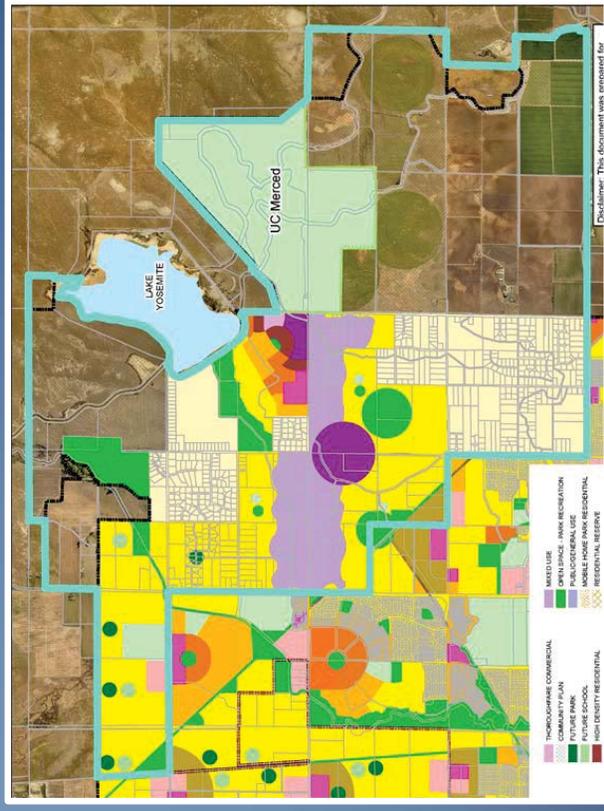


NORTH MERCED ANNEXATION FEASIBILITY STUDY



CITY COUNCIL MEETING—MARCH 4, 2019

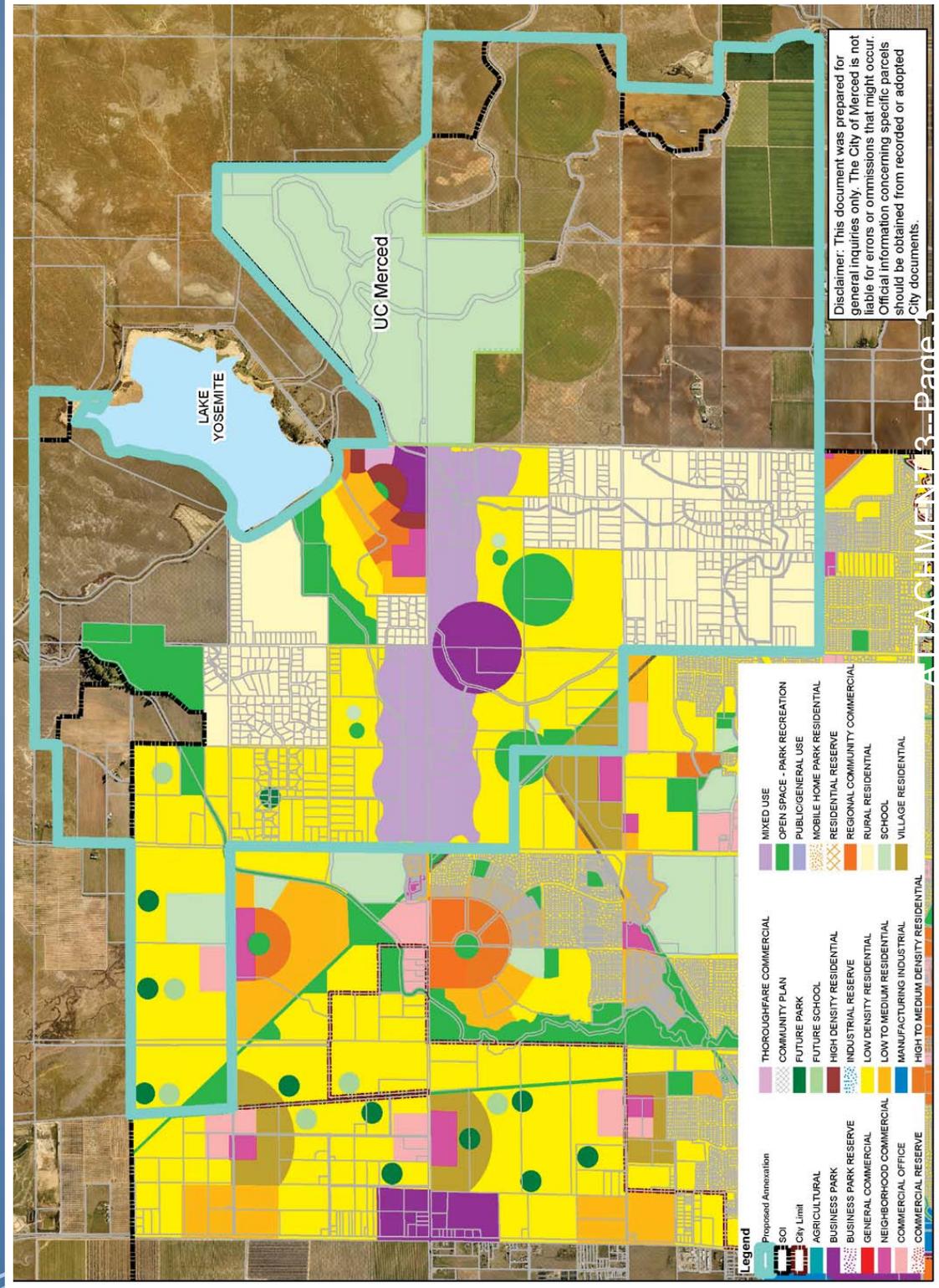
KIM ESPINOSA, PLANNING MANAGER

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NORTH MERCED ANNEXATION STUDY AREA

