

**SOUTH KENAI PENINSULA HOSPITAL
SERVICE AREA BOARD**

RESOLUTION 2022-08

**A Resolution of the South Kenai Peninsula Hospital Service Area Board
Recommending Approval of the
Purchase of Properties for South Peninsula Hospital Staff Housing**

WHEREAS South Peninsula Hospital is currently leasing 25 individual properties throughout the Homer area to provide temporary housing for contract staff and physicians and for new hire relocation; and

WHEREAS the ability to recruit and retain professional staff has been impeded by seasonal housing shortages and high housing costs; and

WHEREAS current SPH facilities do not provide for staff housing nor do future expansion projects; and

WHEREAS the properties located in Homer, AK, at 3964 Bartlett Street, Kenai Peninsula Borough (KPB) Parcel number 17513342, and at 135/151 W. Bayview Avenue, KPB Parcel numbers 17505405/17505406, are for sale; and

WHEREAS these properties respectively consist of 0.17 acres and 0.56 acres (two parcels each of 0.28 acres) and together contain housing which would accommodate a minimum of 11 staff in a location near the hospital campus; and

WHEREAS an independent appraisal will be performed prior to purchase in order to determine the fair market value of the final property purchases, which is currently estimated at \$699,000 for the Bartlett Street property and \$749,000 for the West Bayview properties; and

WHEREAS estimated closing costs for each property would be approximately \$20,000 to \$25,000; and

WHEREAS SPH Management performed a Return on Investment analysis and completed the KPB Real Property Need Questionnaire (RPNQ) for both properties; and

WHEREAS South Peninsula Hospital currently has over \$5.7 million dollars of unobligated Plant Replacement and Expansion Funds (PREF) being held at the Kenai Peninsula Borough; and

WHEREAS SPH Management would like to use up to \$1,500,000 of the unobligated Plant Replacement and Expansion Funds to purchase property which may be used as SPH staff housing; and

WHEREAS, while the properties located at 3964 Bartlett Street and 135/151 W. Bayview Avenue are ideal locations for staff housing, it is understood by SPH Management that purchase of these properties is based upon the successful negotiation of a purchase agreement with the seller and may not be accepted; and

WHEREAS SPH Management would like the opportunity to act upon a comparable property should either or both of these property purchases fall through; and

WHEREAS the South Peninsula Hospital Board Resolution 2022-10 was discussed at the Board of Directors Finance Committee on July 21, 2022, and

WHEREAS the South Peninsula Hospital Board of Directors at their meeting on July 27, 2022 approved South Peninsula Hospital Board Resolution 2022-10, which approved the use of up to \$1,500,000 in unobligated Plant Replacement and Expansion Funds to purchase property located at 3964 Bartlett Street and/or 135/151 W. Bayview Ave, Homer, AK, or other comparable property; and

WHEREAS the South Peninsula Hospital Board of Directors approved at their meeting on July 27, 2022 approved South Peninsula Hospital Board Resolution 2022-10, which requested that the Kenai Peninsula Borough execute a purchase agreement on behalf of South Peninsula Hospital in an amount estimated at \$699,000 for purchase price and up to \$20,000 for closing costs on the property located at 3964 Bartlett Street, Homer AK, or another comparable property; and

WHEREAS the South Peninsula Hospital Board of Directors at their meeting on July 27, 2022 approved South Peninsula Hospital Board Resolution 2022-10, which requested that the Kenai Peninsula Borough execute a purchase agreement on behalf of South Peninsula Hospital in an amount estimated at \$749,000 for purchase price and up to \$25,000 for closing costs on the property located at 135/151 W. Bayview Ave, Homer AK, or another comparable property; and

WHEREAS the South Kenai Peninsula Hospital Service Area Board has reviewed this Service Area Board Resolution 2022-08 at its meeting of August 11, 2022.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD:

- 1 That the South Kenai Peninsula Hospital Service Area Board recommends approval for the Kenai Peninsula Borough to use up to \$1,500,000 in unobligated Plant Replacement and Expansion Funds to purchase property located at 3964 Bartlett Street and/or 135/151 W. Bayview Ave, Homer, AK, or other comparable property;

- 2 That the South Kenai Peninsula Hospital Service Area Board recommends that the Kenai Peninsula Borough execute a purchase agreement on behalf of South Peninsula Hospital in an amount estimated at \$699,000 for purchase price and up to \$20,000 for closing costs on the property located at 3964 Bartlett Street, Homer AK, or another comparable property;
- 3 That the South Kenai Peninsula Hospital Service Area Board recommends that the Kenai Peninsula Borough execute a purchase agreement on behalf of South Peninsula Hospital in an amount estimated at \$749,000 for purchase price and up to \$25,000 for closing costs on the property located at 135/151 W. Bayview Ave, Homer AK, or another comparable property

PASSED AND ADOPTED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD AT ITS MEETING HELD ON THIS 11TH DAY OF AUGUST 2022.

ATTEST:



Helen Armstrong, Chair
South Kenai Peninsula Hospital Service Area Board