

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE APPROVING AND ADOPTING THE FISCAL YEAR 2021-2022 BUDGET, SIX-YEAR SERVICE PLAN, ASSESSMENT PLAN, AND ASSESSMENT ROLL (TO BE KEPT ON FILE WITH THE CITY SECRETARY) FOR PUBLIC IMPROVEMENT DISTRICT 18 - TOURISM; LEVYING SPECIAL ASSESSMENTS FOR THE COSTS OF CERTAIN IMPROVEMENTS AND SERVICES BENEFITTING PROPERTIES IN PUBLIC IMPROVEMENT DISTRICT 18 – TOURISM DURING FISCAL YEAR 2021-2022; SETTING CHARGES AND LIENS AGAINST PROPERTY IN THE DISTRICT AND AGAINST THE OWNERS THEREOF; PROVIDING FOR THE COLLECTION OF THE SPECIAL ASSESSMENTS; PROVIDING FOR DUE DATES, PENALTIES, AND INTEREST; PROVIDING FOR RELIANCE ON ORDINANCE AND RECITALS IN EVENT OF A SUIT; PROVIDING A SEVERABILITY CLAUSE; PROVIDING THAT ORDINANCE IS CUMULATIVE OF ALL NON-CONFLICTING PRIOR ORDINANCES; AND PROVIDING AN EFFECTIVE DATE.**

**WHEREAS**, Chapter 372 of the Texas Local Government Code (“Code”) authorizes the creation of a public improvement district consisting of non-contiguous territory in which is located hotels meeting certain criteria, with owners/operators of such hotel properties being subject to assessment to pay for the services and benefits provided by the district;

**WHEREAS**, on August 29, 2017, the City Council of the City of Fort Worth (“City Council”) adopted Resolution No. 4837-08-2017, establishing Public Improvement District No. 18 - Tourism (“PID”) in accordance with Section 372.0035 and other applicable sections of the Code;

**WHEREAS**, on August 18, 2020, the City Council adopted Resolution No. 5264-08-2020 to expand the PID to include five additional hotels;

**WHEREAS**, on April 13, 2021, the City Council adopted Resolution No. 5382-04-2021 to further expand the PID to include three additional hotels;

**WHEREAS**, on September 14, 2021, the City Council adopted a Resolution to further expand the PID to include one additional hotel (M&C 21-0636);

**WHEREAS**, Section 372.013 of the Act, as recently amended by the 87<sup>th</sup> Texas Legislature through House Bill No. 1543 (effective September 1, 2021), requires the City Council to annually review and adopt an ordinance approving the Service Plan (“Service Plan”) for the District;

**WHEREAS**, Sections 372.013 and 372.014 of the Act require the annual Service Plan to (i) cover a period of at least five years; (ii) define the annual indebtedness and the projected costs for improvements; (iii) include an Assessment Plan (“Assessment Plan”); and (iv) include a copy of the notice form required by Section 5.014 of the Texas Property Code (the Service Plan and Assessment Plan are collectively referred to herein as the “Service and Assessment Plan”);

**WHEREAS**, City Council must review the proposed fiscal year 2021-2022 Service Plan and hold a public hearing to receive comments and pass on any objections to the Assessment Plan raised by any owner of

property located within the District and, at the conclusion of the hearing, levy an assessment for the purpose of providing supplemental services and improvements for the PID;

**WHEREAS**, the Service and Assessment Plan is attached hereto as Exhibit A and incorporated herein for all purposes;

**WHEREAS**, City Council desires to approve and adopt the fiscal year 2021-2022 Assessment Roll that was filed with the City Secretary and subject to public inspection in the City's official records prior to the public hearings set forth below ("Assessment Roll");

**WHEREAS**, the total budgeted cost of the improvements and services in the Service Plan for fiscal year 2021-2022 will be funded by special assessments on the owners/operators of PID hotels with 100 or more rooms, with such assessments being in an amount equal to two percent of revenues that the hotels receive from taxable hotel room night charges and with the names of such hotels being listed in Exhibit B, which is attached hereto and hereby made a part of this Ordinance for all purposes (such properties hereinafter being referred to as "**Hotel Parcels**" and the hotels located thereon being referred to as "**Qualifying Hotels**");

**WHEREAS**, the Texas Comptroller of Public Accounts has indicated that 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 (Texas Comptroller Opinion Letter 201111277L, November 8, 2011);

**WHEREAS**, it is proposed that the owners/operators of the Hotel Parcels located in the PID be assessed at a rate of two percent (2%) of the consideration received from occupancy of any sleeping room furnished by Qualifying Hotels, which assessments shall 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;

**WHEREAS**, the Service and Assessment Plan were previously presented in public hearings conducted by the City Council beginning at 7:00 p.m. on September 14, 2021 (M&C 21-0637) and at 7:00 p.m. on September 21, 2021 in the City Council Chambers in City Hall in the City of Fort Worth, Texas ("**Public Hearings**"); and

**WHEREAS**, notice of the Public Hearings was published and mailed in accordance with state law, and all persons desiring to be heard were given a full and fair opportunity to be heard at the Public Hearing.

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

### **SECTION 1.**

The Public Hearings are hereby closed, and any and all protests and objections, whether herein enumerated or not, are hereby overruled. The Recitals and findings listed above are true and correct and form the basis upon which this Ordinance is being adopted and are incorporated herein by reference.

## **SECTION 2.**

The City Council hereby approves and adopts the Service and Assessment Plan and Assessment Roll. In doing so, the City Council finds that the supplemental services and improvements set forth in the Service Plan are feasible and advisable and will serve the needs and desires of the property owners in the PID.

## **SECTION 3.**

The City Council, from all evidence before it, including all information provided to it and considered in the Public Hearings, finds that the assessments described herein on Hotel Parcels should be made and levied in a manner that results in imposing the costs of the Services on Qualifying Hotels that are similarly benefitted from the provision of those Services. The apportionment of those costs will be based on the special benefits accruing to the Qualifying Hotels on account of the Services provided. As a result, those Qualifying Hotels that sell more guest rooms will pay a greater portion of the costs of the Services because those properties will have received a greater benefit from the promotions and marketing comprising the Services. The City Council further finds that this method of assessment is fair and equitable and results in an apportionment of the costs of the Services that complies with applicable law.

## **SECTION 4.**

In accordance with Section 372.017, Texas Local Government Code, in order to pay the costs of the improvements and services in the Service Plan provided during Fiscal Year 2021-2022, effective October 1, 2021 the City hereby levies a special assessment against owners/operators of the Hotel Parcels in an amount equal to two percent (2%) of the consideration received from the occupancy of any sleeping room furnished by Qualifying Hotels, which assessments shall 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.

## **SECTION 5.**

The assessments levied hereunder, together with reasonable attorney's fees and cost of collection, if incurred, are hereby declared to be and are made a lien upon the Hotel Parcels and Qualifying Hotels, and are a personal liability and charge against the real and true owners of such properties, whether such owners are correctly named herein or not. Such liens shall be and constitute the first enforceable lien and claim against the Hotel Parcels and Qualifying Hotels, superior to all other liens and claims, except state, county, school district and city ad valorem taxes. A copy of this Ordinance may be filed with the County Clerk of each county in which a Hotel Parcel and Qualifying Hotel are located, and when so filed shall constitute complete and adequate legal notice to the public concerning the liens hereby assessed against the respective parcels of property and the owners thereof.

The sums assessed against the Hotel Parcels are due at the same time that hotel occupancy taxes on the Qualifying Hotels located thereon become due, and become delinquent if not paid by the applicable deadlines for hotel taxes remittance established by Chapter 32, Article II of the City Code. The entire amount assessed against each Hotel Parcel shall bear penalty and interest, from and after the

respective due date at the same rate as prescribed Chapter 32, Article II of the City Code, for hotel tax.

**SECTION 6.**

If default is made in the payment of any assessments, collection thereof may be enforced by suit in any court of competent jurisdiction, and said City may exercise all of its lawful powers to aid in the enforcement and collection of said assessments.

**SECTION 7.**

The total amount assessed against the respective parcels of property and the owners thereof is in accordance with the proceedings of the City hereto and is permitted by applicable law.