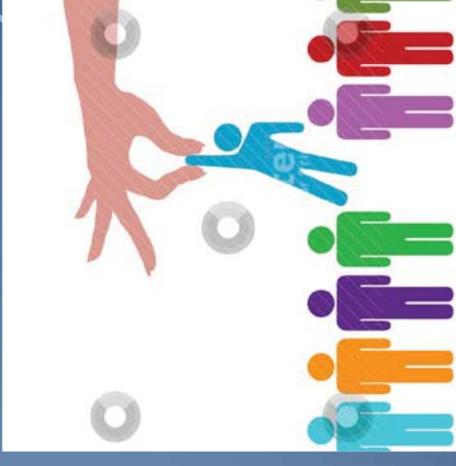
- Approximately **7,600 acres** within the City's Sphere of Influence
- Generally located east of G Street and north of Yosemite Avenue
- Approximately **700** separate parcels and over **600** property owners
- Approximately **10 to 15** property owners who control large areas of over **100 acres** or more

NORTH MERCED ANNEXATION STUDY AREA



CONSULTANT SELECTION PROCESS

- August 27, 2018--Request for Proposals (RFP) Released
- October 4, 2018—Proposals Due.
 - 2 Proposals Received
 - EMC Planning Group
 - Quad-Knopf
- November 15, 2018--Consultant Teams Made Presentations to the group of North Merced stakeholders and were also interviewed separately by City staff and Merced LAFCO Executive Director Bill Nicholson.
- The Feedback from the Stakeholders and the Consensus of City and LAFCO staff was strongly in favor of EMC Planning Group based on their Proposed Consultant team, Experience with Similar Projects, and their Comprehensive Approach to the Process.



PROPOSED SCOPE OF WORK



- *Project Management and Project Kickoff Meeting (Tasks 1 and 2).*
 - *Baseline Conditions (Task 3)*
 - *Agency, Service Provider, and Elected Official Meetings (Task 4): Up to 4 Meetings with Merced County LAFCO, Merced County, including briefings with City and County Elected Officials.*
 - *Community Engagement (Task 5), including:*
 - *Public Outreach/Education: Database of stakeholders, Informational Handout and FAQ Sheets; and Social Media Resources.*
 - *Workshops: 2 Community Workshops and 1 Joint Planning Commission/City Council Study Session at various points to gather Input from Stakeholders and Public.*
 - *Assessment Interviews: Questionnaire and up to 15 Stakeholder Assessment interviews to be conducted both in Person and over the Phone.*
- ATTACHMENT 3--Page 5

PROPOSED SCOPE OF WORK (CONT.)

- *Annexation Alternatives Analysis (Task 6):* Analysis of the Benefits and Constraints of Potential Alternatives to Annexation, such as out of boundary service agreements, establishment of out of boundary service districts, etc.
- *Feasibility Report (Task 7):* Formal Analysis, including Findings and Recommendations, including Annexation Pathway Options, based on economic feasibility, available infrastructure, landowner and voter interests, development scenarios, etc.
- *Feasibility Report Presentation (Task 8):* EMC will take the lead in presenting the final study to up to 2 Planning Commission and 2 City Council public hearings.

The anticipated time frame to complete the above work (except the public hearings) would be approximately 6 months or by September 2019.

FUNDING SOURCES

- Reimbursement Agreements with Property Owners Infeasible.
- A Number of Property Owners NOT Willing to Participate
- Issue of Fairness
- Funding:
 - Supplemental Appropriation of \$220,136 in Fund 017-Development Services from the current Fund Balance.
 - \$100,000 from Planning Division's Professional Services account
 - \$103,000 from Wastewater Fund 551 "Projects to be Determined."
- Reimbursement Fee to be charged to future Applicants for Annexation within Study Area.
 - Based on the final cost of the study (\$423,136) and the 7,668-acre Study Area, the fee will generally be approximately \$55.18 per acre.
 - Add Administrative costs and annual adjustments based on inflation
 - Public hearings and nexus findings, **ATTACHMENT 3**--Page 7



RECOMMENDATION

- Approve the Professional Services Agreement with EMC Planning Group in the amount of \$423,136; and,
- Associated Budget Adjustments, and,
- Direct staff to develop a Reimbursement Fee to cover the cost of the Study to be charged to Future Annexation Applicants within the Study Area.



QUESTIONS?

