

Introduced by: Mayor
Date: 09/16/08
Hearing: 10/14/08
Action: Enacted as Amended
Vote: 6 Yes, 3 No, 0 Absent

**KENAI PENINSULA BOROUGH
ORDINANCE 2008-19-21**

AN ORDINANCE AUTHORIZING THE PURCHASE OF LAND FROM R. DAN GREEN ADJACENT TO HERITAGE PLACE AT THE FAIR MARKET VALUE OF \$380,000 WITH CONSIDERATION CONSISTING OF CASH IN THE AMOUNT OF \$355,500 AND THE CONVEYANCE TO MARY L. GREEN OF REAL PROPERTY LOCATED IN MACKEY LAKE STATION SUBDIVISION WITH A FAIR MARKET VALUE OF \$24,500 ON BEHALF OF CENTRAL KENAI PENINSULA HOSPITAL SERVICE AREA, APPROPRIATING FUNDS FOR THE PURCHASE, AND CLASSIFYING THE PARCEL PURCHASED BY THE BOROUGH

- WHEREAS,** the Kenai Peninsula Borough acquired Heritage Place, a skilled nursing care facility, in 2006; and
- WHEREAS,** the area surrounding the Central Peninsula Hospital has significantly developed as a health care services “district”; and
- WHEREAS,** Central Kenai Peninsula Hospital Service Area has an opportunity to acquire land adjacent to Heritage Place, in part with a land exchange; and
- WHEREAS,** Central Peninsula Hospital and Heritage Place would greatly benefit by securing lands adjacent to Heritage Place and near the hospital for expansion of facilities and other future uses; and
- WHEREAS,** the subject property is the last remaining vacant land contiguous to Heritage Place and in proximity to the Central Peninsula Hospital; and
- WHEREAS,** the borough land subject to exchange is vacant land that is surplus to borough needs and classified appropriately for disposal; and
- WHEREAS,** an appraisal was commissioned to investigate the economics of this land acquisition; and
- WHEREAS,** as conditions of the acquisition, the owner will be required to unsubdivide the property and obtain a rezoning of the property to “Limited Commercial” or “Institutional” under the City of Soldotna zoning code; and
- WHEREAS,** R. Dan Green has elected to have the borough convey its property into the name of Mary L. Green; and

WHEREAS, the Central Peninsula Hospital Service Area Board at its meeting of September 15, 2008 recommended the purchase of the subject property with 50% (\$190,250) being paid from Central Kenai Peninsula Hospital Service Area funds and the remaining 50% being paid from the CPH Plant Replacement and Expansion Fund; and

WHEREAS, the CPGH, Inc Board adopted Resolution 2008-103 “Supporting Borough Ordinance 2008-19-21 and Authorizing the Use of Funds (\$190,000) From the Plant Expansion and Replacement Fund for the Purchase of Land From R. Dan Green”; and

WHEREAS, the KPB Planning Commission at its regularly scheduled meeting of September 22, 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 exchanging lands within the Sections 15 and 29, T5N, R10W, S.M., State of Alaska, as further described below, for the respective listed fair market values with R. Dan Green and Mary L. Green pursuant to KPB 17.10.100 (C) is in the best interest of the Borough:

Property to be conveyed to Mary L. Green:

Lot 6-A Mackey Lake Station Subdivision, according to plat no. 93-27, Kenai Recording District containing 2.92 acres.

Exchange value/ sale price shall be \$24,500.00 which is the appraised value by Derry and Associates dated June 26, 2008.

Property to be conveyed to the Kenai Peninsula Borough (Borough):

Lots 9-16 Block 1 Green Estates Subdivision, according to plat no. 79-62, Kenai Recording District containing 2.3 acres more or less, contingent on a return to acreage subdivision, vacating Brooks Circle Right-of-way, and a rezone to “limited commercial.”

Exchange value/ purchase price shall be \$380,000.00 which is the appraised value by Derry and Associates dated June 26, 2008.

SECTION 2. That the best interest of the borough finding is based on the following facts:

- a. That R. Dan Green owns the only vacant property contiguous to the Borough’s skilled nursing facility, and that property, upon appropriate resubdivision returning the property to acreage and vacating Brooks Circle right-of-way, and rezoning the property to “limited commercial” or “Institutional” is valuable to the Borough’s Central Peninsula Hospital operations.

