

Introduced by: Mayor  
Date: 06/03/08  
Shortened Hearing: 06/17/08  
Action: Enacted as Amended  
Vote: 6 Yes, 0 No, 3 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2008-16**

**AN ORDINANCE 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**

- WHEREAS,** The “*Community Land Use Plan for Borough Lands In Hope*, September 1987” identified and recommended the 1.22-acre Lot 12 Block 6 Nu-Hope Townsite as “Town Center Facility Lands” to “provide lands for future centralized public buildings, local government facilities or other community needs” under Section VIII(4) of the plan; and
- WHEREAS,** Section VI and VII(A) of the plan identify future post office site as a use considered for public facility lands; and
- WHEREAS,** Ordinance 87-49 adopted the “Community Land Use Plan for Borough Lands in Hope”; and
- WHEREAS,** the Hope Volunteer EMS formerly occupied this property, but has since relocated to the Hope Volunteer Fire Department Facility; and
- WHEREAS,** the property is currently vacant and is available for Post Office use; and
- WHEREAS,** the Hope Sunrise Advisory Planning Commission at its meeting of April 10, 2008 moved to request the Borough submit a proposal offering the Old EMS site as a location for the new Post Office to the Postal Service, which passed by unanimous consent; and
- WHEREAS,** the Mayor submitted an offer to lease, subject to Assembly approval, to the United States Postal Service under a “Solicitation for Sites” program; and
- WHEREAS,** the offer was based on a fair market rental value of \$3,000/year increasing at an average of 3% per year, modified for 5 year rental adjustment increments; and
- WHEREAS,** the Borough received notice on May 30, 2008 that the USPS Site Review Committee endorsed the Borough offer to lease; and
- WHEREAS,** immediate action was requested by the USPS as the project is time sensitive for reasons of competitive funding and construction schedules; and

**WHEREAS,** the KPB Planning Commission at its regularly scheduled meeting of June 9, 2008 recommended enactment by unanimous consent;

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

**SECTION 1.** That the Assembly finds that leasing the property described in Section 4 below to the United States Postal Service for a main post office site in Hope pursuant to KPB 17.10.100(I) is in the best interest of the borough.

**SECTION 2.** That the Assembly additionally makes an exception to KPB 17.10.090 requiring classification prior to disposal. This exception is based on the following findings of facts pursuant to KPB 17.10.230:

1. Special circumstances or conditions exist.
  - A. KPB 17.10.080(A) states, classification of property is for review, plan implementation and management purposes. The classification system designates the most appropriate uses for land and thereby guides borough management of such lands and implementation actions to provide for the identified uses. Classification immediately prior to disposal of borough land that has been specified for a certain use does not accomplish these purposes.
  - B. The land use will be restricted by the terms of the lease.
  - C. The proposed lease will facilitate a land use consistent with the recommendation of the "*Community Land Use Plan for Borough Lands In Hope, September 1987*".
  - D. The Borough Assembly adopted the "*Community Land Use Plan for Borough Lands In Hope, September 1987*" by Ordinance 87-49.
2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.
  - A. This ordinance authorizes subject land to be leased to the United States Postal Service on a non-competitive basis, at market value, pursuant to KPB 17.10.100(I). Classification will be redundant and not serve a useful purpose based on the findings of No. 1 above.
3. That the granting of the exception will not be detrimental to the public welfare or injurious to other property in the area.

- A. Lease of the subject land to the United States Postal Service will benefit the public by facilitating the development of a Post Office in an appropriate, central location within the community of Hope.
- B. The land is suitable for the proposed use and is compatible with adjacent land uses.
- C. The "*Community Land Use Plan for Borough Lands In Hope, September 1987*" recommended this property be used for government purposes, which include Postal Services.

**SECTION 3.** That the Assembly additionally makes an exception to KPB 17.10.110 requiring notice of a disposition of land. This exception is based on the following findings of facts pursuant to KPB 17.10.230:

- 1. Special circumstances or conditions exist.
  - A. This ordinance authorizes subject land to be leased to the United States Postal Service on a non-competitive basis, at market value pursuant to KPB 17.10.100(I).
  - B. The subject property has been recommended for government use by the "*Community Land Use Plan for Borough Lands In Hope, September 1987*". The proposed lease is consistent such a recommendation.
- 2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.
  - A. The purpose of the KPB 17.10.110 advertising requirement is to notify the public of an opportunity to purchase or lease KPB land and advertising this sole source lease to the United States Postal Service will not serve a useful purpose.
- 3. That the granting of the exception will not be detrimental to the public welfare or injurious to other property in the area.
  - A. The subject property has been recommended for government use by the "*Community Land Use Plan for Borough Lands In Hope, September 1987*". The proposed lease is consistent such a recommendation.
  - B. Lease of the subject land to the United States Postal Service will benefit the public by facilitating the development of a Post Office in an appropriate, central location within the community of Hope.

**SECTION 4.** Based on the foregoing, the mayor is hereby authorized pursuant to KPB 17.10.100 (I) to lease Lot 12 Block 6 Nu-Hope Townsite, Alaska Subdivision, Plat No. 49, Seward Recording District for an initial term of 20 years, with four 5-year renewal options, for an annual rental schedule as follows:

20 Year Base Term

Years 1 – 5 = \$ 3,185.48/Annum

Years 6 – 10 = \$ 3,692.85/Annum

Years 11 – 15 = \$ 4,281.02/Annum

Years 16 – 20 = \$ 4,962.88/Annum

First Five Year Renewal Option = \$ 5,753.33/Annum

Second Five Year Renewal Option = \$ 6,669.69/Annum

Third Five Year Renewal Option = \$ 7,732.00/Annum

Fourth Five Year Renewal Option = \$ 8,963.51/Annum

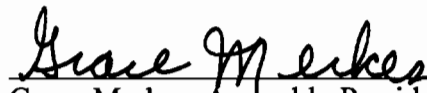
The authorization is for lease solely to the United States Postal Service, and it may not assign any rights to negotiate or enter an agreement for lease to any other person or entity. Once entered, the lease may be assigned or subleased pursuant to the terms of the lease agreement.

**SECTION 5.** The mayor is authorized to sign any documents necessary to effectuate this ordinance.


**SECTION 6.** The United States Postal Service shall have 180 days from the time of enactment of this ordinance to execute the lease document.

**SECTION 7.** That this ordinance shall take effect immediately upon its enactment.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 17TH DAY OF JUNE, 2008.**

  
Grace Merkes, Assembly President

ATTEST:

  
Johni Blankenship, Acting Borough Clerk

Yes: Knopp, Martin, Smith, Sprague, Superman, Merkes

No: None

Absent: Fischer, Gilman, Long

