



Proposed Draft
MIDTOWN MANAGEMENT DISTRICT
SERVICE AND IMPROVEMENT PLAN
AND ASSESSMENT PLAN FOR
FISCAL YEARS 2025-2034

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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 2025-2034. 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 annual 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 “2015-2024 Service Plan”) approved by the District’s Board of Directors (the “Board”) in December 2015. Under this Service Plan, the District will continue to provide services initiated and implemented under the 2015-2024 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 in the mid-1990's. The Authority has made progress on several 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 1,287 Midtown decorative streetlights
- Installation of 1,195 Midtown street signs
- \$42,736,070 invested in street reconstruction and public utility replacement
- \$42,231,066 invested in streetscape enhancements including sidewalks, trees, landscaping, lighting, seating, and trash receptacles
- \$30,930,080 invested in development of new park spaces and the redevelopment of existing City and Authority owned park spaces (includes aesthetic enhancements to plazas and open spaces in public right-of-way)
- \$6,031,777 invested in support of the development and redevelopment of public and cultural facilities

The Management District is governed by a 17-member volunteer Board of Directors that represent a variety of commercial and residential 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 Management District's projects include:

- Providing additional law enforcement through in person patrolling and a national camera system presence through contracted services.

- Hiring a Director of Public Safety to liaison with and oversee the various City and contracted agencies that enhance public safety for the community.
- Advocating on behalf of the community to city, county and state elected officials regarding policies that impact the quality of life of the community.
- Providing post-hurricane and storm emergency disaster cleanup.
- Providing care and maintenance of existing trees and planting of new trees.
- Providing the funding to pay for the delta cost of electricity.
- Graffiti abatement services in the public rights of way.
- Purchasing additional playground equipment for use in Elizabeth Baldwin Park.
- Working with the Authority to incorporate art into the design of pedestrian enhancements.
- Maintaining a State of Texas Cultural Arts and Entertainment District designation for Midtown.
- Developing and hosting free community-based events such as public safety events, annual festivals and parks programming.
- Developing robust and varied media assets to inform the Midtown community and promote Midtown businesses.
- Maintaining infrastructure enhancements in parks and other public spaces.
- Informing the public of the positive aspects of living and doing business in Midtown.

MOVING INTO A NEW DECADE OF OPPORTUNITY

With years of visible accomplishments, collaboration with stakeholders and the Midtown Redevelopment Authority the Management District desires to continue to serve the needs of the community by continuing to work 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 on behalf of the entire community with their input. 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.

Suggestions and ideas for services and programs come from the community. 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, Director of Operations & Strategic Planning, and other staff members.

The District will continue to levy an annual 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 funded service categories: (i) Public Safety; (ii) Services and Maintenance; (iii) Economic Development; (iv) Marketing; (v) Cultural Arts and Entertainment, (vi) Urban Planning; (vii) District Administration; and (viii) Capital Reserve for Infrastructure Replacement.

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 major project areas of the District's Service Plan:

1. Public Safety – Core Service Area
2. Services and Maintenance – Core Service Area
3. Economic Development - Core Service Area
4. Marketing
5. Cultural Arts and Entertainment District
6. Urban Planning
7. District Administration
8. Capital Reserve for Infrastructure Replacement
9. District Operations

Each section provides descriptions of the goals, 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 the Service Plan objectives. District Committees work annually with the community to develop programs that best meet the objectives of the Service Plan. The Board works with each committee to determine the level of funding available for these programs. 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

Community public safety is the highest priority of the Midtown Management District and its Board. The Midtown Management District continues to take action to enhance community public safety in the following ways.

Goal: The goal of this **Core Service Area** is to initiate actions that create an environment that empowers our residents, businesses, and visitors by providing them access to law enforcement officials; and, to actively engage the community partnered with law enforcement agencies to develop initiatives that enhance the overall security and well-being of Midtown.

Objectives:

1. Invest in Public Safety Programs

Coordinating with various law enforcement agencies, enhance public safety using diverse law enforcement strategies and technologies to streamline operations and strengthen the perception of safety.

2. Increase Visibility of Crime Deterrence Measures

Actively deploy and highlight crime prevention strategies across the district to deter unlawful activities. Systematically monitor criminal activities and deliver concise monthly reports to property owners, residents, businesses, and other stakeholders.

