

A Resolution

NO. _____

**AUTHORIZING AND EXPANDING FORT WORTH PUBLIC
IMPROVEMENT DISTRICT NO. 18 (TOURISM PID) TO INCLUDE
ADDITIONAL HOTELS AND TAKING CERTAIN OTHER ACTIONS
CONCERNING THE DISTRICT AND CORRECTING THE SUFFICIENCY
PERCENTAGES ASSOCIATED WITH THE PRIOR TOURISM PID
EXPANSION PETITION**

WHEREAS, the Public Improvement District Assessment Act, Chapter 372 of the Texas Local Government Code (“Act”) allows for the establishment of public improvement districts;

WHEREAS, on August 29, 2017, the City Council adopted Resolution No. 4837-08-2017, establishing Fort Worth Public Improvement District 18 – Tourism (“Tourism PID”) (“Establishing Resolution”);

WHEREAS, Section 372.0121 of the Code allows the City Council to include additional properties in the Tourism PID if (i) the property is a hotel and (ii) the property could have been included in the Tourism PID without violating Section 372.005 (b-1) of the Code when the Tourism PID was created regardless of whether the record owners of the property signed the original petition;

WHEREAS, with regard to the second element, the Code requires the petition to be signed by the (1) record owners of taxable real property liable for assessment that constitute more than 60.00% of the appraised value and (2) more than 60% of (i) all record owners liable for assessment or (ii) area of all taxable property liable for assessment within the Tourism PID;

WHEREAS, on August 18, 2020, the City Council adopted Resolution No. 5264-08-2020, expanding the boundaries of the Tourism PID (“Tourism PID”) (“Expansion Resolution”);

WHEREAS, in the Expansion Resolution, the sufficiency percentages for the Tourism PID expansion petition (“Expansion Petition”) were found to be sufficient because the addition of the new hotel properties did not result in the percentages dropping at or below 60%;

WHEREAS, however, the property owner(s) for the Hyatt Place TCU, 2500 W. Berry Street, was counted as not having signed the Expansion Petition when, in fact, the owner(s) did sign (*See* the Expansion Petition attached to Mayor and Council Communication 20-0551);

WHEREAS, when factoring in the signed petition for the Hyatt Place TCU, the petition sufficiency percentages for the 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;

WHEREAS, another expansion petition (“Petition”) was submitted to the City of Fort Worth, Texas (“City”), pursuant to the Act, requesting to expand the Tourism boundaries to include additional hotel properties within Tourism PID and has been on file in the office of the City Secretary for public inspection;

WHEREAS, pursuant to Section 372.009 of the Act, the City provided notice and publication of public hearings to be conducted on April 6, 2021 and April 13, 2021 to consider the expansion of the Tourism PID (“Public Hearings”), which notice and publication included the following: (i) time and place of the public hearing; (ii) general nature of the proposed improvements and services; (iii) estimated costs of the improvements and services; (iv) expanded boundaries of the Tourism PID; (v) proposed method of assessment; and (vi) proposed apportionment of cost between the additional hotel properties in Tourism PID and the City;

WHEREAS, notice of the Public Hearing was published on March 19, 2021 in the Fort Worth *Star-Telegram*, a newspaper of general circulation in the City, and was also mailed March 18, 2021 to all record owners of property in the Tourism PID liable for assessment, and all persons desiring to be heard were given a full and fair opportunity to be heard at the Public Hearing;

WHEREAS, the City Council conducted and adjourned the Public Hearing to consider the expansion of the Tourism PID; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

1. Recitals.

The findings set forth in the recitals of this Resolution are found to be true and correct.

2. Correction to Expansion Petition.

2.1 Expansion Petition. Based on the recitals set forth above, the City Council hereby finds that the Expansion Petition remains sufficient and that the percentages are, and should always have, resulted in an increase to: (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.

3. Findings.

The City Council, after duly considering the evidence and testimony presented at the Public Hearings and based on all information known by the City Council, hereby makes the following findings:

3.1 Petition and Boundaries.

- (a) The current boundaries of the Tourism PID consist of noncontiguous areas authorized under Section 372.0035 of the Act consisting solely of hotel properties with 100 or more rooms ordinarily used for sleeping within the City of Fort Worth. A list of the original and additional hotels that are included within the boundaries of the Tourism PID is included in the Establishing Resolution and Expansion Resolution, respectively.
- (b) Section 372.0121 of the Act allows the City Council to include additional properties in the Tourism PID if (i) the property is a hotel and (ii) the property could have been included in the Tourism PID without violating Section 372.005(b-1) of the Code when the Tourism PID was created regardless of whether the record owners of the property signed the original petition. As evidenced below, the hotel properties set forth in **Exhibit “A”**, which is attached hereto and incorporated herein for all purposes (“Additional Hotel Properties”), meet the necessary elements for inclusion into the Tourism PID.
 - (i) The Additional Hotel Properties to be included in the Tourism PID as part of this Resolution are all hotel properties.
 - (ii) City Council found that the Original Petition and Expansion Petition for the Tourism PID were sufficient because they had been signed by record owners of taxable real property liable for assessment that constituted: (a) 74.9% of the appraised value, (2) 61.1% of record owners, and (3) 65.7% of the area of all taxable real property liable for assessment. The property owners, or their duly authorized representatives, for all of the Additional Hotel Properties have each signed a petition requesting inclusion within the Tourism PID. This results in an increase to (1) 75.7% of appraised value of taxable real property liable for assessment, (2) 63.2% of record owners of taxable real property liable for assessment, and (3) 66.9% for the area of all taxable real property liable for assessment.

3.2 Advisability and Feasibility of the Improvements and Services Proposed for the Tourism PID. It is advisable to expand the Tourism PID to include the Additional Hotel Properties set forth herein to provide the proposed improvements and services described in the Petition and this Resolution. The improvements and services will promote the interests of the City and confer a special benefit on the assessed properties within the Tourism PID. The Fort Worth Convention and Visitor’s Bureau staff performed an analysis of the

Tourism PID, its service plan and strategies, and concluded that it provides a very effective means for significantly enhancing the ability of Fort Worth to promote its hotel, convention, and tourism activity, which has been borne out since the Tourism PID's establishment. Based on this analysis and the successful history of the Tourism PID, the City finds the proposed tourism public improvement district to be both advisable and feasible.

3.3 Nature of the Improvements and Services. The general nature of the proposed improvements and services to be provided within the expanded boundaries of Tourism PID include, without limitation, marketing, business recruitment, and promotional activities authorized by the Act for improvements and promotion of the Tourism PID, including, but not limited to, the provision of incentives by the Fort Worth Convention and Visitors Bureau to organizations to encourage them to bring large and city-wide events (including, without limitation, meetings, sporting, recreation, and cultural events) to Fort Worth and to fund additional marketing by the Fort Worth Convention and Visitors Bureau to increase hotel stays within the City.

3.4 Estimated Cost of the Improvements and Services. Over the seven (7) year period beginning on October 1, 2020 and ending on the expiration of the Tourism PID as provided in Section 4, the estimated total cost of the improvements and services to be provided by the Tourism PID will be \$29,555,000.00, which includes an estimated cost of \$2,800,000.00 for the 2020-2021 fiscal year.

For the 2020-2021 fiscal year, the estimated cost of the above-referenced improvements and services, and estimated costs to implement such improvements and services is:

Incentives and Sales Efforts	\$1,262,000
Marketing and Research (Promotion/Advertising)	\$972,000
Site Visits & Familiarization Tours	\$ 81,000
Cultural Enhancements through Marketing and Promotion of the Arts	\$257,200
Operations and Administration	\$173,000
City Administrative Fee	\$55,000
Total	\$2,800,000

Such estimated costs are reasonable and appropriate. The estimated costs of improvements and services provided in the 2020-2021 fiscal year will be determined in a subsequent annual budget and service plan for the Tourism PID to be approved by the City Council on April 13, 2021, in accordance with Chapter 372 of the Act. Such costs will be paid from assessments levied in accordance

with Chapter 372 of the Act. The seven-year service plan proposed for the Tourism PID is attached hereto as **“Exhibit B”** (“Service Plan”) and incorporated herein for all purposes. The Service Plan, budget, and assessment amount are subject to annual review and approval by the City Council.

3.5. Method of Assessment. The costs of the improvements and services will be funded from assessments levied on and collected from properties located in the Tourism PID that contain hotels of one hundred (100) or more guest rooms and that are subject to payment of City hotel occupancy taxes pursuant to Chapter 32, Article II of the City Code, as amended. The City will levy a special assessment against the new hotel properties located within the expanded boundaries of the Tourism PID (“Hotel Parcel”) in an amount equal to two percent (2%) of the consideration received for occupancy of any sleeping rooms furnished by a hotel located on a Hotel Parcel (subject to any lawful exemption of the hotel occupancy tax under applicable state law and City ordinances), with such assessments to be collected in the same manner and in accordance with the same procedures as those established for collection of the City’s hotel occupancy tax, as set forth in Chapter 32, Article II of the City Code, as amended. The collection of assessments for the Additional Hotel Properties will be made at the same time hotel occupancy taxes are collected on and after the date that the Additional Hotel Properties are included in the Tourism PID. The City Council hereby finds that the proposed method of assessment is reasonable and necessary.

