

Kenai Peninsula Borough

Planning Department – Land Management Division

MEMORANDUM

TO: Ryan Tunseth, KPB Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Mayor *PM*
Brandi Harbaugh, Finance Director *BH*
Robert Ruffner, Planning Director *RR*

FROM: Aaron Hughes, Land Management Officer *AH*

DATE: July 23, 2026

RE: Ordinance 2026- 27, Authorizing the Kenai Peninsula Borough to Enter Into a Long-Term Lease Agreement with the City of Seward for Operation and Management of a Surplus School Facility in Seward (Mayor)

On April 6, 2026, the Kenai Peninsula Borough School District Board of Education voted to Close the Seward Middle School. On July 6, 2026, the Kenai Peninsula Borough School District Board of Education voted to Surplus the Seward Middle School.

The City of Seward has requested use of the surplus facility through a long-term lease agreement for a community center and other City or public needs. Entering into a long-term lease agreement with the City will result in continued community access to the facility while substantially reducing the Borough's holding costs related to the surplus facility.

If approved, KPB will enter into a long-term lease agreement with the City for an initial 5 year term with two additional 5 year renewal provisions upon written consent from KPB. The annual lease amount would be for \$1.00 with additional consideration in lieu of rent provided by the City through its obligation to pay all utilities, insurance, and all general interior and exterior maintenance costs related to the building. The maintenance and repair of the boiler systems and roof are specifically excluded.

The surplus school is an important public facility in the Seward community, and will continue to serve those needs through City management as a community center. The KPB Planning Commission will hold a public hearing regarding the proposed lease on August 10, 2026, and will forward its recommendation to the Assembly.

Your consideration of this ordinance is appreciated.