



Council Question and Answer

Related To

Item #10

Meeting Date

February 6, 2020

Additional Answer Information

Approve a resolution updating the City of Austin's Public Improvement District Policy.

QUESTION/ANSWER: Mayor Adler's Office

Why should Council not be able to do a bond PID in the City's ETJ?

Although State Statute allows a city or county to create a PID within a city's corporate limits or its extraterritorial jurisdiction ("ETJ"), City staff's recommendation in the proposed PID Policy is that any future PID created by the City be located within its full purpose jurisdiction ("FPJ"). Proposed PIDs in the City's ETJ would be directed to annex the property to the City's FPJ prior to creation.

Creation of a PID in the ETJ would be recommended by staff only on an exception basis where a waiver of the adopted PID policy would also be recommended; this would not be a standard option. The City's creation of a PID in its ETJ (which is not included in the City's tax base, zoning jurisdiction, and where the City has limited control over such future development) would have to confer extraordinary special benefits that advance the City's Comprehensive Plan and SD2023 strategic outcomes. While in the past, annexation gave the City the authority to address many of these concerns, recent changes at the legislature have limited the City's annexation ability.

Why should we limit the ability to have a property be in more than one PID?

The DRAFT PID Policy allows Development PIDs and M&O PIDs to overlap in the same geographic boundaries.

The DRAFT PID Policy recommends not allowing overlapping M&O PIDs as a means to address on-going affordability challenges, to align with PID best practices, to ensure property owners in a geographic area contribute to a shared vision and avoid a duplication of improvements that could be satisfied by one PID entity and one assessment.

If City Council chooses to allow overlapping M&O PIDs within the PID Policy, the following controls are recommended by staff.

1. A new M&O PID proposed within the boundaries of an existing M&O PID would require signatures from 80 percent of property owners in the overlapping geographic area.
2. All overlapping M&O PIDs must demonstrate no duplication of improvements in annual service plans.

If property is in more than one PID what would be the priority of lien?

An assessment, including interest, is a first and prior lien against the assessed property superior to all other liens except for ad valorem taxes. Any special assessments levied on the property would be paid on a pro-rata basis.

If two PIDs assess one property there would be two liens on this property.

Why not permit City Council the ability to dissolve PIDs (at the five year contract renewal or reauthorization period)?

The DRAFT PID policy recommends following the state statute for dissolution, which would require a petition and involvement and cooperation of 50% property owners. City Council can establish an expiration date of a PID at the time of creation through ordinance. City Council also annually takes action on setting the assessment rate for an M&O PID. City Council may take action to set the assessment rate to zero, which would not legally dissolve the PID but would stop PID assessment revenue collections.

Would this policy help or hinder any group that is currently working on forming an M&O PID?

The DRAFT PID Policy is based on national best practices and provides recommendations and a framework to ensure transparency, disclosure, compliance with state laws, and equity. The DRAFT PID Policy as written would not hinder any group from forming an M&O PIDs.



Council Question and Answer

Related To

Item #19-3795

Meeting Date

February 6, 2020

Additional Answer Information

Approve a resolution updating the City of Austin's Public Improvement District Policy.

QUESTION/ANSWER: Council Member Alter's Office

What are the five year historical and projected assessment totals for all three PIDs?

See attachment.

PID Policy Question: Provide five year historical revenues and five year projections for all M&O PIDs.

