

# Appendix J: Additional Annexation Options

Related Section:  
Annexation & Regional Partnerships

The following annexation options were considered but rejected; nonetheless, valid design ideas exist within the analysis and therefore are presented here. These design ideas need not be confined to these annexation options only.

## Glenn Highway:

### Option

Annex land along the Glenn Highway south of Palmer city limits in three phases to ultimately incorporate the area surrounding the hospital, approximately 6 miles.

### Goals

Control pattern and design of growth, utilize existing water and sewer infrastructure, and receive property tax revenue from commercial areas surrounding hospital.

### Discussion

This option serves the purpose of controlling the design and placement of development along the Glenn Highway for the southern approach to Palmer city limits. Controlling the design can create a gateway for the City, which can bring visitors to the City through a rural or agricultural landscape. Controlling the land uses in this area can capture existing critical infrastructure and reduce expenditures associated with the addition of new territory.

### Analysis

Annexing this land will likely be problematic, as the extensive gravel pits to the west of the highway currently constrain expansion to the south; much political will likely will be required to annex this land. Also, annexing this land may place additional development pressure on adjacent land in the Springer Loop – high-value farmland that many in the community have identified as worth saving from development.

It is assumed that the City will develop this annexation option at current zoning, currently maximum 4 Dwelling Units per acre (DU/ac); commercial zoning will develop per new zoning recommendations (Appendix B,C). Sufficient open space exists in the first annexation phase to accommodate approximately 12-15 years' worth of growth at current rates, at 4 DU/ac and 2.65 persons/DU. Provisions for multifamily housing are not included in these calculations (see Appendix D for designs for multifamily housing that are appropriate for this area), although sufficient land for limited development of multifamily housing exists in the area. Additional calculations are not discussed here, as the gravel pits are assumed to be a critical impediment to further expansion, and the extent and character of future commercial development proximate to the hospital is unknown at the time of this analysis.

Sales tax revenue is assumed to increase by 10% if the annexation option develops at 2 DU/ac, and 15% if the annexation option



develops at 4 DU/ac, as limited commercial capacity within the Palmer City limits constrains growth. Property tax revenue collections from all phases of this annexation option, at 4 DU/ac, can account for natural increases in City expenditures through approximately 2012 presuming straight-line increases of 2.5%/year<sup>1</sup>, and assuming redevelopment of the gravel pits attracts housing at 4 DU/ac and not high-value housing on large lots.

Politically, this annexation option appears to be problematic, as the gravel pits impede expansion to the south, and dense residential development will be a concern to those who wish to maintain travel and habitat connections between the river and the Crevasse-Moraine. Potential property price increases in the Springer Loop system should affect political calculation for this option as well.

## **Springer Loop System:**

### **Option**

Annex land in the Springer Loop system in one phase of approximately 600 acres.

### **Goals**

Control growth in the area with the purpose of preserving farmland.

### **Discussion**

This option serves the purpose of purchasing land in the Springer Loop System to preserve farmland from residential subdivision. This would be a significant expense to the City; additional options for preserving farmland are found in Section 4.

### **Analysis**

Annexing this land will likely be quite problematic, as the current landowners have expressed concerns about being annexed. It is unclear how the City could maintain this land in a state that does not economically privilege its highest and best use; future political regimes could all too easily decide to maximize their utility by allowing the land to be subdivided for development.

It is assumed that the City will develop this annexation option at current zoning, currently maximum 4 Dwelling Units per acre (DU/ac); commercial zoning would likely not occur in this area. Sufficient open space exists in this option to accommodate approximately 13 years' worth of growth at current rates, at 4 DU/ac and 2.65 persons/DU. Provisions for multifamily housing are not included in these calculations (see Appendix E for designs for multifamily housing that are appropriate for this area), although sufficient land for development of multifamily housing exists in the area.

Sales tax revenue is assumed to increase by 10% if the annexation option develops at 2 DU/ac, and 15% if the annexation option develops at 4 DU/ac, as limited commercial capacity within the Palmer City limits constrains growth. Property tax revenue collections from all phases of this annexation option, at 4 DU/ac, can account for natural increases in City expenditures through approximately 2008 presuming straight-line increases of 2.5%/year<sup>2</sup>, and assuming development attracts housing at 4 DU/ac and not high-value housing on large lots.

Politically, this annexation option appears to be quite problematic, as the current property owners have expressed resistance to annexation, and dense residential development will pave over the

valuable soil resources of the area.

