



# 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 Director 

**Date:** August 16, 2022

**Subject:** FY22 Historic Preservation Grants for Certified Local Governments:  
Japonski Island Boathouse

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### Background

The Historic Preservation Commission has recommended approval of a Historic Preservation Fund Grant for Certified Local Governments requested by the Sitka Maritime Heritage Society, a registered non-profit organization. The recommendation was made at the August 10<sup>th</sup> regular meeting on a unanimous vote.

The intent of the grant is to fund the Japonski Island Boathouse Walls and Accessible Restroom project. An accessible restroom will be installed and finished, the addition interior will be finished, the entry constructed (including a deck and roof, stairs, and ramp), and restoration of the remaining exterior walls that have not yet been repaired.

The State of Alaska Office of History and Archeology announced the FY22 grant opportunity on June 22, 2022. The application deadline is August 26, 2022.

### Analysis

The subgrantee must follow all applicable federal, state, and city requirements regarding procurement, entity status, and reporting. Qualified historic preservation professionals must be consulted throughout the project as directed by the State Historic Preservation Office. If awarded, a municipal subgrantee agreement must be signed prior to commencement of the project. An administrative fee will be charged to the grant in accordance with Finance Department policy.

It is important to note that as we are the property owners in this case, CBS may be required to sign a covenant on the property if the grant application is approved by the

State. A sample of the covenant is included as an attachment. Generally, the covenant obligates CBS to maintain the property in a good and sound state, apply *The Secretary of the Interior's Standards for the Treatment of Historic Properties* ("the Secretary's Standards") for all proposed work, receive written approval from the State Historic Preservation Office (SHPO) for any proposed alterations to the building or activities that would affect archaeological resources, and have opportunities for the public to visit the property. A similar 10-year covenant was signed in 2010 and expired in November 2020. These covenants are usually requested at increments of five or ten years; in either case, a covenant would outlast the original term of the lease but expire within the first extension option.

The lease for this property was signed by CBS on February 14, 2005 and has a term of 20 years with three, 10-year extensions available. The lease requires that the lessee, Sitka Maritime Heritage Society, pay \$1 every year for the lease, and keep an active liability insurance policy of \$500,000 for the building, and name CBS as an additional insured party. Based on these lease terms, Sitka Maritime Heritage Society is currently in good standing.

### **Fiscal Note**

The grant application is for a 60-40 match grant. The Sitka Maritime Heritage Society intends to contribute \$33,333 with in-kind and donated resources and requests \$50,000 from the Historic Preservation Fund for Certified Local Governments (Federal Share). CBS retains approximately 8.5% to cover administrative costs associated with grant management and reporting requirements. As with other pass-through grants, both federal and local procurement restrictions carry through to the subrecipient. In this case, the federal Davis Bacon rules mean that most, if not all contracts will meet that threshold and additional CBS staff support is anticipated.

### **Recommendation**

Approve the resolution supporting the grant application.

Documents in Application & Supporting Documentation:

- Grant Announcement
- Application
- Photos
- Budget Table
- Sample Covenant
- Lease Agreement