

CAPITAL IMPROVEMENT PLAN SUMMARY

The information below reflects last year's FY2017 - FY2021 Adopted CIP. As of May 2017, the CIP for FY2018 - FY2022 is still being developed. This section will be updated with the Adopted FY2018 - FY2022 CIP in the Fiscal Year 2018 Adopted Budget Book.

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 2017 – 2021 Adopted Capital Improvement Plan is available online at <http://www.houstontx.gov/cip/17cipadopt/>.

FISCAL YEAR 2018 BUDGET

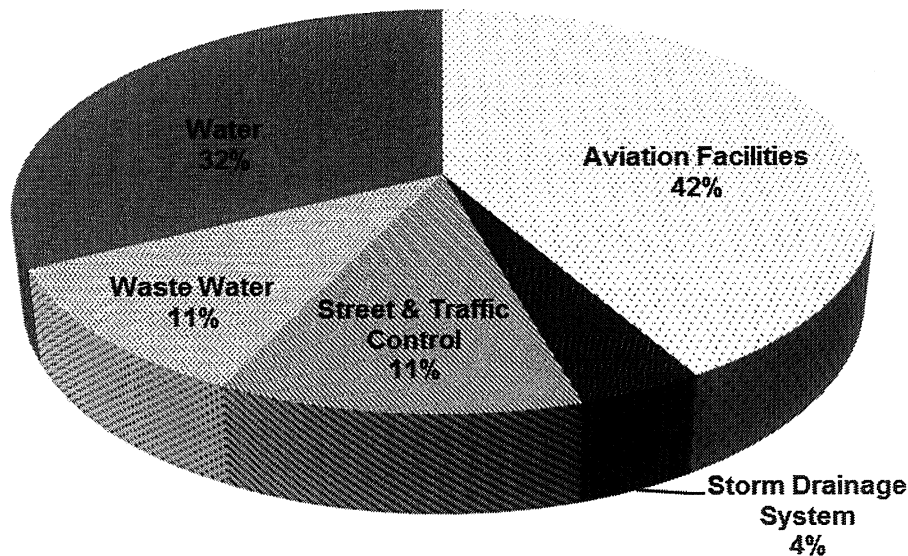
Presented below is a summary of the planned appropriations for the Adopted FY2017 - FY2021 CIP:

FY2017 - FY2021 Adopted CIP (\$ Thousands)						
	2017	2018	2019	2020	2021	Total 2017-2021
Public Improvement Programs						
Bayou Greenways	43,373	28,844	42,447	35,680	-	150,344
Fire	17,976	8,436	13,325	10,542	7,046	57,325
General Government	11,201	57,488	5,336	4,187	10,293	88,504
Health	4,792	32,239	5,359	13,631	20,275	76,296
Homeless & Housing	1,100	1,100	1,100	1,100	1,100	5,500
Library	1,426	2,847	8,954	4,011	2,575	19,812
Parks and Recreation	36,892	37,131	15,387	5,562	6,983	101,955
Police	17,553	2,139	5,218	14,627	10,056	49,594
Solid Waste Management	1,834	2,598	10,655	1,056	1,092	17,234
Subtotal	136,148	172,822	107,781	90,395	59,420	566,564
Enterprise Programs						
Aviation Facilities	730,691	802,914	315,203	101,531	294,237	2,244,576
Storm Drainage System	69,487	64,623	114,824	95,347	112,828	457,109
Street & Traffic Control	201,470	159,648	114,647	144,048	175,915	795,728
Wastewater	185,000	185,000	185,000	185,000	185,000	925,000
Water	566,369	668,438	990,819	283,255	192,241	2,701,121
Subtotal	1,753,017	1,880,623	1,720,493	809,181	960,221	7,123,534
Citywide Programs						
Technology	13,086	4,198	6,160	9,724	3,076	36,244
Fleet	53,043	39,619	38,451	38,262	39,295	208,669
Subtotal	66,129	43,817	44,611	47,986	42,371	244,913
City Programs Total	1,955,293	2,097,261	1,872,885	947,561	1,062,011	7,935,012
Component Units	247,729	249,762	227,219	140,344	10,249	875,303
Overlap Between Component Units and Public Improvement Programs	(32,143)	(11,347)	(16,196)	(44,389)	(1,500)	(105,575)
Grand Total	2,170,880	2,335,676	2,083,908	1,043,516	1,070,760	8,704,740

Enterprise Programs

The Adopted Capital Improvement Plan calls for the appropriation of \$2.2 billion in FY2017. Of the total appropriations planned for the current plan year, \$1.8 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.

FY2017 Enterprise Programs

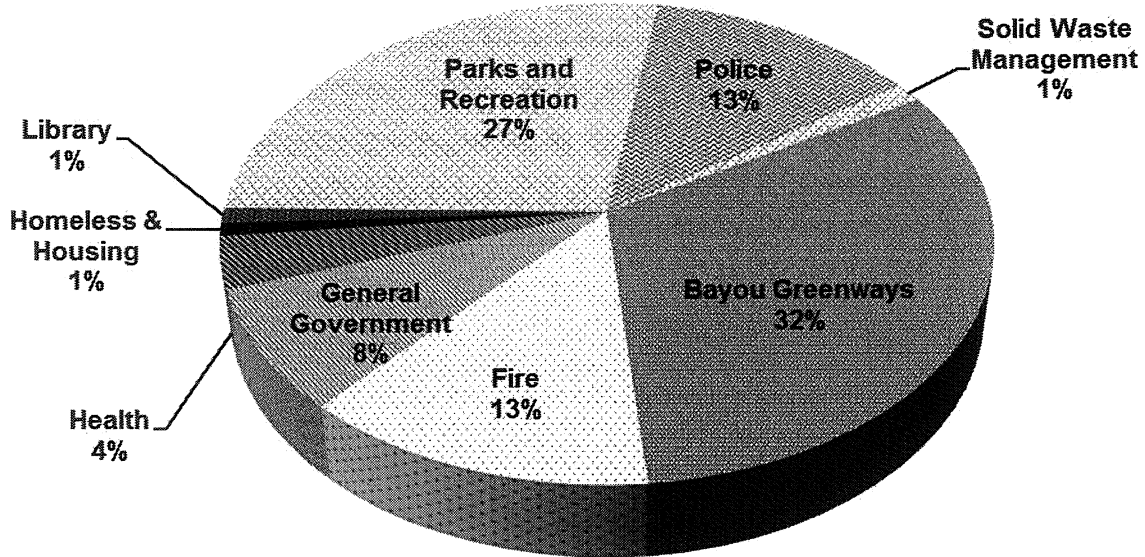


Public Improvement Programs

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 \$136 million in the public improvement programs, \$43 million is allocated to the Bayou Greenways initiative utilizing 32% of the total planned appropriations for FY2017. It is closely followed by Parks and Recreation with \$37 million at 27% of the total. Both programs are funded with both non-debt and debt funding sources. In FY2017, 32% of Bayou Greenways funding is from general obligation bonds (GO Bonds) and 68% is covered by the Houston Parks Board (HPB). Of FY2017 Parks funding sources, 40% are from GO Bonds with 60% being funded by a combination of grants and private funds.

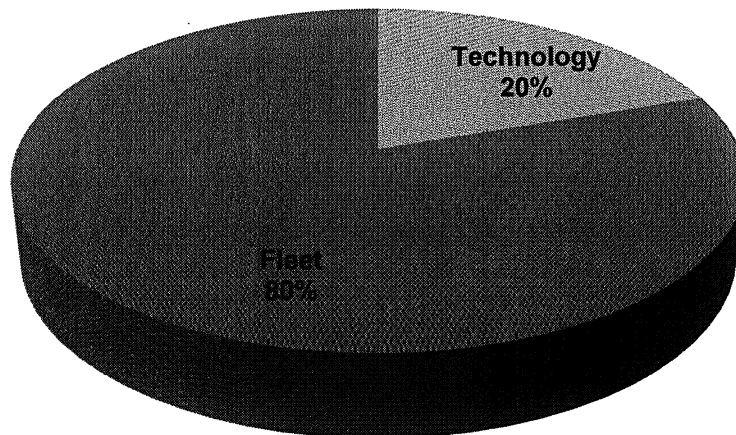
FY2017 Public Improvement Programs



Citywide Programs

The Citywide programs include projects that may impact the Houston area citywide or departmental operations. The Citywide programs for FY2017 total about \$66 million. Fleet Management constitutes 80% of the funding allocation with \$53 million. Technology projects make up the remainder with a \$13 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.

