

A Resolution

NO. _____

AUTHORIZING AND EXPANDING FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 18 (TOURISM PID) TO INCLUDE AN ADDITIONAL HOTEL AND TAKING CERTAIN OTHER ACTIONS CONCERNING THE DISTRICT

WHEREAS, the Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code (“Act”) allows for the establishment of public improvement districts;

WHEREAS, on August 29, 2017, the City Council adopted Resolution No. 4837-08-2017, establishing Fort Worth Public Improvement District 18 – Tourism (“Tourism PID”) (“Establishing Resolution”);

WHEREAS, on August 18, 2020, April 13, 2021, September 14, 2021, and April 12, 2022 the City Council adopted Resolution Nos. 5264-08-2020, 5382-04-2021, 5467-09-2021, and 5561-04-2022 respectively, expanding the boundaries of the Tourism PID (“Tourism PID”) (Resolution Nos. 5264-08-2020, 5382-08-2021, 5467-09-2021 and 5561-04-2022 are collectively referred to as the “Expansion Resolutions”);

WHEREAS, Section 372.0121 of the Act, as amended by the 87th Texas Legislature (2021) through Senate Bill 804, allows the City Council to include additional properties in the Tourism PID if (i) the property is a hotel and (ii) a sufficient number of the record owners of the real property currently included and proposed to be included in the Tourism PID have consented to be included in the Tourism PID by signing the original petition to establish the Tourism PID or by signing a petition or written consent to include property in the Tourism PID;

WHEREAS, the number of consenting record owners is sufficient if (1) the record owners own more than 60% of appraised value of taxable real property liable for assessment in the Tourism PID; and either (i) constitute more than 60% of all record owners of taxable real property liable for assessment in the Tourism PID, or (ii) own, in aggregate, more than 60% of the area of all taxable real property liable for assessment in the Tourism PID;

WHEREAS, another expansion petition (“Petition”) was submitted to the City of Fort Worth, Texas (“City”), pursuant to the Act, requesting to expand the Tourism PID boundaries to include an additional hotel property within the Tourism PID and has been on file in the office of the City Secretary for public inspection;

WHEREAS, pursuant to Section 372.009 of the Act, the City provided notice and publication of two public hearings to be conducted on May 14, 2024 and May 21,

2024 to consider the expansion of the Tourism PID (“Public Hearings”), which notice and publication included the following: (i) time and place of the Public Hearings; (ii) general nature of the proposed improvements and services; (iii) estimated costs of the improvements and services; (iv) expanded boundaries of the Tourism PID; (v) proposed method of assessment; and (vi) proposed apportionment of cost between the additional hotel property in Tourism PID and the City;

WHEREAS, notice of the Public Hearings was published on April 25, 2024 in the Fort Worth *Star-Telegram*, a newspaper of general circulation in the City, and was also mailed on April 25, 2024 to all record owners of property in the Tourism PID liable for assessment, and all persons desiring to be heard were given a full and fair opportunity to be heard at the Public Hearing;

WHEREAS, the City Council conducted and adjourned the Public Hearing to consider the expansion of the Tourism PID; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

1. Recitals.

The findings set forth in the recitals of this Resolution are found to be true and correct.

2. Findings.

The City Council, after duly considering the evidence and testimony presented at the Public Hearings and based on all information known by the City Council, hereby makes the following findings:

2.1 Petition and Boundaries.

- (a)** The current boundaries of the Tourism PID consist of noncontiguous areas authorized under Section 372.0035 of the Act consisting solely of hotel properties with 100 or more rooms ordinarily used for sleeping within the City of Fort Worth. The lists of the original and additional hotels that are included within the boundaries of the Tourism PID are included in the Establishing Resolution and Expansion Resolutions, respectively.
- (b)** As set forth in the Recitals above, the Act allows the City Council to include additional properties in the Tourism PID if the required elements are satisfied. As evidenced below, the hotel property set forth in **Exhibit “A”**, which is attached hereto and incorporated herein for all purposes (“Additional Hotel Property”), meets the necessary elements for inclusion into the Tourism PID.
 - (i)** The Additional Hotel Property to be included in the Tourism PID as part of this Resolution is a hotel property.

