

WESTCHASE DISTRICT



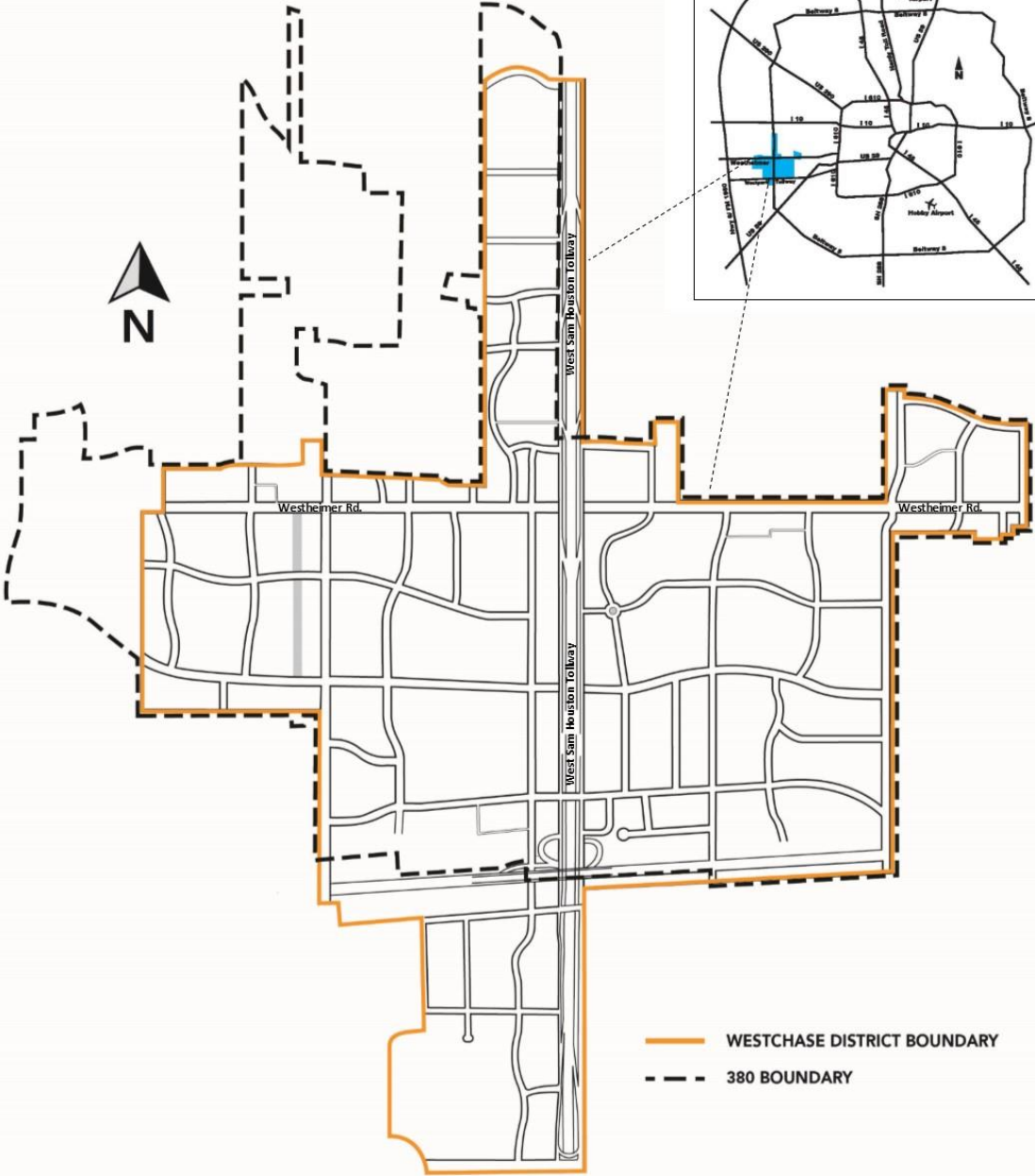
Service Plan 2019 – 2045

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Houston, Texas
(showing Westchase District)



- WESTCHASE DISTRICT BOUNDARY
- - - 380 BOUNDARY

Map not drawn to scale.

