
Memorandum

The City of Traverse City



TO: PLANNING COMMISSION
DOWNTOWN DEVELOPMENT AUTHORITY

FROM: CIP SUBCOMMITTEE *mw*

DATE: FEBRUARY 11, 2010

RE: CAPITAL IMPROVEMENTS PLAN PROCESS

Attached to this overview are two copies of the schedule of Capital Improvement Projects (one by Category and the other by Fund), along with the applicable project sheets. These are preliminary documents to start discussions on the projects, to determine if you need additional information, and to gather input. **We want to emphasize that this is a listing of all projects being requested; not a listing of recommended projects. While we do not know the amount of funds that will be available at this time; there are more projects listed than there will be funding for.** Prior to Planning Commission final review, we expect to have firmer projections on total revenue and expenses planned for next year and a staff recommendation on the projects to be funded.

PROCESS

The Capital Improvements Plan process begins with a staff review of the capital needs, with the various departments submitting requests for the following six years. The new requests are added to the current plan and then staff discusses all the requests. The next review is by the CIP subcommittee to further review and spread the projects over the available six years, producing a draft Six Year Capital Improvements Plan. Once the available funds are determined, the CIP will be revised to meet the available funding. The two final reviews and approvals in this process are the City Planning Commission and the City Commission.

OVERVIEW

The Capital Improvements Plan (CIP) outlines a schedule of possible public service expenditures over the next six years (FY2010/2011 – 2015/2016) for the rehabilitation, replacement and expansion of the City’s municipal infrastructure. Currently, the first year reflects those projects that are requested to be budgeted for FY2010/2011 with the remaining years included for planning purposes.

To qualify for inclusion into the CIP, a project should constitute a permanent, physical or system improvement that adds value or capacity to the City’s infrastructure. Ultimately, these expenditures will be in compliance with the City Master Plan and reflect the priorities of the City Commission.

ORGANIZATION

The Capital Improvements Plan is divided into two parts:

Part I – Capital Improvements Plan Schedule for the next six years. This year we have organized the projects by three major categories: Municipal Facilities, Transportation, and Utilities which contain the following subcategories:

<u>Municipal Facilities</u>	<u>Transportation</u>	<u>Utilities</u>
City Owned Buildings	Streets	Sanitary Sewer
Parking Facilities	Sidewalks/paths	Stormwater Sewer
Parks & Recreation		Water System

In addition, there are two additional categories: Visionary and General Operations. Visionary encompasses projects that are preliminary, requiring substantial funds, with no identified funding source. General Operations encompass those items that for budgeting purposes are placed in the CIP, but are day-to-day operational projects. These two sheets are at the end of the schedule.

Part II – Project Summary Sheets. These sheets list the individual capital projects included in the CIP and are organized by category and subcategory. The following information is included on each project page:

- Project Name
- Project ID
- Category
- Subcategory
- Submitted By
- Priority
- Estimated Cost
- Fiscal Year
- Description
- Justification
- Project Map
- Service Impact
- Revenue Source
- General Comments

We have included 46 project sheets of the approximate 190 sheets. If there are additional project sheets you would like, please let us know. There are sheets on Government Operations, Sewer System, Water System, etc that we are not sure you would like.

PROJECT PRIORITIZATION

We used the following Priority categories:

Urgent: involves an emergency or dangerous condition to public health, safety or welfare or complies with an immediate federal or state mandate.

Important: prevents an emergency or dangerous condition, complies with a federal or state mandate, is necessary to complete or rehabilitate a major public improvement.

Desirable: would benefit the community, be worthwhile if funding were to become available, and can be postponed without detriment to City services.

We used the following Justification categories:

- Protects health, safety, lives of citizens
- Meets new, or maintains existing, regulatory compliance
- Provides a net savings in operations and/or maintenance costs
- Enhances social, cultural, recreational, or aesthetic opportunities
- Maintains or improves existing infrastructure of facilities
- Reduces energy consumption or impacts on the environment
- Encourages economic development, resulting in private investment
- Utilizes significant currently available outside funding
- Achieves City Commission Goal or Priority

These categories differ slightly from last year and staff is still working on implementing them into the process.

FUNDING

Capital Improvement Projects are funded through several funds such as General Fund, Special Revenue Funds, Enterprise Funds (i.e. Water, Sewer, Auto Parking, Marina), Internal Service Funds (i.e. Garage Fund) Component Unit Funds (i.e. Tax Increment Financing). You will notice that some projects are budgeted specifically out of one fund while other projects may have funding sources that are covered by several different funds based on the nature and scope of the project.

At this time, we do not have estimates on the General Fund revenues and expenditures for FY2010/2011 and hence no estimates on the amount that could be available for the Capital Improvements Projects that are funded from the General Fund. However, there is budgeted this year \$1.1 million for transportation related infrastructure in accordance with the Asset Management Plan: \$990,000 for streets and \$110,000 for sidewalks, walkways, paths. We will get you these lists as they become available. Please be aware that these will be very preliminary and are subject to change.

Prior to Planning Commission final review, we expect to have firmer projections on total revenue and expenses planned for next year.

We do know that there will be several things that will impact the budget this year in addition to the economy, such as flat property tax growth and further reduction in revenue sharing payments from the State. As with past years, we expect that the total funding requested in the CIP will exceed the available funding.

PROJECTS

There are a total of 181 projects included in this preliminary draft, with 47 new projects this year. There are a number of ways to display these projects. Once the CIP is reduced to match available funds, we can provide you this information in several formats. If you have specific requests, please let us know.

GEOGRAPHIC DISTRIBUTION

Attached are detailed maps illustrating the location of the 180 projects. These can be displayed on the flat panel screens at the meeting Wednesday night.