**SECTION 8.**

Full power to make and levy reassessments and to correct mistakes, errors, invalidities, or irregularities in the assessments are, in accordance with the law in force in this City, vested in the City.

**SECTION 9.**

In any suit upon any assessment or reassessment, it shall be sufficient to allege the substance of the provision recited in this Ordinance and that the Recitals hereto are in fact true, and further allegations with reference to the proceedings relating to such assessment and reassessment shall not be necessary.

**SECTION 10.**

Should any portion, section, or part of a section of this Ordinance be declared invalid, inoperative or void for any reason by a court of competent jurisdiction, such decision, opinion, or judgment shall in no way impair the remaining portions, sections, or parts of sections of this Ordinance, which shall remain in full force and effect.

**SECTION 11.**

This Ordinance shall be cumulative of all other ordinances and appropriations amending the same except in those instances where the provisions of this Ordinance are in direct conflict with such other ordinances and appropriations, in which instance said conflicting provisions of said prior ordinances and appropriations are hereby expressly repealed.

**SECTION 12.**

The City Secretary is directed to cause a copy of this Ordinance to be recorded in the real property records of each county in which a Hotel Parcel and Qualifying Hotel are located, no later than the seventh (7<sup>th</sup>) day after the adopted date of this Ordinance.

**SECTION 13.**

This Ordinance takes effect and will be in full force and effect from and after the date of its passage.

**AND IT IS SO ORDAINED.**

**APPROVED AS TO FORM AND LEGALITY:**

**ATTEST:**

\_\_\_\_\_  
Tyler F. Wallach  
Assistant City Attorney

\_\_\_\_\_  
Ronald P. Gonzales  
Acting City Secretary

M&C: \_\_\_\_\_

Adopted: September 21, 2021

**EXHIBIT "A"**  
**SERVICE AND ASSESSMENT PLAN**

City of Fort Worth  
Six Year Service Plan  
Public Improvement District No. 18 - Tourism

	<u>FY21/22</u>	<u>FY22/23</u>	<u>FY23/24</u>	<u>FY24/25</u>	<u>FY25/26</u>	<u>FY26/27</u>
<b>REVENUES</b>						
PID Assessments	\$ 3,950,000	\$ 4,345,000	\$ 4,562,250	\$ 4,790,363	\$ 4,958,026	\$ 5,131,557
<b>Total Funds Available for Use</b>	<b>\$ 3,950,000</b>	<b>\$ 4,345,000</b>	<b>\$ 4,562,250</b>	<b>\$ 4,790,363</b>	<b>\$ 4,958,026</b>	<b>\$ 5,131,557</b>
<b>EXPENSES</b>						
Incentives & Sales Efforts	\$ 1,850,125	\$ 2,037,750	\$ 2,140,944	\$ 2,249,297	\$ 2,328,937	\$ 2,411,365
Marketing and Research (Promotion/ Advertising)	1,363,250	1,501,500	1,577,538	1,657,377	1,716,059	1,776,795
Site Visits & Familiarization Tours	194,750	214,500	225,363	236,768	245,151	253,828
Cultural Enhancements through Marketing and promotion of the Arts	292,125	321,750	338,044	355,152	367,727	380,742
Operations & Administration	194,750	214,500	225,361	236,769	245,152	253,827
City Administrative Fee	55,000	55,000	55,000	55,000	55,000	55,000
<b>Total Budgeted Expenses</b>	<b>\$ 3,950,000</b>	<b>\$ 4,345,000</b>	<b>\$ 4,562,250</b>	<b>\$ 4,790,363</b>	<b>\$ 4,958,026</b>	<b>\$ 5,131,557</b>
Contribution to Fund Balance	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 3,950,000</b>	<b>\$ 4,345,000</b>	<b>\$ 4,562,250</b>	<b>\$ 4,790,363</b>	<b>\$ 4,958,026</b>	<b>\$ 5,131,557</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<i>Fund Balance, Beginning of Year Estimated</i>	2,834,045	2,834,045	2,834,045	2,834,045	2,834,045	2,834,045
<i>Estimated Fund Balance, End of Year</i>	2,834,045	2,834,045	2,834,045	2,834,045	2,834,045	2,834,045
Reserve Requirement	724,312	760,527	798,554	826,503	855,431	855,431
<b>Over (Under) Reserve</b>	<b>\$ 2,109,733</b>	<b>\$ 2,073,518</b>	<b>\$ 2,035,491</b>	<b>\$ 2,007,542</b>	<b>\$ 1,978,614</b>	<b>\$ 1,978,614</b>