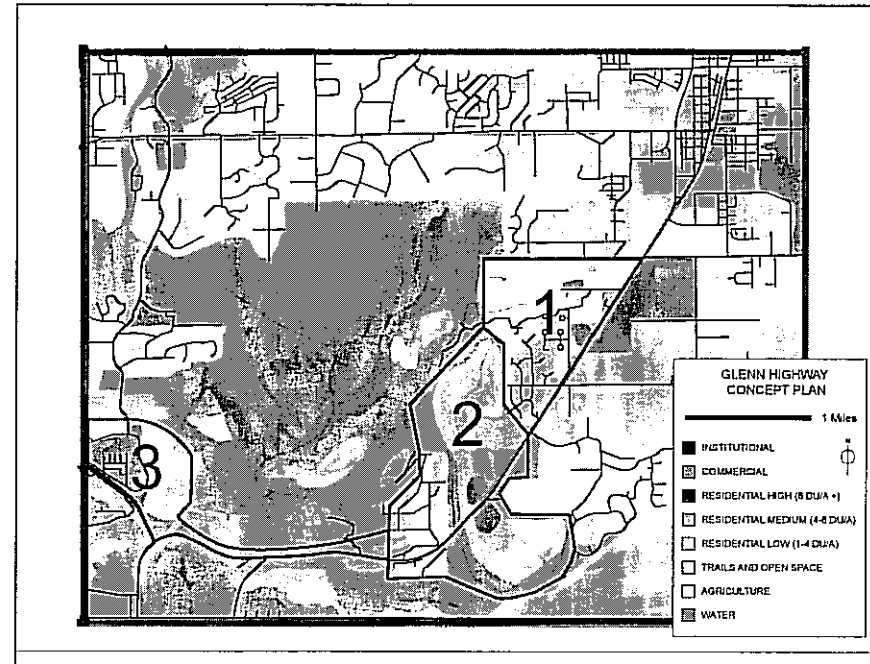
### The Glenn highway: Design Concept

The Glenn highway annexation provides the opportunity to look beyond the twenty-year focus of this plan to Palmer's long range future 60 years out. The largest factor in this area relates to the 2 gravel operations, KRC Aggregate and Wilder Construction, which straddle the Glenn Highway. These two operations account for over 1,000 acres, which is about one third the size of the current city boundaries. In addition, the gravel operations include areas which do not contain farmland, historic sites, or critical areas, and therefore residential and commercial development is most appropriate in this area. However, since both operations will not be done for another 20 to 25 years, annexing these areas immediately is not sensible. What does make sense is annexing the 565 acres of developable land adjacent to the city boundaries (including some already developed subdivisions) creating a southern gateway into the city that specifically anticipates substantial additional growth in the future.

A few factors help operationalize this annexation in preparation for future growth. These include sewer and water services, the hospital, the potential train service, the railroad greenway corridor, commercial services, and the nearby amenities.

#### Hospital

The hospital is expected to bring employment into the area, along with new residences and the need for additional services. Connecting the hospital to downtown Palmer is important for the city's economic future.



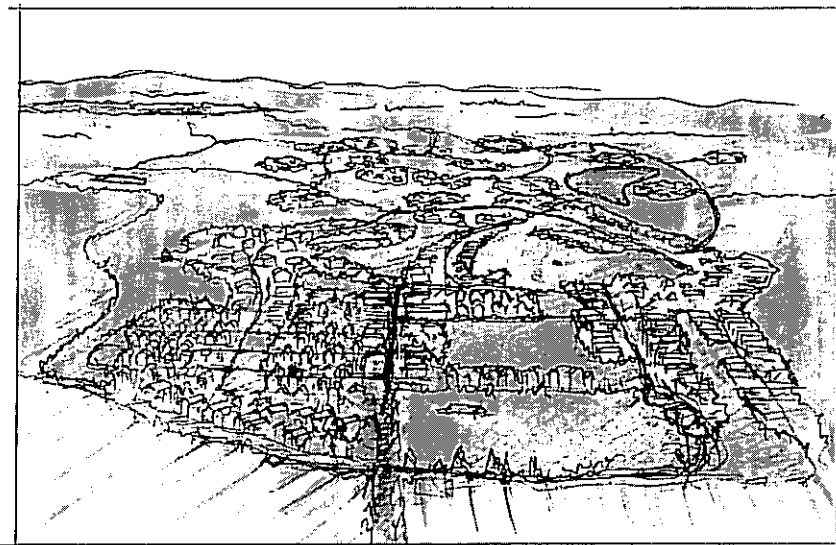
#### Sewer and water services

With the hospital came a sewer extension from the city along the Glenn Highway, down to the hospital. While this extension was provided for by federal dollars, in general extensions are costly and provide limitations to annexations. The opportunity is there here to utilize the existing infrastructure and place high density residential (in the absence of sewer the highest density residential development is two homes per acre) along the Glenn Highway.

