

**KENAI PENINSULA BOROUGH
PROPOSITION SUMMARY**

PROPOSITION NO. 4

**BEAR CREEK FIRE SERVICE AREA
CAPITAL IMPROVEMENT PROJECT AND
ISSUANCE OF GENERAL OBLIGATION BONDS**

(To be voted on by voters residing within the Bear Creek Fire Service Area)

Shall the Kenai Peninsula Borough spend \$3,500,000 for capital improvements related to the Bear Creek Fire Service Area and issue up to \$1,400,000 of general obligation bonds to provide funding for the project?

At the request of the Bear Creek Fire Service Area Board, this project is submitted to the service area voters for approval of bonds to fund the construction of a new fire and emergency services facility. The borough expects the capital construction cost for a new fire station will total approximately \$3,500,000 and can be completed with a combination of grant funds and bond proceeds.

General obligation bonds would be in an amount of not to exceed \$1,400,000 and would be issued only if grant funding of \$2,100,000 is received. The bond proceeds would be used for the purpose of paying the costs of planning, designing, acquiring property for, site preparation, financing, constructing, acquiring, renovating, expanding, installing and equipping the proposed new Bear Creek Fire Service Area facility.

As more than \$1 million dollars in borough funds other than bond proceeds would be spent on this project, at least 60 percent voter approval is required for the project to proceed.

The full faith and credit of the Bear Creek Fire Service Area would be pledged for the payment of the principal and interest on the bonds. For each \$100,000 of assessed real and personal property value in the Bear Creek Fire Service Area (based on the estimated 2007 tax year assessed valuation) an annual tax of approximately \$100 (an amount equal to approximately 1.0 mill) will be levied to retire the proposed 20-year general obligation bond debt.

BALLOT LANGUAGE FOR PROPOSITION NO. 4

**BEAR CREEK FIRE SERVICE AREA CAPITAL IMPROVEMENT PROJECT AND
ISSUANCE OF GENERAL OBLIGATION BONDS**

Shall the Kenai Peninsula Borough spend \$3,500,000 for capital improvements related to the Bear Creek Fire Service Area and issue up to \$1,400,000 of general obligation bonds to provide funding for the project?

The bond proceeds of \$1,400,000 will be used to pay the costs of planning, designing, acquiring property for, site preparation, financing, constructing, acquiring, renovating, expanding, installing and equipping the Bear Creek Fire Service Area facility located within the Bear Creek Fire Service Area. Issuance of the bonds is subject to availability of grant funds for the remaining costs of the project; if the grant funding is not received the bonds will not be issued.

The general obligation bond debt will be paid from operating revenues generated by the Bear Creek Fire Service Area and from ad valorem taxes on all taxable property levied and collected in the Bear Creek Fire Service Area. The Bear Creek Fire Service Area will pledge its full faith and credit for payment of the general obligation bond debt.

Voter approval of this bond proposition authorizes for each \$100,000 of assessed real and personal property value in the Bear Creek Fire Service Area (based on the estimated 2007 tax year assessed valuation) an annual tax of approximately \$100.00 (an amount equal to approximately 1.0 mill) to retire the proposed general obligation bond debt.

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| YES | [A Yes vote approves the sale of the bonds and construction of a new fire and emergency services facility - based on receiving \$2,100,000 of additional grant funding.] |
| NO | [A No vote prohibits the issuance of the bonds and the construction project.] |