

Kenai Peninsula Borough

Planning Department – Land Management Division

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *AK for CP* *MA*
Melanie Aeschliman, Planning Director
Marcus Mueller, Land Management Officer *[Signature]*

FROM: Aaron Hughes, Land Management Agent *AH*

DATE: April 21, 2022

RE: Ordinance 2022-10, Authorizing a Three-Party Agreement and Real Property Lease with Alaska Pipeline Company and Verizon Wireless (Mayor)

Verizon Wireless (VZN) has proposed to install cellular communication equipment on an existing microwave tower owned and managed by Alaska Pipeline Company (APC). The existing tower is located on Kenai Peninsula Borough (KPB) fee-owned property and authorized under right-of-way grant 051647, conveyed from the Bureau of Land Management to APC on April 25, 1963. The right-of-way grant was issued prior to KPB receiving title and was identified in language on the State of Alaska Patent.

In order to properly document the required relationships between KPB and VZN, APC and VZN, and KPB and APC, a three-party agreement and real property lease is necessary.

The terms of the Three-Party Agreement and Real Property Lease will result in the fair market rental amount split between KPB and APC, as follows:

- The initial monthly lease revenue to KPB in the amount of \$1,499.00 per month with an annual escalator of 3%.
- The initial monthly lease revenue to APC in the amount of \$1,500.00 with an annual escalator of 3%.
- A 5-year initial lease term is provided, with five additional 5-year renewal options.

Your consideration of this ordinance is appreciated.