



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

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

THRU: Mike Navarre, Mayor *mn*
Max Best, Planning Director *mb*
Marcus Mueller, Land Management Officer *mm*

FROM: Julie Denison, Land Management Technician *JD*

CC: Judith C. Lund, Chair, South Kenai Peninsula Hospital Service Area Board

DATE: March 7, 2017

SUBJECT: Resolution 2017-*023* Authorizing the Borough, on Behalf of the South Kenai Peninsula Hospital Service Area, to Amend the Medical Business Office Lease Agreement for Property Located at 309 W. Fairview Avenue to Include Terms Regarding Early Termination (Mayor)

The borough leases 700 square feet of medical business office space at 309 W. Fairview Avenue, Homer, on behalf of the South Kenai Peninsula Hospital Service Area ("SKPHSA"), and subleases that space to South Peninsula Hospital, Inc. ("SPH, Inc.") under the terms of the Sublease and Operating Agreement, dated September 27, 2013 pursuant to resolution 2012-026. Said lease is for a two-year term and contained provisions for two renewal options. The second and final renewal option was exercised in writing on January 11, 2017.

SPH, Inc. anticipates moving its business office operations to the Homer Medical Clinic as soon as the expansion project is complete. SPH, Inc. has negotiated an amendment of the terms of the original lease to provide for an early termination clause.

The SPH, Inc. board recommended approval at its meeting of January 25, 2017. The SKPHSA board is scheduled to meet on March 9, 2017 and the Planning Commission is scheduled to meet on March 13, 2017. Their recommendations will be provided before the March 21, 2017, meeting.

Your consideration is appreciated.