

CITY OF HOMER
HOMER, ALASKA

City Manager Mayor

RESOLUTION 24-075(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA
AUTHORIZING THE ~~INTERIM CITY MANAGER~~ **MAYOR** TO SIGN A
LANDLORD LETTER OF CONSENT FOR THE SOUTH KENAI
PENINSULA HOSPITAL AS PART OF THEIR APPLICATION FOR THE
HEALTH RESOURCES AND SERVICES ADMINISTRATION
CONGRESSIONALLY DIRECTED SPENDING FUNDING
OPPORTUNITY.

WHEREAS, On May 1, 1970 the City of Homer and Kenai Peninsula Borough entered into
a lease agreement for the property that currently makes up South Kenai Peninsula Hospital's
(SPH) main campus; and

WHEREAS, SPH was awarded \$5,000,000 in Congressionally Designated Spending (CDS)
for improvements to their facility; and

WHEREAS, A project scope for the replacement of the emergency power plant and a
new boiler space is in development and the work will also include minor site, mechanical, and
electrical improvements; and

WHEREAS, A Landlord Letter of Consent is necessary for the SPH application to receive
the CDS funds due to site work and improvements being done on the property.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
authorizes the ~~Interim City Manager~~ **Mayor** to sign a Landlord Letter of Consent for SPH's CDS
application.

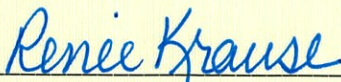
PASSED AND ADOPTED by the Homer City Council this 1st day of July, 2024.

CITY OF HOMER



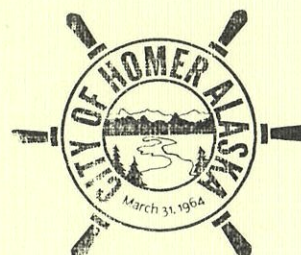
KEN CASTNER, MAYOR

ATTEST:



RENEE KRAUSE, MMC, ACTING CITY CLERK

Fiscal note: N/A



City of Homer
491 E. Pioneer Ave
Homer, AK 99603

Re: Lease – City of Homer and Kenai Peninsula Borough, Tract A-1, South Peninsula Hospital
Subdivision 2005 Addition, filed as Plat No. 2006-38
Address: 4300 Bartlett St, Homer, AK 99603

Landlord Letter of Consent

The City of Homer ("City") is the owner of the property located at South Peninsula Hospital, 4300 Bartlett St., Homer, AK 99603. The property is currently leased by Kenai Peninsula Borough ("KPB"). The City currently has a lease agreement with KPB that will expire 81 years from now on June 30, 2105.

The City is in full agreement with the proposed improvements to the aforementioned leased property as part of the Health Resources and Services Administration (HRSA) Congressionally Directed Spending funding opportunity, and the lease agreement between the City and KPB allows KPB to undertake proposed improvements. The City agrees to the following restrictive terms, which will be signed by both the City and KPB. In addition, for purposes of the HRSA funding opportunity and to the extent the terms are not already addressed in the lease agreement, the City further agrees to the following provisions:

- a) The City agrees not to sublease, assign, or otherwise transfer the property, or use the property for a non-grant-related purpose(s) without the written approval from HRSA (at any time during the term of the lease/agreement, whether or not grant support has ended).
- b) The City will inform HRSA of any default by the recipient under the lease/agreement.
- c) HRSA shall have 60 days from the date of receipt of the property owner's notice of default in which to attempt to eliminate the default, and that the City will delay exercising remedies until the end of the 60-day period.
- d) HRSA may intervene to ensure that the default is eliminated by the recipient or another recipient named by HRSA.
- e) The City shall accept payment of money or performance of any other obligation by the HRSA's designee, for the recipient, as if such payment of money or performance had been made by the recipient.
- f) In the event that the recipient defaults, the grant is terminated, or the recipient vacates the property before the end of the lease term, HRSA shall have the right to designate a replacement for the recipient for the balance of the lease term, subject to approval by the City, which will not be withheld except for good reason.

