



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 43

**Agenda Date:** September 21, 2023

**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:**

Amendment and extension of Centro PID management contract, CPS ILA and VIA ILA.

**SUMMARY:**

This ordinance authorizes an extension to the contract with the Centro Public Improvement District for ten additional years for the continued management of the Public Improvement District (PID) and adds additional scope to the contract to include maintenance and custodial service of Main Plaza, Trevino Alley, and the River Walk Portal area. This ordinance also authorizes an Interlocal Agreement between the City and CPS to facilitate a voluntary contribution to the PID, as well as the third amendment to Interlocal Agreement with VIA Metropolitan Transit (VIA) for continued participation in the PID.

**BACKGROUND INFORMATION:**

The City currently contracts with the Centro Public Improvement District for the core services and improvements within the PID. The contract is through September 30, 2023. City Council re-established the PID for another 10-year term beginning October 1, 2023, through September 30, 2033.

Funding for the core services and improvements within the PID is presented annually to City Council for consideration as part of the annual Service and Assessment Plan. The FY2024 Service and Assessment Plan reflects a total budget of \$7,137,000. The sources of funding for the total

budget includes private assessments of \$5,594,349, the City's contribution of \$596,077 based on the value of City owned properties in the PID, a voluntary contribution from CPS valued at \$64,000, \$294,000 from VIA through an ILA, and other voluntary assessments, grants, interest, and funding from the FY2023 fund balance.

In addition to the core services and improvements within the PID as identified in the Annual Service and Assessment Plan, the contract includes other services such as River Walk custodial services and additional pressure washing. These services are funded by the Center City Development Office and are included in the FY2024 adopted budget. The Parks and Recreation Department would like to also contract with the Centro Public Improvement District for supplemental maintenance and custodial services of Main Plaza, Trevino Alley, and the River Walk Portal area. Funding for these services is also include in the FY2024 adopted budget.

## **ISSUE:**

The current contract with the Centro Public Improvement District must be extended to reflect a new 10-year term from October 1, 2023, to September 30, 2033. The scope of work within the contract will continue to include the cores services and improvements identified in the annual Service and Assessment Plan that is presented to City Council for consideration annually. The contract will also continue to include non-core services and improvements such as the River Walk Custodial Services and additional power washing but requires and amendment to reflect the additional non-core services for supplemental maintenance and custodial services of Main Plaza, Trevino Alley, and the River Walk Portal area.

The amendment to the contract with the Centro Public Improvement District identifies the city funding sources for the contract and includes an escalation factor for each.

1. Per statute, the participating municipality is required to participate at the same level as other properties in the PID. The City's assessment is calculated based on the insured value of our assets within the PID. The City's contribution to the PID in Year one is 596,077, and it will escalate by 3% annually. The City contribution shall be adjusted after the fifth year to account for any changes in value beyond the annual escalation rate. This contribution funds the core service and improvements identified in the FY2024 Service and Assessment Plan.
2. The additional services paid for by the General Fund that are not identified in the Service and Assessment Plan is comprised of \$272,460 for Pressure Washing, \$549,600 for River Walk Custodial Services, and \$168,600 for maintenance and custodial service of the Main Plaza, Trevino Alley, and the Riverwalk Portal. These amounts shall increase 3% annually for the term if this agreement.

Finally, the Service and Assessment Plan identifies additional funding sources from VIA and CPS. This ordinance authorizes an ILA with CPS for a \$64,000 annual contribution to the PID, to be escalated annually at a 3% rate, from October 1, 2023, and ending September 30, 2033. This ordinance also authorizes an extension to the current ILA with VIA for a \$294,000 contribution to the PID, to be escalated annually at a 3% rate, from October 1, 2023, to September 30, 2033.

**ALTERNATIVES:**

City Council could choose not to extend these agreements, potentially resulting in the downtown property owners looking to the City to provide these services.

**FISCAL IMPACT:**

This ordinance authorizes amending and extending the contract with the Centro Public Improvement for an additional ten years beginning October 1, 2023, and ending September 30, 2033. Per the contract, the Centro Public Improvement District will provide core services and improvements that are identified in the annual service and assessment plan that is prepared by Centro and approved by City Council. The City's contribution to the core services and improvements for FY2024 is \$596,077 and will increase 3% annually for the term of this agreement.

The FY 2024 Centro Contract includes additional services paid for by the General Fund to include \$272,460 for Pressure Washing, \$549,600 for River Walk Custodial Services, and \$168,600 for maintenance and custodial service of the Main Plaza, Trevino Alley, and the Riverwalk Portal. These amounts shall increase 3% annually for the term of this agreement.

Funding in the amount of \$1,586,737 is available from the General Fund and is included in the FY2024 budget. Funding for future years is contingent upon City Council approval of subsequent Proposed Budgets and the Annual Service and Assessment Plan for the PID.

**RECOMMENDATION:**

Staff recommends amending and extending the Centro San Antonio contract for oversight of the PID for an additional ten years, extending the VIA ILA for ten years, and entering into an ILA with CPS for ten years.