

# **EAST DOWNTOWN MANAGEMENT DISTRICT**



## **TEN-YEAR SERVICE and IMPROVEMENT PLAN and ASSESSMENT PLAN**

**For FISCAL YEARS 2016-2026**

Prepared by the East Downtown Management District  
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**TEN-YEAR SERVICE AND IMPROVEMENT PLAN & ASSESSMENT PLAN  
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## **PREFACE:**

This document is a Ten Year Service, Improvement, and Assessment Plan (Service Plan) intended to be in effect for fiscal years 2016-2026. This Service Plan sets forth the vision, goals to be achieved, services to be rendered, and improvements to be made in support of the property owners within the boundaries of the East Downtown Management District (the “District” or “EDMD”) located in Houston, TX, just east of Houston’s Central Business District, consisting of 784 acres or 1.225 square miles. This Service Plan also outlines costs and a proposal for funding the plan for the area managed by the District. This Service Plan succeeds the previous Service, Improvement, and Assessment Plan (the 2012-2016 Plan). A public hearing on the proposed Service Plan will be called after the required signed petitions in support of the Service Plan are received from the lesser of 1.) the owners of a majority of the assessed value of real property in the district according to the most recent certified tax appraisal roll for Harris County, or 2.) at least 50 owners of land within the District. Following the public hearing, adoption of the Service Plan will be considered by the District’s Board of Directors. In this Service Plan, the property owners seek to:

- Present a unified voice for themselves, business owners, tenants and residents
- Maximize existing government services, and supplement these services when and where necessary
- Render continuous, focused, professional management of the needs of the District
- Provide equitable project funding for District services and improvements
- Maintain the District as a distinctive place in which to start and grow a business, live, invest and entertain
- Maintain the District as an environment with a clear sense of security and safety, both real and perceived, for businesses, residents, and visitors

## **INTRODUCTION:**

In 1999 the District (See Attachment A: District Map) was created by the Texas Legislature by HB 3799, sponsored and authored by State Representative Garnet Coleman, to supplement public services for the property owners, business owners, tenants and residents in East Downtown Houston. That same year, the City of Houston created Tax Increment Reinvestment Zone Number 15, situated primarily in the western and central sectors of the District, to provide infrastructure improvements, and economic incentives to facilitate private investment in the area. Working together, these two entities propose to stimulate new development and implement services to improve the public infrastructure, economic viability, and quality of life for East Downtown. A ten member volunteer board of directors governs the District. The directors are property owners or agents of property owners in the District. The District operates pursuant to the authority granted by Chapter 375, Texas Local Government Code and Chapter 3808 Special District Local Laws Code.

## **EAST DOWNTOWN TODAY:**

East Downtown (“EaDo”), is remarkably situated near the City’s largest employment centers: the Central Business District (downtown), the Texas Medical Center, and the Houston Ship Channel. The attractiveness of living in EaDo and working in these major employment centers is evident when considering that many of the residents in EaDo work in downtown, EaDo, the Galleria, the Texas Medical Center, and the Greenway Plaza area. Undergoing rapid redevelopment, the EaDo District has been transforming into a vibrant area of residential properties and entertainment establishments among the preexisting warehouses and light industrial building fabric. The district benefits from its proximity to Downtown Houston, the George R Brown Convention Center, and the concentration of other major sports and entertainment venues: the BBVA Compass Stadium, Minute Maid Park, Toyota Center, and Discovery Green. 2 New METRO Light Rail lines, and bus routes serve the District with high quality transit service. This compliments EaDo’s small grid system of two-way streets affording maximum access to adjacent properties, and continuing the district’s redevelopment into a very unique, pedestrian friendly, multi- modal neighborhood of central Houston.

## **EAST DOWNTOWN MANAGEMENT DISTRICT MISSION STATEMENT**

The vision for EaDo is for this urban community, rich in historical and cultural diversity, to continue the transition into an attractive urban neighborhood that integrates the existing character with new retail, commercial and entertainment development, such that East Downtown continues to benefit from the trend of stable, desirable residential living while maintaining the public areas to encourage the growth of a vibrant pedestrian environment.

## **TEN-YEAR SERVICE PLAN – Anticipated for Years 2016-2026**

The District will provide services and improvements in six major program areas:

- Public Safety and Security
- District Field Services
- Planning and Advocacy
- Business Development/Media Relations
- District Beautification
- District Administration

From year to year, priorities will change, and this plan provides that the board of directors shall have the flexibility to adjust the application of resources to meet those needs. Each year the District’s board of directors will re-evaluate the plan, outline projects, and approve a specific budget for that year. With the adoption of the new plan, the District’s goals for East Downtown Houston will be to:

- Create in both perception and reality a safe environment

- Improve the appearance and maintenance of public areas
- Attract visitors and new commercial investment
- Continue on-site day-to-day management of district programs and operations

The Board of Directors will pursue these goals through a variety of programs and projects, which are outlined in the next section.

## **PUBLIC SAFETY AND SECURITY**

**GOAL:** To create a safe environment through coordination with law-enforcement agencies and programs to ensure that the District is among the most crime-free and desirable neighborhoods in the City of Houston and Harris County.

### **PROGRAMS & PROJECTS:**

- Establish and manage a Public Safety and Security Committee of the District with participation of area volunteers and public safety officials from the City, the County, and METRO, along with representatives from various City Departments, area social service agencies, residents and other interested parties to ensure a high standard of service and positive working relationship with the District
- Coordinate with HPD and Harris County Constables to formally expand patrol units into East Downtown providing higher law enforcement visibility and activity
- Maintain open communications and coordination with all social service agencies and those advocacy and charity groups that work specifically with the homeless

## **DISTRICT FIELD SERVICES**

**GOAL:** To provide well maintained and attractive public spaces such as streetscapes, sidewalks and other areas of the public realm.

### **PROGRAMS & PROJECTS:**

- Continue all field services programs (graffiti abatement, right-of-way maintenance, code enforcement and nuisance abatement)
- Continue and increase pursuit of enforcement of building codes and nuisance abatement statutes when private property owners do not maintain property and buildings to code

## **PLANNING AND ADVOCACY**

**GOAL:** To provide professional planning coordination, project management and public policy advocacy.

## **PROGRAMS AND PROJECTS:**

- Continue to incorporate the recommendations of the Downtown/EaDo Livable Centers Initiative, TIRZ 15 Design Guidelines, and input from other District partners into ongoing planning, coordination and implementation efforts of the District
- Participate regularly at TIRZ 15 Board meetings to continue coordination between the two entities, and facilitate the planning and implementation of infrastructure projects through participation in the TIRZ 15 Capital Projects Committee
- Coordinate the 2016 update to the East Downtown Land Use and Demographic Study including distribution of final report to EaDo website, board directors, property owners and business inquiries
- Communicate regularly with the Houston Dynamo to coordinate regarding events at BBVA Compass Stadium
- Actively participate with Central Houston, Inc. and the Houston East End Chamber of Commerce
- Coordinate regular communications and meetings with elected officials of EDMD with updates and receive comments
- Attend City of Houston City Council meetings and on various occasions speak to City Council on issues or projects of interest to EDMD
- Represent EDMD to public agencies, business groups, investors, residents, and property owners
- Attend EDMD and adjacent communities' homeowner association meetings at their request to discuss District programs and projects and receive comments
- Participate with all adjacent districts: Downtown District and Central Houston, Inc., The Greater East End Management District, and The Greater Southeast Management District, on planning efforts and project initiatives, including participation as a member of committees as necessary
- Continue to pursue and study the establishment of "Quiet Zones" along the Union Pacific rail road corridor located on the eastern border of the District

## **BUSINESS DEVELOPMENT AND MEDIA RELATIONS**

**GOAL:** To develop, support, and promote economic growth by creating and reinforcing positive perceptions of East Downtown as an outstanding place for urban-style residential neighborhoods and restaurants, live entertainment venues, vibrant artist communities, employment opportunities, building and investing new businesses, and recreation.

## **PROGRAMS & PROJECTS:**

- Continue a multi-year, multi-media business development program to emphasize East Downtown assets
- Develop promotional programs with the Convention Center, Toyota Center, Minute Maid Park, the Central Business District, the Downtown Management District and the Houston East End Chamber of Commerce and the Greater East End, to encourage increased first-time visits to East Downtown and renewed interest in the District
- Develop and support EaDo community events to create a positive public perception, instill community pride, draw media attention, and stimulate interest in the area
- Continue to serve as a clearinghouse for the accumulation and dissemination of information about the District for the public, the brokerage community, the media, and potential investors
- Communicate with the District constituents regarding those services available to them through the EaDo Management District, and other public agencies
- Provide support in the development of: new neighborhood commercial development; recreational and sports facilities; business and residential growth, entertainment venues, and/or hotel/meeting space projects

## **DISTRICT BEAUTIFICATION**

**GOAL:** To identify and support efforts for enhanced beautification and recreation in the District through tree planting, landscaping, and development of new public spaces while retaining a high level of landscape maintenance throughout the District.

## **PROGRAMS & PROJECTS:**

- Coordinate the planting of trees with Trees for Houston
- Continue to partner with Keep Houston Beautiful and other organizations that provide resource support in beautification projects
- Pursue grant opportunities to leverage with EDMD and TIRZ 15 funding to implement beautification and/or recreation projects in EDMD
- Continue efforts to improve the Bastrop Right of Way as a signature Public Space for EaDo
- Continue efforts to coordinate the development of surplus METRO properties in the district to create functional public spaces

## **DISTRICT ADMINISTRATION**

**GOAL:** Provide effective and efficient on-site professional management of District programs and projects as defined by this service plan.

### **PROGRAMS & PROJECTS:**

- Continue professional on-site management to provide administration of the District's operations and programs on a day-to-day basis. The on-site management will respond to the day-to-day needs of the District in a direct and expedited manner
- Utilize resources efficiently to accomplish the 10-year service and improvement plan
- Maximize services and improvements provided by the city, county, and state to property owners of East Downtown
- Accurately reflect the costs of providing services in each program area through a carefully monitored budget
- Facilitate annual financial audits to protect the integrity of the District and ensure efficient use of resources
- Ensure compliance with all laws applicable to management districts, including the Public Information Act and Open Meetings Act of Texas
- Maintain an efficient level of office technology to ensure the fullest utilization of all available resources

## **PROPOSED EXPENSES, REVENUES AND EXPENDITURES**

Property Subject to Assessment. The property subject to assessment will be the land and improvements (real property only) of the commercial property owners within the District. The District will exempt from assessment all property exempt by law as the law may change from time to time. At the time of the preparation of the Service Plan, the following property is exempt from assessment: residential property and condominiums; property owned by municipalities, counties, other political subdivisions, and entities exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code; recreational property or scenic use property that meets the requirements of Section 375.163, Texas Local Government Code; and property, equipment, or facilities of a person that provides to the public cable television, gas, light, power, telephone, sewage or water service.

Rate of Assessment. Under this Service Plan, the District will assess properties to provide funding for the programs and projects listed within the major areas of service outlined above. The District proposes to set the rate of assessment at \$0.1250 per \$100.00 valuation. It is anticipated that the assessment for the first year of this Service Plan, which will fund the projects



for 2017, will be based on the 2016 certified values provided by the Harris County Appraisal District ("HCAD"). In subsequent years, the District will assess property on the basis of the then current year's certified HCAD value. Therefore, for individual property owners the assessment may vary each year. The District reserves the right to annually adjust the assessment rate, provided however that the rate will never exceed the \$0.1250 per \$100.00 valuation. It is anticipated that services and improvements will be provided on a pay-as-you-go basis with assessments made to fund projects in the following year.

Yearly Budgets and Assessment Rates. The District proposes to have the Board of Directors evaluate annually the need for and advisability of the services and improvements authorized under this Service Plan to determine the specific projects and services within the Service Plan that will be undertaken the following year. The Board of Directors will then approve a budget for the following year consistent with the specific projects and services within the Service Plan that will be undertaken the following year and set the assessment rate for such year, taking into consideration the value of the property subject to assessment and the revenue that the assessment rate will produce. If assessment revenues or other sources of funds are not sufficient to cover the proposed annual costs of this Service Plan, the District will adjust the annual budget to reflect this. As this Service Plan is ten years in length, it is possible that the service needs in each of the major categories could change, particularly as District objectives are met. Therefore, this Service Plan allows the Board of Directors the flexibility to apply the assessment revenue to the major categories of services in varying percentages. It is anticipated that an annual assessment will be levied in the fall of each year to generate funds for implementation of the Service Plan in the following year (i.e., those specific projects and services within the Service Plan that the Board annually determines will be undertaken in that year). For example, this means that a property subject to assessment valued by HCAD at \$1 million in 2016 would pay an assessment of \$1,250 to fund projects and services in 2017.

Cap on the Amount of Individual Assessments. There will be a cap on the total dollar amount of the assessment charged to each account (the "Maximum Individual Assessment"). Beginning the second year that a property is assessed, and each year thereafter, the District will not levy on an account a total dollar assessment that exceeds 115% of the previous year's assessment, unless the District holds a public hearing to add such value to the assessment roll and notifies the property owner of such hearing.

Supplements to the Assessment Roll. The District may add to its Assessment Roll any property annexed into the District, any value added due to land development or redevelopment, and any new construction and increases in value that exceed the Maximum Individual Assessment at the latest certified value set by HCAD by using the following procedure. The Board will prepare a supplemental assessment roll on which such property will be listed, give notice and hold a public hearing or obtain waivers from property owners, and levy assessments against such property for the specific benefits to be received by the services and improvements to be provided by the District.

Collections and Penalties. Assessments would become due and payable, become delinquent, and incur penalties and interest in accordance with the Texas Tax Code. Assessments will also be subject to the recapture provisions, which apply to change in use of agricultural land in accordance with the Texas Tax Code.

Applicability of Service Plan in 2017: As described above, the District anticipates that it will levy the annual assessments in the fall of each year, which assessments will fund the District's implementation of this Service Plan in the following year. Therefore, it is anticipated that the final annual assessments under this Service Plan will be levied in the Fall of 2016 for use by the District in 2017. This Service Plan shall, therefore, remain in full force and effect in calendar year 2017 for the purposes of collecting the assessments levied in 2016, as well as any delinquent amounts for previously unpaid assessments, and for implementing the project and services contained in this Service Plan in 2017.

Proposed Ten-Year Estimated Costs. The District will provide funding to the six major program areas outlined above. The cost estimates are based on current needs and priorities. Priorities change over time and this Service Plan provides that the District's Board retains flexibility to adjust the allocation of resources to meet changing needs. Each year the District's Board will re-evaluate the allocation of resources set forth in this Service Plan, determine the projects to be undertaken that year, and approve a budget for that year. The table below illustrates a ten-year projected budget and revenue. These figures are all subject to change but do reflect the proportion of funding available that will be allocated to each project area.

<b>East Downtown Management District Ten-Year Program Budget</b>		
<b>Program Area*</b>	<b>Annual Amounts 2016- 2026</b>	<b>10 Year Total</b>
Administration	\$98,000	\$980,000
Public Safety	\$107,000	\$1,070,000
Business Development	\$30,000	\$300,000
Field Services	\$176,000	\$1,760,000
Planning/ Advocacy	\$45,000	\$450,000
Beautification	\$23,000	\$230,000
<b>TOTAL</b>	<b>\$479,000</b>	<b>\$4,790,000</b>
<b>Estimate Revenues**</b>	<b>\$479,000</b>	<b>\$4,790,000</b>

\* Estimated Costs associated with program areas are assumed to remain flat during the 10-year Service Plan *FOR ILLUSTRATION PURPOSES ONLY.*

\*\* Based on total assessed value for assessable properties in 2015 per Harris County Appraisal District.

## **SERVICE PLAN APPROVAL PROCESS**

The delivery of the proposed services and improvements is anticipated to add value to all properties within the District. The District's property owners will be able to collectively leverage greater resources, resulting in increased levels of service and an enhanced public awareness and image for East Downtown. An improved East Downtown benefits property owners directly and also the Houston metropolitan region at large. To implement this Service and Improvement Plan, the petition requesting this Plan must be signed by either fifty owners of property within the District's boundaries or the owners of a majority of the assessed value of real property in the District. (See Attachment B: Petition). A public hearing will be held following receipt of such petitions, after which the District's Board of Directors will consider approval of this Service Plan and the levy of an assessment.

If you have any questions, please call Executive Director Anton Sinkewich at 713-591-2014.

Appendix A

District Boundary Map

