

Mayor and Council Communication

DATE: 08/25/20

M&C FILE NUMBER: M&C 20-0577

LOG NAME: 13FMS PID18FY21

SUBJECT

(ALL) Conduct Public Benefit Hearing for the Fort Worth Public Improvement District No. 18 - Tourism, Approve Fiscal Year 2020-2021 Budget in the Amount of \$4,178,453.00 and Seven-Year Service Plan, Approve Assessment Roll, Adopt Ordinance Levying Special Assessments for Fiscal Year 2021, and Adopt Appropriation Ordinance

(PUBLIC HEARING - a. Report of City Staff: Anthony Rousseau; b. Public Comment; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public benefit hearing concerning the proposed special assessments on property located in the Fort Worth Public Improvement District 18 - Tourism for Fiscal Year 2020-2021;
2. Approve the attached Fiscal Year 2020-2021 Budget in the amount of \$4,178,453.00 and Seven-Year Service Plan for the Fort Worth Public Improvement District 18 - Tourism;
3. Approve the Assessment Roll for the Fort Worth Public Improvement District 18 - Tourism, on file with the City Secretary;
4. Adopt the attached ordinance levying special assessments on property located in the Fort Worth Public Improvement District 18 - Tourism for Fiscal Year 2020-2021; and
5. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the FWPID #18 - Tourism Fund for Fiscal Year 2020-2021 in the amount of \$4,178,453.00 from available funds.

DISCUSSION:

On August 29, 2017, the City Council adopted Resolution No. 4837-08-2017, establishing the Fort Worth Public Improvement District 18 - Tourism (Tourism PID) On August 18, the City Council adopted a Resolution to expand the boundaries of the Tourism PID to include five (5) additional hotels (M&C 20-0551).

The purpose of this benefit hearing is to receive comments from the public regarding the Fiscal Year 2020-2021 budget and seven-year service plan for the Tourism PID, and the proposed assessments to be levied on each property in the Tourism PID for the 2020 tax year. Following the public hearing, it is recommended that the City Council take the following actions: (a) approve the attached budget and seven-year service plan, (b) approve the 2020 assessment roll; and (c) adopt the attached ordinances levying the proposed assessments and appropriating funds.

The improvements and services to be provided in the Tourism PID during Fiscal Year 2021 and the associated costs thereof are as follows:

Fiscal Year 2021 Budget

Improvements	Total Budgeted Costs
Incentive & Sales Efforts	\$ 1,855,554.00
Marketing and Research	\$ 1,443,208.00
Site Visits & Familiarization Tours	\$ 309,259.00
Cultural Enhancements through Marketing and promotion of the Arts	\$ 309,259.00
Operations & Administration	\$ 206,173.00
City Administrative Fee	\$ 55,000.00
Total Expenses	\$ 4,178,453.00

The total budgeted costs of the improvements and services are \$4,178,453.00, all of which will be funded by the owners/operators of Tourism PID hotels with 100 or more rooms paying a special assessment at a rate of two percent of revenues they receive from a hotel room. The owners/operators may seek reimbursement in an amount equal to the special assessment from hotel guests, with such reimbursement being a mandatory charge that is subject to state and local hotel tax.

Due to the steep drop in hotel occupancy rates as a result of the COVID-19 situation, City staff, the Fort Worth Tourism Public Improvement District Corporation (FWTPIDC), and the Fort Worth Convention and Visitors Bureau (FWCVB) have identified the need to decrease the Tourism PID Assessment revenue equal to 18%, or \$937,425.00, over the Fiscal Year 2019-2020 budget.

On August 18, 2020, the City Council conducted a public hearing to receive comments on the proposed Fiscal Year 2020-2021 Budget, seven-year service plan, and 2020 assessments for the Tourism PID (M&C 13FMS PID18FY21 BENEFIT). Notice of the August 18, 2020, benefit hearing and this hearing were published in the *Fort Worth Star-Telegram* on August 2, 2020, and mailed to all hotel owners/operators on record in the Tourism PID on July 31, 2020, in accordance with state law.

In fiscal year 2018, the City entered into a contract with the FWTPIDC and the FWCVB to manage the operations of the Tourism PID. The term of this agreement is commensurate with the term of the Tourism PID; thus, the FWTPIDC and the FWCVB will continue to manage the operations of the Tourism PID for Fiscal Year 2020-2021.

The Tourism PID properties are located in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and the adoption of the Fiscal Year 2020-2021 Budget by the City Council, funds will be available in the Fiscal Year 2021 operating budget, as appropriated, of the FWPID #18 - Tourism Fund. Prior to any expenditure being incurred, the Financial Management Services Department has the responsibility to validate the availability of funds.

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