

E. NEW BUSINESS

- 5. Ordinance 2025-19-06: Authorizing the acquisition and appropriating funds for the purchase of four properties located in Homer, Alaska on behalf of South Kenai Peninsula Hospital Service Area
Responsible Staff Person: Land Management Officer
Aaron Hughes**

Kenai Peninsula Borough

Planning Department – Land Management Division

MEMORANDUM

TO: Peter Ribbens, Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Mayor *PM*
Brandi Harbaugh, Finance Director *BH*
Robert Ruffner, Planning Director *RR*

FROM: Aaron Hughes, Land Management Officer *AH*

DATE: July 24, 2025

RE: Ordinance 2025-19-XX, Authorizing the Acquisition, and Appropriating Funds for the Purchase, of Four Properties Located within the City of Homer on Behalf of the South Kenai Peninsula Hospital Service Area (Mayor)

South Peninsula Hospital Inc. (SPHI) has requested the KPB proactively secure properties necessary to meet current and future hospital expansion needs.

Land Management has negotiated the purchase of the following properties:

Walls et al. Property – Purchase price: \$500,000; physical address: 324 West Fairview Avenue
The Walls et al. property consists of a .19-acre lot and 1,028-square-foot existing residential structure, to be demolished after closing. The Walls et al. Property lies within the Homer Medical District.

Westwing, LLC Property – Purchase price: \$550,000; physical address: 4117 Bartlett Street
The Westwing, LLC Property consists of a .19-acre lot and 1,612-square-foot office building currently under lease by SPHI for \$3,000 per month. SPHI intends to immediately occupy the building after closing. The Westwing, LLC Property lies within the Homer Medical District.

Lazy Bulldogs, LLC Property – Purchase price: \$825,000; physical address: 3714 Greatland Street
The Lazy Bulldogs, LLC Property consists of a .34-acre lot and a 1,650-square-foot office building. SPHI intends to immediately occupy the building after closing. The Lazy Bulldogs, LLC Property lies within the Homer Central Business District.

Pacific Premier Trust Property – Purchase price: \$171,500; physical address: 4323 Main St.
The Pacific Premier Trust Property consists of a 4.82-acre vacant parcel. The Pacific Premier Trust Property lies within the Homer Rural Residential District.

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Re: 2025-19-__


The ordinance authorizes the acquisition of the subject properties, appropriates \$2,046,500 for the acquisitions, and an additional \$55,000 for related due diligence, administrative, and closing fees from the SPH Plant Replacement and Expansion Fund fund balance.

Your consideration is appreciated.

**FINANCE DEPARTMENT
ACCOUNT / FUNDS VERIFIED**

Acct. No. 491.20602

Amount: \$2,101,500

By: 

Date: 7/24/2025

Introduced by:	Mayor
Date:	08/05/25
Hearing:	08/19/25
Action:	
Vote:	

**KENAI PENINSULA BOROUGH
ORDINANCE 2025-19-**

**AN ORDINANCE AUTHORIZING THE ACQUISITION, AND
APPROPRIATING FUNDS FOR THE PURCHASE, OF FOUR
PROPERTIES LOCATED IN HOMER, ALASKA ON BEHALF OF THE
SOUTH PENINSULA HOSPITAL SERVICE AREA**

WHEREAS, the Kenai Peninsula Borough (KPB) has entered into an Operating Agreement with South Peninsula Hospital, Inc. (SPHI) for operation and management of South Peninsula Hospital and other medical facilities (SPH), and to provide other healthcare programs and services, on a nonprofit basis in order to ensure the continued availability to the South Kenai Peninsula Hospital Service Area (Service Area); and

WHEREAS, Land Management and SPHI have been coordinating to locate appropriate real property to address the immediate and long-term needs of SPHI and have identified the real property described in Sections 2, 4, 6, and 8 as suitable for SPHI expansion; and

WHEREAS, at its regular meeting of _____, the SPHI Board of Directors recommended _____; and

WHEREAS, at its regular meeting of _____, the South Kenai Peninsula Hospital Service Area Board recommended _____; and

