Overview

The Capital Improvement Plan:

- A rolling 5 year plan of projected projects.
- A live document and subject to change due to environmental factors, funding, budgets, shifting priorities, scheduling, citizens’ input, etc.
- Is accessible online through the Finance Department’s website.
- Covers four components, the Public Improvement Program (PIP), Rebuild Houston, Enterprise Fund Program, and Component Units.
CIP Organization

Four Components:

• **Public Improvement Program (PIP):** General Fund departments including Fire, General Improvements, Housing, Library, Parks, Police, Public Health, Solid Waste

• **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).

• **Components Units:** includes legally separate organizations from the City that are financially closely related (as reported in the City’s Comprehensive Annual Financial Report)
  – E.g. TIRZ, Houston Parks Board, Houston First
Funding Sources

• **Public Improvement Program (PIP)**
  – General Fund supported debt (Public Improvement Bonds)
  – Community Development Block Grants
  – Other community donations, contributions and grants

• **Rebuild Houston**
  – Revenue from Drainage Utility Fee & Developer Impact Fee
  – Other governmental entities such as METRO and TxDOT

• **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, Private donations
CIP Appropriations – FY16

- CIP projects total $2.1 billion from all funding sources.
  - Enterprise Programs total $1.5 billion (including ReBuild Houston)
  - Public Improvement Programs total $283 million
  - Component Units total $265 million

<table>
<thead>
<tr>
<th>Plan Comparison ($ millions)</th>
<th>FY15</th>
<th>FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Improvement Bonds</td>
<td>164</td>
<td>55%</td>
</tr>
<tr>
<td>All Other Funding Sources</td>
<td>133</td>
<td>45%</td>
</tr>
<tr>
<td>Public Improvement Program *</td>
<td>298</td>
<td>18%</td>
</tr>
<tr>
<td>Rebuild Houston</td>
<td>281</td>
<td>17%</td>
</tr>
<tr>
<td>Combined Utility System</td>
<td>522</td>
<td>32%</td>
</tr>
<tr>
<td>Houston Airport System</td>
<td>277</td>
<td>17%</td>
</tr>
<tr>
<td>Component Units **</td>
<td>255</td>
<td>16%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,632</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* Includes Citywide Programs such as Information Technology, Fleet, and Equipment.
** Net of overlap with Public Improvement Programs
Key Projects

• Continues to Include:
  – Bayou Greenways Initiative (Detailed by sub-project)
  – Alief combined Multi-Service Center, Community Center, and Library
  – City-County Prisoner Processing Facility
  – City Hall Shower Facilities

• Satellite court at new Southwest Police Station

• Replacement of end-of-useful life Cardiac Defibrillators
General Fund
Deferred Maintenance

- The City still faces $507 million of deferred maintenance.
The City has prioritized capital maintenance over new facilities:

- $10 million of new facilities; $230 million of general fund capital maintenance
Financial Policies: Capital Management HIGHLIGHTS

- General Fund Capital Maintenance as a % of Current Replacement Value (CRV)
  - Long-term Goal = 2.0%
  - Capital maintenance above 2.0% will help reduce existing deferred maintenance

<table>
<thead>
<tr>
<th>Capital Maintenance Projects</th>
<th>($ Thousands)</th>
<th>% of CRV Per Financial Policy</th>
<th>% of Total CRV</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>53,756</td>
<td>488%</td>
<td>2.6%</td>
</tr>
<tr>
<td>FY2017</td>
<td>52,311</td>
<td>343%</td>
<td>2.6%</td>
</tr>
<tr>
<td>FY2018</td>
<td>79,028</td>
<td>441%</td>
<td>3.9%</td>
</tr>
<tr>
<td>FY2019</td>
<td>23,984</td>
<td>134%</td>
<td>1.2%</td>
</tr>
<tr>
<td>FY2020</td>
<td>21,363</td>
<td>119%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>
Financial Policies: Debt Management

- The City will use the current year’s General Obligation debt service payment as a baseline to establish an index reflecting 4% annual growth.
Proposed Capital Improvement Plan
FY2016-FY2020