

Introduced by: Mayor
Date: 08/04/20
Action: Adopted
Vote: 8 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2020-054**

**A RESOLUTION AUTHORIZING THE BOROUGH, ON BEHALF OF THE SOUTH
KENAI PENINSULA HOSPITAL SERVICE AREA, TO ENTER INTO A LONG-TERM
LEASE AGREEMENT FOR A PROFESSIONAL OFFICE BUILDING AT 4251
BARTLETT STREET, HOMER, ALASKA**

- WHEREAS**, South Peninsula Hospital is subleased and operated by South Peninsula Hospital, Inc. (“SPHI”) under the Operating Agreement for South Peninsula Hospital effective January 1, 2020; and
- WHEREAS**, the borough, on behalf of the South Kenai Peninsula Hospital Service Area, holds a lease of the building located at 4251 Bartlett Street; and
- WHEREAS**, said lease will expire on October 31, 2020; and
- WHEREAS**, SPHI desires to continue its use at this location and has requested a new 10-year lease agreement; and
- WHEREAS**, the proposed new lease area contains a 960 square foot building for a 10-year term with two 10-year renewal options and a first right-of-refusal to purchase the land and building; and
- WHEREAS**, this resolution does not authorize the purchase of the leased property, nor does the execution of the lease obligate the borough to purchase the leased property; and
- WHEREAS**, this property is included as a part of the sublease to SPHI, and would continue to be under the new lease; and
- WHEREAS**, pursuant to KPB 17.10.040, assembly approval of the acquisition of interests in land shall be by resolution upon receipt of the planning commission’s recommendation; and
- WHEREAS**, the SPHI Board at its regularly scheduled meeting of May 27, 2020 recommended approval of this resolution; and
- WHEREAS**, the South Kenai Peninsula Hospital Service Area Board at its regularly scheduled meeting of June 11, 2020, recommended approval of this resolution; and

WHEREAS, the Kenai Peninsula Borough Planning Commission at its regularly scheduled meeting of July 13, 2020, recommended approval by unanimous consent;

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

SECTION 1. That the borough is authorized to lease from Mark Halpin and B. Isabel Halpin, the 960 sq. ft. building located at 4251 Bartlett Street, Homer, Alaska 99603, situated within the property described as follows:

Lot 2A, Block 8, Fairview Subdivision, Halpin Addition, according to Plat No. 2009-43, Homer Recording District, Third Judicial District, State of Alaska.

SECTION 2. That the lease term shall be for 10-years with two 10-year renewal options. Initial rent shall be \$1,920 per month (\$23,040 per year) during the first two years of the lease and shall be annually adjusted by two percent in years 3 through 10, and adjusted by 1 percent in years 11 through 30.

SECTION 3. That the lease shall contain a first right-of-refusal to purchase in favor of the borough, subject to separate authorizations, including those required under KPB 17.10 and the appropriation and availability of funds.

SECTION 4. The purpose of this acquisition is to provide clinical services.

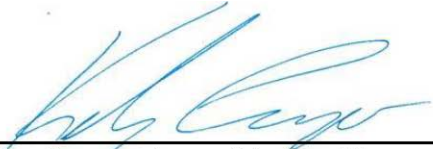
SECTION 5. That pursuant to KPB 17.10.080(C), no land classification is proposed for this rental property.

SECTION 6. That the mayor is authorized to execute a lease agreement as described in this resolution and substantially in the form of the lease agreement presented herewith, and to make any other agreements deemed necessary in accordance with this resolution. If the Operating Agreement terminates during the term of the lease without a new similar agreement in place, then the borough may sublet the property to another entity subject to approval of the owner. Additionally, the lease term shall be subject to the appropriation and availability of funds.

SECTION 7. That expenditures for the lease will be paid by SPHI for the term of the Operating Agreement, including any extension or renewal thereof of any subsequent similar agreement with the borough, or until the lease is terminated, whichever occurs first.

SECTION 8. That this resolution takes effect immediately upon its adoption.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 4TH DAY AUGUST, 2020.

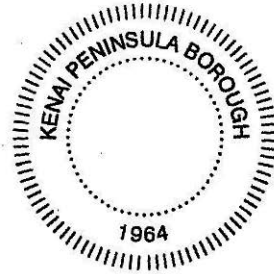


Kelly Cooper, Assembly President

ATTEST:



Johni Blankenship, MMC, Borough Clerk



Yes: Bjorkman, Carpenter, Cox, Dunne, Hibbert, Johnson, Smalley, Cooper
No: None
Absent: Blakeley