

**INTERNATIONAL MANAGEMENT
DISTRICT**

2008-2017

**SERVICE and IMPROVEMENT PLAN
and
ASSESSMENT PLAN**

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IMPORTANT NOTE: This is a preliminary working document and is subject to change according to community and stakeholder input.

Preface

This document presents a Ten-Year Plan (2008-2017), 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 International Management District (the “District”). In addition, the document outlines costs and a proposal for funding the plan for the area comprising the District.

INTRODUCTION

The Vision

A well-planned, high-quality place to live, work, learn, play, and invest.

In creating a management district, property owners seek to:

- Organize themselves to pursue a common vision.
- Attract necessary government and private capital investment, services and improvements and supplement them where needed.
- Render continuous, focused, professional management of the area's needs.
- Provide a funding mechanism that allows all property owners to share costs equitably.
- Maintain the District and surrounding areas as a premier place to work, live, and invest.

The District's Board of Directors will pursue these goals through a variety of programs and projects outlined in the next section. Projects for the first ten years will focus on four areas:

- Public Safety
- Mobility and Transportation
- Environmental and Urban Design
- Business Development

THE FIRST TEN YEARS

Public Safety

The predominant issue facing the District is improving communication and cooperation among property owners, tenants, and public safety departments to maintain and enhance the current levels of public safety. This will ensure that 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.

MISSION: *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. Build positive relationships between property owners and public safety agencies through sponsorship of safety awareness programs and activities.
3. On behalf of property owners, advocate for regional security needs with county, city, state, and federal law enforcement agencies.
4. 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.
5. Develop a plan to address removal of graffiti to reduce gang communication.

Mobility and Transportation

Improvement of mobility along major corridors and the enhancement of major thoroughfares are key factors in facilitating economic development within the District. Mobility deficiencies are of two primary types: (1) internal circulation, and (2) regional access. Mobility is hampered by inadequate ingress and egress to and within the District. To keep peak hour congestion at a manageable level, the basic roadway, traffic control, public transportation, and utility systems must be addressed in a unified and consistent manner. The District will work with city, county, regional, state, and federal entities to ensure that the area receives the required investment in the construction and maintenance of that infrastructure.

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 to develop parallel arterial systems to major corridors, improve ingress and egress along these corridors, and enhance access to the corridors and the region as a whole.
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 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 way-finding, monument, and identity system that serves the community while reflecting the character and diversity of its businesses and patrons.

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.

MISSION: *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 International area in order to attract and retain employees and residents, increase values, and facilitate business development.*

PROGRAMS and PROJECTS:

1. Develop a multi-year tree-planting program and promote the maintenance and protection of existing old growth to create a network of “green corridors” along roadways.
2. Address water, wastewater, and drainage requirements of the District and advocate for necessary infrastructure improvements through city, county, and state resources to mitigate flooding.
3. Assist with flood mitigation for development and existing businesses in the area.
4. Maximize utilization of existing natural resources through partnerships, planning, and advocacy to create an interconnected system of parks, trails, and open spaces serving both commercial and residential populations.
5. Develop a utility relocation and subsurface plan to reduce visual blight and enhance the appearance of commercial corridors.
6. 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.
7. Prepare basic District development, renovation, and maintenance guidelines for property owners, managers, and investors to use in evaluating and executing projects.
8. Develop a plan to address removal of litter, bandit signs, graffiti, and other forms of visual blight along the commercial corridors.

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 Greater Houston Partnership, Westchase Management District, Greater Sharpstown Management District, Brays Oaks Management District, local chambers of commerce, 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 International 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 ten-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 2008-2017 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. Following is the projected average annual expenditure for the services authorized under this *Service and Improvement Plan*.

\$1,138,394,509 - 2007 total valuation of non-residential property within the District.
 x \$0.10/\$100 - Proposed rate of assessment
 = \$1,138,394 - Projected total annual revenue for public projects and services.

Project Area	Projected Average Annual Expenditure	Projected Ten-Year Total	Percentage
Public Safety	\$ 569,197	\$ 5,691,973	50%
Mobility & Transportation	\$ 113,839	\$ 1,138,395	10%
Environmental & Urban Design	\$ 284,599	\$ 2,845,986	25%
Business Development	\$ 56,920	\$ 569,197	5%
Administration	\$ 113,839	\$ 1,138,395	10%
Total	\$ 1,138,394	\$ 11,383,945	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 10 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 (10 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* (2007), 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 2007 would ever be liable in any year under this *Service and Improvement Plan* would be \$2,000 (2 times the \$1,000 assessed in 2007 for 2008 projects) 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.

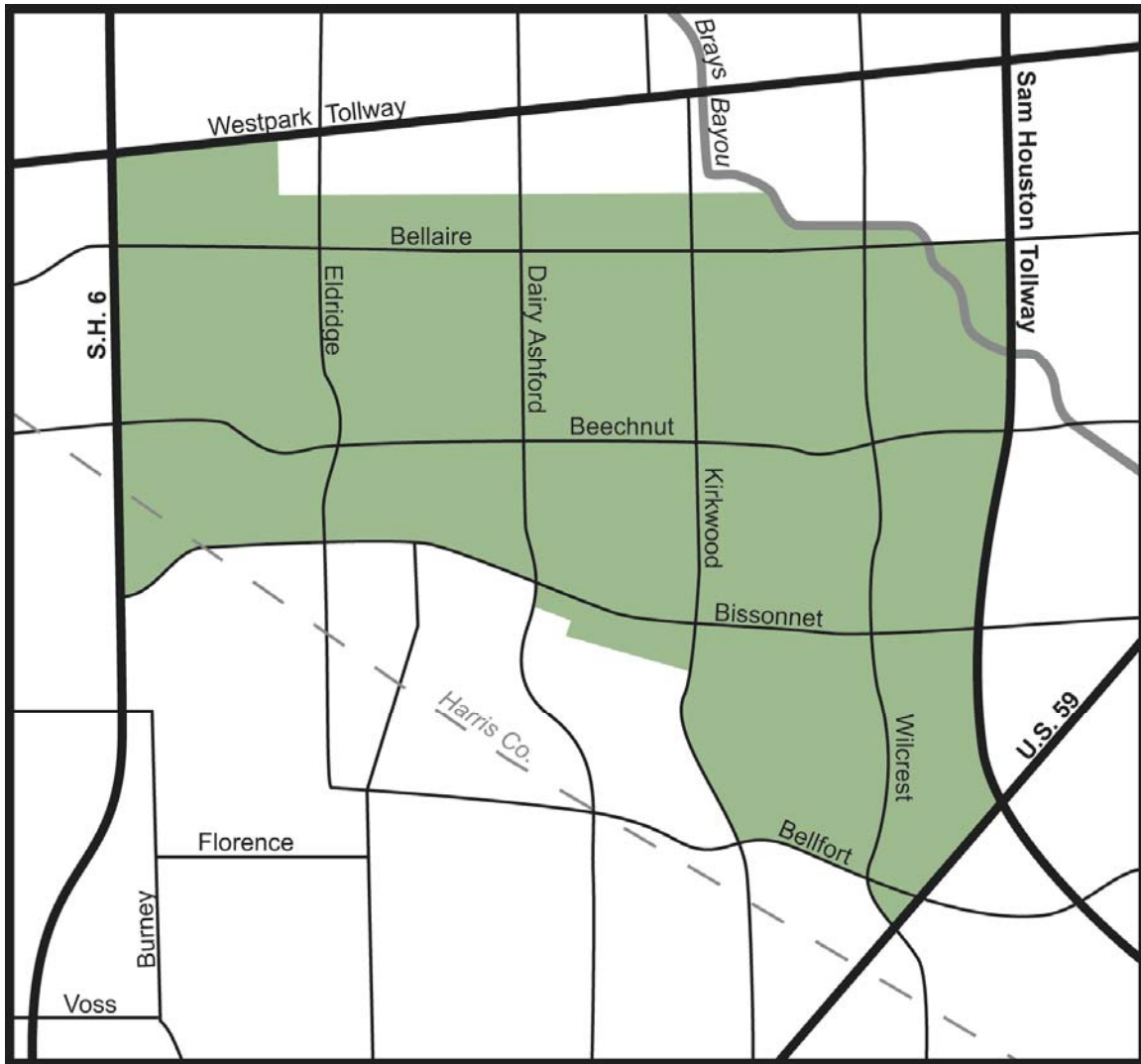
Assessments would become due and payable and become delinquent and incur penalties and interest in accordance with the provisions relating to ad valorem taxation contained in the Texas Tax Code. Assessments will also be subject to the recapture provisions, which apply to change in use of agricultural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

*If you have any questions, or wish to discuss the District,
please call David Hawes at 713.541.0447.*

APPENDIX A
International Management District
Boundary Map



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