

APPENDIX B

City of Soldotna Annexation Study – Community Perspectives

Appendix B includes the following:

- 1) *City of Soldotna Annexation Study – Community Perspectives*;
- 2) City of Soldotna Ordinance 2016-032, An Ordinance Increasing Estimated Revenues and Appropriations by \$50,000 in the General Fund and Small Capital Projects Fund to Initiate a Public Engagement Process to Continue to Explore the Need and Feasibility of Annexing Adjacent Areas into the City of Soldotna;
- 3) City of Soldotna Resolution 2017-015, A Resolution Authorizing the City Manager to Execute a Contract with the Athena Group in the Amount of \$49,750 for Professional Services on the Annexation Public Engagement Project;

2017

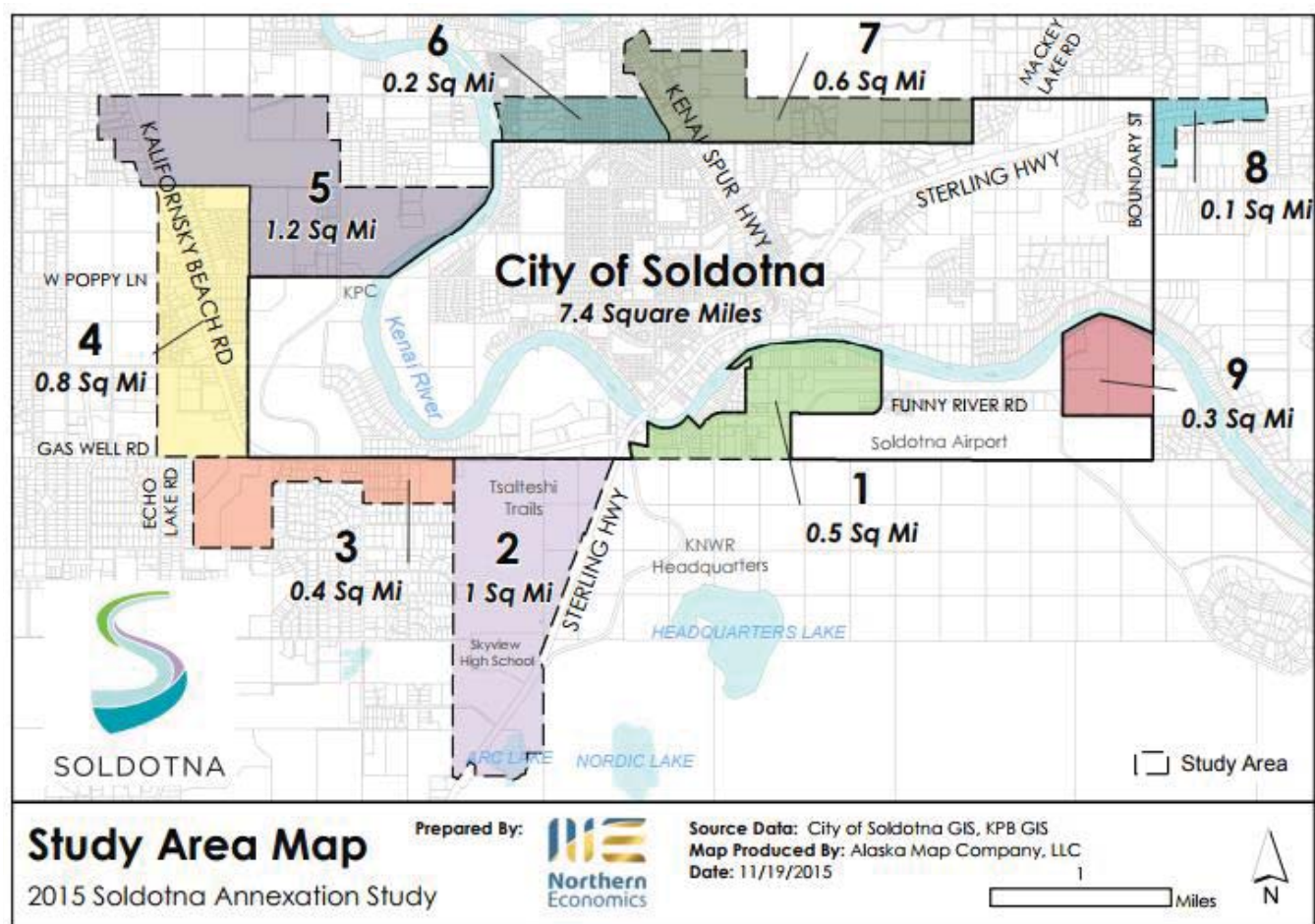
City of Soldotna Annexation Study Community Perspectives



Prepared for the City of Soldotna
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12/1/2017

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CITY OF SOLDOTNA ANNEXATION STUDY

COMMUNITY PERSPECTIVES FINAL REPORT, DECEMBER 2017

The Athena Group, on behalf of the City of Soldotna, has brought to close the city's 2017 study of public perspectives on annexation. The primary question we attempted to answer is: Can Soldotna boundaries change and still respect what matters most to each of us – city government and residents, property owners and business owners within the city and in areas being studied for annexation? This question is part of a broader goal to engage citizens (inside and outside of city limits) to identify issues and concerns, offer other general feedback on annexation based on requests over the past two years, and for people to have an opportunity to make their voices heard.

Success in this process is defined as:

- Reach 30% of population.
Target not met – see discussion in Participants section.
- Community input aids in sound council decision-making, meaning that input is based on facts about potential impacts from annexation.
Informed input gathered following efforts to create space for productive dialogue – see discussion in Interpretation Limits section.
- Council decisions are responsive to community input.
To be determined.

OUTREACH AND ENGAGEMENT PROCESS

The City of Soldotna and its contractor The Athena Group, a consulting consortium headquartered in Washington State, have offered a variety of formal opportunities (see top section of sidebar) for community members to get their questions answered about Soldotna's annexation study and to share their hopes, concerns and ideas on the topic. Additionally, Meagan Picard, the lead consultant on this community study, conducted key informant

FORMAL COMMUNITY ENGAGEMENT ACTIVITIES

SOLDOTNA.CONSIDER.IT

An online community feedback and discussion forum. Sept. 1-Oct. 30.

OPEN HOUSES

Q&A with city staff. 11:00 am-2:00 pm, Sept. 28 & Oct. 2-3.

COMMUNITY CONVERSATIONS

Facilitated discussions on community members' major hopes and concerns. 5:30-7:30 pm, Sept. 27-28 & Oct. 2-3.

CHAMBER PRESENTATION

Study overview and discussion.

Noon-1:00 pm, Sept. 27.

KEY INFORMANT INTERVIEWS

Targeted outreach to businesses and community members. July-Sept.

OUTREACH EFFORTS

TRADITIONAL MEDIA

4 articles/OpEds in *Peninsula Clarion*, 2 stories on KSRM radio

SOCIAL MEDIA

Facebook announcement with paid ad boost

COMMUNITY NETWORKS

Flyers and email distributed through local organizations' networks: Soldotna Chamber of Commerce, Senior Citizen Center, Central Peninsula Hospital, Kenai Peninsula College, Kenai Vet Center, Change for the Kenai, and Borough Residents Against Annexation

DIRECT OUTREACH

Mail to property owners in the city and study areas and targeted in-person and telephone outreach to businesses and others identified as key informants.

interviews and 30-second intercept interviews and participated in phone calls and email discussions with community members.

To generate as much participation as possible, the city and The Athena Group advertised these opportunities widely. As shown in the bottom section of the sidebar on the previous page, these efforts included traditional and social media outreach, community network outreach and direct outreach via mail, phone and in-person visits. Participation incentives were offered, and technology support was offered through the library and the Soldotna Chamber of Commerce.

PARTICIPANTS

The public engagement period ran September 1-October 30, 2017. At least 103 individuals participated in one or more of the opportunities, according to open house/community conversation sign-in sheets, Consider.It sign-ups and interview records. The largest group of participants by type includes people who live, own property, or own/manage a business in the study areas (see Figure 1¹ below). These are the people who would be most impacted by an expansion of city boundaries. Some people only participated in one type of engagement activity, while others participated in multiple types on multiple occasions. Most of the participation occurred in the online forum, followed by the community conversations (see Figure 2 below).

FIGURE 1: SOLDOTNA ANNEXATION STUDY PARTICIPANTS BY TYPE, 10/31/17

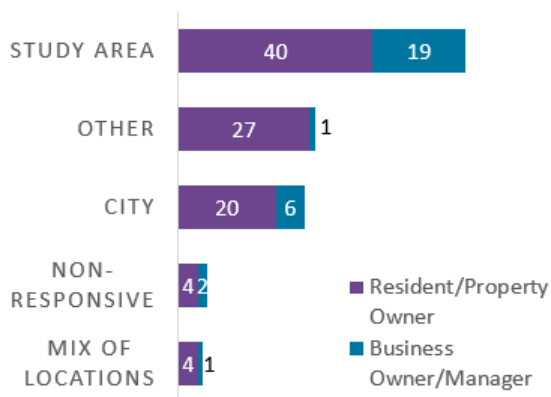
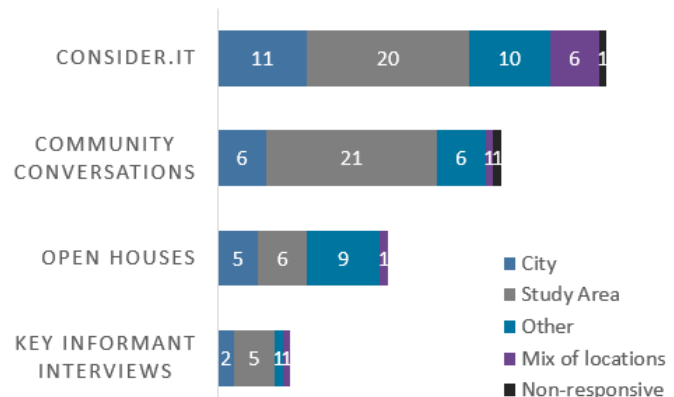


FIGURE 2: SOLDOTNA ANNEXATION STUDY PARTICIPANTS BY ENGAGEMENT TYPE, 10/31/17



Because outreach efforts were extensive (discussed on previous page – see materials and news coverage in Appendix A), it is possible that this low number of participants is due to some combination of the following three issues.

1. **Fatigue with or resistance to discussing the issue among those who are and have been opposed to annexation – and belief that their input would be ignored.** A major barrier to having any productive conversations was unincorporated area community members' anger that

¹ Individuals that identified as both a resident/property owner and business owner are double-counted, so the total exceeds the number of unique participants in the process.

this conversation was happening at all. Many felt that they had definitively expressed their opposition to annexation many times before this engagement began and didn't want to discuss it any further. Since they felt historically ignored on this issue, they saw this engagement process as more evidence that their input didn't matter, that the City of Soldotna would eventually attempt to annex their property regardless of what they said.

2. **Sense among city residents and businesses that annexation won't impact them in any significant way.** During brief intercept interviews with people on the street and businesses in the city, all expressed limited if any interest in the topic. When asked why, nearly all indicated that they did not foresee any impact to them, regardless of whether annexation occurred. This sentiment was repeated by some city residents that dropped by open houses located at the library.
3. **Reluctance by those who do not hold strong opinions on the topic to get involved in controversy.** Nearly everyone engaged on the issue of annexation expressed awareness of the heated controversy around Soldotna annexation. When preparing to engage the public, the consultant team reached out to local organizations to help get the word out about opportunities to share their opinions on annexation. Most organizations were clear that they didn't want to be viewed as endorsing annexation, and one refused to help because of the controversy. Additionally, there were a few reports about opposition signature-gatherers "bullying" people into signing opposition petitions at their homes, and one community conversation participant took a consultant aside to share personal experience with this. During community conversations, the consultant team also witnessed behaviors that further lend credence to this point, as one avid opponent actively attempted to take over portions of meetings to discount any expressed views that weren't completely opposed to annexation, including at times stepping in between disagreeing participants and the discussion facilitator to block the person from speaking.

This combination of factors resulted in a smaller group of individuals participating in the process, with most holding strong opinions on the topic.

INTERPRETATION LIMITS AND USE OF FINAL REPORT

As with any qualitative research, participant input cannot be generalized to the full population of interest in this study: those living, owning property or running a business inside the City of Soldotna and in the annexation study areas. The low number of participants (103 unique participants – 2% of city and study area population) – far below the target of 30% of the population, as discussed in the previous section – also limits the generalizability of the input.

While a large quantity of input was not possible in this process, the consultant team sought high quality input that the Soldotna City Council could reliably use in its deliberations on annexation. Additional hurdles that needed to be overcome to achieve the goal of gathering reliable input included the following.

1. **Belief that activist-gathered signatures were sufficient information for council decisions.** Discussions with community members stressed this point, especially when individuals

dismissed questions posed to them, saying that they had already shown many signatures in opposition. The consultant team shared the importance of having a neutral party gather this information, especially given its controversial nature and the potential for community members to form opinions based on misinformation.

2. **Distrust and strongly held assumptions about the City’s motivations, City services, and annexation impacts.** As will be discussed in the Major Themes section of this report, distrust of the city led to initial dismissal of any city-generated information regarding annexation, and comments reflected a variety of assumptions and misconceptions about the city’s motivations regarding annexation, study area selection and this engagement effort, city services, and annexation impacts. During open houses and community conversations, consultant team members and city staff worked to clarify some of these assumptions and misconceptions. A new set of materials describing unique features of each study area was used in many of these discussions to increase understanding of the city’s rationale for considering each one (see Appendix B).

For those who didn’t attend in-person events, a dedicated page has been on the city’s website for years, providing a comprehensive set of information about annexation and potential impacts. New information added to the page included an informational document about the differences between living, owning property and doing business in the city versus in unincorporated areas on the Kenai Peninsula (see Appendix B) and a new question and answer document generated from open house participants. City staff and consultants also directly engaged Consider.It online forum participants when input appeared to be grounded in something other than fact and when they asked direct questions about annexation (excerpt shown on right of page).