Introduction and Background

The Westchase District (the "District") was created by the 74th Texas Legislature and signed into law on June 12, 1995. The District was developed by a group of businesses and property owners interested in the long-term economic viability of the Westchase Area. Working through the Westchase Business Council (formed in 1986), they undertook identifying specific needs and responses that could be provided and decided to establish a Management District for Westchase similar to those for Downtown and Uptown. The District has operated successfully for the first 14 years of its Service Plan for 2004-2024 and to date has brought in additional project funding of well over \$100,000,000 from outside sources. However, new opportunities have arisen and new needs have been identified since the District's adoption of its 1996-2005 Service Plan and subsequent service plan that began in 2004. In 2001, the State Legislature enacted laws deregulating power, which laws could be used by the District to benefit the property owners, tenants and residents of the District. Additional needs for the area have been identified that were not included in the 1996-2005 Service Plan or its successor Plan. Therefore, the District has proposed a new Service Plan for 26 years that will supersede the 2004-2024 Service Plan. All of the major service components from the original Service Plan have been included.

The District is now seeking the support of property owners and tenants for this 26 year Service Plan and Budget through a petition process. The petitions request that the Board hold a public hearing and adopt the new service plan, budget, assessment method and assessment roll. The District must obtain at least fifty petitions signed by owners of land subject to assessment within the District before the District may provide a notice to property owners and hold a public hearing on the benefits to be provided through the implementation of this Service Plan. The District plans to complete this work and hold a hearing in October, 2018.

Westchase District Service Plan

The following plan will be reviewed annually by the District working in conjunction with property owners, service providers, and the public sector to select and prioritize the projects to be undertaken by the District. Accomplishment of District goals set out herein will be monitored on an ongoing basis by the District Board of Directors and the staff. The projects outlined under the District's goals are for purposes of illustration only, and the Board will take action each year to select and implement specific projects that will help to achieve District goals.

The District was created to supplement, not supplant, current public services and to undertake certain projects with widespread benefits that are beyond the ability of individual property owners. The Board has adopted the following Mission Statement to guide their efforts as they develop, implement and refine specific projects and programs.

Because of the length of this capital plan, the Board will need to make decisions each year on the specific projects and programs to be undertaken and the budget for such year. The Board shall have the right to move funds from one program area to another or to eliminate programs in order to meet the changing needs of the District. Nothing herein shall be construed to require the District to provide services in programs areas which the Board deems are no longer necessary or advisable.

Westchase District Mission Statement

To conduct projects and programs to strengthen and promote the Westchase Area as a highly desirable area in which to locate a business, work, shop, live, recreate or invest, thereby producing increased economic activity resulting in positive economic benefits for the businesses, property owners, tenants, and residents.

Service Plan Components

The following sections provide detailed descriptions of the goals and programs and budget of each of the major components of the District Plan: Public Safety, Mobility, Area Image, Infrastructure Maintenance, Marketing and Communications, Other Services, Office and Administration, and District Operations.

Public Safety Service Plan

Overall Objective: *To improve the safety of persons and properties in the Westchase District thereby creating a district marketing advantage while making the best use of current public and private resources.*

Goals

- A reduction in the number of crimes committed
- An increase in the clearance rate for crimes committed in the District
- Coordination and enhancement of public and private security efforts
- Higher visibility of security presence in the area
- Positive public image as safe area

Programs

- Additional law enforcement on patrol employed by the District
- On-site crime prevention programs and safety seminars for residents and employees
- Utilization of security cameras, call boxes and other technology as appropriate
- Periodic security briefings for property managers, interested citizens, local security personnel
- Tracking of overall crime statistics and follow up on specific cases
- Compilation of private security contacts and programs with development of data base for enhanced communications

Annual Budget	\$ 670,500
26 Year Budget	\$ <u>17.43 Million</u>

Area Mobility Service Plan

Overall Objective: *To ensure easy access to, from and through the District, addressing all modes of transportation.*

Goals

- Continued infrastructure improvements to accommodate growth
- Improved and expanded mass transit services from public and private service providers
- Diminished parking requirements at area office buildings
- Greater utilization of transit services by area employees and residents
- Use of grants, subsidies, and program revenue to leverage District funds

Programs

- Detailed long range study of the District's growth, impact on traffic patterns, and resulting project needs
- Specific planning studies, engineering work, and right-of-way assembly to accelerate or prioritize key projects
- Construction or participation in construction of road improvements to benefit the District
- A comprehensive mass transit outreach campaign with an area data base (for ride matching) and promotional materials
- Coordination of external subsidies for vanpools and transit services
- Additional bus shelters and other enhancements in the District
- Enhance transit services to, through and within Westchase
- Development and management of parking structures
- Ongoing communication with service providers to ensure that area needs are understood and addressed
- Build a safe and comfortable bicycle network that welcomes all types of riders and connects to homes, jobs, schools, parks and other destinations
- Complete a comprehensive sidewalk network that provides access for all users of all abilities and encourages pedestrian traffic
- Develop a high capacity transit network
- Create a walkable street grid
- Encourage transit and trail oriented development

Annual Budget

\$ 221,500

26 Year Budget

\$ 5.76 Million

Area Image Service Plan

Overall Objectives:

- A. Trails – to develop trail systems connecting to District Parks and outside of the District Trail systems.*
- B. Parks and beautification – To expand and enhance the parks system and improve the District's visual appeal.*

Goals

- Acquisition and/or development of park sites and recreational trails
- Seek external funds to leverage WD funds
- Increase District's visual identification/delineation
- Coordination of private and public services and programs
- Develop year round calendar of events at park sites
- Establish Westchase District as a cultural and visual arts destination

Programs

- Development of hike & bike trails along drainage easements within the District and other corridors as appropriate

- Implementation of a District visual identification program, possibly including District gateways, boulevard and intersection improvements, and installation of elements to identify the area as being within the District using means such as signage
- Various murals and art pieces around the District for visual appeal.
- Develop and implement Beautification projects

Annual Budget **\$ 878,800**
26 Year Budget **\$ 22.85 Million**

Infrastructure Maintenance Service Plan

Overall Objective: *To provide the necessary funds to properly maintain the assets of the District.*

Goals

- Street maintenance
- Park maintenance
- Trail maintenance
- Canal maintenance

Annual Budget **\$ 400,000**
26 Year Budget **\$ 10.40 Million**

Marketing and Communications Service Plan

Overall Objectives:

- A. *Brand and market the District to stakeholders and potential stakeholders and advertise and communicate to our markets.*
- B. *Marketing – To actively promote the District’s image as a dynamic commercial and residential center with the services and infrastructure to support businesses, residents, and investors.*
- C. *Business development – To increase opportunities to attract clients and customers to area businesses resulting in the growth and expansion of the existing base of businesses.*

Goals, to provide:

- Advertising
- Publicity
- Event programming
- Farmers Market
- Public Relations / creative programming
- Increased positive media coverage of Westchase
- Greater recognition of Westchase as a corporate relocation destination
- Stronger name identification in the general community
- Enhanced sense of community for area residents and employees

- Expanded use of the District or Westchase name in merchant/business communications
- Greater market penetration by area businesses
- Additional business revenues from outside the District
- Expansion of existing businesses
- Growth in District employment
- Engage area residents and employees at events promoting Westchase District
- Develop printed collateral that promotes Westchase District businesses and amenities

Programs

- Ongoing meetings with business leaders, public sector representatives, and media contacts
- Regular press releases or social media postings with follow up
- Collection and distribution of real estate market, demographic, and economic information
- Quarterly newsletter for the real estate community as well as District businesses and residents
- Use of the internet or other emerging technologies for promotional, advertising or communication purposes
- Presentations and meetings with commercial realty firms and corporate relocation consultants
- Development and distribution of “neighborhood marketing piece” highlighting District services, amenities, and quality of life issues
- Promotion of area businesses through newsletter advertising and articles
- Networking events, area promotional events, trade shows or similar marketing opportunities
- Study of a potential conference center to serve needs in the District with potential district participation in development and/or operations
- District website to provide links and searchable activities for tenants, residents and visitors

Annual Budget	\$ 425,000
26 Year Budget	\$ <u>11.05 Million</u>

Other Services Service Plan

Overall Objective: *To investigate and, if feasible, to provide any services allowed by law as it now exists or is amended in the future, which benefits the District, its property owners, residents, tenants and visitors and to coordinate such efforts with the appropriate public and private interests.*

These services may include without limitation, the following:

(1) the construction, acquisition, improvement, relocation, operation, maintenance, or provision of landscaping; lighting, banners, and signs; streets and sidewalks; pedestrian skywalks, crosswalks, and tunnels; seawalls; marinas; drainage and navigation improvements; pedestrian malls; solid waste, water, sewer, and power facilities, including electrical, gas, steam, cogeneration, and chilled water facilities; parks, plazas, lakes, rivers, bayous, ponds, and recreation and scenic areas; historic areas; fountains; works of art; off-street parking facilities, bus terminals, heliports, and mass transit systems; and the cost of any demolition in connection with providing any of the improvement projects;

(2) other improvements similar to those described in (1) above;

(3) special supplemental services for advertising, economic development, promoting the area in the district, health and sanitation, public safety, maintenance, security, business recruitment, development, elimination or relief of traffic congestion, recreation, and cultural enhancement; and

(4) expenses incurred in the establishment, administration, maintenance, and operation of the district or any of its improvements, projects, or services.

