



City of Austin

Recommendation for Action

File #: 25-0954, **Agenda Item #:** 31.

6/5/2025

Posting Language

Approve an ordinance amending Ordinance No. 20240718-123, which approved the Austin Downtown Public Improvement District Service and Assessment Plan and Budget Update for Fiscal Year 2025, to modify spending by category and to approve the spending plan for \$718,380 in excess operational reserves that accrued during Fiscal Year 2024 and declaring an emergency. Funding: This item will have no fiscal impact.

Lead Department

Financial Services Department

Fiscal Note

This item will have no fiscal impact.

Prior Council Action:

February 20, 2020 - Approval Resolution 20200220-015, adopting the Public Improvement District Policy

February 23, 2023 -Approval of an agreement for management services with Austin DMO, Inc., d/b/a Downtown Austin Alliance, for a period of five years for a total contract amount of \$79,197,757.

July 18, 2024 - Approval of Ordinance 20240718-123 adopting the DAA's Service and Assessment Plan and Budget for 2025.

For More Information:

Kim Olivares, Director, Financial Services Department (512) 974-2924; Christine Maguire, Financial Services Department (512) 974-7131; Margaret Shaw, Financial Services Department (512) 974-6497.

Additional Backup Information:

This action is required by the City's Public Improvement District Policy, and Section 2.1.1. of the management agreement between the City and Downtown Austin Alliance (DAA) or the PID. Once Council approves the annual Service and Assessment Plan and Budget Update, the DAA may not increase or decrease spending in any given category by more than 20 percent without Council approval. There is no change to total assessment revenue or total projected expenditures of \$14,264,637 for services provided from May 1, 2025 through April 30, 2026.

In addition, this action will approve excess operational reserves that the DAA received and did not expend during Fiscal Year 2023-2024 for which the DAA seeks to expend in Fiscal Year 2024-2025 in the amount of \$718,380. For fiscal soundness, the City's PID Policy and the DAA-City Management agreement required the DAA to retain a 3-month or one-quarter operational reserve. Reserves greater than 25 percent are subject to Council approval.