



Downtown Fort Worth, Inc.
Fort Worth Public Improvement District #1
Advisory Board Meeting

**WEDNESDAY, JULY 28, 2021
MINUTES**

The Advisory Board for the Fort Worth Public Improvement District #1 met on Wednesday, July 28, 2021 at the Oakley room of the Kimpton Harper Hotel located at 714 Main Street, Fort Worth, Texas 76102.

Advisory Board Members in Attendance: Larry Auth, Johnny Campbell, Gary Cumbie, Carlos De La Torre, Drew Hayden, Marie Holliday, Walter Littlejohn, Renee Massey, and Aaron Oquendo. **By Proxy:** Laura Bird, Michelle Lynn, and Don Perfect.

Advisory Board Members unable to participate: Bill Boecker, Jim Finley, Taylor Gandy and John Yeung.

DFWI Staff present: Andy Taft, Matt Beard, Nicole Fincher, Brandi Ervin, Becky Fetty, and Arrie Mitchell.

City Staff present: Crystal Hinojosa

Chairman Larry Auth thanked Mark Michalski, the GM of the Kimpton Haper Hotel for hosting today's meeting.

With a quorum being present, Chairman Larry Auth called the PID 1 Advisory Board meeting to order.

CONSIDERATION OF THE MAY 5, 2021 MINUTES – Mr. Auth called the Board's attention to the May 5, 2021 minutes. The minutes were emailed prior to today's meeting.

UPON A MOTION BY Drew Hayden and duly seconded by Carlos De La Torre, the PID #1 Advisory Board of Directors unanimously approved the May 5, 2021 minutes as presented.

CONSIDERATION OF THIRD QUARTER ACTIVITY REPORT FY21 – Chair Auth called the Board's attention to the third quarter activity report which was emailed prior to today's meeting.

UPON A MOTION by Drew Hayden and duly seconded by Marie Holliday, the PID #1 Advisory Board unanimously approved the third quarter activity report for FY21 as presented.

FINANCIAL REPORT FOR THIRD QUARTER FY21 – Brandi Ervin reported the following:

- **PID Generated Revenue** - is currently at 87% of the budget; this includes \$18K for the bus shelter cleaning contract; \$49K in banner revenue; and \$49K for the Tarrant County Grant. We are through 75% of the fiscal year. (We budgeted to make \$50K for banner revenue. We will exceed the banner budget for the year.)
- **Operating Expenses/Other/Maintenance & Landscaping** – is at almost 58% of the budget. We are currently working on tree light repairs this month.
- **Transportation & Planning** – This is at 31%. This is lower due to not paying for Molly the Trolley this year. Melissa Konur is working on updating wayfinding signs. Mr. Taft added that we have a six month credit at Trinity Metro for Molly the Trolley.
- **Marketing** – is at 59% of the budget.
- **Research** – The State of Downtown is at 23%, due to DFVII not printing the report this year.
- **Admin/Other Expenses** is at 27%, due to staff not travelling for IDA this year. They participated virtually.
- **Total Operating Expenses** is at almost 70% of the budget.

UPON A MOTION BY Marie Holliday and duly seconded by Johnny Campbell, the PID 1 Advisory Board of Directors unanimously approved the Financial report for the 3rd Quarter FY21-22 as presented.

CONSIDERATION OF THE DRAFT BUDGET FY2021-2022 – Matt Beard highlighted the historic assessment rates from 2015 to present. We are currently at 10.5 cents per \$100 value assessment rate.

Mr. Beard presented the following options:

Option 1 – Assessment Rate = 10.5 cents

If we keep the assessment rate the same (10.5 cents), with the current finalized certified numbers, we are looking at a deficit by \$173K. In order to meet Option 1, adjustments or eliminations would have to be made including street sweeping, pressure washing (from 5 days to 3 days); ambassador program (subtraction 1 person per shift am and pm); marketing, maintenance PID pole painting (reduce from 15 intersections to 5); and tree lighting would come down 50%. This is not an ideal option.

Option 2 – Assessment Rate = 11.2 cents

This would maintain a status quo budget. There would be some minor reductions in services that would not be noticeable to visitors: pole painting would be reduced by half from 15 to 8; tree lighting would be reduced by 50%.

Option 3 – Assessment Rate = 11.5 cents

This would allow for several enhancements to transportation (the circulator coming back); marketing campaign; tree lighting; and the State of Downtown would be an actual printed publication.

The top 17-20 properties, which are commercial, pay 52% of the assessment. What does this mean?

- If assets total \$160M, the property owner is paying \$168K annually into the PID. With a full one cent increase, they would pay an additional \$16K annually.
- For the average \$275K condo owner, they pay \$288 annually. With a one cent increase, they would pay an additional \$27 annually.

The County, which is the number 3 property within the PID, does not pay in to the PID, but the City does. Mr. Beard reported that the PID has allotted \$25K next fiscal year and another \$25K for the following fiscal year to help fund the SAP 2033. Mr. Taft added that of the \$150K budgeted for Plan 2033, the PID will pay \$50K; and we have secured \$50K from Trinity Metro and \$50K from the City.

UPON A MOTION BY Gary Cumbie and duly seconded by Drew Hayden, the PID 1 Advisory Board unanimously approved Option 3 of the draft budget for FY 2021-2022 as presented.

