

Introduced by: Mayor  
Date: 05/17/11  
Action: Carried Over as Amended to 06/07/11  
Date: 06/07/11  
Action: Adopted  
Vote: 8 Yes, 1 No, 0 Absent

**KENAI PENINSULA BOROUGH  
RESOLUTION 2011-056**

**A RESOLUTION AUTHORIZING THE ACQUISITION OF REAL PROPERTY AT  
166 W. CORRAL AVENUE, SOLDOTNA, ALASKA ON BEHALF OF THE  
CENTRAL PENINSULA HOSPITAL**

- WHEREAS,** the Central Peninsula Hospital (CPH) is operated by Central Peninsula General Hospital, Inc. (CPGH, Inc.) under the Lease and Operating Agreement dated January 1, 2008, as amended; and
- WHEREAS,** CPGH, Inc. desires to purchase real property at 166 W. Corral Avenue as it adjoins the hospital campus; and
- WHEREAS,** subject property would be used for long term future hospital expansion and relieve anticipated space issues with new physician clinics opening in the near future; and
- WHEREAS,** subject property lies within the Soldotna city limits and is zoned as Limited Commercial which is appropriate for hospital related uses; and
- WHEREAS,** hospital use of subject property is supported by the goals of the city's comprehensive plan update (Envision Soldotna 2030) as it lies within the proposed health care overlay district; and
- WHEREAS,** the proposed funding source is the CPH Plant Replacement and Expansion Fund, no hospital service area funds are proposed to be used; and
- WHEREAS,** the property was appraised by Derry & Associates, Inc. on June 25, 2010 and concluded an estimated market value of \$185,000; and
- WHEREAS,** acquisition for subject property has been negotiated with the property owner and agreement has been reached for the purchase price of \$200,000, subject to assembly approval; and
- WHEREAS,** CPGH, Inc. board of directors approved the purchase of subject property at its March 31, 2011 meeting through CPGH, Inc. Resolution 2011-25; and

**WHEREAS**, in accordance with the Lease and Operating Agreement, property for the hospital shall be purchased and owned by the Kenai Peninsula Borough; and

**WHEREAS**, upon the property acquisition it is the intent of the Kenai Peninsula Borough to amend the Lease and Operating Agreement to include the subject property; and

**WHEREAS**, a motion presented to the Central Kenai Peninsula Hospital Service Area Board at its meeting of April 18, 2011, recommending approval of this resolution failed by a vote of 3 yes, 3 no; and

**WHEREAS**, the KPB Planning Commission at its regularly scheduled meeting of March 28, 2011, recommended approval of the resolution by unanimous consent;

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

**SECTION 1.** That the purchase of the following described real property on behalf of Central Peninsula General Hospital, Inc. is in the best interests of the borough:

Lot Two (2), Block Two (2), Aspen Flats Subdivision, Addition No. 5, according to Plat No. K-1643, Kenai Recording District, Third Judicial District, State of Alaska (Assessor Parcel No. 059-270-08)

**SECTION 2.** That the terms and conditions substantially in the form of the Purchase Agreement accompanying this resolution are hereby approved. The purchase price shall be \$200,000.00, plus one-half of closing costs shall be paid by the borough not exceed \$2,500.

**SECTION 3.** That paying \$15,000 more than fair market value is in the borough's best interest and serves a public purpose based on the following findings:

- a. There is a finite amount of property adjacent to the hospital and the opportunity to purchase such properties is not always available.
- b. Purchasing the parcel when the opportunity presents itself is a cost-effective way of allowing for the hospital's future expansion.

**SECTION 4.** That this acquisition is for the purpose of supporting the campus and operations, including staff housing and other hospital related uses.

**SECTION 5.** That the proposed classification of this land is government.

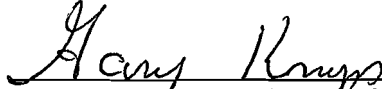
**SECTION 6.** That the mayor is authorized to execute any and all documents necessary to purchase the real property described in Section 1 in accordance with the terms and conditions contained in this resolution and the accompanying Purchase Agreement, consistent

with applicable provisions of KPB Chapter 17.10.

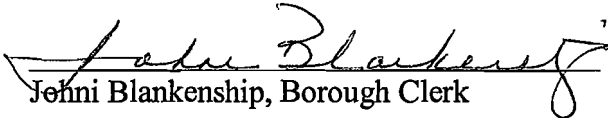
**SECTION 7.** That the Central Peninsula Hospital Plant Replacement and Expansion Fund shall bear all costs associated with this acquisition, up to \$202,500.

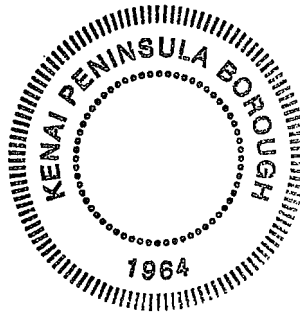
**SECTION 8.** That this resolution shall take effect immediately upon its adoption.

**ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 7TH DAY OF JUNE, 2011.**

  
\_\_\_\_\_  
Gary Knopp, Assembly President

ATTEST:

  
John Blankenship, Borough Clerk



Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen  
No: Knopp  
Absent: None

**PURCHASE AGREEMENT  
AND  
EARNEST MONEY RECEIPT**

This Agreement is made on this \_\_\_ day of \_\_\_\_\_, 2011, by and between MICHELLE R. MEDLEY, a single person, whose address is 166 W. Corral Avenue, Soldotna, Alaska 99669, (hereinafter referred to as "SELLER") and the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, whose address is 144 North Binkley Street, Soldotna, Alaska 99669 (hereinafter referred to as "KPB").

WHEREAS, SELLER is the owner of that real property located in the Kenai Recording District, Third Judicial District, State of Alaska, and more particularly described as follows:

Lot Two (2), Block Two (2), Aspen Flats Subdivision, Addition No. 5, according to Plat No. K-1643, Kenai Recording District (Hereinafter "the Property")

(Assessor Parcel No. 059-270-08)

WHEREAS, KPB has offered to buy subject to Assembly authorization and appropriation of funds, and SELLER is willing to sell the Property as evidenced by this Purchase Agreement;

NOW THEREFORE, in consideration of the promises herein contained, SELLER hereby agrees to sell to KPB, and KPB hereby agrees to buy from SELLER, the Property on the terms and conditions as set forth below:

1. PURCHASE PRICE

The purchase price of the Property is Two Hundred Thousand dollars and NO cents (\$200,000.00). The purchase price shall be paid by KPB at time of closing. The purchase of the Property and appropriation for the purchase are subject to borough assembly approval.

2. EARNEST MONEY RECEIPT

A payment of \$2,000 paid by KPB will be held in trust by South Central Title Agency and applied towards the purchase price of the Property. The purchase of the Property is subject to the approval of the KPB assembly, and if the KPB assembly fails to authorize the sale or if the KPB breaches any of the terms of this agreement the payment will be non-refundable. If the SELLER breaches any of the terms of this agreement, the down payment shall be returned to the KPB.

3. TITLE

Title shall be delivered at time of closing by Statutory Warranty Deed, which shall be issued to KPB. SELLER warrants and covenants that at the time of closing there shall be no liens or judgments recorded against SELLER in the same recording district in which the Property subject to this purchase agreement is situated. Title shall be clear of liens and encumbrances except title is subject to reservations, easements, rights-of-way, covenants, conditions and restrictions of record.

SELLER shall furnish to buyer, within 15 days of this fully executed agreement, a preliminary commitment for title insurance.

4. ESCROW AND CLOSING COSTS

In addition to the purchase price, KPB agrees to pay for one-half closing costs in connection with this Agreement, including without limitation all escrow fees, title insurance charges, recording fees and bank charges up to \$2,500. Property taxes will be prorated. All costs will be paid in full at the time of closing.

5. CLOSING

Unless otherwise agreed in writing, closing will occur within 90 days of execution of the Purchase Agreement. At closing, KPB will pay the balance of the purchase price. Both parties will execute all documents required to complete the Purchase Agreement and, if applicable, establish an escrow account.

