



KENAI PENINSULA BOROUGH

Planning Department • Land Management Division
144 North Binkley Street • Soldotna, Alaska 99669-7520
PHONE: (907) 714-2200 • **FAX:** (907) 714-2378
Toll-free within the Borough: 1-800-478-4441, Ext. 2200
www.borough.kenai.ak.us

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: May 30, 2008

SUBJECT: Ordinance 2008-16 Authorizing the Negotiated Lease of a 1.22-Acre Parcel of Borough Land in Hope, Alaska to the United States Postal Service for a Main Post Office Site

The USPS is planning on developing a new main post office in the community of Hope. The USPS conducted an open solicitation for sites to allow interested parties the opportunity to offer property for that use. During the initial solicitation period the USPS received 3 proposals. There was concern amongst the community about the suitability of the available locations. Meanwhile, a parcel owned by the borough was freed up when the Hope Volunteer EMS relocated, thereby vacating a parcel of land formerly leased to the EMS. The community organization known as Hope, Inc after its meeting of March 22, 2008, requested the USPS reopen their solicitation period in order that new proposals could be offered. The Hope APC then, at its meeting of April 10, 2008, requested that the borough submit an offer on the old EMS site. Land Management investigated prevailing land values and determined that the appropriate basis for this parcel would be 8% of \$37,500 with a 3% annual adjustment factor. On April 15th an offer was submitted to USPS, subject to assembly approval. The initial offer was clarified and modified on May 22nd under a USPS call for Best and Final Offers. On May 30th the borough received notice that the USPS Site Review Committee had endorsed the Borough's offer.

The USPS will be sending Land Management a draft lease according to the proposal as soon as possible. The USPS conveyed that this lease needs to be entered into as soon as possible in order that the project can move forward under their current pool of funding and in order that the development happens during this construction season. USPS additionally conveyed that if competitive funding is lost, the project would be lost for time uncertain. Therefore shortened hearing is respectfully requested.

The attached ordinance would authorize the mayor to enter into a lease with the USPS for a total term of 40 years for postal service facility use at fair market rental value. Although the land has not been classified, the "*Community Land Use Plan for Borough Lands In Hope*, September 1987" which recommended this parcel be used for centralized public facilities, was adopted by Ordinance 87-49. An exception to classification is requested. Additionally, an exception to notice of disposition is requested as that provision of code is intended to make the public aware of opportunities to purchase or lease lands, which this ordinance does not involve. Your consideration of this ordinance under shortened hearing is respectfully requested.