



City of San Antonio

Agenda Memorandum

File Number: 17-4960

Agenda Item Number: 19B.

Agenda Date: 9/7/2017

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

Consideration of the following ordinances related to the Downtown Public Improvement District:

A) 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 2018 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 2018 Service and Assessment Plan for the Downtown Public Improvement District.

B) An Ordinance approving the First Amendment to the Contract for Improvements and/or Services in the San Antonio Public Improvement District in the Downtown Area with Centro 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 2018 Service and Assessment Plan (the Plan) for the PID.

Through a separate Ordinance, an amendment to the Contract for Improvements and/or Services in the San Antonio Public Improvement District in the Downtown Area with Centro Public Improvement District (Centro PID) will be considered that provides changes to the reporting process.

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. In order to provide the Centro PID with enough time to provide the required quarterly reports, the due date will be extended from 15 to 30 days.

ISSUE:

The Centro PID has developed and is recommending the attached Service and Assessment Plan for 2018 (Attachment B). The Plan reflects a total annual budget of \$5,477,000 with the following program services:

- Maintenance to include sidewalk cleaning, pressure washing, and graffiti abatement services performed by uniformed Centro PID crews. (\$1,727,000)
- 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. (\$331,000)
- Outreach and Security, including an expansion of the Haven for Hope Outreach Partnership to evenings and weekends, continuation of supplemental morning bike patrol hours in the District, and launch of an anti-panhandling pilot program. (\$233,000)
- Marketing, Promotion and Event Programming to promote the Downtown Place Brand, the services and activities in and around the District and programs, festivals, events and activities in and surrounding the District. (\$498,000)
- Hospitality Ambassador Program provides information to downtown visitors about various downtown sites. (\$775,000)
- Management services including oversight staff, administrative support, office space and overhead necessary for the daily services of the PID. (\$774,000)
- District Operations Center funds provide management oversight of District Operation and office space for the daily District Operations. (\$168,000)
- Business retention and recruitment program that includes the on-going development and implementation of an 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. (\$186,000)
- Project Management, Planning and Research activities includes staff resources that will provide strategic direction, support the City's Downtown Regional Center Planning efforts, and engage with property owners within the District to explore development opportunities. (\$295,000)

- Funding is allocated for small capital projects and one-time, short duration programs within the District. (\$365,000)
- An allocation to the PID Contingency (\$100,000)

The Service and Assessment Plan was approved by the Centro PID Board on Friday, August 25, 2017. The Act requires the Plan to be approved by City Council.

The Contract for Improvements and/or Services in the San Antonio Public Improvement District in the Downtown Area requires that Council approve the proposed First Amendment.

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 City 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 2018 is \$2,870,670,528. This represents a 4% decrease in the total assessed value of the PID from 2017.

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 \$4,230,000 in private property assessment. When adjusted for possible late payments and not refunds from prior year, the estimated yield is \$4,103,000.

For FY 2018, the City's contribution to the PID is \$267,597 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 2018 budget to be approved by the City Council on September 14, 2017.

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 2018 PID Service and Assessment Plan to fund services and improvements for the Downtown PID. Staff also recommends approval of the First Amendment to the Contract for Improvements and/or Services in the San Antonio Public Improvement District in the Downtown Area.