals, and overnight camping with no daily sales cap of \$500;
- 2) Exempts short-term accommodations and overnight camping rentals from the current borough general sales tax of 3 percent;
- 3) Exempt any similar tax levied by a city. This exemption in the cities cannot exceed one-half of the borough’s short-term accommodations tax on these rentals;
- 4) Allow cities that levy a similar sales tax on short-term accommodations and overnight camping to exempt up to one-half of the borough’s tax on these rentals with the intent of helping to level the short-term accommodations rates inside and outside of the cities in the borough;
- 5) Define “Short-term accommodation rentals”.
- 6) Define “Overnight camping facilities”.
- 7) Is effective January 1, 2026.

**SECTION 3.** That this resolution takes effect immediately.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS \* DAY OF \*, 2024.**

---

Brent Johnson, Assembly President

ATTEST:

---

Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent:



---

**Subject:** FW: <EXTERNAL-SENDER>KPB Resolution 2024-029

---

**From:** Duane Bannock <[Duane@uptownmotel.com](mailto:Duane@uptownmotel.com)>

**Sent:** Sunday, June 16, 2024 12:16 PM

**To:** Hibbert, Brent <[bhibbert@kpb.us](mailto:bhibbert@kpb.us)>; Tunseth, Ryan <[rtunseth@kpb.us](mailto:rtunseth@kpb.us)>; Ribbens, Peter <[pribbens@kpb.us](mailto:pribbens@kpb.us)>; Cox, Tyson <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>; Elam, Bill <[belam@kpb.us](mailto:belam@kpb.us)>; Ecklund, Cindy <[CEcklund@kpb.us](mailto:CEcklund@kpb.us)>; Johnson, Brent <[bjohnson@kpb.us](mailto:bjohnson@kpb.us)>; Cooper, Kelly <[kcooper@kpb.us](mailto:kcooper@kpb.us)>; Tupper, Mike <[MTupper@kpb.us](mailto:MTupper@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>; Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>

**Subject:** <EXTERNAL-SENDER>KPB Resolution 2024-029

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Kenai Peninsula Borough Assembly  
144 N Binkley St  
Soldotna, AK 99669

Via email

**RE: Resolution 2024-029**

Dear Assembly Members:

Considering the timing of this Resolution being scheduled for your next Assembly Meeting and noting this Resolution will directly affect those of us in the hospitality industry, please consider our two immediate requests on Resolution 2024-029:

1. Please postpone ALL action until after the 2024 Summer Season (*later than July 9, 2024 being proposed in the substitute memo*). This time of year all hospitality industry professionals are concentrating on maximizing our limited earning-time potential with visitors and guests. The KPB is 60 years old; missing the 2024 election cycle will NOT have long-term negative financial impacts on the Borough's finances.
2. Prior to passage of any Resolution calling for ballot language, please be willing to present the actual \*Draft of the proposed Ordinance. Resolution 2024-029 suggests this to happen *post passage*. We do not concur with a policy that may be materially different than general and undefined language presented to voters, such as is proposed in Section 2. of the Resolution.

Specifically: the reference to Definitions. Who/What/When/Where will this tax be implemented and enforced?

The Uptown Motel is likely willing to work with the Borough Assembly & Borough Administration to craft a plan that is reasonable to all concerned; including scheduled work sessions that may include stakeholders including cities, but especially the entities charged with tax collection and remittance.

Thank you for your prompt attention to this important matter.

Duane Bannock  
General Manager  
907 398 2316

*47 Spur View Drive | Kenai, Alaska | 99611*

---

**Subject:** FW: KPB Resolution 2024-029

---

**From:** Cox, Tyson <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>  
**Sent:** Sunday, June 16, 2024 7:29 PM  
**To:** Turner, Michele <[MicheleTurner@kpb.us](mailto:MicheleTurner@kpb.us)>  
**Subject:** Fwd: KPB Resolution 2024-029

Michele,

Please forward to the entire Assembly the following response I made regarding Mr. Bannock's letter stating his concerns with Reso 2024-029. It may help with question they have received from constituents. Thx Tyson

Begin forwarded message:

**From:** "Cox, Tyson" <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>  
**Date:** June 16, 2024 at 7:23:38 PM AKDT  
**To:** Duane Bannock <[Duane@uptownmotel.com](mailto:Duane@uptownmotel.com)>  
**Cc:** "Hibbert, Brent" <[bhibbert@kpb.us](mailto:bhibbert@kpb.us)>, Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>  
**Subject:** **Re: KPB Resolution 2024-029**

Mr. Bannock & the Uptown Motel ownership:

Thank you for your letter and comments concerning Resolution 2024-029. We all appreciate when the public expresses concern over an action the Assembly is considering. My responses to your immediate concerns are below.

1. Postponing all action until after the 2024 Summer Season.

This resolution only asks the Assembly if the question of a lodging tax should be on the ballot for residents to vote on. The ordinance to follow a possible "yes" vote would be where we would want input from our local short-term lodging businesses to help us structure the implementation of such a tax. The ordinance would come together in late fall or winter of 2024, during the off-season for hospitality industry professionals.

2. Presenting an ordinance before voting on Resolution 2024-029.

When Mr. Hibbert and myself began this discussion of lodging tax, it was in the form of an ordinance with the exact code amendments and ballot language within the text. As things progressed it was suggested by the administration, specifically the finance department

working with the legal department, that this be done in a new chapter to make the code clearer and the process easier for businesses to administer. We decided to bring forward Resolution 2024-029 with the idea that a new chapter would be written if passed by the voters.

As soon as Resolution 2024-029 was added to the June 18th agenda, we were contacted by borough cities who had some “friendly” amendments to address suggested wording changes clarifying to the public that cities are not being required or given permission by the borough to levy a lodging tax of their own. We agreed this should be corrected. It was also discussed, as you have mentioned as well, that more detail in the ballot question should be added. This is why the ballot question in Substitute Resolution 2024-029 is much more specific.

With the specificity of the proposition in this substitute, if passed by the voters, the new chapter of code must be written to:

- Apply to accommodations of less than 30 days;
- Remove the current 3 percent borough general sales tax from short-term accommodation and overnight camping rentals;
- Establish a borough lodging tax of up to 12 percent on short-term accommodation and overnight camping rentals with no daily sales cap of \$500;
- Exempt up to one-half of the borough’s lodging tax in an amount equal to a similar city tax on these rentals with the intent of helping to level the temporary lodging rates inside and outside of the cities in the borough;
- Become effective January 1, 2026.

The letter I’m responding to also asks “Who/What/When/Where will this tax be implemented and enforced?”

Who? - Accommodations of less than 30 days, including overnight camping rentals.

What? - 12% lodging tax with no \$500 cap.

When? - Effective January 1, 2026.

Where? - The entire borough, within and outside cities. Exemptions apply in cities up to 1/2 the borough's lodging tax (up to 6%).

As far as the definitions of "Short-term rental accommodation" and "Overnight camping facilities", we do have working definitions that may be discussed and could be added to the resolution. In the original ordinance, the following definitions were included in the ballot measure:

*"Short-term rental accommodation" - a service to provide any structure or portion of a structure, permanent or temporary, fixed or mobile, in which a person, for money or other consideration, may obtain lodging, dwelling, or sleeping accommodations for less than one month.*

*"Overnight camping facilities" - places used for temporary overnight stays including campgrounds and places providing spaces for recreational vehicles, caravans, trailers, other vehicles, tents, or other items used for overnight shelter*

The willingness of the Uptown Motel to work with the Borough Assembly and Administration is appreciated. My hope is that, if the ballot measure passes and a new

chapter of code is to be written, the borough will be able to count on local, short-term lodging professionals to give advice on how best to collect and remit this new tax.

Thanks again for your comments. I look forward to hearing your thoughts on whether or not a “bed tax” questions should be brought to voters. Please do not hesitate to contact me directly with any questions or concerns moving forward.

