Recommendation for Action

File #: 23-2174, **Agenda Item #:** 73. 6/8/2023

Posting Language
Approve an ordinance setting the assessment rate and approving a proposed 2024 assessment roll for the Austin Downtown Public Improvement District. Related to item #86.

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) in Resolution No. 930415-88.

October 23, 1997 - Council approved reauthorization of the PID in Resolution No. 971023-30.

October 24, 2002 - Council approved reauthorization of the PID in Resolution No. 021024-53.

October 18, 2007 - Council approved reauthorization of the PID in Resolution No. 20071018-082.

October 11, 2012 - Council approved reauthorization of the PID in Resolution No. 20121011-115.

May 5, 2022 - Council set a public hearing to consider a resolution to authorize the PID.

June 9, 2022 - Council approved Resolution No. 20220609-081, which authorized a new PID with expanded boundaries from the original PID. Council also authorized the negotiation and execution of a management agreement with Austin DMO, Inc. d/b/a Downtown Austin Alliance.

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

June 16, 2022 - Council set a public hearing to consider the PID 2023 proposed assessments.

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 calendar 2023 assessment rate and approved the calendar year 2023 assessment 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 <https://services.austintexas.gov/edims/document.cfm?id=390929>, including the PID Fund.

February 23, 2023 - Council approved Ordinance 20230223-009, amending the Fiscal Year 2022-2023 Economic Development Department Operating Budget Special Revenue Downtown Public Improvement Fund (Ordinance No. 20220817-004) to increase appropriations in the amount of $1,818,270 for operating the Downtown Public Improvement District.

February 23, 2023 - Council approved Ordinance 20230223-011 amending Ordinance No. 20220728-009, which adopted the PID Service and Assessment Plan and Budget, to include additional funding for 2023

February 23, 2023 - Council authorized execution of a management agreement for management services with Austin DMO, Inc., d/b/a Downtown Austin Alliance, for a period of five years for a total contract amount of $79,197,757.

For More Information:

Sylnovia Holt-Rabb, Director, Economic Development Department, 512-974-3131; Margaret Shaw, Economic Redevelopment Program Manager, 512-974-6497.

Additional Backup Information:

This action will approve an ordinance setting the assessment rate and approving the proposed 2024 assessment roll for the PID. State law requires Council approval of a proposed assessment roll. Approval of the proposed assessment roll is necessary so notices may be sent to the property owners, giving them an opportunity to review the property valuations prior to the public hearing. All previously approved exemptions and exclusions from assessments are retained in this year's roll. Council requested this assessment process be timed so it coincides with the receipt of other real property tax bills. At the request of the Board of Downtown Austin Alliance, the Downtown PID management entity, the proposed 2024 rate will decrease to $0.0925 from previous years' rate of $0.10 per $100 of valuation.

A related item sets a public hearing on July 20, 2023, to consider the 2024 assessments for the PID. State law requires a public hearing by the Council to consider the assessments. Each property owner has a right to appear at the hearing. Exhibit A of this related item includes the assessment value for each property.

The PID encompasses an area of approximately 605 acres, from I- 35 westward to Nueces and San Antonio Streets, including portions of the Seaholm District. Its boundaries end at 15th Street to the north and extend south of Lady Bird Lake to include portions of the South Central Waterfront area. The PID was initially created by Council at the request of property owners on April 15, 1993 to provide ongoing funding for enhanced services and improvements downtown. Most recently, again at property owners' request, Council authorized the PID for ten years on June 9, 2022, with new boundaries. Since its inception, the City has maintained a contract with the Downtown Austin Alliance to manage the PID. Council authorized the most recent management agreement from 2023 to 2028 for more than $79 million on February 23, 2023.

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