



**Public Hearing
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 86
AGENDA DATE: Thu 07/29/2004
PAGE: 1 of 2

SUBJECT: Set a public hearing to consider the creation of an East 6th Street Public Improvement District (generally covering properties along East 6th Street between Congress Avenue and I-35). (Suggested date and time: August 26, 2004, 6:00 p.m., Lower Colorado River Authority, Hancock Building.)

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Economic Growth and **DIRECTOR'S**
DEPARTMENT: Redevelopment Services **AUTHORIZATION:** Sue Edwards

FOR MORE INFORMATION CONTACT: Michael Knox, Downtown Officer / 974-6415; David Lloyd, Attorney / 974-2918

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

This action will set a public hearing on the creation of an East 6th Street Public Improvement District (PID), as requested in petitions submitted to the City by the Pecan Street Owners Association. Texas Local Government Code, Chapter 372, requires that the governing body of the municipality hold a public hearing on the advisability of a Public Improvement District. Upon conclusion of this hearing, the governing body is to make certain findings by resolution.

Prior to the public hearing, City staff will provide notification to property owners as required by Chapter 372. The signed petitions submitted by the Pecan Street Owners Association represent over 50% of the appraised value of all taxable real property liable for assessment under the proposed PID reauthorization, and over 50% of the area of all taxable real property liable for assessment under the proposal. As certified by the City Clerk, the number of signatures is greater than the number required by Chapter 372 of the Texas Local Government Code and meets the requirements of state law for a petition requesting reauthorization of the PID.

The Downtown Austin PID covers an area stretching from Martin Luther King, Jr. Blvd. South to Riverside Drive, and from IH-35 to Nuces St. The proposed E. 6th St. PID will more intensely focus on a much smaller area, the seven (7)-block section of E. 6th St. between Congress Avenue and IH-35, generally only the properties facing E. 6th.

The Downtown Austin PID exempts the first \$500,000 of property value, and assesses on the remaining value. The proposed E. 6th Street PID will assess on this first \$500,000 exempted by the Downtown PID. The proposed E. 6th Street PID will assess at a rate not to exceed \$.10 per \$100. The maximum annual assessment would be \$500 per property. The Downtown Austin PID grants exemptions for historic properties, while the proposed E. 6th St. PID will not, due to the large number of historic properties in the area.

After many years and attempts to improve E. Sixth St., the property owners came together in 2002 as a group to



**Public Hearing
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 86
AGENDA DATE: Thu 07/29/2004
PAGE: 2 of 2**

address the issues confronting E. Sixth Street. The owners engaged Mitch Nichols, of Nichols Gilstrap Inc., to provide analysis of similar districts throughout the country. His March, 2003 report concluded that E. Sixth Street was not meeting its potential, noting that if two-thirds of the available space on E. Sixth Street achieved sales volumes comparable to other strongly performing districts around the country, more than \$150 million in annual sales could be generated within this single historic district.

With the findings of the study, additional research and site visits to Dallas and other entertainment districts, the property owners group decided that the most effective way to improve E. Sixth Street is to form an association and create a Public Improvement District for the area.

The goals of the E. 6th Street Public Improvement District are to: 1) create a vibrant mixed-use district, where diverse offerings are a strong asset appreciated by both locals and visitors alike; 2) make E. Sixth Street an important economic and cultural asset to the community for present and future generations; and 3) advocate for the preservation and enhancement of the district's unique historic character. To accomplish these goals the Pecan Street Owners Association has drafted a preliminary Service Plan and first year budget for the PID. Of the \$125,000 annual budget (first year), approximately \$38,000 will come from PID assessments, \$43,500 from the City of Austin, with the remainder coming from contributions and fundraising events. The Pecan Street Owners Association intends to be self-sufficient within 3 years, relying only on PID assessments and additional funds raised through promotions and special events to supplement the funds from the PID.

The proposed E. 6th St. PID will provide parcel-by-parcel and owner-by-owner level of assistance not possible for the Downtown Austin PID, as well as additional and different services than that provided by the downtown-wide Downtown Austin PID.

Much of the first year budget will be to hire an Executive Director, who will focus on E. 6th Street and these five programs within the Service Plan:

1. Public Order/Safety - \$25,000 or 20%

The E. Sixth Street PID will work directly with the City to create a working group to begin to identify the issues and barriers facing E. Sixth Street. A working plan will be created with ways to solve/mitigate issues. The E. Sixth Street PID will also work directly with the DAA, the APD and others to address the issues of public safety, order and evening management of the street.

2. Communications/Membership - \$18,750 or 15%

Design a database and management system of property information; create public membership opportunities; develop effective communications to members, stakeholders and others through email, phone, fax and mail.

3. Physical Improvements - \$18,750 or 15%

Create a strategy and a plan for physical improvements in the district such as signage, sidewalks, entryways, etc.

4. Marketing/Public Relations/Strategic Partnerships - \$25,000 or 20%

Create a marketing plan and public relations strategy for the district; develop relationship with real estate broker and developer community; work with existing tenants providing education opportunities and expansion options; create financial strategy for self-sufficiency in three years; create strategic partnerships with private sector for promotional and funding opportunities.

5. Historic Preservation/Accentuation - \$18,750 or 15%

Create a strong working group to develop this area from the historic preservation community, tourism, the



**Public Hearing
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 86
AGENDA DATE: Thu 07/29/2004
PAGE: 3 of 2

museum, art groups, etc.; develop a working document that sets the vision for the interpretation and enhancement of the historic district.