3. Promote Community Involvement in Safety

Motivate residents and businesses to engage in and assume responsibility for their own safety through educational programs and community safety initiatives.

4. Improve Public Safety Communication

Regularly distribute relevant and up-to-date safety information to enhance community awareness and education on public safety issues. Launch comprehensive safety education programs and safety events for residents, businesses, and visitors within the district.

Programs:

1. Enhance Proactive Law Enforcement

Introduce targeted law enforcement programs that increase police patrols and community policing efforts, directly reducing crime rates, and enhancing the sense of security for all District constituents.

2. Homeless Outreach Engagement and Cleanup

Actively participate with the City of Houston, and other agencies with encampment clean ups providing the opportunity for vulnerable populations to accept housing if desired.

3. Public Safety Lighting Program

Continue to enhance our public spaces with additional lighting that serves as a crime deterrent.

4. Comprehensive Crime Monitoring

Work with our law enforcement officials to regularly track and analyze criminal activity, providing detailed monthly community briefings to keep property owners, residents, and businesses well-informed and prepared, thereby improving community trust and cooperation.

5. Crime Prevention

Implement strategies to reduce crime rates, such as providing opportunities for stakeholders to request increased police presence in the form of additional, patrols, surveillance, and encouraging community policing initiatives.

6. Community Engagement and Education

Increase community engagement in safety initiatives through regular meetings, safety workshops, and collaborative efforts with stakeholders, local organizations, and businesses.

7. Technology Integration

Utilize technology to enhance safety measures, such as smart traffic systems, real-time monitoring of public spaces, and digital platforms for emergency communication and reporting.

8. Street, Public Rights of Way and Park Lighting Audits

Regularly conduct audits to identify the street, public rights of way and park lighting outages and swiftly coordinate with responsible entities to ensure timely repairs.

9. Emergency Preparedness

Work with other District Committees to develop the Public Safety portion of a comprehensive emergency preparedness plan that includes evacuation routes, emergency shelters, and public education campaigns on what to do in case of natural disasters such as hurricanes or severe storms.

Estimated Expenditures:

Year 1: \$1,035,403	Year 5: \$1,165,355	Year 9: \$1,311,617
Year 2: \$1,066,465	Year 6: \$1,200,316	Year 10: \$1,350,966
Year 3: \$1,131,413	Year 7: \$1,236,325	
Year 4: \$1,098,459	Year 8: \$1,273,415	
TEN YEAR TOTAL: <u>\$11,869,734</u>		

SERVICES AND MAINTENANCE

The maintenance and cleanliness of the community is a top priority of the Board and community. We understand that keeping a community clean and well maintained equates to the perception of community safety. The Midtown Management District continues to take action to enhance the service and maintenance of the community in the following ways.

Goal: The goal of this **Core Service Area** is to enhance the District's pedestrian nature, viability, and image by providing well-maintained public spaces and public rights-of-way

Objectives:

1. Preserve Public Infrastructure

Maintain the Midtown Redevelopment Authority's enhanced public improvements such as pedestrian amenities, streetlights, street signs, parks, and green spaces, ensuring they remain functional and appealing for community use.

2. Support and Educate on City Maintenance

Supplement city maintenance efforts by actively educating Midtown property owners on their responsibilities concerning the upkeep of adjacent public rights-of-way, promoting a cleaner, safer, and more attractive community environment.

Programs:

1. Enhanced Maintenance Contract Management

Negotiate and manage contracts for specialized maintenance services to ensure high-quality upkeep that enhances both the residential and business environment in the District.

2. Comprehensive Public Rights-of-Way Care

Provide ongoing maintenance services including debris removal, tree care, curb cleaning, landscape maintenance, and irrigation repairs along the public

rights-of-way, directly improving the aesthetic, public safety and functional quality of our public rights-of-way.

3. Parks and Greenspaces Upkeep

Maintain and enhance public parks and greenspaces, offering residents and visitors beautiful, well-kept areas for recreation and relaxation, which also serve to attract businesses by elevating the district's appeal.

4. Maintenance Issue Reporting

Encourage the community to actively identify and report maintenance issues within public rights-of-way through a Midtown reporting system ensuring ongoing tracking through repair completion and prompt resolutions that maintain cleanliness, safety, and accessibility for all.

5. Pet Waste Station Installation

Develop plans to install pet waste stations strategically throughout the district, contributing to cleaner public spaces and a more enjoyable environment for pet owners and non-pet owners alike.

6. Graffiti Abatement

Provide graffiti removal services within the boundaries of the district preserving the visual appeal of the community while maintaining a welcoming atmosphere for businesses and shoppers.

7. Property Maintenance Enforcement

Identify properties in need of repair and notify owners of their maintenance obligations, helping to uphold high standards of upkeep while positively impacting the perception of safety and neighborhood integrity.

8. Tree Planting and Maintenance

Plant new trees and maintain our existing trees in public spaces to enhance environmental sustainability and urban beauty, which improves quality of life and supports our ecosystem.

9. Seasonal Planting in Greenspaces

Implement seasonal planting in greenspaces to enrich biodiversity and visual appeal, fostering a vibrant, inviting community space that enhances both residential satisfaction and business prospects.

10. Emergency Preparedness

Work with other District Committees to develop the Service and Maintenance portion of a comprehensive emergency preparedness plan that will ensure rapid recovery and continuity of District activities, which is crucial for local businesses and resident stability. The plan will include preparing park spaces and the public rights of way prior to the emergency, post debris removal and responding to natural disasters such as hurricanes or severe storms.

Estimated Expenditures:

Year 1:	\$1,135,603	Year 5:	\$1,278,131	Year 9:	\$1,438,548
Year 2:	\$1,169,671	Year 6:	\$1,316,475	Year 10:	\$1,481,705
Year 3:	\$1,204,761	Year 7:	\$1,355,970		
Year 4:	\$1,240,904	Year 8:	\$1,396,649		
TEN YEAR TOTAL:		<u>\$13,018,418</u>			

ECONOMIC DEVELOPMENT

This committee is designed to elevate our local business owners by implementing strategies and initiatives that improve the economic well-being of Midtown.

Goal: The goal of this **Core Service Area** is to implement programs that engage with and empower our businesses, emphasizing to the community the importance of supporting Midtown's local establishments using Midtown sponsored programming to drive sustainable economic growth.

Objectives:

1. Collaborative Economic Growth

Create the opportunity for collaborative economic growth to take place in Midtown by working cooperatively with various other organizations and businesses to boost economic growth through participation in significant national and city-wide events in the Houston area.

2. Support and Empower

Ensure that Midtown is supportive and provides enhanced programs and projects that empower our existing business owners in their efforts to grow and prosper, especially those owning small-to-medium-sized enterprises that contribute to the community's well-being.

3. Focus Efforts to Thrive

Cultivate a thriving business ecosystem serving as a clearinghouse for the accumulation and dissemination of information about the District for the public, the brokerage community, the media, and potential investors.

Programs:

1. Facilitate Open Dialogue

Organize focus groups and District-sponsored networking events that bring together business leaders, public sector representatives, residents, and media to discuss

and promote Midtown's branding, development and investment opportunities.

2. Promote the Midtown Economy

Launch campaigns emphasizing the importance of supporting the Midtown economy by patronizing our businesses with shopping and dining locally within Midtown, highlighting the mutual benefits for businesses and the community.

3. Create and Distribute a Midtown Directory

Develop and distribute comprehensive directory that showcase Midtown's amenities, businesses, and cultural attractions to residents and visitors, fostering a strong community identity.

4. Develop Business and Developer Profiles

Create detailed profiles of Midtown to distribute to potential new businesses and residential developers, showcasing the advantages of relocating to and investing in Midtown.

5. Midtown Small Business Grant Opportunities

Provide the opportunity for our area local business owners to improve their curb appeal by applying for a matched Business Improvement Grant. These grants will help pay for added exterior improvements to area business façade, awnings, landscape, exterior painting and such.

6. Execute on Co-Branding Initiatives

Foster a mutual partnership where businesses and Midtown both actively use and promote the Midtown name in event and marketing communications, strengthening community identity and driving local business growth.

7. Market Penetration Strategies

Implement effective strategies to attract new businesses to Midtown, enhancing the Midtown economy.

8. Storytelling for Business Community

Focus on sharing compelling stories about Midtown's business history and significance as a destination to attract visitors and investors.

9. Foster Collaboration

Promote collaboration among Midtown businesses, residents, non-profits, and other entities to strengthen the Midtown brand and support economic development.

Estimated Expenditures:

Year 1:	\$66,800	Year 5:	\$75,184	Year 9:	\$84,620
Year 2:	\$68,804	Year 6:	\$77,440	Year 10:	\$87,159
Year 3:	\$70,868	Year 7:	\$79,763		

Year 4: \$72,994

Year 8: \$82,156

TEN YEAR TOTAL: \$765,789

MARKETING

The community of Midtown, Houston is located between two major economic and cultural hubs, the downtown and the medical/arts centers. There are also 7 major institutions of higher learning located within 1.5 miles. Promoting Midtown creates awareness of the advantages to living and working in this vibrant social community.

Goal: Create and execute effective marketing strategies to highlight Midtown's strengths as a vibrant community with a high quality of life.

Objectives:

1. Develop and Implement Marketing Strategies

Create opportunities to bring public and private sectors together as partners to communicate the positive aspects of living and working in Midtown.

2. Midtown Representation

Ensure Midtown is represented on advisory and action committees for matters pertaining to citywide economic and cultural initiatives, and the forefront activities of the urban planning processes.

3. Midtown Trademark

Maintain in good standing the Midtown Trademark and branding.

4. Social Media Tracking

Track and report Midtown social media market penetration in comparison to national trends.

Programs:

1. Market Economic Engagement for Business Owners

Provide opportunities for business owners to enhance their stature in the community and their economic impact by fostering community spirit and engagement through participation in beneficial Midtown events.

2. Promote Midtown's Vibrant Business and Arts-Centric Identity

Showcase Midtown as a dynamic, diverse urban hub with a welcoming community spirit. Emphasize its businesses and arts-focused environment, positioning it as the premier destination for living, working, learning, playing, shopping, dining, and conducting business. Highlight Midtown as an award-winning community with numerous accolades.

3. Digital Presence Expansion & Social Media Tracking

Maintain and continually expand Midtown's digital and online presence, adapting to new technologies as they become available. Monitor and report monthly on Midtown's social media market penetration to gauge and improve outreach efforts.

4. Maintain Midtown Brand Guidelines

Continue to maintain our comprehensive brand guidelines for Midtown, ensuring consistent and effective use of the Midtown name and identity in all marketing and communication efforts.

5. Walkable , Inclusive and Bike-Friendly Promotion

Market Midtown as a walkable, open and inclusive bike-friendly community with easy access to public transportation.

6. Historical Storytelling

Focus marketing efforts on sharing varied and compelling stories about Midtown's importance as it relates to national and local history and its importance as a destination community.

7. Collaborative Initiative Promotion

Collaborate with other District committees to support their initiatives through proactive marketing efforts.

8. Robust Media Relations Program

Establish a strong media relations program with clear policies to convey accurate and consistent messages about Midtown, supported by documented brand and logo usage guidelines.

9. Market Penetration Strategies

Utilize effective market penetration strategies to introduce and attract new businesses to the community in diverse ways.

10. Emergency Preparedness

Work with other District Committees to develop the Marketing portion of a comprehensive emergency preparedness plan that includes educating the community on their personal preparedness plans and informing the community on what the District has done to prepare a head of time for a natural disaster such as a hurricane or severe storm and how we have responded as a community to such.

Estimated Expenditures:

Year 1: \$100,200

Year 5: \$112,776

Year 9: \$126,931

Year 2: \$103,206

Year 6: \$116,160

Year 10: \$130,739

Year 3: \$106,302

Year 7: \$119,644

Year 4: \$109,492

Year 8: \$123,234

TEN YEAR TOTAL: \$1,148,684

CULTURAL ARTS AND ENTERTAINMENT

The area that is now known as Midtown is a culturally historic Houston community. It is one of seven cultural districts located in the city. NOTE the projects of this committee may be partially grant funded thereby creating a restricted use of funds.

Goal: This committee works to advocate for, and celebrate, impactful cultural arts and culturally based entertainment that highlights the community's historic significance in Houston.

1. Advocate for the Arts

To participate in city lead initiatives to garner additional local, state and national grant funding for our designated Cultural Arts District.

2. New Local Public Art Opportunities

Develop plans focused on temporary interactive public art that will employ local artists and fabricators to be installed in Midtown owned park spaces and in our public rights of way.

3. Participate in the Houston Cultural Districts Consortium (HCDC)

Midtown will continue to elevate its national stature by participating in initiatives as part of the HCDC Strategic Framework Plan.

Programs:

1. Arts Group Promotion and Support Program

Develop a public relations and marketing strategy to amplify the presence and activities of existing Midtown-based arts groups while encouraging the formation of new arts organizations.

2. Public Art Integration with District Projects

Collaborate with various District committees to encourage the incorporation of public art into their projects.

3. Business Community Engagement

Engage Midtown's business community in arts-based initiatives such as events, educational workshops, and public art projects. This collaboration will stimulate economic growth by creating unique attractions and fostering a sense of community.

4. Funding Acquisition Program

Collaborate with the Houston Cultural District consortium to leverage Midtown's cultural arts designation to secure additional funding through grants and foundations.

5. Active Role in City-Wide Special Events

The city of Houston has designated a certain area of Midtown as an Entertainment Zone. The committee will work to ensure Midtown's active participation in the planning and execution of major city-wide events.

6. Maintain Cultural Arts & Entertainment District Designation

Proactively communicate and complete the required reporting documentation to The Texas Commission on the Arts (TCA) to maintain our cultural arts designation, which will in turn provide opportunities for Midtown and qualifying organizations located in Midtown to apply for grant funding.

7. Integrated Public Art Projects – outdoor art galleries

Collaborate with other Midtown organizations to embed public art into pedestrian, commercial, and residential enhancements. This integration will improve the aesthetic and functional quality of public spaces, encouraging more pedestrian activity and business patronage.

8. Formal Public Art Review Process

Establish a formal process for recruiting, accepting, reviewing, and implementing and permanent public and civic art programs. This will ensure high-quality art installations that resonate with the community and enhance public spaces.

9. Cultural Activity Analysis, Planning and Grants Acquisition

Conduct a thorough analysis of current cultural activities and plan for future programming that will align with local, state and national grant opportunities. This will ensure that we continue to raise the quality of cultural offerings to meet the evolving needs and interests of Midtown's diverse community.

10. Park Activation with Cultural Programs

Activate Midtown parks with cultural and entertainment programs that reflect the community's diversity and create vibrant public spaces that attract residents and visitors.

Estimated Expenditures:

Year 1: \$267,201	Year 5: \$300,737	Year 9: \$338,482
Year 2: \$275,217	Year 6: \$309,759	Year 10: \$348,636
Year 3: \$283,473	Year 7: \$319,052	
Year 4: \$291,977	Year 8: \$328,623	
TEN YEAR TOTAL: <u>\$3,063,157</u>		

URBAN PLANNING

Keeping the intrinsic urban nature of the community is important for those who move here to take advantage of the walkability, proximity to restaurants, nightlife and the cultural arts venues that Midtown has to offer.

Goal: To amplify the urban environment and mixed-use character of our community while enhancing our quality-of-life opportunities, our goal is to accelerate infrastructure development with targeted studies and plans that catalyze real estate development and economic expansion for local businesses.

Objectives:

1. Strengthen Stakeholder - Developer Relationships

Forge deeper connections with stakeholders and developers so that they understand and participate in the desire for our community to remain a walkable, pedestrian friendly environment, ultimately enhancing Midtown's livability.

2. Promote Pedestrian Access

Actively promote pedestrian pathways across the community to improve access to district businesses and public spaces, fostering a more walkable neighborhood.

3. Enhance Urban Character through Collaboration

Work closely with businesses, developers, and residents to foster developments that align with and accentuate Midtown's distinct urban character.

4. Champion Pedestrian and Cyclist Friendly Initiatives

Advocate for urban design that prioritizes pedestrians and cyclists, creating a safer and more accessible environment for all.

5. Collaborate on Community Aesthetics

Partner with the Authority to develop and maintain scenic and aesthetic aspects of Midtown, ensuring the community's spaces are both usable and visually appealing.

Programs:

1. Pedestrian Access Enhancement Program

Collaborate with the City and other governmental bodies to continuously create pedestrian pathways, ensuring seamless access throughout the neighborhood.

2. Development Advisory Program

Establish a committee to review proposed developments, advocating for projects that promote pedestrian interactions and enrich Midtown's walkable nature.

3. Interactive Technology Deployment

Implement advanced communication technologies such as WiFi and optimize digital kiosks as engagement and educational stations across Midtown, enhancing visitor interaction and information sharing. These tools will also serve to evaluate program success and gather feedback on future projects.

4. Developer Collaboration Strategy

Strengthen partnerships with developers to ensure future projects enhance Midtown's walkable, bike-friendly, and transit-oriented environment that align with community goals.

5. Green Space Expansion Effort

Collaborate with the Authority, the City, Harris County, and other entities to support the acquisition and development of parkland, enriching community green spaces and recreational facilities. This initiative will not only enhance the quality of life but also drive economic growth by increasing property values and attracting more businesses to the area, contributing to a stronger district economy.

6. Traffic and Pedestrian Safety

Improve road safety by implementing traffic calming measures by enhancing pedestrian crossings and promoting road safety awareness among residents.

Estimated Expenditures:

Year 1: \$100,200	Year 5: \$112,776	Year 9: \$126,931
Year 2: \$103,206	Year 6: \$116,160	Year 10: \$130,739
Year 3: \$106,302	Year 7: \$119,644	
Year 4: \$109,492	Year 8: \$123,234	
TEN YEAR TOTAL: <u>\$1,148,684</u>		

CAPITAL RESERVE FOR INFRASTRUCTURE

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:

1. To provide funds for capital reserves to replace infrastructure enhancements (such as streetscape enhancements), parks and open space improvements, facilities and equipment.
2. To provide funds for emergency maintenance and clean-up and in the event of catastrophic or extraordinary occurrences.
3. 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:

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

Estimated Expenditures:

Year 1: \$33,400	Year 5: \$37,592	Year 9: \$42,310
Year 2: \$34,402	Year 6: \$38,720	Year 10: \$43,580
Year 3: \$35,434	Year 7: \$39,881	
Year 4: \$36,497	Year 8: \$41,078	
TEN YEAR TOTAL: <u>\$382,895</u>		

DISTRICT ADMINISTRATION

Goal: To effectively and efficiently administer the activities of the District and implement the Service Plan under the direction of the Board. All Board Members are unpaid volunteers who by state statute have a connection to the community. The work of the District is performed by professional staff.

Objectives:

1. Manage District personnel, consultants, and finances to implement District programs in an effective and cost-efficient manner.
2. Maximize services provided to the District by governmental entities.

3. Coordinate District efforts with the efforts of appropriate public and private interests.
4. Develop and seek additional funding mechanisms using grants, sponsorships, and other alternative sources of funding.
5. Coordinate District efforts with those of the Authority to maximize the services provided to property owners, residents, and businesses.
6. Actively seek participation in District activities from all community stakeholders, including but not limited to commercial and residential property owners, residents, and businesses.
7. Leverage District funds by seeking additional funding, goods, and services from other sources to support District programs.

Programs:

1. Implement the District's Service Plan and develop an annual budget for the District.
2. 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.
3. Make periodic visits to advocate and report to elected and appointed officials of the City, County, State and other governmental entities on behalf of the District.
4. 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 Expenditures:

Year 1: \$601,202	Year 5 \$676,658	Year 9 \$761,584
Year 2: \$619,238	Year 6 \$696,958	Year 10 \$784,432
Year 3: \$637,815	Year 7 \$717,866	
Year 4: \$656,949	Year 8 \$739,402	
TEN YEAR TOTAL: <u>\$6,892,104</u>		

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
- d. Emergency Action 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.

- a. **Executive Committee** – the committee consists of the Officers of the Board of Directors. The Board Chair, Vice-Chair, Treasurer (who is also the Finance and Budget Committee Chair) the Secretary and the Assistant Secretary.
- b. **Finance and Budget Committee** – the committee consists of the Treasurer of the Board of Directors, fellow Board members and stakeholders.
- c. **Nominating Committee** – the committee consists of assigned Board members and Ex Officio Board members.
- d. **Emergency Action Plan Committee (EAP)** – includes the Chairs of the following committees; Public Safety, Service & Maintenance, Marketing and the Finance Committee. Other Committee responsibilities have been included in the specific committee sections.
 - **The Public Safety Committee** will develop the portion of the EAP that addresses community and personal safety preparation prior to, during and after the event of a natural disaster such as a hurricane or severe storm.
 - **The Service and Maintenance Committee** will develop the portion of the EAP that will help keep the public rights of way prepared ahead of natural disasters and plan for the recovery of the community.
 - **The Marketing Committee** will develop the portion of the EAP that addresses the way we keep the community and stakeholders informed of the actions of the Board ahead of, during and after the event of a natural disaster such as a hurricane or severe storm.
 - **The Finance Committee** will work with other District Committees to develop the financial action plan that will include funding sources, contract authorizations, Board resolutions and other pertinent information that the District will need ahead of time in the event of a natural disaster such as a hurricane or severe storm.

The City of Houston has established the following committee by ordinance with the Midtown Management District.

The Midtown Parking Benefit District Advisory Committee (PBD)

This committee was established by City Ordinance on April 6, 2022. The City annually completes its audit of the parking meter revenue for the designated area in Midtown at the end of June. The City will then transfer 60% of the net meter revenue to the Midtown Management District to complete projects approved by the PBD Advisory Committee. Projects follow the normal project approval protocol and are recommended to the Midtown Management District Board of Directors and the city of Houston for approval.

The committee is comprised of 5-9 members with a majority being business owners and the remaining residents who are vetted and approved by the city council.

Revenues can be applied to existing public improvement projects or newly identified projects.

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

<h3>PROPOSED ASSESSMENT, ESTIMATED REVENUES AND ESTIMATED EXPENDITURES</h3>
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Every property owner in Midtown pays an annual levy (assessment) to the Midtown Management District. The following table shows the annual Estimated Assessed Value of all properties in the district subject to assessment and the annual Estimated Revenue. In the course of business, property assessed values are set by the [Harris County Appraisal District](#) (HCAD). The Midtown Management District is not involved with setting the assessed property values in the community. In the table below, Estimated Assessed Value is based on potential HCAD values with a 3% assumed growth rate for subsequent years. An estimated collection rate of 95% was used to arrive at the annual Estimated Revenue. For purposes of this table, the Assessment Rate is held at a constant .1181¢ per \$100 of assessed property value. ***The rate of assessment has remained the same since 2004.*** What has changed year over year is your property value. The projections for the estimated value were created using historical data of previous years' collection developed by Equi-Tax, Inc.

YEAR	RATE	ESTIMATED ASSESSED VALUE	ESTIMATED PROJECTED LEVY (Assessment)	ESTIMATED REVENUE @ 95%
2025	0.1181	2,976,968,092	3,515,799.32	3,340,009.35
2026	0.1181	3,066,277,135	3,621,273.30	3,440,209.63
2027	0.1181	3,158,265,449	3,729,911.50	3,543,415.92
2028	0.1181	3,253,013,413	3,841,808.84	3,649,718.40
2029	0.1181	3,350,603,815	3,957,063.11	3,759,209.95
2030	0.1181	3,451,121,930	4,075,775.00	3,871,986.25
2031	0.1181	3,554,655,587	4,198,048.25	3,988,145.84
2032	0.1181	3,661,295,255	4,323,989.70	4,107,790.21
3033	0.1181	3,771,134,113	4,453,709.39	4,231,023.92
3034	0.1181	3,884,268,136	4,587,320.67	4,357,954.64
		34,127,602,925	40,304,699.08	38,289,464.11

The Board of Directors allocates funding for Core Service Areas as outlined in the Service and Improvement Plan. Total *Estimated Revenue* **does not include** miscellaneous funding sources such as restricted use grant funds, interest income or other types of unplanned revenue that may be received by the Midtown Management District.

Each year, the District's Board of Directors will re-evaluate the allocation of potential funds associated with this Service Plan, and the priority of projects to be undertaken. Using the Service and Improvement Plan as a guide, and with community input, annual operating budgets are created.

The annual budget for projects is based on the funding available from revenue and miscellaneous sources. Stakeholders are encouraged to participate in the annual budget

process.

Annual Budget Timeline

May/July – Using the Service and Improvement Plan as a guiding tool start discussions at the Committee level with the community about potential projects. Projects should be applicable to the Service and Improvement Plan.

