HARRIS COUNTY, TEXAS

COMMISSIONERS COURT 1001 Preston, Suite 938 · Houston, Texas 77002-1817 · (713) 755-5113

Robert Eckels	El Franco Lee	Sylvia R. Garcia	Steve Radack	Jerry Eversole
County Judge	*Commissioner, Precinct 1*	*Commissioner, Precinct 2*	*Commissioner, Precinct 3*	*Commissioner, Precinct 4*

CAPITAL IMPROVEMENTS

June 20, 2006

9:00 a.m.

1. **Port of Houston Authority of Harris County**
2. **Harris County Hospital District**
3. **Harris County Public Infrastructure**
   a. **Toll Road Authority**
   b. **Flood Control District**
   c. **Roads and Parks**
   d. **Other PID items**
4. **County Buildings**
   a. **Juvenile Facilities**
   b. **Jail Facilities**
   c. **Criminal Justice Center**
   d. **New Projects**
5. **County Library**
6. **Reliant Park**

1. Port of Houston Authority

A status report and update of the Port's activities and its capital improvements program is behind the Port tab. The chairman of the Port Commission, Jim Edmonds, will address the court.

Operating revenues in 2005 increased by $20 million, or 15%, compared to 2004, going from $135 million to $155 million. Total volume and tonnage of break bulk cargo, general cargo, auto imports and exports, and bagged goods went up. Container tonnage increased by 1.9 million tons. Operating revenue and tonnage increased at Barbours Cut Terminal and other terminals.

The first phase container terminal project at Bayport is expected to open for business along with a new cruise terminal. The Port is providing a three-mile buffer zone around the Bayport facility that will include a 20-foot tall landscaped sight and sound berm as mitigation for environmental impacts. The buffer zone will also include part of a storm water collection system to protect Galveston Bay.

A wider and deeper Ship Channel was dedicated by ceremony last August. It is now 530 feet wide and 45 feet deep compared to 400 feet wide and 40 feet deep before.

The Port has also worked to improve security along the Ship Channel with use of federal security grant funds, and has an agreement with Harris County for participation in ITC's regional radio program as part of the security system.

The Port will request that the court authorize issuance of bond funds to continue improvements. Management Services will work with Port officials and the financial advisor for necessary financing, including a possible refunding issue. The current status of debt service for the Port is shown in tables that are behind the Schedules tab at the back of this book. Debt service requirements will be reviewed again in September when the court considers annual ad valorem tax rates.

2. Harris County Hospital District

A report from the President/CEO of the Hospital District is behind the district tab. The amount of the current capital expenditure budget is $36,168,104.

Data submitted shows $10 million for replacement of medical technology equipment such as infusion pumps and patient monitoring systems; $2.5 million for medical waste removal and automated supply and pharmacy dispensing units; $15.7 million for clinical information systems, patient management and accounting systems, and radiology imaging; and $7.9 million for renovation and construction projects for various hospital and clinic facilities.

Projects to be done from the district's 2015 Capital Plan are shown for the period through FY 2009-10 in the total amount of $169.1 million. The listing shows planned expenditures for a replacement facility for the Martin Luther King Clinic, a new ambulatory clinic in the Alief area, expanded emergency center at Ben Taub Hospital, a new ambulatory diagnostic and specialty clinic at Ben Taub, a new emergency center at LBJ Hospital, a new ambulatory diagnostic and specialty clinic at LBJ, construction of a radiation therapy center, and land for development of Casa de Amigos Clinic.

Management Services and the financial advisor will assist the district with possible bond financing plans. The district will report to the court again at Mid-Year Review.

3. Harris County Public Infrastructure

a. Toll Road Authority

1. Status

A status report on the toll road system from Public Infrastructure is behind the PID tab. The estimated cost of the TRA five-year plan is $618.4 million. A list is included with a map showing the major projects.

The total five-year estimate does not include construction costs for three potential joint projects with the Texas Department of Transportation. Those are segments of the Grand Parkway or SH 99, the Hempstead Highway from IH 610 to Huffmeister, and Beltway 8 NE from US 59 to US 90. The county is a partner with the state on the Katy Freeway-IH 10 reconstruction project. The county's share is $250 million. A final payment is due in June 2007.

The PID report addresses a funding agreement proposal from TxDot on the three potential toll corridors listed above. Those projects would add 81.4 miles to the TRA system between 2010 and 2013 at an estimated cost of $2.1 billion. TxDot's proposal seeks a single payment from the county of $1.235 billion plus an undetermined percent of annual gross revenue over a period of 40 years. The PID director, after consultation with court members, will prepare a response to the proposal.

The funds paid to TxDot, according to the proposal, would be used "to advance" other state projects within the five-county Houston district, which includes the counties of Harris, Fort Bend, Galveston, Montgomery, and Waller.

2. Study of Alternative Futures

The court on October 25, 2005, January 24, 2006, and February 7, 2006 authorized steps for a study of alternative financial futures for the Harris County toll road system. Three tracks were developed for the study: Track A, County Owned and Operated and Publicly Owned Alternatives; Track B, Asset Sale; and Track C, Concession Agreement. Copies of executive summaries are behind the TRA tab, including a summary by the county's financial advisor, First Southwest. A separate briefing book has been given to court members that includes the complete reports, a list of legal questions and responses, and traffic and revenue analyses.

<u>Track A</u> Citigroup and Siebert Brandford Shank & Company prepared the County Owned and Operated report. Their study noted that the county's current enterprise fund structure has "demonstrated remarkable financial and operational success" and should be continued as "the organizational building blocks" for the future.

The study does not recommend a Regional Mobility Authority "in isolation," but said features of an RMA could possibly be combined with the county's structure. Statutory amendments would be required for the county to use "the most beneficial features" of an RMA which would mean greater flexibility in the use of excess revenues and such tools as comprehensive development agreements. For a more traditional RMA, existing law would have the governor appoint a board member or the board chairperson, depending on which statute is used. The county could seek to develop a hybrid structure with an RMA serving as an extension of the county for issuance of bonds for new projects. The RMA would issue its own bonds to fund the county's "pooled" projects, and HCTRA would provide support by contract for assistance with debt coverage and maintenance and operations.

The Citigroup-Siebert team recommends that the county carefully consider its toll road future and evaluate its options and the possible value of its own bonding capacity. The report said that capacity, given certain changes in debt structure and toll policy, could be approximately $8 billion over time, including $1.3 billion for pooled projects. Factors that should be evaluated are the degree of local ownership and control the county desires to retain and treatment of excess revenues.

The team recommends that the county, with continuation of a County Owned and Operated system, adopt a "forward-looking" toll policy that would establish a regime of future toll increases that could be authorized by the court to balance growth of the system and operational costs, and increase value and bonding capacity. Rating agencies, the report said, would show added confidence as the system expands.

In valuing the system, Citigroup and Siebert used the traffic and economic data provided by Wilbur Smith Associates. The other two study teams also used the Smith analyses, which created three scenarios for toll rate assumptions: a base case in which rates are assumed to remain at current levels; a case in which inflation would be used to adjust tolls; and a case for optimized rates that would be intended to generate maximum revenue potential at peak and non-peak traffic periods. The traffic and revenue forecasts go to 2025 and are then extended to 2055 for a 50-year period with nominal growth rates assumed in segments subsequent to 2025.

Using these assumptions, and incorporating certain debt structure changes as discussed above, the Citigroup-Siebert report shows the HCTRA enterprise valuation could range from $8.2 billion to $15.5 billion to $20.6 billon.

Track B. This track, studied by JP Morgan and Popular Securities, concerned the possibility of a sale of the toll road asset, which the study team believes would attract investor and buyer interests from across the U.S. and the globe. This study said, however, that the county should be cautious, and revenue maximization by asset sale should not become the county's "sole objective." Instead, the county's goal should be to obtain the highest price based on the level of control the county wishes to exercise after a sale, and the level of risk the county is ready to retain. The study recommends the county use a "control/value continuum" in assessing objectives. In retaining the highest level of control of operations and decisions, the value of the sale for the county would be at the lowest point, and retention of little or no controls would produce the highest yield.

The study points out that the county, despite a sale, could not walk away from responsibility. Depending upon the terms of the sale agreement and the owner’s financing conditions, if the new owner became insolvent or neglectful, the asset could revert to the county. A limiting factor in a sale at this time is that changes would be necessary in state law, and certain governmental approvals would be necessary. But if the county pursued those changes and clearance came for such a sale, the county would need an "ironclad" contract to maintain provisions the county believed to be appropriate and in the best interest of the public.

In such a contract there would be, said the study, a "direct correlation" between the rate at which tolls would be permitted to increase and the value the county would realize from the sale. Projections of toll rates, traffic growth, and operating and capital expenses would be key drivers. Other factors in valuation would be whether the owner would pay property taxes or be granted a full property tax abatement.

JP Morgan and Popular said eventual bidders would probably have different perspectives on assumptions and would have separate forecasts prepared by their own consultants. Their bids would probably be based on higher traffic data than the county studies used.

The study said sale proceeds could result in a gross value for the county of between $3 billion and $20 billion, with "expected ranges" falling between $7 billion to $14 billion. Net proceeds would be subject to debt defeasance costs and the impact of taxes. The total of these reductions from the gross values could be between $2 billion and $4 billion.

JP Morgan and Popular said the county should remain cautious, however, as "it would be imprudent" for the county to make decisions based on the highest value numbers as such estimates would be calculated on the more optimistic assumptions. By use of them, the county could have a "successful sale," but end with "a failed public policy."

The study team recommends that the county, if it chooses an asset sale, proceed by use of the "control/value continuum" process, and identify the conditions it wishes to see in a sale, and determine the level of control it is willing to allow a new owner.

Track C. Goldman Sachs and Loop Capital studied the concession track. Similar to the asset sale, the amount of value from this model would depend on whether the county would desire an active role in oversight of a leased system and retention of a portion of operating revenues. Another important factor would be the length of the concession. A concession term of less than 50 years, linked with retention of strong oversight and decision-making by the county, and extraction of a percentage of ongoing operating revenues, would result in a low upfront yield for the county.

A concession term of 75 years to 99 years, with a low level of county intervention and control, and no percentage of operating revenues, would bring the most upfront value. County operating standards could be established in the concession contract.

An obstacle to such a lengthy concession term is that state law provides that the length of a contract supported by toll revenue must be limited to the life of the bonded debt supported by the tolls, and that debt life cannot exceed 40 years from issuance.

A concession could be for the complete HCTRA system, including the existing roads, projects in process, and those planned. Or, it could be for parts of the total system. The Goldman-Loop team recommends the county avoid attempting to include all of the components in a concession proposal.

The report said a full system proposal, including planned projects, would introduce "uncertainties", leaving the county with the possibility that it would not receive fair value. Such a proposal, requiring a transaction that could exceed $10 billion, with unproven projects in the mix, would require a large consortium with a variety of equity partners. The result could be that proven components of the existing toll road system could be "marginalized" and only a partial premium would be paid for them. Rather, the report said, the best strategy would be to seek a concession on the existing elements of the system, and add other components at later periods. Problems with this strategy, however, could be that additional transactions would become costly and time consuming.

The report said the range of valuation from the existing system could be from $7.5 billion to $10 billion for a 50-year concession, $9 billion to $12 billion for a 75-year agreement, and $10 billion to $13 billion for a 99-year contract. These would be gross proceed figures which could be subject to reduction by debt defeasance cost and state and local taxes. The total of these potential reductions could be between $2 billion and $4 billion.

Again, legal obstacles would have to be overcome for the county to have a concession contract that is supported by tolls that go beyond 40 years from issuance of debt.

First Southwest. In its summary of observations, the county's financial advisor, First Southwest, points to the difficulties in the various approaches and the legal obstacles that must be overcome. With a sale or concession, $2 billion would be required to defease the county's toll road debt, and the county would be required to repay $90 million to the Federal Highway Administration for its loan of funds to the county's system, or HCTRA would be required to use the value of those funds on projects that would be eligible for federal assistance.

Without legislative changes, an asset sale or concession would be subject to the owner or concessionaire paying state and local taxes that could reduce the asset's value on the market by up to $4 billion. Restrictions on use of proceeds would occur after debt defeasance. First Southwest said the ability to conduct and complete any sale or concession would run into legal obstacles until legislative action is taken. Defeasance of debt would bring in questions as to whether tolls could be continued for support of a concession or to finance system operations.

Shifting to an RMA structure could mean a multi-county board with involvement of TxDot and the governor. Control by the county would be limited. A hybrid RMA approach could be used for new projects, but that approach would have to be carefully researched for any legal changes that would be necessary for the county to gain flexibility beyond its current capabilities for operations and debt issuance.

Staying with the County Owned and Operated path and gaining advantages by new debt management strategies, such as use of longer terms, withdrawal of a tax pledge, and changing debt coverage levels, would have to be reviewed. The outcome could be increased funding capabilities for the system. However, this gain could only be accomplished with a new toll policy, one that would incorporate consistency and dependability to provide the funding necessary for operations, maintenance, expansion, and debt service.

Another factor, according to First Southwest, is that the court must be aware of the "potentially significant impact" of TxDot's policies on the financial condition and capabilities of HCTRA and the county for mobility funding.

Summary and Recommendations

Certain common threads run through the three studies and the review by First Southwest. The county's toll road system has good credit ratings based on strong historical growth and conservative management, and its financial position is considered healthy. The system is highly regarded by investors who consider the asset to be of superior quality. The system has become essential to the economic growth of the county and this region of Texas, and projections of steady population and economic growth support the need for HCTRA to expand to help meet transportation requirements for the area. The toll road asset has significant value, and there is a definite market in the U.S. and across the globe for a sale or concession proposal, if either could be made possible, and the value at stake could be considerable.

Another thread is that whatever path the county takes, the future must involve a consistent toll policy for revenue to assure proper management and maintenance of the roadways for motorists, and debt service coverage for investors.

There is also another common and important thread: the county, given its goals and objectives, should be cautious. There are obstacles in each path that has been studied. The court and management should prepare a future for the toll road system that is not based on how much upfront money the county could garner, but on a financial alternative for the system that would be in the best interest of the public and the motorists. A viable, well funded, dependable system, well managed, enabling a driver to reach a destination in a reasonable time, with easy access and exit points, has been and continues to be the primary concern. The following options are presented for consideration.

Option a. If the court is interested in a standard regional mobility authority, as allowed by state law, an asset sale, or a concession, management and financial and legal advisors should be instructed to prepare a recommendation on the steps that should be followed, including any statutory changes that could be presented to the Texas Legislature. The recommendation should include proposed agreements with the appropriate financial banking and legal firms and the financial advisor, First Southwest. The report given to court should include timetables and cost estimates.

Option b. If the court chooses to proceed with a County Owned and Operated plan, the court should instruct management and financial and legal advisors to prepare recommendations that would outline the steps that should be taken to achieve the status of possibilities discussed in the review and studies. Timetables, cost estimates, and agreements with the appropriate firms should be recommended. A report should be presented to court for consideration.

b**. <u>Flood Control District</u>**

A report from the director of the Flood Control District is behind the PID tab. The report includes a map and list of active projects and available funding in the amount of $212.6 million. Plans are for about 56% of these funds, or $119 million, to be expended or encumbered on studies and projects this fiscal year, and another 35%, or $74 million to be expended in FY 2007-08, 6%, or $13.6 million in FY 2008-09, and the balance, 3%, or $6 million between FY 2009-10 and FY 2010-11.

The director is asking that additional funds be made available to continue with studies and projects in various watersheds in the approximate amount of $482.3 million over the period of FY 2006-07-FY 2010-11. A map and list of "candidate" projects is included behind the tab.

The district's capital improvement projects are classified in nine categories: (1) Federal flood damage reduction along main channels of watersheds; (2) Federal Emergency Management Agency mitigation to reduce insured losses through the National Flood Insurance Program; (3) Non-federal main channel flood damage reduction projects; (4) Tributary flood damage reduction; (5) Upgrades to existing FCD infrastructure to facilitate maintenance; (6) Acquisition of property in floodplains for conservation and reclamation purposes; (7) Support for certain projects in growth areas; (8) Support for development of certain new drainage infrastructure; and (9) Participation in local government flood damage reduction projects that are outside of FCD rights-of-way.

Plans for additional funding of $482.3 million for the "candidate" projects would allow $238 million, or 49%, for studies and projects that would qualify for Federal funding in the amount of $217 million. Those funds would be available for direct expenditure, matching grants, or reimbursements. Most of the funding would be used for scheduled phases of ongoing projects. The director is asking that the court continue a high level funding stream so that engineering work, right of way purchases, and construction can continue as necessary in accordance with the district's master planning process in all watersheds.

As reflected in the proposals, PID has developed a relationship between the FCD Division and the department's Engineering Division that has allowed greater use of FCD properties for park purposes, and for park lands to incorporate FCD projects.

Management Services is reviewing the request for additional funding and will report with a recommendation and timetable.

c. **Roads and Parks**

PID has provided a status report on available road funds and projects planned for the period of FY 2006-07-FY 2010-11. The report shows that Precinct 3 will be out of funds in FY 2007-08, and Precinct 4 will be in the same condition in FY 2009-10. Plans will need to be considered for additional resources that can be allocated if construction plans are to be continued as scheduled.

Also included is a report on the status of park funds and park projects planned by the precincts for the period of FY 2006-07-FY 2007-08 in the total amount of $42.6 million. Additional resources will be needed toward the end of that period if plans for parks development and improvements are to continue. PID's report states that future projects under review total over $200 million.

The county has 149 park sites on 24,597 acres of land.

d. **Other PID items**

1. **CAMS**.

   PID, as authorized by the court, is developing a County Asset Management System for tracking of county infrastructure. It will be a central system for recording county-owned facilities and land. Approximately $1.8 million has been provided to this point. PID said that another $1.9 million will be required by September to continue the development. Management Services will review the request and prepare a recommendation.

2. **Utility Relocations**.

   PID notes that over the past year telecommunication companies have requested reimbursement of costs for relocation of their facilities within county road improvement projects. The County Attorney has provided a brief on this subject and a copy is behind the PID tab. Companies have in the past paid the cost of relocating cable and other facilities in public right of way when the county widened or improved a road. Recent cases in various courts have indicated a change in interpretation of law on this subject is occurring and the county's expenses for road and flood control projects could be increased as a result. The County Attorney said the answer may be for the Texas Legislature to be asked to amend the Transportation Code to clarify the obligations of utility companies with facilities that are located within public rights of way.

3. **LaPorte Landfill**.

PID is requesting $3,750,000 for engineering services and construction funding for remediation of the LaPorte landfill. Design is approximately 95% complete and subject to final review and approval. Following construction to correct deficiencies, annual maintenance will be required at an estimated cost of $50,000. Management Services will review the request for a recommendation on funding.

A proposal for acquisition of the property has been received by the Right of Way Division and is under review. Responsibility for remediation could shift to a new owner with the county being requested to improve access to the landfill site.

4. **Construction Programs**.

PID status reports on building construction in the courthouse complex and future projects are noted in the County Buildings section of this CIP report.

4. County Buildings

A report on capital improvements for buildings by the FPM director is behind the Buildings tab. Included is a list of all county facilities and a map of the downtown complex. A report by PID on the status of projects in the courthouse complex and future projects is behind the PID tab.

a. Juvenile Facilities

1. The Juvenile Court judges have requested that certain changes be made in their courts in the Juvenile Justice Center, and Juvenile Probation has asked for other changes. These requests will be reviewed and a recommendation will be made to Commissioners Court.

2. Commissioners Court earlier made the decision not to move the Constable of Precinct 1 and JP 1.2 from Annex 2 to the Juvenile Justice Center when it opened, and to reconsider the question at the CIP session. The Juvenile Board sent the court a resolution asking that the JJC be used solely for juvenile justice and related agencies, which was the original concept for the facility. The Constable also requested that his offices remain in Annex 2 at 1302 Preston at this time and that his move be made to another planned facility at a later date. JP 1.2 also could remain at 1302 Preston until a permanent location is approved for that court, which would not have to be in the courthouse complex.

   If the court is in agreement, a plan can be developed by FPM with the District Attorney for his Juvenile Trial Bureau to move into available space in the JJC, and with the Juvenile Probation Department director for programs that would be appropriate for other open areas. The offices should be made available with the understanding that there would be no additional county funds spent for changes or renovations at this time.

3. The Juvenile Board has requested funding be made available for replacement of the W. Dallas Detention Center. The board has also requested that a detention facility be made available for females on an interim basis at the Youth Village, and on a long term basis in a new facility on the grounds of Burnett-Bayland.

