

Introduced by: Long, Navarre, Mayor
Date: 08/06/02
Shortened Hearing: 08/20/02
Action: Enacted as Amended
Vote: 7 Yes, 0 No, 2 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2002-35**

**AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED
VOTERS OF THE KENAI PENINSULA BOROUGH THE QUESTION OF THE
ISSUANCE OF NOT TO EXCEED FOURTEEN MILLION SEVEN HUNDRED
THOUSAND AND NO/100 DOLLARS (\$14,700,000) OF GENERAL OBLIGATION
BONDS OF THE KENAI PENINSULA BOROUGH TO PAY THE COSTS OF
EDUCATIONAL CAPITAL IMPROVEMENTS IN THE KENAI PENINSULA
BOROUGH AT AN ELECTION IN AND FOR THE KENAI PENINSULA
BOROUGH ON OCTOBER 1, 2002**

WHEREAS, the Kenai Peninsula Borough conducted a code compliance review for the Seward Middle School resulting in a final report dated May 31, 2002 prepared by Enterprise Engineering, Inc., which estimated the cost of bringing the Seward Middle School into current building code compliance and covered the cost of portable classrooms for two years while the building would undergo repairs; and

WHEREAS, such improvements may extend the life expectancy of the existing middle school by ten years at an estimated cost of \$10,700,000; and

WHEREAS, it is expected that a new school could be constructed to meet student needs for the next 30 to 50 years at a cost of not to exceed \$14,700,000; and

WHEREAS, the Seward City Council adopted Resolution 2002-068 on July 22, 2002, supporting the construction of a new Seward Middle School; and

WHEREAS, the Kenai Peninsula Borough Assembly is addressing this ordinance on shortened time in accordance with KPB 22.40.100(C) for the purpose of complying with statutory election procedures to have a ballot presented to the Borough voters at the October 1, 2002 election;

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 tax exempt, general obligation bonded indebtedness in an amount not to exceed Fourteen Million Seven Hundred Thousand Dollars (\$14,700,000), for the purpose of paying the costs of planning, designing, acquiring property for, site preparation, constructing, acquiring, renovating, installing and equipping educational capital improvement projects consisting of a Seward Middle School and related

education capital improvements. The use of proceeds of the aforementioned bonds to finance the costs of education capital improvements will occur only if, and to the extent that, such project qualifies for at least 60% debt service reimbursement under Alaska Statutes 14.11.100, as the same may be amended from time to time.

SECTION 2. The sum of not to exceed Fourteen Million Seven Hundred Thousand Dollars (\$14,700,000) shall be borrowed by, for and on behalf of the Borough for the aforesaid education 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 areawide election is to be held on October 1, 2002, 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 \$14,700,000 through the issuance of general obligation bonds?

The general obligation bond proceeds will be used to pay costs of planning, designing, acquiring property for, site preparation, constructing, acquiring, renovating, installing, and equipping a Seward Middle School and related education capital improvements located within the Borough.

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 estimated 2002 taxable assessed valuation) to retire the total debt if \$11.67, assuming 60 percent debt service reimbursement from the State of Alaska, or \$29.16 without State reimbursement.


No bonds will be issued, unless and until the project qualifies for at least 60% debt service reimbursement from the State of Alaska under existing or new legislation. Receipt of State reimbursement is subject to annual legislative appropriations.

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:

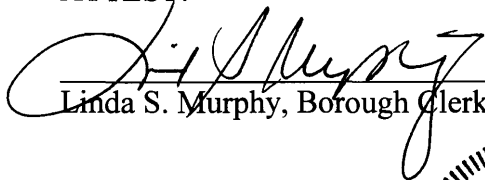
PROPOSITION NO. _____ Yes
No

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 1, 2002. The remaining sections of this ordinance shall become effective upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 20TH DAY OF AUGUST, 2002.


Timothy Navarre, Assembly President

ATTEST:


Linda S. Murphy, Borough Clerk

