City of Austin

Austin

Recommendation for Action

File #: 26-2032, **Agenda Item #:** 104. 7/23/2026

Posting Language
Conduct a public hearing and consider an ordinance setting the assessment rate and approving the 2027 assessment roll for the Austin Downtown Public Improvement District and declaring an emergency and consider an ordinance approving the Austin Downtown Public Improvement District Service and Assessment Plan and Budget update for 2027 and declaring an emergency. Funding: The 2027 assessment rate of $0.0925/$100 on commercial properties valued at more than $500,000 is estimated to produce $13,118,225.80 at an 85% collection rate.

Lead Department
Austin Financial Services.

Fiscal Note
The 2027 assessment rate of $0.0925/$100 on commercial properties valued at more than $500,000 is estimated to produce $13,118,225.80 at an 85% collection rate.

Prior Council Action:
May 21, 2026 - Council approved an ordinance setting the calendar year 2027 rate of assessment for the Austin Downtown Public Improvement District within the City of Austin and approving the calendar year 2027 assessment roll for the District in order for staff to send notices to affected property owners for the public hearing.

For More Information:
Kimberly Olivares, Director, Austin Financial Services, 512-974-2924; Margaret Shaw, Austin Financial Services, 512-974-6497.

Additional Backup Information:
On May 21, 2026, Council approved the proposed 2027 assessment rate for the Downtown Public Improvement District (PID) at a valuation rate of $0.0925 per $100 on commercial properties valued at more than $500,000. Council also approved the proposed 2027 assessment roll, which lists property owners subject to the assessment. The assessments paid by the property owners fund PID services.

State law requires Council to conduct a public hearing to consider the proposed assessment. Approval of the assessment rate and property roll on May 21, 2026, triggered notices to be sent to property owners within the PID to give them the opportunity to review the property valuations prior to the public hearing. Property owners have a statutory right to challenge the assessment placed on their property at the public hearing. The levy, subject to public inspection and comment at the public hearing, is on the proposed 2027 assessment roll (Exhibit A). The property roll also includes properties exempt from assessment or that have zero value.

The PID encompasses an area of approximately 605 acres, from Interstate 35 westward to Nueces and San Antonio Streets, including portions of the Seaholm District. Its boundaries end at 15th Street to the north and extend south of Lady Bird Lake to include portions of the South-Central Waterfront area. The PID was initially created by the Council at the request of property owners on April 15, 1993, to provide funding for enhanced services and improvements downtown. In 2022, at the request of property owners whose parcels summed to 51 percent of the total taxable value, Council approved a new PID with expanded boundaries to replace the original PID. Since its inception, the City has contracted with Austin DMO, Inc., doing business as the Downtown Austin Alliance (DAA), to manage the PID.

Council is also requested to approve the ordinance to approve the proposed PID Service and Assessment Plan and Budget (SAPB) for 2027, as provided to the City by DAA. State law requires Council approval of the SAPB which serves as the basis for the 2027 assessment roll. The assessments will provide services in the following program areas: Clean and Safe; Economic Development and Administration. DAA has submitted a SAPB for Fiscal Year 2027-2028 of $13,288,239.91 as shown in Exhibit B.

Approval of the ordinances adopting the proposed SAPB and adopting an assessment rate and proposed roll are part of the annual process of approving the PID assessments under State law and subject to Council approval in the Fiscal Year 2027 Budget. Appropriation of these funds in the Austin Downtown Public Improvement District Special Revenue Fund will require Council authorization during budget deliberations.