Posting Language
Approve a resolution updating the City of Austin’s Public Improvement District Policy.

Lead Department
Financial Services Department

Fiscal Note
This item has no fiscal impact.

For More Information:
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Council Committee, Boards and Commission Action:
Presented to the Council’s Audit and Finance Committee on November 20, 2019.

Additional Backup Information:
Texas Local Government Code Chapter 372 provides for the creation of Public Improvement Districts (“PID”) by a municipality or county and provides guidance regarding the petition requirements and creation of the district. In the City of Austin, a PID is an economic development tool that permits the financing of public improvements and supplemental services that are determined by the City to confer a special benefit on a geographically defined area within the City’s corporate limits or extraterritorial jurisdiction.

The purpose of the PID Policy is to outline the policies that will be used by the City when it considers the establishment and management of a PID, the levying of PID assessments, and/or the issuance of PID Bonds. There are currently two types of PIDs that have been created by City Council, Development PIDs and Maintenance and Operations (“M&O”) PIDs.

- **A Development PID** is a special purpose district created to help spur economic development by providing a means to finance the costs of infrastructure that benefit and promote development within a definable part of the City with these costs being borne by those property owners within the PID boundaries who receive special benefits from the public improvements.

- **A Maintenance and Operations PID** is an economic development district that allows property owners within a specific geographic area to benefit from enhanced services and public improvements that specifically benefit properties located within the PID.

To date, the following PIDs have been created by City Council:
- **Development PIDs**
  - Whisper Valley PID (Resolution No. 20100826-026)
  - Indian Hills PID (Resolution No. 20100826-023)
  - Estancia Hill Country PID (Resolution No. 20130606-054)
- **Maintenance and Operating PIDs**
  - Austin Downtown PID (Resolution No. 20121011-115)
  - East Sixth Street PID (Resolution No. 20140807-174)
  - South Congress Preservation and Improvement District PID (Resolution No. 20141016-062)

Staff has identified a need to revise the existing PID Policy due to the length of time since adoption of the original PID Policy and the exclusion from the original Policy of policies specifically pertaining to the City’s Maintenance and Operations PIDs. A Citywide cross-departmental team collaborated and drafted the proposed PID Policy. The process entailed reviewing the statute, best practices, other Texas city and county PID policies, and lastly receiving input from both internal and external stakeholders. The departments involved in drafting the proposed Policy included: Austin Water, Development Services, Economic Development, Financial Services, Law, Neighborhood Housing and Community Development, Parks and Recreation, Planning and Zoning, Public Works, Transportation and Watershed Protection.