

## **KENAI PENINSULA BOROUGH**

PLANNING DEPARTMENT

144 North Binkley Street • Soldotna, Alaska 99669-7520

**PHONE:** (907) 714-2200 • **FAX:** (907) 714-2378

Toll-free within the Borough: 1-800-478-4441, Ext. 2200

[www.borough.kenai.ak.us](http://www.borough.kenai.ak.us)

**MIKE NAVARRE  
BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Dale Bagley, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Mike Navarre, Borough Mayor *MN*

**FROM:** Max Best, Planning Director *MB*

**DATE:** October 27, 2015

**SUBJECT:** Ordinance 2014-32 (Substitute); An ordinance authorizing the sale of Borough property to Dan and Teresa Sterchi subject to a drainage easement and the acquisition of a 4.3 acre drainage easement on property along Kalifornsky Beach Road from Paula & Timothy Keohane.

The Kenai Peninsula Borough Planning Commission reviewed the subject ordinance during their regularly scheduled October 26, 2015 meeting.

A main motion as amended passed by majority consent to recommend approval of Ordinance 2014-32. (*Caruccio, Yes; Collins, Yes; Ecklund, Yes; Ernst, Yes; Foster, Yes; Glendering, Yes; Holsten, Yes; Isham, Yes; Lockwood, Yes; Martin, Yes; Ruffner, Yes; Venuti, Yes; Whitney, No*)

An amendment motion passed by unanimous consent to amend the approval recommendation to request that the Assembly adopt the ordinance with a fair and equitable price based on receiving appraised fair market value of the property.

In the Ordinance, please make the following amendment to the last WHEREAS statement:

*WHEREAS, the KPB Planning Commission, at its meeting of October 26, 2015 recommended approval by majority consent.*

Attached are the unapproved minutes of the subject portion of the meeting.

AGENDA ITEM F. PUBLIC HEARINGS

2. Ordinance 2014-32 (Substitute); An ordinance authorizing the sale of Borough property to Dan and Teresa Sterchi subject to a drainage easement and the acquisition of a 4.3 acre drainage easement on property along Kalifornsky Beach Road from Paula & Timothy Keohane.

Memorandum / Staff Report given by Marcus Mueller

PC Meeting: 10/26/15

During the fall flooding in 2013 it became evident that the Karluk Avenue ditch system had no outlet except an old gravel pit on Tract 1, Kingswood Estates Subdivision, immediately adjacent to the lowest extent of the ditch. The administration communicated with the Tract 1 owners, Paula and Timothy Keohane, who permitted use of the property for drainage purposes. The location became known as the "Karluk Basin." A pipe was installed under K-Beach Road and a hose was stretched along the section line to Cook Inlet, making it possible to mechanically pump water out of the basin once it reached its estimated 3 million gallon capacity.

Since that time, longer term solutions have been discussed with Keohanes. Those discussions led to the proposal outlined in the letter dated August 1, 2014. This proposal would exchange a 1.84 acre borough-owned parcel (known as N 1/2 of Government Lot 13) for the drainage easement that would make the Karluk Basin a permanent drainage asset for the Karluk Avenue ditch system.

The N 1/2 of Government Lot 13 parcel at mile 12.1 K-Beach Road also has its own drainage functions present, which was the basis for it being classified as "Government" by Resolution 94-055. Ordinance 2014-32 would have preserved the management intent of the government classification by reserving a drainage outlet easement that would encumber approximately half of the N 1/2 of Government Lot 13 parcel. In the context of the parcel being used in part as consideration (or trade) for the 4.3 acre Karluk Avenue drainage easement, the management intent of the borough-owned parcel was expanded to accomplish the larger goals of drainage for the area.

During review and public testimony on what was then Ordinance 2014-32, Dan Sterchi testified that he had, many years ago, made a request to buy the lot known as the N 1/2 of Government Lot 13, which is adjacent to property he owns with his wife, Teresa. In Resolution 94-055 the borough determined that it should retain an easement on the property for potential drainage needs. No action was subsequently taken on selling the portion of the N 1/2 of Government Lot 13 that was in excess of easements. Mr. Sterchi testified that he and his wife were still very interested in purchasing this property.

Keohanes didn't want to sell their tract because it had been a family possession for many years, but they were willing to trade for the usable portion of the N 1/2 of Government Lot 13. Sterchis, however, had owned their lot adjacent to the N 1/2 of Government Lot 13 for over 30 years and opposed the land exchange between the borough and Keohanes.

At this impasse the administration brokered a proposal in which the borough would sell the usable portion of the N 1/2 of Government Lot 13 to the Sterchis. The borough will then pay the Keohanes an equivalent amount in exchange for the aforementioned 4.3 acre drainage easement on Tract 1, Kingswood Estates Subdivision.

The new ordinance is in the best interest of Dan and Teresa Sterchi, who will buy property they have long wanted; the ordinance is in the best interest of Paula and Timothy Keohane, who didn't want to sell their property outright and who wanted to save the borough from spending actual cash reserves to purchase the easement; the ordinance is in the best interest of the borough, which gets the needed easement on Tract 1 and retains the needed easements on the N 1/2 of Government Lot 13, as well as benefits from adding the latter lot to the tax rolls. While the borough will lose the 4.3 acre drainage easement from its tax rolls, that would be inevitable even if the easement was purchased outright.

END OF MEMORANDUM

Chairman Martin opened the meeting for public comment. Seeing and hearing no one wishing to speak Chairman Martin closed the public comment period and opened discussion among the Commission.

