



Recommendation for Action

File #: 23-1021, **Agenda Item #:** 2.

2/9/2023

Posting Language

Approve an ordinance amending the Fiscal Year 2022-23 Economic Development Department Operating Budget Special Revenue Second Street Tax Increment Financing Fund (Ordinance No. 20220817-004) to increase appropriations in the amount of \$110,345 for streetscape maintenance.

Lead Department

Economic Development.

Fiscal Note

Funding in the amount of \$110,345 is available from the Economic Development Department Operating Budget Special Revenue Second Street Tax Increment Financing Fund. A fiscal note is attached.

Prior Council Action:

Item 4 - August 17, 2022 Council conducted a public hearing and approved an ordinance adopting the City of Austin Budget for Fiscal Year 2022-2023, beginning on October 1, 2022, and ending on September 30, 2023.

For More Information:

Sylvia Holt-Rabb, Director, Economic Development Department, 512-974-3131.

Additional Backup Information:

The action will appropriate an additional \$110,345 for a total of \$210,000 in available resources. These additional funds are required due to a change in streetscape maintenance vendor. The citywide contract available is at a higher cost for power washing and cleaning services. In future years, ongoing resources will need to be identified to fund services required by contract and for public health and safety.

The Second Street Tax Increment Financing Fund was established in October 2000 to account for a portion of property tax revenue that is collected in contiguous geographic area around Austin City Hall, including Blocks 2, 3, 4, and 21 of the Original City Subdivision and which is bounded by San Antonio Street, West Cesar Chavez Street, Colorado Street, and West Third Street. The City agreed to create the fund as a condition of real estate development agreements governing 2nd Street District.

The purpose of the fund is to maintain the plazas, streetscapes, and other public improvements constructed and installed by the City within the Reinvestment Zone. Under the terms of TIF Reinvestment Zone No. 15, the General Fund will contribute \$100,000 annually to the Fund until it is scheduled to end in 2029.

Strategic Outcome(s):

Economic Opportunity and Affordability; Culture and Lifelong Learning Strategy.