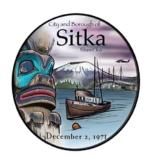
Work Session Sound Development LLC



City and Borough of Sitka

PROVIDING FOR TODAY...PREPARING FOR TOMORROW

A Coast Guard City

MEMORANDUM

To: Mayor Eisenbeisz and Assembly Members

Thru: John Leach, Municipal Administrator

From: Amy Ainslie, Planning Director

Date: September 21, 2021

Subject: Work Session with Sound Development

Background

The Purchase Agreement between the City and Borough of Sitka (CBS) and Sound Development LLC (SDL) in 2013 established conditions of sale and development for lands in the Whitcomb Heights Subdivision (also referred to colloquially as 'the benchlands').

The agreement referred to Parcels A, B, C, & D; the legal descriptions are as follows:

- Parcel A: Tract A14 III, Whitcomb Heights Subdivision, Plat 2011-15
 - This tract has been subdivided and resold
- Parcel B: Tract A13, Whitcomb Heights Subdivision, Plat 83-17
 - This has been subdivided and resold
- Parcel C: Tract A12-III, Whitcomb Heights III Subdivision, Plat 2011-15
 - Large tract, unsubdivided and retained by SDL
- Parcel D: Blocks 8 & 9, Whitcomb Heights Subdivision, Plat 83-17
 - Comprises 34 lots retained by SDL



Condition #11 of the agreement states:

11. <u>Provision for Parcel C.</u> SDL commits to a work session with the Assembly prior to the submission of the conceptual subdivision plat for Parcel C to the Planning Commission.

While development plans for the southern benchlands have largely been on hold since the 2015 landslide, SDL is beginning to explore opportunities to develop their remaining lands in this area. Parcel C has a mix of Low, Moderate, and High landslide risk determination per the 2016 South Kramer Landslide Report. The Low risk area of this parcel is on the southern end of the lot. Parcel D is similarly mixed, with 6 lots affected by the High risk designation, 16 lots with Moderate risk, and 12 lots in Low.

Condition #8 of the agreement is also an important consideration when discussing future development:

8. <u>Utilities.</u> SDL is prohibited from selling any lots in Block 8 and 9 of the Whitcomb Heights Subdivision prior to the installation of electrical sewer and water utilities and the acceptance of them by CBS. The Emmons and Cushing Street right of way shall also be constructed and accepted by CBS for maintenance prior to any sale. SDL may, with approval of CBS sell multiple lots, in aggregate, if a bond or any other financial guarantee is provided prior the installation and acceptance of roads and utilities. CBS will not arbitrarily withhold acceptance of roads and utilities for maintenance.

<u>Analysis</u>

The purpose of this work session is for SDL to share its conceptual plans for Parcel C, and for the Assembly to have an opportunity to provide thoughts and feedback. This is also an opportunity for SDL to discuss future development options for remaining land in Parcel D.

