



# Proposed Capital Improvement Plan FY2025-FY2029

Finance Department

Melissa Dubowski Chief Business Officer/Director of Finance

Alma Tamborello, Interim Deputy Director

Treasury and Capital Management  
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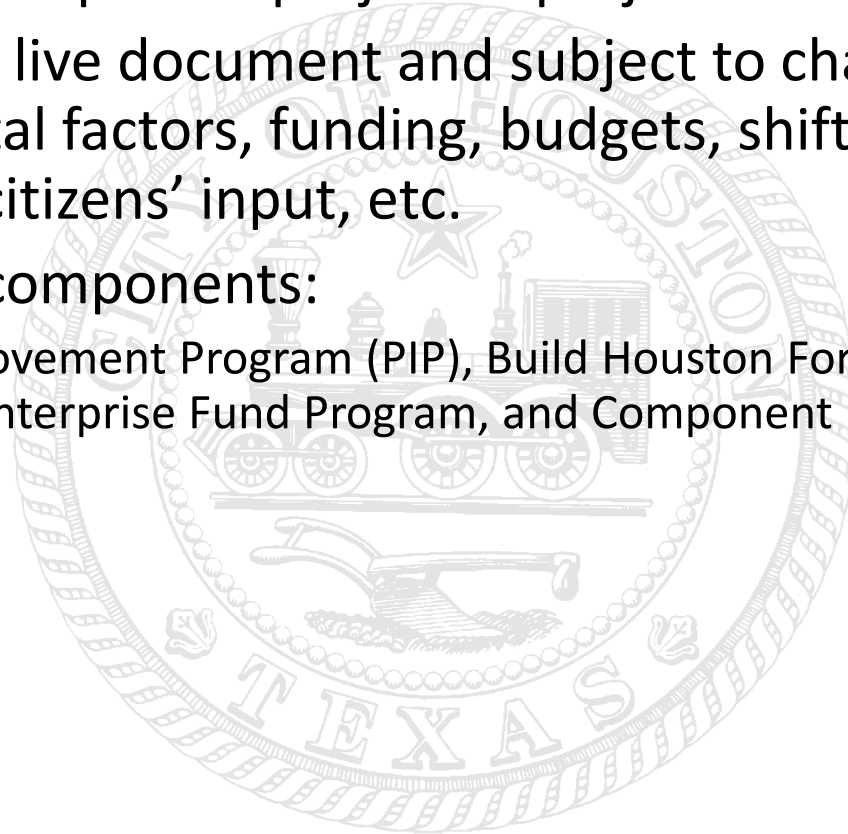




# Overview

## The Capital Improvement Plan:

- 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 FY2025-2029 Proposed CIP includes plan amounts from the FY2024-2028 and FY2023-2027 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 FY2025-2029 CIP is an estimated \$14.5 billion from all funding sources
  - Enterprise Programs total \$11 billion including Build Houston Forward (ReBuild Houston)
  - Public Improvement Programs total \$911 million
  - Component Units total \$2.6 billion

Plan Comparison (\$ millions)	FY2024-2028		FY2025-2029	
Public Improvement Bonds	845	90%	839	92%
All Other Funding Sources	<u>90</u>	<u>10%</u>	<u>72</u>	<u>8%</u>
Public Improvement Program *	936	8%	911	6%
Build Houston Forward (ReBuild Houston)	2,054	18%	2,256	16%
Combined Utility System	4,847	42%	6,030	41%
Houston Airport System	2,769	24%	2,769	19%
Component Units **	938	8%	2,574	18%
<b>TOTAL</b>	<b><u>11,544</u></b>	<b>100%</b>	<b><u>14,541</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)
  - Police Facilities 13.5M
- **New BARC Facility - \$40.7M**
- **New Fire Station 40 - \$20.1M**
- **Fleet**
  - FY25-29: \$225M over the five years vs. \$236M in FY24-28
- **Technology Enhancements**
  - Computer Aided Dispatch system replacement: \$15M
  - SAP S4 HANA: \$11.75M

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



# Escalations



- Supply chain issues have caused an increase in building material and fleet costs which have led to increased project costs and completion delays.
- The FY2025-2029 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 - \$1.24B
  - Thoroughfares and Collectors - \$545M
  - Local Streets - \$121.5M
  - Citywide Street and Traffic Rehabilitation - \$473.6M
  - Council District Service Fund - \$27.5M
  - Safe Sidewalks - \$16.5M
- Storm Drainage - \$891M\*
  - Neighborhood Drainage - \$554M
    - Reconstruction Projects - \$384M
    - Local Drainage Program (LDP) - \$70M
    - Storm Water Action Team (SWAT) - \$100M
  - Regional Stormwater Detention - \$158M
  - North Canal - \$124M

\* Does not reflect adopted budget amendment adding \$8 million from General Fund to LDP, and \$125 million for Ditch Re-establishment through the Stormwater Fund



# Build Houston Forward



Storm Water Action Team (SWAT) - \$100M

Local Drainage Program (LDP) - \$69.7M

Funding Sources (\$ Thousands)	FY2025	FY2026	FY2027	FY2028	FY2029	FY2025-2029
<b>SWAT</b>						
4042 - DDSRF	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
<b>SWAT Total</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 100,000</b>
<b>LDP</b>						
4042 - DDSRF	\$ 16,889	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 68,689
4510 – Contribution for Capital Projects	\$ 991					\$ 991
<b>LDP Total</b>	<b>\$ 17,880</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 69,680</b>

Note: Figures above do not include an additional \$8M allocated to the LDP program via the FY25 Budget



# Build Houston Forward – Federal Grants



## • Transportation

### – USDOT/FHWA Discretionary Grants - \$130M

- Telephone Road (USDOT/FHWA), Bissonnet (FHWA), West Belt Grade Separations (FRA), Gulfton/Kashmere Resilient Sidewalks (FHWA)

### – H-GAC Transportation Improvement Program (TIP)- \$264M

- Shepherd/Durham, Greens Rd, Fondren Rd, Antoine Dr, Gessner Rd, West Belt Grade Separations

## • Drainage Mitigation

### – Hazard Mitigation Grant Program (FEMA/TDEM) - \$110M

- North Canal, Lake Houston Dam, Memorial City Detention

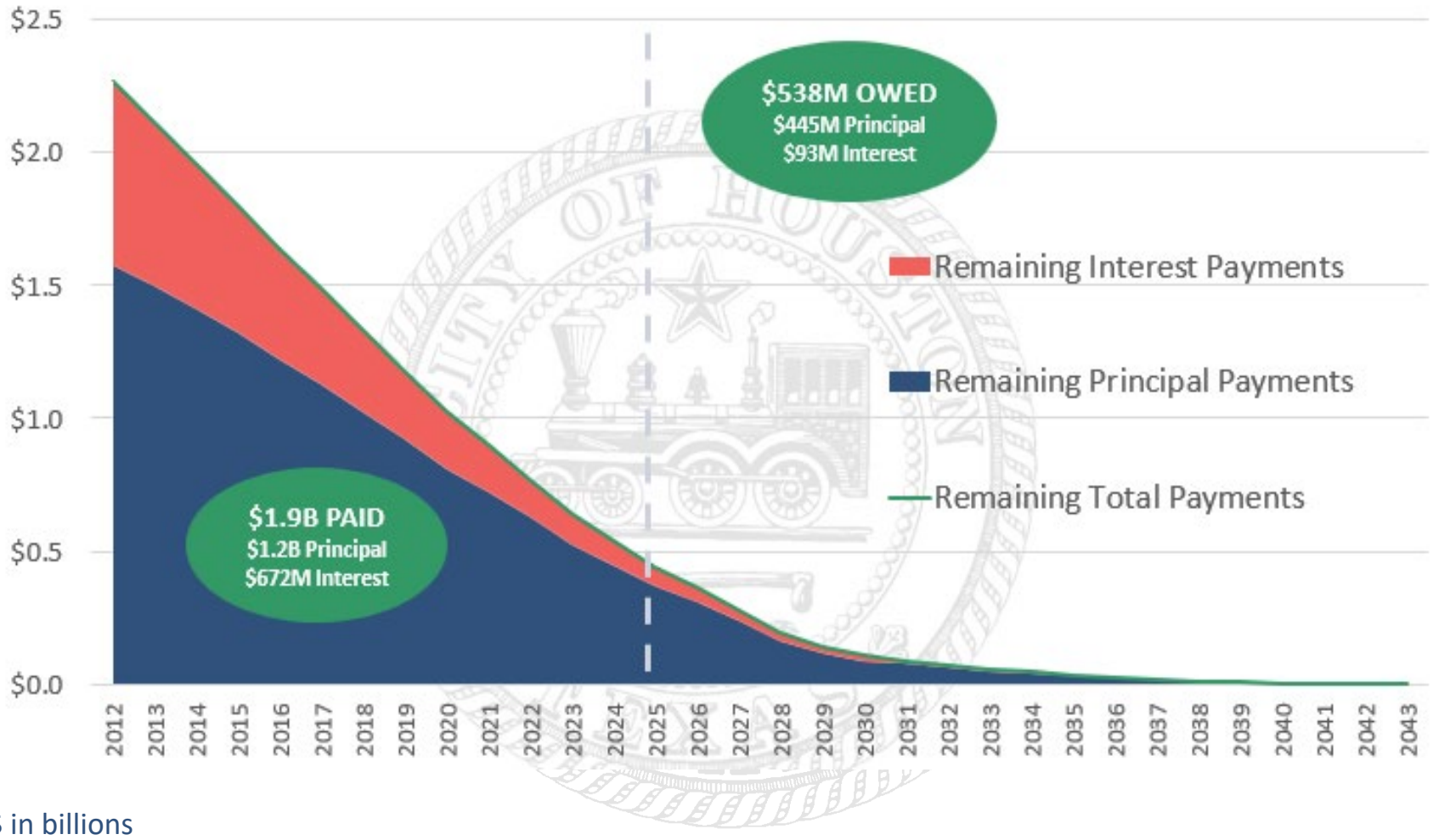
### – Community Development Block Grant – Mitigation (HUD/GLO) - \$63M

- Local Action Plan (2015): Turkey Gully, Melrose Park, Frenchtown, Cambridge/Ramblewood
- GLO State Action Plan (2016): Braeburn Glen, Alief Area Parks/Detention
- *Regional MOD (2017): Sunnyside Detention (Pending, \$10.8M)*



# Street and Drainage Debt

as of February 28, 2024



# COMBINED UTILITY SYSTEM

# Combined Utility System



- Wastewater Treatment Facilities - \$3.9B
  - Wastewater Treatment Plant Service Areas - \$1.02B
  - Wastewater Treatment Plant Improvements - \$1.33B
  - Neighborhood Sewer Rehab - \$480M
  - Lift Station Renewals and Replacements - \$323.6M
- Water Utility System - \$2.2B
  - East Water Purification Plant - \$495.6M
  - Surface Water Transmission Program - \$401.5M
  - Neighborhood Water Main Replacement - \$218.5M
  - Raw Water Transmission Lines - \$255M





# 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) \$2.008B:**

- Terminal Modernization Program - \$900M
- Terminal B Redevelopment Program - \$474M
- Central Utility Plan Improvements - \$110M
- IAH Airfield Taxiway and Runways - \$127M
- Infrastructure and Roadways - \$110M
- HVAC, Conveyances and Restroom - \$80M
- Parking - \$60M

## **William P. Hobby (HOU) \$638M:**

- West Concourse Expansion - \$200M
- HOU Airfield Taxiway and Runways - \$293M
- Infrastructure and Roadways - \$49M
- HVAC, Conveyances and Restroom - \$41M

## **Ellington Field (EFD) / Spaceport \$127M:**

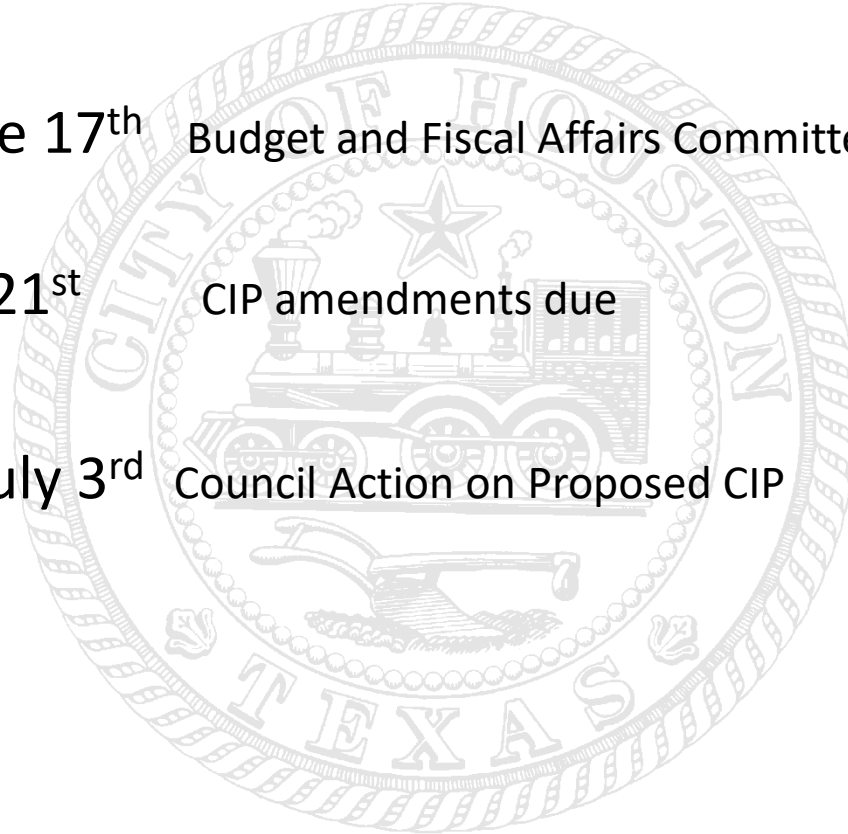
- Taxiway Lima (Phase 1 & 2) - \$62M
- EFD Spaceport Road Construction - \$14M



# Timeline



- Thursday, June 13<sup>th</sup> Proposed FY2025-2029 CIP released on SharePoint
- Monday, June 17<sup>th</sup> Budget and Fiscal Affairs Committee
- Friday, June 21<sup>st</sup> CIP amendments due
- June 25<sup>th</sup> – July 3<sup>rd</sup> Council Action on Proposed CIP





Thank You!  
Questions/Comments?

