

Introduced by: Mayor
Date: 07/18/17
Hearing: 08/01/17
Action: Enacted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2017-16**

AN ORDINANCE PROVIDING FOR SUBMISSION TO THE QUALIFIED VOTERS OF THE KENAI PENINSULA BOROUGH, ALASKA, THE QUESTION OF AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION DEBT NOT TO EXCEED FIVE MILLION DOLLARS (\$5,000,000) OF THE KENAI PENINSULA BOROUGH TO PAY COSTS OF PLANNING, DESIGNING, CONSTRUCTING AND EQUIPPING THE GEORGE A. NAVARRE KENAI PENINSULA BOROUGH ADMINISTRATION BUILDING'S HEATING, VENTILATION AND AIR CONDITIONING MECHANICAL SYSTEM REPLACEMENT AND OTHER NECESSARY CODE-REQUIRED COMPONENTS, AT AN ELECTION IN AND FOR THE KENAI PENINSULA BOROUGH ON OCTOBER 3, 2017

WHEREAS, there has been identified in the Kenai Peninsula Borough ("borough") a substantial and immediate need for replacing the mechanical system for heating, ventilation, and air conditioning ("HVAC") and creating a need for other necessary code-required components in the George A. Navarre Kenai Peninsula Borough School District Administration Building (hereinafter "borough/school district administration building") located at 144-148 North Binkley Street as discussed in the Kenai Peninsula Borough general government capital improvement plans; and

WHEREAS, a second-class borough may incur general obligation debt only after a ballot proposition is approved by a majority of those voting on the question at a regular or special election; and

WHEREAS, the borough/school district administration building, which contains offices for borough and school district personnel and serves the general public, is almost 50 years old and has significant safety, energy-efficiency and mechanical system reliability concerns;

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 (the "Borough") to incur general obligation debt in an amount not to exceed Five Million Dollars (\$5,000,000), for the purpose of paying the cost of planning, designing, constructing, and equipping the borough/school district administration building's heating, ventilation and air conditioning

("HVAC") system replacement and other necessary code-required components in such building (the "Project").

SECTION 2. The sum of not to exceed Five Million Dollars (\$5,000,000) shall be borrowed by, for, and on behalf of the Borough to finance the costs of Project capital improvements and shall be evidenced by the issuance of general obligation debt of the Borough. The proceeds of such debt shall be used only to finance Project capital improvements and costs of issuance of the debt. The full faith and credit of the Borough is pledged for the payment of the principal of and interest on the debt, and ad valorem taxes upon all taxable property in the Borough shall be levied without limitation as to rate or amount to pay the principal of and interest on the debt when due.

SECTION 3. An election is to be held on October 3, 2017, in and for the Borough for the purpose of submitting a general obligation ballot proposition to the qualified voters of the Borough for approval or rejection. The proposition must receive a majority vote of those in the Borough voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. _____
GEORGE A. NAVARRE KENAI PENINSULA BOROUGH
ADMINISTRATION BUILDING
HEATING, VENTILATION AND AIR CONDITIONING ("HVAC")
MECHANICAL SYSTEM REPLACEMENT AND NECESSARY CODE-
REQUIRED COMPONENTS GENERAL OBLIGATION DEBT

Shall the Kenai Peninsula Borough borrow up to \$5,000,000 through the issuance of general obligation debt for the purpose of paying costs of planning, designing, constructing, and equipping the George A. Navarre Kenai Peninsula Borough Administration Building's heating, ventilation and air conditioning ("HVAC") mechanical system replacement and other necessary code-required components, and costs of issuance of the debt?

The debt shall be paid from real and personal property taxes (general ad valorem) levied and collected within the Kenai Peninsula Borough. The full faith and credit of the Borough is also pledged for payment of the debt.

Voter approval of this proposition authorizes annual repayment to retire the debt at an estimated rate of approximately \$7.28 per \$100,000 of assessed taxable property value (based on the estimated total FY2018 assessed valuation).


SECTION 4. The proposition set forth in Section 3 shall be printed on a ballot which may set forth other general obligation debt 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 debt shall be issued upon such terms and conditions and in such form as the Finance Director, or acting Finance Director, finds to be in the best interests of the Borough.

SECTION 6. Sections 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 3, 2017. The remaining sections of this ordinance shall become effective upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 1ST DAY OF AUGUST, 2017.

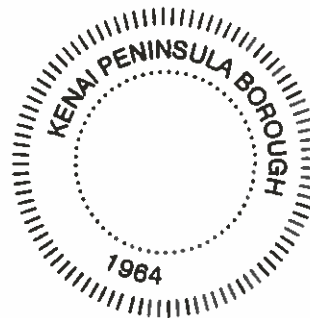


Kelly Cooper, Assembly President

ATTEST:



Jonni Blankenship, MMC, Borough Clerk



Yes: Bagley, Carpenter, Dunne, Fischer, Hibbert, Ogle, Schaefer, Welles, Cooper
No: None
Absent: None