



City of San Antonio

Agenda Memorandum

File Number: 14-1735

Agenda Item Number: 20.

Agenda Date: 9/11/2014

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations Department

DEPARTMENT HEAD: Jim Mery, Deputy Director

COUNCIL DISTRICTS IMPACTED: 1

SUBJECT:

A Public Hearing and consideration of an Ordinance approving the levy of a Special Assessment for the Downtown Public Improvement District (PID); levying an assessment rate for Fiscal Year 2015 at \$0.15 per \$100.00 value of real property in the PID and \$0.09 per \$100.00 value of residential condominiums; and approving the Fiscal Year 2015 Services and Assessment Plan for the PID.

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 FY 2015 Service and Assessment Plan (the Plan) for the PID. The Plan includes the annual budget for the PID, provides a five-year fiscal forecast and sets the supplemental special assessment rate to fund services and improvements for the PID. This item also includes the consideration and approval of levying the assessment, rate and plan immediately following the public hearing.

BACKGROUND INFORMATION:

A public improvement district (PID) 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 then was renewed again in 2004 and 2009. In May 2013, the City Council reauthorized the PID for a ten-year term beginning October 1, 2014 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 Public Improvement District (Centro PID), a non-profit corporation to manage services within the PID. The Centro PID provides landscaping services, maintenance services, visitor information services, a business recruitment and retention program, capital projects, branding and marketing and planning within the PID. Each year the Centro PID holds a property owners' meeting in August to solicit input on the Plan. The City also sends correspondence to property owners of the PID to advise of the public meeting and the PID process. The statute requires the Centro PID to prepare a Service and Assessment Plan for City Council consideration and approval. This plan details the levels of services and improvements for each program during the coming fiscal 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 2015 (Attachment B). The Plan reflects a total annual budget of \$4,682,000.00 with the following program services:

- Maintenance to include sidewalk cleaning, pressure washing and graffiti abatement services performed by uniformed Centro PID crews. (\$1,312,000.00)
- 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. (\$265,000.00)
- Branding and Marketing to develop and implement a branding, marketing and public relations campaign describing the services and activities in and around the District. (\$400,000.00)
- Amigo Ambassador program which provides information to downtown visitors about various downtown sites. (\$773,000.00)
- Unallocated contingency which may be used for services under any of the above programs with City approval. (\$100,000.00)
- Management services including oversight staff, administrative support, office space and overhead necessary for the daily services of the PID. (\$641,000.00)
- Operations includes field management and the Amigos operation center. (\$206,000.00)
- Business Retention and Recruitment program that includes development and on-going management of a comprehensive inventory of occupied and vacant commercial, retail and residential properties within the District and the creation of a retail strategy for the Houston St corridor. (\$200,000.00)

The proposed enhancements in this fiscal year include:

- Planning within the district to update the 1999 Downtown Neighborhood Plan which includes an updated parking plan, develop a downtown-specific Arts & Culture plan and a capital plan. (\$200,000.00)
- Capital projects to provide funding or partial funding for projects such as addition of furniture, signage, decorative street lighting, holiday lighting program, pedestrian way-finding signage, public art, painting, and façade improvements to properties within the District. (\$350,000.00)

The Service and Assessment Plan was approved by the Centro PID Board on Thursday, August 21, 2014. 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 City may not implement supplemental services identified in the Service and Assessment Plan within the PID. The downtown property owners might look to the City to fund the services they have received in the past fifteen 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 2015 is \$2.197 billion. This represents a 4% increase in the total assessed value of the PID from 2014.

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 \$3,266,556.93 in private property assessment.

For FY 2015, the City's contribution to the PID is \$247,218.00 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 Marina 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 within the FY 2015 proposed budget presented to the City Council on August 7, 2014. The final appropriation of the City's contribution to the PID is subject to the City Council adoption of the FY 2015 Budget scheduled for September 18, 2014.

The PID also maintains a contract in the amount of \$75,000 with Bexar County for maintenance services around the Bexar County Courthouse and Justice Center. The City will no longer annually assess \$50,000 to offset the City's administrative costs related to the PID, as provided for in Ordinance No. 2013-09-05-0613.

The total estimated budget for the PID is \$4,682,000.00 for the FY 2015. The budget is supported by the private assessments and other contract revenue. The City will not assess the annual \$50,000 administrative cost for the management of the PID.

RECOMMENDATION:

Staff recommends approval of the 2015 PID Services and Assessment Plan to fund services and improvements for the Downtown PID.