



KENAI PENINSULA BOROUGH

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MIKE NAVARRE
BOROUGH MAYOR

MEMORANDUM

TO: Hal Smalley, Assembly President
Kenai Peninsula Borough Assembly Members

FROM: Bill Smith, KPB Assembly Member *Bill Smith*
Mike Navarre, Borough Mayor *MN*

DATE: October 2, 2014

SUBJECT: Ordinance 2014- 31 Authorizing the Release of a Deed Restriction at the Request of the Homer City Council on a Parcel of Land Containing the Former Homer Intermediate School that was Deeded to the City of Homer by the Kenai Peninsula Borough

In 2000 Parcel No. 175-100-70 was deeded to the City of Homer subject to a public use deed restriction pursuant to KPB Ordinance 98-42. This property contains the old territorial school and the former Homer Intermediate School. The property initially consisted of four parcels. Homer area residents separately donated the land to the territorial school, the Parent Teacher Association of Homer and the Territory of Alaska in the 1940's and 1950's, which were then transferred to the borough in 1974. The borough filed a quiet title action on behalf of the city to remove the deed restriction from the parcel that housed the territorial school which required that parcel be used for only school purposes. The parcels were replatted into a 4.3 acre parcel which was conveyed to the City of Homer. The city did not pay for the property; however, the deed was made subject to a restriction requiring the property to be owned by the city and used for public purposes in perpetuity. The intermediate school, has since been used for Kenai Peninsula College Kachemak Bay Campus, Boys and Girls Club, and other generally beneficial public uses. At the time the borough conveyed the property to the city the borough had retained Architects Alaska to perform a site survey which estimated renovation costs of the territorial school to be \$465,780 and demolition costs to be \$190,500. The intermediate school had undergone renovations by the University of Alaska which had a lease agreement with the KPB and the conveyance to the city was subject to that lease. The property was considered surplus to the borough's needs while the city intended to make use of the property's gym and restroom facilities and to provide space for the Boys and Girls Club. The Boys and Girls Club and the University of Alaska no longer occupy the old intermediate school.

The Homer City Council adopted resolution 13-096 which requested the borough amend the deed restriction to permit the city to sell the property and dedicate the proceeds for the use and benefit of the general public. In that resolution the city cites concerns regarding the operation and

maintenance costs of the existing buildings on the property and additionally cites goals of providing a new public safety building.

The current assessed value of the 4.3 acre parcel is \$809,400 with the improvements having a 4,000,000 value.

Proposed KPB Ordinance 2014-31 would remove the deed restriction thereby allowing the city to make decisions regarding the future use or sale of the property. Your consideration of this ordinance is appreciated.

Enclosures:

- Release of Deed Restriction Instrument
- Quitclaim Deed Book 303 Page 641 Homer Recording District
- City of Homer Resolution 13-096
- KPB Ordinance 98-42 and other Historical Reference
- Public Notification with Map