



# Proposed Capital Improvement Plan FY2024-FY2028

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June 12, 2023





# Overview

## The Capital Improvement Plan:

- Focus of this year's CIP will be ongoing Hurricane Harvey recovery and continued investment in fleet
- A rolling 5-year plan of projected projects
- This plan is a live document and subject to change due to environmental factors, funding, budgets, shifting priorities, scheduling, citizens' input, etc.
- Covers four components:
  - Public Improvement Program (PIP), Build Houston Forward (ReBuild Houston), Enterprise Fund Program, and Component Units





# CIP Organization – four components

- **Public Improvement Program (PIP):**
  - General Fund departments including Fire, General Improvements, Health, Housing, Library, Parks, Police, Solid Waste
- **Build Houston Forward (ReBuild Houston):**
  - Storm drainage and street infrastructure (tabs Storm Drainage and Street & Traffic)
- **Enterprise Fund Program:**
  - The City’s business-type entities (closed financial systems) including the Combined Utility System (CUS - tabs Water and Wastewater) and the Houston Airport System (HAS).
- **Component Units:**
  - includes legally separate organizations from the City that are financially closely-related (as reported in the City’s Annual Comprehensive Financial Report)
    - Houston Parks Board, Houston First, and Houston Zoo
    - TIRZ (*The FY2024-2028 Proposed CIP includes plan amounts from the FY2023-2027 and FY2022-2026 Adopted TIRZ CIPs because TIRZ budgets are normally adopted well after the Proposed CIP is adopted*)





# Funding Sources

- **Public Improvement Program (PIP)**
  - General Fund supported debt (Public Improvement Bonds)
  - Other community donations, contributions and grants
- **Build Houston Forward (ReBuild Houston)**
  - Revenue from Drainage Utility Charge & Developer Impact Fee
  - Ad valorem that previously went to paying debt service for street and drainage projects
    - Build Houston Forward (ReBuild) CIP is planned using the 11.8 cent equivalent
  - Contributions and grants from other governmental entities such as METRO, Harris County, TxDOT, FHWA, HUD, FEMA
- **Enterprise Fund Program**
  - CUS revenues derived from water customers, grants, etc.
  - HAS revenues derived from airlines, parking fees, FAA grants, etc.
  - Revenues may fund projects directly or support associated debt
- **Component Units**
  - Tax Increments, Private donations





# CIP Plan Comparison

- The FY2024-2028 CIP is an estimated \$11.6 billion from all funding sources
  - Enterprise Programs total \$9.7 billion including Build Houston Forward (ReBuild Houston)
  - Public Improvement Programs total \$936 million
  - Component Units total \$938 million

Plan Comparison (\$ millions)	FY2023-2027		FY2024-2028	
Public Improvement Bonds	735	92%	845	90%
All Other Funding Sources	64	8%	90	10%
Public Improvement Program *	799	8%	936	8%
Build Houston Forward (ReBuild Houston)	2,003	19%	2,054	18%
Combined Utility System	4,223	41%	4,847	42%
Houston Airport System	2,344	23%	2,769	24%
Component Units **	958	9%	938	8%
<b>TOTAL</b>	<b><u>10,327</u></b>	<b>100%</b>	<b><u>11,544</u></b>	<b>100%</b>

\* Includes Citywide Programs such as Information Technology, Fleet, and Equipment.

\*\* Net of overlap with Public Improvement Programs and Street & Traffic



# **PUBLIC IMPROVEMENT PROGRAM**

# Public Improvement Program



## Major projects include:

### – Harvey Recovery projects:

- Municipal Courts\*: \$103M (total estimated project cost \$125M)
- Fire Station 104: \$16.9M
- Police Facilities: \$16.2M

### – New BARC Facility - \$45M

### – Fleet

- FY24-28: \$236M over the five years vs. \$190M in FY23-27

### – Technology Enhancements

- Computer Aided Dispatch system replacement: \$15.5M
- SAP S4 HANA: \$11.75M

*\*Note: Municipal Courts Permanent Restoration funding reimbursement under review by FEMA*



# Construction Escalations



- Supply chain issues have caused an increase in building material costs which have led to increased project costs and completion delays.
- The FY2024-2028 CIP includes escalations for previously planned projects.
- Future projects will be evaluated for construction escalations to be included in future Capital Improvement Plans.





# Public Improvement Program



- Bond elections have historically been held every four to six years, with the last one occurring in November of 2022.

Category (\$ Thousands)	1991	1997	2001	2006	2012	2017	2022
Streets and Drainage	314,730	350,000	474,000	320,000	-	-	-
Parks and Recreation	20,300	30,000	80,000	55,000	166,000	104,000	60,000
Public Safety	40,750	53,160	82,000	135,000	144,000	159,000	277,000
General Improvement	97,020	91,840	80,000	60,000	57,000	109,000	29,000
BARC							47,000
Public Health							33,000
Solid Waste							6,000
Public Libraries	7,200	-	40,000	37,000	28,000	123,000	26,000
Low Income Housing	20,000	20,000	20,000	18,000	15,000	-	-
<b>Total</b>	<b>500,000</b>	<b>545,000</b>	<b>776,000</b>	<b>625,000</b>	<b>410,000</b>	<b>495,000</b>	<b>478,000</b>



**BUILD HOUSTON FORWARD**



# Build Houston Forward

- Street and Traffic Control - \$1.13B
  - Citywide Street and Traffic Rehabilitation - \$469M
  - Thoroughfares and Collectors - \$435M
  - Local Streets - \$65M
  - Council District Service Fund - \$27.5M
  - Safe Sidewalks - \$16.5M
- Storm Drainage - \$921M
  - Regional Stormwater Detention - \$155M
  - North Canal - \$124M
  - Local Drainage Program (LDP) - \$69M
  - Storm Water Action Team (SWAT) - \$140M



# Build Houston Forward



Storm Water Action Team (SWAT) - \$140M

Local Drainage Program (LDP) - \$69M

Funding Sources (\$ Thousands)	FY2024	FY2025	FY2026	FY2027	FY2028	FY2024-2028
<b>SWAT</b>						
4042 - DDSRF	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
4510 - Contribution for Capital Projects	\$ 19,578	\$ -	\$ -	\$ -	\$ -	\$ 19,578
4515 - Contributed Capital Fund	\$ 20,000	\$ -	\$ -	\$ -	\$ -	\$ 20,000
<b>SWAT Total</b>	<b>\$ 59,578</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 139,578</b>
<b>LDP</b>						
4042 - DDSRF	\$ 16,960	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 68,760
<b>LDP Total</b>	<b>\$ 16,960</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 68,760</b>

Note: Figures above do not include an additional \$20M allocated to the LDP program via the FY24 Budget



# Build Houston Forward

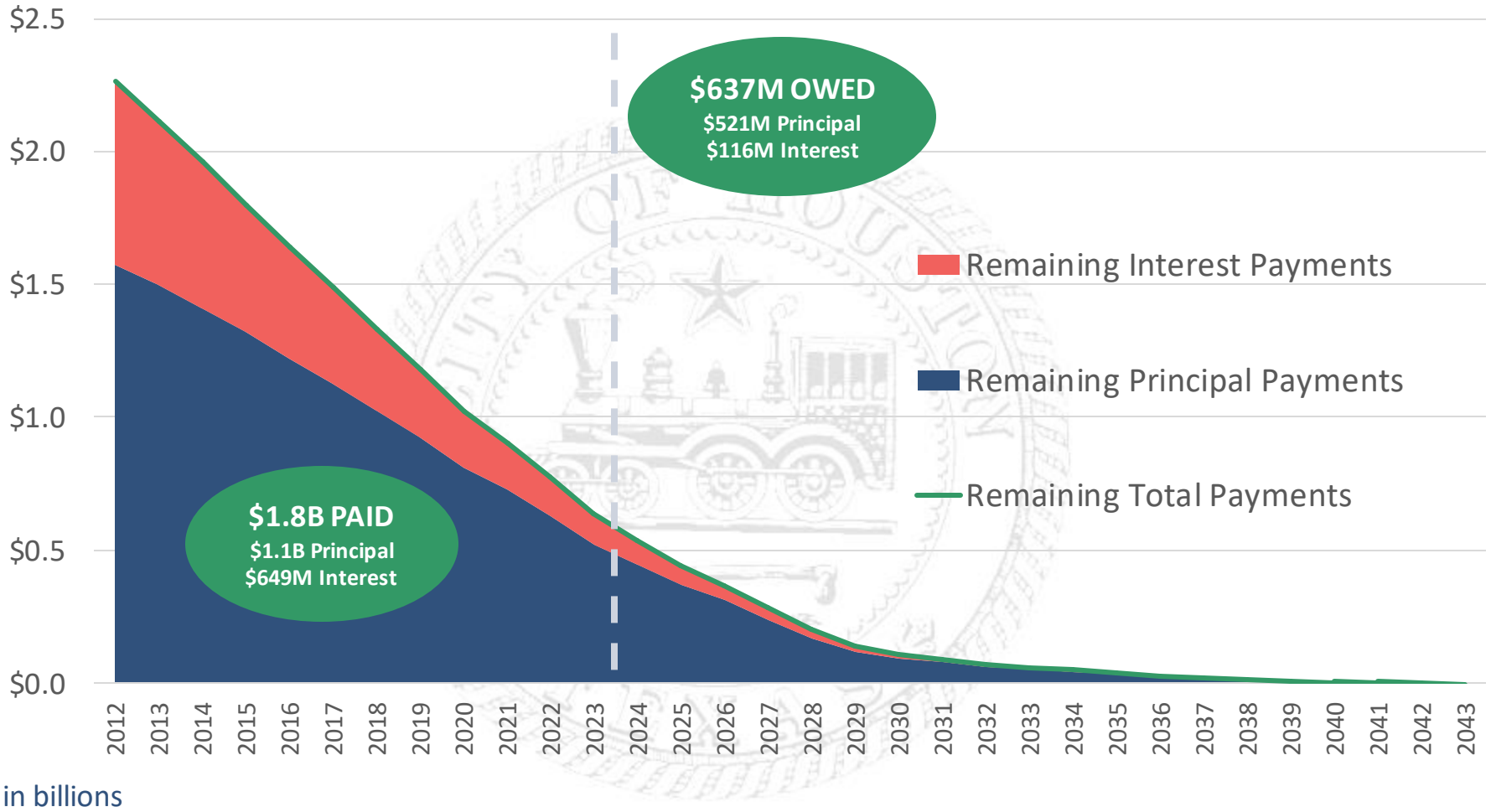


- **Harvey projects include**
  - Hazard Mitigation Grant Program (FEMA/TDEM)
    - North Canal
    - Lake Houston Dam
    - Memorial City Detention
  - Community Development Block Grant – Mitigation (HUD/GLO)
    - Local Action Plan: Turkey Gully, Melrose Park, Frenchtown
    - GLO State Action Plan: Braeburn Glen, Alief Area Parks/Detention
    - Harris County MOD: Applications Pending



# Street and Drainage Debt

as of March 30, 2023



# COMBINED UTILITY SYSTEM

# Combined Utility System



- Wastewater Treatment Facilities - \$3.1B
  - Wastewater Treatment Plant Service Areas - \$850M
  - Wastewater Treatment Plant Improvements - \$603M
  - Neighborhood Sewer Rehab - \$480M
  - Lift Station Renewals and Replacements - \$306M
- Water Utility System - \$1.7B
  - East Water Purification Plant - \$486M
  - Surface Water Transmission Program - \$416M
  - Neighborhood Water Main Replacement - \$153M





# Combined Utility System



- **Harvey projects include:**
  - Damage to Utility Facilities: > \$1 billion (est.)
    - Drinking Water Facilities (5-10% of damage)
    - Wastewater Facilities (90+% of damage)
  - Mitigation Opportunities
    - Public Assistance (FEMA/TDEM)
      - Repair & On-site Mitigation/Hardening
      - Relocation, Consolidation



# HOUSTON AIRPORT SYSTEM

# Houston Airport System



Totaling \$2.8 billion to expand, update and maintain the airport system. The Airport System has seen an increase in demand. Recovery remains robust and airport stakeholders are interested in the modernization and expansion of our facilities.

## **George Bush Intercontinental (IAH) \$1.83B:**

- Domestic Redevelopment Program - \$873M
- Skyway Train Replacement - \$350M
- IAH Airfield - \$190M
- Infrastructure and Roadways - \$165M
- Central Utility Plant Improvements - \$110M
- Parking - \$49M

## **William P. Hobby (HOU) \$0.76B:**

- West Concourse Expansion - \$449M
- HOU Airfield - \$207M
- Infrastructure and Roadways - \$44M

## **Other \$0.19B:**

- Taxiway Lima (Phase 1 & 2) - \$66M
- EFD Spaceport Road Construction - \$13M
- HAS Phase 3 Admin Building & HPD Relocation - \$28M



# Timeline



- Thursday, June 8<sup>th</sup> Proposed FY2024-2028 CIP released on SharePoint
- Monday, June 12<sup>th</sup> Budget and Fiscal Affairs Committee
- Thursday, June 15<sup>th</sup> CIP amendments due
- June 21<sup>st</sup> – June 28<sup>th</sup> Council Action on Proposed CIP





Thank You!  
Questions/Comments?

