

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 2023 – 2027 Adopted Capital Improvement Plan is available online at <https://www.houstontx.gov/cip/23cipadopt/>.

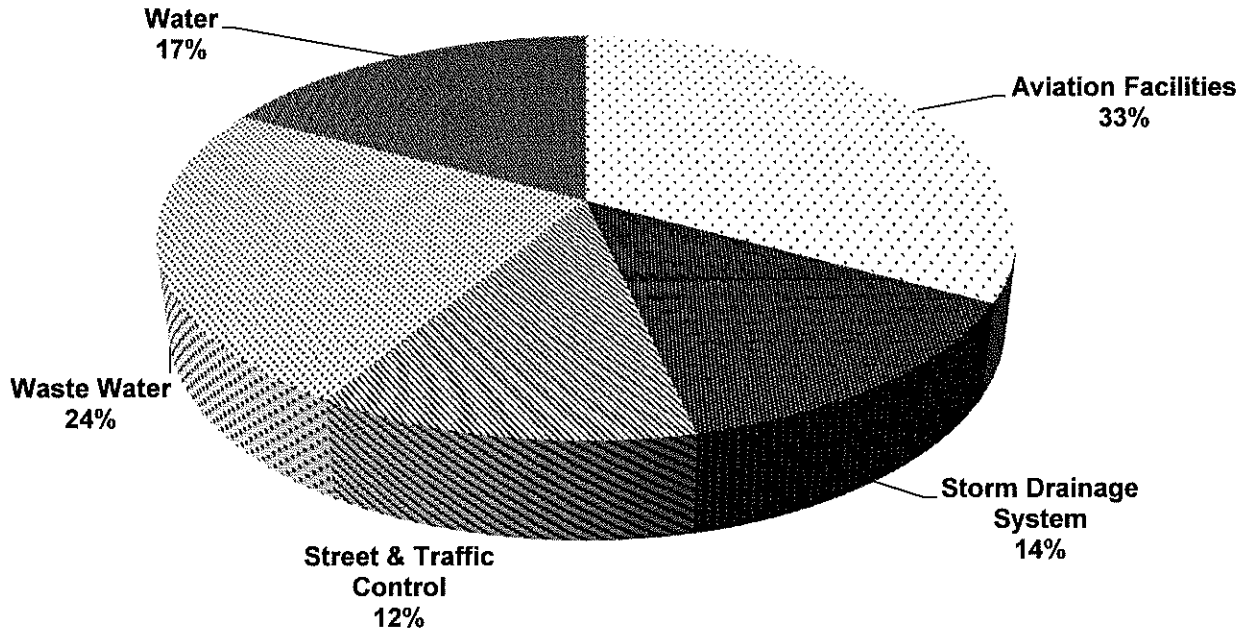
Presented below is a summary of the planned appropriations for the Adopted FY2023 - FY2027 CIP:

FY2023 - FY2027 Adopted CIP (\$ Thousands)						
	2023	2024	2025	2026	2027	Total 2023-2027
Public Improvement Programs						
Fire	28,095	6,697	7,949	24,116	7,144	74,002
General Government	73,574	4,859	104,541	4,421	831	188,226
Health	9,207	18,532	853	5,346	2,857	36,796
Homeless & Housing	2,000	-	400	880	1,000	4,280
Library	12,332	20,087	18,868	866	816	52,969
Parks and Recreation	46,881	33,510	16,188	4,900	4,941	106,420
Police	44,469	30,339	4,973	5,091	3,930	88,802
Solid Waste Management	5,335	1,939	514	514	974	9,276
Subtotal	221,894	115,964	154,286	46,134	22,493	560,771
Enterprise Programs						
Aviation Facilities	620,283	341,501	626,937	233,700	521,660	2,344,081
Storm Drainage System	254,823	292,487	198,120	94,417	59,055	898,902
Street & Traffic Control	227,010	195,525	267,380	220,549	193,251	1,103,714
Wastewater	453,740	645,454	455,448	597,308	568,600	2,720,550
Water	324,210	498,373	263,856	228,464	187,299	1,502,202
Subtotal	1,880,066	1,973,339	1,811,741	1,374,439	1,529,865	8,569,449
Citywide Programs						
Technology	21,575	10,799	9,436	1,569	4,809	48,187
Fleet	66,190	31,446	26,194	31,870	34,617	190,316
Subtotal	87,764	42,246	35,629	33,438	39,426	238,504
City Programs Total						
	2,189,725	2,131,549	2,001,656	1,454,010	1,591,784	9,368,724
Component Units						
	436,004	324,964	180,671	97,573	8,257	1,047,468
Overlap Between Component Units and Public Improvement Programs						
	(22,700)	(66,800)	-	-	-	(89,500)
Grand Total						
	2,603,028	2,389,713	2,182,327	1,551,584	1,600,040	10,326,692

