ORDINANCE NO. 22853-08-2017

APPROVING AND ADOPTING THE FINAL SERVICE PLAN FOR PUBLIC IMPROVEMENT DISTRICT NO. 18 (THE TOURISM PID) FOR FISCAL YEAR 2018; LEVYING SPECIAL ASSESSMENTS ON PROPERTIES IN THE TOURISM PID TO PAY THE COSTS OF SERVICES PROVIDED IN ACCORDNACE WITH THE FINAL SERVICE PLAN; SETTING CHARGES AND LIENS AGAINST PROPERTY IN THE DISTRICT AND AGAINST THE OWNERS THEREOF; PROVIDING FOR THE COLLECTION OF THE SPECIAL ASSESSMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on August 29, 2017 the City Council adopted Resolution No. 4837-08-2017, establishing Public Improvement District No. 18 (Tourism PID) (the **"PID"**) in accordance with Section 372.0035 and other applicable sections of Chapter 372, Texas Local Government Code and approving a service plan outlining proposed supplemental services to be provided for the special benefit of the properties located in the PID and the estimated costs of such services; and

WHEREAS, under Section 372.013, Texas Local Government Code, the City Council annually must review and approve the annual budget for special, supplemental services to be provided in the PID (the **"Services"**) and to determine the amount of assessment that is to be levied against property in the PID in order to pay for the costs of such services; and

WHEREAS, the Services to be provided in Fiscal Year 2018 and their estimated costs are as follows:

Incentives & Sales Efforts	$1,474,744
Marketing (Promotion/Advertising)	$1,214,495
Site Visits & Familiarization Tours	$ 346,998
Event Funding Application Pool	$ 260,249
Operations/Research/Administration	$ 156,499
One Time City Administrative Fee	$ 17,000
Total Budget Expenses	$3,469,985
Estimated Operating Reserve	$0
Total Expenses	**$3,469,985**

The total budgeted cost of the Services is $3,469,985.00, the entirety of which will be funded from assessments levied on and collected from properties located in the PID that contain hotels with 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 set forth in **Exhibit "A"**. attached hereto and hereby made a part of this Ordinance for all purposes (such properties hereinafter being referred to as **"Hotel Parcels"** and the hotels located thereon being referred to as "**Qualifying Hotels**"); and

WHEREAS, it is proposed that Hotel Parcels located in the PID be assessed at a rate of two percent (2%) of the consideration paid for occupancy of any sleeping room furnished by the Qualifying Hotels located thereon, which assessments shall 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; and

WHEREAS, in accordance with Section 372.016, Texas Local Government Code, the Services and proposed assessment roll for Fiscal Year 2018 were presented in a public hearing conducted by the City Council on August 29, 2017 (the **"Public Hearing"**) and have been on file in the office of the City Secretary for public inspection; and

WHEREAS, notice of the Public Hearing was published on August 13, 2017 in the Fort Worth *Star-Telegram*, a newspaper of general circulation in the City, and was also mailed on August 11, 2017 to all record owners of property in the PID, and all persons desiring to be heard were given a full and fair opportunity to be heard at the Public Hearing;

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

SECTION 1.

The Public Hearing is hereby closed and any and all protests and objections, whether herein enumerated or not, are hereby overruled.

SECTION 2.

The City Council, from all evidence before it, including all information provided to it and considered in the Public Hearing, finds that the assessments described herein on Hotel Parcels should be made and levied in a manner which results in imposing the costs of the Services on Qualifying Hotels that are similarly benefitted from the provision of those Services. The apportionment of those costs will be based on the special benefits accruing to the Qualifying Hotels on account of the Services provided. As a result, those Qualifying Hotels that sell more guest rooms will pay a greater portion of the costs of the Services because those properties will have received a greater benefit from the promotions and marketing comprising the Services. The City Council further finds that this method of assessment is fair and equitable, and results in an apportionment of the costs of the Services that complies with applicable law.

SECTION 3.

In accordance with Section 372.017, Texas Local Government Code, in order to pay the costs of the Services provided during Fiscal Year 2018, effective January 1, 2018 the City hereby levies a special assessment against Hotel Parcels in the amount of two percent (2%) of the consideration paid for occupancy of any sleeping room furnished by Qualifying Hotels located thereon, which assessments shall 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.

The first collection of assessments hereunder shall be made at the same time hotel occupancy taxes are collected on and after January 1, 2018.

SECTION 4.

The assessments levied hereunder, together with reasonable attorney's fees and cost of collection, if incurred, are hereby declared to be and are made a lien upon the Hotel Parcels and Qualifying Hotels, and are a personal liability and charge against the real and true owners of such properties, whether such owners are correctly named herein or not. Such liens shall be and constitute the first enforceable lien and claim against the Hotel Parcels and Qualifying Hotels, superior to all other liens and claims, except state, county, school district and city ad valorem taxes. A copy of this Ordinance may be filed with the County Clerk of the county in which the Hotel Parcel and Qualifying Hotel are located, and when so filed shall constitute complete and adequate legal notice to the public concerning the liens hereby assessed against the respective parcels of property and the owners thereof.

