

**To the Mayor and Members of the City Council****April 6, 2021**

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**SUBJECT: UPDATE ON FISCAL YEAR 2021 MID-YEAR ADJUSTMENTS FOR
OPERATING AND TOURISM PIDS**

This Informal Report provides an update to the Mayor and City Council on the mid-year adjustments for operating and tourism PIDs which are on the April 6 & 13, 2021 agenda for your consideration.

Background Information

A Public Improvement District is a defined geographical area established to provide specific types of improvements or maintenance which are financed by assessments against the property owners within the area.

The City of Fort Worth Economic Development Department administers the City's Public Improvement Districts (PIDs) in accordance with Chapter 372 of the Texas Local Government Code. Economic Development has proactively worked with the PID managers and boards to review necessary budgetary adjustments for FY2021.

Mid-year Adjustments

Below is a summary of the recommended adjustments for each Operating PID:

The following PIDs reallocated expenditures between various expenditure categories with no effect on fund balance:

- PID 1 – Downtown

The following PIDs are requesting the use of fund balance (for additional expenditures deemed necessary that have been identified during the fiscal year):

- PID 6 – Park Glen - \$111,941.00
- PID 7 – Heritage - \$252,000.00;
- PID 11 – Stockyards - \$49,000.00;
- PID 12 – Chapel Hill - \$23,200.00; and
- PID 20 – E Lancaster - \$36,000.00

PID 18 – Tourism: City staff, Fort Worth Tourism Public Improvement District Corporation (FWTPIDC), and Fort Worth Convention and Visitors Bureau (FWCVB) have identified the need to decrease the Tourism PID Assessment revenue and expenditures by \$1,378,453.00 to account for the 33% reduction in assessment revenue due to drops in hotel occupancy rates as a result of the COVID-19 pandemic.

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In the process of calculating the updates and revised percentages for the 2020 expansion, staff discovered that Hyatt Place TCU, 2500 W. Berry Street, had signed the 2020 Expansion Petition to be included in the Tourism PID but was inadvertently counted as not having signed. When factoring in the signed petition for the Hyatt Place TCU, the petition sufficiency percentages for the 2020 Expansion Petition should have been as follows: (1) 74.9% of the appraised value of taxable real property liable for assessment, (2) 61.1% of record owners of taxable real property liable for assessment, and (3) 65.7% of the area of all taxable real property liable for assessment.

Reserve Policy

With the approval of the Mid-year Adjustment M&Cs, all Operating PIDs with the exception of PID 1 – Downtown are projected to meet the City's reserve requirement which is equivalent to two months (16.67%) of Operating Expenditures. A plan will be developed during the FY 2022 Budget process to ensure that PID 1 – Downtown is in compliance with the reserve requirement by the end of FY25.

If you have any questions, please call Robert Sturns, Director of Economic Development Department at 817-392-2663.

David Cooke
City Manager