



KENAI PENINSULA BOROUGH

PLANNING DEPARTMENT

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

**DAVID R. CAREY
BOROUGH MAYOR**

MEMORANDUM

TO: Milli Martin, Borough Assembly President
Kenai Peninsula Borough Assembly Members

THRU: *DK* Dave Carey, Borough Mayor

FROM: *MB* Max J. Best, Planning Director

DATE: October 30, 2008

SUBJECT: Ordinance 2008-31 Authorizing an Addendum of the Option to Lease Ladd Landing Between the Kenai Peninsula Borough and PacRim Coal, LP to Remove the Ninety Day Notice Requirement for Exercise of the Option

The Planning Commission reviewed the subject Ordinance during their regularly scheduled October 27, 2008 meeting. A motion to recommend adoption of the Ordinance passed by unanimous consent.

Draft, unapproved minutes of the subject portion of the meeting are attached.

AGENDA ITEM F. PUBLIC HEARINGS

- 6. Ordinance 2008-31 Authorizing an Addendum of the Option to Lease Ladd Landing Between the Kenai Peninsula Borough and PacRim Coal, LP to Remove the Ninety Day Notice Requirement for Exercise of the Option

Staff Report given by Marcus Mueller

PC Meeting: 10/27/08

The administration, in working through the Option to Lease Ladd Landing, has identified that a 90-day notice requirement to exercise the lease option has no benefit to either party, and the deletion of the notice requirement will best serve the interests of the borough. The notice requirement has been an artificial time constraint that we have rubbed up against on more than one occasion. The administration is on track to deliver to the assembly a revised option which will make the language consistent with borough standards, will address modern management and regulatory issues, and will best serve the interests of the borough and its residents.

The ordinance authorizes the Mayor to enter into a 6th addendum to the Option to Lease Ladd Landing, which simply deletes a 90-day notice requirement for the Optionee to exercise the option. This will allow the option to be exercised any time prior to expiration of the option or future extension of the option. Your consideration of the ordinance is appreciated.

END OF STAFF REPORT

Chairman Bryson opened the meeting for public comment. Seeing and hearing no one wishing to speak, Chairman Bryson closed the public comment period and opened discussion among the Commission.

MOTION: Commissioner Gross moved, seconded by Commissioner Murphy to recommend approval of Kenai Peninsula Borough Ordinance 2008-31.

Commissioner Johnson asked if there has been development within the last year. Mr. Mueller replied the project was still being drafted. There are a number of regulatory channels that this has been going through with a supplemental EIS being prepared. The supplemental EIS should be out by next spring with a comment period being extended through the summer. He stated there was nothing on the ground at this time.

Commissioner Johnson stated this was a highly controversial subject in the set net group.

VOTE: The motion passed by unanimous consent.

BRYSON YES	CARLUCCIO YES	COLLINS ABSENT	FOSTER YES	GROSS YES	ISHAM YES	JOHNSON YES
LOCKWOOD YES	MARTIN YES	MCCLURE YES	MURPHY YES	PETERSEN YES	TAURIAINEN YES	12 YES 1 ABSENT

AGENDA ITEM F. PUBLIC HEARING

- 7. Ordinance 2008-32 Authorizing the Negotiated Sale at Other Than Fair Market Value of Certain Real Property Having Been Leased By Snowshoe Gun Club Containing 186 Acres More or Less to the Snowshoe Gun Club

Staff Report given by Marcus Mueller

PC Meeting: 10/27/08

The Borough through a municipal entitlement acquired the Snowshoe Gun Club property. The Borough has had management authority on the property for quite some time. There was discussion on whether it was in the Borough's best interest for liability reasons to be an underlining landowner in these types of situations. The conclusion was that it was in the Borough's best interest to pursue ways to get out from underneath these leases while not attempting obstruct the continuation of those land uses.