#### Commuter rail

The train system is anticipated to run between Anchorage, the hospital, the State Fair and into downtown Palmer. The existing railroad line could be used, and this service is already provided for the Annual State Fair. However, it is not anticipated that a daily service to Anchorage will start for at least another 20 years. When





*This postcard view shows how open space might be preserved near Crevasse Moraine through use of "clustered" development.*

this service does start, it could open the door to not only new residential and commercial development at each stop, but also for tourism to flow into downtown Palmer.

### **Railway corridor trail**

The railway corridor project will connect non-motorized travel from the hospital, through downtown, and potentially up to Sutton. While the improved pedestrian movement may reduce congestion, the larger opportunity is an enhanced recreational system. This system will connect cyclist to the State Recreational area, the extensive trails of the Crevasse Moraine, the downtown and new recreational opportunities slated for the corridor, and up along the river and towards hiking in Sutton.

### **Commercial amenities**

To offset some of the costs of annexation cities generally look for commercial area as tax revenues create a benefit to the city in contrast to the costs incurred by annexing residential development alone. In order to justify annexation along the Glenn Highway it is important to include some commercial activities within the land use regulations. On the other hand, commercial activity must not pull away from the goods and services provided downtown. Otherwise the positive impact of the annexation may be counterbalanced by a strain on the economic viability of downtown. It is therefore important to allow for development which complements the existing and potential services downtown rather than duplicating them.

### **Nearby amenities**

The development pressure of the sewer, hospital and the train are offset by the development limitations of some of Palmer's greatest assets. As you drive up the Glenn Highway towards Palmer and look to your left, it's hard to miss the rolling hills of the Crevasse Moraine, a unique geological formation created by glaciation which left this area with steep hills, a series of wetlands, and a mature forest canopy.

While this area provides a connected trail system for hikers, bikers and horseback riders alike, it has limitations for development. It's not only more costly to developers to flatten the land and remove tree cover, it is costly to the local environment as well. This area contains soils which drain poorly and are not appropriate for septic tanks, steep erodible soils, wetlands which purify your drinking water, and habitat for local and migratory wildlife.

This design specifically addresses how to allow for development

while preserving the natural form and function of this area.

Equally capturing is the view to your right as you drive up the Glenn. The Springer loop contains some of the most productive soil in the State of Alaska. Among the many thriving farms are some of the original colony farms which paint the picture of Alaska's early statehood and the original importance behind locating within this valley. These farms currently produce locally bought produce adding and actively creating the small town character that uniquely identifies the city of Palmer to residents and tourists alike.

While development can and often does occur on productive farmland, once lost these lands are lost forever. In planning for Palmer's future, not just 20 years or 50 years but hundreds of years out, these farms create the legacy of the city and its people. Lastly, preserving these lands not only impacts the agricultural production and the character of the community, it also provides incentives for tourism and therefore may further aid in the local economy of downtown Palmer (see Springer Loop Interpretive Trail).

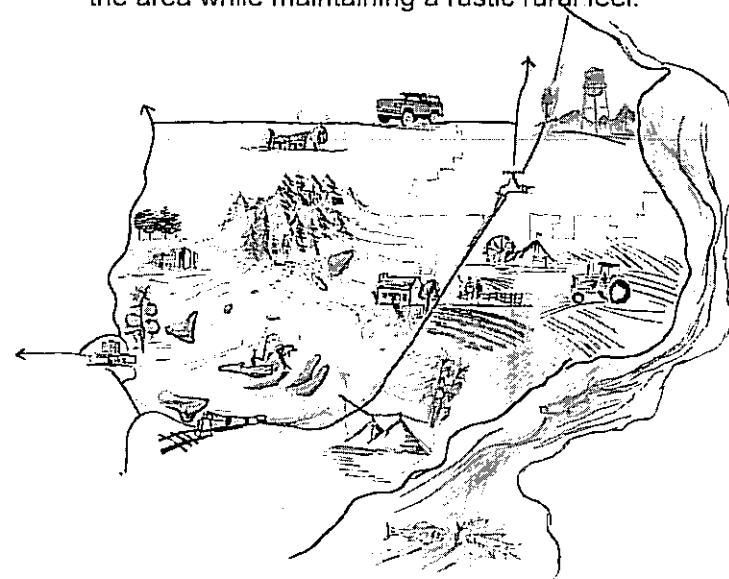
Although the focus for this section is the 20 year implementation of this annexation, it is important to keep these factors in mind as it justifies some of the regulation and land use decisions for this albeit smaller annexation.

