

Introduced by: Mayor
Date: 01/16/24
Hearing: 02/06/24
Action: Enacted
Vote: 9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2024-01**

**AN ORDINANCE AUTHORIZING A NEGOTIATED LEASE WITH TRAYLOR BROS,
INC. FOR A TEMPORARY CRAFT WORKER HOUSING SITE IN SUPPORT OF THE
STERLING HIGHWAY MP 45-60 CONSTRUCTION PROJECT NEAR COOPER
LANDING**

WHEREAS, the Alaska Department of Transportation and Public Facilities has selected Colaska/QAP Traylor Joint Venture to execute the Sterling Highway MP 45-60 construction project near Cooper Landing; and

WHEREAS, Traylor Bros, Inc., has submitted an application for the negotiated lease of vacant Borough managed land for temporary specialized craft worker housing necessary for the construction of the Juneau Creek Bridge; and

WHEREAS, the Kenai Peninsula Borough (KPB) owns or manages similar sites under lease in support of the highway project, and as a result has relevant comparable lease pricing data used to determine the negotiated lease terms; and

WHEREAS, the site is approximately 5 acres in size, and is adjacent to other MP 45-60 project support sites; and

WHEREAS, the site is municipal entitlement land under management authority by way of State of Alaska Final Finding and Decision; and

WHEREAS, a site design concept and lease development agreement has been prepared for this proposal; and

WHEREAS, the Kenai Peninsula Borough Planning Commission at its regularly scheduled meeting of January 22, 2024 recommended approval by unanimous consent;

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

- SECTION 1.** That the Assembly finds that leasing of the identified Kenai Peninsula Borough land pursuant to KPB 17.10.100(I) is in the best interest of the KPB as the use is in support of the highway project by improving safe and efficient travel on the Sterling Highway for residents and guests, while generating lease revenue for the KPB and site improvements through the lease development.
- SECTION 2.** That the provisions of KPB 17.10.080-.090, KPB 17.10.110, and KPB 17.10.140-.150 governing classification, disposition, published notice, and leasing of borough lands will not apply to this lease to Traylor Bros, Inc. which is short-term and project driven.
- SECTION 3.** That the terms of the lease will be five years with two one-year renewals with an initial annual lease amount of \$11,880.00 and an annual 3% increase for the purpose of temporary worker housing in support of the MP 45-60 Project.
- SECTION 4.** That, based on the foregoing, the Mayor is hereby authorized pursuant to KPB 17.10.100(I) to lease the five-acre area referred to as Traylor Bros Lease Site, located within the N½ of Section 30, T5N, R3W, Seward Meridian Alaska, lying West of Cecil Road (also referred to as the Pioneer Road), and South of that existing lease to the State of Alaska DOT&PF. The authorization is for a lease solely to Traylor Bros, Inc., and may not be assigned or subleased to any other person or entity without the expressed written consent of the Mayor.
- SECTION 5.** That the Mayor is authorized to execute a lease substantially similar in form to the Lease Agreement accompanying this ordinance.
- SECTION 6.** That Traylor Bros, Inc. will have 120 days from the date of enactment of this ordinance to execute the lease.
- SECTION 7.** That revenue from the subject lease will be deposited in the Land Trust Fund.
- SECTION 8.** That this ordinance shall take effect immediately upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 6TH DAY OF FEBRUARY, 2024.

Brent Johnson

Brent Johnson, Assembly President

ATTEST:

Michele Turner

Michele Turner, CMC, Borough Clerk



Yes: Cooper, Cox, Ecklund, Elam, Hibbert, Ribbens, Tunseth, Tupper, Johnson

No: None.

Absent: None.

APPLICATION FOR LEASE OF BOROUGH LAND
KENAI PENINSULA BOROUGH
LAND MANAGEMENT DIVISION

144 N. Binkley Street
Soldotna, AK 99669-7599
lmweb@kpb.us

Phone: 907-714-2205
Fax: 907-714-2378

A \$500.00 fee must be submitted with this application. The application fee is not applied to the lease and is refunded only if the application is not found to be in the public's best interest.

This form is to be completed by individuals or organizations wishing to lease borough land pursuant to KPB 17.10.100(I). The application is to be completed in full to the best of knowledge of the individual or authorized representative. If requested, proprietary and financial information of the applicants, that is so marked, will be kept confidential. The assembly must approve, by ordinance, any disposition of borough land. The application process generally takes between 90-180 days.

Attach separate sheets of paper if more space is needed for explanation. If a section (*or portion thereof*) is not applicable, mark with the abbreviation "N/A". **Please type or print.**

APPLICANT INFORMATION (add additional pages if necessary)

Name(s): Alex Altmann

Organization (if applicable): Traylor Bros., Inc.

Mailing Address: PO BOX: 910, Cooper Landing, AK, 99572

Phone: (346)293-6366 Email: aaltmann@traylor.com

APPLICANT TYPE (check one)

- Individual
- Non-Profit
- Corporation
- Sole Proprietorship
- Limited Liability Company
- Government
- General Partnership
- Limited Partnership
- Other: _____

LEASE TERM: Short Term (up to five years) # of Months/Years: 5 Years
 Long Term (greater than five years) # of Months/Years: _____

PURPOSE OF LEASE: Agriculture Grazing
 Other (briefly describe): To provide a temporary personnel camp for the ADOT &PF Sterling Highway MP 45-60 project.

PARCEL(S) OF INTEREST (add additional pages if needed)

Legal Description(s): T 5N R 3W SEC 30 SEWARD MERIDIAN SW 0005105 US
SURVEY 5105 THAT PORTION OF TRACT A LYING NORTH OF THE KENAI RIVER
WITHIN SEC 30 EXCEPT SUBS & US SURVEYS

Plat Number(s) (if applicable): N/A

Recording District(s): Seward

Tax Parcel ID(s): 11907501

Size/Acreage(s): 4.2 Acres

Are there any existing improvements on this land?

No Yes. *If yes, please describe and attach photos if available*

Has the applicant or affiliated entity previously leased Borough land or resources?

No Yes. *If yes provide legal description(s); type of lease and its' current status*

If the proposal is for other than fair market value, please state why it would be in the public's best interest to approve this proposal. Include all supporting facts & documents.

N/A

Has the applicant or affiliated entity ever filed a petition for bankruptcy, been adjudged bankruptor, or made an assignment for the benefit of a creditor?

No Yes *(If yes please explain, including dates)*

Is the applicant or affiliated entity now in default on any obligation to, or subject to any unsatisfied judgment or liens?

No Yes *(If yes, please explain)*

REQUEST PLAN REVIEW MEETING. Applicant requests a meeting with Land Management staff to review lease proposal and process. No Yes

Note: Submit, as applicable, the following items with this application:

1. Current Alaska Business License
2. Designation of Signatory Authority to Act for Organization or Individual
3. Non-Profits – IRS Tax Exemption Status
 - Yes – Please attach letter of determination
 - No – Please attach certificate, articles of incorporation, by-laws, or other appropriated documentation.
4. Site Plan Depicting the Proposed Use of the Property
5. Development Plan Explaining the proposed:
 - Use
 - Nature of improvements
 - Estimated value of improvements
 - Development and construction timetable
6. Tax Compliance Certification Form.

Complete the following applicant qualification statement for each individual applicant or organization (*attach additional statements as necessary*).

APPLICANT QUALIFICATION STATEMENT

Name: Alex Altmann **Title (if applicable):** Project Manager

Address: PO BOX: 773, Cooper Landing, AK, 99572

I hereby swear and affirm to the best of my knowledge:

- That I am eighteen years of age or older; and
- I am a citizen of the United States or a permanent resident who has filed a declaration of intention to become a citizen or a representative of a group, association or corporation which is authorized to conduct business under the laws of Alaska; and
- I am not delinquent on any deposit or payment obligation to the Kenai Peninsula Borough (KPB); and
- I am not currently in breach or default on any contract or lease involving land in which KPB has not acted to terminate the contract or lease or to initiate legal action.
- Unless agreed otherwise in writing and signed by the KPB mayor, the above named applicant agrees to provide a performance bond, general liability insurance, damage deposit, and pay for remote site inspection, if applicable.

I hereby certify that the information contained herein is true to the best of my knowledge and belief.

Alex S. Altmann

Digitally signed by Alex Altmann
Date: 2023.09.20 06:20:48-08'00'

Signature of Applicant

9/20/2023

Date

Alex S. Altmann

Print Name

Leases are issued based on compatible land classifications, land use and comprehensive plans. If approved, lease development must be substantially complete within two (2) years. The site shall be utilized for purposes within the scope of the application, the terms and conditions of the lease, and in conformity with the lessee's development plan.

Short Term Lease (Less than five (5) years)

- Based on a Development Plan which discloses the proposed:
 - Use(s) at the location;
 - Nature of improvements;
 - Estimated value of improvements;
 - Development and construction timetable;
- May not be assigned or renewed;
- Fair Market Rental Value.

Long Term Lease – (Greater than five (5) years)

- Based on a Development Plan which discloses the proposed:
 - Use(s) at the location;
 - Nature of improvements;
 - Estimated value of improvements;
 - Development and construction timetable.
- With written approval by KPB, encumber by mortgage, deed of trust, assignment or other appropriate instrument, the leasehold interest;
- May be assigned;
- Fair Market Rental Value.

Agricultural Lease

- Based on a Farm Management and Development Plan which discloses the proposed:
 - Use(s) at the location;
 - Nature of improvements;
 - Estimated value of improvements;
 - Development and construction timetable.
- May be assigned after two (2) years;
- Agricultural Lease Areas fee (KPB Resolution 2021-002 approved 2/2/2021)

Grazing Lease

- Based on a Range Management and Development Plan which discloses the proposed:
 - Use(s) at the location;
 - Nature of improvements;
 - Estimated value of improvements;
 - Location of the improvements;

- Description of necessity for such improvements;
 - Statement that the improvements, as proposed, will not impair the value of the land or the reasonable uses thereof.
- Permanent improvements are prohibited;
- KPB may contract with appropriate federal or state agencies to cooperatively manage borough grazing leases;
- May be assigned;
- Grazing Lease Areas fee (KPB Resolution 2021-002 approved 2/2/2021)
- Does not grant an exclusive right to use the leased area, except as necessary to protect lessees authorized assets.
- Lessee shall not prohibit or otherwise interfere with reasonable access to the leased area for other uses as may be authorized by KPB.