

**GREATER NORTHSIDE MANAGEMENT DISTRICT
SERVICE PLAN FOR
CALENDAR YEARS 2005-2010**

FINAL APPROVAL AS AMENDED –JANUARY 11, 2006

INTRODUCTION AND BACKGROUND

The Greater Northside Management District ("District") was created by the 77th Texas Legislature pursuant to H.B. 3634. The City of Houston ("City") has been asked to give its formal consent to the creation of the District. This document lays out the mission and goals of the District, the nature of the services to be provided by the District, the proposed assessment for such services, the basis on which assessments will be charged and the estimated costs of such services during the five-year life of this Service Plan. It is anticipated that the District will begin to provide services under the Service Plan on or about March 1, 2006, or as soon as the District has taken all steps necessary to levy the assessments to provide the services.

The District is modeled after other existing management districts in the City that have been particularly successful in addressing the service needs of the commercial property owners within their boundaries, such as the Greater Greenspoint Management District and the Westchase District. The District will levy an assessment on the commercial property owners within the District to provide services and improvements in the following areas: Transportation and Transit-Friendly Development, Promotion of Public Health and Safety, Advancing Quality of Life, and Building Effective Relationships to aid in the accomplishment of this Service Plan in addition to providing for the administration of the District and paying for the costs of creating the District.

The following plan will outline the nature of the services to be provided by the District and will be implemented by the District working in conjunction with commercial property owners, service providers, and the public sector to develop and carry out programs that will help to achieve the goals of the District. All programs will be approved and monitored on an ongoing basis by the District Board of Directors.

The District will undertake certain projects with widespread benefits that are beyond the ability of individual property owners to provide. The Board has adopted the following Mission Statement to guide their efforts as they develop, implement and refine specific projects.

GREATER NORTHSIDE MANAGEMENT DISTRICT MISSION STATEMENT:

In order to increase economic activity for the business property owners, the District will work to establish and implement projects and programs to:

- a. Produce neighborhood-friendly development;
- b. Promote health and safety for District property owners, tenants, residents and visitors;
- c. Advance the quality of life for District property owners, tenants, residents and visitors;
- d. Build effective relationships to aid in the accomplishment of this Service Plan; and
- e. Create, organize and administer the District

SERVICE AND ASSESSMENT PLAN

This Service and Assessment Plan ("Service Plan") was developed by the Board of Directors of the District who represent a variety of property owners and businesses in the District. The following are the major components of the District Service Plan:

1. Neighborhood-Friendly Development
2. Health and Safety
3. Quality of Life
4. Effective Relationships

5. Marketing and Promotion
6. District Creation and Administration

Each section provides detailed descriptions of the goals and programs and estimated costs of such segment of the Service Plan.

1. Neighborhood-Friendly Development

Goals:

The District will work to improve existing neighborhoods if needed and to attract development and redevelopment to produce neighborhood-friendly development within its boundaries. To accomplish this, the District plans to undertake projects, either alone or with others, to address transit issues impacting the District, as well as undertaking projects (a) to remove graffiti and debris and to beautify the District, (b) to address problems in the District created by truancy, (c) to attract new development and redevelopment within the District, and (d) to make the public and potential developers aware of the District as an attractive place to live, work, shop and play. Below are a list of programs that are typical of those the District will undertake, depending upon need and available funding.

Programs:

- § Work in coordination with the City, Metropolitan Transit Authority (AMetro@), Texas Department of Transportation (ATxDOT@), Harris County (ACounty@) and other entities, programs, activities or efforts to improve mobility in the District
- § Work in coordination with appropriate public and private sector entities, such as the City, the County, TxDOT, and the Harris County Toll Road Authority (AHCTRA@) to improve roadways, drainage and overall infrastructure impacting businesses and neighborhoods
- § Work in coordination with entities, programs, activities or efforts to improve existing public transportation based on clearly defined needs
- § Conduct information-based public relations and public awareness campaigns to promote the Northside as a unique area to live, work, play and shop
- § Develop other programs or projects to promote neighborhood-friendly development

Estimated Annual Costs:

Year 1: \$77,460 Years 2-5: \$98,625 5-Year Total: \$471,960

2. Health and Safety

Goals:

The goal of the District is to assure that the District is a safe and healthy place for property owners, tenants, residents and visitors to live, work, shop and play. The District wants to increase, improve and supplement the level of safety currently provided by the City and the County in order to reduce and/or prevent crime in the District. Additionally, the goal is to make improvements in the appearance of the District so as to better its image as a safe, healthy and clean area of the City and to promote that clean and safe image to attract new development and redevelopment and to improve property values in the District. The District will undertake projects and programs such as those listed below based upon need and funding.

Programs:

- § Work alone or in coordination with other entities, programs, activities or efforts to provide a comprehensive public safety program
- § Work in coordination with appropriate public and private sector entities to prevent and reduce crime, including juvenile crime and truancy, which impacts businesses and neighborhoods
- § Work in coordination with the City and its departments as well as the County and other entities to reduce graffiti, vandalism, debris and unattractive enterprises
- § Conduct information-based public relations and public awareness campaigns to promote health and safety within the District
- § Develop other programs or projects to promote health and safety

Estimated Annual Costs:

Year 1: \$77,460 Years 2-5: \$98,625 5-Year Total: \$471,960

3. Advance Quality of Life

Goals:

In conjunction with various groups and entities and in keeping with the current movement in the City of Houston, the District will work to improve the quality of life for District property owners, tenants, residents and visitors. The aim is to make the District a clean, green neighborhood with adequate parks, amenities and resources so as to attract new development and redevelopment, to satisfy the needs of those who work and live in the District, and to maintain and improve property values.

Programs:

- § Work in coordination with the City Council, City Parks Department, the County and other entities to improve parks, develop green space, install street landscaping and hike and bike trails, and maintain the District overall
- § Work in coordination with the City Council, City Library Department and other entities to improve language resources, access to technology, availability and overall condition of libraries and work force training resources in the District
- § Work with appropriate entities to support public and fine arts programs
- § Implement programs to improve the quality of life in the District based on clearly defined needs to promote the Northside as a unique place to live, work, play and shop
- § Develop other programs and projects to advance the quality of life

Estimated Annual Costs:

Year 1: \$77,460 Years 2-5: \$98,625 5-Year Total: \$471,960

4. Build Effective Relationships to Achieve Service Plan

Goals:

The District will work to leverage its resources by participating with other entities and groups to undertake projects that will help to accomplish the District's goals as set forth herein. In addition, the District will work with other governmental entities to assure that the District receives its fair amount of projects and expenditures by those entities. The most effective way to develop joint projects and to obtain improvements, services and funding from other governmental entities is to develop and maintain good working relationships through which the District can effectively negotiate for services and improvements within the District and learn and enter into creative arrangements to obtain funding and implement projects in furtherance of the Service Plan.

Programs:

- § Assume responsibility for effective coordination and working relationships with appropriate City, County, state and federal governmental entities, as well as any other entities that can aid in the accomplishment of the Service Plan, to achieve Service Plan goals
- § Leverage District resources to increase funding and achieve Service Plan goals
- § Research and pursue joint project opportunities and outside funding sources to accomplish the Service Plan
- § Identify areas where governmental efficiency can be improved
- § Identify areas where regulations may impede development, quality of life, and the prosperity of the District

Estimated Annual Costs:

Year 1: \$77,460 Years 2-5: \$98,625 5-Year Total: \$471,960

5. Marketing and Promotion

Goals:

The District will develop marketing and promotion programs to capture public and media attention, thereby attracting favorable attention and investment to the Northside.

