

RESOLUTION 04-63

RESOLUTION OF THE CITY OF KETCHUM CITY COUNCIL APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH MANAGEMENT PARTNERS FOR ANALYSIS OF IMPACT FEES AND ANNEXATION SUPPORT, AND AUTHORIZING THE MAYOR TO SIGN

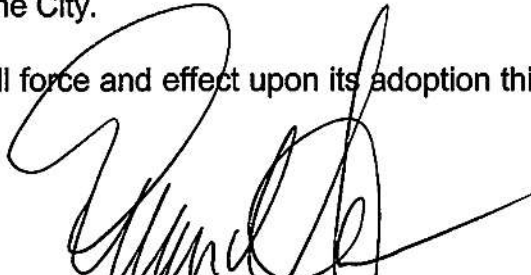
WHEREAS, the Mayor and City Council have expressed the need examine current fees for development and explore the possibility of implementing impact fees for new development, including areas applying for annexation into the city, and

WHEREAS, the City issued a request for proposals (RFP) to retain the professional services of a qualified and experienced firm to assist the City with these tasks, and

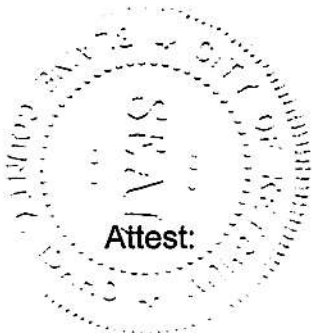
WHEREAS, the Management Partners' proposal cost will not exceed \$39,500,

NOW THEREFORE BE IT RESOLVED, that the Ketchum City Council approves a professional services agreement with Management Partners for analysis of impact fees and annexation support, and authorizes the Mayor to sign the agreement on behalf of the City.

This Resolution will be in full force and effect upon its adoption this Second (2nd) day of August, 2004.



Edward Simon, Mayor



Attest:



Sandra E. Cady, CMC
City Treasurer/Clerk

THE BOARD OF SUPERVISORS OF THE COUNTY OF KERN, CALIFORNIA
DO HEREBY CERTIFY THAT THE FOLLOWING IS A TRUE AND CORRECT COPY
OF THE RESOLUTION PASSED BY THE BOARD OF SUPERVISORS ON
MAY 15, 1967.

RESOLUTION NO. 10000
PASSED MAY 15, 1967

WHEREAS, the Board of Supervisors has received a request from the
City of Santa Maria for the purchase of certain land situated in
the County of Kern, California;

AND WHEREAS, the Board of Supervisors has determined that it is in the
best interests of the County to sell the said land to the City of Santa Maria;

IT IS HEREBY RESOLVED, that the Board of Supervisors do hereby authorize
and direct the County Clerk to execute and deliver to the City of Santa Maria
a deed conveying the said land to the City of Santa Maria, California, for the
sum of \$10,000.00, the same to be paid in cash at the time of delivery of the deed.



John F. ...

MEMORANDUM



To: Mayor Simon and
Members of the City Council

From: Ron LeBlanc, City Administrator *Ron*

Subject: Impact Fee Analysis RFP Process

Date: July 1, 2004

This is to update the City Council on the status of the Request for Proposal (RFP) process for Impact Fee Analysis.

Background

The City solicited Requests for Proposals from 30 different firms from predominantly throughout the inter-mountain West. We received proposals from 5 firms:

BBC Research & Consulting, Denver, CO.	\$65,000
Economic and Planning Systems, Denver, CO.	54,000
Financial Consulting Solutions Group, Redmond, WA. (in partnership with Earth Tech)	49,560
Management Partners, San Jose, CA.	39,500
Tischler & Associates, Bethesda, MD.	167,600

After reviewing all the proposals, it is apparent to me that any of these firms would do a good job for the city. However, before proceeding with a decision to hire any of these firms it might be a good time to assess our current situation, and the strengths and weakness of our staff team.

The City of Ketchum is facing three important annexations: Warm Springs Golf Course, River Run, and Warm Springs base area. Annexation law in Idaho has changed significantly since Ketchum last attempted a large annexation. The key staff assigned to this issue bring a high degree of energy and creativity to the negotiating table. But, our staff team should be reinforced with additional resources.

The first consideration should be to retain the services of Susan Buxton, an attorney with Moore Smith Buxton & Turke. Ms. Buxton has extensive

The first consideration should be to retain the services of Susan Buxton, an attorney with Moore Smith Buxton & Turke. Ms. Buxton has extensive annexation experience in Idaho, including work with the City of McCall. She would serve as a legal resource and a technical advisor to our City Attorney.

Second, the City must retain the services of a qualified engineering firm. Our research indicates that Holladay Engineering, Payette, ID, be retained for this purpose. Holladay has performed annexation work for cities throughout Idaho and their practice is predominately working for municipalities. Holladay has also worked with Ms. Buxton on annexation issues.

Third, this brings us to a discussion of what type of expertise we need to round out our annexation team. The proposal from Management Partners brings to our side of the negotiating table a wealth of experience in other resort communities. It would be my recommendation to negotiate a contract with Management Partners in phases to correspond with our timetable as it develops over time.

Our first task will be to quickly establish basic impact fees for streets, and parks and recreation. Ideally, these should be in place in time for the Warm Springs Golf Course annexation. With the assistance of Ms. Buxton and Holladay Engineering, the City of Ketchum could revise and modify ordinances from other Idaho communities to suit our specific needs.

It is my understanding that these costs can be assessed to the annexation applicant.

Alternatives:

1. Develop impact fees and process annexation applications using existing staff.
2. Retain the services of Susan Buxton and Holladay Engineering to assist with the development of impact fees and the processing of annexation applications.
3. Negotiate a flexible, phased contract with Management Partners to assist city staff with the development of impact fees and the processing of annexation applications.
4. Do nothing.

Staff Recommendation:

Staff recommends Alternatives 2 and 3.

C: Ben Worst, Harold Moniz



MANAGEMENT PARTNERS
INCORPORATED

July 27, 2004

Mr. Ron LeBlanc
City Administrator
City of Ketchum
PO Box 2315
Ketchum, ID 83340

Re: Analysis of Impact Fees / Development
Advisory Services Agreement

Dear Mr. LeBlanc:

The City of Ketchum has requested proposals from qualified and motivated consultants to provide an analysis of the existing permit fees and development fees, as well as to assess the impact of potential annexations and their impact on departmental operations, infrastructure and capital improvements in the City. Also included in the study is the recommendation of funding alternatives. Management Partners has significant knowledge of and experience in the review and improvement of municipal development and building processes, and reviews of service costs and fees, including those specifically focused on development costs and permit fees.

Specifically, our plan of work involves the following activities:

Activity 1 – Commence Project

The project will begin with a meeting with the key city staff to refine the project work plan and schedule. We will begin with a careful learning phase in which we review existing documentation about the current fee structures and listen to staff to determine areas of particular concern for this project.

Activity 2 – Review Permit and Development Processing Fees and Develop a Recommended Fee Structure

Management Partners will review the existing permit fee structure against industry standards. The analysis will include an evaluation of activity on a cost of service basis, the completeness of the fee structure, as well as an examination of consistency with Idaho statutes, fee administration and collection issues. During the research phase, Management Partners will build a project information database from existing City records to include permit inventory, permit output, budget/fiscal information, existing time-tracking information, overhead rates (and the accompanying methodology). We will identify peer mountain resort jurisdictions in Idaho, Colorado and California for inclusion in a benchmarking study. Through benchmarking, we will identify best practices that might be emulated by the City of Ketchum.

Management Partners will conduct interviews with staff and observe operations to determine services for which service fees are not currently collected, but which may be candidates for either a user fee or permit surcharge. Examples of such services may be in the areas of advanced planning, record keeping and code enforcement. We will then develop a recommended fee structure which includes cost recovery standards, costing methodology and which identifies all services for which a user fee or permit surcharge would be appropriate and lawful. These recommendations will also be supported by peer benchmarking.

Management Partners will then prepare a report which provides a detailed description of the recommended permit and processing fee system, guidelines and definitions and fee amounts in a format suitable for review with City staff and customers. After review and feedback by staff, Management Partners will make appropriate modifications. We will then prepare a staff report and resolution (or ordinance) for consideration by City Council.

Activity 3 - Develop Model of Capital and Operating Cost Impacts

During this activity, Management Partners will obtain data on projected annexations as well as growth from other sources. We will examine existing capital plans, long-term financial forecasts for the City and operating department expenditure projections. For each operational department within the scope of this analysis (Administration, Ambulance, Building, City Clerk, Fire, Police, Parks and Recreation, Planning and Streets), we will estimate both infrastructure and operating needs to deliver existing levels of service to the City after anticipated growth through annexations and other development. One of the primary deliverables of Activity 3 will be to develop a Capital Plan for the City in compliance with Title 67 of the Idaho statutes.

Using all existing and potential funding mechanisms, Management Partners will develop a financial component to the Capital Plan which provides the City with the ability to maintain services and link the costs of serving newly annexed areas to such development. We will develop options for development impact fees or similar mechanisms to link the capital costs of service associated with annexations to the City or other developments to this growth. These options will be developed based on the Title 67 procedures and requirements. Based on current Idaho law it appears that a development impact for streets, parks and possibly police and emergency medical services may be feasible. We will complete the analysis necessary to support adoption of such fees as directed by the City.

Activity 4 - Provide Supplemental Implementation and/or Development Advisory Assistance

Management Partners believes that the value of quality management consulting is in producing recommendations that can and will be implemented. Once both deliverables have been approved, it is important that your consultant be available to help with implementation. Management Partners has allocated 24 hours of staff work to assist with implementation.



If the City desires additional assistance, Management Partners will be pleased to provide it at a blended rate of \$125 per hour. In addition to the services described in this proposal, members of the consulting team are available to provide related economic, fiscal and operational impact analysis and development advisory services in association with major new development proposals submitted to the city. These services will be provided as requested by the city and may include but are not limited to:

- a. Provide professional support analyzing and evaluating the fiscal, economic and operational impacts of additional annexation agreements and proposed modifications to the development plans and/or annexation agreements;
- b. Meet and consult with city development review team to guide timing, identify negotiating issues and strategies, assess impacts, perform fiscal and economic analysis and offer strategic direction associated with major new development plans including but not limited to ski area expansion and related residential and commercial development;
- c. Prepare alternative development and/or annexation agreement strategies and recommendations;
- d. Provide related economic, financial and operational impact analysis and strategic planning to the city as requested.

The project will take an estimated 316 hours of consulting assistance to complete, including implementation assistance. Total cost for the services is \$39,500, including expenses. This is further detailed by activity in the table that follows.

ACTIVITY	TOTAL HOURS
1- Commence Project	9
2- Review Permit and Development Processing Fees and Develop a Recommended Fee Structure	151
3- Develop Model of Capital and Operating Cost Impacts	132
4- Provide Supplemental Implementation and Advisory Services and Assistance	24
TOTAL	316

Additional implementation assistance (beyond those listed in this proposal) can easily be provided, but would be billed based on time and expenses. It is important to Management Partners that the client is pleased with the quality of the professional work performed by the company and so the hours reflected above are the *minimum* number of hours committed by the firm to the project, although the price proposed is a fixed amount.

This project is planned to help the City of Ketchum accomplish its objective of thoroughly reviewing existing impact fees and the impact of annexations and new development on City operations. Just as important, Management Partners is committed to support the city management



team in applying the results of this effort by way of implementation, thereby improving overall government effectiveness.

Management Partners has the experience, the professional talent, and the commitment necessary to successfully provide management consultation and assistance to the City for this important project. We would be pleased to count the City of Ketchum among our many satisfied clients.

Sincerely,



Gerald E. Newfarmer
President & CEO

Accepted for the City of Ketchum:

Name, Title

Date

