

Introduced by: Mayor
Date: 05/05/26
Hearing: 05/19/26
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2026-22**

**AN ORDINANCE AUTHORIZING A COMMUNICATIONS SITE LEASE
AGREEMENT WITH VERTICAL BRIDGE S3 ASSETS, LLC, IN KENAI**

- WHEREAS,** in 1980, the Kenai Peninsula Borough (KPB) entered into a Lease Agreement with Chevron USA for the location of a communication tower in support of oil and gas production; and
- WHEREAS,** in 1999, the lease agreement was assigned to GCI Cable Inc., assigned again in 2016 to Alaska Wireless network, and more recently assigned to Vertical Bridge S3 Assets, LLC (Vertical Bridge); and
- WHEREAS,** the original lease agreement expired on November 1, 2024; and
- WHEREAS,** Vertical Bridge has agreed to a five-year lease agreement with renewal options at an initial monthly rent of \$4,000 (\$48,000/annually); and
- WHEREAS,** leasing of this property furthers the following objectives of the 2019 KPB Comprehensive Plan, Goal 2, Land Use Objective F: To actively manage Borough-owned lands to meet short and long-term regional goals; and
- WHEREAS,** KPB Planning Commission, at its regularly scheduled meeting on _____, 2026, recommended _____.

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

SECTION 1. That this is a non -code ordinance.

SECTION 2. That pursuant to KPB 17.10.100(I), the Assembly finds that entering into a Communication Tower Site Lease Agreement with Vertical Bridge on that Leased Premises more particularly described as follows is in the best interests of KPB:

Tract B, Alaska State Land Survey 79-57 Amended, situated within the NE¼ of Section 36, Township 6 North, Range 12 West, Seward Meridian, Kenai Recording District, Third Judicial District, State of Alaska.

Parcel Number: 043-010-26

Site Name: Vertical Bridge Wildwood

This finding is based upon the following facts:

1. The property will be used for the continued use of an existing communication tower site for the benefit of Vertical Bridge.
2. KPB will receive revenues and the benefit of reserved tower space for emergency and other KPB related uses.

SECTION 3. That the Mayor is hereby authorized to negotiate and enter into a lease upon a portion of the property identified in Section 2, subject to all lease conditions required by this ordinance and the applicable provisions of KPB 17.10.

SECTION 4. That the monthly rent will be Four Thousand Dollars (\$4,000.00) for exclusive use of the Leased Premises for a five-year term with four consecutive 5 year renewal options. On each anniversary of the effective date, rent will adjust annually by three percent (3%) over the prior year's rent amount.

SECTION 5. In addition to and separate from the Rent, and excepting one Anchor Tenant, the Lessee must pay to KPB thirty-three percent (33%) of all rents collected by Lessee from any applicable Sublessees.

SECTION 6. Pursuant to KPB 17.10.230, the Assembly authorizes an exception to the requirements of 17.10.110, "Notice of Disposition", based upon the following facts:

1. Special circumstances or conditions exist.
 - a. The proposed lease is solely with Vertical Bridge for the purpose of operating, and maintaining an existing communication tower site.
 - b. The notice requirement is intended to make the public aware of an opportunity to purchase KPB property, which is unnecessary since the intent of the disposal is to lease the property solely to Vertical Bridge.
2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.
 - a. The notice requirement is intended to make the public aware of an opportunity to purchase KPB property, which is not applicable to the lease of property solely to Vertical Bridge.
3. That the granting of this exception will not be detrimental to the public welfare or injurious to other property in the area.

- a. The existing communication tower site is compatible with the surrounding land uses.

SECTION 7. That Vertical Bridge will have ninety (90) days from the date of enactment of this ordinance to execute the lease agreement.

SECTION 8. That the Mayor is authorized to execute a lease agreement substantially in the form of the one accompanying this ordinance, and any documents necessary to effectuate this ordinance.

SECTION 9. That rent revenue from the lease shall be submitted to the KPB Finance Department and deposited into Land Management Account No. 250.00000.00000.36316.

SECTION 10. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances will not be affected.

SECTION 11. This ordinance shall become effective immediately.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2026.

Ryan Tunseth, Assembly President

ATTEST:

Michele Turner, MMC, Borough Clerk

Yes:

No:

Absent: