



CITY OF ANN ARBOR, MICHIGAN

Public Services Area/Systems Planning

301 East Huron St.

P.O. Box 8647, Ann Arbor, Michigan 48107

Fax: (734) 994-1744

Web: www.a2gov.org Printed on recycled paper

December 19, 2022

Mr. Brett Lenart
Planning Manager

Dear Mr. Lenart,

Attached please find the proposed Capital Improvements Plan (CIP) for Fiscal years 2024-2029, and other related materials:

- The proposed FY2024-FY2029 CIP organized by Asset Category (in alphabetical order)
- A New Projects document that lists projects new to the proposed plan
- A CIP Project Clean-up document including completed projects, projects currently on-hold, and those eliminated during this CIP update cycle
- A copy of the CIP Prioritization Criteria used for each asset group
- CIP Recommendations from the Transportation Commission

Planning Commissioner questions and comments on the draft plan are welcomed and can be responded to by staff prior to the January 4, 2023, formal public hearing.

Highlights from the FY2024-2029 CIP:

- 1) **New policy direction:** This is the first full CIP cycle since the adoption of the Moving Together Toward Vision Zero Transportation Plan and the A2ZERO Carbon Neutrality Plan, as well as the passage of the Climate Action Millage. Additionally, City Council has provided direction on the expenditure of American Rescue Plan Act (ARPA) funding and issued bonds to finance road condition improvements. Each of these planning and policy tools provides guidance that resulted in updates and modifications to the CIP. New projects were incorporated to reflect the community vision and goals laid out in each of these initiatives. New revenue sources (Climate Millage, ARPA, road bond) allowed for additional work to be completed and/or project timelines to be accelerated.
- 2) **Emphasis on project coordination/efficiency:** Staff reviewed upcoming street construction work to identify companion utility projects based on long term asset management planning needs. This approach ensures that opportunities are not missed to make improvements during road construction, when utility work can be performed most cost effectively.
- 3) **Schedule delays:** Increased cost, labor shortages and supply chain/materials shortages have all played a role in many projects being reprogrammed to a later date. The inflation that we have all experienced in consumer goods is amplified in the construction sector. Dramatic project cost increases have left fund balances millions of dollars short of what would be needed to complete projects as previously scheduled. As a result, many projects are now rescheduled to a later date than presented in prior CIP cycles.



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- 4) **On-hold Projects:** Projects that are unlikely to occur within this 6-year CIP cycle have been placed on-hold to provide a more realistic and achievable CIP. Various factors may hold up progress on a project moving forward; for example, condition assessment, asset management planning, funding availability/commitment, and overall project priority relative to other needs. We believe that using the 'On-hold' feature will help to provide a more realistic representation of work to be completed in the upcoming 6-year cycle, while also tracking and publicly reporting these potential project needs.

- 5) **Prioritization Metrics:** In 2020 the city transitioned capital improvements planning to a new software, Allowance, and updated prioritization criteria for many of the asset groups. During the fall 2022 CIP process staff continued to see opportunities to further improve metrics. Prioritization metrics will be reviewed and updated before the next full CIP cycle, with an emphasis on continuing to refine and enhance how sustainability and equity are considered in the process.

We are pleased to present this proposed Plan, which reflects the efforts of over 70 staff members with input from community members, the University of Michigan, the Downtown Development Authority, the Housing Commission, and other entities. The proposed plan includes 500 total projects, and \$1,186,589,000 worth of capital infrastructure investments over the 6-year planning period (FY24-29).

Sincerely,

Kayla Coleman
Capital Projects Asset Manager

cc: S. Stewart



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Attachment: **FY2024-2029 CIP SUMMARY**

Category	Number of Projects	Funding FY2024-2025 Budget Cycle	Total Funding FY2024-2029 CIP Cycle
City Owned Buildings	28	\$95,972,000	\$481,429,000
Parks and Recreation	27	\$13,088,000	\$42,419,000
Solid Waste	1	\$5,785,000	\$5,785,000
Active Transportation	61	\$18,029,000	\$45,804,000
Airport	12	\$7,156,000	\$19,807,000
Bridges	4	\$7,343,000	\$10,763,000
New Streets	1	\$717,000	\$1,470,000
Other Transportation	22	\$8,932,000	\$21,837,000
Parking Facilities	4	\$7,740,000	\$23,542,000
Street Construction	82	\$39,222,000	\$88,575,000
Transit	4	\$2,550,000	\$36,800,000
Sanitary System	55	\$38,675,000	\$86,051,000
Stormwater Management	80	\$21,456,000	\$45,430,000
Water System	119	\$68,942,000	\$276,877,000
Totals:	500	\$335,607,000	\$1,186,589,000