Tyson Cox  
Kenai Peninsula Borough  
Assembly Member, District 4  
(907)252-4814

On Jun 16, 2024, at 12:16 PM, Duane Bannock <[Duane@uptownmotel.com](mailto:Duane@uptownmotel.com)> wrote:

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Kenai Peninsula Borough Assembly  
144 N Binkley St  
Soldotna, AK 99669

Via email

**RE: Resolution 2024-029**

Dear Assembly Members:

Considering the timing of this Resolution being scheduled for your next Assembly Meeting and noting this Resolution will directly affect those of us in the hospitality industry, please consider our two immediate requests on Resolution 2024-029:

1. Please postpone ALL action until after the 2024 Summer Season (*later than July 9, 2024 being proposed in the substitute memo*). This time of year all hospitality industry professionals are concentrating on maximizing our limited earning-time potential with visitors and guests. The KPBA is 60 years old; missing the 2024 election cycle will NOT have long-term negative financial impacts on the Borough's finances.
2. Prior to passage of any Resolution calling for ballot language, please be willing to present the actual \*Draft of the proposed Ordinance. Resolution 2024-029 suggests this to happen *post passage*. We do not concur with a policy that may be materially different than general and undefined language presented to voters, such as is proposed in Section 2. of the Resolution.

Specifically: the reference to Definitions. Who/What/When/Where will this tax be implemented and enforced?

The Uptown Motel is likely willing to work with the Borough Assembly & Borough Administration to craft a plan that is reasonable to all concerned; including scheduled work sessions that may include stakeholders including cities, but especially the entities charged with tax collection and remittance.

Thank you for your prompt attention to this important matter.

Duane Bannock  
General Manager  
907 398 2316

*47 Spur View Drive | Kenai, Alaska | 99611*

---

**Subject:** FW: <EXTERNAL-SENDER>Resolution 2024-029 (Proposed KPB Bed Tax) - OPPOSE

---

**From:** [sleepybear@alaska.net](mailto:sleepybear@alaska.net) <[sleepybear@alaska.net](mailto:sleepybear@alaska.net)>

**Sent:** Monday, June 17, 2024 2:30 PM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>Resolution 2024-029 (Proposed KPB Bed Tax) - OPPOSE

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To all KPB Assembly Members:

As a short-term lodging owner in Anchor Point, I am against a KPB bed tax, especially at the current proposed rate of up to 12%. A bed tax in Anchor Point would cause lodging owners to lose business.

- Public comment and assembly voting should be delayed until after the peak season at the earliest to allow more business owners to be made aware of / become familiar with the details of this proposal, provide feedback and attend meetings. Most of us who are currently aware of the proposal have only had six days (some of those days are over a weekend) to read through the proposal, spread the word, and submit comments during the busiest time of year prior to the 18 June regular meeting and in preparation for the 9 July public hearing.

I agree with the below comments put forth by other lodging businesses and associations:

- The Borough needs to prove that it can collect sales tax from all short-term rentals before imposing a higher tax rate on businesses that already are complying. Those that already collect and pay will be at an even greater disadvantage against those who are not collecting and paying now and still won't at an even higher rate.
- We propose that the borough consider a lower, broader 'Tourism Tax' that would apply to multiple business categories and not levy so high a rate on lodging alone. So far there has been no interest in considering this model, even though it has been successful in other locales (e.g., [Tourism Tax | South Dakota Department of Revenue \(sd.gov\)](#)).
- Revenues from the tax do not benefit the lodging sector or broader tourism in any way. In Anchorage, 1/3 of its 12% bed tax funds the convention center, 1/3 funds tourism marketing, 1/3 is general funds. The KPB proposal does nothing to support the business sector that is generating the revenue.
- This is not a net neutral cost to local businesses. Increasing the amount of tax dollars collected increases the direct cost of credit card fees by hundreds to thousands of dollars per year, based on the number of accommodations a business has. Lodging businesses already pay more than their fair share of sales tax as we cannot apply the \$500 cap to a guest's full stay but against each day.

As events like the pandemic have proven, all areas of tourism can be and have been adversely affected economically. Relying on one area of commerce to bear the brunt of the burden for sales tax is not a sustainable model. If an additional sales tax must be imposed, a much smaller tax (i.e., 1%) which businesses



and their customers, across multiple business categories, can more easily absorb would better provide the necessary tax funds to the borough while covering the ebb-and-flow of the tourism economy and having less negative impact on the profits of each individual business category.

Thank you for your time and consideration.

Teresa Cosman  
Sleepy Bear Cabins LLC  
907-235-5625  
866-235-5630  
907-235-5626 (Fax)  
sleepybear@alaska.net  
sleepybearalaska.com

---

**Subject:** FW: <EXTERNAL-SENDER>Kenai Peninsula Assembly Meeting - tomorrow

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**From:** Carol Fraser <[cfraser@aspenhotelsak.com](mailto:cfraser@aspenhotelsak.com)>

**Sent:** Monday, June 17, 2024 2:59 PM

**To:** Turner, Michele <[MicheleTurner@kpb.us](mailto:MicheleTurner@kpb.us)>; G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>Kenai Peninsula Assembly Meeting - tomorrow

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Good afternoon Michele;

Could you please send this letter to all assembly members and/or include it in the packet for tomorrow nights meeting regarding resolution 2024-029?

Please let me know if you have any questions.

Thank you,  
Carol



**Carol Fraser**

Vice President  
P.O. Box 90244 | Anchorage, AK 99509  
P: 907.258.0006 F: 907.770.3425  
[www.AspenHotelsak.com](http://www.AspenHotelsak.com)

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Spreading awareness: This June, join us in honoring and celebrating cancer survivors and their willful journey toward recovery.



June 17, 2024

Kenai Peninsula Borough Assembly  
144 N Binkley St.  
Soldotna, AK 99669

Dear Assembly Members:

This letter is addressing Resolution 2024-029 which will be introduced at the 6/18/24 assembly meeting. Aspen Hotels has 3 hotels on the Kenai Peninsula that will be affected by this resolution. We have over 200 hotel rooms on the Kenai Peninsula and are surprised no one from the assembly communicated with not just our three hotels, but any hotel on the Peninsula. Discussing the options, the optics, the why of 12% with the biggest stakeholders seems like the first logical step in making taxation decisions that affect hotels on the Kenai Peninsula.

The tourism industry has 4 – 5 months in the summer to focus on generating revenue which pays for our year-round expenses – whether we are open or not. We have year-round employees, mortgages, property taxes and expenses and 5 months is all most of us get to bring in enough revenue to cover these year-round expenses. Introducing this resolution during our peak season when we are all short-staffed and doing our best to keep up with business seems incredibly ill-timed and insensitive.

Does the Kenai Borough Assembly have actual revenue the tourism industry brings to the peninsula – and does it have real expenses they incur while staying on the Peninsula to support the 12% bed tax? Has the assembly thought how this 12% bed tax affects Alaskans that come to the Peninsula to fill their freezers with fish for the winter? Has the assembly thought how this affects Alaskans who come to the Peninsula on sport team travel where every dollar counts – they'll now turn around and sleep on the bus on the ride back home.

If the Kenai Borough Assembly would postpone this unfair, targeted tax on the hotel industry, partner with us through work sessions and data collection throughout the winter – I think together, we could come up with a workable tax percentage that is fair. Aspen Hotels of Alaska would be willing to partner with the Kenai Borough Assembly on a process of discovery to find the actual cost of a tourist – and look at a tax structure that is fair and equitable.

Thank you,

*Carol Fraser*

Carol Fraser  
Vice President

P.O. Box 90244  
Anchorage, AK 99509  
AspenHotelsAK.com • 907.258.0006

---

**Subject:** FW: <EXTERNAL-SENDER>KPB Reso 2024-029 -- Opposition

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**From:** [president@homerbedbreakfast.com](mailto:president@homerbedbreakfast.com) <[president@homerbedbreakfast.com](mailto:president@homerbedbreakfast.com)>

**Sent:** Monday, June 17, 2024 8:05 PM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>KPB Reso 2024-029 -- Opposition

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It's not clear whether our online comments were accepted, so we're sending this email to ensure their receipt.

Thank you,  
Marcia Kuszmaul

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The 23 Lodging Members of the Homer Bed & Breakfast Association (HBBA) respectfully submit the following testimony with regards to Resolution 2024-029. Our Lodging Members include businesses located in Anchor Point, Homer, East End Road and across the bay.

HBBA opposed the Borough "bed tax" the previous times it has been proposed, most recently in 2019. Many of the reasons we opposed the tax then still remain.

