

CITY OF PALMER ACTION MEMORANDUM No. 08-073

SUBJECT: Authorize the City Manager to Award and Execute a Contract in an amount not to exceed \$73,960 with Agnew::Beck Consulting LLC for Preparation of Annexation Strategy

AGENDA OF: November 18, 2008

Council action: Authorized

Approved for presentation by B.B. Allen, City Manager *BB Allen*

Route To:	Department/Individual:	Initials:	Remarks:
X	Originator – Director of Community Development		
X	City Clerk	<i>B</i>	
X	City Attorney	<i>JA</i>	
X	Director of Administration		
	Director of Community Services		
	Director of Public Safety		
	Director of Public Works		

Attachment(s): Summary of Economic Impact
 Proposal cover letter dated 10/23/08 from Chris Beck
 Project Approach from Agnew::Beck proposal
 Fee Schedule from Agnew::Beck proposal

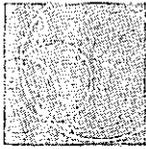
Fiscal note:

	No fiscal impact.	
X	Funds are budgeted from this account number:	08 01 10 7130
	Funds are not budgeted. Budget modification is required. Affected account number:	

Finance Director Signature: 

Summary statement: The Community Development Department requested proposals for preparation of an annexation strategy plan on September 22, 2008. The RFP was advertised in the Anchorage Daily News and on the Onvia DemandStar online system. We received requests for RFP packets from seven firms four with offices in Alaska, and one each from Washington, California and Florida. The City received one proposal by the closing date of October 24, 2008. The Director of Administration and the Director of Community Development reviewed the proposal and determined that it meets the scope of work as advertised.

Administration recommendation: Approve Action Memorandum No. 08-073.



AGNEW
::BECK

October 23, 2008

Community Development Director
City of Palmer
231 W. Evergreen Avenue
Palmer, Alaska

Community Development Director,

On behalf of Agnew::Beck Consulting, Kevin Waring Associates, and Northern Economics, Inc., I am pleased to submit our team's proposal for professional services to prepare an Annexation Strategy for the City of Palmer. We have developed a work program that responds to a careful review of your Request for Proposals (RFP 08-03) and builds from our knowledge of issues and opportunities in the project area.

We recognize the challenges of helping Alaskans to understand and believe in the benefits of being annexed to an adjacent city. We are confident our team can help the City address and resolve this set of challenges, and believe we offer the particular skills and experience needed to develop a successful annexation strategy. These include:

- Strong working knowledge of annexation issues, including a team member who has served as chair of the Alaska Local Boundary Commission.
- Strong working knowledge of the Palmer area, including preparation of two of the City's Comprehensive Plans and the economic analysis associated with the City's most recent annexation effort.
- Demonstrated effectiveness with public involvement, including extensive work in small Alaska communities and rural areas where people often see government more as a threat than a benefit.

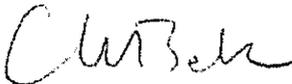
We've assembled three consulting firms with a history of solving complex planning issues, and a track record of finding common ground with the public on controversial issues. Our respective responsibilities are summarized below.

- *Agnew::Beck Consulting, LLC, Anchorage*
Agnew::Beck Consulting, LLC (A::B) is an Anchorage-based consulting firm specializing in community planning and development in Alaskan communities. Chris Beck, principal of the firm, has more than 25 years of experience in land use planning, urban design and community development. Chris will be the overall project manager and will take the lead on public involvement and report preparation, integrating the work of the other team members.

- *Kevin Waring Associates, Anchorage*
Kevin Waring Associates was established in November 1980 to offer professional consulting services on community and regional planning, economic and population studies, socioeconomic impact assessment, and public policy analysis. Kevin Waring, owner and manager, has more than 35 years of professional experience in Alaska across a broad spectrum of planning and local governmental issues, with a particular focus on annexation.
- *Northern Economics, Anchorage*
Northern Economics, Inc. is Alaska's leading economic consulting firm, and is well-known for the many infrastructure and community economic development projects it has completed for a wide-ranging clientele in both private and public sectors. In its nearly 25 years in Alaska, NEI's work has encompassed nearly every community in the state, with consulting assignments from Ketchikan in Southeast Alaska to Barrow in the Arctic, and as far west as Adak in the Aleutian Chain. NEI has extensive experience in the Matanuska-Susitna Borough, having completed multiple studies for the MSB as well as for the Cities of Palmer and Wasilla, the Knik Arm Bridge and Toll Authority (KABATA), the Alaska State Fair, and others. Northern Economics understands the principles of sustainable community development and utilizes local knowledge to put these principles to work at the community level.

We are genuinely excited about the possibility of working with you on this important project. Please contact other clients for whom we've done similar work in the past, and let me know if we can answer further questions.

Sincerely,



Chris Beck, Principal
Agnew::Beck Consulting, LLC

DESCRIPTION OF SERVICES SCOPE AND SCHEDULE

TASK 1: START UP: ISSUES & OBJECTIVES

We suggest splitting Task 1 into two steps. The first step will be an initial orientation meeting to review project purposes and get a sense of the City's thinking about existing boundaries and possible annexations. The consulting team will meet with City Planning staff, the City Manager, the City Planning and Zoning Commission and the City Council to discuss the following issues:

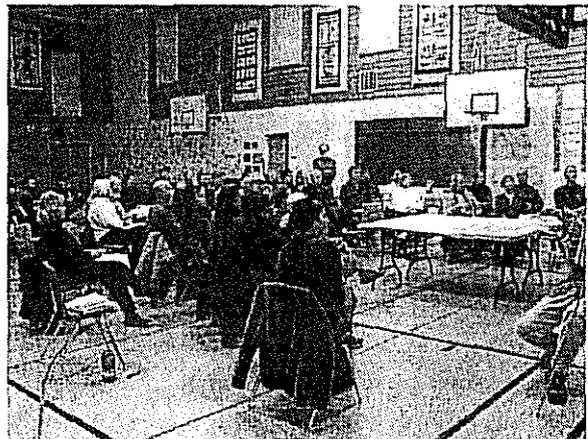
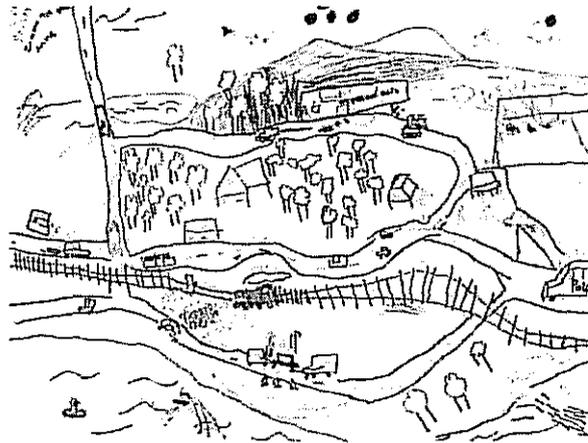
- What have been the City's motivations for annexation in the past?
- What have been obstacles to moving ahead with annexation, including concerns by land owners, residents, the borough, the local boundary commission?
- What approaches to annexation have been used in the past; what approaches have worked well and what not so well?
- What are the City's current objectives for annexation?

The team will then review in detail the range of background information relevant to annexation in the community (see list in Task 2). After reviewing this documentary history, we will prepare a draft statement of City annexation objectives, with rationale, including some explanation of how the City's objectives harmonize with the state constitution, state statutes, and LBC standards regarding city annexations.

We will then reconvene with city officials to review this draft information, and refine and confirm our understanding of the City's annexation objectives; and the issues, concerns, and obstacles to a successful annexation program. This stage will also include preliminary discussions of strategies to increase the odds of success in future annexation efforts. This will include a consideration of the appropriate role of landowners, residents, the Mat-Su Borough and other affected stakeholders.

PRODUCTS OF TASK 1

- Initial meeting with City Manager and representatives of the City Planning and Zoning Commission and the City Council regarding project goals, annexation issues and objectives
- Compilation of relevant background information
- Short written summary regarding annexation issues and objectives
- Second meeting with City representatives to review and refine annexation issues and objectives information



TASK 2: ANNEXATION AREAS OPTIONS

The purpose of this task is to apply the general objectives for annexation to specific geographical areas. Considerations in this step include the topics listed below:

- Recommendations in previous annexation studies and other documents addressing annexation issues
- Land ownership and physical capability for growth in areas surrounding Palmer
- Service area boundaries, including water and sewer, police and fire
- Costs and benefits, City capacity to expand city-provided services
- Growth trends, including recent developments, and current land use policies in areas surrounding Palmer
- Likely considerations of the Alaska Local Boundary Commission in evaluating different areas for annexation

Documents to be reviewed will include those specified in the RFP (several of which were prepared by our consulting team), as well the record of the LBC's action on Palmer's two most recent (2000 & 2003) annexation petitions. We will also review the draft annexation petition prepared in 2006 and the related (discouraging) City Council meetings minutes.

