

2019-2020 BUDGET QUESTION

Response to Request for Information

DEPARTMENTS: Economic Development, Austin Transportation, Building Services, Office of Real Estate Services

REQUEST NO.: 1

REQUESTED BY: Tovo

DATE REQUESTED: 8/5/19

DATE POSTED: 8/8/19

REQUEST: Concerning the Tax Increment Reinvestment Zone (TIRZ) in the Second Street District, please provide the following:

- How many separate parking contracts does the City of Austin have with Second Street businesses?
- When are these contracts scheduled for consideration of renewal?
- How many different businesses are represented by those contracts?
- Please provide information for these parking contracts and valet services for the last five years indicating the number of validated hours, the value of those hours if regular rates applied, the number of individual customers, and the number of customers by individual business.
- Please indicate the approximate number of employees working at the businesses represented by the parking contracts and provide general information about where those employees typically park.

RESPONSE:

How many separate parking contracts does the City of Austin have with Second Street businesses? When are these contracts scheduled for consideration of renewal?

More than 200 contracts, overseen by three departments, provide parking privileges at City Hall garage; they are:

- **Office of Real Estate Services (ORES)** in coordination with Building Services (BSD) oversees the leases with city hall retailers, which includes parking validation program and employee parking. Austin Java's first lease extension expires on January 31, 2022 with one option remaining to extend for five years. Austin Rocks first renewal option expires on September 30, 2020 with one option remaining to extend for five years.
- **Austin Transportation Department (ATD)** oversees:
 - 166 parking contracts with individuals and businesses; these operate month-to-month with either party able to cancel with 30-days' notice.
 - The City-Ballet Austin Agreement for Fee Reimbursements and Streetscape Construction Cost Reimbursements expires January 1, 2027 and provides two-hour validations daily for Ballet Austin clients.
 - An average of 35 contracts fall under the Affordable Parking Program (APP); these operate on a month-to-month basis. The APP is a City of Austin and

Downtown Austin Alliance initiative aimed at reducing economic barriers for Austin service and entertainment industry employees. Park at affordable monthly rates as early as 3 p.m. and stay as late as 7 a.m. during the week, and park up to 24 hours during the weekend, depending on the garage.

- **Economic Development (EDD)** , in coordination with ATD, manages two Parking Agreements for the 2nd Street District – one with AMLI Austin Retail (AMLI) and the second with UP Schneider, LP, which subleases to Lambert’s Downtown Barbeque, L.P. Both Parking Agreements expire December 31, 2022 and include parking validation and employee parking program. The AMLI Agreement also outlines terms for use of City Hall garage by valet vendor.

How many different businesses are represented by those contracts?

Approximately 250 businesses are represented.

- ORES leases govern two – Austin Java and Austin Rocks.
- ATD contracts currently involve 202 businesses or individuals.
- EDD Agreements involve 46 – Lambert’s under UP Schneider, LP Agreement and currently 45 retailers under the AMLI Austin Retail Agreement. The latter figure fluctuates as tenants move in/out and spaces are combined or divided. The range of total leases AMLI manages in the last five years has ranged from 45 to 55.

Please provide information for these parking contracts and valet services for the last five years indicating the number of validated hours, the value of those hours if regular rates applied, the number of individual customers, and the number of customers by individual business.

There are no valet services currently operating in the City Hall garage. ATD’s system only retains validation information for one prior year. The table below shows total number and value of validations by each City partner from January 1, 2018 to July 31, 2019. The first 30 minutes of parking is free for all. ATD system can provide a “length of stay” report for all users, but cannot separate validations from other users. One validation is allowed per customer, per car. The City does not collect information on number of customers.