- Businesses in compliance with registering, collecting and remitting sales tax will continue to comply and collect and remit the higher tax. Businesses who are not in compliance will continue to not pay the higher tax. This puts businesses who are in compliance at a disadvantage because they will be charging guests up to 12% higher daily rate. Before the Borough imposes a higher tax on this single sector, it needs to prove that it is maximizing tax revenue by collecting current sales tax from all short-term rentals.
- HBBA and other local lodging businesses repeatedly have asked the Borough to consider a lower, broader "Tourism Tax" that would apply to across multiple business categories and not levy so high a rate on any one sector. So far, as best we can tell, the Borough has not considered or evaluated this alternative and is applying a higher tax rate to a single sector. We continue to believe the Tourism Tax merits consideration as this model has been successful in other locals. [Tourism Tax | South Dakota Department of Revenue \(sd.gov\)](https://www.sd.gov/tourism-tax)
- Revenues from the tax do not benefit the lodging sector or broader tourism in any way. In Anchorage, 1/3 of its 12% bed tax funds the convention center, 1/3 funds tourism marketing, 1/3 goes to general funds. The KPB proposal does nothing to support the business sector that is generating the revenue. Some would say it compromises the sector by increasing the cost of visiting the Kenai.
- Lodging business already pay more than their fair share of sales tax as we cannot apply the \$500 cap to a guest's full stay but against each day. And this proposal is not a net neutral cost to local lodging businesses. Increasing the amount of tax dollars collected increases the direct cost of credit card processing fees by hundreds to thousands of dollars per year per business, based on the number of accommodations a business has.

You can imagine that these resolutions could not have come at a worse time for our sector to engage on this issue as we are in the very midst of our busy season.

We ask that the Borough:

- bring forward an objective proposal with facts and figures with a cost/benefit analysis rather than a proposal that is mostly based on the reasoning that "everyone is doing it."
- consider a Tourism Tax at a lower rate across multiple tourism sectors to spread the effect around
- bring forward its plan at a time when those businesses who will be affected can reasonably engage and respond.

Respectfully,

Homer Bed & Breakfast Association Executive Committee

Marcia Kuszmaul, President, owner Juneberry Lodge, Kachemak City  
Lori Mikols, Vice President, owner Bay Avenue Inn, Homer  
Susie Myhill, Secretary, owner Anchor Point Lodge, Anchor Point  
Byron Sansom, Treasurer, owner Homer Stay and Play, Homer

---

**Subject:** FW: <EXTERNAL-SENDER>Resolution 2024 - 029

---

**From:** Nicole Lawrence <[nicole@sewardproperties.com](mailto:nicole@sewardproperties.com)>

**Sent:** Tuesday, June 18, 2024 8:13 AM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Cc:** Colby Lawrence <[colby@breezeinn.com](mailto:colby@breezeinn.com)>; Pamela Eiting <[pamela@breezeinn.com](mailto:pamela@breezeinn.com)>; Duke Marolf <[duke@breezeinn.com](mailto:duke@breezeinn.com)>

**Subject:** <EXTERNAL-SENDER>Resolution 2024 - 029

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Dear Clerk:

Can you please include the following letter to the Members of the Kenai Peninsula Borough Assembly for this evening's discussion? Please confirm if that is possible.

Thank you,  
Nicole



Nicole Lawrence, GRI

Realtor/Broker/Owner - Seward Properties

Cell (907) 491 0778

Fax (877) 935 4088

[Nicole@SewardProperties.com](mailto:Nicole@SewardProperties.com)

Check out [www.SewardProperties.com](http://www.SewardProperties.com)

Location: 437 4th Avenue - Corner of 4th & Madison  
Mailing: PO Box 1466, Seward, AK 99664

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Kenai Peninsula Borough Assembly  
144 N Binkley St  
Soldotna, AK 99669  
RE: Resolution 2024-029

June 18<sup>th</sup>, 2024

Dear Members of the Kenai Peninsula Borough Assembly,

I am one of the owners of the Breeze Inn Hotel in Seward, Alaska where we have 100 rooms on the Kenai Peninsula. I am also the sole owner of Seward Properties Real Estate Brokerage. I am writing to express my strong opposition to the proposed increase on the bed tax across the Kenai Peninsula. As a resident and business owner in Seward, I believe that such a measure would have detrimental effects on our local economy and community.

- The proposed increase in the bed tax across the KPB does not allocate any of its revenues to benefit the lodging sector or broader tourism initiatives. In contrast, cities like Anchorage distribute their bed tax revenues across different areas: one-third to support the convention center, one-third towards tourism marketing efforts, and one-third to general funds. The Kenai Peninsula Borough's current proposal lacks similar provisions that would support the very businesses generating revenue.
- Lodging businesses already bear a disproportionate burden of sales tax, as the \$500 cap cannot be applied to a guest's entire stay but instead applies daily. This proposal would result in a net increase in costs for local lodging businesses. By raising the amount of tax revenue collected, businesses would face a direct rise in credit card processing fees, potentially costing hundreds to thousands of dollars annually per business, depending on the number of accommodations they manage.
- The Kenai Peninsula thrives on tourism, which contributes significantly to our economy and sustains numerous businesses and jobs. Increasing the bed tax would directly impact our ability to attract visitors and maintain a competitive edge in Alaska's tourism industry. Many tourists are already sensitive to additional fees and taxes, and an increase in the bed tax could dissuade them from choosing the Kenai Peninsula as their destination. This could lead to a decrease in visitor numbers, hurting local businesses that rely on tourism dollars to stay afloat. Many hotel rooms in Seward in the summer are already over \$450/night. The extra tax would significantly increase this cost for visitors and limit the time they spend on the Peninsula.

Furthermore, Seward is a small community where every dollar counts. We are seasonally based and have one of the highest costs of living on the Kenai Peninsula. Our average starter home is over \$400,000. Locals regularly pay over \$300/month for electric, water and sewer; plus, we pay often pay \$500/month, or more, in diesel heating bills - not to mention the price of food and gas.

While you may feel you are only taxing "big businesses" with this proposed Resolution, most business owners in our communities are locals who are trying to make ends meet. We are already facing challenges due to economic uncertainties and seasonal fluctuations. An increase in the bed tax would impose an additional financial burden on local Seward business owners. This would not only affect these business owners but also their employees and families who depend on tourism-related jobs to make ends meet.

- Please postpone all action until after the busy 2024 schedule. All of us in the hospitality industry are overwhelmed with the influx of seasonal visitors and would like to have more time and opportunity to address this resolution and come up with possible solutions.
- We would like to be able to see the draft proposed Ordinance prior to any Resolution calling for ballot language.

In conclusion, I respectfully ask that you reconsider the proposal to raise the bed tax on the KPB. Let's collaborate to discover sustainable solutions that bolster our local economy and establish a tax framework that is fair and impartial.

Sincerely,

Nicole Lawrence  
907 491 0778; nicole@sewardproperties.com



---

**Subject:** FW: New Public Comment to Assembly Members

---

**From:** Kenai Peninsula Borough <[webmaster@kpb.us](mailto:webmaster@kpb.us)>

**Sent:** Tuesday, June 18, 2024 8:35 AM

**To:** BoroughAssembly <[Borough-Assembly@kpb.us](mailto:Borough-Assembly@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** New Public Comment to Assembly Members

**Your Name:** linda superman

**Your Email:** [lindasuperman@gmail.com](mailto:lindasuperman@gmail.com)

**Subject:** 15% bed tax

**Message:**

I am a struggling small business owner, and this added 15% tax will only add to my struggles! Please Don't pass this!!

---

**Subject:** FW: <EXTERNAL-SENDER>Assembly Meeting Resolution 2024-029

---

**From:** Michelle Dix <[msdix23@yahoo.com](mailto:msdix23@yahoo.com)>

**Sent:** Tuesday, June 18, 2024 9:34 AM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>Assembly Meeting Resolution 2024-029

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Good Morning,

If my attached letter could be presented to the assembly members during tonight's assembly meeting that would be very appreciated.

Thank You  
Michelle Dix  
907-252-3479



393 Riverside Drive

Soldotna, AK 99669

Kenai Peninsula Borough Assembly

144 N Binkley Street

Soldotna, AK 99669

Dear Assembly Members,

This letter is in regards to Resolution 2024-029 which will be proposed tonight at the assembly meeting. We are completely opposed to this additional 12% bed tax. We already have a 6% sales tax, between the city and borough on lodging. This sales tax doesn't have a cap. The city has already passed, without public voting, to add an additional 4% bed tax starting in 2025. Hotel guests pay sales tax on the full amount of their stay.

