

HOUSTON DEBT TRANSPARENCY

CHRIS HOLLINS
HOUSTON CITY CONTROLLER

CITY OF HOUSTON

48.4 million passengers pass through IAH





Energy Capital of the World

Home of the **Johnson Space Center**

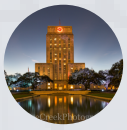


Largest City in Texas



4th largest city in the United States







2025 Population 2,390,125







City Boundaries encompass **665 square miles**



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SUMMARY OF DEBT OBLIGATIONS

Pursuant to HB 1378: "Local Government Debt Transparency," the City of Houston publishes an annual summary of its total outstanding debt obligations. This report provides details on the amount, purpose, and repayment terms of the City's debt to promote fiscal accountability and transparency for residents and stakeholders.

To access the full report Pursuant to HB 1378 "Local Government Debt Transparency", please click link here:
https://www.houstontx.gov/controller/treasury/debt-transparency.pdf

Most Recent Fiscal Year Ending: 06/30/2025

TOTAL DEBT OBLIGATION
$18.0B
$17,985,235,003

TOTAL PRINCIPAL OUTSTANDING
$12.7B
$12,706,165,685

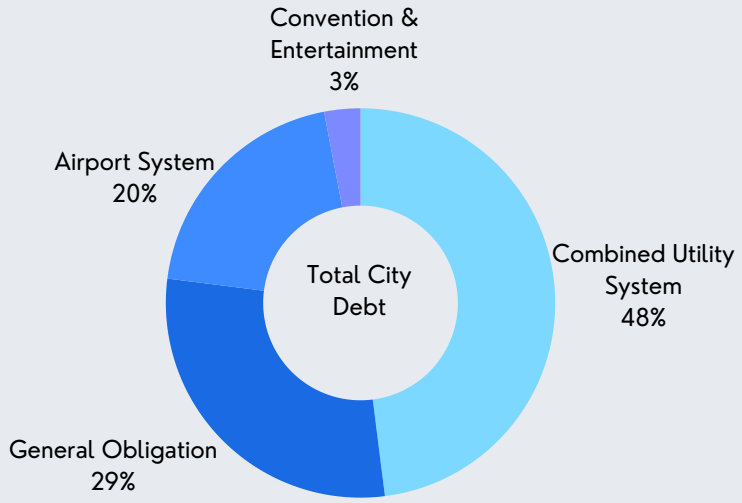
DEBT OBLIGATION
$12.5B
$12,458,665,685

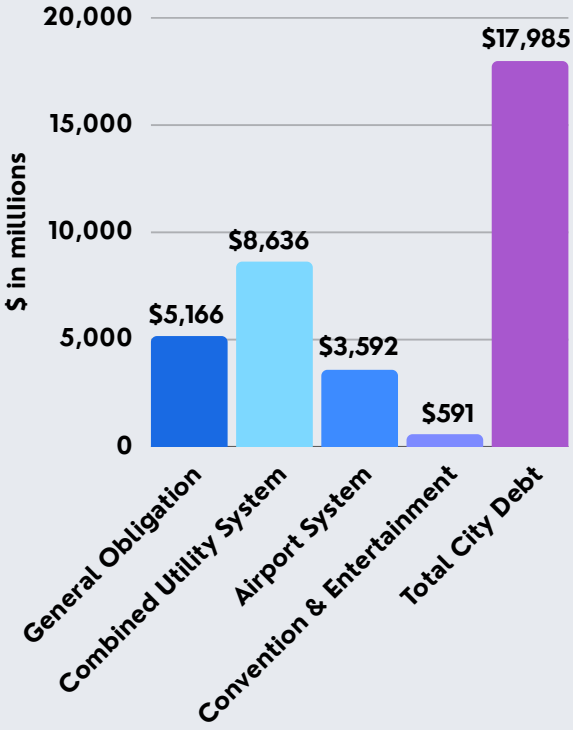
COMMERCIAL PAPER
$0.2B
$247,500,000

TOTAL INTEREST OBLIGATION
$5.3B
$5,279,069,318

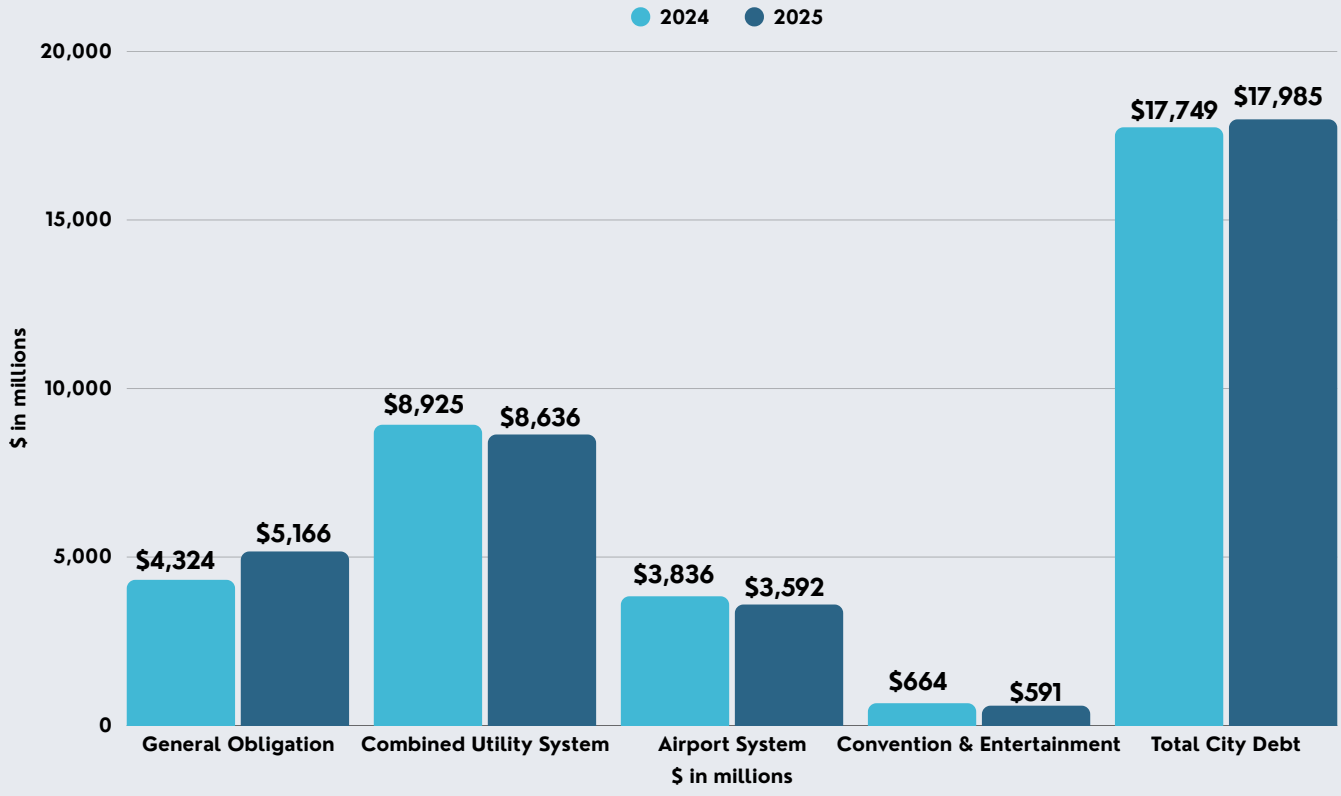
TOTAL OUTSTANDING DEBT OBLIGATION

"Total outstanding debt obligation" refers to the full amount of money a local government currently owes on all issued debt, including principal that has not yet been repaid. This figure represents the total remaining liability across all bonds, loans, and other debt instruments.





Debt Obligation Year Over Year



UPCOMING PROJECTS

United Airlines Terminal B Redevelopment

The City of Houston (Houston Airport System) will finance United Airlines' Terminal B redevelopment in a $2.5 billion renovation project.









Primarily funded by United Airlines, which is investing about $1.9 billion, with the City of Houston contributing roughly $624 million for related infrastructure and enabling projects. The city's share is financed through airport enterprise funds, bonds, and passenger facility charges repaid overtime from airport revenues rather than general taxpayer dollars.

This investment in the airport will replace the existing 1969 era north concourse with a new 765,000 square foot facility. These changes will come in the form of upgrades and the expansion of the main check-in area Terminal B, replacing the northern gates, replacing the regional gate configuration of the southern gates, and other improvements to related airport facilities. This project will include the addition of 22 new gates, as well as an expanded baggage handling system.

Throughout the renovation, Terminal B gates B3 - B31 will remain operational. Check-in, TSA security and baggage claim for Terminal B flights will be redirected to Terminal C.

George Bush Intercontinental Ground Support (GSE)

