

## MEMORANDUM

**TO:** Ron Long, Assembly President  
Members of the Kenai Peninsula Borough Assembly

**THRU:** John J. Williams, Borough Mayor  
Craig Chapman, Finance Director  
Walter Robson, Capital Projects Director *WLR*

**FROM:** Bonnie L. Golden, Grants Manager *bg*

**COPY:** Bear Creek Fire Service Area

**DATE:** November 20, 2006

**SUBJECT:** Ordinance No. 2006-19-37: Accepting a \$100,000 grant from the State of Alaska and appropriating the grant funds and Service Area matching funds of \$133,000 for a public safety building in the Bear Creek Fire Service Area

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Over the past few years, the Bear Creek Fire Service Area (“Service Area”) has identified the need to replace its existing 25-year-old fire station. Construction of a new facility has been listed as an objective in the Service Area’s budget for 2006 and 2007, as well as listed in the Borough’s legislative priorities for 2006. Due to tremendous changes, growth in population, and public demand for a higher level of service, the current fire station has become inadequate. The Service Area is considering constructing a public safety building that would house the fire department and offices for the Alaska State Troopers.

Preliminary work began on this project in June 2006 when a contract was awarded for the Programmatic and Schematic Phases. The contract amount was not to exceed \$106,929.

The Denali Commission offers funding for construction projects through its Multi-Use Facilities Program. The Alaska Department of Commerce, Community and Economic Development administers this program. Through adoption of KPB Resolution 2006-066, the assembly supported submitting a proposal on behalf of the Service Area. In August 2006, a request was made for funding pre-construction activities for a public safety building in Bear Creek. Pre-construction activities include preparing construction documents, completing the facility’s business plan, refining project costs, and developing a plan to finance the construction. Notification was received in October 2006 that the borough’s proposal was recommended for funding up to \$100,000.

The grant proposal indicated that the Service Area would provide matching funds in the amount of \$133,000. The Service Area has \$133,000 available in its Capital Projects Fund, fund balance, account (442.00000.00000.27910) to meet the match requirement.

The grant amount combined with the matching funds provides a total of \$233,000 that can be applied to costs for pre-construction activities. Upon completion of this part of the project, the Service Area should have more accurate project costs to use in finalizing their business plan and developing a plan to finance construction.

Enactment of the attached ordinance will provide the Service Area with the funding it needs to further refine and develop its construction project.

Attachments: Ordinance, DCCED notification letter