



Recommendation for Action

File #: 23-2209, **Agenda Item #:** 164.

7/20/2023

Posting Language

Approve an ordinance adopting the Austin Downtown Public Improvement District Service and Assessment Plan and Budget update for 2024. Related to Item #155.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$16,041,340 is available from the Austin Downtown Public Improvement District Fund.

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:

This action will approve the proposed PID Service and Assessment Plan and Budget for 2024-2025, as provided to the City by the Downtown Austin Alliance (DAA). State law requires Council approval of the Service and Assessment Plan and Budget, which serve as the basis for the 2024 assessment roll. The PID assessment will provide services in the following program areas: Safety and Hospitality; Economic Development; Place and Mobility, Research; Parks and Public Spaces, Marketing and Communication and Administration.

The DAA has presented a budget for FY 2024-25 of \$15,894,579.62 as shown in Exhibit A. Total available funds for the PID in the amount of \$16,041,340.62 includes \$13,328,896.13 in 2024 assessments (at an 85% collection rate) from the assessment roll, \$2,225,565.17 from adjusted prior-year revenue collections, the \$360,000 City contribution of funds in lieu of paying an assessment on City-owned tax-exempt property, and \$126,879.32 in interest accrued and late payments in the PID Account. Administrative expenses of \$146,761 for City and Travis County expenses related to PID management is subtracted from the total funds available to arrive at the amount available for services budgeted by the DAA.

Approval of ordinances adopting the proposed PID Service and Assessment Plan and Budget, and adopting an assessment rate and proposed roll are part of the annual process of approving PID assessments under state law and subject to Council approval in the Fiscal Year 2024 Budget. Appropriation of these funds in the EDD Special Revenue Fund will require Council authorization during budget deliberations.