



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Dale Bagley, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Mayor *MN*
Craig C. Chapman, Finance Director *C Chapman*
Max Best, Planning Director *MB*
Marcus A. Mueller, Land Management Officer *MA*

FROM: Dan Conetta, Land Management Agent *D.C.*

CC: Scott Walden, Chair, Central Kenai Peninsula Hospital Service Area Board

DATE: June 25, 2015

SUBJECT: Ordinance 2015-19- 04, An Ordinance Authorizing the Acquisition of Real Property Located at 254 N. Binkley Street, Soldotna Alaska on Behalf of Central Peninsula Hospital, Appropriating \$ _____ from the CPGH, Inc. Plant Replacement and Expansion Fund for the Purchase, and Authorizing an Amendment to the CPGH, Inc. Lease and Operating Agreement

The Kenai Peninsula Borough provides for health and medical services through the Central Kenai Peninsula Hospital Service Area by the ownership of health care facilities and operation of health care services through a lease and operating agreement with the nonprofit Central Peninsula General Hospital, Inc. (CPGHI).

CPGHI has recommended the purchase of a medical office property located at 254 N. Binkley, to be financed by the hospital plant expansion and replacement fund. CPGHI at the same time intends to acquire the existing obstetrics and gynecology practice associated with the property to provide for the continuation of those services under CPGHI operations.

The acquisition is proposed at fair market value pending an independent appraisal of the real property. The attached ordinance would authorize this acquisition of 254 N. Binkley, appropriate funds from the hospital plant expansion and replacement fund, and authorize the Eighth Amendment to the Lease and Operating Agreement to add this property to the hospital lease portfolio. Final hearing of this ordinance would be after the independent appraisal has been completed and the purchase price determined.

Your consideration of this ordinance is appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>490.20602</u>
Amount	<u>\$ 850,000.⁰⁰</u>
By: <u>PP</u>	Date: _____