



Finance
Department



Proposed Capital Improvement Plan FY2021-FY2025

Finance Department
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Treasury and Capital Management
June 16, 2020





Overview

The Capital Improvement Plan:

- Focus of this year's CIP will be ongoing Hurricane Harvey recovery and bringing back into the five-year plan construction phases of projects previously delayed due to Harvey
 - As FEMA reimbursement funds flow back to the City, additional delayed projects will proceed
- 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 Comprehensive Annual Financial Report)
 - Houston Parks Board, Houston First, and Houston Zoo
 - TIRZ (*The FY2021-2025 Proposed CIP includes plan amounts from the FY2019-2023 and FY2020-2024 Adopted TIRZ CIPs because TIRZ budgets are normally adopted in August and September, 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
 - Other governmental entities such as METRO and TxDOT
- **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



FY2021 CIP



- CIP projects total \$2.3 billion from all funding sources.
 - Enterprise Programs total \$1.7 billion including Build Houston Forward (ReBuild Houston)
 - Public Improvement Programs total \$208 million
 - Component Units total \$383 million

Plan Comparison (\$ millions)	FY2020		FY2021	
Public Improvement Bonds	176	65%	169	81%
All Other Funding Sources	<u>95</u>	<u>35%</u>	<u>39</u>	<u>19%</u>
Public Improvement Program *	270	8%	208	9%
Build Houston Forward (ReBuild Houston)	348	11%	495	21%
Combined Utility System	1,801	56%	706	30%
Houston Airport System	448	14%	539	23%
Component Units **	326	10%	383	16%
TOTAL	<u>3,193</u>	100%	<u>2,331</u>	100%

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

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



CIP Plan Comparison



- The FY2021-2025 CIP is an estimated \$9.2 billion from all funding sources.
 - Enterprise Programs total \$7.3 billion including Build Houston Forward (ReBuild Houston)
 - Public Improvement Programs total \$681 million
 - Component Units total \$1.1 billion

Plan Comparison (\$ millions)	FY2020-2024		FY2021-2025	
Public Improvement Bonds	598	79%	588	86%
All Other Funding Sources	<u>157</u>	<u>21%</u>	<u>93</u>	<u>14%</u>
Public Improvement Program *	755	8%	681	7%
Build Houston Forward (ReBuild Houston)	1,309	14%	1,876	20%
Combined Utility System	4,150	45%	2,962	32%
Houston Airport System	2,061	22%	2,490	27%
Component Units **	1,030	11%	1,144	13%
TOTAL	<u>9,305</u>	100%	<u>9,153</u>	100%

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

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



Build Houston Forward (ReBuild Houston) Plan Comparison



Funding Source (\$ millions)	FY2020-2024	FY2021-2025
Drainage Charge and Ad Valorem ¹	882	1,135
Drainage Charge	N/A	501
Ad Valorem	N/A	634
METRO	284	309
Grants/Other	143	432
TOTAL²	<u>1,309</u>	<u>1,876</u>

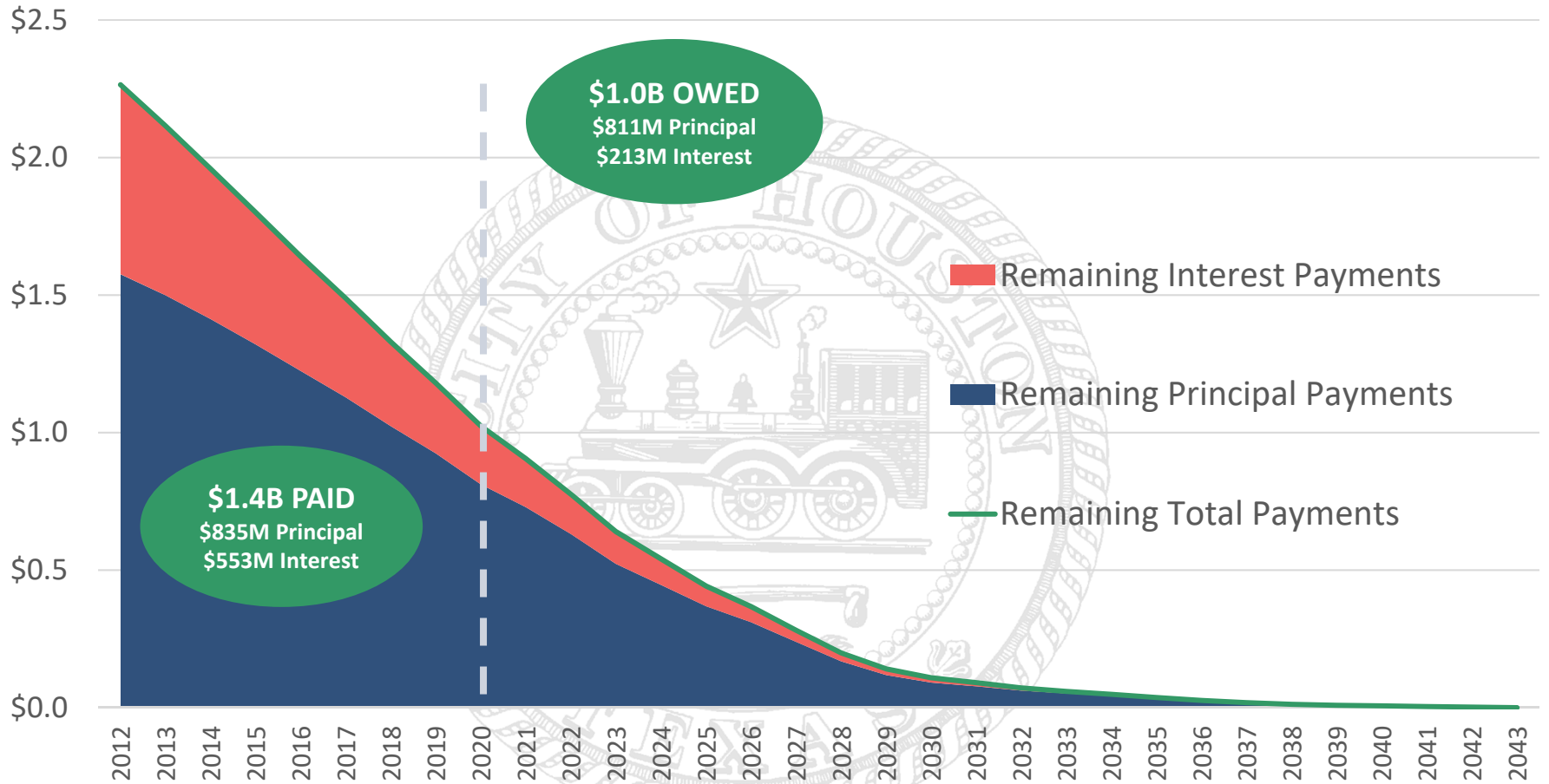
Note:

1. City Council approval of fund separation was approved in FY2020.
2. Increase from FY2020-2024 CIP is primarily due to the inclusion of Hazard Mitigation Grant Program (HMGP) and TxDOT/Federal grant supported projects within the 5-year CIP as well as a projected increase in available Ad Valorem revenues transferred to DDSRF as a result of declining debt service associated with bonds issued for street and drainage projects prior to Build Houston Forward.



Street and Drainage Debt

as of May 30, 2020



\$ in billions



Harvey Focus — Public Improvement Program \$80M



- **Major projects include:**

- Riesner Facilities (CITYWIDE): \$40.5M
- Fire Station 104 (E): \$13.3M
- City Hall and City Hall Annex Improvements (CITYWIDE): \$5M
- Roofs (CITYWIDE): \$1M
- Kendall Library & Community Center Restoration (G): \$7M
- African American Library at the Gregory School (CITYWIDE): \$2.8M
- Sagemont Park Leak Repairs (D): \$372K
- TIGER 4 (Citywide): \$6M
- Police Headquarters Envelope & Mitigation (CITYWIDE): \$2.2M
- Other recovery projects: \$1.8M

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



Harvey Focus — Houston Public Works



- Major 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)
 - Utility System Facilities Relocation, Consolidation, Hardening, etc.
 - Hazard Mitigation Grant Program (FEMA/TDEM)
 - Lake Houston Dam
 - Inwood Forest
 - North Canal
 - Memorial City (Under Review)
 - Community Development Block Grant – Mitigation (HUD/GLO)
 - Applications to GLO under development
 - \$61M, Direct Allocation Action Plan (Under Review)



Timeline



- Friday, June 12th – Proposed FY2021 – 2025 Capital Improvement Plan (CIP) released
- Tuesday, June 16th – Budget and Fiscal Affairs Committee
- Friday, June 19th – CIP amendments due
- Wednesday, June 24th – Council Action on Proposed CIP



BUILD HOUSTON FORWARD REHABILITATION PROGRAMS

Houston Public Works
Carol Ellinger Haddock, P.E.
Director

MAYOR'S STREET REHABILITATION INITIATIVE

Increased Rehabilitation Frequency Greater Transparency & Accountability

- Data Driven
- District CM Involvement

Other Rehab Programs

- Stormwater Action Team (SWAT)
- Local Drainage Program (LDP)
- Council District Service Fund (CDSF)



EXAMPLE DRAINAGE REHAB: CULVERTS



BEFORE PROJECT



AFTER COMPLETION

MAYOR'S STREET REHABILITATION INITIATIVE – ANNUAL LANE MILES, BY DISTRICT



CD	2.0% of MTFP	Chosen by CM	Total MTFP
District A	9	2	11
District B	12	2	14
District C	11	2	13
District D	10	2	12
District E	6	2	8
District F	6	2	8
District G	6	2	8
District H	8	2	10
District I	7	2	9
District J	4	2	6
District K	8	2	10
Citywide	87	22	109

MAYOR'S STREET REHABILITATION INITIATIVE – ANNUAL LANE MILES, BY DISTRICT



CD	2.0% of Asphalt	1.3% of Concrete	Chosen by CM	Total Local
District A	6	6	2	14
District B	18	4	2	24
District C	14	5	2	21
District D	14	6	2	22
District E	7	11	2	20
District F	1	4	2	7
District G	3	7	2	12
District H	18	1	2	21
District I	15	3	2	20
District J	2	3	2	7
District K	4	8	2	14
Citywide	103	58	22	183



Thank You!
Questions/Comments?

