



Recommendation for Action

File #: 23-2210, **Agenda Item #:** 155.

7/20/2023

Posting Language

Conduct a public hearing and consider an ordinance setting the assessment rate and approving the 2024 assessment roll for the Downtown Public Improvement District. Related Item #164.

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 and authorized negotiation and execution of a new management contract with Austin DMO, Inc. dba Downtown Austin Alliance to provide PID services in Resolution No. 20121011-115.

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

June 9, 2022 - Council conducted a public hearing and approved Resolution No. 20220609-081 to authorize the revised PID. Council also designated Austin DMO, Inc., doing business as Downtown Austin Alliance, as its management entity and authorized staff to negotiate a management agreement.

June 16, 2022 - Council approved Ordinance No. 20220616-005, which set the proposed 2023 assessment rate and property roll for the PID, and set a public hearing to consider the PID's 2023 proposed assessments.

July 28, 2022 - Council adopted the PID's Service and Assessment Plan and Budget for 2023 in Ordinance No. 20220728-009. Council also set the PID 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, including the Downtown Austin Public Improvement Fund.

February 23, 2023 - Council approved Ordinance No. 20230223-009 amending the Fiscal Year 2022-2023 Economic Development Department Operating Budget Special Revenue Downtown Public Improvement Fund to increase appropriations in the amount of \$1,818,270 for operating the PID. Council also approved Ordinance No. 20230223-011 amending Ordinance No. 20220728-009, which adopted the PID's 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.

June 8, 2023 - Council approved Ordinance No. 20230608-073, which set the proposed 2024 assessment rate and property roll for the PID. Council also approved setting a public hearing to consider the PID's 2024 proposed assessments.

For More Information:

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Additional Backup Information:

On June 8, 2023, Council approved the 2024 proposed assessment rate for the PID at a rate of \$0.0925/\$100 valuation and approved the proposed 2024 assessment roll (list of property owners subject to the assessment). The assessments paid by the property owners fund the PID services.

State law requires Council to conduct a public hearing to consider the proposed assessment. Approval of the assessment rate and property roll on June 8, 2023 triggered notices that were sent to property owners, giving them the opportunity to review the property valuations prior to the public hearing. Property owners have a statutory right to challenge the assessment placed on their property at the public hearing. The levy, subject to public inspection and comment at the public hearing, is on the proposed 2024 assessment roll (Exhibit A).

The property roll also includes properties within the PID boundaries that are exempt from assessment or have zero value.

The PID encompass 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 the Council at the request of property owners on April 15, 1993, to provide ongoing funding for enhanced services and improvements downtown. At property owners' request, the Council authorized the PID for ten years on June 9, 2022, with new, expanded boundaries. Since its inception, the City has maintained a contract with the Downtown Austin Alliance (DAA) to manage the Downtown PID. On February 23, 2023, Council authorized the most recent management agreement with DAA for five years (2023-28) for more than \$79 million.