

Introduced by: Mayor
Date: 05/19/26
Hearing: 06/16/26
Action:
Vote:

**KENAI PENINSULA BOROUGH
ORDINANCE 2026-23**

**AN ORDINANCE AUTHORIZING THE CONVEYANCE OF THE
NIKOLAEVSK SCHOOL PROPERTY TO ALASKA HOMESTEAD
EDUCATION, INC. IN SUPPORT OF COMMUNITY K-12 EDUCATION**

- WHEREAS,** this ordinance authorizes the as-is, where-is disposal of the former Kenai Peninsula Borough School District (KPBSD) Nikolaevsk School property to Alaska Homestead Education, Inc. (AHE) for Nikolaevsk K-12 Charter School purposes; and
- WHEREAS,** conveying the subject parcels to (AHE) will satisfy a community public charter school purpose, alleviate Kenai Peninsula Borough (KPB) from ongoing maintenance or holding costs associated with the property, and protect KPB's interests by providing that the property may revert back to KPB, at its discretion, should the property not be used for K-12 school purposes; and
- WHEREAS,** the purchase agreement provides for a sale price of \$2,000,000 with seller financing at 6% interest to be collected over ten equal annual installment amounts of \$202,526.64; and
- WHEREAS,** the installment payments will be deferred by KPB so long as the property is used for K-12 school purposes and a minimum of \$202,526.64 annually is contributed by AHE towards building maintenance and other building related operational costs; and
- WHEREAS,** in the event the minimum required amount is not contributed annually, the remaining balance will be deposited with KPB for future building maintenance use by AHE upon approval of the KPB Assembly; and
- WHEREAS,** should AHE fail to perform, all monies deposited with KPB by AHE will become the sole property of KPB; and
- WHEREAS,** this arrangement recognizes the unique attributes of the Nikolaevsk school property, that takes into consideration a cloud on title, the remote nature of the school property, the high holding costs and lack of alternative uses for the property, and the community request for a charter school space; and

WHEREAS, the KPB Planning Commission, at its regular meeting held on _____, 2026, recommended _____;

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:

SECTION 1. That this is a non-code ordinance.

SECTION 2. That the real property described below is owned by the KPB and has been identified by Alaska Homestead Education, Inc. as necessary for the Nikolaevsk Charter School:

Tracts 1 and 48, Nikolaevsk Village Subdivision, According to Plat 75-40, Homer Recording District, Third Judicial District, State of Alaska.

Tract 53a, Nikolaevsk Village Subdivision, No.1, According to Plat No. 78-40, Homer Recording District, Third Judicial District, State of Alaska.

SECTION 3. That the Assembly authorizes the sale of the KPB-owned parcels identified in Section 2 pursuant to KPB 17.10.100(I).

SECTION 4. That the Alaska Homestead Education, Inc. warrants and covenants that in the event the property is not used for K-12 school purposes for a period of One Hundred and Twenty (120) months, the Title to the Property may revert back to the Seller, at the Seller's sole discretion. This Covenant shall attach to the Property and bind all successors and or assigns, until released by the Seller.

SECTION 5. The Assembly makes an exception to KPB 17.10.110 (notice of disposition). This exception is based on the following findings of fact pursuant to KPB 17.10.230:

1. Special circumstances or conditions exist.
 - a. The purpose of KPB 17.10.110 advertising requirement is to notify the public of an opportunity to purchase or lease KPB land. Advertising this conveyance to the Alaska Homestead Education, Inc. will not serve a useful purpose, and would cause delays that may negatively impact the transaction.
 - b. Conveyance of the KPB parcels in this manner is authorized by KPB 17.10.100(I).
2. That the exception is necessary for the preservation and enjoyment of a substantial property right and is the most practical manner of complying with the intent of this chapter.

- a. This exception to the notice requirement is not necessary to preserve a substantial property right, and the assembly hereby authorizes exception to that finding requirement. For this disposal, the notice requirement is impractical, and compliance is not in the best interests of the KPB due to the delay and unnecessary expense it would cause.
3. That the granting of the exception will not be detrimental to the public welfare or injurious to other property in the area.
 - a. The proposed disposition is advertised by publication of the ordinance in newspapers of general circulation and on the borough's web page. Notice of the proposed disposition is also published by the Planning Commission agenda in newspapers of general circulation, and a public hearing is held at the Planning Commission level. Additional notice is not necessary to comply with the intent of KPB 17.10 or to protect the public welfare.

SECTION 6. That based on the foregoing and in support of the Nikolaevsk Charter School the Mayor is hereby authorized, pursuant to KPB 17.10.100(I) to convey, the school property described in Section 2 of this ordinance to Alaska Homestead Education, Inc. for \$2,000,000 payable in annual installments with 6% interest. The annual payment of \$202,526.64 will be deferred for each year the property is used for K-12 school purposes and forgiven at the conclusion of the 10th year of there being a school facility operating on the property. Alaska Homestead Education, Inc. is responsible for any and all related costs and recording fees. All other applicable terms and conditions of KPB 17.10 shall apply to this conveyance unless inconsistent with this ordinance.

SECTION 7. That Alaska Homestead Education, Inc. will have until 180 days to execute the purchase agreements and complete the transaction.

SECTION 8. That the Mayor is authorized to sign any documents necessary to effectuate this ordinance.

SECTION 9. That revenues generated from the sale shall be submitted to the KPB Finance Department and deposited into Land Management Account No. 250.00000.00000.36316.

SECTION 10. That if any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstance will not be affected.

SECTION 11. That this ordinance shall become effective immediately.

**ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS * DAY
OF *, 2026.**

Ryan Tunseth, Assembly President

ATTEST:

Michele Turner, MMC, Borough Clerk

Yes:

No:

Absent: