





CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator 

From: Amy Ainslie, Planning & Community Development Director 

Date: April 8, 2024

Subject: Japonski Island Boathouse Historic Preservation Covenant

Background

The City and Borough of Sitka (CBS) owns the property located at 1490 Seward Avenue containing the Japonski Island Boathouse. CBS leased the property to the Sitka Maritime Heritage Society (SMHS) in 2005 with an initial term of 20 years with three, 10-year extensions available through mutual agreement. In that time, SMHS has successfully raised funding, obtained grants, and recruited volunteers to restore the Japonski Island Boathouse. As a part of these efforts, in 2023 SMHS applied for and received a grant from the National Park Service Maritime Heritage Preservation Fund which requires a historic preservation covenant to be placed on the property.

Historic preservation covenants are a common requirement for historic preservation grants, as granting agencies such as the National Park Service (and often administered by the State of Alaska Historic Preservation Office – referred to as SHPO) wish to ensure that properties receiving such funding are preserved for at least some determined period. In the past, each grant required its own covenant that would last for 5-10 years, depending on the size of the grant and the work done to the property under the grant. The National Park Service has revised its policy for historic preservation covenants, requiring a 20-year covenant which will also cover the covenant requirement for all subsequent grants received for a subject property during that 20-year period.

The primary stipulations of the covenant are:

- Maintaining and repairing the Japonski Island Boathouse to preserve its architectural, historical, and/or archeological features
- Obtaining the permission of SHPO before undertaking any demolition, construction, alteration, remodeling, or ground disturbing work that could affect the historic or archeological features/resources of the property
- Properly handling and repositing recovered materials

A final version of the covenant is forthcoming from SHPO – the draft version enclosed here is a standardized template that will have some clerical/editorial changes in the final draft. No substantive changes regarding responsibilities, stipulations, or conditions are expected. Item number 7 (shown with a strikethrough) will be removed, as it is not required for Maritime grants.

Analysis

As the property owner, CBS is responsible for complying with the terms of the covenant and subject to the consequences of enforcement if non-compliance is found. Given the unique knowledge and skillset required to comply with historic preservation standards, CBS has relied on the SMHS to fulfill grant requirements such as these for the property.

This covenant would extend past the lease's initial 20-year term, but would terminate prior to the exhaustion of all renewal options.

Fiscal Note

A requirement of the lease is that the SMHS be financially self-sufficient, and secure funding for its plans with the property without relying on CBS funding. On its face, this covenant does not require a financial expenditure on the part of CBS, but it does make CBS financially liable for activities on the property that are not compliant with covenant requirements. However, SMHS has had great success in obtaining, managing, and complying with historic preservation grants, many of which carry reporting, documentation, and pre-authorization requirements similar to those found in this covenant. Additionally, provisions of the lease agreement with SMHS regarding indemnification and liability insurance help to manage the risk to CBS associated with this covenant.

Recommendation

Approve the historic preservation covenant.

Encl: Lease Agreement
Draft Historic Preservation Covenant