

GULFTON MANAGEMENT DISTRICT

2021-2037

SERVICE and IMPROVEMENT PLAN

and

ASSESSMENT PLAN

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Preface

This document presents a Fifteen-Year Plan (2021-2037), which sets forth a vision, goals to be achieved, services to be rendered, and improvements to be made in support and to the benefit of the property owners of the GULFTON Management District (the “District”). In addition, the document outlines costs, and a proposal for funding the plan for the area comprising the District.

BACKGROUND

The area within the boundary of the management district can be captured and represented in the following data set:

Total Acreage: **1,618**
 Total Square Miles: **2.53**
 Total Population: **47,279** (US Census 2021)

Total number of commercial properties in the district: **669** (July 2021)
 Total number of apartment properties in the district: **73** (July 2021)

Total Housing Units: **17,852** (Occupied: 15,353 / Vacant: 2,499)

Income: Average Household: \$ **43,182** / Median Household: \$ **30,895** / PCI: \$ **14,077**

Race and Ethnicity:

2021 Population		
38,012	Hispanic Origin	80.4%
9,267	Not Hispanic Origin	19.6%
47,279	Total	Source: US Census

2021 Population by Race			
	White	23,214	49.1%
	Black or African American	4,822	10.2%
	Asian	2,459	5.2%
	American Indian, Alaska Native, Hawaii-Pac. Isl., Other	13,664	28.9%
	Two or More Races	3,120	6.6%
	Total	47,279	Source: US Census

The Gulfton area is sandwiched in between Houston’s West Loop on the east, the affluent city of Bellaire on the South, the Harris County West Park Toll Road facility on the North, and the Southwest Management District and Harwin commercial center on the West. The area has a varied mix of developed property and benefits from proximity to two of the City of Houston’s most utilized transportation routes.

The area has a relatively few public amenities in the form of public pools, libraries, park facilities, and green spaces, and has little beautification thru surface infrastructure to make it attractive for business retention and business development.

Number of bus routes: **7** (as of Nov. 2021)

The area does have a diversity of commercial establishments catering to the varied ethnic groups. There are also several warehouse facilities that operate in the district, taking advantage of the district’s access to both US Hwy 59, and Loop 610 West, both vital transportation routes in the Houston area.

THE VISION

Need to generate some language discussing where the district will go upon the establishment of the MMD.

The District suffers from blight and lack of attention from either the City of Houston or Harris County on amenities and area beautification. Consequently, the District board of directors plans to expend resources to address the area's physical image, by designing and ultimately building a surface infrastructure program that beautifies the district, with area landscaping, and street scape improvements to make the area more appealing and pedestrian friendly.

There is also a perception that the area is disproportionately impacted by crime. The Board of directors will implement a multi-pronged approach to addressing the crime in the district, by cleaning up gang communications and graffiti, utilizing mobile camera technology in the district, and possibly enhancing patrol services with private security.

Business development and retention will also be a focus for district operations with the exploration of initiatives that will help grow the tax base in the area. Programs may include the use of promotional materials for the district, utilization of a website for the district, and specific initiatives in concert with the city and county that will incentivize business development in the district.

In order to fund this vision, the District will levy an assessment on commercial property owners within its boundaries to provide services and improvements in the following areas: (i) Enhanced Public Safety; (ii) Environmental and Urban Design; (iii) Mobility and Transportation; and (iv) Business Development.

The following plan outlines the nature of the services to be provided by the District working in conjunction with property owners, service providers, residents, and the public sector to develop and implement programs to achieve the District's goals. All programs will be approved and monitored on an ongoing basis by the District's board of directors, which has adopted the following Mission Statement to guide its efforts as it develops, implements, and refines specific projects:

GULFTON MANAGEMENT DISTRICT MISSION STATEMENT:

To establish and implement projects and programs to:

- a. Enhance and promote the image of the District;
- b. Create a desirable area to attract more businesses, investments, and residents;
- c. Provide services and information that will stimulate business growth in the District;
- d. Provide for easy access to, from, and through the District; and
- e. Create a safe environment for businesses and residents in the District in order to increase revitalization, and spur redevelopment of this mixed-use urban neighborhood for all property owners, residents, and tenants.

