

# Kenai Peninsula Borough

## Planning Department – Land Management Division

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### MEMORANDUM

**TO:** Brent Hibbert, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Charlie Pierce, Mayor *CP*  
Melanie Aeschliman, Planning Director *MA*

**FROM:** Marcus A Mueller, Land Management Officer *MA*

**DATE:** January 7, 2021

**RE:** Ordinance 2020-19-17, Authorizing the Acquisition of Real Property Located at 4135 Hohe Street, Homer, Alaska on Behalf of South Peninsula Hospital, Appropriating \$315,000 from the South Peninsula Hospital Plant Replacement and Expansion Fund for the Purchase, and Authorizing an Amendment to the SPH, Inc. Operating Agreement (Mayor)

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Property located adjacent to the South Peninsula Hospital (SPH) campus at 4135 Hohe Street has become available for purchase. SPH faces a shortage of area available parking and infrastructure. Acquiring the property would support SPH operations by providing room for future expansion.

The property, along with other hospital properties, is located within the City of Homer's Residential Office Zoning District which allows for hospitals and medical clinics by conditional use permit.

The negotiated purchase price is \$300,000, which is the independently appraised fair market value. Prior to completing the purchase, the property would be inspected for structural and environmental conditions. The purchase agreement provides up to 180 days to close and the borough is responsible for all closing costs. Closing costs, prorated taxes and purchase investigation costs are not expected to exceed \$15,000. The unused balance of the appropriated funds will revert to the SPH Plant Replacement and Expansion Fund (PREF).

The attached ordinance would authorize the purchase of the property and appropriate \$315,000 from the PREF to cover the costs associated with the purchase, and would also provide for an amendment to the SPH Operating Agreement to add the property to the list of leased property under the operating agreement.

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RE: O2020-19-\_\_\_\_\_

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Your consideration of this ordinance is appreciated.

FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED	
Acct. No.	<u>491.20602</u>
Amount	<u>\$315,000</u>
By: <u>PP</u>	Date: <u>1/7/2021</u>
By: <u>BH</u>	