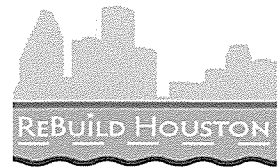


ReBuild Houston is a direct result of City of Houston voters approving Proposition One on November 2, 2010. This proposition directed the City's Charter to "be amended to provide for the enhancement, improvement and ongoing renewal of Houston's drainage and streets by creating a Dedicated Pay-As-You-Go Fund for Drainage and Streets". Ultimately, it means **Better Streets, Better Drainage.**

ReBuild Houston Facts:

- Four Sources of Funding for street & drainage projects
 - Ad Valorem (Property) Taxes
 - 3rd Party Funding (METRO, TxDOT, Federal Grants, etc.)
 - Drainage Utility Fee
 - Developer Drainage Impact Fee
- Pay-As-You-Go Funding = No new debt
- Cash payment means *no more interest payments* on new projects
 - Resulting in twice the product for the same dollars
- No debt paid by future generations for new infrastructure
- As old debt is paid off from ad valorem taxes, funds become available for future projects
- Better Business model - "Good Government"
- 8 of the 10 largest cities in Texas have a drainage fee
- 10-year planning for new projects based on need; i.e. "Worst First"
- ReBuild Houston to help:
 - Reduce street flooding
 - Improve mobility
 - Reduce structural flooding
- Better Streets, Better Drainage
- More information:
 - www.rebuildhouston.org
 - www.houstontx.gov
 - (832) 395-2511
 - 311 Service Help Line

(over for FAQ's)



Frequently Asked Questions

What is ReBuild Houston?

ReBuild Houston is a new business model for reconstructing and maintaining our drainage and street system. For decades, the City has simply issued debt to pay for construction. The City currently has about \$1.7 billion in debt as a result of bond obligations for street and drainage projects. The City pays nearly \$150 million/year in interest on that street and drainage debt accrued in years past. Historically, the City spends between \$150 to \$200 million/year in our capital improvement program for streets & drainage.

Why not continue to issue debt and get the infrastructure improvements we need now?

The problem is two-fold. The debt issued sometimes outlasted the infrastructure's life while at the same time the annual funding level provided by debt was not enough to keep up with the service life of the infrastructure. We continue to see degradation of streets and drainage because we were not able to keep up with the system's useful life replacement schedule.

How does the ReBuild Houston Business model work?

It is now a Pay-As-You-Go system versus the previous "put it on the credit card" system. The most difficult task is that we must still pay off past debt and at the same time continue to rebuild our street and drainage system. The good news is that new projects will now be paid for in cash which means we will get about twice as much product for our dollar. For example, a \$10 million project funded by a 30 year bond will cost more than \$20 million after paying interest on that debt.

Where does funding come from to pay for ReBuild Houston? There are 4 funding sources as follows:

1. Ad Valorem (Property) Taxes (existing): 11.8 cents of every \$100 of property value collected from property owners is currently going to pay off the debt incurred on previous street and drainage projects. As this old debt is paid off, the balance of funds from the 11.8 cents reserved by City Council via Ordinance No. 2011-254 will now go toward new street and drainage projects via Pay-As-You-Go funding. As more debt is paid off – more cash projects will be funded.
2. Third party funding (existing): Outside funding sources such as METRO, TxDOT, Federal Grants, etc. will continue to go toward our Capital Improvement Program. However, TxDOT and Federal funds have been reduced substantially. A portion of the METRO's one cent sales tax collected in the City of Houston is currently used for mobility purposes including operation & maintenance.
3. Drainage Utility Fee (new): This is the new fee voted on by Houstonians in 2010 that took effect July 1, 2011 to help pay for drainage and street projects with a drainage component. This fee, as stated in the ordinance (No. 2011-254), will not be increased for a minimum of ten years.
4. Developer Drainage Impact Fee (new): This is currently being studied and will go before Council for consideration in 2012.

(over for ReBuild Houston Facts)