

VOLUME TWO
INTRODUCTION

Volume Two of the 2005-2009 Capital Improvement Plan (CIP) contains information on projects that receive primary funding from revenue bonds (Enterprise Capital Programs). Included are Airport Facilities Improvements, Convention & Entertainment Facilities Improvements (C&E), Wastewater Facilities Improvements, and Water System Improvements.

Overview

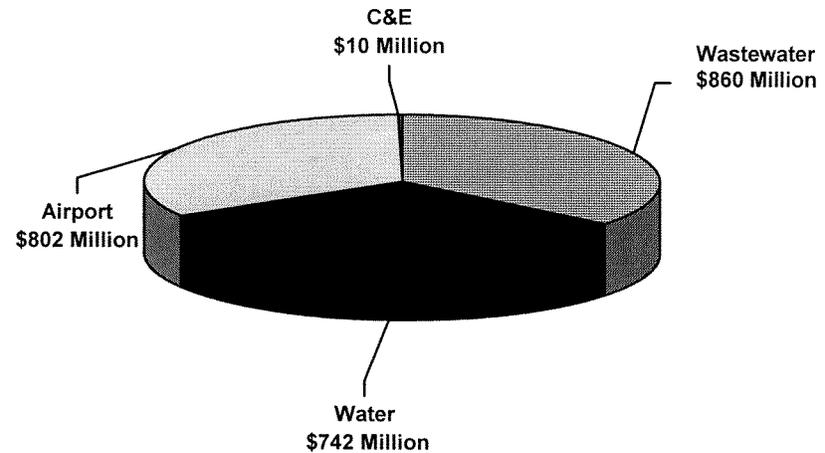
The Enterprise Capital Program for the 2005-2009 period totals \$2.4 billion. This is distributed among the four programs as illustrated in Figure 1. The Wastewater Facility constitutes the largest program and represents 36% of the funds. Airport Facilities Improvements represent 33%, Water System Improvements amount to 31%, while Convention & Entertainment Facilities Improvements comprise less than 1% of the planned appropriations.

The Aviation Department must respond to the demands of passenger traffic, the airline industry, and other airport tenants. The Airport System Program, therefore, is continuing to upgrade and expand the City's airports in accordance with its Master Plan. Implementation of the Master Plan is nearing the end of Phase I (see Airport Facilities Improvements Narrative on page ii).

The Convention and Entertainment Facilities Department is proposing \$10 million in capital improvements for FY2005.

Previous CIP's have identified funding for the expansion of the George R. Brown Convention Center. This project was undertaken in conjunction with the new downtown hotel, a new basketball arena and related downtown police and fire facilities. Other funding sources were used for these projects.

FIGURE 1
ENTERPRISE PROGRAMS
PLANNED APPROPRIATIONS



Total = \$2.4 Billion

The Water System Program is continuing to upgrade and expand the City's water distribution and purification facilities. Raw water supplies, however, are projected to be sufficient up to and beyond the year 2035. The CIP contains purification plants, storage, transmission, and distribution facilities, which will ensure sufficient potable water to the City's customers. Due to federal water quality regulations, the Water CIP may be revised in the later years.

The construction of water line projects for the areas included in the Neighborhood Renewal program are an important part of the larger neighborhood renewal and distribution system grid extensions. The neighborhood program targets neighborhoods for revitalization and stabilization by rehabilitating and upgrading area infrastructure.

The Wastewater Facilities Program supports the processing of raw wastewater by physical and biological treatment methods in compliance with Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA) standards. A little over 100 billion gallons of flow was treated in FY 2004. Funds are used to renovate and expand the current system, while maintaining compliance with all permits.

Funding Sources

Revenue supported bonds provide \$1.77 billion, or 73% of the funding for Enterprise Fund capital programs. Principal and interest payments on these bonds are made from revenues generated by the various enterprise operations, primarily through charges to the respective users and customers. For example, the Aviation Department charges the airlines and airline-related businesses for the use of airport facilities.

CIP Document Organization

The Executive Summary is a synopsis of Volume One and Volume Two. It includes a summary of all funding sources, a bond funds summary indicating bond supported funding, and a detailed listing of each project by program.

Each volume of the CIP is organized similarly. Following the introduction, all source of funds included in a volume are summarized. Following the source of funds summary is a five year debt issuance schedule. Subsequently, each capital program is presented with program summary forms listing all projects in the program, a summary of funding sources for that program, and project description forms which describe each project in detail including an implementation schedule.

Various terms used in the CIP are defined in the appendix.