**MAIN MOTION:** Commissioner Holsten moved, seconded by Commissioner Isham to recommend approval of Ordinance 2014-32 (substitute), authorizing the sale of borough property in a three-way exchange.

Commissioner Whitney asked if the amounts were available that could be filled in on page 32 of the Ordinance. Mr. Mueller replied he was not aware that those values have been arrived at yet. He stated that will need to happen within the next 24 hours because the Assembly will be addressing this ordinance on Tuesday, October 27. The intent is market value by either appraisal or a value that all the parties agree to.

Commissioner Whitney expressed concern over approving something and not knowing how much was being approved.

Commissioner Ecklund understood that the Planning Commission was recommending this ordinance to the Assembly for approval. She asked if the numbers will be decided on by the Assembly meeting. Mr. Mueller replied that they would need to be or an amendment would be made on the floor that would tie it back to an appraisal or otherwise authorize the administration.

Commissioner Glendening asked if there was a hard timeline for approval of this ordinance. He also asked if this was contingent totally on the value or were there other considerations. Mr. Mueller replied that there wasn't a firm timeline to close. The Assembly has it scheduled to be acted on at their October 27 meeting. He stated from approval there would need to be survey work performed and paperwork signed. Transaction like this could take up to 90 days or more to close.

Commissioner Holsten assumed this has taken considerable effort to get to this point. She asked if it would discourage the private parties' participation if the commission delayed looking at this at this time. Mr. Mueller replied no, not that he was aware of.

**AMENDMENT MOTION:** Commissioner Lockwood moved, seconded by Commissioner Venuti to amend the approval recommendation to request that the Assembly adopt the ordinance with a fair and equitable price based on receiving appraised fair market value of the property.

Commissioner Holsten asked if that meant that the values would come back to the Planning Commission for recommendation to the Assembly. Commissioner Lockwood replied that this was already being sent to the Assembly so they would tell them that the Commission recommends approval but expects them to come up with a fair, equitable price for it.

Chairman Martin clarified that the main motion was being clarified through the amendment.

**AMENDMENT VOTE:** The motion passed by unanimous consent.

CARLUCCIO YES	COLLINS YES	ECKLUND YES	ERNST YES	FOSTER YES	GLENDENING YES	HOLSTEN YES
ISHAM YES	LOCKWOOD YES	MARTIN YES	RUFFNER YES	VENUTI YES	WHITNEY YES	13 YES

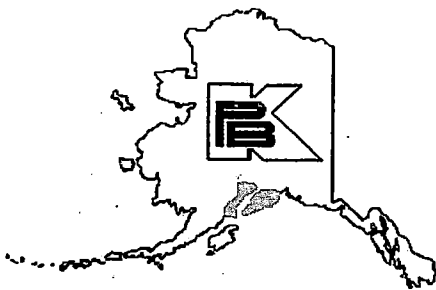
There being no further comments or questions, Chairman Martin called for a roll call vote.

**MAIN MOTION VOTE:** The motion passed by majority consent.

CARLUCCIO YES	COLLINS YES	ECKLUND YES	ERNST YES	FOSTER YES	GLENDENING YES	HOLSTEN YES
ISHAM YES	LOCKWOOD YES	MARTIN YES	RUFFNER YES	VENUTI YES	WHITNEY NO	12 YES 1 NO

**AGENDA ITEM G. ANADROMOUS WATERS HABITAT PROTECTION (KPB 21.18)**

Tom Dearlove, Manager of the Donald E. Gilman River Center introduced Karyn Noyes who is the new



# **KENAI PENINSULA BOROUGH**

PLANNING DEPARTMENT

144 North Binkley Street • Soldotna, Alaska 99669-7520

**PHONE:** (907) 714-2200 • **FAX:** (907) 714-2378

Toll-free within the Borough: 1-800-478-4441, Ext. 2200

[www.borough.kenai.ak.us](http://www.borough.kenai.ak.us)

**MIKE NAVARRE**  
**BOROUGH MAYOR**

## **MEMORANDUM**

**TO:** Dale Bagley, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Mike Navarre, Borough Mayor *MN*

**FROM:** Max Best, Planning Director *mb*

**DATE:** October 27, 2015

**SUBJECT:** Ordinance 2014-32 (Substitute); An ordinance authorizing the sale of Borough property to Dan and Teresa Sterchi subject to a drainage easement and the acquisition of a 4.3 acre drainage easement on property along Kalifornsky Beach Road from Paula & Timothy Keohane.

The Kenai Peninsula Borough Planning Commission reviewed the subject ordinance during their regularly scheduled October 26, 2015 meeting.

A main motion as amended passed by majority consent to recommend approval of Ordinance 2014-32. (Carluccio, Yes; Collins, Yes; Ecklund, Yes; Ernst, Yes; Foster, Yes; Glendening, Yes; Holsten, Yes; Isham, Yes; Lockwood, Yes; Martin, Yes; Ruffner, Yes; Venuti, Yes; Whitney, No)

An amendment motion passed by unanimous consent to amend the approval recommendation to request that the Assembly adopt the ordinance with a fair and equitable price based on receiving appraised fair market value of the property.

In the Ordinance, please make the following amendment to the last WHEREAS statement:

*WHEREAS, the KPB Planning Commission, at its meeting of October 26, 2015 recommended approval by majority consent.*

Attached are the unapproved minutes of the subject portion of the meeting.

Agenda Item 0.1.a

Committee Lands

Page Number 85