

**To the Mayor and Members of the City Council****April 15, 2025****Page 1 of 3****SUBJECT: UPDATE ON FISCAL YEAR 2025 MID-YEAR ADJUSTMENTS FOR OPERATING PIDS AND TOURISM PID**

This Informal Report provides an update on the recommended mid-year budget and five-year service plan adjustments for certain operating Public Improvement Districts (PID) as well as a petition to expand the Tourism PID, which will be presented to the City Council on April 22, 2025 for consideration.

**Background Information**

An operating Public Improvement District is a defined geographical area and a tourism Public Improvement District is a noncontiguous area consisting only of hotels. PIDs are established to provide specific types of improvements or maintenance which are financed by assessments against the property owners (operating) or the consideration paid for occupancy of a sleeping room (tourism) within the PID boundaries.

The City of Fort Worth Economic Development Department administers the City's PIDs in accordance with Chapter 372 of the Texas Local Government Code (TLGC) and the City's established policies. Economic Development staff proactively worked with the PID managers and boards to review necessary budgetary adjustments for FY2025.

**Mid-year Adjustments**

Below is a summary of the recommended budget adjustments for each Operating PID:

The following PID is requesting the use of fund balance for additional expenditures deemed necessary that have been identified during the fiscal year:

- PID 11 – Stockyards: \$11,000.00. The primary changes include increased funding for maintenance and operations to cover sidewalk repairs, a reduction in capital improvements to help offset these costs, and the addition of a visitor center monitor to provide district-related information to visitors.

The following PIDs are being supplemented by an additional transfer of City funds – mostly an increased Payment In-Lieu of Services from the Park & Recreation Department for mowing and landscape maintenance. This supplement to the PID budget is intended to provide a standard level of improvements and services comparable to what the City generally provides to taxpayers.

- PID 1 – Downtown: \$21,187.00. Expenditure adjustments are primarily attributable to increases in tree lights, fees for the ambassador lease for a storage unit to hold their equipment, marketing & research, and changes within the maintenance and operations umbrella.

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- PID 6 – Park Glen: \$63,874.00. The primary factors driving expenditure adjustments include higher utility costs from newly added watering areas, increased landscaping expenses for grading and erosion projects, and elevated electrical maintenance costs due to lighting upkeep and repairs.
- PID 7 – Heritage: \$43,605.00. The primary factors driving expenditure adjustments include increased costs associated with onboarding a new management company and reductions in association employee salaries due to a position structure realignment.
- PID 19 – Historic Camp Bowie: \$37,588.00. Expenditure adjustments are primarily driven by increased investments in economic development to support community mapping for future planning efforts and enhanced marketing and communication initiatives related to contract work.

The following PID is requesting to reallocate funds to align expenses with actual activities.

- PID 20 – East Lancaster. Funds will be reallocated to align expenses with actual activities that are attributable primarily to a decrease in security and community marketing and events and an increase in communications.

**Petition to Expand TPID**

Section 372.0121 of the TLGC allows the City Council to include additional properties in the Tourism PID if (i) the property is a hotel and (ii) the property could have been included in the Tourism PID without violating Section 372.005 (b-1) of the Code when the Tourism PID was created regardless of whether the record owners of the property signed the original petition. The TLGC requires the petition to be signed by the (1) record owners of taxable real property liable for assessment that constitute more than 60.00% of the appraised value and (2) more than 60% of (i) all record owners liable for assessment or (ii) area of all taxable property liable for assessment within the Tourism PID as determined by the current appraisal roll of the appraisal district. If the addition of the new properties results in these numbers dropping at or below the 60.00% threshold, then the properties may not be added.

The owner of the following hotel property petitioned to be included in the Tourism PID:

- a. Le Meridien, 811 Commerce Street, Fort Worth, Texas, 76102

This results in an increase to 81.79% of the appraised value of taxable real property liable for assessment, 70.39% for the area of all taxable real property liable for assessment, and 67.80% of record owners liable for assessment. Because the percentages are still above the 60.00% threshold, the property meets the second element.

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