Within the annexation area, there are 565 acres. Of those, only 385 acres are still vacant; of those 385 acres, only 284 are not already platted for subdivision use. (The assumption is made here that land is already platted it has already established vested rights and should not be considered 'vacant'.) For the remaining parcels the overall goal is to create a development style, which works in concert with

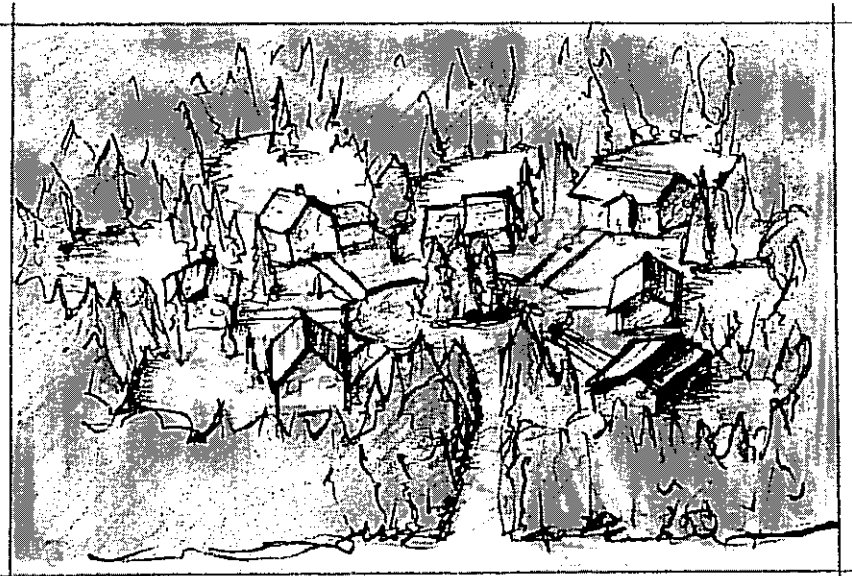
the natural characteristics (the rolling hills of the moraine and heavily wooded lots), while allowing for a dense enough development to warrant service extension into the area.

Several other objectives fall under this overarching goal, they include:

- Utilize the natural features of the Crevasse Moraine as an asset to the community while allowing for permanent public access to the recreational opportunities that lie within. Capitalize on the recreational opportunity presented here with clear signage for wayfinding, and a coherent system of trails and open space.
- Cluster development such that although lot sizes are small open space is evenly distributed and privacy is protected
- Include a mix of high density and low density housing within the area while maintaining a rustic rural feel.



- Accommodate housing for the new hospital that could be reached by the light rail, and to Four Corners (connected by trail or automobile). Low-density housing will be discreetly nestled into the woods to maintain the open space atmosphere. Higher density residential will be upscale, including town homes, apartments over businesses, and small lots nestled between hedgerows.
- Amend the road system such that it can accommodate the additional traffic, while keeping speed limits low, and can inter-connect isolated developments.
- Create a commercial district that would not compete with the downtown, but rather work in conjunction the Crevasse Moraine recreational area, the farmland in the Springer loop, and the State Fair.
- Preserve the Colony farm and the National Register farm for self-sufficiency, as historical and cultural amenity for tourism, and as a rural gateway funneling the view into the City of Palmer.



The following tables provide a financial analysis of all annexation options:

Table 1. Palmer-Wasilla Hwy Phase 1 Calculations

Total	Acres	Number Parcels	~max DU @ 2/ac	~max DU @ 4/ac
	0.0 < .16		0	0
	0.0 .10-.16		0	0
	0.0 .16-.25		0	0
	21.9 .26-.50		47	88
	4.4 .51-.75		8	18
	7.7 .76-1.00		8	31
	43.4 1.01-2		33	174
	41.1 2.01-5		13	164
	51.3 5.01-10		7	205
	174.9 > 10		6	699
			689	1378
sum for > 1 acre			621	1242
Less 15% for ROW			528	1056
Less 10% for slopes, other restrictions, etc.			475	950
Total approx. additional DU in option			543	1086
Mean tax revenue/residence			406,452	406,452
Approximate additional real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$220,771	\$441,543
Approximate additional non-real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$734,362	\$1,298,387
Approximate services expenditures at full capacity, SFR only. Per 2004 budget, no increase/annum			\$745,225	\$1,445,911
Expense for additional City staff, annexation expenditures and additional services. (Calculated above in services expenditures.) see Table for explanation.			[\$165,612]	\$2,200,000
Net Income (expenditure) at full capacity. Does not include infrastructure upgrade expenditures such as ROW purchases, road improvements, etc. to accommodate additional population.			\$209,908	-\$1,905,981
				[sewer infrastr., + city staff]
Cost per vacant acre not including caveats in Net Income Methodology explained in Appendix H				

