

**SAN ANTONIO DOWNTOWN PUBLIC IMPROVEMENT DISTRICT
DRAFT SERVICE AND ASSESSMENT PLAN
FOR FISCAL YEARS 2017-2021**

I. INTRODUCTION

This Service and Assessment Plan (the “Plan”) is prepared in conformance with Public Improvement District Assessment Act, Texas Local Government Code, Ann. Sec. 372.001, et seq., as amended (the “Act”). The Plan is for five years commencing October 1, 2016 and will continue to be updated annually as required in the above referenced legislation.

II. BOUNDARIES

The boundaries of the San Antonio Downtown Public Improvement District (the “District”) are indicated on the map included as **Exhibit A**.

III. IMPROVEMENTS AND/OR SUPPLEMENTAL SERVICES PLAN

The objective of the Plan is to support property owners and businesses within the District by enhancing the experience of downtown area residents, employees and visitors (local and out of town) and accommodating the needs of pedestrians and multi-modal transit options. The District accomplishes this objective by supplementing existing City of San Antonio (the “City”) services to assure a cleaner, safer, friendlier and more vibrant and active environment. The Plan anticipates that the City will continue to provide at least its current level of services throughout the District. The District may contract for some services while hiring its own employees for others.

The District is managed by the Centro Public Improvement District (formerly the Centro San Antonio Management Corporation), a 501(c)(4) non-profit Texas corporation (the “Corporation”), pursuant to a contract with the City of San Antonio entitled Contract for Improvements and/or Services in the San Antonio Public Improvement District in the Downtown Area (the “Management Agreement”). The Board of Directors (the “Board”) will meet at least twice annually and may meet more frequently to assure performance of its duties, and will be directed in the conduct of its affairs by Roberts Rules of Order as well as its Articles of Incorporation and by-laws. The Board is constituted by its formal action taken at the organizational meeting held on June 29, 1999. Any vacancy on the Board that may occur will be filled by the Board with individuals with comparable demographic characteristics as the person who vacated the Board. The President and CEO of Centro San Antonio, Inc., which provides management services to the Corporation, shall serve as the President and CEO of the Corporation and will serve on the Board as an ex-officio, non-voting member. The regularly scheduled Board meetings will be held in San Antonio at the Centro San Antonio Office, 110 Broadway Street, Suite 230 or as otherwise notified. The Board meetings for FY2017 will be held on or about February 8, 2017 and August 16, 2017.

The improvements and/or services in the Plan include reimbursement of costs for management of the District, and reimbursement for direct costs associated with the delivery of: supplemental core services for the downtown experience; maintenance, landscaping/street-scaping and hospitality services; programs and other services such as the marketing and promotion of the District and business recruitment and retention activities; planning and research initiatives, and a Capital Improvements Program (CIP) that consists of small capital projects and other special projects of short duration. Initiatives to be included in the FY2017 plan are more specifically described in the following pages. All budget amounts are rounded to the nearest thousand.

YEAR ONE PLAN (October 1, 2016 – September 30, 2017)

PROGRAMS:

Management/Administration

The Corporation has entered into a management agreement with Centro San Antonio, a 501(c)(3) non-profit Texas Corporation, to provide the following management and administrative services related to operations of the District as defined by the Management Agreement. The District has budgeted **\$742,000** for Management Fees:

- Provide executive support to oversee and monitor the services and programs provided by the District, and to ensure that adequate controls are in place for District operations and financial management of the District.
- Provide administrative support staff to perform key functions including: clerical, accounting and bookkeeping, human resources, and legal.
- Provide reports to the City concerning operations of the District as required by the Management Agreement.
- Recruit, hire, pay and supervise the work force which the Corporation will utilize to furnish the services and programs defined in the Plan, and enter into contracts with subcontractors, as the Corporation deems appropriate, to provide District services and programs as defined in the Plan.
- Monitor the performance of said subcontractors and ensure that adequate controls are in place related to the delivery of said services and programs.
- Provide office space for the District's administrative and management personnel as necessary.
 - The Corporation currently occupies office space and share office services with Centro San Antonio at 110 Broadway Street, Suite 230 in San Antonio.
- Maintain consistent communication with the City's designated representative and staff at other city departments concerning issues that may have an impact within the District.
- Participate in private or public meetings concerning operation and activities related to the District.
- Abide by the process defined in the Management Agreement for the selection of subcontractors. The Corporation may choose to continue to utilize the services of existing contractors to provide the services and programs as defined in the Plan.
- Assist the City by providing information about District improvements and/or supplemental services related to potential downtown development proposals and projects;
- Function as an Information Center for all matters relating to the operation of the District.
- Provide a recommended and updated *Service and Assessment Plan* to the City of San Antonio's designated representative annually, and quarterly reports on District activities.

CORE SERVICES – DOWNTOWN EXPERIENCE

The Corporation has budgeted **\$3,241,900** to provide the cores services detailed below, and will deliver said services through existing contracts with Block-by-Block to provide maintenance and hospitality services, Benchmark Landscaping to provide landscaping / Streetscaping services, and others as noted below for outreach and security services.

- All field operations personnel will wear uniforms that distinctly identify them as working for and providing services in the District. The contractors or employees providing maintenance, landscaping and hospitality services are required to wear uniforms while on duty.
 - The Corporation’s designated uniforms consist of shorts, short-sleeve shirts and hats for summer months, and long pants, jackets and rain-suits or ponchos for cooler months and wet weather.
 - The operating budgets outlined below include costs associated with a new uniform that will be consistent with the new downtown brand identity.
- All equipment such as rolling trash bins, trucks, sweepers or other vehicles that the Corporation or the contractor may provide will be identified with the District logo.

Maintenance

The Corporation has budgeted **\$1,698,000** for direct expenses associated with the Maintenance program, and has entered into agreements with subcontractors to provide the following maintenance services in the District during FY2017 (see **Exhibit B** for estimated service zones). The Corporation will retain supervisory authority over subcontracted personnel and an operations manager to assure that services are performed in accordance with the Management Agreement and all applicable laws.

- **Sidewalk Maintenance, Pressure Washing Services and Graffiti Abatement.**
 - Utilizing Ambassador crews circulating throughout the District, sidewalks within the District will be inspected and swept to remove litter. Sidewalk maintenance personnel equipped with brooms, dustpans, rolling trash bins, and two-way communication devices will perform a variety of maintenance activities throughout the District. The plan is for the Ambassador crews to:
 - Inspect sidewalks within the District’s public right-of-ways (including parks) for needed maintenance and report to the Operations Center.
 - Coordinate with the Director of PID Operations to request through the City’s designated representative that City crews provide needed maintenance to identified areas.
 - Sweep sidewalks within the District’s public right-of-ways, removing litter and placing in appropriate trash receptacles.
 - Inspect sidewalks within the District public right-of-ways, remove weeds, graffiti tag, and gum spots from sidewalks. Duties may be adjusted when weather or special events interrupt standard work schedules. This service may also be accomplished utilizing volunteer service labor or adult probation labor services.
 - Request that the Operations Center dispatch other District crews to address other maintenance issues not covered under Ambassadors service.
 - The proposed budget reflects the number of sidewalk maintenance personnel required to provide services in the sub-areas shown in **Exhibit B**.

- **New enhancement for FY2017:** the addition of maintenance personnel dedicated to cleaning six “Gateway” entry corridors into downtown. Personnel will clean one gateways per week. The six Gateways entry points are: Martin & I35, San Pedro & I35, Lexington & I35, Atlanta & I35, Brooklyn & I37 and McCullough & I37.
 - Work crews will provide services within the District from 6:00 a.m. to 10:00 p.m. Monday thru Sunday (various shifts), (except for seasonal adjustments, special events or holidays when expanded or reduced hours may apply). The budget includes five cross-trained supervisors and 1-2 cross-trained project managers working a combined total of 240 hours each week. The District owned light-duty truck will be used for street trash bag pick up in coordination with COSA’s Solid Waste Dept. and the Center City Development and Operations Office.
- One sidewalk vacuum sweeping machine will circulate throughout the District, sweeping and vacuuming sidewalks to supplement the City sidewalk-cleaning schedule. One additional sidewalk vacuum sweeping machines will be brought into service in FY2017 through equipment leases with the subcontractor.
- Seven 2-member crews will circulate throughout the District, inspecting and washing sidewalks utilizing power washing equipment, to supplement the City sidewalk washing schedule;
 - The proposed budget reflects a plan to provide sidewalk-washing services an average of 640 hours per week in selected areas in public right-of-ways throughout the District. The locations and frequency of service shall depend on weather, season of the year and the need for such services. All areas within the District will be periodically inspected for sidewalk washing and scheduling. Power-washing equipment will not block vehicular traffic or impede pedestrian traffic at any time during peak weekday traffic hours.
 - Five 2-member crews operate truck and trailer pressure-washing vehicles Sunday thru Thursday from 9:00 pm till 6:00 am; focusing on bus stops and surrounding locations along transit and heavily used pedestrian corridors within the District.
 - Two 2-member crews will operate Friday and Saturday from 9:00pm to 6:00am focusing on bus stops and surrounding locations along transit and heavily used pedestrian corridors within the District. The 2-member crews are supervised by one of the five cross-trained supervisors. The trucks and trailers units are leased from District sub-contractors.
 - The sixth and seventh 2-member crews work Monday thru Sunday from 6:00 am till 3:00 pm, pressure washing sidewalks removing stains, spills, graffiti and bird droppings throughout the District.
 - **New for FY2017:** the addition of two trike units with attached pressure washing equipment. The unit allows for pressure washing in areas too tight for a truck and trailer and on sidewalks where restricting traffic would be an issue. The trikes units will operate Monday thru Friday from 9:00am to 7:00pm.
- Inspect for and remove graffiti from public areas in the District (including street furniture, benches, drinking fountains, fountains, public art, street planters, trash receptacles, recycling receptacles, other public streetscape improvements, pedestrian lighting, signage, equipment

and signal cabinets, kiosks, and other related improvements in public areas) and coordinate with the City's graffiti removal program. The District will attempt to remove graffiti within a 24-hour period from the time of discovery. Graffiti includes paint, handbills and stickers, but does not include scratched or etched surfaces;

- The Ambassador crews will provide limited graffiti abatement of small tags, stickers, handbills and posters from painted and metal surfaces on an on-going basis as they perform litter pick-up.
- The District will report the graffiti and coordinate with the designated City representative to determine how and by what means the graffiti can be abated. The District will also report graffiti on private and public leased and/or vacant property to be addressed pursuant to the City graffiti ordinance.
- The Corporation does not intend to empty existing trash & recycling receptacles in the public right-of-ways unless that receptacle is over half-full or an overflow situation exists. If either condition is present, the trash receptacle is emptied, re-bagged and the full bag is placed in the receptacle for pick-up by City and/or District crews.
- The FY2017 budget reflects plans to extend the Corporation's "Grackle Relocation Program". The program has been successful and further enhancements in tracking the grackle roosting patterns should reduce the daily demand for power washing on many of the District's sidewalks. The Corporation has budgeted \$73,750 out of the Maintenance budget.
- The FY2017 budget reflects plans to extend the Corporation's "Pigeon Relocation Program". The program anticipates a reduction in Pigeon excrement due to changes in the local population, which will reduce the daily demand for power washing on many of the District's sidewalks. The Corporation has budgeted \$60,000 out of the Maintenance budget.
- The Corporation shall maintain all District vehicles in a first-class operable state and safely handle the day-to-day operation of all vehicles which includes fueling and arranging for a mechanical and safety inspection of each vehicle both annually and before the vehicle is placed in service. Third-party certified vehicle inspections shall be conducted both before any vehicle is placed in service by Corporation or subcontractor of Corporation and annually, for mechanical and safety compliance as well as all other applicable rules, safety standards, regulations and laws.

Landscaping/Streetscaping

The Corporation has budgeted **\$353,000** for the Landscaping/Streetscaping program and has entered into an agreement with a sub-contractor to provide the following services in the District during FY2017. (see **Exhibit C** for areas anticipated to be covered). The Corporation will retain supervisory authority over subcontracted personnel and an operations manager to assure that services are performed in accordance with the Management Agreement and all applicable laws:

- **Landscaping/Streetscaping Services.** Install and maintain approved supplemental landscaping and planters in the District as follows:
 - This Plan assumes that all supplemental landscaping and planters installed in the District will be done with the approval of the City's Historic Design and Review Commission (HDRC).
 - All landscape/streetscape improvements installed in the District from FY2000 thru FY2016, shall continue to be maintained as defined below. Care will be taken to avoid impeding vehicular and pedestrian traffic when maintaining these improvements. Days and hours of

service will be restricted as described for additional improvements listed below. The planters are located on light poles, stair rails and in large pot clusters throughout the District boundary.

- The service will include installation, planting and annual maintenance (watering, fertilizing, pruning, wound treating and disease control). The light-pole planters and stair rail planters will be replanted three times during the year. The small plants in the sidewalk clusters will also be replanted three times during the year. All dead or stolen plants will be replaced on an as-required basis. A three to a five-person crew will circulate throughout the District and any additional contract areas to maintain these improvements on a daily basis or as required.
 - The FY2017 operational plan calls for replacement of existing light pole planters with new, larger pots to accommodate more plant material to provide a higher quality aesthetic experience.
- The Corporation will continue to maintain and water the three planters on Convention Plaza at the Streetcar Station belonging to the City of San Antonio.
- The Corporation may install supplemental plant materials and may water in planters and planting beds in other City parks, along the Riverwalk, or in the public right-of-way if sufficient budget funds are available and the City approves the work.
- The Corporation will advise the City's designated representative in a timely manner of the need for capital improvements, replacements, repairs and/or relocations of City landscaping/streetscape improvements or other City property in the District.

Hospitality Services

The Corporation has budgeted **\$807,900** for a Hospitality Service program and has entered into an agreement with a sub-contractor to provide the following services within the District during FY2017. (see **Exhibit D** for estimated coverage areas). The Corporation will retain supervisory authority over subcontracted personnel and an operations/services manager to assure that services are performed in accordance with subcontracts, the Management Agreement and all applicable laws.

- **Hospitality Service Staff ("HSS") will be trained to provide information, directions, render assistance, and observe and report undesirable conditions;**
 - The Corporation and/or its designated sub-contractor will maintain and conduct a specially developed program for HSS's consisting of both classroom and in-field training in such subject areas such as: personal conduct, CPR and First Aid certification, public relations, downtown directions (attractions, bus and trolley stops, bus route and schedule information), effective communications, and use of equipment. The Corporation requests that the City, through various departments, continue to cooperate and assist in the training of HHS (SAPD Foot & Bicycle Patrol, SAPD Park Police, SAFD, EMS, COSA City Attorneys office, etc.) and VIA Metropolitan Transit.
 - HSS's will be equipped with two-way communication capability.
 - The Corporation will purchase and/or lease two-way radios for all HSS's to carry and use while on duty in the District. HSS's will be in contact with the District
 - Operations Center and other District and City service providers through the operations center.

- HSS's will not be, or function as, deputized law enforcement officers. They will work in close coordination with public and private law enforcement individuals and agencies within and surrounding the District to report observed incidences of anti-social behavior.
- HSS's will circulate throughout the District in assigned sub-areas shown in Exhibit D. The schedule will fluctuate to meet daily, seasonal or special event needs and conditions;
- Crews will provide services within the District from 6:00am until 10:00pm, every day, Monday thru Sunday (various shifts), (excluding for seasonal adjustments, special events or holidays when expanded or reduced hours may apply). There will also be additional HSS's on duty during all shifts at key high-pedestrian traffic intersections in the District. Personnel and assignments may vary depending on time-of-day, weather, season, special events, holidays or public activity. In addition, 1-2 cross-trained project manager or one of the five cross-trained supervisors of the HSS and one person assigned to staff the Operations Center will be on duty at all times.
- The Corporation will discuss with the City's designated representative the appropriate levels of public law enforcement (foot and bicycle patrols, police cruisers, park police, etc.) within the District;
- HSS will staff the Centro Information Center/Public Restroom Facility in the River Bend Garage located at 210 N. Presa. One HSS will be on duty at or in the vicinity of the facility from 10:00 a.m. until 9:00 p.m. seven days a week with the exception of certain holidays.

