

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 CIP 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 appropriation of capital projects. Details on capital projects for public improvement programs include allocations toward Fire, General Government, Homeless & Housing, Library, Parks, Police, Health, and Solid Waste Management projects. Enterprise capital programs include Airport, Storm Drainage System, Street & Traffic Control, Wastewater, and Water projects. Programs implemented citywide include Information Technology and Fleet projects. The City of Houston Fiscal Year 2018 – 2022 Adopted Capital Improvement Plan is available online at <http://www.houstontx.gov/cip/18cipadopt/>.

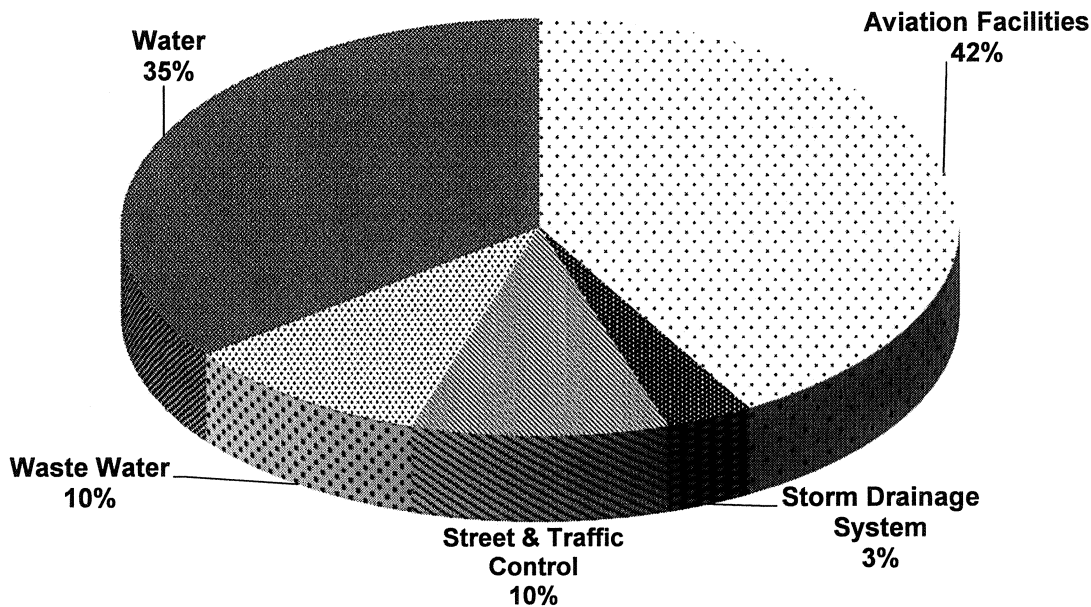
Presented below is a summary of the planned appropriations for the Adopted FY2018 - FY2022 CIP:

FY2018 - FY2022 Adopted CIP (\$ Thousands)						
	2018	2019	2020	2021	2022	Total 2018-2022
Public Improvement Programs						
Bayou Greenways	37,523	33,064	43,143	-	-	113,729
Fire	8,586	15,013	10,642	7,337	7,975	49,553
General Government	13,673	57,943	4,905	11,941	7,701	96,163
Health	10,669	27,871	13,286	19,923	2,482	74,231
Homeless & Housing	1,100	1,100	1,100	1,100	-	4,400
Library	2,797	8,969	3,980	2,284	2,257	20,287
Parks and Recreation	47,016	11,232	9,467	11,601	26,097	105,412
Police	6,360	8,325	17,659	14,682	6,971	53,997
Solid Waste Management	4,926	10,644	1,486	1,569	1,296	19,922
Subtotal	132,649	174,161	105,667	70,438	54,779	537,694
Enterprise Programs						
Aviation Facilities	797,260	717,597	452,541	37,852	49,639	2,054,889
Storm Drainage System	63,744	93,551	96,706	93,654	161,954	509,609
Street & Traffic Control	189,290	138,597	159,682	177,140	119,920	784,629
Wastewater	184,999	185,001	185,000	204,255	205,000	964,255
Water	676,386	1,088,882	282,048	189,010	157,382	2,393,707
Subtotal	1,911,679	2,223,627	1,175,978	701,911	693,895	6,707,090
Citywide Programs						
Technology	15,025	6,449	8,257	3,268	9,084	42,083
Fleet	38,234	35,710	38,006	39,115	41,364	192,428
Subtotal	53,259	42,158	46,263	42,382	50,448	234,511
City Programs Total	2,097,588	2,439,946	1,327,908	814,731	799,122	7,479,295
Component Units	269,775	310,341	263,560	130,019	12,556	986,251
Overlap Between Component Units and Public Improvement Programs	(44,395)	(34,411)	(56,296)	(4,500)	-	(139,601)
Grand Total	2,322,968	2,715,876	1,535,173	940,250	811,678	8,325,944

Enterprise Programs

The Adopted Capital Improvement Plan calls for the appropriation of \$2.3 billion in FY2018. Of the total appropriations planned for the current plan year, \$1.9 billion are from Enterprise Programs. Enterprise programs include projects that are primarily funded from user-fee supported funds, which address a full range of capital facility and infrastructure improvements and distributed among the five programs as illustrated in the chart below. Of all enterprise funding the largest program, with 42% of the enterprise allocation, is Aviation Facilities Improvements. These improvements are funded from various sources including the Airports Improvement Fund (AIF, Fund 8011), Airports Renewal and Replacement Fund (R&R), Grants-in-Aid from the FAA Airports Improvement Program (AIP), Commercial Paper / General Airport Revenue Bonds, and passenger facility charges.

FY2018 Enterprise Programs

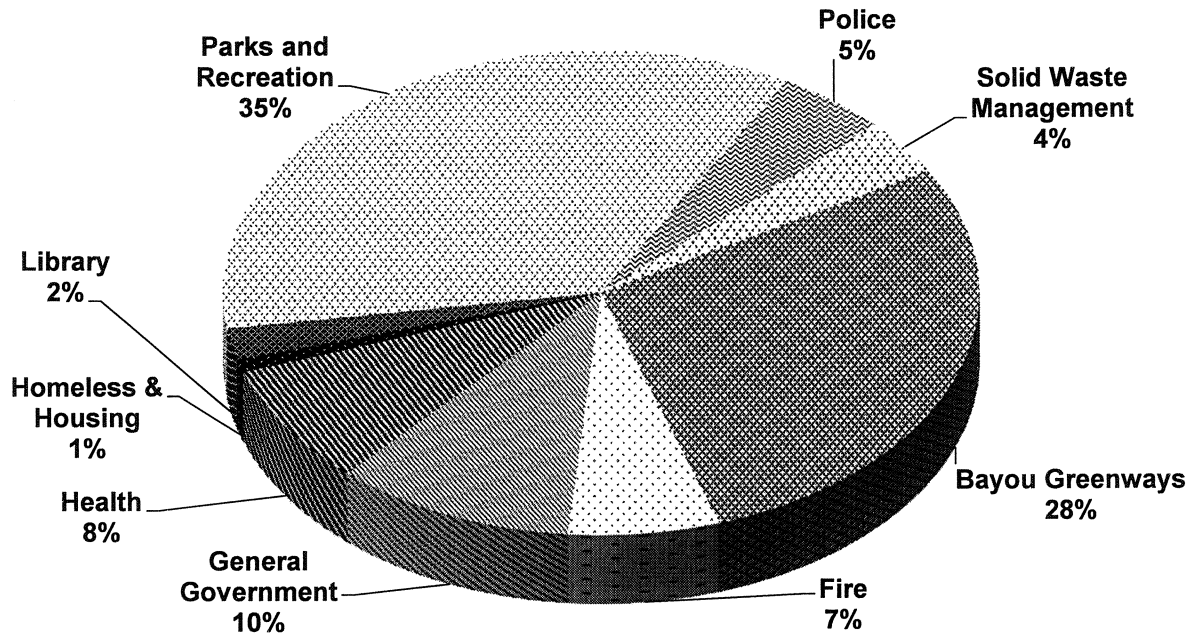


Public Improvement Programs

The citizens of Houston approved a Bond Election for \$625 million in November 2006 and \$410 million in November 2012. 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.