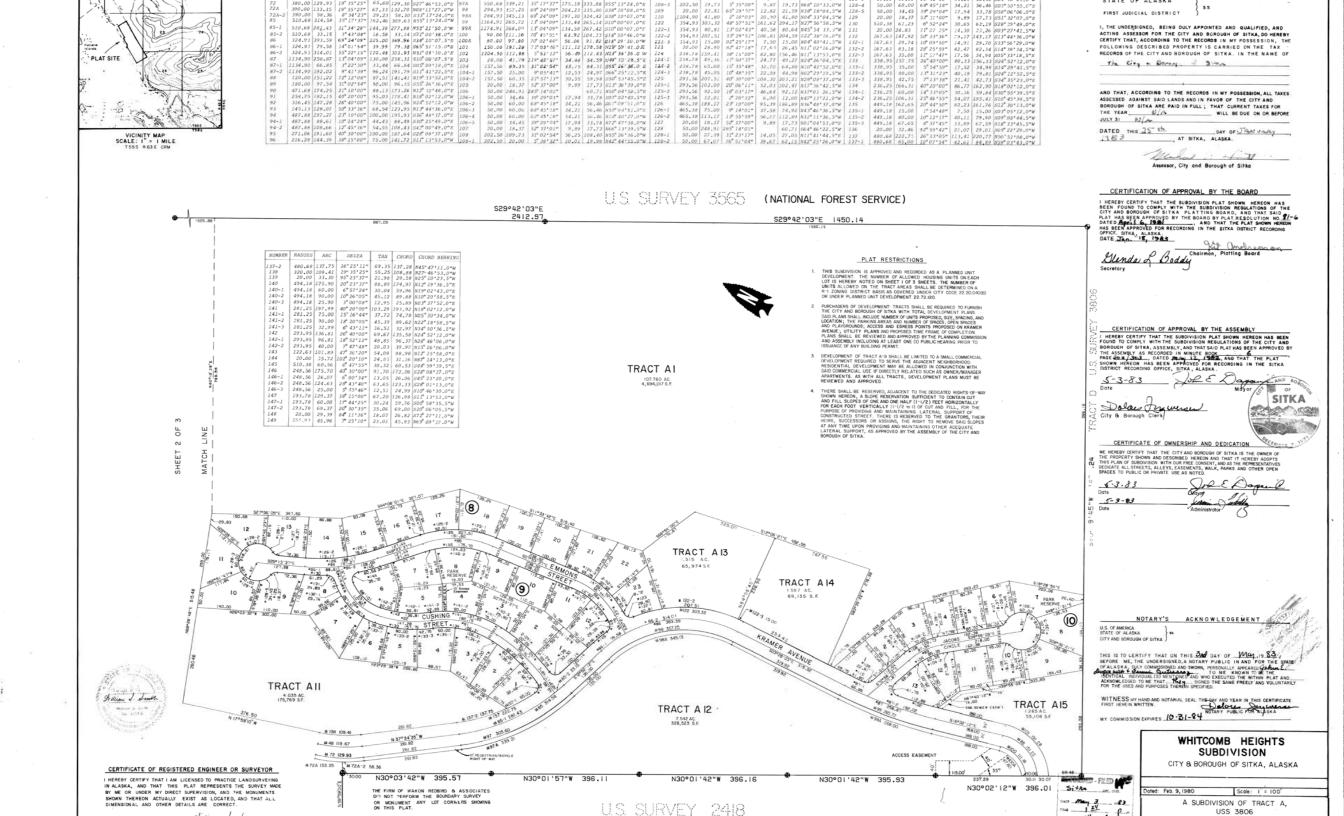
No approvals from the body are needed at this time.