United Airlines is constructing a new 140,000-square-foot Ground Service Equipment (GSE) maintenance facility at George Bush Intercontinental Airport (IAH). The project replaces a 40-year-old facility and will serve more than 1,800 ground-service vehicles. It includes repair bays, a paint booth, a battery shop, a wash bay, lifts, and expanded parts storage, and is designed for LEED Silver certification.

The total project cost is approximately $177 million, funded primarily by United Airlines. The City of Houston is facilitating financing through special facilities revenue bonds, which are issued in the city's name but fully backed by United's lease and facility payments.

The City of Houston will not use general fund dollars or property taxes for this project. The city's financial role is limited to issuing the bonds, while United carries the repayment obligation, meaning the fiscal risk remains with the airline, not the city.









IAH Catering Facility









United Airlines is also developing a modern catering operations facility at IAH to support its growing inflight meal production needs. The facility includes food-production kitchens, storage and refrigeration areas, dishwashing systems, beverage-cart assembly spaces, and staff amenities. The project is part of United's larger infrastructure upgrade plan at IAH.

This facility is included within a $522 million package of airport facility improvements, financed through special facilities revenue bonds issued by the City of Houston. Just like the GSE facility, the bonds are backed by United's rental and lease payments for the new building.

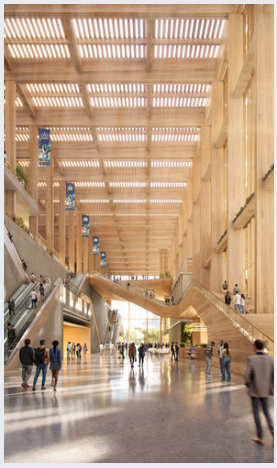
The City of Houston will not make a cash contribution to the facility and does not pledge general revenues. All repayment comes from United Airlines, treating the project as an airline-funded expansion that simply uses the city as the issuing authority for tax-advantaged airport bonds.

George R. Brown Convention Center Transformation

The George R. Brown Convention Center (GRB) Transformation is a approximately $2 billion, multi-phase redevelopment designed to reinvent downtown Houston's convention district into a dense, walkable hub for events, entertainment, and tourism. The anchor of Phase One is GRB Houston South, a new 700,000-square-foot expansion that will include two exhibition halls, a multipurpose hall opening onto a new Central Plaza, a 25,000-sq-ft atrium flex hall, Texas's largest ballroom, and 225,000 square feet of contiguous exhibit space. The project also adds new plazas, retail and dining space at ground level, a 100,000-sq-ft pedestrian connection to the Toyota Center, and an extension of the existing Avenida Plaza to better link Discovery Green, downtown, and the East End. The design incorporates environmentally responsible features such as low-carbon construction materials, high-efficiency HVAC systems, rainwater collection, green roofs with native plantings, and the potential for solar integration. Construction will be phased to ensure the existing GRB remains operational, with Phase One scheduled to open in 2028 and the full district build-out targeted for 2038.

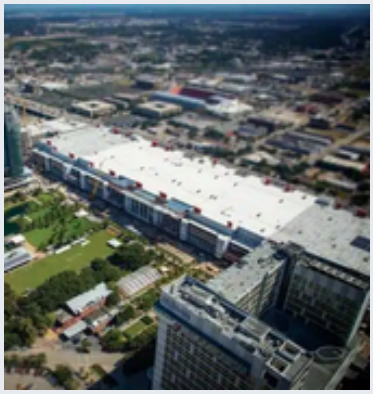
To finance the redevelopment without relying on general city tax revenue, the project is funded through incremental Hotel Occupancy Tax (HOT) revenue generated within a three-mile radius over 30 years—an authority granted by Senate Bill 1057 in 2023. The City of Houston will contribute $1.1 billion toward Phase One, while the overall financing structure is designed to use visitor-driven revenue rather than burden local taxpayers. Early economic analyses project over $20 billion in new economic activity, increased hotel bookings, and a significant reduction in "dark days" at the GRB. Led by Houston First Corporation, the transformation is expected to strengthen Houston's competitiveness for major national and international conventions while catalyzing additional private investment in the surrounding district.











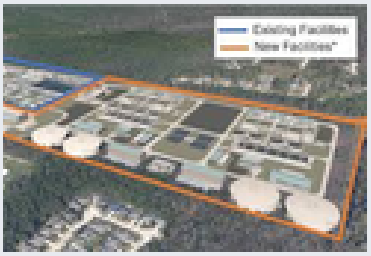






Northeast Water Purification Plant Renovation









The City of Houston along with regional water authorities, is expanding the Northeast Water Purification Planet (NEWPP) expanding the existing water-treatment plant from 80 million gallons per day (MGD) to roughly 400 MGD of capacity, with a current design target around 320 MGD for the new treatment facility addition. Facility upgrades include construction of a new intake and pump station in Lake Houston, two 108-inch raw water pipelines to the plant, advanced treatment trains (including ozone, biologically-active filters), high-service pump stations, storage tanks, and new electrical substations.

The Coastal Water Authority (CWA) applied for $320 million in multi-year financing from the Texas Water Development Board (TWDB). This $1.77 billion expansion is considered the largest progressive design-build project of its kind underway in the United States, and it will provide the foundation for Houston's shift to surface water supplies.

CUS (HPW) B-2 Pipeline

The B-2 Pipeline is a major raw-water transmission project constructed by the Coastal Water Authority (CWA) to support Houston Public Works (HPW). Running roughly 16 miles and ranging from 48 to 96 inches in diameter, the pipeline provides additional capacity and redundancy for delivering raw water to the East Water Purification Plant and to Houston-area industrial users. It supplements and parallels the aging B-1 line.

The project uses multiple external funding sources, the largest being financing from the Texas Water Development Board (TWDB) through the State Water Implementation Revenue Fund (SWIRFT), totaling around $320 million. Additional funds are raised through CUS Contract Revenue Bonds issued by CWA, which are backed by long-term water supply contracts with the City of Houston.

The City of Houston will contribute approximately $45 million in local funds as part of its share of improvements tied to the East Water Purification Plant and regional water-supply upgrades. Most of the project cost, however, is covered by state-supported financing and CWA bond issuances, rather than direct city tax dollars.







CREDIT RATING

Org. Name	Std & Poor's	Moody's	Fitch's	Kroll
General Obligation	AA	Aa3	AA	N/R
Water & Sewer System - Junior Lein	AA+	Aa1	AA+	N/R
Combined Utility System - First Lein	AA	Aa2	AA	N/R
Combined Utility System - Costal Water Authority	AA	N/R	AA+	N/R
Houston Airport System - Senior Lein	AA-	Aa3	NR	AA-
Houston Airport System - Subordinate Lein	A+	A1	A+	AA-
Houston Airport System - CRCF Specialty Facility	A	A3	A-	N/R
Convention & Entertainment - Senior Lein	A	N/R	AA+	N/R

RATING SYSTEM

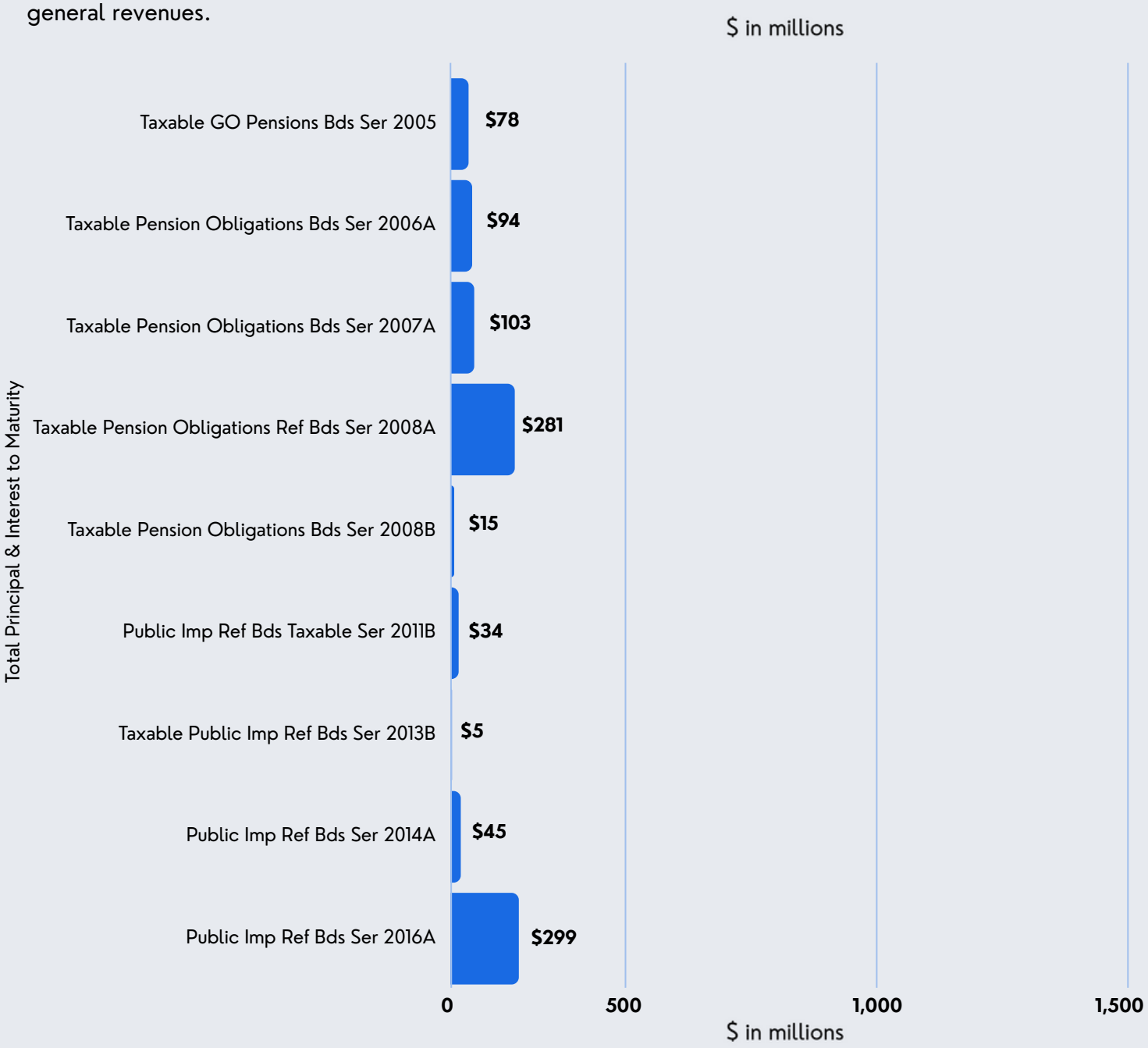
RATING SYSTEM	HIGHEST																				LOWEST	NOT RATED
STD & POOR	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC	C	D	N/R
MOODY	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca	C		N/R
FITCH	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+	B	B-		CCC		CC		D	N/R
KROLL	AAA		AA			A			BBB			BB			B			CCC		CC	C	D	N/R

DEBT OBLIGATION BY SERIES

A debt obligation series is a specific batch of municipal bonds that a local government issues at one time with the same terms, purpose, and legal authorization. Each series is tracked separately so the city can manage different projects, repayment schedules, and interest rates.

GENERAL OBLIGATION

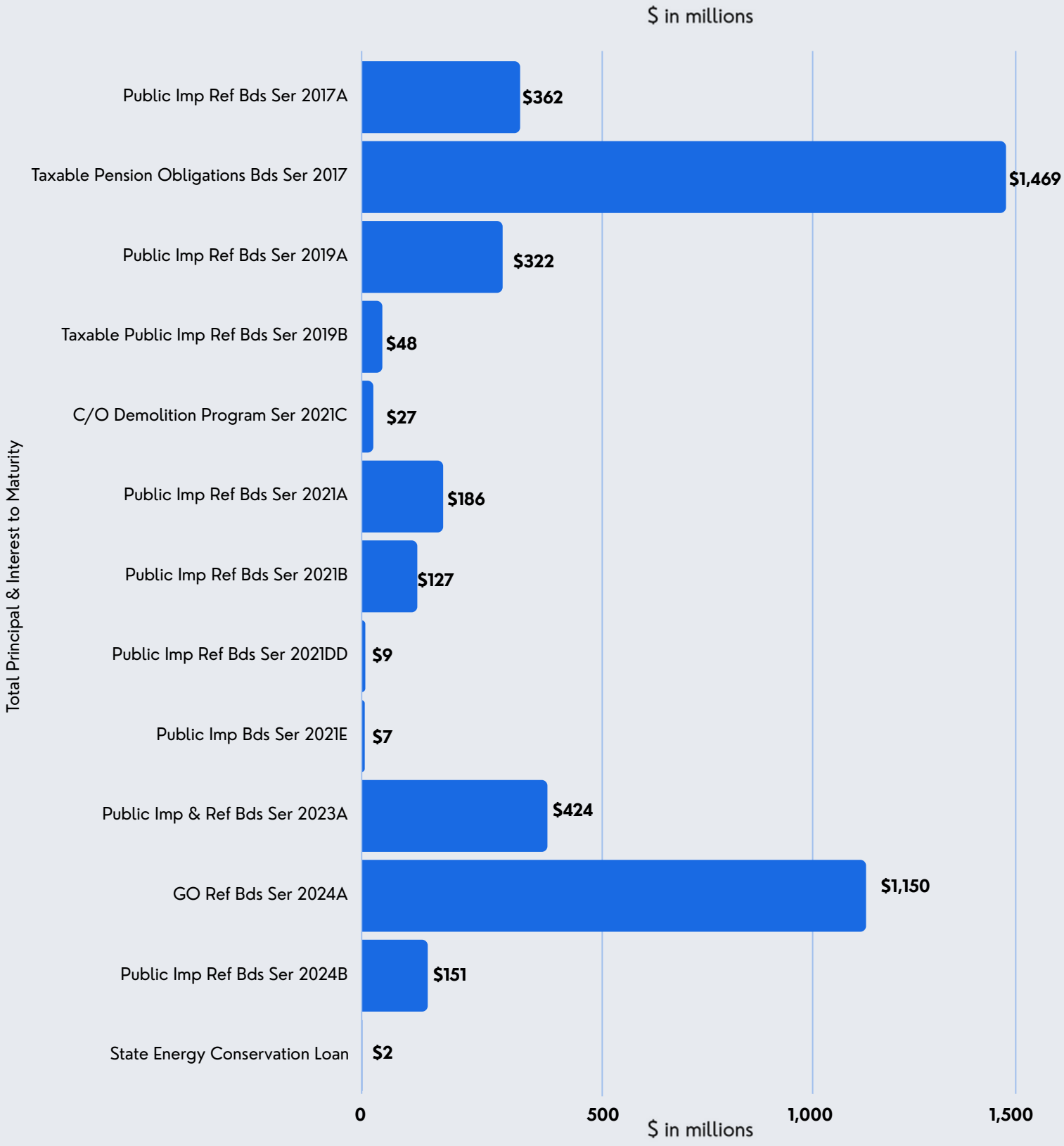
A general obligation (GO) debt series is a batch of municipal bonds backed by the full faith and credit of the City of Houston, meaning it is supported by the city's taxing power. Each series is issued at one time with its own interest rates, maturities, and purpose, and is repaid through property taxes or other general revenues.



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DEBT OBLIGATION BY SERIES

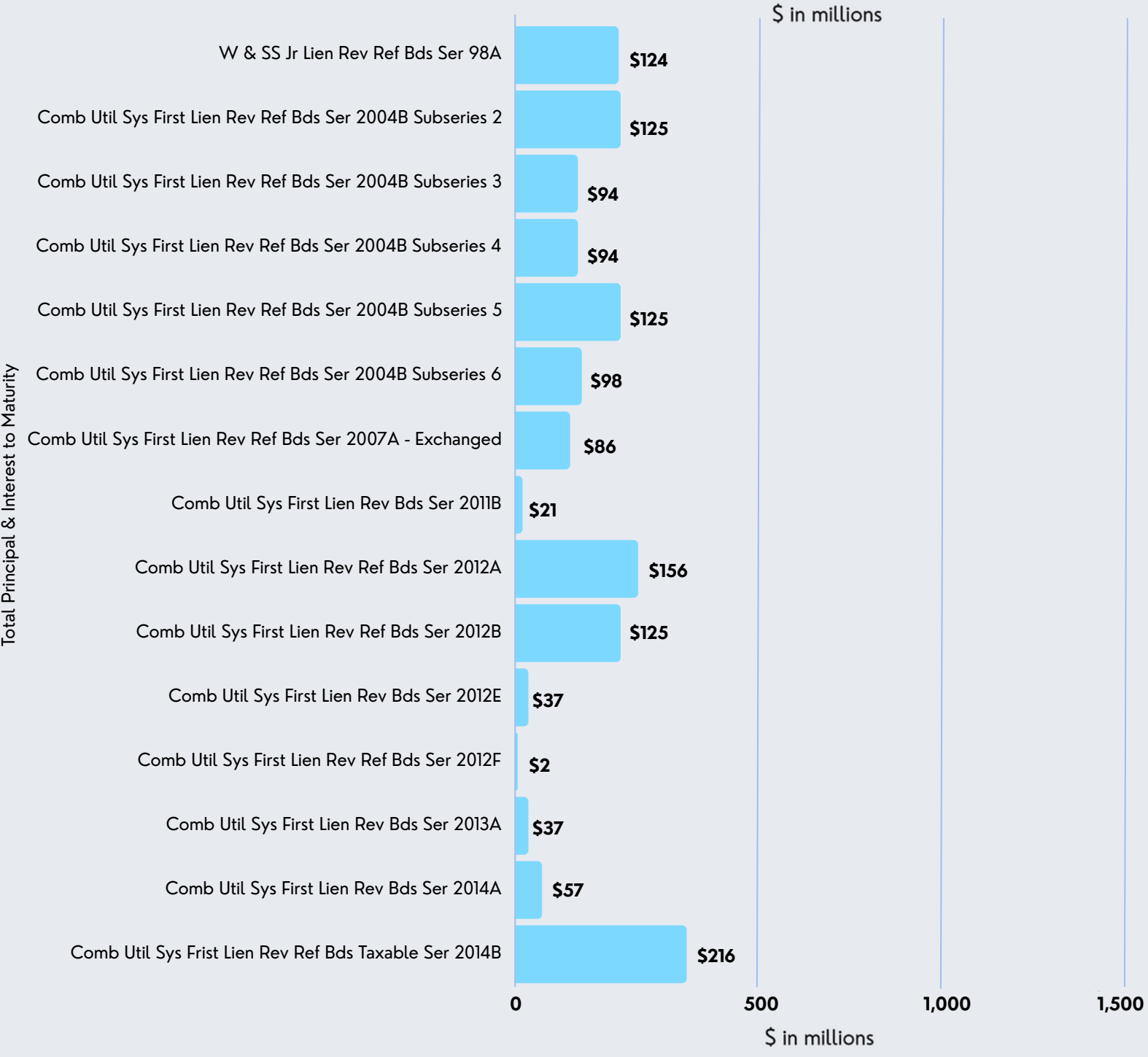
GENERAL OBLIGATION



DEBT OBLIGATION BY SERIES

COMBINED UTILITY SYSTEM

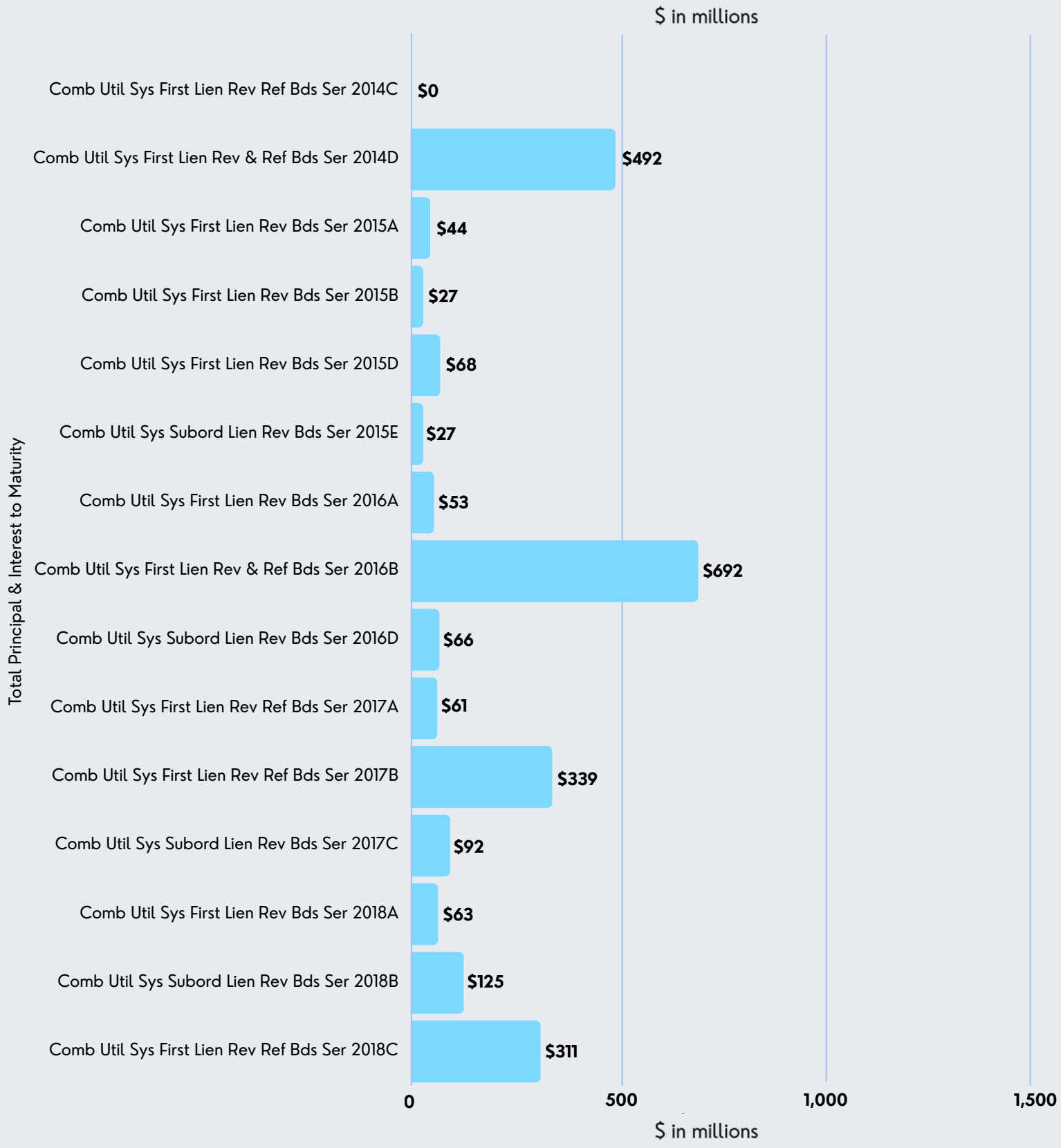
A utility system debt series is a group of bonds issued to finance or refinance projects within the city's utility systems, such as water, wastewater, or drainage infrastructure. These bonds are typically repaid from the revenues generated by the utility system rather than from general taxes.



