

To the Mayor and Members of the City Council

August 19, 2025

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**SUBJECT: UPDATE ON FISCAL YEAR 2026 PROPOSED BUDGETS FOR
OPERATING, CAPITAL, AND TOURISM PUBLIC IMPROVEMENT
DISTRICTS (PIDS)**

This Informal Report provides an update to the Mayor and City Council on the proposed FY2026 budgets for Operating, Capital, and Tourism Public Improvement Districts (PIDs). The proposed budgets are scheduled to come before City Council for consideration on August 26, 2025, and September 16, 2025.

Background Information

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

The City of Fort Worth FWLab administers the City's PIDs in accordance with Chapter 372 of the Texas Local Government Code. The FWLab has analyzed changes in taxable property values and proactively worked with the PID managers and boards to prepare proposed FY2026 budgets and assessment rates.

Proposed Revenue and Rates

Below is a summary of the recommended FY2026 revenue and assessment rate for each Operating/Capital/Tourism PID:

PID Rates (Operating and Tourism PID):

PID	FY25 Rate	FY26 Proposed Rate	Increase / (Decrease)
PID 1 Downtown	0.130	0.125	(0.005)
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	0.125	0.015
PID 11 Stockyards	0.120	0.120	-
PID 12 Chapel Hill	0.140	0.140	-
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 hotel room revenue		

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Capital PID Assessment Summary:

Capital PIDs levy fixed, benefit-based assessments as defined in their adopted Service and Assessment Plans (SAPs). Each improvement area within a capital PID has a maximum assessment amount per its applicable Service and Assessment Plan (SAP); assessment amounts are set to collect only the revenue needed to meet that obligation (including principal, interest, additional interest for reserves if applicable, and administrative costs) less available fund balances, if any. Assessments are levied on properties within an improvement area based on the special benefit allocation method described in the applicable SAP (e.g., estimated buildout value of each lot). Assessments remain in place until the total authorized assessment amount is paid in full.

PID 1 – Downtown is reducing its rate by \$0.005, supported by a 7.77% increase in net taxable value and the ability to maintain current service levels. City staff and Downtown Fort Worth, Inc. will continue to monitor property values and fund balance annually to ensure the Downtown PID remains in compliance with reserve requirements throughout the five-year service plan term.

PID 7 – Heritage is increasing its commercial rate by \$0.015 due to minimal net taxable value growth of 0.043%, significant expenditures required to address a slope failure, and a limited fund balance. A benefit/expense ratio analysis was conducted to maintain the proportional share of taxes paid to benefits received between residential and commercial ratepayers.

All other PID rates remain at FY2025 adopted rates.

City staff, in collaboration with the PID management companies and advisory boards, recommends assessment rates based on expenditure needs, prior-year trends, available unreserved fund balance, and projected growth in assessment revenue. PID advisory boards vote on the joint recommendation of management and staff, with final rates subject to City Council approval.

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.

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PID Revenue:

PID	FY25 Budgeted Revenue	FY26 Estimated Revenue	Total \$ Increase/ Decrease	Percentage Increase/ Decrease
PID 1 - Downtown	\$ 3,001,274	\$ 3,194,222	\$ 192,948	6.43%
PID 6 - Park Glen	\$ 2,320,056	\$ 2,281,595	\$ (38,461)	-1.66%
PID 7 - Heritage	\$ 2,142,508	\$ 2,161,087	\$ 18,579	0.87%
PID 11 - Stockyards	\$ 444,145	\$ 551,398	\$ 107,253	24.15%
PID 12 - Chapel Hill	\$ 421,111	\$ 483,864	\$ 62,753	14.90%
PID 14 - Trinity Bluff	\$ 123,738	\$ 113,141	\$ (10,597)	-8.56%
PID 15 - Sun Valley	\$ 167,346	\$ 194,629	\$ 27,283	16.30%
PID 18 - Tourism	\$ 7,750,000	\$ 7,750,000	\$ -	0.00%
PID 19 - Historic Camp Bowie	\$ 490,760	\$ 551,418	\$ 60,658	12.36%
PID 20 - E Lancaster	\$ 349,293	\$ 371,652	\$ 22,359	6.40%
PID 21 - Las Vegas Trail	\$ 400,879	\$ 374,402	\$ (26,477)	-6.60%