This step will also include a consideration, in general terms, of the fiscal issues associated with annexation of different areas, based primarily on a review of the previous Northern Economics annexation report.

PRODUCTS OF TASK 2

- A set of maps showing attributes relevant to annexation of lands surrounding the City of Palmer
- A map indicating current and likely future land use in prospective annexation areas, based on the factors outlined above, including current MSB land use policies
- A short report identifying different prospective annexation areas, and describing the issues, challenges and benefits of each such area

TASK 3: OUTREACH TO AFFECTED PARTIES

The goal of this task will be to identify and then seek the views of a range of parties likely be affected by possible future annexations. This set of stakeholders would include, as outlined in the RFP, residents, land owners, key land users (major institutions, gravel operators, etc.), the Matanuska Susitna Borough and other affected agencies. This outreach includes two key objectives:

- Understand the views of different parties about annexation, and in particular, identify factors that affect their support for or opposition to annexation, and approaches to annexation that they would be able to support.
- Provide generalized background regarding the City's motivations in considering annexation, including benefits and costs. (See note below, this may be done in more detail for an area identified as a priority for annexation).

Different parties will be contacted in different ways, including meetings with the Borough and other public agencies as well as outreach to the general public. We will consider and select from a variety of options, including traditional "you all come" public workshops, a series of small "kitchen table" discussions, a project website, or formation of an advisory committee formed of select representatives of affected areas. The goal will be to ensure that parties affected by proposed annexations have a meaningful role in shaping annexation plans, and also to provide quality informational materials so people have an accurate understanding of the costs and benefits and other implications of annexation. The consultant, working with the City staff, will arrange for, facilitate and document the results of this outreach.

One option at this point in the process would be to focus project efforts on one priority annexation area. If the conclusions of Tasks 1 and 2 generally confirms the annexation areas and phasing priorities outlined in the previous Northern Economics study, and specifically confirms that an area similar to NE's Phase 1 should be the priority for annexation, with the other phases deferred to a later day, it may be most effective to focus more Task 3 & 4 resources and effort on the Phase 1 area. This would include a more intensive outreach effort to identify resident concerns, special efforts to flesh out annexation options that respond to their

concerns, and opportunity to review these options with residents before making recommendations.

The logic of this optional approach is based on the assumption that the success of the City's approach on their next significant annexation will determine whether the City will be in a position eventually to pursue successive annexations and how other areas will react to future proposed annexations. The City could, in effect, approach Phase 1 as a demonstration project, with the idea of putting extra effort into this first effort, including developing new strategies to increase the odds of success. To use a military analogy, this approach suggests concentrating more of the project resources on the initial "must-win" battle. Simply put, if the next major annexation initiative does not succeed, the City's aspirations to further enlarge and modernize its boundaries are apt to be stymied. This optional approach assumes that later phases are not likely to happen for some years into the future. Investing effort in detailed plans for those areas may be premature, as circumstances in those districts will change. Moreover, premature attention to future phases of annexation may needlessly mobilize broader opposition to any Phase 1 annexation initiative. If the City prefers, our team will look at all possible annexation areas in an equal degree of detail, but we wanted to outline this alternative approach for your consideration.

PRODUCTS OF TASK 3

- Identification of parties with a stake in annexation decisions
- Preparation of a short presentation in a form suitable for meetings regarding annexation issues and options (based in information from Tasks 1 and 2)
- Development of a project website offering information to the public on annexation issues
- A series of meetings with parties with a stake in future possible annexations affected by Palmer
- A written summary of the results of this outreach effort
- Optional – a focused outreach effort in the identified, high priority annexation area, intended to set the stage for successful near term annexation

TASK 4: ANNEXATION STRATEGIES

This step will produce a draft report presenting a general strategy for expanding the city's boundaries. The report will synthesize the results of the previous three steps. Expected elements of the report include those listed below. Products will be designed, where appropriate, will be tailored to update corresponding parts of the earlier petition the City considered but did not pursue.

