

# Kenai Peninsula Borough

## Planning Department – Land Management Division

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### MEMORANDUM

**TO:** Ryan Tunseth, Assembly President  
Members, KPB Assembly

**THRU:** Peter A. Micciche, Mayor *PM*  
Robert Ruffner, Planning Director *ANFPP*  
Aaron Hughes, Land Management Officer *AA*

**FROM:** Marcus Mueller, Land Management Agent *mam*

**DATE:** April 9, 2026

**RE:** Ordinance 2026-18, Authorizing the Lease of Borough-Owned Land for a Material Site in Beluga by Competitive Lease Offering Through Sealed Bid Procedures (Mayor)

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The Beluga Material Site is located in the remote, community of Beluga on the west side of the Cook Inlet. The site was previously managed through a now-expired Concessionaire's Agreement. Gravel products from the site are important for development and infrastructure needs in the area

A public offering lease will provide local markets with important gravel products and development opportunities. A sealed bid offering format will be used to determine fair market rental value with a minimum reserve amount of \$450 per month. Lease rent will adjust with a 3% increase annually on January 1<sup>st</sup> of each year of the lease. The lease sets a minimum yearly material removal of 1,000 cubic yards and a maximum of 2,000 cubic yards, tied to the minimum bid base rent and performance requirements. A royalty rate of \$3.50/cubic yard for gravel volumes that are in excess of the 2,000 cubic yards removed each calendar year. The lease will be offered for an initial 5 year term, with a 5-year renewal provision upon mutual written consent. The lease premises is 24 acres, more or less, and contains the active material site and area for exploration and expansion. The lease requires a materials mining and reclamation plan.

The Sealed Bid receipt deadline is proposed for 4 p.m. May 21, 2026, with all bids to be received at the Land Management Division front desk located on the top floor at 144 N. Binkley Street, Soldotna, Alaska. A brochure will identify the lease being offered and provide instructions for participation and describe the subsequent lease award and closing process. Notice of the Sealed Bid Lease Offering will be published on the KPB Land Sale Hub at [www.kpb.us/landsales](http://www.kpb.us/landsales) along with a brochure, in addition to posting in three public places, in accordance with KPB 1.08.180.

The KPB Planning Commission will hold a public hearing regarding the proposed land sale on April 27, 2026, and will forward its recommendation to the Assembly.

Your consideration is appreciated.