

Introduced by:
Date:
Hearing:
Action:
Vote:

Mayor
07/06/04
08/03/04
Tabled
6 Yes, 3 No

**KENAI PENINSULA BOROUGH
ORDINANCE 2004-24**

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED VOTERS OF THE NIKISKI FIRE SERVICE AREA IN THE KENAI PENINSULA BOROUGH, ALASKA, THE QUESTION OF THE ISSUANCE OF ONE MILLION NINE HUNDRED NINETY-FIVE THOUSAND DOLLARS (\$1,995,000) OF GENERAL OBLIGATION BONDS OF THE NIKISKI FIRE SERVICE AREA TO PAY THE COSTS OF THE NIKISKI FIRE STATION 3 IN THE NIKISKI FIRE SERVICE AREA, AT AN ELECTION IN AND FOR THE SERVICE AREA ON OCTOBER 5, 2004

- WHEREAS,** a citizens group approached the Nikiski Fire Service Area Board requesting development of a new residential fire station; and
- WHEREAS,** the Nikiski Fire Service Area Board developed and approved a five year plan that calls for a residential station to reduce response times; and
- WHEREAS,** the Nikiski Fire Service Area Board contracted for development of a fire station design and approved the proposed design; and
- WHEREAS,** the Nikiski Fire Service Area Board purchased land for the fire station; and
- WHEREAS,** the Nikiski Fire Service Area Board requested public input on the plan and received input supporting the plan during public hearings; and
- WHEREAS,** the estimated cost to build and equip the new fire station is \$2,240,000.00; and
- WHEREAS,** the Nikiski Fire Service Area has a portion of the funds necessary for this project but requires an additional \$1,995,000 to construct all planned portions of the project; and
- WHEREAS,** a .13 mil rate increase throughout the Nikiski Fire Service Area will be required to maintain debt service on the \$1,995,000 bond indebtedness; and
- WHEREAS,** no additional staff will be required to operate this station; and
- WHEREAS,** increased operating costs of the new station are estimated to be approximately \$5 per \$100,000 of assessed taxable property value.

WHEREAS, the Nikiski Fire Service Area Board has approved this project and has requested the Assembly to place the question on the ballot for the voters to authorize general obligation bonds necessary for the fire station project; and

WHEREAS, the Assembly finds the capital improvements to be necessary and beneficial to the community, and desirable that they be funded through the issuance of general obligation bonds issued by the Borough on behalf of the Nikiski Fire Service Area, subject to voter 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 to incur general obligation bonded indebtedness of the Nikiski Fire Service Area in an amount not to exceed One Million Nine Hundred Ninety-Five Thousand Dollars (\$1,995,000) for the purpose of paying the costs of planning, designing, acquiring property for, site preparing, installing, equipping and constructing the Nikiski Fire Station 3 (the "Project") located in the Nikiski Fire Service Area ("Service Area").

SECTION 2. It is hereby further determined to be for a public purpose and in the public interest of the Kenai Peninsula Borough utilize the proceeds of bonds together with funds from taxes and other sources available to the Service Area in an estimated amount of Two Million Two Hundred Forty Thousand Dollars (\$2,240,000) for the Project, including architectural, engineering, inspection, design, administration and other costs.

SECTION 3. The sum of One Million Nine Hundred Ninety-Five Thousand Dollars (\$1,995,000) shall be borrowed by the Kenai Peninsula Borough for and on behalf of the Service Area for the Project and shall be evidenced by the issuance of general obligation bonds of the Borough. The bond proceeds shall be used only for capital improvements, costs of issuance of the bonds, and reimbursement expenses for the Project in accordance with Treasury Regulation 26 § CFR 1.150-2. The full faith and credit of only the Service Area are pledged for the payment of the principal of and interest on the bonds, and ad valorem taxes upon all taxable property in the Service Area shall be levied without limitation as to rate or amount to pay the principal of and interest on the bonds when due.

SECTION 4. The Project, utilizing the proceeds of Service Area general obligation bonds together with funds from taxes and other sources available to the Service Area in an estimated amount of Two Million Two Hundred Forty Thousand Dollars (\$2,240,000), including architectural, engineering, inspection, design, administration and other costs, is hereby approved.

SECTION 5. An election is to be held on October 5, 2004, in and for the Service Area, for the purpose of submitting a general obligation bond proposition to the qualified voters of the Service Area for approval or rejection. The proposition must receive a majority vote of those in the Service Area voting on the question to be approved. The proposition shall be substantially in the following form:

PROPOSITION NO. _____

NIKISKI FIRE SERVICE AREA STATION BONDS AND APPROVAL OF PROJECT

Shall the Kenai Peninsula Borough incur indebtedness and issue up to \$1,995,000 of bonds for capital construction and improvements related to the Nikiski Fire Station 3 to be located in the Nikiski Fire Service Area?

The bond proceeds of \$1,995,000 will be used to pay the costs of planning, designing, acquiring property for, site preparation, constructing, installing and equipping the Nikiski Fire Station 3 located within the Nikiski Fire Service Area.

The indebtedness will be repaid from ad valorem taxes levied on all taxable property located within the Nikiski Fire Service Area. The Nikiski Fire Service Area will pledge its full faith and credit for repayment of the indebtedness.

Voter approval for this proposition authorizes for each \$100,000 of assessed real and personal property value in the Central Kenai Peninsula Hospital Service Area (based on the estimated 2004 tax year assessed valuation) an annual tax of approximately \$13 to retire the proposed indebtedness.

(Ordinance No. 2004-24)

SECTION 6. The proposition set forth in Section 5, 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 for voting by a machine:

PROPOSITION NO. _____ YES ___ NO ___

SECTION 7. The Bonds shall be issued upon such terms and conditions and in such form as the Finance Director finds to be in the best interests of the borough.

SECTION 8. Sections 3, 4 and 7 of this ordinance shall become effective only if the proposition described in Section 5 is approved by a majority of the qualified voters of the Service Area voting on the proposition at the general election on October 5, 2004. The remaining sections of this ordinance shall become effective upon enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON THIS *
DAY OF * 2004.**

Pete Sprague, Assembly President

ATTEST:

Linda S. Murphy, Borough Clerk