THE INITIAL ASSESSMENT PERIOD

Public Safety

The District will focus on improving communication and cooperation among property owners, tenants, and public safety departments to maintain and enhance the District's current levels of public safety. This will ensure the residential neighborhoods and business community will continue to grow economically and competitively and become a more vibrant place for employers, employees, and residents alike.

FOCUS: *To attract new investment to the District by maintaining and enhancing a safe environment in both perception and reality with focused public safety programs.*

PROGRAMS and PROJECTS:

1. Partner with local law enforcement agencies to provide additional funding as well as focused attention on the safety needs of the area.
2. Develop programs to supplement law-enforcement patrols where necessary.
3. Build positive relationships between property owners and public safety agencies through sponsorship of safety awareness programs and activities.
4. On behalf of property owners, advocate for regional security needs with county, city, state, and federal law enforcement agencies.
5. Develop a plan in conjunction with CenterPoint Energy, the City of Houston, retail electric providers, and others to increase and maintain consistent street lighting in public areas.
6. Develop a plan to address removal of graffiti to reduce gang communication.
7. Partner with City of Houston and Harris County to abate abandoned structures and vehicles.

Environmental and Urban Design

Environmental and urban design provides the foundation for improving how the District looks and works. This aspect of the plan will affect the quality of the business community and influence decisions of potential investors. The District will be concerned with improving the appearance and the image of the area, private and public infrastructure needs, and open spaces such as parks and trails. The District will work to promote conservation programs, improved streetscapes, and park facilities. Each of these elements will add to a “sense of place” and identity.

A variety of landscape and maintenance initiatives will impact the District’s appearance. The District will develop programs to beautify and landscape streets and freeway frontages, reduce visual blight, and create a sense of identity for the area. The District will also work with property owners and public entities to coordinate maintenance of setbacks, rights-of-way, and planting.

FOCUS: *To mobilize resources to enhance the visual appeal of the District and to address current and future infrastructure, land development, and open space needs of the growing Southwest Houston area in order to attract and retain employees and residents, increase values, and facilitate business development.*

PROGRAMS and PROJECTS:

1. Explore the possible annexation of portions of the district into the Southwest Houston Redevelopment Authority to develop and construct beautiful esplanades and Metro transit stops throughout the District.
2. Address water, wastewater, and drainage requirements of the District and advocate for necessary infrastructure improvements through city’s Renew Houston program.
3. Explore the possible relocation of utility lines to reduce visual blight and enhance the appearance of commercial corridors.
4. Create District identity, visual continuity, and inviting streetscapes through improvements in landscaping, street furnishings, signage, sign control, and other visual elements to improve the image and appeal of the commercial community.
5. Prepare basic District development, renovation, and maintenance guidelines for property owners, managers, and investors to use in evaluating and executing projects.
6. Develop a plan to address removal of litter, bandit signs, graffiti, and other forms of visual blight along the commercial corridors.

Mobility and Transportation

The predominant mobility issue facing the District is the improvement of coordination of communications between METRO, the City of Houston, the HCTRA, and TXDOT on mobility in the district. Congestion mitigation and traffic management issues need to also be addressed during peak hours, as the area serves as a “pass –through” area for traffic when issues arise in the major infrastructure linkages. The District will work to ensure that the area receives the required investment in the construction and maintenance of that infrastructure and that basic roadway, traffic control, public transportation, and utility systems are addressed in a unified and consistent manner.

MISSION: *To take maximum advantage of all available resources to create a well-planned transportation system that effectively addresses the current and future mobility needs of the area.*

PROGRAMS and PROJECTS:

1. Develop and implement a transportation/mobility master plan for the District and integrate it into existing federal, state, regional, county, and city planning transportation efforts.
2. Work with other governmental agencies, including City of Houston Tax Increment Reinvestment Zone Number 20, to improve ingress and egress along these corridors, and enhance access to the corridors and the region as a whole. (Anticipates annexation)
3. Provide resources for transportation and traffic flow studies and use available resources to assist in certain mobility projects, such as traffic signal timing along the corridors.
4. Work with existing public, private, and nonprofit entities to ensure that the District is included in long- and short-term transportation planning efforts.
5. Prepare and implement design plans in partnership with TXDOT and Harris County Toll Road Authority with regard to the aesthetics and overall look of area overpasses, exit/entry ramps, and landscaping.
6. Enhance amenities for pedestrians and cyclists by coordinating with regional, county, and city agencies on capital improvement plans, street and sidewalk standards, bikeways, and facilities.
7. Improve signage within the District to provide a highly visible and creative wayfinding, monument, and identity system that serves the community while reflecting the character and diversity of its businesses and patrons.

Business Development

The District will be the focal point for economic development and promotional initiatives and will coordinate these activities with other private sector and public economic development organizations at the local and state level. District staff will be available to businesses, brokers, and relocation companies to promote the area with speakers, demographic information, and presentations to those considering the District as a future business location. A presentation combining information, statistics, and photographs to acquaint audiences with the District's many offerings will be available for use at business and civic group meetings throughout the region.

MISSION: *Support and promote economic growth by creating and reinforcing positive perceptions of the District as an outstanding place in which to live, work, learn, shop, visit, build and invest. Emphasize redevelopment and investment opportunities that ensure the District is among the most desirable areas in the City of Houston and Harris County.*

PROGRAMS and PROJECTS:

1. Implement a public relations and image campaign that will improve the public perception and increase public awareness of the District.
2. Boost business opportunities by identifying specific areas of involvement with the West Houston Association, Houston Metropolitan Chamber, Ripley House, applicable City of Houston Super Neighborhoods, and other business and civic organizations.
3. Sponsor research for District marketing materials to meet the needs of current and prospective property owners and tenants, employers, brokers, meeting planners, and the general public.
4. Provide public relations and marketing support for the District's mobility and transportation, environmental and urban design, and public safety efforts.
5. Create a District web site and regular newsletter to be made available to employees, employers, nearby residents, and the general public.
6. Establish the District as a clearinghouse for information, including upcoming events in the District, press clippings, demographics, and brochures about the area.
7. Monitor and encourage business retention and expansion within the Gulfton area.

Administration

MISSION: *Provide effective, efficient support services to District programs, including mobility and transportation, environmental and urban design, public safety and business development at the least possible cost to commercial property owners of the District.*

PROGRAMS and PROJECTS:

1. Respond to the day-to-day needs of the District while initiating plans for long-term stability and growth.
2. Utilize human and financial resources in an efficient manner to accomplish the fifteen-year service and improvement plan.
3. Advocate for the District's fair share of the city, county, state, and federal services.
4. Accurately reflect the costs of providing services in each program area through a carefully monitored cost allocation system.
5. Provide annual financial audits that protect the financial integrity of the District and help ensure the most efficient use of monetary resources.
6. Ensure compliance with the Texas Public Information Act ("Open Records Act"), Open Meetings Act, Public Funds Investment Act, and all other applicable state, federal and local laws and regulations.
7. Maintain an efficient level of office technology to ensure the fullest utilization of all available resources.
8. Monitor, evaluate and adjust administrative systems and procedures to assure maximum benefit on revenues received by the District from property owner assessments, grants, contracts and other financial resources.

THE 2021-2037 BUDGET

The District will provide funding to the four major project areas and administration of the District as outlined below. These figures are general projections based on needs and priorities anticipated today. From year to year, as priorities change, this plan provides that the District's Board of Directors will have the flexibility to adjust the application of resources to meet the changing needs of the area.

Each year the District's Board of Directors will re-evaluate the plan, determine the projects and approve a budget for that year. The following is the projected average annual expenditure for the services authorized under this *Service and Improvement Plan*.

Project Area	Projected Average Annual Expenditure	Projected Fifteen-Year Total	Percentage
Public Safety	\$566,472	\$8,770,800	40%
Environmental & Urban Design	\$283,236	\$4,385,400	20%
Mobility & Transportation	\$212,427	\$3,289,050	15%
Business Development	\$184,104	\$2,850,519	13%
Administration	\$169,941	\$2,631,231	12%
Total	\$1,416,180	\$21,927,000	100%

ASSESSMENT PLAN: FINANCING THE VISION

Under this *Service and Improvement Plan*, the District will assess the land and improvements of commercial property owners within the District's boundaries to provide funding for the projects within the major areas of service outlined. The assessment for each year of the *Service and Improvement Plan* will be \$0.10 for each \$100 of value based on the taxable property value as certified by the Harris County Appraisal District (HCAD) with respect to that calendar year. Services and improvements are intended to be provided on a pay-as-you-go basis with assessments made to fund projects. If the Board determines that projects are needed which cannot be financed on this basis, the Board may authorize bonds or other debt financing after calling a public hearing regarding the financing options.

MORE DETAILED INFORMATION ON THE SERVICE AND IMPROVEMENT PLAN

Property Subject to Assessment. The property subject to assessment will be the land and improvements of the commercial property owners within the boundaries of the District. The following property will be exempt from assessment: single-family detached residential, duplexes, triplexes, quadraplexes, condominiums, municipalities, counties, other political subdivisions, entities exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, public utilities, and recreational property or scenic use property that meets the requirements of Section 375.163, Texas Local Government Code.

Yearly Budgets and Assessment Rates. The Board of Directors will annually evaluate the need for, and advisability of the services authorized under this *Service and Improvement Plan* to determine the specific projects within the *Service and Improvement 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, taking into consideration the value of the property subject to assessment and the revenue that the assessment rate will produce.

As this plan is fifteen 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 and Improvement Plan* allows the Board of Directors the flexibility to apply the assessment revenue to the major categories of services in varying percentages.

The District proposes to set the rate of assessment at \$0.10 per \$100 valuation for each year of the Service and Improvement Plan based on the taxable property value as certified by HCAD with respect to that calendar year. The assessment will be made after the District's tax rolls are certified by HCAD each year to generate funds for implementation of the *Service and Improvement Plan* in the following year. The assessment roll will be revised and amended as necessary to accommodate certified valuation changes or additions made by HCAD from time to time. This would mean that a property subject to assessment valued by HCAD at \$1 million in any given year would pay an assessment of \$1000 to fund projects in the following year if the rate of assessment were \$0.10 per \$100 valuation.

Assessment Rate Increases. Pursuant to this *Service and Improvement Plan*, the District Board of Directors is proposing a one-time assessment payable over the life of the Plan (15 years).

Cap on the Amount of Individual Property Assessments. The plan provides that no property may be assessed an amount in any year of this plan that exceeds twice the amount such property was assessed for projects in the first year of the *Service and Improvement Plan* (2021), plus any value added by new construction on such property so designated by HCAD. Thus, the maximum for which the owner of a property valued at \$1 million in 2021 would ever be liable in any year under this *Service and Improvement Plan* would be \$1,000, plus any assessment on new construction added to this property.

Basis for Assessment. In each year of the plan, the assessment will be based on the HCAD certified taxable value for each property in such year as established by HCAD. This means that an individual property owner's assessment may vary each year.

New Construction. New construction so designated by HCAD and any property annexed into the District, if any, will be added to the assessment roll at the value set by HCAD. The Board will prepare a supplemental assessment roll for such property and levy assessments on 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 new revenue. The average expenditures projected above assume a 2% growth in value per year. Over the years, it will also be necessary for the Board of Directors to consider the effects of inflation and to factor it into the District's budgets. If inflation remains low or values increase more than 2% per year, the Board anticipates the growth in assessment revenue from new construction will cover inflation during the ten-year period and allow the District to provide most, if not all, of the services contemplated hereunder. If revenues exceed projections, the Board may allocate those additional revenues to each program category.

Assessments would become due and payable and become delinquent and incur penalties and interest in accordance with the provisions relating to ad valorem taxation contained in 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.

The delivery of the services and improvements is anticipated to add value to all properties within the District. 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. A boundary map of the District is attached.

Credit against certain property owners' association assessments. The Purposes of the District are served when groups of property owners take upon themselves the goals and functions that would otherwise be carried out by the District. In some instances, the financial efforts of associations of the owners of assessable property in the District duplicate the services or projects of the District, thereby allowing the District to focus its financial efforts on other property. In such event, a property owners' association representing property subject to assessment by the District may petition the District's Board for a credit against a District assessment if such duplication is established to the satisfaction of the Board. The petition must be received on or before 15 days prior to the date the budget for the following year is finalized by the Board to allow the Board to accommodate a valid petition. In the alternative, the Board may allow a credit applicable to the entire Plan or the balance thereof. The credit shall be determined calculating the amount of the petitioner's self-assessment representing the duplicated efforts and providing a corresponding offset against the applicable District annual assessment.

APPENDIX A
GULFTON Management District
Boundary Map

*This document is on file with GULFTON Management District.
A copy may be obtained by written request addressed to the
GULFTON Management District
P.O. Box 22167
Houston, Texas 77227
713.541.0447*