NOTES:

- **PID 6 – Park Glen:** The estimated net taxable value decreased by \$20,030,230 (-1.49%), primarily due to declines in the commercial sector. As a result, projected assessment revenue for FY2026 is \$38,461 lower than FY2025
- **PID 11 – Stockyards:** Revenue increase is due to higher commercial taxable value and a reduction in the amount of value under protest compared to FY2025
- **PID 12 – Chapel Hill:** Revenue increase is driven by the addition of eight new accounts to the tax roll and fewer incomplete property reviews by the appraisal district compared to FY2025
- **PID 14 – Trinity Bluff; and PID 21 – Las Vegas Trail:** Both PIDs experienced an overall decline in taxable value, resulting in reduced projected revenues for FY2026
- **PID 15 – Sun Valley:** Revenue increase is attributed to growth in commercial taxable value by 17%
- **PID 19 – Historic Camp Bowie:** Revenue increase is driven by an increase in commercial taxable value by 13%
- **PID 18 – Tourism PID:** FY2025 TPID revenues are estimated at approximately \$7.4 million, with projected growth of 4.7% in FY2026, bringing estimated revenues to \$7.7 million. This increase is driven by continued strength in the group/convention and sports segments, along with the anticipated economic impact of hosting the FIFA World Cup. While some softening in transient demand has been observed, the strength of committed citywide events is expected to offset this and support sustained year-over-year gains. Despite projected revenue growth, the TPID rate is recommended to remain flat in both FY2025 and FY2026. In FY2025, a higher revenue estimate was intentionally adopted to allow for greater operational flexibility. This approach ensures that if collections exceed projections, the City is not restricted by purchasing authority in disbursing funds to Visit Fort Worth, enabling timely payments in alignment with the terms of the existing agreement

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Walsh Ranch/Quail Valley FY26 Revenue:

Improvement Area	Assessment Revenue	Fund Balance	Total
No. 1	\$425,690.00	\$18,000.00	\$443,690.00
No. 2	\$350,518.00	\$18,000.00	\$368,518.00
No. 3	\$762,723.00	\$18,000.00	\$780,723.00
Total:	\$1,538,931.00	\$54,000.00	\$1,592,931.00

Rock Creek FY26 Revenue:

	Assessment Revenue	Fund Balance	Total
Major Improvements Assessment	\$1,189,498.87	\$46,000.00	\$1,235,498.87
Roadway Improvements Assessment Area	\$489,437.92	\$14,000.00	\$503,437.92
Totals			\$1,738,936.79

Petition to Expand TPID:

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) a sufficient number of record owners of both existing and newly proposed properties in the district consent to the inclusion either by having signed the original petition or by signing a new petition or written consent. The code requires, for purposes of determining sufficiency, that the consenting owners meet the following thresholds at the time of the proposed addition, based on the current appraisal roll: (1) record owners of taxable real property liable for assessment that constitute more than 60% of the appraised value, and (2) more than 60% of either (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% threshold, the properties may not be added.

The hotel property to be included in the Tourism PID is:

- a. The Nobleman Hotel, 503 Bryan Ave., Fort Worth, Texas 76104

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This results in an increase to 85.78% of the appraised value of taxable real property liable for assessment, 72.71% for the area of all taxable real property liable for assessment, and 68.33% of record owners liable for assessment. Because the percentages are still above the 60% threshold, the property meets the requirements of the Local Government Code.

If you have any questions, please call Brady Kirk, Assistant Director of The FWLab, at 817-392-8712.

Jesus "Jay" Chapa
City Manager