



Communication to the Planning Commission

FOR THE MEETING OF: APRIL 5, 2016

FROM: MISSY LUICK, PLANNING AND ENGINEERING ASSISTANT

SUBJECT: CAPITAL IMPROVEMENT PROGRAM ADOPTION

DATE: APRIL 1, 2016

The Capital Improvement Program (CIP) draft was distributed at the February 2, 2016 meeting. A study session was held on February 17, 2016 to discuss projects within the draft Capital Improvement Program. A Public Hearing was scheduled on March 1, 2016.

The draft CIP has been uploaded to the City's Capital Improvement Program page online. <http://www.traversecitymi.gov/capitalimprove.asp>

Changes since the last draft have been identified on a document called "CIP edits".

In December, the Planning Commission did a prioritization exercise based on Project Categories or Project Bundles. The results from that exercise were Streets/Corridors, Trails/Walks, Utilities, Bridges and Bayfront Parks were among the highest ranked. The full results based on that prioritization exercise are included below. There are proposed projects included in the Six-Year Capital Improvement Program from all of the Project Bundles.

Rank	Project	Average
1	A. Streets	7.60
2	J. Corridors	7.60
3	E. Trails and Walks	6.60
4	K. Utilities	5.40
5	D. Bridges	5.20
6	B. Bayfront Parks	4.70
7	G. Civic Enhancements	4.50
8	C. Neighborhood Parks	4.40
9	F. Parking Facilities	3.90
10	H. Hickory Hills	3.50
11	I. Brown Bridge	1.60

It will be necessary to further adjust the Capital Improvement Program after the Planning Commission's approval due to budget constraints. The City Manager is still reviewing Department Budget operational requests and the City Assessor's office is still projecting tax

revenues for the coming year. These processes will have impacts on the availability of General Fund dollars which will in all likelihood require adjustments to the Capital Improvement Program for projects funded by the General Fund. All subsequent changes after the Planning Commission's adoption of the CIP will be communicated.

If you agree, the draft Capital Improvement Program helps to implement the Traverse City Master Plan and furthers the desirable future development of the City, the following motion would be appropriate:

I move that a 2016-2022 Capital Improvement Program as submitted to the Planning Commission (*or as amended by the Planning Commission*) be adopted and that the action be communicated to the City Commission.

Attachments:

- How to Interpret the CIP
- CIP spreadsheet dated 3/30/16
- CIP narrative dated 3/30/16
- CIP Edits since 2/2/16 updated 3/28/16

How to Interpret the CIP

Last year, the creation of project "categories" was new. The categories are: Capital (C), Visionary (V) or Operations and Maintenance (M). If a project has been designated as Visionary, it has been moved out to the final year of the plan 2021/2022. The definitions for the Categories are as follows.

Capital Improvement Program Project Category

Each project needs to be classified in accordance with the following definitions

- **Capital Projects-** Generally, this category includes sizable expenditures for items that are new, increases the value of an existing asset, extends the useful life of an asset beyond the original useful life, or increases the capability or capacity of an asset. The costs of these projects will be reported as a capital asset by the City.

Examples would include: building a new parking deck, a new street such as Silver Drive, reconstruction of an existing street that changes its function, constructing a new bike path, purchasing land for a park, or purchasing new playground equipment, etc. Other examples could include adding an additional floor to a parking deck, expanding a water treatment plant to provide more capacity for treating water, adding additional space to a municipal building, renovation of a municipal building that is already fully depreciated, or generally adding any functions that did not exist previously. (Note, this is not an exhaustive list.)

- **Operation and Maintenance Projects-** Generally, this category includes expenditures that are made to maintain an asset to its original condition instead of extending the asset beyond its original useful life. The costs associated with these projects will be expensed by the City.

Examples would include replacing a deck on a parking deck, replacing fixtures in a building that are part of the original cost of the building, replacing a roof on a building, replacing an elevator or heating, ventilation, or air conditioning system in a building, resurfacing or restriping of a street, etc. These expenses do not extend the useful life of an asset but merely avoid shortening the current useful life of an asset. (Note: this is not an exhaustive list.)

- **Visionary Projects-** Generally, this category includes projects that ultimately could be either Capital Projects or Maintenance Projects. However, since they are planned beyond the normal six years of a capital project plan and/or have no identifiable or secured source of funding, they are considered visionary until more certainty is obtained regarding specifics of the project.

Examples would include a civic square, an underpass, a new street where none currently exists, a roundabout, an amphitheater, etc. (Note, this is not an exhaustive list.)

New this year, the titles have been "coded" to group like/similar projects. A project title coding document is attached.

Capital Improvement Program Project Title Coding

Project Title- The titles are coded in order to sort like projects together. Each project title shall have a prefix according to the following:

- BB-(For all projects in Brown Bridge Quiet Area)
- BRIDGES- (For all bridge projects)
- CEMETERY- (For all Oakwood Cemetery projects)
- CIVIC-(For all projects that are civic enhancements)
- FACILITIES-(For all City-owned building improvements)
- GARAGE-(For all projects from the Garage fund)
- GEN GOVT-(For all projects that advance general government operations)
- PARK-(For all park improvement projects)
- PARKING-(For all parking related projects)
- POLICE-(For all Police Department Projects)
- SAW-(For projects related to the SAW grant)
- STREETS- (For all street improvement projects)
- TCFD-(For all TC Fire Department Projects)
- TCLP-(For all TC Light and Power projects)
- WALK-(For all trail and walkway projects)
- WW-(For all Waste Water projects)
- WATER-(For all Water projects)

In addition, for projects with multiple funding sources, the title of the project includes a + sign and the additional fund names are listed in the title.

Projects with an *asterisk indicate new projects submitted for review.

Projects in bold indicate projects occurring in the first fiscal year of the plan.

As in the past, the CIP consists of two reports. The CIP Spreadsheet by fund and the accompanying CIP Narrative (alphabetical order by project title) which offers project details.

New this year, the narrative report has been updated to show more detail related to each project. The narrative report now is designed to mirror the CIP project input screen. (In the past, data input into the program was not included in any of the program outputs.)