
Capital Projects & Debt Update

March 17, 2025



Capital Improvement Program Update



Capital Improvement Program Summary

- The CIP is the City's long-term plan for major infrastructure projects.
- 5-Year CIP updated and adopted every year.
 - Current CIP is for FY 2025 to FY 2029.
 - FY 2025 Capital Projects Budget reflects programmed expenditures for 1 year of the CIP.
- Funding comes from a variety of sources.
- Rolling debt program and need to issue new debt each year over the next few years.



Capital Improvement Program Summary

- FY 2025:
 - 28 active CIP projects
 - Expected spend of \$89 million

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Police	\$243,447	\$0	\$0	\$0	\$0
Parks	\$1,047,173	\$0	\$0	\$0	\$0
Streets	\$7,214,293	\$16,551,225	\$16,945,625	\$3,862,489	\$0
Water	\$27,723,442	\$10,428,638	\$255,000	\$255,000	\$0
Wastewater	\$47,393,377	\$22,263,624	\$13,499,000	\$0	\$0
Combined Utility	\$1,810,000	\$0	\$0	\$0	\$0
Gas	\$448,841	\$0	\$0	\$0	\$0
Facilities	\$3,500,000	\$14,500,000	\$70,000,000	\$0	\$0
TOTAL	\$89,371,573	\$63,743,487	\$100,699,625	\$4,117,489	\$0



Baker Drive Water Plant

Project Description

Construction of a new water well at the site of the previous Baker Drive well to add system capacity. Project includes demo of existing facilities, drilling of new well, and construction of new ground storage tank.

Budget	Contracts Issued	Status	Est. Completion Date
\$10,679,700	Design: \$1,849,087 Construction: \$8,848,597 Total: \$10,697,684	Under Construction	Summer 2026

Project Update

Design Engineer: Freese & Nichols, Inc.

Construction: IECONI

Construction Management: COT; Freese & Nichols, Inc.

City Council awarded the construction contract to IECONI on November 18, 2024. Preliminary site activities started on February 24, 2025.

Demo of existing elevated storage tank began on March 3.



East Water Plant

Project Description

Construction of a new water well on Lizzie Lane as recommended in the Water Master Plan to add system capacity.

Budget	Contracts Issued	Status	Est. Completion Date
\$19,546,000	Design: \$2,616,124 Construction: PENDING Total: \$2,616,124	Procurement Pending	Fall 2026

Project Update

Design Engineer: Freese & Nichols, Inc.

Construction: TBD

Construction Management: COT; Freese & Nichols, Inc.

The Request for Proposal for the project began advertisement on March 5, 2025, with responses due to the City on March 20, 2025.

Contract for construction will be presented to City Council for approval on April 21, 2025.



FM 2920 Lift Station Consolidation

Project Description

Construction of a new water well on Lizzie Lane as recommended in the Water Master Plan to add system capacity.

Budget	Contracts Issued	Status	Est. Completion Date
\$15,474,100	Design: \$2,236,767 Acquisition: \$133,723 Construction Phase 1: \$5,284,287 Construction Phase 2: PENDING Total: \$7,654,777	Under Construction	Spring 2026

Project Update

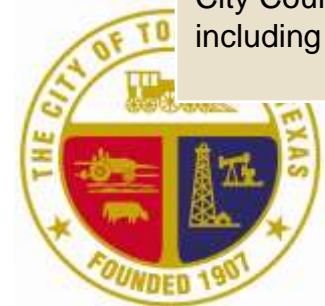
Design Engineer: Freese & Nichols, Inc.

Construction Phase 1: Pate Garver

Construction Phase 2: TBD

Construction Management: COT; Freese & Nichols, Inc.

City Council awarded the Phase 1 construction contract to Pate Garver on January 20, 2025. Preliminary site activities started on February 24, 2025, including surveying and clearing as we finalize the remaining easement acquisitions.



South Wastewater Treatment Plant

Project Description

Construction of a new water well on Lizzie Lane as recommended in the Water Master Plan to add system capacity.

