

RECEIVED  
APR 30 2013

# Sound Development LLC

## Proposals for SouthBenchlands



**Sound Development LLC**

PO Box 1401

Sitka, AK 99835



---

April 30, 2013

Dear City of Sitka,

Sound Development LLC appreciates the opportunity to submit the following proposals for your review.

Our proposals maximize the potential of the Benchlands property. Each of these proposals can benefit the community of Sitka by providing a wide range of affordable property and housing types. The feasibility and affordability of this undertaking is best realized by developing the properties in a sequential order as outlined below. The sequential progression of land development will enable our company to pass on the savings to the public.

1. Parcels A and B
  - a. To be developed simultaneously due to the shared Cross Trail access that runs through the parcels.
2. Parcel C
  - a. Due to the high cost of planning and developing a major subdivision, the initial development costs for Parcel C will be partially derived from the lot sales of Parcels A and B.
3. Emmons street/Cushing street loop
  - a. Is feasible as lots are developed from Parcels A and B and absorbed by the market. This parcel will continue to supply the market with medium to low density lots.

These proposals can solve the ongoing affordable housing dilemma Sitka faces. Solutions for providing affordable housing must start at the ground level: affordable land. Not only do these proposals outline how land can be made affordable, but they also allow potential homeowners or organizations to create their own development concepts.

The owners of Sound Development LLC are local residents committed to bettering the community they live in by providing sustainable affordable housing for future generations of Sitkans.

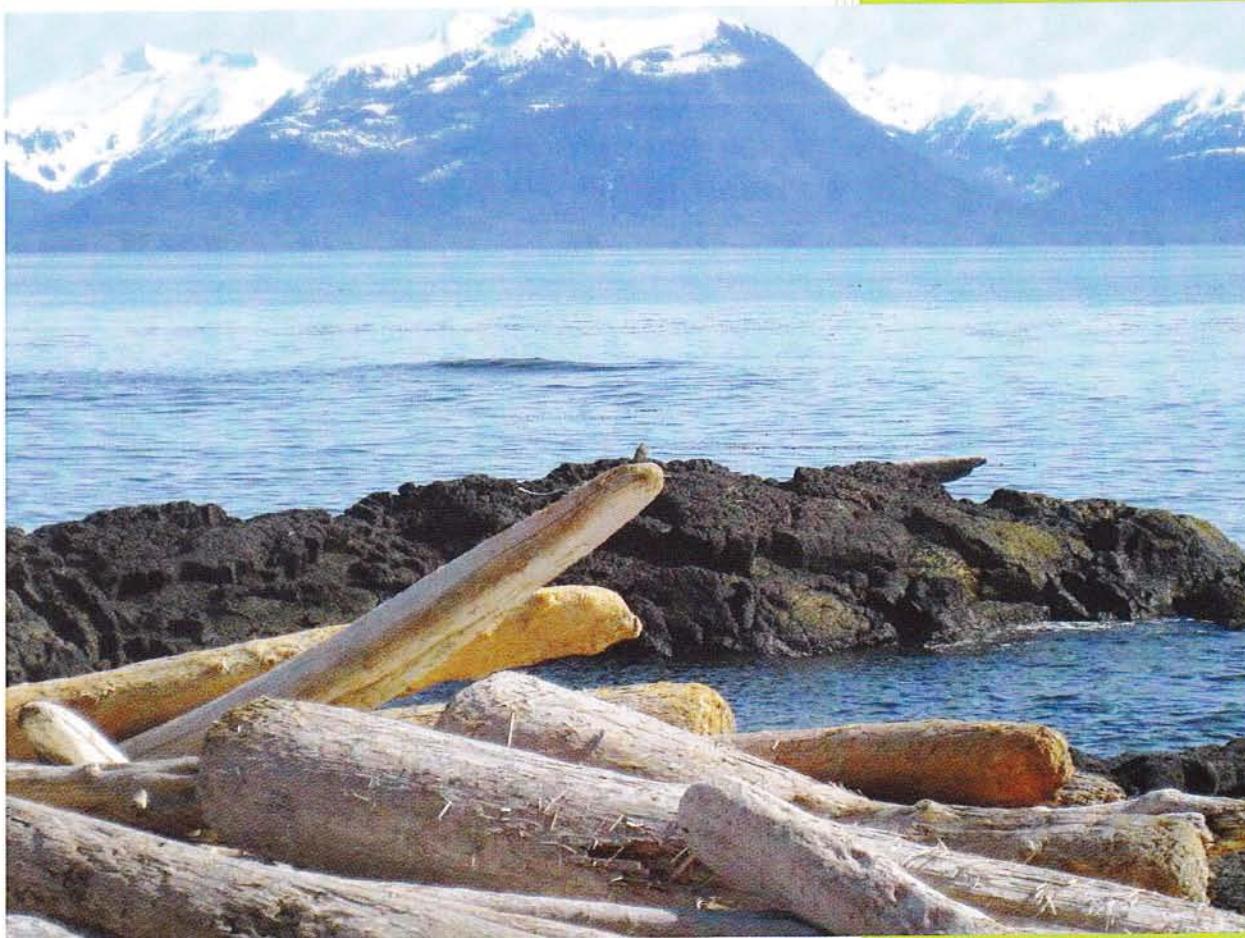
We thank you for your time in reviewing this proposal and encourage you to contact us directly with any comments, questions, or concerns.

Sincerely,

Sound Development LLC

2013

# Sound Development LLC Proposal for Parcel A



4/30/2013

## **Mission Statement**

Sound Development LLC will strive to acquire and develop affordable properties in Sitka, Alaska for current and future residents.

## **Company Overview**

Sound Development LLC is a new business venture whose goal is to develop affordable residential properties in underserved areas. Comprised of experienced developers, engineers, and financial officers, this team understands how to overcome the challenges that have deterred development in areas where demand exceeds supply.

Sound Development LLC is located in Sitka, Alaska. This business enterprise joins Island Enterprises, Incorporated, owned and operated by Jeremy and Diana Twaddle, and Kruzof Ventures LLC, owned and operated by Brandi and Todd Fleming. As long-time Sitkans Jeremy Twaddle and Todd Fleming are fully invested in bettering the town they love. This new venture will work closely with the City of Sitka in order to provide quality affordable land and housing developments to the citizens of Sitka.

Now is the time to undertake this challenge in the Sitka area. Most recently the local government has expressed a keen interest in increasing the supply of affordable housing in Sitka. The local government has also shown a strong willingness to adopt favorable zoning code changes along with increased building densities to facilitate the developments we propose.

## **Qualifications of Partners**

### **Jeremy and Diana Twaddle**

Jeremy Twaddle, lifelong Sitka resident, married to Diana Twaddle, school counselor at Keet Gooshi Heen Elementary School, she has a Bachelor's Degree in Elementary Education and Sociology and Masters in School Counseling. They have two children, Bay and Levi Twaddle. Jeremy has been a member of the Sitka Planning Commission since 2005 and currently holds the position of Chairman. This well-established family intends to reside permanently in Sitka.

Jeremy has attended multiple public planning meetings on the issue of affordable housing sponsored by various committees and Ad Hoc groups over the past several years. In addition Jeremy has participated in the conceptual planning of the South Benchlands property. This, along with his residential building experience, has provided him with a strong understanding of what voids exist in the Sitka housing market.

Jeremy and Diana have built several homes for themselves and for other Sitka residents. They understand Sitka's housing challenges and how to efficiently build a home that is desirable as well as affordable.

The Twaddles' experience in land, business development and construction consists of the following:

- Construction of 12 new homes within Sitka and the surrounding area ranging in price from \$265,000 to \$600,000,
- Completion of three minor subdivisions,
- Current development of one major subdivision,
- Ownership of five commercial warehouse rental units,
- Ownership of two commercial office rental units, and
- Part ownership in a trailer court - "Mountain View Estates" previously Arrowhead estates

Jeremy and Diana are owners of the general contracting company, Island Enterprises Incorporated, specializing in excavation, civil, residential, and commercial construction. Since 2000, they have completed civil excavation, and building projects in Yakutat, Ketchikan, Juneau, and Sitka, as well as several other remote locations. Their staff includes an office manager, bookkeeper, equipment operators, and carpenters.

#### Todd and Brandi Fleming

Todd Fleming, lifelong Sitka resident, married to Brandi Fleming, Controller at Baranof Island Housing Authority, is currently pursuing Bachelor's degree in Business Administration emphasis on Entrepreneurship. They have five children, Danielle, Brady, Brandon, Bailey, and Sidney. Todd owned and operated a trolling boat from high school through college. He attended the University of Alaska, Fairbanks, earning a Bachelor's degree in Civil Engineering and has been a licensed engineer in the State of Alaska since 2008. Brandi has owned and operated short-term vacation rentals in Sitka and Washington, and is in the process of purchasing two four-plex units within Sitka. This well-established family intends to permanently remain in Sitka.

Todd's experience is varied and estimable:

- As a project engineer for the State of Alaska since 1998;
- Todd has worked in the field of surveying and engineering including land surveying, plot plans and as-built surveys, native allotments surveys, pipeline surveying on the North Slope, construction surveying in Kotzebue, Juneau, Sitka, and the Red Dog Mine located outside of Kotzebue;
- In 1998, he developed the Fleming Subdivision in Sitka consisting of 12 lots;
- He completed the Danielle Subdivision in 2007;
- He is part owner of a 39 lot trailer park, known as Arrowhead Trailer Court;
- And he developed an Indian River Road lot that was sold in 2012.

The combined experience of the Twaddles and Flemings provides a synergistic skill set for undertaking the challenges of the Benchlands properties.

## Market Analysis

A large portion of Sitka's population is rent burdened - meaning that 50% or more of their gross annual income is spent on rent. This severely limits what individuals have to spend on other necessities such as food, automotive needs, or childcare. This, in turn, limits the economic growth of Sitka. Additionally, finding a rental in Sitka, regardless of the price of rent, is difficult at best, as Sitka has only a 1.2% vacancy rate.

The markets that Sound Development LLC will focus on encompass a variety of housing types in order to accommodate a wide range of household incomes in Sitka. Sound Development LLC aims to develop the "Benchlands" properties in order to provide property that is affordable for individuals.

### *U.S. Census Data for Sitka, AK*

Item	2010	2000
Average household size (includes non-family)	2.43	2.61
Average family size	3.01	3.15
Total housing units	4,102	3,650
Occupied housing units	3,545	3,278
Owner-occupied	2,050	1,905
Renter-occupied	1,495	1,360
Vacant housing units	557	372
Seasonal, recreational or occasional use	237	169
Population in owner occupied units	5,273	N/A
Population in renter occupied units	3,353	N/A
Homeowner Vacancy Rate	0.0%	1.5%
Rental Vacancy Rate	1.2%	5.2%
Mobile Homes	534	N/A

The above data reveals that the shortage of available land/housing within Sitka is at an all-time high. The residents of Sitka are in desperate need of property of all types and of affordable housing. In turn, the city of Sitka needs affordable housing for its own economic growth. This project will have a dramatic positive effect on the housing market and the overall economy in Sitka.

The State of the Sitka Economy Study of 2011, conducted by the McDowell Group, indicates that over 50% of Sitka residents spend more than 30% of their wages on rent. "Sitka residents who rent generally pay a higher percentage of their household income for rent than the statewide average. The comparison of housing costs with incomes is especially useful because high housing costs alone are not necessarily a problem for an economy if wages and incomes are correspondingly high. What this data shows, however, is that renters in Sitka spend more than the Alaska average on housing costs."

After reviewing the March 15, 2004 feasibility study performed by Kean and Associates for the University of Alaska Land Management, we have determined that the land known as the Benchlands is ideal for development of parcels of land for residential and multi-family use. However, during our review it has become clear that the

proposed plats in this study would need revisions to fully utilize the property to its maximum development potential. It is our belief that a private developer with local experience would be necessary in order to economically develop these parcels and make them truly affordable.

Our intent to provide affordable housing by developing a portion of the Benchlands property is in line with The City of Sitka's Comprehensive Plan.

Under article 2. Borough wide goals, policies and objectives, section 2.5 of the Urban Residential Goals and Policies, you can see that Sound Developments mission correlates well with the City's Comprehensive Plan.

"To encourage diverse housing types and densities in order to assure decent housing for all persons in all income groups, and to:

- A. Encourage development of multi-family dwellings where appropriate and in consideration of present use and future long term development plans of the area. Encourage development of attractive landscaping and a requirement for a park and/or greenbelt.
- B. Evaluate sufficiency of land zoned for multi-family dwellings and encourage zoning changes where appropriate.

2.5.2. To encourage quality residential areas which function as integral neighborhood units with adequate public facilities, and to:

- A. Encourage formation of neighborhood associations to develop concise plans to be used as advisory documents to promote informed development decisions, reflect residential concerns, and assist in determining capital improvement priorities.
- B. Encourage new developments that provide quality design and amenities, preserve or create habitat, and maintain open space.
- C. Encourage planned unit developments.
- D. Provide an adequate amount of housing that meets the needs of Sitka's elderly and handicapped.

2.5.5. To ensure that new residential development occurs in an orderly manner, which will enhance rather than deteriorate the community and lifestyle.

2.5.6. To recognize the need for and value of mobile home parks.

A. Revise the mobile home park regulations to clarify the types of uses and structures that are allowed in the parks, and, update the setback requirements.

2.5.7. To assure lots within the City and Borough are of reasonable size and access, and to:

A. Take adequate lot width ratios into account during the subdivision review process.

B. Encourage large corner lots on parcels at the intersection of public right of ways.

2.5.8. To ensure that new developments pay the cost of required utility and road extensions to Municipal standards; to ensure that new commercial developments pay the cost of required major line extensions; and to develop a specific utility infrastructure such as water tanks.

2.5.11. Develop more affordable housing opportunities; including single family homes and multi-family homes and multi-family dwellings (see section 2.4.8)".

We believe this development project will address most of the areas of concern including encouraging diverse housing types and densities in order to ensure the availability, accessibility, and affordability of decent housing for all persons in all income groups.

## History of Property

In 1977, the City received the property from the State of Alaska under the Municipal Entitlement Program. In 1983, the City traded the South Benchlands to the University of Alaska for Goddard Hot Springs and surrounding areas. Since that time the University has proposed subdividing the property into 143 lots. The property was originally laid out for a 300-lot subdivision, but it was not found to be feasible. Mari Montgomery, University of Alaska Land Ownership, stated in June 2006, “that it [will] take partnering to develop the project.”

The Benchlands road system was constructed between 1985 and 1987, consisting of approximately 13,300 linear feet of gravel surface roads. In 2007, the City of Sitka came to an agreement with the University of Alaska to purchase the 193 acre parcel of property from the University of Alaska for the fair market value of \$3,350,000, or \$17,353.92 per acre. In 2009, a water tower was constructed with a grant from the Legislature through Senator Bert Stedman. This water tower allows for the future development of the South Benchlands road system, thus providing a source of potable water for the area.

In 2011, the City of Sitka developed a nine lot major subdivision on Jacobs Circle. Three of the nine lots have been sold to date, and the rest remain on the market at this time.

## Development Plan

**Proposal for parcel A\***      **1.81 acres**

**Parcel A is legally known as Tract A14-III of Whitcomb Heights III Subdivision**

*Detailed proposed lot and structure layout with approximate dimensions of parcels, buildings, and improvements.*

The Cross Trail running through this parcel is an obstacle for higher density lot development as suggested in the RFP.

Due to elevation limitations (70 ft. variation), the highest and best use for this parcel is a minor subdivision creating four new building lots that continue the trend in size of the adjacent Jacobs Circle subdivision.

Lot sizes for these four lots would be low density as is the adjacent Jacobs Circle subdivision.

Improvements to this parcel would include construction of new access road and the installation of new utilities that meet the City and Borough of Sitka's standards to service the newly created lots.

*Details on proposed utilities and drainage improvements to be constructed along with notations as to whether they will remain in private lands or dedicated for public use.*

Storm water runoff will be collected and diverted into appropriately sized pipes and channels. This subdivision will come with a binding plat note stipulating that each property owner is responsible for an equal share of utility and road maintenance.

*Concept narrative for your Development Plan for the project including estimated time of completion, mixture of housing types and expected income levels of purchasers.*

The estimated completion time for this subdivision is one year from date of acquisition. We anticipate these lots to be utilized for single family residences or uses within the R-1 zoning. Currently Sitka's median household income is \$61,000. We anticipate meeting the housing needs of families within this income range.

*Sources of funding for the project and a tentative development timetable.*

This parcel will be purchased and developed by private funding sources.

Anticipated completion is one year from acquisition of parcel.

*Signed statement that Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights subdivisions have been reviewed and understood.*

All parties involved with this proposal have reviewed and understand the Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights Subdivisions and agree to comply with all requirements.

*Proposed purchased price*

Proposed acquisition price is \$17,353.92 per acre.

*Benefits for the City of Sitka include:*

Profit from sale of land	1.81 acres at \$17,353.92 per acre	\$31,410.60	One Time Fee
Property tax on \$100k per lot	\$600 each x 4 lots	\$2,400.00	Annual until Sold
Property tax on \$350k lot/house	\$2,100 x 4 residences	\$8,400.00	Annual Fee
Water/Sewer connection fees	\$1200.00 x 4 residences	\$4,800.00	One Time Fee
Annual water/sewer revenue	\$46.00/monthly x 4 residences for 12 months	\$2,208.00	Annual Fee

## Conclusion

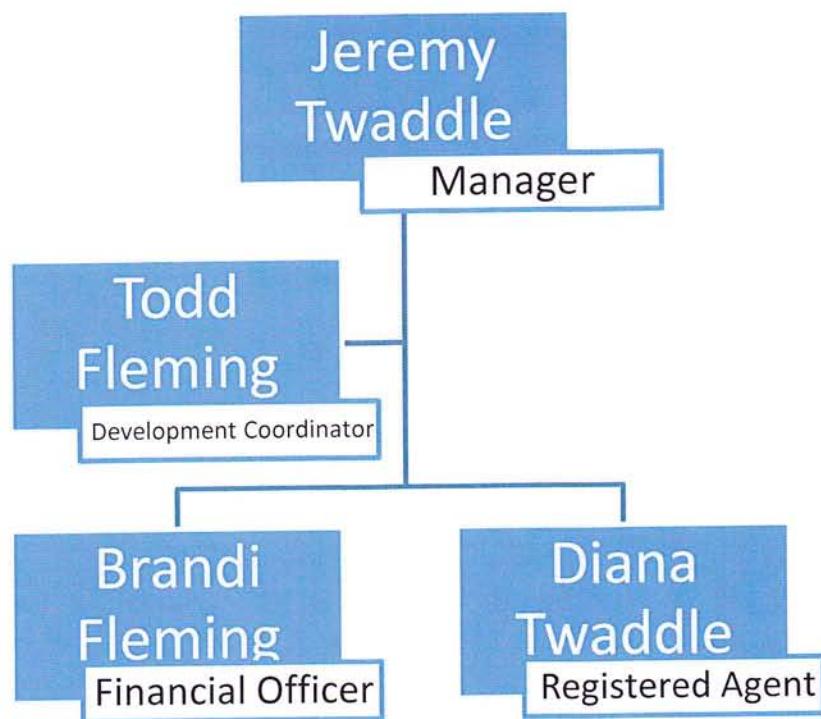
During the past 25 years, we have experienced the housing markets highs and lows, the building booms and the over inflation of the housing market. Unfortunately, we are now at a time when the housing drought in Sitka is making it an unaffordable yet still extremely desirable place to live and raise a family.

The positive aspects of this development will be beneficial in the following ways:

- The City of Sitka, Sitka Schools, and the fire department will have financial gain from property taxes.
- City of Sitka will benefit from an increase in utility connections and building permit fees.
- Both hospitals can benefit from a potential increase in population.
- Employment opportunities will increase for professionals in the building industry.
- Local businesses will flourish due to the sale of materials needed for building.
- Rental prices could drop due to more availability in the market place.
- Population of Sitka could increase.
- Sitka will be a more affordable place to work, live, and play.

The creation of these residential lots for the construction of new homes will help infuse money into the local economy by creating jobs for contractors, construction workers, architects, plumbers, electricians, building supply stores, concrete supply companies, and realtors. By providing a wide range of affordable property options, we can accommodate the needs of single family, planned unit developments, pocket neighborhoods, and multi-family dwellings.

*Organization Chart of Sound Development Limited Liability Company:*



**Sound Development Limited Liability Company**

## References

"Housing Real Estate Sitka, Alaska." *Housing Real Estate Sitka Alaska*. N.p., 2013. Web. 14 Apr. 2013.

"Sitka City and Borough Census 2010 Data: Population." *Sitka City and Borough, Alaska Census 2010 Results — Population*. N.p., 31 Mar. 2011. Web. 27 Apr. 2013.

USA. City and Borough of Sitka. Planning Commission. *City of Sitka's Comprehensive Plan*.

[Http://www.cityofsitka.com/government/departments/planning/documents/CompPlanNovember06.pdf](http://www.cityofsitka.com/government/departments/planning/documents/CompPlanNovember06.pdf), n.d. Web. 27 Apr. 2013.

2013

# Sound Development LLC Proposal for Parcel B



4/30/2013

## **Mission Statement**

Sound Development LLC will strive to acquire and develop affordable properties in Sitka, Alaska for current and future residents.

## **Company Overview**

Sound Development LLC is a new business venture whose goal is to develop affordable residential properties in underserved areas. Comprised of experienced developers, engineers, and financial officers, this team understands how to overcome the challenges that have deterred development in areas where demand exceeds supply.

Sound Development LLC is located in Sitka, Alaska. This business enterprise joins Island Enterprises, Incorporated, owned and operated by Jeremy and Diana Twaddle, and Kruzo Ventures LLC, owned and operated by Brandi and Todd Fleming. As long-time Sitkans Jeremy Twaddle and Todd Fleming are fully invested in bettering the town they love. This new venture will work closely with the City of Sitka in order to provide quality affordable land and housing developments to the citizens of Sitka.

Now is the time to undertake this challenge in the Sitka area. Most recently the local government has expressed a keen interest in increasing the supply of affordable housing in Sitka. The local government has also shown a strong willingness to adopt favorable zoning code changes along with increased building densities to facilitate the developments we propose.

## **Qualifications of Partners**

### **Jeremy and Diana Twaddle**

Jeremy Twaddle, lifelong Sitka resident, married to Diana Twaddle, school counselor at Keet Gooshi Heen Elementary School, she has a Bachelor's Degree in Elementary Education and Sociology and Masters in School Counseling. They have two children, Bay and Levi Twaddle. Jeremy has been a member of the Sitka Planning Commission since 2005 and currently holds the position of Chairman. This well-established family intends to reside permanently in Sitka.

Jeremy has attended multiple public planning meetings on the issue of affordable housing sponsored by various committees and Ad Hoc groups over the past several years. In addition Jeremy has participated in the conceptual planning of the South Benchlands property. This, along with his residential building experience, has provided him with a strong understanding of what voids exist in the Sitka housing market.

Jeremy and Diana have built several homes for themselves and for other Sitka residents. They understand Sitka's housing challenges and how to efficiently build a home that is desirable as well as affordable.

The Twaddles' experience in land, business development and construction consists of the following:

- Construction of 12 new homes within Sitka and the surrounding area ranging in price from \$265,000 to \$600,000,
- Completion of three minor subdivisions,
- Current development of one major subdivision,
- Ownership of five commercial warehouse rental units,
- Ownership of two commercial office rental units, and
- Part ownership in a trailer court - "Mountain View Estates" previously Arrowhead estates

Jeremy and Diana are owners of the general contracting company, Island Enterprises Incorporated, specializing in excavation, civil, residential, and commercial construction. Since 2000, they have completed civil excavation, and building projects in Yakutat, Ketchikan, Juneau, and Sitka, as well as several other remote locations. Their staff includes an office manager, bookkeeper, equipment operators, and carpenters.

#### Todd and Brandi Fleming

Todd Fleming, lifelong Sitka resident, married to Brandi Fleming, Controller at Baranof Island Housing Authority, is currently pursuing Bachelor's degree in Business Administration emphasis on Entrepreneurship. They have five children, Danielle, Brady, Brandon, Bailey, and Sidney. Todd owned and operated a trolling boat from high school through college. He attended the University of Alaska, Fairbanks, earning a Bachelor's degree in Civil Engineering and has been a licensed engineer in the State of Alaska since 2008. Brandi has owned and operated short-term vacation rentals in Sitka and Washington, and is in the process of purchasing two four-plex units within Sitka. This well-established family intends to permanently remain in Sitka.

Todd's experience is varied and estimable:

- As a project engineer for the State of Alaska since 1998;
- Todd has worked in the field of surveying and engineering including land surveying, plot plans and as-built surveys, native allotments surveys, pipeline surveying on the North Slope, construction surveying in Kotzebue, Juneau, Sitka, and the Red Dog Mine located outside of Kotzebue;
- In 1998, he developed the Fleming Subdivision in Sitka consisting of 12 lots;
- He completed the Danielle Subdivision in 2007;
- He is part owner of a 39 lot trailer park, known as Arrowhead Trailer Court;
- And he developed an Indian River Road lot that was sold in 2012.

The combined experience of the Twaddles and Flemings provides a synergistic skill set for undertaking the challenges of the Benchlands properties.

## Market Analysis

A large portion of Sitka's population is rent burdened - meaning that 50% or more of their gross annual income is spent on rent. This severely limits what individuals have to spend on other necessities such as food, automotive needs, or childcare. This, in turn, limits the economic growth of Sitka. Additionally, finding a rental in Sitka, regardless of the price of rent, is difficult at best, as Sitka has only a 1.2% vacancy rate.

The markets that Sound Development LLC will focus on encompass a variety of housing types in order to accommodate a wide range of household incomes in Sitka. Sound Development LLC aims to develop the "Benchlands" properties in order to provide property that is affordable for individuals.

### *U.S. Census Data for Sitka, AK*

Item	2010	2000
Average household size (includes non-family)	2.43	2.61
Average family size	3.01	3.15
Total housing units	4,102	3,650
Occupied housing units	3,545	3,278
Owner-occupied	2,050	1,905
Renter-occupied	1,495	1,360
Vacant housing units	557	372
Seasonal, recreational or occasional use	237	169
Population in owner occupied units	5,273	N/A
Population in renter occupied units	3,353	N/A
Homeowner Vacancy Rate	0.0%	1.5%
Rental Vacancy Rate	1.2%	5.2%
Mobile Homes	534	N/A

The above data reveals that the shortage of available land/housing within Sitka is at an all-time high. The residents of Sitka are in desperate need of property of all types and of affordable housing. In turn, the city of Sitka needs affordable housing for its own economic growth. This project will have a dramatic positive effect on the housing market and the overall economy in Sitka.

The State of the Sitka Economy Study of 2011, conducted by the McDowell Group, indicates that over 50% of Sitka residents spend more than 30% of their wages on rent. "Sitka residents who rent generally pay a higher percentage of their household income for rent than the statewide average. The comparison of housing costs with incomes is especially useful because high housing costs alone are not necessarily a problem for an economy if wages and incomes are correspondingly high. What this data shows, however, is that renters in Sitka spend more than the Alaska average on housing costs."

After reviewing the March 15, 2004 feasibility study performed by Kean and Associates for the University of Alaska Land Management, we have determined that the land known as the Benchlands is ideal for development of parcels of land for residential and multi-family use. However, during our review it has become clear that the

proposed plats in this study would need revisions to fully utilize the property to its maximum development potential. It is our belief that a private developer with local experience would be necessary in order to economically develop these parcels and make them truly affordable.

Our intent to provide affordable housing by developing a portion of the Benchlands property is in line with The City of Sitka's Comprehensive Plan.

Under article 2. Borough wide goals, policies and objectives, section 2.5 of the Urban Residential Goals and Policies, you can see that Sound Developments mission correlates well with the City's Comprehensive Plan.

“To encourage diverse housing types and densities in order to assure decent housing for all persons in all income groups, and to:

- A. Encourage development of multi-family dwellings where appropriate and in consideration of present use and future long term development plans of the area. Encourage development of attractive landscaping and a requirement for a park and/or greenbelt.
- B. Evaluate sufficiency of land zoned for multi-family dwellings and encourage zoning changes where appropriate.

2.5.2. To encourage quality residential areas which function as integral neighborhood units with adequate public facilities, and to:

- A. Encourage formation of neighborhood associations to develop concise plans to be used as advisory documents to promote informed development decisions, reflect residential concerns, and assist in determining capital improvement priorities.
- B. Encourage new developments that provide quality design and amenities, preserve or create habitat, and maintain open space.
- C. Encourage planned unit developments.
- D. Provide an adequate amount of housing that meets the needs of Sitka's elderly and handicapped.

2.5.5. To ensure that new residential development occurs in an orderly manner, which will enhance rather than deteriorate the community and lifestyle.

2.5.6. To recognize the need for and value of mobile home parks.

A. Revise the mobile home park regulations to clarify the types of uses and structures that are allowed in the parks, and, update the setback requirements.

2.5.7. To assure lots within the City and Borough are of reasonable size and access, and to:

A. Take adequate lot width ratios into account during the subdivision review process.

B. Encourage large corner lots on parcels at the intersection of public right of ways.

2.5.8. To ensure that new developments pay the cost of required utility and road extensions to Municipal standards; to ensure that new commercial developments pay the cost of required major line extensions; and to develop a specific utility infrastructure such as water tanks.

2.5.11. Develop more affordable housing opportunities; including single family homes and multi-family homes and multi-family dwellings (see section 2.4.8)”.

We believe this development project will address most of the areas of concern including encouraging diverse housing types and densities in order to ensure the availability, accessibility, and affordability of decent housing for all persons in all income groups.

## History of Property

In 1977, the City received the property from the State of Alaska under the Municipal Entitlement Program. In 1983, the City traded the South Benchlands to the University of Alaska for Goddard Hot Springs and surrounding areas. Since that time the University has proposed subdividing the property into 143 lots. The property was originally laid out for a 300-lot subdivision, but it was not found to be feasible. Mari Montgomery, University of Alaska Land Ownership, stated in June 2006, “that it [will] take partnering to develop the project.”

The Benchlands road system was constructed between 1985 and 1987, consisting of approximately 13,300 linear feet of gravel surface roads. In 2007, the City of Sitka came to an agreement with the University of Alaska to purchase the 193 acre parcel of property from the University of Alaska for the fair market value of \$3,350,000, or \$17,353.92 per acre. In 2009, a water tower was constructed with a grant from the Legislature through Senator Bert Stedman. This water tower allows for the future development of the South Benchlands road system, thus providing a source of potable water for the area.

In 2011, the City of Sitka developed a nine lot major subdivision on Jacobs Circle. Three of the nine lots have been sold to date, and the rest remain on the market at this time.

## Development Plan

**Proposal for parcel B\*      1.55 acres**

**Parcel B is legally known as Tract A13 of Whitcomb Heights III Subdivision**

*Detailed proposed lot and structure layout with approximate dimensions of parcels, buildings, and improvements.*

The Cross Trail running through this parcel is an obstacle for higher density lot development as suggested in the RFP.

Due to elevation limitations (70 ft. variation), the highest and best use for this parcel is a minor subdivision creating four new building lots that continue the trend in size of the adjacent Jacobs Circle subdivision.

Lot sizes for these four lots would be low density as is the adjacent Jacobs Circle subdivision.

Improvements to this parcel would include construction of new access road and the installation of new utilities that meet the City and Borough of Sitka's standards to service the newly created lots.

*Details on proposed utilities and drainage improvements to be constructed along with notations as to whether they will remain in private lands or dedicated for public use.*

Storm water runoff will be collected and diverted into appropriately sized pipes and channels. This subdivision will come with a binding plat note stipulating that each property owner is responsible for an equal share of utility and road maintenance.

*Concept narrative for your Development Plan for the project including estimated time of completion, mixture of housing types and expected income levels of purchasers.*

The estimated completion time for this subdivision is one year from date of acquisition. We anticipate these lots to be utilized for single family residences or uses within the R-1 zoning. Currently Sitka's median household income is \$61,000. We anticipate meeting the housing needs of families within this income range.

*Sources of funding for the project and a tentative development timetable.*

This parcel will be purchased and developed by private funding sources.

Anticipated completion is one year from acquisition of parcel.

*Signed statement that Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights subdivisions have been reviewed and understood.*

All parties involved with this proposal have reviewed and understand the Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights Subdivisions and agree to comply with all requirements.

*Proposed purchase price.*

Proposed acquisition price \$17,353.92 per acre.

*Benefits for the City of Sitka include:*

Profit from sale of land	1.55 acres at \$17,353.92 per acre	\$26,898.58	One Time Fee
Property tax on \$100k per lot	\$600 each x 4 lots	\$2,400.00	Annual until sold
Property tax on \$350k lot/house	\$2,100 x 4 residences	\$8,400.00	Annual Fee
Water/Sewer connection fees	\$1200.00 x 4 residences	\$4,800.00	One Time Fee
Annual water/sewer revenue	\$46.00/monthly x 4 residences for 12 months	\$2,208.00	Annual Fee

## Conclusion

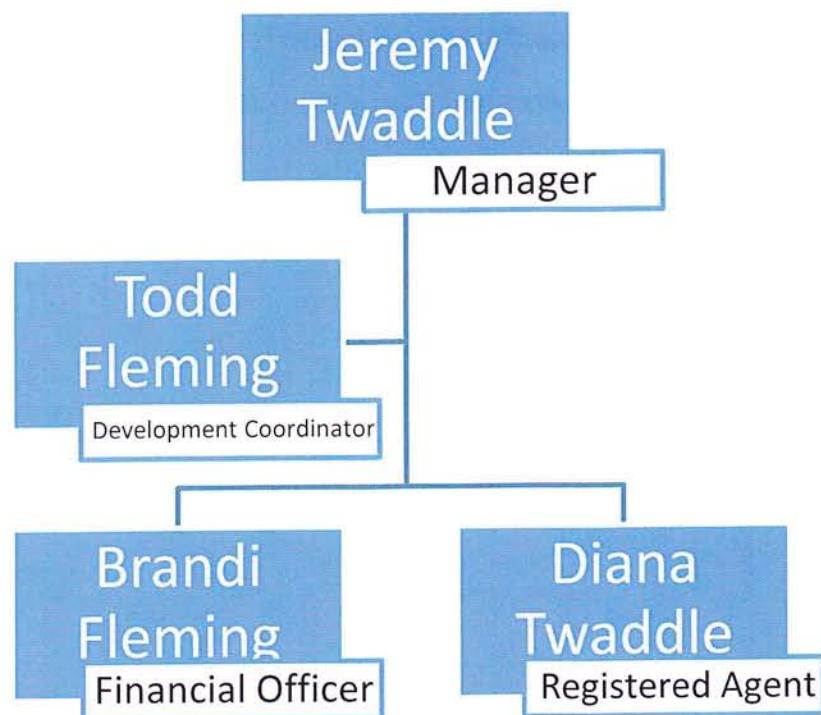
During the past 25 years, we have experienced the housing markets highs and lows, the building booms and the over inflation of the housing market. Unfortunately, we are now at a time when the housing drought in Sitka is making it an unaffordable yet still extremely desirable place to live and raise a family.

The positive aspects of this development will be beneficial in the following ways:

- The City of Sitka, Sitka Schools, and the fire department will have financial gain from property taxes.
- City of Sitka will benefit from an increase in utility connections and building permit fees.
- Both hospitals can benefit from a potential increase in population.
- Employment opportunities will increase for professionals in the building industry.
- Local businesses will flourish due to the sale of materials needed for building.
- Rental prices could drop due to more availability in the market place.
- Population of Sitka could increase.
- Sitka will be a more affordable place to work, live, and play.

The creation of these residential lots for the construction of new homes will help infuse money into the local economy by creating jobs for contractors, construction workers, architects, plumbers, electricians, building supply stores, concrete supply companies, and realtors. By providing a wide range of affordable property options, we can accommodate the needs of single family, planned unit developments, pocket neighborhoods, and multi-family dwellings.

*Organization Chart of Sound Development Limited Liability Company:*



**Sound Development Limited Liability Company**

## References

"Housing Real Estate Sitka, Alaska." *Housing Real Estate Sitka Alaska*. N.p., 2013. Web. 14 Apr. 2013.

"Sitka City and Borough Census 2010 Data: Population." *Sitka City and Borough, Alaska Census 2010 Results — Population*. N.p., 31 Mar. 2011. Web. 27 Apr. 2013.

USA. City and Borough of Sitka. Planning Commission. *City of Sitka's Comprehensive Plan*.

[Http://www.cityofsitka.com/government/departments/planning/documents/CompPlanNovember06.pdf](http://www.cityofsitka.com/government/departments/planning/documents/CompPlanNovember06.pdf), n.d. Web. 27 Apr. 2013.

**2013**

# **Sound Development LLC Proposal for Parcel C**



## **Mission Statement**

Sound Development LLC will strive to acquire and develop affordable properties in Sitka, Alaska for current and future residents.

## **Company Overview**

Sound Development LLC is a new business venture whose goal is to develop affordable residential properties in underserved areas. Comprised of experienced developers, engineers, and financial officers, this team understands how to overcome the challenges that have deterred development in areas where demand exceeds supply.

Sound Development LLC is located in Sitka, Alaska. This business enterprise joins Island Enterprises, Incorporated, owned and operated by Jeremy and Diana Twaddle, and Kruzof Ventures LLC, owned and operated by Brandi and Todd Fleming. As long-time Sitkans Jeremy Twaddle and Todd Fleming are fully invested in bettering the town they love. This new venture will work closely with the City of Sitka in order to provide quality affordable land and housing developments to the citizens of Sitka.

Now is the time to undertake this challenge in the Sitka area. Most recently the local government has expressed a keen interest in increasing the supply of affordable housing in Sitka. The local government has also shown a strong willingness to adopt favorable zoning code changes along with increased building densities to facilitate the developments we propose.

## **Qualifications of Partners**

### **Jeremy and Diana Twaddle**

Jeremy Twaddle, lifelong Sitka resident, married to Diana Twaddle, school counselor at Keet Gooshi Heen Elementary School, she has a Bachelor's Degree in Elementary Education and Sociology and Masters in School Counseling. They have two children, Bay and Levi Twaddle. Jeremy has been a member of the Sitka Planning Commission since 2005 and currently holds the position of Chairman. This well-established family intends to reside permanently in Sitka.

Jeremy has attended multiple public planning meetings on the issue of affordable housing sponsored by various committees and Ad Hoc groups over the past several years. In addition Jeremy has participated in the conceptual planning of the South Benchlands property. This, along with his residential building experience, has provided him with a strong understanding of what voids exist in the Sitka housing market.

Jeremy and Diana have built several homes for themselves and for other Sitka residents. They understand Sitka's housing challenges and how to efficiently build a home that is desirable as well as affordable.

The Twaddles' experience in land, business development and construction consists of the following:

- Construction of 12 new homes within Sitka and the surrounding area ranging in price from \$265,000 to \$600,000,
- Completion of three minor subdivisions,
- Current development of one major subdivision,
- Ownership of five commercial warehouse rental units,
- Ownership of two commercial office rental units, and
- Part ownership in a trailer court - "Mountain View Estates" previously Arrowhead estates

Jeremy and Diana are owners of the general contracting company, Island Enterprises Incorporated, specializing in excavation, civil, residential, and commercial construction. Since 2000, they have completed civil excavation, and building projects in Yakutat, Ketchikan, Juneau, and Sitka, as well as several other remote locations. Their staff includes an office manager, bookkeeper, equipment operators, and carpenters.

#### Todd and Brandi Fleming

Todd Fleming, lifelong Sitka resident, married to Brandi Fleming, Controller at Baranof Island Housing Authority, is currently pursuing Bachelor's degree in Business Administration emphasis on Entrepreneurship. They have five children, Danielle, Brady, Brandon, Bailey, and Sidney. Todd owned and operated a trolling boat from high school through college. He attended the University of Alaska, Fairbanks, earning a Bachelor's degree in Civil Engineering and has been a licensed engineer in the State of Alaska since 2008. Brandi has owned and operated short-term vacation rentals in Sitka and Washington, and is in the process of purchasing two four-plex units within Sitka. This well-established family intends to permanently remain in Sitka.

Todd's experience is varied and estimable:

- As a project engineer for the State of Alaska since 1998;
- Todd has worked in the field of surveying and engineering including land surveying, plot plans and as-built surveys, native allotments surveys, pipeline surveying on the North Slope, construction surveying in Kotzebue, Juneau, Sitka, and the Red Dog Mine located outside of Kotzebue;
- In 1998, he developed the Fleming Subdivision in Sitka consisting of 12 lots;
- He completed the Danielle Subdivision in 2007;
- He is part owner of a 39 lot trailer park, known as Arrowhead Trailer Court;
- And he developed an Indian River Road lot that was sold in 2012.

The combined experience of the Twaddles and Flemings provides a synergistic skill set for undertaking the challenges of the Benchlands properties.

## Market Analysis

A large portion of Sitka's population is rent burdened - meaning that 50% or more of their gross annual income is spent on rent. This severely limits what individuals have to spend on other necessities such as food, automotive needs, or childcare. This, in turn, limits the economic growth of Sitka. Additionally, finding a rental in Sitka, regardless of the price of rent, is difficult at best, as Sitka has only a 1.2% vacancy rate.

The markets that Sound Development LLC will focus on encompass a variety of housing types in order to accommodate a wide range of household incomes in Sitka. Sound Development LLC aims to develop the "Benchlands" properties in order to provide property that is affordable for individuals.

### *U.S. Census Data for Sitka, AK*

Item	2010	2000
Average household size (includes non-family)	2.43	2.61
Average family size	3.01	3.15
Total housing units	4,102	3,650
Occupied housing units	3,545	3,278
Owner-occupied	2,050	1,905
Renter-occupied	1,495	1,360
Vacant housing units	557	372
Seasonal, recreational or occasional use	237	169
Population in owner occupied units	5,273	N/A
Population in renter occupied units	3,353	N/A
Homeowner Vacancy Rate	0.0%	1.5%
Rental Vacancy Rate	1.2%	5.2%
Mobile Homes	534	N/A

The above data reveals that the shortage of available land/housing within Sitka is at an all-time high. The residents of Sitka are in desperate need of property of all types and of affordable housing. In turn, the city of Sitka needs affordable housing for its own economic growth. This project will have a dramatic positive effect on the housing market and the overall economy in Sitka.

The State of the Sitka Economy Study of 2011, conducted by the McDowell Group, indicates that over 50% of Sitka residents spend more than 30% of their wages on rent. "Sitka residents who rent generally pay a higher percentage of their household income for rent than the statewide average. The comparison of housing costs with incomes is especially useful because high housing costs alone are not necessarily a problem for an economy if wages and incomes are correspondingly high. What this data shows, however, is that renters in Sitka spend more than the Alaska average on housing costs."

After reviewing the March 15, 2004 feasibility study performed by Kean and Associates for the University of Alaska Land Management, we have determined that the land known as the Benchlands is ideal for development of parcels of land for residential and multi-family use. However, during our review it has become clear that the

proposed plats in this study would need revisions to fully utilize the property to its maximum development potential. It is our belief that a private developer with local experience would be necessary in order to economically develop these parcels and make them truly affordable.

Our intent to provide affordable housing by developing a portion of the Benchlands property is in line with The City of Sitka's Comprehensive Plan.

Under article 2. Borough wide goals, policies and objectives, section 2.5 of the Urban Residential Goals and Policies, you can see that Sound Developments mission correlates well with the City's Comprehensive Plan.

"To encourage diverse housing types and densities in order to assure decent housing for all persons in all income groups, and to:

- A. Encourage development of multi-family dwellings where appropriate and in consideration of present use and future long term development plans of the area. Encourage development of attractive landscaping and a requirement for a park and/or greenbelt.
- B. Evaluate sufficiency of land zoned for multi-family dwellings and encourage zoning changes where appropriate.

2.5.2. To encourage quality residential areas which function as integral neighborhood units with adequate public facilities, and to:

- A. Encourage formation of neighborhood associations to develop concise plans to be used as advisory documents to promote informed development decisions, reflect residential concerns, and assist in determining capital improvement priorities.
- B. Encourage new developments that provide quality design and amenities, preserve or create habitat, and maintain open space.
- C. Encourage planned unit developments.
- D. Provide an adequate amount of housing that meets the needs of Sitka's elderly and handicapped.

2.5.5. To ensure that new residential development occurs in an orderly manner, which will enhance rather than deteriorate the community and lifestyle.

2.5.6. To recognize the need for and value of mobile home parks.

A. Revise the mobile home park regulations to clarify the types of uses and structures that are allowed in the parks, and, update the setback requirements.

2.5.7. To assure lots within the City and Borough are of reasonable size and access, and to:

A. Take adequate lot width ratios into account during the subdivision review process.

B. Encourage large corner lots on parcels at the intersection of public right of ways.

2.5.8. To ensure that new developments pay the cost of required utility and road extensions to Municipal standards; to ensure that new commercial developments pay the cost of required major line extensions; and to develop a specific utility infrastructure such as water tanks.