Of the \$133 million in the public improvement programs, \$37 million is allocated to the Bayou Greenways initiative utilizing 28% of the total planned appropriations for FY2018. It is closely followed by Parks and Recreation with \$47 million at 35% of the total. Both programs are funded with both non-debt and debt funding sources. In FY2018, 33% of Bayou Greenways funding is from general obligation bonds (GO Bonds) and 67% is covered by the Houston Parks Board (HPB). Of FY2018 Parks funding sources, 34% are from GO Bonds with 66% being funded by a combination of grants and private funds.

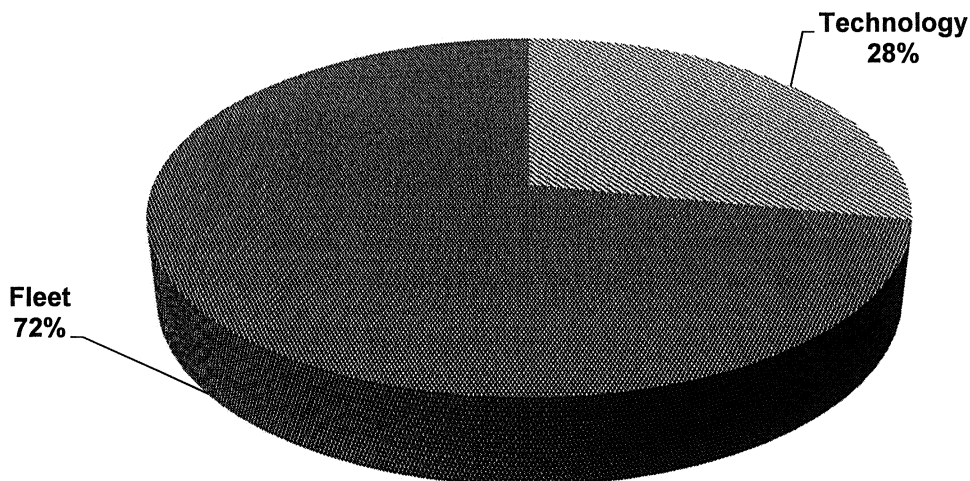
FY2018 Public Improvement Programs



Citywide Programs

The Citywide programs include projects that may impact the Houston area citywide or departmental operations. The Citywide programs for FY2018 total about \$53 million. Fleet Management constitutes 72% of the funding allocation with \$38 million. Technology projects make up the remainder with a \$15 million allocation. The Fleet and Technology programs provide improvements and equipment necessary for City services and business processes. Fleet will use funding to purchase new vehicles for departments citywide.

FY2018 Citywide Programs



Non-Debt Funding Sources

Funding sources which support the CIP include but are not limited to bond proceeds and commercial paper, Metropolitan Transit Authority funds, Harris County funds, Houston Parks Board funds, Federal Aviation Administration funds, Airport Improvement funds, Texas Department of Transportation funds, and Enterprise system user fees. Both Public Improvement and Citywide programs use non-debt funding sources to supplement department needs.

Presented below is a summary of the planned appropriations for FY2018 - FY2022 with the percentage of non-debt funding sources used by each program:

General Obligation Bond Summary Fiscal Year Planned Appropriations (\$ Thousands)		
	FY2018- FY2022	Leverage of Non-Debt Funding Sources
Public Improvement Programs		
Bayou Greenways	48,339	57%
Fire	49,553	0%
General Government	96,163	0%
Health	74,231	0%
Homeless & Housing	4,400	0%
Library	20,287	0%
Parks and Recreation	59,646	43%
Police	38,897	28%
Solid Waste Management	19,922	0%
Subtotal	411,438	23%
Citywide Programs		
Technology	42,033	0%
Fleet	96,823	50%
Subtotal	138,856	41%