Additionally, consultant team members engaged in individual conversations before and after in-person events and in targeted outreach efforts to residents, property owners and businesses who would be affected by annexation of one or more of the study areas. Many of these conversations were intense and heartfelt, and in some cases, it was challenging to move from a combative orientation to the conversation to one in which useful information could be shared between the consultants and community members.

In most cases, these hurdles were overcome, and engagements generated productive dialogue in which information could be clarified and consultants could gather thoughtful input from the community. With the caveat that the views expressed are those of a subset of the full target population – mostly

Author’s Explanation

I know two families currently who have large parcels of land that are in study areas to be annexed. However, their homes would still be out of town. It is my understanding that you have to live in the city to be able to vote ect. If that is true, these people would be unable to vote on issues that may directly affect their land. I would like to have it confirmed if this is the case? Do you have to live in town or own a piece of property in town to be able to vote in city elections ect.

Discuss this Point

Richard Carpenter, Planner @ City of Soldotna:
 Soldotna Municipal Code, and Alaska Statutes requires a voter to be a resident of the area you are voting in for 30 days immediately preceding the election.

SOLDOTNA.CONSIDER.IT CONVERSATION EXCERPT, 9/6/17

COMMUNITY PERSPECTIVES – DISCUSSION OF MAJOR THEMES

FIGURE 3: ANNEXATION COMMENT CODES
(THEME FREQUENCY INDICATED BY WORD SIZE)



Before the engagement process began, the consultant team heard from city and borough staff and leadership and others that there was significant opposition to annexation in the community. This understanding was verified early in the engagement efforts – at least among participants in this process – and the team sought to understand the opposition more deeply as the process progressed in order to determine if mitigation strategies would be possible and/or to offer the Soldotna City Council some insights that might guide their next steps.

1. “Why Annex?” Value for Community is not Apparent. Most participants struggled to understand why the city continues to consider annexation, and explanations didn’t appear to resonate or make sense to many.

-- *Community conversation participant*

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- **Water and sewer services** are cited most often as being potentially valuable, especially in specific areas struggling with water quality or facing well or septic saturation. However, not all are interested in the city's water and sewer services, as they do not want another layer of government services (see more on this in Themes 5 and 6 below) or are satisfied with and/or have invested significant funds into their wells and/or septic systems. Additionally, few believe that they would receive these services anyway, since they are not yet provided throughout the city.
- **Road maintenance** is the next most frequently cited desired service, particularly snow plowing. Some are satisfied with the service they receive from the Borough, and others see city streets plowed faster than others, while others find that no one is really tending to road maintenance and plowing the way they would like on certain streets. Road and other infrastructure maintenance issues also arise around state maintained thoroughfares that run through Soldotna, particularly regarding responsiveness to needs. For instance, one business just outside city lines pointed to needed drainage work on the state highway where it is located, and while similar work was occurring nearby, it didn't extend far enough to help that business. This is not in the city's control, though if it were, it would be of high value to this business and would make annexation more appealing.

[We] keep hearing about the services we'll get, but it's a moot point. We don't want the rules and regulations. We're happy how we are.

-- Community conversation participant

It seems like the city should provide the services for their existing residents before they annex new property.

-- Soldotna.Consider.It participant

2. Lack of Full Service within Existing Boundaries Creates Doubt that Value Would be Found in Annexed Areas.

Some participants assert that the city should focus on fully providing *existing services* within current boundaries before considering any annexation. Water and sewer services are again the focus of this issue, citing areas in the city where water and sewer infrastructure is not in place.

However, some – particularly city residents – have expressed concerns about water and sewer services that have already been extended beyond city boundaries, and some believe it would be appropriate to annex these areas or the specific properties hooked up to city water and/or sewer. See further discussion on this in the Assessment of Mitigation Potential section.

3. Some Regulations Seen as Expensive and Unnecessary Burden. The *cost* of various *regulations*, such as paved parking, landscaping and building permits, were identified as some of the most challenging new responsibilities, especially for businesses. In addition to the high cost of permitting and paving, they don't see these regulations as necessary. For example, one business

¹Themes are topical words representing similar community comments or questions. Any comment may touch on multiple themes, and each one is coded manually with one or more themes. Variations within these themes – and in connection to other themes – are discussed in this report to maximize understanding of community input. This qualitative data analysis process is more art than science, so all codes with their respective source data will be supplied with the final report.

leader in the community owns businesses both within and outside city boundaries, and both locations were chosen according to business needs: the businesses inside the city benefit from foot traffic and appealing landscaping and storefronts, while the businesses outside the city have minimal, if any, customer traffic, so landscaping, storefront and paved parking lot requirements would add cost to the business but no benefits. See further discussion in the Assessment of Mitigation Potential section.

4. Annexation Seen as “Forced”. For many participants, the crux of their opposition is “*forced*” annexation. They support annexation when requested by a majority of those affected, and they particularly oppose the legislative review method of annexation. Some believe that annexation will be forced on them no matter what (see trust and collaboration discussion in Theme 6 below).

As a solution to forced annexation, many are calling for a *vote*. They want the people affected to have a voice, as many feel powerless to influence the decision in any other way. However, it is not clear that state elections law will provide for a satisfying vote on this issue as it doesn’t allow the most affected people to vote, such as non-resident property owners and business owners. An alternative voting process is preferred if possible. One participant’s recommendation was to hold a “vote” prior to the formal annexation petition process, such as sending a yes/no survey on this issue along with for and against statements and a rebuttal statement to each, as might be found in voter pamphlets on ballot issues.

5. Conscious Choices Made to Live/Do Business Outside City. As discussed in Theme 3 above, many people who live, own property or have sited their businesses outside city boundaries have made a conscious *choice* to do so. In addition to the business siting decisions already discussed, some residents and businesses outside the city want *freedom* from another layer of government and for self-determination. This is part of a core belief that government should only do what people cannot do for themselves, and those that hold this belief are comfortable working out disputes with neighbors, attending to animal issues, plowing their own streets and tending to their own water and waste needs with personal wells and septic systems. They see this as a *diversity* issue and want to see that diversity in the greater community *respected*.

Many of these choices are made with sincere concerns over personal lifestyle preferences and city regulations that increase business costs but provide no business benefits. Other choices appear to be more opportunistic, as in the case of businesses sited just outside city lines to maximize competitiveness, capitalizing on the benefits of being close to the city’s business center while avoiding the additional city sales tax. While this is a competitive advantage for these businesses, it creates a competitive *disadvantage* for similar businesses inside city limits needed to provide city services.

*Our state is known as the “last frontier”.
We lived with little accommodations.
People buy land outside of the city limits
because they don’t want to be in the
city...expect to do things on their
own...don’t see any benefit...
-- Open house participant*

6. Distrust Drives Assumptions and Limits Solutions – Greater Collaboration is Desirable. Most annexation discussions included *assumptions* that annexation would be forced, that the city is seeking annexation as a money or land grab (that annexation is about *greed*), and that any offers to mitigate concerns about increased costs, land use or rules-based changes in way of life would eventually be taken away via zoning or other rules changes under new city leadership in the future. This lack of *trust* is reportedly based on experience with the City of Soldotna and other governments in the area, distrust in government in general, and/or the fact that the city is currently talking about annexation without exploring a broader array of solutions that might better address diverse city and community needs, which is viewed as a sign of disrespect.

This round of annexation exploration is better than the last – take away is sense of community.

-- Community conversation participant

Some expressed interest in a broader, more *collaborative* planning process in the future. As conversations with community members progressed, it became clear that a better relationship between the city government and its neighbors could be possible. Regular participants saw the quality of discussions in this engagement as a step in the right direction, especially compared to the 2005-08 effort. Some also expressed interest in the city going even further, taking a step back and intentionally reaching both within and beyond its boundaries to discuss the area's growth (which is occurring beyond anyone's control and is a key driver in the city's pursuit of annexation), the greater community's vision for the area in the future, and strategies for realizing this vision within the context of growth and other community issues, of which annexation may or may not be a preferred strategy in the end.

The City of Soldotna has led similar collaborative efforts with businesses and residents in the city, and it has been open to others beyond its boundaries and has even intentionally created opportunities for people outside the city to get involved. For instance, two non-residents (out of seven total members) serve on the City Planning and Zoning Commission, the most direct way to involve people in the City's long-range visioning, planning and law-making. Also, planning outreach efforts have intentionally reached beyond city borders, as in the last comprehensive plan update in which notices about opportunities for input were included as newspaper inserts for subscribers with 99669 zip codes, an area about five times the size of the city.

It is possible that people living and doing business outside the city didn't notice these opportunities or that they haven't understood the relevance to them at the time. Regardless of the reason, there is a disconnect here and an opportunity to work together better. Perhaps the city could improve its efforts to demonstrate relevance or reach people in different ways, and/or community groups that are passionate about individual issues such as annexation could help with organizing city neighbors to get involved in broader planning efforts such as the updates to the comprehensive plan.

"Commercial only is a benefit to city, residential inclusion seems to be an additional cost for the city, therefore this initiative seems to only benefit the city, not the residents."

-- Soldotna.Consider.It participant

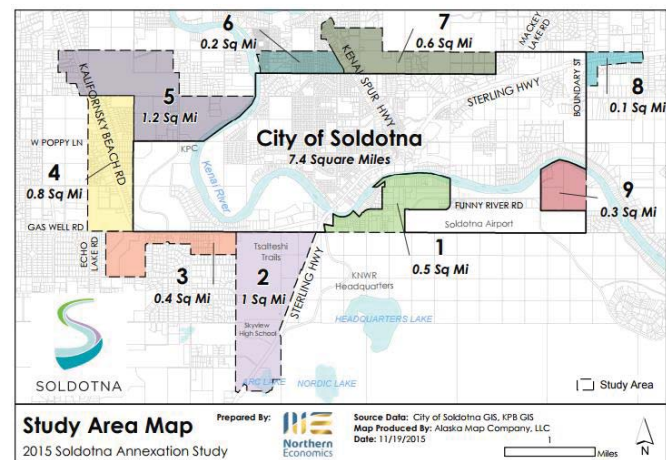
While trust takes time to build, vocal annexation opponents have said that they could set aside their doubts and assumptions to work more collaboratively with city staff and leadership if they could see intentional efforts to include them in a vision and plan for Soldotna, even if preferred strategies identified are not currently within the city's direct control. See more discussion of this issue in the Conclusions section of this report.

ASSESSMENT OF MITIGATION POTENTIAL

Is there any potential for expanding city boundaries in any of the study areas? Can community concerns be mitigated in any way?

The fact that some community members oppose annexation anywhere and in any way would lead some to believe that there is no room for expansion of city boundaries. However, as conversations evolved, some community members identified a few ways in which annexation could be acceptable:

1. **Properties already connected to water & sewer.** Participants generally agreed that properties that are already accessing water and/or sewer services are reasonable to annex. These properties are mostly located in study area 1.
2. **Zoning that reflects character and conditions of annexed areas.** For businesses outside of the commercial core of the city, consider rural or combination zoning, so existing city requirements for parking lot paving, storefront and signage standards and landscaping requirements to businesses are not applied. Consider agricultural zoning for any annexed agricultural land to prevent development that might threaten the agricultural businesses and way of life in these areas. To reiterate though, as discussed in Theme 6 above, these mitigation strategies may not be satisfying to annexation opponents due to a belief that they will be taken away in the future.
3. **Consent of majority to be annexed.** Participants said they would support annexation if a majority of those affected ask to be annexed by direct outreach to the city or via a vote. It appeared that there could be potential for a direct request from study area 6 residents, as some residents there have requested water and sewer services in the past. However, no such requests were made during this engagement process. Therefore, the greatest potential for such consent may be through a vote.
4. **Potential for study areas with no direct objection.** Study area 2 is mostly public land and contains a City of Soldotna water facility, and study area 9 is a small cut-out of unincorporated



property bordered on three sides by the city with only two residents. There was not direct objection to annexation of these areas beyond those who object to annexation anywhere.

CONCLUSIONS

Even though participation in the community engagement process on annexation was low, the vocal and passionate opposition to annexation appears to be a powerful influence in the community at large. If the city decides to pursue annexation in any form, distrust may grow further, even among people who have been neutral on the topic thus far, and relations with affected community members and others outside city boundaries may continue to be challenging. Options for limiting these negative impacts and/or building trust include:

1. Annex only those areas/properties that garner most support, along with mitigation strategies to reduce unnecessary negative impacts to residents, property owners and businesses and to preserve agricultural land and rural/frontier way of life.
2. Create process prior to formal petition for annexation to allow all affected residents, property owners and businesses to “vote”.
3. Retain annexation as a possible strategy for managing growth in the area but step back and intentionally include businesses and residents in high growth and other neighboring areas in the city’s next visioning and planning process, acknowledging that annexation may or may not be a preferred strategy for addressing community needs and ensuring effective city operations. Consider alternative planning approaches that emphasize relationship- and trust-building and collaborative approaches to implementing the plan for long-term sustainability.


Each of these options – or some combination of them – could demonstrate to the community that the city heard and is committed to being responsive to their concerns, building trust and enabling development of effective and acceptable solutions to growth and other community challenges in the future.

The above options must also be considered in light of the city’s need to address the long-term problems associated with growth around its borders. The Soldotna City Council is responsible for making the policy choices that direct the city’s future, and additional facts and options are likely to factor into the council’s final decision on annexation at this time. Does action need to be taken now to alleviate the challenges to city operations created by the growth surrounding its borders, or can city staff and leadership take more time to work with city and neighboring community members to craft a mutually satisfying plan to achieve a common vision for the greater Soldotna area through a set of strategies that can be more broadly supported among city and neighboring community members? Undoubtedly, this will be a difficult decision.

APPENDIX A: OUTREACH MATERIALS AND NEWS ARTICLES


Outreach Materials

FLYER DISTRIBUTED BY MEDIA AND COMMUNITY ORGANIZATIONS



COMMUNITY CONVERSATIONS ON ANNEXATION

Can Soldotna boundaries change and still respect what matters most to each of us?



