



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 44

Agenda Date: September 29, 2022

In Control: City Council A Session

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 the Fiscal Year 2023 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; approving the Fiscal Year 2023 Service and Assessment Plan for the Downtown Public Improvement District (PID); and approving the First Amendment to the Third Amended and Restated Contract for Improvements and/or Services in the San Antonio Public Improvement District in the Downtown Area appropriating an additional \$8,000 for additional pressure washing services.

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; approving the 2023 Service and Assessment Plan (the Plan) for the PID; and approving an amendment to the Contract for Improvements and/or Services in the San Antonio Public Improvement District in the Downtown Area by appropriating an additional \$8,000 for additional pressure washing services.

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. 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. Attachment I is a map of the PID boundary.

The City contracts with the Centro PID, 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 (“Centro PID Contract”). 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.

The beginning balance of the PID fund is projected at \$1,432,000. PID revenue for FY 2023, which includes tax assessments and voluntary contributions, totals \$5,818,000. The total Proposed FY 2023 spending plan is estimated at \$6,253,000, which includes \$435,000 in program reserve from the beginning fund balance, and will be used for Core service and other expenditures. All \$6,253,000 expenditures will be paid by the PID fund.

The FY 2023 Centro PID Contract includes additional services paid for by the General Fund, in the total amount of \$768,000 comprised of \$252,000 for Pressure Washing and \$516,000 for Riverwalk Custodial Service.

ISSUE:

The Centro PID has developed and is recommending the attached Service and Assessment Plan for 2023 (Attachment II). The Service and Assessment Plan was approved by the Centro PID Board on Thursday, August 25, 2022 and per the Act, must also be approved by City Council. The Plan reflects a total annual budget of \$6,253,000 with the following program services:

Core Clean & Safe + Landscaping (\$4,232,000)

- Maintenance – Includes sidewalk cleaning, pressure washing, 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 to downtown visitors about the various downtown sites.
- 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 (\$1,586,000)

- 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 (\$435,000)

- 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 park programming and holiday lighting, including an ice rink.

Other Expenditures (non-PID funds/General Fund)

- The Centro PID Contract includes additional services paid for by the General Fund in the amount of \$768,000 for Pressure Washing and Riverwalk Custodial Service. For FY 2023, this service contract for Riverwalk Custodial Service has increased from \$474,000 in FY 2022 to \$516,000 in FY 2023 and the Pressure Washing funding increased from \$244,000 in FY 2022 to \$252,000 in FY 2023. Funds will be deposited into the FY 2023 Center City Development and Operations Department Operating Budget.

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 method of PID assessment is based on the value of real property as determined by the Bexar Appraisal District. The total estimated value of taxable real property in the PID for FY 2023 is \$3,488,504,179. This represents a 13.97% increase in the total assessed value of the PID from FY 2022.

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. This levy will yield \$5,120,000 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 2025.

For FY 2023, the City's contribution to the PID is \$295,448 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, 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, Visitor Information Center, Central Library and parking garage, and La Villita. The City's contribution is included in the FY 2023 budget that was approved by the City Council on September 15, 2022.

The PID budget also includes \$294,000.00 from VIA participation in the PID. These funds provide for the pressure washing of bus stops.

The City's Centro PID Contract provides for Additional Pressure Washing and Riverwalk Custodial Service to be paid for by the General Fund. An additional amount of \$8,000 has been appropriated for increased fuel and commodity costs for Additional Pressure Washing services thru the FY 2023 operating budget. Funds of \$252,000 for Pressure Washing and \$516,000 for Riverwalk Custodial Service for a total of \$768,000 are available in the FY 2023 Center City Development and Operations Department Operating Budget.

RECOMMENDATION:

Staff recommends approval of the 2023 PID Service and Assessment Plan to fund services and improvements for the Downtown Public Improvement District and the contract amendment related to supplemental pressure washing.

