

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of December 16, 2008

SUBJECT: FY2010 - 2015 Capital Improvements Plan

PROPOSED CITY PLANNING COMMISSION MOTION

Whereas, Section 1:185 of the Ann Arbor City Code requires that the City Planning Commission annually prepare a Capital Improvements Program for the ensuing six fiscal years;

Whereas, The FY2010-2015 Capital Improvements Plan (CIP), which was prepared with the guidance of the CIP Review Subcommittee and through the efforts of staff in the Community Services, Financial Services and Public Services Areas, has been submitted to the Ann Arbor City Planning Commission for consideration; and

Whereas, A duly-noticed public hearing was held by the City Planning Commission on December 16, 2008,

Resolved, That the City Planning Commission hereby approves the FY2010-2015 Capital Improvements Plan as a supporting document for the City's Master Plan.

STAFF RECOMMENDATION

Staff recommends that the draft FY2010-2015 Capital Improvements Plan be **approved**.

STAFF REPORT

The draft FY2010-2015 Capital Improvements Plan represents the culmination of an intensive four-month process to identify and prioritize the major capital needs associated with the City's various infrastructure areas, and to layout a schedule of projects to address these needs over the next six fiscal years based on their priority, funding availability and staffing resources. This process involved effort by three Planning Commissioners (Jean Carlberg, Evan Pratt and Kirk Westphal), staff from numerous service units (the Community Service Area's Planning & Development Services and Parks & Recreation Services Units; the Financial & Administrative Service Area's Information Technology and Financial & Budget Planning Services Units; and the Public Service Area's Systems Planning, Project Management, Water Treatment, Wastewater Treatment, Field Operations, Fleet & Facilities, and Administration Units), and the Downtown Development Authority and the Washtenaw County Drain Commissioner's Office. The resulting plan will provide City officials, staff and members of the public with a helpful tool for understanding City infrastructure needs and their budgetary implications. Upon action of the Planning Commission, the Financial Services and Public Services Areas will forward the adopted plan to City Council for action.

This CIP process was performed with several enhancements from previous years. These improvements and the complete process itself are detailed in the attachments which were distributed to the Planning Commission for its working session on December 9, 2008 when staff from the Systems Planning Unit introduced the draft FY2010 – 2015 CIP document to the Planning

Commission. The major process enhancement was that the work was performed in a fully collaboratively manner by CIP Category Teams, which were made up of staff from multiple service area's and units with a broad and varied range of perspectives to provide valuable input in assembling this CIP.

Notice of the public hearings for the draft CIP was sent to representatives of registered neighborhood and commercial organizations, members of City committees that may have an interest in capital improvement projects and to other individuals and groups interested in planning issues. Copies of the plan were made available to the public on the City website, and through the staff in the Community Services Area and Systems Planning Unit. It was requested that public comments regarding the draft plan be submitted to the City via the general Planning email address, and by telephone or e-mail to the Systems Planning Unit. As of this date, no public comments have been submitted.

Prepared by Cresson Slotten
Reviewed by Connie Pulcifer and Mark Lloyd
CSS/jsj/12/11/08

attachments

c: City Administrator

MEMORANDUM

DATE: December 5, 2008

TO: City Planning Commissioners

FROM: Cresson S. Slotten, P.E., Senior Project Manager
Public Services Area – Systems Planning

RE: Draft FY2010-2015 Capital Improvements Plan (CIP)

As part of the Commission's December 9, 2008 Work Session, I will be presenting to you the draft FY2010-2015 Capital Improvements Plan (CIP). To better prepare you for this meeting, attached are copies of the following items:

- Section I of the Draft CIP document
- Draft CIP Category Project Schedules
- Slide handouts from the CIP Kick-Off PowerPoint Presentation (9/9/08)

Your attention is directed to the Program Summary portion of the Section I document as it details the revisions that have been made to the CIP process this year. Particularly noteworthy are:

- Collaborative approach by the CIP Category Teams in identifying needs and key scope items related to them, as well as the prioritizing and scheduling of the projects to address the needs
- Pilot use of a detailed prioritization model tool for Parks and Recreation, Bridge and Water System Projects
- Collectively scheduling of projects based on the priorities, available funding and staff resource capacity to perform the work

At the Work Session I will briefly describe how some particular items of interest to the Planning Commission are handled by the CIP. In order to make this time more efficient, below is some background on these points of discussion.

Downtown Infrastructure Improvements

The City's downtown area has recently been the location of the majority of development interest and activity. As part of the review of these proposals, comments and concerns are raised about the capacity of the City's infrastructure systems to handle the additional capacity that will be generated by these developments. The present City policy regarding how to mitigate a situation where a system is pushed beyond its capacity by a development, but is currently functioning adequately, is that the developer causing that impact must perform the work to mitigate that situation.

Staff has recognized with the development activity in the downtown area, the underground sanitary system and portions of the water system serving this area are still the original facilities from early in the last century when they were constructed to serve a much less dense use - - typically 2 or 3-story buildings with many having first floor dry mercantile use with the shop or building owner's residence or a single office in the upper

floors. These original uses are far less intense in their demand of the City's utility systems. But again, these systems are still functioning well and are not at the end of their useful lives requiring replacement.

