



KENAI PENINSULA BOROUGH

Planning Department • Land Management Division
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DAVID R. CAREY
BOROUGH MAYOR

MEMORANDUM

TO: Gary Knopp, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: David R. Carey, Mayor *DR Carey*
Craig C. Chapman, Finance Director *C Chapman*
MB Max Best, Planning Director
Marcus A. Mueller, Land Management Officer *MA Mueller*

FROM: Dan Conetta, Land Management Agent *D.C.*

DATE: June 9, 2011

SUBJECT: Resolution 2011-068 Authorizing the Acquisition of Real Property at 158 W. Corral Avenue, Soldotna from Walter and Karen Griglione on Behalf of the Central Peninsula Hospital pursuant to KPB 17.10.040

The Central Peninsula Hospital is operated by Central Peninsula General Hospital, Inc. (CPGH, Inc.) under a Lease and Operating Agreement with the borough. One of the long-term goals of the CPGH, Inc. is to expand the hospital campus with the acquisition of adjacent properties as they become available. This goal was furthered with the purchase of adjacent properties in 2009 and 2010, and continues to be pursued with the proposed acquisition of subject property (see attached letter of March 25, 2011, from Ryan Smith, CEO of the CPGH). In accordance with the current Lease and Operating Agreement, the lessee (CPGH, Inc.) shall request the Borough to purchase property and such property shall be owned by the borough. Pursuant to KPB 17.10.040 acquisition of land shall be by resolution.

Subject property has been offered for sale by the owners, Walter H. and Karen K. Griglione. The appraisal by Peninsula Appraisal Group estimated market value of the property at \$142,500. CPGH, Inc. and the Grigliones negotiated a purchase price of \$145,000. On May 26, 2011, the CPGH, Inc. Board of Directors held a meeting and authorized the purchase of subject property through CPGH Resolution 2011-39. CPGH, Inc. proposes funding through the CPH Plant Replacement and Expansion Fund. The attached resolution would authorize the acquisition of subject property on behalf of the hospital for a purchase price not to exceed \$145,000 plus closing costs not to exceed \$2,500 with funding coming from the CPH Plant Replacement and Expansion Fund.

The property lies within Soldotna city limits and is zoned as Limited Commercial which is appropriate for hospital related uses. Subject property also lies within the proposed Health Care Overlay district (See Exhibit A -- Proposed Land Use Concepts Map). See Also Exhibit B -- Area Map. The real property includes a single family residential structure. The property would be used for long term future hospital expansion and relieve anticipated space issues with new physician clinics opening in the near future.

A building and site inspection was conducted on May 12, 2011, by borough personnel from the Maintenance Dept. and Risk Management. (See attached).

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	<u>490.20602</u>
Amount	<u>\$147,500.00</u>
By:	<u>CBW</u> Date: <u>6/9/11</u>