FY2017 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 FY2017 - FY2021 with the percentage of non-debt funding sources used by each program:

General Obligation Bond Summary Fiscal Year Planned Appropriations (\$ Thousands)		
	FY2017- FY2021	Leverage of Non-Debt Funding Sources
Public Improvement Programs		
Bayou Greenways	62,605	58%
Fire	57,325	0%
General Government	88,505	0%
Health	76,296	0%
Homeless & Housing	5,500	0%
Library	19,813	0%
Parks and Recreation	38,998	62%
Police	25,299	49%
Solid Waste Management	17,235	0%
Subtotal	391,576	31%
Citywide Programs		
Technology	35,344	2%
Fleet	100,092	52%
Subtotal	135,436	45%

Impact to Operating Budget

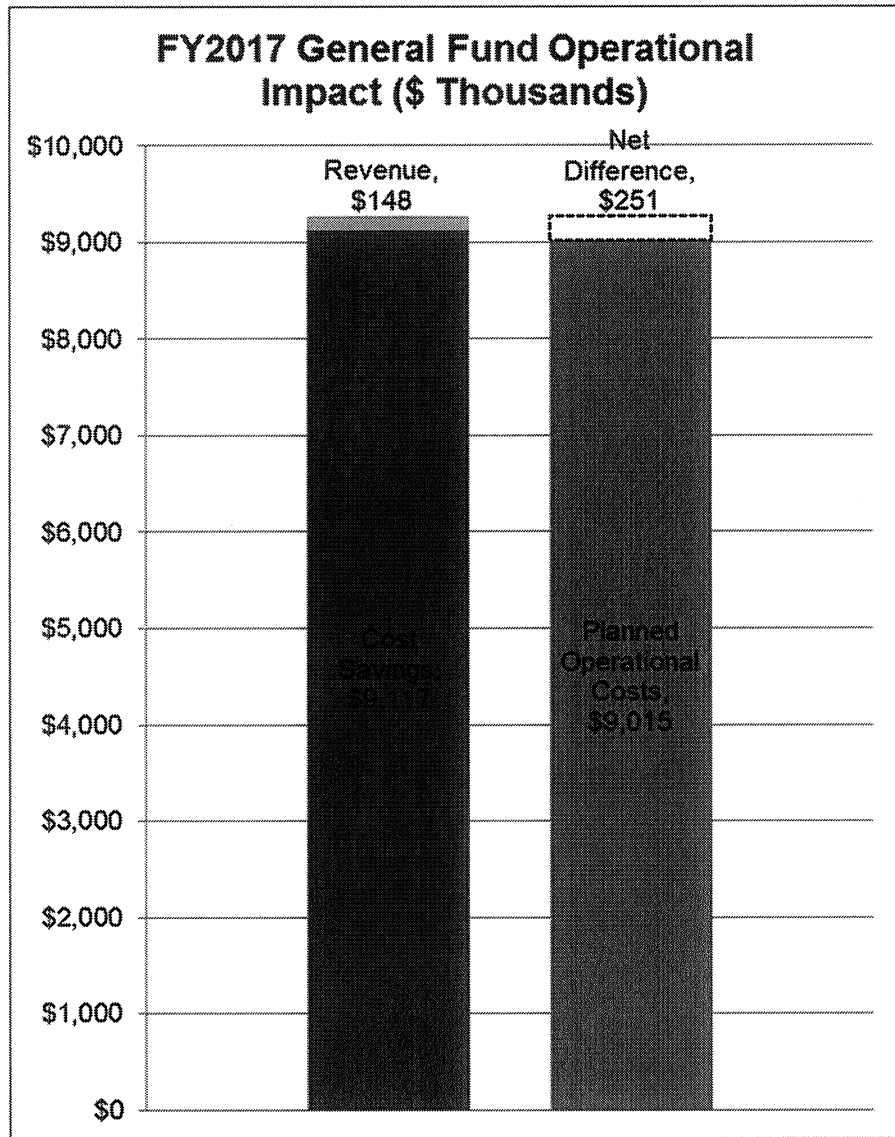
Capital improvement costs in the CIP are classified into two categories: direct project costs and associated increases to annual operational costs. Examples of direct project costs include purchases of land or facilities, design and construction of new facilities or renovation of existing facilities, 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 FY2017 - FY2021 CIP:

Fiscal Year Planned Operational Cost* (\$Thousands)						
	2017	2018	2019	2020	2021	Total 2017 - 2021
Equipment	-	-	-	-	-	-
Other	131	268	222	545	824	1,990
Personnel	457	628	638	755	875	3,352
Services	8,428	16,922	17,687	18,897	19,814	81,747
Supplies	-	-	-	-	-	-
*Subtotal	9,015	17,818	18,547	20,197	21,513	87,089
Revenue	(148)	(148)	(148)	(148)	-	(594)
Savings	(9,117)	(18,235)	(18,873)	(19,584)	(20,267)	(86,077)
**Subtotal	(9,266)	(18,383)	(19,022)	(19,732)	(20,267)	(86,671)
Grand total	(251)	(566)	(475)	464	1,245	419

* Does not include Enterprise Funds

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



FISCAL YEAR 2018 BUDGET

Of the \$9 million of projected General Fund operational costs for FY2017, 5% will cover new staffing previously not needed for the issuance of city services and 93% will be used for services related to the City-County Joint Prisoner Processing Facility. However, those costs are offset by \$9 million in savings related to the closure of HPD jails. In FY2017, \$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 FY2017. A complete list is available within the City of Houston Fiscal Year 2017 - 2021 Adopted Capital Improvement Plan and online at <http://www.houstontx.gov/cip/17cipadopt/>.

General Government Operational Impact FY2017 Capital Improvement Plan (\$ Thousands)					
CIP No.	Project Name	Operational Costs	Revenue	Savings	Net Impact
D-650005	ARA - Parking Pay Station Replacement	-	(148)	-	(148)
G-000037	City-County Prisoner Processing Facility	8,428	-	(9,117)	(690)
X-100025	HPD - Police Body Cameras	533	-	-	533
X-680012	SAP Performance Testing Tools	30	-	-	30
X-800007	HR – Benefits Interactive Platform	25	-	-	25
	Total	9,015	(148)	(9,117)	(251)

*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 FY2017 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	FY2017 Planned Appropriations (\$ Thousands)
A-000800	Executive Program Manager Services-ITRP	369,309
S-000067	Luce Bayou Inter-Basin Transfer	211,763
S-000900	Surface Water Transmission Program	109,592
S-000065	NE Water Purification Plant Expansion	103,122
A-000622	Reworking Constr Taxiway WAWB	64,742
A-000570	Reconstruction of Taxiway NB - IAH	59,005
S-000066	Northeast Water Purification Plant	58,056
R-000266	Neighborhood Sewer Rehab Program	45,000
R-000536	Wastewater Treatment Plant Consolidation	30,120
A-000596	HAS Admin Bldg Expansion - IAH	30,000
R-000265	Wastewater Treatment Plant Improvements	29,470
S-000035	Neighborhood Water Main Replacement	26,455
S-001000	Pump Station Program	22,465
N-000400	NSR Project 467	21,625
N-000686	Greens Rd. Pave & Drain JFK to Aldine-W.	21,467
S-000500	Water Improvements under M/N	20,977
M-410290	Gillette Trunk-line Improvements	20,631
A-000465	Term A N&S 480-Volt Distribution Sys	20,600
R-000500	WW Improvements under M/N	19,078
F-000811	Memorial Park - Houston Arboretum M.P.	17,000
S-000600	Water Storage Tank Rehabilitation	16,440
S-000056	East Water Purification Plant	16,261
R-000509	69th Street Wastewater Treatment Plant	16,000
N-000386	NSR Project 454	15,398
W-208305	PWE - Combined Utility System Gen Purpose	14,316
N-000611	N. McCarty	14,048
M-001010	Wycliffe Drive (Chatterton to Melronome)	13,702
R-000267	Lift Station Renewal & Replacement	13,355
G-000037	City-County Prisoner Processing Facility	13,137
M-410001	Woodshire Area Drainage and Paving	13,010
S-000012	Southeast Water Purification Plant	13,000
A-000509	Landside Roadway Improvements - IAH	12,668
M-000293	Binglewood, Inwood Forest & Oak Forest	12,476
N-000590	Holmes Road Paving & Drainage	12,204
N-310651	Intelligent Transportation System (ITS)	12,090
N-000813	Laura Koppe Paving & Drainage	11,754
N-000623	Gellhorn Paving & Drainage	11,696
N-321038	Concrete Panel Replacement Program	11,128
N-100003	Shepherd and Durham Paving & Drainage	10,542
A-000563	Space Locator & Signage A/B/C/D Garage	10,300
A-000564	Air Traffic Control Tower (ATCT) EFD	10,165
N-000784	Buffalo Speedway Paving & Drainage	10,034
C-000206	Fire Station 55 Replacement	10,022