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DEBT OBLIGATION BY SERIES

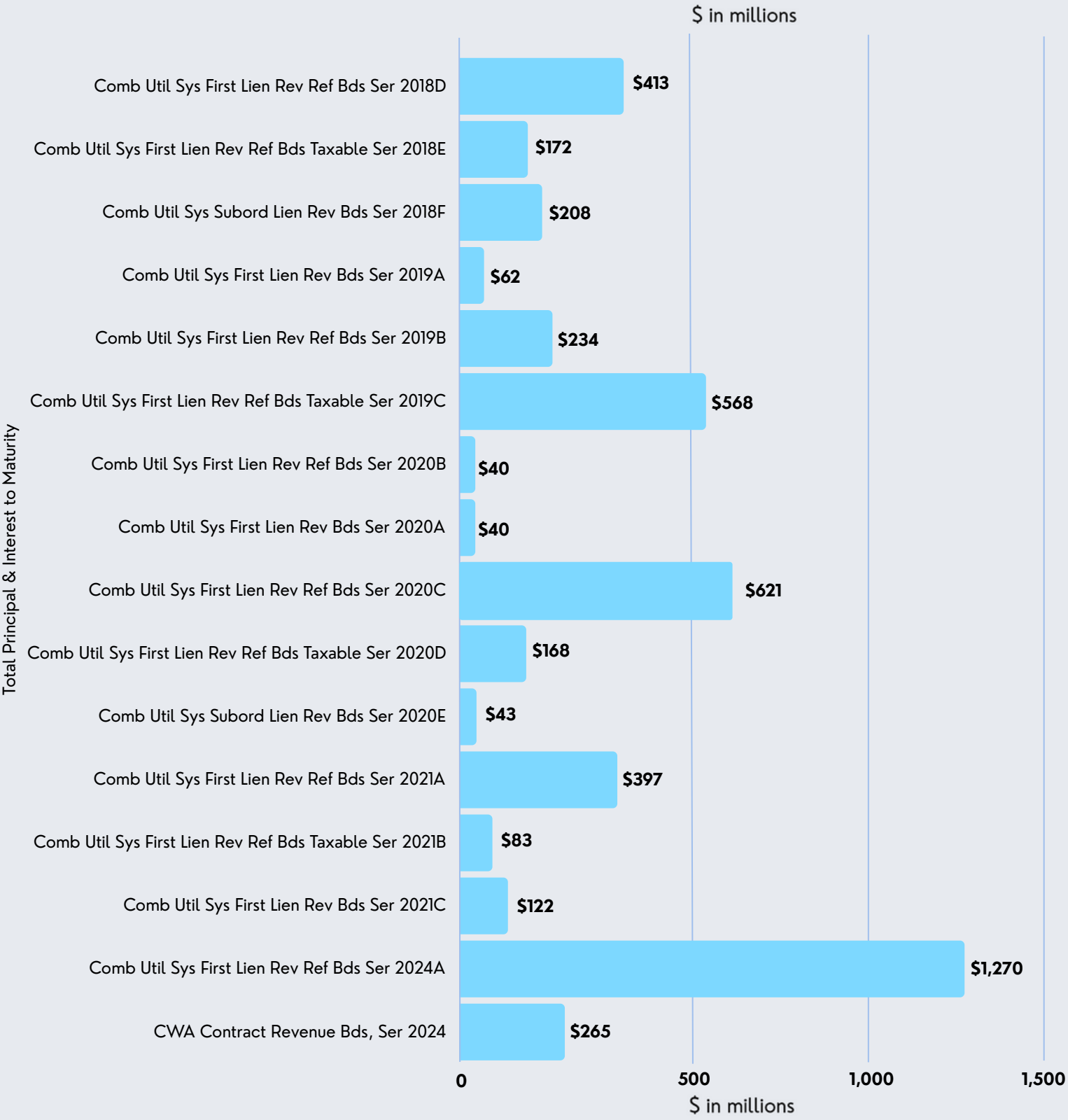
COMBINED UTILITY SYSTEM



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DEBT OBLIGATION BY SERIES

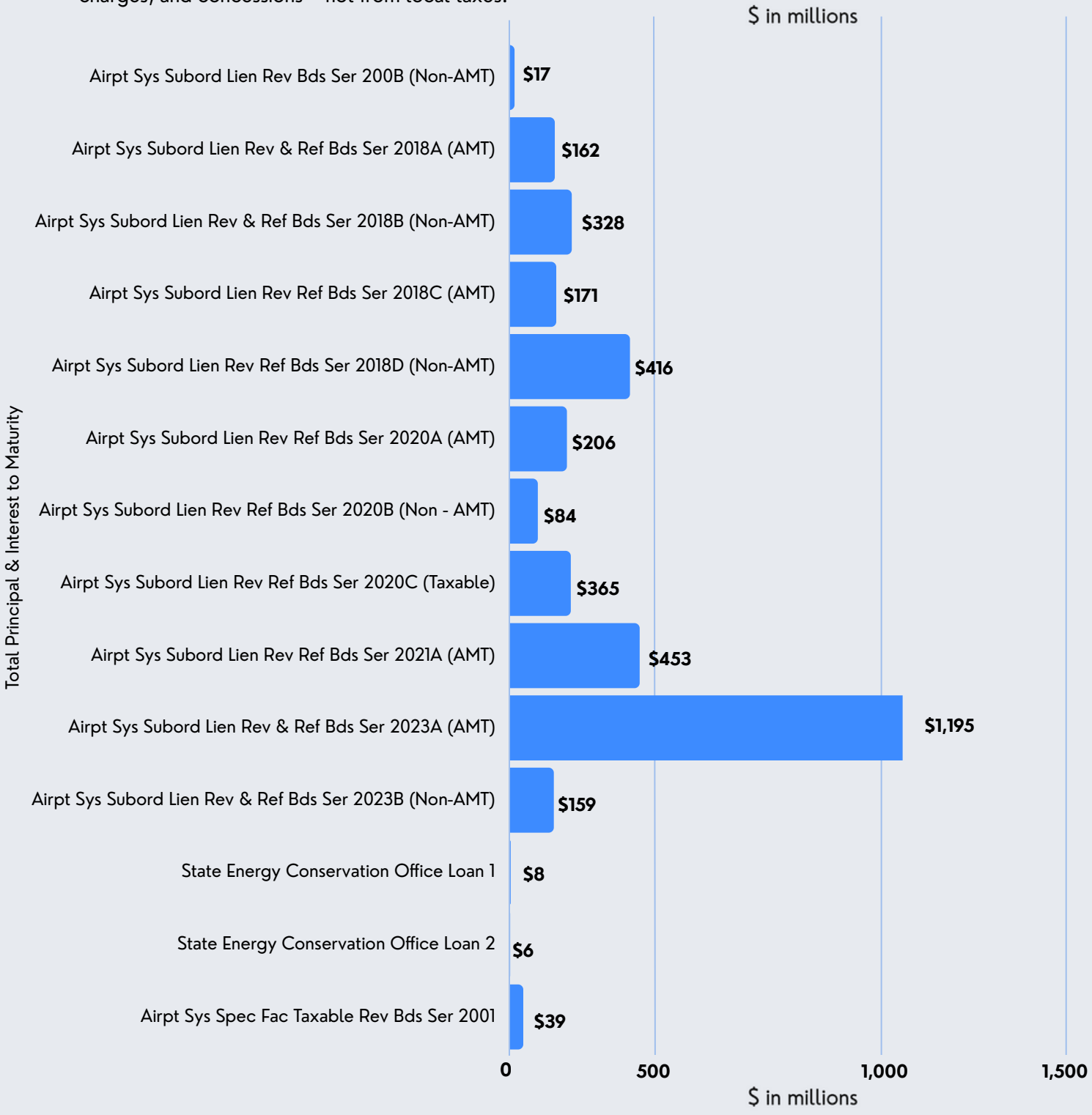
COMBINED UTILITY SYSTEM



DEBT OBLIGATION BY SERIES

AIRPORT SYSTEM

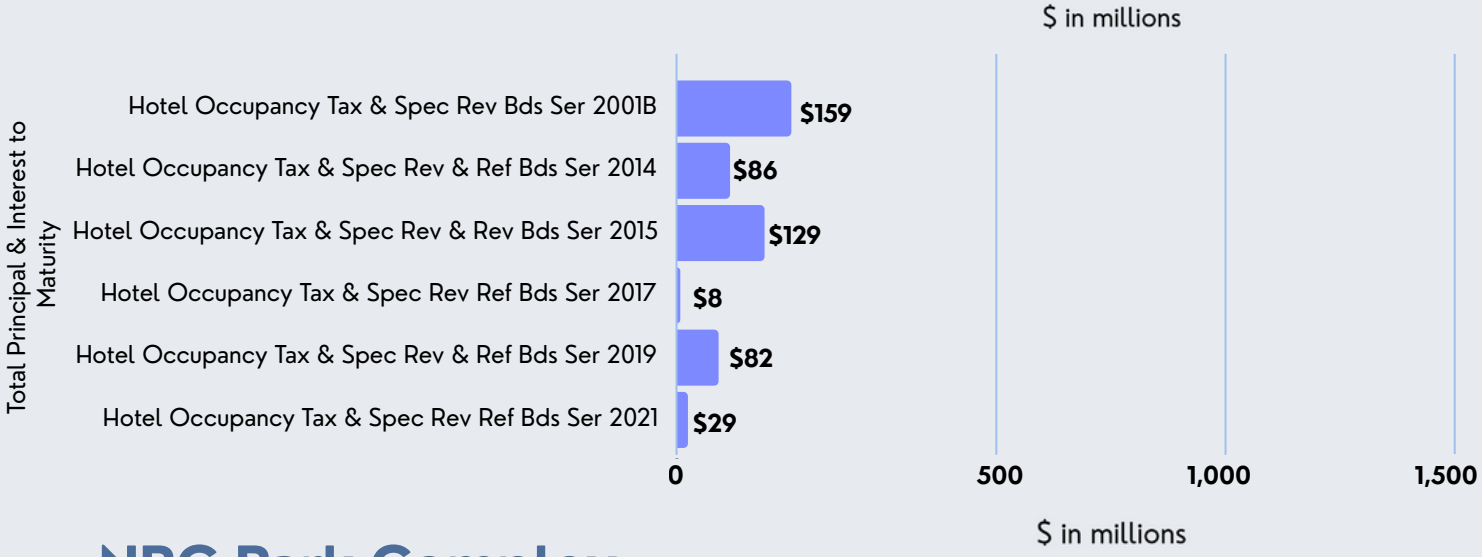
The Airport System debt series for the City of Houston funds projects at Houston's airports, including Bush Intercontinental and Hobby. These bonds are repaid from airport revenues such as airline fees, passenger facility charges, and concessions—not from local taxes.



DEBT OBLIGATION BY SERIES

CONVENTION & ENTERTAINMENT

A Convention & Entertainment debt series for the City of Houston finances improvements to facilities like the George R. Brown Convention Center and other city venues. The bonds are repaid from hotel occupancy taxes and related tourism revenues.



NRG Park Complex

The NRG Park Complex, formerly Reliant Park, spans 250 acres and consists of four major facilities: NRG Stadium, NRG Center, the historic NRG Astrodome, and NRG Arena. The complex hosts the Houston Texans' home football games and is also the venue for the annual Houston Livestock Show & Rodeo, a globally renowned event that attracts millions of visitors each year and generates substantial economic activity for the region. The Rodeo features world-class livestock exhibitions, educational programs, and nationally recognized concerts, making it one of the premier cultural and agricultural events in the United States. NRG Stadium is a $367 million state-of-the-art venue featuring a retractable roof, 71,795 seats, and 197 private suites; it opened with a Texans preseason game in August 2002 and later hosted Super Bowl XXXVIII in 2004 and Super Bowl LI in 2017. The other major occupant of NRG Stadium is the Houston Livestock Show and Rodeo, the largest event of its kind in the world. Adjacent to the stadium, NRG Center is a $152 million facility offering 550,000 square feet of single-level exhibition space, while NRG Arena provides 350,000 square feet of exhibition area and seating for 8,000. Although the NRG Park Complex is neither owned nor managed by the City of Houston or Houston First, the events it hosts contribute significantly to the City's Hotel Occupancy Tax (HOT) revenues.



The full report pursuant to Texas HB1378 can be accessed **here.**

WANT TO TALK?

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Houston Controller

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