



Proposed Capital Improvement Plan FY2026-FY2030

Finance Department

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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 FY2026-2030 Proposed CIP includes plan amounts from the FY2025-2029 and FY2024-2028 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 amount based on the Agreed Modified Injunction signed by the court on May 30, 2025.
 - 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
 - Zoo Revenues
 - HFC Revenues



CIP Plan Comparison



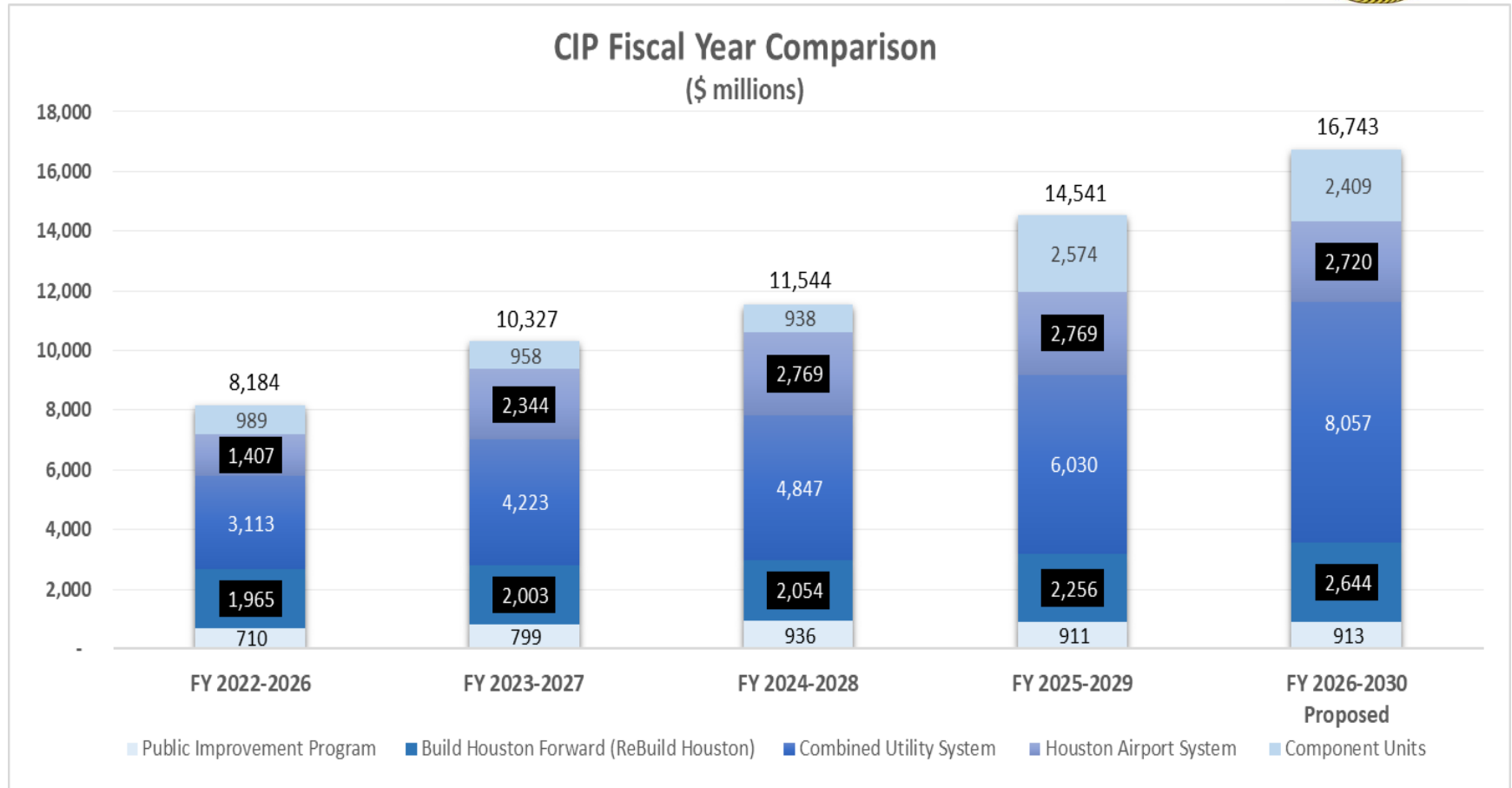
- The FY2026-2030 CIP is an estimated \$16.7 billion from all funding sources
 - Enterprise Programs total \$8.1 billion including Build Houston Forward (ReBuild Houston)
 - Public Improvement Programs total \$913 million
 - Component Units total \$2.7 billion

Plan Comparison (\$ millions)	FY2025-2029		FY2026-2030	
Public Improvement Bonds	839	92%	849	93%
All Other Funding Sources	<u>72</u>	<u>8%</u>	<u>64</u>	<u>7%</u>
Public Improvement Program *	911	6%	913	5%
Build Houston Forward (ReBuild Houston)	2,256	16%	2,644	16%
Combined Utility System	6,030	41%	8,057	48%
Houston Airport System	2,769	19%	2,720	16%
Component Units **	2,574	18%	2,409	14%
TOTAL	<u>14,541</u>	100%	<u>16,743</u>	100%

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

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

CIP Fiscal Year Comparison



PUBLIC IMPROVEMENT PROGRAM

Public Improvement Program



Major projects include:

– Harvey Recovery projects:

- Municipal Courts: \$112M (total estimated project cost \$150M)
- Police Facilities 13.5M

– New Fire Station

- 40 - \$18.3M
- 104 - \$16.8M

– Fleet

- FY26-30: \$246M over the five years vs. \$225M in FY25-29

– Technology Enhancements

- Computer Aided Dispatch system replacement: \$10M
- SAP S4 HANA: \$12.8M



Escalations



- We continue to see cost increases for materials and services. Supply chain issues and tariffs/potential tariffs are some of the factors.
- It will cost more to deliver the same projects that we currently have planned in the CIP, which will limit new projects being added or reduce the quantity we can attain.
- 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	-	-
Total	500,000	545,000	776,000	625,000	410,000	495,000	478,000



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BUILD HOUSTON FORWARD

Build Houston Forward



- Street and Traffic Control - \$1.49B
 - Thoroughfares and Collectors - \$492.5M
 - Local Streets - \$121.5M
 - Citywide Street and Traffic Rehabilitation - \$750.0M
 - Council District Service Fund - \$27.5M
 - Safe Sidewalks - \$16.5M
- Storm Drainage - \$1.16B
 - Neighborhood Drainage - \$775M
 - Reconstruction Projects - \$480M
 - Local Drainage Program (LDP) - \$70M
 - Storm Water Action Team (SWAT) - \$100M
 - Roadside Ditch Reestablishment - \$125M
 - Regional Stormwater Detention - \$131M
 - Lake Houston Dam Spillway Improvement - \$128M
 - North Canal - \$124M



Build Houston Forward



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

Local Drainage Program (LDP) - \$69.7M

Ditch Re-establishment - \$125M

Funding Sources (\$ Thousands)	FY2026	FY2027	FY2028	FY2029	FY2030	FY2026-2030
SWAT						
4042 - DDSRF	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
SWAT Total	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 100,000
LDP						
4042 - DDSRF	\$ 16,889	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 68,689
4510 – Contribution for Capital Projects	\$ 991					\$ 991
LDP Total	\$ 17,880	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 69,680
Ditch Re-establishment						
2302 - Stormwater Fund	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
Ditch Re-establishment Total	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000

Note: Figures above do not reflect passage of FY2026 budget amendments 7.01, 7.02, and 12.03

Build Houston Forward – Federal Grants

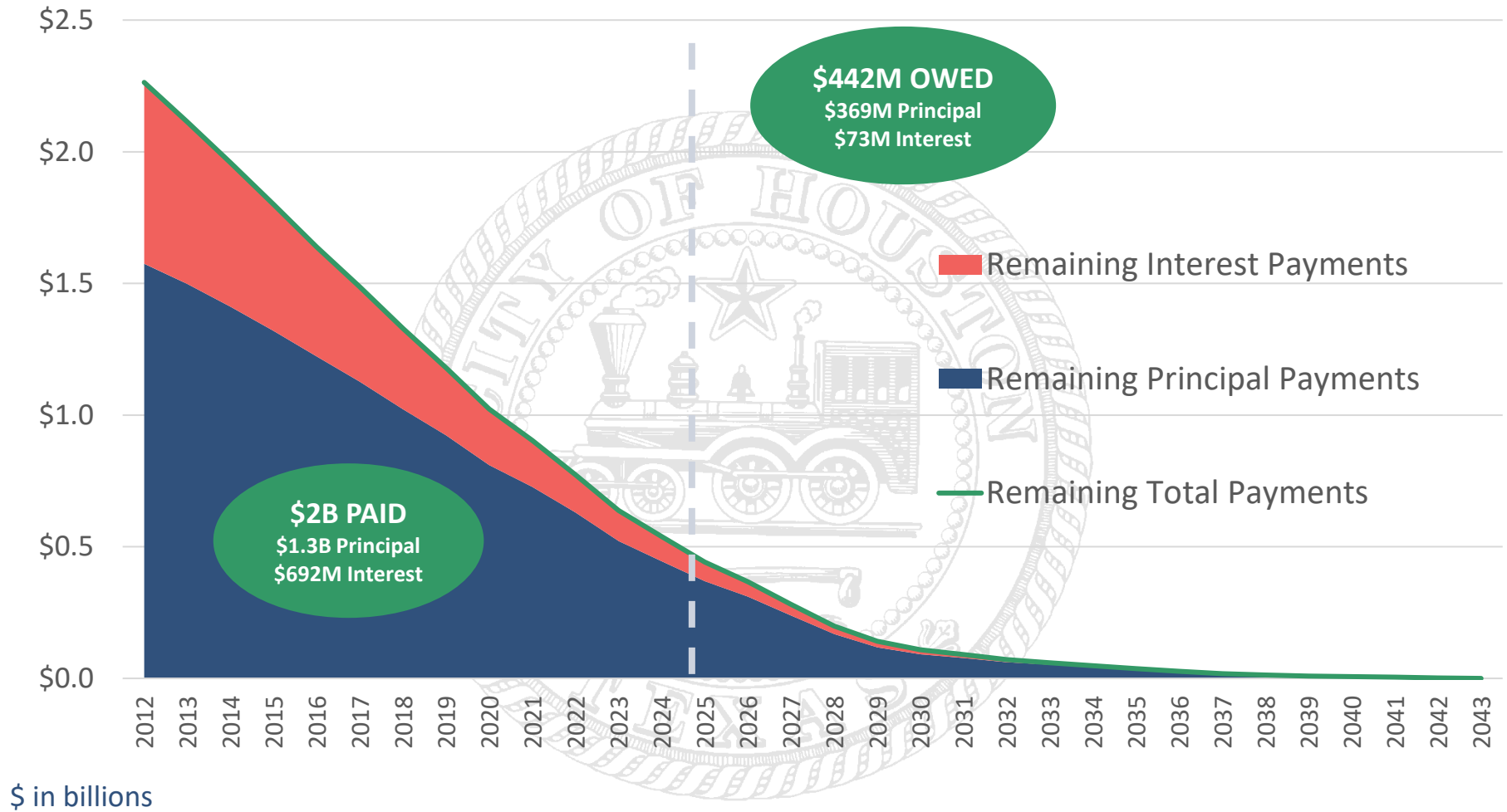


- **Transportation**
 - USDOT/FHWA Discretionary Grants - \$122M
 - Telephone Road (USDOT/FHWA), Bissonnet (FHWA), West Belt Grade Separations (FRA), Gulfton/Kashmere Resilient Sidewalks (FHWA)
 - H-GAC Transportation Improvement Program (TIP)- \$224M
 - Greens Rd, Fondren Rd, Antoine Dr, Gessner Rd, 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) - \$73M
 - 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 April 14, 2025



COMBINED UTILITY SYSTEM

Combined Utility System



- Wastewater Treatment Facilities - \$3.8B
 - Wastewater Treatment Plant Service Areas - \$1.11B
 - Wastewater Treatment Plant Improvements - \$1.03B
 - Neighborhood Sewer Renewal - \$730.96M
 - Lift Station Renewals and Replacements - \$525.08M
- Water Utility System - \$4.3B
 - East Water Purification Plant - \$2.1B
 - Water Main Replacement/Renewal - \$668.7M
 - Surface Water Transmission Program - \$534.4M
 - Raw Water Infrastructure - \$388.5M



HOUSTON AIRPORT SYSTEM

Houston Airport System



Totaling \$2.7 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) \$2.012B:

- Terminal Modernization Program - \$923M
- Terminal B Redevelopment Program - \$124M
- Skyway Automated People Mover - \$298M
- Central Utility Plan Improvements - \$125M
- IAH Airfield Taxiway and Runways - \$109M
- Infrastructure and Roadways - \$213M
- HVAC, Conveyances, and Restroom - \$102M
- Parking - \$60M

William P. Hobby (HOU) \$643M:

- HOU Airfield Taxiway and Runways - \$436M
- Infrastructure and Roadways - \$119M
- HVAC, Conveyances and Restroom - \$43M

Ellington Field (EFD) / Spaceport \$49M:

- EFD Airfield Improvements - \$29M
- EFD Drainage Master Plan Construction - \$10M



Timeline



- Thursday, June 5th Proposed FY2026-2030 CIP released on SharePoint
- Monday, June 9th Budget and Fiscal Affairs Committee
- Friday, June 13th CIP amendments due
- June 17th – June 25th Council Action on Proposed CIP





Thank You!

Questions/Comments?