Impact to Operating Budget

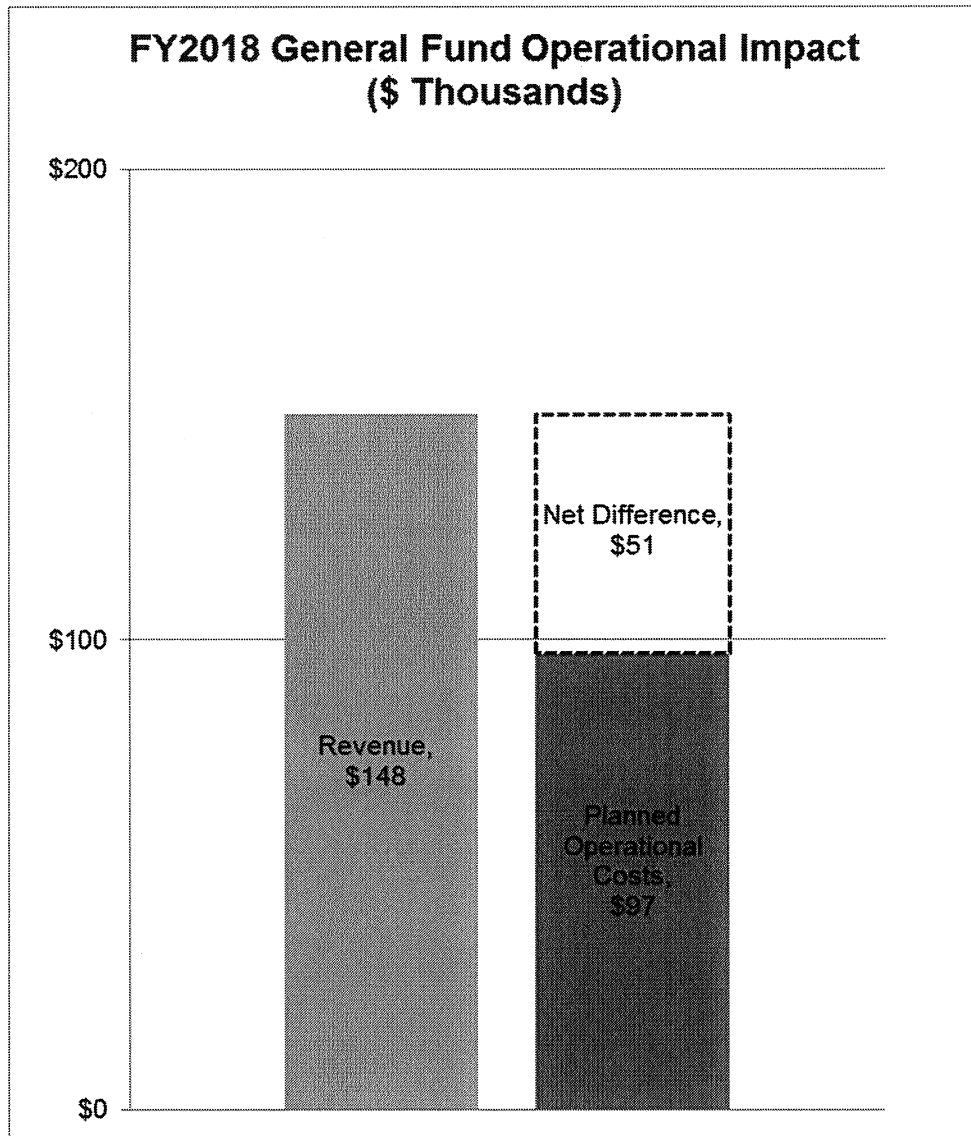
Capital improvement costs in the CIP are classified into two categories: direct project costs and associated increases to annual operational costs. Examples of direct project costs include purchases of land or facilities, design and construction of new facilities or renovation of existing facilities, and initial equipment purchases for new or renovated facilities. Operating costs include staffing, maintenance or service (including electrical) costs related to new, renovated or expanded facilities. The impacts of operating costs on capital projects are monitored closely for inclusion in the annual operating budget.

