

CAPITAL IMPROVEMENT PLAN SUMMARY

In November 1983, the City Council established a five-year capital improvement planning process for physical improvements to public facilities and infrastructure. By resolution, it became City policy to engage in a continuous five-year capital improvement planning process that includes annual review, revision, and adoption of a five-year Capital Improvement Plan (CIP). The five-year CIP is revised annually to include new projects, reflect changes in priorities, and extend the plan an additional year. The first year of the plan is the current Capital Budget, and it is revised throughout the year as needs dictate or when changes are made to existing approved capital projects.

The CIP provides a schedule for capital project implementation and anticipated project allocations. Details on capital projects for public improvement programs which include Fire, General Government, Library, Parks, Police, Health, Solid Waste Management, Storm Sewer, Streets and Traffic Control, and Housing projects are included as well as enterprise capital programs which are Airport, Wastewater, and Water.

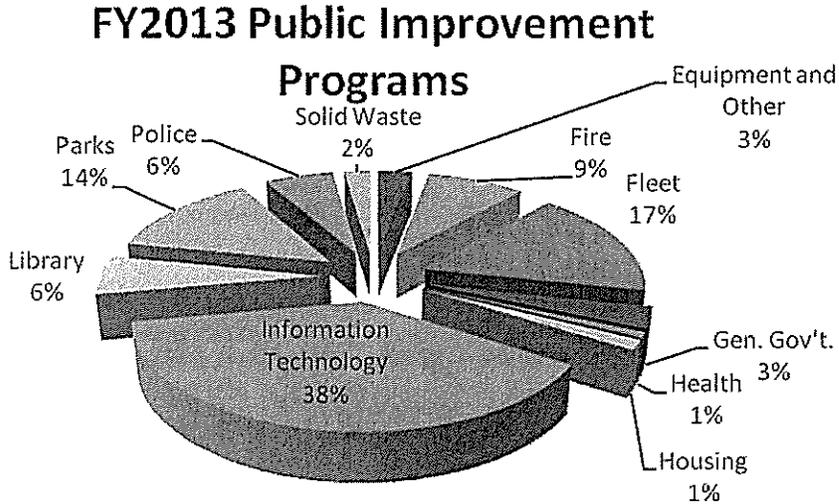
Presented below is a summary of the planned appropriations for the FY2013-17 CIP:

	(\$thousands)					
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Total</u>
<u>Enterprise Programs</u>						
Aviation	218,943	206,336	111,450	295,002	152,019	983,750
Storm Drainage	60,459	73,220	54,007	74,966	72,580	335,232
Street & Traffic	158,089	127,037	148,621	91,211	96,552	621,510
Wastewater	249,100	185,000	185,000	185,000	185,000	989,100
Water	<u>245,000</u>	<u>197,545</u>	<u>220,000</u>	<u>224,000</u>	<u>205,627</u>	<u>1,092,172</u>
Sub Total:	931,591	789,138	719,078	870,179	711,778	4,021,764
<u>Public Improvement Programs</u>						
Equipment and Other	5,503	9,504	6,009	6,005	6,004	33,025
Fire	15,662	12,725	10,225	5,325	10,700	54,637
Fleet	30,606	26,347	27,591	30,359	29,155	144,058
Gen. Gov't.	5,970	2,125	2,275	2,250	3,100	15,720
Health	1,580	3,980	5,850	5,840	3,200	20,450
Housing	2,700	3,000	3,000	3,000	3,100	14,800
Information Technology	69,803	21,485	13,185	15,385	15,260	135,118
Library	10,923	7,100	2,601	8,528	7,852	37,004
Parks	24,851	13,512	11,200	8,725	9,800	68,088
Police	10,982	18,050	28,275	12,645	17,600	87,552
Solid Waste	<u>4,168</u>	<u>935</u>	<u>3,995</u>	<u>4,300</u>	<u>1,585</u>	<u>14,983</u>
Sub Total:	182,748	118,763	114,206	102,362	107,356	625,435
Grand Total:	1,114,339	907,901	833,284	972,541	819,134	4,647,199

The FY2013 Capital Improvement Plan calls for the appropriation of \$1.1 billion in FY2013. Of the total appropriations planned, \$932 million is from Enterprise Programs with user-fee supported funds and the remaining \$183 million addresses a full range of capital facility and infrastructure improvements that uses, among other funding sources, the issuance of tax-supported Public Improvement Bonds (PIBs). The citizens of Houston approved a Bond Election for \$625 million in November 2006 and \$410 million in November 2012.

Of the public improvement programs, the Information Technology program is the largest with \$70 million of planned appropriations in FY2013 (See Figure 1), followed by Fleet with \$31 million of the FY2013 total.

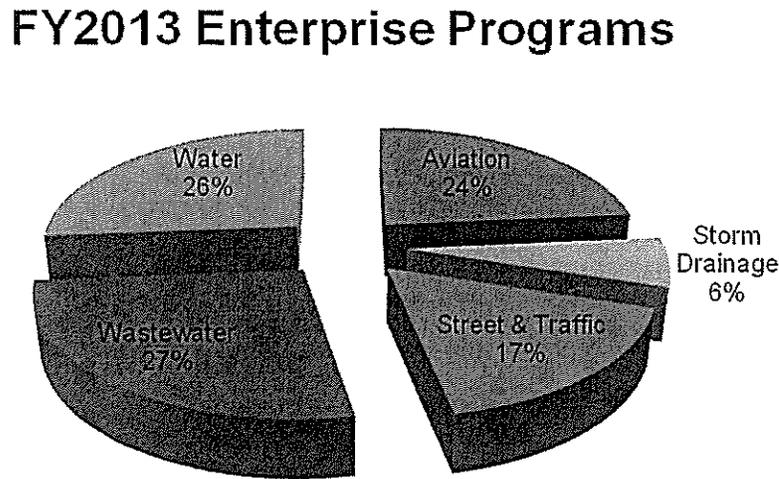
Figure 1.



Public improvement projects include vertical and horizontal construction projects for general public use, services, and safety. Significant projects are the continued construction, rehabilitation and renovation of the library system; continued implementation of the "Parks Master Plan" program; upgrading or replacing of the police department radio infrastructure and system, and other public safety facilities; replacement, rehabilitation and construction of fire stations; and replacement or upgrading of Solid Waste Facilities.

The Enterprise Programs include projects that are primarily funded from user-fee-supported revenues. The Enterprise Programs for FY2013 total \$932 million. This is distributed among the five programs as illustrated in Figure 2. The Water and Wastewater combined constitutes the largest enterprise program and represents \$494 million of the planned appropriations. Aviation Facilities Improvements represent \$219 million, while Street & Traffic and Storm Drainage projects comprise the remaining \$219 million.

Figure 2.



Funding sources which support the CIP include bond proceeds and commercial paper, Community Development Block Grants, Metropolitan Transit Authority funds, Harris County funds, Federal Aviation Administration funds, the Airport Improvement funds, Environmental Protection Agency funds, Texas Department of Transportation funds, and Airport, Wastewater, and Water Renewal and Replacement funds.

Capital improvement costs in the CIP are classified into two categories: direct project costs and associated increases to annual operational costs. Examples of direct project costs include purchases of land or facilities, design and construction of new facilities or renovation of existing facilities, and initial equipment purchases for new or renovated facilities. Operating cost includes staffing, maintenance or service (including electrical) costs related to new, renovated or expanded facilities, and also debt expenditures related to Tax Supported and Revenue bonds. The impacts of operating costs are monitored closely for inclusion in each department's annual operating budget.

The FY2014-18 Capital Improvement Plan is expected to be presented to City Council for adoption by the end of FY2013.

The following chart outlines anticipated appropriations within the Capital Improvement Plan for FY2013 for both Public and Enterprise programs over \$10 million. These projects include all funding sources available to the City of Houston, including partnerships with other governments and private entities. Planned appropriations are correlated to spending, however, due to the nature and length of construction timelines, spending can span multiple fiscal years.

FISCAL YEAR 2014 BUDGET

Project Name	Planned Appropriations (\$ Thousands)
S-000035 Neighborhood Water Main Replacement Program	69,287
S-000900 Surface Water Transmission Program	63,916
R-000266 Neighborhood Sewer Rehabilitation Program in various Service Ar	51,000
R-000265 Wastewater Treatment and Sludge Plant Improvements Program	41,711
A-000570 Reconstruction of Taxiway NA & NB - GBIAH	33,000
R-000267 Lift Station Renewal and Replacement Improvements Program	28,448
S-000056 East Water Purification Plant	27,954
N-000617 Hirsch Road Paving & Drainage: Kelley to Crosstimbers	26,856
A-000091 Modify/Expand Central Plant - GBIAH	26,064
R-000295 Citywide TCEQ Compliance Program	21,000
A-000486 Security Enhancements - GBIAH	20,369
A-000601 Hobby International Facility - Lease Agreement - HOU	20,000
A-000597 Roadway Signage - GBIAH	18,630
R-000521 Sewer Line Replacement by Other Governmental Agencies	18,472
W-200000 Public Works & Engineering	18,367
N-000573 Broadway Paving & Drainage: IH 45 to Airport Blvd.	16,691
R-000509 69th Street Wastewater Treatment Plant Improvements Program	15,745
A-000569 Upgrade Airfields to Standards - GBIAH	15,000
R-002003 Northside Sewer Relief Tunnel Rehabilitation Program	13,800
N-000784 Buffalo Speedway Paving & Drainage: Holmes Rd. to Airport Blvd. Sub-Project 1: Paving and Drainage Sub-Project 2: Bridge	13,295
S-000902 Raw Water Transmission Lines	13,047
N-000582 S. Shaver Paving & Drainage: IH-45 to S.H. 3	12,714
N-000687 W. Little York Paving & Drainage: N. Shepherd to Alabonson	12,607
N-000785 Bridges Replacement/Expansion along Brays and Sims Bayou	12,254
A-000368 Aviation Planning Services - HAS	12,000
M-000247 Nottingham and Yorkshire Drainage and Paving	11,899
A-000557 Terminal A Power Supply Electrical Vaults - GBIAH	11,604
S-001000 Pump Station Program	11,270
R-000035 Wastewater Force Main Renewal and Replacement Program	11,158
A-000513 Airport Pavement Replacement - HAS	10,918
N-000670 Railroad Crossing Improvements - Harrisburg Overpass/Underpass at Union Pacific Railroad Tracks.	10,170
A-000509 Landside Roadway Repairs - GBIAH	10,000