







SUBJECT: Award of proposal number 23-110P Land Use Fiscal Analysis & Comprehensive Plan Support to TischlerBise, Inc. for the contract amount of \$104,968.00.

AGENDA OF: August 1, 2023

ASSEMBLY ACTION: Approved under the consent agenda 08/01/23 - SP

AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To:	Signature
Purchasing Officer	X  Signed by: DUSTIE SILVA 7/31/2023
Planning Director	X  Signed by: Alex Strawn 7/20/2023
Finance Director	X  Signed by: Liesel Weiland 7/20/2023
Borough Attorney	X  Signed by: Nicholas Spiropoulos 7/20/2023
Borough Manager	X  Signed by: Michael Brown 7/20/2023
Borough Clerk	X  Signed by: Sonya Pevanfor 7/20/2023

ATTACHMENT (S) : Fiscal Note: Yes X No _____
 Analysis Sheet (1p)
 Scope of Services (6p)

SUMMARY STATEMENT: On May 17, 2023, the Matanuska-Susitna Borough Purchasing Division issued a solicitation requesting Proposals from qualified firms to provide a land use fiscal analysis and to provide general support during the Borough-wide Comprehensive Plan update process. Services purchased will support the Planning Department in all assembly districts.

In response to the advertisement, two proposals were received. A proposal evaluation team made up of Borough Planning staff evaluated the proposals and selected TischlerBise, Inc. as the most advantageous firm for the Borough.

The final completion date for this project is July 30, 2024.

In accordance with MSB 3.08.170(B), Administration requests authority to modify the resulting contract completion date by 90 days for unforeseen circumstances.

The Planning Department, Planning Division will be administering the contract.

RECOMMENDATION OF ADMINISTRATION: Approve the subject action memorandum.

MATANUSKA-SUSITNA BOROUGH

FISCAL NOTE

Agenda Date: August 1, 2023

SUBJECT: Award of proposal number 23-110P Land Use Fiscal Analysis & Comprehensive Plan Support to TischlerBise, Inc. for the contract amount of \$104,968.00

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT YES NO
AMOUNT REQUESTED \$104,968.00	FUNDING SOURCE Misc. Capital Projects
FROM ACCOUNT # 480.000.000 4XX.XXX	PROJECT # 47520 & 47052
TO ACCOUNT :	PROJECT #
VERIFIED BY: _____ X M e r i s s a C a r r e l l Signed by: M e r i s s a C a r r e l l	CERTIFIED BY:
DATE:	DATE:

EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL	104.97					
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REVENUE						
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FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	104.97					
TOTAL	104.97					

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

PREPARED BY: _____ PHONE: _____

DEPARTMENT: _____ DATE: _____

APPROVED BY: X L i e s e l W e i l a n d

S i g n e d b y : L i e s e l W e i l a n d DATE: _____



MATANUSKA-SUSITNA BOROUGH

Purchasing Division

350 East Dahlia Avenue • Palmer, AK 99645

Phone (907) 861-8601 • Fax (907) 861-8617

purchasing@matsugov.us

www.matsugov.us

Notice of Apparent Successful Proposer

Solicitation Number & Title: 23-110P Land Use Fiscal Analysis & Comp. Plan Support

7/11/2023

The apparent successful proposer in response to the aforementioned solicitation is identified below.

	Total	Objectives and Services	Relevant Project Experience	Proposed Project Staff	Methods	Management	Fee Proposal
Supplier	/ 100 pts	/ 15 pts	/ 13 pts	/ 12 pts	/ 10 pts	/ 10 pts	/ 40 pts
TischlerBise, Inc.	86.57 pts	13 pts	12.13 pts	12 pts	7.333 pts	8 pts	34.11 pts (\$104,968.00)
Leland Consulting Group	86.4 pts	12 pts	8.667 pts	10.4 pts	8 pts	7.333 pts	40 pts (\$89,500.00)

Two responsive firms responded to this solicitation, TischlerBise, Inc. has been determined to be the most advantageous for the Matanuska-Susitna Borough. Award will be made in accordance with MSB Code 3.08.260 F.

Pursuant to MSB 3.08.342, entitled Bid Protest and Appeal Procedures, you have the right to protest the purchasing officer's determination of apparent successful bid or proposal. Within two days of service of this notice, a bidder who wishes to protest the determination shall lodge a protest with the purchasing officer. Full text of the protest and appeal procedures, as well as the protest form, can be downloaded from the Borough's web site at www.matsugov.us, selecting "Services", then selecting "Forms" under Forms and Documents, then selecting "Purchasing Forms". A copy can also be obtained by contacting the purchasing division at (907) 861-8601.

Should you have questions regarding this determination, please do not hesitate to contact the MSB Purchasing Department at 907-861-8601.

Sincerely,

Rustin M. Krafft
Purchasing Director

SCOPE OF SERVICES

23-110P, LAND USE FISCAL ANALYSIS & COMP PLAN SUPPORT

Project Overview

There are two facets to this scope of work: a land use fiscal analysis, and general support during the Borough-wide Comprehensive Plan (Comp Plan) update process.

The purpose of this request is to find a consultant that can provide both one-on-one support for the MSB planner during the Comp Plan update process, as well as execute a land use fiscal analysis that will help the Matanuska-Susitna Borough (MSB) answer this question: **Can the MSB outgrow its problems?**

The goal of this project is to use a fiscal analysis as the foundation for the Comp Plan update. Through the Comp Plan planning process, staff will use the fiscal analysis to facilitate conversations with MSB elected officials, managers, and staff about how land is currently used, what can be done to improve development and business investment, and ultimately gauging the community's willingness and ability to pay for services and infrastructure maintenance/replacement. Planning staff is seeking not only a final report, but guidance on how to use the findings to help develop policy that will help protect the quality of life for MSB residents while planning for sustainable development over time. Once adopted, the comprehensive plan will be a tool used by Borough staff and the Assembly to make policy decisions that align with the long-term vision and goals of the organization and residents.

The MSB anticipates the magnitude of this project to be less than \$100,000.

Timeline

All work to be completed by July 30, 2024.

Helpful Information and Background

Demographics and Regional Information

The Matanuska-Susitna (Mat-Su) geographical area includes approximately 25,000 square miles of land. The Mat-Su has been inhabited for millennia, beginning with the Dena'ina and Ahtna Athabascans, and expanding to settlers throughout the 19th and 20th centuries. The Mat-Su encompasses glaciers, rivers, wetlands, hills, mountains, lakes, farmland, and forests, and hosts a vast array of natural resources that continue to bring people to the region to live, work, and play. The Mat-Su Borough (MSB) consists of twenty-five communities, including three cities—Houston (second-class city), Palmer (home-rule city), and Wasilla (first-class city). The remaining twenty-two communities are classified as Census Designated Places. Current census data shows that the MSB has a population of 111,000. The Mat-Su continues to be the fastest-growing borough in Alaska, with a projected 38% population increase by 2050 (DOL&WD).

Governance

The MSB is a second-class borough with a strong manager-Assembly form of governance, with an elected Mayor. The Assembly controls the power to adopt legislation, implement policy, and guide land use, however the mayor does have veto power. The Assembly is advised through the Planning Commission, Platting Board, the MSB Manager, staff, and several advisory boards. The MSB acts through powers given to it by state legislation (e.g., taxation, education, and planning and land use), as well as other powers received through ballot initiatives (e.g., regulating activities on waterbodies). The MSB does not have road powers, which means that to buy right-of-way or even design a road, the voters must approve it first.

MSB Revenue

The revenue in the MSB is divided primarily between areawide and non-areawide taxes. An areawide tax means that it is levied borough-wide, regardless of being located within city limits or not. The Areawide Fund is funded primarily by property taxes, but also includes funding like state and federal grants, and state pass through funding for schools. A non-areawide tax is levied within the MSB boundary, excluding all cities. Non-areawide taxes can be exercised in the entire boundary, such as vehicle registration tax, bed tax, and a tobacco excise tax, as well as being confined to neighborhoods and regions. For example, because the MSB does not have road powers, roads can be built using areawide funds only if the voters approve a bond package, otherwise, roads are improved and maintained through taxation in Road Service Areas (RSAs). This is also how fire service is paid for outside of city limits. The Borough has several enterprise funds, such as Land Management and Solid Waste, and those funds are directed back into the operations of those programs and services.

In 2022, MSB residents voted to adopt an increase in senior and veteran tax exemption. Up to \$150,000 of the assessed value may be exempt under the mandatory Senior Citizen/Disabled Veteran exemption program for qualified applicants. Up to \$114,000 of the assessed value may be exempt under the optional Senior Citizen/Disabled Veteran exemption program for qualified applicants. The senior population makes up about 14% of MSB residents and is expected to reach 17% by 2030. Approximately 15%, or 3 out of 20, of adult residents in the MSB are military veterans. That is among the highest in Alaska and 2.5 times the national average. This combination could potentially make it so that 20-25% of the MSB population pay significantly less toward property taxes, which is the main source of income for the Borough government. The most recent calculation by the MSB Finance Department shows the exemption decreasing MSB revenue by \$4,601,811 annually.

It should be noted that RSAs and FSAs are currently taxing at a rate that consistently leaves them underfunded, making it difficult to meet current needs such as timely snow plowing, paving roads, and maintaining bike and pedestrian facilities. On top of that, the MSB has one of the lowest staff to resident ratios in Alaska, making heavy work for employees who are trying to keep up with the needs of a growing community as budgets get tighter and tighter to cover essential services.

Zoning

The MSB has a controversial history with zoning and has never successfully adopted traditional Euclidean zoning. Current trends in municipal planning show rezoning as a major hurdle to improved housing options and economic development in cities and regions that adopted traditional zoning throughout the 20th Century. Because the MSB does not have the issue of retrofitting code to meet the standards of 2023, planning staff sees an opportunity to develop new policy that can have a positive impact on all MSB residents for years to come. Although residents have historically been hesitant to talk about the “z” word, through recent planning efforts, MSB planners now know that many residents, business owners, investors, and developers agree: If the MSB wants to foster economic development and be the best place to live, work, and play, then it must provide security and stability to potential investors and current property owners by proactively planning for compatible land uses.

The MSB platting process does not require the developer to disclose the intended use of a parcel. Since the MSB is zoned as “general use” everywhere that does not have specific regulations (like the Core Area or Special Use Districts), the Platting Division assumes that the use will be single family residential.

This has created many conflicts that lead to packed Assembly Chambers and hours of public testimony to protest a specific use, such as a gravel pit or a marijuana dispensary in a residential neighborhood. The combination of no zoning and not asking what developers are doing has also led to some very expensive mistakes like not protecting high-priority right-of-way for future transportation needs. This type of land management has created an organization that reacts to issues, rather than plans for mitigating conflicts.

With the recent urbanized area designation and the formation of a Metropolitan Planning Organization, there is increasing support for figuring out how the MSB can manage growth better inside the core urbanized area and protect the qualities of life that residents expect in the more rural areas. There are also new requirements with how the MSB manages stormwater, which will require developers to disclose development plans that show impervious surfaces and provide the intended use (because there are differing stormwater management requirements for a single family residential versus a car wash, for example). The MSB needs tools to better manage growth outside of the ones currently used (for more information on current zoning tools, see Title 17 of MSB Code). The fiscal analysis will support the conversation of guiding land use, and the one-on-one consulting time would help planning staff develop some tools to make sure that we are developing a sense of place, where subdivisions are neighborhoods and commercial and industrial properties exist where they can develop without major pushback from citizens, and health and security are top priority.

Development

In the words of Neal Fried, an economist for the State of Alaska, MSB's greatest export is housing. Approximately 37% of the MSB workforce is employed outside of the MSB. 28% of Mat-Su residents commute 35 miles to the south for employment in Anchorage, and 5% work on the North Slope Oil Fields. The MSB development pattern has historically been guided by single family residential on 1-5 acre lots. This is primarily due to the lack of water and sewer infrastructure. The Cities of Palmer and Wasilla provide water and sewer services within city limits, with an extension to the Mat-Su Regional Hospital campus that lies between the two cities. This means that development within MSB, but outside of city limits, requires homeowners to use individual wells and septic for their water and sewer utilities.

Wasilla acts as the commercial hub for the Borough, including all the large box stores in the MSB such as Target, WalMart, Sportsman's Warehouse, Home Depot, Lowes, and many others. Wasilla does not levy a property tax and uses their sales tax as the foundation for their operating budget. These large stores are some of the greatest contributors to the MSB areawide property tax. Wasilla and Palmer both operate with strict zoning regulations. However, development between Wasilla and Palmer is un-zoned and is mix of residential development and commercial and industrial uses. This development pattern has largely been unplanned, so there are many existing land use and transportation conflicts in this area between the two cities.

The land use fiscal analysis will be used in a way that helps staff and elected officials understand the consequences of how land is developed without planning for future costs and immediate pressures of growth. The MSB prides itself on being fiscally conservative. For example, the most recent transportation bond package is being paid for as it is built, instead of taking out a loan. While this is something the administration takes pride in, it is still unknown where maintenance and replacement costs factor into future budgets, and if the tax revenue from the existing and projected tax base will be enough to cover it.

Planning staff is looking to the consultant for common language to use so that these concepts are understood by residents, administration, and elected officials as we begin to have a conversation for the Comp Plan that is set within realistic expectations of constraints and tradeoffs, such as a citizen's willingness and ability to pay for more infrastructure.

Planning Framework

Alaska Statute says that second-class boroughs must regulate land use, and it says that boroughs must do so by developing a Planning Commission and a comprehensive plan and implementing that plan through land use regulations. Borough Code lays out topics to be discussed in the comprehensive plan and the specific powers of the MSB, and Department/Organization Policy directs the value system staff works within.

Comprehensive planning in Alaska is defined in three sections of Alaska Statute:

- 1. AS 29.40.020 *Planning commission.*** According to this section, the Planning Commission is charged with the duty of preparing and submitting a comprehensive plan “for the systematic and organized development of the borough.”
- 2. AS 29.40.030 *Comprehensive plan.*** This section defines comprehensive plan as “a compilation of policy statements, goals, standards, and maps for guiding the physical, social, and economic development, both private and public.” Comprehensive plans may include a land use plan, a plan for public facilities, a plan for transportation, and recommendations for implementation.
- 3. AS 29.40.040 *Land use regulation.*** This section describes using land use regulations as the implementation tool for the comprehensive plan. It states that, “in order to implement the plan, the assembly by ordinance shall adopt or amend provisions governing the use and occupancy of land that may include, but are not limited to, zoning and land use permit requirements.”

Strategic and Comprehensive Planning

The Assembly’s 2022 Strategic Plan recognizes “Preservation of qualities that attract people to live, work and play in the Mat-Su” as a measurable result of their strategic goals. The MSB comprehensive plan update will dive into the community issues that prevent those goals and develop an implementation plan that aims at reducing land use conflicts while promoting economic growth. The MSB Assembly has been experiencing an increase in land use conflicts that are historically dealt with on a case-by-case basis. The MSB uses conditional use permits as a reactionary tool, instead of planning for land uses through the platting process, land use mapping, and zoning. The Borough also spends time and resources every year in litigation over appeals on land use decisions.

Strengths of the Mat-Su Borough include a growing population, a skilled workforce, a growing healthcare sector, natural beauty, outdoor recreation, engaged communities, natural resources, choice of community based on your lifestyle preference (rural, urban, mountainous, agricultural, remote, etc.) and an abundance of scenic undeveloped land. These strengths are among the many reasons that the Mat-Su has seen such steady growth throughout its history. The strengths of the Mat-Su are seen differently through the eyes of each distinct community, but they should be represented broadly in the comprehensive plan to find common goals of maintaining the qualities of life that residents hold dear.

Weaknesses of the Mat-Su Borough include a reliance on jobs that are outside of the borough (primarily in Anchorage or on the North Slope oilfields), lower wages, few major private sector employers, stressed road infrastructure, high healthcare costs, high energy costs, and not being able to capture tourism dollars. MSB residents also experience high food costs and difficulties accessing local foods year-round, despite living in the agricultural heart of southcentral Alaska. These weaknesses provide insight into the challenges the MSB faces in the future, such as how to capture larger private sector employers so the MSB can start providing a robust local economy that celebrates the character and desires of residents, rather than just providing housing for people to work and play in Anchorage.

With every challenge comes an opportunity for a local government to adapt. Opportunities outlined in the Strategic Plan SWOT Analysis include the expansion of professional and technical services, improving transportation connectivity, increasing tourism, providing services for the aging population, zoning for commercial and industrial space, and promoting the Mat-Su as a destination for remote workers, young professionals, veterans, and retirees. These opportunities and more will all be discussed in the comprehensive plan. Acting on the opportunities from a land use and planning perspective will mean that the organization and Assembly are aligning future aspirations with current needs through decisions on infrastructure, programs, and policies.

Threats to the Mat-Su Borough that were named in the report include unmanaged growth, declining state and federal funding, decline in fisheries, increased land use conflicts, recurring disasters such as wildfires, and, maybe most importantly, a mistrust in government. Threats should be met with proactive steps to mitigate as much of the threat as possible. In the comprehensive plan, this will look like an implementation plan to meet our goals with action.

These strengths, weaknesses, opportunities, and threats are all directly related to how a local government comprehensively plans for regional growth that protects the quality of life of all residents. Through adopting this strategic plan, the MSB Assembly has made land use management, economic development, and delivering high-quality services the top priorities for the organization. The comprehensive plan is not just required by law – it is the plan that brings the Assembly’s 5-year strategic plan into the larger context of the MSB’s 20–25-year plan for effectively managing growth, supporting economic development and job creation, protecting affordable housing, creating standards for facilities and services, sustainably developing to protect the fisheries and tourism industries, all while mitigating land use conflicts.

Scope of Work

Comprehensive Plan Support

The MSB Planning Department is seeking a professional consultant to offer support to the Comprehensive Plan project manager throughout the planning process. The MSB has decided to develop its Comp Plan in-house but realizes that having an outside perspective and professional guidance on this planning effort would provide support to the project manager and bring in expertise where needed.

The deliverable for this portion of the proposal is centered around communication such as one-on-one phone calls or virtual meetings to help think through difficult issues, help brainstorm ideas, provide guidance on public outreach initiatives and materials, and other topics as needed throughout the process.

The MSB staff will be responsible for providing a reasonable amount of time for scheduling meetings to avoid a “drop-in” style of communication that can be disruptive and disrespectful to the consultant's obligations for other clients. Staff will also provide any materials they wish to have feedback on in a timely manner for review.

Fiscal Analysis

The MSB Planning Department is seeking a professional consultant to execute a borough-wide land use fiscal analysis.

The consultant deliverables for this portion of the proposal are:

1. Land Use Fiscal Analysis that shows the costs and liabilities of growth in the MSB.
2. A final report with maps that is easy to read across education levels and professional experience.
3. A user guide for the MSB to help staff leverage the analysis to implement policies that support sustainable growth in the Borough.
4. On-site visit to work directly with MSB staff, and virtual meeting support to help staff share the fiscal analysis with the internal working group.
 - a) 2-day workshop with Assembly including travel, food and lodging, 24-hours of preparation time before workshop, and two (2) 8-hour work sessions for two (2) mid-to-senior level staff.

The MSB staff will be responsible for providing all materials and GIS data needed to complete the analysis, including, but not limited to, tax assessment data, budget information, GIS layers for developed and developable land, population projections, zoning boundaries, political boundaries, etc.