



KENAI PENINSULA BOROUGH

PLANNING DEPARTMENT

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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: September 15, 2015

SUBJECT: Ordinance 2015-19-12, An Ordinance Appropriating \$435,000 from the South Kenai Peninsula Hospital Service Area (SKPHSA) Operating Fund to the SKPHSA Capital Project Fund, Authorizing the Acquisition of Real Property Located at 4136 Bartlett Street, Homer Alaska on Behalf of SKPHSA, Appropriating \$1,635,000 from the SKPHSA Capital Project Fund for the Purchase and Building Expansion Design, and Authorizing an Amendment to the SPH, Inc. Sublease and Operating Agreement.

The Kenai Peninsula Borough Planning Commission reviewed the subject ordinance during their regularly scheduled September 14, 2015 meeting. A motion passed by unanimous consent to recommend approval of Ordinance 2015-19-12.

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

WHEREAS, the Kenai Peninsula Borough Planning Commission, at its meeting of September 14, 2015 recommended approval by unanimous consent.

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

AGENDA ITEM F. PUBLIC HEARINGS

1. Ordinance 2015-19-12, An Ordinance Appropriating \$435,000 from the South Kenai Peninsula Hospital Service Area (SKPHSA) Operating Fund to the SKPHSA Capital Project Fund, Authorizing the Acquisition of Real Property Located at 4136 Bartlett Street, Homer Alaska on Behalf of SKPHSA, Appropriating \$1,635,000 from the SKPHSA Capital Project Fund for the Purchase and Building Expansion Design, and Authorizing an Amendment to the SPH, Inc. Sublease and Operating Agreement

Memorandum reviewed by Max Best

PC Meeting: 9/14/15

The Kenai Peninsula Borough provides for health and medical services through the South Kenai Peninsula Hospital Service Area (SKPHSA) through a sublease and operating agreement with the nonprofit South Peninsula Hospital, Inc.

The Homer Medical Center, a leased facility owned by Paradox Management, LLC, is the service area's main primary care facility providing family practice, obstetrics/gynecology, midwifery, nurse practitioners and other services. Expansion of the facility is necessary to accommodate these primary care services. The borough has a policy of limiting significant capital investments to property it owns to the maximum extent possible. Therefore, the property is proposed to be purchased by the borough on behalf of the SKPHSA.

The acquisition is proposed at the fee simple fair market value of \$1,475,000, according to an independent appraisal, plus all closing costs and prorated taxes. The subject ordinance would authorize the acquisition of the property at 4136 Bartlett Street and appropriate additional funds of \$150,000 for design of the planned addition.

The SPH Capital Project Fund has \$1,200,000 available for this project. An additional \$435,000 is required to purchase the facility and design the proposed addition which would come from the SPH Operating Fund. Therefore a transfer from the SPH Operating Fund to the SPH Capital Project fund in the amount of \$435,000 is included in the ordinance.

The proposed addition would consist of approximately 3,700 square feet along with related renovations and site improvements such as additional parking. The Borough's capital project department has estimated the proposed addition will cost between \$1,164,000 and \$1,512,000 including design cost. A source of funding needed for the construction of the proposed addition still needs to be identified. That action would come back to the assembly at a later date.

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.

MOTION: Commissioner Carluccio moved, seconded by Commissioner Isham to recommend approval of Ordinance 2015-19-12.

VOTE: The motion passed by unanimous consent.

CARLUCCIO YES	COLLINS YES	ECKLUND YES	ERNST YES	FOSTER ABSENT	GLENDENING YES	HOLSTEN ABSENT
ISHAM YES	LOCKWOOD ABSENT	MARTIN YES	RUFFNER YES	VENUTI ABSENT	WHITNEY YES	9 YES 4 ABSENT

AGENDA ITEM F. PUBLIC HEARING

2. Resolution 2015-27; Conditional land use permit application for material extraction on a parcel in the **Nikiski Area. Applicant:** Foster Construction, Inc.; **Landowner:** Twin River Resources, Inc.; **Parcel ID#** 013-143-04. **Legal Description:** NE¼ SE¼, Section 31, Township 8 North, Range 11 West,