



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: Pete Sprague, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: ~~Max J. Best~~ David R. Carey, Borough Mayor

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

DATE: January 27, 2010

SUBJECT: Ordinance 2010-01; An Ordinance authorizing a land conveyance to the City of Soldotna of a 10-acre Borough parcel on West Redoubt to support a city cemetery.

The Planning Commission reviewed the subject Ordinance during their regularly scheduled January 25, 2010 meeting. A motion passed by unanimous consent to recommend enactment of the ordinance.

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

AGENDA ITEM F. PUBLIC HEARINGS

2. Ordinance 2010-01; An Ordinance authorizing a land conveyance to the City of Soldotna of a 10-acre Borough parcel on West Redoubt to support a city cemetery.

Memorandum from Assembly President Pete Sprague
Reviewed by Marcus Mueller

PC Meeting: 01/25/10

The City of Soldotna has been working to build a cemetery within its limits for virtually my entire tenure on the assembly. I have worked with city administrators, mayors, and councils as well as with borough mayors and assemblies in more than one attempt to find a suitable site for a regional memorial park. In November, the city adopted and forwarded to the borough a resolution asking for the conveyance of ten acres of borough land on West Redoubt Ave. This land, along with existing city property, is the preferred location, and would meet the needs of the residents of the central peninsula for many, many years.

There is value to this property, but I believe a government to government conveyance at less than fair market value is in the best interest of the people of the city and the borough. The cost of development and management by the city in perpetuity will certainly exceed the value of the land today. The dollar amount of \$55,000 was the agreed to price in 2005, the last time a similar ordinance was acted upon. It will of course be subject to acceptance by the Soldotna City Council after the assembly sets a selling price.

Consideration of the ordinance is greatly appreciated. Thank you.

END OF MEMORANDUM

VERBAL STAFF REPORT

Verbal Staff Report given by Marcus Mueller

PC Meeting: 1/25/10

Mr. Mueller referred to page 102 of the packet which shows the location of the property. This ordinance would authorize the conveyance of a 10 acre parcel of Borough land. The proposed sale amount is \$55,000. In the proposed ordinance there is a deed restriction to be place on the parcel. The deed restriction shall require that the property be used for cemetery purposes only and that it not be limited to use by Soldotna residents but rather be available to the general public on equal fees and terms, and that use as a cemetery shall begin within five years of the date this ordinance is enacted. Burials must begin within this timeframe. If at any time thereafter any portion of the parcel is used for purposed other than a cemetery, the Borough shall have a right of reentry for a broken condition subsequent to the portion of the parcel not used as a cemetery.

The Assessor's fair market value of the subject 10 acres of Borough-owned land has been appraised at approximately \$413,000.

END OF VERBAL STAFF REPORT

Chairman Bryson opened the meeting for public comment.

1. Larry Semmens, Soldotna City Manager

Mr. Semmens stated that the City of Soldotna passed Resolution 2009-070 requesting that the Borough convey 10 acres off Redoubt Ave for the purpose of a cemetery. This has been a longstanding issue with Soldotna and a very difficult process. The City Council and the voting populous are supportive of having the cemetery at this location. He felt this was a good site for a cemetery.

Mr. Semmens stated the criteria that the voters in Soldotna were looking at were a location that was close to the river and that it reflect the values of Soldotna. He stated people wanted a quiet place where they could walk to the river so this site was selected.

The City owns a 10 acre parcel adjacent to this proposed parcel and that is where the City plans to start the cemetery. There are three acres in that parcel that are being used for a sedimentation basin. The Borough deeded Soldotna that 10 acres a number of years ago for the purpose of a sedimentation basin. Mr. Semmens stated the question was why 10 acres was still needed. The answer is that a cemetery is forever and they don't want to go back through what Soldotna has gone through in the past couple of decades trying to find a spot for a cemetery. Soldotna is a small community of seven square miles which means they don't have a lot of land available for a cemetery. The City also doesn't have good access to the city owned parcel that will be the start of the cemetery. He noted there was access through Riverwatch Dr to the north and Judy Ln to the west. The plans would be to access this cemetery off of W Redoubt Ave and then be able to expand to the additional 10 acres over the next number of years.

