

Introduced by: Mayor
Date: December 6, 1988
Hearing: January 3, 1988
Vote: 10 Yes, 4 No
Action: Enacted

KENAI PENINSULA BOROUGH

ORDINANCE 88-50

APPROVING AN AMENDMENT TO A LEASE AGREEMENT BETWEEN THE KENAI PENINSULA BOROUGH AND PACIFIC ALASKA LNG COMPANY

WHEREAS, on January 4, 1974, the Pacific Alaska LNG Company entered into a lease agreement with the State of Alaska for approximately 23 acres of land located approximately ten miles north of the City of Kenai; and

WHEREAS, in 1983, the State of Alaska conveyed the leasehold lands to the Kenai Peninsula Borough as a portion of its selected entitlement to state lands; and

WHEREAS, the conveyance from the state to the Kenai Peninsula Borough was subject to the leasehold rights of lessee, Pacific Alaska LNG Company such that the lease continues in full force and effect; and

WHEREAS, lessee, Pacific Alaska LNG is fee owner of two parcels of land adjacent to the leasehold property, and has cleared and prepared the three parcels for development as one industrial site; and

WHEREAS, the original lease agreement included a special stipulation requiring the lessee to proceed with a development plan and schedule of development executed December 12, 1973; and

WHEREAS, that development plan relating to the construction of a LNG facility on the site is not a practical possibility at this time; and

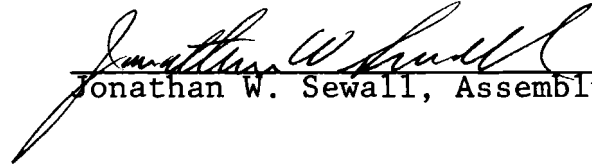
WHEREAS, the lessee has requested that the development plan and schedule referred to in the original lease be withdrawn and has agreed to a new development agreement whereby lessee ensures that the leasehold property plus the two adjacent properties owned by lessee will be developed and operated as a single industrial site which will result in a higher valuation of the leasehold property than that existing if the parcels are separately developed;

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

Section 1. That the mayor is authorized to enter into an amendment to lease agreement on behalf of the Kenai Peninsula Borough, a copy of which is attached hereto.

Section 2. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH ON
THIS 3rd DAY OF January, 1989.


Jonathan W. Sewall, Assembly President

ATTEST:


Borough Clerk