

RESOLUTION NO. 20061116-010

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The Austin Downtown Public Improvement District Service Plan and Budget for 2007-2008, attached as Exhibit "A", are hereby approved

ADOPTED: November 16, 2006

ATTEST:

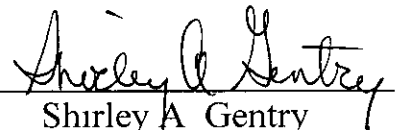
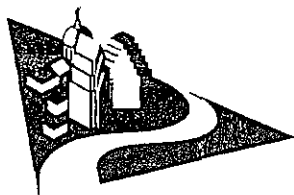

Shirley A. Gentry
City Clerk

EXHIBIT A



DOWNTOWN AUSTIN ALLIANCE

A Vision and a Voice for Downtown

Officers

John Rosato, Chair
Southwest Strategies Group
G. Kent Collins, Vice Chair
Centro Partners
Tom Petric, Secretary
Crescent Real Estate Equities
Nancy Burns, Treasurer
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Amy Shaw Thomas
University of Texas
Joel Sher
Congress Holdings Group
Steve Simpson
Augsburg Management
Andy Slater
Hilton Hotels Corporation
Karen Sonleitner
Travis County
Jeff Trigger, Chair Emeritus
The Driskill Hotel
Lee Walker
Capital Metro
Will Wynn
City of Austin

Charles Belts, Executive Director
Downtown Austin Alliance

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OCT 06 2006

MEMORANDUM

REDEVELOPMENT SERVICE OFFICE

To Michael Knox
From John Rosato, Chair
Date October 5, 2006
Subject FY07-08 Draft Service Plan and Budget

Attached is the Draft FY 2007-2008 Service Plan and Budget for the Downtown Austin Alliance's fourteenth fiscal year.

This budget was developed using the projection of P I D revenue for FY 2007-2008 as provided by the City, and so this projection does not include memberships, carryover, or any miscellaneous revenues.

P I D Assessments 96% Collection	\$ 1,868,116
City of Austin Contribution	150,000
Prior Year Revenue, Interest & Late Payments	104,945
Less Reserve for Revenue Collection	(100,000)
Total Projected P I D Fund Revenue	<u>\$ 2,023,061</u>

The Projected DAA 07-08 budget plans for an increase from last year by \$621,603. Allocations to programs are not changed significantly from prior year.

The Executive Committee of Alliance Board will consider approval of this preliminary 07-08 budget at its next meeting on November 3, 2006.

The Draft Service Plan and budget is, as always, presented in terms of broader categories, than the individual programs. The program budget will be developed before the start of the Alliance fiscal year beginning May 1, 2007.

If you have any questions please call myself or Alliance staff at 469-1766. Thank you for your attention to this matter.

DOWNTOWN AUSTIN ALLIANCE
Draft Service Plan and Budget FY 2007-2008
May 1, 2007-April 30, 2008

INTRODUCTION

The Austin DMO, Inc. was chartered in May 1992. The City Council created the Downtown Austin Public Improvement District in April 1993 and contracted with the DMO in August 1993 to provide services to this District. In September 1995, the Austin DMO, Inc. changed its name to the Downtown Austin Alliance.

During FY 2007-2008, the Downtown Austin Alliance will move forward in accordance with its mission to protect and strengthen the business, cultural, arts and entertainment environment of Downtown Austin, to provide services to increase the quality of life for people who live, work, and play in Downtown, to communicate the concerns of the Downtown community to local and state entities, and to support the constructive initiatives on issues of public policy that affect the community.

SERVICE PLAN

In this document, the Downtown Austin Alliance's Draft FY 2007-2008 Service Plan and Budget is outlined. The Alliance's FY 2007-2008 P I D fund budget totaling \$2,023,061 is based on the projected assessment revenues as well as a City of Austin contribution. It does not reflect potential carryover funds from the current year, potential voluntary membership dues, fund-raising, or other miscellaneous revenue.

By April 2007, the Alliance's Board of Directors will develop a detailed program budget for the fiscal year that starts May 1, 2007. The Draft FY 2007-2008 budget is shown below.

FY 2007-2008 Preliminary Budget

Security	\$610,750	30.19%
Maintenance	165,764	8.19%
Membership	116,000	5.73%
Economic Development	180,000	8.90%
Streetscapes & Transportation	105,000	5.19%
Arts, Entertainment & Marketing	536,547	26.52%
Communication	117,000	5.78%
Parks & Community Support	34,000	1.68%
Administration	158,000	7.81%
Total Expenses	\$2,023,061	100.00%

PROGRAM DESCRIPTIONS

I Security - \$610,750 or 30.19%

The Downtown Austin Alliance promotes a safe downtown with the Austin Downtown Rangers program and by working closely with the Austin Police Department, Community Court, City of Austin, and Travis County on a variety of issues. Security is the top priority of the Downtown community and will continue to be the Alliance's main focus.

II Maintenance - 165,764 or 8.19%

The Alliance will continue its litter removal and private property graffiti removal programs. The Alliance also provides monthly sidewalk power washing on Congress Avenue. The Alliance works hard to have a quick graffiti removal response time. Working with property owners, the Alliance has improved the "graffiti resistance" of Downtown properties. The Alliance also funds a supervisor for the weekend and afternoon Community Service Restitution program of the Community Court.

III Membership - \$116,000 or 5.73%

Membership programs include monthly Issues & Eggs breakfasts, luncheons, the annual meeting, and membership recruitment and development. The membership committee also has responsibility for holiday decorations and programs, and the Downtown IMPACT Awards.

IV Economic Development - \$180,000 or 8.90%

This program promotes business development and the positive growth of retail and residential uses in Downtown. The Downtown Austin Alliance website provides detailed information for potential investors and employers. The Economic Development Committee works closely with area private sector entities to address and advocate Downtown development issues with local and state governments. A major Alliance initiative will be participating with the City to implement ERA's recommendations from the Downtown Retail Development Strategy Study, including hiring a retail recruiter and producing marketing materials. The role of the retail recruiter has been expanded to include not only Congress Avenue, but also Sixth Street from IH-35 to Lamar. Working with consulting firm ERA, a retail mix strategy will be identified for Sixth Street. The goal of this for W 6th St. will be to capitalize on the street's existing entertainment brand.

V Streetscapes & Transportation - \$105,000 or 5.19%

Streetscapes and Transportation covers all issues and programs for Downtown access, mobility, and parking. The Alliance works with a variety of partners in planning the future of Downtown's transportation infrastructure. Current projects include working with Capital Metro on transit planning, including the downtown connector system. Streetscapes and Transportation staff also works closely with City of Austin staff on Great Streets, the conversion of Cesar Chavez and other transit projects. The Alliance

assists the City in communicating with affected property owners during street reconstruction project such as 2nd street, the upcoming Brazos and Colorado projects and weekly street closing announcements. A Wayfinding Task Force has been formed to look at the development of a coordinated wayfinding system for downtown.

VI Arts, Entertainment & Marketing - \$536,547 or 26.52%

Marketing downtown, as an arts, cultural, entertainment and visitor destination. Current projects include reprinting the Downtown tear-off map, update and maintain the Alliance's website (downtownaustin.com) as needed. This web site is designed to be the one stop source for information on Downtown Austin – it is currently receiving over 7,000 visits per day with searches for information about downtown events or doing business downtown. Also, the third season of the EMMY® winning television series DOWNTOWN will air during the late spring/summer of '07. DOWNTOWN is a co-production of the Downtown Austin Alliance, Action Figure and KLRU, Austin's PBS station. Additional "next generation" media/communication ideas are in the formative stages, but may include using additional technologies such as podcasts, webcasts and RSS feeds of information about DOWNTOWN and events taking place downtown.

VI Communications - \$117,000 or 5.78%

The Alliance distributes a print newsletter, and a new a weekly web-based electronic newsletter has been developed to coordinate with the new web site events calendar. The format of the weekly electronic newsletter is being redesigned by using a web-based electronic marketing company to avoid issues of being labeled as spam and to have better control and tracking of newsletter flow. In addition, the Alliance provides information to the media and to the public upon request.

VII Community Support - \$34,000 or 1.68%

The Alliance leverages its funds through partnerships with other nonprofit organizations. Working with the Austin Parks Foundation and PARD the Alliance plans to help revitalize Republic Square and other downtown historic parks. A vital part of this includes successful programming of Republic Square Park—turning this park into a vibrant urban space. The Republic Square Partnership has been formed to work with the Government Services Administration as the new Federal Courthouse is developed. This group is coordinating the redesign of Republic Square with the new design of the Federal Courthouse. In addition, a full inventory of downtown parks and green spaces has been undertaken following the example of Partnership for Public Spaces. In the next year, work priorities will be established based on this assessment.

The Alliance also provides community support in the form of arts and entertainment sponsorships. In addition to certain pre-specified sponsorships awarded at the time of the budgeting process, other sponsorships are awarded throughout the fiscal year based on established criteria, on a first come, first served basis. These funds are to be used for marketing purposes only.