We feel that the borough is going after lodging businesses, since there are so few and can easily pass this ordinance. All businesses are profiting from tourism, but you only want to single out one industry. We don't just work during tourism season and take the money and leave the state. The money stays in the state year around and provides jobs year around.

Stating that this won't affect the owners of the hospitality industry isn't true. By increasing taxes we will be paying more in credit card fees, and this fee is not a pass on to customers.

If there is a tax needed, it should be a seasonal tourism sales tax that all businesses should have to take part in. They all benefit from tourism. It is such a short window of time that we have to make money in this industry.

We love this community and the presence it brings. Don't put the burden of taxing only one industry. We hope you take into consideration our thoughts on the matter.

Thank you,

Michelle Dix, Rolf Manzek and Jackie Manzek

---

**Subject:** FW: New Public Comment to Assembly Members

---

**From:** Kenai Peninsula Borough <[webmaster@kpb.us](mailto:webmaster@kpb.us)>

**Sent:** Tuesday, June 18, 2024 12:01 PM

**To:** BoroughAssembly <[Borough-Assembly@kpb.us](mailto:Borough-Assembly@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** New Public Comment to Assembly Members

**Your Name:** Bailey Cook

**Your Email:** [duckinn@alaska.net](mailto:duckinn@alaska.net)

**Subject:** Resolution 2024-029

**Message:**

Hello,

We are reaching out regarding resolution 2024-029 to express our strong disagreement with this proposal. We have been borough supporters for over 20 years through many different businesses and as community members, but it pains me to see how little the borough helped during the covid hardships and how they're now proposing this gouging tax. The borough did nothing to help fellow small businesses since 2020, unlike the city of Soldotna who gave grants to help aid small businesses in their attempt to succeed during that time.

How can we focus on the borough stepping forward to help our local small businesses in coming out of these economic hardships, instead of increasing taxes to severely hurt small businesses during this already difficult time?

Please reconsider bringing this proposal forward or allowing it to proceed any further.

Sincerely,

Bailey Cook

The Duck Inn

---

**Subject:** FW: <EXTERNAL-SENDER>Strong Opposition to Resolution 2024-029 (Bed Tax)

---

**From:** Quality Inn Kenai <[gm.qualityinnkenai@gmail.com](mailto:gm.qualityinnkenai@gmail.com)>

**Sent:** Tuesday, June 18, 2024 12:32 PM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>Strong Opposition to Resolution 2024-029 (Bed Tax)

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Dear Kenai Peninsula Borough Assembly Members,

I am writing to express my strong opposition to Resolution 2024-029, which proposes a 12% bed tax on Kenai Peninsula hotels.

This proposal comes as a surprise, with little to no notice provided to the hospitality industry, a sector significantly impacted by this resolution. The lack of transparency is concerning.

Implementing a 12% bed tax will have a negative domino effect on our hotels and the tourism industry as a whole. Guests will likely shorten their stays or choose alternative accommodations to avoid the additional cost. This is particularly concerning for families participating in school sports activities, both public and private clubs. With this tax, families from Anchorage, for example, would likely choose to drive back and forth rather than stay overnight in Soldotna or Kenai.

This resolution unfairly targets our industry. Our two hotels, located in Kenai and Soldotna, already face inequitable tax burdens. Our industry has yet to fully recover from the economic impacts of COVID-19. Revenue has not returned to pre-pandemic levels, while costs continue to rise, significantly squeezing our profits.

A fair and equitable tax system should distribute the burden across various industries or the entire community to fund essential services. A bed tax unfairly singles out the hospitality industry, making it an unjust and unjustified measure.

For the reasons outlined above, I urge the Assembly to vote no on Resolution 2024-029.

Thank you for your time and consideration.

Sincerely,

Melinda Leichliter

General Manager

Quality Inn Kenai

--



**Quality Inn**  
BY CHOICE HOTELS  
GET YOUR MONEY'S WORTH™

**Melinda Leichter**  
GENERAL MANAGER

T. 907.283.6060  
Melinda.QualityInnKenai@gmail.com

Quality Inn  
10352 Kenai Spur Highway  
Kenai, AK 99611  
T. 907.283.6060 | F. 907.283.3874  
[QualityInnKenai.com](http://QualityInnKenai.com)

Gold Award  
2021

---

**Subject:** FW: <EXTERNAL-SENDER>Strong Opposition to Resolution 2024-029 (Bed Tax)

---

**From:** General Manager <[gm.bwkingsalmon@gmail.com](mailto:gm.bwkingsalmon@gmail.com)>

**Sent:** Tuesday, June 18, 2024 12:34 PM

**To:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** <EXTERNAL-SENDER>Strong Opposition to Resolution 2024-029 (Bed Tax)

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**CAUTION:** This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

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**Subject: Strong Opposition to Resolution 2024-029 (Bed Tax)**

Dear Kenai Peninsula Borough Assembly Members,

I am writing to express my strong opposition to Resolution 2024-029, which proposes a 12% bed tax on Kenai Peninsula hotels.

This proposal comes as a surprise, with little to no notice provided to the hospitality industry, a sector significantly impacted by this resolution. The lack of transparency is concerning.

Implementing a 12% bed tax will have a negative domino effect on our hotels and the tourism industry as a whole. Guests will likely shorten their stays or choose alternative accommodations to avoid the additional cost. This is particularly concerning for families participating in school sports activities, both public and private clubs. With this tax, families from Anchorage, for example, would likely choose to drive back and forth rather than stay overnight in Soldotna or Kenai.

This resolution unfairly targets our industry. Our two hotels, located in Kenai and Soldotna, already face inequitable tax burdens. Our industry has yet to fully recover from the economic impacts of COVID-19. Revenue has not returned to pre-pandemic levels, while costs continue to rise, significantly squeezing our profits.

A fair and equitable tax system should distribute the burden across various industries or the entire community to fund essential services. A bed tax unfairly singles out the hospitality industry, making it an unjust and unjustified measure.

For the reasons outlined above, I urge the Assembly to vote no on Resolution 2024-029.

Thank you for your time and consideration.

Sincerely,

Melinda Leichter

General Manager

Best Western King Salmon



**Melinda Leichter**

**General Manager**

**Best Western King Salmon**

35546A Kenai Spur Highway

Soldotna, AK 99669

907-262-5857

[www.bestwestern.com](http://www.bestwestern.com)



---

**Subject:** FW: <EXTERNAL-SENDER>Opposition to KPB Resolution 2024-029 Regarding 12% Bed Tax

**Importance:** High

---

**From:** Sarah Oates <[soates@alaskacharr.com](mailto:soates@alaskacharr.com)>

**Sent:** Tuesday, June 18, 2024 5:05 PM

**To:** Hibbert, Brent <[bhibbert@kpb.us](mailto:bhibbert@kpb.us)>; Tunseth, Ryan <[rtunseth@kpb.us](mailto:rtunseth@kpb.us)>; Ribbens, Peter <[pribbens@kpb.us](mailto:pribbens@kpb.us)>; Cox, Tyson <[tysoncox@kpb.us](mailto:tysoncox@kpb.us)>; Elam, Bill <[belam@kpb.us](mailto:belam@kpb.us)>; Ecklund, Cindy <[CEcklund@kpb.us](mailto:CEcklund@kpb.us)>; Johnson, Brent <[bjohnson@kpb.us](mailto:bjohnson@kpb.us)>; Cooper, Kelly <[kcooper@kpb.us](mailto:kcooper@kpb.us)>; Tupper, Mike <[MTupper@kpb.us](mailto:MTupper@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>; Mayor Peter Micciche <[pmicciche@kpb.us](mailto:pmicciche@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>; Kenai Peninsula Charr Assc. <[kpcharr@gmail.com](mailto:kpcharr@gmail.com)>; Cassie Ostrander <[costrander@alaskacharr.com](mailto:costrander@alaskacharr.com)>; Corrine Law <[claw@alaskacharr.com](mailto:claw@alaskacharr.com)>; Sarah Oates <[soates@alaskacharr.com](mailto:soates@alaskacharr.com)>

**Subject:** <EXTERNAL-SENDER>Opposition to KPB Resolution 2024-029 Regarding 12% Bed Tax

**Importance:** High

---

**CAUTION:** This email originated from outside of the KPB system. Please use caution when responding or providing information. Do not click on links or open attachments unless you recognize the sender, know the content is safe and were expecting the communication.

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Good evening, Kenai Peninsula Borough Assembly members:

Please review the attached letter in opposition to proposed Resolution 2024-029 regarding a 12% bed tax.