2.5.11. Develop more affordable housing opportunities; including single family homes and multi-family homes and multi-family dwellings (see section 2.4.8)".

We believe this development project will address most of the areas of concern including encouraging diverse housing types and densities in order to ensure the availability, accessibility, and affordability of decent housing for all persons in all income groups.

## History of Property

In 1977, the City received the property from the State of Alaska under the Municipal Entitlement Program. In 1983, the City traded the South Benchlands to the University of Alaska for Goddard Hot Springs and surrounding areas. Since that time the University has proposed subdividing the property into 143 lots. The property was originally laid out for a 300-lot subdivision, but it was not found to be feasible. Mari Montgomery, University of Alaska Land Ownership, stated in June 2006, “that it [will] take partnering to develop the project.”

The Benchlands road system was constructed between 1985 and 1987, consisting of approximately 13,300 linear feet of gravel surface roads. In 2007, the City of Sitka came to an agreement with the University of Alaska to purchase the 193 acre parcel of property from the University of Alaska for the fair market value of \$3,350,000, or \$17,353.92 per acre. In 2009, a water tower was constructed with a grant from the Legislature through Senator Bert Stedman. This water tower allows for the future development of the South Benchlands road system, thus providing a source of potable water for the area.

In 2011, the City of Sitka developed a nine lot major subdivision on Jacobs Circle. Three of the nine lots have been sold to date, and the rest remain on the market at this time.

## Development Plan

**Proposal for parcel C\*      7.48 acres**

**Parcel C is legally known as Tract A 12-III of Whitcomb Heights III Subdivision**

*Detailed proposed lot and structure layout with approximate dimensions of parcels, buildings, and improvements.*

Instead of the developer dictating what the market wants or needs, we will allow the market to drive the development of this parcel. With a parcel of land this large it is unwise to commit to any one development concept or layout; however, we anticipate that smaller lot sizes will preserve the affordability of the developed land. By establishing restrictions on maximum square footage per residence and by not permitting setbacks or height variances, we hope to keep the overall cost of home ownership lower.

We anticipate that by building to these guidelines, these homes will remain affordable for current and future homeowners.

This particular parcel's terrain lends itself to a variety of higher density building options thus reducing the overall cost of home ownership. At the appropriate time we would propose possible zoning changes to allow for the following:

- Planned Unit Developments (PUD),
- Condominiums,
- Pocket/Cottage Neighborhoods,
- Community Land Trust,
- Mobile home parks, and
- Small commercial retail type establishments.

Improvements to this parcel will include subdivision of land, construction of new access roads and the installation of new utilities and drainage that meet City and Borough of Sitka standards.

It is our intent to expand the Cross Trail running through or adjacent to this parcel as feasibility allows.

*Details on proposed utilities and drainage improvements to be constructed along with notations as to whether they will remain in private lands or dedicated for public use.*

A hydrology runoff study will be completed by a professional engineer prior to development of any major subdivision. Storm water runoff will be collected and diverted into appropriately sized pipes, channels, and retention ponds. This finished design will allow for no more than the 90% of the undeveloped flow rate and velocity for up to the 25 year storm water event. We anticipate using the naturally occurring wetland areas as water retention facilities.

*Concept narrative for your Development Plan for the project including estimated time of completion, mixture of housing types and expected income levels of purchasers.*

The anticipated initial development will occur within the first two years of acquisition of property. A five year anticipated completion date is projected; however, due to unknown changes in the real estate market, a completion date is undeterminable at this time. The demand for housing will ultimately drive the completion date of this project.

We anticipate these lots to be utilized for single family residences or uses within the R-1 (PUD) zoning.

Below is a chart showing the cost of homeownership and the associated mortgage payments for 3 different size homes on reduced sized lots.

Square Footage	833 sq. ft. (2 bedroom/1 bath)	1,000 sq. ft. (3 bedroom/1 bath)	1,330 sq. ft. (3 bedroom/2 bath)
Land cost	\$50,000	\$50,000	\$50,000
Development cost	\$25,000	\$25,000	\$25,000
Building Square Footage (\$150/sq. ft.)	\$125,000	\$150,000	\$200,000
Total home value	\$200,000	\$225,000	\$275,000

Payment	\$881.00 monthly	\$984.00 monthly	\$1,189.00 monthly
Required Annual household income to service debt	\$36,455.00	\$47,017.00	\$49,200.00

These loan payments are based on a conventional loan of 20% down payment, 3.5% interest rate, and a 30 year term. Payments include estimated home insurance and property tax.

*Sources of funding for the project and a tentative development timetable.*

This parcel will be purchased and developed by private funding sources.

The anticipated initial development will occur within the first two years of acquisition of property. A five year anticipated completion date is projected; however, due to unknown changes in real estate market a completion date is undeterminable at this time. The demand for housing will ultimately drive the completion date of this project.

*Signed statement that Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights subdivisions have been reviewed and understood.*

All parties involved with this proposal have reviewed and understand the Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights Subdivisions and agree to comply with all recommendations.

*Proposed purchase price.*

Proposed acquisition price \$17,353.92 per acre.

***Benefits for the City of Sitka include:***

Profit from sale of land	7.48 acres at \$17,353.92 per acre	\$129,807.32	One Time Fee
Property tax on \$50k per lot	\$300.00 each x 35 lots	\$10,500.00	Annual until sold
Property tax on \$225k lot/house	\$1,350.00 x 35 residences	\$47,250.00	Annual Fee
Water/Sewer connection fees	\$1200.00 x 35 residences	\$42,000.00	One Time Fee
Annual water/sewer revenue	\$46.00/monthly x 35 residences for 12 months	\$19,320.00	Annual Fee

## **Conclusion**

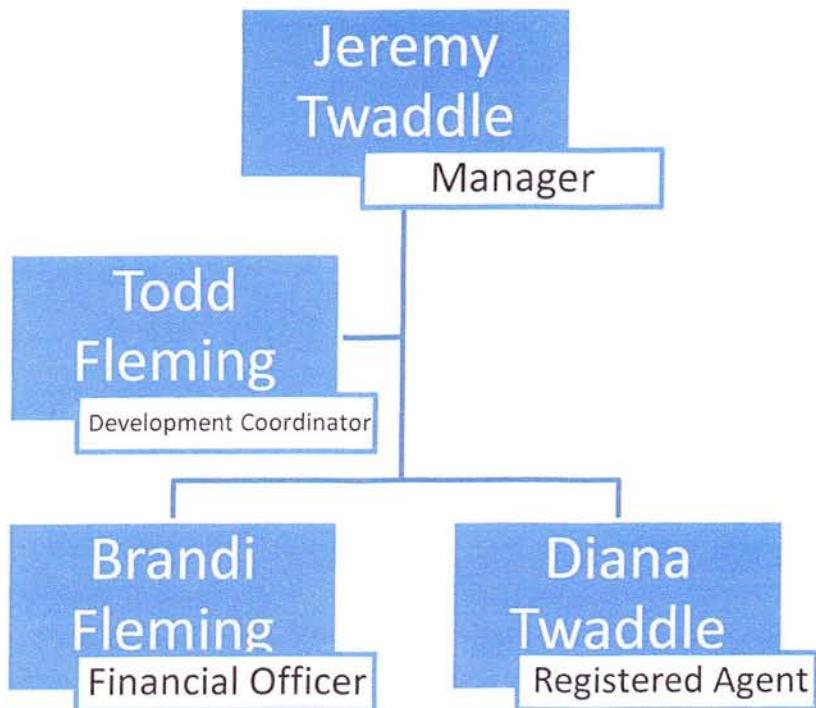
During the past 25 years, we have experienced the housing markets highs and lows, the building booms and the over inflation of the housing market. Unfortunately, we are now at a time when the housing drought in Sitka is making it an unaffordable yet still extremely desirable place to live and raise a family.

The positive aspects of this development will be beneficial in the following ways:

- The City of Sitka, Sitka Schools, and the fire department will have financial gain from property taxes.
- City of Sitka will benefit from an increase in utility connections and building permit fees.
- Both hospitals can benefit from a potential increase in population.
- Employment opportunities will increase for professionals in the building industry.
- Local businesses will flourish due to the sale of materials needed for building.
- Rental prices could drop due to more availability in the market place.
- Population of Sitka could increase.
- Sitka will be a more affordable place to work, live, and play.

The creation of these residential lots for the construction of new homes will help infuse money into the local economy by creating jobs for contractors, construction workers, architects, plumbers, electricians, building supply stores, concrete supply companies, and realtors. By providing a wide range of affordable property options, we can accommodate the needs of single family, planned unit developments, pocket neighborhoods, and multi-family dwellings.

*Organization Chart of Sound Development Limited Liability Company:*



**Sound Development Limited Liability Company**

## **References**

- "Housing Real Estate Sitka, Alaska." *Housing Real Estate Sitka Alaska*. N.p., 2013. Web. 14 Apr. 2013.
- "Sitka City and Borough Census 2010 Data: Population." *Sitka City and Borough, Alaska Census 2010 Results — Population*. N.p., 31 Mar. 2011. Web. 27 Apr. 2013.
- USA. City and Borough of Sitka. Planning Commission. *City of Sitka's Comprehensive Plan*.  
[Http://www.cityofsitka.com/government/departments/planning/documents/CompPlanNovember06.pdf](http://www.cityofsitka.com/government/departments/planning/documents/CompPlanNovember06.pdf), n.d.  
Web. 27 Apr. 2013.

