

AGENDA



Thursday, November 8, 2007

**Economic Growth & Redevelopment Services
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 14

Subject: Approve an ordinance setting the assessment rate and proposed 2008 assessment roll for the E. 6th Street Public Improvement District (PID).

Amount and Source of Funding: The 2008 assessment rate of \$0.10/\$100 valuation is estimated to produce \$41,772 at an approximately 91% collection rate.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Michael Knox, Downtown Officer / 974-6415; David Lloyd, Attorney / 974-2918

Prior Council Action: Authorized the E. 6th Street PID on 8/26/04. Awarded the management contract to the Pecan Street Owners Association on 12/2/04.

The E. 6th Street Public Improvement District (PID) was created by Council on August 26, 2004. The resolution outlined that the general nature of the services and improvements to be performed by the District were to include improved public safety, economic development, streetscape improvements, marketing and public relations, historic preservation, and accentuation of the historic character of the area. On December 2, 2004 the City Council authorized negotiation and execution of a management contract for the E. 6th Street PID with the Pecan Street Owners Association, an organization representing property owners in the E. 6th Street PID.

The E. 6th Street PID comprises 112 properties lining E. 6th Street from I-35 to Congress Avenue. The assessment rate is \$.10/\$100 valuation, on the first \$500,000 of value. In 2008, the fourth year of the PID, this assessment rate is expected to generate \$41,772. To supplement this, the Pecan Streets Owners Association is proposing to raise an additional \$30,000. The City of Austin has also committed to provide \$43,500. This action will approve the proposed E. 6th Street Public Improvement District assessment rate and proposed roll for 2008. Approval of the proposed roll is necessary so that 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. State law requires Council approval of a proposed roll. (Council requested that this assessment process be timed so that it coincides with the receipt of other tax bills.)

A related item sets a public hearing on Thursday, December 6, 2007 to consider the 2008 assessment roll for the E. 6th Street PID. State law requires a public hearing by Council to consider the proposed assessments. Each property owner has a right to appear at the hearing. The Pecan Street Owners Association submitted a 2008 budget for the PID in the amount of \$112,408. This budget will be funded from a total projected revenue of \$116,408. This amount includes \$41,772 in 2008 assessments (at an approximate 91% collection rate), (\$450) in collections from 2007, \$1,586 interest accrued in the PID Account and late payments; \$30,000 in donations to be raised by the PSOA; and a \$43,500 annual contribution from the City of Austin. \$4,000 of the total amount will be retained as a reserve fund to cover adjustments to assessments resulting from settlements between property owners and the Travis Central Appraisal District or court settlements. Approval of the proposed PID budget and the ordinance adopting an assessment rate and proposed assessment roll are the first steps in the annual process of approving PID assessments.