

FY 2023-2024 BUDGET QUESTION
Response to Request for Information

DEPARTMENT(S): Financial Services Department

CBQ NO.: 065

REQUESTED BY: Kelly

DATE REQUESTED: 07/18/2023

DATE POSTED: 08/09/2032

REQUEST: Is the 20% of the City's M & O tax rate and the taxes it generates that passed for Project Connect the maximum amount of the City's total financial commitment to Project Connect?

RESPONSE:

As a result of the November 2020 tax rate election that approved an increase in the City's property tax rate to fund the Project Connect project and the subsequent interlocal agreement between the City and Austin Transportation Partnership (ATP), the City is required each year—as part of the annual appropriation process—to transfer 20.789% of the revenue generated by its maintenance and operations property tax rate, net of adjustments associated the City's Tax Increment Reinvestment Zones and Chapter 380 economic incentive agreements.

The City also operates a Project Connect Office, which is part of the newly created Capital Delivery Service Department, and supports efforts to expedite progress on the project. However, the costs of this office—with a proposed budget of \$3.7 million for fiscal year 2023-24—are fully reimbursed by ATP.