**2013**

# **Sound Development LLC**

## **Proposal for Emmons Street/Cushing Street Loop**



## **Mission Statement**

Sound Development LLC will strive to acquire and develop affordable properties in Sitka, Alaska for current and future residents.

## **Company Overview**

Sound Development LLC is a new business venture whose goal is to develop affordable residential properties in underserved areas. Comprised of experienced developers, engineers, and financial officers, this team understands how to overcome the challenges that have deterred development in areas where demand exceeds supply.

Sound Development LLC is located in Sitka, Alaska. This business enterprise joins Island Enterprises, Incorporated, owned and operated by Jeremy and Diana Twaddle, and Kruzof Ventures LLC, owned and operated by Brandi and Todd Fleming. As long-time Sitkans Jeremy Twaddle and Todd Fleming are fully invested in bettering the town they love. This new venture will work closely with the City of Sitka in order to provide quality affordable land and housing developments to the citizens of Sitka.

Now is the time to undertake this challenge in the Sitka area. Most recently the local government has expressed a keen interest in increasing the supply of affordable housing in Sitka. The local government has also shown a strong willingness to adopt favorable zoning code changes along with increased building densities to facilitate the developments we propose.

## **Qualifications of Partners**

### **Jeremy and Diana Twaddle**

Jeremy Twaddle, lifelong Sitka resident, married to Diana Twaddle, school counselor at Keet Gooshi Heen Elementary School, she has a Bachelor's Degree in Elementary Education and Sociology and Masters in School Counseling. They have two children, Bay and Levi Twaddle. Jeremy has been a member of the Sitka Planning Commission since 2005 and currently holds the position of Chairman. This well-established family intends to reside permanently in Sitka.

Jeremy has attended multiple public planning meetings on the issue of affordable housing sponsored by various committees and Ad Hoc groups over the past several years. In addition Jeremy has participated in the conceptual planning of the South Benchlands property. This, along with his residential building experience, has provided him with a strong understanding of what voids exist in the Sitka housing market.

Jeremy and Diana have built several homes for themselves and for other Sitka residents. They understand Sitka's housing challenges and how to efficiently build a home that is desirable as well as affordable.

The Twaddles' experience in land, business development and construction consists of the following:

- Construction of 12 new homes within Sitka and the surrounding area ranging in price from \$265,000 to \$600,000,
- Completion of three minor subdivisions,
- Current development of one major subdivision,
- Ownership of five commercial warehouse rental units,
- Ownership of two commercial office rental units, and
- Part ownership in a trailer court - "Mountain View Estates" previously Arrowhead estates

Jeremy and Diana are owners of the general contracting company, Island Enterprises Incorporated, specializing in excavation, civil, residential, and commercial construction. Since 2000, they have completed civil excavation, and building projects in Yakutat, Ketchikan, Juneau, and Sitka, as well as several other remote locations. Their staff includes an office manager, bookkeeper, equipment operators, and carpenters.

#### Todd and Brandi Fleming

Todd Fleming, lifelong Sitka resident, married to Brandi Fleming, Controller at Baranof Island Housing Authority, is currently pursuing Bachelor's degree in Business Administration emphasis on Entrepreneurship. They have five children, Danielle, Brady, Brandon, Bailey, and Sidney. Todd owned and operated a trolling boat from high school through college. He attended the University of Alaska, Fairbanks, earning a Bachelor's degree in Civil Engineering and has been a licensed engineer in the State of Alaska since 2008. Brandi has owned and operated short-term vacation rentals in Sitka and Washington, and is in the process of purchasing two four-plex units within Sitka. This well-established family intends to permanently remain in Sitka.

Todd's experience is varied and estimable:

- As a project engineer for the State of Alaska since 1998;
- Todd has worked in the field of surveying and engineering including land surveying, plot plans and as-built surveys, native allotments surveys, pipeline surveying on the North Slope, construction surveying in Kotzebue, Juneau, Sitka, and the Red Dog Mine located outside of Kotzebue;
- In 1998, he developed the Fleming Subdivision in Sitka consisting of 12 lots;
- He completed the Danielle Subdivision in 2007;
- He is part owner of a 39 lot trailer park, known as Arrowhead Trailer Court;
- And he developed an Indian River Road lot that was sold in 2012.

The combined experience of the Twaddles and Flemings provides a synergistic skill set for undertaking the challenges of the Benchlands properties.

## Market Analysis

A large portion of Sitka's population is rent burdened - meaning that 50% or more of their gross annual income is spent on rent. This severely limits what individuals have to spend on other necessities such as food, automotive needs, or childcare. This, in turn, limits the economic growth of Sitka. Additionally, finding a rental in Sitka, regardless of the price of rent, is difficult at best, as Sitka has only a 1.2% vacancy rate.

The markets that Sound Development LLC will focus on encompass a variety of housing types in order to accommodate a wide range of household incomes in Sitka. Sound Development LLC aims to develop the "Benchlands" properties in order to provide property that is affordable for individuals.

### *U.S. Census Data for Sitka, AK*

Item	2010	2000
Average household size (includes non-family)	2.43	2.61
Average family size	3.01	3.15
Total housing units	4,102	3,650
Occupied housing units	3,545	3,278
Owner-occupied	2,050	1,905
Renter-occupied	1,495	1,360
Vacant housing units	557	372
Seasonal, recreational or occasional use	237	169
Population in owner occupied units	5,273	N/A
Population in renter occupied units	3,353	N/A
Homeowner Vacancy Rate	0.0%	1.5%
Rental Vacancy Rate	1.2%	5.2%
Mobile Homes	534	N/A

The above data reveals that the shortage of available land/housing within Sitka is at an all-time high. The residents of Sitka are in desperate need of property of all types and of affordable housing. In turn, the city of Sitka needs affordable housing for its own economic growth. This project will have a dramatic positive effect on the housing market and the overall economy in Sitka.

The State of the Sitka Economy Study of 2011, conducted by the McDowell Group, indicates that over 50% of Sitka residents spend more than 30% of their wages on rent. "Sitka residents who rent generally pay a higher percentage of their household income for rent than the statewide average. The comparison of housing costs with incomes is especially useful because high housing costs alone are not necessarily a problem for an economy if wages and incomes are correspondingly high. What this data shows, however, is that renters in Sitka spend more than the Alaska average on housing costs."

After reviewing the March 15, 2004 feasibility study performed by Kean and Associates for the University of Alaska Land Management, we have determined that the land known as the Benchlands is ideal for development of parcels of land for residential and multi-family use. However, during our review it has become clear that the

proposed plats in this study would need revisions to fully utilize the property to its maximum development potential. It is our belief that a private developer with local experience would be necessary in order to economically develop these parcels and make them truly affordable.

Our intent to provide affordable housing by developing a portion of the Benchlands property is in line with The City of Sitka's Comprehensive Plan.

Under article 2. Borough wide goals, policies and objectives, section 2.5 of the Urban Residential Goals and Policies, you can see that Sound Developments mission correlates well with the City's Comprehensive Plan.

"To encourage diverse housing types and densities in order to assure decent housing for all persons in all income groups, and to:

- A. Encourage development of multi-family dwellings where appropriate and in consideration of present use and future long term development plans of the area. Encourage development of attractive landscaping and a requirement for a park and/or greenbelt.
- B. Evaluate sufficiency of land zoned for multi-family dwellings and encourage zoning changes where appropriate.

2.5.2. To encourage quality residential areas which function as integral neighborhood units with adequate public facilities, and to:

- A. Encourage formation of neighborhood associations to develop concise plans to be used as advisory documents to promote informed development decisions, reflect residential concerns, and assist in determining capital improvement priorities.
- B. Encourage new developments that provide quality design and amenities, preserve or create habitat, and maintain open space.
- C. Encourage planned unit developments.
- D. Provide an adequate amount of housing that meets the needs of Sitka's elderly and handicapped.

2.5.5. To ensure that new residential development occurs in an orderly manner, which will enhance rather than deteriorate the community and lifestyle.

2.5.6. To recognize the need for and value of mobile home parks.

A. Revise the mobile home park regulations to clarify the types of uses and structures that are allowed in the parks, and, update the setback requirements.

2.5.7. To assure lots within the City and Borough are of reasonable size and access, and to:

A. Take adequate lot width ratios into account during the subdivision review process.

B. Encourage large corner lots on parcels at the intersection of public right of ways.

2.5.8. To ensure that new developments pay the cost of required utility and road extensions to Municipal standards; to ensure that new commercial developments pay the cost of required major line extensions; and to develop a specific utility infrastructure such as water tanks.

2.5.11. Develop more affordable housing opportunities; including single family homes and multi-family homes and multi-family dwellings (see section 2.4.8)".

We believe this development project will address most of the areas of concern including encouraging diverse housing types and densities in order to ensure the availability, accessibility, and affordability of decent housing for all persons in all income groups.

