



KENAI PENINSULA BOROUGH

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JOHN J. WILLIAMS
BOROUGH MAYOR

MEMORANDUM

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

THRU: John J. Williams, Mayor
Max Best, Planning Director

FROM: Marcus A Mueller, Land Management Officer

DATE: February 28, 2008

SUBJECT: Ordinance 2008-07 Authorizing the Negotiated Lease of Office Space
at the Former Nikiski Elementary School Building

The Former Nikiski Elementary School Building was vacated by KPBSD in 2004. Approximately one-half of the building is currently occupied by the North Peninsula Recreation Service Area, and ten classrooms on the north wing are vacant.

The Land Management Division was assigned management of this facility and a facility management plan was developed in 2007. Leasing vacant space to defray holding costs associated with the building was identified as one management alternative. Recently the Borough was approached by representatives of Lockheed Martin about the possibility of renting office space at the facility. The property was inspected and found to be suitable for their intended use of operating a local office to administer a Transportation Security Administration contract for an 8-10 month time frame.

The basic terms agreed upon include renting a 941 square foot classroom for a base six-month term with month-to-month extensions thereafter at a rental of \$1,500 per month.

Borough code does not address the leasing of building space. The requirements of KPB 17.10 for the leasing of land are not applicable to the leasing of building space. While KPB 17.10.100(l) authorizes this negotiated lease, the ordinance otherwise finds inapplicable other provisions of KPB 17.10 including land classification, notice of disposition, lease types, lease terms and conditions, and general conditions.

The attached ordinance would authorize the Mayor to lease one classroom space at the Former Nikiski Elementary School Building to Lockheed Martin for office space. Your consideration is appreciated.