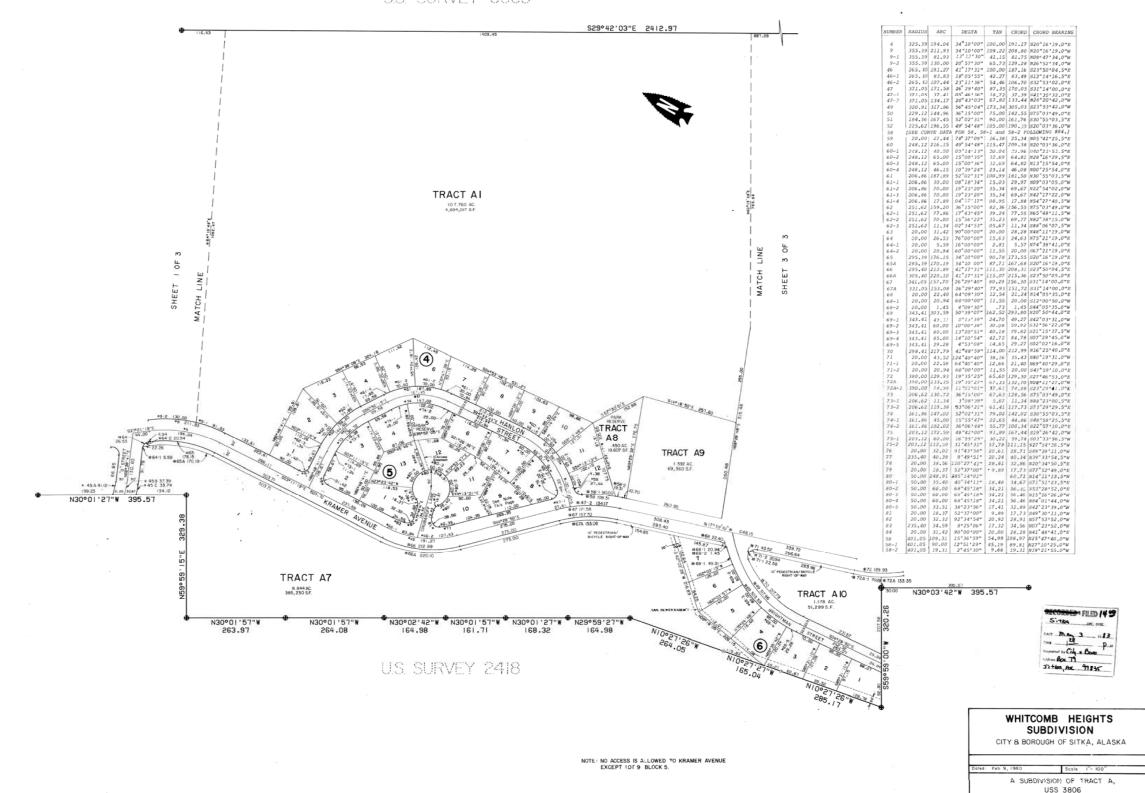
Fiscal Note

None at this time for conceptual review/discussion.

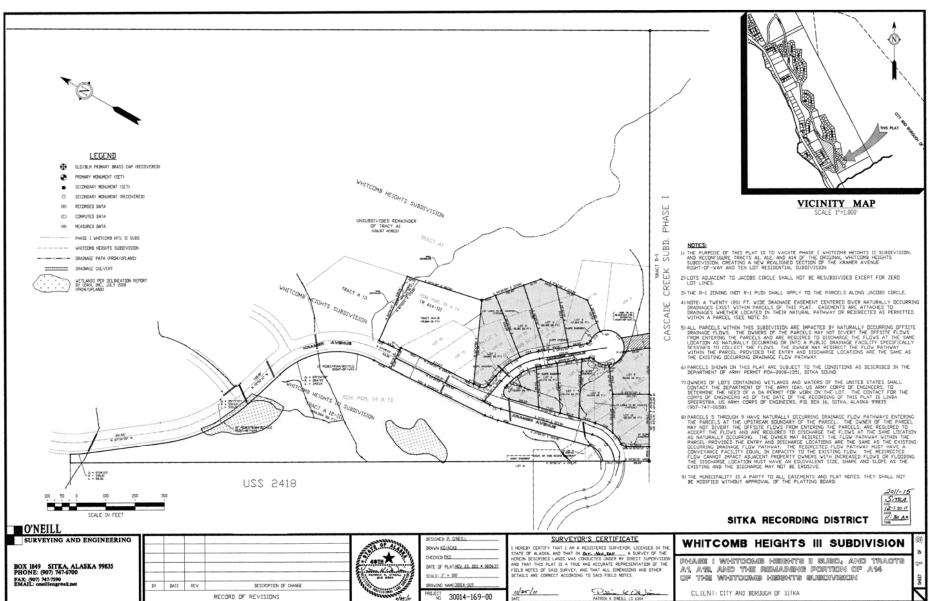
Recommendation

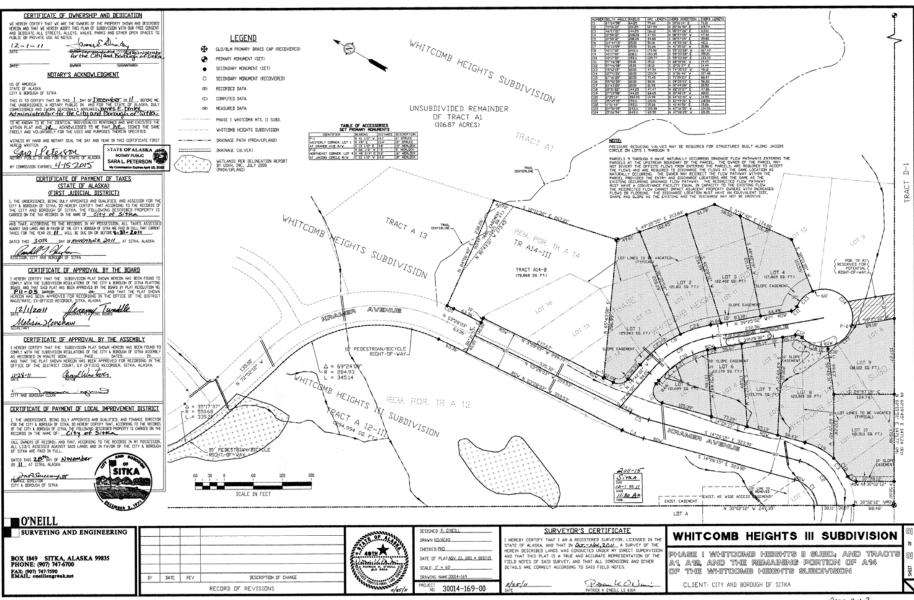
There is no specific recommendation from staff, as the Assembly is not asked to make any decisions or provide an approval at this time.











