

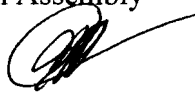

KENAI PENINSULA BOROUGH

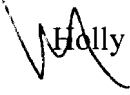
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MEMORANDUM

JOHN J. WILLIAMS
MAYOR

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

THRU: John J. Williams, Borough Mayor 
Colette Thompson, Borough Attorney 

FROM:  Holly B. Montague, Deputy Borough Attorney

DATE: June 16, 2008

SUBJECT: Ordinance 2008-16, Authorizing the negotiated lease of a 1.22-acre parcel of Borough land in Hope, Alaska to the Unites States Postal Service for a main post office site

A question has arisen regarding an interpretation of Section 15 of the proposed lease for a post office site at Hope. The section addresses responsibility for contamination of soil and water and underground storage tanks. It requires that there be no such contamination at the outset of the lease and that if such contamination does occur, the borough takes responsibility for removing the same. The U.S. Postal Service, however, is responsible for contamination due to its acts or negligence. For example, if the USPS were to store fuel on the premises in a container with leaky connections, it would be responsible for cleaning up any spills. However, if the property is contaminated by a member of the public in an activity unrelated to USPS actions, the borough would be responsible for the cleanup as between the borough and USPS. The borough could seek compensation from the party who caused the contamination. This is a reasonable expectation of a 20-year lessee. It is similar to what the borough would expect if it were leasing land.