   Meanwhile, the City of Houston has expressed interest in selling six acres of property it owns that is between W. Dallas and Allen Parkway. That property is adjacent to approximately five acres the county owns on W. Dallas where the Juvenile Detention Center is located. City representatives said if the county decided to sell its property along with the city's acreage that a premium price could be obtained because of the location of the land.

Whether or not the court wishes to have such a proposal developed with the city, it seems to be an appropriate time for a master plan to be developed between the court and the Juvenile Board for facilities and locations to provide for juvenile justice and related programs. Juvenile Probation has requested that such a plan be developed for the Burnett-Bayland grounds where the department hopes to locate a female housing facility, replace cottages for boys, and provide related programs and services.

As noted, Juvenile Probation is asking for funding to renovate a facility for a new female residential program at the Youth Village on an interim basis. The director is also requesting funds for 32 new positions for the program.

The department is also requesting that the court authorize FPM to locate two facilities that could be purchased by the county for Juvenile Justice Alternative Education Program schools, and that funds be made available for video surveillance purposes at all residential facilities.

FPM is requesting approval of $1,170,000 for construction of a new bulkhead on the shoreline at the Youth Village to prevent further soil erosion. The Juvenile Board has asked that this project be reviewed by PID to determine whether the work needs to be done at this time.

b. **Jail Facilities**

A report will be prepared for the court with recommendations for the Sheriff's new Central Processing Facility and other proposed capital needs for the jail system.

Funding for replacement of the security system at the 701 San Jacinto jail in the approximate amount of $4.5 million will be placed on the court's agenda.

c. **Criminal Justice Center**

1. FPM has estimated the cost of providing additional security monitoring equipment for the Criminal Justice Center at $145,000. Funds will be provided through the District Attorney's discretionary account.

2. A security study of courthouse facilities in the downtown complex by the National Center for State Courts has been authorized by the court and findings and recommendations will be presented at the Mid-Year Review in September.

d. **New Projects**

1. **Jury Assembly Plaza**. This facility, on the block bounded by Franklin, Caroline, Congress, and San Jacinto, is scheduled for construction to begin in May 2007, upon completion of expansion of the county's parking garage at 1401 Congress. Jury assembly will be moved from Congress Plaza to the new site and will be tunnel-connected to the Criminal Justice Center, Juvenile Justice Center, and the new Civil Courthouse. The estimated cost is $16.8 million. PID anticipates construction will require a period of 14 months.

2. **Family Law Center**: The last piece of the county's master plan for court facilities to be connected to the new Jury Assembly Plaza is the Family Law Center, which is at 1115 Congress and across San Jacinto from where the plaza will be built.

   FPM said the current facility could be renovated at an estimated cost of $42 million. However, FPM notes that such a renovation, which would be extensive, would not resolve the problem of overcrowded facilities. For adequate expansion and renovation, including a parking garage, FPM estimated the cost would be $80.6 million.

   Replacement of the building at the current location with a new structure facing the Jury Assembly Plaza would cost approximately $90.3 million, including demolition of the existing facility.

   Under any of the options above, the current Family Law Center would have to be emptied and courts and staffs relocated pending renovations or construction.

   Another option would be to locate the new structure on the block where the Coffee Pot Building is located on San Jacinto across from the Criminal Justice Center. FPM estimates the cost for a new building at that site would be $90.1 million, including demolition of the existing facilities.

   If the court chose the last option, the courts and related personnel could remain in the existing Family Law Center during the construction period.

3. **DA's Building**. FPM recommends that the old District Attorney's Building, which is next to the Family Law Center at 201 Franklin, be demolished. The estimated cost for that work would be $1.1 million. The Family Law Center and the DA's Building are the only buildings on the block, which is bounded by San Jacinto, Congress, Fannin, and Franklin. The balance of the block includes a small park space and an open plaza.

4. **Historic Courts Building**. Design work is proceeding for the First and 14th Courts of Appeals to move from South Texas College of Law facilities to the historic Civil Courts Building at 301 Fannin. The total cost is estimated to be $65 million. Phase I will be demolition and abatement of the interior at an estimated cost of $8.8 million. Phase II will be the renovation work at an estimated cost of $56.2 million. Completion is expected to be in the last quarter of 2009.

