



## Recommendation for Action

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**File #: 23-1232, Agenda Item #: 11.**

**2/23/2023**

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### **Posting Language**

Approve an ordinance amending Ordinance No. 20220728-009, which adopted the Austin Downtown Public Improvement District Service and Assessment Plan and Budget, to include additional funding for 2023. Related to Item #9 and #10.

### **Lead Department**

Economic Development.

### **Fiscal Note**

Funding in the amount of \$12,562,474 is available from the Downtown Austin Public Improvement District Fund.

### **Prior Council Action:**

June 9, 2022 - Council authorized the Downtown Public Improvement District (PID) with new boundaries through June 10, 2032, and designated Austin DMO, Inc. dba Downtown Austin Alliance as its advisory body in Resolution No. 20220609-081.

June 9, 2022 - Council authorized the negotiation and execution of a management agreement with Austin DMO, Inc. dba Downtown Austin Alliance under Item 10.

June 16, 2022 - Council set the proposed 2023 assessment rate and property roll for the PID in Ordinance No. 20220616-005.

July 28, 2022 - Council adopted the PID's Service and Assessment Plan and Budget for 2023 in Ordinance No. 20220728-009.

July 28, 2022 - Council set the PID 2023 assessment rate and property roll in Ordinance No. 20220728-112.

August 17, 2022 - Council approved the City of Austin Budget for Fiscal Year 2022-2023 in Ordinance No. 20220817-004, including the Downtown Austin Public Improvement Fund.

### **For More Information:**

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131

Margaret Shaw, Economic Redevelopment Program Manager, Economic Development Department, 512-974-6497.

### **Additional Backup Information:**

This action will amend the PID's Service and Assessment Plan (SAP) for 2023-2024, adopted by Council on July 28, 2022 (Ordinance No. 20220728-009 <<https://services.austintexas.gov/edims/document.cfm?id=389256>>). Exhibit A is a revised SAP, as provided to the City by the Downtown Austin Alliance (DAA), the PID management entity. This action is related to File no 23-1230 to amend the City's Fiscal Year 2023 budget and File no. 23-1231 to execute a management agreement with DAA. Exhibit B is a map of PID.

This action is required to reflect the official revised property roll and values reflecting the new PID boundaries, as provided to Travis County Appraisal District (TCAD) in September 2022. The total amount of assessment for the PID in Fiscal Year 2023 increases by \$2,100,000, from \$9,600,000 to \$11,800,000. The PID assessment will provide services in the following program areas: Safety and Hospitality; Economic Development; Place, Planning and Mobility, Research; Activations, Strategic Communications and Events, and Administration.

The amended 2023 SAP includes \$11,821,337 in 2023 assessments (at an 85 percent collection rate of \$13,907,455 from the assessment roll); \$469,403 from adjusted prior-year revenue collections, the \$360,000 City contribution in lieu of paying an assessment on City-owned tax-exempt property, \$59,311 in interest accrued and late payments in the PID Account. Administrative expenses of \$147,578 for City and Travis County expenses related to PID management are also included. The total amount DAA will receive for Fiscal Year 2023 is \$12,562,474.

Background. After receiving a petition from a majority of Downtown PID property owners, Council created a new PID with revised boundaries on June 9, 2022 (Resolution No. 20220609-081). An updated property roll from TCAD was not available in time for Council's annual budget actions for Maintenance and Operating PIDs on July 28, 2022, and City budget on August 17, 2022. DAA and City staff agreed to use the available property roll and values during the annual budget processes and amend the adopted SAP Ordinance and the City budget to reflect accurate property roll when the revised roll was available in the Fall. State law requires City Council approval of the Service and Assessment Plan and Budget which serves as the basis for the 2023 assessment roll.

**Strategic Outcome(s):**

Economic Opportunity and Affordability.