Why are we talking about annexation?
Soldotna and the areas around it have grown and changed dramatically over the past 50 years, but our small city boundaries have stayed essentially the same. We now have areas of dense residential and commercial development both inside and outside the City. We want to explore whether this situation is desirable for our community, moving forward.

Where are we in the process?
The City is exploring whether it should petition the State to amend its boundaries, and is gathering information in two parts: 1) a fiscal impact study, which was completed last June, evaluated the potential costs of delivering municipal services to additional areas outside the current City footprint; and 2) a public engagement process, described in this flyer, to hear directly from community members.

Let's talk!
How might annexation impact current and potential new residents, businesses and landowners?

- Let's have an open and honest conversation.
- Let's learn what would be different.
- Let's share our hopes and concerns and listen to others.
- Let's explore options that might realize hopes & relieve concerns.

3 WAYS TO PARTICIPATE

Join in 1 or 2, or come to all!

1. ONLINE

LEARN & SHARE IN ON-GOING DISCUSSION

WHEN: Sept. 1 - Oct. 30 Start early, check back often!
WHERE: Use any computer. Go to <https://soldotna.considerit>.
Don't have a computer or internet? Use a library computer: Soldotna Public Library, 235 N. Binkley St.
Not comfortable with computers? Chamber of Commerce staff will help. Chamber of Commerce and Visitors Center, 44790 Sterling Hwy.

2. OPEN HOUSES

GET QUESTIONS ANSWERED FROM EXPERTS

Wed, 9/27, 12:00-1:00 pm, Kick-off presentation at Soldotna Chamber Luncheon, Soldotna Regional Sports Complex, 538 Arena Ave.
FULL OPEN HOUSE HOURS: 11:00 am-2:00 pm Stop in when you can!
DATES & LOCATIONS:
Thurs, 9/28, Gilman River Center, 514 Funny River Rd.
Mon, 10/2, Soldotna Public Library, 235 N. Binkley St.
Tues, 10/3, Soldotna Public Library, 235 N. Binkley St.

3. COMMUNITY CONVERSATIONS


DISCUSS HOPES & CONCERNS WITH YOUR NEIGHBORS

TIME: 5:30 - 7:30 pm Come early for food and casual conversation. Organized discussion starts right at 5:30!
DATES & LOCATIONS:
Wed, 9/27, Soldotna Regional Sports Complex, 538 Arena Ave.
Thurs, 9/28, Gilman River Center, 514 Funny River Rd.
Mon, 10/2, Soldotna Public Library, 235 N. Binkley St.
Tues, 10/3, Soldotna Public Library, 235 N. Binkley St.

Let us thank you for your participation!

- Gift bag for 1st 50 online participants at Library or Chamber
- Special gifts for every 50th comment
- All entered to win top prize...more participation = more entries.

All in-person participants also entered to win top prizes!



EMAIL/NEWSLETTER TEXT DISTRIBUTED BY COMMUNITY ORGANIZATIONS

Prepared by Meagan Picard, The Athena Group

The City of Soldotna is continuing to study whether or not annexing one or more areas outside current city boundaries is a viable option for the greater community. Your participation is needed!

Building from the fiscal study that was completed last year, the City has hired The Athena Group to design and facilitate a process that will allow everyone to be heard and to hear each other. As shown in the enclosed flyer, this process will include:

- An **online discussion forum** dedicated to this issue for two months. Everyone is encouraged to visit this site as much as possible to stay current on the progress of the conversation and share thoughts on the increasingly specific questions that will be posed there.
- Four “**community conversations**” meetings dedicated to community views on annexation and what matters most to everyone involved. Current city residents, businesses and landowners as well as folks in surrounding areas are encouraged to participate in these meetings.
- Three “**open houses**” plus a kick-off presentation designed to ensure that everyone has reliable information about how annexation would impact the areas being studied as well as current city residents and borough residents beyond the study areas.

The Athena Group is working hard to ensure that these will be productive conversations in an open and trustworthy environment. We understand:

- **This is a heated and emotional issue for some, and trust between people on opposite sides of the issue is low.** The Athena Group honors these feelings and perspectives and will make room for all to be heard – and try to help everyone trust in the process at a minimum, and hopefully, eventually, each other.
- **Different groups of people are working with different information.** The Athena Group will be posting a set of informational materials to the city website (www.Soldotna.org/annexation) and will make them available in the community conversations and open houses. New materials will be posted as the project progresses, so be sure to check back over time. Please contact Meagan Picard at meaganp@athenaplace.com if you don't yet see the information that you need.
- **The City needs to have this conversation and to hear from everyone.** Annexation remains the most direct and practical solution to some key challenges the City is facing, but staff and officials know there is significant concern about its impacts. They are asking the greater community to have this conversation in more depth than in the past, so they can understand what's behind the opposition, determine if others they haven't heard much from yet (like current city residents) agree, identify ways annexation could work to reduce or eliminate negative impacts from the community's perspective and provide the City Council with thoughtful and detailed community input to inform their decision on whether or not to proceed with some kind of proposal to the State of Alaska's Local Boundary Commission.

Please get involved! Make your voice heard, and maybe even have some fun and get some good rewards for your time spent on this important community issue. The City and The Athena Group look forward to hearing from you soon!

DIRECT MAIL LETTER TO CITY AND STUDY AREA PROPERTY OWNERS



August 28, 2017

Dear community member,

The City of Soldotna is continuing to study whether or not annexing one or more areas outside current city boundaries is a viable option for the greater community. It is important that you have the opportunity to learn more about the issue and to participate in upcoming public forums because you are a property owner in the City or one of the areas being considered. We hope you will participate – the city needs to hear from you!

The City has hired The Athena Group to design and facilitate a process that will allow everyone to be heard and to hear each other. This process will include:

- An **online discussion forum** dedicated to this issue for two months. Everyone is encouraged to visit this site as much as possible to stay current on the progress of the conversation and to share your thoughts.
- Three **“open houses”** plus a kick-off presentation designed to ensure that everyone has reliable information about how annexation would impact the areas being studied as well as current city residents and borough residents beyond the study areas. Members of the City Administration will attend these open houses, to answer your questions directly.
- Four **“community conversations”** meetings dedicated to community views on annexation and what matters most to everyone involved. Current city residents, businesses and landowners as well as folks in surrounding areas are encouraged to participate in these meetings.

Please see the attached flyer for dates, times, and locations of all the public engagement events, as well as a map of the ‘study areas’ which are being considered for potential incorporation into the city.

We are working hard to ensure that these will be productive conversations in an open and trustworthy environment. We understand:

- **This is a heated and emotional issue for some, and trust between people on opposite sides of the issue may be low.** The Athena Group honors these feelings and perspectives

and will make room for all to be heard – and try to help everyone trust in the process at a minimum, and hopefully, eventually, each other.

- **Different groups of people are working with different information.** Please visit the city website (www.Soldotna.org/annexation) for information on annexation-related topics that matter to you – whether you are concerned about taxes or worry about strain on existing city services. New materials will be posted as the project progresses, so be sure to check back over time. Also, these informational materials will be available in the community conversations and open houses. Please contact me at 720.707.6899 or meaganp@athenaplace.com if you need more information.
- **The City needs to have this conversation and to hear from everyone.** Annexation remains the most direct and practical solution to some key challenges the City is facing, but staff and officials know there is significant concern about its impacts. They are asking the greater community to have this conversation in more depth than in the past, so they can understand what's behind the opposition, determine if others they haven't heard much from yet (like current city residents) agree, identify ways annexation could work to reduce or eliminate negative impacts from the community's perspective and provide the City Council with thoughtful and detailed community input to inform their decision on whether or not to proceed with some kind of proposal to the State of Alaska's Local Boundary Commission.

Please get involved! The City and The Athena Group look forward to hearing from you soon!

Sincerely,

Meagan Picard, Principal

The Athena Group

www.athenaplace.com



Helping people think, learn, and achieve together

FACEBOOK NOTIFICATIONS AND PAID ADVERTISEMENT

The screenshot shows the Facebook interface for the City of Soldotna. The top navigation bar includes the Facebook logo, the page name "City of Soldotna", and a search bar. Below this, the page header shows the page name "City of Soldotna" and a search bar. The main content area features a post from the City of Soldotna, published by Stephanie Queen on September 6. The post text reads: "The City of Soldotna is continuing to study whether annexing one or more areas outside current city boundaries is a viable option for the greater community. It is important that area residents have the opportunity to learn about the issue, and participate in the upcoming public forums. See the attached flyer for meeting dates and times, and join the conversation online at: <https://soldotna.consider.it> We hope you will participate - the city needs to hear how annexation could impact current and potential new residents, businesses, and landowners. For more information about the public engagement process, and access to maps and additional annexation-related materials, please visit www.Soldotna.org/annexation". The post includes a flyer titled "Can Soldotna boundaries change and still respect what matters most to each of us?" and a map showing the city boundaries. The flyer text includes "Can Soldotna boundaries change and still respect what matters most to each of us?", "Share your views about annexation with the City and other residents.", and "Conversation starts September 1st." The flyer also mentions "3 WAYS TO PARTICIPATE" and "Join in 1 of 2, or come to all!". The sidebar on the right lists local businesses and organizations, including Kenai Peninsula Borough School, ABC News, Upstream Family Medicine, Kenai Peninsula Association of..., Soldotna Rotary Club, and a language selection menu.

Can Soldotna boundaries change and still respect what matters most to each of us?

Share your views about annexation with the City and other residents.

Conversation starts September 1st.

3 WAYS TO PARTICIPATE

Join in 1 or 2, or come to all!

1. ONLINE

LEARN & SHARE IN ON-GOING
DISCUSSION

WHEN: Sept. 1 - Oct. 30 Start early, check back often!

WHERE: Use any computer. Go to <https://soldotna.consider.it>.

Don't have a computer or internet? Use a library computer:
Soldotna Public Library, 235 N Binkley St.

Not comfortable with computers? Chamber of Commerce staff
will help: Chamber of Commerce and Visitors Center, 44790
Sterling Hwy.

2. OPEN HOUSES

GET QUESTIONS ANSWERED
FROM EXPERTS

Wed, 9/27, 12:00-1:00 pm, Kick-off presentation at Soldotna Chamber
Luncheon, Soldotna Regional Sports Complex, 538 Arena Ave.

FULL OPEN HOUSE HOURS: 11:00 am-2:00 pm Stop in when you can!

DATES & LOCATIONS:

Thurs, 9/28, Gilman River Center, 514 Funny River Rd.

Mon, 10/2, Soldotna Public Library, 235 N. Binkley St.

Tues, 10/3, Soldotna Public Library, 235 N. Binkley St.

3. COMMUNITY CONVERSATIONS

DISCUSS HOPES &
CONCERNS WITH YOUR
NEIGHBORS

TIME: 5:30 - 7:30 pm Come early for food and casual
conversation. Organized discussion starts right at 5:30!

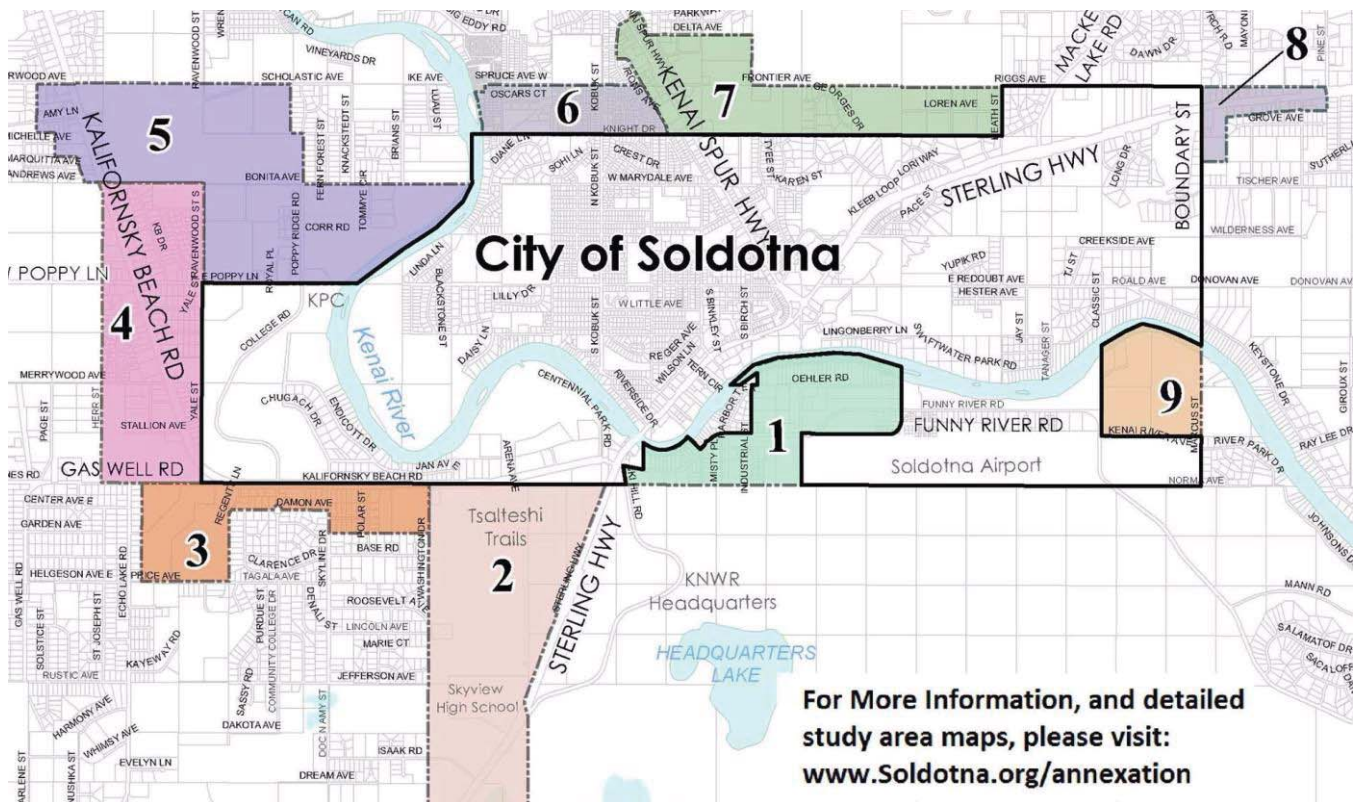
DATES & LOCATIONS:

Wed, 9/27, Soldotna Regional Sports Complex, 538 Arena Ave.