PURCHASE AGREEMENT BETWEEN CITY AND BOROUGH OF SITKA AND SOUND DEVELOPMENT LLC

This Purchase Agreement Between City and Borough of Sitka and Sound Development LLC ("Agreement") is made between the City and Borough of Sitka, 100 Lincoln Street, Sitka, Alaska 99835 ("CBS" or "Seller") and Sound Development LLC, PO Box 1401, Sitka, Alaska 99835 ("SDL" or "Buyer"). "Parties" refer to both the Buyer and the Seller.

OFFER AND ACCEPTANCE: CBS agrees to sell and SDL agrees to purchase the following real property (land), in fee simple together with all improvements, fixtures, and equipments, attached to or situated thereon, on the terms and subject to the conditions specified in this agreement and subject to any reservation, restriction and rights of way of record:

Parcels A, B, C & D (SDL response to Benchland Request for Proposal ("RFP") issued December 4, 2012):

- Parcel A TR A14 III, Whitcomb Heights III Subdivision, Plat 2011-15
- Parcel B TRACT A 13, Whitcomb Heights Subdivision, Plat 83-17
- Parcel C TRACT A 12-III, Whitcomb Heights III Subdivision, Plat 2011-15
- Parcel D Block 8, Whitcomb Heights Subdivision, Plat 83-17
- Parcel D Block 9, Whitcomb Heights Subdivision, Plat 83-17
- 1. <u>Purchase Price:</u> SDL agrees to pay a total purchase price of Three hundred forty-four thousand, three hundred one dollars and seventy eight cents (\$344,301.78), the money to be paid by cashier check.
 - 2. Possession: Possession shall be given to buyers upon execution of this agreement.
 - 3. Buyer's Cost: SDL agrees to pay the following costs:
 - a. Any taxes and assessments on the property occurring after the date of this agreement;
 - b. Any recording fees associated with the recording of this contract or the deed from CBS to SDL;
 - c. Recording Fee; and
 - d. Escrow Closing Fee.
- 4. <u>Binding On Successor:</u> The parties agree that the terms of this contract will apply to and bind their heirs, executors, administrators, assigns, or any successor in interest of the parties. If the buyer is more than one person, all obligations, promises, conditions, covenants and warrantees are joint and several.
- 5. <u>Deed:</u> CBS shall convey to SDL a Warranty Deed in fee simple to the property described above upon the purchase described in paragraph one.
- 6. <u>Waiver:</u> Waiver by CBS of any default in the performance by SDL of any of the terms covenants, or conditions contained in this agreement, shall not be deemed a continuing

waiver of the same or any subsequent default. Any waiver of rights accruing under this agreement to the CBS or SDL shall be in writing.