WHEREAS, its regular meeting of _____, the KPB Planning Commission 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 the Assembly approves the purchase of the following-described real property, (referred to herein a the “Walls et al. property”):

LOT 5, BLOCK 10, FAIRVIEW SUBDIVISION, ACCORDING TO PLAT 56-2936, IN THE HOMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA.
(PARCEL NO. 17506105)

SECTION 3. That \$515,000 is appropriated from the SPH Replacement and Expansion Fund Account No. 491.20602 to Account No. 491.81210.26SHD.49999 for the purchase and estimated closing costs for the Walls et al. Property.

SECTION 4. That the Assembly approves the purchase of the following-described real property (referred to herein a the “Lazy Bulldogs, LLC Property”):

LOT 4A, CHAMBERLAIN & WATSON SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF, FILED UNDER PLAT NUMBER 50-24, RECORDS OF THE HOMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA AND SHOWN ON THAT CERTAIN RECORD OF SURVEY NO. 98-55.
(PARCEL NO. 17514409)

SECTION 5. That \$840,000 is appropriated from the SPH Plant Replacement and Expansion Fund Account No. 491.20602 to Account No. 491.81210.26SHD.49999 for the purchase and estimated closing costs for the Lazy Bulldogs, LLC Property.

SECTION 6. That the Assembly approves the purchase of the following-described real property (referred to herein a the “Pacific Premier Trust Property”):

LOT TWO (2), TSUNAMI VIEW SUBDIVISION, ACCORDING TO THE OFFICAL PLAT THEREOF, FILED UNDER PLAT NUMBER 2007-86, RECORDS OF THE HOMER REORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA.
(PARCEL NO. 17504022)

SECTION 7. That \$181,500 is appropriated from the SPH Plant Replacement and Expansion Fund Account No. 491.20602 to Account No. 491.81210.26SHD.49999 for the purchase and estimated closing costs for the Pacific Premier Trust Property.

SECTION 8. That the Assembly approves the purchase of the following-described real property (referred to herein a the “(Westwing, LLC Property):

LOT 4, BLOCK 10, FAIRVIEW SUBDIVISION, ACCORDING TO PLAT 56-2936, IN THE HOMER RECORDING DISTRICT, THIRD JUDICIAL DISTRICT, STATE OF ALASKA.
(PARCEL NO. 17506104)

SECTION 9. That \$565,000 is appropriated from the SPH Plant Replacement and Expansion Fund Account No. 491.20602 to Account No. 491.81210.26SHD.49999 for the purchase and estimated closing costs for the Westwing, LLC Property.

SECTION 10. That the Walls et al. and Westwing, LLC Properties are zoned “Medical”, the Lazy Bulldog, LLC Property is zoned “Central Business District”, and the Pacific Premier Trust Property is zoned “Rural Residential” pursuant to City of Homer zoning code. Further classification under KPB 17.10.080 of the subject properties is unnecessary due to the fact that classification is not zoning and the City’s zoning controls the applicable land uses.

SECTION 11. That the terms and conditions substantially in the form of the Purchase Agreements accompanying this ordinance are hereby approved, and the Mayor is authorized to execute any and all documents necessary to purchase the real property described above and approved for purchase by this ordinance.

SECTION 12. That fit-for-purposes testing, assessment, and analysis must be completed on the real property described above and approved for purchase by this ordinance prior to relinquishment to SPHI.

SECTION 13. That upon closing on the property described above and approved for purchase by this ordinance, the Mayor is authorized to amend the South Peninsula Hospital Operating Agreement with SPHI to incorporate the property into Exhibit A of the operating agreement to include the property described above and approved for purchase by this ordinance.

SECTION 14. 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 15. That if any provision of this ordinance or its application is determined to be invalid, the remaining provisions shall continue in full force and effect.

SECTION 16. That this ordinance shall be effective immediately.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS ____ DAY OF _____, 2025.

Peter Ribbens, Assembly President

ATTEST:

Michele Turner, CMC, Borough Clerk



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