



**midtown**  
H O U S T O N

**MIDTOWN MANAGEMENT DISTRICT  
SERVICE AND IMPROVEMENT PLAN  
AND ASSESSMENT PLAN FOR  
FISCAL YEARS 2015-2024**

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## PREFACE

This document constitutes a Ten-Year Service and Improvement Plan and Assessment Plan (this “Service Plan”), for the Midtown Management District (the “District”) for Fiscal Years 2015-2024. This Service Plan sets forth the mission, goals, and objectives of the District and describes the services and improvements to be provided by the District. The Assessment Plan provides the proposed assessment for these services and improvements, the basis on which assessments will be charged and the estimated costs of services during the life of this Service Plan.

This Service Plan succeeds the prior Ten-Year Service and Improvement and Assessment Plan (the “2005-2014 Service Plan”) approved by the District’s Board of Directors (the “Board”) in August 2005. Under this Service Plan, the District will continue to provide services initiated and implemented under the 2005-2014 Service Plan and will expand and develop additional service areas and programs as described herein.

The goals to be achieved, services to be rendered and improvements to be made are for the collective benefit of the residential and commercial property owners of the approximately 725 acres of land that comprise the District.

**This Service Plan is an overview of the services and improvements anticipated to be provided over the ten-year plan, but the District may implement the plan in accordance with the timetable and priorities set by the District each year. The costs identified in this plan are estimates that the District may increase or decrease and reallocate among plan objectives; and the District may alter or add to the programs identified in this plan to implement the overall objectives of the plan as the District determines to be in the best interest of the assessment payers.**

## INTRODUCTION

The District was created in 1999 by the 76th Texas Legislature with the consent of the City of Houston, Texas (“City”), and operates under Chapter 375, Texas Local Government Code, and Chapter 3809, Texas Special Districts Local Laws Code (collectively the “Act”).

The Board has adopted the following Mission Statement to guide its efforts as it continues to develop, implement, and refine specific projects as outlined in this Service Plan.

## **MIDTOWN MANAGEMENT DISTRICT MISSION STATEMENT**

***Midtown strives to provide an economically vibrant urban destination where arts and culture thrive alongside businesses and residents in a safe, active, diverse neighborhood.***

### **BACKGROUND**

Midtown is a mixed-use urban area of the City that is undergoing revitalization and redevelopment. The City and the Midtown Redevelopment Authority (the “Authority”), on behalf of Reinvestment Zone Number Two, City of Houston (the “Midtown TIRZ”), began revitalization efforts for the area. The Authority has made progress on a number of fronts including, but not limited to, providing funding, seeking alternative sources of funding and providing professional management of capital improvement projects in Midtown. The Authority has made significant public right-of-way improvements in Midtown including the following:

- Installation of the signature Midtown Street Lights throughout the area
- Development of and significant upgrades to City and Authority owned parks and green spaces
- Installation of the signature Midtown Park Benches throughout the area
- Installation of the signature Midtown Street signs
- Reconstruction of certain major streets in Midtown
- Installation of other “sustainable” infrastructure improvements
- Installation of landscaping, ground covering, up lighting of aesthetic improvements in Midtown

The District is governed by a 17-member volunteer Board that represents a variety of residential and commercial property owners and businesses within the District. The District first began providing services under its original Service and Improvement Plan in February 2001. Since that time, the Board and staff have worked cooperatively with the Midtown community to support the efforts of the Authority by creating programs and projects that (1) further the development of Midtown as a destination; (2) positively impact the quality of life of Midtown residents; and (3) create an environment for economic growth and development in Midtown. Some of the District’s projects include:

- Providing additional law enforcement presence through the use of Harris County Contract Deputy Constables and off-duty Houston Police Officers to provide increased patrolling services, including periodic bicycle patrols

- Providing graffiti abatement services in the public rights of way
- Purchasing new playground equipment for use in Elizabeth Baldwin Park
- Increasing walkability by clearly marking pedestrian zones
- Providing post-Hurricane Ike emergency disaster cleanup
- Providing care and maintenance of existing trees and planting of new trees
- Working with the Authority to incorporate art into the design of pedestrian enhancements
- Securing a State of Texas Cultural Arts and Entertainment District designation for Midtown
- Developing and hosting community based arts events such as festivals and park programming
- Developing various media assets to inform the Midtown community and promote Midtown businesses
- Maintaining certain infrastructure enhancements in parks and other public spaces
- Informing the general public of the positive aspects of living and doing business in Midtown

### **MOVING INTO A NEW DECADE OF OPPORTUNITY**

Now, with a firm foundation, and several years of visible accomplishments, the District desires to continue to serve the needs of the Midtown community by working to position Midtown as a neighborhood with an exceptional quality of life, great park spaces that incorporate art and play, quality educational institutions, and superior work and investment opportunities. This Service Plan outlines the nature of the services and improvements to be provided and implemented by the District. The types of projects undertaken will provide residential and commercial property owners with widespread benefits that are beyond the ability of individual property owners.

As part of the services to be provided, the District will also continue to maintain the public assets put in place by the Authority. When appropriate, the District will work to coordinate its efforts with those of the Authority to maximize the services provided to property owners, residents, and businesses in Midtown.

All services and programs are and will continue to be approved by the District's Board and managed on a day-to-day basis by its Executive Director, Operations Manager, and other staff members.

The District will continue to levy an assessment on the residential and commercial property owners within its boundaries to provide such residential and commercial property owners with professional management of services, programs and improvements in the following service categories: (i) Public Safety; (ii) Urban Planning; (iii) Services and Maintenance; (iv) Cultural Arts and Entertainment; (v) Marketing and Economic Development; (vi) Capital Reserve for Infrastructure Replacement; and (vii) District Administration.

### **TEN YEAR SERVICE AND IMPROVEMENT PLAN**

This Service Plan was developed by the Board with input from residential and commercial property owners, businesses, and tenants who make up the Midtown community. The Board values community participation and input and will continue to seek such input as it works to implement the projects and programming described herein. The following categories comprise the District's Service Plan:

1. Public Safety
2. Urban Planning
3. Services and Maintenance
4. Cultural Arts and Entertainment
5. Marketing and Economic Development
6. Capital Reserve for Infrastructure Replacement
7. District Administration

Each section provides detailed descriptions of the goals, together with objectives and programs consistent with such goals, and estimated costs.

**The costs identified in this Service Plan are estimates that the Board may increase or decrease and reallocate among these Service Plan objectives; and the Board may alter or add to the programs identified in this Service Plan to implement the overall objectives of the Service Plan as the Board determines to be in the best interest of the assessment payers.**

## PUBLIC SAFETY

**Goal:**

To maintain and improve community safety for our residents, businesses and visitors

**Objectives:**

- Maintain a proactive role in supporting and coordinating the safety efforts of the many public law enforcement entities with jurisdiction inside the District's boundaries
- Provide funding to help support a comprehensive public safety program that includes multifaceted approaches to law enforcement
- Increase the visibility of crime deterrence measures in the District
- Encourage people to participate in their own public safety
- Disseminate information to promote and improve public awareness and education about public safety

**Programs:**

- Develop programs that increase proactive law enforcement within the District
- Provide educational safety programs and events within the District for residents and businesses
- Monitor criminal activity within the District and provide periodic briefings for property owners, residents, businesses, and other interested persons
- Conduct periodic Street Light Outage Surveys and notify responsible parties of such outages
- Where appropriate and where utilities exist, install additional lighting in the public right-of-way

**Estimated Costs:**

Year 1: \$704,000	Year 5: \$685,000	Year 9: \$750,000
Year 2: \$670,000	Year 6: \$705,000	Year 10: \$767,000
Year 3: \$656,000	Year 7: \$719,000	
Year 4: \$671,000	Year 8: \$735,000	
<b>TEN YEAR TOTAL: <u>\$7,062,000</u></b>		

## URBAN PLANNING

### **Goal:**

To enhance the urban, mixed-use, vibrant character of Midtown's built environment

### **Objectives:**

- Implement programs to improve the quality of life in the District
- Develop relationships with stakeholders to further understand their needs and desires in order to enhance the livability of Midtown
- Encourage pedestrian access to the District's homes, businesses, and public spaces
- Collaborate with businesses, developers, residents, and other entities to encourage enhancements that are consistent with the unique urban character of Midtown
- Advocate for an urban, pedestrian and bike-friendly environment
- Collaborate with the Authority to create, restore, preserve and enhance the usability, scenic and aesthetic elements of the Midtown community

