

Kenai Peninsula Borough

Planning Department – Land Management Division

MEMORANDUM

TO: Ryan Tunseth, Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Mayor *PM*
Brandi Harbaugh, Finance Director *BH*
Robert Ruffner, Planning Director *RR*
Aaron Hughes, Land Management Officer *AH*

FROM: Jennifer Shields, Land Management Agent *JS*

DATE: May 20, 2026

RE: Ordinance 2026-19- 44, Authorizing the Acquisition of Real Property in Soldotna, Alaska, on Behalf of Central Kenai Peninsula Hospital Service Area, Appropriating Funds from the Central Kenai Peninsula Hospital Service Area Plant Replacement and Expansion Fund, and Authorizing an Amendment to the Operating Agreement with Central Peninsula General Hospital, Inc. (Mayor)

The Kenai Peninsula Borough (KPB) owns and provides for the operation of Central Peninsula Hospital, related medical facilities, and campus (CPH) under an Operating Agreement with Central Peninsula General Hospital, Inc. (CPGH, Inc). Real property located immediately adjacent to the main CPH campus and under common, private ownership has now become available for purchase. Specifically, the property consists of two platted lots: one vacant lot (0.87 acres) and one developed lot (0.99 acres) with a 5,980 square foot commercial building. The strategic acquisition of the subject lots will help to secure additional flexibility and longevity for the CPH campus.

The total negotiated purchase amount for both lots is \$1,980,000.00, based upon appraisal values submitted by the seller of \$230,000.00 for the vacant lot and \$1,750,000.00 for the developed lot. An additional \$50,000.00 is being proposed to cover due diligence costs and closing fees related to the acquisition. The subject properties are located within the City of Soldotna’s Limited Commercial (LC) Zoning District. Medical and public service offices are principally permitted uses in the City’s LC Zoning District. The ordinance also provides for the classification of the subject parcel as “Government”.

The ordinance authorizes the purchase of the subject parcel and appropriates \$2,030,000.00 from the Central Kenai Peninsula Hospital Service Area Plant Replacement and Expansion Fund to cover costs associated with the purchase.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No. <u>490.20602</u>	Amount: <u>\$2,030,000</u>
By: <u><i>CS</i></u>	Date: <u>5/20/2026</u>

Your consideration is appreciated.