



A Chapter of the American Planning Association

Guideline Number

MPEA, 281 of 1975
TPEA, 168 of 1959
COPEA, 282 of 1945

DRAFT
CAPITAL IMPROVEMENT PROGRAM REQUIREMENTS

Background Information

Opportunity to be Addressed: The capacity of the municipal, county or township planning commission to formulate a capital improvement program as a tool to implement the local master or comprehensive plan, for adoption by the local legislative body. A capital improvements program (CIP) is a schedule of public improvements for a 5 to 6 year period that indicates what will be constructed, where, when, at what cost and by what means of financing.

Statutory Citation: Sec. 9 and 10 of the Municipal Planning Act (PA 285, 1931)
Sec. 10 – Township Planning Act (PA 168, 1959)
Sec. 4a and Sec.5 – County Planning Act (PA 282, 1945)

History of the Requirement: The planning commission's responsibility to review public improvements for consistency with the local master or comprehensive plan has been incorporated in all three planning enabling acts since their respective enactment's. The public improvement requirements under MCL 125.39 of the Municipal Planning Act, and the metropolitan county planning commission provisions for programming of capital improvements in the County Planning Act provided the most direct references to CIP authority until the Township Planning Act was amended in December 2001 to give CIP authority to township planning commissions.

Recommended Best Practice

What the statutes say: After a plan has been adopted in a municipality, the Municipal and Township Planning Acts state that no public facility (public street, square, park, open space, public building, or structure) shall be built or authorized until it has been approved by the planning commission. Similarly, under the County Planning Act, the county planning commission is required to review and comment on proposed county expenditures to acquire land or build or improve a facility. The Municipal Planning Act specifically requires the planning commission to prepare and update a six-year public improvement program. The County Planning Act allows a metropolitan county planning commission to develop a program of capital improvements along with financing plans.

HB 4571, the draft Coordinated Planning Act, largely prepared by MAP, and introduced in 2001 by Rep. Patricia Birkholtz, defines a capital improvement program and allocated an entire chapter to CIP mandates for county, municipal or joint municipal plans. It said



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the CIP shall be based upon an annual inventory of capital facilities and forecasts of future needs. It called for a 6 year or longer CIP and projected impacts on future operating budgets. A county CIP would include improvements using county board, road commission, drain commission and other special entity funds. A CIP would be adopted within one year of the plan's adoption. A CIP that meets identified requirements would have a higher priority for state funds than CIPs that don't meet those requirements.

Options: The implication of all three planning enabling acts is that the planning commission should have some reasonable standard for reviewing requests or recommendations for public improvements. Those requests are to have a basis in the master plan. The logical and time-tested means of following through on the master plan recommendations for public improvements is to establish a mechanism for determining the phasing, costs and revenue sources for those improvements (i.e., a capital improvements plan).

In many, if not most cases, townships, as well as counties and municipalities, ignore the requirement of planning commission review of public improvements. In the case of municipalities and townships, this may be attributed to the stipulation in the acts that the planning commission's disapproval of a particular public improvement can be overruled by either 2/3 (municipal planning act) or a majority (township planning act) of the body submitting the improvement for review. This is perceived by some as weakening the planning commission's review and recommendation powers.

The APA ***Growing Smart legislative Guidebook*** recommends the following language for the preparation of a capital improvement program (CIP):

"7-502 Local Capital Improvement Program: Adoption of Local Capital Budget
(1) *In order to carry out proposed projects contained in the program of implementation of a local comprehensive plan, a local government [shall or may] on an annual basis prepare a local capital improvement program (CIP) and adopt a local capital budget. The legislative body shall designate either the local planning agency or another department of the local government to be responsible for formulating and revising the CIP for its consideration."*

Suggested Action: If local jurisdictions (municipalities, townships, counties) were to prepare CIP's based on an analysis of the local land use plan and the requirements for public facilities and services to support the land use plan the CIP becomes a primary means of implementing the land use plan. A CIP that covers a six year time frame and is updated on an annual basis becomes a "living" document that identifies where local jurisdictions will be investing resources on infrastructure improvements for the next six years. This greatly enhances certainty and predictability in community development. It



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also provides a direct link between the land use plan and a local governing body's policy decisions regarding annual and long term budgetary needs.

References:

- Municipal Planning Act (PA 285, 1931)
- County Planning Act (PA 282, 1945)
- Township Planning Act (PA 168, 1959)
- HB 4571 of 2001
- ***APA Legislative Guidebook*** Chapter 7-502

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