



# Proposed Capital Improvement Plan FY2027-FY2031

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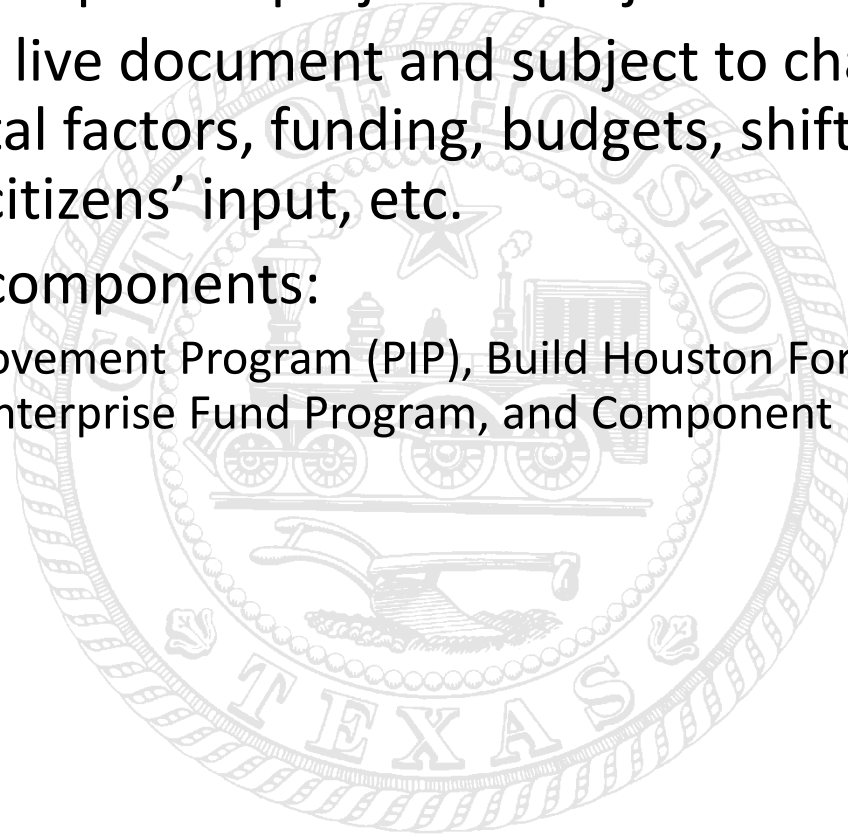




# Overview

## The Capital Improvement Plan:

- A rolling 5-year plan of projected projects
- This plan is a live document and subject to change due to environmental factors, funding, budgets, shifting priorities, scheduling, citizens' input, etc.
- Covers four components:
  - Public Improvement Program (PIP), Build Houston Forward (ReBuild Houston), Enterprise Fund Program, and Component Units





# CIP Organization – four components

- **Public Improvement Program (PIP):**
  - General Fund departments including Fire, General Improvements, Health, Housing, Library, Parks, and Police.
- **Build Houston Forward (ReBuild Houston):**
  - Storm drainage and street infrastructure (tabs Storm Drainage and Street & Traffic)
- **Enterprise Fund Program:**
  - The City’s business-type entities (closed financial systems) including the Combined Utility System (CUS - tabs Water and Wastewater), Solid Waste, and the Houston Airport System (HAS).
- **Component Units:**
  - includes legally separate organizations from the City that are financially closely-related (as reported in the City’s Annual Comprehensive Financial Report)
    - Houston Parks Board, Houston First, and Houston Zoo
    - TIRZ *(The FY2027-2031 Proposed CIP includes plan amounts from the FY2026-2030 and FY2025-2029 Adopted TIRZ CIPs because TIRZ budgets are normally adopted well after the Proposed CIP is adopted)*





# Funding Sources

- **Public Improvement Program (PIP)**
  - General Fund supported debt (Public Improvement Bonds)
  - Other community donations, contributions and grants
- **Build Houston Forward (ReBuild Houston)**
  - Revenue from Drainage Utility Charge & Developer Impact Fee
  - Ad valorem that previously went to paying debt service for street and drainage projects
    - Build Houston Forward (ReBuild) CIP is planned using the amount based on the Agreed Modified Injunction signed by the court on May 30, 2025.
    - Contributions and grants from other governmental entities such as METRO, Harris County, TxDOT, FHWA, HUD, FEMA
- **Enterprise Fund Program**
  - CUS revenues derived from water customers, grants, etc.
  - HAS revenues derived from airlines, parking fees, FAA grants, etc.
  - Revenues may fund projects directly or support associated debt
- **Component Units**
  - Tax Increments
  - Zoo Revenues
  - HFC Revenues





# CIP Plan Comparison

- The FY2027-2031 CIP is an estimated \$17.9 billion from all funding sources
  - Enterprise Programs total \$14.2 billion including Build Houston Forward (ReBuild Houston)
  - Public Improvement Programs total \$865 million
  - Component Units total \$2.9 billion

Plan Comparison (\$ millions)	FY2026-2030		FY2027-2031	
Public Improvement Bonds	849	93%	757	88%
All Other Funding Sources	<u>64</u>	<u>7%</u>	<u>108</u>	<u>12%</u>
Public Improvement Program *	913	5%	865	5%
Build Houston Forward (ReBuild Houston)	2,692	16%	2,860	16%
Combined Utility System**	8,057	48%	8,635	48%
Houston Airport System	2,720	16%	2,700	15%
Component Units ***	2,409	14%	2,932	16%
<b>TOTAL</b>	<b><u>16,791</u></b>	<b>100%</b>	<b><u>17,991</u></b>	<b>100%</b>

\*Includes Citywide Programs such as Information Technology, Fleet, and Equipment.

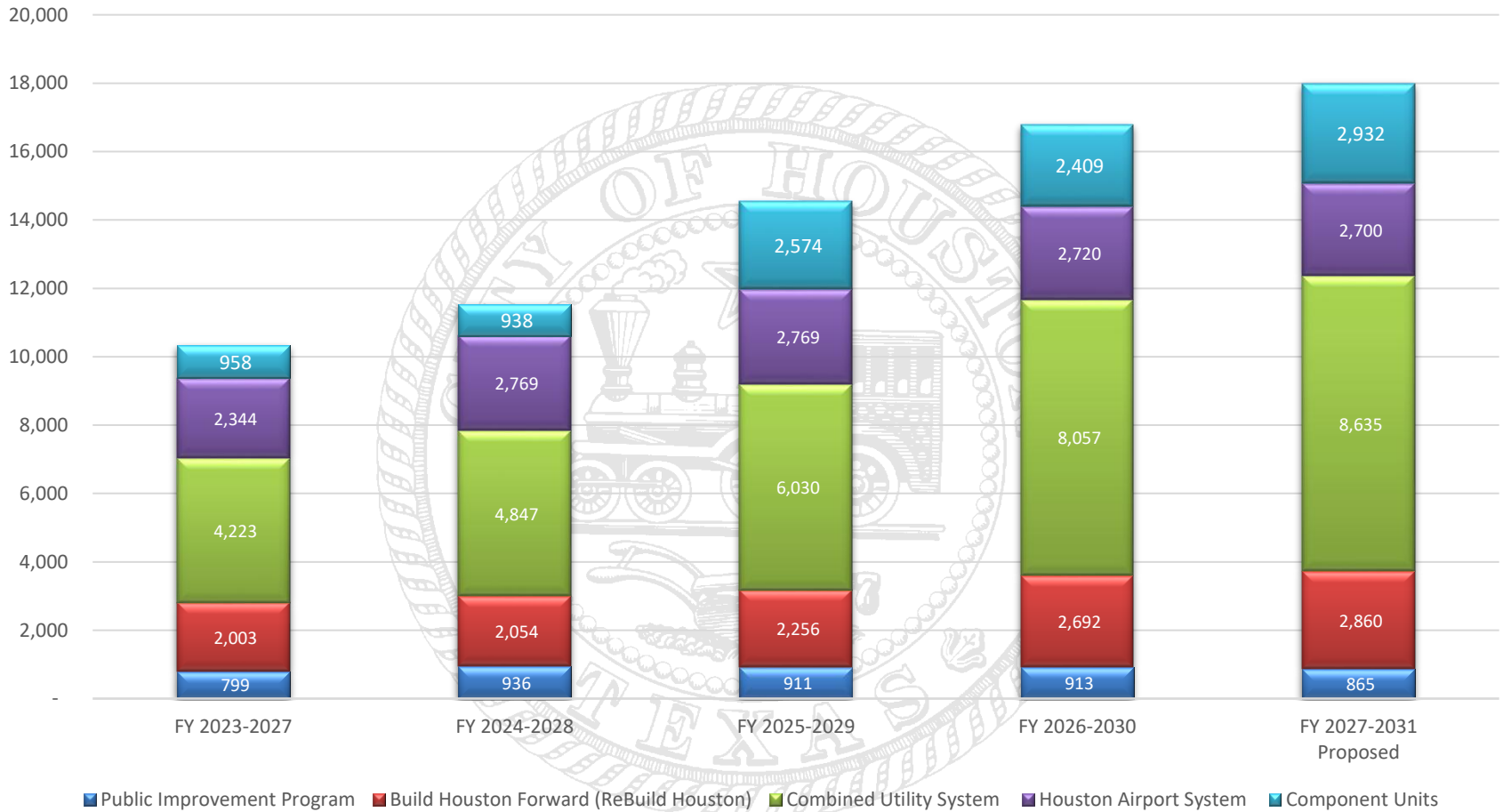
\*\*Includes Solid Waste Management

\*\*\* Net of overlap with Public Improvement Programs, Street & Traffic, and Storm Drainage





# CIP Fiscal Year Comparison



# **PUBLIC IMPROVEMENT PROGRAM**

# Public Improvement Program



## Major projects include:

### – Harvey Recovery projects:

- Municipal Courts: \$185M (total estimated project cost \$195M)
- Police Facilities 13.5M

### – Fire Station New/Renovations

- 64 - \$10.1M
- 102 - \$16.4M

### – Fleet

- FY27-31: \$292M over the five years vs. \$246M in FY26-30

### – Technology Enhancements

- Computer Aided Dispatch system replacement: \$10M
- SAP S4 HANA: \$12.8M



# Escalations



- We continue to see cost increases for materials and services. Supply chain issues and tariffs/potential tariffs are some of the factors.
- It will cost more to deliver the same projects that we currently have planned in the CIP, which will limit new projects being added or reduce the quantity we can attain.
- Future projects will be evaluated for construction escalations to be included in future Capital Improvement Plans.



# Public Improvement Program



- Bond elections have historically been held every four to six years, with the last one occurring in November of 2022.

Category (\$ Thousands)	1991	1997	2001	2006	2012	2017	2022
Streets and Drainage	314,730	350,000	474,000	320,000	-	-	-
Parks and Recreation	20,300	30,000	80,000	55,000	166,000	104,000	60,000
Public Safety	40,750	53,160	82,000	135,000	144,000	159,000	277,000
General Improvement	97,020	91,840	80,000	60,000	57,000	109,000	29,000
BARC							47,000
Public Health							33,000
Solid Waste							6,000
Public Libraries	7,200	-	40,000	37,000	28,000	123,000	26,000
Low Income Housing	20,000	20,000	20,000	18,000	15,000	-	-
<b>Total</b>	<b>500,000</b>	<b>545,000</b>	<b>776,000</b>	<b>625,000</b>	<b>410,000</b>	<b>495,000</b>	<b>478,000</b>



**BUILD HOUSTON FORWARD**

# Build Houston Forward



- Street and Traffic Control - \$1.58B
  - Thoroughfares and Collectors - \$512.7M
  - Local Streets - \$153.7M
  - Citywide Street and Traffic Rehabilitation - \$790M
  - Council District Service Fund - \$27.5M
  - Safe Sidewalks - \$28M
- Storm Drainage - \$1.28B
  - Neighborhood Drainage - \$858M
    - Reconstruction Projects - \$508M
    - Local Drainage Program (LDP) - \$97M
    - Storm Water Action Team (SWAT) - \$128M
    - Roadside Ditch Reestablishment - \$125M
  - Regional Stormwater Detention - \$139M
  - Lake Houston Dam Spillway Improvement - \$128M
  - North Canal - \$124M



# Build Houston Forward



Storm Water Action Team (SWAT) - \$128M

Local Drainage Program (LDP) - \$97.3M

Ditch Re-establishment - \$125M

Funding Sources (\$ Thousands)	FY2027	FY2028	FY2029	FY2030	FY2031	FY2027-2031
<b>SWAT</b>						
4042 - DDSRF	\$ 45,046	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 125,046
4515- Contributed Capital Project Fund	\$3,000					\$3,000
<b>SWAT Total</b>	<b>\$ 48,046</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ 128,046</b>
<b>LDP</b>						
4042 - DDSRF	\$ 45,500	\$ 12,950	\$ 12,950	\$ 12,950	\$ 12,950	\$ 97,300
<b>LDP Total</b>	<b>\$ 45,500</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 12,950</b>	<b>\$ 97,300</b>
<b>Ditch Re-establishment</b>						
4042 - DDSRF	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000
<b>Ditch Re-establishment Total</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$125,000</b>

\*There is an additional \$25M of spending in the O&M budget



# Build Houston Forward – Federal Grants

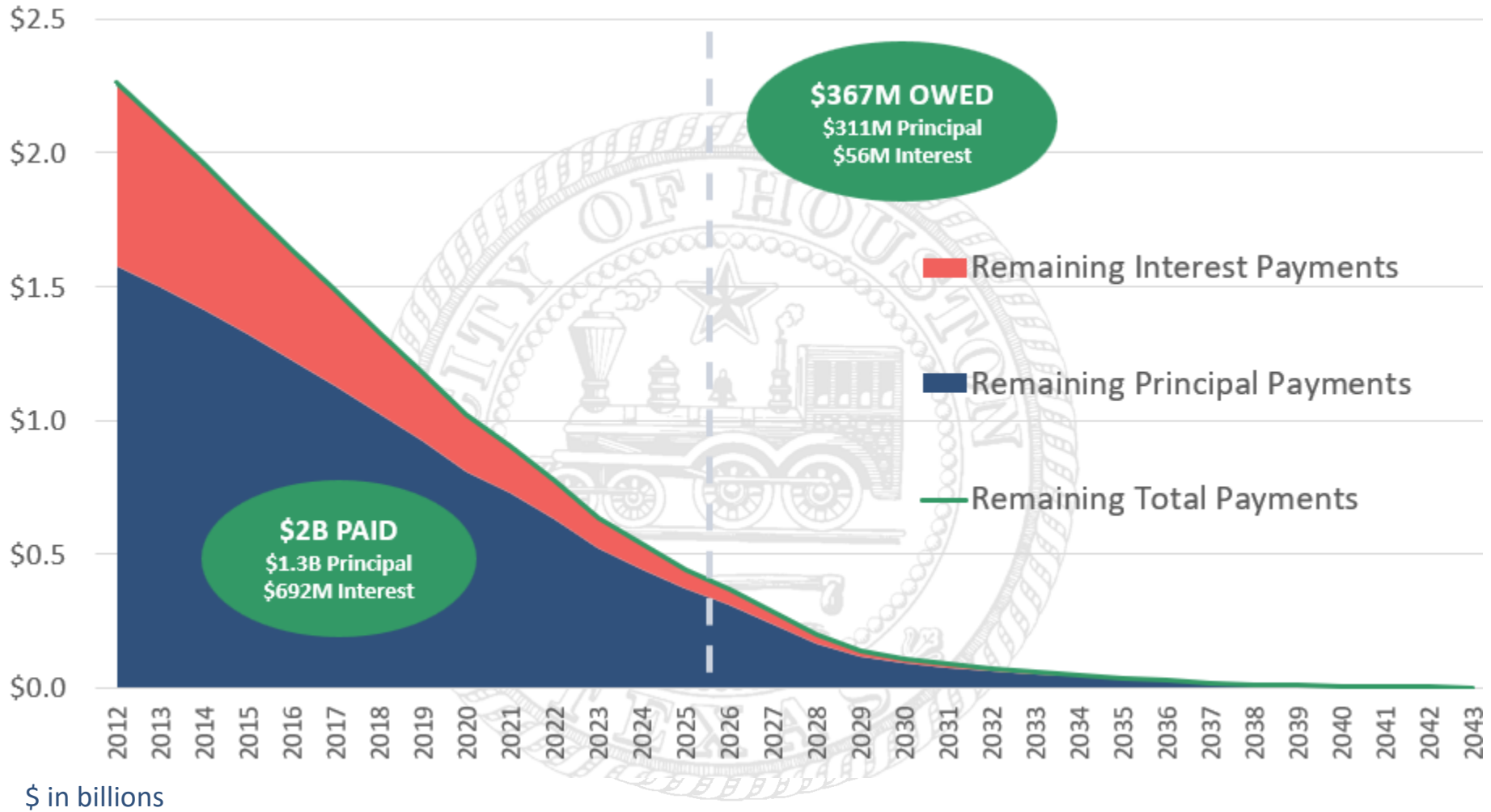


- **Transportation**
  - USDOT/FHWA Discretionary Grants - \$79M
    - Telephone Road (USDOT/FHWA), Bissonnet (FHWA), West Belt Grade Separations (FRA),
  - H-GAC Transportation Improvement Program (TIP)- \$224M
    - Greens Rd, Fondren Rd, Antoine Dr, Gessner Rd, West Belt Grade Separations
- **Drainage Mitigation**
  - Hazard Mitigation Grant Program (FEMA/TDEM) - \$110M
    - North Canal, Lake Houston Dam, Memorial City Detention
  - Community Development Block Grant – Mitigation (HUD/GLO) - \$72M
    - Local Action Plan (2015): Turkey Gully, Melrose Park, Frenchtown,
    - GLO State Action Plan (2016): Braeburn Glen, Alief Area Parks/Detention
    - Regional MOD (2017): Sunnyside Detention



# Street and Drainage Debt

as of April 15, 2026



# COMBINED UTILITY SYSTEM

# Combined Utility System



- Wastewater Treatment Facilities - \$3.5B
  - Wastewater Treatment Plant Service Areas - \$1.07B
  - Wastewater Treatment Plant Improvements - \$896.2M
  - Neighborhood Sewer Renewal - \$733.02M
  - Lift Station Renewals and Replacements - \$496.8M
- Water Utility System - \$5.1B
  - East Water Purification Plant - \$3.2B
  - Water Main Replacement/Renewal - \$681.9M
  - Surface Water Transmission Program - \$493.4M
  - Raw Water Infrastructure - \$27.5M



# HOUSTON AIRPORT SYSTEM

# Houston Airport System



Totaling \$2.7 billion to expand, update and maintain the airport system. The Airport System has seen an increase in demand. Recovery remains robust and airport stakeholders are interested in the modernization and expansion of our facilities.

## **George Bush Intercontinental (IAH) \$2.052B:**

- Terminal Modernization Program - \$865M
- Terminal B Redevelopment Program - \$24M
- Skyway Automated People Mover - \$233M
- Central Utility Plan Improvements - \$79M
- IAH Airfield Taxiway and Runways - \$381M
- Infrastructure and Roadways - \$256M
- HVAC, Conveyances, and Restroom - \$135M

## **William P. Hobby (HOU) \$608M:**

- HOU Airfield Taxiway and Runways - \$426M
- Infrastructure and Roadways - \$114M
- HVAC, Conveyances and Restroom - \$43M

## **Ellington Field (EFD) / Spaceport \$39M:**

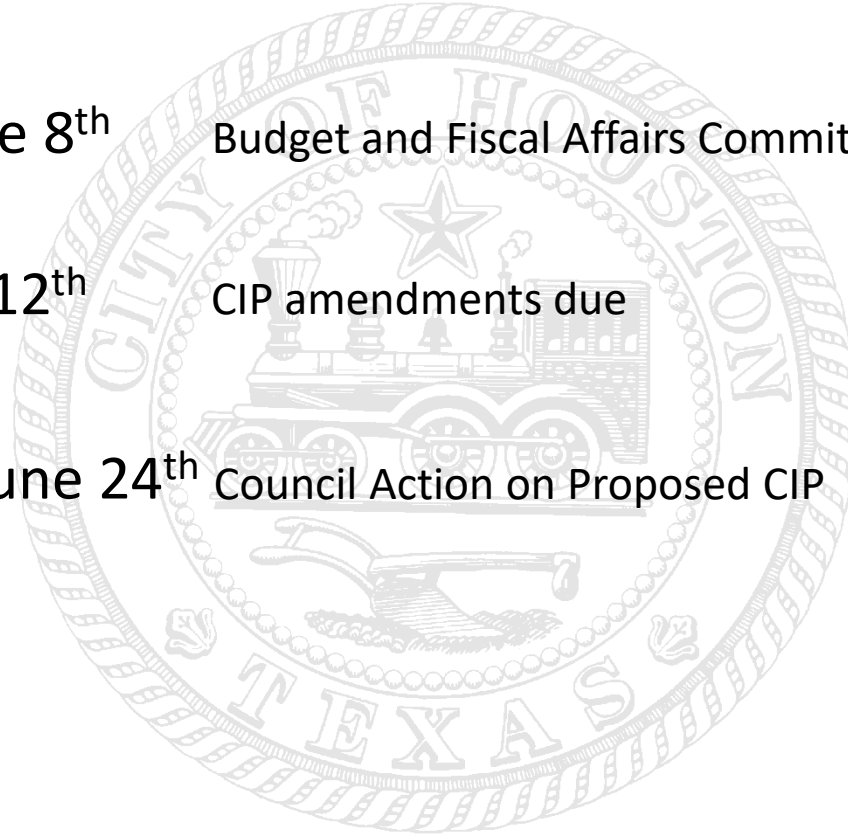
- Taxiway Lima - \$29M
- EFD Airfield Improvements - \$7M



# Timeline



- Thursday, June 4<sup>th</sup> Proposed FY2027-2031 CIP released on SharePoint
- Monday, June 8<sup>th</sup> Budget and Fiscal Affairs Committee
- Friday, June 12<sup>th</sup> CIP amendments due
- June 17<sup>th</sup> – June 24<sup>th</sup> Council Action on Proposed CIP





**Thank You!**

**Questions/Comments?**