Thurs, 9/28, Gilman River Center, 514 Funny River Rd.

Mon, 10/2, Soldotna Public Library, 235 N. Binkley St.

Tues, 10/3, Soldotna Public Library, 235 N. Binkley St.



In the News



Posted August 14, 2017 09:33 pm

By

[KAT SORENSEN](#)

Peninsula Clarion

Soldotna hires consultants to open annexation conversation

The city of Soldotna is continuing its research into the annexation of nearby areas currently outside of city boundaries by creating a forum for public engagement.

The city hired The Athena Group, a consulting agency based in Olympia, Washington, to design and facilitate a process that “will allow everyone to be heard and to hear each other,” according a release from the city.

In December, the Soldotna City Council approved an ordinance to appropriate \$50,000 to spend on gathering public input on the hotly contested issue, which, for years, has continued to appear on the agenda and ignite debate.

“Our role in the project is really to design and facilitate a process for the community to have an open and honest conversation about annexation,” Meagan Picard of The Athena Group said. “What it means to them individually and what it means to the community at large.”

SEE ALSO

[Engagement in annexation study low](#)

[Annexation discussion continues despite lack of trust](#)

There will be three ways for the community to participate in the dialogue. Starting Sept. 1, and running through Oct. 30, an online discussion forum will open to the public at <https://soldotna.consider.it>.

“We’re going to start with a series of questions about the various changes that would happen if these areas were to be annexed,” Picard said. “We’ll be gauging what’s important and what really matters most to community members regarding each of those potential changes.”

Starting on Sept. 27, The Athena Group will organize a series of in-person conversations and open houses to address specific issues and concerns.

“If they are concerned about what will happen with law enforcement, they can talk to representatives from the police department,” Picard said.

The kick-off presentation and full open house will take place Sept. 27 at 11 a.m. at the Soldotna Regional Sports Complex. There will be two more open houses at the Joyce Carver Memorial Library on Oct. 2 and 3 from 11 a.m. to 2 p.m.

“Then we will be talking in the evening with community members about the things that we’ve been hearing in the online forum that seems to be riding to the top in terms of caring about annexation,” Picard said.

There will be four evening meetings held from 5:30 p.m. to 7:30 p.m. The first meeting will be on Sept. 27 at the Soldotna Regional Sports Complex. The second will be held at the Gilman River Center on Sept. 28. The third and fourth evening discussions will be held on Oct. 2 and 3 at the Joyce Carver Memorial Library.

“We expect to be pulling from these, some kind of high level guidelines for decision making for the council and, possibly, even specific proposals that community members come up with,” Picard said. “We’ll take more detailed questions (from the open houses) and bring them into the last few weeks of the online forum to really dig in and really understand the community best.”

This is the second phase in Soldotna's exploration of annexation. The city also completed a fiscal impact study last June, which evaluated the potential costs of delivering municipal services to each of the nine proposed geographic areas outside of the city identified as Funny River West, Skyview, K-Beach South, K-Beach Central, K-Beach North, Knight Drive, Kenai Spur, Sterling Highway and Funny River.

If, following the public engagement process, Soldotna decides to go through with annexation of one of the nine proposed neighborhoods, a petition would be sent to the Local Boundary Commission. The commission has the final say over the annexation of additional land and will hold its own public input process.

Reach Kat Sorensen at kat.sorensen@peninsulaclarion.com.



Posted September 1, 2017 01:29 pm

By

[BEN BOETTGER](#)

Peninsula Clarion

Assembly candidates discuss Soldotna annexation

Two Kenai Peninsula Borough Assembly candidates — incumbent Brett Hibbert and challenger Dan Castimore, both running to represent [District 1, the Kalifornsky Beach area](#) — gave their thoughts on issues posed by members of Borough Residents Against Annexation, a group opposing the city of Soldotna's effort to expand its boundaries.

The Kalifornsky Beach area that either Hibbert or Castimore will represent includes three of [the nine areas that Soldotna is considering adding to its territory](#) — those designated as study areas 4, 5, and 6. According to a May 2016 [Soldotna-commissioned economic study](#) of the annexation areas, [Study Area 4](#) — a business-dense strip along Kalifornsky Beach Road between Bonita Avenue and Gas Well Road — would, if annexed, bring the city about \$899,100 annually in sales and property taxes, the most of the nine areas by a margin of about \$340,000. [Study Area 5](#) — stretching north and west of the K-Beach commercial area — would bring the fourth most revenue, with \$162,000 annually, and [Study Area 6](#) — the Knight Drive area — would be fifth, with \$152,100 annually. However, the lucrative central Kalifornsky area would also require the largest expenditures — \$633,700 annually — on public safety, street maintenance, and other city services, putting it third in the report's revenue-expenditure ranking of possible annexation areas. Ranked by this ratio, the north K-Beach study area is fourth and the Knight Drive area is eighth of the nine studied areas.

Borough Residents Against Annexation formed about two years ago in oppose the annexation effort, said president Brian Olson. The group invited Hibbert and Castimore to speak on Tuesday at the Cook Inlet Aquaculture Association headquarters on Kalifornsky Beach Road.

Hibbert said he wasn't sure what the assembly would be able to do about the issue. If the effort goes forward, the Soldotna City Council will submit a petition for the annexation to Alaska's Local Boundary Commission, a state board that will approve or deny it.

SEE ALSO

[Annexation discussion continues despite lack of trust](#)

[Letter: Soldotna annexation and our mayoral candidates](#)

"I don't know at the borough level what exactly the borough can do about this," Hibbert said. "The boundary commission is the one that can make the recommendations of what can be done. You're going to have to petition the city council. Hopefully bring it up as a vote of the residents of these areas."

Hibbert's business, the Alaska Cab taxi company, is among those in Study Area 4, the proposed annexation area on central K-Beach Road. Hibbert said being annexed would lower his taxes between \$900 and \$1,000 per year. **[According to Soldotna's website](#)**, annexed areas would see a 0.9 mill drop in their tax rates — the difference between the 1.40 mill borough road maintenance tax they'd no longer have to pay, and the .5 mill city tax they would take on.

Hibbert expected that city services would also improve the quality of water at his business.

Castimore, the information technology manager for the city of Kenai, lives west of the proposed annexation area near Poppy Lane. He said he has "no strong feelings" about the annexation issue, but believes the K-Beach area should have greater local organization for advocating its own priorities, such as road maintenance and spoke against the area's annexation on those grounds. He said the annexation plan focuses on commercial property for its greater potential for tax revenue, to the exclusion of residential property, making "the future potential for any kind of services to be offered to those of us who live on the other side of the road basically non-existent."

"The area of K-Beach may want to incorporate down the road, it may want to do its own thing," Castimore said. "If you take all the commercial property from us, we're stuck forever."

Study Area 4, **[according to Soldotna's economic report](#)**, has by far the most commercial property of the proposed annexation areas, with 120.5 commercial acres — west Funny River is second with 38.4 commercial acres — making its non-vacant land about 50 percent commercial and 33 percent residential.

Soldotna resident Daniel Lynch, who sad he is ineligible to vote in the District 1 race, moderated the discussion. Lynch said the assembly could have influence over the annexation issue in the future, and

that he believes “most people involved in this would expect their representative to bring forth a resolution.”

“If the assembly was to introduce legislation or a resolution against annexation, that would carry a lot of weight with the boundary commission if it gets to that step,” Lynch said.

He pointed out previous instances of the borough weighing in on local boundary matters. In March 2017, Borough Mayor Mike Navarre signed [a brief to the local boundary commission opposing Nikiski’s attempt to incorporate as a home-rule city](#), another question that would need approval from the local boundary commission. Members of the borough assembly have also tried to influence the issue, as Lynch suggest, by resolution. In early August, Nikiski’s assembly representative Wayne Ogle [sponsored a resolution supporting the Nikiski incorporation](#), which he moved to indefinitely table after failing to get support from other assembly members.

Hibbert said he doesn’t “know if it’s in the borough’s powers to write a resolution against or for” local boundary questions. He had voted to table Ogle’s resolution, he said, because the Local Boundary Commission hadn’t yet decided on the matter.

“With this, maybe after the city’s figured out which of the nine (possible annexation areas) or how many of the nine, that the city wants to annex, possibly then the borough can be involved in that,” Hibbert said. “But I’m not sure what the powers of the borough are.”

Asked if he would support hypothetical action regarding annexation, Castimore said he wouldn’t “want to commit to an ordinance I haven’t seen.”

District o1 assembly candidate Kate Veh was also at Tuesday’s discussion, although she’d announced earlier in the day that [she was dropping out for fear of splitting the vote with Castimore](#), whom she said she agrees with on important issues. Veh left the discussion after reiterating her withdrawal during her opening remarks.

Reach Ben Boettger at ben.boettger@peninsulaclarion.com.



Annexation Still on the Table for Soldotna

by Jennifer Williams , September 25, 2017

The City of Soldotna is gathering information from the public, as part of an effort to understand how the community feels about the potential for annexation.

The process is intended to let community members learn about how things would be different inside city limits, and share their hopes and concerns if annexation was to happen.

The City's comprehensive plan, was adopted in 2011 after significant public input, as a kind of road map created to guide the city towards an annexation plan.

The Soldotna Chamber of Commerce luncheon, on Wednesday, September 27, will open community conversations on annexation. The luncheon will take place at noon, at the Soldotna Sports Complex.

Public open houses and meetings are scheduled for September 27th, 28th, as well as October 2nd and 3rd. For more information on all the ways to participate visit the City of Soldotna's [website](#).



Posted September 26, 2017 09:46 am

Letter: Soldotna annexation and our mayoral candidates

Soldotna annexation and our mayoral candidates

With our local elections just a couple of weeks away, it is important that the voters know where the candidates stand on this highly contentious and divided issue. I have had the opportunity to explore the candidate's involvement in annexation or lack thereof, and have asked the candidates for their responses.

The only mayoral candidate who has clearly stated his position on annexation is Mr. Charlie Pierce. Mr. Pierce has stated his opposition loud and clear and does not have any personal or financial gains to be made from annexation. He clearly stated that if he is elected as mayor, he will support the borough residents who stand against forcible annexation by the city.

Dale Bagley, on the other hand, has been a driving force pursuing Soldotna's continued expansion and has publically stated he is for annexation. He also was a member of a (non-public) task force formed by the City of Soldotna 3 years ago to select annexation areas. These meetings were not disclosed to the public until it leaked out at a workshop session on annexation. When he has been asked during the debates about his position, Mr. Bagley states that only the borough road service will be impacted. Never anything about the impact on businesses and families who will be directly affected. One may ask if there are conflicts of interest at work here. Realtors, banks, developers, investors, and speculators may all have an interest in seeing annexation go forward.

SEE ALSO

[Relocation of the Darien-Lindgren Cabin](#)

[Engagement in annexation study low](#)

Linda Hutchings has stated that since it is a city issue, there is nothing that can be done at the borough level if she is selected as mayor. Her husband, Dave, was also one of the 12-member secret task force on selecting the annexation areas. Ms. Hutchings is wrong when she states there is nothing she can do if elected mayor. Borough Assemblies have a very strong say when it comes down to annexation. Resolutions can be written and voted on, along with other strategies.

With forced annexation close at hand, who do you want leading the borough? Do you want someone that respects the personal and financial reasons why people choose to live or start their businesses outside of the cities? Or do you want someone from Soldotna who is highly motivated to see annexation plow through regardless of what the borough residents want?

Brian Olson

Borough Residents Against Annexation



Posted October 23, 2017 09:52 am

By

KAT SORENSEN

Peninsula Clarion

Engagement in annexation study low

Engagement is low according to the group tasked with collecting public input on the ongoing Soldotna annexation debate.

The Athena Group released an interim report summarizing the public engagement process as of Oct. 6 which highlights a lack of participation in the formal community engagement activities held by the group. The Olympia, Washington consulting agency was hired by the city of Soldotna to create a forum for the public to discuss the highly contested issue. The forum is ongoing until Oct. 30.

Can Soldotna boundaries change and still respect what matters most?

That's the question that the Athena Group was tasked with answering over the course of two months. The discussion kicked off with the launch of an online community feedback forum on Sept. 1, found on Soldotna.Consider.It. The consulting agency also held open houses, community conversations and chamber presentations.

SEE ALSO

Annexation discussion continues despite lack of trust

Soldotna continues annexation discussion

Only 97 individuals have participated in one of more of the activities as of Oct. 6, and most of those participants did so through the online forum.

The largest group of unique participants have been those who live, own property or own a business in one of the nine study areas which include Funny River West, Skyview, K-Beach South, K-Beach Central, K-Beach North, Knight Drive, Kenai Spur, Sterling Highway and Funny River East.

"These are the people who would be most impacted by an expansion of city boundaries," the report states.

Despite the low engagement, though, the agency has teased a key message from the participation so far — most participants are opposed to annexation or would only support it under certain circumstances.

Participants have been vocal about their concerns.

"Affected residents, property owners and business owners said they should get value for increased responsibilities," the report says. "... Participants said the city should focus on existing services — particularly water and sewer — within current city boundaries before expanding."

The report also found that their is **a lot of distrust** of the city's motives and "greed."

Participants did say they were willing to collaborate with the city on broader planning efforts, as long as they weren't focused on annexation.

The Athena Group is hoping to engage 30 percent of the population, but according to the report they are unlikely to reach that target. They speculate that the low engagement is due to a combination of factors including fatigue with or resistance to further discussing annexation, sense among city residents and businesses that annexation won't significantly impact them and reluctance to get involved in controversy among those who do not hold strong opinions on the topic.

