Transportation, Technology & Infrastructure Committee
February 13, 2014

thumbs up for progress

REBUILD HOUSTON
City of Houston: By the Numbers...

- 2.2 million people
- 640+ square miles
- 2,450 traffic signals
- **16,000 lane-miles of streets**
- 3,600 miles of storm sewer pipe
- 2,900 miles of roadside ditches
Funding for CIP – Most cities

- Voters approve sale of Bonds
- City sells 30 year Bonds
  - Taxpayers service Debt
  - Sporadic funding

- Repeat every 5 or so years → more Debt
- Limited bond capacity remaining
Houston Street & Drainage Debt

- Total Debt: $1.7 Billion
- Debt Service: $150 Million+ per year

A series of mortgages that has INCREASED over time.

ReBuild Houston stopped this growth in debt!
Historical Funding vs. Need

Before ReBuild Houston

Degradation Continues

COH Street & Drainage Infrastructure

CIP

- Funded CIP
- Unfunded Need
3 R’s of Infrastructure Management

**House**
- Paint; Carpet
- New Appliance

**Street**
- Pothole
- Skin Patch

**Repair**
- New Roof; Rotted Wood
- Foundation Repair
- Remodel

**Reconstruct**
- New House
- Current Codes
- Financing / Cash

**Rehabilitate**
- Overlay
- Conc. Panel Replacement
- Spot Drainage Repair

**Current Codes**
- Cash only

**Current Standards**
- New Street
- Cash only
ReBuild Houston Facts

- RH is a long-term solution
  - Not an immediate fix
  - With a reliable funding stream
- RH addresses 30+ yrs. of inadequate funding
  - Reason for poor condition of streets
- PAYGo funding increases
  - Substantially after 2020 as old debt is paid
- With RH:
  - CIP funding level has been preserved
    and is GROWING!
ReBuild Houston vs. Pre RH Funding
- Planned Appropriations for 2014

**FY14 for 2014**
ReBuild Houston

**FY11 for 2014**
Pre-RH

![Bar chart showing planned appropriations for 2014 between ReBuild Houston and Pre-RH, with green for cash and red for debt.](chart.png)
4 Funding Sources

NEW

Drainage Utility Charge

To be used for:
- Drainage projects
- Street projects that include drainage improvements
- Operation & Maintenance for drainage infrastructure (ditch cleaning, re-grading etc.)
- Expenses for administering the drainage fee

NEW

Developer Impact Fee

To be used for:
- Drainage projects providing capacity to offset future development
- Street projects providing added capacity for future development

EXISTING

Ad Valorem Taxes (Property Taxes)

To be used for:
- Street projects with or w/o drainage improvements
- Drainage projects
- Traffic signalization projects
- Sidewalk projects
- Operation & Maintenance for streets, traffic & drainage
- Payment of Pre-RH debt

EXISTING

Third-Party Funds (Metro, TxDOT, Feds)

To be used for:
- Street projects
- Drainage projects
- Operation & Maintenance for streets & traffic
- Sidewalk projects
- Hike & Bike Trails
- Traffic signalization projects
- Additional Uses
1) **Drainage Utility Charge**

- **User charge** based on impervious cover
- Similar to Water & Wastewater charge
  - You pay for what you use
- Implemented by
  - 9 of 10 largest Texas cities
  - 98 Texas cities
  - Cities throughout U.S.
2) Developer Impact Fees

• Strictly regulated by State of Texas

• Council Adopted on April 3, 2013

• Offsets drainage impact of future development
3) **Ad Valorem** (Property Taxes)

**Before ReBuild Houston**: 11.8¢ of tax rate paid debt

- $1.7 Billion mortgage
- $150+ Million/year mortgage payment

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**ReBuild Houston**: 11.8¢ (less debt payment) committed for Streets & Drainage

- Funding INCREASES as debt is paid off
- More apparent in FY 2020 & beyond
4) Third Party Funds

- METRO: Sales tax revenue
- TxDOT *
- Federal *
- County*, Special Districts, private, etc.

* Agencies where funds have been slashed
Forecasting Funds to 2034
without ReBuild Houston

Based on FY2014 Projections

Ad Valorem Projections by City of Houston Finance Department
Forecasting Funds to 2034 with ReBuild Houston

10-Year Plan (FY15 - FY24)

Based on FY2014 Projections

Ad Valorem Projections by City of Houston Finance Department
“5+5 Year Plan” Process
- Performed Annually

CIP Programming
(Years 1 thru 5)
• Design
• Bid
• Award
• Construct

“+5” Planning
(Years 6 thru 10)
1. ID & Prioritize Needs
2. Pre-Engineering
   • Develop Solutions
   • Define Scope w/ cost est.
3. Prioritize Candidate Projects
   • Based on Benefit/Cost
4. Best Projects go to CIP

- Since 1984 -
- Since 2011 -
Methodology, in short ...

- **Need Area** – ‘Worst First’
  - Based on a defined Level of Service using objective data

- **Candidate Project**
  - Pre-engineering develops solution, defines scope w/ cost est.
  - Prioritization based on **Benefit** to **Cost** ratio

- **Funded Project**
  - Best projects recommended for next CIP
ReBuild Houston: What’s already done?

- **Reconstructed**
  - 50 CIP projects completed
  - 69 lane-miles of new street pavement
  - 24 CIP projects under construction

- **Rehabilitated**
  - 380 lane-miles of asphalt overlay
  - 15 lane-miles of concrete panel replacement
  - 37 Local Drainage Projects completed
  - 14 Local Drainage Projects under construction

- **Repaired**
  - 557 miles of ditches re-graded
  - 131 miles of storm sewer line cleaned

- **Invested**
  - $250 million so far
• Public Input Survey thru public input period
• “5+5” Year Plan documents
  • Interactive Map
    • CIP Forms, Exec. Summary, Need Area & ICP Lists
    • Need Priority (Paving & Flooding)
• Overlays, conc. panel & bridge replacements, etc.
• FAQ’s
• Funding Sources & Uses
• CIP Process Manual
Next Steps

- **Feb/March:** Public input period thru March 16
  Review & address input

- **April:** Draft Plan goes to Mayor

- **May/June:** Council review & approval

- Continued Planning and Delivery –

www.rebuildhouston.org