



# Municipality of Skagway

## MEMO

<b>TO:</b>	Finance Committee and Assembly
<b>FROM:</b>	Brad Ryan, Borough Manager
<b>DATE:</b>	May 14, 2021
<b>SUBJECT:</b>	Norwegian Cruise Lines Donation

At this time, I am sure all of Skagway knows that Norwegian Cruise Lines (NCL) has announced they will make a no-strings-attached donation of \$2 million to the community of Skagway. Municipal staff and NCL are currently working on the financial logistics of the MOS accepting the gift. While I do not believe we need to decide how to use these funds immediately, I believe we should start the conversation now in order to be ready to use the funds most effectively. I have been asked by multiple community and Assembly members about how I believe we should use the funds. Generally, I do not believe we should use the funds for revenue replacement for the Municipality of Skagway but instead, I believe we should use it as direct support for the community of Skagway. My draft plan where I believe the conversation could start is below. I do not think this is a final plan but a starting point for the discussion to begin.

1. Food Bank (\$300,000): The food bank has proven to be a highly needed community resource in these trying economic times, and I anticipate it will continue to be needed over the winter.
2. Skagway Traditional Council (\$200,000): The Skagway Traditional Council has been an excellent partner working to address the impacts of Coronavirus on the community, and I anticipate continued partnership.
3. Skagway Development Corporation Utility Relief (\$200,000): The SDC applied for a grant to support community members who needed assistance with their utilities (heating, electric, water, sewer, etc.). However, this was denied due to the restriction on municipal grants being issued for funds that would then be used to issue grants. These funds do not have that restriction, and this could be a way to support community members in the greatest need.
4. Skagway Normal Operations for Wintertime (SNOW) grant (\$400,000): This program kept businesses open in the off-season, providing both employment and services for the community of Skagway. If we updated the requirements for being open in the winter of 2020/2021, all of the previous businesses that qualified would be eligible again, and I would anticipate a few additional businesses might be eligible.
5. Small Business Emergency Grant (\$900,000): The Skagway Development Corporation administered this grant for the Municipality, and it benefited businesses whose primary place of business is Skagway. This grant program was previously funded at \$1 million; however, with proper planning, we could potentially free up more funding for the small business grant program by disallowing businesses to receive both this grant and a SNOW grant.