



## **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

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

**DATE:** April 16, 2008

**SUBJECT:** Ordinance 2008-09; Authorizing a Negotiated Lease At Less Than Fair Market Value with the Kachemak Nordic Ski Club of approximately 90 acres of Borough land in the Homer area for the development, management, and maintenance of the Lookout Mountain trail system.

The Planning Commission reviewed the subject ordinance during their regularly scheduled April 14, 2008 meeting.

A motion to recommend approval of Ordinance 2008-09; authorizing a negotiated lease for 20 years at less than fair market value with Kachemak Nordic Ski Club failed by a tie vote. (Bryson, Absent; Carluccio, Yes; Collins, Yes; Foster, Yes; Gross, Yes; Isham, No; Johnson, No; Lockwood, No; Martin, Yes; Murphy, No; Petersen, No; Tauriainen, Absent)

A motion to recommend approval of Ordinance 2008-09; authorizing a negotiated lease of the property for 10 years at less than fair market value passed by unanimous consent.

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

AGENDA ITEM F. PUBLIC HEARINGS

2. Ordinance 2008-09; Authorizing a Negotiated Lease At Less Than Fair Market Value with the Kachemak Nordic Ski Club of approximately 90 acres of Borough land in the Homer area for the development, management, and maintenance of the Lookout Mountain trail system.

Staff Report given by Dan Conetta

PC Meeting: 4/14/08

Ordinance 2008-09 authorizes the mayor to enter in to a *less than fair market* lease with the Kachemak Nordic Ski Club, to develop, maintain, and manage, approximately 90 acres of Borough land to be known as the Lookout Mountain Trail System, located in the Homer area.

Kachemak Nordic Ski Club submitted an application to enter into a long-term lease of the subject land for the development of the Lookout Mountain Trail System to include hiking trails and a cross-country skiing course that will facilitate competition for area wide schools, support statewide races, and provide recreational hiking and skiing opportunities for the general public.

The lease is proposed for 10 years at less than fair market value for a term of \$1 per year.

As part of the lease Kachemak Nordic Ski Club will develop, manage and maintain at its own expense this trail system. The trail system is for the benefit of the Kachemak Nordic Ski Club, general public and the school district. The school district will have first priority use of the trail system. Expected uses include competitive cross-country skiing, which is expected to boost the local economy by attracting participants and spectators to the local area.

END OF STAFF REPORT

Vice Chairman Martin opened the meeting for public comment.

1. Allan Phelps  
Mr. Phelps stated that they would be unable to secure long-term grants and funding for the development of the trials, etc. without a long-term lease. He was available for questions.

Vice Chairman Martin asked if there were questions for Mr. Phelps.

Vice Chairman Martin asked if the length of the lease of 10 years was adequate. Mr. Phelps replied they originally asked for 20 years but staff suggested 10 years. He would prefer a longer-term lease.

There being no further questions, the public hearing continued.

2. Stuart Schmutzler, PO Box 3576, Homer  
Mr. Schmutzler heard the plans that the Nordic Ski Club would like to do. He felt parking, restroom facilities, etc. would be essential for maintaining the quality environment. It would be admirable if there were a strong commitment from the Borough in support of the Kachemak Nordic Ski Club. Mr. Schmutzler also felt the club would be in the area for quite some time. He encouraged the approval of the lease.

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

**MOTION:** Commissioner Gross moved, seconded by Commissioner Foster to recommend approval of Ordinance 2008-09; authorizing a negotiated lease for 20 years at less than fair market value with Kachemak Nordic Ski Club.

Mr. Conetta stated staff felt ten years was a good increment to reassess the lease. Commissioner Gross stated she has seen the Nordic Ski Club develop trails for years and know they are in the area to stay. It also seems

they would put a lot of equity into this property and 10 years would be just the time that they are up and running.

Commissioner Carluccio asked if the 90 acres included the proposed 10-acre residential parcel. Mr. Conetta replied yes.

Commissioner Carluccio agreed with Commissioner Gross regarding the 10 years. It would seem that they would just be up and running in 10 years. She supported the 20-year lease. Commissioner Carluccio felt the Borough could get out of the lease if Nordic Ski Club wasn't performing as agreed upon and that a 20-year lease would make it easier to obtain grants.

Commissioner Murphy expressed concern about going from a 10 to 20 year lease term since administration spent time negotiating the terms of the lease. She did not support changing the term of the lease at this late date.

Commissioner Johnson also expressed concern regarding the change in the lease term. He supported the ski club but felt ten years would be adequate and could be renewed after ten years.

Commissioner Foster supported a 20-year lease because it would be easier to get grants for the development of the trails. He reminded the commission that this is just a recommendation to the Assembly. The Assembly could easily change it back to a 10-year lease.

Commissioner Gross reiterated that club has been in existence in Homer for 28 years. She has skied on their trails for 28 years and appreciated all the work they have done.

Commissioner Murphy moved to divide the question and vote on the term of the lease prior to the recommendation of the ordinance.

Vice Chairman Martin stated the motion would be voted on as proposed and if it failed then a new motion could be made.

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

**VOTE:** The motion failed by a tie vote.

BRYSON ABSENT	CARLUCCIO YES	COLLINS YES	FOSTER YES	GROSS YES	ISHAM NO	JOHNSON NO
LOCKWOOD NO	MARTIN YES	MURPHY NO	PETERSEN NO	TAURIAINEN ABSENT		5 YES 5 NO

**MOTION:** Commissioner Murphy moved, seconded by Commissioner Johnson to recommend approval of Ordinance 2008-09; authorizing a negotiated lease of the property for 10 years at less than fair market value.

Commissioner Carluccio stated that 10 years was better than none.

Commissioner Lockwood was in favor of the 20 years but felt the Borough Assembly would more than likely go with a 10-year lease.

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

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

BRYSON ABSENT	CARLUCCIO YES	COLLINS YES	FOSTER YES	GROSS YES	ISHAM YES	JOHNSON YES
LOCKWOOD YES	MARTIN YES	MURPHY YES	PETERSEN YES	TAURIAINEN ABSENT		10 YES 2 ABSEDNT

**AGENDA ITEM F. PUBLIC HEARINGS**