

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 2019 – 2023 Adopted Capital Improvement Plan is available online at <http://www.houstontx.gov/cip/19cipadopt/>.

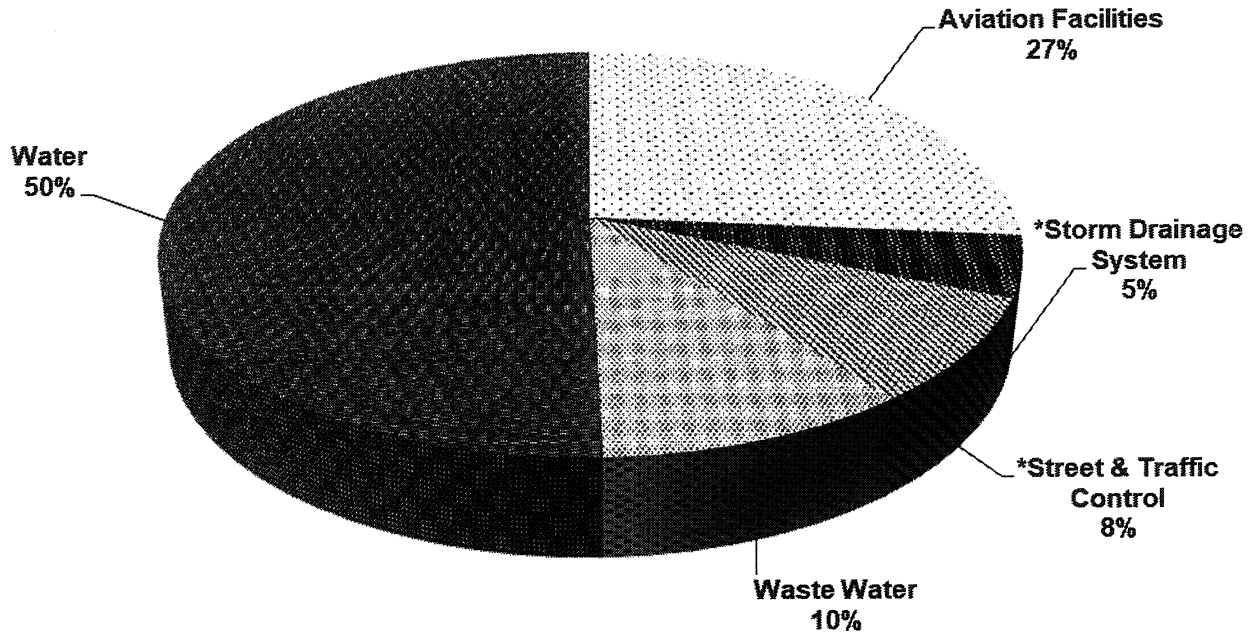
Presented below is a summary of the planned appropriations for the Adopted FY2019 - FY2023 CIP:

FY2019 - FY2023 Adopted CIP (\$ Thousands)						
	2019	2020	2021	2022	2023	Total 2019-2023
Public Improvement Programs						
Bayou Greenways	34,545	46,551	-	-	-	81,096
Fire	10,139	14,499	11,781	4,916	6,225	47,561
General Government	72,499	13,695	2,487	9,880	9,261	107,822
Health	4,477	25,417	12,908	5,200	9,934	57,935
Homeless & Housing	1,100	1,100	1,100	-	1,100	4,400
Library	8,377	14,737	380	330	330	24,154
Parks and Recreation	20,322	9,936	9,999	7,395	13,065	60,718
Police	18,896	32,878	19,172	6,000	5,743	82,689
Solid Waste Management	4,193	10,788	2,177	1,456	1,609	20,223
Subtotal	174,548	169,601	60,004	35,177	47,268	486,598
Enterprise Programs						
Aviation Facilities	557,484	648,934	124,792	42,241	39,817	1,413,268
Storm Drainage System	101,993	129,135	130,487	96,655	124,560	582,831
Street & Traffic Control	174,175	169,515	161,827	129,501	105,587	740,606
Wastewater	208,992	222,754	227,701	207,099	234,383	1,100,928
Water	1,059,149	692,284	823,864	546,147	295,649	3,417,093
Subtotal	2,101,793	1,862,622	1,468,671	1,021,644	799,996	7,254,726
Citywide Programs						
Technology	13,535	9,170	3,646	6,075	7,605	40,031
Fleet	53,537	42,891	43,692	45,164	43,679	228,964
Subtotal	67,073	52,061	47,338	51,239	51,284	268,995
City Programs Total	2,343,414	2,084,284	1,576,013	1,108,060	898,549	8,010,319
Component Units	371,238	341,413	229,627	148,883	2,500	1,093,661
Overlap Between Component Units and Public Improvement Programs	(39,356)	(65,793)	(7,000)	-	-	(112,149)
Grand Total	2,675,296	2,359,904	1,798,640	1,256,943	901,049	8,991,831

Enterprise Programs

The Adopted Capital Improvement Plan calls for the appropriation of \$2.7 billion in FY2019. Of the total appropriations planned for the current plan year, \$2.1 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 50% of the enterprise allocation, is Water Utility Systems. These improvements are funded from various sources including the Water Authorities Capital Contribution Fund for North and South East Transmission Lines as well as the Water and Sewer System Consolidated Construction Fund.

FY2019 Enterprise Programs



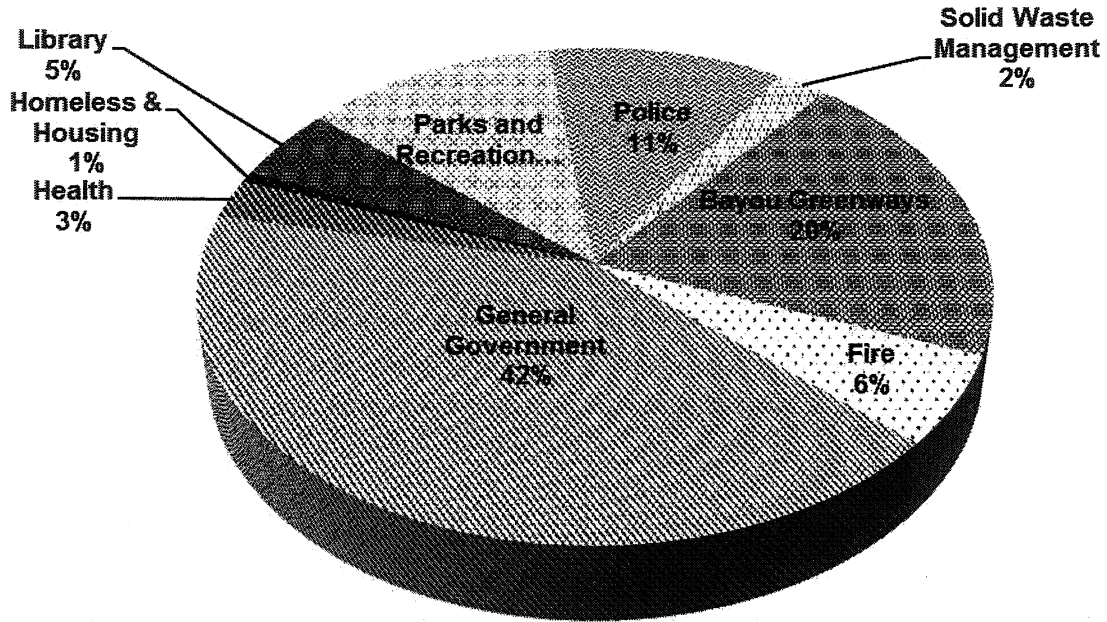
** The Dedicated Drainage and Street Renewal Funds for Street & Traffic Control, Storm Drainage and METRO Projects Construction are not technically enterprise funds, but are grouped with Enterprise Programs for clarity.*

Public Improvement Programs

The citizens of Houston approved a Bond Election for \$625 million in November 2006, \$410 million in November 2012 and \$495 million in November 2017. 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. However, the focus of the Fiscal Year 2019-2023 Adopted Capital Improvement Plan is Hurricane Harvey Recovery.

Of the \$175 million in the public improvement programs, \$35 million is allocated to the Bayou Greenways initiative utilizing 20% of the total planned appropriations for FY2019. It is followed by Parks and Recreation with \$20 million at 12% of the total. Both programs are funded with both non-debt and debt funding sources. In FY2019, 54% of Bayou Greenways funding is from general obligation bonds (GO Bonds) and 46% is covered by the Houston Parks Board (HPB). Of FY2019 Parks funding sources, 76% are from GO Bonds with 24% being funded by a combination of grants and private funds.

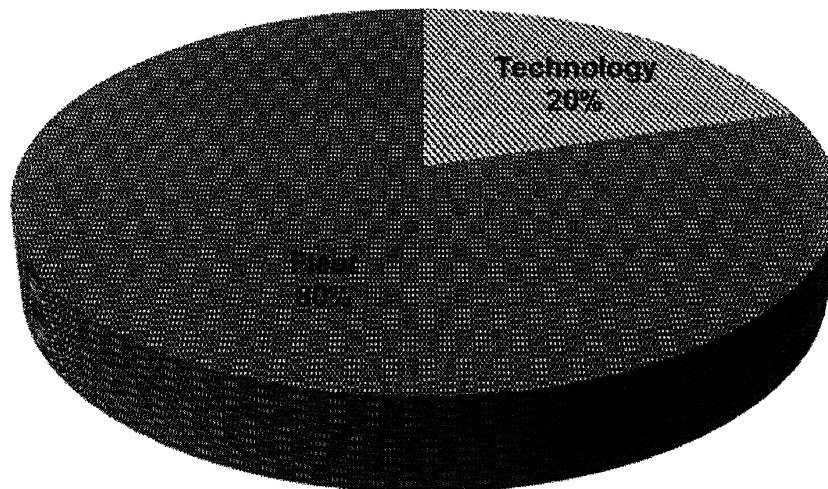
FY2019 Public Improvement Programs



Citywide Programs

The Citywide programs include projects that may impact the Houston area citywide or departmental operations. The Citywide programs for FY2019 total about \$67 million. Fleet Management constitutes 80% of the funding allocation with \$53.5 million. Technology projects make up the remainder with a \$13.5 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.

