



HARRIS COUNTY, TEXAS

COMMISSIONERS COURT

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Ed Emmett
County Judge

El Franco Lee
Commissioner, Precinct 1

Sylvia R. Garcia
Commissioner, Precinct 2

Steve Radack
Commissioner, Precinct 3

Jerry Eversole
Commissioner, Precinct 4

CAPITAL IMPROVEMENTS

June 23, 2009

9:00 a.m.

- 1. Port of Houston Authority**
- 2. Harris County Hospital District**
- 3. Harris County Public Infrastructure**
 - a. Toll Road Authority**
 - b. Flood Control**
 - c. Roads**
 - d. Parks**
 - e. Buildings**
- 4. Libraries**
- 5. Reliant Park**
- 6. Population and Economic Environment**

1. Port of Houston Authority

The annual status report from the commission chairman of the Port of Houston Authority of Harris County is behind the Port tab.

The Port in 2008, according to the report, generated \$196 million in revenues, an increase of \$7.7 million, or 4%, over 2007. There was a 15% increase in total cargo tonnage, reaching 35.2 tons. The Port is the second largest in the nation in total tonnage, and the U.S. leader in foreign waterborne tonnage.

The report says the Port ranks as the seventh largest container port in the U.S., handles 70% of the containerized cargo in the U.S. Gulf, and 96% of waterborne containers moving through Texas ports.

The chairman says in 2009 the Port "has been slightly affected by recent economic issues" and "is headed for another successful year." The report indicates increases are expected again in export cargoes and container tonnage.

The report says the "diversified portfolio" of cargo moving in the Port "is an advantage that many other regions do not enjoy." Finances have proved "more resilient," the report says, because they are not dependent on handling "just one type of cargo."

The Port is asking for approval to issue \$150 million of the \$250 million in bonds authorized by voters in 2007 to finance further Port improvements. The Port also will seek to issue refunding bonds of approximately \$100 million in an effort to obtain debt service savings. A resolution will be placed on the court's agenda for issuance of the bonds.

Regarding the remainder of the 2007 bond election, \$100 million, the Port's schedule shows it would be issued, if authorized, in 2010.

Management Services will continue to work and consult with Port staff for projection of tax funds necessary to meet debt service requirements for current and future bond issues.

2. Harris County Hospital District

A status report from the President & CEO of the Harris County Hospital District is behind the HCHD tab. He reports that projects in Phases I and II of the district's Strategic Capital Improvement Plan are scheduled for completion between 2009 and the end of 2012.

The total of Phase I is \$224.2 million and includes the MLK Clinic & Eligibility Center; the El Franco Lee Health Center and Southwest Eligibility facility; LBJ Emergency Center and parking extension; and the Ambulatory Care Center and related work at the Holly Hall campus.

Phase II projects at a total of \$118.1 million include renovation of Old Ben Taub; remodeling at the Ben Taub EC area; an LBJ Specialty Clinic building; and a Physical Therapy Rehabilitation Center at Quentin Mease.

Revenue bonds, earmarked net operating funds, and HD Foundation donations provide total funding for the above projects.

Plans for Phase III projects for acute care capacity expansion will be developed by the Board of Managers.

3. Harris County Public Infrastructure

a. Toll Road Authority

The Toll Road Authority has listed possible expenditure proposals in the total amount of \$4.6 billion for the period of FY 2009-10 - FY 2013-14, including \$551 million in committed projects for FY 2009-10 for the eastern portion of Sam Houston Tollway, Hardy Toll Road Extension, Grand Parkway Segment E, purchase of a building, and technology improvements, including replacement of the toll collection system.

Funding is available for the committed projects, including an expected \$181 million in stimulus funds for the Grand Parkway Segment E project from the American Recovery & Reinvestment Act of 2009.

The toll rate setting policy adopted by court in June 2007 calls for automatic annual toll rate adjustments with the first rate change scheduled to occur in 2009. The Toll Road Authority is prepared to implement the toll adjustment in September 2009.

For financial planning, Management Services will designate a team to meet with the PID director and his staff on a regular basis to develop timely funding plans to accommodate approved TRA project schedules and provide projections for future projects as part of TRA's continuing capital improvement plans.

A part of the planning process will be reviews of annual funding levels for the Mobility Fund and allocations by formula for the precincts. Projects will be updated by PID in consultation with the precincts. The Auditor's Office will provide accounting and audit services.

PID and Management Services, working with the Auditor, will continue to enhance accounting and informational systems and associated procedures related to the county's road system, including toll roads and mobility projects along with other county infrastructure. The County Asset Management System (CAMS) is being developed for infrastructure tracking and reporting. The process for road and mobility projects will be part of that system. Special reports for monitoring and tracking of information and budgets will be developed.

b. Flood Control

The Flood Control director has \$264 million available at this time for continuation of the district's current capital program. The director's report to the court members shows a total of \$2.5 billion in future projects from the district's long-range Watershed Master Planning process. Projects are brought into five-year funding plans as they are updated each budget year. The two tables that follow show the current budget amounts for the watersheds and fund sources in the total amount of \$264 million.

**Current Flood Control
Projects and Funding**

Watershed	Funding	Percent of Total Funds
Addicks Reservoir	\$ 6,196,157	2%
Armand Bayou	570,566	<1%
Barker Reservoir	127,418	<1%
Brays Bayou	43,291,088	16%
Buffalo Bayou	6,645,736	3%
Clear Creek	559,334	<1%
Cypress Creek	3,531,251	1%
Galveston Bay	894,394	<1%
Goose Creek	2,863,085	1%
Greens Bayou	18,284,840	7%
Halls Bayou	11,660,919	5%
Hunting Bayou	18,891,352	7%
Little Cypress Creek	22,000	<1%
San Jacinto River	3,023,000	1%
Sims Bayou	50,435,578	19%
Spring Creek	1,775,390	<1%
White Oak Bayou	17,640,557	7%
Willow Creek	6,156,776	2%
County-wide (25 projects in various areas)	53,761,098	21%
Contingency and Escalation funds	17,872,678	7%
Total	\$264,203,217	100%

**Flood Control
Summary of Funding Sources**

Fund	Total Cash	Encumbered	Programming Balances
3310 – Reimbursements	\$ 45,840,689	\$ 5,115,672	\$ 40,725,017
3320 – Bond	18,375,337	5,452,771	12,922,566
3330 – HCFCD Bond	60,453,889	15,308,467	45,145,422
3970 – Comm. Paper	113,393,840	17,220,698	96,173,142
FEMA Grants	12,071,644	2,042,133	10,029,511
Impact Fees	14,067,818	1,909,283	12,158,535
Total	\$264,203,217	\$47,049,024	\$217,154,193

Based on current construction schedules, the FCD director said in his report that the \$264 million shown above should provide funding of projects into the mid-point of FY 2010-11. To begin new projects and maintain continuity for construction scheduling, additional funds must be identified. The continuing goal is to provide each year \$200 million for the district's capital program, with \$170 million from county funds and \$30 million from federal and other sources.

Priority is given to federal participation projects, according to the director, which, he says, "demand about \$100 million per year and can bring in at least 50% federal financial participation."

As part of the master planning process, Management Services will organize a team to work with district staff to identify funding sources to match project development and construction schedules desired by the FCD director.

This planning work will continue on a regular basis with reports and recommendations to be provided for the court as part of annual budget presentations, CIP sessions, and mid-year reviews. Staff reviews with aides to court members will be provided on a quarterly basis.

Initial planning sessions between the Management Services team and Flood Control staff will begin in July with recommendations to be presented to the court for additional funding for the district at the Mid-Year Review on September 23, 2009.

The Auditor's Office will continue to monitor and provide accounting and audit services for the district.

On another matter, the FCD director is requesting that the court officially approve the transfer of operation and maintenance of the Flood Alert System from the Office of Homeland Security & Emergency Management to the Flood Control District.

c. **Roads**

The precinct road program shows a total of \$762.7 million in listed projects for the period of FY 2009-10 - FY 2013-14. The amount for the current year, FY 2009-10, is \$195.9 million and the amount for FY 2010-11 - FY 2013-14 is \$566.8 million.

PID and Management Services will review and prepare funding schedules for the current year and the balance of the five-year period, including use of the \$190 million in bond funds authorized by the voters in November 2007, Metro mobility funding, and the annual transfer of TRA funding to the County Mobility Fund.

The Mobility Fund was established at the beginning of the current fiscal year. It previously was part of the general fund. The Precincts, PID, and Management Services, with assistance of the Auditor's Office, will work together to insure that mobility expenditures are properly coded in the county's accounting system. A recommendation for guidelines has been placed on the agenda by the PID Director.

d. **Parks**

Parks projects listed for the fiscal year are shown in the PID report. The total is \$37 million. Management Services will prepare a funding schedule for the precincts.

Also in the PID material is a list of current parks and acreage. The county has 166 park sites on 26,296 acres of land.

The PID report said that approximately 50% of the land needed for new parks in future years could be obtained through joint use of the acreage to be acquired by Flood Control for regional storm-water detention storage. There are joint use projects that are now in effect in the precincts.

Management Services will prepare funding schedules on a five-year basis for the parks program, including use of the \$95 million in bond funds authorized by the voters in November 2007.

e. **Buildings**

PID has a listing behind the Buildings tab of 84 projects that total \$666 million. After its review of the list, PID recommends 17 projects at this time that total \$59 million. The projects are as follows.

	<u>Project</u>		<u>Estimated Costs</u>
1.	1300 Baker	Environmental Testing and Corrective Action	\$ 250,000
2.	1001 Preston	Sprinkler System	2,000,000
3.	1001 Preston	Repair Exterior Facade	495,000
4.	1001 Preston	Life-Cycle Cost Analysis	PID/Mgt. Ser.
5.	Annex 83	Repair Falling Debris in Garage	258,000
6.	Atascocita	Expand Wastewater Plant and Conversion Fee	8,000,000
7.	Fuel Canopies	Install at four locations for stormwater	275,000
8.	Katy Boot Camp	New Wastewater Treatment Plant	650,000
9.	U.S. 290 @ Gessner	Environmental Corrective Action for facility	265,000
10.	Wastewater Plants	Evaluate all county facilities	50,000
11.	Underground Tanks	Environmental actions at two county USTs	1,000,000
12.	2505 Texas	Environmental Testing	50,000
13.	CAMS	Financial reporting module	700,000
14.	PID Fund	Establish PID Emergency Capital Fund	1,000,000
15.	FPM Fund	Capital Repair & Replacement Fund	7,600,000
16.	Roofing	Design & Construction	1,950,000
17.	North Bayou Plant	New Central Plant	34,000,000
			<hr/>
			\$58,543,000

If the court agrees, Management Services will review the list with PID as to priorities, timetables, and availability of funding.

There are 67 other projects listed in the PID materials that would require an approximate total of \$607 million. Of those, the following are presented for discussion and consideration.

- **Family Law Center**

Voters approved bond funding for a new Family Law Center in November 2007 in the amount of \$70 million. Plans are to build it on the block across Franklin from the old Family Law Center and across San Jacinto from the Criminal Justice Center. The construction cost would be an estimated \$70 million with an additional \$10 million needed for furniture, fixtures, equipment, and cabling. The design phase would require \$7.7 million of the \$70 million and could be accomplished in 14 months. Construction would then require 24 months.

The *Coffee Pot Building and Fannin Garage* are on the block where the Family Law Center will be built and must be demolished and the area cleared before construction of the new building could begin. The Coffee Pot Building now holds records of the County Clerk, the District Attorney, and Information Technology.

A search would need to be made for a facility where the records could be relocated so the block for the new FLC could be cleared. One solution would be to find a temporary place for the records, such as the old *1301 Franklin jail building*. Following the move of the records, the Coffee Pot building and Fannin Garage could be demolished at an estimated cost of \$2.2 million.

Other related projects would be the demolition of the *old Family Law Center* building when the new FLC is completed and occupied. The estimated cost would be \$2.2 million. Before the building is razed, the fiber optics line used by ITC must be moved to the Juvenile Justice Center. The estimated cost would be \$750,000.

The *District Attorney building* at 201 Fannin is adjacent to the old FLC and is to be demolished at an estimated cost of \$1.2 million.

As noted in the list of projects on the previous page, PID recommends moving forward with plans to build a second central plant on the north side of Buffalo Bayou at an estimated cost of \$34 million. The new plant would be built on county property along with a new surface parking lot where the old Iron Mountain Warehouse is located. Bids to raze the warehouse would be obtained.

The current central plant at 1303 Preston provides heating and cooling for most of the county buildings on the south side of Buffalo Bayou and the 1200 Baker Street jail in the detention zone on the north side of the bayou. The central plant is now operating near its capacity and new facilities in the downtown complex, such as a new Family Law Center, would require the additional plant.

- **Forensic Center**

Voters approved \$80 million in bond authorization for construction of a new Forensic Center for the Medical Examiner. Another \$25 million would be needed for furniture, fixtures, equipment, cabling, and parking. Design would require \$12 million of the \$80 million.

There has been interest expressed by the City of Houston Police Chief and the District Attorney for the Medical Examiner to assume responsibility for DNA crime lab service for the city. It is necessary for a needs assessment to be conducted to determine the steps that should be taken for such a merger and the costs and timetable. Expanded crime lab requirements would have an impact on the design and cost of the new Forensic Center. An item concerning the needs assessment project has been placed on the court's regular agenda.

