

Introduced by:	Mayor
Date:	08/04/26
Hearing:	08/18/26
Action:	
Vote:	

**KENAI PENINSULA BOROUGH
ORDINANCE 2026-19-03**

**AN ORDINANCE APPROVING A CAPITAL IMPROVEMENT PROJECT
AND APPROPRIATING FUNDS FROM THE CENTRAL KENAI
PENINSULA HOSPITAL SERVICE AREA PLANT REPLACEMENT AND
EXPANSION FUND FOR DEVELOPMENT OF CENTRAL PENINSULA
HOSPITAL'S DERMATOLOGY CLINIC**

- WHEREAS,** the Kenai Peninsula Borough (KPB), on behalf of the Central Kenai Peninsula Hospital Service Area, owns the Central Peninsula Hospital related medical facilities, and campus (CPH) medical facilities, which are managed and operated on a nonprofit basis pursuant to an Operating Agreement with Central Peninsula General Hospital, Inc. (CPGH, Inc.); and
- WHEREAS,** Resolution 2026-043 approved the new dermatology services at CPH; and
- WHEREAS,** space located at 254 N. Binkley, within 250 yards of the hospital campus and owned by KPB has been identified the most suitable location for the dermatology practice; and
- WHEREAS,** the dermatology clinic development will be completed in two phases, with Phase 1 (clinic renovation) budgeted at \$747,403 and Phase 2 (facility expansion) budgeted at \$2,110,822 for a combined estimated project cost of \$2,858,225; and
- WHEREAS,** Phase 2 of the project will include three MOHS surgery procedure rooms, a pathology lab, and remodeling of existing space to provide specialized surgery services on the Kenai Peninsula; and
- WHEREAS,** in accordance with the Operating Agreement, Assembly pre-approval is required for capital improvement projects expected to cost in excess of \$1,000,000; and
- WHEREAS,** in order to meet the clinic's opening timeline, CPH has commenced funding Phase 1 renovation costs using hospital operating dollars and consistent with CPH's existing authority under Section 3 and Section 13(b)(i) of the Operating Agreement; and

WHEREAS, the CPGH, Inc. Board of Directors, at its regularly scheduled meeting held on June 25, 2026, adopted Board Resolution 2026-31 approving the Phase 1 and Phase 2 project plans for the 254 N. Binkley building; and

WHEREAS, the Plant Replacement and Expansion Fund (PREF) is a designated source of funding for major repairs and replacement of, and improvements, fixtures, and equipment for, Medical Facilities, and requires Assembly approval and appropriation prior to any obligation, expenditure, or transfer of PREF funds;

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 the Assembly approves the Capital Improvement Project consisting of Phase 1 and Phase 2 development of the dermatology clinic located at 254 N. Binkley Street, Soldotna, Alaska, with a combined estimated cost of \$2,858,225, pursuant to Section 13(b)(i) of the Operating Agreement.

SECTION 3. That \$2,110,822 is appropriated from the Central Kenai Peninsula Hospital Service Area Plant Replacement and Expansion Fund to Account No. 490.81110.27DER.49999 for Phase 2 of the dermatology clinic project.

SECTION 4. That appropriations made in this ordinance are project length in nature and as such do not lapse at the end of any particular fiscal year.

SECTION 5. That 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 6. That this ordinance shall be 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: