



Recommendation for Action

File #: 22-2005, **Agenda Item #:** 81.

6/9/2022

Posting Language

Conduct a public hearing and approve a resolution to authorize the Downtown Austin Public Improvement District and designate Austin DMO, Inc., doing business as Downtown Austin Alliance, as its management entity. Related to Item #10.

Lead Department

Economic Development.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

April 15, 1993 - Council authorized the creation of the Downtown Austin Public Improvement District (PID) (Resolution No: 930415-88, approved on a vote of 7-0).

October 23, 1997 - Council approved reauthorization of the PID (Resolution No. 971023-30, approved by vote of 6-0 with CM Griffith off the dais).

October 24, 2002 - Council approved reauthorization of the PID (Resolution no. 021024-53, approved by vote of 5-0 with CM Griffith off the dais and CM Dunkerley absent).

October 18, 2007 - Council approved reauthorization of the PID (Resolution No. 20071018-082, approved by a vote of 6-0 with CM Martinez off the dais).

October 11, 2012 - Council approved reauthorization of the PID (Resolution No. 20121011-115, approved by a vote of 6-0, with Mayor Pro Tem Cole abstaining).

June 23, 2016 - Council approved a boundary expansion of the PID (Resolution No. 20160623-100, approved by a vote of 10-0, with CM Zimmerman abstaining).

May 10, 2018 - Council approved a boundary expansion of the PID (Resolution No. 20180510-090, approved by a vote of 10-0, with CM Troxclair absent).

December 13, 2018 - Council approved a boundary expansion of the PID (Resolution No. 20181213-096, approved by a vote of 8-0, with Mayor Adler and CM Alter off the dais and CM Renteria absent).

May 23, 2019 - Council approved a boundary expansion of the PID (Resolution No. 20190523-039, approved by a vote of 11-0).

June 20, 2019 - Council approved a boundary expansion of the PID (Resolution No. 20190620-110, approved by a vote of 10-0, with CM Casar off the dais).

December 5, 2019 - Council approved a boundary expansion of the PID (Resolution No. 20191205-083, approved by a vote of 8-0, with CMs Alter, Kitchen and Pool off the dais).

May 5, 2022 - Council set public hearing on June 9, 2022 to consider a resolution authorizing the PID.

For More Information:

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Kim Olivares, Deputy Chief Financial Officer, Financial Services Department, 512-974-2924.

Council Committee, Boards and Commission Action:

Downtown Commission Recommendation 20220518-2c to support Council authorization of the Downtown Public Improvement District approved on a 6-0 unanimous vote.

Additional Backup Information:

This resolution authorizes the PID, as requested by the property owners, for a period of 10 years. Texas Local Government Code (TX LGC), Chapter 372, requires that the governing body of the municipality hold a public hearing on any PID authorization. Upon conclusion of this hearing, the governing body is to make certain findings by resolution and consider the related item to designate Austin DMO, Inc., doing business as the Downtown Austin Alliance (DAA) as the PID's management entity.

The existing PID terminates on October 11, 2022. DAA has submitted petitions requesting a significant change to the boundaries of the existing PID, and thus the public hearing is to consider the authorization of a new PID. Council approval is required for the PID to operate. A map of existing and proposed PID boundaries is found at Exhibit A.

The signed petitions submitted by DAA represent more than 50% of the appraised value of all taxable real property liable for assessment under the proposed PID authorization and constitute over 50% of the area of all taxable real property liable for assessments under the proposal. As certified by the City Clerk (Exhibit B), the number of signatures is greater than the number required by Chapter 372 and meets the requirements of state law for a petition requesting reauthorization of the PID. The petitions, as executed by the property owners or authorized representatives, are available for inspection by the public in the City Clerk's Office.

The existing PID was created in 1993 and reauthorized in 1997, 2002, 2007 and 2012. The PID provides services that support safety and hospitality, parks and public spaces, place and mobility, homelessness, marketing and communication, and research. Exhibit C is DAA's Service and Assessment Plan (SAP) for 2023-2032, as required by Section 372.013 of the Local Government Code. The SAP estimates \$13.3 million in PID assessments for the first year, rising to \$23.9 million in annual assessments by 2032. While the proposed PID boundaries changed significantly, all exemptions from assessment (ex. homestead, churches, public parcels) remain the same.

Property owners have been notified of this hearing in writing and a public notice was published in the Austin American Statesman, as required by Chapter 372. Given the important role the PID and DAA play in the success of Austin's central business district, additional community engagement was completed. DAA presented the proposed PID before the South Central Waterfront Advisory Board on May 16, 2022 and the Downtown Commission on May 18, 2022. The Downtown Commission's recommendation is included at Exhibit D; the South Central Waterfront Advisory Board took no action. City also issued press release for media and provided additional outreach and information on this hearing through social media to reach downtown residents, tenants, businesses, and other stakeholders.

Under the City's PID Policy Resolution No. 20200220-015, Council authorization to create a PID sets minimum

expiration date of five years from date of PID creation; the PID petitions request a term of 10 years for the proposed PID, which is also reflected in the SAP at Exhibit C. In the related agenda Item #10, Council will consider approving a management agreement with DAA to manage the PID, also requested by the owners' petitions.

Strategic Outcome(s):

Health & Environment, Safety, Mobility .