Thank you for the consideration.

Respectfully,

**Sarah Daulton Oates**

President & CEO

Alaska Cabaret, Hotel, Restaurant, & Retailers Association

Alaska CHARR Future Hospitality Leaders Program

Alaska CHARR Educational Fund

O: 907.274.8133 | C: 907.229.9972

[www.alaskacharr.com](http://www.alaskacharr.com)





Alaska Cabaret, Hotel, Restaurant, and Retailers Association  
1503 W. 31<sup>st</sup> Avenue, Suite 102  
Anchorage, AK 99503  
Office (907) 274-8133  
[www.alaskacharr.com](http://www.alaskacharr.com)

June 18, 2024

Dear Members of the Kenai Peninsula Borough Assembly,

I have served as President & CEO of the Alaska Cabaret, Hotel, Restaurant, and Retailers Association (commonly known as Alaska CHARR) since 2018. Alaska CHARR has approximately 750 members and represents over 2000 hospitality establishments that employ nearly 36,000 workers across Alaska communities.

With the pandemic past its peak, Alaska's hospitality industry continues to face significant ongoing challenges to business operations. Operating costs are at record highs and labor shortages are ongoing.

I am writing to you today to request your consideration in voting no on resolution 2024-029, a resolution that would put a question on the October ballot asking whether the borough should levy up to a 12% tax on short-term accommodations rentals and overnight camping facilities.

There are several components to this resolution that are problematic. Placing an additional tax on our hospitality industry at this time would be of great concern to the many hotels, lodges, campgrounds, and other overnight facilities that contribute to the robust tourism industry on the Kenai Peninsula.

The proposed resolution would only raise funds from this occupancy tax towards the general fund, with none being used to support or promote the Peninsula's tourism and hospitality industry.

Hoteliers must consider each additional tax when they look at the total for their room night. Travelers – both out of state tourists and in-state travelers – look at the total and make budgetary decisions based on the total. Adding these taxes impacts what can be charged for a room, which impacts the business owner, operator, and all employees who work at that establishment.

The total hotel industry impact in Alaska already includes:

- \$1.9billion in wages and salaries in Alaska
- \$724.5million in taxes, including
  - \$324.4million in state and local taxes
  - \$66.9million in lodging-specific taxes.



We urge you to reject this resolution. This tax would place an untimely, disproportionate burden on an already struggling industry that contributes significantly to the economy and community of the Kenai Peninsula Borough, supporting both locals and tourists.

Thank you for your consideration.

Respectfully,

A handwritten signature in green ink, appearing to read "Sarah", is written over a light blue circular background.

Sarah Daulton Oates  
President & CEO, Alaska CHARR  
[soates@alaskacharr.com](mailto:soates@alaskacharr.com)

Co-signed,  
Wendy Superman  
Executive Director, Kenai Peninsula CHARR  
[kpcharr@gmail.com](mailto:kpcharr@gmail.com)



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**Subject:** FW: New Public Comment to Assembly Members

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**From:** Kenai Peninsula Borough <[webmaster@kpb.us](mailto:webmaster@kpb.us)>

**Sent:** Tuesday, June 18, 2024 5:53 PM

**To:** BoroughAssembly <[Borough-Assembly@kpb.us](mailto:Borough-Assembly@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** New Public Comment to Assembly Members

**Your Name:** Laura Peterkin

**Your Email:** [rola49@yahoo.com](mailto:rola49@yahoo.com)

**Subject:** 2024-29

**Message:**

Assembly members.

I am writing to express my strong opposition to the proposal to implement a 12% bed tax on the Hospitality industry. As a member of the community and a small business owner in the hospitality sector, I believe that such a tax would have detrimental effects on our industry and the local economy.

First and foremost, a 12% bed tax would put an undue burden on businesses, particularly small and independent operators who are already struggling to survive in the wake of the COVID-19 pandemic. Many of these businesses operate on thin margins and any additional costs could force them to close their doors, leading to job losses and diminished economic activity in our community.

Furthermore, a 12% bed tax would make our cities less competitive as tourist destinations. Travelers are already sensitive to the cost of accommodation, and such a tax would deter visitors from choosing our city as their travel destination. This would not only harm businesses in the Hospitality industry, but also impact related sectors such as restaurants, retail, and entertainment.

Additionally, implementing a 12% bed tax could have unintended consequences, such as driving tourists to book accommodations through alternative platforms that are not subject to the tax, leading to a loss of revenue for legitimate businesses and the city itself.

In conclusion, I urge you to reconsider the proposal to implement a 12% bed tax on the Hospitality industry. Instead of burdening businesses with additional costs, I believe that a more sustainable solution can be found through collaboration and dialogue between industry stakeholders and government representatives.

Thank you for considering my views on this important issue.

To: KPB Assembly  
Fr: Jon Faulkner, Land's End, Homer  
Date: 8/10/17  
Re: Proposed Bed Tax (Ordinance 2017-17)

*Record of  
prior testimony*

## **Here Are The Facts About The Proposed Bed Tax**

FACT: The majority of visitors to the Kenai are Alaskans—from Anchorage—who venture south 2-3 times a year on average. A bed tax is a tax on Alaskans who have the option of turning around.

FACT: Visitors are consumers: they care about money. They shop, and are price sensitive. Some insist visitors “just pay”—they don’t choose not to come because of a bed tax. This may be true for rich people, but tell this to an Anchorage hockey or X-C ski coach, or a young couple from Nanwalek or Soldotna enjoying a weekend getaway in Homer.

**FACT:** The suggestion that visitors don’t contribute directly to the Borough’s economy is completely indefensible. They contribute more than any other single industry with the exception of oil and gas. 90% of the revenues my business contributes to the KPB comes **DIRECTLY** from visitors. The KPTMC stated in 2014 that **“25% of KPB sales tax come from visitors.”** Because we have a sales tax, visitors pay!

FACT: The majority of communities in and outside of Alaska **DO NOT HAVE A BED TAX.** We are a collection of small communities, not urban centers like Anchorage, Juneau or Fairbanks (none of which have sales tax). Of the 18 communities listed on the KPTMC’s “pro-tax” sales brochure in 2014, only 3 have a sales tax AND bed tax. NONE have four layers of taxes (Sales, bed, real and personal property). And none use a bed tax to fund schools or increases in Borough health care costs!

FACT: A bed tax targets one narrow sector of one industry. This is unfair and promotes tyranny—the majority forcing a tax on the products or services of just a few. It’s wrong and it’s bad public policy!

FACT: Voters rejected a bed tax in 2006, when the initiative failed by a large margin. It failed to make the ballot again 2014.

**FACT:** In 2010, Kenai opted out of a bed tax because they were concerned about competition with other Peninsula destinations. Kenai has benefitted from this decision, experiencing increased investment in Lodging from PRL Logistics, Aspen and others. Don't force it back on them!

**FACT:** The ordinance as structured pits one community against another. Seward will vote on a tax that effects Homer differently—and more--than Seward. This is divisive, maybe unconstitutional. Don't allow it!

**FACT:** Kenai-based special events, worker training camps and retreats are cost-competitive with Anchorage and Fairbanks—6-10% LOWER in Kenai and Homer due to the ABSENCE of a bed tax. Don't jeopardize this!

**FACT:** Sales efforts to promote Homer over Anchorage and Mat-Su overcome the disadvantage of distance by ADVERTISING “NO BED TAX”.

**FACT:** After 30 years of effort, the KPTMC cannot sustain itself, and has proven ineffective with its mission (Do they track actual results?). It's time to eliminate the department and let the private sector assume the job of marketing itself. Tourism marketing is NOT an essential government service.

**FACT:** 14 years ago, the KPB **eliminated** personal property tax on boats to stimulate the marine trades in Homer and Seward. They did this knowing that eliminating this tax would stimulate local jobs and economic growth. Now the visitor industry is asked to make up this revenue shortfall.

**FACT:** The hospitality industry is opposed to a bed tax because it hurts our businesses. Those who claim otherwise simply don't care if a tax hurts our businesses—or care more about their government funded benefits.

**FACT:** The hospitality industry lags far behind the public sector in terms of wages and benefits. A bed tax takes from the private sector and transfers economic opportunity to the public sector—who already enjoy way more than the average hospitality worker.

