

Date: October 5, 2020
To: LPSD School Board
From: Laura Hylton, Finance Director
RE: October Board Report

AHFC Grant Teacher Housing

A resolution to commit the board's support to perusing an AHFC teacher housing grant for a duplex in Igiugig is included under new business. AHFC allows for pre-bidding of a project for grant applications to reflect the true cost of a project. Igiugig Village Counsel has expressed support of the project and is willing to include some in-kind site and possibly utility connection work s. We would ask the Borough to allow use of endowment funds to assist in meeting the match or possibly for construction if a grant is not secured.

Currently we have one three-bedroom apartment, one itinerant apartment and a village rental house in Igiugig. If enrollment continues to climb, we simply don't have enough housing for a third teacher.

Pedro Bay School Property Lease

I spoke with the Municipal Land Trustee regarding the letter from Pedro Bay Village Council. The MLT is available to provide information on the lease, sublease issues, or vacating the lease. They can be available Mondays and Thursdays and would recommend a one hour meeting via Zoom to discuss the issues. The goal of the meeting is to provide information so the board and or borough can make a decision on whether to continue to lease the property. We would like to ask the Board to appoint a member to be a part of this committee review.

Review of the lease several years ago resulted in a decision to continue with the lease and to sublease the power generation facility to the village. At that time, interest in the school or housing unit was not expressed and the MLT moved forward with a sublease of just the power generation facility as Pedro Bay Village is operating the facility. DEED recommended holding the school facility in the event the community needed a school again. Funding for a new facility after giving away a State funded school is met with some angst.

Two things of note, we are not in breach of our lease and we cannot sell the improvements and leave them affixed to the land. Improvements can be removed/relocated as long as removing them does not damage the land. If we were to vacate the lease the MLT can require improvements to be removed. MLT can ask DEC to evaluate the land as part of the vacation of the lease which can result in myriad issues to resolve. If improvements remain, title automatically revert to the State of Alaska to be held in trust for the future city of Pedro Bay.

Financial Report Attached.