

Kenai Peninsula Borough

Purchasing & Contracting Department

MEMORANDUM

TO: Ryan Tunseth, Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Mayor *PM*
Brandi Harbaugh, Finance Director *BH*

FROM: John Hedges, Purchasing & Contracting Director *JH*

DATE: May 20, 2026

RE: Ordinance 2025-19-45, Appropriating Funds from the South Peninsula Hospital Service Area Operating Fund to be Transferred to the South Peninsula Hospital Capital Project Fund for Demolition and Site Improvements at 324 West Fairview Ave., Homer Medical District (Mayor)

The Kenai Peninsula Borough (KPB) has entered into an Operating Agreement with South Peninsula Hospital, Inc. (SPHI) for operation of the South Peninsula Hospital (SPH) and other related facilities, and to provide other healthcare programs and services, on a nonprofit basis in order to ensure the continued availability to the South Kenai Peninsula Hospital Service Area residents.

Ordinance 2025-19-06 authorized the purchase of the residential property at 324 West Fairview Ave, Homer Medical District, for health care purposes within the service area and in support of the adjacent SPH clinic. As identified in the informational memorandum accompanying Ordinance 2025-19-06, the current structure on the site is not fit for purpose, not suitable for renovation or repurposing, and needs to be demolished.

Demolition and site improvements are estimated at a cost not to exceed \$175,000.

Funds are available in the SPH Operating Fund

Your consideration is appreciated

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No. <u>602.27910</u>	Amount: <u>\$175,000.00</u>
By: <u><i>CJ</i></u>	Date: <u>5/20/2026</u>