

**To the Mayor and Members of the City Council**

**August 20, 2024**

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**SUBJECT: UPDATE ON FISCAL YEAR 2025 PROPOSED BUDGETS FOR OPERATING PIDS AND TOURISM PID**

This Informal Report provides an update to the Mayor and City Council on the proposed budget for Operating and Tourism Public Improvement Districts (PIDs) which are on the August 27, 2024 and September 17, 2024 agendas for your consideration.

**Background Information**

A Public Improvement District (PID) is a defined geographical area established to provide specific types of improvements or maintenance, which are financed by assessments against the property owners within the area.

The City of Fort Worth Economic Development Department administers the City’s PIDs in accordance with Chapter 372 of the Texas Local Government Code. Economic Development has proactively worked with the PID managers and boards to review proposed FY2025 budgets and assessment rates.

**Proposed Budgets and Rates**

Below is a summary of the recommended FY2025 budget and assessment rate for each Operating/Tourism PID:

**PID Rates:**

PID	FY24 Rate	FY25 Proposed Rate	Increase / (Decrease)
PID 1 Downtown	0.130	0.130	-
PID 6 Park Glen - Residential	0.155	0.155	-
PID 6 Park Glen - Commercial	0.035	0.035	-
PID 7 Heritage - Residential	0.145	0.145	-
PID 7 Heritage - Commercial	0.110	0.110	-
PID 11 Stockyards	0.120	0.120	-
PID 12 Chapel Hill	0.180	0.140	0.040
PID 14 Trinity Bluff	0.100	0.100	-
PID 15 Sun Valley	0.240	0.240	-
PID 19 Historic Camp Bowie	0.100	0.100	-
PID 20 E Lancaster	0.266	0.266	-
PID 21 Las Vegas Trail	0.100	0.100	-
PID 18 Tourism	2% of revenues received from hotel room		

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PID 12 – Chapel Hill is decreasing their rate by \$.04 due to growth in net taxable value equal to 44.77% and their projected fund balance over their financial reserves in the amount of \$275,886.00.

All other PID rates remain the same as the previous year.

City staff recommends rates based on expenditure need, prior year history, unreserved fund balance, and growth in assessment revenue. PID Advisory Boards vote on recommendation of management and staff; subject to final approval by the City Council.

In order to address future budgetary needs, revisions to PID budgets will be reviewed at mid-year and any additional utilization of fund balance will be determined at that time.

**PID Revenue:**

PID	FY24 Budgeted Revenue	FY25 Estimated Revenue	Total \$ Increase/ Decrease	Percentage Increase/ Decrease
PID 1 - Downtown	\$ 2,970,608	\$ 3,001,274	\$ 30,666	1.03%
PID 6 - Park Glen	\$ 2,185,323	\$ 2,320,056	\$ 134,733	6.17%
PID 7 - Heritage	\$ 2,020,700	\$ 2,142,508	\$ 121,808	6.03%
PID 11 - Stockyards	\$ 458,777	\$ 444,145	\$ (14,632)	-3.19%
PID 12 - Chapel Hill	\$ 373,983	\$ 421,111	\$ 47,128	12.60%
PID 14 - Trinity Bluff	\$ 102,766	\$ 123,738	\$ 20,972	20.41%
PID 15 - Sun Valley	\$ 155,417	\$ 167,346	\$ 11,929	7.68%
PID 18 - Tourism	\$ 7,000,000	\$ 7,400,000	\$ 400,000	5.71%
PID 19 - Historic Camp Bowie	\$ 497,673	\$ 490,760	\$ (6,913)	-1.39%
PID 20 - E Lancaster	\$ 333,704	\$ 349,293	\$ 15,589	4.67%
PID 21 - Las Vegas Trail	\$ 414,168	\$ 400,879	\$ (13,289)	-3.21%

- PID 1 – The estimated net taxable value rose by \$90,511,018, or 3.76%, enabling the assessment rate to stay at \$0.013 to sustain current service levels. City Staff recommends reducing revenue by 7.5% to help bring the fund balance into compliance.
- PID 6 and 7 - The PID Advisory Board and City Management request maintaining the current rate due to rising project costs, recent emergency repairs, and upcoming expenses, including new insurance costs.
- PID 12 - Reduced rate by \$0.04, despite adding 168 new accounts; PID eligible maintained areas remain unchanged. The PID footprint includes more than 50% undeveloped land, which will be incorporated into future plans over the coming years.

**Petition to Expand TPID:**

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Section 372.0121 of the Local Government Code 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 code 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 hotel property to be included in the Tourism PID is:

- a. Trinity Uptown (Avid Hotel), 320 Samuels Ave., Fort Worth, Texas 76102

This results in an increase to 83.25% of the appraised value of taxable real property liable for assessment, 70.32% for the area of all taxable real property liable for assessment, and 67.24% of record owners liable for assessment. Because the percentages are still above the 60.00% threshold, the property meets the requirements of the Local Government Code.

If you have any questions, please call Robert Sturns, Director of Economic Development Department, at 817-392-2663.

**David Cooke**  
**City Manager**