

**ADMINISTRATIVE CODE  
BOARD OF COUNTY COMMISSIONERS**

<b>CATEGORY:</b> Financial/Fiscal/Budget	<b>CODE NUMBER:</b> AC-3-9
<b>TITLE:</b> Criteria For Evaluating CIP Projects	<b>ADOPTED:</b> 07/05/95
	<b>AMENDED:</b> 08/09/05
	<b>ORIGINATING DEPARTMENT:</b> County Administration/Budget Services

**PURPOSE/SCOPE:**

The purpose of adopting formalized criteria for evaluating CIP projects is to:

- A. Ensure projects are prioritized in a consistent, objective manner;
- B. Ensure no undue burden is placed on ad valorem funding sources to cover proposed CIP projects.

**POLICY/PROCEDURE:**

The policy is broken down by general policy statements followed by specific non-restrictive-funded project criteria (i.e., ad valorem funded) and then specific restrictive funded project criteria. (i.e., impact fees, gas, tax, user fees, tourist tax, grants, TIF, and bonding.

**I. GENERAL**

1. Mandated projects will be considered first in importance for funding considerations; non-mandated projects of countywide or regional benefit will be considered second and non-mandated projects not of countywide or regional benefit will be considered last.

Projects will be considered mandatory if: 1) the Lee Plan (Comprehensive Land Use Plan) specifies a required level of service, i.e., is considered regulatory, or if the project is deemed necessary to comply with a policy set forth in the Lee Plan; and/or, 2) Federal or State or other County mandates dictate a need for a CIP project. Non-mandated projects are those projects needed to meet a non-regulatory Comprehensive Land Use Plan level of service, projects that fit general Comprehensive Land Use Plan goals and objectives, but not actually required, projects not addressed in the Comprehensive Land Use Plan, and/or projects not dictated by Federal, State, or County mandates.

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1. The Project managing departments will determine whether their proposed projects are mandated. Lee County's Planning Division will review to determine if a project is considered mandated or *not mandated* by the Comprehensive Land Use Plan.
2. The project managing department will determine whether the proposed new project is reasonable, justifiable, and beneficial to Lee County.
3. Grants should be explored for possible CIP funding through construction. Grant funds should be sought if a project is eligible, and the grant conditions appear to be cost effective to the County in the long run.
4. Operational and maintenance plans (see attached) shall be submitted for projects which are public/private partnerships that include the following:
  - a. An identification of the revenues expected to be generated by the proposed project, once completed.
  - b. A five-year projection of revenues from the facility. Revenue producing projects that completely offset operational expenses will be more favorably considered.
  - c. A proposed operation/maintenance plan that meets the County's expectations and a sufficient budget to cover materials, equipment, and labor needed to carry out the plan.
5. New projects may be considered by the Board for placement in a year other than the fifth year of the proposed five year CIP plan, if: a) the new project is a mandated project that cannot be delayed; b) the new project would replace a project budgeted an earlier year, assuming that the new project does not exceed the funding of the existing budgeted project from the same funding source(s); c) conditions indicate that funding the new project in an earlier year would be more cost effective or advantageous to the County; d) funding is available for a new project even if placed in an earlier year rather than the fifth year. Project managing departments will recommend the timing for proposed new project funding.
6. Supplemental CIP information is contained in Section VIII, Capital Improvement Element of The Lee Plan. Pursuant to Policy 70.1.1b, the Lee County Planning Division will rank non-mandated projects prior to submittal to the Board of County Commissioners for consideration.
7. All project requests seeking Capital Improvement Fund (Fund 301) funding will be further evaluated by Budget Services by applying the following ranking system:

Departments will prioritize each of their Capital Improvement Fund-related CIP project requests by placing a "CIP rating" on each CIP Request Form in the space provided. The purpose of the rating is to gain the department's perspective on the necessity/urgency/practicality of the project request in general and to assist in prioritizing requests in the event funding is limited.

The four categories departments will utilize in rating each CIP request are listed below:

Mandated

Non-Mandated – Core Critical

Non-Mandated – Essential

Non-Mandated – Discretionary/Deferrable

## II. NON-RESTRICTIVE FUNDING SOURCE (Ad Valorem Collections)

### II-A Mandated

1. The project should not exceed Federal/State/Lee County Comprehensive Land Use Plan required level of service unless deemed advantageous to the County. Project managing departments will determine whether a project should exceed the Comprehensive Land Use Plan requirements.
2. Capital Ad Valorem Revenue may be used as a funding source through construction relating to non-transportation and subsidized enterprise operation projects, a) if the project is not eligible for alternative types of funding or, b) if the project cannot be postponed until sufficient funds are available from an alternative funding source. Consideration should be given to the cost benefits associated with funding a project earlier rather than postponing it until alternative funding is available.
3. The General Fund may be used only as a last resort for funding maintenance and operation costs for non-transportation projects (but not as a funding source for enterprise operation projects) with initial CIP approval by County Administration. Proposed mandatory projects that can generate their own funds to cover maintenance and operating costs will be given a higher priority.

### II-B Non-Mandated (Countywide Benefit- Area)

1. Non-mandated projects of countywide benefit will be considered *only* after all mandated projects are funded.
2. Government facility projects, special large-scale maintenance projects, projects that are needed to protect the health, safety, and welfare of Lee County citizenry, or other special projects are the *only* non-transportation and subsidized enterprise operation projects authorized for funding from capital ad valorem funds for the projects' planning through construction stages.
3. Consideration may be given to fund construction with capital ad valorem dollars in those cases wherein it is demonstrated to and accepted by the Board of County Commissioners that the capital expenses will be reimbursed by another funding source at a later date.

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4. The General Fund is an acceptable funding source for maintenance and operation costs relating to a non-transportation and/or non-enterprise project upon completion when: a) General Fund user fees are generated once the project comes on line, and are sufficient to cover the project's operation and maintenance cost; or, b) the project is deemed necessary to help protect the health, safety, and welfare of Lee County citizens and no other funding source is available or sufficient.

II-C Non-Mandated (Limited Benefit Area of Less Than a Countywide Nature)

1. Ad funds may be used to fund a project through construction if the new project will significantly help to protect the health, safety, & welfare of Lee County citizens when no other funding source is available or sufficient.
2. Non-mandated projects of limited benefit area will be considered *only after all mandated projects are funded*.
3. Government facility projects, special large-scale maintenance projects, projects that are needed to protect the health, safety and welfare of Lee County citizenry, or other special projects are the only non-transportation and subsidized enterprise operation projects allowable for funding from capital ad valorem for the projects', planning through construction stages.
4. MSTU's and MSBU's should be considered for covering operating and maintenance costs whenever legally permissible.

III. RESTRICTIVE FUNDING SOURCES  
(i.e., OTHER THAN AD VALOREM REVENUES)

1. The project should not exceed Federal/State/Lee County Comprehensive Land Use Plan required level of *service, unless* deemed advantageous to the County. Project managing departments will determine whether it is advantageous for a project to exceed Federal/State or Comprehensive Land Use Plan requirements. Projects shall be proposed and developed within the restrictions of the revenue source.
2. With regard to enterprise funding, the project must be cost effective, cover or significantly reduce future operation and maintenance cost, and satisfy future capacity needs.

IV. CRITERIA FOR RETAINING, FROM YEAR TO YEAR, EXISTING BUDGETED CIP PROJECT

Existing budgeted CIP projects will remain budgeted, from year to year, with remaining balance carried forward, unless one of the following occurs:

1. The Project is complete;
2. The Project has been deleted by Board action; or
3. A review of the 18-month period just prior to the preliminary CIP carryover process reveals little expenditure activity, and there is no valid reason for inactivity.