

Houston Downtown Management District

2021-2025

Service & Improvement Plan and
Assessment Plan

November 12, 2020

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Houston Downtown Management District 2021-2025 Service & Improvement Plan and Assessment Plan November 12, 2020

Preface

This document sets forth the services provided, and improvements made in support of the District's goals, the costs, and a proposal for funding these within the 1,173-acre area of the District. This plan applies to a time period beginning January 1, 2021 and ending December 31, 2025. It follows a 2016 – 2020 service and improvement plan adopted by the Board of Directors of the Downtown District in November 2015. This plan will be adopted and become effective only after: 1) valid signed petitions in support are received from at least 50% of owners of taxable value and/or 50 persons owning property within the District; 2) a public hearing (date to be set); and 3) an Order of the Board of Directors at the November 2020 Board meeting.

Introduction

The Houston Downtown Management District (the "District") was created in 1995 by the 74th Texas Legislature and operates under Chapter 375, Texas Local Government Code and Chapter 3801, Texas Special Districts Code, as amended. The District and its predecessor, the Houston Downtown Public Improvement District, have been in operation for 28 years. During this time downtown has experienced an exciting renaissance. Today Houston region residents and visitors are seeing downtown as more than a workplace. It is now a place to live, visit, enjoy the arts, be entertained, learn, worship and recreate. The metrics since the District's creation further illustrate this renaissance:

- Development valued at \$11.6 billion has been completed and another \$1.2 billion is under construction for a total of over \$12.8 billion of redevelopment activity in over 200 public and private projects.
- Over 8,000 single-family, condominium and multifamily units are open, under construction or in development throughout 47 projects.
- The number of eating and drinking establishments in Downtown now surpasses 440 including those at tunnel/skywalk and street level and four food halls. Total retail space existing or under construction is now approximately 1.8 million square feet.
- Over 8,350 hotel rooms in 28 properties are open or under construction, and 400 rooms planned.
- More than 8.4 million square feet of new Class A office space has been or is being constructed. Significant renovation is underway in 14 office buildings with 12.8 million square feet of existing Class A office.
- \$800 million of infrastructure improvements by the City of Houston, Harris County, Downtown Redevelopment Authority/TIRZ#3, METRO, TxDOT and the Downtown District include the reconstruction of 29 streets and transit facilities. Over 82% of all blocks in downtown have had some level of streetscape improvement.

The District's role in this transformation has been significant. Highlights of the District's functions include:

Planning, Design and Construction:

- Preparation of plans and coordinated revitalization of downtown. Following the release of the Downtown Development Framework in 2004, in 2017 it released Plan Downtown, a vision for 2036, it continues its leadership for planning neighborhoods within downtown.
- Leading the redesign and coordination with partners in funding and construction of downtown's streetscapes involving thus far over 400 blocks.
- Leading and/or assisting stakeholders with renewal of parks, open space and public realm projects including planning for Main Street Square, Discovery Green, construction of Buffalo Bayou access, redevelopment of Market Square and in design, a new south downtown park (with funding from the Downtown Development Authority/TIRZ#3).
- Facilitation of coordination and communication of this activity in order to ease these construction impacts.

Cleaning, Safety and Operations:

- Cleaning and caring for downtown's sidewalks and streetscapes, keeping litter levels over 80% lower than before its inception.
- Design and continued expansion, improvement and support of operation of a street/pedestrian lighting system that has significantly increased the quality of lighting on downtown's sidewalks and streets.
- Coordination of security efforts to keep annual crimes at a consistent level less than one-third of the high level experienced in the 1980s. It also now plays a pivotal downtown role in emergency preparedness and response coordination.
- Since 2011 provision of an on-street presence with its Downtown Public Safety Guides now with over 200,000 contacts made annually with members of the public. In addition, it provides off-duty police officer and private security patrols.
- Collaboration in significant changes now in progress related to coordinated housing and services for the homeless with a 54% reduction in homeless from 2011 based on the annual late January 2019 enumeration.

Placemaking and Beautification:

- Caring for over 2,300 street trees, flower planters and beds and other landscaping, manages a street banner and holiday decoration program.
- Providing programming throughout downtown including events at Market Square and Main Street Square and temporary art installations all a part of the transformation of downtown's pedestrian environment.

Transportation, Wayfinding, Circulation & Accessibility:

- Providing Greenlink service from 2012 to spring 2020 carrying over 1.8 million passengers. (As new forms of mobility such as on-demand services have become established, ridership has declined, and the service is discontinued.)
- Collaboration in on-street parking improvements adding additional on-street spaces and provides coordinated public parking information.
- Installation and updates for an attractive and functional wayfinding system that starts on the freeways and continues to kiosks on the sidewalks and in tunnels.

Economic and Business Development:

- Serving as a catalyst for major redevelopment efforts including The Rice, the Humble Building, Block 139 (1000 Main), the convention center hotel (the Hilton Americas), The Downtown Aquarium, Minute Maid Park, Toyota Center, GreenStreet and numerous smaller projects. It facilitated the creation of the Reinvestment Zone #3, City of Houston and the Downtown Redevelopment Authority.
- Initiating storefront streetscape and catalytic retail programs making grants to 27 projects including Greenstreet, Phoenixia Specialty Foods and smaller tenants that collectively have been transformative.
- Partnering with the City and the Downtown Redevelopment Authority in the Downtown Living Initiative resulting the construction of 3,380 units open and 875 units in development.
- Partnering with Central Houston in a Downtown Economic Development Program to attract and retain major employers and recently advancing the downtown anchor of the city's innovation corridor.

Marketing and Communications:

- Coordinating and engaging in significant consumer-oriented promotional, marketing and communications activities including campaigns to maintain top-of-mind awareness of downtown and its significant assets.
- Serving as the ongoing source of information by developing and maintaining a variety of resources such as the downtown Houston web portal, *downtown* magazine, a weekly e-blast, multiple social media platforms and other ongoing collaterals such as the Above & Below Downtown Map, collectively creating billions of impressions annually.
- As part of its content marketing strategy, executing targeted advertising campaigns, including the current Meet Downtown campaign, along with broadcast television partners.
- Enhancing downtown public spaces by creating thoughtful and innovative programming including monthly events at Market Square Park, a biannual art market at Main Street Square and other niche events in unique downtown spaces.

- Playing a key role in festive holiday celebrations and decorations and major special events such as Super Bowls, All Star Games and NCAA Final Fours.
- Creating and managing Art Blocks, a program that enlivens downtown through temporary and semi-permanent art while creating a sense of identity and memorable experiences for all who live, work and visit.

The District's early Service & Improvement Plans enabled it to serve as the facilitator and catalyst for the planned redevelopment of downtown. In more recent Service & Improvement Plans, the District focused on improving the operation of this "new downtown" to provide a safe, comfortable and pleasurable pedestrian experience for the resident, worker and visitor alike while marketing downtown's assets and continuing development progress. Input gathered from residents, tenants, property owners and managers confirms that downtown is making a transition from purely an office district to a more diverse place for residents and others who want to visit and spend time here, while acknowledging there is more work to do.

