

Kenai Peninsula Borough

Planning Department – Land Management Division

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Mayor *PM*
Robert Ruffner, Planning Director *RR*
Marcus A. Mueller, Land Management Officer *mam*

FROM: Aaron Hughes, Land Management Agent *AH*

DATE: February 15, 2024

RE: Ordinance 2024-04 __, Authorizing a Negotiated Lease with Davis Block and Concrete Company for Concrete Batch Plant Operations in Support of the Sterling Highway MP 45-60 Construction Project Near Cooper Landing (Mayor)

Davis Block and Concrete Company (“Davis Block”) has been selected as a subcontractor to provide specific materials and services necessary for the completion of the Sterling Highway MP 45-60 construction project near Cooper Landing. Davis Block has submitted an application for a negotiated lease for the expressed purpose of a batch plant facility in support of construction operations necessary for the completion of the Juneau Creek Bridge.

The lease will encompass approximately 1-acre of a larger KPB-owned parcel currently managed as a material and slash disposal site, commonly referred to as the Snug Harbor Materials Site. Leasing of the site will provide benefit to the KPB through generation of lease revenues, materials site management services, and improvements to the site resulting from the lease. Additional benefit to the community of Cooper Landing will be in the form of locally available concrete services during the during the term of the project.

The negotiated lease terms provide for an initial annual lease amount of \$3,500 for a 5-year term, to include a 3% annual escalation, with an option to terminate the lease early based on completion of the project or to extend the lease for 2 additional one-year terms.

Authorization of the lease in support of the Sterling Highway MP 45-60 Project will help to improve safe and efficient travel on the Sterling Highway for residents and visitors while generating addition lease revenues and other added values for the KPB.

Your consideration is appreciated.