



# CITY AND BOROUGH OF SITKA

A COAST GUARD CITY

## MEMORANDUM

**To:** Mayor Eisenbeisz and Assembly Members

**Thru:** John Leach, Municipal Administrator , Acting

**From:** Amy Ainslie, Planning & Community Development Director 

**Date:** February 3, 2026

**Subject:** Requested Amendments to the Purchase and Sale Agreement (PSA) with Sound Development, LLC., for Benchlands Property

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### Background

In 2023, the City & Borough of Sitka (CBS) entered into a Purchase and Sale Agreement (PSA) with Sound Development, LLC., for certain parcels in the Whitcomb Heights Subdivision, more commonly referred to as the “Benchlands”. Maps and parcel information included in the PSA have been enclosed for reference. The PSA identified the parcels to be sold/purchased, and provisions for development including (but not limited to) compliance with the US Army Corps of Engineers permit for the area, accommodation of the Cross Trail, and most notably, a restriction that prohibits Sound Development from selling any lots in Blocks 8 or 9 (also referred to as Parcel D in the PSA) prior to the installation and CBS adoption of all electrical, sewer, and water utilities, as well as construction and CBS adoption of the Emmons and Cushing Street rights-of-way. In the original PSA, total build out of the project (as described in Sound Development’s RFP response through which they were awarded the lands) had to occur within 10 years from the date of purchase (section 12 titled “Time of Performance”). When the PSA was amended in 2019 as a result of a Settlement and Release Agreement between CBS and Sound Development, the Time of Performance provision was struck. However, the limitation on sale of lots within Parcel D until all utility and right-of-way work is complete remains in place.

Sound Development has requested two amendments to the PSA:

1. Allow for the sale of Lot 18, Block 8 for the purpose of telecommunications infrastructure without installation of water and sewer services, or completion of right-of-way improvements. [Note – previous communications identified Lot 15 for this purpose. Sound Development has since clarified that the request is for Lot 18].

2. Allow phased development (“stages”) and sale of lots in of Blocks 8 and 9 (i.e. Parcel D)

## **Analysis**

### **On the exemption for Lot 18:**

- Staff has limited information available about this location’s suitability for a telecommunications tower outside the stated position of Tlingit & Haida (dba Tidal Network). However, it offers some benefits given that there isn’t existing residential development on these two blocks (i.e., property owners seeking to build/purchase homes in the area would be aware of the tower’s placement here). There may also be benefits in terms of advancing the overall development of the area in terms of project funding/cost.
- The lot is 11,878 square feet, and identified as “Moderate” slide risk zone per the CBS commissioned 2016 Shannon & Wilson study.
- The Whitcomb Heights Subdivision is a Planned Unit Development (PUD) in which uses for subdivided lots are specified on the plat. Lot 18 is identified for use as a duplex (though a single-family home could also be built).
- In order to allow a telecommunications tower on the site, the PUD would have to be amended by the Planning Commission.

### **On phased/staged development of Parcel D:**

Generally, staff understands the practicality of this approach and its potential to bring saleable lots to market sooner. This amendment would still support the intent of the PSA (which also mirrors the intent of the Subdivision code regarding major subdivisions), which was to ensure that adequate public infrastructure was constructed and adopted by CBS prior to sale of lots for residential development.

## **Fiscal Note**

There is no cost to the municipality associated with this request outside of staff time needed to draft the PSA agreement and PUD amendment.

## **Recommendation**

On the Lot 18 exemption, staff recommends allowing the Planning Commission to take-up the question regarding whether this location is suitable for telecommunications infrastructure and amending the PUD. This could also be an opportunity to address appropriate uses of lots identified as high slide risk per the Shannon & Wilson report (perhaps storage or other uses that don’t have human occupancy). The Assembly could either approve an amendment to the PSA allowing this exemption subject to Planning Commission approval of the PUD amendment, or the Assembly could hold-off finalizing

the PSA amendment until this has taken place. On the phasing/staging of development, staff recommends approval.

Encl: PSA Amendment Request  
Purchase Agreement with Sound Development  
Maps & Parcel Information