August – Based on community input Committees identify specific projects and corresponding costs, timelines and viability, including a review of third-party contractual obligations.

Sept - Committees submit budget requests and contractual obligations to Finance and Budget Committee.

Finance and Budget Committee present a preliminary budget to the Executive Committee.

October- The Board of Directors sets the annual assessment rate for subsequent year. The Board adopts an Order Setting the Annual Assessment Rate.

Based on the funding available, final edits to the budget take place. The proposed budget is presented to the Executive Committee.

November / December The proposed annual budget is presented to the Board of Directors and the community. The final approval of budgets is by the Midtown Management District Board of Directors.

The table below shows *Estimated Expenditures* that are based on needs and priorities set forth by the community and addressed by the Board of Directors. From year to year, community priorities may change. The language in the Service and Improvement Plan document is intended to be broad so it can serve as a guide to meet the needs of the community. The District's Board of Directors will retain the flexibility to adjust the application of resources to meet the changing needs of the area. ***The annual Estimated Expenditures that are associated with this document will not match the district's annual budgets.***

The estimated expenditures below include *estimated assessment collection revenues only*. Miscellaneous revenues that can fluctuate significantly, such as grant funding, interest income, and funds from other types of income that the District may be eligible to receive ***are not included in the estimated expenditures*** below. This is ***NOT*** the annual budget. The table below is an estimation tool and does not reflect the actual year over year budget which is voted on annually by the board of directors. This ***DOES*** reflect community priorities and **Core Service Areas**.

In the chart below, Proposed Estimated Expenditures are estimated based on historical data with a 3% assumed growth rate for subsequent years. This is not to be construed as an annual budget.

This is an estimated expenditures chart.

PROPOSED / ESTIMATED EXPENDITURES CHART

SERVICE AND IMPROVEMENT	YEAR 1 2025	YEAR 2 2026	YEAR 3 2027	YEAR 4 2028	YEAR 5 2029	YEAR 6 2030	YEAR 7 2031	YEAR 8 2032	YEAR 9 2033	YEAR 10 2034	10-YEAR TOTAL
Public Safety	1,035,403	1,066,465	1,098,459	1,131,413	1,165,355	1,200,316	1,236,325	1,273,415	1,311,617	1,350,966	11,869,734
Services and Maintenance	1,135,603	1,169,671	1,204,761	1,240,904	1,278,131	1,316,475	1,355,970	1,396,649	1,438,548	1,481,705	13,018,418
Economic Development	66,800	68,804	70,868	72,994	75,184	77,440	79,763	82,156	84,620	87,159	765,789
Marketing	100,200	103,206	106,302	109,492	112,776	116,160	119,644	123,234	126,931	130,739	1,148,684
Cultural Arts & Entertainment	267,201	275,217	283,473	291,977	300,737	309,759	319,052	328,623	338,482	348,636	3,063,157
Urban Planning	100,200	103,206	106,302	109,492	112,776	116,160	119,644	123,234	126,931	130,739	1,148,684
Administration	601,202	619,238	637,815	656,949	676,658	696,958	717,866	739,402	761,584	784,432	6,892,104
Capital Reserves	33,400	34,402	35,434	36,497	37,592	38,720	39,881	41,078	42,310	43,580	382,895
Estimated Yearly Total	3,340,009	3,440,210	3,543,416	3,649,718	3,759,210	3,871,986	3,988,146	4,107,790	4,231,024	4,357,955	38,289,464

Assessment

Upon adoption of this Service Plan, the total assessment for this Service Plan will be levied in Year 1 (2025), 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. 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 based on priority.

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 2024 and used to fund projects for 2025. The assessment will be based on 2024 certified taxable values provided by the Harris County Appraisal District ("HCAD"). In subsequent years, the District will assess property based on 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. All applicable exemptions that you may qualify for should be applied for through the Harris County Appraisal District. *The Midtown Management District has no bearing on exemption qualifications.*

CONCLUSION

This document was created with extensive community input. 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

Midtown Management District Boundary Map

(See Attached)

DRAFT



clark condon associates
LANDSCAPE ARCHITECTS

Midtown Management District

Midtown
Houston, Texas
May 2005

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