

Mayor and Council Communication

DATE: 09/21/21

M&C FILE NUMBER: M&C 21-0700

LOG NAME: 17ED PID01FY22

SUBJECT

(CD 9) Conduct Public Benefit Hearing for Fort Worth Public Improvement District 1 – Downtown; Adopt the Attached Ordinance (1) Approving and Adopting the Fiscal Year 2021-2022 Budget, Five-Year Service Plan, Assessment Plan, and Tax Year 2021 Assessment Roll, and (2) Levying Special Assessments for the 2021 Tax Year at a Rate of \$0.115 Per Each \$100.00 of Property Value; Authorize Execution of an Agreement with Downtown Fort Worth, Inc., in the Amount of \$464,650.00 to Manage the Public Improvement District; and Adopt Attached Appropriation Ordinance

(PUBLIC HEARING - a. Report of City Staff: Crystal Hinojosa; 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 the property located in Fort Worth Public Improvement District 1 - Downtown (Downtown PID) for the 2021 tax year;
2. Adopt the attached ordinance (1) approving and adopting the fiscal year 2021-2022 budget in the amount of \$3,225,658.00, five-year service plan, assessment plan, and tax year 2021 assessment roll (on file with the City Secretary) for the Downtown PID; and (2) levying special assessments on privately-owned property located in the Downtown PID for the 2021 tax year at a rate of \$0.115 per each \$100.00 of property value (SAP and Assessment Ordinance);
3. Direct the City Secretary to record a copy of the SAP and Assessment Ordinance in the real property records of Tarrant County, Texas no later than the seventh (7th) day after adoption by the City Council;
4. Authorize the execution of an agreement with Downtown Fort Worth, Inc. in the amount of \$464,650.00 to provide management of the improvements and services for the Downtown PID during fiscal year 2021-2022;
5. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fort Worth Public Improvement District 1 - Downtown Fund in the amount of \$3,225,658.00, of which (1) \$3,165,130.00 is from available funds; and (2) \$60,528.00 is from reducing the fund balance by the same amount.

DISCUSSION:

On June 23, 2009, the Mayor and City Council adopted Resolution No. 3756-06-2009 re-establishing Fort Worth Public Improvement District 1 - Downtown (Downtown PID)

The purpose of this benefit hearing is to receive comments from the public regarding the Fiscal Year 2021-2022 budget and five-year service plan for the Downtown PID and the proposed assessments to be levied on each property in the Downtown PID for the 2021 tax year. Following the public hearing, it is recommended that the City Council take the following actions: adopt the attached ordinances (1) approving and adopting the budget, five-year service plan, assessment plan, and assessment roll; (2) levying the proposed assessments; and (3) appropriating funds.

The improvements and services to be provided in the Downtown PID during the Fiscal Year 2022 and the costs thereof are as follows:

Fiscal Year 2022 Budget

Improvements	Total Budgeted Cost
Management Fee	\$ 464,650.00
Utilities	\$ 11,500.00
Landscaping	\$ 90,000.00
Maintenance & Operations	\$ 1,257,805.00
Tree Lights	\$ 40,000.00
Security	\$ 10,700.00
Ambassador Program	\$ 685,000.00
Newsletter	\$ 12,500.00
Marketing & Research	\$ 401,200.00
Transportation & Planning	\$ 186,500.00
City Audit	\$ 2,500.00
City Administrative Fee	\$ 63,303.00

Total Expense	\$ 3,225,658.00
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The total budgeted costs of the improvements and services are \$3,225,658.00. Of this amount, \$2,554,208.00 will be funded by assessments collected on privately-owned parcels located in the Downtown PID by applying a rate of \$0.115. The remainder of the costs in the amount of \$610,922.00 will be funded by other revenue sources including: (a) \$295,395.00 in direct payments from the City for Payment In-Lieu of Assessments, which are calculated at the same rate as the privately-owned parcels, (b) \$161,755.00 in direct payments from the City for Payment In-Lieu of Services, (c) \$153,772.00 in revenues generated by Downtown PID activities, and (d) \$60,528.00 transferred from the unaudited, unassigned fund balance.

For Fiscal Year 2020-2021 (tax year 2020) the Downtown PID levied an assessment of \$0.105 per \$100.00 of property value. The PID net taxable value declined \$211,936.00, or 8.10%, requiring the assessment rate to be increased by \$0.01 to maintain current levels of service. The Downtown PID has also experienced a shortfall in projected budgeted revenue during the past five-years due primarily to the number of properties still under protest at the Appraisal Review Board (ARB) when budgets were approved. This has caused the Downtown PID's reserve levels to fall below the City's targets. City staff has included an assumed collection rate of 3% in the levy calculation to more accurately estimate projected revenues. This change effectively reduces projected revenues to accommodate for the levy variances due to protests at the appraisal district. Therefore, the recommended Fiscal Year 2021-2022 (tax year 2021) assessment rate is \$0.115 per \$100.00 of taxable property value.

On September 14, 2021, the City Council conducted a public hearing to receive comments on the proposed 2021-2022 Fiscal Year budget, five-year service plan, and 2021 assessments for the Downtown PID. Notice of the September 14, 2021, benefit hearing and this hearing were published in the *Fort Worth Star -Telegram* and mailed to all owners of property on record in the Downtown PID on August 27th, 2021 in accordance with state law. The Downtown PID advisory board recommended approval of the budget.

The Downtown PID is located in COUNCIL DISTRICT 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and the adoption of the Fiscal Year 2021-2022 Budget by the City Council, funds will be available in the Fiscal Year 2022 operating budget, as appropriated, of the FWPID #1 - Downtown Fund. Prior to any expenditure being incurred, the Financial Management Services Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Jay Chapa 5804

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Crystal Hinojosa 7808

Expedited