- (ii) A sufficient number of record owners of the real property currently included and proposed to be included in the Tourism PID have consented to be included in the Tourism PID by signing the original petition to establish the Tourism PID or by signing a petition or written consent to include property in the Tourism PID. Specifically, the number of consenting record owners exceeds the thresholds required by the Act, which is evidenced by the following: (1) 80.54% of appraised value of taxable real property liable for assessment, (2) 66.67% of record owners of taxable real property liable for assessment, and (3) 69.63% for the area of all taxable real property liable for assessment.

2.2 Advisability and Feasibility of the Improvements and Services Proposed for the Tourism PID. It is advisable to expand the Tourism PID to include the Additional Hotel Property to provide the proposed improvements and services described in the Petition and this Resolution. The improvements and services will promote the interests of the City and confer a special benefit on the assessed properties within the Tourism PID. The Fort Worth Convention and Visitor's Bureau staff performed an analysis of the Tourism PID, its service plan and strategies, and concluded that it provides a very effective means for significantly enhancing the ability of Fort Worth to promote its hotel, convention, and tourism activity, which has been borne out since the Tourism PID's establishment. Based on this analysis and the successful history of the Tourism PID, the City finds the proposed tourism public improvement district to be both advisable and feasible.

2.3 Nature of the Improvements and Services. The general nature of the proposed improvements and services to be provided within the expanded boundaries of Tourism PID include, without limitation, marketing, business recruitment, and promotional activities authorized by the Act for improvements and promotion of the Tourism PID, including, but not limited to, the provision of incentives by the Fort Worth Convention and Visitors Bureau to organizations to encourage them to bring large and city-wide events (including, without limitation, meetings, sporting, recreation, and cultural events) to Fort Worth and to fund additional marketing by the Fort Worth Convention and Visitors Bureau to increase hotel stays within the City.

2.4 Estimated Cost of the Improvements and Services. Over the four (4) year period beginning on October 1, 2023 and ending on the expiration of the Tourism PID as provided in Section 3, the estimated total cost of the improvements and services to be provided by the Tourism PID will be \$29,810,000.00, which includes an estimated cost of \$7,000,000.00 for the 2023-2024 fiscal year.

For the 2023-2024 fiscal year, the estimated costs of the above-referenced improvements and services, and estimated costs to implement such improvements and services are:

Incentives and Sales Efforts	\$3,298,875
Marketing and Research (Promotion/Advertising)	\$2,430,750
Site Visits & Familiarization Tours	\$ 347,250
Cultural Enhancements through Marketing and Promotion of the Arts	\$520,875
Operations and Administration	\$347,250
City Administrative Fee	\$55,000
Total	\$7,000,000

On September, 12, 2023, the City Council adopted the fiscal 2023-2024 budget and four-year service plan, the same being Ordinance No. 26241-09-2023. The inclusion of the Additional Hotel Property will not affect the adopted budget. Such costs will be paid from assessments levied in accordance with the Act. The four-year service plan proposed for the Tourism PID is attached hereto as **“Exhibit B”** (“Service Plan”) and incorporated herein for all purposes. The Service Plan, budget, and assessment amount are subject to annual review and approval by the City Council.

2.5. Method of Assessment. The costs of the improvements and services will be funded from assessments levied on and collected from properties located in the Tourism PID that contain hotels of one hundred (100) or more guest rooms and that are subject to payment of City hotel occupancy taxes pursuant to Chapter 32, Article II of the City Code, as amended. The City will levy a special assessment against the new hotel property located within the expanded boundaries of the Tourism PID (“Hotel Parcel”) in an amount equal to two percent (2%) of the consideration received for occupancy of any sleeping rooms furnished by the new hotel on the Hotel Parcel (subject to any lawful exemption of the hotel occupancy tax under applicable state law and City ordinances), with such assessments to be collected in the same manner and in accordance with the same procedures as those established for collection of the City’s hotel occupancy tax, as set forth in Chapter 32, Article II of the City Code, as amended. The collection of assessments will begin on the earliest date allowed by the Act and continue to be collected at the same time hotel occupancy taxes are collected. The City Council hereby finds that the proposed method of assessment is reasonable and necessary.