The sums assessed against the Hotel Parcels shall, be and become due at the same time that hotel occupancy taxes on the Qualifying Hotels located thereon become due, and shall become delinquent if not paid by the applicable deadlines established by Chapter 32, Article II of the City Code. The entire amount assessed against each Hotel Parcel shall bear penalty and interest, from and after the respective due date at the same rate as prescribed Chapter 32, Article II of the City Code.

SECTION 5.

If default shall be made in the payment of any assessments, collection thereof shall be enforced by suit in any court of competent jurisdiction, and said City shall exercise all of its lawful powers to aid in the enforcement and collection of said assessments.

SECTION 6.

The total amount assessed against the respective parcels of property and the owners thereof, is in accordance with the proceedings of the City hereto and is permitted by applicable law.

SECTION 7.

Full power to make and levy reassessments and to correct mistakes, errors, invalidities or irregularities in the assessments are, in accordance with the law in force in this City, vested in the City.

SECTION 8.

In any suit upon any assessment or reassessment, it shall be sufficient to allege the substance of the provision recited in this Ordinance and that the Recitals hereto are in fact true, and further allegations with reference to the proceedings relating to such assessment and reassessment shall not be necessary.

SECTION 9.

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 10.

This Ordinance shall be 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 11.

This Ordinance shall take effect and be in full force and effect contemporaneously upon the effectiveness of Resolution No. 4837-08-2017.

AND IT IS SO ORDAINED.

APPROVED AS TO FORM AND LEGALITY:

Peter Vaky

Peter Vaky, Deputy City Attorney

ATTEST:

Mary J. Kayser

Mary J. Kayser, City Secretary

M&C: BH-367

Adopted: 08-29-17

EXHIBIT "A"

QUALIFYING HOTELS IN THE TOURISM PID

Account Name	Address	City, State, Zip	RMS
Aloft Downtown Fort Worth	300 W. 3rd St.	Fort Worth, TX 76102	180
American Airlines Training and Conference Center	4200 American Blvd 76155	Fort Worth, TX 76155	299
Autograph Collection Downtown Fort Worth	512 Main St.	Fort Worth, TX 76102	165
Budget Suites of America - Fossil Creek	3500 NE Loop 820	Fort Worth, TX 76137	366
Candlewood Suites - DFW South	4200 Reggis Drive	Fort Worth, TX 76155	174
Courtyard by Marriott - Alliance	3001 Amador Dr.	Fort Worth, TX 76177	127
Courtyard by Marriott - Blackstone	601 Main Street	Fort Worth, TX 76102	203
Courtyard by Marriott - Fossil Creek	3751 NE Loop 820	Fort Worth, TX 76137	154
Courtyard by Marriott - Stockyards	2537 Main St.	Fort Worth, TX 76164	124
Courtyard by Marriott - University Drive	3150 Riverfront	Fort Worth, TX 76107	130
Courtyard by Marriott - West at Cityview	6400 Overton Ridge Boulevard	Fort Worth, TX 76132	104
Crossland Economy Studios - Fossil Creek	3804 Tanacross	Fort Worth, TX 76137	124
Dalworth Inn	812 E. Felix Street	Fort Worth, TX 76115	120
DFW Airport Marriott South	4151 Centreport Boulevard	Fort Worth, TX 76155	295
DFW Marriott Hotel and Golf Club at Champions Circle	3300 Championship Pkwy	Fort Worth, TX 76177	286
Embassy Suites Hotel - Downtown Fort Worth	600 Commerce Street	Fort Worth, TX 76102	156
Extended Stay America - City View	5831 Overton Ridge Blvd	Fort Worth, TX 76132	104
Fairfield Inn & Suites Downtown	1010 Houston	Fort Worth, TX 76102	110

