





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: May 5, 2025

Subject: Lease Extension & Amendment for Sitka Maritime Heritage Society

Background

On February 14, 2005, the City & Borough of Sitka (CBS) and the Sitka Maritime Heritage Society (SMHS) entered into a lease agreement for the property at 1490 Seward Avenue containing the historic Japonski Island Boathouse. The initial term of the lease was for 20 years, with three, 10-year extension options to be exercised by mutual agreement from both parties. This lease was authorized under ORD 2004-67.

Other key provisions/conditions of the lease:

- Rent is \$1/year
- SMHS was to show that its use of the property would be financially self-sufficient, not relying on CBS for funds.
- SMHS was to provide liability insurance for the property and name CBS as additionally insured
- SMHS can sublease the property/portions of the property with written approval from the CBS administrator

On May 14, 2024, the Assembly approved granting a "Maritime Heritage Preservation Covenant with Historic Preservation Fund Provisions", ("Covenant") for the property to the State of Alaska, Department of Natural Resources, Office of History and Archeology (OHA) which was necessary for SMHS access to certain grant funding. The Covenant was executed on October 8, 2024, and will remain in place for 17 years.

To both execute the lease, and to add provisions/responsibilities regarding the Covenant, a "First Amendment" to the original lease has been drafted and is before the Assembly for approval.

Analysis

SMHS has remained compliant with the terms and conditions of the original lease agreement.

The “First Amendment” adds certain clarifications and responsibilities with respect to the Covenant such as SMHS compliance with covenant terms, assuming primary responsibility for certain provisions related to maintenance of the property in accordance with historic preservation standards, protection of historical/archeological resources, allowing OHA rights to access/inspect the property, maintaining recovered materials, and accommodating public access.

Fiscal Note

There is no change in lease revenue (\$1/year). This amendment to the lease clarifies financial responsibilities and liabilities with respect to the Covenant, affording CBS greater protection from actual or implied noncompliance.

Recommendation

Approve the first amendment to the lease agreement between CBS and SMHS for the Japonski Island Boathouse, and authorize the Municipal Administrator to execute the agreement.

Encl: Draft First Amendment to Lease Agreement

Background Information: ORD 2004-67

Original Lease Agreement

Covenant