The City also acknowledges that there will be a Federal interest in the property as a result of the proposed improvements and that Kenai Peninsula Borough agrees to file a Notice of Federal Interest prior to work commencing, if required by HRSA.

Signature: 

Typed Name and Title : Ken Castner, Mayor

Date: 



MEMORANDUM

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

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.

Safe Copy

HOMER
Serial No. 70-226

BOOK 56 PAGE 61
Homer Recording District

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LEASE OF HOMER HOSPITAL

THIS AGREEMENT, made and entered into this 10th day of November, 1969, by and between the CITY OF HOMER, hereafter referred to as the Lessor, and the KENAI PENINSULA BOROUGH, hereafter referred to as Lessee:

W I T N E S S E T H:

That for and in consideration of certain obligations to be paid and performed by the Lessee, the Lessor does hereby demise, lease and let and the said Lessee does hereby hire and take charge of and from the Lessor, the following described real property and improvements thereon:

The North one-half (N1/2) of the Northwest one-quarter (NW1/4) of the Southeast one-quarter (SE1/4) of the Southeast one-quarter (SE1/4) of Section Eighteen (18), Township Six South (T6S), Range Thirteen West (R13W), Seward Meridian, State of Alaska.

SUBJECT to all reservations, easements and covenants of record.

The purpose of this lease is to grant the Kenai Peninsula Borough continued use of the hospital facility under the terms of the following lease:

1. TERM: The term of this lease shall be for a period of fifty-five (55) years, commencing on the first day of July, 1969, and ending on June 30th, fifty-five (55) years from said date.
2. RENT: The Lessee shall pay Ten and no/100 Dollars (\$10.00), plus other valuable considerations, including the exchange of promises and conditions included herein.
3. ACCEPTANCE OF PREMISES: Lessee has examined and knows the condition of said premises and accepts the same "as is".
4. USE OF PREMISES: Lessee hereby covenants that the use of said leased premises shall be for the operation of a public hospital and for those activities reasonably necessary, related and incidental to the operation of said hospital and for no other

LAW OFFICES OF
HANN, JEWELL & FARNELL
842 SECOND AVENUE
ANCHORAGE, ALASKA
279-1544
PIONEER AVENUE
HOMER, ALASKA
238-8709

HOMER

Serial No.

70-226

BOOK 56 PAGE 62

Homer Recording District

INDEXED

1 purpose save and except by mutual written consent of all parties
2 hereto.

3 5. IMPROVEMENTS: Lessee shall be entitled to make im-
4 provements to the building presently on the above-described real
5 estate or to add other improvements thereon and shall comply with
6 all the laws applicable thereto.

7 All improvements and additions made or constructed upon
8 the premises shall be at the expense of the Lessee, but the same
9 shall become part of the leased premises and shall stay with the
10 land at the termination of this lease.

11 6. REPAIRS AND MAINTENANCE: It is understood and agreed
12 that Lessee shall pay for all repairs and maintenance to the
13 aforementioned premises and shall pay for any and all replace-
14 ments of existing equipment, out of its own funds.

15 7. OPERATIONAL EXPENSES: It is further understood and
16 agreed that Lessee shall pay for and be solely responsible for
17 all costs connected with the operation of said hospital, includ-
18 ing costs for supplies, labor, equipment, etc.

19 8. INSURANCE: Lessee agrees to secure and maintain fire
20 and extended coverage insurance on the real property and improve-
21 ments with an insurer qualified to do business in the State of
22 Alaska in an amount not less than Eighty (80%) per cent of the
23 appraised value of the premises, with the Lessor named as an
24 additional insured.

25 9. HOLD HARMLESS AND INDEMNITY: The Lessee covenants
26 and agrees to save and hold the Lessor harmless from any and
27 all loss or damage to persons or property occurring on the
28 premises or occurring anywhere by reason of Lessee's occupation
29 of the premises and operation as a hospital, and Lessee further
30 agrees and covenants to indemnify Lessor for any and all costs
31 or expenses incurred by Lessor for any reason arising out of
32 Lessee's occupation of the premises.

