

# HARRIS COUNTY

## PUBLIC INFRASTRUCTURE DEPARTMENT

1001 Preston, 5<sup>th</sup> Floor  
Houston, Texas 77002  
(713) 755-4400

### MEMORANDUM

**DATE:** June 7, 2011 (r) June 15, 2011

**TO:** Dick Raycraft  
County Budget Officer

**CC:** Art Storey                      Dave Bechtol                      John Blount  
Rich Elwood                      Jackie Freeman                      Kevin Hoffman  
Peter Key                              Mike Talbott                      Tina Williams

**FROM:** Charles Dean   
HCPID Planning Manager

**SUBJECT:** Planning Activities for Capital Improvement Plan – June 2011

The Public Infrastructure Department (PID) is a confederation of five formerly independent county departments, plus one added "division." Presently we have the Toll Road Authority, the Flood Control District, Architecture & Engineering, Facilities & Property Management, Right-of-Way, and Construction Programs. The reports for those entities are presented in the following pages and summarized below.

Five important points need to be considered during the Capital Projects review:

- Due to the economic climate, the county continues to receive favorable pricing compared to previous years' costs. It is important to continue to fund construction projects to take advantage of these prices.
- PID has identified and is requesting court approval to fund 19 building projects totaling \$77.6 million, of which 8 projects are carried over from last year and await funding out of this years' allocation.
- Failure to adequately fund repairs and maintenance of existing infrastructure can result in building closures and possible fines, increased damage to facilities, and additional cost escalation over time.
- The condition and age of certain buildings in the Downtown Complex will require millions of dollars to renovate. PID requests approval to acquire a consultant to update the County Master Plan that recommends an appropriate course of action for Court to take relative to these facilities.
- Establish a task force to recommend an appropriate course of action to take concerning longevity of subdivision street and drainage systems.

**The Flood Control District.** Budget tightening at the federal level is affecting appropriations and reimbursements on the District's federal partnership projects resulting in increased pressure to supplement funding on current and future projects with additional local resources.

The following recommendations will allow the Flood Control District to aggressively pursue the opportunities for costs savings both in property acquisition and construction:

- Request Commissioners Court approve the list of projects, totaling \$419 million, as presented in Appendix A of the District's report, for which funding has already been indentified.
- Fund an additional \$70 million for critical right-of-way acquisition on three projects and to begin construction of the channel on the Hunting Bayou Federal Flood Damage Reduction Project.
- Continue to budget and provide \$200 million annually to fund the District's five-year planning cycle. This will allow the District to aggressively attack the \$12 billion investment needed to achieve at least a 25-year level of service in the District's flood control infrastructure.

Behind the District's tab are (1) Director's Memorandum and (2) funding summary of the District's capital program. The District's complete report is forwarded under separate cover.

- a. **Funding Considerations.** The District currently has \$419 million available for project funding. PID recommends that Court continue to fund the District's annual program of \$200 million (\$170 million from local funds and \$30 million from partnerships). Funding at levels less than \$200 million per year will affect the timing of the projects. Priority will be given to federal participation projects which alone demand about \$100 million per year and can bring in at least 50% federal financial participation. PID will continue working with Management Services to identify project needs and develop an on-going funding source to ensure program continuity which will allow the District to initiate new projects and continue to move projects directly into construction.
- b. **Flood Damage Reduction.** During the past 11 years, the District has spent nearly \$1.5 billion in flood damage reduction projects. It is estimated that \$2 billion in damages has been avoided in implementing these projects, almost 30,000 homes have been removed from the floodplain, and more than 2,000 homes that were subject to repetitive loss have been permanently removed from flooding through the Buy-Out Program.
- c. **District Projects and Parks.** Many park and recreation facilities exist on either District or park land. As much as 50% of land requirements for new parks in future years could be satisfied through joint use of land being acquired for regional stormwater detention storage. Several organizations and environmental groups support the completed joint multi-use projects that demonstrate that flood damage reduction and quality-of-life mutually support each other.
- d. **Future Projects.** The District has identified \$12 billion in projects through its Watershed Master Planning process. Funding will be a combination of District funds and partnerships, along with implementation by land development activities. This long-range investment program is needed to achieve at least a 25-year level of service in the District's flood control infrastructure.

**The Architecture & Engineering Division.** The A&E division is responsible for planning and implementing the projects for roads, parks, and county buildings. The Director's Memorandum references changes to the division's organizational structure as part of the division's ongoing efforts to streamline its project process and improve quality of work. This division's complete report is forwarded under separate cover.

- a. **Roads.** Funding for current road and bridge capital projects primarily consists of the \$190 million in road bonds approved by voters in November 2007, the current METRO general mobility funding program, and the annual allocation transfers from the Toll Road Authority. Behind the Road and Parks tab are (1) Director's Memorandum and (2) METRO General Mobility Program summary.

The Director's Memorandum indicates in FY 2011-12, \$229.2 million in precinct road capital projects will be available for bidding. Joint participation funding from other agencies (TxDOT, METRO, other cities) is expected to be \$53.8 million. The remaining balance of \$175.4 million of county funds will be required for these projects. It is important to continue to adequately fund the road program because projected future growth in the county will create demand for additional roadway capacity.

- b. **METRO General Mobility Program.** METRO's most current funding projections dated September 2010 are included in the attached list of mobility projects. The current METRO General Mobility funding agreement approved by Commissioners Court on September 29, 2009 will expire on September 30, 2014.

- c. **In-House Design.** A&E staff provides design services for maintenance and repair projects for roads, parks, and facilities. In FY 2011-12, \$23 million in-house design projects will be available for bidding.

- d. **Parks.** Funding for parks primarily consist of the \$95 million in park bonds approved by voters in November 2007. In FY 2011-12, \$0.5 million in precinct park projects will be available for bidding. It is important to continue to provide sufficient funding for parks because projected future growth in the county will create additional demand for more parks and open space. Behind the Roads and Parks tab is an inventory listing of existing County parks. The county currently has 181 park sites totaling approximately 26,500 acres of land and 25 greenway trails with a total length of 74 miles.

- e. **Infrastructure Improvements.** An increasing number of county subdivision street and drainage systems are nearing the end of their design life. Additionally, the City of Houston has changed their annexation policy, and are no longer annexing subdivisions, thus increasing the funding needs required for the County to maintain these systems. Accordingly, it is recommended that a task force, headed by PID and including representatives from court staff, Management Services and the County Attorney be established to determine an appropriate course of action to take to ensure adequate funding is available to maintain and/or reconstruct these systems if the County retains responsibility.

**Facilities & Property Management.** The FPM division is responsible for operating and maintaining county facilities and buildings.

- a. **County Facilities.** Behind the FPM tab are (1) list of facilities owned by the county, (2) facilities that are leased by the county, and (3) current status and project listing of FPM capital projects.
- b. **FPM Capital Repair & Replacement Fund.** The FPM Director is requesting the Capital Repair & Replacement (CR&R) fund to support FPM's objective of providing a safe and healthy environment for occupants of county facilities. Establishment of the CR&R fund will allow FPM to tie their major preventive maintenance program to a comprehensive annually funded schedule.

Behind the FPM tab is a detailed listing of \$21.7 million in CR&R priority one projects for the next 12 months. Also attached are detailed listings of CR&R priority two and three projects totaling \$4.6 million for the next 3 years. PID is working with Management Services to establish a revolving fund and requests an initial appropriation of \$1 million to the account with replenishment on a quarterly basis. A recommendation for implementing funding for this program is more fully described in the Buildings section of this report.

**Buildings.** Behind the Buildings tab is a report describing building projects completed since the June 2010 Capital Projects Review, projects in progress, and detailed description of 58 building projects totaling \$510 million. In view of the economic climate, PID has evaluated this list and recommends Court approval of 19 projects totaling \$77.6 million. These projects, as listed in the Buildings CIP Executive Summary, were selected on the basis of satisfying time sensitive environmental, regulatory and safety issues, as well as addressing critical infrastructure needs. Failure to fund these projects could result in possible fines, building closures, increased damage to our facilities, and continued cost escalations. If approved, PID will coordinate with Management Services to obtain necessary funding at the appropriate time, as well as continue to review the other listed projects and forward them for Court review as additional funding becomes available.

