

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	63108	Agenda Number	16.
---------------------	---------	-------	---------------	-----

Meeting Date:	11/3/2016	Department:	Economic Development
---------------	-----------	-------------	----------------------

Subject

Approve an ordinance setting the assessment rate and approving a proposed 2017 assessment roll for the Austin Downtown Public Improvement District. Related to Items # 17 and # 58.

Amount and Source of Funding

The 2017 assessment rate of \$0.10/\$100 valuation is estimated to produce \$6,605,837 at a 96% collection rate.

Fiscal Note

A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	October 11, 2012 - Council approved Resolution 20121011-115 reauthorizing the Austin Downtown PID and authorized negotiation and execution of a new management contract with the Downtown Austin Alliance to provide PID services.
For More Information:	Kevin Johns, Director, Economic Development, (512) 974-7802; Michael Knox, Downtown Officer, Economic Development (512) 974 6415
Council Committee, Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

The Austin Downtown Public Improvement District (PID) encompasses an area of approximately 650 acres, from I-35 westward to Nueces and San Antonio Streets, and from Martin Luther King, Jr. Boulevard to south of Lady Bird Lake. The Downtown PID was created by Council on April 15, 1993 to provide ongoing and consistent funding to implement certain downtown initiatives. Since then, the City has maintained a contract with the Downtown Austin Alliance (DAA) to manage the Downtown PID.

This action will approve the proposed Downtown PID assessment rate and proposed assessment roll for 2017. State law requires City Council approval of a proposed roll. Approval of the proposed assessment 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. Council requested that this assessment process be timed so that it coincides with the receipt of other real property tax bills.

A related item sets a public hearing on Thursday, December 1, 2016 to consider the 2017 assessments for the

Downtown PID. State law requires a public hearing by the City Council to consider the proposed assessments. Each property owner has a right to appear at the hearing.

The DAA submitted a 2017–2018 budget for the Downtown PID in the amount of \$7,338,103. This amount includes \$6,605,837 in 2017 assessments (at a 96% collection rate), \$302,463 in collections from 2016; \$69,803 interest accrued in the PID account and late payments; and a City contribution in lieu of paying an assessment on City-owned tax exempt property in the amount of \$360,000, which includes \$150,000 for a public toilet and \$60,000 for security for the museums located in Brush Square.

The Council items related to the PID remain on the agenda in order to ensure the PID assessment bills coincide with the real property tax bills. However, the City and DAA are still discussing the options and responsibilities for the public toilet and security items, and may not be performed by the DAA. If so, then the PID budget will be reduced accordingly. Since the numbers for these two projects are based on preliminary estimates, the budget allows for reallocation of funds between these two line items only.

Approval of the proposed Downtown 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.