Budget	Contracts Issued	Status	Est. Completion Date
\$70,432,404	Design: \$6,034,784 Construction GMP 1: \$9,304,330 Construction GMP 2: PENDING Total: \$15,339,114	Final Design & Under Construction	Winter 2027

Project Update

Design Engineer: Freese & Nichols, Inc.

Construction, GMP 1: Webber Waterworks, LLC

Construction, GMP 2: TBD

Construction Management: COT; Freese & Nichols, Inc.

City Council awarded a contract for Guaranteed Maximum Price (GMP-1) to Webber Waterworks, LLC for the procurement of required equipment on February 3, 2025.

The consultant and staff have completed GMP-2. The Request for Proposals will be released for bidding on March 13, with responses due on April 17, 2025. Following review, GMP-2 contract is pending Council approval on June 25, 2025.



Debt Service & Issuance Update



Debt Service Update

- \$30 million new issuance planned for FY 2025.
 - Addresses critical infrastructure needs per the adopted multi-year CIP and debt plan.
 - Additional debt issuances are still needed to complete major projects.
- High priority projects are the focus.
- Additional TEDC contribution beginning in FY 2025 for SWWTP.



High Priority Projects & Debt

CO Issuance Schedule

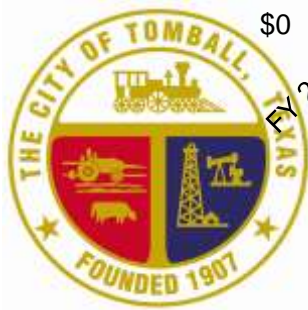
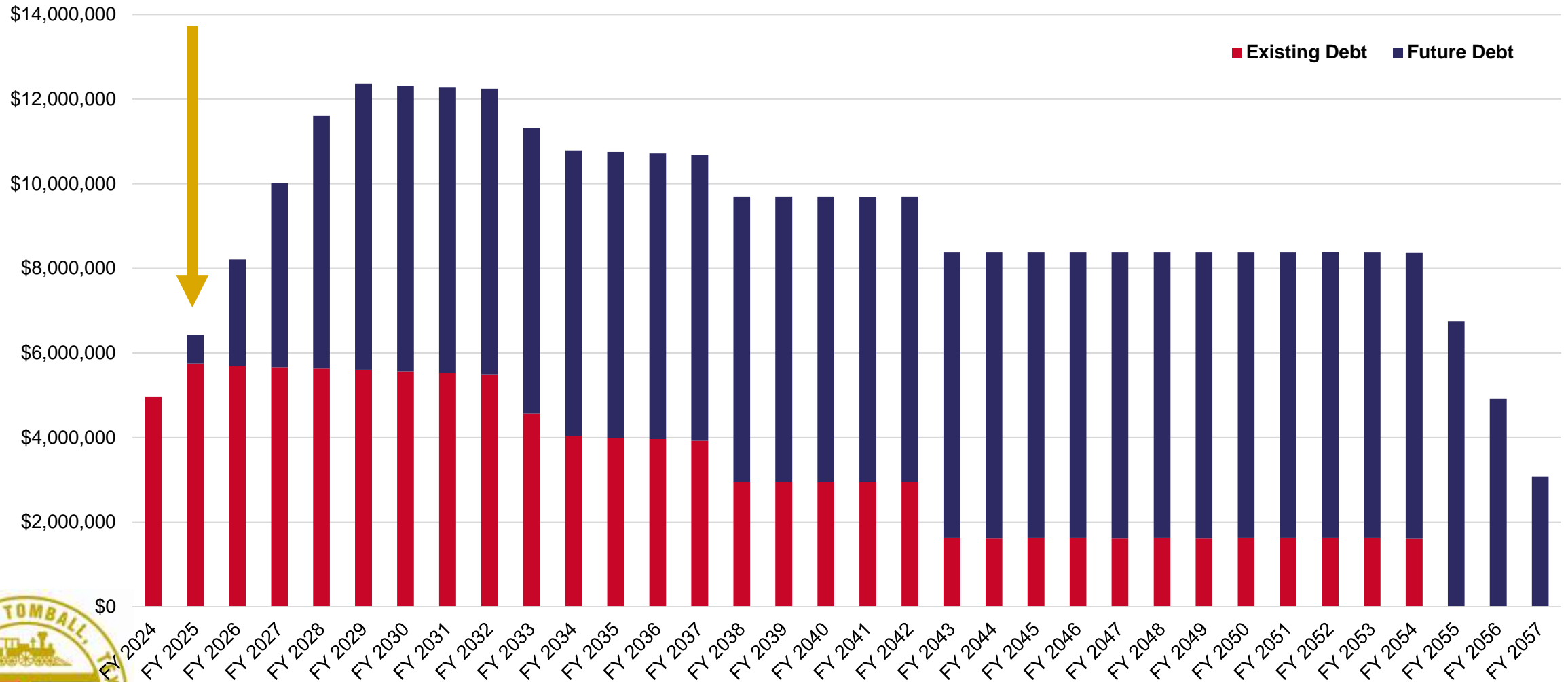
		FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Projects	Total Cost	2022 COs	2023 COs	2025 COs	2026 COs	2027 COs
Streets						
North Sycamore St. Parking	\$614,525		\$614,525			
North Elm St. Parking	\$885,475		\$885,475			
Water						
Pine Street EST Rehabilitation	\$293,276	\$293,276				
Well No. 2 Rehab	\$550,000	\$550,000				
East Water Plant	\$19,046,000	\$3,106,000		\$9,861,000	\$6,574,000	
Baker Drive Water Plant	\$10,179,000	\$5,541,276	\$4,637,724			
Telge Easement Acquisition	\$1,500,000	\$1,500,000				
Wastewater						
FM 2920 Lift Station Consolidation*	\$15,394,100	\$9,009,100	\$4,885,000			
South WWTP Expansion*	\$70,434,457		\$16,567,276	\$20,139,000	\$21,198,081	\$11,965,100
Planned CO Issuance		\$20,005,376	\$27,590,000	\$30,000,000	\$30,000,000	\$30,000,000
Assigned to Projects		\$19,999,652	\$27,590,000	\$30,000,000	\$27,772,081	\$11,965,100



*Additional funding from another source



Total Debt Service Projections



Tax Rate Impact Projection

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Projected Debt Issuance	\$30,000,000	\$30,000,000	\$30,000,000	\$20,000,000	\$0
Projected Debt Service Payments	\$6,779,535	\$8,206,090	\$10,016,836	\$11,602,732	\$12,354,338
Projected Tax Rate					
Projected Total Tax Rate	0.336365	0.328420	0.341168	0.358123	0.353042

- **Current Assumptions:**
 - Planned issuances of level debt service, 30-year debt at 4.5% interest.
 - 6% annual growth in taxable values.
 - No significant statutory changes to tax rate calculation.
 - Additional TEDC contribution of \$1M starting in FY 2025.
 - Additional Enterprise Fund contribution starting in FY 2026.



Projections Only

2025 CO Issuance

- \$30M certificates of obligation issuance (3rd of 5 planned issuances for priority projects).
 - Funding allocated for water/wastewater projects.
- Notice of Intent scheduled for April 21, 2025.
- Delivery of proceeds in July 2025.



Questions?



Background

2022

- The City initiated a long-term program to invest in critical infrastructure projects, first major debt issuance for identified infrastructure projects.
 - \$20M certificates of obligation issued
- Initiated updates to the Water and Wastewater Master Plans.