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10. WASTE AND LAWFUL USE: Lessee covenants and agrees that it shall not commit, nor allow any waste upon the premises or any nuisance to be committed thereon, and further agrees to comply with all laws, whether State, Local or Federal.

11. NON-LIEN: Lessee further promises at all times to keep the demised premises free from any liens arising out of work performed, materials furnished, or obligations incurred by or for it.

12. PEACEFUL SURRENDER: Lessee further agrees that upon termination of the lease, either by expiration of the term or upon Lessee's breach of this lease, that it shall surrender and give up possession of the premises to the Lessor; and agrees that it will return the premises in substantially the same condition as when received, reasonable use and wear excepted.

13. NOTICE OF BREACH: If Lessee is guilty of a breach of this lease, Lessor shall give Lessee a written notice to the effect, specifying in what manner the lease is breached and thereafter Lessee shall have sixty (60) days from the receipt of such notice within which to correct said breach. Failure to correct the same shall give Lessee the privilege of re-taking possession of the property.

14. SUBLEASING AND ASSIGNMENT: Lessee agrees not to sublease or assign this lease or any portion thereof without first obtaining the written consent of the Lessor; providing however, that the Lessor shall not withhold its consent unreasonably.

15. HOLDING OVER: The holding over after the expiration of this lease with the consent of the Lessor shall be deemed a tenancy from month to month.

16. DESTRUCTION OF PREMISES: In the event that the premises are destroyed or damaged through fire, flood or other casualty covered by insurance Lessee agrees to use such sums as may

HOMER

Serial No. 70-226

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1 be recovered from the insurer in the reconstruction of the sub-
2 ject premises or the construction of a new hospital, provided
3 that if Lessee ceased to exercise the governmental function of
4 providing hospital services within the South Peninsula Hospital
5 Service Area Lessee will pay to Lessor out of said sums received
6 that amount which bears the same ratio to the total amount as
7 the depreciated value of the present facility bears to the total
8 value of the facility at the time of damage or destruction.

9 17. AGREEMENT BINDING UPON SUCCESSORS: Each and every
10 covenant, agreement, term, provision and condition herein con-
11 tained shall extend to and be binding upon the respective suc-
12 cessors and assigns of the parties hereto.

13 IN WITNESS WHEREOF, the parties have executed this lease
14 the day and year first above written.

15 LESSOR: CITY OF HOMER

16 By William E. Potts
17 City Manager

18 ATTESTED TO:

19 Marie R. Charron
20 City Clerk

21 Approved as to form:
22 HAHN, JEWELL & FARRELL
City Attorneys

23 By A. Robert Hahn, Jr.
24 A. Robert Hahn, Jr.

25 LESSEE: KENAI PENINSULA BOROUGH

26 By George A. Navarre
27 Borough Chairman

28 ATTESTED TO:

29 Francis Byrnes
Borough Clerk

30 Approved as to form:

31 James D. Nordale
32 James D. Nordale
Borough Attorney

LAW OFFICES OF
HAHN, JEWELL & FARRELL
848 SECOND AVENUE
ANCHORAGE, ALASKA
279-1544

PIONEER AVENUE
HOMER, ALASKA
238-9799

HOMER
Serial No. 70-226

BOOK 56 PAGE 65
Homer Recording District INDEXED

1 STATE OF ALASKA)
: ss.
2 THIRD JUDICIAL DISTRICT)

3 THIS IS TO CERTIFY that on the 10th day of November, 1969,
4 before me, the undersigned, a Notary Public in and for Alaska,
5 duly commissioned and sworn as such, personally appeared WILLIAM
6 CURTIS, known to me and known to me to be the City Manager of the
7 CITY OF HOMER, Lessor in the above and foregoing Lease, and he
8 acknowledged to me the execution thereof to be his free and vol-
9 untary act and deed for and on behalf of the CITY OF HOMER, for
10 the uses and purposes therein set forth.

11 IN WITNESS WHEREOF, I have hereunto set my hand and affixed
12 my notarial seal the day and year in this certificate first above
13 written.