Presented below is a summary of the projected general fund operational costs associated with the Adopted FY2018 - FY2022 CIP:

Fiscal Year Planned Operational Cost* (\$Thousands)						
	2018	2019	2020	2021	2022	Total 2018 - 2022
Equipment	-	-	-	-	-	-
Other	30	1,916	2,235	2,510	2,510	9,201
Personnel	50	635	757	882	1,046	3,369
Services	17	192	534	1,146	1,177	3,066
Supplies	-	-	-	-	-	-
*Subtotal	97	2,743	3,526	4,538	4,733	15,637
Revenue	148	148	148	-	-	445
Savings	-	-	50	50	50	150
**Subtotal	148	148	198	50	50	595
Grand total	(51)	2,594	3,327	4,488	4,683	15,041

* Does not include Enterprise Funds

**Revenue and savings are shown as offsets to planned operational costs.



FISCAL YEAR 2018 BUDGET

Of the \$97 thousand of projected General Fund operational costs for FY2018, 52% will cover new staffing previously not needed for the issuance of city services and 18% will be used for services related to Squatty Lyons, Restroom building upgrades. In FY2018, \$148,000 is expected to be generated in additional revenue from the Parking Pay Station Replacement project.

Presented below is the project listing of the operational impacts planned for FY2018. A complete list is available within the City of Houston Fiscal Year 2018 - 2022 Adopted Capital Improvement Plan and online at <http://www.houstontx.gov/cip/18cipadopt/>.

General Government Operational Impact FY2018 Capital Improvement Plan (\$ Thousands)					
CIP No.	Project Name	Operational Costs	Revenue	Savings	Net Impact
D-650005	ARA - Parking Pay Station Replacement	-	(148)	-	(148)
F-000705	Squatty Lyons	30	-	-	30
F-000849	Restroom Building Upgrades	37	-	-	533
X-680012	SAP Performance Testing Tools	30	-	-	30
	Total	97	(148)	-	(51)

*Revenues and savings are shown as offsets to planned operational costs.

Anticipated Appropriations

The following table outlines anticipated appropriations within the Capital Improvement Plan for FY2018 for Public Improvement, 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.

Projects over \$10 Million		
CIP No.	Project Name	FY2018 Planned Appropriations (\$ Thousands)
A-000800	Executive Program Manager Services-ITRP	418,367
S-000065	NE Water Purification Plant Expansion	361,143
S-000900	Surface Water Transmission Program	200,404
A-000601	PN720 HOU Internl Facility-Lease Agrmnt.01	126,000
A-000622	Reworking Constr Taxiway WAWB	55,000
R-000266	Neighborhood Sewer Rehab Program	42,502
A-000581	Terminal A Modernization Program	35,000
A-000494	APM Guide Way Structural Enhancements	29,000
N-001310	W. Airport: Hiram Clark to FM 521	26,672
R-000536	Wastewater Treatment Plant Consolidation	23,664
S-000035	Neighborhood Water Main Replacement	23,595
R-000267	Lift Station Renewal & Replacement	19,233
R-000500	WW Improvements under M/N	19,153
R-000509	69th Street Wastewater Treatment Plant	18,579
A-000629	Aerospace Design & Solution Lab - EFD	18,504
A-000646	SPACEPORT INFRA DEVELOPMENT	17,600
F-000788	Hermann Park (Conservancy)	17,100
N-100029	Kirkwood Paving and Drainage	16,609
N-000787	Clinton Dr. Paving and Drainage	15,952
A-000563	Space Locator & Signage A/B/C/D Garage	15,300
N-210002	Linkwood Area	15,031
S-000056	East Water Purification Plant	14,907
S-000500	Water Improvements under M/N	14,667
N-000389	NSR Project 460	13,401
M-410005	Spring Shadows (North)	13,371
N-210001	Houston Heights, John Brasher, Memorial	12,796
N-000590	Holmes Road Paving & Drainage	12,206
F-000811	Memorial Park - Houston Arboretum M.P.	12,000
R-000801	Sewer Service to Unserved Areas	11,690
N-321038	Concrete Panel Replacement Program	11,342