WHEREAS, the Central Peninsula Hospital 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 158 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, as the proposed funding source is the CPH Plant Replacement and Expansion Fund, no hospital service area tax funds are proposed to be used; and

WHEREAS, the property was appraised by Peninsula Appraisal Group on May 19, 2011, which concluded an estimated market value of $142,500; and

WHEREAS, acquisition for subject property has been negotiated with the property owner and agreement has been reached for the purchase price of $145,000, subject to assembly approval; and

WHEREAS, CPGH, Inc. Board of Directors authorized the purchase of subject property at its May 26, 2011, meeting through CPGH Resolution 2011-39; 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, the KPB Planning Commission, at its regularly scheduled meeting of May 23, 2011, passed a motion by unanimous consent to recommend approval of this resolution;

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 the Central Peninsula General Hospital, Inc. is in the best interests of the Borough:

Lot One (1), 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. 059-270-07)

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 $145,000.00, plus one-half of closing costs shall be paid by the Borough not to exceed $2,500.

SECTION 3. That paying $2,500 more than the appraised 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 $147,500.

SECTION 8. That this resolution shall take effect immediately upon its adoption.
ADOPTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 21ST DAY OF JUNE, 2011.

ATTEST:

[Signature]
Gary Knopp, Assembly President

[Signature]
John Blankenship, Borough Clerk

Yes: Haggerty, Johnson, McClure, Murphy, Pierce, Smalley, Smith, Tauriainen, Knopp

No: None

Absent: None