

Introduced by:	Mayor
Date:	01/21/25
Action:	Adopted
Vote:	7 Yes, 0 No, 1 Absent

**KENAI PENINSULA BOROUGH
RESOLUTION 2025-006**

**A RESOLUTION AUTHORIZING THE BOROUGH TO ENTER INTO A
NEW TWO-YEAR LEASE AGREEMENT WITH A MONTH-TO-MONTH
RENEWAL OPTION WITH TKC, LLC FOR THE CONTINUED
OCCUPANCY OF COMMERCIAL OFFICE SPACE FOR THE KENAI
PENINSULA BOROUGH RISK MANAGEMENT DEPARTMENT**

WHEREAS, the Kenai Peninsula Borough (KPB) Risk Management Office (Risk) was displaced from its portable structure location on KPB's Administration Campus in 2023 due to winter damage resulting in the portable structure being deemed unsafe for continued use; and

WHEREAS, Resolution 2023-028 authorized a commercial office space lease with TKC, LLC (Lessor) located at 170 North Birch Street, Suite 103 in Soldotna, containing approximately 1,190 square feet, at a monthly rate of \$2,300 (or annual rate of \$27,600); and

WHEREAS, the current lease will expire on March 30, 2025; and

WHEREAS, no existing KPB-owned or managed office spaces have been identified as being suitable to meet the needs of Risk; and

WHEREAS, an internal review of current, available market options revealed limited commercial office spaces in the Soldotna area that meet Risk's requirements; and

WHEREAS, Lessor has agreed to a new two-year lease agreement at a monthly rate of \$2,369 (\$28,428/annually), to cover the rising cost of utilities, snow removal, insurance, and other related expenses paid by Lessor, with the initial term of the new lease commencing on March 31, 2025, and terminating March 31, 2027; and

WHEREAS, the current leased location has been confirmed by Risk to meet all existing operational needs; and

WHEREAS, no relocation or tenant improvement costs will be incurred by KPB with the continued occupancy of the existing Risk office space; and

WHEREAS, pursuant to KPB 17.10.040, Assembly approval of the acquisition of interests in lands must be by resolution upon receipt of a Planning Commission recommendation; and

WHEREAS, the Planning Commission conducted a public hearing during its regularly-scheduled meeting on January 13, 2025, and recommended approval by unanimous consent;

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

SECTION 1. That the Mayor, or designee, is authorized to enter into a a new lease, from Lessor, of real property located in the Kenai Recording District, Third Judicial District, State of Alaska, more particularly described as follows:

Suite 130, containing approximately 1,190 square feet of office space located at 170 N. Birch Street, Soldotna, AK, 99669, being situated on Lot 12A, Block 6, Soldotna Junction Subdivision Indcom Replat, Seward Meridian, Kenai Recording District, State of Alaska.

SECTION 2. That the purpose of the Lease is for office space necessary for continued daily operations of the KPB Risk Management Department.

SECTION 3. That the monthly rent will be \$2,369.00 for the initial two-year term of the lease. The lease will automatically renew on a month-to-month basis for a period up to one year, subject to a 4% rent increase in the third year, unless either party gives written notice of termination. The terms and conditions of the lease will be substantially similar to those of the accompanying draft lease agreement and the terms and conditions of this resolution.

SECTION 4. That no land classification is proposed for this leased property.

SECTION 5. That expenditures for the lease will be charged to account number 700-11234-00000-43810.

SECTION 6. That the Mayor, or designee, is authorized to execute all documents for a lease agreement substantially similar to the draft lease agreement accompanying this resolution and to make all agreements deemed necessary in accordance with this resolution.

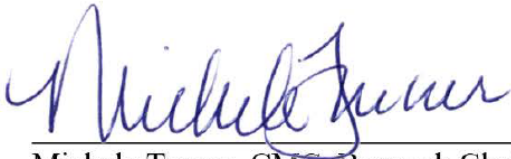
SECTION 7. That this resolution is effective immediately.

ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF JANUARY, 2025.

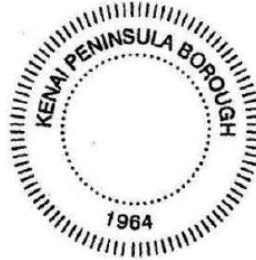


Peter Ribbens, Assembly President

ATTEST:



Michele Turner, CMC, Borough Clerk



Yes: Cooper, Cox, Dunne, Ecklund, Johnson, Tunseth, Ribbens

No: None

Absent: Baisden