



KENAI PENINSULA BOROUGH

Planning Department • Land Management Division
144 North Binkley Street • Soldotna, Alaska 99669-7520
PHONE: (907) 714-2200 • FAX: (907) 714-2378
Toll-free within the Borough: 1-800-478-4441, Ext. 2200
www.borough.kenai.ak.us

CHARLIE PIERCE
BOROUGH MAYOR

MEMORANDUM

TO: Wayne Ogle, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Charlie Pierce, Mayor *CP*
Rachel Parra, NPRSA Recreation Director *RP*
Max Best, Planning Director *MB*

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

DATE: February 6, 2018

SUBJECT: Ordinance 2018-10, Authorizing the Negotiated Lease of Office and Meeting Space at the Nikiski Community Recreation Center (Mayor)

The Nikiski Community Recreation Center ("NCRC") is a former elementary school building that was repurposed and is operated by the North Peninsula Recreation Service Area ("NPRSA"). The Alaska Gasline Development Corporation ("AGDC") has inquired about renting space within the NCRC for temporary office and meeting space with respect to its current work on the Alaska LNG project. The NCRC affords a central location in relation to the parts of the project that are outlined on the Kenai Peninsula.

The property was jointly inspected and found to be suitable for their intended use of operating a local office with available meeting space and a lease agreement has been drafted for an initial six month period with month-to-month extensions thereafter by mutual agreement.

The lease rental for a 462 square foot room would be \$1,252.02 per month to be received by North Peninsula Recreation Service Area. The lease revenue would help to offset NPRSA's operational and building costs.

Borough code does not specifically address the leasing of building space. The requirements of KPB 17.10 for the leasing of land are not applicable to the leasing of building space. While KPB 17.10.100(l) authorizes this negotiated lease, the ordinance provides that other provisions of KPB 17.10 including land classification, notice of disposition, lease types, lease terms and conditions, and general conditions are inapplicable here

The attached ordinance would authorize the mayor to lease one classroom space at the NCRC to AGDC for office and meeting space.

The next scheduled meeting of the planning commission is February 12, 2018, at which time it will consider this ordinance and submit its recommendations to the assembly before the February 20, 2017, hearing on this ordinance. Your consideration is appreciated.