Table 2. Palmer-Wasilla Hwy Phase 2 Calculations

Total	Acres	Number Parcels	~max DU @ 2/ac	~max DU @ 4/ac
	0.0 < .16		0	0
	0.0 .10-.16		0	0
	0.0 .16-.25		0	0
	0.0 .26-.50		0	0
	0.0 .51-.75		0	0
	13.8 .76-1.00		14	28
	40.8 1.01-2		29	82
	54.2 2.01-5		15	108
	24.1 5.01-10		4	48
	42.9 > 10		2	86
			352	704
sum for > 1 acre			324	648
Less 15% for ROW			276	551
Less 10% for slopes, other restrictions, etc.			248	496
Total approx. additional DU in option			276	551
Mean tax revenue/residence			406,452	406,452
Approximate additional real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$112,006	\$224,013
Approximate additional non-real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$372,572	\$677,649
Approximate services expenditures at full capacity, SFR only. Per 2004 budget, no increase/annum			\$378,083	\$558,858
Expense for additional City staff, annexation expenditures and additional services. (Calculated above in services expenditures.) see section x of Appendix y for explanation.			[\$165,612]	\$2,200,000
Net Income (expenditure) at full capacity. Does not include infrastructure upgrade expenditures such as ROW purchases, road improvements, etc. to accommodate additional population.			\$106,495	-\$1,857,196
				[Also subtract additional sewer-water expenditure here]
Cost per vacant acre not including caveats in Net Income Methodology explained in Appendix H				



**Table 3. Palmer-Wasilla Hwy Phase 3 Calculations**

385.725 Total vacant acres in Annexation Option  
 123 Parcels  
 3.15 average acres  
 0.93 median acres

Total	Acres	Number Parcels	~max DU @ 2/ac	~max DU @ 4/ac
0.0 < .16			0	0
0.0 .10-.16			0	0
0.0 .16-.25			0	0
10.2 .26-.50			22	44
18.6 .51-.75			31	74
14.6 .76-1.00			16	58
38.2 1.01-2			26	153
74.8 2.01-5			19	299
10.0 5.01-10			1	40
219.3 > 10			8	877
			773	1546
sum for > 1 acre			685	1369
Less 15% for ROW			582	1164
Less 10% for slopes, other restrictions, etc.			524	1047
Total approx. additional DU in option			612	1224
Mean tax revenue/residence			406.452	406.452
Approximate additional real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$248,780	\$497,560
Approximate additional non-real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$827,528	\$1,430,847
Approximate services expenditures at full capacity, SFR only. Per 2004 budget, no increase/annum			\$839,770	\$1,241,293
Expense for additional City staff, annexation expenditures and additional services. (Calculated above in services expenditures.) see section x of Appendix y for explanation.			[\$165,612]	\$2,200,000 + additional
Net Income (expenditure) at full capacity. Does not include infrastructure upgrade expenditures such as ROW purchases, road improvements, etc. to accommodate additional population.			\$236,538	-\$1,512,885 [Also subtract additional sewer-water expenditure here]

Cost per vacant acre not including caveats in Net Income Methodology explained in Appendix H

**Table 4. Glenn Hwy Phase 1 Calculations**

261.7 Total vacant acres in Annexation Option  
 104 Parcels  
 2.52 average acres  
 0.54 median acres

Total	Acres	Number Parcels	~max DU @ 2/ac	~max DU @ 4/ac
0.0 < .16			1	0
0.0 .10-.16			0	0
0.0 .16-.25			0	0
16.6 .26-.50			41	66
10.2 .51-.75			18	41
15.1 .76-1.00			17	60
7.9 1.01-2			6	31
17.2 2.01-5			6	69
45.1 5.01-10			8	181
149.5 > 10			7	598
			531	1047
sum for > 1 acre			440	879
Less 15% for ROW			374	747
Less 10% for slopes, other restrictions, etc.			336	672
Total approx. additional DU in option			428	840
Mean tax revenue/residence			406.452	406.452
Approximate additional real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$173,924	\$341,448
Approximate additional non-real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$578,532	\$918,601
Approximate services expenditures at full capacity, SFR only. Per 2004 budget, no increase/annum			\$587,090	\$851,830
Expense for additional City staff, annexation expenditures and additional services. (Calculated above in services expenditures.) see section x of Appendix y for explanation.			[\$165,612]	+ additional
Net Income (expenditure) at full capacity. Does not include infrastructure upgrade expenditures such as ROW purchases, road improvements, etc. to accommodate additional population.			\$165,366	[subtract sewer/water expenditure here]