Reach Kat Sorensen at kat.sorensen@peninsulaclarion.com



Annexation Discussion Continues Despite Limited Participation

by Jennifer Williams , October 24, 2017

It's the new laws they'd face, and a lack of trust which seems to be troubling most residents in the areas Soldotna may potentially one day annex.

The City of Soldotna hired the Athena Group, a consulting agency to create an open forum to discuss the potential for annexation.

According to a report released by the group, only 97 individuals have participated in one or more of the activities. Feedback from those who have participated is the threat of it *"imposed on them"* and cited a lack of trust in the city's motives.

Meagan Picard, the lead consultant on the community study: Overall feeling I am getting from the community is even a reluctance to have a conversation about annexation, because of a history that they have been through."

The largest group of participants includes people who live, own property or own/manage a business in the study areas. These are the people who would be most impacted by an expansion of city boundaries.

Many of the residents outside of city limits live in rural settings, riding ATVs along dirt trails and keeping livestock on their well and septic properties. They fear the city's road rules, animal licensing regulations, and water and sewer requirements.

The nine regions were listed for annexation: Funny River West (1), Funny River East (9), Skyview (2), K-Beach South (3), K-Beach Central (4), K-Beach North (5), Knight Drive (6), Kenai Spur (7), and Sterling Highway (8).

The forum is ongoing until October 30.

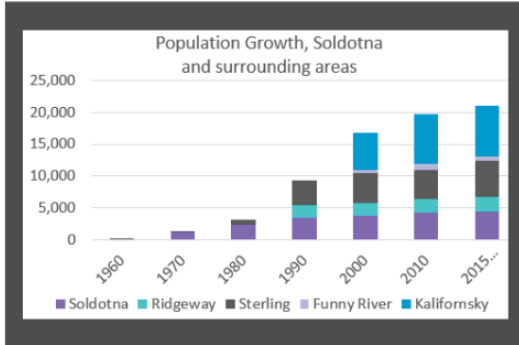
For more information on annexation in the City of Soldotna, click [here](#).

APPENDIX B: INFORMATIONAL MATERIALS



ONE COMMUNITY CONNECTED ACROSS CITY-BOROUGH BORDERS

What's different on the other side of the line?



The City and the area around it have grown and developed since Soldotna first incorporated in the 1960's, but the corporate boundaries have remained essentially unchanged. We now have areas of dense residential and commercial development inside the City, and extending outside city limits in all directions. In many ways, we are a cohesive community, where businesses, residents, and land owners are all living and working in close proximity.

BUT...depending on which side of the line a person's home or business falls on, the rules, regulations, and tax structure that govern our daily lives - and benefits we receive - are very different.

*What's different
on the other side
of the line?* KEY:

- For residents?
- For businesses?
- For landowners?
- For local government administration?

In City Limits

FORM OF GOVERNMENT

ELECTIONS AND VOTING

All KPB residents, whether in a City or in an unincorporated area, vote on Borough issues and representatives. Only City residents may vote on City issues and representatives.

SALES TAXES

KPB administers all sales tax regulation and filing, for businesses inside and outside City limits. With the exception of tax holiday on non-prepared food (Soldotna taxes year-round, KPB provides a 9-month exemption), sales tax code is identical. Also, sales taxes represent a larger portion of total funding for City services than for Borough services.

All residents (and tourists) pay sales taxes that support City operations when they shop at businesses in the City. Many businesses in our area that are generally considered 'Soldotna' businesses, are actually outside our borders and therefore don't collect sales tax to support City services.

Managerial
Home Rule City
6 member Council

- ☒ KPB ballot measures
- ☒ KPB Assembly members
- ☒ Soldotna ballot measures
- ☒ Soldotna Council members

Total sales tax rate =
6%

For example:

$$\begin{array}{c}
 \$1 \text{ retail price} \\
 + \text{ 3¢ } \rightarrow \text{KPB} \\
 + \text{ 3¢ } \rightarrow \text{City} \\
 \hline
 \text{Total: 6¢}
 \end{array}$$

Out of City Limits

Strong Mayor
Second Class Borough
9 member Assembly

- ☒ KPB ballot measures
- ☒ KPB Assembly members
- ☐ Soldotna ballot measures
- ☐ Soldotna Council members

Total sales tax rate =
3%

For example:

$$\begin{array}{c}
 \$1 \text{ retail price} \\
 + \text{ 3¢ } \rightarrow \text{KPB} \\
 \hline
 \text{Total: 3¢}
 \end{array}$$

In City Limits

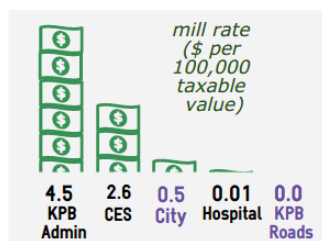
ASSESSMENTS

KPB Assessing Department determines property values and performs all assessments.

PROPERTY TAXES

Property owners pay taxes on the taxable value of their property. Each Borough residents' property tax bill (whether inside or outside of Cities) is made up of several individual components, called levies, which add up to the total mill rate. Each of those levies is used to fund different government services. Everyone's bill includes funding for Borough administration, central emergency services and hospital services. A city property owner's bill includes a portion dedicated to the City, while a Borough property owner's bill includes a portion for Borough roads.

The City does not perform assessments.



Total mill rate = 7.61

Approximately 3,349 residents (77% of City population) within City limits are currently served by City water and/or sewer

Alaska Department of Environmental Conservation regulates all on-site well and septic where City utilities are not available.

ROAD MAINTENANCE

Except for the State maintained roads (Sterling & Spur highways, and Funny River and K-Beach), the City of Soldotna maintains city streets. Outside of city limits, the KPB maintains roads. If areas are annexed, the City would take over maintenance on all non-state roads.

- 30 miles of paved road (74%)
- 11 miles of gravel road (26%)
- Approximately 72% of city streets were rated 6 or higher (good to excellent condition) in 2016 evaluation.

PUBLIC SAFETY

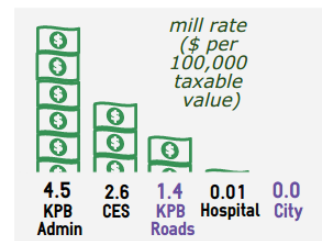
All 911 calls are handled by KPB Dispatch Center. Central Emergency Services (CES) responds to all fire & medical needs. Soldotna Police respond to police calls in the City; Alaska State Troopers respond to calls for the Central Peninsula outside the Cities of Kenai and Soldotna.

Soldotna Police details

- Staffing: 13 officers + Chief
- Coverage area: 7.3 square miles & approximately 4,400 residents (1 officer per 338 residents)
- SPD response times: typically 2 to 3 minutes

Out of City Limits

KPB has the sole responsibility for conducting assessments in the borough.



Total mill rate = 8.51

23 properties outside City limits are currently served by City water and/or sewer

Alaska Department of Environmental Conservation regulates all on-site well and septic where City utilities are not available.

KPB maintains non-State roads outside City limits.

Alaska State Troopers details

- Staffing (Soldotna E Detachment): 18 troopers + Lieutenant & Captain
- Coverage area: Nikiski to Sterling to Kalifornsky; approximately 15,000 residents (1 officer per 833 residents)
- AST response times: vary based on location of troopers

In City Limits

LAND USE REGULATION

Land in the City is subject to City Zoning Code, adopted in order to provide for orderly development; lessen street congestion; provide for stable residential, commercial, and industrial development; provide adequate open spaces for light and air; protect and stabilize the value of property; promote fire safety and public order; protect the public health and general welfare; prevent over-crowding; and stimulate systematic development of public facilities.

COMMERCIAL BUILDING CODES

Both the City and State (authority over unincorporated building) have adopted International Building Codes (IBC), Plumbing and Electric code standards. Both also impose fees for inspection and plan review and application. Differences include permitting and level of plan review and inspection and related fees. Inspections are conducted by the City and State Fire Marshall's office, respectively.

RESIDENTIAL BUILDING CODES

The City has adopted the International Residential Code (IRC) for building permit review and inspections for residential construction. The State and KPB have not adopted residential building codes for private residential construction.

STOREFRONT IMPROVEMENT

Soldotna's Storefront Improvement Program offers businesses in City limits a 50-50 grant, up to \$7,500, for exterior improvements to their building or property. The City created this program in 2012 and have provided over \$65,000 in grants to Soldotna businesses since then.

SIGN CODE

Beautifying our highway corridors to ensure a thriving and attractive downtown is a high priority goal for the City. Sign regulation within the City supports practical public safety interests, helps to reduce visual clutter and improves community appearance.

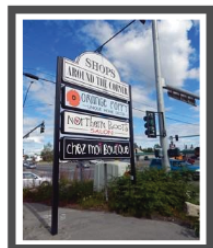
Land in Soldotna is classified into 1 of 9 zoning designations, including classifications for different types of residential, commercial, parks and recreation, and institutional development.

- Must conform to International Building Code (IBC), National Electric Code (NEC), Uniform Plumbing Code (UPC), etc.
- Soldotna Building Official performs plan review, with fee.
- Inspections throughout construction, with fee.
- Certificate of occupancy issued at project completion.

- Must conform to International Residential Code (IRC).
- Soldotna Building Official performs plan review, with fee.
- Inspections, with fee.
- Certificate of occupancy issued at project completion.

Number of City businesses receiving grants since 2012: **12**

Total value of grants since 2012: **\$65,065**



Out of City Limits

There is limited land use regulation in KPB, including 50-foot anadromous stream protection ordinance, regulation of gravel pits by conditional use, and local option zones.

- Must conform to International Building Code (IBC), National Electric Code (NEC), Uniform Plumbing Code (UPC), etc.
- State Fire Marshall performs plan review, with fee.
- Limited inspections.

Not subject to building codes, though individual lenders may require homes be built to code in order to obtain financing. For example, Alaska Housing Finance Corp. requires all homes they finance to be built to IRC standards.

Businesses outside the City are not eligible for Storefront Improvement funds.

KPB does not regulate signage, however, the State of Alaska regulates advertising along state and federal roads and highways (AS 19.25.075-.180).

In City Limits

LIBRARY

Of the nearly 6,500 cardholders at the Joyce K. Carver Memorial Library, approximately 22% (1,443) are City residents. The remaining 78% have not provided a physical address, are borough residents living outside the City limits, or are out of state visitors.

Library use in 2016

- Total Circulation: 123,289
- Number of Visitors: 113,588
- Active Cardholders: 6,489
- Total Computer sessions: 16,500
- Room rentals: 1,631



PARKS AND RECREATION

The City of Soldotna offers a wide variety of parks, with over 200 campsites, 3,000 feet of elevated river boardwalk, and river access stairs. Soldotna Parks + rec department runs the Soldotna Regional Sports Complex, Community Schools Program, and provides free events year-round including 'Movies in the Park,' and 'Paddle Sport Community Fun Day.'



AIRPORT

The City operates the only airport in our community. Locals and tourists use this service.



ANIMAL CONTROL + FARM ANIMALS

The City has established and enforces animal control regulations for domestic pets. The City also has land use regulations that allow for the keeping of farm animals in some zoning districts.



Out of City Limits

KPB does not provide library services. Non-City residents have equal access to the Soldotna Public Library and can serve on the City's Library Board.



KPB does not provide parks services. Non-City residents have equal access to all City parks, facilities, and programs, and can serve on the City's Parks and Recreation Advisory Board.



Non-residents have equal access to the Soldotna Airport and can serve on the City's Airport Commission.



KPB does not provide animal control services. Locations just outside of city limits that generate a number of calls, complaints and found animals to the City of Soldotna are the Knight Drive, Poppy Lane and Mackey Lake areas.

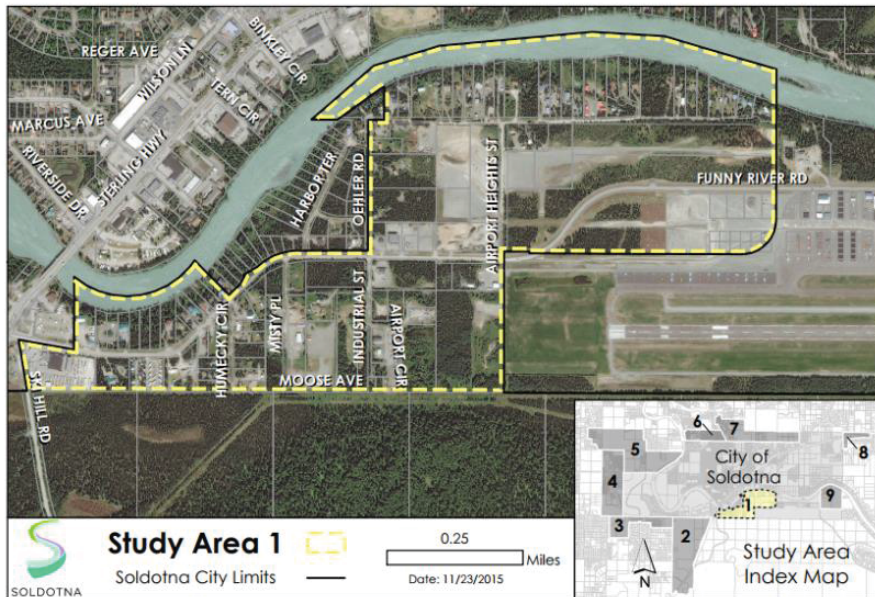


SOLDOTNA

FACT SHEET

Funny River West

Annexation Study Area 1



Who's in the Funny River West study area?

Number of residents in 2015: **82**

Projected new residents by 2030: **34**

Current number of businesses: **XX**

Unique Features of this Area

Area Characteristics

- This area is similar in character to the City, including land use, development pattern, lot sizes, etc.
- The area largely borders the Kenai River, except a small portion of waterfront property that is already within the City limits. City regulations are more protective of the river (100' Kenai River Overlay District in addition to KPB's 50' anadromous stream habitat protection setback).

