



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 41

**Agenda Date:** June 22, 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:**

Public hearing and re-establishment of the Downtown Public Improvement District.

**SUMMARY:**

Public hearing and consideration of an ordinance to re-establish the Downtown Public Improvement District to provide supplemental services in the downtown area for an additional ten years beginning October 1, 2023 through September 30, 2033.

**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 Public Improvement Districts (PID), 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.

The Downtown Strategic Plan, adopted by the City of San Antonio in 1996, recommended the creation of the Downtown PID as a strategy to enhance the downtown environment to provide landscaping, beautification, maintenance/repair, and visitor information services. In response, 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, with City Council reauthorizing the PID for a ten-year term beginning October 1, 2013, through September 30, 2023.

The City currently contracts with Centro San Antonio, a Texas non-profit corporation, for the provision of core services and improvements within the PID. Today, core services for the downtown experience include 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. Core services are funded thru the annual PID assessment.

The current Downtown PID will expire on September 30, 2023. A petition requesting that the PID be re-established for an additional ten-year term was submitted to the City Clerk's Office on May 19, 2023. The submitted petition proposes the same boundary as the current downtown PID.

#### **ISSUE:**

Under state law, a petition to establish a PID requires the signature of real property owners that own a minimum of 50% of the appraised value of the real property liable for assessment within the proposed boundary. In addition, the petition must also be signed by individuals who own more than 50 percent of the acreage or property within the area liable for assessment. The petition provided to the Clerk's Office is valid and exceeds the statutory requirements as owners of 62.8% of the total acreage signed, and those owners represent 71% of the appraised value of taxable real property liable for assessment under the proposed PID. The City Clerk's Office has certified the petition.

Actual revenue and expenditures for programs will vary each year and are detailed in the Annual Services and Assessment Plan ("Plan") which is developed by Centro San Antonio and brought to City Council for consideration annually in September.

The City of San Antonio is required to have a public hearing in connection with the creation or re-establishment of a Public Improvement District, per State law. Public comments will be heard just prior to consideration of this ordinance. The proposed district maintains the same boundaries as the current PID.

#### **ALTERNATIVES:**

City Council could choose not to re-establish the PID, however this would disrupt the vital enhancement services it provides to the downtown area. The downtown property owners may look to the City to fund these enhanced services which they have received since 1999.

#### **FISCAL IMPACT:**

The annual PID assessment method is proposed to remain unchanged from previous years. The PID assessment is a percentage of the appraised value of real property as determined by the Bexar County Appraisal District (BCAD) tax rolls.

Pursuant to State law, the city in which a PID is created must participate financially in the PID at the same level as all other property owners within the PID. Other exempt jurisdictions may participate and receive PID services through a contract with the municipality. Funding for the City's PID contribution is budgeted and outlined in the contract with Centro San Antonio.

#### **RECOMMENDATION:**

Staff recommends approval of the re-establishment of the PID for an additional 10-year period.