

ORDINANCE NO. 26839-04-2024

AN ORDINANCE AMENDING THE FISCAL YEAR 2023-2024 BUDGET AND FIVE-YEAR SERVICE PLAN FOR PUBLIC IMPROVEMENT DISTRICT NO. 1 – DOWNTOWN; MAKING THIS ORDINANCE CUMULATIVE OF ALL OTHER ORDINANCES; PROVIDING FOR A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, on June 23, 2009, the City Council of the City of Fort Worth (“City Council”) authorized the re-establishment of Public Improvement District No. 1 – Downtown (“District”), as a public improvement district in accordance with the Act and Resolution No. 3756-06-2009;

WHEREAS, on September 12, 2023, the City Council adopted Ordinance No. 26423-09-2023, approving the fiscal year 2023-2024 budget, five-year service plan, assessment plan, and tax year 2023 assessment roll for the District;

WHEREAS, the City Council desires to amend the fiscal year 2023-2024 budget and five-year service plan (“Amended Service Plan”), which is attached hereto as Exhibit A and incorporated herein for all purposes;

WHEREAS, the Amended Service Plan is intended to supersede the Service Plan set out in Ordinance No. 26423-09-2023; and

WHEREAS, the Amended Service Plan will not affect the previously adopted Assessment Plan or Assessment Roll.

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

SECTION 1.

The Recitals and findings listed above are true and correct and form the basis upon which this Ordinance is being adopted and are incorporated herein by reference.

SECTION 2.

The City Council hereby approves and adopts the Amended Service Plan for fiscal year 2023-2024. In doing so, the City Council finds that the supplemental services and improvements set forth in the Service Plan are feasible and advisable and will serve the needs and desires of the property owners in the District.

SECTION 3.

Should any portion, section or part of a section of this Ordinance be declared invalid, inoperative, or void for any reason by a court of competent jurisdiction, such decision, opinion or judgment shall in no way impair the remaining portions, sections, or parts of sections of this Ordinance, which shall remain in full force and effect.

SECTION 4.

This Ordinance is cumulative of all other ordinances and appropriations amending the same except in those instances where the provisions of this Ordinance are in direct conflict with such other ordinances and appropriations, in which instance said conflicting provisions of said prior ordinances and appropriations are hereby expressly repealed.

SECTION 5.

The City Secretary is directed to cause a copy of this Ordinance to be recorded in the real property records of Tarrant County, Texas no later than the seventh (7th) day after the adopted date of this Ordinance.

SECTION 6.

This Ordinance takes effect and will be in full force and effect from and after the date of its passage.

AND IT IS SO ORDAINED.

**APPROVED AS TO FORM
AND LEGALITY:**



Nico Arias (Apr 26, 2024 15:07 CDT)

Nico Arias, Assistant City Attorney

M&C: 24-0323

Adopted and Effective: April 23, 2024

ATTEST:



for JG: Ronald Gonzales (Apr 26, 2024 15:34 CDT)

Jannette S. Goodall, City Secretary



**EXHIBIT A
AMENDED SERVICE PLAN**

City of Fort Worth
Five Year Service Plan FY 23-24 - FY27-28
Public Improvement District No. 1 - Fort Worth
FIVE YEAR SERVICE PLAN - MID YEAR Revision



| | FY23/24 | FY24/25 | FY25/26 | FY26/27 | FY27/28 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | | |
| PID Assessments* | \$ 2,970,608 | \$ 3,029,021 | \$ 3,088,602 | \$ 3,149,374 | \$ 3,211,361 |
| COFW Assessment | 371,477 | 371,477 | 371,477 | 371,477 | 371,477 |
| COFW Payment in lieu of Services | 156,431 | 159,560 | 162,751 | 166,006 | 169,326 |
| PID Generated Revenue | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 |
| Total Budgeted Revenues | \$ 3,648,516 | \$ 3,710,058 | \$ 3,772,829 | \$ 3,836,856 | \$ 3,902,164 |
| Use of Fund Balance | | - | - | - | - |
| Total Revenues | \$ 3,648,516 | \$ 3,710,058 | \$ 3,772,829 | \$ 3,836,856 | \$ 3,902,164 |
| EXPENSES | | | | | |
| Management Fee | \$ 561,350 | \$ 532,695 | \$ 543,349 | \$ 554,216 | \$ 565,300 |
| Utilities | 20,500 | 10,000 | 13,000 | 14,000 | 15,000 |
| Landscaping | 197,000 | 140,000 | 140,000 | 140,000 | 140,000 |
| Maintenance & Operations | 1,281,300 | 1,272,300 | 1,536,197 | 1,559,701 | 1,568,627 |
| Tree Lights | 50,000 | 30,000 | 30,000 | 30,000 | 45,000 |
| Security | 10,700 | 10,700 | 11,981 | 12,220 | 12,220 |
| Ambassador Program | 724,200 | 734,114 | 747,796 | 761,752 | 775,987 |
| Newsletter | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 |
| Marketing & Research | 438,800 | 445,842 | 454,759 | 463,854 | 473,444 |
| Transportation & Planning | 204,657 | 200,784 | 204,790 | 208,876 | 213,043 |
| City Audit | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| City Administrative Fee | 71,440 | 74,201 | 75,457 | 76,737 | 78,043 |
| Total Budgeted Expenses | \$ 3,575,447 | \$ 3,466,136 | \$ 3,772,829 | \$ 3,836,856 | \$ 3,902,164 |
| Contribution to Fund Balance | \$ 73,069 | \$ 243,922 | \$ - | \$ - | \$ - |
| Total Expense | \$ 3,648,516 | \$ 3,710,058 | \$ 3,772,829 | \$ 3,836,856 | \$ 3,902,164 |
| Net Change in Fund Balance | \$ 73,069 | \$ 243,922 | \$ 0 | \$ (0) | \$ (0) |
| Beginning Fund Balance, Estimated (Yrs 2-5) | 277,789 | 350,858 | 594,780 | 594,780 | 848,297 |
| Estimated Fund Balance, End of Year | 350,858 | 594,780 | 594,780 | 594,780 | 848,297 |
| Reserve Requirement | 577,805 | 628,931 | 639,604 | 650,491 | 650,491 |
| Over (Under) Reserve | \$ (226,947) | \$ (34,151) | \$ (44,824) | \$ (55,711) | \$ 197,806 |

*FY2024 Assessment Rate = \$.13

The total budgeted costs of the improvements and services for the District for fiscal year 2023-2024 are \$3,575,447.00. Of this amount, \$2,970,608.00 will be funded by assessments collected on privately-owned parcels located in the District. The remainder of the costs will be funded by other revenue sources, including:

- \$156,431.00 in direct payments from the City for payment in lieu of services, which was appropriated from the General Fund balance by City Council action on September 12, 2023, and by this amendment;

- \$371,477.00 in direct payments from the City for payment in lieu of assessments, which was appropriated from the General Fund Balance by City Council action on September 12, 2023, and by this amendment.
- \$150,000.00 in additional funds to be transferred from revenue generated by the PID.

Mayor and Council Communication

DATE: 04/23/24

M&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 Stums 2663

Additional Information Contact: Lacey Ruiz 2608

Expedited