City of Fort Worth, Texas

Mayor and Council Communication

DATE: 09/17/24 **M&C FILE NUMBER:** M&C 24-0780

LOG NAME: 17ED PID18FY25

SUBJECT

(ALL) Conduct Public Benefit Hearing for Fort Worth Public Improvement District No. 18 - Tourism; Adopt Ordinance (1) Approving and Adopting the Fiscal Year 2024-2025 Budget, Service Plan, Assessment Plan, and Assessment Roll, and (2) Levying Special Assessments for Fiscal Year 2024-2025; and Adopt Attached Appropriation Ordinance

(**PUBLIC HEARING** - a. Report of City Staff: Lacey Ruiz; b. Public Comment; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public benefit hearing concerning the proposed special assessments on property located in Fort Worth Public Improvement District 18 - Tourism for Fiscal Year 2024-2025;
2. Adopt the attached ordinance: (1) approving and adopting the Fiscal Year 2024-2025 budget in the amount of $7,400,000.00, service plan, assessment plan, and assessment roll (on file with the City Secretary) for the Tourism PID; and (2) levying special assessments on property located within the Fort Worth Public Improvement District 18 - Tourism (Service Assessment Plan and Assessment Ordinance);
3. Direct the City Secretary to record a copy of the Service and Assessment Plan and Assessment Ordinance in the real property records of the county in which the properties are located no later than the seventh (7th) day after adoption by the City Council; and
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Fort Worth Public Improvement District 18 - Tourism Fund for Fiscal Year 2024-2025 in the amount of $7,400,000.00, from available funds.

DISCUSSION:

On August 29, 2017, the Mayor and City Council adopted Resolution No. 4837-08-2017, establishing the Fort Worth Public Improvement District No. 18, Tourism (Tourism PID). The City Council subsequently approved the expansion of the Tourism PID to include additional hotels on August 18, 2020 (Resolution No. 5264-08-2020), April 13, 2021 (Resolution No. 5382-04-2021), September 14, 2021 (Resolution No. 5467-09-2021), April 4, 2022 (Resolution No. 5561-04-2022) and May 14, 2024 (Resolution No. 5958-05-2024).

The purpose of this benefit hearing is to receive comments from the public regarding the Fiscal Year 2024-2025 budget and service plan for the Tourism PID and the proposed assessments to be levied on each property in the Tourism PID for the 2024-2025 fiscal year. Following the public hearing, it is recommended that the City Council: adopt the attached ordinances (1) approving and adopting the budget, service plan, assessment plan, and assessment roll; (2) levying the proposed assessments; and (3) appropriating funds. **The service plan only covers a period of three years because the Tourism PID expires on or about September 30, 2027, so there is no established service plan past the expiration of the Tourism PID.**

The improvements and services to be provided in the Tourism PID during Fiscal Year 2025 and the associated costs thereof are as follows:

Fiscal Year 2025 Budget

Improvements	Total Budgeted Costs
Incentive & Sales Efforts	$3,782,675.00
Marketing and Research (Promotion/Advertising)	$2,570,750.00
Site Visits & Familiarization Tours	$146,900.00
Cultural Enhancements through Marketing and promotion of the Arts	$550,875.00
Operations & Administration	$293,800.00
City Administrative Fee	$55,000.00
Total Expenses	$7,400,000.00

The total budgeted costs of the improvements and services are $7,400,000.00, all of which will be funded by the owners/operators of Tourism PID hotels with 100 or more rooms paying a special assessment at a rate of two percent of revenues they receive from a hotel room. The 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.

On August 27, 2024, the City Council conducted a public hearing to receive comments on the proposed Fiscal Year 2024-2025 budget, three-year

service plan, and 2024 assessments for the Tourism PID. Notice of the August 27, 2024, benefit hearing and this hearing were published in the *Fort Worth Star-Telegram* on August 9, 2024, and mailed to all hotel owners on record in the Tourism PID on August 9, 2024, in accordance with state law.

In Fiscal Year 2018, the City entered into a contract with the Fort Worth Tourism Public Improvement District Corporation (FWTPIDC) and the Fort Worth Convention and Visitors Bureau (FWCVB) to manage the operations of the Tourism PID. The term of this agreement is commensurate with the term of the Tourism PID; thus, the FWTPIDC and the FWCVB will continue to manage the operations of the Tourism PID for Fiscal Year 2024-2025.

Funding will be budgeted within the FWPID #18 - Tourism Fund for Fiscal Year 2025.

The Tourism PID properties are located in ALL COUNCIL DISTRICTS.

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 upon approval of the above recommendations and the adoption of the Fiscal Year 2025 Budget by the City Council, funds will be available in the Fiscal Year 2025 operating budget, as appropriated, in the FWPID #18 - Tourism 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
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