## History of Property

In 1977, the City received the property from the State of Alaska under the Municipal Entitlement Program. In 1983, the City traded the South Benchlands to the University of Alaska for Goddard Hot Springs and surrounding areas. Since that time the University has proposed subdividing the property into 143 lots. The property was originally laid out for a 300-lot subdivision, but it was not found to be feasible. Mari Montgomery, University of Alaska Land Ownership, stated in June 2006, “that it [will] take partnering to develop the project.”

The Benchlands road system was constructed between 1985 and 1987, consisting of approximately 13,300 linear feet of gravel surface roads. In 2007, the City of Sitka came to an agreement with the University of Alaska to purchase the 193 acre parcel of property from the University of Alaska for the fair market value of \$3,350,000, or \$17,353.92 per acre. In 2009, a water tower was constructed with a grant from the Legislature through Senator Bert Stedman. This water tower allows for the future development of the South Benchlands road system, thus providing a source of potable water for the area.

In 2011, the City of Sitka developed a nine lot major subdivision on Jacobs Circle. Three of the nine lots have been sold to date, and the rest remain on the market at this time.

## Development Plan

### **Proposal for Emmons Street/Cushing Street Loop\* 35 Lots and platted right of way**

### **Legally known as Blocks 8 and 9 of Whitcomb Heights Subdivision**

*Detailed proposed lot and structure layout with approximate dimensions of parcels, buildings, and improvements.*

The best use for Emmons Street/Cushing Street Loop is to utilize the 35 lots and platted right of way in its existing configuration as included in the RFP.

Existing layout of lots range in size from 8,000-18,000 square feet.

Major utility upgrades would be made to accommodate future development of the Benchlands properties including the extension of services to the Emmons Street/Cushing Street Loop lots.

***Details on proposed utilities and drainage improvements to be constructed along with notations as to whether they will remain in private lands or dedicated for public use.***

A hydrology runoff study will be completed by a professional engineer prior to development of any major subdivision. Storm water runoff will be collected and diverted into appropriately sized pipes, channels and retention ponds. The finished design will allow for no more than 90% of the undeveloped flow rate and velocity for up to the 25 year storm water event. We anticipate using the naturally occurring wetland areas as water retention facilities.

***Concept narrative for your Development Plan for the project including estimated time of completion, mixture of housing types and expected income levels of purchasers.***

The anticipated initial development will occur within four years of acquisition of the property. Due to the large size of this parcel, a completion date is undeterminable at this time. The demand for housing will ultimately drive the completion date of this project.

The estimated completion time for this subdivision is one year from date of acquisition. We anticipate these lots to be utilized for single family residences or uses within the R-1 zoning. Currently Sitka's median household income is \$61,000. We anticipate meeting the housing needs of families within this income range.

***Sources of funding for the project and a tentative development timetable.***

This parcel will be purchased and developed by private funding sources.

The anticipated initial development will occur within the first four years of acquisition of the property. Due to the large size of this parcel, a completion date is undeterminable at this time. The demand for housing will ultimately drive the completion date of this project.

***Signed statement that Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights subdivisions have been reviewed and understood.***

All parties involved with this proposal have reviewed and understand the Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights Subdivisions and agree to comply with all requirements.

***Proposed purchase price.***

Proposed acquisition price \$17,353.92 per acre.

*Benefits for the City of Sitka include:*

Profit from sale of land	Approximate 9 acres at \$17,353.92 per acre	\$156,185.28	One Time Fee
Property tax on \$100k per lot	\$600.00 each x 35 lots	\$21,000.00	Annual until Sold
Property tax on \$350k lot/house	\$2,100.00 x 35 residences	\$73,500.00	Annual Fee
Water/Sewer connection fees	\$1200.00 x 35 residences	\$42,000.00	One Time Fee
Annual water/sewer revenue	\$46.00/monthly x 35 residences for 12 months	\$19,320.00	Annual Fee

## Conclusion

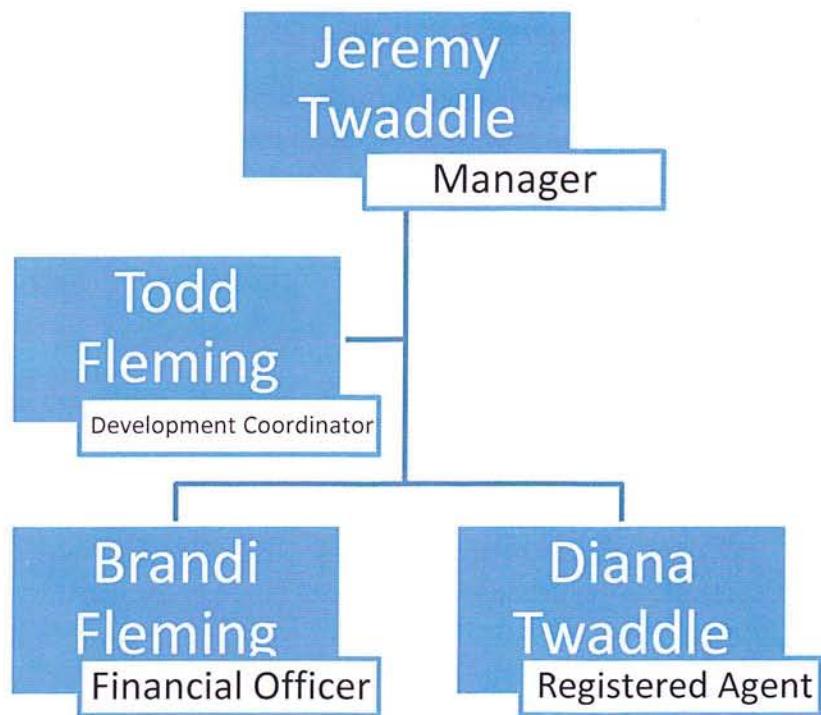
During the past 25 years, we have experienced the housing markets highs and lows, the building booms and the over inflation of the housing market. Unfortunately, we are now at a time when the housing drought in Sitka is making it an unaffordable yet still extremely desirable place to live and raise a family.

The positive aspects of this development will be beneficial in the following ways:

- The City of Sitka, Sitka Schools, and the fire department will have financial gain from property taxes.
- City of Sitka will benefit from an increase in utility connections and building permit fees.
- Both hospitals can benefit from a potential increase in population.
- Employment opportunities will increase for professionals in the building industry.
- Local businesses will flourish due to the sale of materials needed for building.
- Rental prices could drop due to more availability in the market place.
- Population of Sitka could increase.
- Sitka will be a more affordable place to work, live, and play.

The creation of these residential lots for the construction of new homes will help infuse money into the local economy by creating jobs for contractors, construction workers, architects, plumbers, electricians, building supply stores, concrete supply companies, and realtors. By providing a wide range of affordable property options, we can accommodate the needs of single family, planned unit developments, pocket neighborhoods, and multi-family dwellings.

*Organization Chart of Sound Development Limited Liability Company:*



**Sound Development Limited Liability Company**

## References

- "Housing Real Estate Sitka, Alaska." *Housing Real Estate Sitka Alaska*. N.p., 2013. Web. 14 Apr. 2013.
- "Sitka City and Borough Census 2010 Data: Population." *Sitka City and Borough, Alaska Census 2010 Results — Population*. N.p., 31 Mar. 2011. Web. 27 Apr. 2013.
- USA. City and Borough of Sitka. Planning Commission. *City of Sitka's Comprehensive Plan*.  
[Http://www.cityofsitka.com/government/departments/planning/documents/CompPlanNovember06.pdf](http://www.cityofsitka.com/government/departments/planning/documents/CompPlanNovember06.pdf), n.d.  
Web. 27 Apr. 2013.

**Sound Development LLC**  
PO Box 1401  
Sitka, AK 99835

---

April 30, 2013

Dear City of Sitka,

Sound Development LLC appreciates the opportunity to submit these proposals for your review.

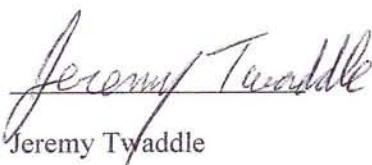
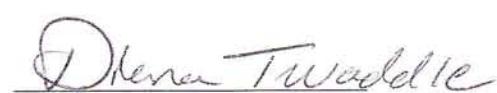
This letter will act as our acknowledgment to the following RFP conditions of providing a signed statement that the Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights subdivisions have been reviewed and understood.

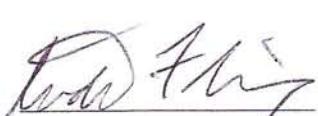
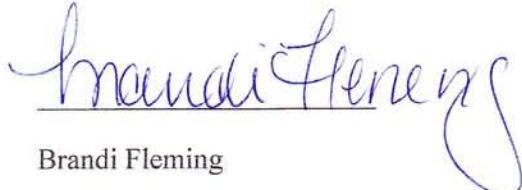
All parties involved with this proposal have reviewed and understand the Army Corps of Engineers wetland permit and plat notes for both Whitcomb Heights Subdivisions and agree to comply with all requirements.

We thank you for your time in reviewing this proposal and encourage you to contact us directly with any comments, questions, or concerns.

Sincerely,

Sound Development LLC

   
Jeremy Twaddle                    Diana Twaddle

   
Todd Fleming                    Brandi Fleming