

Mitchmore Nancy W.
Mitchmore Living Trust
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PETITION FOR DISTRICT CREATION AND SERVICES AND IMPROVEMENTS

THE STATE OF TEXAS

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COUNTY OF HARRIS

PETITION FOR SERVICES AND IMPROVEMENTS AND CREATION OF PROPOSED MUNICIPAL MANAGEMENT DISTRICT IN THE WEST MONTROSE AREA (the "DISTRICT")

The undersigned Petitioner (the "Petitioner") hereby petitions for the creation of the District with the boundaries substantially as shown on the map attached hereto, and desires for this petition to qualify as a petition for services and improvements, and assessments in payment thereof upon the formation of such District. This petition, along with all other petitions containing the same provisions, whether signed prior to or subsequent to the creation of the District, shall constitute a valid petition as required by applicable law for the District to lawfully levy and collect assessments on property within the District. The Petitioner also acknowledges and consents to the future consolidation of the District with Harris County Improvement District No. 6 ("East Montrose Management District"), which will result in the ability of the consolidated district to continue to levy and collect assessments in the area of the District. In support of this petition the Petitioner presents the following:

Section 1. Standing of Petitioner. The Petitioner is an owner of assessable property within the District as determined by the most recent certified Harris County appraisal roll. The Petitioner, along with all other petitioners submitting petitions to the District in connection with the District, constitutes the owner of assessable property within the District sufficient to meet the requirements of applicable law.

Section 2. Service and improvement plan. The Petitioner hereby consents and petitions for the services and improvements and assessments to be levied to pay for their costs as identified in the Service and Improvement and Assessment Plan in substantially the form attached hereto as Exhibit A; provided that, the attached plan shall not serve as a prohibition against the adoption of a different plan if it is determined necessary by the District's board as required to serve the District. The Petitioner consents to the continued provision of services and improvements, and assessments in payment thereof to be levied by the District, if consolidated with East Montrose Management District.

[Signature on following page]

RESPECTFULLY SUBMITTED:

PETITIONER

Mitchmore Living Trust

NAME OF PROPERTY OWNER

R. Mitchmore, DDS Trustee

SIGNATURE OF PROPERTY OWNER OR REPRESENTATIVE OF PROPERTY OWNER

Randy Mitchmore DDS

TYPED NAME OF PROPERTY OWNER OR REPRESENTATIVE OF PROPERTY OWNER

Trustee (Sole)

TITLE OF PROPERTY OWNER OR REPRESENTATIVE OF PROPERTY OWNER

DATE SIGNED:

1722 W Alabama

ADDRESS OF PROPERTY WITHIN THE DISTRICT:

5-7-2009

HCAD ACCOUNT NUMBER:

054-234-000-0015

SEE THE FOLLOWING PAGES FOR CERTIFICATES OF AUTHORITY THAT MUST BE FILLED OUT IF THE PETITIONING PROPERTY OWNER IS NOT AN INDIVIDUAL. NO CERTIFICATE OF AUTHORITY IS NEEDED IF THE PETITIONING PROPERTY OWNER IS AN INDIVIDUAL WHO SIGNS ON HIS OWN BEHALF. IF NEITHER OF THESE CERTIFICATES OF AUTHORITY IS APPROPRIATE FOR THE STRUCTURE OF YOUR PETITION, PLEASE CONTACT DAVID HAWES AT (713-595-1209) WITH INFORMATION ON THE STRUCTURE OF YOUR PETITIONER SO THAT AN APPROPRIATE FORM OF CERTIFICATE OF AUTHORITY CAN BE PROVIDED TO YOU.

EXHIBIT A
PROPOSED SERVICE AND IMPROVEMENT AND ASSESSMENT PLAN

**HARRIS COUNTY IMPROVEMENT
DISTRICT NO. 11**

PROPOSED

2009-2017

**SERVICE and IMPROVEMENT PLAN
and ASSESSMENT PLAN**

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INTRODUCTION

IMPORTANT NOTE: This is a preliminary working document that is subject to change according to community and stakeholder input received at several planned public meetings.

Preface

This document presents a Nine-Year Plan (2009-2017), which sets forth a vision, mission, goals to be achieved, services to be rendered, and improvements to be made in support and to the benefit of the property owners within Harris County Improvement District No. 11 (the "District"). In addition, this document outlines costs and a proposal for funding the plan for the area comprised by the District.

INTRODUCTION

The Vision

We envision Harris County Improvement District No. 11 to be a well-planned, high-quality community, integrating urban and metropolitan commercial development to enhance the local economy, provide civic improvements, support the arts, and improve the quality of life for residents.

The thrust of the District is to promote a sense of place – a concept of identity that calls attention to the area's unique attributes and their special value to the Greater Houston Metropolitan Region. By emphasizing these attributes, the District serves as a powerful advocate on matters related to public safety, business development, transportation planning, and visual improvements and cultural enhancements.

Throughout this effort, our mission is to provide a positive return on constituent investments, generating higher property values, a better quality of life, and successful businesses. Our Nine Year Plan provides a base level of services and improvements designed to achieve this by making the District safer and more attractive to residents, business owners, visitors, and consumers. It also provides the board with the ability to adapt to changing conditions and demands within the District and the community at large.

In creating a management district, property owners seek to:

- Organize themselves to pursue a common vision.
- Create capital investment, services, and improvements and supplement them where needed.
- Render continuous, focused, and professional management of the area's needs.
- Provide cost-effective funding mechanisms for improvements.
- Maintain the District as a superior place to conduct business, live, work, visit, and invest.

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

Projects for the first nine years will be focused on four areas:

1. Security and Public Safety
2. Business Development
3. Transportation Planning
4. Visual Improvements and Cultural Promotion

THE FIRST NINE YEARS

Security and Public Safety

The strides that the District expects to make in public safety are tied to enhanced communication and cooperation with property owners, tenants, and law enforcement agencies. The result will be to enhance the District's current levels of public safety, allowing the community to grow economically and become a welcome place for residential and business property owners, tenants, guests, visitors, and consumers.

MISSION: *To preserve and develop the District as a destination by providing a safe environment in both perception and reality with focused public safety programs.*

PROGRAMS and PROJECTS:

1. Develop and implement programs for graffiti abatement and prevention through landscaping.
2. Develop a plan with CenterPoint Energy, the City of Houston, retail electric providers, and others to increase and maintain consistent street lighting in public areas.
3. Partner with HPD, Metro, and other law enforcement agencies to proactively reduce conditions conducive to crime and provide focused attention on the safety needs of the area.
4. Establish strong relationship with HPD's Positive Interaction Program (PIP) and supplement programs as necessary and appropriate.
5. Coordinate with the city to provide adequate and appropriate traffic control devices where necessary.
6. Build positive relationships between property owners and public safety agencies through sponsorship of safety awareness programs and activities.
7. On behalf of property owners, advocate for regional security needs with county, city, state, and federal law enforcement agencies.

Business Development

The District will take a proactive role in the development of economic and promotional initiatives and will coordinate these activities with other public and private economic development organizations at the local and state level. District staff will be available to promote the area with speakers, demographic information, and presentations to those considering the District as a business or investment opportunity.

MISSION: *Mobilize resources to address current and future infrastructure, development, and open space needs to attract and retain employees, attract consumers and visitors, increase values, and facilitate business development.*

PROGRAMS and PROJECTS:

1. Develop programs that support small business owners and independent restaurants.
2. Establish a parking plan to support business activity while protecting the integrity of neighborhoods.
3. Coordinate existing studies by GHP, Blueprint Houston, TXDOT Mobility, County Watershed and Flood Control, etc. to develop a cohesive growth strategy.
4. With the City of Houston, develop convenient recycling methods for businesses.
5. Develop and coordinate historical information about the District and support preservation of historic properties and structures.
6. Provide public relations and marketing support for the District's transportation, planning, and public safety efforts.
7. Establish the District as a "clearinghouse" for the accumulation and dissemination of information through a web site and other media to assist employers, residents, the general public, and the commercial real estate community in identifying the area as a successful center for new business development.
8. Sponsor research for District marketing materials to meet the needs of current and prospective property owners, tenants, employers, real estate agents, meeting planners, and the public.
9. Boost business opportunities by identifying specific areas of involvement with the Greater Houston Partnership, local chambers of commerce, and neighborhood business and civic organizations.

Transportation Planning

Mobility deficiencies in the District are of three primary types: (1) internal circulation, (2) regional access, and (3) parking. To enhance mobility, the basic infrastructure systems such as roadways, traffic control, public transportation, parking, and utilities must be addressed in a unified and consistent manner. The District will work with city, county, regional, and state entities to ensure that this area receives the required investment in construction and maintenance of that infrastructure.

MISSION: *To utilize and improve existing resources to create a well-planned transportation system which effectively addresses current and future mobility and infrastructure needs.*

PROGRAMS and PROJECTS:

1. Coordinate with Metro on the proposed Richmond Rail Line.
2. Enhance amenities for pedestrians and cyclists through planning with regional, county, and city agencies on capital improvements, street/sidewalk standards, bikeways, secure bicycle racks, and other facilities.
3. Monitor and improve public transportation shelters, seating, and trash services.
4. Serve as an agent for a trolley system that works in conjunction with a parking plan to protect neighborhoods and support businesses.
5. Develop and implement a transportation and mobility master plan while working with public, private, and nonprofit entities to ensure that the District is included in long- and short-term transportation planning efforts.
6. Create a Montrose Boulevard promenade to establish a sense of destination and community.
7. Provide resources for transportation and traffic flow studies and use available resources to assist in the design of certain mobility projects.

Visual Improvements and Cultural Promotion

This project area affects the quality of the business community and influences decisions of potential investors, tenants, and customers. The District will be concerned with appearance and image, physical improvements, private and public infrastructure needs, cultural promotion, and open spaces such as parks and trails. The District will work to promote conservation programs and improve streetscapes and park facilities. Each of these elements will add to a "sense of place" and identity.

The District will develop programs to promote and extend existing cultural attributes of the community through beautification and landscaping of streets and freeway frontages, perimeter and interior markers, custom signage, banners, flags, and monuments. The District will also work with property owners and public entities to coordinate maintenance of setbacks and rights-of-way.

MISSION: *To coordinate among key communities and mobilize resources to address current and future infrastructure, branding, beautification, open space, and cultural enhancement needs.*

PROGRAMS and PROJECTS:

1. Develop and implement master plan based on the Urban Village concept that addresses landscaping, streetscaping, lighting, bus shelters and seating, parks, trails, and open space.
2. With the City of Houston Parks Department, promote esplanade and median adoptions.
3. Support and maintain public art at Metro stops.
4. Develop and fund contract services for supplemental mowing, trash pick up, and bandit sign removal on public rights of way.
5. Preserve, enhance, and expand the District's public parks and trails systems.
6. Address water, wastewater, and drainage requirements of the District and advocate for necessary infrastructure improvements through city, county, and state resources.
7. Create District identity, visual continuity, and inviting streetscapes through improvements in landscaping, street furnishings, and visual elements.
8. Advocate for and support the development of conservation programs that focus on employer/employee-based waste and emissions reduction and recycling that bring about a healthier atmosphere.

Project Staffing and Administration

MISSION: *Provide effective, efficient support services to District programs, including security and public safety, business development, transportation planning, and visual improvements and cultural promotion 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 nine-year service and improvement plan.
3. Advocate for the District's fair share of city, county, and state resources.
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 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 2009-2017 BUDGET

The District will provide funding to the four major project areas as outlined below. These figures are general projections based on needs and priorities anticipated today. From year to year, priorities will change, and 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, assess projects and services, and approve a budget for that year. Following is the projected average annual expenditure for the services authorized under this *Service and Improvement Plan*.

	Projected Average Annual Expenditure	Projected Nine-Year Total	Percentage
Security & Public Safety	\$294,946	\$2,654,514	30%
Business Development	\$245,788	\$2,212,092	25%
Transportation Planning	\$147,475	\$1,327,275	15%
Visual Improvements & Cultural Promotion	\$98,315	\$884,835	10%
Project Staffing & Administration	\$196,631	\$1,769,679	20%
	\$983,155	\$8,848,395	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 \$0.125 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. Equipment and inventory are not subject to assessment.

Annual 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 annual 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 nine 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 \$0.125 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 \$1,250 to fund projects in the following year if the rate of assessment were \$0.125 per \$100 valuation.

Assessment Rate Increases. Pursuant to this *Service and Improvement Plan*, the District Board of Directors is proposing a one-time assessment due and payable on an annual basis over the 10-year life of the Plan. The rate of assessment will not increase under this *Plan*.

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* (2009), 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 2008 would ever be liable in any year under this *Service and Improvement Plan* would be \$2,500 (2 times the \$1,250 assessed in 2008 for 2009 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 nine-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 set up a personal visit with
Harris County Improvement District No. 11
please call the David Hawes at 713.595.1209.
Thank you for your consideration of this plan.*

APPENDIX A