Key Considerations

- The municipal airport property extends into this area. This may cause inconsistency in airport development construction standards when new hangars are built on lease lots where the City does not have jurisdiction to enforce building codes.
- Any property with frontage on Funny River Road has the ability to be served with City water and sewer. Fifteen (15) residential and commercial properties are already receiving these services.
- This area is a mostly developed enclave, surrounded on three sides by the City. The City and KPB have different ways of assigning street numbers, so this situation creates inconsistent addressing among neighbors. Also, City street maintenance crews, animal control, public works and the police department must pass through this area to serve the Harbor Terrace area that is within the city limits, driving out of the city in order to get back into the City.

City's Ability to Provide Services

- In 2015, the area is estimated to generate \$1.34 in revenue for every \$1 in expenditures, generating between \$44,000 and \$55,700 in net revenue annually between 2015 and 2030.

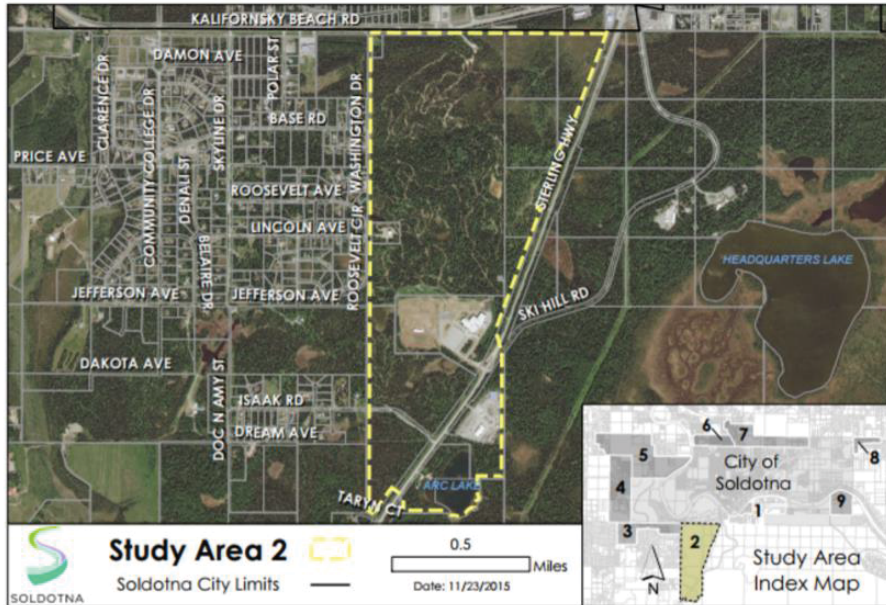


FACT SHEET

Skyview

SOLDOTNA

Annexation Study Area 2



Who's in the Skyview study area?

Number of residents in 2015: 0

Projected new residents by 2030: 0

Current number of businesses: 0

Unique Features of this Area

Area Characteristics

- This area is largely public land with some vacant land owned by Salamatof Native Association. The only development in the area is Skyview Middle School and the ADOT maintenance yard; it contains no residences or private businesses.

Key Considerations

- A one million gallon drinking water reservoir and pump house that serves the City's water utility system is located here, along with the City-owned and maintained A.R.C. Lake Park.
- None, though it may be desirable to physically join City-owned property here (A.R.C. Lake Park and reservoir for City water system) with the rest of the City.
- It may also be desirable for the community to gain City law enforcement services in this area due to the lower response times and the presence of the middle school, trails and other recreational opportunities.

City's Ability to Provide Services

- No taxable sales and very little taxable real property value exist here, offering the City very few resources for additional services. However, additional service needs are also expected to be low. The City would assume responsibility for law enforcement services, though KPB would likely continue maintaining the roads.

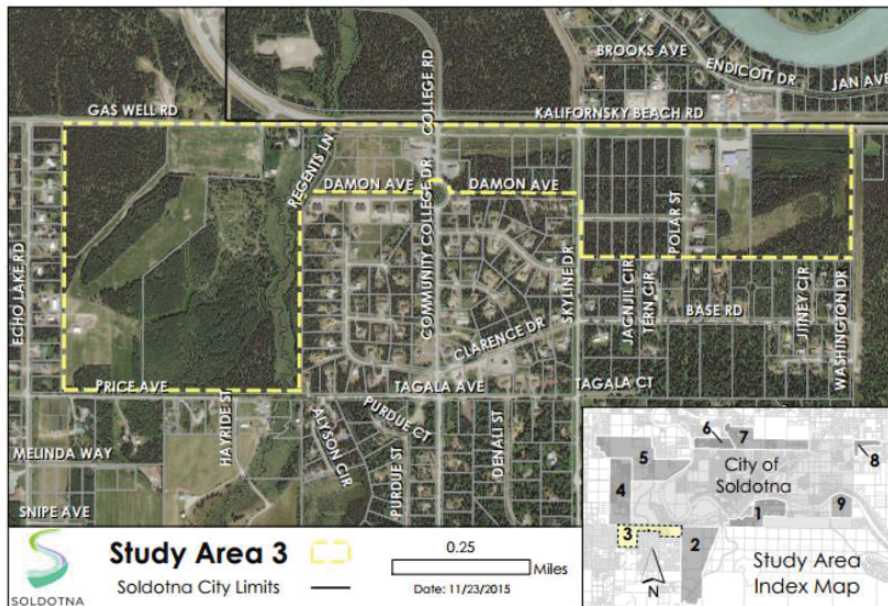


SOLDOTNA

FACT SHEET

K-Beach South

Annexation Study Area 3



Who's in the K-Beach South study area?

Number of residents in 2015: **40**

Projected new residents by 2030: **178**

Current number of businesses: **[X]**

Unique Features of this Area

Area Characteristics

- K-Beach is a main commercial corridor, with the north side in City limits and the south side out.
- Large undeveloped lots here are close to downtown Soldotna, some literally across the street.
- Agricultural land is located on the western end of the study area.

Key Considerations

- City water and sewer are currently installed on the north side of K-Beach up to Chugach Drive and across to the south side to serve Cook Inlet Academy and for the City's water storage tank at Tsalteshi Trails.
- Businesses across the street from one another follow different regulations, making development of this area challenging.

City's Ability to Provide Services

- This area offers strong resources to help provide City services. As stated in the fiscal study, "Fiscal effects are projected to grow from \$4,800 in 2015 to over \$144,000 by 2030. By 2030, the area is estimated to generate \$1.54 in revenue for every \$1 in expenditures." Additionally, "Current real taxable [property] value in K-Beach South (3) is estimated at \$2.9 million. Significant development is projected to increase real taxable [property] value to over \$16 million by 2030."

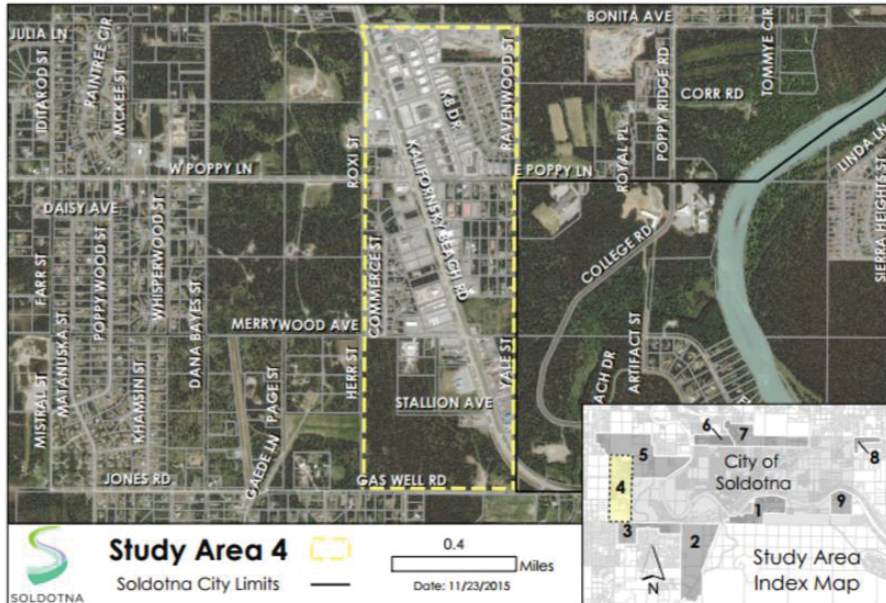


SOLDOTNA

FACT SHEET

K-Beach Central

Annexation Study Area 4



Who's in the K-Beach Central study area?

Number of residents in 2015: **494**

Projected new residents by 2030: **113**

Current number of businesses: **[X]**

Unique Features of this Area

Area Characteristics

- K-Beach Central, which has grown rapidly, contains a large amount of developed commercial land and a large number of residential parcels.
- A 90-acre undeveloped parcel on south end of study area offers potential new development.
- This area is very close to Kenai Peninsula College and K-Beach Elementary, which are inside City limits.

Key Considerations

- City services are not currently provided here, though a representative from a residential subdivision in the northern part of this study area previously approached the City Public Works Director and City Council to see if the City could assist in resolving their water quality issues (arsenic levels exceed allowable levels for a community well). They have requested that the City apply for and pass through a grant, or possibly extend City water from where it terminates at Kenai Peninsula College, to the subdivision.
- Some see the commercial corridor here as less attractive, which can limit business activity, especially from tourists.

City's Ability to Provide Services

- This area offers strong resources to help provide City services. As stated in the fiscal study, "Fiscal impacts are projected between \$265,400 and \$350,200 annually—generating \$1.46 in revenue for every \$1 in expenditures by 2030." Additionally, "Taxable real property [value] is expected to increase 19 percent—from \$68 million in 2015, to over \$83 million in 2030."

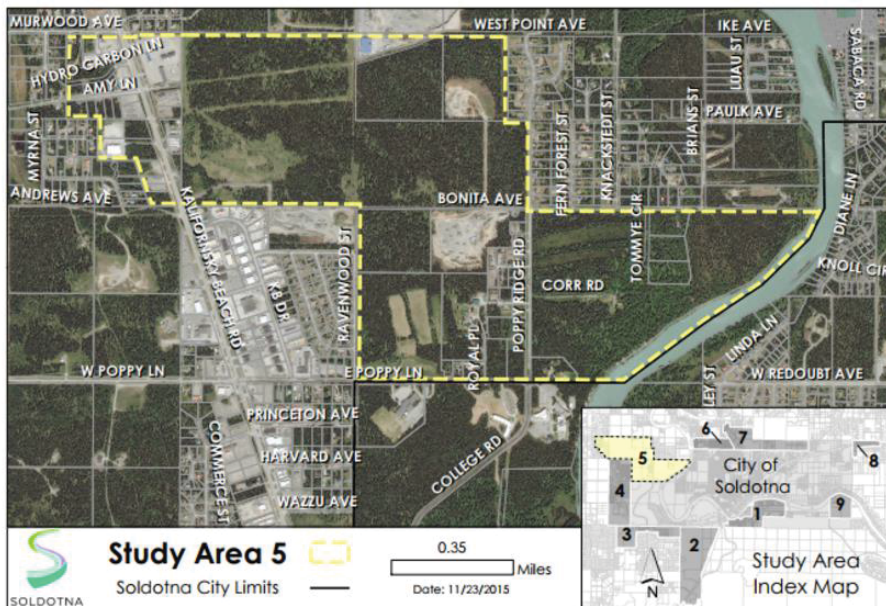


SOLDOTNA

FACT SHEET

K-Beach North

Annexation Study Area 5



Who's in the K-Beach North study area?

Number of residents in 2015: **111**

Projected new residents by 2030: **56**

Current number of businesses: **[X]**

Unique Features of this Area

Area Characteristics

- K-Beach North is largely undeveloped land - two-thirds privately owned and the rest owned by KPB. The area is largely residential, though crossing a small section of Kalifornsky Beach Road corridor. Significant residential and commercial development is possible here.
- This area borders the Kenai River to the east.

Key Considerations

- As the area develops, City regulations may help to protect the health of the river and foster its economic and recreational benefits. Landowners would be subject to these regulations.

City's Ability to Provide Services

- A small positive fiscal impact on the City is identified initially, though as population increases, the fiscal impact is estimated to decrease due to the expected increase in services and few areas coded commercial land. This could change if commercial development were to increase here.

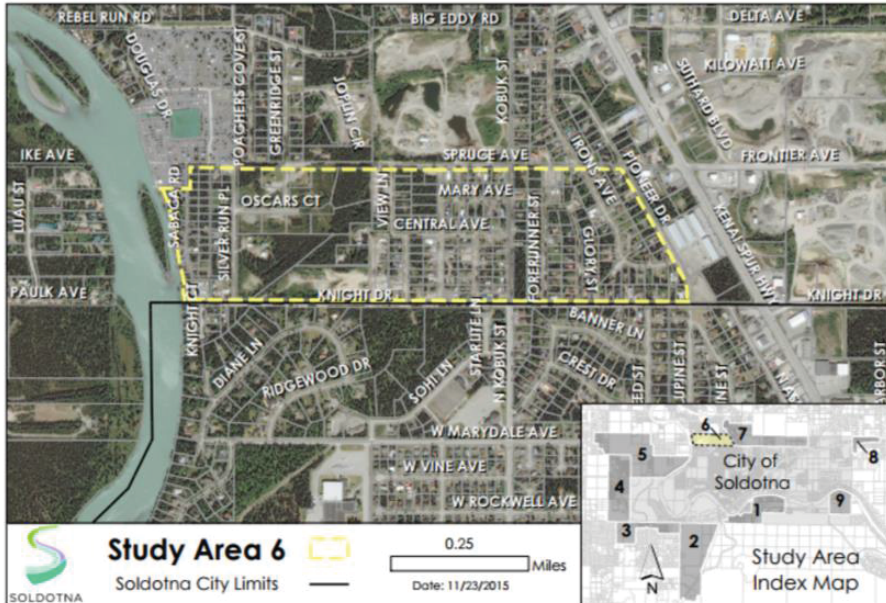


SOLDOTNA

FACT SHEET

Knight Drive

Annexation Study Area 6



Who's in the Knight Drive study area?

