

Mayor and Council Communication

DATE: 09/12/23

M&C FILE NUMBER: M&C 23-0714

LOG NAME: 17ED PID01FY24

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 2023-2024 Budget, Five-Year Service Plan, Assessment Plan, and Tax Year 2023 Assessment Roll, and (2) Levying Special Assessments for the 2023 Tax Year at a Rate of \$0.13 Per Each \$100.00 of Property Value; Authorize Execution of an Agreement with Downtown Fort Worth, Inc., in the Amount of \$522,250.00 to Manage the Public Improvement District; and Adopt Attached Appropriation Ordinance

(PUBLIC HEARING - a. Report of City Staff: Lacey Ruiz; 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 2023 tax year;
2. Adopt the attached ordinance (1) approving and adopting the fiscal year 2023-2024 budget in the amount of \$3,572,010.00, five-year service plan, assessment plan, and tax year 2023 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 2023 tax year at a rate of \$0.13 per each \$100.00 of property value (Service and Assessment Plan and Assessment Ordinance);
3. Direct the City Secretary to record a copy of the Service and Assessment Plan 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 \$522,250.00 to provide management of the improvements and services for the Downtown PID during fiscal year 2023-2024;
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 \$3,572,010.00, from available funds.

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 2023-2024 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 2023 tax year. Following the public hearing, it is recommended that the City Council take the following actions: (1) adopt the attached ordinances 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 fiscal year 2024 and the costs thereof are as follows:

Fiscal Year 2024 Budget

Improvements	Total Budgeted Cost
Management Fee	\$ 522,250.00
Utilities	\$ 10,000.00
Landscaping	\$ 140,000.00
Maintenance & Operations	\$ 1,272,300.00
Tree Lights	\$ 130,000.00
Security	\$ 10,700.00
Ambassador Program	\$ 724,200.00
Newsletter	\$ 12,500.00
Marketing & Research	\$ 424,600.00
Transportation & Planning	\$ 196,357.00
City Audit	\$ 3,000.00
City Administrative Fee	\$ 71,440.00
Contribution to Fund Balance	\$ 54,663.00

Total Expense	\$ 3,572,010.00
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The total budgeted costs of the improvements and services are \$3,572,010.00. Of this amount, \$2,970,608.00 will be funded by assessments collected on privately-owned parcels located in the Downtown PID by applying a rate of \$0.13. The remainder of the costs in the amount of \$601,402.00 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) \$156,007.00 in direct payments from the City for Payment In-Lieu of Services, (c) \$150,000.00 in revenues generated by Downtown PID activities.

For Fiscal Year 2022-2023 (tax year 2022) the Downtown PID levied an assessment of \$0.13 per \$100.00 of property value. The Downtown PID estimated net taxable value increased \$185,249,197.00, or 8.34%, allowing the assessment rate to remain at \$0.13 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 decreased commercial property values and 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 assumes a collection rate of 95%, to more accurately reflect the estimated revenues after the final impact of protested properties with the Downtown PID. This change effectively reduces projected revenues to accommodate for the levy variances due to protests at the appraisal district. City staff and Downtown Fort Worth Inc., will continue to monitor property values and the associated fund balance annually to ensure that the Downtown PID is in compliance with reserve levels over the duration of the five-year service plan term. Therefore, the recommended Fiscal Year 2023-2024 (tax year 2023) assessment rate is \$0.13 per \$100.00 of taxable property value.

On August 22, 2023, the City Council conducted a public hearing to receive comments on the proposed 2023-2024 Fiscal Year budget, five-year service plan, and 2023 assessments for the Downtown PID. Notice of the August 22, 2023, 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 10, 2023 in accordance with state law. The Downtown PID Advisory Board recommended approval of the budget.

Funding will be budgeted within the FWPID #1 - Downtown Fund for Fiscal Year 2024.

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 2024 Budget by the City Council, funds will be available in the Fiscal Year 2024 operating budget, as appropriated, in the FWPID #1 - Downtown Fund. Prior to any expenditure being incurred, the Economic Development Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: William Johnson 5806

Originating Business Unit Head: Robert Sturns 2663

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