

Introduced by: Mayor, Committee of the Whole
Date: 01/22/02
Hearings: 02/05/02, 02/19/02
Action: Postponed until 02/19/02
Action: Enacted as Amended
Vote: 8 Yes, 0 No, 1 Absent
Date: 02/19/02

**KENAI PENINSULA BOROUGH
ORDINANCE 2002-05**

**AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A LEASE AND
OPERATING AGREEMENT WITH CENTRAL PENINSULA GENERAL HOSPITAL,
INC. FOR CENTRAL PENINSULA GENERAL HOSPITAL AND OTHER HEALTH
CARE FACILITIES**

WHEREAS, Central Peninsula General Hospital is presently operated by Central Peninsula General Hospital, Inc., a private non-profit corporation ("CPGH, Inc.") under a Lease and Operating Agreement for the period beginning January 1, 1998 and ending December 31, 2002; and

WHEREAS, the existing contract, as amended, provides for an automatic five-year renewal unless notice of termination is given on or before February 28, 2002; and

WHEREAS, the administration identified some areas of the contract that it recommended be amended to clarify contractual expectations; and

WHEREAS, the administration has conducted negotiations with a committee of the CPGH, Inc. Board of Directors, and has tentatively agreed with CPGH, Inc. upon a Lease and Operating Agreement which it believes addresses the borough's concerns with the existing contract; and

WHEREAS, at its meeting of February ¹⁸~~A~~, 2002, the Central Kenai Peninsula Borough Hospital Service Area Board recommend approval;

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

SECTION 1. The assembly finds that leasing the hospital to CPGH, Inc. for less than fair market value is in the best public interest because CPGH, Inc. has successfully operated the hospital under the existing contract, demonstrating its capability to continue doing so, and, unlike a traditional facility lease, all revenues generated through the agreement remain borough property under the proposed agreement.

SECTION 2. The Lease and Operating Agreement draft, dated January 22, 2002, to be entered between Central Peninsula General Hospital, Inc., and the Kenai Peninsula Borough for the Central Peninsula Hospital Service Area, a copy of which is attached and incorporated herein by reference, is approved. The mayor is authorized to execute a Lease and Operating Agreement that substantially complies with the terms of the approved draft and to take such actions as are necessary to implement its terms and conditions.

SECTION 3. The provisions of KPB 17.10.240, containing general terms and conditions for standard borough leases, shall not apply to this lease and operating agreement.

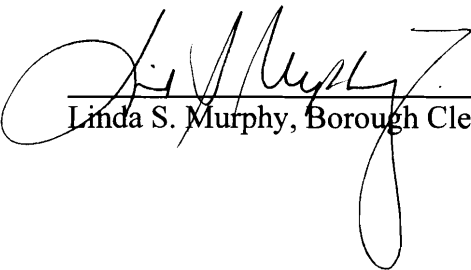
SECTION 4. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 19TH DAY OF FEBRUARY, 2002.



Timothy Navarre, Assembly President

ATTEST:



Linda S. Murphy, Borough Clerk

