

Introduced by:	Mayor, Long
Substitute Introduced:	05/20/08
O2008-11 (Mayor, Long)	See Original Ord for Prior History
Action:	Enacted
Vote:	7 Yes, 0 No, 2 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2008-11 (MAYOR, LONG SUBSTITUTE)**

**AN ORDINANCE AUTHORIZING CERTAIN AMENDMENTS TO THE TERMS OF
THE COOPER LANDING SENIOR CITIZEN CORPORATION, INC. LEASE WITH
OPTION TO PURCHASE FOR SENIOR HOUSING PURPOSES**

- WHEREAS,** the Cooper Landing Land Use Plan identified a need to provide for senior housing, and the Cooper Landing community has shown support for the development of a senior campus; and
- WHEREAS,** Goal 6.1 of the Comprehensive Plan is to obtain clear title to and manage and dispose of borough-owned land, timber, and gravel resources for the benefit of borough residents; and
- WHEREAS,** 28 percent of the Cooper Landing population is age 60 or older, and no senior housing is available within 35 miles of Cooper Landing; and
- WHEREAS,** Cooper Landing Senior Citizen Corporation, Inc. (CLSCCI), a nonprofit corporation, is dedicated to serving the well-being of senior citizens within the Cooper Landing area; and
- WHEREAS,** CLSCCI has created a senior campus development plan and has successfully completed Phase 1 of that plan on adjacent lands purchased under Ordinance 2005-6 (Mayor) Substitute; and
- WHEREAS,** 10.352 acres of land remain under lease with option to purchase by CLSCCI; and
- WHEREAS,** CLSCCI has secured funding to continue to develop additional senior housing; and
- WHEREAS,** making available affordable senior housing and assisted living strengthens communities and protects the health and welfare of aging residents; and
- WHEREAS,** the Kenai Peninsula Borough is the primary landowner in the Cooper Landing area that can make property available for development and community purposes; and
- WHEREAS,** CLSCCI has made \$27,288.70 in payments to KPB and is current with all obligations under the lease; and

WHEREAS, CLSCCI currently has \$3560.47 credited towards the purchase of property under the terms of the lease; and

WHEREAS, Under the existing lease, the full purchase option price for the 10.352 acres is \$89,461.68; and

WHEREAS, The provisions of Ordinance 2005-6 (Mayor) Substitute, including the terms of the subject lease, provided for CLSCCI to purchase land on a weighted scale in order that CLSCCI would have the opportunity to economically commence the development of senior housing, while ensuring the best interest of the borough through certain requirements including terms for total final compensation for the land; and

WHEREAS, readjusting the terms of the lease with option to purchase to extend additional opportunity for CLSCCI to economically develop senior housing as provided by this ordinance based on the best interest findings contained in this ordinance is authorized by the borough's land management and disposal powers authorized by AS 29.35.090 and codified in KPB Chapter 17.10, subject to other provisions of law; and

WHEREAS, maintaining an appropriate deed restriction with right of reversion ensures beneficial utilization of the property and protects the borough's interest in ensuring the property is used for this public purpose; and

WHEREAS, the Cooper Landing Advisory Planning Commission voted to support Phase II of the Eagleview Senior residential complex at its October 3, 2007, meeting;

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

SECTION 1. That the Assembly finds amending the terms of that certain Real Property Lease With Option to Purchase serialized as KPBL# 05-1215-00 affecting the real property described as Lot 2 Cooper Landing Senior Campus Subdivision according to Plat No. 2005-24 Seward Recording District for the purposes of adjusting the purchase option payoff schedule and changing the purchase option amount, as described in Section 2 below, is in the best public interest based on the following findings of fact:

- A. CLSCCI has successfully demonstrated through the completion and operation of its Phase 1 development that it is capable and dedicated to providing affordable senior housing in the community of Cooper Landing.
- B. CLSCCI is current with all obligations under the lease.
- C. CLSCCI has secured funding to commence Phase II of its senior housing project, being the development of a second 6-unit senior housing facility.

- D. CLSCCI's project is funded primarily through government program grants; a reduced purchase option price for the phase II site will allow those grant dollars from public sources to further accomplish the project objectives.
- E. CLSCCI's project funding is time sensitive.
- F. Adjusting the option price for the Phase II site will ensure that CLSCCI can successfully and timely develop Phase II with available funds.
- G. The development of additional housing units will generate additional revenue stream thereby putting CLSCCI in a better position to meet the financial commitments for the continuation of the lease and subsequent weighted value purchase option exercise.
- H. The shifting of purchase option price for the Phase II to the option price for subsequent phase lands does not adversely affect the borough's fiduciary responsibility for the subject lands as a whole.
- I. CLSCCI's senior campus project is an important form of community development that strengthens communities and enhances the health and welfare of residents.
- J. The non-financial terms and conditions of the lease will remain unchanged.

SECTION 2. Based on the foregoing, the mayor is hereby authorized, pursuant to KPBL 17.10.100(I) and KPBL 17.10.120(D) to execute an amendment to lease KPBL# 05-1215-00, changing the purchase option amount to that amount already received, plus \$45,000 and modifying Attachment B, Payoff Schedule, to provide that the next appropriately sized subdivided parcel, intended to accommodate one six-unit senior housing facility, is paid-in-full by applying the credited principle amount at the date of execution of the amendment, and that \$45,000.00 be accounted to the remaining purchasable acreage. The amendment shall additionally reset the applicable amortization schedule based on both the new amount and the term remaining on the lease; and the amendment shall adjust the rental calculation accordingly. All other terms and conditions of the Lease with Option to Purchase shall remain the same.

SECTION 3. The mayor is authorized to negotiate and sign any documents necessary to effectuate this ordinance.

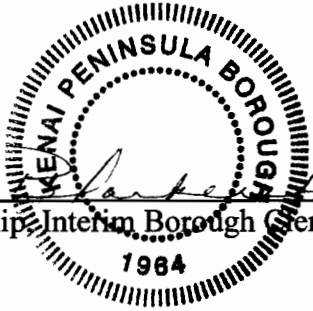
SECTION 4. That this ordinance shall take effect immediately upon its enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 20TH DAY OF MAY, 2008

Grace Merkes
Grace Merkes, Assembly President

ATTEST:

Johni Blankenship
Johni Blankenship, Interim Borough Clerk



- Yes: Fischer, Knopp, Long, Martin, Smith, Sprague, Merkes
- No: None
- Absent: Gilman, Superman