### **Programs:**

- Collaborate with other Midtown organizations to integrate art into multiple aspects of pedestrian and residential enhancements in the neighborhood
- Work with the City, other governmental entities, and other organizations to create and maintain pedestrian access throughout the neighborhood
- Create urban and other tiny-to-small pedestrian-focused public spaces
- Establish the advisory review of proposed developments in the District to encourage the types of projects that engage the sidewalk and enhance the pedestrian nature of Midtown
- Create an Art-Focused Bike Rack Program
- Implement interactive communication technology WiFi, engagement stations, educational kiosks, etc. in Midtown owned park spaces
- Implement a District-Wide Master Plan for the Arts
- Advocate for and seek installation of interactive crosswalks
- Create and encourage pedestrian and bicycle focused temporary art projects throughout the District

- Support the acquisition and development of park land in cooperation with the Authority, the City, Harris County and other entities
- Develop and implement a plan for installation of recycling containers in the District
- Delineate District gateways with urban enhancements that brand Midtown in compliance with its mission

**Estimated Costs:**

<b>Year 1: \$132,000</b>	<b>Year 5: \$202,000</b>	<b>Year 9: \$231,000</b>
<b>Year 2: \$175,000</b>	<b>Year 6: \$212,000</b>	<b>Year 10: \$271,000</b>
<b>Year 3: \$187,000</b>	<b>Year 7: \$210,000</b>	
<b>Year 4: \$181,000</b>	<b>Year 8: \$216,000</b>	
<b>TEN YEAR TOTAL: <u>\$2,017,000</u></b>		

## SERVICES AND MAINTENANCE

### **Goal:**

To enhance the District's pedestrian nature, viability, and image by providing well-maintained public spaces and public right-of-ways

### **Objectives:**

- Maximize the level of services provided to the District by governmental entities
- Maintain public improvements constructed and/or installed by the Authority such as pedestrian amenities, street lights, street signs, public parks and greenspaces
- Supplement City maintenance services and work to educate Midtown property owners regarding their obligations relating to maintenance of the adjacent public right-of-way

### **Programs:**

- Negotiate, coordinate and manage contracts to provide certain maintenance services in the District
- Provide care and maintenance services such as tree maintenance, street sweeping, landscaping, and irrigation in the public right-of-way
- Maintain public parks and greenspaces in the District
- Identify and report City maintenance issues in the public right-of-way
- Develop a plan for installation of pet waste stations
- Provide graffiti abatement services in the public right-of-ways
- Identify property owners whose property is in need of repair and/or maintenance and notify such property owners (and the City) of their obligations to maintain their property
- Plant new trees in public spaces
- Provide for seasonal planting in greenspaces
- Provide certain debris removal and emergency cleanup services in significant Midtown locations in the event of a natural disaster such as a hurricane

**Estimated Costs:**

Year 1: \$585,000	Year 5: \$1,038,000	Year 9: \$1,285,000
Year 2: \$700,000	Year 6: \$1,076,000	Year 10: \$1,336,000
Year 3: \$820,000	Year 7: \$1,178,000	
Year 4: \$923,000	Year 8: \$1,232,000	
TEN YEAR TOTAL: <u>\$10,173,000</u>		

## CULTURAL ARTS AND ENTERTAINMENT

### **Goal:**

To develop, encourage, coordinate, produce and promote cultural arts and entertainment in Midtown

### **Objectives:**

- Work with other organizations to create, fund and implement a District-Wide Public Arts Master Plan that facilitates a creative thriving environment for the Midtown community
- Collaborate with other District committees to incorporate art into new Midtown projects
- Promote Midtown as a welcoming arts-centric community
- Engage the arts and business communities in collaborative efforts that include events, educational workshops, public art projects and programming creating arts based economic growth and community building in Midtown
- Advocate to and for Midtown based arts groups and encourage the development of new arts and arts-related organizations which will contribute to Midtown's economic growth and development
- Leverage the cultural arts designation and visitor impact/attendance to increase awareness of Midtown as a culturally significant destination
- Work with District committees and other organizations to ensure that Midtown has an active role in the development and implementation of major City-wide events
- Maintain Midtown's designation by the Texas Commission on the Arts as a Cultural Arts & Entertainment District

### **Programs:**

- Establish a formal review process for the District to recruit, accept, review, and implement temporary and permanent public art and civic art programs
- Analyze current cultural and entertainment activities and plan for future programming
- Activate the Midtown parks with cultural and entertainment programs reflective of our diverse community
- Convene various District arts organizations, residents, real estate affiliates and other sectors annually creating a focus group that will provide feedback for the cultural arts and entertainment programs

- Work collaboratively with the District’s Urban Planning Committee to respond to our residential and business owners’ requests for quality of life enhancements, safety, walkability, navigation, and opportunities for artists
- Delineate District gateways with public art that brand Midtown in compliance with the District’s mission.

**Estimated Costs:**

<b>Year 1: \$110,000</b>	<b>Year 5: \$264,000</b>	<b>Year 9: \$399,000</b>
<b>Year 2: \$207,000</b>	<b>Year 6: \$328,000</b>	<b>Year 10: \$405,000</b>
<b>Year 3: \$249,000</b>	<b>Year 7: \$340,000</b>	
<b>Year 4: \$271,000</b>	<b>Year 8: \$370,000</b>	
<b>TEN YEAR TOTAL: <u>\$2,943,000</u></b>		

## MARKETING AND ECONOMIC DEVELOPMENT

### **Goals:**

To provide residents and business owners the opportunity to foster community spirit with events and marketing strategies which bring the public and private sectors together in a partnership that communicates the positive aspects of living and working in Midtown.

When appropriate, serve as an advisory and action committee on matters pertaining to cultural and special events, activities, and programs that are City-wide in nature when participation fits with the unique culture of Midtown

To implement programs to (i) enhance the development and diversity of the economy within the District, (ii) eliminate unemployment or underemployment in the District, and (iii) enhance commerce, tourism, and transportation in the District and surrounding areas

### **Objectives:**

- Foster a positive image of Midtown as a premier place to live, work, learn, play, shop, dine, relax and transact business
- Attract events to promote Midtown that create a friendly, exciting urban atmosphere filled with a sense of community spirit that attracts people from outside the District to come to Midtown to live, work and have fun
- Focus on working behind the scenes to attract, retain and facilitate events and activities that will benefit Midtown businesses and residents, Specifically, this includes participating in proposal writing, developing a database of Midtown resources, and ensuring that Midtown is well represented, as appropriate, in planning such events
- Further develop a sense of community unique to Midtown
- Encourage use of the Midtown name in event or merchant/business communications or marketing of events taking place in Midtown
- Encourage greater market penetration by area businesses
- Attract more mixed-use development and other development compatible with Midtown land use
- Attract more retail services that support the needs of Midtown residents
- Foster awareness of Midtown as an award-winning community
- Promote Midtown as a pedestrian, bike-friendly community that is easily accessible via public transportation

- Encourage collaboration among Midtown businesses, residents, non-profit organizations, and other entities to support the Midtown brand
- Investigate the feasibility of paid and earned media opportunities
- Investigate the feasibility of an online Midtown store or a vending machine kiosk located in the Midtown Park selling Midtown products

***Programs:***

- Facilitate open dialog that includes but is not limited to business leaders, public sector representatives, residents and media through focus groups and District sponsored networking events
- Promote Midtown businesses in the community
- Create and distribute Midtown restaurant guides
- Develop profiles of Midtown to distribute to potential new businesses and residential developers interested in relocation to Midtown
- Foster connections with developers so that future developments support our walk, bike, and transit friendly community
- Establish a media relations program and policy to convey an accurate and consistent message about Midtown, with documented brand and logo usage guidelines
- Maintain and continue to expand a digital/online presence for Midtown as new technologies become available
- Consider international collaborations, to foster an even broader awareness of Midtown's cultural assets
- Foster intra-regional collaborations utilizing available technologies, such as video cameras, to build awareness
- Maintain ongoing communications with residents and business owners of Midtown through print, email, or other media
- Collaborate with other District committees to promote their initiatives through proactive marketing support
- Collaborate with other management districts within the City
- Document Midtown Brand guidelines
- Incentivise and encourage commercial, residential, and retail development that is compatible with Midtown's land use guidelines

- Work cooperatively with various other organizations to facilitate economic growth through participation in significant events in the Houston area, including, but not limited to the following:
  - Super Bowl and other Super Bowl-Related Events
  - Convention & Visitors Bureau Events
  - NCAA Sporting/Educational Events
  - Major City Cultural Arts and Entertainment Events such as Rodeo Houston, Grand Prix Houston, Art Car Parade, etc.
  - Houston Film Commission Alliance

**Estimated Costs:**

<b>Year 1: \$163,000</b>	<b>Year 5: \$186,000</b>	<b>Year 9: \$233,000</b>
<b>Year 2: \$176,000</b>	<b>Year 6: \$187,000</b>	<b>Year 10: \$236,000</b>
<b>Year 3: \$180,000</b>	<b>Year 7: \$184,000</b>	
<b>Year 4: \$190,000</b>	<b>Year 8: \$209,000</b>	
<b>TEN YEAR TOTAL: <u>\$1,944,000</u></b>		

## CAPITAL RESERVE FOR INFRASTRUCTURE REPLACEMENT

**Goal:**

To appropriately plan for the replacement of various infrastructure enhancements, parks and open space improvements, and other assets that are maintained by the District and which promote the health, safety, welfare, and enjoyment of the District's property owners, residents and businesses. Some of these items may require replacement as their useful life expires or in the event of damage or destruction resulting from unforeseen extraordinary circumstances

**Objectives:**

- To provide funds for capital reserves to replace infrastructure enhancements (such as streetscape enhancements), parks and open space improvements, facilities and equipment
- To provide funds for emergency maintenance and clean-up and in the event of catastrophic or extraordinary occurrences
- To provide funds for future maintenance of infrastructure enhancements by allowing, at the discretion of the Board, any funds remaining in the Capital Reserve account at the end of this Service Plan to be carried forward as capital reserves in any future service and improvement plan for the District

**Programs:**

- Establish a capital reserve for replacement of certain ground covering, streetscape infrastructure, parks and green space improvements
- Establish a capital reserve for emergency maintenance and clean-up and in the event of catastrophic or extraordinary occurrences

**Estimated Costs:**

Year 1: \$94,000	Year 5: \$10,000	Year 9: \$10,000
Year 2: \$17,000	Year 6: \$10,000	Year 10: \$10,000
Year 3: \$10,000	Year 7: \$10,000	
Year 4: \$10,000	Year 8: \$10,000	
<b>TEN YEAR TOTAL: <u>\$191,000</u></b>		

## DISTRICT ADMINISTRATION

**Goal:**

To effectively and efficiently administer the activities of the District and implement the Service Plan under the direction of the Board

**Objectives:**

- Manage District personnel, consultants, and finances to implement District programs in an effective and cost-efficient manner
- Maximize services provided to the District by governmental entities
- Coordinate District efforts with the efforts of appropriate public and private interests
- Develop and seek additional funding mechanisms through the use of grants, sponsorships, and other alternative sources of funding
- Coordinate District efforts with those of the Authority to maximize the services provided to property owners, residents, and businesses
- Actively seek participation in District activities from all community stakeholders, including but not limited to commercial and residential property owners, residents, and businesses
- Leverage District funds by seeking additional funding, goods, and services from other sources to support District programs

**Programs:**

- Implement the District’s Service Plan and develop an annual budget for the District
- Work with consultants to maintain and update the District’s assessment roll and property owner database to facilitate accurate and timely billing and collection of assessments
- Make periodic visits and reports to elected and appointed officials of the City, County, State and other governmental entities on behalf of the District
- Coordinate with governmental agencies operating ongoing programs in Midtown, such as the City, Metro, Texas Department of Transportation, Harris County and other public entities

**Estimated Costs:**

Year 1:	\$449,000	Year 5	\$552,000	Year 9	\$678,000
Year 2:	\$475,000	Year 6	\$580,000	Year 10	\$740,000
Year 3:	\$499,000	Year 7	\$612,000		
Year 4:	\$524,000	Year 8	\$644,000		
<b>TEN YEAR TOTAL: <u>\$5,753,000</u></b>					

## **DISTRICT OPERATIONS**

To facilitate District operations, the Board has established the following additional standing committees:

- A. Executive Committee
- B. Finance & Budget Committee
- C. Nominating Committee

The Board may establish other committees as it deems necessary and appropriate to implement this Service Plan and support the operations of the District.

The Board and District Staff will strive to continue to seek out and apply for grants from various funding sources to assist in its efforts to redevelop and revitalize Midtown.

## PROPOSED ASSESSMENT, REVENUES AND EXPENDITURES

The District will provide funding to seven major project areas as outlined above. These revenue projections and cost estimates are based on current needs and priorities. From year to year, priorities may change and this Service Plan provides that the District's Board of Directors will retain the flexibility to adjust the application of resources to meet the changing needs of the area.

Each year the District's Board of Directors will re-evaluate the allocation of resources set forth in this Service Plan, determine the projects to be undertaken that year, and approve a budget for that year.

The following table shows the estimated Assessed Value of all properties in the District that are subject to assessment and the estimated annual revenues.

Year	Estimated Assessed Value <sup>1</sup>	Estimated Annual Revenues <sup>2</sup>
1	\$ 1,706,201,000	\$ 2,237,000
2	\$ 1,842,697,000	\$ 2,420,000
3	\$ 1,980,899,000	\$ 2,601,000
4	\$ 2,109,657,000	\$ 2,770,000
5	\$ 2,236,237,000	\$ 2,937,000
6	\$ 2,359,230,000	\$ 3,098,000
7	\$ 2,477,191,000	\$ 3,253,000
8	\$ 2,601,051,000	\$ 3,416,000
9	\$ 2,731,104,000	\$ 3,586,000
10	\$ 2,867,659,000	\$ 3,765,000

<sup>1</sup> 2015 Assessed Value is based on preliminary HCAD values; for subsequent years, assessed value growth is assumed as follows: 2016 (9%), 2017 (8%), 2018 (7.5%), 2019 (6.5%), (2020) (6%), 2021 (5.5%), 2022-2024 (5%).

<sup>2</sup> For purposes of this table, the Assessment Rate is held constant at \$.13125.

The following table shows the projected annual expenditures for the services and improvements authorized under this Service Plan.

SERVICE AND IMPROVEMENT	YEAR 1 2015	YEAR 2 2016	YEAR 3 2017	YEAR 4 2018	YEAR 5 2019	YEAR 6 2020	YEAR 7 2021	YEAR 8 2022	YEAR 9 2023	YEAR 10 2024	10-YEAR TOTAL
<b>Public Safety</b>	\$ 704,000	\$ 670,000	\$ 656,000	\$ 671,000	\$ 685,000	\$ 705,000	\$ 719,000	\$ 735,000	\$ 750,000	\$ 767,000	\$ 7,062,000
<b>Marketing and Economic Development</b>	\$ 163,000	\$ 176,000	\$ 180,000	\$ 190,000	\$ 186,000	\$ 187,000	\$ 184,000	\$ 209,000	\$ 233,000	\$ 236,000	\$ 1,944,000
<b>Cultural Arts and Entertainment</b>	\$ 110,000	\$ 207,000	\$ 249,000	\$ 271,000	\$ 264,000	\$ 328,000	\$ 340,000	\$ 370,000	\$ 399,000	\$ 405,000	\$ 2,943,000
<b>Urban Planning</b>	\$ 132,000	\$ 175,000	\$ 187,000	\$ 181,000	\$ 202,000	\$ 212,000	\$ 210,000	\$ 216,000	\$ 231,000	\$ 271,000	\$ 2,017,000
<b>Services and Maintenance</b>	\$ 585,000	\$ 700,000	\$ 820,000	\$ 923,000	\$ 1,038,000	\$ 1,076,000	\$ 1,178,000	\$ 1,232,000	\$ 1,285,000	\$ 1,336,000	\$ 10,173,000
<b>Administration</b>	\$ 449,000	\$ 475,000	\$ 499,000	\$ 524,000	\$ 552,000	\$ 580,000	\$ 612,000	\$ 644,000	\$ 678,000	\$ 740,000	\$ 5,753,000
<b>Capital Reserves</b>	\$ 94,000	\$ 17,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 191,000
<b>Estimated Yearly Total</b>	\$ 2,237,000	\$ 2,420,000	\$ 2,601,000	\$ 2,770,000	\$ 2,937,000	\$ 3,098,000	\$ 3,253,000	\$ 3,416,000	\$ 3,586,000	\$ 3,765,000	\$ 30,083,000

## **Assessment**

Upon adoption of this Service Plan, the total assessment for this Service Plan will be levied in Year 1, and then billed in ten annual installments. Annual installments of the Assessment will become due and payable in the same manner as ad valorem taxes in accordance with Chapter 31, Texas Tax Code, as amended. Delinquent payments will be subject to additional charges in accordance with the Texas Tax Code.

