



## **KENAI PENINSULA BOROUGH**

PLANNING DEPARTMENT

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**MIKE NAVARRE**  
**BOROUGH MAYOR**

### **M E M O R A N D U M**

**TO:** Linda Murphy, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** Mike Navarre, Borough Mayor

**FROM:**  Max Best, Planning Director

**DATE:** January 8, 2013

**SUBJECT:** Ordinance 2012-19-41; An ordinance authorizing the acquisition of two properties and business assets for hospital purposes, appropriating \$3,591,500 from the CPGH, Inc. Plant Replacement and Expansion Fund for purchase and remodeling costs and authorizing an amendment to the CPGH, Inc. Lease and Operating Agreement

The Planning Commission reviewed the subject ordinance during their regularly scheduled January 7, 2013 meeting. A motion passed by unanimous consent to recommend approval of the ordinance.

In the ordinance, please make the following amendment to the last WHEREAS:

*WHEREAS, the KPB Planning Commission at its regularly scheduled meeting of January 7, 2013, recommended approval by unanimous consent.*

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

AGENDA ITEM E. PUBLIC HEARINGS

3. Ordinance 2012-19-41; An ordinance authorizing the acquisition of two properties and business assets for hospital purposes, appropriating \$3,591,500 from the CPGH, Inc. Plant Replacement and Expansion Fund for purchase and remodeling costs and authorizing an amendment to the CPGH, Inc. Lease and Operating Agreement

Memorandum reviewed by Max Best

PC Meeting: 1/7/13

Central Peninsula General Hospital, Inc. (CPGH, Inc.) was approached by the owners of Frontier Physical Therapy who proposed to sell their business assets and real property located in Kenai and Soldotna. Central Peninsula Hospital is in need of additional medical office and physical therapy space in Soldotna and additional physical therapy space in Kenai. The parties have reached tentative agreements for the purchase and sale of these assets at fair market value subject to final CPGH, Inc. Board approval and KPB Assembly approval. Additionally, remodeling will be required for the Soldotna property in order to make the space suitable to be leased to additional service providers. The estimated total purchase price is \$2,867,500 for the business assets and properties. An additional \$700,000 is estimated to be necessary to pay for the needed renovations. Funds for the purchase, renovations, and estimated closing costs of \$24,000 will be paid from the CPGH, Inc. plant replacement and expansion fund.

Additionally, if this is approved it is appropriate to amend the CPGH, Inc. lease and operating agreement to include the newly acquired property as being subject to the lease and operating agreement. The borough administration is conducting its own due diligence evaluation of this acquisition and will provide the assembly with any additional information prior to final hearing. Consideration of this ordinance would be appreciated.

END OF MEMORANDUM

Chairman Bryson opened the meeting for public comment. Seeing and hearing no one wishing to speak, Chairman Bryson closed the public comment period and opened discussion among the Commission.

**MOTION:** Commissioner Carluccio moved, seconded by Commissioner Ecklund moved to recommend approval of KPB Ordinance 2012-19-41.

Mike Navarre, Kenai Peninsula Borough Mayor

Mr. Navarre was available to answer questions. The purchase of the property is part of the comprehensive plan for the hospital which would include accommodating the expansion of the spine clinic and physical therapy facility in Soldotna.

Mr. Navarre stated that the physical therapy facility in Kenai needs more space. The building that is being purchased and currently used has plenty of space but is an old building. It is useable but needs some renovations over time in order to accommodate the Americans with Disabilities Act. He stated they recognize that and will incorporate that into their master plan. Independent appraisals were done on both properties.

Chairman Bryson asked if there were questions for Mr. Navarre.

Commissioner Holsten asked if the physical therapy building was accessible under reasonable circumstances for people who are getting physical therapy. Mr. Navarre replied yes, it is currently being used as a physical therapy location. As long as it was continuing to be used in the manner that it is now then the renovations do not need to be done immediately. He stated that if someone is wheelchair bound or needs handicap access then physical therapy is done at the hospital.

Commissioner Tauriainen asked where the Kenai facility location was located. Mr. Navarre replied that the Kenai facility is located across from Alaska USA Federal Credit Union. It is the Frontier Physical Therapy building.

**VOTE:** The motion passed by unanimous consent

BRYSON YES	CARLUCCIO YES	COLLINS YES	ECKLUND YES	FOSTER ABSENT	GROSS YES	HOLSTEN YES
ISHAM YES	LOCKWOOD ABSENT	MARTIN YES	RUFFNER YES	TAURIAINEN YES	WHITNEY YES	10 YES 3 ABSENT

~~AGENDA ITEM G. ANADROMOUS STREAM HABITAT PROTECTION (KPB 21.18) - None~~

~~AGENDA ITEM H. VACATIONS NOT REQUIRING A PUBLIC HEARING - None~~

~~AGENDA ITEM I. SPECIAL CONSIDERATIONS~~

1. Building Setback Exception; Lot 35 Block 1, Don's Place Subdivision Amended  
KPB File 2013-005; KPB PC Resolution No. 2013-01  
Location: On Eagle Avenue in Nikiski

Staff Report given by Max Best

PC Meeting: 1/7/13

Petitioner(s): Manuel W. Rosa, Nikiski

Submittal: Per the surveyor, Mike Swan and the new as-built, the corner of the garage is encroaching in the building setback.

Staff Discussion:

Borough Assessing records indicate the house was built in 2009.

Lot 35 contains 40,000 square feet and fronts a lake. The portion of the lot adjoining the lake appears to be a low wet area.

Eagle Avenue is fairly straight adjacent to the structure. Sight distance does not appear to be a problem.

KPB Roads Department maintains Eagle Avenue. The Roads Department Director believes the subject structure is not large enough to cause major concern. KPB Roads Department does not object to the requested exception.

**Findings:**

1. The road was platted in 1983.
2. Per Plat Note 2, a setback of 20 feet is required from all street rights-of-way.
3. Per KPB GIS, the area adjacent to the lake is a low wet area.
4. The right-of-way is relatively straight adjacent to the structure.
5. Sight distance does not appear to be a problem.
6. The Roads Department Director believes the subject structure is not large enough to cause major concern.
7. KPB Roads does not object to the requested exception.
8. The proposed exception does not appear to create a safety hazard for traffic.

20.24.010 provides that the commission may authorize exceptions to any of the requirements set forth in Title 20. This section also states - The commission shall find the following facts before granting any exceptions:

1. That special circumstances or conditions affecting the property have been shown by application;  
**Findings 1-8 support this fact.**
2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this title;  
**Findings 1-8 support this fact.**