

Introduced by: Mayor
Date: 07/19/94
Shortened Hearing: 08/02/94
Action: Enacted as Amended
Vote: Unanimous

**KENAI PENINSULA BOROUGH
ORDINANCE 94-36**

**AN ORDINANCE AUTHORIZING INDEBTEDNESS BY THE ISSUANCE OF
GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED \$11,735,000
FOR THE PURPOSE OF FUNDING THE DESIGN, CONSTRUCTION AND
EQUIPPING OF A WEST HOMER ELEMENTARY SCHOOL, AND PLEDGING THE
FULL FAITH AND CREDIT OF THE BOROUGH, WITH PAYMENT OF THE
INDEBTEDNESS TO BE DERIVED FROM THE LEVY OF TAXES WITHIN THE
BOROUGH IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL AND
INTEREST, SUBJECT TO APPROVAL BY THE VOTERS AT THE BOROUGH
ELECTION ON OCTOBER 4, 1994**

WHEREAS, the enrollment and projected growth create the need for a new elementary school in Homer, Alaska; and

WHEREAS, the Board of the Kenai Peninsula Borough School District, at its meeting of June 13, 1994, voted to request that the Assembly place a question on the ballot of the next Borough regular election to authorize the issuance of general obligation bonds in the amount of \$11,735,000 to fund the site acquisition and development, design, construction and equipping of a West Homer Elementary School;

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 to incur general obligation bonded indebtedness in an amount not to exceed \$11,735,000 for the purpose of paying the costs of acquiring property for, planning, designing, equipping and constructing capital improvements in the Kenai Peninsula Borough, including without limitation the West Homer Elementary School.

SECTION 2. The sum of not more than \$11,735,000 shall be borrowed by, for and on behalf of the Kenai Peninsula Borough for the capital improvements described in Section 1, and such borrowing shall be evidenced by the issuance of general obligation bonds of the Kenai Peninsula Borough. The full faith and credit of the Kenai Peninsula Borough is pledged for payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the Kenai Peninsula 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 4, 1994, in and for the Kenai Peninsula Borough, for the purpose of submitting a general obligation bond proposition to the qualified voters of the Borough. The proposition must receive an affirmative vote of a majority of the qualified voters of the Borough voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION: "Shall the Kenai Peninsula Borough incur debt and issue general obligation bonds not to exceed Eleven Million Seven Hundred Thirty-Five Thousand Dollars (\$11,735,000) for the purpose of paying the costs of planning, designing, acquiring property for, site preparation, constructing, installing, and equipping education and related capital improvements to the West Homer Elementary School?"

Estimated costs of the project are as follows:

Estimated Total Principal & Interest	Estimated 70% Debt Service Paid by the State	Estimated 30% Debt Service Paid by the Borough	Estimated Annual Operation and Maintenance Costs
\$15,543,345	\$10,880,342	\$4,663,003	\$196,178

State law presently provides that the State of Alaska reimburse up to 70% of the debt service for the project. Based on total 1994 assessed valuation, the approximate taxes on \$100,000 of assessed real and personal property value to retire 100% of the proposed debt for the project above is \$50 per year, and to retire 30% of the proposed debt for the project is \$15 per year.

The bonds shall be secured by a pledge of the full faith and credit of the Borough. (Ordinance 94-36)

YES _____

NO _____


SECTION 4. Sections 1 and 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 Borough election to be held on October 4, 1994. The remaining sections of this ordinance shall take effect at 12:01 a.m. of the day following its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS 2nd DAY OF AUGUST, 1994.



Betty J. Glick, Assembly President

ATTEST:



Gaye J. Vaughan, Borough Clerk