Cost per vacant acre not including caveats in Net Income Methodology explained in Appendix H



**Table 5. Glenn Hwy Phase 2 Calculations**  
 518.7 Total vacant acres in Annexation Option  
 13 Parcels  
 39.90 average acres  
 20.02 median acres

Total	Acres	Number Parcels	~max DU @ 2/ac	~max DU @ 4/ac
0.0 < .16		0	0	0
0.0 .10-.16		0	0	0
0.0 .16-.25		0	0	0
0.0 .26-.50		0	0	0
0.0 .51-.75		0	0	0
1.7 .76-1.00		2	3	7
0.0 1.01-2		0	0	0
6.6 2.01-5		2	13	26
5.2 5.01-10		1	10	21
505.2 > 10		8	1010	2021
			1037	2075
sum for > 1 acre			1034	2068
Less 15% for ROW			879	1758
Less 10% for slopes, other restrictions, etc.			791	1582
Total approx. additional DU in option			794	1589
Mean tax revenue/residence			406.452	406.452
Approximate additional real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$322,875	\$645,749
Approximate additional non-real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$1,073,992	\$2,160,872
Approximate services expenditures at full capacity, SFR only. Per 2004 budget, no increase/annum			\$1,089,880	\$1,610,989
Expense for additional City staff, annexation expenditures and additional services. (Calculated above in services expenditures.) see section x of Appendix y for explanation.			[\$165,612]	+ additional
Net Income (expenditure) at full capacity. Does not include infrastructure upgrade expenditures such as ROW purchases, road improvements, etc. to accommodate additional population.			\$306,987	[subtract sewer/water expenditure here]

Cost per vacant acre not including caveats in Net Income  
 Methodology explained in Appendix H

**Table 6. Glenn Hwy Phase 3 Calculations**  
 135.0 Total vacant acres in Annexation Option  
 62 Parcels  
 2.33 average acres  
 0.96 median acres

Total	Acres	Number Parcels	GT 2/ac at density ~max DU @ 2/ac	~max DU @ 4/ac
1.1 < .16		11	11	11
0.8 .10-.16		5	2	3
0.0 .16-.25		0	0	0
2.0 .26-.50		5	4	8
1.4 .51-.75		2	3	5
11.8 .76-1.00		13	24	47
15.3 1.01-2		11	31	61
21.0 2.01-5		7	42	84
38.5 5.01-10		5	77	154
43.9 > 10		3	88	176
			280	550
sum for > 1 acre			237	475
Less 15% for ROW			202	404
Less 10% for slopes, other restrictions, etc.			182	363
Total approx. additional DU in option			224	438
Mean tax revenue/residence			406.452	406.452
Approximate additional real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$91,248	\$178,025
Approximate additional non-real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$303,523	\$496,287
Approximate services expenditures at full capacity, SFR only. Per 2004 budget, no increase/annum			\$308,013	\$444,131
Expense for additional City staff, annexation expenditures and additional services. (Calculated above in services expenditures.) see section x of Appendix y for explanation.			[\$165,612]	+ additional
Net Income (expenditure) at full capacity. Does not include infrastructure upgrade expenditures such as ROW purchases, road improvements, etc. to accommodate additional population.			\$86,758	[subtract sewer/water expenditure here]

Cost per vacant acre not including caveats in Net Income  
 Methodology explained in Appendix H



**Table 7. Springer Loop Calculations**

365.000 Total vacant acres in Annexation Option

125 Parcels

5.79 average acres

0.51 median acres

Total	Acres	Number Parcels	~max DU @ 2/ac	~max DU @ 4/ac
	1.0 < .16		11	11
	1.0 .10-.16		11	11
	0.0 .16-.25		0	0
	23.0 .26-.50		49	98
	12.6 .51-.75		21	50
	16.5 .76-1.00		19	66
	6.8 1.01-2		5	27
	22.5 2.01-5		6	90
	42.2 5.01-10		6	169
	240.5 > 10		8	962
	365.0	125	730	1221
sum for > 1 acre			624	1248
Less 15% for ROW			530	1061
Less 10% for slopes, other restrictions, etc.			477	955
Total approx. additional DU in option			606	1191
Mean tax revenue/residence			406.452	406.452
Approximate additional real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$246,495	\$484,049
Approximate additional non-real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum			\$819,928	\$1,303,947
Approximate services expenditures at full capacity, SFR only. Per 2004 budget, no increase/annum			\$832,058	\$1,207,585
Expense for additional City staff, annexation expenditures and additional services. (Calculated above in services expenditures.) see section x of Appendix y for explanation.			[\$165,612]	+ additional
Net Income (expenditure) at full capacity. Does not include infrastructure upgrade expenditures such as ROW purchases, road improvements, etc. to accommodate additional population.			\$234,366	[subtract sewer/ water expenditure here]

Cost per vacant acre not including caveats in Net Income  
Methodology explained in Appendix H

**Table 8. Selected General Fund Information**

Revenue	2000 actual	% actual	2001 actual	% actual	2002 actual	% actual	2003 budget	% budget	2004 budget	% budget	Selected % change 2000-2004
Sales Tax	2,464,268	49.63	2,760,798	51.49	2,914,417	53.56	3,025,000	54.51	3,381,500	58.49	27.1%
Real Property	552,329	11.12	583,931	10.89	625,633	11.5	608,000	10.95	680,760	11.77	18.9%
Licences	104,943	2.11	169,077	3.15	160,686	2.95	108,025	1.94	110,300	1.91	4.9%
Fines	48,918	0.98	53,201	0.99	29,687	0.55	50,000	0.9	30,000	0.52	-63.1%
Inter-gov't	377,382	7.6	376,809	7.03	363,711	6.68	243,943	4.4	145,702	2.52	-159.0%
Charges	1,129,206	22.74	1,141,294	21.29	1,078,766	19.83	1,281,389	23.09	1,255,115	21.71	10.0%
Misc	283,238	5.71	249,575	4.66	169,385	3.11	186,487	3.36	143,291	2.48	-97.7%
Special Assessment	5,282	0.11	26,929	0.5	99,088	1.82	47,000	0.85	35,000	0.6	84.9%
<b>Total revenues</b>	<b>4,965,566</b>		<b>5,361,614</b>		<b>5,441,373</b>		<b>5,549,844</b>		<b>5,781,668</b>		<b>14.1%</b>
<b>Expenditure</b>	<b>2000 actual</b>	<b>% actual</b>	<b>2001 actual</b>	<b>% actual</b>	<b>2002 actual</b>	<b>% actual</b>	<b>2003 budget</b>	<b>% budget</b>	<b>2004 budget</b>	<b>% budget</b>	<b>Selected % change 2000-2004</b>
City Council	49,521	1.23	55,066	1.35	77,976	1.86	76,022	1.45	249,317	4.51	80.1%
General Gov't	555,709	13.89	547,069	13.41	553,318	13.21	785,127	14.97	623,419	11.28	10.9%
Police	1,755,879	43.88	1,744,433	43.51	1,783,184	42.57	2,366,031	44.55	2,362,993	42.77	25.7%
Fire	311,575	7.79	294,685	7.23	354,186	8.45	374,395	7.14	456,295	8.26	31.7%
Building	112,746	2.82	105,054	2.58	113,188	2.7	117,572	2.24	128,398	2.32	12.2%
Parks	7,011	0.17	14,903	0.36	20,858	0.5	31,494	0.6	missing	missing	77.7%
Public Works	782,100	19.55	866,756	21.25	796,502	19.02	999,137	19.05	1,145,313	20.73	31.7%
Health	49,542	1.24	49,182	1.21	48,519	1.16	24,378	0.47	missing	missing	-103.2%
Library	377,359	9.43	370,975	9.1	440,934	10.53	499,766	9.53	559,371	10.13	32.5%
<b>Total expenditures</b>	<b>4,001,442</b>		<b>4,048,123</b>		<b>4,188,665</b>		<b>5,273,922</b>		<b>5,525,106</b>		<b>27.6%</b>
Revenues-expenditures	964,124		1,313,491		1,252,708		275,922		256,562		
surplus as % of revenue	19.42		24.50		23.02		4.97		4.44		

Source: Mikunda, Cottrell & Co. CPAs 2003. City of Palmer, AK Basic Financial Statements, Supplementary Financial Information, and Single Audit Reports



**Table 9. Various Costs and Income Calculations**

Land Taxation by Unit		
Category	Amount	Remarks
mean vacant/acre	\$76,845	
mean built/acre	\$84,516	change in land value when built
mean SFR assessed 2004	\$135,484	
mean tax revenue/SFR	\$406.45	SFR @ 3 mills
mean MFR assessed	\$369,901	
tax revenue/mfr	\$1,109.70	MFR @ 3 mills

All assessor data from Mat-Su Borough Assessor's Office as of 10/2004

Sales Taxation and Other Income				
Category	SFR	MFR	Total	Remarks
Dwelling units in Palmer*	2619	65	2684	
% Dwelling units in Palmer*	97.58	2.42	100.00	
2004 Budget General Fund Revenue	\$4,977,466.03	\$123,441.9736	5,100,908	
Per unit revenue	\$1,901	\$1,899		(not including real property)
PW Annexation Option @ 2 DU/ac	1431			Number of households in option - single-family
PW Annexation Option @ 4 DU/ac	2861			Number of households in option - single-family
New per HH revenue for PW 2DU/ac*	\$1,229			Assume 10% services increase = \$1,352.00
New per HH revenue for PW 4DU/ac*	\$908			Assume 15% services increase = \$1,045.00

\* See summation of phases below in "Services per Household" section

(Table 9 con't)

Services per Household				
Category	SFR	MFR	Total	Remarks
Persons/DU working assumption*	2.5	1.5	n/a	
Dwelling units in Palmer*	2619	1049	2684	
% of total	97.58	39.08	100.00	
Annexation Phase Calculations per density				
+ Pw1 2 DU/ac	543			
+ Pw1 4 DU/ac	1086			
+ Pw2 2 DU/ac	276			
+ Pw1 4 DU/ac	551			
+ Pw3 2 DU/ac	612			
+ Pw3 4 DU/ac	1224			
Phase TOTAL new dwelling units				
PW 2 DU/ac	1431			
PW 4 DU/ac	2861			
2004 Budget General Fund Expenditure	\$5,391,398.43	\$133,707.5652	\$5,525,106	
per Dwelling Unit	\$2,059	\$127	+	
add City staff and expenses	\$165,613			1 FTE ((per 2004 budget) + 120 hrs annexation expenses + Police cruiser and radio, catering, copying, office supplies)
New 2004 annexation total	\$5,557,011			
New services per unit cost after annexation				
2004 Budget General Fund Expenditure per Dwelling Unit ' + full capacity 2 DU/ac	\$1,372			
2004 Budget General Fund Expenditure per Dwelling Unit ' + full capacity 4 DU/ac	\$1,014			
* Actual 2.65/1.68 (2000 census) + # of MFR units precludes totaling				



**Table 10. Calculation Methodology**

Total vacant acres in Annexation Option					Parcels average acres	<- From Borough GIS files
median acres						
Total	Acres	Number Parcels	~max DU @ 2/ac	~max DU @ 4/ac	Gives a better idea of parcel size distribution	
	0.0 < .16	0	0	0		
	0.0 .10-.16	0	0	0	<- finds mobile homes vs 1/8 ac parcels	
	0.0 .16-.25	0	0	0		
	21.9 .26-.50	47	44	88		
	4.4 .51-.75	8	9	18		
	7.7 .76-1.00	8	15	31		
	43.4 1.01-2	33	87	174		
	41.1 2.01-5	13	82	164		
	51.3 5.01-10	7	103	205		
	174.9 > 10	6	350	699		
			689	1378		
	sum for > 1 acre		621	1242	<- assumed to be developable	
	Less 15% for ROW	528	1056		<- standard deduction (Palmer ~ 15%)	
	Less 10% for slopes, other restrictions, etc.	475	950		<- wetlands, park problems	
	Total approx. additional DU in option	543	1086		<- sum <1 acre and >1 acre (line above)	
	Mean tax revenue/residence	406.452	406.452		<- see Table 9 for detail	
	Approximate additional real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum	\$220,771	\$441,543			
	Approximate additional non-real property tax revenue at full capacity, SFR only. Per 2004 budget, no increase/annum	\$734,362	\$1,298,387		<- from 2004 projected budget figures. See Table 9 for detail	
	Approximate services expenditures at full capacity, SFR only. Per 2004 budget, no increase/annum	\$745,225	\$1,445,911			
	Expense for additional City staff, annexation expenditu	[\$165,612]	\$2,200,000		<- see Table 9 for detail	

(Table 10 con't)

and additional services. (Calculated above in services expenditures.)  
see Table for explanation.

<p>Net Income (expenditure) at full capacity. Does not include infrastructure upgrade expenditures such as ROW purchases, road improvements, etc. to accommodate additional population.</p>	<p>\$209,908</p>	<p>-\$1,905,981 [sewer infrastr., + city staff]</p>	<p>&lt;- ROW purchases and vacations will be important to preclude capacity impacts from additional traffic</p>
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