FY2019 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 FY2019 - FY2023 with the percentage of non-debt funding sources used by each program:

General Obligation Bond Summary		
Fiscal Year Planned Appropriations (\$ Thousands)		
	FY2019- FY2023	Leverage of Non-Debt Funding Sources
Public Improvement Programs		
Bayou Greenways	35,852	56%
Fire	47,561	0%
General Government	107,822	0%
Health	57,935	0%
Homeless & Housing	4,400	0%
Library	24,154	0%
Parks and Recreation	47,391	22%
Police	70,589	15%
Solid Waste Management	20,223	0%
Subtotal	415,927	15%
Citywide Programs		
Technology	40,031	0%
Fleet	156,590	32%
Subtotal	196,621	27%

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.

FISCAL YEAR 2019 BUDGET

Presented below is a summary of the projected General, Aviation and Enterprise Funds operational costs associated with the Adopted FY2019 - FY2023 CIP:

Fiscal Year Planned Operational Cost* (\$Thousands)						
	2019	2020	2021	2022	2023	Total 2019 - 2023
Equipment	-	-	-	-	-	-
Other	2,341	2,570	2,570	2,570	2,570	12,621
Personnel	617	745	755	760	985	3,862
Services	585	710	1,511	2,862	3,274	8,941
Supplies	-	-	13	323	333	669
*Subtotal	3,543	4,025	4,850	6,515	7,161	26,093
Revenue	148	148	-	-	-	297
Savings	-	50	50	50	50	200
**Subtotal	148	198	50	50	50	497
Grand total	3,395	3,826	4,800	6,465	7,111	25,596
<i>Source of Funds</i>						
Aviation	-	86	176	1,683	1,734	3,679
General Fund	2,891	3,433	4,252	4,348	4,873	19,797
Enterprise	504	308	371	433	504	2,120
Total funds	3,395	3,826	4,800	6,465	7,111	25,596

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

Of the \$3.5 million of projected operational costs for FY2019, 17% will cover new staffing previously not needed for the issuance of city services with 74% of personnel being related to the Houston Police Departments' Body Cameras project. Additional revenues of \$148,000 are expected to be generated from the Parking Pay Station Replacement project.

Presented below is the project listing of the operational impacts planned for FY2019. A complete list is available within the City of Houston Fiscal Year 2019 - 2023 Adopted Capital Improvement Plan and online at <http://www.houstontx.gov/cip/19cipadopt/>.

Operational Impact FY2019 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	-	-	37
S-000956	Automated Metering System	504	-	-	504
X-100025	HPD – Body Cameras	533	-	-	533
X-650011	ARA - 311 Upgrade or Replacement	275	-	-	275
X-650013	ARA - Permit and Inspection Software	260	-	-	260
X-680012	Application Performance Testing Tools	30	-	-	30
X-680015	Network Refresh	64	-	-	64
X-680044	Managed Contract Services	1,810	-	-	1,810
	Total	3,543	(148)	-	3,395

*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 FY2019 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	FY2019 Planned Appropriations (\$ Thousands)
S-000065	NE Water Purification Plant Expansion	524,197
A-000800	Executive Program Manager Services-ITRP	432,745
S-000900	Surface Water Transmission Program	409,725
R-000536	Wastewater Treatment Plant Consolidation	77,142
D-000180	Alief Neighborhood Center	51,630
M-420126	Local Drainage Program (LDP)	48,198
A-000494	APM Guide Way Structural Enhancements	29,000
S-000056	East Water Purification Plant	25,510
R-000266	Neighborhood Sewer Rehab Program	25,500
R-000267	Lift Station Renewal & Replacement	24,323
N-000787	Clinton Dr. Paving and Drainage	23,816
M-410009	Briarmeadow Subdivision Area	19,870
R-000509	69th Street Wastewater Treatment Plant	19,857
A-000516	Sanitary Sewer - GBIAH	18,115
M-410006	Arlington Heights Area	17,577
N-100029	Kirkwood Paving and Drainage	16,321
D-HARVEY	GG HARVEY Restoration Projects	15,246
S-000500	Water Improvements under M/N	14,213
N-000813	Laura Koppe Paving & Drainage	13,975
A-000581	Terminal A Modernization Program	12,793
R-000500	WW Improvements under M/N	12,776
N-000590	Holmes Road Paving & Drainage	12,450
N-210001	Houston Heights, John Brasher, Memorial	12,312
A-000656	MISC AIRPORT PROJECT	12,000
R-000801	Sewer Service to Unserved Areas	11,829
N-000811	Watonga Paving & Drainage	11,731
N-321038	Concrete Panel Replacement Program	11,556
N-TX0101	West Belt Interlocal Agreement	11,443
W-10ERES	HPD - Emergency Response Vehicles	10,761
S-000035	Neighborhood Water Main Replacement	10,463
S-000066	Northeast Water Purification Plant	10,200
W-12ERES	HFD - Emergency Response Vehicles	10,147