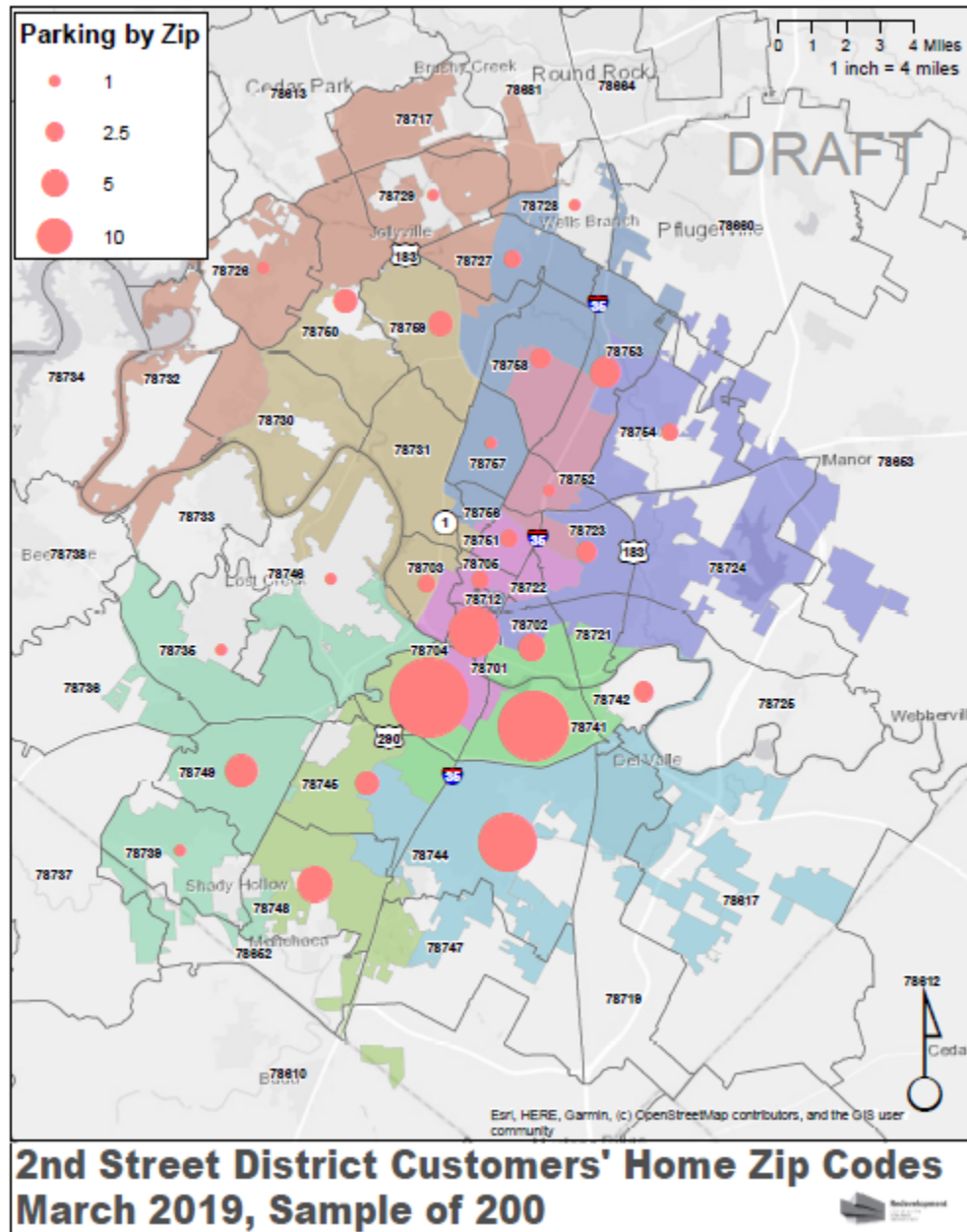
		2018	2019 YTD
City Hall Garage - Parking Validations		total	(Jan-Jul)
Subtotal, City Hall Retailers (1 of 2 participates)	Validations	5,503	2,923
	Value	\$ 52,401	\$ 27,512.50
Subtotal, Ballet Austin	Validations	2,345	2,120
	Values	\$ 20,438	\$ 18,792.50
Subtotal, AMLI (of 45 stores, 33 validated in 2018, 28 in 2019)	Validations	44,530	23,124
	Values	\$ 399,882	\$ 209,648.50
Subtotal, UP Schneider LP (Lambert's)*	Validations	4,061	1,983
	Values	\$ 38,943.50	\$ 18,857.50
Total, City Hall Garage Validations			
	Validations, total	56,439	30,150
	Value, total	\$ 511,664.50	\$ 274,811.00
<i>City's partner AMLI also honors retail customers' validations in both their garages.</i>			
AMLI	Validations, total	63,673	41,025
	Value, total	\$ 130,631.00	\$ 722,320.00
<i>*Since Schneider doesn't contribute parking spaces, they pay for their validations.</i>			

Notes:

- o To learn more about who uses parking validations, the City asked businesses temporarily to collect the home zip code of validated customers. Attachment 1 maps the home zip codes of customers from five stores for March 2019. Beyond Austin, customers came from as near as Bastrop, Elgin, and La Grange as far as away as Victoria and Killeen.
- o The 2nd Street District is one of the most diverse collections of businesses; in 2018, more than half of the businesses are locally owned, and 30 percent were owned by women or minorities.
- o The six blocks of the 2nd Street District contributed:

- \$795,785 in sales taxes in 2017;
- \$9.3 million in property taxes (with exemptions) in 2018 and
- \$590 million in appraised values in 2018.

Attachment 1



Please indicate the approximate number of employees working at the businesses represented by the parking contracts and provide general information about where those employees typically park.

The City does not collect information about total employment of businesses which have parking contracts at City Hall, nor employees' means of transportation. Such figures would reflect the nature of the businesses; professional services companies may employ more than one hundred while retailers may have as few as three or up to fifty employees.

The City does include parking privileges for retail employees in some of its agreements. Under the leases managed by ORES, City Hall retail stores combined receive 16 parking badges for employees. The Parking Agreements managed by EDD authorize up to 90 badges for AMLI to distribute to its retail tenants and up to five badges to UP Schneider for Lambert's employees. As part of the 2nd Street District parking program, AMLI also provides free parking for an additional 140 retail employees in their garages