## **Assessment Plan**

The total budgeted costs of the Services will be funded by special assessments on the owners/operators of Tourism PID hotels with 100 or more rooms, with such assessments being in an amount equal to two percent of the consideration received from occupancy of any sleeping room furnished by qualifying hotels. The assessments will 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. The current names and addresses of the qualifying hotels that are subject to assessment, along with the ordinance levying such assessments, are on file with the City Secretary of the City of Fort Worth.

**Notice Form for Hotel Properties**

**NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT  
TO THE CITY OF FORT WORTH, TEXAS  
CONCERNING THE FOLLOWING HOTEL PROPERTY  
(insert property address)**

As the purchaser of the real property described above, you are obligated to pay assessments to the City of Fort Worth, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Services") undertaken for the benefit of the property within Fort Worth Public Improvement District No. 18 - Tourism (the "District") created under Subchapter A, Chapter 372, Local Government Code.

**AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED SERVICES, WHICH MUST BE PAID IN FULL WITH EVERY PAYMENT BY THE HOTEL OF LOCAL HOTEL OCCUPANCY TAX REMITTANCES TO THE MUNICIPALITY. YOUR FAILURE TO PAY THE ASSESSMENT MAY RESULT IN PENALTIES AND INTEREST BEING ADDED TO WHAT YOU OWE, AND MAY INCLUDE THE PURSUIT OF ANY OTHER REMEDY THAT IS AUTHORIZED UNDER SECTION 372.0035(d), LOCAL GOVERNMENT CODE.**

Information about the calculation of the assessment may be obtained from the City of Fort Worth, Texas. The exact assessment rate will be approved each year by the Fort Worth City Council in the annual service plan update for the District. More information about the assessments, including the assessment rate and due dates, may be obtained from the City Secretary. The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Purchaser



**EXHIBIT B**  
**QUALIFYING HOTELS IN THE TOURISM PID**

**Tourism PID Hotels**

Account Name	Address	City, State, Zip	RMS
AC Hotel Fort Worth - Downtown	610 Main St	Fort Worth, TX 76102	252
Aloft Downtown Fort Worth	300 Throckmorton	Fort Worth, TX 76102	180
American Airlines Training and Conference Center	4601 State Hwy 360	Fort Worth, TX 76155	299
Autograph Collection Downtown Fort Worth	512 Main St.	Fort Worth, TX 76102	165
Budget Suites of America - Fossil Creek	3500 NE Loop 820	Fort Worth, TX 76137	366
Candlewood Suites - DFW South	4200 Reggis Drive	Fort Worth, TX 76155	174
Courtyard by Marriott - Alliance	3001 Amador Dr.	Fort Worth, TX 76244	127
Courtyard by Marriott - Blackstone	609 Main Street	Fort Worth, TX 76102	203
Courtyard by Marriott - Fossil Creek	3751 NE Loop 820	Fort Worth, TX 76137	154
Courtyard by Marriott - Stockyards	2537 Main St.	Fort Worth, TX 76164	124
Courtyard by Marriott - University Drive	3150 Riverfront	Fort Worth, TX 76107	130
Courtyard by Marriott - West at Cityview	6400 Overton Ridge Boulevard	Fort Worth, TX 76132	104
Dalworth Inn	812 E. Felix Street	Fort Worth, TX 76115	120
DFW Airport Marriott South	4151 Centreport Boulevard	Fort Worth, TX 76155	295
DFW Marriott Hotel and Golf Club at Champions Circle	3300 Championship Pkwy	Fort Worth, TX 76177	286
Embassy Suites Hotel - Downtown Fort Worth	600 Commerce Street	Fort Worth, TX 76102	156
Extended Stay America - City View	5065 Bryant Irvin Rd	Fort Worth, TX 76132	104
Fairfield Inn & Suites Downtown	1010 Houston	Fort Worth, TX 76102	110
Fairfield Inn & Suites Fossil Creek	3701 NE Loop 820	Fort Worth, TX 76137	106
Hampton Inn and Suites - West/1-30	2700 Green Oaks	Fort Worth, TX 76116	105
Hampton Inn and Suites - DFW South	4201 Reggis Court	Fort Worth, TX 76155	116
Hampton Inn and Suites Downtown Fort Worth	1001 Commerce St.	Fort Worth, TX 76102	245
Hilton Fort Worth	815 Main Street	Fort Worth, TX 76102	294
Hilton Garden Inn - Fort Worth Alliance Airport	2600 Westport Parkway	Fort Worth, TX 76177	127
Hilton Garden Inn - Medical Center	912 Northton Street	Fort Worth, TX 76104	157
Holiday Inn - DFW Airport South	14320 Centre Station Road	Fort Worth, TX 76155	143

Holiday Inn Express - Downtown	1111 W Lancaster	Fort Worth, TX 76102	132
Holiday Inn North - Fossil Creek	4635 Gemini Place	Fort Worth, TX 76106	126
Home2 Suites by Hilton - Cultural District	3000 & 3012 W Lancaster Ave	Fort Worth, TX 76107	114
Homewood Suites - Fossil Creek	3701 Tanacross	Fort Worth, TX 76137	137
Homewood Suites - Medical Center	2200 Charlie Lane	Fort Worth, TX 76104	157
Hotel Drover, Autograph Collection	200 Mule Alley Drive	Fort Worth, TX 76164	200
Hyatt Place - Alliance Town Center	3201 Alliance Town Center	Fort Worth, TX 76177	130
Hyatt Place - Cityview	5900 Cityview Street	Fort Worth, TX 76132	127
Hyatt Place - Stockyards	132 E Exchange	FortWorth, TX 76164	100
Hyatt Place - TCU	2500 West Berry Street	Fort Worth, TX 76109	127
Kimpton Hotel	714 Main St	Fort Worth, TX 76102	232
La Quinta Inn and Suites - Fort Worth North	2501 Polaris Dr	Fort Worth, TX 76137	133
La Quinta Inn and Suites - Southwest	6100 Overton Ridge	Fort Worth, TX 76132	128
Omni Fort Worth Hotel	1300 Houston	Fort Worth, TX 76102	614
Quality Inn and Suites - Cattle Baron	2700 S Cherry Lane	Fort Worth, TX 76116	109
Radisson - Fort Worth South Hotel	100 Alta Mesa East	Fort Worth, TX 76134	247
Radisson Hotel - Fort Worth Fossil Creek	2540 Meacham Street	Fort Worth, TX 76106	247
Residence Inn - Alliance Airport	13400 North Freeway	Fort Worth, TX 76177	111
Residence Inn - Cultural District	2500 Museum Way	Fort Worth, TX 76107	150
Residence Inn - Fossil Creek	5801 Sandshell Drive	Fort Worth, TX 76137	114
Residence Inn - Waterside	5825 Arborlawn Drive	Fort Worth, TX 76109	119
Sandman Signature Hotel	810 Houston Street	Fort Worth, TX 76102	240
Sheraton Fort Worth Hotel and Spa	1601 Commerce Street	Fort Worth, TX 76102	429
SpringHill Suites by Marriott - Stockyards	2315 N Main St	Fort Worth, TX 76164	170
SpringHill Suites by Marriott - University	3250 Lovell Street	Fort Worth, TX 76107	145
Stay Express Hotel Fort Worth	2000 Beach Street	Fort Worth, TX 76103	168
TownePlace Suites Downtown	801 E Belknap	Fort Worth, TX 76102	140
TownePlace Suites University	3450 W Vickery	Fort Worth, TX 76107	128
WoodSpring Suites Fort Worth	3501 NE Loop 820	Fort Worth, TX 76137	121

Worthington Renaissance Hotel	200 Main Street	Fort Worth, TX 76102	504
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