Goals

- Investigate the feasibility of acting as and to become, if feasible, an aggregator of power services for some or all of the properties in the District so as to negotiate and provide cost-effective, reliable power service to such properties
- Investigate the feasibility of providing other water, sewer or drainage services to some or all of the properties in the District and to provide such services if feasible
- Investigate and provide, if feasible, other services allowed by law to meet District needs
- Implement service programs for the benefit of District property owners, tenants and residents
- Coordinate with the entities that provide services within the District to assure reliable service within the District

Programs

- Act as a aggregator of electrical power services for some or all of the properties in the District
- Provide cost-effective and reliable electrical power, gas, water, sewer and/or drainage services to benefit the District
- Relocate or install power, gas, water, sewer or drainage facilities in conjunction with other District improvements
- Relocate or install utility and power facilities, alone or in conjunction with other entities, to encourage development of property in the District

Annual Budget **\$ 50,000**
26 Year budget **\$ 1.30 Million**

Office and Administrative Service Plan

Overall Objective: *To manage District personnel and finances to implement the District Services Plan and to coordinate these efforts with the appropriate public and private interests.*

Goals

- Cost effective delivery of services and programs
- Substantial and ongoing opportunities for property owner input and oversight
- Maximum use of non-District funds to leverage local investment
- A qualified, focused, well trained staff

Programs

- Minimum Quarterly meetings of the District Board of Directors
- Board directed development of annual budget
- Annual performance review and public meeting to review prior year impact and to consider District's proposed Service Plan
- Annual audit of District finances
- Regular communication with owners, residents, and businesses
- Active committees for each of the program areas

Annual Budget \$ 1,624,600
26 Year Budget \$ 42.24 Million

District Operations Service Plan

Overall Objective: *To successfully design and implement the Westchase District concept, Service Plan and budget and then to develop and maintain the District assessment role and property owner data base and to ensure that all legal requirements are met.*

Goals

- Successful implementation of Westchase District Service Plan
- A complete and regularly updated assessment role for the District
- Accurate and timely billing and collection of the annual assessments
- Proactive responses to potential legal issues

Programs

- Update the District's proposed assessment role each year
- Regular meetings and communications with HCAD and the WD collection agent to ensure coordination
- Retention of legal counsel well versed in the formation and operations of special districts
- Maintenance of the WD assessment role and property contacts in the WD office, accessible to any interested owner
- Professional Fees

Annual Budget \$ 379,600
26 Year Budget \$ 9.87 Million

Method of Assessment, Revenue and Expenditures and Financing of Projects

Method of Assessment

The District proposes to levy an annual assessment for services and improvements for the twenty-six year life of this Service Plan not to exceed \$0.11 per \$100 of assessed valuation of land and improvements in the District as shown on the tax rolls of the Harris County Appraisal District ("Appraisal District") for the year 2018 (the "2018 Tax Rolls"). Should the District decide that it is advisable to raise the assessment rate above \$0.11 per \$100 of valuation, the District will be required (1) to develop a new or an amended service plan, (2) to obtain at least fifty petitions signed by owners of land within the District requesting the implementation of the new/amended Service Plan and (3) to notice and hold a public hearing on the benefits to be derived from these services in accordance with Chapter 375, Texas Local Government Code.

The assessment for the year 2019 shall not exceed the rate of \$.09 per \$100 of assessed valuation as shown on the 2018 Tax rolls. Each year thereafter the annual assessment will also be at the rate not to exceed \$.09 per \$100 of valuation as shown on the 2018 Tax rolls; provided, however, if the needs of the District require, the Board may conduct a hearing in a future year after due notice to the owners of property in the District and increase the assessment rate to an amount not to exceed \$0.11 per \$100 of assessed valuation and/or change the year of valuation without the need to secure a new petition. Funds received from the assessment will be used to provide services and improvements for Public Safety, Transportation and Mobility, Area Image, Other Services and Administrative, Operations and Expenses of Assessment Collection. The total assessment will be billed in annual installments.

Except as provided in this paragraph, the District proposes to levy assessments for each of the 26 years on the assessed valuation of land and improvements as shown on the 2018 Tax Rolls of the Appraisal District but to allow such for annual payments. The District proposes that for (a) land and improvements annexed to the District, or (b) new or rehabilitated improvements constructed, remodeled, developed or rehabilitated in the District after January 1, 2018, the District may levy assessments on the value of the land and improvements as shown on the tax rolls of the Appraisal District during the year in which the land and improvements are (i) annexed and added to the rolls of the District, or (ii) added and valued as improvements on the tax rolls of the Appraisal District. Land and improvements which have a special use designation for tax purposes on the 2018 Tax Rolls of the Appraisal District as (a) agricultural use, (b) timber land use, or (c) recreational, park or service use, will be assessed by the Board at its designated special use value for so long as it enjoys that special use designation. If any land or improvements which have a special use designation are converted to another use and lose its special use designation on the Appraisal District tax roll, the District will thereafter assess such land or improvements at its full value as shown on the 2018 Tax Rolls of the Harris County Appraisal District (HCAD).

Assessment Exclusions

The following classes of land and improvements, as classified by HCAD, are proposed to be exempted from assessment unless consent of the owner is given:

- i. land and improvements owned by political subdivisions of the State of Texas and used for public purposes;

- ii. land and improvements owned by a church or by a strictly religious society which yields no revenue whatever to such church or religious society and which is used as an actual place of religious worship or as a dwelling place for the ministry of such church or religious society;
- iii. land and improvements owned by an entity and used exclusively for school purposes which is exempt under Section 501(c)(3) of the Internal Revenue Code;
- iv. land and improvements owned by an association engaged in promoting the religious, educational, and physical development of children or young men or young women operating under a state or national organization of like character and used exclusively and necessarily for any such purpose which is exempt under Section 501(c)(3) of the Internal Revenue Code;
- v. land and improvements owned by institutions of and used for purely for public charity which are exempt under Section 501(c)(3) of the Internal Revenue Code;
- vi. land and improvements that were used primarily for recreational, park or scenic purposes during the immediately preceding calendar year, on which an amount has been spent for landscaping or beautification that is equal to or greater than five years of proposed District assessments on the land and improvements;
- vii. land and improvements owned by the United States of America, or any agency thereof;
- viii. single-family detached residential property, duplexes, triplexes, quadraplexes, townhomes and condominiums; and
- ix. all other property exempt from assessment by Chapter 375, Texas Local Government Code as amended from time to time.

Delinquent payments will be subject to additional charges in accordance with the Texas Tax Code. Each year, a budget and assessment rate will be approved by the Board of Directors. Estimated revenues based on the 2018 Tax Rolls of property within the District follow:

Estimated Revenue

Estimated 2018 value of land and improvements within the District	\$ <u>5,166,800,000</u>
Estimated annual revenue at the rate of \$.09 per \$100 of valuation`	\$ <u>4,650,000</u>
Estimated total revenue over the twenty-year term of the Service Plan at an assessment rate of \$.09 per \$100 of valuation	\$ <u>120.9 Million</u>

If these revenue projections are not met, the District will adjust the annual budget to reflect this. Similarly, if revenues exceed projections, the Board may allocate those additional revenues to the various program categories.

This Service Plan calls for apportionment of the costs to be based on the value of land and improvements as of the 2018 Tax Rolls of the Appraisal District. Assessments will be billed in annual installments.

Estimated Costs of the Services to be Provided

The following chart shows the annual estimated costs for each of the years of the Service Plan.

Summary of Expenses	Year 1	Years 2-26	26-Year Total
Services:			
Public Safety	\$ 670,500	\$ 16,762,500	\$ 17,433,000
Area Mobility	\$ 221,500	\$ 5,537,500	\$ 5,759,000
Area Image	\$ 878,800	\$ 21,970,000	\$ 22,848,800
Infrastructure Maintenance	\$ 400,000	\$ 10,000,000	\$ 10,400,000
Marketing and Communications	\$ 425,000	\$ 10,625,000	\$ 11,050,000
Other Services	\$ 50,000	\$ 1,250,000	\$ 1,300,000
Total for Services	\$2,645,800	\$ 66,145,000	\$ 68,790,800
Office, Administrative & Operating Expenses			
Office & Admin	\$1,624,600	\$ 40,615,000	\$ 2,239,600
Operating	\$ 379,600	\$ 9,490,000	\$ 9,869,600
Total for OA & OE	\$2,004,200	\$ 50,105,000	\$ 52,109,200
GRAND TOTALS	\$4,650,000	\$116,250,000	\$120,900,000

FINANCING OF PROJECTS

The Board may elect to issue bonds, notes or other obligations to finance certain projects if they determine that this will be in the best interest of the District. If such a decision is made, the District is required to comply with all applicable laws and regulations which include among others obtaining petitions from at least 50 District property owners, holding a bond election, and obtaining the consent of the City of Houston and the approval of the Attorney General of the State of Texas. These conditions may change as laws change, but the District will be required to comply with the laws and regulations in effect at the time such obligations are issued.

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

To implement this Service Plan, the petition must be signed by at least fifty (50) land owners within the District boundaries. A public hearing will be held, after which the District's Board of Directors will approve the plan and authorize the levy of an assessment.

If you have any questions or wish to set up a personal visit with a staff member or a Board member, please call David R. Gilkeson at (713) 780-9434.