Enterprise Programs

The Adopted Capital Improvement Plan calls for the appropriation of \$2.6 billion in FY2023. 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. The largest enterprise program with 33% of the enterprise allocation, is Aviation Facilities. These improvements are funded from various sources including the Airport Improvement Fund (Fund 8011), Airport Renewal and Replacement Fund (Fund 8010), Commercial Paper I General Airport Revenue Bonds and passenger facility charges.

FY2023 Enterprise Programs



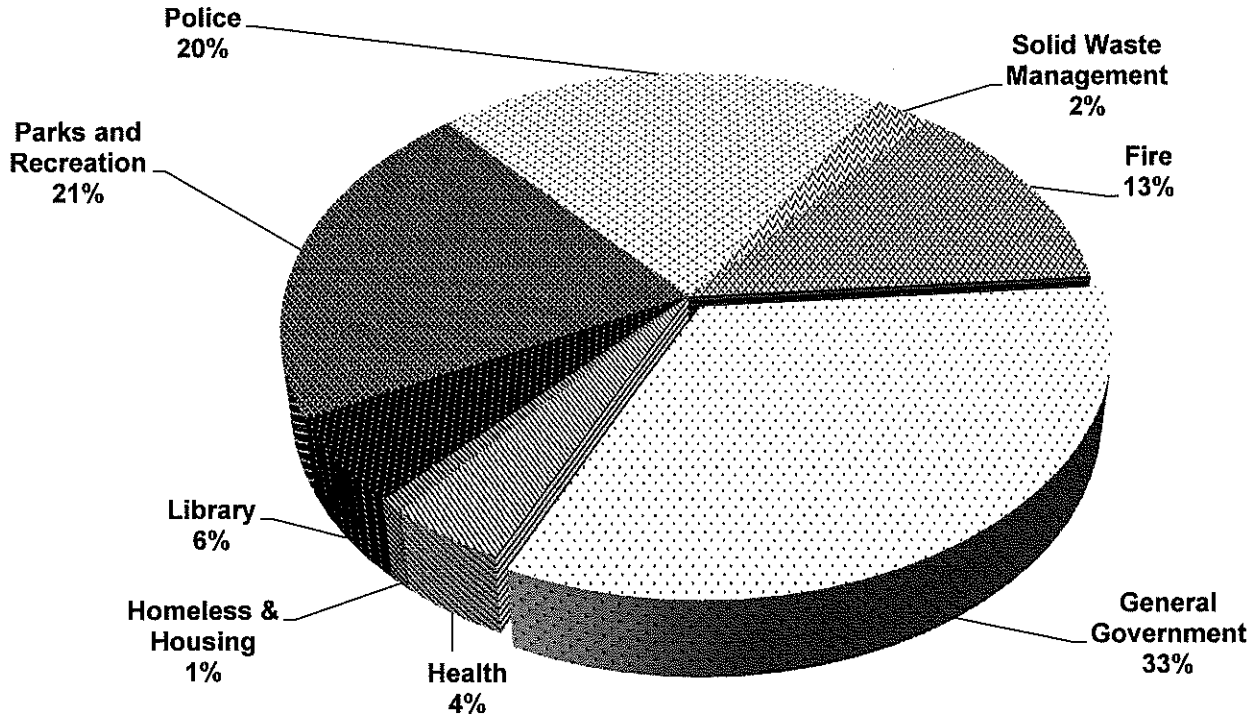
** The Dedicated Drainage and Street Renewal Funds for Street & Traffic Control, Storm Drainage and METRO Projects Construction are not technically enterprise funds, but are grouped with Enterprise Programs for clarity.*

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 2023-2027 Adopted Capital Improvement Plan is Hurricane Harvey Recovery.

Of the \$222 million in the public improvement programs, General Government utilizes approximately \$74 million at 33% of the total. Public improvement programs are funded with both non-debt and debt funding sources. The majority of the FY2023 public improvement program projects will be funded with General Obligation bonds.

