

Kenai Peninsula Borough
Planning Department – Land Management Division

MEMORANDUM

TO: Wayne Ogle, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Charlie Pierce, Mayor *CP*
Brandi Harbaugh, Finance Director *BA*
Max Best, Planning Director *MB*

FROM: Marcus A. Mueller, Land Management Officer *MA*
Roy Browning, Chief, Central Emergency Services *REB*

DATE: July 26, 2018

RE: Ordinance 2018-19-07, Authorizing the Acquisition of Real Property Located at East Redoubt Avenue and Homestead Lane in Soldotna Alaska on Behalf of Central Emergency Services for the Purchase of a Site to Replace CES Station 1, through a 10-year Interfund Loan to Central Emergency Services and Appropriating \$1,530,306 from the CES Capital Project Fund for the Purchase of the Property (Mayor)

Central Emergency Services (CES) provides fire and emergency medical response services to protect lives and property of over 24,000 residents, many businesses, seasonal visitors and other property owners. Station 1 is central to the entire operation of CES. Its initial construction dates back to 1957 with major additions in 1971 and 1982. The existing station's space is maxed out and does not meet code. The property, at 0.8 acres, is too small for further upgrades to meet operational needs going forward.

With the purpose and need for a new fire station established, a site selection committee was formed in 2017 to evaluate sites which included review of the existing site and surrounding borough properties. Eleven sites were formally evaluated and several others considered by the committee composed of members with various viewpoints including Purchasing & Contracting, CES, Land Management, GIS, and the City of Soldotna. The highest ranking sites were inspected in detail to ensure soundness in the site selection committee's recommendation. The subject site was determined to best fit all operational and site design criteria for CES Station 1.

The proposed land purchase involves two different property owners. Additionally, a realignment of Homestead Lane with an extension of the right-of-way to Redoubt Avenue is necessary. This is because the operational turn-out to the highway system is from the 4-way stop at the "Y"; controlled access being crucial to reliable emergency responses.

In order to establish this site, a three-way land transaction is needed. The agreement reached with the property owners is at appraised land values, with requirements to survey and plat the new road alignment. Under the agreement, a 3.98 acre tract is created that serves the project needs.

The acquisition of a project site is an important step for CES's project planning, facility design, and pursuit of funding. Securing the site in advance of CES's capital funding is enabled by a loan from the Land Trust Investment Fund. This loan mechanism is proposed to be established through a concurrent ordinance establishing the Land Trust Investment Fund and providing for interfund loans at the prime rate. Prime rate at the date of this memo is 5%. Annual payments of approximately \$197,000 beginning in FY2020 for 10 years would retire the \$1,530,306 amount at the 5% rate.

The accompanying site illustration has been prepared to assist in evaluating and communicating the project site. This is a planning level illustration of the project concept to portray various key elements of the project, without intending to circumvent the architectural processes that are important in designing public facilities. What the illustration does allow is a view of the site with the idea of Homestead Lane providing egress to the 4-way stop at the "Y". The position of this site in relation to the existing station is shown, having the importance of providing similar response coverage to serve the residents of the Central Emergency Services Area.

In addition to this summary memo, a story map has been created to provide more thorough information on the role of station 1, the needs of the service area looking forward, and the site selection process. A link to the story map is here: <https://kpb.maps.arcgis.com/apps/MapSeries/index.html?appid=f75efbfdeb144b5996fad34db2be06d3>.

The joint Central Emergency Service Area and Central Emergency Medical Service Area board held a special meeting on July 19, 2018, and recommended approval of the purchase of the site with a loan from the Land Trust Investment Fund for up to \$1,530,306 by unanimous consent. This matter will come before the Kenai Peninsula Planning Commission at its regular meeting of August 27, 2018. The recommendations of the Planning Commission will be forwarded to the assembly prior to the scheduled hearing on this ordinance.

Your consideration of this ordinance is appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>443.51610.CES1A.49999</u>
Amount	<u>\$1,530,306.00</u>
Contingent upon loan approval LTIF to CES Capital Project Fund.	
By: <u>pp</u>	Date: <u>7/27/18</u>