

Houston Downtown Management District

2011-2015 Service & Improvement Plan and Assessment Plan

June 17, 2010

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**Houston Downtown Management District
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Preface

This document sets forth the goals to be achieved, services rendered and improvements made in support of the 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, 2011 and ending December 31, 2015. It follows a plan adopted by the Board of Directors of the Downtown District in November 2005. This proposed plan will be adopted only after 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.

Introduction

The Houston Downtown Management District and its predecessor, the Houston Downtown Public Improvement District, have been in operation for 18 years. During this time downtown has experienced an exciting renaissance and a remarkable economic rebound. Today more Houston region residents as well as visitors are seeing downtown as more than a workplace. Downtown is now a place to live, visit, enjoy the arts, learn, worship and to recreate. The numbers since 1995 are most impressive:

- \$4.4 billion of construction has been completed and another \$1 billion is under construction for a total of \$5.5 billion of redevelopment activity in over 129 public and private projects.
- Over 2,700 residential lofts and apartment units are opened, under construction or in development in over 30 projects.
- The number of restaurants in downtown now approaches 300 including those at tunnel and street level.
- Retail space has increased by 380,000 square feet to 2,700,000 square feet, an increase of 16%.
- 2,919 hotel rooms in 12 projects have been or are being added bringing total rooms to 5,024 in 16 properties, and total room revenue has increased by over 200%.
- 4.9 million square feet of new Class A office space has been or is being constructed.
- \$500 million of infrastructure improvements by the City of Houston, Downtown Redevelopment Authority/ TIRZ#3, METRO, TxDOT and the Downtown District include the reconstruction of 23 streets. Over 75% of all blocks in downtown have had some level of streetscape improvement, one of the most dramatic transformations of its kind in the nation.

- 9,166 garage and lot parking spaces were added to an inventory of 91,000. The Cotswold Project and the Southeast Streetscape Project added 1,500 on-street spaces to an inventory of 4,500.

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

Planning, Design and Construction:

- The District funds the preparation of plans and coordinated revitalization of downtown. In 2004, with downtown partners it unveiled a new 20-year plan for downtown: the "Houston Downtown Development Framework."
- In concert with the plans above, the District leads the redesign and partners in funding and construction of downtown's new streetscapes involving thus far over 377 blocks. The District reconstructed streetscapes on 43 blocks. Under contract with the City, the District managed the planning, development and construction of the Cotswold and Southeast Streetscape Projects including some 148 blocks. It partnered with METRO, the Main Street Market Square Redevelopment Authority and Central Houston, to facilitate the redevelopment of 186 blocks of Main Street and the Downtown Transit Streets. Presently, it is assisting coordination of the Southeast Corridor LRT improvements on Texas, Hamilton, Capitol and Rusk.
- The District assists others with renewal of parks and open space including planning for Discovery Green, construction of Buffalo Bayou access, and currently redevelopment of Market Square (with funding from the Downtown Development Authority/ TIRZ#3).
- Constructing such a transformation has impacts, and the District facilitates coordination and communication of this activity in order to ease these impacts.

Cleaning, Beautification, Wayfinding, Safety and Operations:

- The District provides for the cleaning and care of downtown's sidewalks and streetscapes thereby reducing litter levels by over 80 percent.
- The District now cares for over 1,500 new street trees, flower planters and beds and other landscaping as well as operating a street banner program that is part of the dramatic transformation of downtown's pedestrian environment.
- The District installed and cares for an attractive and functional wayfinding system that starts on the freeways and continues to kiosks on the sidewalks and into tunnel connections.
- The District designed and supports the operation of a street light system that has significantly increased the quality of lighting on downtown's sidewalks.
- The District partners in coordinating security efforts to keep annual crimes at a level approximately one-third of the high level experienced in the 1980s. It

also now plays a central role in emergency preparedness and response coordination.

- The District collaborates in the creation of a number of ordinances and regulations that address the improvement of downtown's quality of place.
- The District collaborates in significant changes now in progress related to housing and services for the homeless.

Economic and Business Development:

- The District and its predecessor played a catalytic role in property redevelopment efforts including The Rice, the Humble Building, the Transit-to-Tunnel Superstop (1000 Main), the convention center hotel (the Hilton Americas), The Downtown Aquarium, Minute Maid Park, Toyota Center, Houston Pavilions and numerous smaller projects. It facilitated the creation of the Main Street Market Square Tax Increment Reinvestment Zone (TIRZ#3) and the Downtown Development Authority.
- The District partners in a Downtown Business Development Program to attract and retain major employment, residential and retail activity. Downtown benefits greatly from significant past downtown relocations such as Dynegy, Continental Airlines, Chevron, Total and others.

Public Relations, Promotion and Communications:

- The District engages in significant promotional, marketing and communications activities to maintain top-of-mind awareness of downtown and its significant assets including multiple public relations campaigns. With partners it developed and maintains a web portal, *downtown* magazine, a weekly e-blast, video presentations, audio tours and other collaterals.
- The District plays a key role in coordinated festive holiday celebrations and decorations and major special events such as Super Bowl XXXVIII, the 75th Major League Baseball All Star Game, the NBA All Star Game and, coming in 2011 and 2016, the NCAA Final Four.
- The District serves as the ongoing source of information about downtown that is accessed through maps, newsletters, e-mails, the downtown web portal (www.downtownhouston.org) and other channels.

The thrust of the Downtown District's 1996-2000 and 2001-2005 Service & Improvement Plans was to serve as the facilitator and catalyst for the planned redevelopment of downtown. Clearly, this has been achieved. In the 2006-2010 Service & Improvement Plan, 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 from property owners and managers shows more work is required to achieve this outcome.

In response, more resources in the proposed 2011-2015 Service & Improvement Plan are dedicated to operating, maintaining and enhancing downtown's streetscapes. It is based on the results of surveys and focus group meetings. It 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.

Summary of the 2011-2015 Plan

In the pages which follow, services and capital improvements are proposed that continue the substantial revitalization presently under way while addressing new challenges as downtown experiences higher levels of activity resulting from success. Since inception, the District has focused on improving downtown's quality of life. This focus remains a cornerstone of the 2011-2015 Plan. *The total expense of services and improvements increases relative to the 2006-2010 Plan; however, the maximum assessment rate will remain the same at \$0.135. The capital improvements assessment rate will increase slightly over the previous Plan rate to a maximum of \$.0285/ \$100 of assessed value, and operating will decrease to a maximum of \$.1065/\$100.* Debt is not anticipated as improvements can be made on a pay-as-you-go basis. The District Board believes these rates will not put downtown at a competitive disadvantage with other activity centers. In fact it will allow downtown to be even more competitive.

The chart below summarizes the 2011-2015 Plan goals and related operating and capital expenditures.

Expenses	Operating			Capital	
	Annual	Five year total	Percent	Five year total	Percent
I. Safe, clean & comfortable	\$3,305,000	\$16,525,000	41.2%	\$1,250,000	9.0%
II. Charming & inviting public realm	\$1,140,000	\$5,700,000	14.2%	\$4,110,000	29.6%
III. Accessible to region/ easy to get around	\$1,620,000	\$8,100,000	20.2%	\$6,075,000	43.8%
IV. Vibrant, sustainable mixed use place	\$395,000	\$1,975,000	4.9%	\$1,500,000	10.8%
V. Vision & offerings understood by all	\$927,000	\$4,635,000	11.6%	\$250,000	1.8%
VI. Governance & service known for excellence	\$637,500	\$3,187,500	7.9%	\$700,000	5.0%
Total Expense	\$8,024,500	\$40,122,500	100.0%	\$13,885,000	100.0%
Revenue	Annual	Five year total	Percent	Five year total	Percent
Net assessment revenue*	\$6,462,590	\$32,312,952	80.5%	\$8,647,128	62.2%
Other Income	\$1,550,000	\$7,750,000	19.3%	\$5,200,000	37.4%
Interest	\$20,000	\$100,000	0.2%	\$50,000	0.4%
Total Revenue	\$8,032,590	\$40,162,952	100.0%	\$13,897,128	100.0%

* Based on 2010 certified assessed taxable value of land and improvements in District. Number shown based on estimate of 2010 assessed value of \$6,321,000,000 and rates of a maximum of \$.1065 per \$100 for operating (services) and a maximum of \$.0285 per \$100 for capital improvements. The rates for services and capital improvements will be determined annually by the Board of Directors based on 2010 certified taxable values unless amended after a hearing, and will at no time exceed \$.1065 and \$.0285 per \$100, respectively.

Opportunities and Needs to Be Addressed by the Plan

There is no doubt downtown has undergone a remarkable economic and physical transformation, the desired outcome of the District's earlier Service & Improvement Plans. The positive news is so much redevelopment has occurred. 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. Surveys, focus groups, field research and work by District Board task forces indicate a number of needs and opportunities which are summarized as follows.

- There is a strong perception of an increase in the number of homeless and street people with a resultant increase in street solicitation. This combined with a perceived lack of security presence and substandard lighting at night results in pedestrian discomfort.
- While progress has been made on the cleanliness and maintenance of the public realm, there are places and times where there are further needs to be addressed.
- Street fixtures and landscaping installed over the past decade show signs of aging and need to be carefully maintained and/or replaced.
- The downtown pedestrian experience should be seamlessly amenable, charming, comfortable and interesting, especially in key areas such as the Dallas Street convention corridor, the shopping core at Main Street Square, Main Street, the Historic District and the Theater District. 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.
- Places of activity within and adjacent to downtown should be understandably and conveniently connected by multiple means of circulation including walking, transit and taxis.
- On and off-street parking policies and practices result in restrictions and pricing that impede the incidental user of downtown to shop, visit a resident or just take in the scene.
- Recent improvements have ensured downtown is the place to be for employers and employees alike. These assets should be marketed.
- Downtown is proving to be a desirable living place, but more diverse residential options are needed as well as supporting retail, services, recreation and neighborhood amenities. Market barriers for more development should be overcome.
- Recent hotel and convention facility development significantly increase the importance of downtown as a place to visit. Yet these guests require a seamless, pleasurable experience to make downtown a frequent visitor destination.

- With the opening of the Houston Pavilions, there are signs of increased retail opportunities needing to be capitalized upon. To do so, challenges such as retail mix, parking, a comfortable pedestrian realm, and marketing must be addressed.
- Newly developed properties provide an exciting feel to downtown. Yet these properties are separated from each other by a patchwork of properties needing upgrading. Continuity of redevelopment of vacant or underused property is needed as well as excellence of design.
- Downtown properties have made excellent progress on energy efficiency, recycling and increasing awareness of being more sustainable. Downtown has an opportunity to be a regional and national model for sustainability.
- The Downtown District has facilitated the Downtown Development Framework plan for revitalization. As progress is made, continued planning should envision the next stages of downtown's development including new residential, mixed use neighborhoods, a vital retail core and seamless connections to adjacent neighborhoods. Equally important, progress must continue to be made on significant public projects envisioned in the plan.
- Downtown's offerings have increased immensely. There is a need to communicate these to those living within downtown, the central city, the region and outside of the region.

Vision of the Plan

Downtown will be the accessible, vibrant and livable center of the most sustainable urban region in America.

Mission of the Plan

Plan, manage, maintain and redevelop downtown to make it an inviting, accessible, livable, and perpetually active urban place.

Plan Goals:

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

Goal 1: Downtown feels comfortable and safe at all times

- Continue collaboration to maintain low crime rate
- Reduce presence downtown of homeless and street person population
- Downtown's sidewalks are comfortably lighted
- Downtown is noted for its cleanliness and well-kept appearance
- Conditions of disorder are removed
- Prepare for and respond to emergencies

Goal 2: Public realm that is charming, inviting, beautiful and celebrates the life of the city

- Make key pedestrian streets inviting
- Managed, programmed and delightful public spaces
- Place of civic celebration

Goal 3: Accessible to 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 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
- Exciting neighborhoods to live in
- Competitive shopping place
- A remarkable destination for visitors

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

- Market downtown to region
- Promote ease of using downtown
- Vision plan/ development framework for future understood by 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
- Communicate to owners, tenants and others about District
- Preservation of assets: build 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 22.

Proposed Services and Improvements

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

1a. Continue collaboration to maintain low crime rate.

(Context: The Houston Police Department Special Operations Division 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 in the District in addition to private security.)

Action: Provide on-street coordination function to rapidly resolve problems, assist police in the enforcement of ordinances and coordinate service within high pedestrian use areas such the Dallas convention corridor, Main Street, Texas Avenue and the Historic District. District public safety guides would monitor conditions, interface with members of the public, know applicable laws, coordinate communications, serve as complainants, maintain condition records, facilitate conflict resolution, and generally do that which is required to obtain a pleasant, well-managed environment.

Operating: \$400,000 (annual expenditure)/ \$2,000,000 (five year total expenditure)

Action: Facilitate public safety communications, monitoring of crime and unlawful activity, public awareness activities and overall progress on reduction of criminal activity among the multiple law enforcement agencies, private properties and citizens within downtown.

Operating: \$45,000/ \$225,000

1b. Reduce presence on downtown's sidewalks of the homeless and street persons.

(Context: Homeless housing and services are provided by a number of public and non-profit entities and are coordinated through the Coalition for the Homeless. Funding from federal sources flows through both Harris County and the City. The District is a participant in conducting homeless strategy planning.)

Action: Working with the Houston Police Department, the Coalition for the Homeless, housing and service providers, implement a coordinated outreach, rapid re-housing and case management program to reduce the number of homeless individuals on the street.
Operating: \$200,000/ \$1,000,000

Action: Educate downtown employees, visitors and residents on giving money to humanitarian causes rather than giving to street solicitors.
Operating: \$10,000/ \$50,000

1c. Downtown's sidewalks are comfortably lighted.

(Context: The Downtown District collaborated with the City and Centerpoint Energy to create and 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: \$270,000/ \$1,350,000

Action: Continue to implement the Downtown Street Lighting Plan in partnership with economic development and infrastructure projects.
Operating: \$25,000/ \$125,000 Capital \$500,000 (five year total)

1d. Downtown is noted for its cleanliness and well-kept appearance.

(Context: While not relieving adjacent property owners of their responsibilities for repair and maintenance of sidewalks, the District addresses sidewalk conditions, especially in high traffic areas. The District's Street Team patrol sweeps and washes the sidewalks in the District. The City partners with the District in a program of trash receptacle tipping in order to improve cleanliness. 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 Streetscape and Main Street projects. This responsibility includes street trees, ground cover plantings, flowerbeds, planters, and hedges. This is in addition to grass

thoroughfares in other locations the District mows. Parks & Recreation maintains existing street trees.)

Action: Provide sweeping and washing of sidewalks especially in high usage areas.
Operating: \$1,050,000/ \$5,250,000

Action: Continue District's trash collection program involving tipping of City receptacles on the sidewalks and a private subscription trash collection primarily for small, street-level businesses.
Operating: \$290,000/\$1,450,000

Action: Provide attentive repairs to streets and sidewalks on an ongoing basis. This includes special attention to maintaining the special concrete pavers and brick pavements.
Operating: \$125,000/\$625,000 *Capital \$500,000*

Action: Aggressively maintain landscaping installed under the Transit Streets, Cotswold, Southeast Sidewalks, and the District's Sidewalks to Standard, Main Street and gateways programs. 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: \$575,000/ \$2,875,000 *Capital: \$100,000*

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: \$190,000/ \$950,000 *Capital: \$50,000*

1e. Conditions of disorder in downtown are removed.

(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, repaired and temporarily vacant space has an inviting look. This includes ensuring codes are enforced.
Operating: \$55,000/ \$275,000 *Capital: \$250,000*

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. Since Tropical Storm Allison and 9/11, the District coordinates an ongoing emergency response plan for the downtown, and it has a responsibility in the region's emergency management system.)

Action: In concert with the City, regional and federal emergency efforts, maintain and periodically update emergency preparedness and response plan for downtown.

Operating: \$40,000/ \$200,000

Action: In concert with building owners and the City ensure emergency communications in all areas of downtown including the tunnel system

Operating: \$30,000/ \$150,000

Goal 2. The Public realm is charming, inviting, beautiful and celebrates the life of the city.

2a. Make key pedestrian streets inviting.

(Context: Focus groups, surveys, consultant studies and work by the District's Board conclude the overwhelming need to make seamless, delightful pedestrian corridors within downtown connecting the Convention Center/ Discovery Green, the retail core on Main Street, the Theater District and the Historic District. Compared to previous service plans, this is viewed as a higher priority.)

Action: Provide signature seasonal floral displays in key pedestrian pathways and other high visibility locations. This includes maintaining existing floral beds, planters and future hanging baskets in suitable locations.

Operating: \$215,000/ \$1,075,000 Capital \$50,000

Action: Install, operate and maintain special pedestrian lighting in the key corridors including Dallas Street, the shopping core/Main Street, Texas Avenue/Theater District and the Historic District.

Operating: \$100,000/ \$500,000 Capital \$2,500,000

Action: Work with building owners on installing façade lighting that helps to provide lighting to sidewalks in the key pedestrian corridors.

Operating: \$25,000/ \$125,000

Action: Assist owners/ tenants in façade and streetscape improvements, especially on key pedestrian corridors including providing façade and streetscape grant incentives.

Operating: \$50,000/ \$250,000

Capital: \$500,000

Action: Provide improved landscaped edges to parking lots in key pedestrian corridors.

Operating: \$25,000/\$125,000

Capital: \$500,000

2b. Managed, programmed and delightful public spaces

(Context: The success of Discovery Green points to the importance of managing key public spaces. The Green is managed by the Discovery Green Conservancy. Parks and plazas in the Theater District are managed by the Convention & Entertainment Facilities Department. Main Street Square in the heart of downtown's shopping district is maintained by the District. Plans call for the District to take the lead in managing the new Market Square Park in the heart of the Historic District as a partner in collaboration with the Parks & Recreation Department, Convention & Entertainment Facilities and the Mayor's Office of Special Events.)

Action: With assistance from neighbors, maintain fountain at Main Street Square as the signature public place at the heart of downtown's shopping district.

Operating: \$220,000/ \$1,100,000

Action: Facilitating collaborators, manage the reconstructed Market Square Park as the signature neighborhood place in the heart of the Historic District.

Operating: \$130,000/ \$650,000

Action: Opportunistically, work with collaborators on the redevelopment and management of other key public spaces such as Jones Plaza and Tranquility Park in the heart of the Theater District and Allen's Landing in the Historic District.

Operating: \$25,000/ \$125,000

Capital: \$560,000

2c. Place of civic celebration.

(Downtown's festive banner program and 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 displays on primary vehicular/ pedestrian streets including banners, holiday decorations, window displays and other means. To accomplish this, install, operate and maintain fixtures and lighting.

Operating: \$240,000/ \$1,200,000

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

Operating: \$90,000/ \$450,000

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

Operating: \$20,000/ \$100,000

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, and the expansion of METRORail will further enhance this asset. Transit is provided by METRO and the several contract carriers serving residential communities outside the METRO service area.)

Action: Coordinate METRO and other providers' transit services for downtown employers. Understand unmet service demand and facilitate meeting these demands. Assist in promoting service options to employers.

Operating: \$20,000/ \$100,000

Action: Communicate expanding number of neighborhoods, activity centers and attractions accessible by METRORail.

Operating: \$0 (included in 5b.)

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

(Context: In April 2005 METRO discontinued the Downtown Trolley service, the first time since 1983 downtown has not had designated circulator. The District has aggressively pursued re-institution of circulator service with the proposed GREENLINK clean fuels demonstration and has secured commitments for federal funds to assist implementation of the service. Taxis are important as well, and better

service within downtown has been achieved through the Six in the City program of flat fares in downtown.)

Action: With financial participation from other partners, initiate and operate a circulator system within downtown to fulfill key circulation needs including commuting, business, convention attendee, shopping, dining and entertainment trips.

Operating: \$1,370,000/ \$6,850,000 Capital \$3,250,000

Action: Working with the City and operators facilitate continued improvements to taxi service for trips within downtown.

Operating: \$10,000/ \$50,000

3c. Easy to find way around.

(Context: The downtown wayfinding system is designed, installed and maintained by the District. This is part of the operating agreement with the City which enabled installation of such a system in the public rights of way.)

Action: Expand, refresh and maintain wayfinding system installed under the District's previous service plans and which serves at street, tunnel and skywalk levels.

Operating: \$50,000/ \$250,000 Capital: \$725,000

Action: Publish wayfinding maps of downtown in multiple media.

Operating: \$10,000/ \$50,000

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

Action: With METRO and private operators explore multiple means of connecting adjacent neighborhoods to downtown through light rail, METRO local bus routes and/ or jitney service.

Operating: \$10,000/ \$50,000

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

Operating: \$70,000/ \$350,000 Capital: \$2,100,000

3e. Convenient, understandable and managed parking.

(Context: Economical user-friendly parking is near the top of the list of concerns about downtown. The Convention & Entertainment Facilities Department is responsible for garage and lot parking in the Theater District and adjacent to the George R. Brown Convention Center. On-street parking is managed by the Parking Management Division of the City's Department of Regulatory Affairs. Other parking facilities are owned by Harris County and the Harris County-Houston Sports Authority. Constituting the majority of spaces, other lot and garage parking is owned and operated by the private sector.)

Action: Review and facilitate necessary changes to on-street parking policies including those which increase the convenience of downtown shopper parking at a reasonable cost.

Operating: \$5,000/ \$25,000

Action: Implement a program of appropriately priced, convenient off-street parking for shoppers.

Operating: \$75,000/ \$375,000

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 Business Development Program, the District acts as a facilitator to aid in bringing deals to closure and to help retain employers.)

Action: Communicate unique assets of a downtown work location to the brokerage community, companies and other potential large and small employers. Also communicate with employers located within downtown.

Operating: \$200,000/ \$1,000,000

Action: Work with downtown owners, tenants and employees to make downtown a model for sustainability.

Operating: \$40,000/\$200,000

4b. Exciting neighborhoods to live in.

Action: Consistent with newly prepared neighborhood plans for downtown, work to attract more residential development at various price points including finding ways to bridge economic and physical challenges. This includes required market research and analyses.

Operating: \$30,000/ \$150,000

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

Operating: \$20,000/ \$100,000

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

Operating: \$10,000/ \$50,000

4c. Competitive shopping place.

Action: Complete a core shopping area redevelopment plan defining correctly located, competitive retail space for soft and hard goods retail.

Operating: \$40,000/ \$200,000

Action: Assist in the attraction of strategically important retailers including assistance to property owners/ brokers/ existing and potential retailers and possible incentives including forgivable loans for new businesses and catalyst grants. In addition to hard and soft goods retail, this effort also should include businesses that support downtown living.

Operating: \$25,000/ \$125,000 Capital: \$1,500,000

4d. A remarkable destination for visitors.

(Context: The Greater Houston Convention & Visitors Bureau, the Convention & Entertainment Facilities Department and 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 experience and assistance in communicating downtown's offerings.)

Action: Test periodically the visitor experience, and work to fix missing or dysfunctional parts of the visitor experience.
Operating: \$5,000/ \$25,000

Action: Assist in identifying and developing attractions and points of interest that invite people to downtown in the daytime as well as at night.
Operating: \$25,000/ \$125,000

Goal 5. Downtown’s vision and offerings are understood by all.

5a. Market downtown to region.

(Context: The District in collaboration with other entities including the Convention & Entertainment Facilities Department, the Greater Houston Convention and Visitors Bureau and the Houston Downtown Alliance is coordinating unified 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, video, social media, and other special promotions and communications. Address specific communication needs of downtown/ central city residents.
Operating: \$530,000/\$2,650,000

Action: Provide ongoing media coordination for downtown. This involves written and electronic general public and industry media as well as other resources.
Operating: \$30,000/ \$150,000

5b. Promote the ease of using downtown.

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: \$25,000/ \$125,000

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: \$10,000/ \$50,000

5c. Vision plan/ development framework for future understood by all.

(Context: In October 2004, the Houston Downtown Development Framework plan was unveiled as a guide to the next 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. It is time to refresh the plan.)

Action: In a collaborative process, update the Downtown Development Framework including area or neighborhood urban development plans for places within the District that are poised for redevelopment.

Operating: \$130,000/ \$650,000

Action: Assist in coordinating planning and design for transportation infrastructure: transit, freeways, major thoroughfares, local streets and transportation terminals.

Operating: \$40,000/ \$200,000

Action: Assist 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 facilities, new visitor attractions, arts, cultural and educational facilities.

Operating: \$30,000/ \$150,000

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

Operating: \$30,000/ \$150,000 Capital \$250,000

5d. Tools to assist continued redevelopment.

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

Operating: \$20,000/ \$100,000

Action: Assist potential projects with understanding the menu of currently available programs, incentives, policies and ordinances.

Operating: \$22,000/ \$110,000

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

(Context: The District 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: \$30,000/ \$150,000

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

Operating: \$30,000/ \$150,000

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: \$460,000/ \$2,300,000

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

Operating: \$100,000/ \$500,000

- 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: \$15,000/ \$75,000

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: \$2,500/ \$12,500

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

(Context: The District is now 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: Provide insurance and/or self-insure for catastrophic loss and build capital reserve to support a replacement schedule on major capital items maintained by District.

Operating: \$60,000/ \$300,000

Capital \$700,000

Summary of Capital and Operating Expenses & Assessment Revenue

	Operating Avg Annual Expense	5 Yr. Total	Percent	Capital Expense	Percent
Goal 1. Downtown feels comfortable and safe at all times					
1a. Collaboration to maintain low crime rate					
<input type="checkbox"/> Onstreet coordination function	\$400,000	\$2,000,000			
<input type="checkbox"/> Security communications and coordination	\$45,000	\$225,000			
Subtotal	\$445,000	\$2,225,000	5.5%	\$0	0.0%
1b. Reduced presence of homeless & street persons					
<input type="checkbox"/> Work with others to reduce homeless presence	\$200,000	\$1,000,000			
<input type="checkbox"/> Educate all on social philanthropy vs handouts	\$10,000	\$50,000			
Subtotal	\$210,000	\$1,050,000	2.6%	\$0	0.0%
1c. Downtown's sidewalks are comfortably lighted					
<input type="checkbox"/> District operation of Downtown Street Lighting Plan	\$270,000	\$1,350,000			
<input type="checkbox"/> Implement Downtown Street Lighting Plan in economic development & infrastructure projects	\$25,000	\$125,000		\$350,000	
Subtotal	\$295,000	\$1,475,000	3.7%	\$350,000	2.5%
1d. Downtown noted for cleanliness & well-kept appearance					
<input type="checkbox"/> Sweeping and washing of sidewalks	\$1,050,000	\$5,250,000			
<input type="checkbox"/> Trash collection programs: tipping & subscriptions	\$290,000	\$1,450,000			
<input type="checkbox"/> Attentive repairs to streets & sidewalks	\$125,000	\$625,000		\$500,000	
<input type="checkbox"/> Aggressive maintenance of all District landscaping	\$575,000	\$2,875,000		\$100,000	
<input type="checkbox"/> Effective, efficient bases of operation for all services	\$190,000	\$950,000		\$50,000	
Subtotal	\$2,230,000	\$11,150,000	27.8%	\$650,000	4.7%
1e. Remove conditions of disorder in downtown					
<input type="checkbox"/> Vacant spaces have inviting look: façades are clean, repaired and interesting; codes are enforced	\$55,000	\$275,000		\$250,000	
Subtotal	\$55,000	\$275,000	0.7%	\$250,000	1.8%
1f. Prepare for and respond to emergencies					
<input type="checkbox"/> With others, maintain up to date downtown emergency response plan	\$40,000	\$200,000			
<input type="checkbox"/> With others, ensure working communications in all downtown areas	\$30,000	\$150,000			
Subtotal	\$70,000	\$350,000	0.9%	\$0	0.0%
Total Goal 1:	\$3,305,000	\$16,525,000	41.2%	\$1,250,000	9.0%

Summary of Capital and Operating Expenses & Assessment Revenue

	Operating Avg Annual Expense	5 Yr. Total	Percent	Capital Expense	Percent
Goal 2. Public realm is charming, inviting, beautiful and celebrates the life of the city					
2a. Key pedestrian streets are inviting					
<input type="checkbox"/> Signature floral displays throughout District	\$215,000	\$1,075,000		\$50,000	
<input type="checkbox"/> Special pedestrian lighting in key corridors	\$100,000	\$500,000		\$2,500,000	
<input type="checkbox"/> With building owners, provide façade lighting in key pedestrian corridors	\$25,000	\$125,000			
<input type="checkbox"/> Assist in retail façade and streetscape improvement	\$50,000	\$250,000		\$500,000	
<input type="checkbox"/> Improve landscaped edges to parking lots in key areas	\$25,000	\$125,000		\$500,000	
Subtotal	\$415,000	\$2,075,000	5.2%	\$3,550,000	25.6%
2b. Public spaces: managed, programmed and delightful					
<input type="checkbox"/> Maintain Main Street Square as signature place	\$220,000	\$1,100,000			
<input type="checkbox"/> Manage Market Square Park as signature place	\$130,000	\$650,000			
<input type="checkbox"/> Collaborate on redevelopment and management of other key downtown public spaces	\$25,000	\$125,000		\$560,000	
Subtotal	\$375,000	\$1,875,000	4.7%	\$560,000	4.0%
2c. Place of civic celebration					
<input type="checkbox"/> Banners, décor, lighting on primary vehicular and pedestrian streets	\$240,000	\$1,200,000			
<input type="checkbox"/> Seasonal events which attract others from region and maximize economic impacts	\$90,000	\$450,000			
<input type="checkbox"/> Collaborate in hosting major national & international events	\$20,000	\$100,000			
Subtotal	\$350,000	\$1,750,000	4.4%	\$0	0.0%
Total Goal 2:	\$1,140,000	\$5,700,000	14.2%	\$4,110,000	29.6%
Goal 3. Accessible to entire region all of the time and easy to get around					
3a. Effective transit access: more places, more hours					
<input type="checkbox"/> Understand unmet demand; coordinate services; promote METRO & other transit services	\$20,000	\$100,000			
<input type="checkbox"/> Communicate expanding number of destinations connected by LRT	\$0	\$0			
Subtotal	\$20,000	\$100,000	0.2%	\$0	0.0%
3b. Convenient circulation without personal vehicle					
<input type="checkbox"/> Operate circulator system	\$1,370,000	\$6,850,000		\$3,250,000	
<input type="checkbox"/> Facilitate improved downtown taxi service	\$10,000	\$50,000			
Subtotal	\$1,380,000	\$6,900,000	17.2%	\$3,250,000	23.4%
3c. Easy to find way around					
<input type="checkbox"/> Maintain wayfinding system	\$50,000	\$250,000		\$725,000	
<input type="checkbox"/> Publish wayfinding maps in multiple media	\$10,000	\$50,000			
Subtotal	\$60,000	\$300,000	0.7%	\$725,000	5.2%

Summary of Capital and Operating Expenses & Assessment Revenue

	Operating Avg Annual Expense	5 Yr. Total	Percent	Capital Expense	Percent
3d. Connect neighborhoods and districts inside/ outside downtown					
<input type="checkbox"/> Explore multiple means of connection	\$10,000	\$50,000			
<input type="checkbox"/> Improve quality of pedestrian connections	\$70,000	\$350,000		\$2,100,000	
Subtotal	\$80,000	\$400,000	1.0%	\$2,100,000	15.1%
3e. Convenient, understandable and managed parking					
<input type="checkbox"/> Facilitate changes to on-street parking policies	\$5,000	\$25,000			
<input type="checkbox"/> Implement off-street parking program for shoppers	\$75,000	\$375,000			
Subtotal	\$80,000	\$400,000	1.0%	\$0	0.0%
<hr/>					
Total Goal 3:	\$1,620,000	\$8,100,000	20.2%	\$6,075,000	43.8%
<hr/>					
Goal 4. Vibrant, sustainable mixed use place					
4a. Best place to work in region					
<input type="checkbox"/> Broker, employer and tenant communications for recruitment & retention	\$200,000	\$1,000,000			
<input type="checkbox"/> Downtown as model for sustainability	\$40,000	\$200,000			
Subtotal	\$240,000	\$1,200,000	3.0%	\$0	0.0%
4b. Exciting neighborhoods to live in					
<input type="checkbox"/> Attract more residential development at various price points	\$30,000	\$150,000			
<input type="checkbox"/> Work to expand open space, park and recreational offerings	\$20,000	\$100,000			
<input type="checkbox"/> Pursue school/ educational opportunities	\$10,000	\$50,000			
Subtotal	\$60,000	\$300,000	0.7%	\$0	0.0%
4c. Competitive shopping place					
<input type="checkbox"/> Complete core shopping area plan	\$40,000	\$200,000			
<input type="checkbox"/> Assist in attracting strategically important retailers including use of challenge grants	\$25,000	\$125,000		\$1,500,000	
Subtotal	\$65,000	\$325,000	0.8%	\$1,500,000	10.8%
4d. Remarkable destination for visitors					
<input type="checkbox"/> Test tourist experience and work to address missing parts	\$5,000	\$25,000			
<input type="checkbox"/> Assist in development of new attractions	\$25,000	\$125,000			
Subtotal	\$30,000	\$150,000	0.4%	\$0	0.0%
<hr/>					
Total Goal 4:	\$395,000	\$1,975,000	4.9%	\$1,500,000	10.8%

Summary of Capital and Operating Expenses & Assessment Revenue

	Operating Avg Annual Expense	5 Yr. Total	Percent	Capital Expense	Percent
Goal 5. Downtown's vision and offerings understood by all					
5a. Market downtown to region					
<input type="checkbox"/> Coordinated marketing and communication of downtown's offerings including regional campaign- includes all tools and forms of media	\$530,000	\$2,650,000			
<input type="checkbox"/> Provide ongoing media coordination for downtown	\$30,000	\$150,000			
	\$560,000	\$2,800,000	7.0%	\$0	0.0%
5b. Promote downtown's ease of use					
<input type="checkbox"/> Use tools to communicate offerings to downtown residents	\$25,000	\$125,000			
<input type="checkbox"/> Coordinate and communicate temporary street and lane closures	\$10,000	\$50,000			
Subtotal	\$35,000	\$175,000	0.4%	\$0	0.0%
5c. Vision plan/ development framework understood by all					
<input type="checkbox"/> With others, refresh the Downtown Development Framework including neighborhood plans	\$130,000	\$650,000			
<input type="checkbox"/> Assist in coordinated planning of infrastructure	\$40,000	\$200,000			
<input type="checkbox"/> Assist in planning of major public facilities	\$30,000	\$150,000			
<input type="checkbox"/> Provide technical assistance in design of new streetscapes	\$30,000	\$150,000		\$250,000	
Subtotal	\$230,000	\$1,150,000	2.9%	\$250,000	1.8%
5d. Tools to assist continued redevelopment					
<input type="checkbox"/> Work with others on changes to existing or new redevelopment programs, incentives, policies and ordinances	\$20,000	\$100,000			
<input type="checkbox"/> Help potential new projects understand available programs, incentives, policies and ordinances	\$22,000	\$110,000			
Subtotal	\$42,000	\$210,000	0.5%	\$0	0.0%
5e. Develop/ maintain information to support development, investment and marketing of downtown					
<input type="checkbox"/> Maintain database on physical attributes	\$30,000	\$150,000			
<input type="checkbox"/> Maintain database on downtown's various "markets"	\$30,000	\$150,000			
Subtotal	\$60,000	\$300,000	0.7%	\$0	0.0%
Total Goal 5:	\$927,000	\$4,635,000	11.6%	\$250,000	1.8%
Goal 6. District governance and service known for excellence					
6a. Board and administration: engage stakeholders in decision making					
<input type="checkbox"/> Complete engagement by all stakeholders in District	\$460,000	\$2,300,000			
<input type="checkbox"/> General expenses to advance Service & Improvement Plan	\$100,000	\$500,000			
	\$560,000	\$2,800,000	7.0%	\$0	0.0%

Summary of Capital and Operating Expenses & Assessment Revenue

	Operating Avg Annual Expense	5 Yr. Total	Percent	Capital Expense	Percent
6b. Communications to owners, tenants and others					
<input type="checkbox"/> HDMD website; other communication media	\$15,000	\$75,000			
<input type="checkbox"/> Respond to regional & national information requests	\$2,500	\$12,500			
Subtotal	\$17,500	\$87,500	0.2%	\$0	0.0%
6c. Preservation of District's capital assets					
<input type="checkbox"/> Provide insurance or self insure for losses	\$60,000	\$300,000		\$700,000	
Subtotal	\$60,000	\$300,000	0.7%	\$700,000	5.0%
<hr/>					
Total Goal 6:	\$637,500	\$3,187,500	7.9%	\$700,000	5.0%
<hr/>					
Total Expense	\$8,024,500	\$40,122,500	100.0%	\$13,885,000	100.0%
Annual capital expense				\$2,777,000	

Annual Assessment Revenue	OPR Annual	OPR 5-Yr	CAP 5-Yr
Assessable value (92% of 2009 value)	\$6,321,000,000		\$6,321,000,000
Assessment rate	\$0.1065		\$0.0285
Gross assessment revenues	\$6,731,865	\$33,659,325	\$9,007,425
Less amount for adjustments, refunds & non-payments (4%)	\$269,275	\$1,346,373	\$360,297
Assessment revenue	\$6,462,590	\$32,312,952	\$8,647,128
Revenue Offsets			
Trash Collection Program subscriptions and bag sales	\$100,000	\$500,000	
Main Street Square fountain reimbursement	\$60,000	\$300,000	
METRO stop cleaning funding	\$110,000	\$550,000	
Circulation system participation from others	\$1,060,000	\$5,300,000	\$2,770,000
Connections enhancements- federal grant			\$1,200,000
Main Street lighting participation- TIRZ			\$750,000
Marketing participation from others	\$180,000	\$900,000	
Market Square income	\$20,000	\$100,000	
Partner funding for refreshing framework	\$20,000	\$100,000	
TxDOT grant			\$480,000
Total offsets	\$1,550,000	\$7,750,000	\$5,200,000
Net operating expense	\$6,474,500	\$32,372,500	
Interest	\$20,000	\$100,000	\$50,000
Total funds available	\$8,032,590	\$40,162,952	\$13,897,128
Revenues in excess (deficit) of expenses	\$8,090	\$40,452	\$12,128

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. Value will be determined on the 2010 certified tax rolls of the Harris County Appraisal District.

For services proposed herein the assessment will be made for a five-year period. The assessment for services will be equal for each of the five years. A rate of \$.1065 per \$100 of assessed value of land and improvements is recommended for services. This assessment will be based on the year 2010 certified rolls. The actual assessment rate for services will be set annually in accordance with the operating budget and shall at no time exceed \$.1065 per \$100 of assessed value of land and improvements on the 2010 certified rolls.

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 \$.0285 per \$100 of assessed value of land and improvements on the 2010 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 would become due and delinquent and be payable in accordance with the Texas Tax Code. Delinquent payments would bear interest and penalties in accordance with the Texas Tax Code. Assessments would become due on the first of February and become delinquent thereafter. Delinquent payments would bear interest at 1% per month or a portion thereof. Delinquent payments would 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 would be an additional penalty of 20% on the delinquent assessment, interest and penalty.

Assessments will be based on the 2010 certified rolls of the Harris County Appraisal District for taxable, non-excluded properties within the boundaries of the Houston Downtown Management District. The estimated preliminary 2010 value for land and improvements of non-exempt property within the District is \$6,321,000,000. For purposes of this plan revenues based on this estimated value are as follows:

<u>Services Portion:</u>	<u>Annual</u>	<u>Five-Year Total</u>
Gross operating expense	\$8,024,500	\$40,122,500
Gross assessment @ \$.1065/\$100	6,731,865	33,659,325
Less reserve for adjustments (4%)	269,275	1,346,373
Net Assessment Revenue	\$6,462,590	\$32,312,952
Other Revenues	\$1,550,000	\$7,750,000
Interest	20,000	100,000
Total Estimated Revenue	\$8,032,590	\$40,162,952

<u>Capital Improvements Portion:</u>	<u>Annual</u>	<u>Five-Year Total</u>
Maximum capital expense	\$2,777,000	\$13,885,000
Maximum gross assessment @ \$.0285/\$100	1,801,485	9,007,425
Less reserve for adjustments (4%)	72,059	360,297
Net Assessment Revenue	\$1,729,425	\$8,647,128
Other Revenues	1,040,000	5,200,000
Interest	10,000	50,000
Total Estimated Revenue	\$2,779,425	\$13,897,128

Total proposed maximum assessment rate in any year during the five-year service plan: \$0.1350 per \$100 of 2010 assessed value of land and improvements.

Taxable real property as shown on the tax rolls of Harris County Appraisal District 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) properties owned by public and private utilities located in the public streets of rights-of-way; (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. Any new improvements under construction on January 1, 2010, or constructed in the District after January 1, 2010, which increase the valuation of the land and improvements on the tax rolls of HCAD by at least \$1,000,000 will be added to the District's assessment roll at the value shown on the tax rolls of HCAD during the year such improvement is added and valued as a completed improvement on the tax rolls of HCAD. Any substantially rehabilitated improvements under construction on January 1, 2010, or constructed, remodeled, or rehabilitated in the District after January 1, 2010, which increase the valuation of the land and improvements on the tax rolls of HCAD by at least \$1,000,000 will be added to the District's assessment roll at the value shown on the tax rolls of HCAD during the year such improvement is added and valued as a completed or rehabilitated improvement on the tax rolls of HCAD. (A rehabilitation is substantial if the costs of such rehabilitation equal or exceed 25% of the value of the original improvements.) 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 new construction in the District and annexations, if any, will generate additional revenue.

A 20% homestead exemption will be provided to a resident who on January 1, 2010 owned and occupied 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 \$5,000 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 the year 2010 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 for the year 2010.

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
2010-2014 Assessment Plan as reflected by the
Harris County Appraisal District's
2010 Certified Tax Roll

This document will be available after Harris County Appraisal District 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
or at ajd@downtowndistrict.org