Outreach and Security Programs

New for FY2017: The Corporation has budgeted **\$167,000** for two new programs to enhance the pedestrian experience by engaging with people who are experiencing homelessness and individuals exhibiting anti-social behavior.

- The Corporation has reached an agreement with Haven for Hope to supply two dedicated Outreach Specialist to engage with people who are or appear to be experiencing homelessness within the District. The two Outreach Specialist will work daily conducting outreach and engagement to identified individuals utilizing strength based case management, motivational interviewing and harm reduction concepts. The team will work with local law enforcement agencies on strategies to address people that exhibit anti-social behavior. They will also provide advocacy and hands on assistance for the homeless by securing benefits, mental health services, housing programs, shelter, medical services, emergency services and facilitating transportation to Haven for Hope. The Outreach Specialist will complete coordinated assessment documentation and maintain accurate and timely records to facilitate homeless, access to community resources.
- The Corporation intends to enter into an agreement with SAPD to supplement the existing Bike Patrol schedule by expanding it for two hours each morning in areas within the District where there is a perceived lack of sufficient security. Two Off-Duty Bike Patrol officers will work two hours each morning, seven days a week in areas where pedestrians often encounter aggressive panhandling.

District Operations Center

The Corporation has budgeted **\$216,000** for direct expenses associated with management oversight of District Operation and office space for District Operations as further defined in the Plan, and will provide the following operational services:

- An operations center for the District's administrative and management personnel and its subcontractor's employees and equipment, as necessary. The Operations Center, currently located at 219 E. Travis in the District, includes approximately 2,600 square feet of office space and 1,700 square feet of storage space located. Space is utilized to coordinate delivery of "Maintenance", Landscaping / Streetscaping", "Hospitality" and "Outreach and Security." Services. The Operations Center includes equipment and supplies storage space, a briefing center/workroom, a shared kitchen/breakroom, lockers and access to restrooms and dressing rooms.
- A Director of PID Operations, as called for in the Corporation's management agreement with Centro San Antonio, to oversee and monitor the daily operation of the district, supervise and monitor sub-contractors that provide staffing to deliver District services and programs, and provide management support for other employees of the Corporation as applicable.
- Advise the City in a timely manner of any problems with City-owned equipment or facilities in the District directly observed by a district representative or if the district receives a documented report from a third party.

PROGRAMS AND OTHER SERVICES

The Corporation has budgeted **\$742,000** for direct expenses, including staffing to provide strategic support and management oversight, associated with the following programs designed to benefit the District,

Business Retention & Recruitment Program

The Corporation has budgeted **\$214,000** for the ongoing development and implementation of an enhanced business retention and recruitment program, and intends to collaborate with the Economic Development Foundation, the City's Economic Development Department and the San Antonio Chamber of Commerce in this area. The plan contemplates the following services:

- Launch of a property owner survey to support the ongoing development and management of a property inventory database to track occupied and vacant commercial, retail and residential space; including property ownership, broker information, tenant mix and industry classification. Information can be used to provide semi-annual and quarterly update reports on key metrics.
- Development and distribution of marketing materials to support the Houston Street retail segmentation strategy developed in FY2015-16. Will also provide marketing support to promote the searchable, web-based mapping tool developed in FY2016 that prospective tenants, brokers and investors can use to search for specific property types within the District.
- Hiring of a business recruitment and retention specialist to coordinate with other entities on development and implementation of recruitment and retention strategies. Will also support retail recruitment efforts for Houston Street.
- Additional staff support from the Director of Member Engagement (existing position) to interact with and cultivate stronger relationships with local businesses and property owners within and adjacent to the District.
- The plan contemplates the continued use of an experienced retail consultant to assist with implementation of the retail strategy.