IX Administration - \$158,000 or 7.81%

Program expenses include overhead charges allocated in proportion to staff time

X Reserve Funds

The Board has not allocated a reserve in the FY 2007-2008 budget because of adequate existing reserves carried forward from prior years

SUMMARY

In its first thirteen years, the Alliance has launched an ambitious array of Downtown programs. As a result, Downtown Austin is safer, cleaner, and more fun than before. The proposed FY 2007-2008 Service Plan and Budget will continue this record of achievement.

DOWNTOWN AUSTIN ALLIANCE
MAY 1, 2007 - APRIL 2008
Preliminary Budget

PROGRAM	Prelim Budget FY 5/07-4/08	Prelim Budget FY 5/06-4/07	Change Increase(Dec)	Percentage Allocation
SECURITY	610,750	504,525	106,225	30.19%
MAINTENANCE	165,764	147,153	18,611	8.19%
MEMBERSHIP	116,000	112,117	3,883	5.73%
ECONOMIC DEVELOPMENT	180,000	126,131	53,869	8.90%
STREETSCAPES & TRANSPORTATION	105,000	84,087	20,913	5.19%
ARTS, ENTERTAINMENT & MARKETING	536,547	154,160	382,387	26.52%
COMMUNICATION	117,000	88,292	28,708	5.78%
PARK & COMMUNITY SUPPORT	34,000	30,832	3,168	1.68%
ADMINISTRATION	158,000	154,161	3,839	7.81%
TOTAL EXPENDITURE	\$ 2,023,061	\$ 1,401,458	\$ 621,603	100.00%

Revenue	2007-2008	2006-2007	Variance	% Change
City Revenue				
PID Assessments	1,868,116.00	1,287,980.00	580,136.00	45.04%
City of Austin Contribution	150,000.00	150,000.00	-	0.00%
Prior year revenue & interest	104,945.00	63,478.00	41,467.00	65.32%
Less Reserve for Revenue Collection	(100,000.00)	(100,000.00)	-	0.00%
Total City Revenue	2,023,061.00	1,401,458.00	621,603.00	44.35%



MEMORANDUM

TO Charles Betts, Executive Director,
Downtown Austin Alliance

FROM Michael Knox, Principal Planner,
Economic Growth and Redevelopment Services Office

DATE September 25, 2006

SUBJECT 2007-2008 Downtown Austin Public Improvement District (PID) Funding

I am providing you the proposed budget for the 2007-2008 PID/DAA funding. This is the funding available to prepare the DAA's Service Plan and Budget.

Proposed 2007 Assessment Roll - 96.00% collection rate	\$1,868,116
City of Austin Contribution	\$150,000
Collected assessment for 2006 (9/21/06) less appropriated assessment	\$42,915
Earned interest and late payments (9/21/06)	\$62,030
Possible Adjustments to Proposed 2006 Assessment Roll	(\$ 100,000)
<hr/> Total Available	<hr/> \$2,023,061

Please prepare the Service Plan and Budget for 2007-2008 based on this estimated revenue. There may be adjustments in the assessment roll or other sources at a later date.

Michael R. Knox

Michael Knox, Downtown Principal Planner
City of Austin
Economic Growth & Redevelopment Services Office

cc Mindy Griggs, EGRSO
Jia Ming Qian, Controller's Office
Kim Holderread, Treasury
David Lloyd, Law Department

**Downtown Public Improvement District
Collection Rate for 1993 - 2006
As of September 21, 2006**

Year	Assessment Total	Collection Amount	Collection %
1993	423,973	423,973	100.00%
1994	523,212	523,212	100.00%
1995	607,563	607,563	100.00%
1996	635,103	635,103	100.00%
1997	724,667	724,667	100.00%
1998	770,335	769,842	99.94%
1999	909,455	904,995	99.51%
2000	1,121,531	1,120,998	99.95%
2001	1,346,435	1,345,102	99.90%
2002	1,468,183	1,467,574	99.96%
2003	1,418,011	1,417,178	99.94%
2004	1,257,704	1,257,091	99.95%
2005	1,146,888	1,139,392	99.35%
2006	1,337,674	1,330,895	99.49%
Total	13,690,734	13,667,585	99.83%

Projected Collection Rate for 2006-2007

2007	Assessment	1,945,954	96.00%	1,868,116
2007	City Contribution			150,000
Collected Assessment for 2006 thru 9/21/06		1,330,895		
Appropriated Assessment from Total 2006		1,287,980		
Net Available for 2005-2006				42,915
Total Available for 2005-2006				2,061,031
Interest Earned for FY06 Actual @ 9/21/06		48,671		
Late Payments Penalty - Interest Earned as of 9/21/06		13,359		
Total Int/Pen Available for 2006-2007				62,030
Total Available for 2006-2007				2,123,061