

Introduced by: Mayor
Date: 03/21/17
Action: Adopted as Amended
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2017-023**

**A RESOLUTION AUTHORIZING THE BOROUGH, ON BEHALF OF THE SOUTH
KENAI PENINSULA HOSPITAL SERVICE AREA, TO AMEND THE HOMER
MEDICAL BUSINESS OFFICE LEASE AGREEMENT FOR PROPERTY AT 309 W.
FAIRVIEW AVENUE TO INCLUDE TERMS REGARDING EARLY TERMINATION**

WHEREAS, South Peninsula Hospital is subleased and operated by South Peninsula Hospital, Inc., (“SPH, Inc.”) under the Sublease and Operating Agreement (“SLOA”) dated September 27, 2013, pursuant to resolution 2012-026; and

WHEREAS, the borough, on behalf of the South Kenai Peninsula Hospital Service Area (“SKPHSA”), leases 700 square feet of property for medical office space at 309 W. Fairview Avenue, Homer, Alaska; and

WHEREAS, the original lease is for a term of five years, commencing July 1, 2012, and provides for one three-year renewal option and one two-year renewal option; and

WHEREAS, the final renewal option for this lease was exercised on January 11, 2017, and this lease will expire on June 30, 2019; and

WHEREAS, SPH, Inc. anticipates moving out of its current leased facilities and into the Homer Medical Center once the expansion project is complete; and

WHEREAS, SPH, Inc. has requested an amendment to the lease to provide for an early termination clause; and

WHEREAS, the SPH, Inc. board at its regularly scheduled meeting of January 25, 2017 recommended approval; and

WHEREAS, the SKPHSA board at its regularly scheduled meeting of March 9, 2017 recommended approval by majority consent; and

WHEREAS, the KPB Planning Commission at its regularly scheduled meeting of March 13, 2017 recommended approval by unanimous consent;

**NOW THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE KENAI
PENINSULA BOROUGH:**

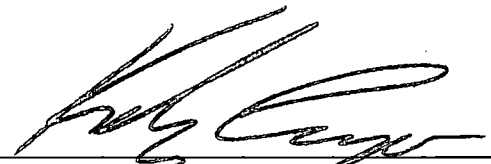
SECTION 1. That the mayor is authorized to amend the lease of property located at 309 W. Fairview, Homer, Alaska, to provide for an early termination clause.

SECTION 2. That the mayor is authorized to execute a lease amendment substantially in the form of the agreement attached hereto and incorporated herein by reference, and to make any other agreements deemed necessary in accordance with this resolution.

SECTION 3. That expenditures for the lease will be paid by SPH, Inc., for the term of the Sublease and Operating Agreement, including any extension or renewal thereof, or until the lease is terminated, whichever occurs first.

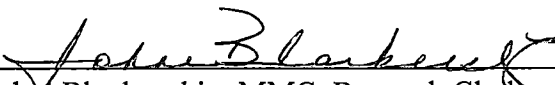
SECTION 4. That this resolution shall take effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF MARCH, 2017.

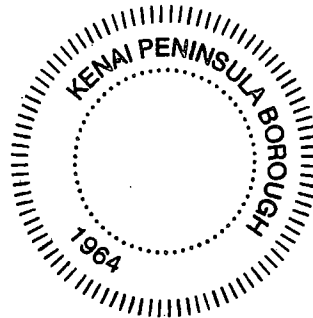


Kelly Cooper, Assembly President

ATTEST:



John Blankenship, MMC, Borough Clerk



Yes: Bagley, Carpenter, Dunne, Fischer, Hibbert, Ogle, Schaefer, Welles, Cooper
No: None
Absent: None

AMENDMENT TO MEDICAL BUSINESS OFFICE LEASE AGREEMENT
(With Right of First Refusal and Option to Purchase)

THIS AMENDMENT TO MEDICAL BUSINESS OFFICE LEASE AGREEMENT (“Amendment”) is entered by and between CRANBERRY POINT, LLC, an Alaska limited liability company (“Lessor”), whose address is PO BOX 894, HOMER, AK 99603, and KENAI PENINSULA BOROUGH, an Alaska Municipal Corporation, (“Borough” or “Lessee”), whose address is 144 N. Binkley St., Soldotna, AK 99669, on behalf of SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA (“SKPHSA”), together with SOUTH PENINSULA HOSPITAL, INC., an Alaska nonprofit corporation, (“Sublessee”).

WHEREAS, CRANBERRY POINT, LLC, Lessor, and KENAI PENINSULA BOROUGH, Lessee, have entered into a Medical Business Office Lease Agreement (“Lease”) for the leased premises at 309 W. Fairview Ave., Homer, Alaska 99603, Assessor’s Parcel No.: 17506403, with legal description as set forth in the Lease, to be used by SOUTH PENINSULA HOSPITAL, INC., as Lessee’s permitted Sublessee, for the operation and conduct of a medical business office for the benefit of the Borough and SKPHSA; and,

WHEREAS, the Lease expires on June 30, 2017, subject to renewal options; and,

WHEREAS, the Sublessee exercised the second and final option to renew on January 11, 2017; and,

WHEREAS, the Sublessee expects to terminate the lease in 2018; and

WHEREAS, the parties desire to amend the Lease to allow for early termination by Lessee as set forth in this Amendment;

NOW, THEREFORE, in consideration of the mutual promises, covenants, conditions, and terms set forth herein and in the Lease, the parties agree to amend the Lease as follows:

- **Add Article 3.5 to read as follows:**

3.5 Termination. At any time Lessee is in good standing, Lessee shall have the right to early termination of this Lease, by providing written notice to Lessor 60-days prior to such termination.

All other aspects, terms and conditions of the original Lease, not amended as set forth above, will remain the same as in the original Lease, and remain in full force and effect. This amendment document shall be controlling to the extent there is a conflict between the terms of the original Agreement and this Amendment.

DATED this _____ day of _____, 2017.

CRANBERRY POINT, LLC,
LESSOR

By: WILLIAM H. BELL, M.D., Member

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2017, by WILLIAM H. BELL, M.D., a Member of CRANBERRY POINT, LLC, an Alaska limited liability company, on behalf of the company.

Notary Public in and for State of Alaska
My Commission Expires: _____

DATED this _____ day of _____, 2017.

KENAI PENINSULA BOROUGH,
LESSEE

By: MIKE NAVARRE, Mayor

ATTEST:

Approved as to Form and
Legal Sufficiency:

Johni Blankenship,
Borough Clerk

Colette G. Thompson,
Borough Attorney

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2017, by MIKE NAVARRE, Mayor of the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, on behalf of the corporation.

Notary Public in and for State of Alaska
My Commission Expires:_____

DATED this _____ day of _____, 2017.

SOUTH PENINSULA HOSPITAL, INC.,
SUBLESSEE

By: ROBERT F. LETSON, Chief Executive Officer

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 2017, by ROBERT F. LETSON, Chief Executive Officer of SOUTH PENINSULA HOSPITAL, INC., an Alaska nonprofit corporation, on behalf of the corporation.

Notary Public in and for State of Alaska
My Commission Expires: _____