



South Kenai Peninsula
Hospital Service Area Board

Resolution 2021-04

**A resolution of the South Kenai Peninsula Hospital Service Area Board
Recommending Approval of the Purchase of Property Located at 203
West Pioneer Avenue, Homer AK 99603**

WHEREAS, South Peninsula Hospital (the Hospital) is currently leasing a medical office building from Jonas Ridge LLC which houses its Home Health Department, Functional Medicine, Surgical Clinic, and Staff Training room; and

WHEREAS, our current facilities or any future expansion will not be able to accommodate each of these clinic spaces for several years to come should the property be sold; and

WHEREAS, the property located at 203 West Pioneer Avenue, Homer, AK 99603, KPB Parcel number: 17514304 is available for sale; and

WHEREAS, this property consists of .97 acres and a 5,212 square foot medical office building near the Medical Zoning District; and

WHEREAS In accordance with the Operating Agreement with the Borough section 13 and 13 b i, Capital Improvement Projects Approval and Management, the Borough may finance capital improvements for the Medical Facilities as necessary for the provision of services and functions to meet the needs of the residents of the Service Area. Projects requiring Borough Assembly approval may be approved during the annual Borough budgeting process or on an individual basis; and

WHEREAS, an independent appraisal of the property indicates that its fair market value estimated at \$955,000 plus closing costs up to \$20,000 will require a capital outlay of \$975,000; and

WHEREAS, SPH Management has reviewed the appraisal, performed a Lease vs. Buy analysis, and completed the KPB Real Property Need Questionnaire (RPNQ); and



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WHEREAS, South Peninsula Hospital currently has over \$9 million dollars of unobligated Plant Replacement and Expansion Funds being held at the borough; and

WHEREAS, SPH Management would like to use *Plant Replacement funds* to purchase the property located at 203 West Pioneer Avenue, Homer, AK 99603 Parcel number: 17514304; and

WHEREAS this request is critical to the mission and vision of SPH, Inc.; and

WHEREAS, the Resolution was reviewed and approved by the SPH, Inc. Board on August 25th, 2021.

Now therefore be it resolved that:

The SKPH Service Area Board hereby respectfully recommends the approval of the purchase of property located at 203 West Pioneer Avenue, Homer AK 99603.

Adopted by the SKPHSAB September 9, 2021



Roberta Highland, SKPH Service Area Board Vice Chair