

Kenai Peninsula Borough

Community & Fiscal Projects

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *chi*
Brandi Harbaugh, Finance Director *BS*
Kevin Lyon, Capital Projects Administrator *KL*

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

DATE: December 21, 2018

RE: Ordinance 2018-19- 25, Accepting and Appropriating \$10,010,000 from the State of Alaska Department of Education & Early Development for the Kachemak Selo New K-12 School Construction Project (Mayor)

The Kachemak Selo New School K-12 Construction project began on July 9, 2011 when a petition was submitted by the local residents to the school board requesting a public school facility. The school currently functions out of three leased, residential-type facilities that have deteriorated to the point that they are no longer viable as educational facilities.

The project was submitted to the Department of Education and Early Development (DEED) during the FY17 grant application process and awarded funding through the State of Alaska 2016/2017 Capital Budget [HCS CSSB 138(FIN) am H -DEED "School Construction Fund;" page 3, line 24-25]. The DEED grant, awarded in the amount of \$10,010,000 requires 35 percent cash, in-kind or a combined contribution. At the regular election held on October 2, 2018, the ballot proposition number one failed, rejecting the issuance of \$5,450,000 general obligation bonds that would have met the required cash match.

The DEED grant will expire June 30, 2019; however, the option to extend the grant agreement up to seven years is available. The borough intends to work with the State of Alaska to extend the grant agreement and to secure the 35 percent match requirement.

The project has been approved for funding as shown below:

\$ 10,010,000.00	65% DEED Approved Grant (state share)
<u>5,390,000.00</u>	35% local participation share
\$ 15,400,000.00	100% Total project cost

This project will construct a new 15,226 square foot K-12 school. The scope of work includes site acquisition, site development, design and construction. This facility will allow the school district to provide adequate educational opportunities in the geographically isolated Kachemak Selo attendance area located at the head of Kachemak Bay, approximately 30 miles east of Homer Alaska.

Kevin Lyon, Capital Projects Administrator, is the project manager.

FINANCE DEPARTMENT GRANT/ACCOUNT VERIFIED	
Acct. No.	<u>400.71065.KSELO.49999</u>
Amount:	\$ <u>N/A</u>
By: <u>KL</u>	Date: <u>12/20/18</u>

Attachments: 10/25/18 KPB Letter to DEED
 11/19/18 DEED Letter to KPB