

Kenai Peninsula Borough
Planning Department

MEMORANDUM

TO: Brent Hibbert, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Charlie Pierce, Borough Mayor 

FROM: Melanie Aeschliman, Planning Director 

DATE: January 29, 2021

Re: Ordinance 2021-19-17: Authorizing the acquisition of real property located at 4135 Hohe Street, Homer, Alaska on behalf of South Peninsula Hospital, appropriating \$315,000.00 from the South Peninsula Hospital Plant Replacement & Expansion Fund for the purchase, and authorizing an amendment to the SPH, Inc. Operating Agreement.

The Kenai Peninsula Borough Planning Commission reviewed the subject ordinance during their regularly scheduled January 25, 2021 meeting.

A motion passed by unanimous vote (11Yes, 0 No) to recommend approval of Ordinance 2021-19-17.

In the ordinance, please amend the last WHEREAS statement:

WHEREAS, the Kenai Peninsula Borough Planning Commission, at its regular meeting of January 25, 2021 recommended approval by unanimous vote.

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

codes do not have much in the way of regulatory teeth when addressing impervious surfaces. Where that is addressed under 21.18 the Habitat Protection code. If the project is within 50 feet of a stream it will be addressed under 21.18 and not floodplain regulations.

Commissioner Ruffner asked staff any development permitted within the 50' Habitat Protection District (HPD) it will come under KPB 21.18 and not floodplain regulations. Ms. Lopez replied that he was correct. Ms. Lopez noted there is nothing in the floodplain code that would override KPB 21.18. While there may be an area that is within both the floodplain and the HPD – any activity within the HPD will come under 21.18. Commissioner Ruffner then asked projects that do not involve fill, such a spruce tree bank revetments, how does FEMA looks at these activities? He would assume this type of activities would be considered a minor development and would not require an expensive H&H study. He then asked if this type of work would be considered fill under the new definition. Ms. Lopez replied FEMA would not consider most bank revetment projects major developments as you are replacing what was once there. Going off the maps we have for the Kenai River, which are 40 years old; it is safe to assume that the banks have experienced erosion during that time. FEMA does have guidelines that allow for the bank to be returned to its natural grade. It is on the landowner to prove that the project is returning the bank to its natural grade and that the work is not going beyond that.

Seeing and hearing no objection or discussion, the motion was carried by the following vote:

MOTION PASSED BY UNANIMOUS VOTE:

Yes	11	No	0	Absent	0
Yes	Bentz, Brantley, Carluccio, Chesser, Ecklund, Fikes, Gillham, Martin, Morgan, Ruffner, Venuti				
No	None				

AGENDA ITEM E. NEW BUSINESS

- 4. Ordinance 2020-19-17, Authorizing the Acquisition of Real Property Located at 4135 Hohe Street, Homer, Alaska on Behalf of South Peninsula Hospital, Appropriating \$315,000 from the South Peninsula Hospital Plant Replacement and Expansion Fund for the Purchase, and Authorizing an Amendment to the SPH, Inc. Operating Agreement

Staff report given by Marcus Mueller.

Property located adjacent to the South Peninsula Hospital (SPH) campus at 4135 Hohe Street has become available for purchase. SPH faces a shortage of area available parking and infrastructure. Acquiring the property would support SPH operations by providing room for future expansion.

The property, along with other hospital properties, is located within the City of Homer's Residential Office Zoning District, which allows for hospitals and medical clinics by conditional use permit.

The negotiated purchase price is \$300,000, which is the independently appraised fair market value. Prior to completing the purchase, the property would be inspected for structural and environmental conditions. The purchase agreement provides up to 180 days to close and the borough is responsible for all closing costs. Closing costs, prorated taxes and purchase investigation costs are not expected to exceed \$15,000. The unused balance of the appropriated funds will revert to the SPH Plant Replacement and Expansion Fund (PREF).

The attached ordinance would authorize the purchase of the property and appropriate \$315,000 from the PREF to cover the costs associated with the purchase, and would provide for an amendment to the SPH Operating Agreement to add the property to the list of leased property under the operating agreement.

END OF STAFF REPORT

Chair Martin open the item for public comment. Seeing and hearing no one from the public wishing to comment, Chair Martin closed public comment and opened discussion among the Commission.

MOTION: Commissioner Venuti moved, seconded by Commissioner Bentz to forward to the Assembly a

recommendation to adopt Ordinance 2021-19-17, Authorizing the acquisition of real property located at 4135 Hohe Street, Homer, Alaska on behalf of South Peninsula Hospital, appropriating \$315,000 from the South Peninsula Hospital Plant Replacement & Expansion fund for the purchase, and authorizing an amendment to the SPH, Inc. operating agreement.

Commissioner Ecklund stated she has always wondered how the hospital pays for these acquisitions. Mr. Mueller replied it comes out of the Hospital Plant Replacement & Expansion fund. It is his understanding when the hospitals generate revenues they retain 90 day of cash on hand and any excess funds beyond that go into the Plant Replacement & Expansion fund. One of the purposes for this fund is to make purchases such as the one before the commission tonight.

Commissioner Venuti supports this acquisition for the hospital. One thing COVID has pointed out is how important our healthcare facilities are. South Peninsula Hospital has been doing a good job working on the pandemic. He just recently learned the hospital has 9000 square feet of space that they cannot use because they do not have adequate parking for personnel. Parking is a major issue in the new Medical District in Homer and this purchase fits right in line with what is needed.

Seeing and hearing no objection or discussion, the motion was carried by the following vote:

MOTION PASSED BY UNANIMOUS VOTE:

Yes	11	No	0	Absent	0
Yes	Bentz, Brantley, Carluccio, Chesser, Ecklund, Fikes, Gillham, Martin, Morgan, Ruffner, Venuti				
No	None				

AGENDA ITEM G. PLAT COMMITTEE REPORT – Plat Committee did not meet on January 25, 2021

AGENDA ITEM L. DIRECTOR’S COMMENTS

AGENDA ITEM M. COMMISSIONER COMMENTS

Commissioner Ruffner

Commissioner Venuti

AGENDA ITEM N. ADJOURNMENT – Commissioner Carluccio moved to adjourn the meeting at 9:17 p.m.

Ann E. Shirnberg
Administrative Assistant