



2017 Infrastructure Funding: Is Your Community Ready?

FUNDING LIKELY

The Flint water crisis put focus on failing infrastructure at the State and Federal level, a problem that local leaders have been aware of for many years. New elected leaders in Washington have indicated support for funding infrastructure. Whether directly to local governments or through the States, community leaders will want to be prepared with specific plans for their infrastructure needs. Various infrastructure facilities (roads, parks, public buildings, and utilities) are a capital improvement - a non-recurring major cost for new, rehabilitation, acquisition or replacement of public structures, grounds, equipment and the associated soft costs for planning, design, engineering and feasibility work.



A McKenna-prepared visualization of a future capital improvement (Recreation Center and Boxing Club) in River Rouge, Michigan.

During a recent planning conference in Michigan, Flint area U.S. Congressman Dan Kildee said there will be bi-partisan support in Congress for major funding of infrastructure. Elected officials on both sides of the aisle have also recently supported large amounts of federal spending to fix existing infrastructure (as opposed to new projects) possibly in partnership with private entities. Also, Michigan's 21st Century Infrastructure Commission recently issued its comprehensive report to help ensure our state's infrastructure remains safe and efficient, focusing on economic prosperity, a healthy environment, and reliable, high-quality service. With these multi-faceted initiatives, local leaders will want to be prepared with projects.

CAPITAL IMPROVEMENTS AND THE PLANNING COMMISSION

Section 65 of the Michigan Planning Enabling Act, Act 33 of Michigan P.A. 2003, as amended, says the Planning Commission "shall annually prepare a Capital Improvements Program (CIP) of public structures and improvements..." The section dictates the CIP show planned improvements that can be undertaken within an ensuing 6 year period, in general order of priority, and requires each municipal department head to furnish to the Planning Commission (upon request) lists of department projects, plans and estimates of time and costs of improvements. After appropriate public engagement and hearings, the Planning Commission then sends the CIP to the governing body for approval.

ADVANTAGES OF CAPITAL IMPROVEMENT PLANNING

1. CIPs create orderly, publically vetted, systematic planning for acquisition, financing and use of improvements (typically costing more than roughly \$10,000, with a life of 10 or more years).
2. Creates harmonious approach to capital improvements by aligning with other local policies and plans, including the master plan.
3. CIPs require that costs be identified, including operation and maintenance.
4. CIPs promote pre-crisis planning, public support, design, feasibility studies of installation or construction, and early site or right-of-way acquisition.
5. For public officials, CIPs help to evaluate project plans better than during a crisis.
6. CIPs prepare leaders to effectively spend unexpected funding from State, Federal, and philanthropic agencies, or public/private partnerships.
7. CIPs can assist with bond payment and tax rate planning.
8. CIPs assure public support, through engagement, and reassure funding agencies that public funds will be used effectively.

The CIP is updated annually and used by the executive and legislative branches as a tool for preparing the annual budget.

MCKENNA APPROACH

McKenna planners offer a three-pronged CIP approach: 1) Identify projects based on community objectives and market demands; 2) Identify a framework for evaluating projects; and 3) Prepare a cost allocation for existing and future facilities that reflects the local strategy and policy.

Because resources are always inadequate to address every community need, choices have to be made based on a system of priorities and guiding principles. For example, a community should decide whether a targeted or dispersed approach to spending would best effectuate public goals.

McKenna's professionals work with municipal CIP project managers to:

Survey Capital Facilities - Using existing policy sources, McKenna surveys the current base of a local jurisdiction's capital facilities.

Identify Projects - McKenna planners circulate a Project Request Worksheet to all departments, boards and commissions asking their needs for capital expenditures. The worksheet includes a request for project descriptions, schedules, coordination requirements, prioritization, and cost estimates.

Prioritize Projects - In coordination with the local CIP Project Manager and the Planning Commission, McKenna develops criteria to determine the initial priorities for the projects identified in the Request for Projects.

Prepare CIP - After a consensus is reached on the initial project priorities, McKenna prepares a draft CIP with a list of proposed projects by category for each of the six fiscal years, on a map and in summary. Each project is described with major project elements, implementation responsibility, general cost estimates, sources of funds, and schedule. The CIP may also list projects that were requested and evaluated but not prioritized for funding.

PROFESSIONAL HELP

Call your McKenna project planner or John Jackson, AICP, President at 888.226.4326 to start your CIP process and be prepared for potential outside funding.

McKenna Associates provides community planning, landscape architecture, urban design, zoning, economic development, community relations, public participation, and municipal wireless services to more than 150 cities, counties, townships, villages and select private firms across the Midwest. For more about McKenna, call 888.226.4326 or [visit mcka.com](http://mcka.com).