Time Line

- Next Wednesday – approved budget (Option 3) will be submitted to the City;
- September 2 - Public notice will go out to all the property owners;
- September 14 – Public hearings;
- September 21 – City Council adopts proposed budget;
- October 1 – Starting date for programs.

Mr. Taft suggest that it would be helpful for members of the Advisory Board be attend the public hearings and be prepared to speak in favor of Option #3 which the Advisory Board chose. Staff will be in attendance.

PID #1 ACTIVITY REPORT Mr. Beard gave a recap of the 3Q2021 activity:

- Tree inventory was completed 2 weeks ago (working on assessing 1,200 trees in downtown); This inventory focused on the 160 in the walkable core. 60% are in fair or good condition; 35% are stressed; we are working on cutting some back; and only 2 were allotted to be removed because of disease.
- Mr. Taft added that Sundance removed a several tree grates and put shrubs at the base of the trees. We have received a few calls pertaining to this. Mr. Beard had a meeting with City's arborist and Sundance's arborist. Sasha Bass was present for the meeting. The city is going to require Sundance to go to the DDRB, after the

fact. Sundance plans to take down some of the tree lighting that they put up and will light the trees with up lights instead. (A lot of the lights have not yet been removed.)

- It is the general consensus of the PID Advisory Board to communicate to the City to have uniformity with tree lighting.
- Tree light repair and maintenance started in late June and will continue over the next couple of months as we wrap up this fiscal year.
- Hospitality – Ambassador numbers are continuing to increase helping people with flats, directions, and information.
- Over the past two years, the Ambassadors were encouraged to reach out to businesses (banks, hotels and essential providers) to find out their operating hours, services, regulations, etc. so they can inform visitors and security providers.
- Through the Smart Tracking System, we can see where the Ambassadors are. They are focusing everywhere including the trails and all around the district.
- In October 2020, Paul, the Homeless Outreach Coordinator, has connected with 35 resident homeless individuals. Twenty-five have been connected to services and as of January, eight are in housing. Since he started he has helped 12 get into housing. Paul is a resident of downtown and experienced homelessness himself.
- T&P has reached out to staff about a PID. Staff will present to them in October.

UPON A MOTION BY Gary Cumbie and duly seconded by Drew Hayden, the PID 1 Advisory Committee unanimously approved the PID 1 activity report as presented.

MARKETING

Becky Fetty reported the marketing line item which shows we are at 60% of the budget, is now at approximately 85% as of yesterday. Ms. Fetty talked about the downtown marketing campaign including:

- The welcome back digital advertising billboard on 121, Forest Park Boulevard, and the 7th Street over the street banner.
- DFWI spent so much time over the past year to promote everything that was open in downtown. Entertainment was closed during that time.
- DFWI recently posted three different videos on social media to promote entertainment. Bass Hall has partnered with Jubilee Theater and Circle Theater is back.
- Staff is celebrating Oncor's return and their new office space by providing donuts for the employees this morning.
- There are plans to celebrate the opening of 1st on 7th.
- Marketing is working on goodie bags that will include rack cards on the Ambassadors services as well as a restaurant rack card to encourage office workers to utilize all the services throughout downtown.

Gary Cumbie asked if there were selfie spots downtown so people can post those spots on social media.

RESEARCH

Arrie Mitchell's report included Q2 numbers through April.

- Downtown hotel occupancy is starting to increase. (May and June numbers were better than April.) Things are slowly returning. Hotels won't get completely back to normal until the convention market returns back to downtown.
- The average number of visitors on the weekends is more than it used to be.
- The trend for hotel revenue per available room is increasing.

- The average daily room rate is the same as 2019. This is because of the decrease in occupancy. As those ramp back up, we will see that number rise.
- Retail vacancy per square foot. 27.4% in Q2, an increase of .2%. The retail market is starting to stabilize in downtown and we are seeing some new businesses move in to downtown. Hopefully that number will trend in the other direction.
- Ground floor use map is available in print. It shows where the vacancies are on the ground floor in downtown. The map was sent to the major brokers to try to get some more activity in downtown.
- Retail rate is at \$25.22. This is down from the Q32018 high, but seems to be pretty stable amongst what we are used to seeing in downtown.
- Office vacancy is beginning to stabilize. We will continue keep a close watch. We are concerned about the potential for sub-leasing, if offices change how they are operating.
- Office rents have remained relatively stable.
- Condo and townhome sales prices have remained stable throughout the pandemic and into this year. The demand dropped last year. We had 32 units sell in the first quarter of 2021; 36 sold in the second quarter. These are two of the biggest quarters we have seen.
- Q42020 we were down 8.5% vacancy within the residential market; we went up to 13.8% because 330 units were added to the market. We absorbed a lot of those 330 units in the 1st quarter and the rest of those units within the 2nd quarter.
- The price per square foot increased to \$1.67. This is due to the Jameson high end property coming on but we look to see a more balanced number as we move forward.

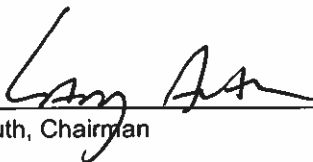
There were no questions presented by the Board.

REQUESTS FOR FUTURE AGENDA ITEMS – There were no requests for future agenda items.

PRESENTATIONS BY THE PUBLIC – There were no presentations by the public.

ADJOURNMENT OF MEETING – With no other business matters to come before the board, the PID #1 Advisory Board meeting was adjourned.

Respectfully Submitted,



Larry Auth, Chairman