Marie R. Charron
Notary Public in and for Alaska
My Commission Expires: 7-28-73

13 STATE OF ALASKA)
: ss.
14 THIRD JUDICIAL DISTRICT)

15 THIS IS TO CERTIFY that on the 2d day of November, 1969,
16 before me, the undersigned Notary Public in and for Alaska, duly
17 commissioned and sworn as such, personally appeared GEORGE A.
18 NAVARRE, known to me and known to me to be the Borough Chairman
19 of the KENAI PENINSULA BOROUGH, Lessee in the above and foregoing
20 Lease, and he acknowledged to me the execution thereof to be his
21 free and voluntary act and deed for and on behalf of the KENAI
22 PENINSULA BOROUGH, for the uses and purposes therein set forth.

23 IN WITNESS WHEREOF, I have hereunto set my hand and affixed
24 my notarial seal the day and year in this certificate first above
25 written.



Thomas R. Byrnes
Notary Public in and for Alaska
My Commission Expires: 7-22-72

RECORDED - FILED
<u>26ma</u> REC. DIST.
DATE <u>5-1</u> 19 <u>70</u>
TIME <u>1:45 P.M.</u>
Requested by <u>City of Homer</u>
Address <u>Box 135</u>
<u>Homer, AK 99603</u>

AMENDMENT TO LEASE BETWEEN CITY OF HOMER
AND KENAI PENINSULA BOROUGH

ORIGINAL

WHEREAS, the City Council of the City of Homer (City) on 03/08/99 approved the lease of additional property to the Kenai Peninsula Borough (Borough) for expansion of the South Peninsula Hospital; and

WHEREAS, by resolution 97-088, the Borough assembly approved the lease of an additional approximate 1.5 acres from the City for expansion of a long-term care unit and other important hospital functions for South Peninsula Hospital; and

WHEREAS, it is necessary to amend the 1969 lease between the City and the Borough to reflect the inclusion of the additional acreage and revised property description for the leasehold;

NOW, THEREFORE, BE IT AGREED BY THE PARTIES:

The parties, Lessor, City of Homer (City), an Alaska municipal corporation, and Lessee, Kenai Peninsula Borough (Borough), an Alaska municipal corporation, amend the lease dated November 10, 1969, as set forth in this document.

1. The following real property description of the lease is stricken:

The North one-half (N1/2) of the Northwest one-quarter (NW1/4) of the Southeast one-quarter (SE1/4) of Section Eighteen (18), Township Six South (T6S), Range Thirteen West (R13W), Seward Meridian, State of Alaska.

2. The following real property description is substituted as the description of the premises:

Tract A, South Peninsula Hospital subdivision, filed as plat No. 98-41, Homer Recording District, Third Judicial District, State of Alaska.

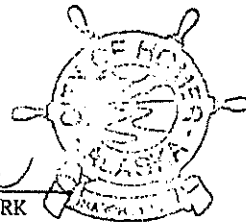
3. All other terms and conditions of the lease remain in full force and effect.
4. If any provisions of this amendment and the lease dated November 10, 1969, conflict, the terms and conditions of this amendment shall be controlling.

CITY OF HOMER

By: [Signature]
Its: Val M. Koeberline, City Manager
Date: 03/09/99

ATTEST:

[Signature]
MARY L. CALHOUN, CITY CLERK



ORIGINAL

KENAI PENINSULA BOROUGH

By: Mike Navarre
 Its: Mayor
 Date: 3/17/99

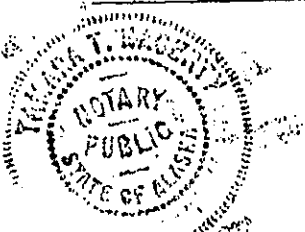
ATTEST:

Jessie Halter, Deputy
 Linda S. Murphy, Borough Clerk

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
 THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on this 9th day of March, 1999, by Val M. Koeberlein, whose title is City Manager, for the City of Homer, on behalf of the City of Homer.



