



# City of San Antonio

## Agenda Memorandum

**File Number:** 19-6693

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**Agenda Item Number:** 31.

**Agenda Date:** 9/12/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 1

### **SUBJECT:**

Public hearing and consideration of an Ordinance approving the levy of a Special Assessment for the Downtown Public Improvement District; levying an assessment rate for Fiscal Year 2020 at \$0.15 per \$100.00 value of real property in the Downtown Public Improvement District and \$0.09 per \$100.00 value of residential condominiums; and approving the Fiscal Year 2020 Service and Assessment Plan for the Downtown Public Improvement District.

### **SUMMARY:**

This public hearing is called to consider public comment in conjunction with City Council consideration of an Ordinance approving the levy of a special assessment to fund supplemental services for the Downtown Public Improvement District (PID); maintaining an assessment rate at \$0.15 per \$100.00 value of commercial real property in the PID and \$0.09 per \$100.00 value of residential condominiums in the PID; and approving the 2020 Service and Assessment Plan (the Plan) for the PID.

### **BACKGROUND INFORMATION:**

A public improvement district is a mechanism authorized by Chapter 372 of the Local Government Code, known as the Public Improvement District Assessment Act (the Act), that permits the City to levy an additional assessment on property owners within specified boundaries that may be used for capital improvements or services which supplement those provided by city government. The Downtown PID was created in 1999 for an initial five-year term and was renewed again in 2004 and 2009. In May 2013, the City Council reauthorized the PID for a ten-year term beginning October 1, 2013 through September 30, 2023.

The Act provides for the creation of PIDs, outlines their uses and regulates how they may operate. A PID is created to provide supplemental services to enhance existing services, and a municipality may not reduce the

provision of services within the PID boundaries. Attachment A is a map of the PID boundary.

The City contracts with the Centro PID, a non-profit corporation to manage services within the PID. The Centro PID provides supplemental core services for the downtown experience; maintenance, beautification and landscaping, hospitality ambassador services; outreach and security services; and programs and other services such as the marketing and promotion of the District, community events and programs, economic development activities including business recruitment and retention activities; project management, planning and research initiatives, and a Capital Improvement Program (CIP) that consists of small capital projects and other special projects of short duration. This plan details the levels of services and improvements for each program during the coming year, sets the assessment rate, includes financial plan/program budget, and provides a five-year forecast.

## **ISSUE:**

The Centro PID has developed and is recommending the attached Service and Assessment Plan for 2020 (Attachment B). The Plan reflects a total annual budget of \$6,437,440 with the following program services:

- Core Clean & Safe + Landscaping (\$3,596,927)
  - Maintenance to include sidewalk cleaning, pressure washing and graffiti abatement services performed by uniformed Centro PID crews.
  - Beautification and landscaping including servicing light-pole mounted planters throughout the district, stair-rail planters along the River Walk and clusters of sidewalk planters throughout the PID.
  - Hospitality ambassador program provides information to downtown visitors about the various downtown sites.
  - Outreach and security, including continuation of the Haven for Hope Outreach Partnership on weekdays and daylight hours and the continuation of supplemental morning bike patrol hours in the District.
  - Management services including oversight of the District Operations office space, administrative support and overhead necessary for the daily operations of the PID.
- Marketing, Planning, Contingency & Management (\$1,723,513)
  - Marketing, promotion and event programming related to the District, the Corporation's brands, and the downtown area.
  - Business retention and recruitment program that includes the on-going development and implementation of the enhanced business retention and recruitment program and collaboration with the Economic Development Foundation, the City's Economic Development Department and the San Antonio Chamber of Commerce in this area.
  - The Centro PID utilizes current staff resources to provide strategic support, project management oversight and research support for key initiatives.
  - The management agreement provides for the administrative oversight of the Centro PID to include administrative support staff to perform key functions including clerical, accounting, bookkeeping, human resources and legal; monitor the performance of said subcontractors; recruit, hire, pay and supervise the work force that the Corporation will utilize to furnish the services and programs defined in the Plan.
- Other Expenditures (\$1,117,000)
  - Small capital projects which could include the replacement of aged maintenance equipment; leasehold improvements to correct conditions of operation offices; a public restroom; replacement and/or addition of landscaping assets; and a shade structure.
  - Funding is allocated for small capital projects and one-time, short duration programs within the

District such as Zona Cultural, Travis Park Holiday Lighting and additional projects such as public art installations, re-branding of the Corporation, a comprehensive Shade Plan and a small business revival campaign.

The Service and Assessment Plan was approved by the Centro PID Board on Wednesday, August 21, 2019. The Act requires the Plan to be approved by City Council.

**ALTERNATIVES:**

The City Council is required by the Act to approve the Service and Assessment Plan on an annual basis. If the City Council does not approve the Plan, the Centro PID may not implement supplemental services within the PID. The downtown property owners might look to the City to fund the enhanced services they have received in the past seventeen years, which have been funded through the additional assessment.

**FISCAL IMPACT:**

The method of PID assessment is based on the value of real property as determined by the Bexar Appraisal District. The assessment rate for each year is set in the PID's Service and Assessment Plan. The total estimated value of taxable real property in the PID for FY 2020 is \$3,331,704,678. This represents a 1% increase in the total assessed value of the PID from 2019.

This year the Centro PID is recommending maintaining the assessment levy at \$0.15 per \$100.00 value. Residential condominiums are proposed to remain assessed at \$0.09 per \$100.00 value. This levy will yield \$4,899,743 in private property assessment. The assessment levy on private properties is expected to grow at an approximate rate 2.5% per each year thereafter through FY 2024.

For FY 2020, the City's contribution to the PID is \$278,408 and is based on the estimated value of City owned property within the PID boundaries. This includes facilities such as Municipal Plaza, City Hall, Metro Health Building, International Center, St. Mary's St and Convention Center parking garages, Plaza de Armas, Spanish Governor's Palace, Fire Station #1, EMS Supply, Casa de Mexico, Market Square and Market Square garage, Visitor Information Center, Central Library and parking garage, and La Villita. The City's contribution is included in the FY 2020 budget to be approved by the City Council on September 12, 2019.

The PID budget also includes \$294,000.00 from VIA for participation in the PID. These funds provide for the pressure washing of bus stops.

**RECOMMENDATION:**

Staff recommends approval of the 2020 PID Service and Assessment Plan to fund services and improvements for the Downtown PID.