

## KENAI PENINSULA BOROUGH

144 N. BINKLEY • SOLDOTNA, ALASKA • 99669-7599  
BUSINESS (907) 262-4441 FAX (907)262-1892

DALE BAGLEY  
MAYOR

May 27, 2004

Judy Lexa  
143 Acme Road  
White Salmon, WA 98672

Subject: Purchase of the underlying interest of two easements in Soldotna, AK

Dear Ms. Lexa:

Pursuant to conversations that you have had with Sheryl Musgrove, Assistant Borough Attorney, you know that your mother, Eleanor Faa Carver dedicated a perpetual easement over certain lands know as Vine Avenue, Leibrock Street and Hospital Place to the City of Soldotna. This property was originally owned by your father, Jerome Faa, and was inherited by your mother. Interest in the property is now vested equally between yourself, Jocele A. Faa of Waterloo, IN, Thomas E. Faa of Maricopa, AZ, and the heir of Eugene J. Faa, Sara Jocele Faa of Salem OR.

The Kenai Peninsula Borough is interested in purchasing your remaining interest in the property. The description of the property is:

Commencing from the USGLO  $\frac{1}{4}$  monument common to Sections 29 and 30, T5N, R10W, Seward Meridian, proceed East along the center line of said Section 29 a distance of 1650.5 feet; thence South  $0^{\circ}08'$  East a distance of 30 feet to the true point of beginning; thence South  $0^{\circ}08'$  East a distance of 270 feet; thence West a distance of 60 feet; thence North  $0^{\circ}08'$  West a distance of 270 feet; thence East a distance of 60 feet to the true point of beginning; containing 0.37 acres more or less;

Together with the South 60 feet of the North 360 feet of the NE  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of Section 29, T5N, R10W, Seward Meridian, containing 1.82 acres, more or less; and together with a parcel 60 feet in width lying 30 feet on each side of a line which begins at a point which lies South  $0^{\circ}08'$  East a distance of 360 feet and East a distance of 660 feet from the Center-West  $\frac{1}{16}^{\text{th}}$  corner of Section 29, T5N, R10W, Seward Meridian, and which ends South  $0^{\circ}08'$  East, 600 feet from the point of beginning, containing 0.83 acres, more or less.

The acquisition of this property by the borough would clear title to all of the land surrounding the current Central Peninsula General Hospital. The design phase of hospital

expansion is currently ongoing and approximately 6,760 square feet of the proposed footprint falls within one of the above described easements. Rather than purchase just the 6,760 square feet necessary for the current expansion project, the borough would like to purchase the underlying interest of all of the easements in the area. This would allow for expansion of the hospital in the future without acquiring additional interest in land.

As stated previously, an easement titled "Water, Sewer, and Street Easement" currently encumbers all of these lands. This easement greatly limits the utility of the land. Only uses associated with water, sewer or streets are allowed. These limitations affect the value of the underlying ownership. The total square footage of the property that the Kenai Peninsula Borough is proposing to acquire is 3.02 acres or 131,551 square feet. The borough is willing to offer \$0.12 per square foot for the lands described above as they are currently encumbered. \$0.12 times 131,551 equals an offer of fifteen thousand seven hundred eighty six dollars (\$15,786.00). This offer is contingent upon assembly approval. In return we will require the following:

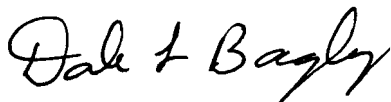
- 1) A quit claim deed from each of the four heirs
- 2) A signed affidavit from each of the four heirs
- 3) An administratrix's deed from the estate

I am attaching a sample of 1 and 2 above for your review and comment. The administratrix's deed will have to be prepared by the estate.

The alternative to the above proposal would be condemnation of the 6,760 square feet necessary to accommodate the footprint of the proposed expansion. The courts would establish the value of the land affected by the building footprint and that amount would be distributed among all four heirs. This process would also clearly establish the ownership and value of the remaining land outside of the footprint area. At that point the borough would be compelled to collect back taxes on the property to the extent allowed by law and continue to tax the property going forward.

We would like to avoid this process if at all possible. We feel that our offer of \$15,786.00 to purchase your remaining interest in the above-described property is fair and equitable. We would like to resolve this issue cleanly and quickly. Please contact Paul Ostrander, Land Management Officer as soon as possible should you have any questions regarding this proposal. His direct line is 907.714.2203.

Sincerely,



Dale Bagley  
Mayor  
Kenai Peninsula Borough