

The 2023-2029 General Capital Investment Program (CIP) plan prepares and serves as a catalyst for future development within a constrained budget. Every 2 years, during the biennial budget process, the city adopts a 7-year CIP plan, which outlines the city's anticipated capital investment needs over that timeframe.

### **Capital Prioritization Criteria & Planning Policies**

The city uses numerous criteria for ranking and prioritizing capital investment projects. Generally, the city uses a “waterfall” decision framework, which serves to guide the following criteria and policies:

- First and foremost are the city's debt obligations. All debt service payments are prioritized first when allocating resources to the CIP.
- Secondly, City of Bellevue Comprehensive Financial Management Policy – XI.I “Preserve Existing Capital Infrastructure Before Building New Facilities”, states the following:

*“It is the City's policy to ensure that adequate resources are allocated to preserve the city's existing infrastructure before targeting resources to build new facilities that also have operating and maintenance obligations. This policy addresses the need to protect the city's historical investment in capital facilities and to avoid embarking on a facility enhancement program, which when coupled with the existing facility requirements, the city cannot afford to adequately maintain.” (City of Bellevue Comprehensive Financial Management Policy – XI.I)*

After ensuring that debt and maintenance are funded at appropriate levels, the city reviews existing and new projects with the following lenses:

- Effectiveness at achieving City Mission, Strategic Target Areas, and Council Priorities
  - Effectiveness – extent to which project achieves Strategic Target Areas and Council Priorities
  - Tangibility and clarity of project results
  - Multiple benefits – addresses multiple Council priorities or meets multiple constituent needs
  - Enhances community resiliency and helps businesses recover from the impacts of COVID-19
- Mandates
  - Legal/Statutory – program is required by law (e.g., projects funded by voter-approved ballot initiatives)
  - Appropriate level of investment needed to meet each mandate
- Financial factors
  - Leveraging other funds – extent to which project is funded by external sources
  - Regional and public-private partnerships
  - Revenue-generating projects
  - Cost versus benefit

- Sunk costs – extent to which the project expenditures have already been incurred
- Avoided costs – extent to which the project creates savings and reduces future costs and risks
- Stewardship – extent to which the project protects and leverages existing investments
  
- Timing/urgency
  - Project readiness – extent to which the project can proceed within CIP period
  - Need to move forward during this 7-year CIP period
  - Critical linkage to other high priority projects
  
- Scaling
  - Level of Service (LOS)
  - Right element of project at this time (e.g., full build, partial build, design only)