Downtown PID												
Table 1: Revenue Projections (2019-2023)												
	Actual	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection		
Source	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Notes	
Assessed Value	\$4,042,948,425	\$5,319,715,944	\$6,881,080,347	\$7,782,145,641	\$8,619,051,829	\$10,088,332,658	\$12,113,061,022	\$14,544,152,370	\$17,463,163,750	\$20,968,020,715	Projections for 2021-2024 are based on the average growth rate of 20.07% from 2015-2020.	
Assessment Rate	.10/100	.10/100	.10/100	.10/100	.10/100	.10/100	.10/100	.10/100	.10/100	.10/100		
Total Assessments	\$4,042,949	\$5,319,716	\$6,881,080	\$7,782,146	\$8,619,052	\$10,087,833	\$12,113,061	\$14,544,152	\$17,463,164	\$20,968,021		
Collection Rate	95%	96%	96%	96%	96%	96%	96%	96%	96%	96%	Projected 96% collection based on previous year trends.	
PID Assessment Revenue	\$3,887,724	\$5,047,681	\$6,605,837	\$7,470,860	\$8,274,290	\$9,684,320	\$11,628,539	\$13,962,386	\$16,764,637	\$20,129,300		
City contribution	\$210,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	Assumes the value to remain constant. Subject to City Council approval annually.	
Total Revenue	\$4,136,678	\$5,182,889	\$7,338,103	\$7,862,657	\$8,735,686	\$10,352,156	\$11,838,539	\$14,172,386	\$16,974,637	\$20,339,300		

East 6th Public Improvement District												
Table 1: Revenue Projections (2019-2023)												
	Actual	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection		
Source	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Notes	
Assessed Value	\$48,839,615	\$51,111,183	\$52,595,631	\$52,796,032	\$54,575,471	\$51,790,556	\$55,170,379	\$55,832,424	\$56,502,413	\$57,180,442	Projections for 2021-2024 are based on the average growth rate of 1.2% from 2015-2020.	
Assessment Rate	0.19/100	0.19/100	0.19/100	0.19/100	0.19/100	0.19/100	0.19/100	0.19/100	0.19/100	0.19/100		
Total Assessments	\$92,795	\$97,111	\$99,932	\$100,312	\$103,693	\$103,581	\$104,824	\$106,082	\$107,355	\$108,643		
Collection Rate	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	Projection assumes 90% for Collection Rate percentages based on Council-approved projection convention. Real rates have ranged from 90% to 100% since 2015.	
PID Assessment Revenue	\$85,989	\$87,400	\$89,939	\$90,281	\$93,324	\$93,223	\$94,342	\$95,474	\$96,619	\$97,779		
City contribution	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	Assumes the value to remain constant. Subject to City Council approval annually.	
Total Revenue	\$126,656	\$120,692	\$165,026	\$157,426	\$184,087	\$137,715	\$130,842	\$131,974	\$133,119	\$134,279		

South Congress Preservation and Improvement District												
	Actual	Actual	Actual	Actual	Actual	Actual	Projection	Projection	Projection	Projection		
Table 1: Revenue Projections (2019-2023)												
Source	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Notes	
Assessed Value	\$43,236,009	\$60,690,874	\$82,036,723	\$94,715,522	\$125,966,240	\$147,388,884	\$176,866,661	\$212,239,993	\$254,687,992	\$305,625,590	Projections for 2021-2024 are based on the average growth rate of 28% from 2015-2020; growth is assumed at a more conservative 20%.	
Assessment Rate	.20/100	.20/100	.20/100	.20/100	.20/100	.20/100	.20/100	.20/100	.20/100	.20/100		
Total Assessments	\$86,472	\$121,382	\$164,073	\$189,431	\$251,932	\$294,778	\$353,733	\$424,480	\$509,376	\$611,251		
Collection Rate	90%	90%	75%	75%	90%	90%	90%	90%	90%	90%	Projection assumes 90% for Collection Rate percentages based on Council-approved projection convention. Real rates have ranged from 69% to 100% since 2015.	
PID Assessment Revenue	\$77,825	\$109,244	\$123,055	\$142,073	\$226,739	\$265,317	\$318,360	\$382,032	\$458,438	\$550,126		
City contribution	\$ 3,600	\$ 2,751	\$ 4,188	\$ 2,679	\$ 2,679	\$ 2,679	\$ 2,679	\$ 2,679	\$ 2,679	\$ 2,679		
											Assumes the value to remain constant. Subject to City Council approval annually.	
Total Revenue	\$ 75,825	\$ 112,090	\$ 103,984	\$ 185,478	\$ 294,640	\$ 298,799	\$ 322,539	\$ 386,211	\$ 462,617	\$ 554,305		

Total Revenue does not reflect City Reserve Prior Year Revenue, Interest and Late Payment Penalties.