



# HARRIS COUNTY, TEXAS

## COMMISSIONERS COURT

1001 Preston, Suite 938 • Houston, Texas 77002-1817 • (713) 755-5113

Ed Emmett  
*County Judge*

Gene Locke  
*Commissioner, Precinct*

Jack Morman  
*Commissioner, Precinct*

Steve Radack  
*Commissioner, Precinct*

R. Jack Cagle  
*Commissioner, Precinct*

June 24, 2016

To: County Judge Emmett and  
Commissioners Locke, Morman,  
Radack and Cagle

Re. **Capital Improvements Program**

The Capital Improvements Program for Fiscal Year 2016-17 includes the following:

### Executive Summary

1. Harris County Hospital District
2. Port of Houston Authority
3. Harris County Sports & Convention Corporation
4. Central Technology Services
5. Engineering Department
6. Harris County Flood Control District
7. Harris County Toll Road Authority

### Future Year Capital Needs and Financing

8. Debt and Financing
9. Population and Economic Updates

## **Executive Summary**

Maintaining and expanding Harris County facilities, transportation systems and infrastructure to serve the rapidly growing population is a challenging and essential function of county government. This annual update of the capital improvements program is intended to provide information about the needs and opportunities for enhancing these assets. Specific projects and related funding sources included in these presentations will be brought back on regular Court agendas for consideration and approval.

The following is a discussion of the capital improvement needs for the current fiscal year.

1. **Harris County Hospital District** – An update on the capital improvements program for the Harris County Hospital District (HCHD) including the \$70 million renovation of Ben Taub Hospital to continue its status as a Level One Trauma Center. The Hospital District is in the process of issuing bonds to finance the project which will be funded by allocating part of the County’s property tax rate to HCHD to make the necessary debt service payments each year. An update on other capital projects is included.
2. **Port of Houston Authority** - The Port currently has bonds outstanding with a principal balance of \$674 million and total debt service of \$1.2 billion over the next 25 years. Harris County collects property taxes to cover these debt service payments which are \$52 million for the current fiscal year and about the same amount each year for the next 24 years.

Budget Management is working with the Port to help them identify their own funding sources for their capital program without issuing additional taxpayer supported debt.

3. **Harris County Sports & Convention Corporation** – A report showing the HCSCC repair and replacement needs related to the operation of NRG Park facilities is included. Projects will be brought to Court for approval as funding sources are identified.
4. **Central Technology Services** – CTS has a number of technology projects that are in progress or planned for the next several years. The process of acquiring and implementing a new enterprise accounting system is underway and is expected to cost a total of \$35 million with over the next 2 years.

Budget Management has allocated up to \$20 million for new borrowing for technology projects over the next 12 months. CTS will bring the highest priority projects to Court for approval as needed up to this funding limit.

Additional projects including a pilot project related to law enforcement body cameras and a study of facility locations for fleet maintenance and repairs are in development and will be presented for approval and funding as plans are formulated.

## 5. **Engineering Department**

- a. **Buildings & Infrastructure** – A report prepared by the County Engineer covering plans to improve and maintain existing buildings and related infrastructure is included. Construction of the new Forensic Science Center and Joint Processing Center projects is ongoing.

Budget Management has allocated up to \$45 million of new borrowing for building and infrastructure projects over the next 12 months. The highest priority projects are listed at the end of this summary for Court consideration. The specific projects will be brought back to Court for approval. Smaller projects may also be funded by existing budget in the Engineering repair and replacement cost center.

- b. **Astrodome** – Plans are being developed to construct an underground parking facility in the Astrodome which would result in a ground level surface for potential development, at a cost around \$105 million that would be funded by revenues and fees, without a property tax increase. Specific proposals for this project will be brought to Court for approval in September.
- c. **Long-term Maintenance and Facility Operations** – Budget Management is requesting Court approval to work with Facilities & Property Management (FPM) and Engineering to continue to develop plans related to the long-term maintenance of buildings and related component systems such as air conditioning and elevators, enhance systems for monitoring utility usage and cost, and study alternatives to address the reduced availability and increasing cost of parking downtown for county employees and customers.

Any recommendations for policy changes or to address specific concerns will be included in either the Mid-Year Review presentation or with the Budget for next year.

- d. **County Roads** – County road construction and maintenance is funded through a combination of general funds, mobility funds, road bonds and other sources. The voters approved \$700 million in new road bonds which are expected to be issued over the next 7-10 years starting as early as FY 2017-18.

The allocation of funds to the four precincts for the allocation of new road bond proceeds and the mobility fund were last adjusted in February 2015. A proposal to consider a change in the allocation percentages is included on page 4.

6. **Flood Control District** – The plan to spend \$120 million per year with a minimum of \$60 million for capital projects with the remainder available to fund operations and maintenance is ongoing. A report is included from the Flood Control District.
7. **Harris County Toll Road Authority** – A report showing the plans for major toll road development projects is included. These projects will be submitted on future Court agendas along with funding plans.

## **Future Year Capital Needs and Financing**

- 8. Debt and Financing** – An analysis of the financing needs and the County’s debt situation related to county roads, buildings & infrastructure and flood control projects is included. The report includes historical debt service funding trends along with a discussion of plans for funding future road and infrastructure debt.
- 9. Population and Economic Updates** – Updated reports on the Harris County population and the economic environment are included for Court consideration.

## **Conclusion**

The following items are recommended for Court approval.

1. Approval to finance up to \$20 million of CTS projects and \$45 million of Engineering projects during the next twelve months. Individual projects will be presented on regular court agendas with the issuance of commercial paper on the following agenda.
2. Approval for Budget Management to work with FPM and Engineering to study and develop plans for long-term maintenance and facility operations including parking.
3. Approval of the following list of building projects which will be brought back to Court for approval when they are ready:
  - a. 911 call center - new construction
  - b. Administration building upgrade – ground floor windows and landscaping
  - c. Engineering Department project portfolio management system
  - d. Nance Street parking lot downtown – design & construction
  - e. Pinemont multipurpose facility – design
  - f. South Loop building – design and construct space for the Sheriff’s office
  - g. Various facilities – studies and design work
  - h. Traffic signals – repair and upgrade over 800 signals county-wide
  - i. Traffic signal replacement fund – establish fund for replacing signals
4. Consideration of a proposal to adopt allocation percentages, to be effective March 1, 2017, for the allocation of mobility funds and future issuances of road bond funds.

Precinct 1 – 15%  
Precinct 2 – 22%  
Precinct 3 – 24%  
Precinct 4 – 27%  
Co. Engineer – 12%

The County Engineer’s portion will be allocated to the Precincts based on project eligibility and financial need.