FY2023 Public Improvement Programs

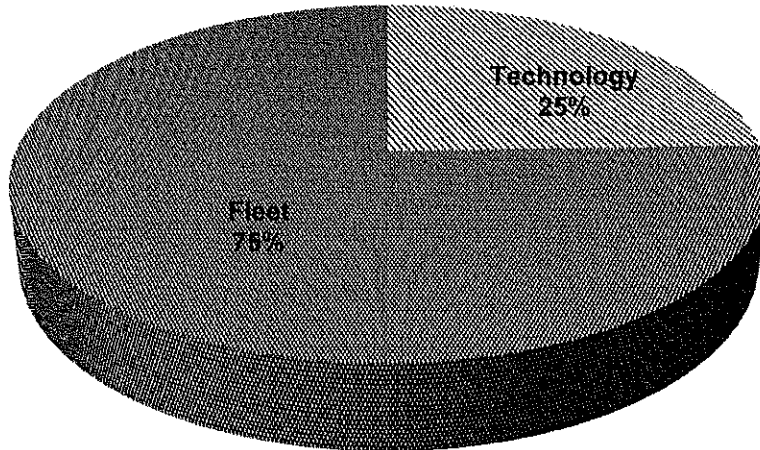


Note: Figures may not add to 100% due to rounding.

Citywide Programs

The Citywide programs include projects that may impact the Houston area citywide or departmental operations. The Citywide programs for FY2023 total about \$88 million. Fleet Management constitutes 75% of the funding allocation with \$66 million. Technology projects make up the remainder with a \$22 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.

FY2023 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 FY2023 - FY2027 with the percentage of non-debt funding sources used by each program:

General Obligation Bond Summary		
Fiscal Year Planned Appropriations (\$ Thousands)		
	FY2023- FY2027	Leverage of Non-Debt Funding Sources
Public Improvement Programs		
Fire	74,002	0%
General Government	179,915	4%
Health	36,796	0%
Homeless & Housing	4,280	0%
Library	52,969	0%
Parks and Recreation	91,916	14%
Police	78,102	12%
Solid Waste Management	9,276	0%
Subtotal	527,257	6%
Citywide Programs		
Technology	48,036	0%
Fleet	159,463	16%
Subtotal	207,499	13%

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 2023 BUDGET

Presented below is a summary of the projected General, Aviation and Houston Public Works operational costs associated with the Adopted FY2023 - FY2027 CIP:

Fiscal Year Planned Operational Cost (\$Thousands)						
	2023	2024	2025	2026	2027	Total 2023 - 2027
Equipment	-	-	-	-	-	-
Other	-	-	-	10	-	10
Personnel	135	135	173	175	177	795
Services	1,308	1,836	2,380	2,412	2,339	10,275
Supplies	170	189	194	200	192	945
Subtotal	1,613	2,160	2,747	2,798	2,708	12,025
Revenue	-	-	-	-	-	-
Savings	-	-	422	428	441	1,291
*Subtotal	-	-	422	428	441	1,291
Grand total	1,613	2,160	2,325	2,369	2,267	10,734
<i>Source of Funds</i>						
Aviation	1,123	1,245	1,282	1,321	1,264	6,234
General Fund	490	915	1,465	1,477	1,444	5,791
Houston Public Works	-	-	(422)	(428)	(441)	(1,291)
Total funds	1,613	2,160	2,325	2,369	2,267	10,734

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

Of the \$1.6 million of projected operational costs for FY2023, 8.4% will cover new staffing previously not needed for the issuance of city services with the majority of personnel being related to the City Wide Intrusion System Upgrade Project.

Presented below is the project listing of the operational impacts planned for FY2023. A complete list is available within the City of Houston Fiscal Year 2023 - 2027 Adopted Capital Improvement Plan and online at <http://www.houstontx.gov/cip/23cipadopt/>.

