

Introduced by:	Mayor, Navarre
Date:	07/10/01
Hearing:	08/07/01
Action:	Postponed until 08/21/01
Action:	Enacted
Vote:	7 Yes, 0 No, 2 Absent
Date:	08/21/01

**KENAI PENINSULA BOROUGH  
ORDINANCE 2001-24  
(MAYOR) SUBSTITUTE**

**AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE KENAI PENINSULA BOROUGH, ALASKA, THE QUESTION OF THE ISSUANCE OF NOT TO EXCEED FIVE MILLION DOLLARS (\$5,000,000) OF GENERAL OBLIGATION BONDS OF THE KENAI PENINSULA BOROUGH TO PAY A PORTION OF THE COSTS ASSOCIATED WITH SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000) IN CAPITAL IMPROVEMENTS TO ALLEVIATE OVERCROWDING IN THE BOROUGH ADMINISTRATION BUILDING AT AN ELECTION IN AND FOR THE KENAI PENINSULA BOROUGH ON OCTOBER 2, 2001**

**WHEREAS,** there has been identified in the Kenai Peninsula Borough a substantial and immediate need for an addition to, and renovation of, the existing Borough Administration Building to alleviate overcrowding and maintain structural integrity of the existing administration building, as evidenced in the Final Report and Recommendations for the Kenai Peninsula Borough Space Allocation Committee; 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,** under Chapter 5.04 of the Code of Ordinances of the Kenai Peninsula Borough, all major capital improvement projects to be constructed by the Kenai Peninsula Borough are to be approved by the voters if the total cost is more than One Million Five Hundred Thousand (\$1,500,000), and such projects are not entirely financed with voter approved bond proceeds; and

**WHEREAS,** the Kenai Peninsula Borough views the capital improvements mentioned above as 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 (the "Borough") to incur general obligation bonded indebtedness in an amount not to exceed Five Million Dollars (\$5,000,000), for the

purpose of paying a portion of the costs associated with Seven Million Five Hundred Thousand (\$7,500,000) in capital improvements. The project includes planning, designing, site preparation, constructing, renovating, expanding, equipping, and improving the existing Borough Administration Building and/or additional facility, located within the Borough.

**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 for the aforesaid capital improvements 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, 2001, in and for the 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. 3**

#### **GENERAL OBLIGATION BONDS**

Shall Kenai Peninsula Borough borrow up to \$5,000,000 through the issuance of general obligation bonds to finance a portion of the cost associated with \$7,500,000 in capital improvements?

The general obligation bond proceeds will be used to pay a portion of the costs of planning, designing, site preparation, constructing, renovating, expanding, equipping, and improving the existing Borough Administration Building and/or additional facility, located within the Kenai Peninsula Borough. The additional estimated project costs of \$2,500,000 will be provided from the Borough's general fund balance.

The bonds 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 bonds.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed taxable property value (based on the estimated total 2001 assessed valuation) an annual tax increase of approximately \$10.80 to retire the proposed debt.

**PROPOSITION NO. 3**

**YES** \_\_\_\_\_

**NO** \_\_\_\_\_

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF AUGUST, 2001.**

Timothy Navarre  
Timothy Navarre, Assembly President

ATTEST:

**Linda S. Murphy, Borough Clerk**