Now, COVID-19 casts a new light on this progress with an unprecedented impact on every sector of downtown's economy coupled with continuing concerns for protecting citizens' health. Balancing the pace of economic recovery and public health will determine the rate of recovery, but its timing remains uncertain. What we do know is that the return of vitality to downtown will come, and the excellent advancement being made will resume. This realization frames the 2021-2025 Service & Improvement Plan. Resources in the plan are focused on achieving this goal. The financing of the plan is conservative in assuming the property values could trend lower for a period of time during a recovery. The plan assumes the level of benefits (services and improvements) provided to properties across the District will be in proportion to the assessments received from properties. The assessment rate will be the same for all properties within the District's boundaries. Assessments over the five years of the plan will be based on each year's current tax year values and not on the values of the year 2020 in which the plan is prepared. *This represents a change from previous service and improvement plans.*

Summary of the 2021-2025 Plan

In the pages which follow, services and capital improvements are proposed that continue the substantial revitalization presently under way while addressing new needs as downtown recovers from the impacts of COVID-19. Since inception, the District has focused on improving downtown's quality of life. This focus remains a cornerstone of the 2021-2025 Plan. *The total expense of services and improvements increases relative to the 2015-2020 Plan; and given economic uncertainties, the maximum overall assessment rate will increase to \$0.150; although the District Board will set the rate each year which likely will be lower. The capital improvements assessment rate will decrease over the previous Plan rate to a maximum of \$.010/\$100 of assessed value, and operating assessment will increase with a maximum of \$.140/\$100.* Debt is not anticipated as improvements can be made on a pay-as-you-go basis. The District Board believes these maximum rates will not put downtown at a competitive disadvantage with other activity centers. In fact, it will allow downtown to be even more competitive.

This Plan is an overview of the services and improvements anticipated to be provided over the five-year plan; however, the District will implement the Plan in accordance with the priorities set by the District Board. The costs identified in the 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 the Plan to implement the overall objectives of the Plan as the District determines to be in the best interest of the assessment payers.

The chart below summarizes the 2021-2025 Plan goals and related estimated operating and capital expenditures.

Expenses	Operating			Capital	
	Annual	Five-year total	Percent	Five-year total	Percent
I. Safe, clean & comfortable	\$9,999,369	\$49,996,843	53.3%	\$1,000,000	15.4%
II. Charming & inviting public realm	\$3,563,264	\$17,816,320	19.0%	\$550,000	8.5%
III. Accessible to region/easy to get around	\$412,096	\$2,060,481	2.2%	\$3,800,000	58.7%
IV. Vibrant, sustainable mixed-use place	\$1,316,506	\$6,582,532	7.0%	\$0	0%
V. Plans & offerings understood by all	\$2,445,874	\$12,229,369	13.0%	\$0	0%
VI. Governance & service known for excellence	\$1,036,315	\$5,181,573	5.5%	\$1,125,000	17.4%
Total Expense	\$18,773,423	\$93,867,117	100.0%	\$6,475,000	100.0%
Revenue	Annual			Five-year total	
	Annual	Five-year total	Percent	Five-year total	Percent
Net assessment revenue*	\$16,275,756	\$81,378,779	86.7%	\$5,812,770	89.7%
New construction assessment revenue	\$789,513	\$3,947,564	4.2%	\$281,969	4.4%
Other Income	575,000	\$2,875,000	3.0%	0	0.0%
Interest	200,000	1,000,000	1.1%	50,000	0.8%
Surplus fund balance used	933,333	4,666,667	5.0%	333,333	5.1%
	\$18,773,602	\$93,868,009	100.0%	\$6,478,072	100.0%

* Based on 2020 certified assessed taxable value of land and improvements in District. Numbers shown are based on estimate (discounted for settlement of litigated accounts) of 2019 assessed value of \$12,237,410,352 and rates of a maximum of \$.140 per \$100 for operating (services) and a maximum of \$.010 per \$100 for capital improvements. The rates for services and capital improvements will be determined annually by the Board of Directors based on certified taxable values that year unless amended after a hearing and will at no time exceed \$.140 and \$.010 per \$100, respectively.

Opportunities and Needs to Be Addressed by the Plan

There is no doubt downtown is experiencing a remarkable economic and physical transformation, partially resulting from the services and improvements implemented by the District's earlier Service & Improvement Plans. The positive news is so much redevelopment has and is occurring. The challenge is much work remains to make the experience of those who live, work and visit downtown match a universally held vision of downtown as an exciting work, entertainment and living place which is sustainable in ever changing markets. A survey, a stakeholder open house, interviews, review of urban trends across the country and field research indicate needs and opportunities which are summarized as follows:

- There is a universal perception of the negative impact of citizens who are homeless and living on the streets that results in increased concern about pedestrian comfort and safety. This situation is worsened by the presence of dealers and users of drugs.
- While progress has been made on the cleanliness and maintenance of the public realm, there are places and times where improvements can be made.
- The quality standard should be raised for maintenance of downtown's street fixtures, sidewalks and landscaping installed over the past decades as signs of aging and needs for care become more apparent.
- The downtown pedestrian experience should be seamlessly amenable, charming, comfortable and active, especially in key areas such as Main Street, the Historic District, the Theater District, Avenida Houston and in new areas of concentrated residential development such as the southern portion of downtown. This includes active storefronts and a vibrant streetscape experience: people should feel motivated to walk, a unique quality of downtown.
- It must be convenient and economical to access downtown by personal vehicle and transit from the entire region, ideally seven days per week. Vehicular congestion continues at peak hours, and transit use among downtown workers has declined slightly over the past five years.
- Visitor parking should be convenient, easy to identify and navigate and available weekdays, nights and weekends.
- Places of activity within and adjacent to downtown should be conveniently connected by multiple means of circulation including walking, cycling, transit, taxis, app-based on demand ride services, and other sharing services, in addition to being supported by a robust wayfinding system.
- Continuing development and a growing innovation culture are making downtown the place to be for employers, employees and young recruits. These assets must be marketed.
- Downtown is a desirable place to live, but more supporting retail, services, recreational and neighborhood amenities are needed. There are unmet needs for more affordable housing choices.
- Expanding hotel and convention offerings significantly increase the importance of downtown as being a great place to visit with a seamless, pleasurable experience offering a host of activities.
- Hard and soft goods retail is changing across the globe and increasing its presence downtown remains difficult. Offering alternative shopping, cultural and entertainment experiences is a priority.
- While downtown continues unprecedented development activity, it is time to collaboratively bring to reality the vision for future development including new residential and mixed-use neighborhoods, great urban places, parks, civic facilities and improved freeway and transit access.

- Downtown's offerings continue to increase. There is a continued need to communicate these expanding choices.

Vision of the Plan

Downtown is at the forefront in advancing Houston as a great global city.

Mission of the Plan

Collaboratively plan, manage, maintain and develop downtown to make it a productive, thriving, inviting, safe, accessible, walkable, livable, interesting and always active urban place.