Jessie L. Halter
 Notary Public for the State of Alaska
 My commission expires: 01/07/03

ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
 THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on this 17th day of March, 1999, by Mike Navarre, whose title is Mayor, for the Kenai Peninsula Borough, an Alaska municipal corporation, on behalf of the corporation.

Beverly S. Dove
 Notary Public for the State of Alaska
 My commission expires: 12/22, 1999

APPROVED AS TO LEGAL
 FORM AND SUFFICIENCY

Holly B. Montague
 Assistant Borough Attorney

NOTARY PUBLIC
 BEVERLEY S. DOVE
 STATE OF ALASKA

RETURN TO LESSEE: Kenai Peninsula Borough
 144 North Binkley Street
 Soldotna, AK 99669

001624 1800

Home Recording
Dist

'99 APR 23 PM 1 10

KPB



A
L
A
S
K
A



EXHIBIT A

CE 32

FORM OF LEASE AMENDMENT

SECOND AMENDMENT TO LEASE AGREEMENT

BETWEEN

CITY OF HOMER AND KENAI PENINSULA BOROUGH

THIS SECOND AMENDMENT TO LEASE AGREEMENT ("Second Amendment") is made and entered into effective as of this 31st day of October, 2005, between the **CITY OF HOMER**, a municipal corporation, 491 East Pioneer Avenue, Homer, Alaska 99603, ("**LESSOR**"), and **KENAI PENINSULA BOROUGH**, a municipal corporation, 144 North Binkley St., Soldotna, Alaska, 99669, ("**LESSEE**"), and affects that Lease of Homer Hospital entered into between the parties on November 10, 1969, recorded beginning at Book 56, Page 61, Homer Recording District; as amended in 1999 by an instrument entitled Amendment to Lease Between City of Homer and Kenai Peninsula Borough, recorded beginning at Book 289, Page 305, Homer Recording District (collectively referred to as the "Lease").

This instrument affects the following property located in the City of Homer, Homer Recording District, State of Alaska:

Tract A, South Peninsula Hospital Subdivision, filed as plat No. 98-41.

AGREEMENT

LESSOR and LESSEE agree as follows:

1. Extension of Term

The term of the Lease is extended for an additional 36 years, to end on June 30, 2060.

2. Lease Remains in Effect.

Every other provision of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be duly executed as of the day and year first above written.

LESSOR:
CITY OF HOMER

By: Walt Wrede
Walt Wrede, City Manager

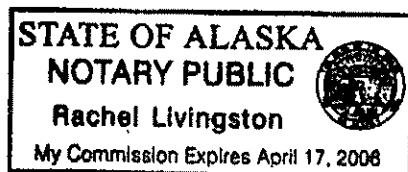
LESSEE:
KENAI PENINSULA BOROUGH


By: Dale L Bagley
Dale Bagley, Mayor

ACKNOWLEDGMENTS

[illegible]

The foregoing instrument was acknowledged before me on October 17th, 2005, by Walt Wrede, City Manager of the City of Homer, on behalf of the City of Homer.



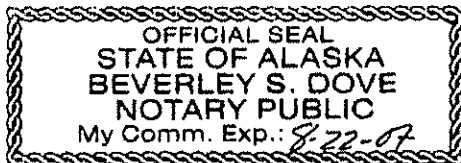


Mary Calhoun, CMC, Homer City Clerk
My Term Expires: 1-17-06



STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on
October 31, 2005, by Dale Bagley, Mayor of the Kenai Peninsula Borough,
on behalf of the Kenai Peninsula Borough.



