



## **KENAI PENINSULA BOROUGH**

PLANNING DEPARTMENT

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**DAVID R. CAREY**  
**BOROUGH MAYOR**

### **MEMORANDUM**

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

**THRU:**  David R. Carey, Borough Mayor

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

**DATE:** January 28, 2009

**SUBJECT:** Ordinance 2009-02 Authorizing a Five-Year Extension of the Option to Lease Ladd Landing Between the Kenai Peninsula Borough and PacRim Coal, LP

The Planning Commission reviewed the subject ordinance during their regularly scheduled January 26, 2009 meeting. A motion to recommend adoption of the ordinance passed by majority consent. (Bryson, Yes; Carluccio, No; Collins, Absent; Foster, No; Gross, Yes; Isham, Yes; Johnson, Yes; Lockwood, Yes; Martin, Yes; McClure, Yes; Murphy, Yes; Petersen, Yes; Tauriainen, Yes)

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

AGENDA ITEM F. PUBLIC HEARINGS

6. Ordinance 2009-02 Authorizing a Five-Year Extension of the Option to Lease Ladd Landing Between the Kenai Peninsula Borough and PacRim Coal, LP

Memorandum reviewed by Max Best

PC Meeting: 1/26/09

At its meeting of November 18, 2008, the assembly requested that the administration bring forward an extension of the Option to Lease Ladd Landing. The administration and staff have discussed the Option and the current stages of the related coal development project. Authorization for a five-year extension of the Option is requested. This duration is important to allow time for the development and release of project information important for consideration in renegotiation of Option terms and conditions. As mentioned in prior assembly meetings, the project has new leadership, as does the borough. Review of the Option can best be accomplished when the parties are firmly footed and the best information is available.

The ordinance would authorize the Mayor to enter into a sixth addendum to the Option to Lease Ladd Landing for the sole purpose of extending the Option for an additional five-year period. Your consideration of the ordinance is respectfully requested.

Staff recommends the Planning Commission recommend enactment of the ordinance 2009-02 authorizing a five year extension of the Option to Lease Ladd Landing.

END OF MEMORANDUM

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 Isham to recommend adoption of KPB Ordinance 2009-02 Authorizing a Five-Year Extension of the Option to Lease Ladd Landing between the Kenai Peninsula Borough and PacRim Coal, LP.

Commissioner Foster asked what the advantage was to the Borough residents in renewing the lease option. Mr. Best replied the advantage was that the current PacRim could execute the option to lease that is in place. The lease option was from 1987 and would not be advantageous to execute the lease as written. If the Borough did not give a five year lease option extension then they could and may execute it in April but the Borough would have a poorly written lease. He felt it was to the advantage of both parties to extend the lease option.

Commissioner Johnson asked how project would impact the salmon within the Chuitna River. Mr. Best replied that it was the Pan Am Highway that bisects it, north / south; east / west. He believed the Chuitna River was north about 6-7 miles.

Commissioner Carluccio asked if it would not be advantageous to both parties if the option lease was not extended. Mr. Best replied that was correct. Commissioner Carluccio asked if PacRim could exercise that option anyhow. Mr. Best believed it would be more advantageous for PacRim to sign the extension. He thought they would execute a poorly written lease rather than allowing it to lapse.

Commissioner Carluccio asked if the Borough was receiving payments. Mr. Best replied yes. Commissioner Carluccio stated she could make a determination without knowing the details of the lease. She asked how long the original lease was for and stated it may be time to have a lease. Mr. Best replied the lease was for 50 years.

Commissioner Johnson understood the Borough has made about a million dollars in the 30 years this has been in effect. Mr. Best replied that was correct.

Commissioner Isham felt it would be hard to lease this property to anyone else if PacRim walked away from

the property. He stated some income was better than none.

There being no further comments or questions, Chairman Bryson called for a roll call vote.

**VOTE:** The motion passed by majority consent.

BRYSON YES	CARLUCCIO NO	COLLINS ABSENT	FOSTER NO	GROSS YES	ISHAM YES	JOHNSON YES
LOCKWOOD YES	MARTIN YES	MCCLURE YES	MURPHY YES	PETERSEN YES	TAURIAINEN YES	10 YES 2 NO 1 ABSENT

**AGENDA ITEM G.** ANADROMOUS STREAM HABITAT PROTECTION (KPB 21.18) - None

**AGENDA ITEM H.** VACATIONS NOT REQUIRING A PUBLIC HEARING - None

**AGENDA ITEM I.** SPECIAL CONSIDERATIONS - None

**AGENDA ITEM J.** SUBDIVISION PLAT PUBLIC HEARINGS

1. Isaak Subdivision Quick Addition  
KPB File 2009-010; Max/Quick

Staff Report reviewed by Patti Hartley

PC Meeting: 1/26/09

Location: On Skyline Drive, Soldotna area  
Proposed Use: Residential  
Zoning: Unrestricted  
Sewer/Water: On-site  
Assessing Use: Residential

Supporting Information:

The proposed plat is a simple subdivision of a 2-acre lot into two lots. A soils report is required, and an engineer will sign the plat. Both lots front State maintained Skyline Drive.

KPB records show Skyline Drive overlies a 100-foot section line easement. The right-of-way dedication adjoining this plat encompasses the section line easement.

This plat subdivides Tract 5A of Isaak Subdivision into Tract 5A-1 and 5A-2 of Isaak Subdivision Quick Addition. Unfortunately, this abuts the north border of Lot 5A University Heights Quick Addition. To avoid any confusion with similar or near duplicate tract or lot numbers, along with the identical addition names of Quick, **staff recommends** the 2 new tracts created by this current subdivision be assigned letter names: Tract or Lot A and Tract or Lot B.

**Staff recommends** the appropriate wastewater disposal note per KPB 20.14 be placed on the final plat. **Staff recommends** a signature and date line be provided for the engineer per KPB 20.14.

**Staff recommends** the approximate locations of slopes over 20 percent in grade, if any, be shown and labeled.

Development within the subdivision may be subject to the administrative policies and/or enforceable policies of the KPB Coastal Zone Management Program (Ordinance 2007-25).

Per Planning Commission Resolution 2000-25, if the Certificate to Plat indicates any beneficial interests affect this property, they will be notified and given 30 days from the date of the mailing of the notification to respond. They are given the opportunity to notify staff if their beneficial interest prohibits or restricts subdivision or