Mr. Semmens stated the City Mayor has a lot of statistics of how many burial sites per acre that they could have since it would depend on the type of cemetery that would be built. There are a lot of cemeteries that could have a very high density but other cemeteries have a greener nature which has a much lower density. They are looking at this proposed cemetery and asking the question of how long it will last. He felt it would depend on the density of the cemetery so it's critical to consider the long term.

Mr. Semmens felt that there have been a lot of questions about the dollar figure since five years ago the value of this property determined by a different assessor was valued at \$139,000 and now it was valued at \$413,000. In his opinion, the dollar figure was irrelevant whether it was the public's entire asset or whether it was the public of Soldotna which is clearly part of the Borough. They are all part of the public. He stated this cemetery is intended to be a community cemetery with Soldotna committing to developing this cemetery and maintaining it for perpetuity. It will be a regional cemetery.

There have been a lot of land transfers that have happened between the Borough and other governmental units and other non-profits with worthy causes. Sometimes those are for \$1. Mr. Semmens stated that this Borough asset was not being transferred to private corporations that would profit by it. Soldotna was another municipal corporation and he guaranteed that there would be no profit in the lifetime of this cemetery. Soldotna was committing to do this and he hoped this didn't get balled up with the dollar figure.

Mr. Semmens assumed the Planning Commission was interested in determining if this was an appropriate use of this property. He felt it clearly was and felt that it would be an ugly process if they had to start over. Also, it would probably produce a legal challenge and delay this process if they have to go through Riverwatch Dr or Judy Ln to get to their parcel. He hoped the Commission would send a "do pass" message to the Assembly. He was available to answer questions.

Chairman Bryson asked if there were questions for Mr. Semmens.

Commissioner Tauriainen asked for clarification regarding the parcel that the City already owned. Mr. Semmens replied the maps that were included in the packet were produced by the Borough. He stated that Mr. Mueller was coming up with ideas of how this land could be used. Most of the maps show a connector between Riverwatch Dr and Judy Ln. It was his understanding that the proposed plans in the packet were not going to happen. The maps obscure the situation in his opinion. Mr. Semmens stated the parcel that was given to the city was the northwest corner where it states storm water facility. The purpose of that was to allow them to have the storm water facility. He stated there was approximately seven acres remaining there that would be available for the cemetery. The preferred access would be off W Redoubt Ave.

Commissioner Tauriainen asked which parcel was being proposed to be conveyed. Mr. Semmens replied that the area shown on the maps was not the full 10 acre piece. Mr. Best referred to page 103 of the packet and clarified that the parcel that was being proposed to be conveyed was the hatched area on the map. The parcel to the north of the subject 10 acre parcel was the parcel that was previously conveyed 10 acre parcel.

Commissioner Martin asked where the initial development would start. Mr. Semmens replied that there has been no design to date. There has been a fair amount of discussion that would lead him to believe that the cemetery would begin in the parcel that the City already owns.

Commissioner Martin referred to the ordinance which states that the new parcel needs to be used within 5 years of the agreement. Mr. Semmens introduced Peter Micciche, Soldotna City Mayor.

Chairman Bryson stated the reference was initial access development from Redoubt Ave.

2. Peter Micciche, Soldotna City Mayor, 300 Fairway Circle, Soldotna

What Mr. Micciche discussed with the Cemetery Development Committee is that they knew that was a concern from the Borough. The initial design would encompass part of the actual proposed 10 acres. There would be some burial sites on the proposed 10 acre piece that would fit within the 5 year timeframe requirements.

Mr. Micciche stated that it looked like other cemetery sites on the Peninsula have been there for 50 to 70 years. The reality is that the community has been struggling with a cemetery site for 53 years. He stated they have found a site with the blessing of the community from two different votes.

The City currently has 6 acres on one parcel and the amount of people buried is between 200 to 1000 burials per acre. The service area of the Soldotna area is about 4,000 residents but the City estimates that 25,000 people will seriously look at the Soldotna Cemetery. Mr. Micciche felt the fill rate for six acres minus the development areas would be rather quick. He would like this cemetery to last until his great grandchildren have to worry about it. This cemetery could be an 80 year site but it may be longer so he felt 16 acres was not an inappropriate size.