**Toll Road Authority** The County's Toll Road Authority (HCTRA) is an Enterprise Fund of Harris County and which, with current outstanding bond debt approaching \$2.7 billion, is currently leveraged at more than five times its annual gross toll revenue. Sections of the HCTRA system are now approaching a quarter-of-a-century of use, and during this time, HCTRA has established its value as a collaborative partner with other transportation agencies including TxDOT, METRO, and the City of Houston, in order to develop projects that provide mobility to the region. These projects have been successful on multiple levels—achieving mobility and transportation goals and exemplifying inter-agency partnerships, while building upon HCTRA's sound financial framework.

It has become apparent, however, that developing toll roads cannot solve every mobility problem that we face. HCTRA's financial success has been forged by the exercise of sound judgment and public stewardship, and as an Enterprise Fund of Harris County that is not a direct recipient of local, state, or federal tax dollars – and does not want to be a recipient of these dollars – Harris County is best served by having HCTRA develop enterprising projects that have an expectation of financial viability. This approach will maintain HCTRA's financial strength while allowing Harris County to remain in a position to do more for our region's mobility.

The following projects that are to begin development this fiscal year are anticipated to be funded from current resources rather than financed from future bond sales:

**a. Future Joint Projects with TxDOT**

**Hardy Downtown Connector.** We recommend that Harris County proceed toward final agreements with the Houston Belt & Terminal (HB&T) Railroad to purchase existing rail lines and to develop the Hardy Downtown Connector. Opportunities to purchase railroad corridors in urban areas are rare, and this purchase would allow Harris County to fulfill project commitments which span the past decade. Most importantly, this corridor is the requisite framework on which the Hardy Downtown Connector can be built, without which the project's advancement would be improbable. A condition of the railroad purchase obligates the County to build grade separations for three City of Houston thoroughfares (Collingsworth, Quitman, and Lorraine), and these projects provide substantial mobility improvements to the Near Northside neighborhoods. We estimate the purchase and relocation of the HB&T corridor, combined with the construction of the Collingsworth and Lorraine grade separation projects to be \$110 million.

We will further recommend an appropriate date and provide updated cost estimates to construct the Hardy Downtown Connector once clarification and finality are achieved on the timing of TxDOT's Elysian Viaduct reconstruction as well as on our project obligations to relocate the existing rail lines and construct the three grade separations mentioned above.

**Sam Houston Tollway Widening.** The widening of the Sam Houston Tollway from US 59 South to SH 288 will continue the capacity improvements that HCTRA has undertaken for the County's main tollway, and will allow HCTRA to keep up with traffic growth on the south section of the toll road system. The existing tollway, which has two lanes in each direction and lacks an inside safety shoulder, will be expanded to four lanes in each direction, full inside and outside safety shoulders, and will provide dedicated EZ TAG lanes at entrance and exit locations. We estimate the cost of this project to be \$125 million.

**b. Existing Infrastructure**

**Toll Collection System.** HCTRA is currently reviewing proposals from firms capable of providing a replacement for the existing toll collection system, a system that touches every aspect of the agency's operations. We anticipate that Harris County will contract for this system the latter part of the fiscal year and that full implementation of the system will take approximately twenty-four (24) months. We estimate the cost will vary from \$20 million to \$80 million, depending on the technical elements of this system.

**System Improvement Projects.** As the HCTRA system continues to age and as tollway usage continues to increase, we will continue to place greater emphasis on maintaining and improving the system that we have. Immediate plans include reconstructing the entrance and exit ramp plazas at Clay Road, Hammerly Road, and FM 1960 to eliminate cumbersome narrow lanes and replace them with dedicated EZ TAG lanes, replace and update the signing and striping of the Sam Houston Tollway between US 59 South and US 290, and replace network equipment as these components reach their expected life. We estimate the cost of these system improvement projects to be \$52 million. In addition to these improvements, HCTRA will address all system maintenance projects that are identified in the annual System Inspection Report, a report that is required per Harris County's current bond trust indentures for toll road bonds. HCTRA is also in the initial stage of design for the southbound-to-westbound direct connector at SH 249, the widening of the Sam Houston Tollway between SH 288 and IH-45 South, and the addition of auxiliary lanes that would improve traffic flow during peak times in congested areas.

Attachments

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