

## EXECUTIVE SUMMARY

The remaining \$1.58 billion addresses a full range of capital facility and infrastructure improvements, most of which will be financed with Public Improvement Bonds (PIBs). These programs include Fire, Library, Parks, Police, Public Health, Solid Waste Management, General Government, Storm Drainage, Streets and Traffic Control, and Housing.

In FY 2009 City Council instituted the Drainage Supplemental Debt Service Fund for the purpose of funding additional long term drainage initiatives. The program calls for an annual set aside of a predetermined portion of ad valorem tax receipts, as approved by Council annually. The proposed set aside amount is equal to \$0.0035 per \$100 of ad valorem tax valuation for FY2010. Based on a combination of ad-valorem tax rate growth and spending assumptions associated with the projects, it was determined the City could afford to issue debt in the amount of \$211M.

The two Volumes of the CIP are divided by the three contracting departments within the City. Volume One contains the client departments serviced by the General Services Department, all that is built vertically, and the Tax Incremental Reinvestment Zones (TIRZ). Volume Two consist of Public Works and Engineering, horizontal development, and Aviation, all projects involving the Houston Airport System facilities.

Tax supported PIBs are the Primary funding Source for Volume One programs and Street & Traffic (V-II) as a result of the \$625 million bond election approved by the Citizens of Houston in November 2006.

As these new bond funds are expended, future analysis will determine strategies for additional funding to implement the various Master Plans and identified needs. Strategies may include placing items before the voters. Such a separate bond authorization may require additional property tax financing beyond that provided at the current tax rate for the \$625 million bond issue.

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Program amounts authorized by the voters in November 2006 are broken down as follows:

Street and Bridge Improvement Bonds	320 Million
Public Safety Facilities Improvement Bonds	135 Million
Parks and Recreation Facility Improvement Bonds	55 Million
General Public Improvement Bonds	60 Million
Library Improvement Bonds	37 Million
Affordable Housing Bonds	<u>18 Million</u>
	\$ 625 Million