



## Recommendation for Action

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**File #:** 22-2007, **Agenda Item #:** 10.

6/9/2022

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### **Posting Language**

Authorize negotiation and execution of a management agreement with Austin DMO, Inc. doing business as Downtown Austin Alliance for management of services funded by the Austin Downtown Public Improvement District for a period of five years for a total contract amount of \$79,115,646.00. Related Item #81.

### **Lead Department**

Economic Development.

### **Fiscal Note**

Funding for the contract term is contingent upon available funding in future budgets of the Downtown Public Improvement District.

### **Prior Council Action:**

April 15, 1993 - Council authorized the creation of the Downtown Austin Public Improvement District (PID) (Resolution No: 930415-88, approved on a vote of 7-0).

August 19, 1993 -Council approved a management agreement with Austin DMO, Inc. to manage the PID (Resolution No. 930819-19, approved on a vote of 5-0 with Mayor Pro Tem Urdy and Council Member Shea out of the room).

October 23, 1997 -Council approved reauthorization of the PID (Resolution No. 971023-30, approved by vote of 6-0 with CM Griffith off the dais).

April 16, 1998 - Council approved an amendment to the managed agreement with Austin DMO, Inc. to increase the annual amount of the contract and extend the term an additional five years (Resolution No. 980416-12, approved by a vote of 7-0).

October 24, 2002 -Council approved reauthorization of the PID (Resolution No. 021024-53, approved by vote of 5-0 with CM Griffith off the dais and CM Dunkerley absent).

October 24, 2002 -Council authorized an amendment to the Austin DMO, Inc. contract, by a vote of 4-0, with Mayor Garcia and Council Member Alvarez off the dais and Council Member Dunkerley absent.

October 18, 2007-Council approved reauthorization of the PID (Resolution No. 20071018-082, by a vote of 6-0 with CM Martinez off the dais).

October 18, 2007 -Council approved an amendment to the contract with Austin DMO, Inc. to extend the term of the contract for an additional five years by a vote of 6-0, with Council Member Martinez off the dais.

November 20, 2008 -Council approved the PID Service Plan and Budget Resolution No. 20081120-018 by a

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vote of 6-0, with Mayor Pro Tem McCracken absent.

October 11, 2012-Council approved reauthorization of the PID (Resolution No. 20121011-115, by a vote of 6-0, with Mayor Pro Tem Cole abstaining).

October 11, 2012 -Council approved authorizing the negotiation and execution of a management agreement with Austin DMO, Inc. for another 10 years by a vote of a 6-0, with Mayor Pro Tem Cole abstaining.

June 23, 2016 - Council approved a boundary expansion of the PID (Resolution No. 20160623-100, by a vote of 10-0, with CM Zimmerman abstaining).

May 10, 2018 - Council approved a boundary expansion of the PID (Resolution No. 20180510-090, by a vote of 10-0, with CM Troxclair absent).

December 13, 2018 - Council approved a boundary expansion of the PID (Resolution No. 20181213-096, by a vote of 8-0, with Mayor Adler and CM Alter off the dais and CM Renteria absent).

May 23, 2019 - Council approved a boundary expansion of the PID (Resolution No. 20190523-039, by a vote of 11-0).

June 20, 2019 - Council approved a boundary expansion of the PID (Resolution No. 20190620-110, by a vote of 10-0, with CM Casar off the dais).

December 5, 2019 - Council approved a boundary expansion of the PID (Resolution No. 20191205-083, by a vote of 8-0, with CMs Alter, Kitchen and Pool off the dais).

May 5, 2022 - Council set public hearing on June 9, 2022 to consider a resolution authorizing the PID.

**For More Information:**

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131

Margaret Shaw, Economic Redevelopment Program Manager, 512-974-6497.

**Additional Backup Information:**

This action authorizes the negotiation and execution of a management agreement with the Austin DMO, Inc. doing business as Downtown Austin Alliance (DAA) for management of services funded by the PID for a period of five years for an estimated total amount of \$79,115,646.00.

The PID's authorization terminates on October 11, 2022, and the City's current management agreement with DAA terminates on April 30, 2023. Council is conducting a public hearing to consider property owners' and DAA's request to authorize a new PID with significant changes to boundaries of the existing one. Exhibit A is a map of the proposed PID. Under the same action, Council is considering designating DAA as the PID's management entity, as allowed by Chapter 372 of the Texas Local Government Code, and as requested by property owners' petitions. If approved, this action then requires the City to execute a management agreement with DAA to oversee PID services for a term of five years from 2022 to 2027. Exhibit B is DAA's proposed budget, the Service and Assessment Plan (SAP), from May 1, 2023 through April 30, 2028.

The PID will be funded by assessments of \$0.10 per \$100 valuation on commercial and non-homestead exempted residential properties valued over \$500,000, with exemptions, and interest accrued in the PID

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account. The estimated total of annual assessments for the first year for DAA is \$13.3 million. Council approves annually the DAA SAP and property roll subject to assessment.

**Strategic Outcome(s):**

Economic Opportunity & Affordability, Health & Environment, Safety, Mobility.