



KENAI PENINSULA BOROUGH

PLANNING DEPARTMENT

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**MIKE NAVARRE
BOROUGH MAYOR**

MEMORANDUM

TO: Kelly Cooper, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Borough Mayor *MN*

FROM: Max Best, Planning Director *MB*

DATE: April 25, 2017

SUBJECT: Ordinance 2017-07; An ordinance authorizing the conveyance of real property known as the Old Hope School to Hope, Inc., at less than fair market value.

The Kenai Peninsula Borough Planning Commission reviewed the subject Ordinance during their regularly scheduled April 24, 2017 meeting.

A motion passed by unanimous consent to recommend approval of Ordinance 2017-07, an ordinance authorizing the conveyance of real property known as the Old Hope School to Hope, Inc., at less than fair market value

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

WHEREAS, the Kenai Peninsula Borough Planning Commission at its regular meeting of April 24, 2017, recommended approval by unanimous consent.

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

AGENDA ITEM F. PUBLIC HEARINGS

1. Ordinance 2017-07; An ordinance authorizing the conveyance of real property known as the Old Hope School to Hope, Inc., at less than fair market value.

Memorandum & Staff Report given by Marcus Mueller

PC Meeting: 4/24/17

The Old Hope School is a historic property that currently hosts the Hope Community Library. The community, through its network of volunteers, has raised funds and accomplished nearly \$100,000 of restorative maintenance and improvements to the property as a central community asset since 1988. Hope, Inc., the local civic organization which serves the Hope Community, has applied for the negotiated sale of the property. The property is surplus to borough operational needs. Hope, Inc. owns and manages other community properties of similar character.

The current school was built in 1987 and ever since that time, the Old Hope School has been used by the community as a community library. Hope / Sunrise Library Association is the operator of it, with a lot of assistance from the Hope / Sunrise Historical Society. Hope, Inc. is similar in nature to the Cooper Landing Community Club or the Moose Pass Sportsman's Cub in terms of this type of civic organization that it is.

Hope, Inc. also owns and operates the Hope Social Hall, the Hope Cemetery and the new bathrooms that are in Hope. This was kind of in their wheel house in terms of the types of functions they provide to the community. The Borough, since the new school was built has had a hands off approach mainly because the community has taken an active role with this facility.

This ordinance would authorize the conveyance of that property to Hope, Inc. for one dollar. The provision on the deed would be that the property be used as a community building open to the general public. It comes with a deed restriction that the property be used for historic preservation and community building purposes.

Consideration of this ordinance is appreciated.

END OF MEMORANDUM & STAFF REPORT

Chairman Martin opened the meeting for public comment.

1. Jim Skogstad, PO Box 8, Hope
Mr. Skogstad is the President of Hope, Inc. board. They have managed this building and property since 1988. Approximately \$200,000 was put into upgrading and renovating the structure and the property. He stated that most of the money raised has been grant money through the Library Associations or the State. Also, they have sent out mailers asking for donations.

Mr. Skogstad stated they have managed this building for almost 30 years and have been very good stewards of it. He stated that it would make things a little more efficient for them if they had the title to the property.

Mr. Skogstad also stated that they support the deed restriction of retaining the building for public purposes and they would not be able to sell it. If something changed with Hope, Inc., then the building would revert back to the Borough. He was available to answer questions.

Chairman Martin asked if there were questions for Mr. Skogstad. Hearing none the public hearing continued.

Seeing and hearing no one else wishing to speak Chairman Martin closed the public comment period and opened discussion among the Commission.

MOTION: Commissioner Ecklund moved, seconded by Commissioner Carluccio to recommend approval of Ordinance 2017-07; authorizing the conveyance of real property known as the Old Hope School to Hope, Inc., at less than fair market value.

VOTE: The motion passed by unanimous consent.

CARLUCCIO YES	ECKLUND YES	ERNST YES	FOSTER ABSENT	GLDENING YES	ISHAM YES	LOCKWOOD YES
MARTIN YES	MORGAN YES	RUFFNER YES	VENUTI YES	WHITNEY YES		11 YES 1 ABSENT

AGENDA ITEM F. PUBLIC HEARINGS

2. Ordinance 2016-19-36; An ordinance authorizing the purchase of a 4.3 acre drainage easement at Karluk Avenue and appropriating \$60,000 from the Land Trust Fund for the Acquisition.

Memorandum & Staff Report given by Marcus Mueller

PC Meeting: 4/24/17

During the fall flooding in 2013 it became evident that the Karluk Avenue Road ditch system had no outlet except a neighboring property immediately adjacent to the lowest extent of the ditch. The administration communicated with the owners, Paula and Timothy Keohane, who were gracious in permitting use of the property under those circumstances. The location became known as the "Karluk Basin", which was a location that emergency operations were conducted to install a pipe under Kalifornsky Beach ("K-Beach") Road thereby making it possible to mechanically pump water to the Cook Inlet once the Keohane property reached its estimated 3 million gallon capacity to store water. As the water management function on this property was demonstrated to be a low cost alternative to other means of road ditch extension, the acquisition of a drainage easement was identified as being in the long term interests of the borough.

The functions of this drainage easement would support the Roads Service Area with normal ditch function as well as emergency management functions of the Borough as a relief to high water if such an event were to ever occur again.

In 2014 a proposal was brought forward under Ordinance 2014-32 which proposed acquiring an easement by means of a land exchange. That ordinance was defeated. The administration has continued discussions with the property owner and has had the proposed easement independently appraised. The appraisal came in at \$51,000. The property owner is willing to accept \$60,000 for the easement. While this exceeds the appraised value it would cost the borough more than this purchase price to pursue other remedies to address the flooding such as extending the ditch across K-Beach Road so the water can flow into Cook Inlet.

This ordinance would authorize the mayor to acquire the 4.3 acre drainage easement on Karluk Avenue for \$60,000 and would appropriate the funds from the Land Trust Fund for this acquisition. Consideration of this ordinance is appreciated.

END OF MEMORANDUM & STAFF REPORT

Chairman Martin opened the meeting for public comment.

1. Dan Sterchi, Mile 12.5, Kalifornsky Beach Road
Mr. Sterchi urged the commission to vote this down and send it back to the Mayor. The work that the borough and administration has done with good intentions has a whole bunch of unintended consequences that nobody is saying about. He stated that DOT was looking for a permanent solution on this, not just a pipe and a pump draining the water down to the bluff. They need to work for a permanent solution.