- Introduction – purpose of the report
- Background
 - Current boundaries, history of annexations
 - Procedural options available for cities to carry out annexations under state law
 - Summary of problems in previous annexation efforts
- Objectives for annexation
 - City of Palmer case for annexation, why it's necessary
 - Land owners, borough, other affected parties objectives and strategies to meet these objectives
- Specific recommended annexation areas
 - Proposed land use/zoning policy in annexed areas
 - Provision of services
 - City's assumption of powers for various municipal functions
 - Taxation strategy
- Phasing schedule, considering growth trends, efficiencies in gaining approvals, and capacity of city to extend services
- Process for gaining approvals

PRODUCTS OF TASK 4

- A draft report, to be prepared in consultation with City staff, and then presented for public review and comment by the Borough and other affected service agencies

TASK 5: ANNEXATION STRATEGY - REVIEW AND REFINEMENT

In this step the consulting team, working with City staff, will present the draft report for review. This will likely include a general public workshop, smaller meetings with parties such as the Matanuska Susitna Borough, and meetings with the City Planning and Zoning Commission and to the City Council.

After hearing responses to the draft annexation strategy report, the consulting team will revise the draft as necessary to respond to comments.

PRODUCT OF TASK 5

- Draft report, to be prepared in consultation with City staff, and then presented for public review and comment by the Borough and other affected service agencies

TASK 6: PREPARATION OF FINAL DOCUMENT

We will deliver the written report and other supporting materials for the strategic plan according to the terms specified in the Request for Proposals.

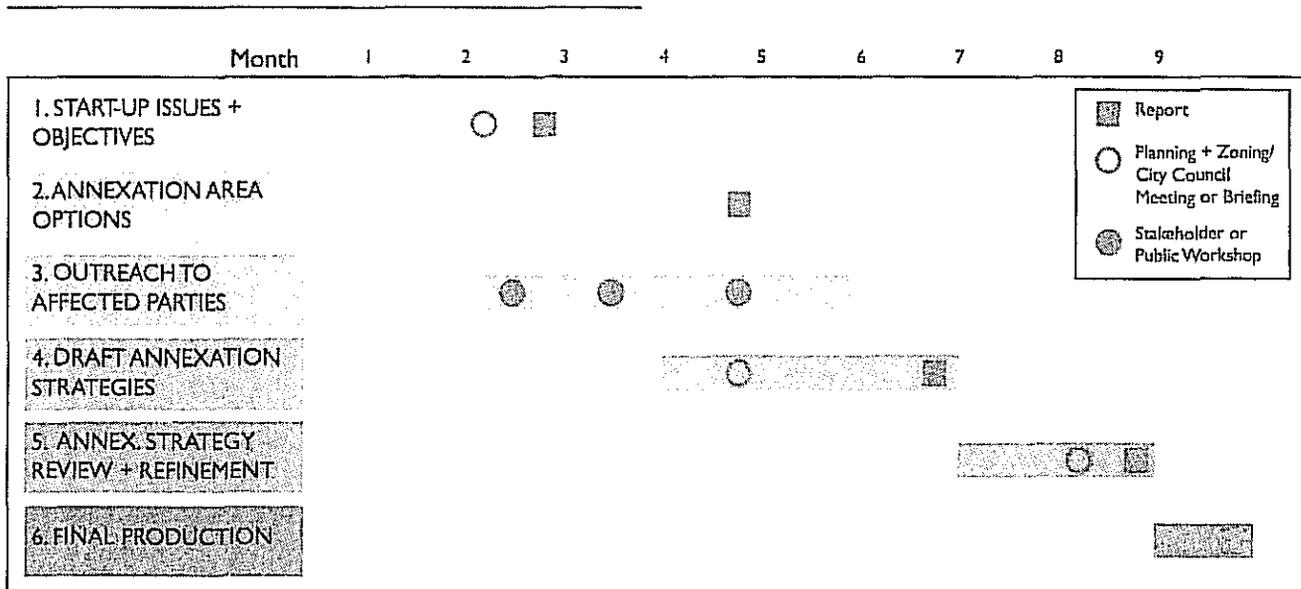
Namely, the written report for the strategic plan will be prepared in MS Word format. All spreadsheets and graphs will be prepared in MS Excel format. All maps and graphs shall be produced in color (where appropriate). Digital copy of interim and final reports will be provided in both MS Word and PDF file formats. Digital versions shall include all graphics, tables, and appendices in suitable form for publishing on the City website.

All documents, supporting material and maps shall be produced in a digital and PDF format. Information will be transferred to the City electronically with one hard copy. The consultant will agree to transfer ownership of all information and material produced as part of this project to the City.

PRODUCT OF TASK 6

- Final Report

PROPOSED SCHEDULE



FEE SCHEDULE

Palmer Annexation Strategy	Agnew::Beck				Northern Economics		Kevin Waring Associates		Total
	Project Manager/ Senior Planner		Associate Planner		Senior Staff		Senior Staff		
	hrs	rate	hours	rate	hrs	rate	hrs	rate	
		\$130		\$85		\$140		\$120	
Task									
A. START-UP: ISSUES + OBJECTIVES	32	\$4,160	40	\$3,400	8	\$1,120	24	\$2,880	\$11,560
B. ANNEXATION AREAS OPTIONS	24	\$3,120	40	\$3,400	16	\$2,240	16	\$1,920	\$10,680
C. OUTREACH TO AFFECTED PARTIES	60	\$7,800	60	\$5,100	4	\$560	16	\$1,920	\$15,380
D. DRAFT ANNEXATION STRATEGIES	72	\$9,360	80	\$6,800	24	\$3,360	30	\$3,600	\$23,120
E. REVIEW + REFINEMENT	24	\$3,120	40	\$3,400	8	\$1,120	8	\$960	\$8,600
F. FINAL PRODUCTION	12	\$1,560	24	\$2,040	2	\$280	2	\$240	\$4,120
Travel									\$500
Materials - see note below									
Advertising + Mailing - see note below									
TOTAL	224	\$29,120	284	\$24,140	62	\$8,680	96	\$11,520	\$73,960

Budget presumes that City of Palmer will cover costs for advertising for meetings, and for printing of project documents.

LOCATION

The Agnew::Beck office is located in downtown Anchorage, on the corner of 5th Avenue and E Street.

Kevin Waring Associates is located at 2020 Banbury Circle, Anchorage.

Northern Economics is located in downtown Anchorage at 880 H Street.

City of Palmer • Summary of Economic Impact

Does the proposed legislative action have an economic impact on the City? √ Yes No

Proposed Legislative Action:

Authorize the City Manager to Award and Execute a Contract in an amount not to exceed \$73,960 with Agnew::Beck Consulting LLC for Preparation of Annexation Strategy

List all of the costs associated with enactment of the legislation:

List the corresponding funding source:

	Source:		Amount:
Implementation:	\$ 73,960	2008 Capital Budget	\$ 75,000
Capital:	\$ _____	_____	\$ _____
Operation:	\$ _____	_____	\$ _____
Maintenance:	\$ _____	_____	\$ _____
Total:	\$ 73,960	Total:	\$ _____

Revenues (list the affected line item name and number):

Operating funds:	FY08	FY09	FY10	FY11
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Enterprise funds:	FY08	FY09	FY10	FY11
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Capital funds:	FY08	FY09	FY10	FY11
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Expenses (list the affected line item name and number):

Operating funds:	FY08	FY09	FY10	FY11
Anticipate prep of annexation petition based on plan	\$ _____	\$ 25,500 (budget request)	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ 25,500 (budget request)	\$ _____	\$ _____

Enterprise funds:	FY08	FY09	FY10	FY11
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ _____	\$ _____	\$ _____	\$ _____

Capital funds:	FY08	FY09	FY10	FY11
Annexation Strategy	\$ 73,960	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
_____	\$ _____	\$ _____	\$ _____	\$ _____
Total:	\$ 73,960	\$ 25,500(budget request)	\$ _____	\$ _____

Are new positions required? Yes No

Position Title:	Position Type (full-time, part-time, temporary):	Approximate Cost:
_____	_____	\$ _____
_____	_____	\$ _____
_____	_____	\$ _____

List impacts on existing programs created by the proposed legislation:
 Staff from Community Development Department will work with consultants to prepare annexation strategy during winter of 2008 into Summer of 2009. Following council acceptance of consultants recommendations, the department would begin preparation of annexation petition for first phase of boundary expansion as part of its 2009 work program.

Fiscal effects of not passing the legislation:
 To attract new development (commercial, industrial and residential) and broaden the City's economic base, large parcels of undeveloped land need to be annexed into the City limits. Developing a strategy and background material to persuade property owners to support annexation will help achieve this goal. Failure to develop such a strategy will slow the annexation process and may impede the development of new economic opportunities.