Beverly S. Dove
Notary Public in and for Alaska
My Commission Expires: 8-22-07

Return to:

City of Homer
491 East Pioneer Avenue
Homer, Alaska 99603



**THIRD AMENDMENT TO LEASE AGREEMENT****BETWEEN****CITY OF HOMER AND KENAI PENINSULA BOROUGH**

THIS THIRD AMENDMENT TO LEASE AGREEMENT ("Third Amendment") is made and entered into effective as of this 22nd day of June, 2006, between the **CITY OF HOMER**, a municipal corporation, 491 East Pioneer Avenue, Homer, Alaska 99603, ("**LESSOR**"), and **KENAI PENINSULA BOROUGH**, a municipal corporation, 144 North Binkley St., Soldotna, Alaska, 99669, ("**LESSEE**"), and affects that lease of the South Peninsula Hospital entered into between the parties on November 10, 1969, recorded beginning at Book 56, Page 61, Homer Recording District; as amended in 1999 by an instrument entitled Amendment to Lease Between City of Homer and Kenai Peninsula Borough, recorded beginning at Book 289, Page 305, Homer Recording District and by an instrument entitled Second Amendment to Lease Agreement Between City of Homer and Kenai Peninsula Borough, recorded as serial 2005-005676-0, Homer Recording District (collectively referred to as the "Lease").

This instrument affects the following property located in the City of Homer, Homer Recording District, State of Alaska initially referred to as:

Tract A, South Peninsula Hospital Subdivision, filed as Plat No. 98-41,

and hereinafter referred to as:

Tract A-1, South Peninsula Hospital Subdivision 2005 Addition, filed as Plat No. 2006-38.

AGREEMENT

LESSOR AND LESSEE agree as follows:

1. Extension of Term:

The term of the Lease as previously amended is further extended for an additional 45 years, to end on June 30, 2105.

2. Amended Legal Description:

The following legal description of the leased property is hereby deleted:

Tract A, South Peninsula Hospital Subdivision, filed as Plat No. 98-41.

The following legal description is hereby substituted as the description of the leased premises:

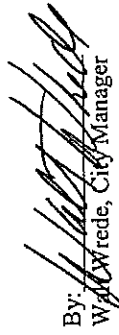
Tract A-1, South Peninsula Hospital Subdivision 2005 Addition, filed as Plat No. 2006-38.

3. Lease Remains in Effect:

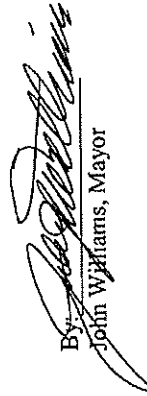
Every other provision of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be duly executed as of the day and year first above written.

**LESSOR:
CITY OF HOMER**

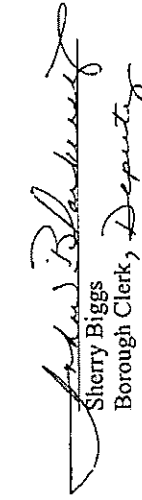
By: 
Wayne Wrede, City Manager

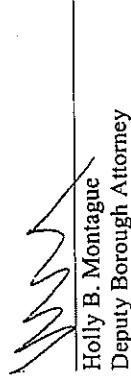
**LESSEE:
KENAI PENINSULA BOROUGH**

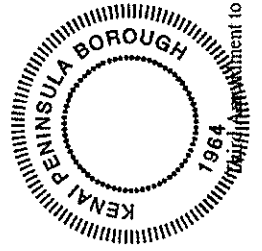
By: 
John Williams, Mayor

ATTEST:

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:


Sherry Biggs
Borough Clerk, Deputy


Holly B. Montague
Deputy Borough Attorney



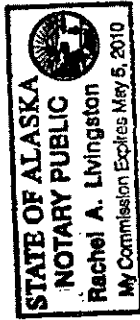
2006-002986-0

ACKNOWLEDGEMENTS

STATE OF ALASKA)
) ss.
 THIRD JUDICIAL DISTRICT)

The forgoing instrument was acknowledged before me on June 23rd, 2006, by
 Walt Wrede, City Manager of the City of Homer, on behalf of the City of Homer

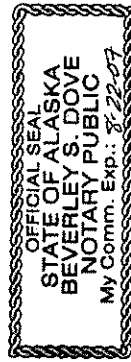
Rachel A. Livingston
 Notary in and for the State of Alaska
 Term Expires: 5-5-10



STATE OF ALASKA)
) ss.
 THIRD JUDICIAL DISTRICT)

The forgoing instrument was acknowledged before me on June 22nd, 2006, by
 John Williams, Mayor of the Kenai Peninsula Borough, on behalf of the Kenai Peninsula
 Borough.