- b. That the Kenai Peninsula Borough's Lot 6-A Mackey Lake Station Subdivision property is surplus to Borough needs and is appropriately classified as Residential.
- c. That the Borough's property is adjacent to Mary L. Green's property and primary place of residence, and is logically useful to Mary L. Green.
- d. That the exchange of properties motivates the seller and the borough is motivated to purchase by the need to acquire expansion property for Heritage Place.
- e. That the subject properties have been independently appraised, and this exchange is at fair market value.
- f. The exchange will add value to each party's landholdings for their respective purposes.
- g. This negotiated exchange benefits both parties fairly, and the difference in land value will be paid in cash from KPB to Mr. Green.

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

- 1. Special circumstances or conditions exist.
 - A. This ordinance authorizes a land exchange with R. Dan Green on a non-competitive basis pursuant to KPB 17.10.100(c).
- 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 exchange 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. This exchange benefits the borough's land inventory and benefits the Central Peninsula Hospital operations.
 - B. This exchange uses, as partial consideration, borough-owned land which is surplus to borough needs and appropriately classified as "residential".

SECTION 4. That the mayor is authorized to execute the exchange agreement substantially in the form of the one accompanying this ordinance and any and all documents necessary to effectuate this ordinance.

SECTION 5. That the land acquired by the borough through this exchange is hereby classified as "Institutional" pursuant to KPB 17.10.080.

SECTION 6. That the amount of \$190,250 is hereby appropriated from the Central Peninsula Hospital Service Area Capital Project Fund, fund balance to Capital Project Fund account No. 490.81111.9HERT.48610 for one-half of the cost of the purchase of the real property, identified as Lots 9-16 Block 1 Green Estates Subdivision, according to plat no. 79-62, Kenai Recording District containing 2.3 acres more or less.

SECTION 7. That the amount of \$190,250 is hereby appropriated from the CPGH Plant Expansion and Replacement Fund to Capital Project Fund account No. 490.81111.9HERT.48610 for one-half of the costs of the purchase of the real property, identified as Lot 9-16 Block 1 Green Estates Subdivision, according to plat no. 79-62, Kenai Recording District containing 2.3 acres more or less.

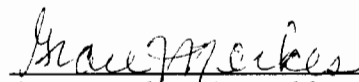
SECTION 8. That upon completion of the resubdivision of Lots 9-16, Block 1, Green Estates Subdivision, Plat 79-62, and vacation of Brooks Circle right-of-way as described above in Section 1, the mayor is authorized to pay the sum of \$355,500 to R. Dan Green and to transfer property identified as Lot 6-A Mackey Lake Station Subdivision, according to plat no. 93-27, Kenai Recording District containing 2.92 acres with a value of \$24,500 to Mary L. Green.

SECTION 9. That \$25,000 is transferred from the Central Peninsula Hospital Service Area Capital Project Fund to the Land Trust Fund for the value of the land transferred to Mary L. Green as part of the transaction, closing costs, and other related expenses.

SECTION 10. That Sections 1, 2, 3, 4, 6, 7, 8, 9, 10, and 11 of this ordinance take effect immediately upon enactment of this ordinance.

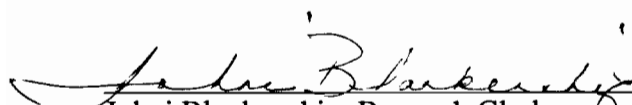
SECTION 11. That Section 5 of this ordinance shall take effect upon recordation of the conveyance of the property described in the exchange agreement.

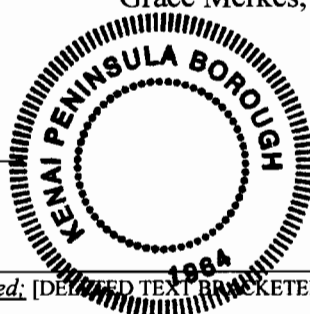
ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 14TH DAY OF OCTOBER, 2008.



Grace Merkes, Assembly President

ATTEST:


Johni Blankenship, Borough Clerk



Yes: Fischer, Long, Martin, Smith, Sprague, Merkes

No: Gilman, Knopp, Superman

Absent: None