

## **POSSIBLE MOTION**

**I MOVE TO** approve Resolution 2019-08 on  
first and final reading.



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

*Coast Guard City, USA*

## MEMORANDUM

**To:** Mayor Paxton and Members of the Assembly

**Thru:** Scott Brylinsky, Interim Planning Director

**From:** Keith Brady, Municipal Administrator *KB*

**CC:** Jay Sweeney, Chief Finance and Administrative Officer  
Melissa Haley, Controller

**Date:** March 20, 2019

**Subject:** FY18 Historic Revitalization Subgrant Program Application – Alaska Arts  
Southeast and Sitka Maritime Heritage Society

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### **Background**

The Historic Preservation Commission is recommending approval of a Historic Revitalization Subgrant Program grant application submitted by Rebecca Poulson on behalf of Alaska Arts Southeast and the Sitka Maritime Heritage Society, both registered non-profit organizations. The recommendation was made at their March 13, 2019 meeting, with a vote of 5-0.

The National Park Service announced the FY18 grant on December 20, 2018 and the application deadline is April 1, 2019. Grants will be awarded in September 2019. The anticipated start date will be November/December of 2019.

The Historic Revitalization Subgrant Program is unique in that it must be awarded to projects in rural locations (populations of less than 50,000) and that the grant must be subgranted to more than one recipient. As a Certified Local Government, the City and Borough of Sitka is eligible to apply for the grant, and if awarded, will subgrant the award to Alaska Arts Southeast and the Sitka Maritime Heritage Society.

With this grant, Alaska Arts Southeast will continue the historic preservation of the Sheldon Jackson Campus by installing an air-to-water heat pump heating system for Whitmore Hall (total project cost \$630,000). The Sitka Maritime Heritage Society will use the funds for the completion of the rehabilitation of the Japonski Island Boathouse (total project cost \$750,000). Both of these entities have successfully completed multiple CLG and Historic Preservation Fund grants, and are actively pursuing matching funds (matching funds are not required but enhance the application).

The grant awards range from \$100,000 to \$750,000; Alaska Arts Southeast is applying for \$375,000 for the Whitmore Hall heating project and the Sitka Maritime Heritage Society is applying for \$375,000 for the Japonski Island Boathouse project.

### **Analysis**

Alaska Arts Southeast and the Sitka Maritime Heritage society have received numerous private and government grants for the preservation and rehabilitation of the historic Sheldon Jackson Campus and the Japonski Island Boathouse; this application represents a continuation of those efforts. The projects are supported by Goal 6 of the Sitka Comprehensive Plan, which is to "Celebrate Sitka's historic, cultural, and arts resources, which are ethnically, religiously, and racially diverse; highly valued and essential to defining Sitka and local quality of life; and integral to the economic base of the community."

The subgrantees must follow all applicable federal, state, and city requirements regarding procurement, entity status, and reporting. If awarded, Alaska Arts Southeast and the Sitka Maritime Heritage Society will sign a Memorandum of Agreement with the City and Borough of Sitka to abide by federal procurement rules prior to commencement of the projects. An administrative fee will be charged to the grant in accordance with Finance Department policy.

### **Fiscal Note**

Of note, this grant does not require that a government entity be prime applicant as is the case with the smaller Historic Preservation Grants that regularly come before the assembly. This grant program differs in that it requires that a "prime" applicant apply and then subgrant the funds for the project. This "prime" entity could be a 501 c (3) non-profit, or a government entity.

Another concern is that given the size of this grant the likelihood of this funding triggering a single audit, is much higher. For example, if current FY19 trends continue a federal single audit would not be required, but a grant of this size would likely push the CBS over the \$750,000 threshold where the intensive (and expensive) single audit act audit is required. It also is important to note in order to grant these federal funds to the organizations listed above, it will be necessary to obtain sole source authorization form

the agency. Otherwise it will be necessary to federal or local procurement, which essentially leave CBS staff managing these projects.

The grant does not require matching funds. The City and Borough of Sitka is requesting 10% administrative fees (allowable on the first \$25,000 of each pass through grant) to cover oversight, reporting, and audit expenses that result from the administration of the grant.

**Recommendation**

Approve Resolution 2019-08.

CITY AND BOROUGH OF SITKA

RESOLUTION NO. 2019-08

**A RESOLUTION BY THE CITY AND BOROUGH OF SITKA  
SUPPORTING THE ALASKA ARTS SOUTHEAST AND SITKA MARITIME HERITAGE SOCIETY'S  
APPLICATION UNDER THE FY18 HISTORIC REVITALIZATION SUBGRANT PROGRAM**

**WHEREAS,** the mission of the Alaska Arts Southeast is to build community in Alaska by providing opportunities in arts, culture, and recreation in an inclusive, educational, and inspirational environment and the mission of the Sitka Maritime Heritage Society is to preserve our region's rich maritime history and promote knowledge of maritime heritage and skills; and

**WHEREAS,** the historic Sheldon Jackson Campus and the Japonski Boat House hold cultural significance for the community; and

**WHEREAS,** Alaska Arts Southeast's goal through the grant application is to continue the historic restoration of the Sheldon Jackson Campus by installing an air-to-water heat pump heating system for Whitmore Hall and the Sitka Heritage Society's goal is to complete the rehabilitation of the Japonski Island Boathouse; and

**WHEREAS,** the Historic Revitalization Subgrant Program is offered through the National Park Service for historic preservation projects in rural areas, and must be subgranted to more than one project; and

**WHEREAS,** Alaska Arts Southeast and the Sitka Maritime Heritage Society are requesting \$375,000 each from the Historic Revitalization Subgrant Program; and

**WHEREAS,** Alaska Arts Southeast and the Sitka Maritime Heritage Society will sign a Memorandum of Agreement to abide by federal procurement rules before the City of Sitka will dispense awarded monies.

**NOW BE IT RESOLVED** that the Assembly of the City and Borough of Sitka hereby supports the FY18 application of the Alaska Arts Southeast and the Sitka Maritime Heritage Society for a \$750,000 grant through the Historic Revitalization Subgrant Program.

**PASSED, APPROVED, AND ADOPTED** by the Assembly of the City and Borough of Sitka, Alaska this 26<sup>th</sup> day of March, 2019.

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Valorie Nelson, Vice Deputy Mayor

ATTEST:

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Sara Peterson, MMC  
Municipal Clerk

Sponsor: Administrator

1<sup>st</sup> and Final Reading 3/26/2019