Mr. Micciche stated the community was feeling more and more comfortable with the cemetery proposal and access from Redoubt Ave. He stated the commission should think about the fact that every Borough resident was going to be treated the same as the Soldotna residents. There wouldn't be a premium on gravesites or services. The service area would be for approximately 25,000 Borough residents with a substantial amount of funds being invested in this site. Mr. Micciche comes with what is considered a reconciled receipt of two different votes with the vast majority in support of the cemetery. He hoped the Commission would support the site.

Chairman Bryson asked if Judy Lane would be turned into a cul-de-sac. Mr. Micciche replied that the intent was not to have Judy Lane be a through street.

Commissioner Tauriainen understood that part of the cemetery would be on the City owned property and part would be on the proposed conveyed parcel with access off of Redoubt Ave. Mr. Micciche replied that was correct with a safe road turnaround. He stated it would be easy to monitor with one way in and one way out.

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

MOTION: Commissioner Murphy moved, seconded by Commissioner Lockwood to recommend enactment of Ordinance 2010-01.

Commissioner Murphy supported the ordinance and has watched the drama around the selection of a cemetery site for the City of Soldotna. She felt this was an appropriate site and was in the public's best interest.

Commissioner Johnson stated he would be voting in favor of the ordinance and concurred with Commissioner Murphy. He stated the Borough wasn't spending the money but was selling the property for less than market value for a very good cause.

Commissioner Tauriainen also supported the ordinance and agreed with Commissioner Johnson. He stated the conveyance of the property was not being sold for profit and would be an appropriate transfer.

VOTE: The motion passed by unanimous consent.

BRYSON YES	CARLUCCIO ABSENT	COLLINS ABSENT	ECKLUND YES	FOSTER YES	GROSS ABSENT	ISHAM YES
JOHNSON YES	LOCKWOOD YES	MARTIN YES	MURPHY YES	PETERSEN YES	TAURIAINEN YES	10 YES 3 ABSENT

AGENDA ITEM F. PUBLIC HEARINGS

3. Ordinance 2010-03; An Ordinance amending KPB 17.10.100 Methods of Disposition by adding subsection 17.10.100(J), Oil and Gas Leasing.

Memorandum reviewed by Marcus Mueller

PC Meeting: 01/25/10

The borough does not typically hold oil and gas interests except in the few cases where the borough has purchased property and the oil and gas interests were still attached. Although small in scale, the oil and gas interests that the borough does have may be leasable for production on a royalty basis; however, current code is absent provisions specific to oil and gas leasing. Borough code addressing surface interests of land and resources does not provide a good fit for oil and gas and, if applied to oil and gas, would create a confused process such as requirements for classification.

The Land Management Division proposes a new code provision for oil and gas and recommends retaining the protections, processes, and relevant terms for surface uses by excluding surface use from borough oil and gas leasing.

Consideration of this ordinance is greatly appreciated.

END OF MEMORANDUM

VERBAL STAFF REPORT ADDENDUM

Verbal Staff Report Addendum given by Marcus Mueller

PC Meeting: 01/25/10

The ordinance would allow for Oil and Gas leasing. It would authorize the lease of Borough oil and gas interests at minimum financial terms of the prevailing state royalty rate. Other terms would be standard and customary in the industry. Oil and gas leases under this provision would not allow for surface uses. Oil and gas leases may be excluded from all other provisions for disposition contained 17.10 where the assembly finds that such provisions are not compatible with the intent and purposes of the proposed oil and gas leases.

END OF STAFF REPORT ADDENDUM

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 Martin moved, seconded by Commissioner Lockwood to recommend adoption of KPB Ordinance 2010-03.

VOTE: The motion passed by unanimous consent.

BRYSON YES	CARLUCCIO ABSENT	COLLINS ABSENT	ECKLUND YES	FOSTER YES	GROSS ABSENT	ISHAM YES
JOHNSON YES	LOCKWOOD YES	MARTIN YES	MURPHY YES	PETERSEN YES	TAURIAINEN YES	10 YES 3 ABSENT