

Introduced by: Mayor
Date: 01/19/21
Hearing: 02/16/21
Action: Enacted as Amended
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2020-19-17**

**AN ORDINANCE AUTHORIZING THE ACQUISITION OF REAL PROPERTY
LOCATED AT 4135 HOHE STREET, HOMER ALASKA ON BEHALF OF SOUTH
PENINSULA HOSPITAL, APPROPRIATING \$315,000 FROM THE SOUTH
PENINSULA HOSPITAL PLANT REPLACEMENT AND EXPANSION FUND FOR
THE PURCHASE, AND AUTHORIZING AN AMENDMENT TO THE SPH, INC.
OPERATING AGREEMENT**

WHEREAS, the Kenai Peninsula Borough (borough) owns and provides for the operation of South Peninsula Hospital ("SPH") through the South Kenai Peninsula Hospital Service Area, ("Service Area"); and

WHEREAS, the borough has entered into an Operating Agreement with South Peninsula Hospital, Inc. ("SPHI") for the lease and operation of SPH and other medical facilities, to operate these medical facilities on a nonprofit basis in order to ensure the continued availability of the medical services to the service area residents and visitors; and

WHEREAS, SPHI was approached by Erik Pullman, the owner of a residential property at 4135 Hohe Street, with an offer to sell the property at fair market value; and

WHEREAS, an independent fair market value appraisal was completed by 49th State Appraisers, LLC, on October 24, 2020 and found the property to be valued at \$300,000; and

WHEREAS, SPH is constrained by space for parking and expansion of services; and

WHEREAS, the subject property adjoins the SPH campus and is appropriately situated for SPH campus purposes; and

WHEREAS, upon purchase it would be appropriate to amend the Operating Agreement with SPHI to include this property; and

WHEREAS, the SPHI Board of Directors at its meeting of December 2, 2020 adopted Board Resolution 2020-21 approving the property purchase at 4135 Hohe Street; and

WHEREAS, the South Peninsula Hospital Service Area Board, at its meeting of January 14, 2021 recommended approval by the passage of SPHSA Resolution 2021-01; and

WHEREAS, the Kenai Peninsula Borough Planning Commission, at its regular meeting of January 25, 2021, recommended approval by unanimous consent;

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

SECTION 1. That the Assembly finds that purchasing the following described real property pursuant to KPB 17.10.040 is in the best interest of the borough as it furthers the purposes of the South Peninsula Hospital Service Area to provide health care services:

Lot 1 Block 5 Fairview Subdivision, as shown on Plat No. 56-2936, Homer Recording District, Third Judicial District, State of Alaska (Assessor Parcel No. 175-062-05)

SECTION 2. That the terms and conditions substantially in the form of the Purchase Agreement accompanying this ordinance are hereby approved. The purchase price shall be \$300,000 plus closing costs, prorated taxes and property investigation costs estimated not to exceed \$15,000.

SECTION 3. That this acquisition is for the purpose of SPH campus expansion area.

SECTION 4. That the above-described land is zoned “Residential Office” pursuant to City of Homer zoning code and therefore is not proposed to be further classified under KPB 17.10.080.

SECTION 5. That the mayor is authorized to execute any and all documents necessary to purchase the real property described in Section 1 in accordance with the terms and conditions contained in this ordinance and the accompanying Purchase Agreement, consistent with applicable provisions of KPB Chapter 17.10.

SECTION 6. That \$315,000 is appropriated from the SPH Plant Replacement and Expansion Fund account 491.20602 to Account No. 491.81210.21LND.48610 for the real property purchase price and estimated closing costs.

SECTION 7. That the mayor is authorized to execute an amendment to the South Peninsula Hospital Operating Agreement substantially in the form of the First Amendment to the Operating Agreement attached hereto and incorporated herein by reference. This document amends Exhibit A of the Operating Agreement to include the property described in Section 1 of this ordinance.

SECTION 8. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 16TH DAY OF FEBRUARY, 2021.

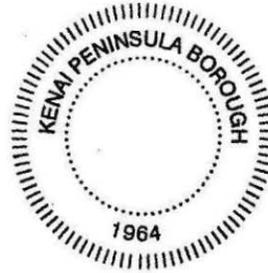


Brent Hibbert, Assembly President

ATTEST:



Jonni Blankenship, MMC, Borough Clerk



Yes: Bjorkman, Carpenter, Chesley, Cox, Derkevorkian, Dunne, Elam, Johnson, Hibbert
No: None
Absent: None

FIRST AMENDMENT TO THE OPERATING AGREEMENT FOR SOUTH PENINSULA HOSPITAL

This agreement is by and between South Peninsula Hospital, Inc., an Alaska nonprofit corporation, of 4300 Bartlett, Homer, Alaska 99603, hereinafter referred to as “SPHI” and the Kenai Peninsula Borough (“KPB”), an Alaska municipal corporation of 144 N. Binkley, Soldotna, Alaska 99669, hereinafter referred to as “Borough,” collectively referred to as the parties.