**FACT:** Mayor Navarre's vetoed a proposed bed tax in 2014 for reasons that are still valid today—that Seward and Kenai should not have the right to force a tax on Homer that Homer and other communities don't want.

**FACT:** AML believes other Alaskan communities are increasing their local taxes so we should too. The truth is that Alaskans are fighting back hard all over the state, and are demanding that governments reduce their budgets.

## Many reasons why a Bed Tax is a terrible idea

(And a few reasons why it's a good idea)

By Jon Faulkner, LEAC 6/18/24

Let's start with the few good reasons:

- 1) For those who dislike increased visitors, a bed tax is a great way to kill tourism. That's why virtually every business that relies on tourism opposes a bed tax.
- 2) For those who want less growth, less buildings and capital investment, a bed tax is a great solution. That's why any company proposing to spend millions on new hotel construction—as Land's End and Doyon are doing now, oppose this tax.
- 3) For Marxists minded folks who wish to undermine free enterprise and prefer consolidating business and capital in the hands of fewer and fewer people, or the government, a bed tax is a great idea.
- 4) For those who want to see higher wages and benefits for government workers, creating even greater disparity and competition with the private sector--a bed tax accomplishes the goal.

Now for the 20 reasons why a Borough bed tax is a bad idea--in any amount

- 1) Boroughs do not exist for the purpose of imposing taxes on businesses residing within municipal subdivisions within a borough. They exist to provide for area-wide services—outside of cities. Instead of sucking revenue and taxing capacity away from Homer, the KPB should support its independent taxing authority.
- 2) General Fund revenues cannot be dedicated or earmarked. Selling this tax as needed for a particular service, like landfills or port improvements, in order to package it as visitor-friendly, or to correct a visitor-created problem, is politically deceptive.
- 3) The KPB has a fair tax structure in place now, consisting of multiple forms of tax, to pay for area-wide services. These have worked for 50 years and will continue to work if budgets are managed responsibly.
- 4) If certain municipal services are burdened by higher costs, then the KPB should modify the user fee structure to fairly amortize and pay for those costs. If visitors pose a burden to

landfills, increase landfill fees. However, it is bad public policy to burden non-residents with costs largely incurred by residents.

- 5) The visitor industry has a broad impact on virtually every economic sector. To target one element of one sector to fund the growth of government is fundamentally unfair and wrong-headed—particularly when the tax is opposed by that sector.
- 6) Higher benefits and wages for public sector employees—which is most of the motivation for increased taxes of any kind—simply creates greater disparity with the private sector, robbing it of investment capital and the ability to prosper.
- 7) Studies that suggest taxes on tourism do not negatively impact travel are ridiculously out of touch. People care about what things cost, and that’s the simple truth of it.
- 8) Homer is thriving as a destination without a tax. Residential growth has boomed in the last ten years—fueling and unprecedented increase in municipal revenue. The KPB should not intervene and impose more layers or higher levels of taxation that impact its towns and cities.
- 9) A bed tax could favor owners of STRs who avoid paying taxes, as it allows them to become even more competitive over tax-abiding business entities.
- 10) A bed tax adds collection costs and financial risks to a business that are not compensated for, and not fairly distributed.
- 11) Allowing a targeted tax of any kind to advance to a popular vote is undemocratic, insofar as it allows many people to vote on a tax that mostly impacts a minority.
- 12) A bed tax within the KPB is a tax on Alaskans.
- 13) The KPB is a visitor destination, and is competitive with Anchorage, Mat-Su and Fairbanks because most communities have no bed tax. Let’s keep it a local option.



*Testimony Regarding proposed BED TAX, to KPB, circa 2014  
By: Jon Faulkner*

**Vote “No” To A Hidden Tax On YOU!**

**Vote “No” To A Tax That Will Hurt Local Economies!**

**Vote “No” To A Tax That Will Discourage In-State Travel!**

**Support Local Communities: Let Them Make Their Own  
Decisions on Taxes**

DO NOT BE FOOLED! Revenues from a bed tax to fund the Kenai Peninsula Tourism Marketing Council (KPTMC) will make them LESS accountable to members, and result in less effective marketing efforts. Furthermore, a Lodging tax will hurt the very visitor industry they seek to support.

**HERE ARE THE FACTS:**

FACT: Companies are investing heavily in training camps and locally based film crews in Homer, Nikiski and Kenai because these areas are cost-competitive with Anchorage and Fairbanks. Lodging costs for the identical service are 6-12% LOWER in Kenai / Nikiski and Homer due to the ABSENCE of a bed tax.

Do not believe those who say we need a TAX to compete!

FACT: The majority of communities in and outside of Alaska DO NOT HAVE A BED TAX. We are a collection of rural communities, not urban centers like Anchorage, Juneau or Fairbanks.

FACT: A bed tax is a tax on YOU, and on Alaskans: The majority of the Kenai Peninsula’s lodging revenue is from Alaskan residents— moreso in the winter when we need to build business the most. This tax will hurt residents as we travel for weekend sporting events and summer fishing trips.

FACT: Excepting Seward (a major rail and cruiseship port with a bed tax) the majority of visitors to the Kenai Peninsula are ALASKANS. These people are your friends and relatives. Tax them and they will come less often.

FACT: The Kenai Peninsula is highly competitive with other destinations, such as Mat-Su, contrary to what the KPTMC states. Sales efforts to promote Homer over

Anchorage or Mat-Su must overcome the disadvantage of travel, and this is accomplished by the SAVINGS associated with NO BED TAX.

FACT: The KPTMC was designed to be a member-driven, private non-profit with only initial support from government. Now, the KPTMC wants taxpayers to support their mission. Currently KPTMC has a budget of \$600,000 to serve a population of 57,000!

FACT: When the price of something increases, such as gasoline, demand decreases. This is basic economics. How often do we connect fuel prices or airfares to tourism? And yet proponents of a bed tax argue that consumers won't notice or they don't care. How about you? Do increased prices effect your decisions?

FACT: After 25 years, the KPTMC believes it cannot sustain itself. This is one measure of their effectiveness. Tax dollars are NOT the answer.

FACT: The majority of bed tax revenue is NOT used to promote tourism.

FACT: Roughly ten years ago, our borough assembly **eliminated** a personal property tax on boats to stimulate the marine trades in Homer and Seward. They did this because they knew that boat owners could move their boats to Kodiak, and that lowering taxes stimulates local jobs and economic growth. It worked!

FACT: Five years ago, the State stimulated growth in the Cook Inlet Oil and Gas industry by LOWERING TAXES and offering drilling incentives. Now the KPTMC wants you to believe a **tax on lodging** will stimulate growth in tourism. Don't believe it!

FACT: The visitor industry opposes this tax; KPTMC's membership opposes this tax. It's another money grab from YOU to pay for INCREASED GOVERNMENT to perform tasks THE PRIVATE SECTOR CAN AND SHOULD DO!

FACT: According to the EDD, Government jobs already account for almost 1 out of four jobs on the Kenai Peninsula. Tourism Marketing is NOT an essential government function, and NOT a wise use of our taxing power.

FACT: You voted on this 8 years ago. The initiative failed by a large margin.

FACT: The City of Kenai opted out of a bed tax five years ago, because they were concerned about competition with other Peninsula destinations. Kenai's has benefitted from this decision, with increased investment in Lodging.

FACT: A bed tax targeting one element of a large industry is misguided. Don't let Government single out lodging properties to charge a tax.

FACT: ATIA TV campaigns tout the benefits of "in-state travel" as a means of creating a healthy economy because we know in-state travel matters. Making travel more expensive, so that we can promote the benefits of travel, is a losing strategy.

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**Subject:** FW: New Public Comment to Assembly Members

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**From:** Kenai Peninsula Borough <[webmaster@kpb.us](mailto:webmaster@kpb.us)>

**Sent:** Tuesday, June 18, 2024 6:31 PM

**To:** BoroughAssembly <[Borough-Assembly@kpb.us](mailto:Borough-Assembly@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** New Public Comment to Assembly Members

**Your Name:** hs

**Your Email:** [rohobawr@alaska.net](mailto:rohobawr@alaska.net)

**Subject:** Comments on 6/18/2024 meeting agenda

**Message:**

First of all ... a sincere thank you for your service. It is a beautiful June night and you are doing important business indoors.

Next, this is what I heard regarding tonight's agenda.

Tonight's agenda includes discussion of expanding the Nikiski Senior Center.

Tonight's agenda includes discussing some new technology for CARTS, a transportation service that helps a lot of seniors get about.

