


Kenai Peninsula Borough

Mayor's Office

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, KPB Assembly

FROM: Peter A. Micciche, Mayor 

DATE: April 1, 2024

RE: LAYDOWN Resolution 2024-016, Approving an Increase to the Limitation on the Total Cumulative Annual Cost of Real Property Leases in which CPGH, Inc. is the Sole Lessee and Authorizing an Amendment to the Operating Agreement (Mayor)

The Kenai Peninsula Borough (“KPB”) has entered into an Operating Agreement with Central Peninsula General Hospital, Inc. (“CPGH, Inc.”) for operation of Central Peninsula Hospital (“CPH”) and other medical facilities, and to provide other healthcare programs and services, on a nonprofit basis in order to ensure the continued availability to the service area residents. This Resolution will increase the total cumulative annual cost for real property leases in which CPGH, Inc. is the sole lessee under the Operating Agreement, Paragraph (b) with a cap of \$1,000,000.

CPH needs satisfactory space for its medical service providers. CPH will also need to provide space for the recently approved Rural Internal Medicine Residency program. The continued successful recruitment of high-quality medical providers and the Rural Internal Medicine Residency program are further examples of a well-run, forward thinking hospital. Medical providers want to come to CPH and the Rural Internal Medicine Residency program is an exciting partnership with the University of Washington that will serve as a foundation for attracting more young talent to this area.

This Resolution will increase the Operating Agreement’s limit on cumulative annual cost of leases where CPGH, Inc. is the lessee from \$850,000 to \$1,000,000 and authorize a third amendment to the Operating Agreement to reflect the increase.

Your consideration is appreciated.