WHEREAS, effective January 1, 2020, the parties entered into an Operating Agreement for South Peninsula Hospital (operating agreement); and

WHEREAS, Exhibit A of the operating agreement describes the property leased to SPHI; and

WHEREAS, in Ordinance 2020-19- 17 the Kenai Peninsula Borough assembly authorized the purchase of property at 4135 Hohe Street, Homer, Alaska, for hospital purposes and authorized the mayor to amend the operating agreement to include this additional property; and

WHEREAS, it would be appropriate to list the above-referenced acquired property in the operating agreement to clarify that they are also leased to and will be operated by SPHI; and

NOW THEREFORE, in consideration of the mutual covenants contained herein the parties agree as follows:

1. That Exhibit A of the operating agreement is hereby amended to read as follows:

EXHIBIT A

DESCRIPTION OF MEDICAL FACILITIES

The Borough leases the following described property to SPHI (hereinafter the “Medical Facilities”) for the term of this Agreement and any extension thereof:

- a. The South Peninsula Hospital and its grounds, located at 4300 Bartlett Street, Homer, Alaska, owned by the City of Homer, more particularly described as:

Tract A-2, South Peninsula Hospital Subdivision 2008 Addition, filed under Plat No. 2008-92, Homer Recording District, Third Judicial District, State of Alaska.

b. The hospital parking lot property and buildings owned by the Borough, more particularly described as:

Lots 3, 4, 5 and 6, Block 7; Lot 4, Block 8, Lot 6, Block 9, Fairview Subdivision Plat No. HM 56-2936 Volume 8, Page 196, Homer Recording District, Third Judicial District, State of Alaska.

c. The following leased property located at 4251 Bartlett Street, Homer, Alaska, owned by Mark Halpin and B. Isabel Halpin subject to the terms and conditions of the lease, more particularly described as:

L2-A Block 8 Fairview Subdivision Halpin Addition, according to Plat No. 2009-43, Homer Recording District, Third Judicial District, State of Alaska,

d. 4,904 sq. ft. of office space located at 4136 Bartlett Street, Homer, Alaska 99603 subject to the terms and conditions of the lease, more particularly described as:

Lot 2-A, Block 5, Fairview Subdivision No. 11, as shown on Plat No. 85-28, Homer Recording District, Third Judicial District, State of Alaska.

e. Approximately 1,500 square feet of the office space owned by Westwing LLC located at 4117 Bartlett Street, Homer, Alaska 99603 subject to the terms and conditions of the lease, more particularly described as:

Lot 4, Block 10, Fairview Subdivision, as shown on Plat No. 56-2936, Homer Recording District, Third Judicial District, State of Alaska.

f. 3,780 square feet of office space and 3,225 square feet of basement office space both within the Kachemak Bay Professional Building, 4201 Bartlett Street, Homer, Alaska 99603 subject to the terms and conditions of the lease more particularly described as:

Lot 1-A Block 9, Fairview Subdivision 2003 Addition, as shown on Plat No. 2004-101, Homer Recording District, Third Judicial District, State of Alaska.

g. The following leased property owned by Jonas Ridge, LLC located at 203 Pioneer Avenue, Suite 1, Homer, Alaska 99603, subject to the terms and conditions of the lease, more particularly described as:

Tract A, Chamberlain & Watson Sub Plat of Tract A, Section 19, T6S, R13W, S.M., Plat 075063, Homer Recording District, Third Judicial District, State of Alaska.

h. Office space owned by the Kenai Peninsula Borough located at 348 Cityview Avenue, Homer, Alaska 99603, more particularly described as:

Lot 4, Block 8, Fairview Sub., Section 18, T6N, R13W, Seward Meridian, Plat 1956-2936, Homer Recording District, Third Judicial District, State of Alaska.

i. Office space owned by the Kenai Peninsula Borough located at 347 Cityview Avenue, Homer, Alaska 99603, more particularly described as:

Lot 6, Block 9, Fairview Sub., Section 18, T6N, R13W, Seward Meridian, Plat 1956-2936, Homer Recording District, Third Judicial District, State of Alaska.

j. Lot 1 Block 5 Fairview Subdivision, as shown on Plat No. 56-2936, Homer Recording District, Third Judicial District, State of Alaska

k[j]. Such other Borough-owned or leased facilities, if any, as are authorized by the Borough pursuant to this Agreement for SPHI to sublease and operate pursuant to this Agreement.

KENAI PENINSULA BOROUGH

SOUTH PENINSULA HOSPITAL, INC.

Charlie Pierce
Borough Mayor

David Groesbeck
SPHI Board President

Dated: _____

Dated: _____

ATTEST:

ATTEST:

Borough Clerk

Board Secretary

APPROVED AS TO FORM:

Colette Thompson, Borough Attorney

ACKNOWLEDGMENTS

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me this ___ day of _____, 2021 by Charlie Pierce, Mayor of Kenai Peninsula Borough, an Alaska municipal corporation, on behalf of the corporation.

Notary Public in and for Alaska
My Commission Expires: _____

STATE OF ALASKA)
)
THIRD JUDICIAL DISTRICT) ss.

The foregoing instrument was acknowledged before me this ___ day of _____, 2021 by David Groesbeck, President, South Peninsula Hospital, Inc., an Alaska nonprofit corporation, on behalf of the corporation.

Notary Public in and for Alaska
My Commission Expires: _____