Number of residents in 2015: **268**

Projected new residents by 2030: **15**

Current number of businesses: **[X]**

Unique Features of this Area

Area Characteristics

- This area is largely residential and mostly developed. It is similar in density and development pattern as the City, though not subject to residential building codes, animal control, City street infrastructure (like paving and sidewalks), public nuisance or junk vehicle codes.
- The area contains a small amount of Kenai River frontage.

Key Considerations

- There have been complaints about water quality in this area. Many homes on small lots are currently served by private septic systems. Replacement systems will be required eventually, and finding adequate separation distance may be difficult. The provision of City sewer service could help if this becomes an issue.

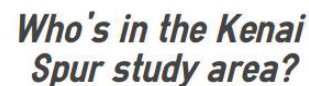
City's Ability to Provide Services

- The fiscal impact study found: "The low concentration of commercial development in Knight Drive (6), combined with a large existing population result in a significant negative fiscal effect—between -\$215,000 and -\$223,000 annually—generating \$0.42 in revenue for every \$1 in expenditure."



Kenai Spur

Annexation Study Area 7



Number of residents in 2015: **53**

Projected new residents by 2030: **6**

Current number of businesses: ?

Unique Features of this Area

Area Characteristics

- This area along the Spur Hwy is considered one of the “gateways” into Soldotna, one of two access points from Kenai. It is almost entirely privately owned and contains many commercial properties. Commercial development starts approximately ¾ mile outside the City.
- This area also includes industrial land uses, such as gravel pits, warehousing/storage yards, and sewage lagoons, along with a large area of vacant land east of the Spur.

Key Considerations

- Some properties here are served by City water and sewer, including a large commercial strip mall and storage unit along the highway.
- One of the businesses located here is the only marijuana retailer in the area. KPB currently allows retail marijuana sales, but the City does not. The City's 2-year moratorium on marijuana businesses is set to expire on January 1, 2018.

City's Ability to Provide Services

- The Kenai Spur study area provides both a sales tax base and room for future development/growth. The fiscal study reports, "The area is projected to have the largest positive fiscal effect on Soldotna, ranging between \$430,000 and \$483,000 annually between 2015 and 2030. By 2030, the area is estimated to generate \$4.50 in revenue for every \$1 in expenditures. Real property taxable value is projected to grow from \$17.2 million to \$19.1 million."

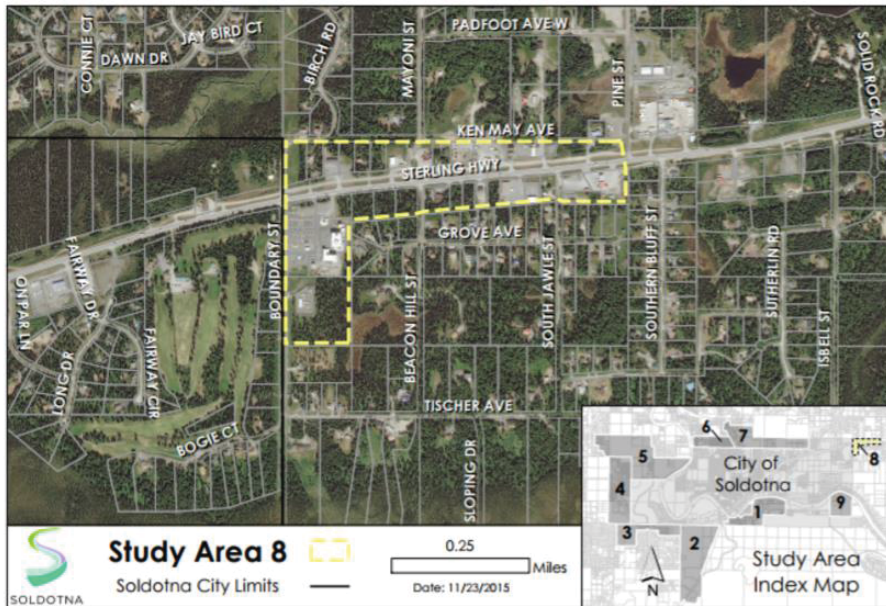


SOLDOTNA

FACT SHEET

Sterling Hwy

Annexation Study Area 8



Who's in the Sterling Hwy study area?

Number of residents in 2015: 15

Projected new residents by 2030: 0

Current number of businesses: [X]

Unique Features of this Area

Area Characteristics

- This small area along the Sterling Hwy is a "gateway" into Soldotna from the north. Land use is primarily commercial, and future development has the potential to continue sprawling in this area and beyond if it isn't intentionally planned.

Key Considerations

- Unlike other heavily commercial areas, City water and sewer infrastructure is not available here, and expansion into this area has not been planned.

City's Ability to Provide Services

- According to the fiscal study, "Sterling Hwy (8) contains the largest portion of commercially developed land and is projected to generate the highest ratio of revenues to expenditures, with \$8.30 in revenue generated for every \$1 in expenditures."

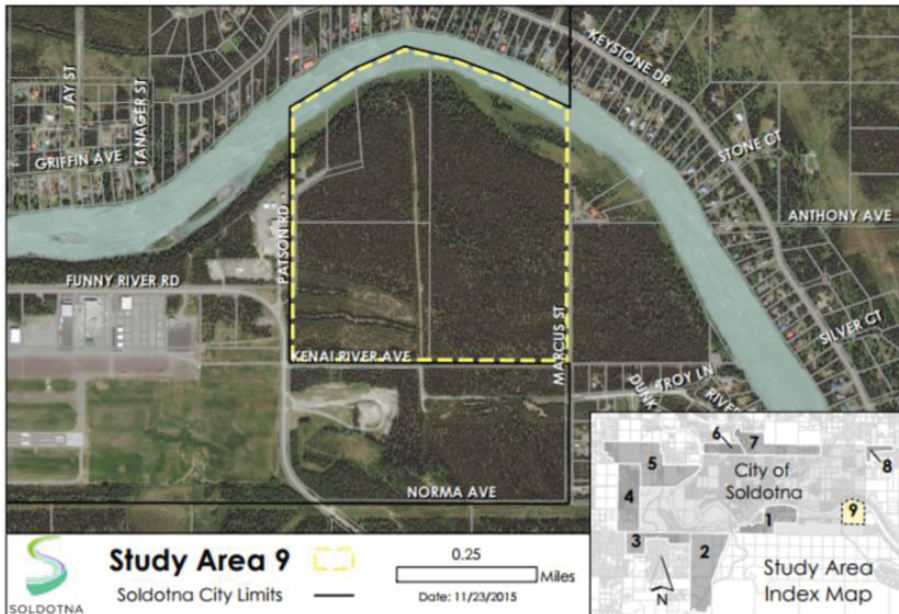


SOLDOTNA

FACT SHEET

Funny River West

Annexation Study Area 9



Who's in the Funny River West (9) study area?

Number of residents in 2015: 2

Projected new residents by 2030: 0

Current number of businesses: [X]

Unique Features of this Area

Area Characteristics

- This small area is on the Kenai River and surrounded on three sides by the City. It is half privately owned and half owned by the State. It is currently developed exclusively for residential use on private land.

Key Considerations

- Being adjacent to the airport, it is also very near (less than 500 feet) from existing water and sewer services that currently extend to the eastern-most portion of the airport.
- Because it is a kind of "island," bordered on three sides by the City, addressing issues may affect emergency service response times, delivery of parcels/packages, etc.

City's Ability to Provide Services

- According to the fiscal study, "Funny River West (9) contains no taxable sales and very little real property taxable value. The area contains two residents and is unlikely to have a significant fiscal effect on the City of Soldotna."

APPENDIX C: EXTENDED² INTERVIEW SUMMARIES

Interview 1: Business Manager in Study Area 3

This business manager pointed to the increase in sales tax they would need to apply to sales as the biggest problem, saying it “makes us less competitive.” This business is hooked to the city sewer system but happily uses own well.

Questioning the city’s motivation for annexation, this manager asked, “If you’re not looking for tax dollars, what’s the point?” This manager also wanted to know more specifics about what that area was selected for study and wanted clarification on how “gateway” is defined, saying, “People come for the river.” That is the important gateway in this person’s mind.

This person also noted fearing that annexation may cost city, which may in turn raise taxes down the road.

Finally, this person shared that study area 2 could be reasonable to annex, saying, “Nobody cares about study area 2.”

Interview 2: Business Owner in Study Area 3 and in City

Key issues for businesses in this area is paving, landscaping and signage requirements. These make sense for commercial core of city but not in this study area, according to this business owner. Building permit costs are also an issue, citing borough cost of \$800 for a permit versus \$6,000 for a city permit. This is a major issue if the business needs to expand or build – possible barrier to business development.

During last annexation, this business owner canvassed every business in the area, found that they didn’t want to be annexed and had them sign onto opposition letter. The City Council pursued annexation anyway (until mayor’s veto), and that made a lot of people angry.

This owner wishes the city would reevaluate its plan, stepping back and asking: why is annexation really needed? Thinks the city should be prepared to annex when asked but not actively pursue it on its own. If asking the people what they think, this owner asserts that the city should “respect the answer you get.” This statement was immediately followed by, “They never listen.”

“People don’t want to see the city keep expanding,” this owner said, claiming that the most attractive buildings in city are city-owned, and people who are struggling don’t like it.

This owner does think that the properties along Funny River Road could reasonably be annexed since they are mostly already hooked up to city utilities.

² Additional brief intercept interviews were conducted as a check on consultant thinking about formal input due to low formal participation counts. These interviews were not recorded, but they consistently reinforced input in formal engagement opportunities.

Interview 3: Business Managers in City/City Residents

First reached to discuss potential of holding informal intercept interviews at this business, the managers agreed to participate in an interview on their perspectives. These managers said that they weren't concerned about annexation – either for the business or as residents. After exploring the range of potential impacts, they said they didn't care for themselves as they couldn't see any meaningful positive or negative impacts on them, but they were aware of and understood the people who did not want to be annexed.

Interview 4: Business Owner in Study Area 7

This business owner is adamantly against annexation, viewing it as an effort to get more money and a disrespectful disregard of the area's diversity. This owner consciously chose to site the business in an unincorporated location to avoid another layer of government and the additional regulations that would be imposed. Concerns about the regulations include the cost of permitting and paving, signage and landscaping requirements. This owner cannot see any value in becoming part of the city, saying that they handle issues on the property themselves (no need for higher level of law enforcement services) and that there is no need for city water or sewer. With increased costs imposed on the business and no perceived value/benefits of annexation, it is seen as an act of greed by the city.

Interview 5: Study Area (Unknown) Residents (Married Couple)

This couple had a lot of questions about how annexation might impact them. While discussing those issues, it became apparent that their underlying concern was about being able to live life free from another layer of government. They want to be able to do what they want on their property. Specific concerns were about building codes, but there were others as well, such as leash laws. When asked if they would be ok with annexation if the city did not impose some of those regulations in their area, they said no. They don't trust the city to do what it says it will do, and they cited a few specific examples of why they do not trust the city. Also, when asked if any of the higher service levels that the city offers were of interest to them (such water and sewer and law enforcement), they indicated that these are not things that they value. They are happy with their septic and well, and they don't think that government should be offering some of the services that the city does and doesn't want to pay for them.

During the interview, they indicated that one of them would be attending an open house to learn more about some of the potential impacts, including whether or not they would be required to switch to water and sewer. Regardless of what they learn though, they are not certain that they can trust any of the information - whether from city staff or elected officials - and they indicated that they would sell their house if their area was annexed.

Interview 6: Business Owner in Study Area 8

This business owner could not understand why the city wants to expand into this area. The gateway rationale was not compelling. The owner could only see negative impacts to sales due to additional city

sales tax with no potential benefits like an increase in customers. This effort is experienced as a “money grab” by the city at the expense of local businesses.

Interview 7: Property/Business Owner in Study Area 4

This property owner is working to build business on property and worries that it won’t be feasible with additional city regulations and taxes. Annexation study feels like an attack. This person believes that annexation would be a serious impediment to efforts to make a living.

Interview 8: Study Area, City and Other Residents (Group of Neighbors)

This group interview was a follow-up to annexation discussions in which they had already participated, particularly regarding one participant’s prior comment that “this is war.” During this interview, participants talked about the genuine fear and pain they experience around the potential that they will lose their land, believing that the city would take their land for development of big box stores if annexed. They heard Mark Dixon, city manager at the time, share his interest in preserving agricultural land like theirs, but they weren’t certain they could believe it because they hadn’t heard any recognition before that they, their agricultural properties, their way of life and what they contribute to the community are all important.

Trust in the city is very low among this group of community members, even by the family member who was present and lives in the city. They believe that the city will “come at us” again and again until the city has seized their land. All of these neighbors said they would be able to set aside their trust issues – giving the city a chance to prove itself – and work collaboratively with the city, borough and others if they were given a meaningful way to participate in community planning from the very beginning. They also believed more people would get involved in a discussion about the community’s future and how to deal with growth and other issues if they had a meaningful way to participate from visioning through strategy development and implementation, even if it meant a lot more time spent in community discussions. They just don’t want to see annexation posed as a possible solution (especially to a problem that is not well defined) without a more intentional effort to collaborate with the city’s neighbors in development of an area-wide vision and plan that could be implemented by the city, the borough and others in the greater community.

