

Introduced by:	Mayor
Date:	02/27/24
Hearing:	03/19/24
Action:	Enacted
Vote:	8 Yes, 1 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2024-04**

**AN ORDINANCE AUTHORIZING A NEGOTIATED LEASE WITH DAVIS BLOCK  
AND CONCRETE COMPANY FOR CONCRETE BATCH PLANT OPERATIONS IN  
SUPPORT OF THE STERLING HIGHWAY MP 45-60 CONSTRUCTION PROJECT  
NEAR COOPER LANDING**

- WHEREAS,** Davis Block and Concrete Company has been selected as a subcontractor providing materials and services necessary to the completion of the Sterling Highway MP 45-60 construction project near Cooper Landing; and
- WHEREAS,** Davis Block and Concrete Company has submitted application for the negotiated lease of KPB-owned land, for concrete batch plant operations necessary for the construction of the Juneau Creek Bridge; and
- WHEREAS,** the KPB owns or manages other leased sites in support of the highway project, and as a result has relevant comparable lease pricing data used to determine the negotiated lease terms; and
- WHEREAS,** the site is approximately 1acre in size, and is located within an area owned by the KPB and actively managed as the Snug Harbor Materials Site; and
- WHEREAS,** the proposed site is classified as Light Industrial and Resource Management as provided in KPB Resolution 96-79; and
- WHEREAS,** additional concrete from the proposed batch plant operations will be made available for local, private sale during the term of the lease; and
- WHEREAS,** the leasing of the site will not interfere with the existing use of the Snug Harbor Materials site; and
- WHEREAS,** a site design concept and lease development agreement has been prepared for this proposal; and
- WHEREAS,** the KPB Planning Commission conducted a public hearing at its regularly scheduled meeting on February 26, 2024, and recommended approval by majority vote;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That the Assembly finds that leasing of the identified KPB land pursuant to KPB 17.10.100(I) is in the best interest of the KPB as the use is in support of the highway project by improving safe and efficient travel on the Sterling Highway for residents and guests, while generating lease revenue for the KPB, and providing site improvements through the lease development.

**SECTION 2.** That the existing KPB classification of Light Industrial and Resource Management is consistent with the authorized use.

**SECTION 3.** That the provisions of KPB 17.10.090 and 17.10.110 governing disposition, published notice and leasing of KPB lands will not apply to this lease to Davis Block, which is short-term and project driven.

**SECTION 4.** That the terms of the lease will be 5 years with 2, 1-year renewals with an initial annual lease amount of \$3,500.00 and an annual 3% escalation increase.

**SECTION 5.** That additional financial consideration related to the lease will be in the form of site development improvements and slash disposal site maintenance during the duration of the lease term.

**SECTION 6.** That based on the foregoing, the Mayor is hereby authorized pursuant to KPB 17.10.100(I) to lease the 1-acre area referred to as Davis Block Lease Site, located within and being a portion of Tract A, ASLS 2010-17, Section 35, Township 5 North, Range 3 West, Seward Meridian Alaska. The authorization is for a lease solely to Davis Block and Concrete Company, and may not be assigned or subleased to any other person or entity without the expressed written consent of the Mayor.

**SECTION 7.** That the Mayor is authorized to execute a lease substantially similar in form to the lease agreement accompanying this Ordinance.

**SECTION 8.** That Davis Block and Concrete Company will have 120 days from the time of enactment of this ordinance to execute the lease.

**SECTION 9.** That revenue from the subject lease will be deposited in the Land Trust Fund.

**SECTION 10.** That this ordinance shall take effect immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 19TH DAY OF MARCH 2024.**

*Brent Johnson*

Brent Johnson, Assembly President

ATTEST:

*Michele Turner*

Michele Turner, CMC, Borough Clerk



Yes: Cooper, Cox, Elam, Hibbert, Ribbens, Tunseth, Tupper, Johnson

No: Ecklund

Absent: None