



Finance
Department



Proposed Capital Improvement Plan FY2022-FY2026

Finance Department
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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 Comprehensive Annual Financial Report)
 - Houston Parks Board, Houston First, and Houston Zoo
 - TIRZ (*The FY2022-2026 Proposed CIP includes plan amounts from the FY2021-2025 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



CIP Plan Comparison



- The FY2022-2026 CIP is an estimated \$8.2 billion from all funding sources.
 - Enterprise Programs total \$6.5 billion including Build Houston Forward (ReBuild Houston)
 - Public Improvement Programs total \$710 million
 - Component Units total \$989 million

Plan Comparison (\$ millions)	FY2021-2025		FY2022-2026	
Public Improvement Bonds	588	86%	658	93%
All Other Funding Sources	<u>93</u>	<u>14%</u>	<u>52</u>	<u>7%</u>
Public Improvement Program *	681	7%	710	9%
Build Houston Forward (ReBuild Houston)	1,875	20%	1,963	24%
Combined Utility System	2,959	32%	3,113	38%
Houston Airport System	2,490	27%	1,407	17%
Component Units **	1,144	13%	989	12%
TOTAL	<u>9,149</u>	100%	<u>8,181</u>	100%

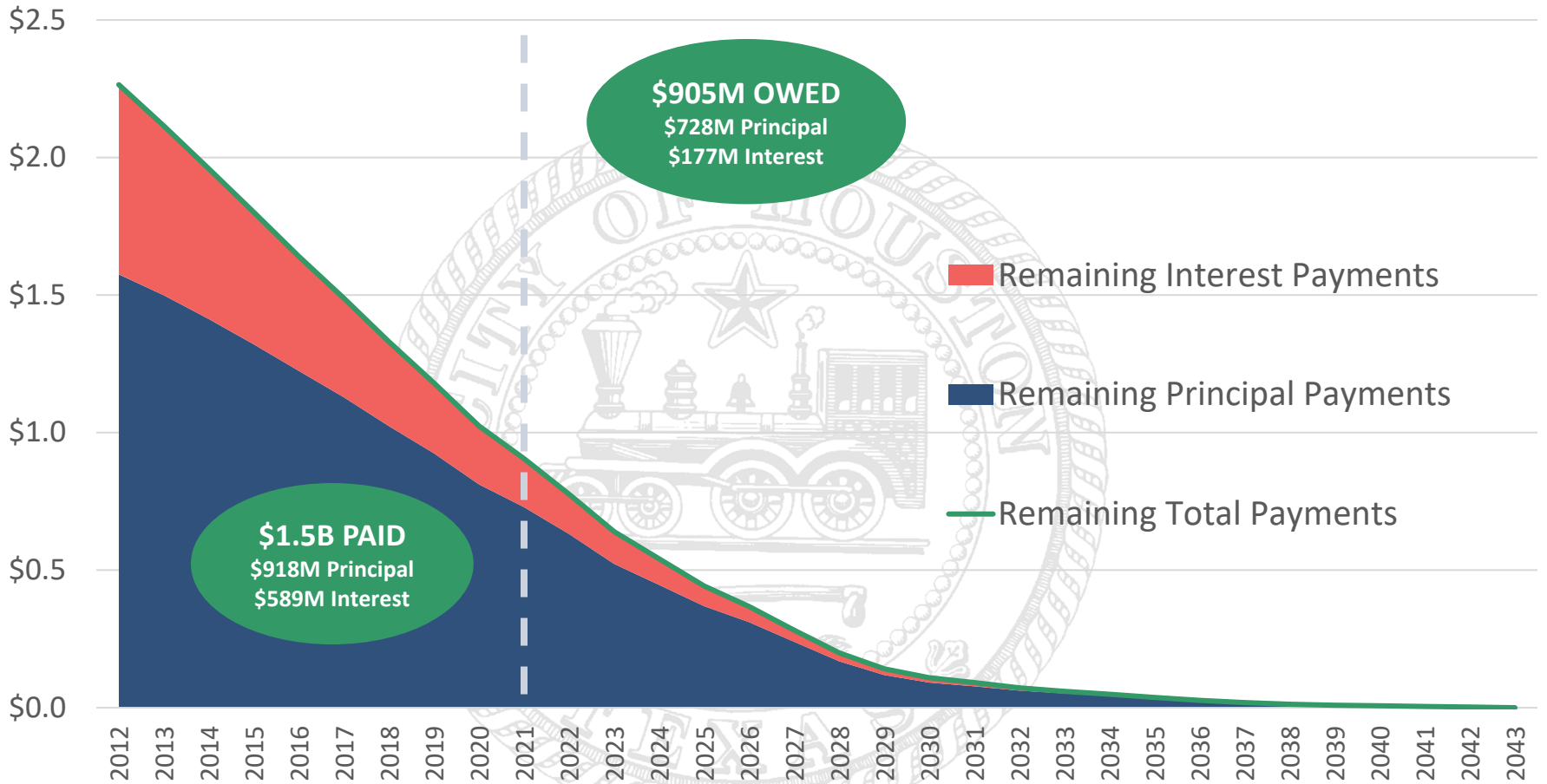
* Includes Citywide Programs such as Information Technology, Fleet, and Equipment.

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



Street and Drainage Debt

as of May 13, 2021



\$ in billions



Harvey Focus — Public Improvement Program \$145M



- **Major projects include:**

- Municipal Courts Replacement (CITYWIDE)*: \$99.5M
- Riesner Facilities (CITYWIDE): \$11.8M
- Fire Station 104 (E): \$13.3M
- City Hall and City Hall Annex Improvements (CITYWIDE): \$5.5M
- Roofs (CITYWIDE): \$800k
- African American Library at the Gregory School (CITYWIDE): \$2.7M
- Sagemont Park Leak Repairs (D): \$236K
- TIGER 4 (Citywide): \$5.5M
- Police Headquarters Envelope & Mitigation (CITYWIDE): \$2.5M
- Other recovery projects: \$2.8M

**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
 - **Community Development Block Grant – Mitigation (HUD/GLO)**
 - Pending



Timeline



- Friday, June 11th – Proposed FY2022 – 2026 Capital Improvement Plan (CIP) released on Sharepoint
- Tuesday, June 15th – Budget and Fiscal Affairs Committee
- Thursday, June 17th – CIP amendments due
- Wednesday, June 23rd – Council Action on Proposed CIP



Bond Election History



- Bond elections have historically been held every four to six years, with the last one occurring in November of 2017.

Category (\$ Thousands)	1991	1997	2001	2006	2012	2017
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
Public Safety	40,750	53,160	82,000	135,000	144,000	159,000
General Improvement*	97,020	91,840	80,000	60,000	57,000	109,000
Public Libraries	7,200	-	40,000	37,000	28,000	123,000
Low Income Housing	20,000	20,000	20,000	18,000	15,000	-
Total	500,000	545,000	776,000	625,000	410,000	495,000

*Includes Solid Waste, Health, and General Government





Thank You!
Questions/Comments?