21

Introduced By:	City Manager
Date:	November 9, 2016
Public Hearing:	December 14, 2016
Action:	Enacted as Amended
Vote:	6 Yes, 0 No

CITY OF SOLDOTNA
ORDINANCE 2016-032

AN ORDINANCE INCREASING ESTIMATED REVENUES AND APPROPRIATIONS BY \$50,000 IN THE GENERAL FUND AND \$50,000 IN THE SMALL CAPITAL PROJECTS FUND TO INITIATE A PUBLIC ENGAGEMENT PROCESS TO CONTINUE TO EXPLORE THE NEED AND FEASIBILITY OF ANNEXING ADJACENT AREAS INTO THE CITY OF SOLDOTNA

WHEREAS, the City's Comprehensive Plan, Envision Soldotna 2030, contains a high-priority goal to explore the potential for annexation as a way of promoting orderly development, cost-effective extension of public services, protection of the City's sales tax base, and protection of the natural environment (Envision, pg. 81); and

WHEREAS, the City hired Northern Economics to conduct a fiscal impact analysis, to estimate the cost of delivering municipal services to areas outside the current city limits, and evaluate whether revenue generated in those areas would be sufficient to cover the costs; and

WHEREAS, the results of the fiscal impact analysis were presented to the City Council during a work session on June 22, 2016 and discussed with the public at an open house on June 30, 2016; and

WHEREAS, prior to making a decision about whether to proceed with annexation, the City wishes to engage the public to share information about the process, identify issues and concerns from potentially impacted residents and business owners, and identify solutions to mitigate items of concern; and

WHEREAS, it is in the best interest of the City of Soldotna to appropriate \$50,000 for the purpose of entering into a contract with a public engagement consultant to facilitate the public input process;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOLDOTNA, ALASKA:

Section 1. That estimated revenues and appropriations be increased as follows:

General Fund:

Increase Estimated Revenues:	
Appropriation of Fund Balance	\$50,000
Increase Appropriations:	
Transfer to Capital Projects	\$50,000

Small Capital Projects Fund:

Increase Estimated Revenues:	
Transfer from General Fund	\$50,000
Increase Appropriations:	
Annexation Analysis Research	\$50,000

Section 2. The administration shall develop a request for proposals, for the purpose of soliciting bids from qualified consultants to assist in designing and implementing the public engagement process;

Section 3. The process shall include the following general areas (shown on the attached map):

Study Area 1 – Funny River West;

Study Area 2 – Skyview / Tsalteshi;

Study Area 3 – K-Beach South;

Study Area 4 – K-Beach Central;

Study Area 5 – K-Beach North;

Study Area 6 – Knight Drive;

Study Area 7 – Kenai Spur;

Study Area 8 – Sterling Highway;

Study Area 9 – Funny River East.

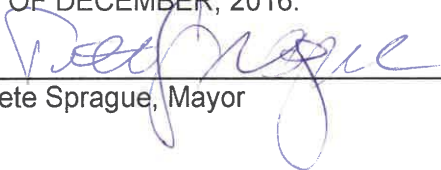
Section 4. The public engagement shall, at a minimum, include:

- a. Meeting with residents, landowners, and business owners in the study areas identified above, to identify concerns and potential benefits of incorporation into the City;
- b. Meeting with City residents and business owners to discuss area growth and development, and how potential annexation could impact existing residents and businesses inside the City;
- c. Collecting and sharing factual information about the annexation process;
- d. Working with area residents to identify solutions and resolve concerns;

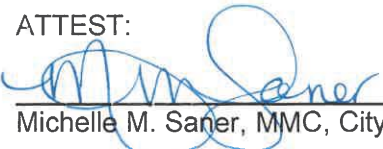
Section 5. The results of the process, including documentation of public comments received, issues identified and researched, and any follow-up recommendations made, will be shared with the City Council and the public when completed.

Section 6. This ordinance shall become effective immediately upon its enactment.

ENACTED BY THE CITY COUNCIL THIS 14TH DAY OF DECEMBER, 2016.


Pete Sprague, Mayor

ATTEST:


Michelle M. Saner, MMC, City Clerk

Yes: Whitney, Daniels, Cox, Cashman, Murphy, Parker

No: None

TO: MARK DIXSON, CITY MANAGER
THROUGH:
FROM: JOHN CZARNEZKI, CITY PLANNER *jc*
STEPHANIE QUEEN, DIR. OF ED+P *SQ*
DATE: NOVEMBER 1, 2016
SUBJECT: ORDINANCE 2016-032, ANNEXATION PUBLIC INPUT PROCESS

The City's comprehensive plan contains a high priority goal to "explore annexation to promote orderly high-quality development, cost-effective extension of public services, protection of the City's sales tax base, and protection of the natural environment" (Envision Soldotna 2030, April 2011, pg. 57). Ordinance 2016-032, if enacted, would direct the administration to take the next step in evaluating the need for (and feasibility of) annexation, by initiating a public engagement process. This memo summarizes recent work completed to date, as well as steps the Council may consider moving forward.

In 2014, the City formed an advisory committee that met several times to discuss the need to pursue annexation. The group produced "statements of consensus" which recognized existing demographic, social, economic, and physical trends that are shaping our community. The document also presented several suggestions for moving forward with the process, including the need to study the financial implications annexation could have on the city, and the need to engage the public early in the process.¹

In April 2015, the administration brought forward an ordinance which incorporated these suggestions. We proposed a fiscal impact analysis, to understand the costs of delivering municipal services over a larger geographic area, as well as a public input process to provide residents, business and land owners a way to get information, provide comments, share concerns, and identify issues which may need to be explored further.

Rather than doing both at the same time, the City Council appropriated funds and authorized the fiscal impact analysis first (Ordinance 2015-018, May 2015). The City entered into a contract with Northern Economics, to develop a model to estimate the cost of providing city services to nine distinct areas adjacent to the City. The project team also estimated the amount of revenue to be generated within each area, to evaluate whether it was sufficient to cover anticipated costs. The results of the study were presented to Council and the public in June, 2016, and are available on the City's website.

¹ This document, along with other reports, frequently asked questions, maps, etc. is available on the City's website at: www.Soldotna.org/annexation.

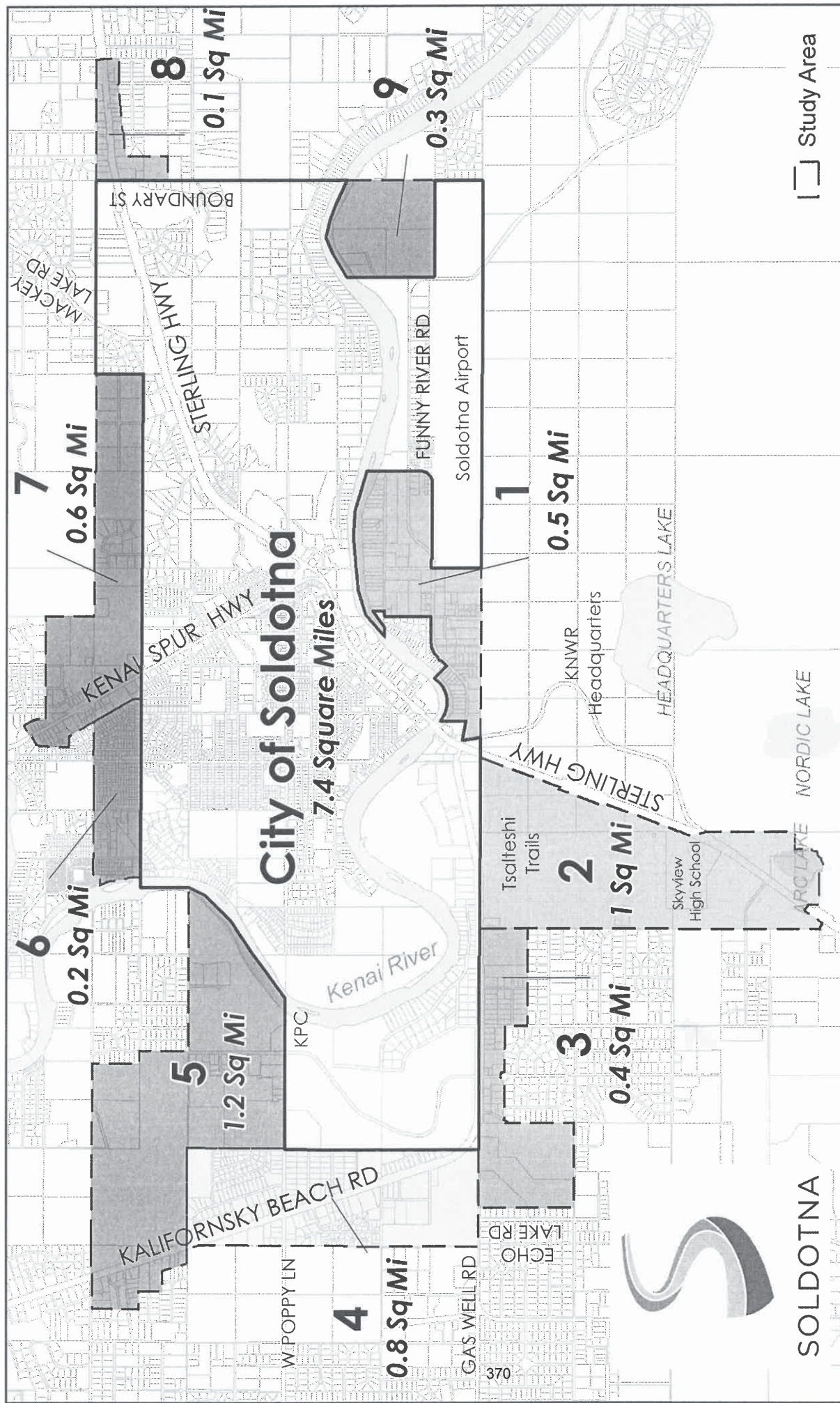
The next step, should the Council wish to continue exploring annexation, would be to initiate a robust public input process. Ordinance 2016-032 would appropriate funds, for the purpose of entering into a contract with a consultant skilled in public engagement and meeting facilitation. The consultant would assist in both designing and implementing a process to achieve broad public input not only in the areas being considered for annexation, but among City residents as well. Specifically, the process would aim to identify public concerns and comments, and explore solutions and ways to resolve issues. It would also provide an opportunity to research and provide factual information on the annexation process. Periodic progress reports would be presented to the council throughout each phase of the process, and a final presentation of the findings would be presented at the conclusion.

Section 2. of the ordinance lists nine geographic areas that were evaluated as part of the fiscal analysis. The proposed budget of \$100,000 was intended to provide for public engagement in all of them. The Council may choose to amend that section to remove particular areas you feel no longer warrant consideration. Should the ordinance ultimately be adopted with a narrower scope, we would work to ensure the eventual public engagement contract reduced the budget and scope accordingly.

Upon completion of the public input phase, the City Council would again have an opportunity to decide whether to continue the annexation process. This could include taking steps to adjust codes or policies based on issues identified through the public involvement process, directing the administration to develop and file a petition with the Local Boundary Commission, or directing the administration that no further action is necessary.

At this time, we seek your direction as to whether the Council wishes to continue exploring annexation. Ordinance 2016-032 was drafted for your consideration, and would direct the administration to continue gathering information and begin engaging the public about this topic.

For any of the documents mentioned in this memo, as well as more detailed information on the annexation process to date, please see the City's webpage devoted to annexation at: <http://soldotna.org/annexation>.



Prepared By:

Source Data: City of Soldotna GIS, KPB GIS
 Map Produced By: Alaska Map Company, LLC
 Date: 11/19/2015



1 Miles

Study Area Map

2015 Soldotna Annexation Study

Introduced By: City Manager
Date: May 10, 2017
Action: Adopted
Vote: 5 Yes, 0 No, 1 Absent

CITY OF SOLDOTNA
RESOLUTION 2017-015

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT WITH THE ATHENA GROUP, LLC IN THE AMOUNT OF \$49,750 FOR PROFESSIONAL SERVICES ON THE ANNEXATION PUBLIC ENGAGEMENT PROJECT

WHEREAS, the City recently advertised and solicited proposals for professional services for the Annexation Public Engagement Process; and

WHEREAS, four proposals were received for this project; and

WHEREAS, an evaluation review committee found that Athena Group, LLC submitted the highest ranking proposal; and

WHEREAS, it is in the best interest of the City of Soldotna to award the professional services contract for the Annexation Public Engagement project to the Athena Group, LLC;

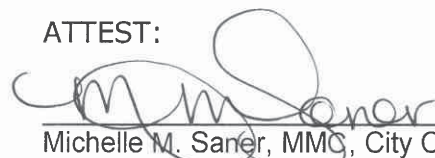
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOLDOTNA, ALASKA:

Section 1. The City Manager is hereby authorized to execute a contract with The Athena Group, LLC for Professional Services for the Annexation Public Engagement Project in the amount of \$49,750, and execute any subsequent change orders according to SMC which are reasonable and necessary to effectuate the intent and purpose of the project.

Section 2. This resolution shall become effective immediately upon its adoption.

ADOPTED BY THE CITY COUNCIL THIS 10TH DAY OF MAY, 2017.


Pete Sprague, Mayor

ATTEST:

Michelle M. Saner, MMC, City Clerk

Yes: Cox, Cashman, Murphy, Whitney, Daniels
No: None
Absent: Parker



SOLDOTNA

Economic Development + Planning

MEMORANDUM

TO: MARK DIXSON, CITY MANAGER
FROM: STEPHANIE QUEEN, DIR. OF ED+P DEPARTMENT SQ
THROUGH:
DATE: MAY 1, 2017
SUBJECT: AWARD OF CONTRACT FOR ANNEXATION PUBLIC ENGAGEMENT

The Planning Department formally solicited and received proposals for professional services on the Annexation Public Engagement project. The request for proposals was published in the Peninsula Clarion and Anchorage Daily News on March 8th, 12th, and 16th. Proposals were received on the due date of April 7th, and were ranked in the following order by an evaluation review committee:

<u>Rank</u>	<u>Firm</u>
1	<u>The Athena Group, LLC</u>
2	<u>Denali Daniels & Associates, Inc.</u>
3	<u>Agnew::Beck Consulting</u>
4	<u>Sikorski Consulting</u>

The committee used the following criteria and relative weights in evaluating each proposal and making their recommendation:

Overall project approach and understanding	40%
Qualifications and team experience	35%
References	15%
Project Cost	10%

The scope of work includes designing and implementing a public engagement process to further the City's goals of engaging area residents in a discussion about the potential for future annexation. Primary objectives include: implementing an open and inclusive process to meet with residents, landowners, and business owners in Soldotna and in the nine study areas to hear and discuss concerns about annexation; collecting and sharing factual information about annexation issues; working with local residents to develop ideas about ways to resolve annexation issues; and reporting findings back to the City Council and the public.

The evaluation committee recommends award of the Annexation Public Engagement Process contract to the highest ranking proposal submitted by the Athena Group, LLC for the amount of \$49,750.