

Capital Improvement Planning

MME Winter Institute – January 2017



Michigan
Municipal
Executives

A State Affiliate of ICMA



Today's Presenters

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About This Session

This training was adapted for this conference from the ***Michigan Association of Planning's*** Capital Improvements Programs workshop.

The **Michigan Association of Planning (MAP)** is a non-profit membership-based organization that serves as the statewide resource for municipal planners, local elected officials, and appointed land use decision makers (PC, ZBA)

MAP provides training and information for municipal decision makers through monthly publications, workshops and an annual conference.

For upcoming training opportunities, go to www.planningmi.org.

Today's Agenda

- 1. What is a Capital Improvements Program or Plan?**
- 2. Requirements of a CIP**
- 3. Preparing a CIP**
- 4. Interactive Exercise – Preparing a CIP**

1. WHAT IS A CAPITAL IMPROVEMENT PLAN?



What is a CIP?

The CIP is a schedule of proposed improvements to a community's public facilities.

- Projects are prioritized across the entire community and over time.
- The CIP covers a 6 year period.
- It is updated annually.
- The first year of a CIP is the **capital budget**.

Examples of Capital Improvements

- City Halls
- Courthouses, Jails
- Fire/Police Stations
- Libraries
- Parks
- Streets, Roads, Sidewalks
- Parking Lots & Structures
- Sewer (Sanitary & Storm) & Water



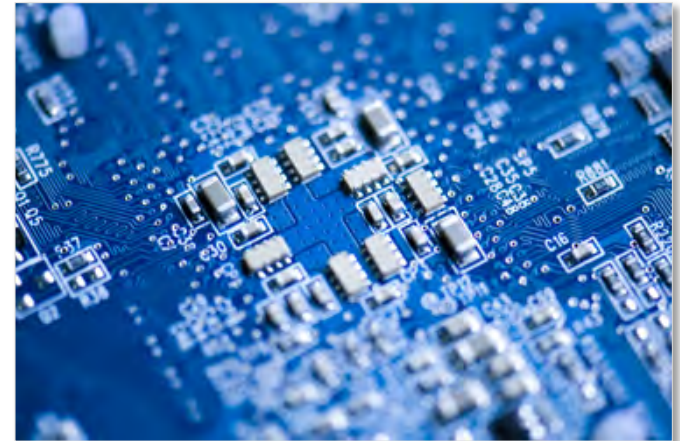
Examples of Capital Improvements

- Hospitals
- Land Purchases
- Street Lighting
- Major building additions
- Airports
- Disposal Sites & Equipment
- Recreation Buildings
- Swimming Pools



Examples that MAY be Capital Impvts

- Fire Trucks/Trash Trucks
- Road Graders/Equipment
- Computer Systems
- Parking Meters
- Police Cars
- Street & Road Reconstruction
- Playground Equipment
- Public Safety
Radio/Communication Systems



Examples of Operating Expenses (Not Capital Improvements)

- Office Furniture
- Library Books
- Fire Hoses
- Lawn Mowers
- Pothole Repairs
- Road Gravel
- Office Machines (computers, copiers etc.)



2. REQUIREMENTS OF A CIP



Requirements of a CIP - State Law

The Michigan Planning Enabling Act (MPEA) was amended (P.A. 33 of 2008) to consolidate planning requirements for cities, villages, townships and counties

- Section 65 of the MPEA provides the basis and procedures for a community's "capital improvements program of public structures and improvements"
- "To further the desirable future development of the local unit of government under the master plan, **a planning commission**, after adoption of a master plan, shall annually prepare a capital improvements program of public structures and improvements, unless the planning commission is exempted from this requirement by charter or otherwise."

MPEA Requirements

Who needs a CIP?

- All cities, villages, townships and counties with an adopted Master Plan are required to prepare a CIP unless exempted by statute or the legislative body.
- Rural townships are exempted if they have no public sewer or water, but they may voluntarily develop a CIP

Who Prepares a CIP?

- The planning commission
- If PC exempted by charter or otherwise, the legislative body must prepare the CIP or delegate the job to the chief elected or chief administrative official.

MPEA Requirements

Who must be involved?

- Each agency or department of the local unit of government with authority for public structures or improvements

Who should be involved?

- Adjoining units of local government
- Various agencies of the state and federal government, who must make public information available and furnish technical assistance and advice

Planning Commission Role

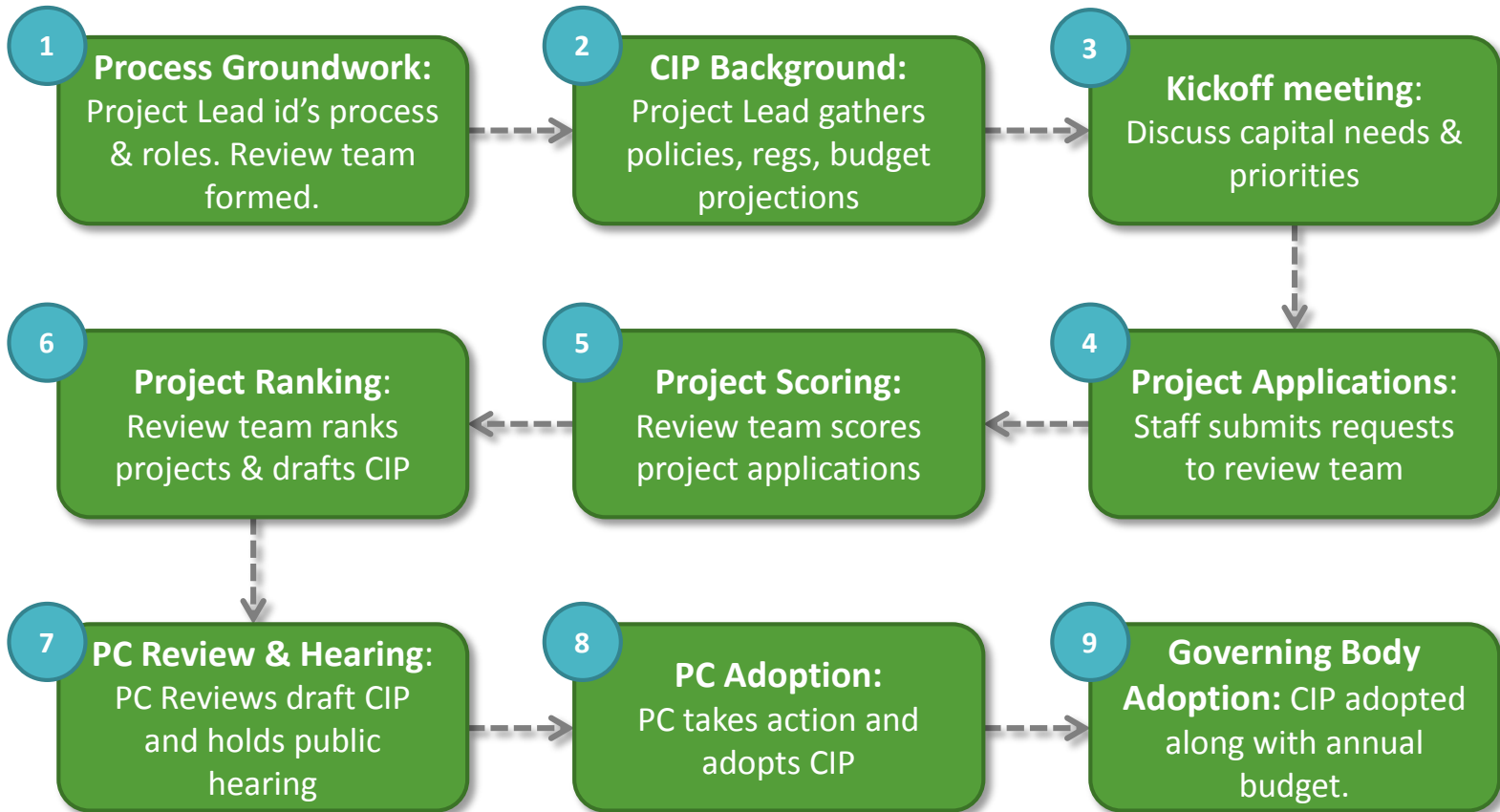
Why is the Planning Commission responsible?

- The PC creates and implements the Master Plan
- Capital improvement projects are an important implementation tool
- The MPEA also requires the PC to review and provide advisory comments on **public projects** to ensure compatibility with the master plan.

3. PREPARING A CIP



Preparing a CIP



Ranking Projects

Every community should create its own set of ranking criteria by which to assess various projects. Sample criteria could include:

- Contributes to health, safety and welfare
- Needed to comply with local, state or federal law
- Remediates an existing or projected deficiency
- Reduces future costs
- Implements the master plan
- Protects natural resources
- Supports the local economy
- Delivers level of service desired by community

Funding – Local Sources

Local Resources

- General Funds
- Bonds
- Millage
- TIF
- Fees



Funding – State & Federal Sources

Utilities and Roads:

- State Revolving Loan Funds (drinking water & sewer)
- MDOT/County Road Commission
- MDEQ
- EDA
- USDA

Facilities & Improvements:

- Michigan Natural Resources Trust Fund
- MDOT Enhancement Grants
- CDBG
- NOAA

Funding – Finding the Money

Sources of Information:

- County and regional planning agencies
- Local colleges and universities
- Private consulting firms
- Michigan Townships Association (MTA)
- Michigan Municipal League (MML)
- Citizens Resource Council (CRC)
- Michigan Economic Development Corp (MEDC)
- Department of Labor & Economic Growth (DLEG)
- Community Development Digest
- Federal Register
- Grants.gov

CIP Preparation Exercise

Accountability, MI

1. Break into small groups of 6-7
2. Select roles – 2-3 minute
3. Identify role responsible for leading CIP effort – 5 minutes
4. Develop CIP process – 10 minutes
5. Develop a priority ranking methodology – 10 minutes
6. Rank projects – 20 minutes
7. Present – 20 minutes (time permitting)

THANK YOU

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