5. **Administration**. The downtown master plan included a new Administration Building that would allow consolidation of administrative and technology support functions. Currently they are housed in the Administration Building at 1001 Preston, the Anderson-Clayton Building at 1310 Prairie, the Drug Building at 406 Caroline, and Congress Plaza at 1019 Congress. The plan called for the new structure to be in the block where the Coffee Pot Building is located at 102 San Jacinto. Depending on the location of the Family Law Center, the new Administration facility could be in the block where the FLC and DA Building are at present, bounded by San Jacinto, Congress, Fannin, and Franklin. Upon completion of the new building, the current Administration Building, Congress Plaza, Drug Building, and Anderson-Clayton Building could be sold.

   If the court decides to pursue this plan, it is recommended that approval of requests for interim relocations by various administrative and technology offices be held to a minimum. The court should decide on such requests on a case-by-case basis with relocation and renovation costs being avoided unless absolutely essential for important functions to be performed.

   The estimated cost for a new Administration Building would be approximately $131.2 million, according to FPM, excluding costs for demolishing any structures that may be on the site.

6. **Security Building**. FPM is recommending that a security facility be located at Congress and Caroline adjacent to the Central Plant at 1303 Preston. Constable of Precinct 1 would be located at the facility for law enforcement security for the courthouse complex. The estimated cost would be $12 million.

7. **Wilson Building**. The state has created a fourth IV-D court in Harris County for child support matters. FPM said that space is available in the Wilson Building near the other three courts. The estimated cost is $601,000.

8. **Medical Examiner**. FPM said Wilson Architectural Group has prepared the design for a new crime lab for the Medical Examiner that would cost approximately $63.7 million.

9. **Other Projects**. FPM has listed other projects for various facilities within and outside of the downtown complex, including certain outlying annexes. Some of the projects, such as relocations, depend on policy decisions made by the court in connection with items shown on previous pages of this report. Management Services will review the complete list of requested work with FPM and recommendations will be provided to the court as funds are available. Requested use of space in the old 1301 Franklin jail facility will be reviewed after completion of recommendations that are necessary for the Sheriff's Detention Bureau.

5. County Library

Materials from the director of the County Library are behind the Library tab.

The director has listed eight new branch projects in the total amount of $46.4 million. She has also requested $412,000 for replacement of public access computers, laptops, and self-checkout machines.

The new branch projects are for renovation of Parker Williams in Precinct 1, $1.3 million; a new branch in Barrett Station, Precinct 2, at a cost of $4.2 million; an expansion of Meador in Seabrook, Precinct 2, at a cost to the county of $4 million; a new branch in McNair, Precinct 2, at a cost of $5.4 million; a replacement facility for Stratford, Precinct 2, at a cost of $5.4 million with a possible lease or donation of property from Goose Creek ISD; a replacement for Baldwin Boettcher in Precinct 4 at a cost of $8.7 million with a possible joint agreement with North Harris College; a possible joint project with Cy-Fair College for replacement of Fairbanks at a cost of $8.7 million in Precinct 4; and a replacement for Kingwood in Precinct 4 at a cost of $8.7 million with a possible joint agreement with the City of Houston, and with the city requested to pay for construction, opening day collections, technology, and furnishings, and with Harris County operating the facility and the city providing an annual amount for a portion of operating costs.

A report from the Library director concerning the annual cost of operations for branches is included in the attached materials for reference along with a list of the county's 27 branch libraries.

6. Reliant Park

The Harris County Sports & Convention Corporation is requesting $2,833,200 for capital improvements for Reliant Center, Reliant Astrodome, and Reliant Arena, and for parking, traffic, and site improvements.

The court is also requested to add $958,844 to the $904,000 that was approved last year for repairs to the Reliant Arena roof.

The corporation said it will be seeking $4.9 million for repairs and improvements at Reliant Park in FY 2007-08, $4 million in FY 2008-09, $3.4 million in FY 2009-10, and $3 million in FY 2010-11.

Management Services will review the requests with corporation board and staff members for a recommendation to court. A review is also underway concerning the status of the hotel occupancy tax fund and payments that are required for debt service and other expenses.

A report from the HCSCC executive director on the capital improvement program is behind the Reliant Park tab.

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