Fairfield Inn & Suites Fossil Creek	3701 NE Loop 820	Fort Worth, TX 76137	106
Hampton Inn and Suites - West/I-30	2700 Green Oaks	Fort Worth, TX 76177	105
Hampton Inn and Suites - DFW South	4201 Reggis Court	Fort Worth, TX 76155	116
Hampton Inn and Suites Downtown Fort Worth	210 E. 9th Street	Fort Worth, TX 76102	245
Hawthorn Suites - University	1701 South University Drive	Fort Worth, TX 76107	120
Hilton Fort Worth	815 Main Street	Fort Worth, TX 76102	294
Hilton Garden Inn - Fort Worth Alliance Airport	2600 Westport Parkway	Fort Worth, TX 76177	127
Hilton Garden Inn - Medical Center	912 Northton Street	Fort Worth, TX 76104	157
Holiday Inn - DFW Airport South	14320 Centre Station Road	Fort Worth, TX 76155	143
Holiday Inn Express - Downtown	1111 W Lancaster	Fort Worth, TX 76102	132
Holiday Inn North - Fossil Creek	4635 Gemini Place	Fort Worth, TX 76106	126
Homewood Suites - Fossil Creek	3701 Tanacross	Fort Worth, TX 76137	137
Homewood Suites - Medical Center	2200 Charlie Lane	Fort Worth, TX 76104	157
Hyatt Place - Cityview	5900 Cityview Street	Fort Worth, TX 76132	127
Hyatt Place - Stockyards	132 E Exchange	Fort Worth, TX 76164	100
La Quinta Inn and Suites - Fort Worth North	4700 North Street	Fort Worth, TX 76137	133
La Quinta Inn and Suites - Southwest	4900 Bryant Irvin	Fort Worth, TX 76132	128
Omni Fort Worth Hotel	1300 Houston	Fort Worth, TX 76102	614
Quality Inn and Suites - Cattle Baron	2700 S Cherry Lane	Fort Worth, TX 76116	109
Radisson - Fort Worth South Hotel	100 Alta Mesa East	Fort Worth, TX 76134	247
Radisson Hotel - Fort Worth Fossil Creek	2540 Meacham Street	Fort Worth, TX 76106	247

Residence Inn - Alliance Airport	13400 North Freeway	Fort Worth, TX 76177	111
Residence Inn - Cultural District	2500 Museum Way	Fort Worth, TX 76107	150
Residence Inn - Fossil Creek	5801 Sandshell Drive	Fort Worth, TX 76137	114
Sheraton Fort Worth Hotel and Spa	1701 Commerce Street	Fort Worth, TX 76102	429
SpringHill Suites by Marriott - University	3250 Lovell Street	Fort Worth, TX 76107	145
Stay Express Hotel Fort Worth	2000 Beach Street	Fort Worth, TX 76111	168
TownePlace Suites Downtown	805 E Belknap	Fort Worth, TX 76102	140
TownePlace Suites University	W. Vickery & Trinity Street	Fort Worth, TX 76107	128
WoodSpring Suites Fort Worth	3501 NE Loop 820	Fort Worth, TX 76137	121
Worthington Renaissance Hotel	200 Main Street	Fort Worth, TX 76102	504

Fort Worth Tourism Public Improvement District

Fiscal Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	10 - Year
TPID Collections	$ 3,469,985	$ 4,857,979	$ 5,100,878	$ 5,355,922	$ 5,623,719	$ 5,904,904	$ 6,200,150	$ 6,510,157	$ 6,835,665	$ 7,177,448	$ 57,036,809
Petition Categories	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Total
Incentives & Sales Efforts	$ 1,474,744	$ 2,064,641	$ 2,167,873	$ 2,276,267	$ 2,390,080	$ 2,509,584	$ 2,635,064	$ 2,766,817	$ 2,905,158	$ 3,050,416	$ 24,240,644
Marketing (Promotion/Advertising)	$ 1,214,495	$ 1,700,293	$ 1,785,307	$ 1,874,573	$ 1,968,301	$ 2,066,717	$ 2,170,052	$ 2,278,555	$ 2,392,483	$ 2,512,107	$ 19,962,883
Site Visits & Familiarization Tours	$ 346,998	$ 485,798	$ 510,088	$ 535,592	$ 562,372	$ 590,490	$ 620,015	$ 651,016	$ 683,566	$ 717,745	$ 5,703,680
Event Funding Application Pool	$ 260,249	$ 364,348	$ 382,566	$ 401,694	$ 421,779	$ 442,868	$ 465,011	$ 488,262	$ 512,675	$ 538,309	$ 4,277,761
Operations/Research/Administration	$ 156,499	$ 242,899	$ 255,044	$ 267,796	$ 281,186	$ 295,245	$ 310,007	$ 325,508	$ 341,783	$ 358,872	$ 2,834,840
One Time City Administrative Fee	$ 17,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,000
	$ 3,469,985	$ 4,857,979	$ 5,100,878	$ 5,355,922	$ 5,623,719	$ 5,904,904	$ 6,200,150	$ 6,510,157	$ 6,835,665	$ 7,177,448	$ 57,036,808

Note: Expenditures are limited to actual collections, which can not exceed the 2% fee on each occupied room as defined in the petition.