With the push-pull dynamic of the downtown development focus and these utility systems, senior City staff are examining what other options may be available besides or instead of the present policy, for implementing utility system capacity upgrades/mitigation when that situation arises in the future.

As this examination is still underway and we are still operating under the current policy, there is not a tremendous amount of sanitary sewer or water main projects in the downtown included in the CIP.

Elevated Water Storage in West Side of the City

There continues to be a project proposed in the CIP to construct an elevated storage tank in the West High Service District on the west side of the City. The need for this project is to operate the water system more efficiently through the use of the elevated storage rather than the pumping to provide the pressure in the district as it is presently provided. As presented by staff during the deliberations for the recent 42 North development, though providing more efficient operation, it will not be providing any additional pressure to the district.

Non-Motorized Items

During the work on the FY2008-2013 CIP, the approach taken was to include only "implementable" projects. As a result, most of the non-motorized needs were not included in the plan due to the lack of available funding and the uncertainty of support at the time of implementation. This year, the approach to the CIP was to charge the CIP Category to identify all of the needs in the various asset areas - - regardless of funding or outside support.

Therefore, there are many needs that are included in the CIP that are not funded at this time including a great number of non-motorized projects. However, the presence of these unfunded or unprogrammed needs are intended to draw the attention of the broader city staff, policy makers and the public on the increasing number and scope of needs of the city related to its infrastructure systems; and to perhaps serve as the catalyst for discussions and efforts to find methods to fund and program these needs.

Public Involvement

The involvement of the public in the CIP process is a commitment of the City. However, it is often difficult to generate interest and engagement by the community in such a broad and technical endeavor. It has been recognized in the past, but even more so this year with the collaborative team approach, that the greatest impact of the public on the CIP actually occurs before and after the CIP process itself. Before the CIP is even generated, the public is one of the main identifiers of needs; and after the CIP, the City performance project specific public engagement processes to gather input and feedback during the development of the details for the project implementation.

This is further outlined in a portion of the **Section I** document titled *Public Involvement*.

FY2010 – 2015 CIP Kick-Off Presentation

City Planning Commission
September 9, 2008

CIP KICK-OFF

- The CIP's role in:
 - Master Planning
 - Capital Budgeting
 - Asset Management
- Overview of CIP process
- "Adjusted" Team Approach
- Available Tools
- Schedule/Milestones
- Questions

CIP's Role In: Master Planning

- Michigan Planning Enabling Act (PA 33 of 2008)

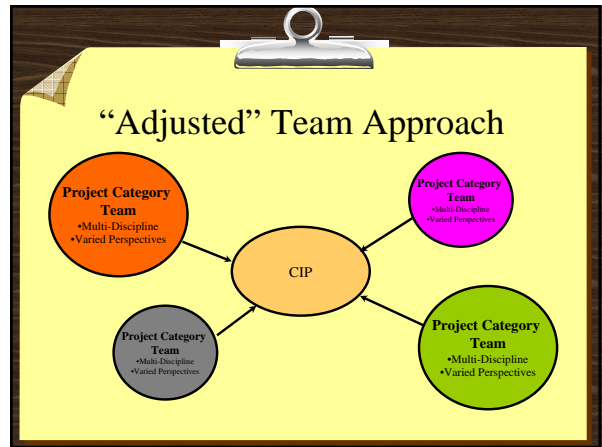
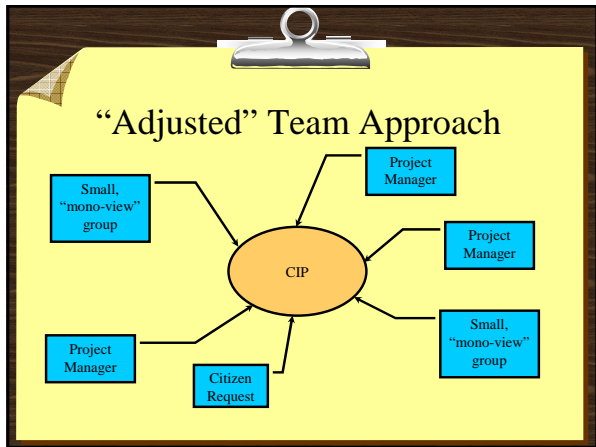
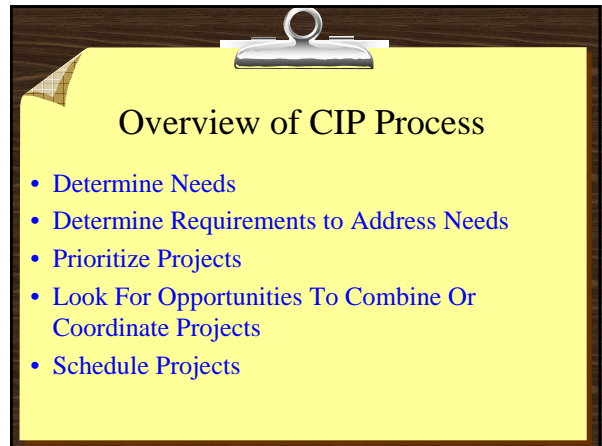
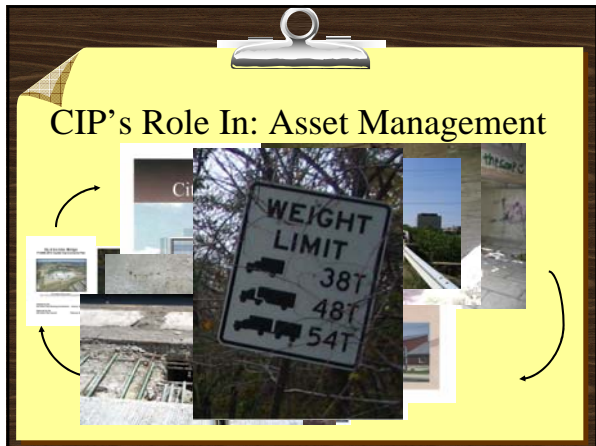
Sec. 65. (1) "To further the desirable future development of the local unit of government under the master plan, a planning commission, after adoption of a master plan, shall annually prepare a capital improvements program of public structures and improvements...The capital improvements program shall show those public structures and improvements, in the general order of their priority that in the commission's judgment will be needed or desirable and can be undertaken within the ensuing 6-year period.

