



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 33

**Agenda Date:** September 19, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development & Operations

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** District 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 2025 at \$0.15 per \$100.00 value of commercial real property and \$0.09 per \$100.00 value of residential property in the PID; except for those subject to a homestead exemption, where the assessment rate shall be \$0.045 per \$100.00 value.

**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 and \$0.09 per \$100.00 value of residential property in the PID; except for those subject to a homestead exemption, where the assessment rate shall be \$0.045 per \$100.00 value. Approving the 2025 Service and Assessment 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 Act also 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 I is a map of the PID boundary.

The Downtown PID was created in 1999 for an initial five-year term and was renewed again in 2004 and 2009. It was re-established once more in 2013 and in 2023 for a ten-year term beginning October 1, 2023, through September 30, 2033.

The City contracts with the Centro San Antonio (“Centro”), a non-profit corporation to manage services within the PID, through the Third Amended and Restated Contract for Improvements and/or Services in the San Antonio Public Improvement District in the Downtown Area (“Contract”). Centro 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.

Actual revenue and expenditures for programs/projects in the PID will vary each year and are detailed in the Annual Services and Assessment Plan (“Plan”). The Plan specifies 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. The Plan is developed by Centro and brought to City Council for consideration annually in September.

PID revenue for FY 2025, which include tax assessments and voluntary contributions, totals \$6,906,435. The total Proposed FY 2025 spending plan is estimated at \$7,592,000 and will be used for Core service and other expenditures. All \$7,592,000 in expenditures will be paid by the PID fund.

The FY 2025 Plan includes additional services paid for by the General Fund, in the total amount of \$1,020,370 comprised of \$280,624 for Pressure Washing, \$566,088 for Riverwalk Custodial Service and \$173,658 for custodial and maintenance services for Main Plaza, Trevino Alley and the Riverwalk Portal.

## **ISSUE:**

The statute requires Centro San Antonio to prepare a Service and Assessment Plan for City Council consideration and approval. This Plan details levels of services and improvements for each program during the upcoming fiscal year, sets the assessment rate, includes a financial plan/program budget, and provides a five-year forecast.

The Centro PID has developed and is recommending the attached Plan for 2025 (Attachment II). The Plan was approved by the Centro PID Board on August 27, 2024, and per the Act, must also be approved by City Council. The Plan reflects a total expense budget of \$7,592,000 with the following program services:

**Core Clean & Safe + Landscaping (\$4,887,000)**

- Maintenance – Includes sidewalk cleaning, pressure washing, bird and graffiti abatement services performed by uniformed Centro PID crews.
- Beautification and landscaping – Include 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 and directions to downtown visitors, render assistance report undesirable conditions.
- Safety and security – Include Quality of Life ambassadors who will provide a visible presence to improve safety in the District and the continuation of supplemental morning SAPD Bike Patrol hours in the district.
- Management services – Includes oversight of the District Operations office space, administrative support and overhead necessary for the daily operations of the PID.

**Marketing, Planning & Management (\$2,040,000)**

- Marketing, promotion, and event programming related to the District, the Corporation's brands, and the downtown area.
- Economic Development program that includes a continued collaboration with Greater: SATX, the City's Economic Development Department, and the San Antonio Chamber of Commerce to attract and retain businesses in Downtown San Antonio and may directly recruit businesses.
- 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 (\$665,000)**

- Small capital projects which could include the replacement of aged maintenance equipment; leasehold improvements to correct conditions of operation offices; public restroom maintenance; and shade structures.
- Funding is allocated for special projects within the District such as Bond projects, long-range urban development, and advocacy for areas like the Broadway Cultural Corridor and Zona Cultural; placemaking events; public art installations; and "Centro Park" programming and holiday lighting including an ice rink.
- Security Camera Network Program

**Additional Expenditures (non-PID funds/General Fund)**

The Centro PID Contract includes \$1,020,370 for additional services paid for by the General Fund as follows:

- Riverwalk Custodial Services - \$280,624
- Additional Pressure Washing Services - \$566,088
- Custodial and maintenance services for Main Plaza, Trevino Alley, and the Riverwalk Portal - \$173,658

**ALTERNATIVES:**

If the City Council does not approve the Plan, the Centro PID may not carryout supplemental services within the PID. The downtown property owners may look to the City to fund these enhanced services which they have received since 1999.

**FISCAL IMPACT:**

The PID assessment is based on the value of real property as determined by the Bexar Appraisal District. Projected revenue in the Service and Assessment Plan is calculated from the prior year's estimated property values within the PID area. The total estimated value of taxable real property in the PID for FY 2024 is \$3,932,045,714.

The assessment rate for each year is set in the PID's Service and Assessment Plan. 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 except for those subject to a homestead exemption, where the assessment rate shall be \$0.045 per \$100.00 value. This levy will yield approximately \$5,780,000 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 2030.

For FY 2025, the City's contribution to the PID is \$613,959 and is based on the insured value of City owned property within the PID boundaries. This includes facilities such as Municipal Plaza, City Hall, City Tower and Garage, 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, Central Library and parking garage, and La Villita.

The PID budget also includes \$294,000 from VIA participation in the PID. These funds provide for the pressure washing of bus stops. In addition, CPS will provide a voluntary contribution of \$65,920 for FY 2025.

This ordinance has no new fiscal impact.

**RECOMMENDATION:**

Staff recommends approval of the 2025 PID Service and Assessment Plan to fund services and improvements for the Downtown Public Improvement District.