

TRACT A11
BENCHLANDS DEVELOPMENT
PROPOSAL

November 1, 2020

City and Borough of Sitka, Municipal Clerk
100 Lincoln Street
Sitka, Alaska 99835

RE: Whitcomb Heights Subdivision Tract A11 Benchlands Development Proposal

Dear City of Sitka,

Pioneer Land Development LLC (Pioneer) would like to formally express our interest in purchasing Tract A11 Whitcomb Heights Subdivision. Pioneer is a professional organization formed with the goal of developing land for the expansion of right-sized, quality, affordable housing for local Sitkans. The Pioneer proposal supports the Sitka Comprehensive Plan 2030 Housing goal of expanding the range, affordability, and quality of housing in Sitka while maintaining attractive, livable neighborhoods.

Pioneer proposes a development approach for Tract A11 with the primary focus on 1 acre eastern portion (East Parcel). The west portion poses significant development challenges including slope limitations, streams/ drainages, wetlands and landslide hazard. As such, this portion does not bring economic benefit to the project. Ensuring the West Parcel remains predominantly green open space supports the Sitka Plan intent for protecting sensitive environmental areas and ensuring attractive neighborhoods.

East Parcel (Timeframe 0 - 2 years)

- Developing 3-4 individual residential lots which will provide utility services to each lot
- Initiate building on at least one lot and offering the remaining lots for sale

West Parcel

- An initial review indicates this portion be cost-prohibitive for development
- Protecting this important sensitive environmental and drainage area as open/green space in accordance with the original intent

Factoring development costs to extend utilities to the Tract and given a majority of the tract is identified with characteristics/limitations prohibitive to development, Pioneer would like to offer \$17,500. This translates to \$0.40 per square foot per acre for the Tract A11 land that is proposed to be developed.

Thank you in advance for your time and consideration in reviewing this proposal. Please contact us with any comments, questions or concerns.

Sincerely,



Pioneer Land Development LLC

Company Overview

Pioneer Land Development LLC. (Pioneer), was formed with the goal of creating affordable housing opportunities for Sitka residents. Pioneer is comprised of a professional team that includes local Sitkans and long-time Sitka visitors.

Project Background

In January 2020, Pioneer approached the City and Borough of Sitka Planning and Community Development Department to purchase approximately 1 acre of the 4-acre Tract A11 Whitcomb Heights Subdivision. This portion of Tract A11 lies in the low slide risk zone has suitable soil, topography, minimal wetlands and drainage issues (this area is hereafter referred to as the A11 east parcel). Only the A11 east parcel was perceived to be developable by Pioneer for affordable housing.

On May 20, 2020, Planning approved our request to purchase the 41,000 SF A11 east parcel and memorialized its review analysis to the Assembly.

On June 23, 2020, the assembly heard the proposal to purchase the A11 east parcel. However, pursuant to the meeting debate, the assembly voted to sell the entire A11 tract via a RFP, in effect quadrupling the land area initially solicited and including a large area not currently thought of as economically feasible to develop. Based on this change in scope, Pioneer offers the following information in support of its proposal to purchase the entire 4-acre tract.

1. Narrative Statement of Qualifications

The depth of experience in this partnership, in particular from Jill Hirai and Peter Lumkong satisfy the requisite experience level required for this development parcel and will engage with a local contractor for proposed utility and site improvements. Upon acquiring the land, Pioneer will also engage with an engineering firm to ensure that development activities are conducted in accordance with applicable regulations and approval mechanisms.

Pioneer member Jill Hirai

Graduate of Oregon State University (OSU) 2002 with B.A. in Interior Design and Housing Studies. Jill has over 20 years' experience working in Sitka in all aspects of Housing from Realtor, Escrow officer, Home designer, Surveyor, and Community Land Trust Board member. Jill has been a respected team member on countless subdivisions. Her work with O'Neill Surveying and Engineering and North 57 Land Surveying has allowed her to bring drafting and design expertise as well as field surveying skills to our Company.

"Providing affordable housing has been an interest that became a passion while studying Housing at OSU. It was apparent even before 2000 that Sitka was struggling to provide affordable housing. More recently, it has become evident that smaller sized homes are especially difficult to come by thus adding to the affordability gap." Affordable housing for an aging person in Sitka is extremely limited.

Additionally, vacant land is equally limited and is either undevelopable by modern standards, is too costly to develop for this purpose, or is unavailable to the public. Sitka's unique qualities that make it an appealing location to live, work and raise a family, also lend to unique challenges for new housing. This

in turn contributes to the ever-increasing gap between affordable homes and those only afforded by high-income households. This is a complex situation that requires a comprehensive solution, and there is no single answer that will solve this issue, however, making more land available to residents is a start.

Pioneer member Peter Lumkong

Graduate of Rutgers University, New Jersey in 1988 with a B.S. in Engineering and a B.A. in Economics. Peter has been a licensed professional civil engineer for over 20 years and has performed roles combining his experience in engineering design, and project management supporting land development. Peter has been a soccer coach for many years with the local Police Athletic League and is currently a coach of the Rutgers University Men's Rugby team in New Brunswick, New Jersey.

Peter worked as a commercial fisherman on Sitka-based fishing vessels for the 1988 & 1991 seasons.

Pioneer member Clare Lumkong

Graduate of Rutgers University, New Jersey in 1989 with a B.S. in Environmental Studies. Clare has over 30 years' experience with environmental permitting, compliance and protection of resources. She currently works as the Global Manager for Sustainability at Bristol Myers Squibb where she incorporates sustainability into all aspects of the company.

Clare volunteers with the local community RISE program to assist local families and is a board member of the Hightstown chapter of the Mercer County Library system. Peter and Clare have vacationed with their 2 children in Sitka on multiple occasions over the years.

Pioneer member Jarrett Hirai

Graduate of Western Oregon University with a bachelors in education and a masters in education from the University of Alaska, Southeast. Jarrett is a teacher at Blatchley Middle School and has been coaching sports in the Sitka community from the Middle School to the High School level since 2004.

Jill Hirai and Jarrett Hirai were both born and raised in Sitka where they are active members of the local community and where they raise their 3 children.

2. Qualifications of project manager, engineer(s) of record and surveyor

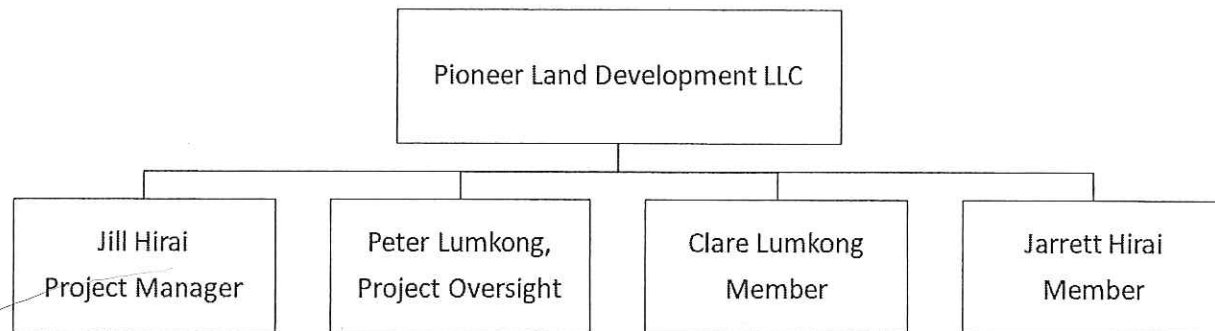
Engineering and Surveying will be conducted under contract to Pioneer. Contracted services will be awarded to professionals and firms in good standing in the state of Alaska and with experience working in the Southeast region.

3. List of projects previously completed of a similar nature including a construction cost and start/completion dates for each project.