Beverley S. Dove
 Notary in and for the State of Alaska
 Term Expires: 8-22-07



Return To:
 Kenai Peninsula Borough
 144 N Binkley
 Soldotna AK 99669



**CITY OF HOMER
HOMER, ALASKA**

City Manager

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 KENAI PENINSULA
HOSPITAL AS PART OF THEIR APPLICATION FOR THE HEALTH
RESOURCES AND SERVICES ADMINISTRATION
CONGRESSIONALLY DIRECTED SPENDING FUNDING
OPPORTUNITY.

WHEREAS, On May 1, 1970 the City of Homer and Kenai Peninsula Borough entered into
a lease agreement for the property that currently makes up South Kenai Peninsula Hospital's
(SPH) main campus; and

WHEREAS, SPH was awarded \$5,000,000 in Congressionally Designated Spending (CDS)
for improvements to their facility; and

WHEREAS, A project scope for the replacement of the emergency power plant and a
new boiler space is in development and the work will also include minor site, mechanical, and
electrical improvements; and

WHEREAS, A Landlord Letter of Consent is necessary for the SPH application to receive
the CDS funds due to site work and improvements being done on the property.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska hereby
authorizes the Interim City Manager to sign a Landlord Letter of Consent for SPH's CDS
application.

PASSED AND ADOPTED by the Homer City Council this 1st day of July, 2024.

CITY OF HOMER

KEN CASTNER, MAYOR

ATTEST:

RENEE KRAUSE, MMC, ACTING CITY CLERK

45 Fiscal note: N/A

City of Homer
491 E. Pioneer Ave
Homer, AK 99603

Re: Lease – City of Homer and Kenai Peninsula Borough, Tract A-1, South Peninsula Hospital
Subdivision 2005 Addition, filed as Plat No. 2006-38
Address: 4300 Bartlett St, Homer, AK 99603

Landlord Letter of Consent

The City of Homer ("City") is the owner of the property located at South Peninsula Hospital, 4300 Bartlett St., Homer, AK 99603. The property is currently leased by Kenai Peninsula Borough ("KPB"). The City currently has a lease agreement with KPB that will expire 81 years from now on June 30, 2105.

The City is in full agreement with the proposed improvements to the aforementioned leased property as part of the Health Resources and Services Administration (HRSA) Congressionally Directed Spending funding opportunity, and the lease agreement between the City and KPB allows KPB to undertake proposed improvements. The City agrees to the following restrictive terms, which will be signed by both the City and KPB. In addition, for purposes of the HRSA funding opportunity and to the extent the terms are not already addressed in the lease agreement, the City further agrees to the following provisions:

- a) The City agrees not to sublease, assign, or otherwise transfer the property, or use the property for a non-grant-related purpose(s) without the written approval from HRSA (at any time during the term of the lease/agreement, whether or not grant support has ended).
- b) The City will inform HRSA of any default by the recipient under the lease/agreement.
- c) HRSA shall have 60 days from the date of receipt of the property owner's notice of default in which to attempt to eliminate the default, and that the City will delay exercising remedies until the end of the 60-day period.
- d) HRSA may intervene to ensure that the default is eliminated by the recipient or another recipient named by HRSA.
- e) The City shall accept payment of money or performance of any other obligation by the HRSA's designee, for the recipient, as if such payment of money or performance had been made by the recipient.
- f) In the event that the recipient defaults, the grant is terminated, or the recipient vacates the property before the end of the lease term, HRSA shall have the right to designate a replacement for the recipient for the balance of the lease term, subject to approval by the City, which will not be withheld except for good reason.

The City also acknowledges that there will be a Federal interest in the property as a result of the proposed improvements and that Kenai Peninsula Borough agrees to file a Notice of Federal Interest prior to work commencing, if required by HRSA.

Signature: _____

Typed Name and Title : _____

Date: _____