- 7. <u>Notices:</u> Any notices which are required of this agreement, or which either CBS or SDL may serve upon the other, shall be in writing and shall be deemed served when delivered personally or when deposited in the United States mail, postage prepaid, return receipt requested addressed to SDL at P.O. Box 1401, Sitka, Alaska 99835 or addressed to CBS at 100 Lincoln Street, Sitka, AK 99835, attention Municipal Clerk.
- 8. <u>Utilities.</u> SDL is prohibited from selling any lots in Block 8 and 9 of Whitcomb Heights Subdivision prior to the installation of all electrical, sewer and water utilities and the acceptance of them by CBS. The Emmons and Cushing Street right of way shall also be constructed and accepted by CBS for maintenance prior to any sale. SDL may, with approval of CBS sell multiple lots, in aggregate, if a bond or any other financial guarantee is provided prior to the installation and acceptance of roads and utilities. CBS will not arbitrarily withhold acceptance of road and utilities for maintenance.
- 9. <u>Permits.</u> SDL accepts responsibility for complying with U.S. Army Corps of Engineers permit No. POA -2008-1351, Sitka Sound, issued May 27, 2009.
- 10. Access Trail. Parcels A and B contain a developed trail that is an access to the Sitka Cross Trail Network. The location of the trail can be relocated, as noted in the RFP of December 4, 2012 and as agreed to in the Response by Sound Development LLC, dated April 30, 2013, at the expense of SDL and with prior approval by CBS. CBS agrees to not arbitrarily withhold approval of such plan to relocate the access trail.
- 11. <u>Provision for Parcel C.</u> SDL commits to a work session with the Assembly prior to the submission of the conceptual subdivision plat for Parcel C to the Planning Commission.
- 12. <u>Time of Performance</u>. Per the RFP on December 4, 2012 and Response by SDL on April 30, 2013, development must occur in a timely manner with total build out of the project expected within 10 years from the date of purchase.
- 13. <u>Integrated Agreement:</u> This Agreement, in conjunction and reliance with the Proposal submitted by SDL, as signed by the parties constitutes the entire agreement between them. Any modification or alteration of this Agreement shall not be valid unless evidenced by a duly signed writing supported by consideration additional and independent from the consideration for this Agreement.
- 14. <u>No Warranties:</u> This property is sold "as-is" "where is" and SDL has fully inspected the property. SDL has been advised to investigate and inspect the parcels to determine regulations, restrictions and potential defects. Costs to remedy defects or comply with restrictions will be borne by SDL.
- 15. <u>Neutral Authorship of Document:</u> Each provision of this Agreement has been reviewed and negotiated, and represents the combined work product of both parties herein. No presumption or other rules of constructions which would interpret the provisions of this

Agreement in favor of or against the parties preparing this Agreement shall be applicable in connection with the interpretation of any provision. Both parties have had the opportunity to seek legal counsel before signing this Agreement.

16. Authorization: This Agreement is entered into by CBS pursuant to authority granted by Ordinance 2013-35, passed and approved by the Assembly for the City and Borough of Sitka on the 11th day of September, 2013. **BUYERS:** SOUND DEVELOPMENT LLC. HOTOMY (Curdille)
remy Twadpile, Member STATE OF ALASKA) ss: FIRST JUDICIAL DISTRICT On this 11 th day of _____, 2013, personally appeared before me Jeremy Twaddle, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document, he has the authority to sign this Agreement and does so freely and voluntarily. Music for Alaska
My Commission Expires: 911/16 STATE OF ALASKA **NOTARY PUBLIC MELISSA HENSHAW** My Commission Expires 9-1-2016 SOUND DEVELOPMENT LLC. Todd Fleming, Member STATE OF ALASKA FIRST JUDICIAL DISTRICT On this 11th day of September, 2013, personally appeared before me Todd Fleming, whose identity is personally known to me or proved to me on the basis of satisfactory evidence, and who states under oath by signing this document, he has the authority to sign this Agreement and does so freely

STATE OF ALASKA

NOTARY PUBLIC

MELISSA HENSHAW

9-1-2014

MUMAN (EMMILL)

Notary Public for Alaska

My Commission Expires: 9/1/14

and voluntarily.

	SOUND DEVELOPMENT LLC.
	Varuali Flerun ?
_	Brandi Fleming, Member
STATE OF ALASKA)	
FIRST JUDICIAL DISTRICT) ss:	
On this 11th day of September, 2013, p whose identity is personally known to me or proved to me states under oath by signing this document, she has the	on the basis of satisfactory evidence, and who
freely and voluntarily.	Melissa Henshaw
STATE OF ALASKA NOTARY PUBLIC	Notary Public for Alaska My Commission Expires: 9/1/16
MELISSA HENSHAW My Commission Expires 9-1-2016	SOUND DEVELOPMENT LLC.
	Nara Turadelle
STATE OF ALASKA	Diana Twaddle, Member
) ss:	
FIRST JUDICIAL DISTRICT)	
•	
On this <u>il</u> day of <u>September</u> , 2013, p whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily.	on the basis of satisfactory evidence, and who authority to sign this Agreement and does so
whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily. STATE OF ALASKA	on the basis of satisfactory evidence, and who
whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily. STATE OF ALASKA NOTARY PUBLIC MELISSA HENSHAW	on the basis of satisfactory evidence, and who authority to sign this Agreement and does so — Malum Hershauv Notary Public for Alaska My Commission Expires: 9-1-14
whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily. STATE OF ALASKA NOTARY PUBLIC MELISSA HENSHAW My Commission Expires 9-1-2016	on the basis of satisfactory evidence, and who authority to sign this Agreement and does so — Mulusa Henshavv Notary Public for Alaska
whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily. STATE OF ALASKA NOTARY PUBLIC MELISSA HENSHAW My Commission Expires 2-1-2016	on the basis of satisfactory evidence, and who authority to sign this Agreement and does so - Milway Mensilan Notary Public for Alaska My Commission Expires: 9-1-14 SELLER: CITY AND BOROUGH OF SITKA Down D. Sweeney, III
whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily. STATE OF ALASKA NOTARY PUBLIC MELISSA HENSHAW My Commission Expires 2-1-2016	on the basis of satisfactory evidence, and who authority to sign this Agreement and does so - Maluma Hersellanv Notary Public for Alaska My Commission Expires: 9-1-14 SELLER: CITY AND BOROUGH OF SITKA
whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily. STATE OF ALASKA NOTARY PUBLIC MELISSA HENSHAW My Commission Expires 2-1-2016 STATE OF ALASKA)	on the basis of satisfactory evidence, and who authority to sign this Agreement and does so - Milway Mensilan Notary Public for Alaska My Commission Expires: 9-1-14 SELLER: CITY AND BOROUGH OF SITKA Down D. Sweeney, III
whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily. STATE OF ALASKA NOTARY PUBLIC MELISSA HENSHAW My Commission Expires 2-1-2016 STATE OF ALASKA) ss:	on the basis of satisfactory evidence, and who authority to sign this Agreement and does so - Milway Mensilan Notary Public for Alaska My Commission Expires: 9-1-14 SELLER: CITY AND BOROUGH OF SITKA Down D. Sweeney, III
whose identity is personally known to me or proved to me states under oath by signing this document, she has the freely and voluntarily. STATE OF ALASKA NOTARY PUBLIC MELISSA HENSHAW My Commission Expires 2-1-2016 STATE OF ALASKA) ss: FIRST JUDICIAL DISTRICT On this 11440 day of September 2013, personally known to me or proved to who states under oath by signing this document that Administrator for the City and Borough of Sitka to sign on i	on the basis of satisfactory evidence, and who authority to sign this Agreement and does so — Malwa Hevshav Notary Public for Alaska My Commission Expires: 9-1-14 SELLER: CITY AND BOROUGH OF SITKA John P. Sweeney, III Interim Municipal Administrator sonally appeared before me John P. Sweeney, me on the basis of satisfactory evidence, and he has the authority as Interim Municipal

My Commission Expires 9-1-2016
Purchase Agreement Between City and Borough of Sitka and Sound Development LLC - Page 4 of 4

My Commission Expires: 9/1/16

NOTARY PUBLIC

MELISSA HENSHAW

EXHIBIT A

FIRST AMENDMENT TO PURCHASE AGREEMENT BETWEEN CITY AND BOROUGH OF SITKA AND SOUND DEVELOPMENT LLC

This First Amendment to the Purchase Agreement Between City and Borough of Sitka and Sound Development LLC (this "Amendment") is made and is effective as of the date of the last signature on pp. 3-4, below, or the date on which the City and Borough of Sitka, Alaska's Assembly approves this Amendment, whichever is later (the "Effective Date"), by the City and Borough of Sitka, Alaska ("CBS"), and Sound Development LLC ("SDL"). "Parties" refers to both the CBS and SDL.