2023

- Adopted updated Water and Wastewater Master Plans and impact fees.
- Initiated Parks Master Plan, Drainage Master Plan, and Gas Master Plan.
- Initiated utility rate study.
- Purchased property for facility needs.
- Adopted the comprehensive Capital Improvement Program (CIP), outlining the next 5 years for capital investment.
- Issued second debt issuances for major water/wastewater projects.
 - \$30M certificates of obligation issued



Background

2024

- Adopted Parks & Trails Master Plan.
- Completed Phase 1 of Gas Master Plan, initiated Phase 2.
- Awarded CPF Grants for major drainage/road projects.
- Adopted updated CIP for FY 2025 to FY 2029.
- Adopted multi-year utility rate study and plan.
- New agreement with TEDC for additional debt service contribution.

2025

- Will complete Drainage Master Plan.
- Purchase of additional property for facility needs.
- Invited to apply for GLO-DRRP grant.
- Planned additional \$30M issuance.



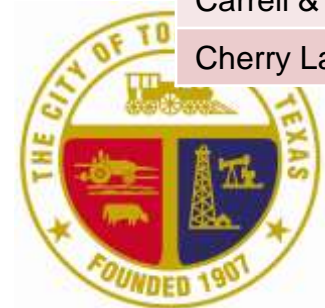
Active Projects: Parks & Facilities

Project	Budget	Contracts Issued	Status	Est. Completion Date
Matheson Park Improvements, Phase 1	\$2,370,000	\$2,370,000	Complete	April 2025
Matheson Park Improvements, Phase 2	\$878,819	\$878,819	Under Construction	May 2025
Juergens Park – Louie’s Together Playground	\$856,289	\$843,904	Complete	October 2024
Malone Evidence Lot	\$357,279	\$348,279	Under Construction	March 2025
New City Facilities*	\$6,500,000	\$6,009,105	Property Acquisition	TBD



Active Projects: Streets & Drainage

Project	Budget	Contracts Issued	Status	Est. Completion Date
FM 2920 Reconstruction	\$8,659,700	\$147,211	Design	Winter 2029
Alley Improvement Project, Phase 1	\$1,890,300	\$1,890,300	Project Close Out	February 2025
Alley Amenities (TEDC)	TEDC Funded	TEDC Funded	Contract Pending	August 2025
Baker Street Sidewalks	\$324,860	\$233,245	Construction Pending	July 2025
N. Sycamore Parking Lot	\$614,525	\$520,396	Construction Pending	July 2025
North Star Drainage Improvements	\$360,000	\$198,820	Under Construction	May 2025
Anna St. Drainage Improvements	\$131,800	\$131,800	Construction Pending	September 2025
Southmore Drainage Improvements	\$105,000	\$97,626	Complete	September 2024
N. Elm St. Parking	\$885,475	\$3,000	Engineer Procurement Pending	TBD
S. Persimmon & Timkin Street Improvements*	\$2,000,000	None	Grant Administrator Procurement	TBD
N. Cherry St. Storm Sewer Improvements	\$3,247,300	None	Grant Administrator Procurement	TBD
Carrell & Lovett Storm Sewer Improvements	\$2,857,000	None	Grant Administrator Procurement	TBD
Cherry Laurel Storm Sewer Improvements	\$47,775	None	Creation	TBD



Active Projects: Utilities

Project	Budget	Contracts Issued	Status	Est. Completion Date
Grand Parkway EST	\$5,680,550	\$5,680,550	Under Construction	April 2025
W. Hufsmith 16" Water Line	\$2,556,382	\$351,348	Design	December 2025
Well No. 5 Rehab	\$457,000	\$387,160	Complete	February 2025
Well No. 2 Rehab	\$550,000	\$440,560	Project Close Out	March 2025
SH 249 16" Water Line	\$4,626,993	\$448,420	Design	September 2026
Oak & Clayton Water Line – Phase I	\$1,160,000	\$140,000	Design	January 2026
Rudolph Road Sewer Extension	\$200,000	\$195,843	Under Construction	May 2025
SCADA	\$431,700	\$435,689	Implementation Pending	December 2025
Telge Easement	\$1,500,000	None	Pending with Harris County	TBD
Cherry St. Gas Main	\$458,200	\$455,498	Under Construction	May 2025

