



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Blaine Gilman, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Mayor *MN*
Craig C. Chapman, Finance Director *C Chapman*
Max Best, Planning Director *MB*

FROM: Marcus A. Mueller, Land Management Officer *MA Mueller*

CC: Scott Walden, Chairperson
Central Kenai Peninsula Hospital Service Area Board

DATE: December 22, 2015

SUBJECT: Ordinance 2015-19-21, An Ordinance Authorizing the Acquisition of Real Property Located at 362 Tye Street, Soldotna Alaska on Behalf of Central Peninsula Hospital for Transitional Housing Purposes, Accepting and Appropriating Grant Funds of \$1,105,000, Appropriating \$395,000 from the CPGH, Inc. Plant Replacement and Expansion Fund for the Purchase and Remodel of the Property, and Authorizing an Amendment to the CPGH, Inc. Lease and Operating Agreement (Mayor)

Central Peninsula General Hospital, Inc. (CPGH, Inc.) in partnership with the Foraker Group has evaluated an 11,062 square foot building located at 362 Tye Street, Soldotna for conversion to a sixteen bed transitional housing facility. The estimated project cost is \$1,604,421. The proposed sale price is \$599,000, which is less than assessed value. Grant funds totaling \$1,105,000 have been awarded to support the purchase and remodel. Additional grant applications have been submitted for this project but no decisions have been received. CPGH, Inc. is requesting appropriation of \$395,000 from the plant replacement and expansion fund to fund this project in the event sufficient funds are not awarded through outstanding grant applications. CPGH, Inc. has supplied a copy of the Foraker report to serve as a basic project concept and is seeking borough approval to move forward with the acquisition, remodel and use of funds, which are elements requiring assembly approval under the Lease and Operating Agreement.

The administration is reviewing the plans and will be conducting an inspection of the property to enable an informed recommendation to the Assembly.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>490.20602</u>
Amount	<u>\$395,000.00</u>
By:	<u>pp</u> Date: <u>12/23/15</u>