

Introduced by:	Mayor
Date:	07/10/07
Hearing:	08/07/07
Action:	Enacted as Amended
Vote:	8 Yes, 1 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2007-24**

AN ORDINANCE PROVIDING FOR SUBMISSION TO THE QUALIFIED VOTERS OF THE KENAI PENINSULA BOROUGH BEAR CREEK FIRE SERVICE AREA THE QUESTION OF SPENDING A TOTAL OF APPROXIMATELY \$3,500,000 FOR CAPITAL IMPROVEMENTS IN THE BEAR CREEK FIRE SERVICE AREA AND THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE FIRE SERVICE AREA IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,400,000 TO PAY A PORTION OF THE COSTS OF THE CAPITAL IMPROVEMENTS, AT AN ELECTION IN AND FOR THE BEAR CREEK FIRE SERVICE AREA

WHEREAS, the Kenai Peninsula Borough (the "Borough") has identified the need for capital improvements within the Bear Creek Fire Service Area; and

WHEREAS, the Borough expects the capital construction costs for a new fire station will total approximately \$3,500,000 and can be completed with a combination of grant funds and bond proceeds; and

WHEREAS, the bonds would be in an amount not to exceed \$1,400,000 and would be issued only if grant funding of \$2,100,000 is received; and

WHEREAS, voter approval is required for the issuance of general obligation bonds and for approval of the project;

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") that the Bear Creek Fire Service Area (the "Service Area") incur general obligation bonded indebtedness in an amount not to exceed One Million Four Hundred Thousand Dollars (\$1,400,000), for the purpose of paying 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 (the "Project").

SECTION 2. The sum of not to exceed One Million Four Hundred Thousand Dollars (\$1,400,000) shall be borrowed by the Borough for the aforesaid fire and safety capital improvements and shall be evidenced by the issuance of general obligation bonds of the Borough. 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 as necessary to pay the principal of and interest on the bonds when due.

SECTION 3. Pursuant to KP.B 5.04.110, because more than \$1 million 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.

SECTION 4. An election is to be held at the regular election in October 2007, 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 at less 60 percent of the votes of those in the Service Area voting on the question to be approved. The proposition shall be substantially in the following form:

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.

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.

(Ordinance No. 2007-24)