CIP's Role In: Capital Budgeting

- **Previously project budgets approved individually by Council**
 - No way to identify current, total capital budget
- **Now projects in first 2 years of CIP become basis for City's 2-year capital projects budget**
 - Budget for fund, with listed projects approved - - no need to go back to Council individually

CIP's Role In: Asset Management

CIP's Role In: Asset Management



- ### “Adjusted” Team Approach
- For example, the Street Construction Team will include:
- Field Operations
 - Manager
 - Assistant Manager
 - Street Supervisor
 - Forestry Supervisor
 - Operations Specialist
 - Engineer
 - Project Management
 - Chief Engineer
 - Project Managers (3)
 - Systems Planning
 - Transp. Program Manager
 - UFNR Program Manager
 - Water Quality Manager
 - DDA

- ### Available Tools
- City's GIS
 - Current CIP Document
 - CIP Database
 - Prioritization Model (to be piloted)
 - Team Charter Document
-

Schedule/Milestones

- September 8th: Kick-Off Session
- September 9th: Presentation to Planning Commission
- September 26th: Category needs compiled
- October 15th: Project prioritization completed
- Mid-October: Meet with CPC's CIP Review Subcommittee re: Municipal Facilities Projects

Schedule/Milestones

- November 7th: Initial draft CIP due to Service Area Administrators for review
- Early November: Meet with CPC's CIP Review Subcommittee re: Utility and Corridor Projects
- Mid-November: Meet with CPC's CIP Review Subcommittee re: Transportation Projects
- Mid-November: Meet with SAA's to review draft CIP

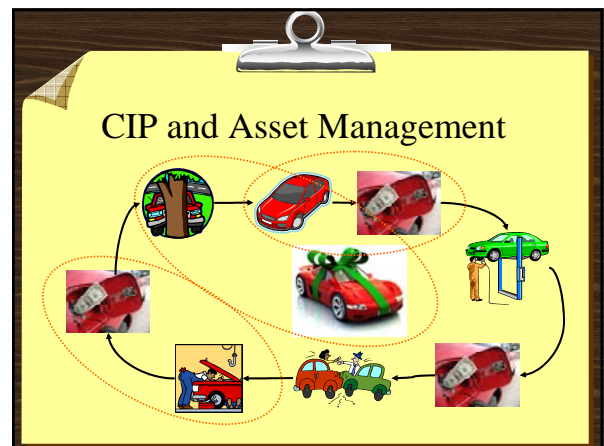
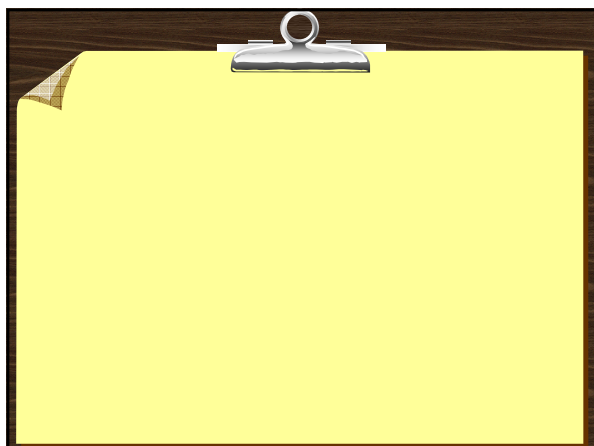
Schedule/Milestones

- December 16th: Presentation, public hearing and proposed adoption for CIP at Planning Commission
- January 19th: Resolution to City Council for approval of FY2010-2015 CIP

Questions?

Thanks for your time and attention

Looking forward to working with you on the CIP!



Asset Management and CIP

- Asset management isn't a new concept...
We're trying to improve on it

