



**Title:** Multi-year Project Planning Framework

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**Purpose:**

To engage the Board in a discussion of capital project prioritization and initiate the 2023 Capital Improvement Plan (CIP) development process. The 2023 CIP will be developed using a modified format, process, and set of project planning tools to enhance shared decision making between the Board and staff. These improvements are collectively referred to as the multi-year CIP.

**Summary:**

The Minnehaha Creek Watershed District is a mission driven organization that centers its work on the delivery of high impact capital projects that integrate water and natural resources with the built environment. MCWD has progressively improved its approach to capital project planning through cycles of implementation and deliberate reflection that have increased the sophistication and efficacy of its capital project implementation model. Today, MCWD is at a juncture to again evaluate and reflect on past project successes and level up for the next phase of capital project implementation.

At the Board Retreat in July 2021, staff emphasized the critical junction point of MCWD's capital project program. First, the organization's two focal geographies – Minnehaha Creek and Six Mile Creek-Halsted Bay – have reached milestones that present a natural point to evaluate the next phase of implementation priorities. Furthermore, the organization, under its strategic action plan, continues to align programs and build internal capabilities to best support delivery of high impact capital projects. Finally, MCWD is approaching the halfway point of the 2017 Watershed Management Plan, providing an opportunity to reflect on our success, renew our focus, and chart the direction of our next 10 year plan.

As part of iteratively improving its approach to the identification, planning, and construction of high impact capital projects, the MCWD is at a position where it can once again reflect, identify lessons learned, and apply them moving forward to continually improve the success of its capital project programming. The next phase of project planning must systematize what has been learned to date, to provide increasingly clear focus and foresight over project strategies and timelines, and the resources that will need aligning to be successful.

As staff and the Board begin planning for the next five years of capital project implementation, staff have identified two short-term needs to create clear focus, and to move towards a more systematized approach of setting capital project priorities.

- Develop a multi-year CIP framework to support Board decision making, that more effectively predicts project benefits, costs, constraints, risk, phases of work, and timelines.
- Make near term decisions regarding the five-year strategic priorities for the next phase of project implementation in MCWD's two focal geographies.

Staff will introduce this topic for discussion at the December 16, 2021 Planning and Policy Committee (PPC) meeting. Pending dialog with the Committee in December, additional conversations will be planned between January and March of 2022.

## **Multi-year Capital Improvement Plan**

The CIP is a required component of the ten-year watershed management plan. State statute specifies that plans will include a table that outlines the capital improvement program, including the schedule, costs, funding sources, and any amendments to the table must be distributed for comment and reincorporated into the plan document.

The CIP adopted in the 2017 Watershed Management Plan includes a comprehensive list of known capital project opportunities in MCWD's focal areas, and broad categories of implementation activities in non-focal geographies. Annually, through the budget process, the Board revises the CIP table to reflect adjustments to timeline and cost and distributes those changes to partner agencies for comment. While this fulfills state requirements for the development of a CIP, the process and content of the CIP could be improved to better serve the full range of organizational needs around capital project planning, budgeting, and communications.

The project planning group is currently working to evaluate opportunities for improving the CIP process and the content within to support clearer forecasting and organizational decision making of project priorities. Improving the process through which the Board receives critical information about project opportunities, costs, risks, phases of work, and timelines will not only enhance decision making, and ensure staff and the Board remain in sync – it will also improve staff's ability to predict cross-departmental resources needed and more effectively align programs to support capital project delivery.

Primary outcomes targeted by the development of the multi-year CIP include:

- Clearer data for potential projects: benefits, costs, risks, phases of work, timelines, and internal resources
- Improved organizational decision making on capital project priorities, keeping staff and the Board in sync
- Enhanced internal alignment of programs to support capital project planning and implementation
- Improved external communication to partners and the public regarding MCWD's project priorities

At the December 16 PPC Meeting Project planning staff will seek preliminary Committee feedback on threshold requirements of an improved CIP process and the information needed about projects to support high quality decision making at a strategic, systems-scale.

## **Subwatershed Priority Decisions**

As the multi-year CIP and associated processes are being developed, the organization has near term decisions to make to continue setting direction in the two focal geographies of Six Mile Creek-Halsted Bay and Minnehaha Creek. Initiating discussions of subwatershed focus early in the CIP development process will not only position staff to begin near term work on these priorities in advance of adoption of the 2023 CIP, but will also facilitate the CIP development process and ensure it reflects Board identified priorities.

The primary directional decisions that will be discussed at the December 16, 2021 PPC meeting include:

- Six Mile Creek Halsted Bay Subwatershed
  - With work substantially complete on the restoration of Wassermann Lake, where might the organization focus its efforts to develop the next phase of capital project priorities?
- Minnehaha Creek Greenway
  - While 325 Blake Road has several years left in design and construction, its completion will mark the successful creation of a contiguous corridor of restoration and investment from Cottageville Park through Methodist. What does the next 10 years in the Minnehaha Creek Greenway look like?
- Minneapolis Parkway
  - How will the organization continue to pursue partnership opportunities with Minneapolis Park and Recreation Board and the City of Minneapolis, given the recent election turnover?

## **December 16, 2021 Policy and Planning Committee**

At the December 16, 2021 PPC meeting, staff will provide a presentation and facilitated discussion to kick off the multi-year CIP development process. The first in a series of meetings, the December 16, 2021 meeting will:

- Introduce the multi-year CIP
- Frame the subwatershed direction decisions and project opportunities

- Solicit preliminary feedback to inform future in depth discussions of the organization's capital project priorities

Following the December PPC meeting, in the first quarter of the 2022 staff will facilitate a series of subwatershed focused discussions to provide more in-depth information of priority projects including project benefits, costs, constraints, risk, phases of work and timelines. This process will lead to informed decision making through the 2023 budget and CIP development process.