The District proposes to have the Board annually evaluate the need for and advisability of the services and improvement projects authorized under this Service Plan to determine the specific services and projects within the Service Plan that will be undertaken the following year. The Board will then approve a budget for the following year consistent with the yearly plan and set the assessment rate for such year, taking into consideration the value of the property subject to assessment and the revenue that the assessment rate will produce. If assessment revenues or other sources of funds are not sufficient to cover the estimated annual costs of this Service Plan, the District will adjust the annual budget to reflect this circumstance. Similarly, if revenues exceed projections, the Board may allocate those additional revenues to the various program categories.

As this Service Plan is ten years in length, it is probable that the service needs in each of the major categories will change, particularly as District objectives are met. Therefore, this Service Plan allows the Board the flexibility to apply the assessment revenue to the major categories of services in varying percentages.

## **Rate of Assessment**

The rate of assessment for this Service Plan will be levied in October 2015 and used to fund projects for 2016. The assessment will be based on 2015 certified taxable values provided by the Harris County Appraisal District ("HCAD"). In subsequent years, the District will assess property on the basis of the then current year's certified assessed value as determined by HCAD.

Therefore, an individual property owner's assessment may vary each year. Under this Service Plan, the Board may vary the rate of assessment each year. The Board reserves the right to increase or decrease the rate of assessment to pay the costs of improvement projects; provided that the rate of assessment may not exceed \$0.15 per \$100 of valuation. The Board reserves the right, and intends at this time, to set the assessment rate at a rate lower than the maximum rate that could be set during the ten years of this Service Plan.

The District's approach will be to provide services and improvements on a pay-as-you-go basis with assessments made to fund projects in the following year. If the Board determines that projects are needed which cannot be financed on this basis, a public hearing will be called to determine whether the property owners subject to assessment support the sale of bonds or other debt financing.

## **Annexation of Property into District**

Any land annexed into the District (which may only be done in accordance with Chapter 375, Texas Local Government Code, as amended) will be added to the District's assessment roll at the value shown on the rolls of HCAD during the year in which the land is annexed into the District and added to the District's assessment roll.

## **Exemptions**

Pursuant to the Act, the following types of property are exempt from assessment unless the owner consents:

1. Property of municipalities, counties, other political subdivisions;
2. Property owned by organizations of purely public charity and organizations exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code;
3. Property owned by a church or by a strictly religious society which yields no revenue whatever to such church or religious society and which is used as an actual place of religious worship or as a dwelling place for the ministry of such church or religious society;
4. Property owned by an association engaged in promoting the religious, educational, and physical development of children or young men or young women operating under a state or national organization of like character and used exclusively and necessarily for any such purpose;
5. Recreational or scenic use property that meets the requirements of Chapter 375.163, Texas Local Government Code, as amended.
6. Property owned by a utility; and
7. All other property exempt from assessment by the Act, as the Act may be amended from time to time.

The Board has granted homestead, age 65 or older and disabled exemptions for properties subject to assessment in the past and expects to continue to grant such exemptions during the term of this Service Plan.

## **CONCLUSION**

The successful delivery of the proposed services is anticipated to add value to all properties within the District. Residential and commercial property owners, business owners, and tenants will be able to collectively leverage greater resources, resulting in increased levels of service and an enhanced public awareness and image for the District. An improved Midtown benefits property owners, business owners and tenants directly and also the Houston metropolitan region at large.

Before the District can implement this Service Plan, it must receive petitions signed by either: twenty-five (25) persons who own land in the District or the owners of a majority of the assessed value of real property in the District. A public hearing will be held following receipt of such petitions, after which the District's Board of Directors will consider approval of this Service Plan and the levy of an assessment.

Exhibit A

District Boundary Map

*(See Attached)*



clark condon associates  
LANDSCAPE ARCHITECTS

Midtown Management District

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Midtown  
Houston, Texas  
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