

# Critics complain Midtown development is one-sided

Tax funds tilted west of rail tracks, east residents say

By Erin Mulvaney

Young professionals spill out of pricey apartment buildings to dine and drink in the restaurants and bars along Bagby Street, which has drawn international praise for attracting an eclectic mix of businesses. The shops, galleries and nightspots off the Main Street light-rail line draw even more people to Midtown, one of the city's most successful urban-renewal projects.

But it's the scene on the other side of the tracks that has a growing number of Midtown residents frustrated about how development funds are spread across this jumble of residential and commercial properties that lies between downtown and the Museum District.

Driving along Midtown's eastern half reveals vacant lots, abandoned buildings and fading strip centers that residents say blight their neighborhood. They complain of crime, bad roads, poor drainage, insufficient public lighting and a persistent homeless population.

Some of those residents and small-business owners are questioning why public investment seems tilted across Main Street toward the west. They're dissatisfied with how the quasi-public Midtown Houston spends tax funds that are supposed to benefit the entire area.

"It hasn't come this way," said Cynthia Acaves-Lewis, who moved here with her husband nearly two decades ago. "... We want taxation with representation. What will it take for this to happen and when?"

Midtown Houston — the umbrella organization representing the Midtown Redevelopment Authority, which takes a cut of local property taxes, and the Midtown Management District, which charges an assessment to all property owners to spur economic development — has been widely credited with revitalizing the neighborhood south of downtown.

In the past two decades, the neighborhood has seen a spike in residential population, particularly millennials, and a boom in retail growth. Property values, estimated to be \$420 million in 2000, are up 272 percent to \$1.5 billion.

After hearing out some of the more vocal eastside residents over the past several months, Midtown Houston executive director Matt Thibodeaux decided to study the issue further. He acknowledges a "disconnect."

"We have been on different pages with different parts of the community," Thibodeaux said. "We have heard the wishes of everyone in the community and want to make sure we are doing equitable work."

Since the Midtown Redevelopment Authority was formed in the early 1990s, the west side has received \$22 million for capital improvements, a third more than the east side has gotten, records provided by the authority show. It spent \$9.5 million to improve Bagby Street alone.

A slice of the area also earned the designation of an "arts district" and is home to a new theater venue MATCH, Ensemble Theater, popular music venues like the Continental Club and art galleries. A Whole Foods Market-anchored mixed-use development is under construction nearby.

Midtown Houston said reimbursements for multifamily projects were more heavily weighted toward the west, where the apartment buildings are more costly to develop than the townhome projects on the east side.

## 'A perception thing'

Thibodeaux, who has worked for Midtown Houston for a decade, said the east side actually has received more development reimbursement deals and capital improvement projects than the west side.

Numbers show that on the west side, the authority has reimbursed developers nearly \$7 million for nine projects, compared with \$2.2 million on the east side for 28 completed projects. Most of the east-side reimbursements were for townhome projects, such as those by Perry Homes.

"It's a perception thing," Thibodeaux said. "They don't have a Bagby Street on the east side. The market has been

focused on this side. The new apartments. A Whole Foods store. It's a market-driven thing."

Still, to address the community concerns, the redevelopment authority recently hired a consulting firm to survey the area and provide data about the needs of the community.

The management district held public hearings late last year to approve a 10-year service plan for the area. Residents from the east side began bringing their concerns to the boards. While many also expressed support for Midtown Houston during those hearings, several unhappy residents have continued over the past several months to air complaints at Midtown Houston board meetings.

Some argue for a voice and representation on the boards that run the groups or, in extreme cases, to see the boards abolished.

Similar questions about transparency, spending and practices have been raised against tax increment reinvestment zones and management districts throughout the city, including in Uptown District, Greenspoint, Hobby Area District and Montrose areas. Lawsuits and petitions have been filed against some of these TIRZ groups.

In light of a massive budget shortfall, Mayor Sylvester Turner has asked the city's wealthier TIRZ groups to contribute more to the general fund. Property tax revenues within one of the zones are frozen at a base level when it is created. Any amount collected above that level is invested back into the area to spur development.

A management district, meanwhile, charges assessments to property owners. Those funds are used for maintenance projects in the district, such as promoting the area, maintaining projects and spurring economic development.

Originally known as Southside Place, Midtown was formed at the turn of the 20th century with Victorian-style homes. Over time, encroaching commercial development drove many residents to new suburbs cropping up. Eventually, the neighborhood went into a prolonged decline that accelerated when oil prices crashed in the 1980s.

### **Differing demographics**

In an attempt to turn things around, a group of property owners worked to create the TIRZ beginning in the early '90s. Soon after, the management district was launched.

Yet retailers have remained wary of venturing east of Main Street, said Adam Brackman, a developer who owns land in Midtown and sees the area poised for change.

"There is a lot of available land on the east side of Main that has a higher and better use than you are going to see now," Brackman said. "It was inevitable that the area would turn, but it took longer than I thought it would."

Brackman and partners recently opened Axelrad Beer Garden on Alabama Street. He said it's been an early success, but he recognizes the risk of opening east of the rail line.

New parks will help bridge the divide between the two areas, Brackman said. Midtown Park, also known as the Superblock, will be an urban park space with an artificial bayou, a concert pavilion, a 300-unit multifamily development and a public underground parking garage. The redevelopment authority also is planning reconstruction of Caroline Street, the main artery for Houston Community College students.

