

ORDINANCE NO.

AN ORDINANCE DESIGNATING A GEOGRAPHIC AREA OF THE CITY AS PROJECT FINANCING ZONE NUMBER ONE, CITY OF AUSTIN, TEXAS, ALLOWING THE CITY TO USE CERTAIN INCREMENTAL HOTEL-ASSOCIATED TAX REVENUE, INCLUDING CERTAIN HOTEL OCCUPANCY TAXES, SALES TAXES, AND MIXED BEVERAGE TAXES, TO FINANCE QUALIFIED PROJECTS, REQUESTING THAT THE TEXAS COMPTROLLER OF PUBLIC ACCOUNTS DEPOSIT THE STATE'S INCREMENTAL HOTEL-ASSOCIATED TAX REVENUES FROM THE ZONE INTO A SUSPENSE ACCOUNT HELD IN TRUST FOR THE CITY'S FINANCING OF QUALIFIED PROJECT ACTIVITIES IN THE ZONE, AND PROVIDING A ZONE EXPIRATION DATE OF 30 YEARS FROM THE DATE OF DESIGNATION OF THE ZONE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Findings:

- Section 351.1015(b) of the Texas Tax Code authorizes a municipality with a population of 750,000 or more that is located in a county with a population of 1.5 million or less, as described by Section 351.152(61) of the Tax Code, to designate a project financing zone from which certain hotel-associated incremental state tax revenues, including certain hotel occupancy taxes, sales taxes, and mixed beverage taxes, and, if the municipality elects, certain incremental municipal taxes, may be used to finance qualified project activities in the zone. This includes pledging those revenues to pay bonds or other obligations issued or incurred to acquire, lease, construct, improve, enlarge, and equip (collectively, Qualified Project Activities) qualified projects that are located in the zone;
- the City has a population of 961,855 persons according to the 2020 U.S. Decennial Census; and
- the following locations in the City are "qualified projects" under Section 351.1015(a)(5) of the Texas Tax Code (each a Qualified Project) and have the following latitudes and longitudes:

1) Austin Convention Center: 97.7394693° W, 30.2634821° N

2) Palmer Events Center: 97.7528492° W, 30.2606505° N

35 3) Long Center: 97.75100090° W, 30.2602824° N
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37 **PART 2. Zone Designation.** Council designates the area depicted in the map attached as
38 Exhibit A, which is hereby made a part of this ordinance for all purposes, as a project
39 financing zone pursuant to and in accordance with Section 351.1015 of the Texas Tax
40 Code in order to assist in the financing of the qualified projects, including for costs
41 associated with the payment of bonds or other obligations issued or incurred to acquire,
42 lease, construct, improve, enlarge, and equip each Qualified Project collectively,
43 "Qualified Project Activities". This project financing zone shall be known as "Project
44 Financing Zone Number One, City of Austin, Texas (the "Zone"). The boundaries of the
45 zone is the three-mile radius centered around the Qualified Projects and the Zone is the
46 area encompassed by those boundaries.

47 **PART 3. Zone Expiration.** The Zone shall expire on the 30th anniversary of the
48 effective date of this ordinance or an earlier expiration date designated by an ordinance
49 adopted by the City Council after the effective date of this Ordinance, so long as there are
50 no outstanding Qualified Project Activities existing at the time.

51 **PART 4. Notifications to Comptroller.** Council directs the City Manager to notify the
52 Texas Comptroller of Public Accounts (Comptroller) of the designation of the Zone
53 within 30 calendar days of the date of adoption of this ordinance and to request the
54 Comptroller to (i) deposit incremental hotel-associated revenue collected by the
55 Comptroller into a suspense account (Suspense Account) pursuant to the terms and
56 conditions of Section 351.1015 of the Texas Tax Code and (ii) notify the City in writing
57 of the date of the first deposit into the Suspense Account. The City Manager is further
58 directed to notify the Comptroller if Qualified Project Activities are abandoned or not
59 commenced within five years of the date of the Comptroller's first deposit to the
60 Suspense Account.

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PART 5. This ordinance takes effect on _____, 2024.

PASSED AND APPROVED

_____, 2024

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Kirk Watson
Mayor

APPROVED: _____
Deborah Thomas
Interim City Attorney

ATTEST: _____
Myrna Rios
City Clerk