Plan Goals:

Six broad goals drive the plan with sub-goals for each:

Goal 1: At all times Downtown feels comfortable and safe

- Expand collaboration to maintain low crime rate and make downtown feel safe
- Reduce presence in the public realm of the homeless and street person population
- Downtown's sidewalks are comfortably lighted
- Increase the standard of care for downtown's cleanliness and well-kept appearance
- Conditions of blighted properties are addressed
- Prepare for and respond to emergencies

Goal 2: Public realm is beautiful and celebrates the life of the city

- Make key pedestrian areas inviting
- Managed, programmed and delightful public spaces
- Place of civic celebration
- Putting best foot forward for major national and international events

Goal 3: Accessible to the entire region all of the time and easy to get around

- Effective transit access from more places, more hours of the day
- Convenient, multiple means of circulation without personal vehicle
- Easy to find way around
- Connected, walkable neighborhoods and districts inside and outside of downtown
- Convenient, understandable and managed parking

Goal 4: Vibrant, sustainable mixed-use place

- Best place to work in region
- Engaging neighborhoods to live in
- Competitive shopping place
- A remarkable destination for visitors

Goal 5: Downtown's vision, plans and offerings are understood by all

- Market downtown to region
- Promote the ease of using downtown's offerings
- Vision and development plans for future engage all

- Tools to assist continued redevelopment
- Information source to support continued development, investment and marketing of downtown

Goal 6: District governance and service known for excellence

- Board and administration: engage stakeholders in decisions regarding downtown
- Communicate to owners, tenants and others about the District
- Preservation of assets: maintain appropriate capital replacement reserves

In the pages that follow specific actions, services and improvements for each sub-goal are presented along with estimates of annual and five-year operating expenses and capital costs. These costs are summarized in a chart that begins on page 20.

Proposed Services and Improvements

Goal 1. Downtown feels comfortable and safe at all times.

1a. Expand collaboration to maintain low crime rate and make downtown feel safe.

(Context: The Houston Police Department Downtown Patrol Unit based at the Downtown Police Center located in the George R. Brown Convention Center provides the primary police patrol of downtown. Other entities including METRO Transit Police, Harris County Sheriff's Department and the University of Houston Downtown Campus Police also have a presence within the District in addition to private security.)

Action: Expand on-street coordination function to rapidly resolve problems, assist police in the enforcement of ordinances and coordinate service within high pedestrian use areas. Downtown Public Safety Guides monitor conditions, interface with members of the public, know applicable laws, coordinate communications, serve as complainants, maintain interaction reports, facilitate conflict resolution and generally do that which is required to obtain a pleasant, well-managed environment.
Operating: \$2,326,647 (annual expenditure)/\$11,633,233 (five-year total expenditure)

Action: Enhance on-street presence of police through District contracted off-duty police patrol officers and private security officers working closely with Downtown Public Safety Guides, general public and businesses. Coordinate with Houston Police Department to supplement and not supplant on-duty patrols 24/7.
Operating: \$1,086,944/\$5,434,719

Action: Address drug and alcohol abuse on downtown sidewalks through programs that pro-actively assist users to reach sobriety such as the Public Intoxication Transport program team in conjunction with the Houston Recovery Center.
Operating: \$131,408/\$657,041

1b. Reduce presence in the public realm of the homeless and street person population.

(Context: Over 100 entities are seamlessly providing homeless housing and services through the Continuum of Care coordinated through the Coalition for the Homeless. Funding from federal, state, local government and private charitable sources flows through the Veterans Administration, Harris County, the City, the Coalition, housing authorities, qualified health care providers, housing and service providers and other entities. The District is a partner in homeless strategy planning and coordination.)

Action: Working with homeless housing and service providers, maintain coordinated outreach, housing intake, rapid re-housing and case management to continue reduction of the number of homeless individuals on the street.

Operating: \$841,013/\$4,205,063

Action: Continue support of the Way Home - Houston's advanced homeless response system working with the City, County, the Coalition for the Homeless, housing and service providers in planning, coordination and implementation of strategies and programs to reduce Houston's homeless population, thereby reducing the number of street homeless.

Operating: \$525,633/\$2,628,164

1c. Downtown's sidewalks are comfortably lighted.

(Context: The Downtown District collaborates with the City and CenterPoint Energy to implement a street lighting master plan for the District which increases the quality and amount of lighting on the streets and sidewalks. An agreement between the City and the District requires the District pay for the increase of cost over the lower amount that would be paid if the city-wide standard for lighting were applied. Further research finds even with these upgrades, lighting of sidewalks in high pedestrian use areas is needed to provide a comfortable experience.)

Action: Maintain the District's share in operating the Downtown Street Lighting Plan as it is implemented. Assure street light outage rates remain at acceptable levels.

Operating: \$213,120/\$1,065,600

Action: Continue to implement and improve upon the Downtown Street Lighting Plan in partnership with economic development and infrastructure projects.

Operating: \$133,797/\$668,983 Capital: \$1,000,000

1d. Increase the standard of care for downtown's cleanliness and well-kept appearance.

(Context: While not relieving adjacent property owners of their responsibilities for maintenance and good repair of sidewalks, the District addresses known sidewalk conditions, especially in high traffic areas. The District's Street Teams sweep and wash sidewalks. The City partners with the District in a program of trash receptacle tipping in order to improve cleanliness. The District cleans bus stops under contract with METRO. The District and the City have an operating agreement whereby the District has the responsibility to maintain most

of the new streetscape improvements made in the Transit Streets, Cotswold, Southeast, Main Street and other streetscape projects. This responsibility includes street trees, ground cover plantings, flowerbeds, planters, and hedges. This is in addition to mowing grass thoroughfares within the District. Parks & Recreation Department maintains pre-existing street trees.)

Action: Provide sweeping and washing of sidewalks especially in high usage areas.
Operating: \$1,806,787/\$9,033,936

Action: Continue District's trash collection program involving tipping of City receptacles on the sidewalks and a private subscription trash/ recyclables collection service primarily for small, street-level businesses.
Operating: \$1,067,146/\$5,335,731

Action: Provide attentive repairs to streets and sidewalks on an ongoing basis. This includes particular attention to maintaining the special concrete pavers and brick pavements.
Operating: \$395,910/\$1,979,549

Action: Aggressively maintain landscaping installed under the Transit Streets, Cotswold, Southeast Sidewalks, Main Street, shopping district and other District initiatives. Also ensure uniform, timely maintenance of landscaping in thoroughfares and street rights-of-way within the District including street tree pruning and replacement, grass and weed mowing and care of tree understory areas.
Operating: \$835,667/\$4,178,334

Action: Provide effective and efficient bases of operation for the District's services in meeting the cleaning, landscaping, maintenance and repair needs. This includes the District's operations center, warehouse and storage yard.
Operating: \$485,492/\$2,427,462

1e. Conditions of blighted properties are addressed.

(Context: The conditions of vacant, underused or poorly managed properties add discontinuity and discomfort to the seamless pedestrian experience. While City code and ordinance enforcement may correct some situations, there is a need for a more proactive effort in obtaining a seamless pleasant pedestrian experience.)

Action: In key corridors ensure façades are clean, free of graffiti, repaired and temporarily vacant space has an inviting look. This includes ensuring codes are enforced.
Operating: \$36,794/\$183,971

1f. Prepare for and respond to emergencies.

(Context: The lead agencies for emergency coordination are the Harris County and City of Houston Offices of Emergency Management. After Hurricane Ike, the District established a Downtown Emergency Coordination Center and administers an ongoing emergency response plan for downtown, fulfilling its role in the region's emergency management system.)

Action: Manage and program a new park in the southern part of downtown and other key public spaces.

Operating: \$525,633/\$2,628,164

Action: Program unique and exciting events throughout downtown in coordination with other key public and private stakeholders.

Operating: \$108,153/\$540,766

2c. Place of civic celebration.

(Context: Downtown's festive banner program, pole planters, temporary art, holiday events/decorations in key pedestrian areas are installed and maintained by the District with support from civic partners and adjacent businesses and owners.)

Action: Provide festive, colorful and interesting accents on primary vehicular/pedestrian streets including banners, colorful pole planters, window displays and other means. To accomplish this, install, operate and maintain fixtures and lighting.

Operating: \$376,339/\$1,881,697

Action: Facilitate with partners a diverse offering of seasonal displays and events which attract visitors from inside and outside of the region. Maximize the positive economic impacts of these on downtown's businesses and institutions.

Operating: \$628,392/\$3,141,960

Action: Initiate and operate a program of temporary public art installations at key downtown locations to add interest and draw more people into the pedestrian realm.

Operating: \$294,633/\$1,473,165

Action: Collaborate in putting downtown's best foot forward in hosting major national and international events in our city such as the 2023 NCAA Final Four and potentially the 2026 World Cup.

Operating: \$26,282/\$131,408

Goal 3. Accessible to the entire region all of the time and easy to get around.

3a. Effective transit access from more places, more hours of the day.

(Context: Downtown remains the most densely transit served activity center in the region. METRO's bus network provides service for extended hours seven days per week and aligning with its Red, Green and Purple METRO Rail lines. Commuter transit is provided by METRO and several contract carriers serving residential communities outside of the METRO service area, while underserved areas emerge as the region expands its urbanized footprint.)

Action: Coordinate METRO and other providers' transit services for downtown employers. Facilitate meeting unmet service demand including new park & ride service from Ft. Bend County. Assist in promoting service options to employers.

Operating: \$179,766/\$898,832

3b. Convenient, multiple means of circulation without personal vehicle.

(Context: With federal grant funding to purchase equipment the District contracted METRO to operate the Greenlink circulator service from June 2012 to June 2020, when it was discontinued because of decreased ridership. In 2012, Houston's BCycle program kicked off and now has 16 stations within Downtown. Cycle tracks now connect Buffalo Bayou Park to EaDo on Lamar Street and Polk Streets and Midtown to Buffalo Bayou on Austin Street. A cycle track is being constructed as part of the Bagby Street project. ZipCar has 3 rental stations within the District. App based on-demand ride services and taxis serve numerous customers.)

Action: Working with partners work to expand and promote alternatives for circulation within downtown.

Operating: \$26,282/\$131,408

3c. Easy to find way around.

(Context: The downtown wayfinding system is designed, installed and maintained by the District. Beginning under the 2011-2015 Service & Improvement Plan and continuing under this Plan, the vehicular wayfinding system is refreshed and expanded. This is part of the operating agreement with the City which enabled installation of such a system in the public rights of way. The tunnel/skywalk wayfinding system is updated periodically by the District.)

Action: Update and maintain wayfinding system which serves at street, tunnel and skywalk levels.

Operating: \$90,672/\$453,358

Capital: \$300,000

Action: Publish and distribute wayfinding maps of downtown in multiple media.

Operating: \$49,672/\$248,362

3d. Connected walkable neighborhoods and districts inside and outside of downtown.

(Context: As neighborhoods within and immediately adjacent to downtown continue to redevelop, plans by the District and its partners propose improved multi-modal linkages.)

Action: Promote and further develop pedestrian, rail and bus, bicycle and vehicular connections.

Operating: \$15,769/\$78,845

Action: Improve the quality of pedestrian sidewalk connections within downtown and to adjacent neighborhoods primarily focusing on newly developing districts including Midtown, East Downtown and the Northside.

Operating: \$15,769/\$78,845

Capital: \$3,000,000

3e. Convenient, understandable and managed parking.

(Context: Citizens concerns about convenient, economical and user-friendly parking have grown as more and more surface lots give way to new development. Most downtown parking

is provided by private owners. Houston First Corporation is responsible for City owned garage and lot parking in the Theater and Convention Districts. Other public parking facilities are owned by Harris County and the Harris County-Houston Sports Authority. The Parking Management Division of the City's Department of Regulatory Affairs has improved signage and increased the number of on-street spaces in past years and is developing a program of making garage parking easy for the downtown visitor. The District provides interactive information to make it easier for customers to find parking.)

Action: Continue to support and facilitate parking PR campaign and information which increase the convenience of downtown customer parking.

Operating: \$26,282/\$131,408

Action: Design and implement programs to reduce demand for parking or make parking resources available to downtown customers. This may include on-demand ride services pick-up zones, valet services and/or better identification and operation of lot or garage space in high customer demand areas.

Operating: \$7,884/\$39,422

Capital: \$500,000

Goal 4. Vibrant, sustainable mixed-use place.

4a. Best place to work in region.

(Context: The Greater Houston Partnership is the lead agency for regional business attraction; the City, the County and HISD assist with incentives. The asset management and brokerage community make the deals. Partnering with Central Houston in the Downtown Economic Development Program, the District acts as a facilitator to aid in bringing deals to closure and to help retain employers. Recently strategically refocused, this program also will concentrate on the type of workplace that will attract and retain talented professionals in the years ahead.)

Action: Facilitate advancement of and communication about downtown's unique assets as a cutting-edge work location to the brokerage community, companies and other potential large and small employers. Facilitate ongoing communication with employers located within downtown.

Operating: \$370,893/\$1,854,464

4b. Engaging neighborhoods to live in.

(Context: In August 2012 Houston City Council approved the Downtown Living Initiative Program to encourage the development of residential units within a specified area of downtown. On June 30, 2016 the program closed to new applicants. The program provides up to \$15,000 per unit of reimbursement of City Property tax and District assessment based on the incremental increase of value of the property for a period up to 15 years.)

Action: Continue to fulfill the District's obligations with the Downtown Living Initiative for the duration of this Service Plan including monitoring of adherence to program guidelines and management of annual reimbursements. Monitor changing

development economics and market conditions such as affordability, and if justified explore initiation of similar initiatives.

Operating: \$709,604/\$3,548,022

Action: In collaboration with other entities work to expand open space, park and recreational offerings for downtown residents as well as address the current functionality of existing spaces.

Operating: \$144,549/\$722,745

Action: Working with others to pursue quality school/educational opportunities in or immediately adjacent to downtown to meet the needs of a younger residential population.

Operating: \$0/\$0

4c. Competitive shopping place.

(Context: In 2013 the District facilitated the Mayor's Retail Task Force and has worked to advance its recommendation's including making improvements and maintaining the shopping district's public realm and seeking retail projects. The District has provided grants to catalytic projects and small grants to assist better designed store fronts.)

Action: With the Downtown Development Authority and the City, explore creative options and partnerships to result in appropriately located, competitive retail space for soft, hard goods and services.

Operating: \$26,282/\$131,408

4d. A remarkable destination for visitors.

(Context: Houston First Corporation, the Greater Houston Convention & Visitors Bureau and a growing number of hoteliers are downtown's front line in convention and tourism marketing. The District's role is making the place desirable and functional for an excellent visitor and local resident experience and assistance in communicating downtown's offerings.)

Action: Assist in identifying and developing attractions and points of interest that invite people into downtown in the daytime as well as at night.

Operating: \$65,178/\$325,892

Goal 5. Downtown's vision, plans and offerings are understood by all.

5a. Market downtown to region.

(Context: With input from other entities the District manages a unified brand, marketing and communications for downtown.)

Action: Continue and enhance coordinated marketing and communication of downtown's offerings including a regional marketing campaign. Tools supported include a unified web portal, *downtown* magazine, e-blasts, social media and other special

promotions and communications. Address specific communication needs of downtown/central city residents.

Operating: \$1,084,307/\$5,421,535

Action: Provide ongoing media coordination for downtown. This involves written and electronic general public and industry media as well as other resources.

Operating: \$97,420/\$487,099

5b. Promote the ease of using downtown's offerings.

Action: Using the tools above, communicate to downtown's residents and users the diverse offerings as well as useful information on conveniences such as parking, services, etc.

Operating: \$26,282/\$131,408

Action: In concert with the City, METRO and other agencies, communicate construction, event and other related temporary street closures to make downtown easier to navigate.

Operating: \$26,282/\$131,408

5c. Vision and development plans for future engage all.

(Context: Following the District facilitated Houston Downtown Development Framework plan in 2004, the District, Central Houston, Inc, and the Downtown Redevelopment Authority and nine other sponsoring entities prepared and released Plan Downtown: Culture, Lifestyle and Convenience in 2017, to guide twenty years of downtown's development including infrastructure projects by TxDOT, METRO, Harris County, the Harris County Toll Road Authority, the City and other public entities. Other smaller area plans have been prepared for the George R Brown/Convention District, Downtown/EaDo Livable Center, retail core/shopping district, Theater District, southern downtown's public realm and the warehouse district and west-side City facilities. In addition, the City, District, Central Houston and Downtown Redevelopment Authority are coordinating with TxDOT plans for civic opportunities associated with the downtown portion of TxDOT's North Houston Highway Improvement Project.

Action: In a collaborative process, further develop and update recommendations of Plan Downtown including infrastructure changes and incorporating the plans for smaller areas within the District that are poised for redevelopment.

Operating: \$255,379/\$1,276,894

Action: Collaborate in the planning and design for transportation infrastructure: transit, freeways, major thoroughfares, local streets and transportation terminals including the North Houston Highway Improvement Project.

Operating: \$665,188/\$3,325,942

Action: Collaborate in planning and design of major public facilities including parks, plazas and open space, modifications to the Buffalo Bayou drainage system, criminal justice

facilities, sports and entertainment facilities, new visitor attractions, arts, cultural and educational facilities.

Operating: \$133,038/\$665,188

Action: Provide technical assistance in planning and design of streetscapes by other entities to ensure the excellent pedestrian experience.

Operating: \$31,827/\$159,135

5d. Tools to assist continued redevelopment.

Action: Work with the City, County and other entities to manage and refine existing and create effective new programs, incentives, policies and ordinances to foster continued redevelopment within the District and provide information and coordination to potential projects.

Operating: \$84,101/\$420,506

5e. Information source to support continued development, investment and marketing of downtown.

(Context: The District through the web portal www.downtownhouston.org is the ongoing source for up-to-date information on the physical and economic attributes of downtown. This information supports a number of the goals and actions in this plan.)

Action: Keep up-to-date information on the physical attributes of downtown.

Operating: \$21,025/\$105,127

Action: Maintain information on the office, hospitality, retail, residential, attractions, parking and other markets for downtown including market research as needed.

Operating: \$21,025/\$105,127

Goal 6. District governance and service known for excellence.

6a. Board and administration: engage stakeholders in the decisions regarding downtown.

Action: Successfully engage and support property owner/tenant volunteers and other community and business leaders through the District's Board of Directors, committees, task forces and allied organizations to advance these goals and downtown's betterment. This also encompasses financial, legal, disadvantaged business program and other administrative functions necessary for the lawful and proper functioning of the District.

Operating: \$559,089/\$2,795,447

Action: Support the general advancement of the Service & Improvement Plan including general expenses not covered in other items of the Service & Improvement Plan.

Operating: \$311,309/\$1,556,546

6b. Communicate to owners, tenants and others about the District.

Action: Advance and maintain the District's own website and other media to assist property owners, tenants and others to understand the functions of the District.

Operating: \$28,670/\$143,351

Action: Respond to regional and national requests for information about the District itself, history, operations, Service & Improvement Plan and other aspects of District operations.

Operating: \$10,989/\$54,944

6c. Preservation of assets: build appropriate capital replacement reserves.

(Context: The District is responsible for an inventory of streetscape assets including special paving, street trees, landscaping, special lighting, wayfinding system, benches, trash receptacles, bike racks and other fixtures. As experienced with Hurricane Ike, expedient and effective recovery is a requisite.)

Action: Self-insure for catastrophic loss and build capital reserve to support a replacement schedule on major capital items maintained by District.

Operating: \$126,257/\$631,285 Capital \$1,125,000

Summary of Capital and Operating Expenses & Assessment Revenue
District Service Plan 2021-2025

	Current Operating Avg Annual	New Operating Avg Annual	Total Operating Avg Annual	5-Year Total	%	Capital	%	2021-2025 Plan Total	%
Goal 1. Downtown feels comfortable and safe at all times									
1a. Collaboration to maintain low crime rate									
o Downtown Public Safety Guides	\$2,221,520	\$105,127	\$2,326,647	\$11,633,233				\$11,633,233	
o Downtown HPD off-duty officers/private	\$1,086,944	\$0	\$1,086,944	\$5,434,719				\$5,434,719	
o Public intoxication transport team	\$131,408	\$0	\$131,408	\$657,041				\$657,041	
Subtotal	\$3,439,872	\$105,127	\$3,544,999	\$17,724,993	18.9%	\$0	0.0%	\$17,724,993	17.7%
1b. Reduced presence of homeless & street persons									
o Homeless outreach, planning & services	\$841,013		\$841,013	\$4,205,063				\$4,205,063	
o Housing programs	\$525,633		\$525,633	\$2,628,164				\$2,628,164	
Subtotal	\$1,366,645	\$0	\$1,366,645	\$6,833,227	7.3%	\$0	0.0%	\$6,833,227	6.8%
1c. Downtown's sidewalks are comfortably lighted									
o Enhanced street lighting differential	\$197,351	\$15,769	\$213,120	\$1,065,600				\$1,065,600	
o Street light maintenance	\$112,771	\$21,025	\$133,797	\$668,983		\$1,000,000		\$1,668,983	
Subtotal	\$310,122	\$36,794	\$346,917	\$1,734,583	1.8%	\$1,000,000	15.4%	\$2,734,583	2.7%
1d. Downtown noted for cleanliness & well-kept appearance									
o Clean team personnel and equipment	\$1,751,070	\$55,717	\$1,806,787	\$9,033,936				\$9,033,936	
o Trash collection subscriptions and bags	\$1,067,146	\$0	\$1,067,146	\$5,335,731				\$5,335,731	
o Paver and sidewalk repairs	\$343,347	\$52,563	\$395,910	\$1,979,549				\$1,979,549	
o Irrigation, tree, and landscaping	\$714,246	\$121,421	\$835,667	\$4,178,334				\$4,178,334	
o Operations center and warehouse	\$485,492	\$0	\$485,492	\$2,427,462				\$2,427,462	
Subtotal	\$4,361,301	\$229,702	\$4,591,002	\$22,955,012	24.5%	\$0	0.0%	\$22,955,012	22.9%
1e. Remove conditions of disorder in downtown									
o Graffiti removal	\$36,794		\$36,794	\$183,971				\$183,971	
Subtotal	\$36,794	\$0	\$36,794	\$183,971	0.2%	\$0	0.0%	\$183,971	0.2%
1f. Prepare for and respond to emergencies									
o Emergency preparedness	\$113,011		\$113,011	\$565,055				\$565,055	
Subtotal	\$113,011	\$0	\$113,011	\$565,055	0.6%	\$0	0.0%	\$565,055	0.6%
Total Goal 1:	\$9,627,746	\$371,622	\$9,999,369	\$49,996,843	53.3%	\$1,000,000	15.4%	\$50,996,843	50.8%
Goal 2. Public realm is charming, inviting, beautiful and celebrates the life of the city									
2a. Key pedestrian streets are inviting									
o Signature floral displays throughout	\$407,365	\$183,971	\$591,337	\$2,956,685				\$2,956,685	
o Retail façade and storefront/streetscape	\$42,051		\$42,051	\$210,253				\$210,253	
o Improve landscaped edges to parking lots	\$0		\$0	\$0		\$550,000		\$550,000	
Subtotal	\$449,416	\$183,971	\$633,388	\$3,166,938	3.4%	\$550,000	8.5%	\$3,716,938	3.7%
2b. Public spaces: managed, programmed and delightful								\$0	
o Main Street Square as signature place	\$407,606	\$0	\$407,606	\$2,038,031				\$2,038,031	
o Market Square Park as signature place	\$562,838	\$0	\$562,838	\$2,814,191				\$2,814,191	
o Southern Downtown Park as signature		\$525,633	\$525,633	\$2,628,164				\$2,628,164	
o Around downtown events	\$108,153	\$0	\$108,153	\$540,766				\$540,766	
Subtotal	\$1,078,598	\$525,633	\$1,604,230	\$8,021,152	8.5%	\$0	0.0%	\$8,021,152	8.0%
2c. Place of civic celebration									
o Banners and pole planters	\$361,622	\$14,718	\$376,339	\$1,881,697				\$1,881,697	
o Seasonal displays and events	\$628,392		\$628,392	\$3,141,960				\$3,141,960	
o Temporary public art	\$294,633		\$294,633	\$1,473,165				\$1,473,165	
o Coordination of major national events	\$26,282		\$26,282	\$131,408				\$131,408	
Subtotal	\$1,310,928	\$14,718	\$1,325,646	\$6,628,230	7.1%	\$0	0.0%	\$6,628,230	6.6%
Total Goal 2:	\$2,838,942	\$724,322	\$3,563,264	\$17,816,320	19.0%	\$550,000	8.5%	\$18,366,320	18.3%

Goal 3. Accessible to entire region all of the time and easy to get around									
3a. Effective transit access: more places, more hours									
o Ft. Bend Park & Ride Initiative	\$179,766	\$0	\$179,766	\$898,832				\$898,832	
Subtotal	\$179,766	\$0	\$179,766	\$898,832	1.0%	\$0	0.0%	\$898,832	0.9%
3b. Convenient circulation without personal vehicle									
o Operate circulator system	\$0	\$0	\$0	\$0				\$0	
o Promote circulation alternatives	\$26,282		\$26,282	\$131,408				\$131,408	
Subtotal	\$26,282	\$0	\$26,282	\$131,408	0.1%	\$0	0.0%	\$131,408	0.1%
3c. Easy to find way around									
o Maintain wayfinding system	\$82,787	\$7,884	\$90,672	\$453,358		\$300,000		\$753,358	
o Publish wayfinding maps in multiple	\$49,672		\$49,672	\$248,362				\$248,362	
Subtotal	\$132,459	\$7,884	\$140,344	\$701,720	0.7%	\$300,000	4.6%	\$1,001,720	1.0%
3d. Connect neighborhoods and districts inside/ outside downtown									
o Collaborate with surrounding neighborhood	\$15,769		\$15,769	\$78,845				\$78,845	
o Improve quality of pedestrian connections	\$15,769		\$15,769	\$78,845		\$3,000,000		\$3,078,845	
Subtotal	\$31,538	\$0	\$31,538	\$157,690	0.2%	\$3,000,000	46.3%	\$3,157,690	3.1%
3e. Convenient, understandable and managed parking									
o Continue to support parking PR and	\$26,282		\$26,282	\$131,408				\$131,408	
o Implement off-street parking programs	\$7,884	\$0	\$7,884	\$39,422		\$500,000		\$539,422	
Subtotal	\$34,166	\$0	\$34,166	\$170,831	0.2%	\$500,000	7.7%	\$670,831	0.7%
Total Goal 3:	\$404,212	\$7,884	\$412,096	\$2,060,481	2.2%	\$3,800,000	58.7%	\$5,860,481	5.8%
Goal 4. Vibrant, sustainable mixed use place									
4a. Best place to work in region									
o Employer recruitment & Economic	\$370,893		\$370,893	\$1,854,464				\$1,854,464	
Subtotal	\$370,893	\$0	\$370,893	\$1,854,464	2.0%	\$0	0.0%	\$1,854,464	1.8%
4b. Exciting neighborhoods to live in									
o Downtown Living Initiative	\$709,604		\$709,604	\$3,548,022				\$3,548,022	
o Work to expand open space, park and	\$144,549		\$144,549	\$722,745				\$722,745	
o Pursue school/ educational opportunities	\$0		\$0	\$0				\$0	
Subtotal	\$854,153	\$0	\$854,153	\$4,270,767	4.5%	\$0	0.0%	\$4,270,767	4.3%
4c. Competitive shopping place									
o Work to improve retail offerings	\$26,282		\$26,282	\$131,408				\$131,408	
Subtotal	\$26,282	\$0	\$26,282	\$131,408	0.1%	\$0	0.0%	\$131,408	0.1%
4d. Remarkable destination for visitors									
o Assist in development of new attractions	\$65,178		\$65,178	\$325,892				\$325,892	
Subtotal	\$65,178	\$0	\$65,178	\$325,892	0.3%	\$0	0.0%	\$325,892	0.3%
Total Goal 4:	\$1,316,506	\$0	\$1,316,506	\$6,582,532	7.0%	\$0	0.0%	\$6,582,532	6.6%

Goal 5. Downtown's vision, plans and offerings understood by all

5a. Market downtown to region									
o Marketing & Communication	\$1,084,307		\$1,084,307	\$5,421,535				\$5,421,535	
o Media Coordination	\$97,420		\$97,420	\$487,099				\$487,099	
Subtotal	\$1,181,727	\$0	\$1,181,727	\$5,908,634	6.3%	\$0	0.0%	\$5,908,634	5.9%
5b. Promote downtown's ease of use									
o Communications to residents and visitors	\$26,282		\$26,282	\$131,408				\$131,408	
o Coordination of street closures	\$26,282		\$26,282	\$131,408				\$131,408	
Subtotal	\$52,563	\$0	\$52,563	\$262,816	0.3%	\$0	0.0%	\$262,816	0.3%
5c. Vision plan/ development framework understood by all									
o Guide plans for downtown development	\$255,379		\$255,379	\$1,276,894				\$1,276,894	
o Assist in coordinated planning of	\$665,188		\$665,188	\$3,325,942				\$3,325,942	
o Assist in planning of major public	\$133,038		\$133,038	\$665,188				\$665,188	
o Provide technical assistance in design of	\$31,827		\$31,827	\$159,135				\$159,135	
Subtotal	\$1,085,432	\$0	\$1,085,432	\$5,427,159	5.8%	\$0	0.0%	\$5,427,159	5.4%
5d. Tools to assist continued redevelopment									
o Assist projects with understanding	\$84,101		\$84,101	\$420,506				\$420,506	
Subtotal	\$84,101	\$0	\$84,101	\$420,506	0.4%	\$0	0.0%	\$420,506	0.4%
5e. Develop/ maintain information to support development, investment and marketing of downtown									
o Maintain database on physical attributes	\$21,025		\$21,025	\$105,127				\$105,127	
o Maintain database on downtown's various	\$21,025		\$21,025	\$105,127				\$105,127	
Subtotal	\$42,051	\$0	\$42,051	\$210,253	0.2%	\$0	0.0%	\$210,253	0.2%
Total Goal 5:	\$2,445,874	\$0	\$2,445,874	\$12,229,369	13.0%	\$0	0.0%	\$12,229,369	12.2%
Goal 6. District governance and service known for excellence									
6a. Board and administration: engage stakeholders in decision making									
o Administrative, tax assessor/collector and	\$559,089	\$0	\$559,089	\$2,795,447				\$2,795,447	
o General expenses to advance Service &	\$311,309		\$311,309	\$1,556,546				\$1,556,546	
Subtotal	\$870,399	\$0	\$870,399	\$4,351,993	4.6%	\$0	0.0%	\$4,351,993	4.3%
6b. Communications to owners, tenants and others									
o HDMD website maintenance	\$28,670		\$28,670	\$143,351				\$143,351	
o Respond to regional & national	\$10,989		\$10,989	\$54,944				\$54,944	
Subtotal	\$39,659	\$0	\$39,659	\$198,295	0.2%	\$0	0.0%	\$198,295	0.2%
6c. Preservation of District's capital assets									
o Capital replacement	\$126,257		\$126,257	\$631,285		\$1,125,000		\$1,756,285	
Subtotal	\$126,257	\$0	\$126,257	\$631,285	0.7%	\$1,125,000	17.4%	\$1,756,285	1.8%
Total Goal 6:	\$1,036,315	\$0	\$1,036,315	\$5,181,573	5.5%	\$1,125,000	17.4%	\$6,306,573	6.3%
Total Expense	\$17,669,594	\$1,103,829	\$18,773,423	\$93,867,117	100.0%	\$6,475,000	100.0%	\$100,342,117	100.0%
Annual Expense				\$18,773,423		\$1,295,000		\$20,068,423	

Summary of Capital and Operating Expenses & Assessment Revenue

District Service Plan 2021-2025

Annual assessment revenues	Operating Avg Annual	Operating 5-Year Total	Capital 5-Year Total	2021-2025 Plan Total
Assessable value (90% of 2019 value)	\$12,237,410,352		\$12,237,410,352	\$12,237,410,352
Assessment rate	\$0.1400		\$0.0100	\$0.1500
Gross assessment revenues	\$17,132,374	\$85,661,872	\$6,118,705	\$91,780,578
Less: amount for refunds & non-payments	(\$856,619)	(\$4,283,094)	(\$305,935)	(\$4,589,029)
Net assessment revenues	\$16,275,756	\$81,378,779	\$5,812,770	\$87,191,549
			\$1,162,554	
Additional assessment - new construction				
Office	\$697,623	\$3,488,113	\$249,151	\$3,737,264
Residential	\$367,561	\$1,837,803	\$131,272	\$1,969,075
Less: DLI rebates	(\$275,670)	(\$1,378,352)	(\$98,454)	(\$1,476,806)
Assessment revenue - new construction	\$789,513	\$3,947,564	\$281,969	\$4,229,533
Revenue Offsets				
Trash collection program subscriptions and bag sales	\$200,000	\$1,000,000		\$1,000,000
Main Street Square fountain reimbursement	\$60,000	\$300,000		\$300,000
METRO bus stop cleaning	\$240,000	\$1,200,000		\$1,200,000
Homeless programs participation from others	\$0	\$0		\$0
Marketing participation from others	\$0	\$0		\$0
Market Square Park kiosk revenue	\$50,000	\$250,000		\$250,000
Event revenue	\$25,000	\$125,000		\$125,000
Total offsets	\$575,000	\$2,875,000	\$0	\$2,875,000
Total operating expense	\$18,773,423	\$93,867,117	\$6,475,000	\$100,342,117
Interest	\$200,000	\$1,000,000	\$50,000	\$1,050,000
Surplus fund balance utilization	\$933,333	\$4,666,667	\$333,333	\$5,000,000
Total funds available	\$18,773,602	\$93,868,009	\$6,478,072	\$100,346,082
Revenues in excess (deficit) of expenses	\$178	\$892	\$3,072	\$3,965

Assessment Plan

Proposed Assessments

Texas statute stipulates a District shall apportion the cost of improvements or services on the basis of the benefits caused by such improvements or services. This apportionment may be based on front foot, square foot, value or other manner that results in imposing equal shares of the costs on properties similarly benefited. For the services and improvements proposed herein, the District's Board of Directors recommends apportionment of cost based on the value of land and improvements as determined on the certified tax rolls of the Harris County Appraisal District ("HCAD").

For services proposed herein the assessment will be made for a five-year period. A maximum rate of \$.140 per \$100 of assessed value of land and improvements is recommended for services. This assessment will be based on the annual certified rolls. The assessment rate for services will be set annually in accordance with the operating budget and shall at no time exceed \$.140 per \$100 of assessed value of land and improvements on the certified rolls for each year of the plan.

An assessment is also recommended for the capital improvements. A capital improvement budget will be adopted each year by the District's Board of Directors, including projects and capital items proposed herein which are ready to be undertaken. The assessment rate for capital improvements will be set annually in accordance with the capital improvements budget and shall at no time exceed \$.010 per \$100 of assessed value of land and improvements on the annual certified rolls.

In accordance with Chapter 375 of the Texas Local Government Code, it is proposed the City of Houston's share of the Service & Improvement Plan would be a continuation of the services and capital improvements it presently provides or has scheduled to provide subject to annual appropriation by City Council. This is and will continue to be established by contract.

Assessments will become due and delinquent and be payable in accordance with the Texas Tax Code. Delinquent payments will bear interest and penalties in accordance with the Texas Tax Code. Assessments will become due on January 31st and become delinquent thereafter. Delinquent payments will bear interest at 1% per month or a portion thereof. Delinquent payments will bear a penalty of 6% for the first month it is delinquent, or fraction thereof, plus 1% for each additional month, or fraction thereof, the assessment remains delinquent to the first day of July following the date of the levy of the assessment; however, an assessment delinquent on July 1 incurs a total penalty of 12% of the delinquent assessment without regard to the number of months the assessment has been delinquent. On and after July 1, if it is necessary to contract with an attorney for representing the District in enforcing collection of a delinquent assessment, there will be an additional penalty of 20% on the delinquent assessment, interest and penalty.

Assessments will be based on the annual certified rolls of HCAD for taxable, non-excluded properties within the boundaries of the Houston Downtown Management District for tax years 2020-2024. The estimated preliminary 2020 value for land and improvements of non-exempt property within the District is \$12,237,410,352 (*discounted for settlement of unsettled litigation from a 2019 number of \$13,597,122,613*) For purposes of illustration revenues based on this estimated value are as follows assuming no there is no change over the next five years:

<u>Services Portion:</u>	<u>Annual</u>	<u>Five-Year Total</u>
Total operating expense	\$18,773,423	\$93,867,117
Gross assessment @ \$.140/\$100	17,132,374	85,661,872
Less reserve for adjustments and refunds (5%)	(856,619)	(4,283,094)
Net Assessment Revenue	\$16,275,756	\$81,378,779
Estimated assessment revenue from projects in construction	\$1,065,184	\$5,325,916
Less payments for Downtown Living Initiative Grants	(275,670)	(1,378,352)
	\$789,513	\$3,947,564
Other Revenues	\$575,000	\$2,875,000
Interest	200,000	1,000,000
Surplus fund balance utilization	933,333	4,666,667
Total Estimated Revenue	\$18,773,602	\$93,868,009
<u>Capital Improvements Portion:</u>	<u>Annual</u>	<u>Five-Year Total</u>
Maximum capital expense	\$1,295,000	\$6,475,000
Gross assessment @ \$.010/\$100	1,223,741	6,118,705
Less reserve for adjustments and refunds (5%)	(61,187)	(305,935)
Net Assessment Revenue	\$1,162,554	\$5,812,770
Estimated assessment revenue from projects in construction	76,085	\$380,423
Less payments for Downtown Living Initiative Grants	(19,691)	(98,454)
Net Assessment Revenue from Projects in Construction	\$68,445	\$281,969
Other Revenues	\$0	\$0
Interest	10,000	50,000
Total Estimated Revenue	\$1,295,614	\$6,478,072

Total proposed maximum assessment rate in any year during the five-year service plan: \$0.15 per \$100 of the annual assessed value of land and improvements.

Taxable real property as shown on the tax rolls of HCAD will be subject to assessment. Except with the consent of the owners thereof, the following classes of property are proposed to be excluded from assessment: (a) property of the City of Houston, property of political subdivisions of the State of Texas and property of the Federal Government used for public purpose; (b) property owned by a church or by a strictly religious society which yields no revenue whatever to such church or society; (c) property used exclusively for school purposes; (d) property owned by an association engaged in promoting the religious, educational, and physical development of children and young men and women operating under a state or national organization of like character and used exclusively and necessarily for such purposes; (e) property owned by institutions of purely public charity; (f) transmission and distribution properties owned by public and private utilities; (g) railroad rights-of-way and property located therein; and (h) property not assessable as a result of Texas Government Code §311.025(a).

Any land and improvements annexed into the District 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 and improvements are annexed and added to the rolls of the District. After conducting a public hearing, the Board will prepare a supplemental assessment roll for such property and levy assessments against such property for the specific benefits to be received by the services and improvements to be provided by the District. Such annexations (which may only be done in accordance with Chapter 375, Local Government Code, as amended), if any, will generate additional revenue.

A 20% homestead exemption will be provided to a resident who on January 1 of each year of the plan owns and occupies a home as a principal residence, and neither the resident nor a spouse claimed a homestead exemption on any other property in Texas. An exemption from appraised value of \$160,000 will be provided to residence homesteads of individuals age 65 or older or are disabled.

Land and improvements which have a special use designation for tax purposes on the tax rolls of HCAD for each plan year as (a) agricultural use, (b) timber land use, or (c) recreational, park or service use, will be assessed by the Board of Directors of the District at its designated special use value for so long as it enjoys that special use designation. If land and improvements which have a special use designation is converted to another use and loses its special use designation on the tax roll of HCAD, the Board of Directors of the District will thereafter assess such land and improvements at its full value as shown on the tax rolls of HCAD.

Appendix A
Metes and Bounds and Boundary Map

APPENDIX A
HOUSTON DOWNTOWN MANAGEMENT DISTRICT
BOUNDARY DESCRIPTION

1178 acres, more or less, in the J. Austin Survey, Abstract 1, the J.S. Holman Survey, Abstract 323, the O. Smith Survey, Abstract 696, and the J. Wells Survey, Abstract 832, Harris County, Texas, more particularly described as follows:

BEGINNING at the intersection of the center line of the right-of-way of Interstate Highway 10 to the intersection with the west right-of-way line of Interstate Highway 45,

Thence in a southerly direction to the intersection of the west right-of-way line of Interstate Highway 45 with the center line of the right-of-way of Franklin Avenue,

Thence in a southerly direction to the intersection of the west right-of-way line of Interstate Highway 45 with the north right-of-way line of Memorial Drive,

Thence in a westerly direction with the intersection of the north right-of-way line of Memorial Drive to a southerly projection of the center line of the right-of-way of Sabine Street and then with the center line of the right-of-way of Sabine Street,,

Thence in a southerly direction with the southerly projection of the center line of the right-of-way of Sabine Street to the intersection with the center line of the right-of-way of Allen Parkway,

Thence in a southerly direction with the intersection of the center line of the right-of-way of Allen Parkway to the west line of the right-of-way of Heiner Street and southerly and northerly projections thereof,

Thence in an easterly direction with a southerly projection of the west line of the right-of-way of Heiner Street to the intersection with the center line of the right-of-way of W. Dallas Street,

Thence in a southerly direction with the center line of the right-of-way of W. Dallas Street to the intersection with the west line of the right-of-way of Heiner Street and southerly and northerly projections thereof,

Thence in a southeasterly direction with a southerly projection of the west line of the right-of-way of Heiner Street to the intersection with the center line of the right-of-way of Bagby Street,

Thence in a southwesterly direction with the center line of the right-of-way of Bagby Street to the intersection with the center line of the right-of-way of Pierce Avenue,

Thence in a southeasterly direction with the center line of the right-of-way of Pierce Avenue to the intersection with the center line of the right-of-way of U.S. Highway 59,

Thence in a northeasterly direction with the center line of the right-of-way of U.S. Highway 59 to the intersection with the center line of the right-of-way of Interstate Highway 10,

Thence in a westerly direction with the center line of the right-of-way of Interstate Highway 10 to The Point of Beginning, containing 1,178 acres, more or less, including , without limitation, all air space above and all subsurface below said property.

Houston Downtown Management District

District Boundary



Appendix B
2021 Assessment Plan as reflected by the
Harris County Appraisal District's
2020 Certified Tax Roll

Assessment Plan is reflected by the Harris County Appraisal District's 2020 certified tax roll. Assessments for years 2022-2025 are based on the tax rolls for 2021, 2022, 2023, and 2024.

This document will be available after HCAD has released its Certified Tax Roll. At that time the Houston Downtown Management District may provide a copy upon written request addressed to the

Records Management Officer
Houston Downtown Management District
909 Fannin, Suite 1650
Houston, Texas 77010