



Recommendation for Action

File #: 21-2380, **Agenda Item #:** 29.

7/29/2021

Posting Language

Approve a resolution adopting the South Congress Preservation and Improvement District Service and Assessment Plan and Budget update for 2022. Related to Item #30.

Lead Department

Economic Development.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

October 17, 2019 - City Council approved Resolution No. 20191017-037 reauthorizing the South Congress Preservation and Improvement District (PID).

June 11, 2020 - City Council approved Ordinance No. 20200611-019 setting the assessment rate and approving the proposed 2021 assessment roll for the PID.

July 30, 2020 - City Council approved Ordinance No. 20200730-001 adopting the PID's Service and Assessment Plan and Budget update for 2021.

June 10, 2021 - City Council approved Ordinance No. 20210610-013 setting the calendar year 2022 rate of assessment and proposed calendar year 2022 assessment roll for the PID and set a public hearing to consider the 2022 proposed assessment.

For More Information:

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Nicole Klepadlo, Redevelopment Project Manager, Economic Development Department, 512-974-7739.

Additional Backup Information:

This action will approve the proposed PID Service and Assessment Plan and Budget for 2022, as provided to the City by the South Congress Improvement Association. State law requires Council approval of the Service and Assessment Plan and Budget, which serves as the basis for the 2022 assessment roll. The PID assessment will provide services in the following areas: Public Safety; Infrastructure and Physical Environment (maintenance and improvements); Marketing, Fundraising, and Economic Development; and Administration and Membership Development.

The Controller's Office has recently instituted factoring in unpaid assessments from all prior years to calculate the PID budget amount, impacting FY 2021 and FY 2022. The 2022 budget amount takes into account the Controller's Office recognition of outstanding accounts receivables (older than 1 year) deemed to be uncollectible, as required by governmental accounting standards. The adjustment for prior year doubtful accounts is occurring over two years: the current 2021 fiscal year and 2022. Going forward, the recognition of doubtful accounts will be completed annually but the impact in future years should be minimal. In fiscal year

2018, the City started contracting with Travis County to include the PID assessments on the property tax bills. Collections have improved and the collection rate average is around 98%.

The South Congress Improvement Association submitted a 2022 budget for the PID in the amount of \$250,998. The amount includes \$220,384 in 2022 assessments (at an 85% collection rate of \$259,276 from the 2022 assessment roll in Exhibit A), \$2,679 City contribution in lieu of paying an assessment on City-owned tax exempt property and other City priorities, \$256 interest accrued and late payments in the South Congress PID Account, \$86,860 from reserves maintained for property protests and unpaid taxes to achieve a targeted fund balance, and less \$3,399 in City and County fees and less \$55,782 for unpaid assessments from the 2015-17 and 2021 property tax years.

Approval of the proposed PID Service and Assessment Plan and Budget, and the ordinance adopting an assessment rate and assessment roll, are part of the annual process of approving PID assessments and subject to Council approval in the Fiscal Year 2022 Budget. Appropriation of \$250,998 in the Economic Development Department Special Revenue Fund will require City Council authorization. The Travis Central Appraisal District has stated it will not adjust property values for 2022; thus, the total assessment is subject to change only due to protests by property owners.

Strategic Outcome(s):

Economic Opportunity and Affordability.