Tonight's agenda includes allowing a senior that missed the filing deadline to reduce his/her taxes to be pardoned so that the senior will get more financial help.

So how about somebody on the Assembly start working on a BED TAX where ALL THE PROCEEDS go to helping the younger cohort of the peninsula get affordable housing and daycare?

One of the main reasons the younger cohort cannot find housing is because of short term rentals. So the proceeds of such a tax will help offset the problems that short term rentals cause.

---

**Subject:** FW: New Public Comment to Assembly Members

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**From:** Kenai Peninsula Borough <[webmaster@kpb.us](mailto:webmaster@kpb.us)>

**Sent:** Wednesday, June 19, 2024 9:47 AM

**To:** BoroughAssembly <[Borough-Assembly@kpb.us](mailto:Borough-Assembly@kpb.us)>; Mayor's Department <[MayorDepartmental@kpb.us](mailto:MayorDepartmental@kpb.us)>

**Cc:** G\_Notify\_AssemblyClerk <[G\\_Notify\\_AssemblyClerk@kpb.us](mailto:G_Notify_AssemblyClerk@kpb.us)>

**Subject:** New Public Comment to Assembly Members

**Your Name:** Pam Stoltzfus

**Your Email:** [stoltz1@alaska.net](mailto:stoltz1@alaska.net)

**Subject:** 12% tax on short term rentals

**Message:**

I'm the owner of AK Moose & Spruce Cabins & Lodging located in Soldotna. We are only open 3 months per year & between the king fishery closures & Covid, we've been attempting to recover for the last several years. If the Borough imposes a 12% tax on our cabin rentals, it will surely put me & many other small businesses like mine out of business, in which case you won't even get your 3%! That's cutting your nose off to spite your face. Please don't force our small businesses into closure!

# Fiscal Note

Kenai Peninsula Borough Fiscal Year 2024	Ordinance/Resolution: Fiscal Note Number: Publish Date:	Ord _____  6/18/2024
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Title: Levy areawide 12% Bed Tax, exempt these rentals from general sales tax and allow cities that levy a similar sales tax to exempt up to one half of the borough's tax on these rentals <b>EFFECTIVE 1/1/2026</b>	Department: Assembly
---	----------------------

Sponsor(s): Assembly members: Cox & Hibbert

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below.

	Current Year Estimate	Year 2 Estimate	Current Year Estimate
	<u>FY26</u>	<u>FY27</u>	<u>FY28</u>
<b>Operating Expenditures to Borough</b>			
Personnel <i>1 FTE Program Manager</i>	234,855	198,666	204,229
Supplies <i>Misc.</i>	200	200	200
Services <i>Printing, Adv, trvl, postage</i>	7,251	7,251	7,251
Capital Outla <i>Software</i>	859,740	107,000	107,000
Other <i>Wkstation/Tools/scanner</i>	3,665	-	-
<b>Total Operating + Capital Cost to Borough</b>	<b>1,105,711</b>	<b>313,117</b>	<b>318,680</b>
<b>Estimated Revenues for the Borough</b>	<b>1,960,000</b>	<b>5,600,000</b>	<b>5,600,000</b>
<b>Net annual impact to the Borough</b>	<b>854,289</b>	<b>5,286,883</b>	<b>5,281,320</b>

Estimated Revenues for ea. Incorporated City w/in Borough:			
Kenai	47,250	135,000	135,000
Homer	70,000	200,000	200,000
Seldovia	-	-	-
Seward	-	-	-
Soldotna	124,950	357,000	357,000

Number of Positions			
Full-Time	1	1	1
Part-Time			
Temporary	1		

Estimated Supplemental Funding: 1,105,711

**ASSOCIATED REGULATIONS**

Will the legislation result in procedural or regulation changes within a department?  Y  N (circle one)  
 If yes, by what date are the regulations to be adopted, amended or repealed? 1/1/2026  
 Supplemental appropriation will be needed for personnel, to change the sales tax form, make changes to the sales tax

Prepared By: Brandi Harbaugh, Finance Director

*Brandi Harbaugh*

# CENTRAL PENINSULA LANDFILL MASTER PLAN - 2023 DATA

Central Peninsula Landfill transactions and monthly total tonnage (MSW/CD/Recycling) over the last 5 years.

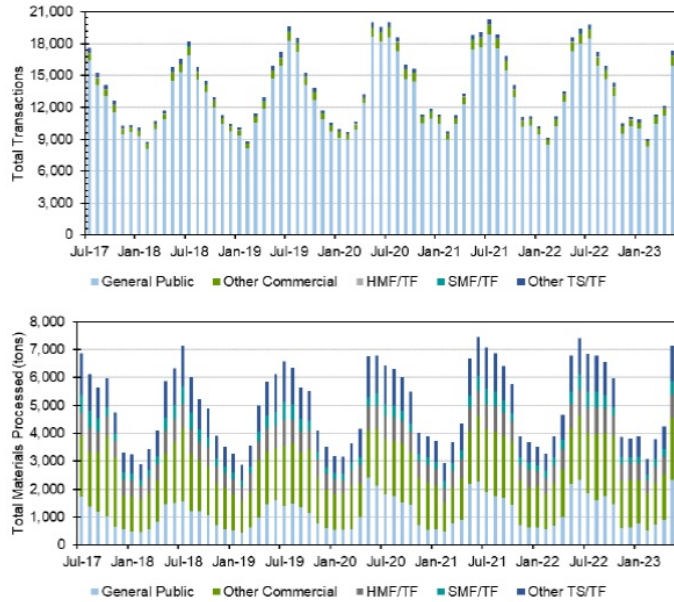


Figure 1. Number of Transactions (top) and Amount of Waste (bottom) from July 2017 through June 2023

Unmanned transfer sites, summer and winter haul differences over the last 5 years.

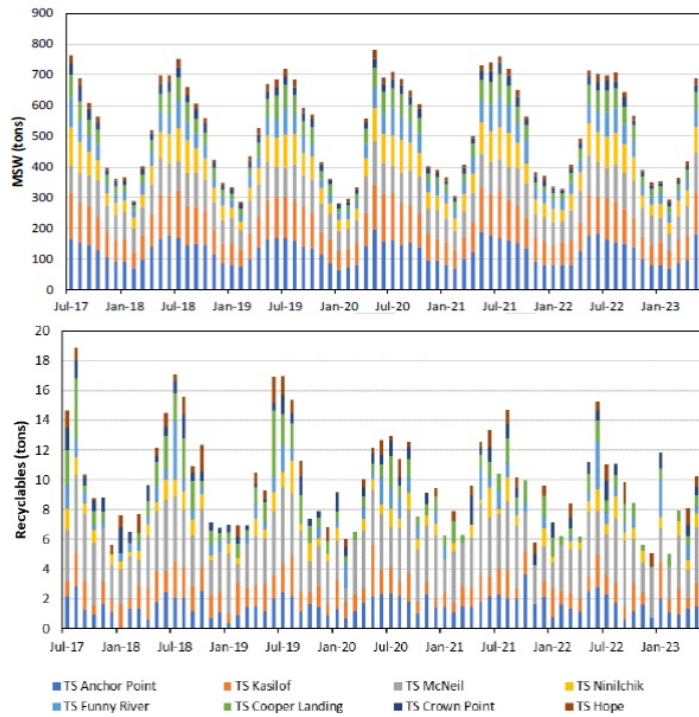


Figure 2. MSW and Recyclable Tonnages at Unmanned Transfer Sites July 2017-June 2023