6. POSSESSION

Possession shall be delivered to KPB at time of recording.

7. KENAI PENINSULA BOROUGH ASSEMBLY APPROVAL

Purchase of the Property by the Kenai Peninsula Borough is subject to authorization by the Kenai Peninsula Borough Assembly and appropriation of funds. If the Kenai Peninsula Borough Assembly fails to authorize the purchase of the subject land and appropriate funds, this agreement shall be terminated without penalty.

8. HAZARDOUS MATERIAL

SELLER covenants to the best of SELLER'S knowledge, that as the date of this agreement, except as specifically identified herein, the Property is free of all contamination from petroleum products or any hazardous substance or hazardous waste, as defined by applicable state or federal law, and there are no underground storage tanks or associated piping on the Property. SELLER agrees that no hazardous substances or wastes shall be located on or stored on the Property, or any adjacent property by seller, owner or contractors, nor shall any such substance be owned, stored, used, or disposed of on the Property or any adjacent property by SELLER, its agents, employees, contractors, or invitee's, prior to KPB'S ownership, possession, or control of the Property.

9. ENTIRE AGREEMENT

This Agreement and the documents referred to herein contain the entire agreement of the parties with respect to the subject matter hereof. Any changes, additions or deletions hereto must be made in writing and signed by both KPB and SELLER or their respective successors in interest. Provisions of this Agreement, unless inapplicable on their face, shall be covenants constituting terms and conditions of the sale, and shall continue in full force and effect until the purchase price is paid in full or this agreement is earlier terminated.

10. BREACH REMEDY

Prior to closing of the sale, in the event that KPB or SELLER fails to make any payment required, or fails to submit or execute any and all documents and papers necessary for closing and transfer of title within the time period specified in this agreement, the SELLER or KPB may terminate this Agreement.

11. MISCELLANEOUS

- A. Time. Time is of the essence in performance of this Agreement.
- B. Cancellation. This Agreement, while in good standing may be canceled in whole or in part, at any time, upon mutual written agreement by SELLER and the KPB mayor. This Purchase Agreement is subject to cancellation in whole or in part if improperly issued through error in procedure or with respect to material facts.
- C. Notice. Any notice or demand, which under the terms of this Agreement or under any statute must be given or made by the parties thereto, shall be in writing, and be given or made by registered or certified mail, addressed to the other party at the address shown on the contract.

However, either party may designate in writing such other address to which such notice of demand shall thereafter be so given, made or mailed. A notice given hereunder shall be deemed received when deposited in a U.S. general or branch post office by the addressor.

- D. Interpretation. This Agreement shall be deemed to have been jointly drafted by both parties. It shall be construed according to the fair intent of the language as a whole, not for or against any party. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of Alaska. The titles of sections in this Agreement are not to be construed as limitations of definitions but are for identification purposes only.
- E. Personal Property. The purchase price includes the refrigerator, which KPBB shall take possession. Possession of the washer, dryer, and shed shall remain with the SELLER, and shall be removed from the property by the SELLER prior to closing.

This Agreement has been executed by the parties on the day and year first above written.

KENAI PENINSULA BOROUGH:

SELLER:

\_\_\_\_\_  
David R. Carey, Mayor

*Michelle R. Medley*  
\_\_\_\_\_  
Michelle R. Medley

Dated: \_\_\_\_\_

Dated: 03 - 28 - 2011

ATTEST:

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY:

\_\_\_\_\_  
Johni Blankenship,  
Borough Clerk

\_\_\_\_\_  
Holly B Montague,  
Deputy Borough Attorney

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA )  
 ) ss  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of September, 2011, by David Carey, Mayor of the Kenai Peninsula Borough, an Alaska municipal corporation, for and on behalf of the corporation.

\_\_\_\_\_  
Notary Public in and for Alaska  
My commission expires: \_\_\_\_\_

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA )  
 ) ss  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me this 28 day of March, 2011, by Michelle R. Medley.



Karen Fuller  
Notary Public in and for Alaska  
My commission expires: 9-25-2012