

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 allocation toward Fire, General Government, Homeless & Housing, Library, Parks, Police, Health, and Solid Waste Management projects; enterprise capital programs which include Airport, Wastewater, and Water projects; programs implemented citywide such as Storm Drainage System, Street & Traffic Control, Information Technology, Fleet, Equipment and Other projects; and component units.

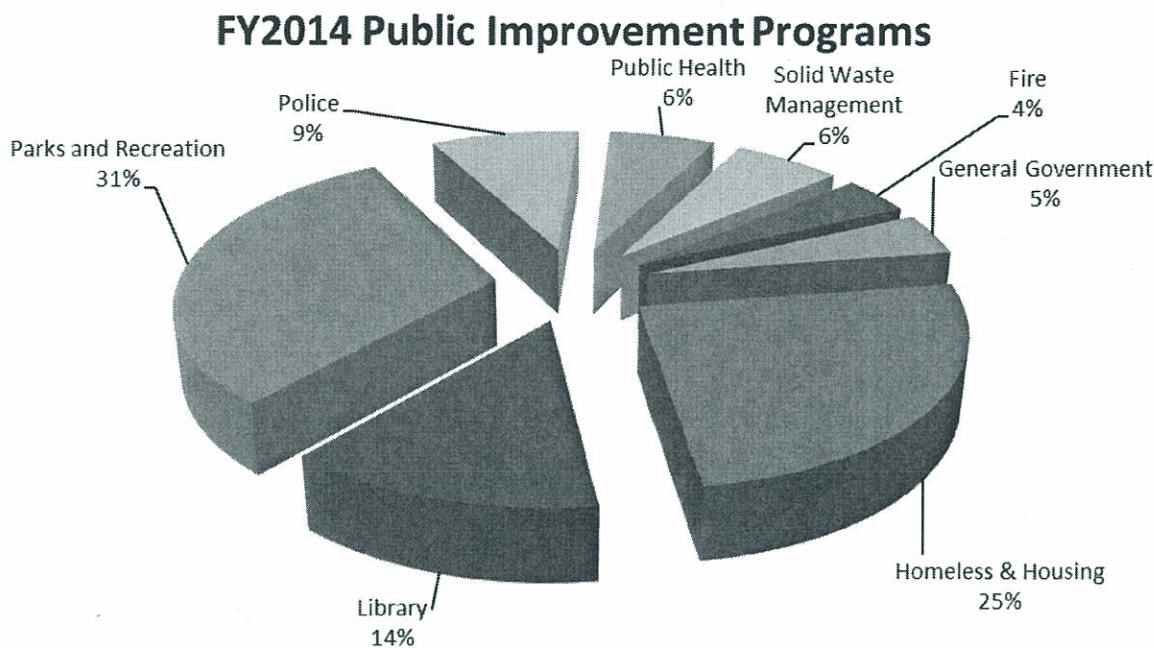
Presented below is a summary of the planned appropriations for the FY2014-18 CIP:

| | 2014 | 2015 | 2016 | 2017 | 2018 | Total 2014 - 2018 |
|---|------------------|------------------|------------------|------------------|----------------|----------------------|
| Public Improvement Programs | | | | | | |
| Fire | 7,270 | 12,589 | 18,224 | 4,233 | 6,360 | 48,676 |
| General Government | 8,033 | 2,374 | 2,358 | 1,431 | 2,286 | 16,482 |
| Homeless & Housing | 44,442 | 54,774 | - | - | - | 99,216 |
| Library | 23,793 | 2,509 | 10,066 | 9,697 | 13,092 | 59,157 |
| Parks and Recreation | 54,383 | 51,397 | 51,244 | 33,065 | 27,304 | 217,393 |
| Police | 15,722 | 38,558 | 16,325 | 2,140 | 2,140 | 74,885 |
| Public Health | 11,146 | 9,242 | 42,654 | 14,652 | 12 | 77,706 |
| Solid Waste Management | 11,383 | 8,493 | 8,390 | 4,925 | 1,734 | 34,925 |
| Subtotal | 176,172 | 179,936 | 149,261 | 70,143 | 52,928 | 628,440 |
| Enterprise Programs | | | | | | |
| Aviation Facilities | 192,398 | 206,177 | 325,210 | 154,953 | 205,159 | 1,083,897 |
| Waste Water | 194,243 | 202,194 | 161,040 | 167,584 | 231,809 | 956,870 |
| Water | 179,845 | 175,776 | 235,783 | 266,975 | 114,808 | 973,187 |
| Subtotal | 566,486 | 584,147 | 722,033 | 589,512 | 551,776 | 3,013,954 |
| Citywide Programs | | | | | | |
| Storm Drainage System | 69,226 | 60,993 | 93,526 | 75,031 | 112,958 | 411,734 |
| Street & Traffic Control | 181,815 | 196,444 | 113,438 | 130,012 | 122,219 | 743,928 |
| Technology | 42,932 | 10,354 | 6,141 | 4,141 | 3,968 | 67,536 |
| Fleet | 44,218 | 30,092 | 33,803 | 24,150 | 23,203 | 155,466 |
| Equipment & Other | 6,150 | 5,292 | 5,292 | 5,292 | 5,292 | 27,318 |
| Subtotal | 344,341 | 303,175 | 252,200 | 238,626 | 267,640 | 1,405,982 |
| Component Units | 199,521 | 147,449 | 100,455 | 138,741 | 79,600 | 665,766 |
| Overlap Between Component Units and Public Improvement Programs | (40,250) | (38,250) | (40,000) | (25,300) | (24,600) | (168,400) |
| Grand Total | 1,246,270 | 1,176,457 | 1,183,949 | 1,011,722 | 927,344 | 5,545,742 |

The FY2014 Capital Improvement Plan calls for the appropriation of \$1.2 billion in FY2014. Of the total appropriations planned for FY2014, \$566 million is from Enterprise Programs with user-fee supported funds, which addresses a full range of capital facility and infrastructure improvements. Among other funding sources are the issuance of tax-supported Public Improvement Bonds (PIBs) and citywide programs. The citizens of Houston approved a Bond Election for \$625 million in November 2006 and \$410 million in November 2012.

Of the \$176 million in public improvement programs, the Parks and Recreation program is the largest making up 31% which is \$54 million of the planned appropriations in FY2014 (See Figure 1), followed by Homeless & Housing with \$44 million at 25% of the FY2014 total.

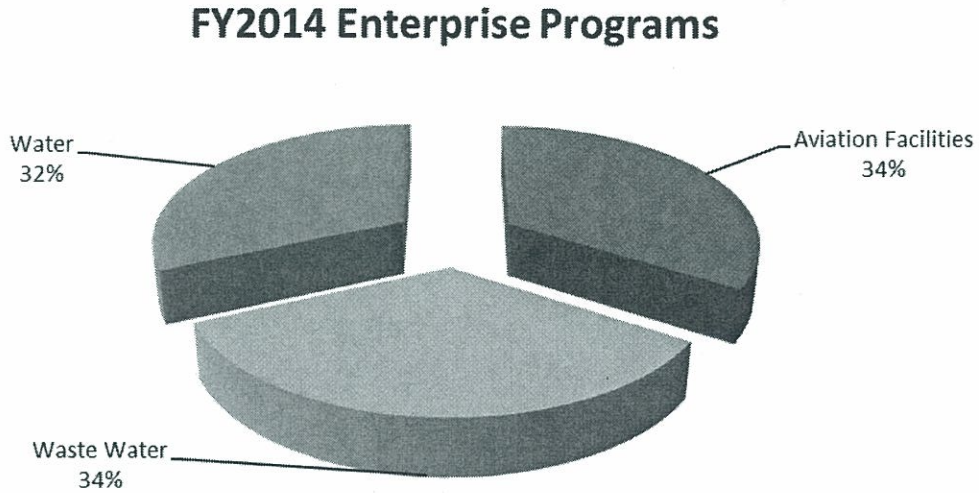
Figure 1.



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; public safety facilities; replacement, rehabilitation and construction of fire stations; and replacement or upgrading of solid waste facilities.

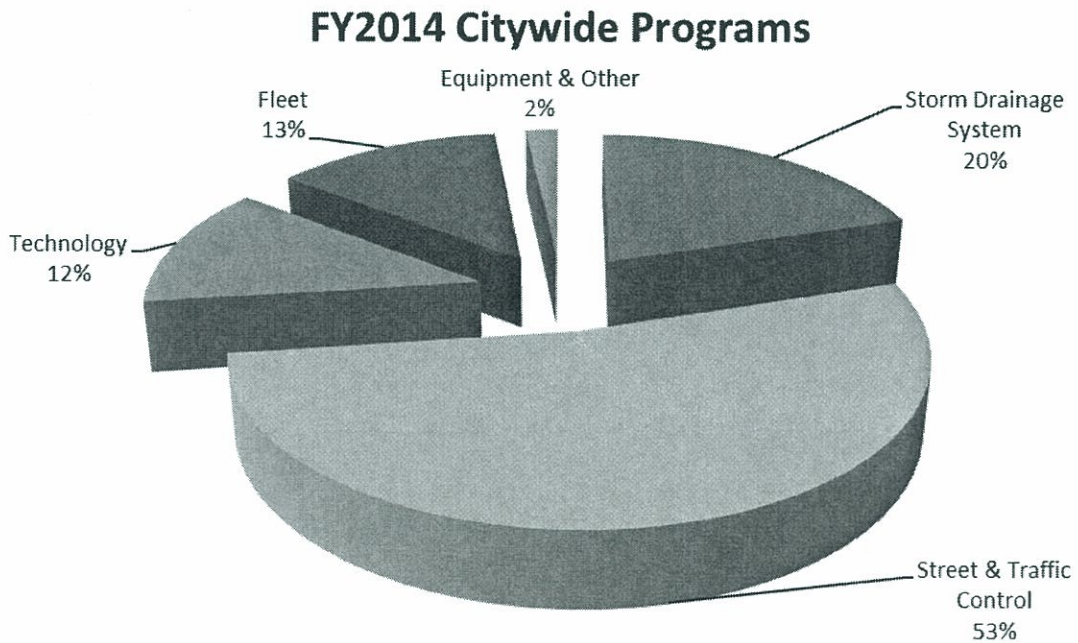
The Enterprise Programs include projects that are primarily funded from user-fee-supported revenues. The Enterprise Programs for FY2014 total \$566 million. This is distributed among the three programs as illustrated in Figure 2. The Water and Wastewater combined constitutes 68% of the enterprise programs and represents \$368 million of the planned appropriations. Aviation Facilities Improvements represent \$192 million.

Figure 2.



The Citywide programs include projects which have an impact on all departments' operations. The Citywide programs for FY2014 total \$344 million. The largest impact is Street & Traffic Control which constitutes 53% of funding allocation with \$182 million; followed by Storm Drainage System projects at \$69 million (see Figure 3).

Figure 3.



FISCAL YEAR 2015 BUDGET

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, Airport Improvement funds, Environmental Protection Agency funds, Texas Department of Transportation funds, and enterprise system user fees.

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.

As of April 15, 2014, a working draft is in progress to document operational cost and the operational impact on the capital budget. Efforts are in place to provide this information into the capital budget description.

The following chart outlines anticipated appropriations within the Capital Improvement Plan for FY2014 for both Public, Enterprise, and Citywide 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.

| Project ID | Project Name | Planned Appropriation (\$) |
|------------|---|----------------------------|
| Various | FIN - Bayou Greenways Initiative | 54,383,000 |
| A-000594 | Parking Technology | 11,000,000 |
| A-000509 | Landside Roadway Improvements - IAH | 12,000,000 |
| A-000592 | Hobby Roadway Relocation | 12,000,000 |
| A-000310 | Refurbish Parking Garage | 50,300,000 |
| A-000600 | PN 719 Term D Intl Facility IMP & ADD | 61,100,000 |
| M-000290 | Montrose/Midtown Drainage and Paving | 10,877,000 |
| N-000597 | Brittmoore Paving & Drainage | 10,844,000 |
| N-000784 | Buffalo Speedway Paving & Drainage | 11,536,000 |
| N-000708 | Parker Road Paving & Drainage | 12,165,000 |
| N-000670 | Railroad Crossing Improvements | 13,190,000 |
| N-000398 | NSR Project 465 | 15,541,000 |
| N-000400 | NSR Project 467 | 16,144,000 |
| N-000696 | Northline Paving & Drainage | 17,404,000 |
| N-000573 | Broadway Paving & Drainage | 17,538,000 |
| P-000012 | HCD - Mayor's Plan to End Chronic Homelessness PSH Implementation | 44,442,000 |
| R-000295 | Citywide TCEQ Compliance Program | 13,170,000 |
| R-000266 | Neighborhood Sewer Rehabilitation Program | 38,000,000 |
| R-000267 | Lift Station Renewal & Replacement | 48,239,000 |
| R-000265 | Waste Treatment Plant Improvements | 49,826,000 |
| S-000012 | Southeast Water Purification Plant | 10,510,000 |
| S-001000 | Pump Station Program | 18,188,000 |
| S-000066 | Northeast Water Purification Plant | 18,741,000 |
| S-000900 | Surface Water Transmission Program | 19,334,000 |
| S-000056 | East Water Purification Plant | 30,693,000 |
| S-000035 | Neighborhood Water Main Replacement | 35,183,000 |
| W-208305 | Combined Utility System Gen Purpose | 10,935,000 |
| X-160017 | HITS - C SMART | 12,000,000 |
| X-100010 | HPD Records Management System | 13,473,086 |