- The plan also includes resources that will be earmarked for events and educational programs to support the business recruitment and retention efforts.

Branding and Marketing

The Corporation has budgeted **\$528,000** for the launch and ongoing promotion of the new downtown brand developed during FY2016. The marketing, communications and public relations campaign to support the downtown brand will be managed by staff with support from designated marketing and creative agencies that will be tasked with developing execution elements as noted below:

- Construction and ongoing promotion of a dedicated downtown web platforms (websites) to function as the foundation of the brand's digital platform. Includes development and execution of strategies to enhance the website's ranking on key search engines as a means to drive traffic. Also includes establishing metrics.
- Create and execute digital social media strategies using a variety of social media platforms to support promotion of the brand and key activities within and surrounding the District. Includes tracking social media engagement using appropriate and recognized measurement tools.
- Production of a consumer facing video to be widely distributed through a variety of traditional and social media channels. Production of a series of video-based stories to be housed on the downtown brand website.
- Design and production of other marketing materials to support the brand campaign; including the purchase and distribution of branded merchandise.
- Production and promotion of a series of brand launch and ongoing promotional events to build awareness for the Downtown brand and drive interaction.
- Development and execution of a communications and public relations strategy to mobilize the broader community to become more engaged with and active in the District.
- Commissioning of artists to create public murals in areas within and surrounding the District to promote the District and downtown brand. Work will be coordinated with the City.

PLANNING AND RESEARCH

Given the surge in development activities within the District, the Corporation has budgeted **\$237,000** for staff resources that will provide strategic direction and engage with property owners within the District to explore development opportunities. Additionally, these resources will provide strategic support and management oversight during the development of an update to the City's Downtown Neighborhood Plan, which the Corporation will conduct in partnership with the City's Planning Department. Those resources include:

- A senior level planning and development position
- a project manager
- A research and policy analyst (existing position)

The budget also includes annual licensing costs for the pedestrian technology installed in FY2016.

CAPITAL IMPROVEMENT PROGRAM (CIP)

The Corporation has budgeted **\$821,000** for small capital projects and one-time, short duration programs that are either a continuation from FY2016 or planned for FY2017.

- **Capital Projects**

- The Corporation has budgeted **\$366,000** for small capital projects within the District as highlighted below:
 - Expanded District lighting program to include Houston Street
 - The purchase and installation of one (1) outdoor public restroom facilities
 - During FY2017, the District may enter into discussions with the City to explore opportunities to expand the number of outdoor public restrooms through some form of partnership.
 - Installation of six-hundred (600) new lamp post baskets for the Landscape program highlighted under Core Services – Downtown Experience

- **Other Projects**

- The Corporation has budgeted **\$330,000** for other projects within the District.
 - The Corporation may enter into an agreement with Ken Stapleton and Associates to design and implement a five-month pilot effort to reduce panhandling within the District. The plan is to create a revenue redirect opportunity for pedestrians within a specific geographic subset of the District and create a communications strategy to promote alternative forms of giving for pedestrians to consider.
 - The Corporation will partner with the City and provide project management support for an update to the 1999 Downtown Neighborhood Plan.
 - The Corporation is in discussions with SAPD and other District stakeholders about the deployment of security cameras in select locations within the District. The budget noted above includes the purchase or lease of ten cameras to support this initiative.

OTHER SERVICES:

The Corporation may at some time during FY2017 provide additional services and/or participate in additional programs not currently contemplated, but that could be of benefit to properties located within the District. Said additional services would be subject to approval by the Corporation's Board of Directors. A Program Reserve Fund, as described below, has been established in the budget for this purpose, and any unused funds remaining in this budget item at the end of the year will be placed in an investment account for use on future projects, to be approved by the Board.

CONTINGENCY:

The Corporation has budgeted **\$100,000** for contingency within the District. These funds shall be used within the PID at the Corporation's discretion and with approval of the designated City representative.

PROGRAM RESERVE:

In FY2006, the Corporation established a Program Reserve Fund to establish an account to be used for special projects. On an annual basis \$25,000 has been contributed to this fund. In FY2017 an additional \$25,000 has been budgeted for the Program Reserve Fund. Projects that the Program Reserve Fund could fund would require the approval of the Corporation's Board of Directors and the City's designated representative.

OTHER DISTRICT REVENUE:

Outside of the private assessments collected by the City and used to reimburse the Corporation for the cost of services defined in this Service and Assessment Plan, the District receives revenue from other sources:

- Voluntary public assessment from the City of San Antonio.
- Per an inter-local agreement between the City and VIA Metropolitan Transit (“VIA”), VIA provides \$294,000 annually to the District for services provided by the District on behalf of VIA.
- Funds from the City per an agreement the City has with the management company for the Majestic and Empire Theatres (Estimated to be \$17,680 for FY2017).
- The Contractor shall provide 2 sidewalk power washing crews in addition to such services included in the Plan. The crews shall operate Sunday-Thursday from 9:00 p.m.-6:00 a.m. The invoices for such additional power washing services shall be separate from those for services furnished under the Plan, shall not be paid with PID funds and are subject to annual budgetary appropriation by City Council. (Estimated to be \$239,000 for FY2017).

Additionally, the Corporation, through direct agreements with the entities noted below, receives voluntary contributions to the District for services to be provided within the District Boundaries. The Corporation intends to receive these payments directly and will disburse these funds to cover the costs of services to be provided under these separate agreements.

- A voluntary contribution of \$150,000 under an agreement between the Corporation and Christus Santa Rosa Health System for services provided in the District boundary on behalf of Christus Santa Rosa.

FY2017 Budget

PROJECTED BEGINNING BALANCE	1,707,000
REVENUES	
Assessments (Private)	4,166,000
Assessments (City and CPS)	279,000
Contracts and Other Revenue	330,000
Interest on Deposits	12,000
Delinquent Payments and P&I	35,000
Voluntary Assessments	150,000
TOTAL REVENUE	4,972,000
AMOUNT AVAILABLE	6,679,000
CORE SERVICE EXPENDITURES	
Management/Administration	742,000
District Operations Center	216,000
Maintenance	1,698,000
Landscaping/Streetscaping	353,000
Hospitality Services	807,900
Outreach & Security	167,000
Business Retention and Recruitment	214,000
Branding and Marketing	528,000
Planning & Research	237,000
CORE SERVICE TOTAL	4,962,900
CAPITAL EXPENDITURES	
Capital Projects	366,000
Other Projects	330,000
Contingency	100,000
Program Reserve	25,000
CAPITAL TOTAL	821,000
TOTAL EXPENDITURES	5,783,900
PROJECTED ENDING BALANCE	895,100

FISCAL FORECAST FOR YEARS TWO THROUGH FIVE (Oct. 1, 2017 – Sept. 30, 2021)

This fiscal forecast assumes that the Corporation, at a minimum, will continue to provide the programs and services as defined in this FY2017 Service and Assessment Plan. The projections are based on the assumptions noted below. A new budget will be established each year that will be based on the assessment rate, assessed valuation, assessment collections and services to be delivered. The remaining fund balance from each year will be carried forward for use as the beginning balance in the following year.

Revenue Forecast

Projects annual revenue increases of two percent per year in Public and Private Assessments.

Expense Forecast

Expenses for Management Fees, Operations, and Core Downtown Experience Services are projected to increase by two percent in Years Two through Year Five. Business Recruitment & Retention and Branding & Marketing, will adjust downward slightly and then remain relatively flat. Beginning in 2018 onetime Capital and Other Projects expenses will drop and then remain relatively flat.

YEAR TWO (FY2018) THROUGH FIVE (FY2021) PROJECTED BUDGET

	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>
PROJECTED BEGINNING BALANCE	895,100	735,100	659,100	597,100
REVENUES				
Assessments (Private)	4,250,000	4,334,000	4,421,000	4,509,000
Assessments (City and CPS)	285,000	290,000	296,000	302,000
Contracts and Other Revenue	337,000	343,000	350,000	357,000
Interest on Deposits	12,000	12,000	12,000	12,000
Delinquent Payments and P&I	36,000	37,000	38,000	39,000
Voluntary Assessments	150,000	150,000	150,000	150,000
TOTAL REVENUE	5,070,000	5,166,000	5,267,000	5,369,000
AMOUNT AVAILABLE	5,965,100	5,901,100	5,926,100	5,966,100
CORE SERVICE EXPENDITURES				
Management/Administration	757,000	772,000	787,000	803,000
District Operations Center	220,000	225,000	230,000	234,000
Maintenance	1,732,000	1,767,000	1,802,000	1,838,000
Landscaping/Streetscaping	360,000	367,000	375,000	383,000
Hospitality Services	824,000	841,000	857,000	874,000
Outreach & Security	170,000	173,000	177,000	181,000
Business Retention and Recruitment	175,000	175,000	175,000	175,000
Branding and Marketing	375,000	350,000	350,000	350,000
Planning & Research	242,000	247,000	251,000	256,000
CORE SERVICE TOTAL	4,855,000	4,917,000	5,004,000	5,094,000
CAPITAL EXPENDITURES				
Capital Projects	200,000	200,000	200,000	200,000
Other Projects	100,000	50,000	50,000	50,000
Contingency	50,000	50,000	50,000	50,000
Program Reserve	25,000	25,000	25,000	25,000
CAPITAL TOTAL	375,000	325,000	325,000	325,000
TOTAL EXPENDITURES	5,230,000	5,242,000	5,329,000	5,419,000
PROJECTED ENDING BALANCE	735,100	659,100	597,100	547,100

In the event that the District is not re-authorized in the last year of this Plan, property of the Corporation and District will be sold and funds from the sale of property added to any remaining fund balances. The remaining fund balance will first be used to pay for expenses necessary to dissolve the District, and any remaining funds will be used as mutually agreed upon by the City and the Corporation's Board of Directors.

The Corporation may provide additional services and/or programs other than those described above when desired and directed by the Board of Directors and agreed to by the City.

Description of FY2017 Assessment Calculation:

The assessment year will be concurrent with the City's Tax Year, January 1, through December 31. The Assessment levy against private property (based on \$.15/\$100 of assessed valuation for all properties except for residential condominiums which will be based on \$.09/\$100 of assessed valuation) is estimated in Year One to be **\$4,251,113**. For budgeting purposes, a 98% collection rate is assumed yielding approximately **\$4,166,091**. The assessment levy on private properties is expected to grow at an approximate rate of 2% per year each year thereafter through FY2021.

Each commercial property in the District is to be assessed based on the valuation on the property as determined by the Bexar Appraisal District while each residential property in the District is to be assessed based on the valuation on the property as determined by the San Antonio Independent School District and as certified by the City of San Antonio Tax Assessor/Collector. Notice of the levy of assessment is to be given as provided in Section 372.001 in the Act. The Assessment Levy Statement will be sent to each property owner in the District and the assessment levy will be due and payable at the same time property taxes are due and payable to the City of San Antonio Treasury. Penalty and interest will accrue on delinquent accounts in accordance with ad valorem penalty and interest schedules of the City of San Antonio. Payments become delinquent as of February 1st after assessment is levied. Interest on any delinquent installment shall be added to each subsequent installment until all delinquent installments are paid.

Of the **936** property accounts in the District, **87** are certified as exempt, leaving **849** accounts to be assessed in FY2016. **672** accounts in the District are certified to date for a value of **\$2,775,524,721** for the 2016 assessment year. The remaining **177** accounts in the District, which are not yet certified, have a prior year value of **\$96,918,120**. This Plan assumes that the uncertified accounts will at least remain at the prior year value. When the value of the certified accounts is added to the prior year value of the uncertified accounts, the total value of private properties in the District is **\$2,872,442,841**.

The value of taxable properties, when combined with City Exempt property values totaling **\$175,046,666** (City & CPS), provides a total valuation of the District upon which to base the assessment for FY2016 of **\$3,047,489,507**. The valuations on which the Budget is based in this plan for the remaining years of the current district's authorization are estimated to be sufficient to provide the improvements and/or services as described above in this Plan.