"East Midtown is ripe for redevelopment of mixed-use, retail, residential," Brackman said. "I think it's going to be a different area in five years."

Redevelopment authority officials and concerned residents acknowledge that demographics remain a key difference between east and west. The eastern and southern sides of Midtown make up most of the single-family homeowners who live in older houses and townhome communities. The west side, where most of the obvious developments have been made, feature apartment complexes and the majority of new businesses.

Between 1990 and 2014, Midtown nearly tripled in population to 9,314. The area is projected to add another 1,000 people by 2019, and the residents tend to be younger. A third of the population of Midtown is between 25 and 34, census data show, compared with a quarter of the population between 45 and 64.

Mindy Smith moved to Midtown 12 years ago from a large custom-built house on a cul-de-sac in Cypress. She bought her two-bedroom, two-bath townhouse to have a short commute and urban lifestyle.

As a resident on Anita Street, east of Main, she's seen neighbors have their homes broken into. One was mugged at gunpoint. She occasionally hears gunshots, and says she still does not feel comfortable walking to bars or home from the train at night.

## **‘More questions’**

Like many residents, she first got involved when the Midtown Management District submitted its proposed service plan.

“We started looking at it and found more questions than answers,” Smith said.

Smith said she and her neighbors pushed back. They wanted lights and roads fixed and public safety improved, improvements they felt should take priority over public art projects — such as murals painted on buildings and utility boxes or colorful crosswalks — that were commissioned.

“Why are we paying to paint utility boxes?” Smith said. “How about fixing the roads and sidewalks? I’d rather feel safe than pretty.”

Since the concerns and feedback have been brought forward from some of these residents, the redevelopment authority has created task forces to look into homeless issues and public safety. Midtown Houston has projects underway to invest on the east side, as well as the west, Thibodeaux said.

“We have a finite pool of money that we work with,” he said. “We try to get the best bang for the buck and work with the community as a whole.”

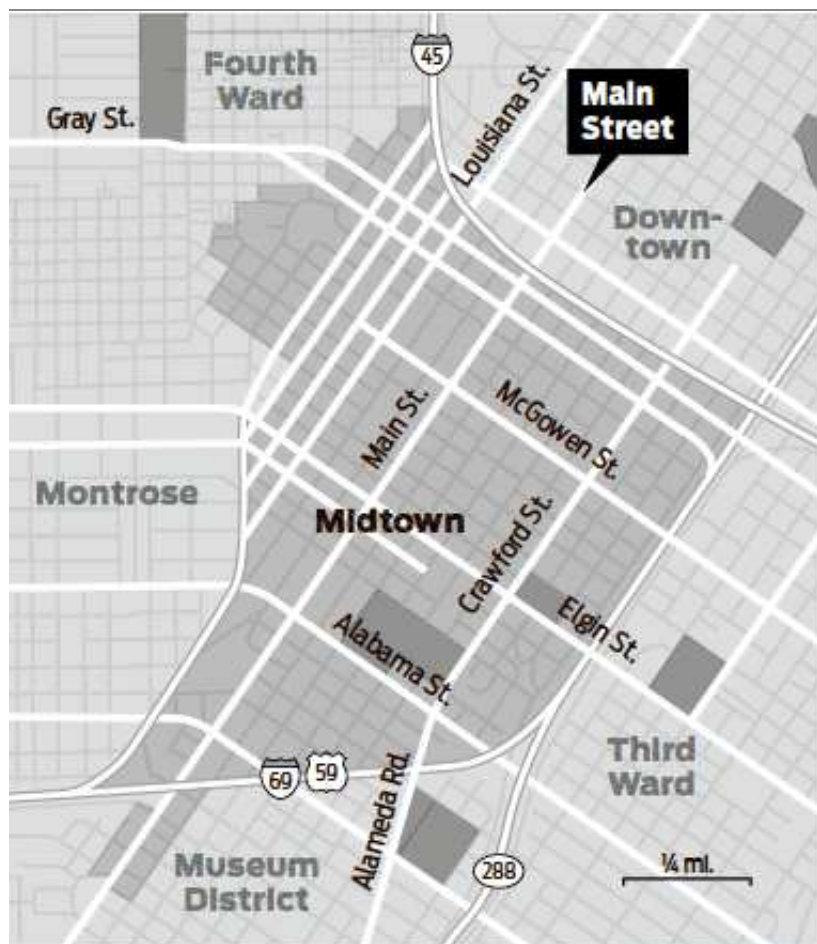
He also said he doesn’t want to push mixed-used development on the east side, just for the sake of it. He said dense development may not be what that segment of the community wants.

“We want good data and policies before moving forward,” he said. “I want to really drill down and see who is dissatisfied, who is satisfied, if we are missing groups, if we aren’t serving people. We need to figure out what we are doing, how we are doing business, get some good data and adjust accordingly.” [erin.mulvaney@chron.com](mailto:erin.mulvaney@chron.com)  
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The Main Street light rail makes its way north past new development on Midtown’s west side. Residents of the east side say funds for development have been unequally distributed.

***Elizabeth Conley / Houston Chronicle***



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