

# Mayor and Council Communication

DATE: 09/13/22

M&C FILE NUMBER: M&C 22-0677

LOG NAME: 17ED PID18FY23

## **SUBJECT**

(ALL) Conduct Public Benefit Hearing for the Fort Worth Public Improvement District No. 18 - Tourism; Adopt Ordinance (1) Approving and Adopting the Fiscal Year 2022-2023 Budget, Five-Year Service Plan, Assessment Plan, and Assessment Roll, and (2) Levying Special Assessments for Fiscal Year 2022-2023; and Adopt 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 property located in the Fort Worth Public Improvement District 18 - Tourism for Fiscal Year 2022-2023;
2. Adopt the attached ordinance: (1) approving and adopting the fiscal year 2022-2023 budget in the amount of \$5,455,000.00, five-year service plan, assessment plan, and assessment roll (on file with the City Secretary) for the Tourism Public Improvement District; and (2) levying special assessments on property located within the Tourism Public Improvement District (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 the county in which the properties are located no later than the seventh (7th) day after adoption by the City Council;
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fort Worth Public Improvement District 18 - Tourism Fund for Fiscal Year 2022-2023 in the amount of 5,455,000.00, from available funds.

## **DISCUSSION:**

On August 29, 2017, the Mayor and City Council adopted Resolution No. 4837-08-2017, establishing the Fort Worth Public Improvement District No. 18, Tourism (Tourism PID). The City Council subsequently approved the expansion of the Tourism PID to include additional hotels on August 18, 2020 (Resolution No. 5264-08-2020), April 13, 2021 (Resolution No. 5382-04-2021), September 14, 2021 (Resolution No. 5467-09-2021), April 26, 2022 (Resolution No. 5561-04-2022), State law requires an annual report on the proposed budget and Five-Year Service Plan for the Tourism PID, which is attached.

The purpose of this benefit hearing is to receive comments from the public regarding the Fiscal Year 2022-2023 budget and five-year service plan for the Tourism PID and the proposed assessments to be levied on each property in the Tourism PID for the 2022-2023 fiscal 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 Tourism PID during Fiscal Year 2023 and the associated costs thereof are as follows:

### **Fiscal Year 2023 Budget**

<b>Improvements</b>	<b>Total Budgeted Costs</b>
Incentive & Sales Efforts	\$2,565,000.00
Marketing and Research (Promotion/Advertising)	\$1,890,000.00
Site Visits & Familiarization Tours	\$270,000.00
Cultural Enhancements through Marketing and promotion of the Arts	\$405,000.00
Operations & Administration	\$270,000.00
City Administrative Fee	\$55,000.00
<b>Total Expenses</b>	<b>\$5,455,000.00</b>

The total budgeted costs of the improvements and services are \$5,455,000.00, 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 recent recovery of hotel occupancy in the City of Fort Worth (City), City staff, the Fort Worth Tourism Public Improvement District

Corporation (FWTPIDC), and the Fort Worth Convention and Visitors Bureau (FWCVB) have projected an increase for next year's Tourism PID assessment revenue of 38.10%, or \$1,505,000.00, over the Fiscal Year 2021-2022 updated budget.

On August 23, 2022, the City Council conducted a public hearing to receive comments on the proposed Fiscal Year 2022-2023 budget, five-year service plan, and 2022 assessments for the Tourism PID (M&C 17ED PID18FY23 BENEFIT). Notice of the August 23, 2022, benefit hearing and this hearing were published in the *Fort Worth Star-Telegram* on August 12, 2022, and mailed to all hotel owners on record in the Tourism PID on August 12, 2022, 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 2022-2023.

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.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and the adoption of the Fiscal Year 2022-2023 Budget by the City Council, funds will be available in the Fiscal Year 2023 operating budget, as appropriated, in 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.

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

**Originating Business Unit Head:** Robert Sturns 2663

**Additional Information Contact:** Robert Sturns 2663

Expedited