



## **KENAI PENINSULA BOROUGH**

PLANNING DEPARTMENT

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**JOHN J. WILLIAMS**  
**BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Grace Merkes, Assembly President  
Kenai Peninsula Borough Assembly Members

**THRU:** John J. Williams, Borough Mayor *TJ / JW*

**FROM:** *MB* Max J. Best, Planning Director

**DATE:** May 14, 2008

**SUBJECT:** Ordinance 2007-19-45; Ordinance authorizing the acquisition of 40 acres from Brad & Linda Hibbard for the expansion of the Serenity House Treatment Center and appropriating an additional \$571,750 to complete the project.

The Planning Commission reviewed the subject ordinance during their regularly scheduled May 12, 2008 meeting. A motion to recommend enactment of the ordinance passed by majority consent. (Bryson, Yes; Carluccio, No; Collins, Yes; Foster, Absent; Gross, Yes; Isham, Yes; Johnson, Yes; Lockwood, Yes; Martin, No; Murphy, Yes; Petersen, Absent; Tauriainen, Absent)

Draft, unapproved minutes of the subject portion of the meeting are attached.

**AGENDA ITEM F. PUBLIC HEARINGS**

4. Ordinance 2007-19-45; Ordinance authorizing the acquisition of 40 acres from Brad & Linda Hibbard for the expansion of the Serenity House Treatment Center and appropriating an additional \$571,750 to complete the project.

Staff Report given by Marcus Mueller

PC Meeting: 5/12/08

The ordinance authorizes the acquisition and remodel of a 40-acre parcel with a 5,000 square foot building for expansion of the Serenity House Treatment Center.

Central Peninsula General Hospital, Inc. (CPGH) adopted CPGH Resolution 2008-17 authorizing the replacement and expansion of Serenity House Treatment Center. This was in response to an increasing need for a slightly larger facility that provides alcohol and chemical dependency treatment. The current facility does not meet the full needs of the community and the current facility needs a substantial investment to remodel and comply with the Americans with Disabilities Act.

Multiple options for the future of the program have been reviewed and a potential site and facility that would accommodate expanding the program to 10 to 12 beds at a cost significantly less than new construction has been identified. The cost for purchase of the potential site and facility is \$645,000 plus closing, with the total cost of the project estimated to be \$973,500.

The assembly through Ordinance 2007-19-43 appropriated \$401,750 from the CPGH Plant Expansion and Replacement Fund in support of this project. Additional revenues that are available for funding of this project include:

- \$35,000 in grant funds from the State of Alaska, Department of Health and Social Services.
- \$25,000 that has been raised by the Central Peninsula Health Foundation. Previously, it was noted that \$50,000 would be made available; however, only \$25,000 has been raised as of the date of this ordinance.
- \$486,750 from the Denali Commission.
- \$25,000 in additional funding from the CPGH Plant Expansion and Replacement Fund.

The ordinance would appropriate the additional funds totaling \$571,750 that is necessary to support the acquisition and remodel of the property and expansion of the alcohol and chemical dependency treatment center program.

The parcel is 40 acres owned by Brad & Linda Hibbard. It should be noted the land has a perpetual covenant that restricts the use of the land to agricultural purposes only as defined A.S. 38.05.321. This covenant runs with the land and is binding upon the Grantee and all persons or parties claiming through the Grantee.

CPGH has communicated with DNR and the local Soils and Water Conservation District. They have prepared a conservation plan for this property, which is one of the requirements for compliance with the covenants.

The administration of the hospital has reviewed this covenant, discussed the restrictions with the State of Alaska, Department of Natural Resources and believes that operation of the hospital's alcohol and chemical dependency treatment program is compatible with these restrictions.

END OF STAFF REPORT

Chairman Bryson opened the meeting for public comment.

1. Neal DuPerron, 398 W. Katmai Avenue, Soldotna  
Mr. DuPerron is the chairman of the Central Kenai Peninsula Hospital Service Area Board. The Board reviewed this ordinance at their April meeting where it was voted down. It was not voted down because they did not support the idea of the expansion of Serenity House. He stated the board always had money in their budget for taxpayer support and also listed the Serenity House as a legislative priority. In February a resolution was passed to expend funds for the expansion of Serenity House however the

exact location of the property was unknown. The board knew the hospital was looking at 5 properties but did not know the exact location of the properties.

Mr. DuPerron stated the reason this ordinance was voted down was because of the agricultural use of the property and the \$1,000,000 cap. They hadn't seen the letter the State sent stating that it was fine to use the land. Concerns were expressed by board members that thought the price was too close to the \$1,000,000 cap and wasn't sure what would happen if the project went over the cap. There were also board members who felt this location was being rushed. Basically there were a lot of questions that they didn't have answers to. He was available to answer questions.

Chairman Bryson asked if there were questions for Mr. DuPerron.

Commissioner Johnson asked if the service area board was in favor of the project now. Mr. DuPerron replied the service area board always supported Serenity House. One of the biggest problems was this location in that the neighbors testified against it. He wasn't sure if the service area board would support it at this time.

There being no further questions the public hearing continued.

Seeing and hearing no one else wishing to speak, Chairman Bryson closed the public comment period and opened discussion among the Commission.

**MOTION:** Commissioner Murphy moved, seconded by Commissioner Martin to recommend enactment of Ordinance 2007-19-45.

Chairman Bryson asked if staff had additional comments given the testimony presented. Mr. Mueller replied there were statements in the desk packet from Ryan Smith, the CEO for the CPGH, Inc. The statements were in response to questions posed by a member of the public. He stated that CPGH felt comfortable with the project in that they would be sure to stay below the \$1,000,000 cap.

Commissioner Johnson asked how the current Serenity House tied into this proposal. Mr. Mueller replied that Serenity House is currently located on the bluff on K-Beach Road. Commissioner Johnson asked if Serenity House planned on moving from the existing location. Mr. Mueller replied the existing location is under lease.

Chairman Bryson asked if the Planning Commission was working on a parallel line with the Service Area Board in forwarding this to the Assembly. Mr. Mueller replied the Code requires that when the Borough acquires property an Ordinance would go before the Planning Commission for its consideration. The Planning Commission acts as an advisory board that makes their recommendation to the Assembly.

Commissioner Carluccio stated she would be voting against the motion because the Hospital Service Area Board has not approved the ordinance.

Commissioner Murphy believed the questions that the Hospital Service Area Board had have been answered. The Code doesn't require that the Service Area Board give approval. The Planning Commission is the only board that has to review the ordinance prior to it going to the Assembly for final enactment. She felt the cap and agricultural issues have been satisfied so she stated she would vote in favor of the motion.

Commissioner Gross was impressed that the money was available through grants and felt the questions have been answered.

There being no further discussion, Chairman Bryson called for a roll call vote.

**VOTE:** The motion passed by majority consent.

BRYSON YES	CARLUCCIO NO	COLLINS YES	FOSTER ABSENT	GROSS YES	ISHAM YES	JOHNSON YES
LOCKWOOD YES	MARTIN NO	MURPHY YES	PETERSEN ABSENT	TAURIAINEN ABSENT		7 YES 2 NO 3 ABSENT