Programs:

- § Develop an enhanced sense of community in the Northside
- § Coordinate and promote the area as a must-see destination (historical sites, restaurants, etc.)
- § Create a positive image of the area as a place to live, work, shop and invest in the City of Houston
- § Promote the unique history of the Northside as it relates to the development of Houston and the State
- § Develop other programs or projects to market and promote the District

Estimated Annual Costs:

Year 1: \$77,460 Years 2-5: \$98,625 5-Year Total: \$471,960

6. District Creation and Administration

Goals:

The steering committee which lead the move to create the District was successful in having H.B.3634 passed by the 77th Legislature, and such bill became effective June 16, 2001. In order to do so, the steering committee worked with local legislators to draft legislation, prepare a preliminary service plan and map of the District and to take all other steps necessary to implement the creation. The goal for the completion of the creation and the administration of the District is (a) to develop, maintain and update the District assessment role and property owner data base, (b) to ensure that all legal requirements are met both in the creation and the operation of the District, (c) to manage District personnel, consultants and finances to implement District programs in an effective and cost-efficient manner, and (d) to provide District services and programs in an effective and cost-efficient manner.

Creation and Administration:

- § Successfully design and implement the creation, District Service Plan(s) and budget(s) for the District
- § Develop, maintain and update the District assessment role and property owner data base
- § Ensure that all legal requirements are met both in the creation and the operation of the District
- § Manage District personnel, consultants and finances to implement District programs in an effective and cost-efficient manner
- § Coordinate District efforts with the efforts of appropriate public and private interests
- § Provide District services and programs in an effective and cost-efficient manner
- § Develop additional funding mechanisms
- § Be responsive to day-to-day needs of the District and balance with needs for long-term change
- § Efficiently utilize resources to accomplish the District=s programs
- § Maximize the level of services provided to the District by government entities
- § Provide oversight and management which is responsive to the needs of all District owners
- § Make the District=s operations an example which others would want to follow
- § Provide substantial and ongoing opportunities for the input and oversight of landowners within the District
- § Have accurate and timely billing and collection of assessments

Administration Estimated Annual Costs:

Year 1: \$129,105 Years 2-5: \$123,280 5-Year Total: \$622,225

Creation Estimated Annual Costs:

Year 1: \$100,00 Per Year thereafter: \$0.00 5-Year Total: \$100,000

PROPOSED ASSESSMENT, REVENUE AND EXPENDITURES

This Service Plan calls for apportionment of the costs to be based on the value of land and improvements as of the 2005 tax roll of the Harris County Appraisal District ("Appraisal District"). The total assessment will be levied at the time of the public hearing but will be billed in annual installments.

Property will be assessed during the term of the plan at its value on the Appraisal District=s assessment roll for the year 2005 ("2005 Assessment Roll") after a public hearing is held to determine the benefits to be received by the property assessed. The assessment for services and improvements listed under this Service Plan in the first year (2006) of the Service Plan will be \$0.12 per \$100 of assessed value. The assessment rate may be increased or

decreased during the life of the Service Plan, provided that the assessment rate may not in any year of the Service Plan exceed \$0.15 per \$100 of assessed valuation of land and improvements in the District (the AMaximum Rate@).

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, to change the year of valuation without the need to secure a new petition. The Board will conduct a public hearing from time to time during the term of the Service Plan on the specific benefits to be received by any property that is annexed to the District or that is developed, further developed, rehabilitated or improved, after the initial assessment roll is prepared. 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 additions to the District assessment roll shall be valued at the value set by the Appraisal District for the year in which it is added to the assessment roll.

Property Subject to Assessment. The property subject to assessment will be real property, *i.e.* land and improvements of commercial property owners within the District. No personal property will be assessed.

Delinquent Payments and Recapture. Delinquent payments will be subject to additional charges in accordance with the Texas Tax Code. Property which has a special use designation for tax purposes on the Appraisal District roll 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 property which has a special use designation is converted to another use and loses its special use designation on the Appraisal District tax roll, the Board will assess such property in accordance with the provisions of the Texas Tax Code concerning recapture upon the conversion of such property to another use.

Yearly Budgets and Assessment Rates. The Board will evaluate annually the need for and advisability of the services authorized under this Service Plan to determine the specific projects within the Service Plan that will be undertaken the following year. The Board will then set and approve a budget for the following year consistent with the yearly plan and set the assessment rate for such year, provided that the rate may not exceed the Maximum Rate. As this Service Plan is five years in length, it is probable that the service needs in each of the major categories will change, particularly as District objectives are met. Therefore, this Service Plan allows the Board the flexibility to apply the assessment revenue to the categories of services in varying percentages.

Estimated revenues based on the 2005 Appraisal District Assessment Roll of property within the District and an assessment rate of \$0.12 and at the Maximum Rate follow:

Estimated 2005 value of assessable land and improvements within the District	\$613,197,626
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Assessment Revenue at Set Rate (\$0.12):

Estimated annual revenue at the rate of \$0.12 per \$100 of valuation	\$ 735,837
Estimated total revenue over the five-year term of the Service Plan at an assessment rate of \$0.12 per \$100 of valuation	\$ 3,679,185

Assessment Revenue at Maximum Rate (\$0.15):

Estimated annual revenue at the Maximum Rate of \$0.15 per \$100 of valuation	\$ 919,796
Estimated total revenue over the five-year term of the Service Plan at the Maximum Rate of \$0.15 per \$100 of valuation	\$ 4,598,982

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.

Exemptions From Assessment. The following types of property will be exempt from assessment by the District unless the owner consents:

- (1) Residential properties including without limitation, single-family detached residential property, duplexes, triplexes, quadraplexes, multi-unit residential property and condominiums;
- (2) Property of municipalities, counties, other political subdivisions and organizations exempt from federal income tax under ' 501(c)(3) of the Internal Revenue Code, as amended;
- (3) Property, equipment or facilities of a utility which is defined in ' 376.452, Texas Local Government Code, as a person that provides to the public cable television, gas, light, power, telephone, sewage, or water service;
- (4) Property that comprises three or more acres, separated only by streets or public rights-of-way, that was used primarily for recreational, park, or scenic use during the immediately preceding calendar year and on which money has been spent for landscaping at any time in an amount that is equal to five years of proposed District assessments on the property in accordance with ' 375.164, Texas Local Government Code;
- (5) Any other property exempt from assessment by Chapter 375, Texas Local Government Code, as it may be amended from time to time;
- (6) Property owned by a church or leased by a church with a lease term of at least five years, provided that the church which is designated as a church per HCAD; and
- (7) Property designated as a historical site per HCAD.

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.

SERVICE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	5-YEAR TOTAL
Neighborhood-Friendly Development	\$ 77,460	\$ 98,625	\$ 98,625	\$ 98,625	\$ 98,625	\$ 471,960
Health and Safety	\$ 77,460	\$ 98,625	\$ 98,625	\$ 98,625	\$ 98,625	\$ 471,960
Quality of Life	\$ 77,460	\$ 98,625	\$ 98,625	\$ 98,625	\$ 98,625	\$ 417,960
Effective Relationships	\$ 77,460	\$ 98,625	\$ 98,625	\$ 98,625	\$ 98,625	\$ 417,960
Marketing	\$ 77,460	\$ 98,625	\$ 98,625	\$ 98,625	\$ 98,625	\$ 417,960
Creation	\$100,000	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 100,000
Administration	\$129,105	\$123,280	\$123,280	\$123,280	\$123,280	\$ 622,225
Estimated Yearly Total	\$616,405	\$616,405	\$616,405	\$616,405	\$616,405	\$3,082,025

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CONCLUSION

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 fifty (50) owners of property 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 Board member, please call Jeanne McDonald of McDonald & Sechrist at (281) 313-2213. Boundary Map (Attached)