The Medical Examiner has also requested lease of added space for relocation of certain administrative functions to allow more scientific work space in the current Forensic Center pending a new facility. It is recommended that this request, which is also on the agenda, be referred to PID and Management Services.

- **Jail**

Various projects are in the PID list for upgrades and improvements for jail facilities. The need remains for a new Central Processing Center for the downtown complex. Voters defeated that proposition in November 2007. It would have provided a facility for the county and the City of Houston for inmate processing. It is suggested that the court authorize a new review of the processing space need along with other listed projects for a report to court for Mid-Year Review. Jail needs should be considered as part of a systematic analysis of changes proposed for the criminal justice system as recommended in a report from The Justice Management Institute which is on the court's regular agenda.

- **1301 Franklin**

The old jail building at 1301 Franklin has been reviewed for optional use by PGAL Architects. The conclusion, according to PID's attached report, is that the facility should be demolished once the current occupants have been relocated. The Sheriff's Department now uses the first floor and the District Clerk's records imaging project is on floors 5-6. The estimated cost to raze the building is \$6.5 million.

- **1910 Courthouse**

Court approved \$58.3 million in funding and construction began in May 2009 on the 1910 Civil Courts Building for use of the First and 14th Courts of Appeals. The 100th anniversary of the building is scheduled for March 2011 and a goal is to be near completion of the project in time to coincide with that date. Upon occupancy of the facility by the Courts of Appeals, the county will receive a refund of approximately \$4 million from the South Texas College of Law where the courts are currently located. The county's contract with the school enables the refund to be made because of county funds spent on the facilities at 1307 San Jacinto. The appellate courts moved to the South Texas block on San Jacinto in 1983. Previously, the courts were in the 1910 Civil Courts Building. Funds will be available to complete renovation of the facility.

- **Plaza/Jury Assembly building**

Construction will begin in July 2009. Once complete, the jury function will be moved to the new facility from the first floor of Congress Plaza at 1019 Congress. The new jury assembly building will be tunnel-connected to the Criminal Justice Center, Civil Courthouse, Juvenile Justice Center, and the new Family Law Center. PID and FPM will have a study conducted of the existing downtown tunnel system to determine corrective action to alleviate water leaks. Funds will be available for construction of the project at an approximate cost of \$16 million.

The court, in considering its master plan for the downtown complex, could decide on a future use of the jury assembly area that will become vacant.

- **Annex 4**

The court approved replacement of the Pasadena Courthouse which will include space for Juvenile Probation, Justice of the Peace 2.2, Constable of Precinct 2, Public Health, and the Tax Office. Construction documents have been completed and the project is ready for bids. Funds will be made available for this project.

- **Purchasing**

The Purchasing Agent is requesting approval for build-out of portions of the 16th floor of Annex 44, Anderson-Clayton, to provide additional office space for his department. PID said the cost estimate would be \$750,000, which is 36% more than the amount requested in the budget.

- **Juvenile Facilities**

Management Services will review with the Juvenile Probation director requests for certain improvements.

A team from Management Services will work with PID staff for a review of all of the projects listed by PID in the attached report for priorities and possible funding schedules that could be considered.

4. Libraries

The Library Department is requesting \$39,410,287 for the following projects.

1. Central Office	Generator	\$ 151,021
2. Parker Williams	Renovation	3,150,000
3. Evelyn Meador	New Building	4,863,800
4. McNair	New Building	6,213,487
5. G. Park, S. Houston, Jac. City	Renovations	82,790
6. Stratford	New Building	4,960,000
7. Kingwood	New, with Houston	1,389,189
8. Baldwin-Boettcher	New Building	9,920,000
9. Fairbanks	New Building	8,680,000
		\$39,410,287

The department operates 26 branch libraries. The larger branches require annual operating costs of approximately \$1 million to \$2.5 million or more, while costs for the small to medium branches range from approximately \$300,000 to \$970,000 for operations. A list of the branches and annual operating costs are attached behind the Library tab.

Management Services will review the requests with the Library director, court members, and PID.

5. Reliant Park

A report from the *Harris County Sports & Convention Corporation* for capital improvements is behind the Reliant Park tab. The total request is for \$13.9 million for various improvements throughout the complex. It is recommended that the report be referred and that Management Services be instructed to work with Reliant staff to develop a timetable and plan for necessary improvements, subject to availability of funds.

6. Population and Economic Environment

Updated reports on Population and the current Economic environment are included behind the Population tab for the court’s review and reference.