

Introduced by: Mayor, Cooper, Dunne
Date: 04/21/26
Hearing: 05/05/26
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2026-16**

**AN ORDINANCE AUTHORIZING THE CONVEYANCE OF 5 PARCELS
OF KPB-OWNED LAND TO THE CITY OF HOMER FOR LESS THAN
FAIR MARKET VALUE IN SUPPORT OF A CITY NEED**

- WHEREAS,** the City of Homer has identified five Kenai Peninsula Borough (KPB) owned properties commonly referred to as the Homer 5 (more particularly described in Section 2) as lands necessary to the City Stormwater Mitigation Project referred to as the Kachemak Sponge; and
- WHEREAS,** the KPB acquired title to the subject property by Patent from the State of Alaska on March 15, 2000; and
- WHEREAS,** KPB 17.10.100(D), (E), and (I) authorize the KPB to enter into sales in cooperation with another governmental entity, a negotiated sale for other than fair market value, and a combination of sale methods; and
- WHEREAS,** conveying the subject parcels to the City of Homer will satisfy a city need by providing specific lands necessary for incorporation into the Kachemak Sponge Stormwater Mitigation Project; providing a benefit to the residents of the City of Homer and the KPB; and
- WHEREAS,** the Homer City Council adopted _____ authorizing the acquisition of the Homer 5 from the KPB for \$156,250 to satisfy a public need; and
- WHEREAS,** a third-party appraisal conducted by MacSwain Associates, LLC concluded the appraised market value of 8 KPB-owned parcels comprising the Homer 8 to be \$250,000; and
- WHEREAS,** the KPB Planning Commission, at its regular meeting held on _____, 2026, recommended _____;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That this is a non-code ordinance.

SECTION 2. That the real property described below is owned by the KPB and has been identified by the City of Homer as parcels necessary for the stormwater mitigation project known as the Kachemak Sponge:

Government Lot 18, in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

Government Lot 19, in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

Government Lot 20, in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

Government Lot 22, in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

Government Lot 23 in Section 14, Township 6 South, Range 13 West, situated in the Homer Recording District, Seward Meridian, Alaska.

SECTION 3. That the conveyance will be subject to and excepting therefrom: A reserved right of access for the benefit of adjacent parcels to the North, as disclosed of public record.

SECTION 4. That the Assembly authorizes the sale of the KPB-owned parcels identified in Section 2 pursuant to KPB 17.10.120(D), to the City of Homer for an amount other than fair market value based on the following:

- a. The needs expressed by the City of Homer exist and the requested properties are necessary to the city's proposed stormwater management plan.
- b. The KPB is in support of the Kachemak Sponge Stormwater Management Plan.
- c. The conveyance will provide a benefit to the city, and residents of the KPB.
- d. The City of Homer will be responsible for the costs for development of the planned project.
- e. Charging fair market value for this property would preclude the use of such funds for use towards the development of the mitigation project.
- f. Based on the above, the Assembly therefore finds that the sale for less than fair market value is in the best public interest and serves a public purpose.

SECTION 5. In consideration of this conveyance, the City of Homer covenants to retain ownership in, and to utilize the property for the expressed purpose of the Kachemak Sponge Stormwater Mitigation Project.

SECTION 6. The Assembly makes an exception to KPB 17.10.110 (notice of disposition). This exception is based on the following findings of fact pursuant to KPB 17.10.230:

1. Special circumstances or conditions exist.
 - a. The purpose of KPB 17.10.110 advertising requirement is to notify the public of an opportunity to purchase or lease KPB land. Advertising this conveyance to the City of Homer will not serve a useful purpose, and would cause delays that may negatively impact the transaction.
 - b. Conveyance of the KPB parcels in this manner is authorized by KPB code KPB 17.10.100(D), (E), and (I).
2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.
 - a. This exception to the notice requirement is not necessary to preserve a substantial property right, and the assembly hereby authorizes exception to that finding requirement. For this disposal, the notice requirement is impractical, and compliance is not in the best interests of the KPB due to the delay and unnecessary expense it would cause.
3. That the granting of the exception will not be detrimental to the public welfare or injurious to other property in the area.
 - a. The proposed disposition is advertised by publication of the ordinance in newspapers of general circulation and on the borough's web page. Notice of the proposed disposition is also published by the Planning Commission agenda in newspapers of general circulation, and a public hearing is held at the Planning Commission level. Additional notice is not necessary to comply with the intent of KPB 17.10 or to protect the public welfare.

SECTION 7. That based on the foregoing and in support of the Kachemak Sponge Stormwater Management Plan, the mayor is hereby authorized, pursuant to KPB 17.10.100(D), (E), and (I) to convey, through quitclaim deed, the land described in Section 2 to the City of Homer for \$156,250. The City of Homer shall be responsible for any and all related costs and recording fees. All other applicable terms and conditions of KPB 17.10 shall apply to this conveyance unless inconsistent with this ordinance.

SECTION 8. That the City of Homer will have 270 days from the date of enactment of this ordinance to execute the purchase agreements and complete the transaction.

SECTION 9. That the Mayor is authorized to sign any documents necessary to effectuate this ordinance.

SECTION 10. That revenues generated from the sale shall be submitted to the KPB Finance Department and deposited into Land Management Account No. 250.00000.00000.36316.

SECTION 11. That if any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstance will not be affected.

SECTION 12. That this ordinance shall become effective immediately.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY OF *, 2026.

Ryan Tunseth, Assembly President

ATTEST:

Michele Turner, CMC, Borough Clerk

Yes:

No:

Absent: