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**Downtown Fort Worth, Inc.**

**Fort Worth Public Improvement District #1**

**Advisory Board Meeting**

**Wednesday, July 26, 2023**

**MINUTES - DRAFT**

The Advisory Board for the Fort Worth Public Improvement District #1 met on Wednesday, July 26, 2023 in the Conference Room at Downtown Fort Worth, Inc., located at 777 Taylor Street, Suite 100, Fort Worth, Texas 76102.

**Advisory Board Members in Attendance:** Larry Auth (proxy), Laura Bird, Johnny Campbell, Gary Cumbie, Carlos De La Torre, Jennifer Eslinger, Marie Holliday, Ashlee Johnson, Drew Hayden, Whit Kelly (proxy), Ed Kraus, Michelle Lynn, Renee Massey, Mark Michalski, Don Perfect (proxy) and Jed Wagenknecht.

**Board Members unable to attend**: Amber Finley, Walter Littlejohn, Carissa Taylor, and Courtney Towson.

**DFWI Staff present:** Matt Beard, Brandi Ervin, Becky Fetty, KayLee Pratt, Melissa Konur, Shane Smith, and Andy Taft.

**City Staff:** Lacey Ruiz.

**CALL TO ORDER** – Laura Bird presided over today’s meeting. With a quorum being present, Ms. Bird called the PID #1 Advisory Committee meeting to order.

**CONSIDERATION OF THE APRIL 26, 2023 MINUTES** – Ms. Bird called the Advisory Committee’s attention to the April 26, 2023 minutes. The minutes were emailed prior to today’s meeting.

**UPON A MOTION BY Drew Hayden and duly seconded by Gary Cumbie, the PID #1 Advisory Committee unanimously approved the July 26, 2023 meeting minutes.**

**FINANCIAL REPORT FOR 3RD QUARTER OF FY 2022-2023 –** Brandi Ervin reported the following as of June 30, 2023:

* **PID Assessments –** 70% of the assessments have been spent.
* **PID Generated Revenue –** is 73% of the annual budget. This includes $49K from the Tarrant County Homeless outreach grant; $20K for the bus shelter cleaning contract; and $40K for the downtown banner display fees.
* **Total Revenue –** is about 75% of the annual budget, which is where we expect to be at this time.
* **Operations for Maintenance and Landscaping** – is 67%. This is due to $86K budgeted for the city planter beds and tree lights, adjacent to Sundance Square properties, that has not yet been spent this year.
* **Transportation and Planning** – is at 81%. This is due to the Strategic Action Plan payment of $25K; the Molly the Trolley payment; and the bike share sponsorship.
* **Marketing** – is at 66%.
* **Research** – is at 72%. Shane Smith is currently working on residential and office surveys which will use some of the remaining funds, designated for the State of Downtown, that were not expended this year.
* **Administration –** is at 73%.
* **Overall Total Expenses** are at 71% of the annual budget.

**Discussion:** Mr. Cumbie asked about the money that has not yet been spent on the city planter beds. Mr. Taft said that DFWI is still working things out with the city. Ms. Bird said it was good to identify that line item. Jed Wagenknecht asked about property values and the assessment rate.

**UPON A MOTION BY Drew Hayden and duly seconded by Gary Cumbie, the PID #1 Advisory Committee unanimously approved the 3rd Quarter FY 2022-2023 financial report as presented.**

**CONSIDERATION OF THE DRAFT BUDGET FISCAL YEAR 2023-2024** – Matt Beard showed a brief history of the PID assessment rates over the past 10 years. Today, PID #1 net taxable assessable property values are $2.4B. The draft budget is based on the 2023 tax year. Five percent of those assessments are held back to put into reserves which are required by the city. If the variance is greater than 5%, then that would be covered by the reserves. Mr. Beard stated that we are bound by the city to hold 25% of next year’s operating budget in reserves. (We are working to build that back up. We currently do not have that in reserves now.) Additional details from his report:

* $1.8B (77%) of the properties within the PID is commercial
* $291M is residential, mostly condo owners (there are very few single-family homes in PID 1)
* Apartments make up 10%
* Vacant land is (.7%) $17.5M

The proposed draft budget reflects a static assessment rate of 13 cents per $100/value for a total of $3.6M in PID assessments. (The cap is 14 cents.) The city pays a “PILO” (payment in lieu of) of $156K for the actual services we provide. The PID generated revenue also includes the Tarrant County grant of $49K for outreach services, the banner program, Trinity Metro bus shelter cleaning contract, and the admin. fee for Burnett Park.

We are planning to contribute $129K to the reserve fund. Ms. Ervin stated that by the end of next year, we need to have $567K in reserves. She projects we will have $285K by the end of this year. Operating expenses total $3,518,877 which includes the city’s admin. fee. Much of the expenditure will be offset by future projects (Deco 969, Le Meridien, and The Sandman Hotel). Ms. Ervin said there is a chance that we will receive 5% of what the city takes off, which we do not budget for.

**Discussion:** Mr. Taft said that the ARB is tiny compared to last year. If the amount of settlement is smaller than speculated, that money would flow to our reserves. Mr. Cumbie asked about the assessment rate: The assessments are based on total market value. Mr. Hayden asked about the reserve fund: Beard stated that the reserves are held quarter to quarter, in case we don’t receive funds. We have never had to dip into those to pay our vendors for a quarter. If an emergency is needed, or if we need to close out the PID, those funds would be available. The city has been gracious as to what the balance is.