# CENTRAL PENINSULA LANDFILL MASTER PLAN - 2023 DATA

## Manned transfer sites in Kenai, Nikiski and Sterling.

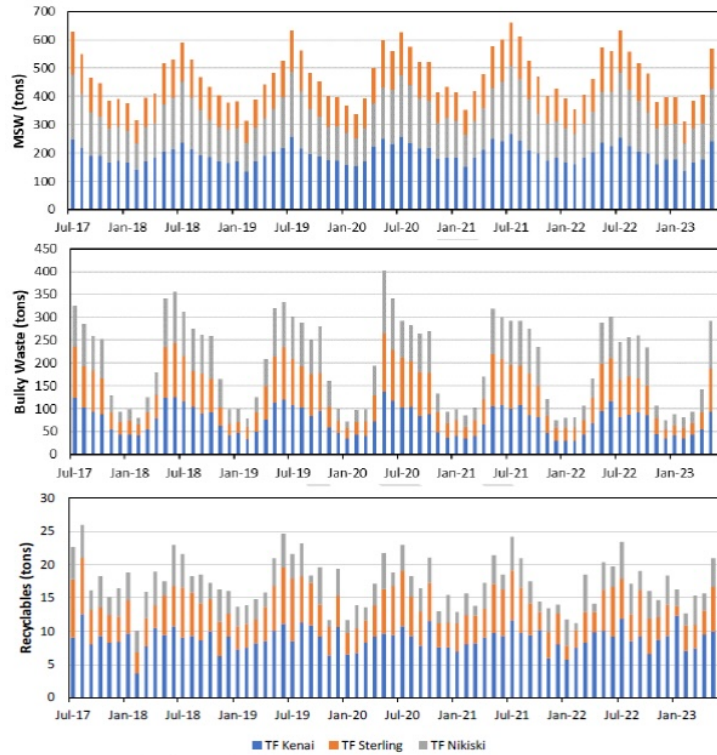


Figure 3. MSW, Bulky Waste, and Recyclable Tonnages at Manned Transfer Facilities July 2017-June 2023

## Seward — Only cubic yardage for commercial CD is tracked, no scales.

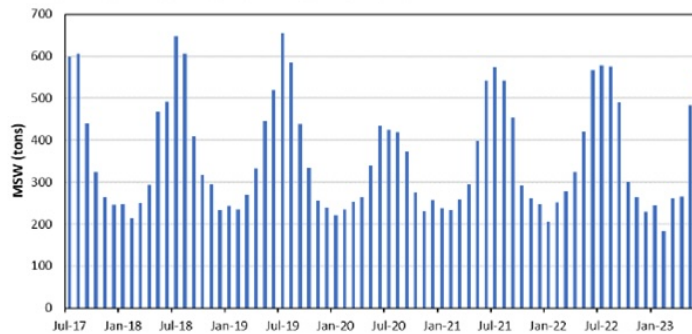


Figure 4. MSW Tonnages at SMF/TF July 2017-June 2023

## Homer — Only commercial loads billed across scales are tracked.

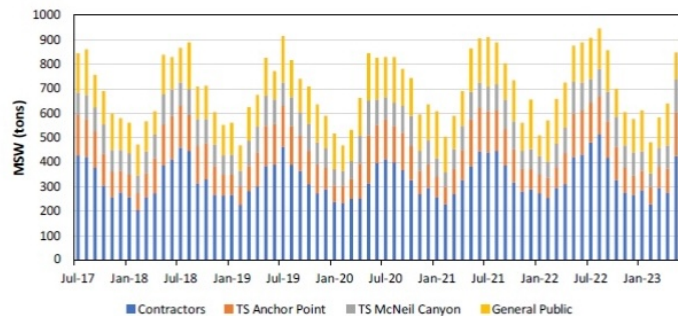


Figure 7. MSW tonnages at HMF/TF July 2017-June 2023

# Kenai Peninsula Borough Assembly

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## MEMORANDUM

**TO:** Brent Johnson, Assembly President  
Members, KPB Assembly

**FROM:** Tyson Cox, Assembly Vice President *TRC*  
Brent Hibbert, Assembly Member *BH*

**DATE:** June 6, 2024

**SUBJECT:** Resolution 2024-029, Placing an Areawide Question on the October 2024 Ballot Asking Whether the Borough Should Levy Up To a 12 Percent Tax on Short-Term Accommodation Rentals and Overnight Camping Facilities, Exempt these Rentals from the General Sales Tax, and Provide that All Cities Within the Kenai Peninsula Borough May Exempt Up To One-Half of the Borough's Tax on these Rentals (Cox, Hibbert)

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Placing a short-term accommodation rentals tax (“bed tax”) question on the Borough ballot has been before the Assembly several times since 2017. Ordinances 2017-29 and 2018-24, which would have asked the voters to approve a bed tax, were defeated by the Assembly. In June of 2019 Ordinance 2019-09, an updated version of the previous ordinances, was passed by the Assembly then vetoed by the Mayor with a veto override failing 4 Yes, 4 No, 1 Abstained. Five years later, we are placing asking that the question be placed on the ballot before introducing and/or enacting an ordinance containing the levy and processes and procedures for implementing and collecting the tax. If approved, the intent would be that this tax will take effect no sooner than January 1, 2026.

Currently 49 Alaska cities and boroughs have a bed tax. The tax rates range from a low of 4% to a high of 12%. Of the 19 organized boroughs in Alaska only the Kenai Peninsula Borough, Aleutians East Borough, North Slope Borough, and North West Arctic Borough do not utilize an additional tax on temporary lodging. Of the five most populated boroughs in Alaska (Anchorage Borough, Matanuska-Susitna Borough, Fairbanks North Star Borough, Kenai Peninsula Borough, and Juneau Borough), only the Kenai Peninsula Borough is without an additional sales tax on short-term accommodation rentals.

Like the other four most populated boroughs in Alaska, the economy of the Kenai Peninsula Borough relies heavily on the several hundred thousand visitors who travel to the Kenai Peninsula each year. This many visitors create a large demand on public services offered within the Borough, which impacts Borough services including solid waste, roads, recreational and senior citizen services, 911 and emergency services, hospital services, and disaster services.



If approved, the sponsors' intent would be to bring forward an ordinance that will enact a new chapter for KPB Code and will include but is not limited to:

- exempt short-term accommodation rentals from the current general sales tax rate of 3%;
- levy a maximum bed tax of 12% on short-term accommodation and overnight camping facilities throughout the Borough;
- adopt an exemption in cities that levy a short-term accommodation rentals and overnight camping facilities tax in a manner similar to the Borough and in an amount equal to the city's tax, up to a maximum of one-half of the Borough's tax with the intent of helping to level the temporary lodging rates inside and outside of the cities in the Borough; and
- adopt processes and procedures for implementing the tax.

The revenue from this tax will help offset visitor costs, help maintain the fund balance, and lower the Borough mill rate as appropriate.

The intent is to postpone the hearing on this to the July 9, 2024 regular Assembly meeting.

Your support in giving Borough residents a chance to vote on including this type of taxation in the Borough is appreciated.

**Gary Glasgow**

Location:

Submitted At: 11:06am 06-18-24

Kenai Borough Assembly Members

I share my concerns with you in regards to Resolution 2024-029 not only as a lodging business owner but also a resident of Kenai Borough.

The main purpose of Resolution 2024-029 is to generate funds for The Kenai Borough. Such actions surrounding the accommodation tax have been defeated multiple times over the many years they have been put forward. My question is, Why is it only accommodations that you want to increase the tax on?

Your concern lies around the several hundred thousands of visitors that visit our piece of beautiful Alaska and the cumbersome burden those actions have on our resources.

If you break down visitors in the most basic form, they need transportation, food, and shelter. If you look at it further, they also visit our area for multiple activities whether that be fishing, hiking, multiple tours (boat, air, horseback, rafting, ATV's, etc), photography, obstacle courses, zip lining, etc. All of these have an impact on our resources.

This brings me back to my question: Why is it only accommodations that you want to increase tax on? At the very least you should take an approach of working through the most basic needs of a visitor and spread the taxes among those categories (transportation, food and shelter) instead of just shelter. In addition to that, revenue could be generated with activities that occur daily in our environment.

Your reason for this increase falls short with enforcement and overhaul of "generous borough tax exemptions". I would like to understand the definition of generous tax exemptions. Does it mean the exemption for seniors for property tax? The many capped taxes for certain businesses? Our credit for prompt remittance of sales tax? Is it the unfinished improvements of buildings are taxable as is? Is it the hundreds of buildings that are never reported to the borough to be taxed? Many opportunities for enforcement and adherence to codes exist. Fix your challenge first along with enforcement and then increase taxes.

In my case, I will go from a 3% Kenai Borough Sales Tax to a 12% Accommodation Tax increasing the current tax by 9% with no cap. That is a significant increase to happen if it passes effective 1/2026.

My point is to review what you already have on the books for improvement, adherence and enforcement and then spread the wealth of your tax system to those that benefit from the visitors (transportation, food, shelter, activities). It is a much easier pill to swallow when the Kenai Borough has done their due diligence before enacting tax increases to a select few that benefit from our visitors.

Thank you,

Gary Glasgow  
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Seward, AK 99664