OPERATIONAL IMPACT 2023-2027 CAPITAL IMPROVEMENT PLAN (\$ Thousands)					
CIP No.	Project	Operational Costs	Revenue	Savings	Net Impact
A-080000	MLIT - ITRP	1,123	-	-	1,123
D-000221	City Wide Intrusion System Upgrade	120	-	-	120
F-000853	Brock Adventure Park (BAP)	195	-	-	195
L-000107	Bioremediation of Pollution Controls	25	-	-	25
X-120007	HFD - EAS Upgrade	150	-	-	150
	Total:	1,613	-	-	1,613

Anticipated Appropriations

The following table outlines anticipated appropriations within the Capital Improvement Plan for FY2023 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	FY2023 Planned Appropriations (\$ Thousands)
A-000666	Gate Expansion at Hobby Airport	230,000
R-000265	Wastewater Treatment Plant Improvements	119,091
R-000266	Neighborhood Sewer Rehab Program	96,000
N-321040	Citywide Street & Traffic Rehabilitation	92,258
S-000900	Surface Water Transmission Program	92,074
R-000267	Lift Station Renewal & Replacement	86,327
A-000689	PN 707 - Const. of Taxiway LIMA - EFD	58,850
A-000691	IAH - Central Utility Plant (CUP) Improv	58,575
A-000687	PN 952 - IAH Airfield Electrical	57,510
S-000035	Neighborhood Water Main Replacement	45,964
A-000720	PN 982 - REHAB TAXIWAY 13R-31L - HOU	45,000
R-000536	Wastewater Treatment Plant Consolidation	44,683
M-43HCFC	Harris County Flood Control Dist Agrmt	44,051
M-450500	Storm Water Improvements Under R/S	42,796
A-000527	Non-Standard FAA Taxiways at HOU	41,057
R-000509	69th Street Wastewater Treatment Plant	41,000
S-000056	East Water Purification Plant	40,000
D-200001	Central Police Renovation and HPC Garage	39,305
S-001000	Pump Station Program	35,916
M-410039	Cottage Grove East Area	29,480
N-000664	Greens Rd. Paving & Drainage	28,073
T-173500	Detention Basin A	26,012
T-113300	Greens Rd & Greenpoint Dr Redevelopment	24,500
R-000500	WW Improvements under M/N	23,618
M-430296	Regional Stormwater Detention	22,442
D-160010	MCD - Replacement Facility	21,937
T-0523A0	Shepherd Drive Reconstruction Project	21,500
S-000701	Lg Diameter Water Line Rehab	21,411
S-000500	Water Improvements under M/N	20,926
G-000165	North Belt Police Station	20,870
M-430006	Storm Water Action Team (SWAT)	20,000
M-410006	Arlington Heights Area	17,578
S-000700	Water Main Grid Extensions Program	17,483
C-HARVEY	HFD HARVEY Restoration Projects	16,926
A-000513	Airport Pavement Replacement	16,635
A-000423	Gen. Environmental Svc-Storm Water - HAS	16,603
N-100029	Kirkwood Paving and Drainage	15,903
M-430241	Stormwater Pump Station & Flood Warning	15,738
A-000590	Rehabilitate and Expand ARFF Station-HAS	15,613

FISCAL YEAR 2023 BUDGET

M-410023	Richmond Plaza (South) Area	15,600
A-000800	Executive Program Manager Services-ITRP	15,583
M-410029	Chateau Forest Area	14,714
T-101300	Northpark Drive Overpass Project	14,252
N-210004	Cloverland Area	13,472
T-1014B0	NorthPark Drive Reconstruction-Harris Co	12,887
M-410014	Wynnewood Acres Area	12,302
T-191400	Shepherd Drainage System Improvements	12,180
M-420126	Local Drainage Program (LDP)	12,000
T-052500	Reconstruct Bridges Over White Oak	12,000
N-100024	Hirsch Paving and Drainage	11,750
W-10ERES	HPD - Emergency Response Vehicles	11,568
T-0711A0	Emancipation Ave. Reconstruction Project	11,435
F-000871	Memorial to San Felipe Hike & Bike Trail	11,265
A-000515	Rehab Taxiway SA,SB & RA - GBIAH	11,131
N-000821	Hillcroft Avenue and Court Rd Extension	11,079
T-150400	Phase 2 Roadway & Utility Reconstruction	11,000
T-1014A0	NorthPark Drive Reconstruction	10,730
T-112500	Greenspoint Public Safety Campus	10,700
W-208305	HPW Combined Utility System Gen Purpose	10,694
M-420HUD	CDBG Disaster Recovery Program	10,673
M-410015	Magnolia Park Area	10,530
R-002013	Large Diameter Sewer (LDS) Rehab	10,500
A-000718	PN 980 - IAH - MISC TAXIWAY REHAB	10,000
S-000895	Trinity River Authority	10,000