3.6. Apportionment of Costs Between the Tourism PID and the City, as a Whole. The apportionment of costs between the Tourism PID, inclusive of the Additional Hotel Properties, and the City, as a whole, is as follows:

- (a) The entire cost of each improvement and service will be paid from assessments levied in accordance with Chapter 372 of the Act.
- (b) No City funds will be used to pay any portion of the cost of any improvement or service, unless such funding is approved from the City Council or other appropriate municipal authority on a case-by-case basis.

4. Inclusion of Additional Hotel Properties within the Tourism PID; Term.

Based on the findings set forth above, the City Council authorizes the expansion of the boundaries of the Tourism PID to include the Additional Hotel Properties. The inclusion of the Additional Hotel Properties within the Tourism PID takes effect on the date on which this Resolution is published in a newspaper of general circulation in the City in accordance with Section 372.010(b) of the Act and will expire concurrently with the expiration date set forth in Section 3 of the Establishing Resolution. The expansion of the Tourism PID is subject to all conditions, limitations, and reservations set forth in the findings in Sections 2 and 3. All other provisions of this Resolution will be effective from and after adoption of this Resolution.

5. Advisory Body.

The City Council hereby declines to appoint an advisory body for the expanded Tourism PID boundaries pursuant to Section 372.008 of the Act. The City Council hereby reserves the right to assign responsibility for preparation of the ongoing service plan for the PID to another entity in the absence of such an advisory body, as authorized by Section 372.013(a) of the Act.

6. Publication.

The City Secretary is hereby directed to publish notice of the City Council's authorization to establish the PID once in a newspaper of general circulation in the City.

ADOPTED this 13th day of April 2021.

ATTEST:

Mary J. Kayser, City Secretary

EXHIBIT A
Expanded Boundaries of the Tourism PID
(Additional Hotel Properties)

Account Name	Address	City, State, Zip	RMS
Home2 Suites – Cultural District	3000 and 3012 W Lancaster Avenue	Fort Worth, TX 76107	114
Hotel Drover	200 Mule Alley Drive	Fort Worth, TX 76164	200
Residence Inn Waterside – Fort Worth Southwest	5825 Arborlawn Drive	Fort Worth, TX 76109	119

EXHIBIT B Service Plan

City of Fort Worth									
Seven Year Service Plan (Mid-Year)									
Public Improvement District No. 18 - Tourism									
			FY 20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27
REVENUES									
	PID Assessments		\$ 2,800,000	\$ 3,515,000	\$ 4,100,000	\$ 4,430,000	\$ 4,685,000	\$ 4,915,000	\$ 5,110,000
Total Funds Available for Use			\$ 2,800,000	\$ 3,515,000	\$ 4,100,000	\$ 4,430,000	\$ 4,685,000	\$ 4,915,000	\$ 5,110,000
EXPENSES									
	Incentives & Sales Efforts		\$ 1,262,000	\$ 1,643,500	\$ 1,921,375	\$ 2,078,125	\$ 2,199,250	\$ 2,308,500	\$ 2,401,125
	Marketing and Research (Promotion/ Advertising)		972,000	1,211,000	1,415,750	1,531,250	1,620,500	1,701,000	1,769,250
	Site Visits & Familiarization Tours		81,000	173,000	202,250	218,750	231,500	243,000	252,750
	Cultural Enhancements through Marketing and promotion of the Arts		257,000	259,500	303,375	328,125	347,250	364,500	379,125
	Operations & Administration		173,000	173,000	202,250	218,750	231,500	243,000	252,750
	City Administrative Fee		55,000	55,000	55,000	55,000	55,000	55,000	55,000
Total Budgeted Expenses			\$ 2,800,000	\$ 3,515,000	\$ 4,100,000	\$ 4,430,000	\$ 4,685,000	\$ 4,915,000	\$ 5,110,000
	Contribution to Fund Balance		-	-	-	-	-	-	-
Total Expenses			\$ 2,800,000	\$ 3,515,000	\$ 4,100,000	\$ 4,430,000	\$ 4,685,000	\$ 4,915,000	\$ 5,110,000
Net Change in Fund Balance			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance, Beginning of Year (Estimated Yrs 2-5)			2,671,122	2,671,122	2,671,122	2,671,122	2,671,122	2,671,122	2,671,122
Estimated Fund Balance, End of Year			2,671,122	2,671,122	2,671,122	2,671,122	2,671,122	2,671,122	2,671,122
Reserve Requirement			533,439	683,470	738,481	780,990	819,331	851,837	851,837
Over (Under) Reserve			\$ 2,137,683	\$ 1,987,652	\$ 1,932,641	\$ 1,890,132	\$ 1,851,791	\$ 1,819,285	\$ 1,819,285