Note: Operations/Research/Administration reflects full year costs attributed to the creation of the district; Fiscal Year 2018 Collections assume an effective date of 01/01/2018

City of Fort Worth, Texas
Mayor and Council Communication

COUNCIL ACTION: Approved on 8/29/2017 - Ordinance Nos. 22853-08-2017, 22854-08-2017 & 22855-08-2017

DATE: Tuesday, August 29, 2017 **REFERENCE NO.:** BH-367

LOG NAME: 2518PIDFWTOURISMPID

SUBJECT:

Conduct Public Benefit Hearing for Fort Worth Public Improvement District No. 18 (Tourism PID), Concerning the Proposed Budget and Ten-Year Service Plan and Proposed Assessment Roll, Adopt Ordinance Levying Special Assessments for Fiscal Year 2018, Adopt Appropriation Ordinances to Increase Estimated Receipts in the Fort Worth Public Improvement District No. 18 Fund for Fiscal Year 2018 and Authorize Execution of an Agreement with Fort Worth Tourism Public Improvement District Corporation or a Related Entity to Manage the Tourism PID (ALL COUNCIL DISTRICTS)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public benefit hearing concerning the proposed special assessments on property located in Public Improvement District 18 (Tourism PID) for Fiscal Year 2018;

2. Approve the attached Fiscal Year 2018 budget and ten-year service plan for the Tourism PID;

3. Adopt the attached ordinance levying special assessments on property located in the Tourism PID, beginning January 1, 2018;

4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Tourism PID Fund for Fiscal Year 2018 in the amount of $3,469,985.00 available funds;

5. Authorize the transfer in the amount of $17,000.00 for administrative fees from the Tourism PID Fund in Fiscal Year 2018 to the General Fund contingent upon the adoption of the proposed ordinance levying assessments;

6. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the General Fund PID Revenue Account in the amount of $17,000.00 from available funds; and

7. Authorize the execution of an Agreement with Fort Worth Tourism Public Improvement District Corporation or another entity approved by the City Manager and the Fort Worth Convention and Visitors Bureau to provide management and improvement services for the Tourism Public Improvement District during Fiscal Year 2018.

DISCUSSION:

The purpose of this benefit hearing is to receive comments from the public regarding the Fiscal Year 2018 Budget and ten-year service plan for the Tourism PID and the proposed assessments to be levied on each property in the PID for the 2018 Tax Year. Following the public hearing, it is recommended that the City Council approve the attached budget and ten-year service plan of the PID, adopt the attached ordinance

levying the proposed assessments and adopt the attached appropriation ordinance allocating estimated receipts to and estimating expenditures from the Tourism PID's fund.

Notice of this benefit hearing was published in the newspaper and mailed to all record owners of property in the Tourism PID in accordance with state law.

The improvements and services to be provided in the PID during Fiscal Year 2018 and the associated costs thereof are as follows:

Improvements	Total Budgeted Costs
Incentives & Sales Efforts	$ 1,474,744.00
Marketing (Promotion/Advertising)	$1,214,495.00
Site Visits & Familiarization Tours	$ 346,998.00
Event Funding Application Pool	$ 260,249.00
Operations/Research/Administration	$ 156,499.00
One Time City Administrative Fee	$ 17,000.00
Budget Expenses	$3,469,985.00
Estimated Operating Reserve	$ 0.00
Total Expenses	**$3,469,985.00**

The total budgeted costs of the improvements are in the amount of $3,469,985.00. Of this amount, $3,469,985.00 will be funded by assessments collected on hotel night revenues generated in district hotels with 100 or more rooms by levying special assessments at a rate of two percent.

The petition submitted by property owners liable for assessments in the Tourism PID proposed that the City enter into a contract with Fort Worth Tourism Public Improvement District Corporation, a to-be-formed non-profit entity, to manage the operations of the PID in conjunction with the Fort Worth Convention and Visitors Bureau. Because this particular corporation technically has not been created yet, it is recommended that the City Council authorize execution of a contract with the corporation or another entity subsequently approved by the City Manager and the Fort Worth Convention and Visitors Bureau to perform management services necessary for operation of the Tourism PID. The cost for such management shall not exceed the authorized amount budgeted for "Administration" in the PID's service and assessment plan.

The Tourism PID is located on properties in ALL COUNCIL DISTRICTS.

A Form 1295 disclosure form for the Management Corporation will be submitted prior to execution of the Management Agreement.

FISCAL INFORMATION / CERTIFICATION:

The Finance Director certifies that upon approval of the above recommendations, funds will be available in the Fiscal Year 2018 operating budget, as appropriated, of the Tourism PID Fund and the General Fund.

FUND IDENTIFIERS (FIDs):

TO

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount

FROM

Fund	Department ID	Account	Project ID	Program	Activity	Budget Year	Reference # (Chartfield 2)	Amount

CERTIFICATIONS:

Submitted for City Manager's Office by: Susan Alanis (8180)

Originating Department Head: Kirk Slaughter (2501)

Additional Information Contact: Kirk Slaughter (2501)