Introduced by:	Mayor
Date:	05/15/18
Hearing:	06/05/18
Action:	Enacted as Amended
Vote:	9 Yes, 0 No, 0 Absent
Date:	10/02/18
Date Certified:	10/09/18
Action:	Defeated by the Voters
Vote:	5253 No 3763 Yes

KENAI PENINSULA BOROUGH ORDINANCE 2018-21

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE KENAI PENINSULA BOROUGH THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FIVE MILLION FOUR HUNDRED FIFTY THOUSAND DOLLARS (\$5,450,000) OF GENERAL OBLIGATION BONDS OF THE KENAI PENINSULA BOROUGH TO PAY THE LOCAL REQUIRED MATCH PORTION OF THE COSTS OF THE KACHEMAK-SELO NEW K-12 SCHOOL CONSTRUCTION PROJECT AT AN ELECTION IN AND FOR THE KENAI PENINSULA BOROUGH ON OCTOBER 2, 2018

- WHEREAS, the Kachemak-Selo New K-12 School Construction project began July 9, 2011 when a petition was submitted to the school board by local residents requesting a public school facility; and
- WHEREAS, kindergarten through twelfth grade classes are currently housed in three leased residential facilities that have deteriorated beyond useful capacity; and
- WHEREAS, the educational specifications for the new school were funded by a Community Development Block grant in 2013 and subsequently approved by the Department of Education and Early Development ("DEED") during the FY2017 grant application process and awarded \$10,010,000 in funding through the State of Alaska 2016-2017 Capital Budget under the School Construction grant program; and
- WHEREAS, the \$10,010,000 DEED grant requires a 35% match of \$5,390,000 be provided by the Kenai Peninsula Borough ("Borough"); and
- WHEREAS, the project scope includes planning, design, site acquisition, preparation and development, construction and equipping the Kachemak-Selo K-12 school; and
- WHEREAS, this facility will allow the school district to provide kindergarten through twelfth grade education in the geographically isolated Kachemak attendance area located at the head of Kachemak Bay, approximately 30 miles east of Homer Alaska; and

- WHEREAS, it is expected that the estimated cost of this construction project will not exceed \$15,460,000; and
- WHEREAS, the Kenai Peninsula Borough Board of Education at its June 4, 2018, meeting recommended approval;

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, Alaska (the "Borough") to incur general obligation bonded indebtedness in an amount not to exceed five million four hundred fifty thousand dollars (\$5,450,000), for the purpose of paying the costs of planning, land acquisition, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Kachemak-Selo New K-12 School Construction project. The Borough will not issue bonds in a principal amount greater than the total estimated cost of projects approved by the State of Alaska Department of Education and Early Development. Upon completion of the projects, any unexpended bond proceeds, including interest income generated through investment of the bond funds, may be used to fund any other educational capital improvement projects chosen by the borough and approved by the Department of Education and Early Development.
- **SECTION 2.** The sum of not to exceed five million four hundred fifty thousand dollars (\$5,450,000) shall be borrowed by, for and on behalf of the Borough for the education capital improvements described above 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 the Borough is pledged for the payment of the principal of and interest on the bonds, 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 bonds when due.
- SECTION 3. An election is to be held on October 2, 2018, in and for the Kenai Peninsula Borough, for the purpose of submitting a general obligation bond 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.

EDUCATIONAL CAPITAL IMPROVEMENT **GENERAL OBLIGATION BONDS**

Shall the Kenai Peninsula Borough borrow up to \$5,450,000 through the issuance of general obligation bonds?

The general obligation bond proceeds will be used to pay the 35% local required contribution for the costs of planning, land acquisition, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Kachemak-Selo New K-12 School Construction Project.

The debt will be paid from *ad valorem* taxes on all taxable property levied and collected areawide in the Borough. The Borough will also pledge its full faith and credit for payment of the debt. The approximate annual amount of taxes on \$100,000 of assessed real or personal property value (based on the Borough's FY2018 taxable assessed valuation) to retire the debt is \$4.95.

(Ordinance No. 2018-21)

SECTION 4. The proposition, both for paper ballots and machine ballots, 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 a square provided for marking the ballot or voting by a machine:

PROPOSITION NO.	Yes	
	No	

SECTION 5. Section 2 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 election on October 2, 2018. The remaining sections of this Ordinance shall become effective upon passage and approval.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 5TH **DAY OF JUNE, 2018.**

ATTEST:

Johni Blankenship, MMC, Borough Clerk

Wavne

ETED TEXT 1964

Kenai Peninsula Borough, Alaska

New Text Underlined; [DELETED TEXT BRACKETED]

Yes:	Bagley, Blakeley, Carpenter, Cooper, Dunne, Fische	r, Hibbert, Smalley, Og	le
No:	None	the head and	5 ⁸ ×
Absent:	None		