



# MEMORANDUM

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**Resolution 24-075, A Resolution of the City Council of Homer, Alaska, Authorizing the Interim City Manager to Sign a Landlord Letter of Consent for the South Peninsula Hospital as Part of their Application for the Health Resources and Services Administration Congressionally Directed Spending Funding Opportunity. City Manager.**

**Item Type:** Backup Memorandum  
**Prepared For:** Mayor Castner and Homer City Council  
**Date:** June 27, 2024  
**From:** Melissa Jacobsen, Interim City Manager

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South Kenai Peninsula Hospital was awarded \$5,000,000 in Congressionally Designated Spending (CDS) for improvements for their facility. As the property owner of the land the hospital sits on, they're required to provide a Landlord Letter of Consent from the City as part of their application. Kenai Peninsula Borough Purchasing and Contract Director John Hedges provided the following comments:

*On May 1, 1970 the City of Homer and the Kenai Peninsula Borough entered a lease agreement for the property that currently makes up the South Kenai Peninsula Hospital's main campus. Including all three current amendments, that lease's term is effective until June 30, 2105. Part 4 of the lease describes the use of the premises for, "operation of a public hospital and for those activities reasonably necessary". Part 5 of that agreement allows the lessee to, "add other improvements there on".*

*With the assistance of U.S. Senator Lisa Murkowski, the Kenai Peninsula Borough, South Kenai Peninsula Hospital Service Area and SPH Inc. were awarded \$5,000,000 in Congressionally Designated Spending (CDS) for improvements to South Peninsula Hospital facility. In the recently completed master plan, improvements to the hospital's aging infrastructure and plant were identified as one of the highest priorities. As part of our ongoing strategy a project scope for the replacement of the emergency power plant and a new boiler space is in development. The work will also include minor site, mechanical, and electrical improvements. It is the intent to utilize the \$5,000,000 in CDS funds to complete this scope of work. As part of the grant agreement, the U.S. Health Resources and Service Administration is requesting a letter of consent from the Lessor of the property that makes up the main hospital campus. Thank you for your consideration of this request.*

**Recommendation:** Adopt a resolution authorizing the Interim City Manager to sign a landlord letter of consent for South Kenai Peninsula Hospital's CDS application.