This proposal marks the first development project undertaken by Pioneer. The individual partners bring over 50 years' cumulative experience working and managing similar projects. Based on this experience, Pioneer anticipates various development challenges due to site characteristics and is qualified to develop a portion of the parcel to fulfill Sitka's Comprehensive Plan 2030 for housing. Specifically, Pioneer fully

anticipates addressing the need for an increased range of affordable housing and promoting housing quality.

4. Submit an organizational chart showing a designated project manager and staff, including consultants/contractors



A short list of contractors have been contacted regarding potential future work on this project should Pioneer's proposal be awarded. These contractors are all exclusively Sitka Based Companies and include:

- Pacific Services
- McGraw Custom Construction
- Forge Engineering
- North 57 Land Surveying
- Sitka Electric

5. Statement of firm's experience working in Southeast Alaska or a similar environment

As indicated in item 2. above, professional services including Engineering and Surveying and construction will be conducted under contract to Pioneer. Only individuals and or firms with experience working in Sitka or the Southeast region will be selected for the project.

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

Based on an understanding of Tract A11 from available maps, reports, and preliminary site inspections, Pioneer has prepared a detailed conceptual layout of lots, building areas, and improvements entitled Preliminary Concept to fulfill the RFP request. Research of Tract A11 (4 acres) revealed that approximately 1 acre is suitable for development. Therefore, Pioneer has focused on this area for development and the remaining 3 acres of the tract is proposed green space. It is noteworthy that this 3 acre portion of Tract A11 was largely not intended for development due to slope limitations, multiple significant drainages, wetlands, and more recently identified landslide risk.

Upon completion of wetland delineation of the parcel and professional consultation a Preliminary/Final development plan will be prepared for CBS review and approval.

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

In the context of roads, utilities, and drainage improvements, Pioneer has prepared a detailed plan entitled Preliminary Concept per the RFP request. All improvements outside the Kramer ROW are proposed to remain in private hands.

8. Concept narrative of your development plan for the project including estimated time of completion, mixture of housing types and expected income levels of purchasers

Pioneer is considering 3-4 individual residential lots and plan to develop all lots together providing utility services to each lot within a 0-2 year time frame. Initiate building on at least one lot, while offering the remaining lots for sale.

Pioneer plans to offer lots at a competitive price to offset costs associated with site preparation prior to building and to enhance sales.

Pioneer anticipates lots to be utilized for single family residences pursuant to R-1 Zoning. The expected median income level of purchasers is estimated to be \$70,000 slightly below Sitka's current median household income of \$71,500 listed in the 2020 census.

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

Pioneer will utilize private capital to purchase the tract and for funding development. The anticipated development will occur within the first two years of acquisition of property.

10. Signed statement that plat notes for the Whitcomb Heights Subdivision have been reviewed and understood.

See Attachment acknowledgement

11. Proposed purchase price in U.S. dollars

Factoring development costs to extend utilities to the tract and given a majority of the tract is identified with characteristics / limitations prohibitive to development, Pioneer would like to offer \$17,500 for the tract. Equivalent to \$0.40 per square foot per proposed acre to be developed.

Please review the attached figures and advise regarding the next steps to acquire this parcel of land. Based on housing demands, Pioneer would like to begin the subdivision process as soon as possible. Your attention to this matter is greatly appreciated.

Sincerely,



Jill Hirai

Member, Pioneer Development LLC.,

PO Box 1906, Sitka, AK 999835

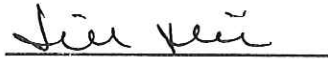
907-752-0999 jillhirai@me.com

Acknowledgement

Pioneer Development LLC
PO Box 1906
Sitka, AK 999835

November 1, 2020

Pioneer Development LLC acknowledges that plat notes for the Whitcomb Heights Subdivision have been reviewed and understood.

A handwritten signature in black ink, appearing to read "Jill Hirai", is written over a horizontal line.

Jill Hirai
Member
Pioneer Development LLC

