

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 04/23/24M&C FILE NUMBER: M&C 24-0323

LOG NAME: 17PID01 MIDYEAR FY24

SUBJECT

(CD 9) Adopt Ordinance Amending the Fiscal Year 2023-2024 Budget and Five-Year Service Plan for Public Improvement District 1 - Downtown and Adopt Appropriation Ordinances

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached ordinance amending the Fiscal Year 2023-2024 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 (7th) day after adoption by the City Council;
2. Adopt the attached appropriation ordinance adjusting appropriations in the Fort Worth Public Improvement District 1 - Downtown Fund in the amount of \$424.00, transferred from Park and Recreation Department General Fund, for purpose of funding Payment In-Lieu of Services; and
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fort Worth Public Improvement District 1 - Downtown Fund in the amount of \$76,082.00, transferred from Economic Development Department General Fund, for purpose of funding Payment In-Lieu of Assessments in Fiscal Year 2023-2024.

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 12, 2023, City Council adopted Ordinance No. 26423-09-2023, approving the fiscal year (FY) 2023-2024 Budget, Five-Year Service Plan, Assessment Plan, and Tax Year 2023 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 \$76,506.00 to account for 1) \$424.00 of additional payment in-lieu of services and 2) \$76,082.00 of additional City payment in-lieu of assessments. The additional revenue increase will result in a increase to the original contribution to fund balance in the amount of \$18,406.00. Expenditure adjustments are primarily attributable to increases in management fee (non-executive), marketing & research, and transportation & planning salary expenses as a result of two recent compensation studies. The utility expense increase accounts for summer water usage and the landscaping increase allows for potential increases in the planting plan.

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 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 FY24 Budget Item	Recommended Mid-Year Adjustment	Amended FY24 Budget Item
PID Assessments	\$2,970,608.00	\$0.00	\$2,970,608.00
COFW Payment in lieu of Services	\$156,007.00	\$424.00	\$156,431.00
COFW Assessment	\$295,395.00	\$76,082.00	\$371,477.00
PID Generated Revenue	\$150,000.00	\$0.00	\$150,000.00
Totals	\$3,572,010.00	\$76,506.00	\$3,648,516.00

Expenditure Adjustments:

Line Items to be Adjusted	Previously Approved FY24 Budget Item	Recommended Mid-Year Adjustment	Amended FY24 Budget Item
Management Fee	\$522,250.00	\$39,100.00	\$561,350.00
Utilities	\$10,000.00	\$10,500.00	\$20,500.00
Maintenance & Operations	\$1,272,300.00	\$9,000.00	\$1,281,300.00
Tree Lights	\$130,000.00	(\$80,000.00)	\$50,000.00
Landscaping	\$140,000.00	\$57,000.00	\$197,000.00
Marketing & Research	\$424,600.00	\$14,200.00	\$438,800.00
Transportation& Planning	\$196,357.00	\$8,300.00	\$204,657.00
Contribution to Fund Balance	\$54,663.00	\$18,406.00	\$73,069.00
Totals	\$2,750,170.00	\$76,506.00	\$2,826,676.00

All other previously approved line items not mentioned above remain the same.

Upon approval of the above recommendations, the total budgeted expenses for FY 2023-2024 will be \$3,648,516.00. This mid-year budget adjustment will increase the unaudited, unassigned fund balance by a total of \$18,406.00. 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. 60329).

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 Economic Development certifies that upon approval of the recommendations and adoption of the attached appropriation ordinances, funds will be available in the current operating budget, as appropriated, in the FWPID #1 - Downtown Fund. Prior to any expenditure being incurred, the Economic Development 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

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Expedited