

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 04/22/25M&C FILE NUMBER: M&C 25-0364

LOG NAME: 17PID01 MIDYEAR FY25

SUBJECT

(CD 9) Adopt Ordinance Amending the Public Improvement District 1 - Downtown Fiscal Year 2024-2025 Adopted Budget and Five-Year Service Plan and Adopt Appropriation Ordinances

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance amending Public Improvement District 1-Downtown Fiscal Year 2024-2025 Adopted Budget and Five-Year Service Plan for Public Improvement District 1-Downtown to reflect amendments associated with a mid-year review and direct the City Secretary to record the same in the real property records of Tarrant County, Texas no later than the seventh (7<sup>th</sup>) day after adoption by the City Council;
2. Adopt the attached appropriation ordinance reallocating estimated receipts and appropriations in the Park & Recreation Department of the General Fund by decreasing appropriations in the General Operating & Maintenance category in the amount of \$20,887.00, and increasing appropriations in the Transfers & Other category by the same amount, for the purpose of funding the Fort Worth Public Improvement District 1-Downtown Fund for the Payment In-Lieu of Services;
3. Adopt the attached appropriation ordinance reallocating estimated receipts and appropriations in the Economic Development Department of the General Fund by decreasing appropriations in the General Operating & Maintenance category in the amount of \$300.00, and increasing appropriations in the Transfers & Other category by the same amount, for the purpose of funding the Fort Worth Public Improvement District 1-Downtown Fund for the Payment In-Lieu of Assessments; and
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fort Worth Public Improvement District 1-Downtown Fund in the amount of \$21,187.00, 1) \$20,887.00 transferred from Park and Recreation Department within the General Fund for the purpose of funding Payment In-Lieu of Services and, 2) \$300.00 transferred from the Economic Development Department within the General Fund, for purpose of funding Payment In-Lieu of Assessments.

DISCUSSION:

The City of Fort Worth's Department of Economic Development administers the City's Public Improvement Districts (PIDs). The City's PID Policy outlines the need to proactively work with the City's PID management companies to oversee the services being provided within each of the PIDs. PID 1 – Downtown (Downtown PID) is managed by Downtown Fort Worth Inc., (DFWI).

On September 17, 2024, City Council adopted Ordinance No. 27156-09-2024, approving the Fiscal Year (FY) 2024-2025 Budget, Five-Year Service Plan, Assessment Plan, and Tax Year 2024 Assessment Roll for the Downtown PID. After conducting a mid-year review of the Downtown PID's budget, City staff and DFWI has identified the need to increase Downtown PID's (City of Fort Worth) allocations by \$21,187.00 to account for 1) \$20,887.00 of additional payment in-lieu of services and 2) \$300.00 of additional City payment in-lieu of assessments. Expenditure adjustments are primarily attributable to increases in tree lights, fees for the ambassador lease for a storage unit to hold their equipment, marketing & research, and changes within the maintenance and operations umbrella, which include an increase in beautification and a decrease in street sweeping services. The decrease in street sweeping services is due to the Ambassadors now providing daily sidewalk cleaning.

Two line items listed on the Five-Year Service Plan require a transfer of City funds: (1) the City Payment In-Lieu of Services and (2) the City of Fort Worth (COFW) Assessment. The City's Payment In-Lieu of Services is a supplement to the PID budget and intended to provide for the standard level of improvements and services as comparable to what would be provided by the City for the taxpayers generally. The City of Fort Worth payment in-lieu of Assessment is an allocation to the PID budget for assessments the City would pay on City-owned properties in the Downtown PID, if the City was not a tax-exempt entity.

Revenue Adjustments:

Line Items to be Adjusted	Previously Approved FY25 Budget Item	Recommended Mid-Year Adjustment	Amended FY25 Budget Item
PID Assessments	\$3,001,274.00	\$0.00	\$3,001,274.00
COFW Payment in lieu of Services	\$156,431.00	\$20,887.00	\$177,318.00

COFW Assessment	\$366,346.00	\$300.00	\$366,646.00
PID Generated Revenue	\$90,000.00	\$0.00	\$90,000.00
Totals	\$3,614,051.00	\$21,187.00	\$3,635,238.00

Expenditure Adjustments:

Line Items	Previously Approved FY25 Budget Item	Recommended Mid-Year Adjustment	Amended FY25 Budget Item
Management Fee	\$593,750.00	\$0.00	\$593,750.00
Utilities	\$12,500.00	\$0.00	\$12,500.00
Landscaping	\$125,000.00	\$0.00	\$125,000.00
Maintenance & Operations	\$1,330,970.00	(\$16,113.00)	\$1,314,857.00
Tree Lights	\$50,000.00	\$10,000.00	\$60,000.00
Security	\$13,200.00	\$0.00	\$13,200.00
Ambassador Program	\$647,000.00	\$17,000.00	\$664,000.00
Newsletter	\$9,000.00	\$0.00	\$9,000.00
Marketing & Research	\$510,200.00	\$10,000.00	\$520,200.00
Transportation & Planning	\$222,100.00	\$0.00	\$222,100.00
City Audit	\$3,000.00	\$0.00	\$3,000.00
City Administrative Fee	\$72,281.00	\$0.00	\$72,281.00
Contribution to Fund Balance	\$25,050.00	\$300.00	\$25,350.00
Totals	\$3,614,051.00	\$21,187.00	\$3,635,238.00

Upon approval of the above recommendations, the total budgeted expenses for FY 2024-2025 will be \$3,635,238.00. The revised Budget and Five-Year Service Plan will take effect upon approval by City Council. The City and DFWI will amend the existing management contract to reflect the mid-year adjustments (City Secretary Contract No. 62237).

The Downtown PID is located in COUNCIL DISTRICT 9.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the General Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the FWPID #1 - Downtown Fund. Prior to an expenditure being incurred, the Economic Development Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by:    Jessica McEachern    5804

Originating Business Unit Head:                    Kevin Gunn                    2015

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Expedited