3.6. Apportionment of Costs Between the Tourism PID and the City, as a Whole. The apportionment of costs between the Tourism PID, inclusive of the Additional Hotel Property, and the City, as a whole, is as follows:

(a) The entire cost of each improvement and service will be paid from assessments levied in accordance with the Act.

(b) No City funds will be used to pay any portion of the cost of any improvement or service, unless such funding is approved from the City Council or other appropriate municipal authority on a case-by-case basis.

3. Inclusion of Additional Hotel Property within the Tourism PID; Term.

Based on the findings set forth above, the City Council authorizes the expansion of the boundaries of the Tourism PID to include the Additional Hotel Property. The inclusion of the Additional Hotel Property within the Tourism PID takes effect on the date on which this Resolution is adopted by the City Council and will expire concurrently with the expiration date set forth in Section 3 of the Establishing Resolution. The expansion of the Tourism PID is subject to all conditions, limitations, and reservations set forth in the findings in Sections 1 and 2. All other provisions of this Resolution will be effective from and after adoption of this Resolution.

4. Advisory Body.

The City Council hereby declines to appoint an advisory body for the expanded Tourism PID boundaries pursuant to Section 372.008 of the Act. The City Council hereby reserves the right to assign responsibility for preparation of the ongoing service plan for the PID to another entity in the absence of such an advisory body, as authorized by Section 372.013(a) of the Act.

ADOPTED this ____ day of _____, 2024.

ATTEST:

Jannette Goodall
City Secretary

EXHIBIT A
Expanded Boundaries of the Tourism PID
(Additional Hotel Property)

Account Name	Address	City, State, Zip	RMS
Bowie House	3700 Camp Bowie Blvd.	Fort Worth, TX 76107	106

EXHIBIT B Service Plan

City of Fort Worth
Five Year Service Plan
Public Improvement District No. 18 - Tourism
Fiscal Year 23/24 through 26/27

	<u>FY23/24</u>	<u>FY24/25</u>	<u>FY25/26</u>	<u>FY26/27</u>
REVENUES				
PID Assessments	\$ 7,000,000	\$ 7,320,000	# \$ 7,610,000	# \$ 7,880,000
Total Funds Available for Use	<u>\$ 7,000,000</u>	<u>\$ 7,320,000</u>	<u>\$ 7,610,000</u>	<u>\$ 7,880,000</u>
EXPENSES				
Incentives & Sales Efforts	\$ 3,298,875	\$ 3,450,875	\$ 3,588,625	\$ 3,716,875
Marketing and Research (Promotion/ Advertising)	2,430,750	2,542,750	2,644,250	2,738,750
Site Visits & Familiarization Tours	347,250	363,250	377,750	391,250
Cultural Enhancements through Marketing and promotion of the Arts	520,875	544,875	566,625	586,875
Operations & Administration	347,250	363,250	377,750	391,250
City Administrative Fee	55,000	55,000	55,000	55,000
Total Budgeted Expenses	<u>\$ 7,000,000</u>	<u>\$ 7,320,000</u>	<u>\$ 7,610,000</u>	<u>\$ 7,880,000</u>
Contribution to Fund Balance	-	-	-	-
Total Expenses	<u>\$ 7,000,000</u>	<u>\$ 7,320,000</u>	<u>\$ 7,610,000</u>	<u>\$ 7,880,000</u>
Net Change in Fund Balance	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year Estimated	7,562,206	7,562,206	7,562,206	7,562,206
Estimated Fund Balance, End of Year	7,562,206	7,562,206	7,562,206	7,562,206
Reserve Requirement	1,220,244	1,268,587	1,313,596	1,313,596
Over (Under) Reserve	\$ 6,341,962	\$ 6,293,619	\$ 6,248,610	\$ 6,248,610