**Timeline:**

* The final budgets are due to the city by the end of business on Friday, July 28.
* Public notices will be sent to the 1,225 accounts within the district in mid-August.
* Public hearings will commence on August 22. This will be the first of two public meetings.
* FY 2024 begins October 1.

**UPON A MOTION BY Jed Wagenknecht and duly seconded by Drew Hayden, the PID 1 Advisory Committee approved the FY2023-2024 budget as presented.**

**MARKETING**

**Burnett Park Programming – Yoga and Zuma start the first week in September.**

* Yoga will meet every Tuesday at 5:30.
* Zumba classes will be held every Thursday at 5:30pm.
* Movie Nights are returning with *Top Gun Maverick* showing on September 8. Movie nights is funded by Burnett Plaza.

**Digital Campaign** – This summer’s digital campaign has been Fort Worth parking. We have had 440K impressions. We will transfer the digital campaign in September to promote movie nights and park programming.

**Social Media** – has had exponential growth from summer 2022 to this summer. The goal was to maintain a minimum growth of 5% engagement, and we have surpassed that.

**Threads** – DFWI will be launching a new social media account on Threads. Be sure to follow us on: Threads, LinkedIn, Facebook, and Instagram. DFWI will also be launching a newsletter on LinkedIn called “Discover Downtown”.

Ms. Fetty added that DFWI has been doing a gift card giveaway every other week this summer to drive traffic downtown. If you have anything that you would like us to highlight for your business, please let us know.

**Map** – A map was created from frequently asked questions from downtown visitors. The maps include information on bus routes, how to get to the cultural district, the stockyards, etc. If you would like some printed copies to keep in your establishments, please contact Beckyf@dfwi.org. Drew Hayden asked if Ms. Fetty would provide a QR code for a pdf version. Ms. Fetty will send the QR code following today’s meeting.

If you are interested in having Mr. Beard talk about the Ambassador program to new tenants, contact him at Matt@dfwi.org.

**TRANSPORTATION & PLANNING**

* **Heritage Park** is at 30% for the park and streetscape components. We are in a holding pattern as we work through some issues with the city in terms of some additions they want to see and how that impacts TXDOT. We are hoping that means that we can move toward 60% as soon as summer ends or early fall.
* **Strategic Action Plan 2033** – The actual plan is in production. We are looking to the city to get dates to get Plan 2033 adopted into the city’s comprehensive plan.
* **969 Deco –** This project is302 units, currently under construction. This high rise will contribute to the PID. It will have 8K sf of retail. Ms. Konur and Mr. Beard are working closely with Southern Land Company who would like to make improvements at General Worth Square. Plans include adding seating, opening up the space, additional lighting, and turning on the fountain to make the area viable.
* **Paradox Church** – The church is 30K sf, has 1000 seats, and a 118 sf steeple. The church is not in the PID.
* **High Speed Rail** – Ms. Konur participated in conversations with the NCTCOG regarding high-speed rail and connection to Houston. They showed a map of all the alternatives being discussed. The ones they were considering were an elevated or underground entry to downtown. Though more expensive, the underground rail creates more economic development opportunities. A&M, Sundance, the city, and stakeholders were all at the table for this discussion.

**RESEARCH –** Shane Smith reported the following:

* Of the $2.5B in the development pipeline, a great deal of that is in PID 1. (Over 70% is in the southeast region – Deco 969, Le Meridien.) $949M in institutional development; $47M is actively under construction for hotels; $140M for apartments.
* Trinity Metro acknowledges some issues with signage at Central Station. The plan to make changes, along with the plans to make an additional stop into the medical district will generate a huge consumption of people traveling in Central station and the T&P.
* Within PID 1, Class A & B office vacancies are at 12%. Downtown Fort Worth stands pretty strong compared to other cities. Class A has 15% vacancy, and Class B has about 9%.
* Class A is $34/sf; Class B is $26/sf.
* Condo and Townhome sales in PID 1 – Since January 2022, the Tower sold 35 condos and the Omni sold 5. The average closing price is considerably higher for the Omni due to the different amenities offered. The Omni’s average price per sf is $500.
* Sound Study in the Cadillac lot, east of the T&P lofts. The study had interesting results. It was not as loud as we thought. The times that loud sounds occur are relatively rare. We are waiting to hear back from the sound engineers to see if structures can potentially be built to mitigate the sound.

**OTHER MATTERS**

* The Metroplex Atheists and the American Atheists filed a 1st Amendment lawsuit in the federal court and named DFWI as a party to the suit, concerning the rejection of their application to display banners for their upcoming event. DFWI received the application and forwarded it to the city. The city denied their application. We are asking the city to facilitate our exit from that lawsuit hopefully that will be accomplished. All DFWI’s legal fees associated with this matter will be paid for by the PID’s banner revenue.
* Mr. Wagenknecht asked about the street overlay work downtown. Ms. Fetty will send the phone number to call for specific details. Work is currently being done on the north end of downtown.
* Mr. Taft hopes that there will be some sort of resolution with the planter beds and lighting issue with Sundance Square by the next Board meeting. Staff is working with BRIT to identify species that will be successful downtown. This may be a path forward that the PID Advisory Committee may want to consider adopting for the rest of downtown. The committee commented on how great the flower beds look this summer!

**FUTURE AGENDA ITEMS**

* Ambassador update for 2023 trends we have seen.

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

**ADJOURNMENT OF MEETING** – With no further business to come before the PID #1 Advisory Committee, Chair Auth adjourned the PID #1 Advisory Committeemeeting.

Respectfully Submitted,

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Larry Auth, PID #1 Chairman