RECITALS

- A. The CBS and SDL are parties to the Purchase Agreement Between City and Borough of Sitka and Sound Development LLC, entered into by the Parties on September 11, 2013 and pursuant to which Sound Development purchased four parcels of real property in the area known as the Benchlands (the "Purchase Agreement"). The four parcels are described in the Purchase Agreement and referred to therein, and in this Amendment, as Parcel A, Parcel B, Parcel C and Parcel D. On or about September 12, 2013, pursuant to the Purchase Agreement, CBS conveyed Parcels A, B, C and D to SDL.
- B. The Parties to this Amendment, and certain others, also are parties to a Settlement and Release Agreement effective as of 23-3-4-4 2019 (the "Settlement Agreement"). Among other things the parties to the Settlement Agreement agreed that Sound Development transfer two lots (one in Parcel C and one in Parcel D) to CBS via Quit Claim Deeds, together with certain easements, as more fully set forth in the Settlement Agreement. The parties to the Settlement Agreement also agreed that the Parties to this Amendment would amend the Purchase Agreement to release Sound Development from the obligation set forth in paragraph 12 of the Purchase Agreement.
- C. The Parties acknowledge and agree that CBS' execution of this Amendment is subject to its Assembly's formal vote and approval.

THEREFORE, in consideration of the foregoing and the following covenants, obligations, and undertakings, the sufficiency of which consideration is hereby acknowledged, the Parties mutually agree as follows:

AGREEMENT

- 1. Amendment to Paragraph 12. Subject to the terms and conditions of this Amendment, Paragraph 12 of the Purchase Agreement is deleted in its entirety. There is no replacement provision for Paragraph 12. The CBS covenants and agrees not to attempt to enforce Paragraph 12.
- 2. Entire Agreement. This Amendment constitutes the entire agreement of the Parties with respect to its subject matter, and supersedes all prior agreements, arrangements or understandings with respect to its subject matter, provided, however, that except as expressly

modified herein the Purchase Agreement shall remain unchanged and all of its provisions remain in full force and effect.

3. **Authorization**. This Amendment is entered into by CBS pursuant to authority granted by the vote taken by the Assembly for the City and Borough of Sitka on the 11th day of June, 2019.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK; SIGNATURE PAGE TO FOLLOW.

	SOUND DEVELOPMENT, LLC			
July 23, 2019 Date	By Jeremy Twaddle Its: MEMBER			
STATE OF ALASKA)) ss. FIRST JUDICIAL DISTRICT)				
, 2019, by Jeremy Twaddle	nowledged before me this 23 day of for SOUND ability company, on behalf of the limited liability			
NOTARY PUBLIC MEGHAN MORENO STATE OF ALASKA MY COMMISSION EXPIRES 01 2 2 3	Notary Public in and for the State of Alaska My commission expires: 01, 22, 23			
8-5-19 Date	By: Todd Fleming Its: Men her			
STATE OF ALASKA)) ss. FIRST JUDICIAL DISTRICT)				
The foregoing instrument was acknowledged before me this 5th day of 2019, by Todd Fleming, Member 10 www. for SOUND DEVELOPMENT, LLG an Alaska limited liability company, on behalf of the limited liability company. Notary/Public in and for the State of Alaska My commission expires: See where 17, 202;				

First Amendment to Purchase Agreement Between City and Borough of Sitka and Sound Development LLC - Page 3 of 4

CITY AND BOROUGH OF SITKA, ALASKA

A	ugust 13 2019		(Dan FIL	lls	
Date	J		By: David &	Millor	
			Its: Interior	Municipal Administrator	
STATE	OF ALASKA)			
) ss.			
FIRST J	UDICIAL DISTRICT)			
				12	
The foregoing instrument was acknowledged before me this 13 day of August, 2019, by David E. Miller, Interim Municipal Administrator					
Auc	$5U > \uparrow$, 2019, by \bigcup	avid E.	Miller, Inte	Municipal Administrator	
of the C	ITY AND BOROUGH	OF SITKA,	ALASKA, an Alasl	ka home rule municipality, on	
behalf o	f the municipality.				
			Vain	1 Nova 600	
-			XVVVI	Crefer 3811	
ľ	NOTARY PUB	LIC		and for the State of Alaska	
1	SARA L. PETERS	SON	My commission	expires: 4-15-2023	