

Kenai Peninsula Borough  
Planning Department

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**MEMORANDUM**

**TO:** Wayne Ogle, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Charlie Pierce, Borough Mayor *CP*

**FROM:** Marcus Mueller, Land Management Officer *MM*

**DATE:** May 15, 2019

**RE:** Ordinance 2019-10; An Ordinance Authorizing the Negotiated Lease of Office Space at the Nikiski Community Recreation Center with Tesoro Alaska Company, LLC.

The Kenai Peninsula Borough Planning Commission reviewed the subject Ordinance during their regularly scheduled May 13, 2019 meeting.

A motion passed by unanimous consent to recommend approval of Ordinance 2019-10, an ordinance authorizing the negotiated lease of office space at the Nikiski Community Recreation Center with Tesoro Alaska Company, LLC.

In the Ordinance, please make the following amendment to the last WHEREAS statement:

*WHEREAS, the Kenai Peninsula Borough Planning Commission at its regularly scheduled meeting of May 13, 2019 recommended approval by unanimous consent.*

Attached are the unapproved minutes of the subject portion of the meeting.

AGENDA ITEM F. PUBLIC HEARINGS

2. Ordinance 2019-10; Authorizing the Negotiated Lease of Office Space at the Nikiski Community Recreation Center with Tesoro Alaska Company LLC

Staff Report given by Marcus Mueller

PC Meeting: 5/13/19

This Ordinance will authorize the negotiated lease of office space at the Nikiski Community Recreation Center to Tesoro Alaska Company. This is a vacant former classroom. Tesoro is working on a plant expansion at the LNG and is looking for temporary office space. This would be a six month lease with month to month extensions allowed with an anticipated span of the lease being six to 12 months. The rental rate is a competitive rate of \$2,276.40 a month for a 840 square foot room. The revenues will go to NPRSA. This lease proposal follows suit with two previously issued leases in this space. One was when the Transportation Worker Identification Criteria Program was put into place and the other was when Exxon Mobile was working on the AKLNG project.

END OF STAFF REPORT

Vice Chairman Ruffner opened public comment. Seeing and hearing no one wishing to comment, Vice Chairman Ruffner closed public comment and discussion was opened among the Commission.

**MOTION:** Commissioner Whitney moved, seconded by Commissioner Ernst to recommend approval of Ordinance 2019-10 to the Borough Assembly for the negotiated lease of office space at the Nikiski Community Recreation Center with Tesoro Alaska Company.

Commissioner Ernst questioned the lease being with Tesoro Alaska Company. Tesoro had changed to Andeavor which was purchased by Marathon. Mr. Mueller stated that the names have changed but they have been working with Tesoro. Vice Chair Ruffner mentioned that this is a recommendation and the Assembly can verify the correct company name.

**MOTION PASSED:** Seeing and hearing no discussion or objection the motion passed by unanimous consent.