

September 11, 2019

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

WHEREAS, on June 13, 2012, City Council authorized the creation of the Tourism Public Improvement District (“District”), as a public improvement district in accordance with the Act and found that the District promoted the interests of the City and conferred a special benefit on hotel properties within the City, designated the Dallas Tourism Public Improvement District Management Corporation as the manager of the District, authorized a contract for management services; and approved the District Service Plan, and annual updates by Resolution No. 12-1581; and

WHEREAS, on May 23, 2016, the Dallas Tourism Public Improvement District Corporation, representing owners of Dallas hotels within the District, delivered to the City of Dallas a petition to renew the District in accordance with the Act, and as listed in **Exhibit A-1**; and

WHEREAS, pursuant to Section 372.007 of the Act, the City staff, with the assistance of the Dallas Tourism Public Improvement District Corporation, verified the petitions, determining that 89.7% of the appraised value of Dallas hotels with 100 or more rooms (“Qualifying Hotels”) and 63.7% of the land area for Qualifying Hotels within the District executed the petition, evaluated the Service Plan to determine whether the services should be made as described by the proposed Service Plan and found the Service Plan to be feasible; and

WHEREAS, on June 22, 2016, the City Council called for a public hearing to be held on August 10, 2016, to hear comments and concerns regarding the re-establishment of the District and stated its intent at the close of that hearing to consider a Resolution renewing the District by Resolution No. 16-1062; and

WHEREAS, after providing notices required by Section 372.009 of the Act, City Council on August 10, 2016, conducted a public hearing on the advisability of the improvements and services, and adjourned such public hearing; and

WHEREAS, on August 10, 2016, City Council authorized the renewal of the Tourism Public Improvement District and approval of the Service Plan and management contract by Resolution No. 16-1250; and

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WHEREAS, the 86th Texas Legislature enacted House Bill 1136 which amended Section 372.0035 of the Act to allow all Texas cities, regardless of population size, to establish a hotel Public Improvement District ("PID"), allow every hotel room in the municipality, regardless of room size, to be levied, and allow the governing body of a municipality to add and levy hotel properties to the boundary of an existing hotel PID without requiring their approval on the original hotel PID petition if such property could have been included in the hotel PID without violating the petition thresholds when the hotel PID was created; and

WHEREAS, on August 28, 2019, City Council called for a public hearing to be held on September 11, 2019 to hear comments and concerns regarding the expansion of the District in accordance with new House Bill 1136 and stated its intent at the close of the hearing to consider a resolution expanding the District; and

WHEREAS, after providing notices required by Section 372.009 of the Act, City Council on September 11, 2019, conducted a public hearing on the advisability of expanding the District, and adjourned such public hearing.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That pursuant to the requirements of the Act as amended by House Bill 1136, City Council, after considering evidence and testimony presented at the public hearing, hereby finds and declares that it is advisable to adopt a resolution expanding the boundaries of the District to include an estimated 11 additional hotels with 100 or more rooms located within the District territory attached hereto as **Exhibit A-2**.

The City Council makes the following findings concerning the Service Plan for the Public Improvement District:

- (a) Advisability of the Services Proposed for the District.** The District promotes the interests of the City and confers a special benefit on hotel properties within the City's boundaries and it is advisable to continue the District and to provide the services and improvements described in this resolution.
- (b) Nature of the Services and Improvements.** The purpose of the District is to supplement and enhance services provided within the District, but not to replace or supplant existing City services provided within the District.

SECTION 1. (continued)

The proposed services and improvements to be provided in the District include marketing, business recruitment, and promotional activities authorized by the Act for improvement and promotion of the district, including the provision of incentives by the Dallas Convention and Visitors Bureau to organizations to encourage them to bring their large and city wide meetings to Dallas and to fund additional marketing by the Dallas Convention and Visitors Bureau to increase hotel stays within the City.

- (c) **Estimated Cost of the Services and Improvements.** During the next five-year period, the estimated annual cost of the improvements and services provided by the District is expected to begin at approximately \$19,133,893.00 in FY 2019-20 and reach \$23,257,367.00 in FY 2023-24. The total estimated assessments to be collected during the next five-year period is approximately \$105,726,838.00. The District shall incur no bonded indebtedness. In the event the District requires additional funds; the District shall re-petition the hotel owners for such an increase. At no time shall the total amount levied exceed the total amount shown in the approved petition budget for the services and improvements to be provided for the year in which the hotel is assessed except as provided in the petition and subject to the collective total for the five-year period. The Service Plan budget and assessment amount are subject to annual review by the Tourism Public Improvement District Board, and are subject to an annual public hearing and approval by the City Council.
- (d) **Boundaries.** The boundaries of the District are located wholly within the city of Dallas, Texas. The boundaries of the District are as shown in **Exhibit A** and shall solely include non-contiguous hotel properties with 100 or more rooms within the city of Dallas as shown on the attached list marked **Exhibit A-1** unless City Council votes to expand these boundaries on September 11, 2019 to include the additional hotels listed on **Exhibit A-2**.
- (e) **Method of Assessment.** The District assessment will be levied on hotels with 100 or more rooms ("qualifying hotels") located within the District. The proposed cost of the services and improvements to be provided shall be assessed in a manner that results in imposing equal shares of the cost of the services qualifying on hotels that are similarly benefitted. Under the Act, the apportionment of the cost of the services against property in the District territory must be made on the basis of special benefits accruing to the property because of the services and improvements provided.

SECTION 1. (continued)

The total cost of the services and improvements to be provided shall be apportioned at a rate of two percent of room-nights sold at qualifying hotels located within the District territory until the budget for services and improvements for the year is reached. Accordingly, those qualifying hotels that sell more rooms will pay a greater portion of the assessment since those properties benefit more from the promotion and marketing services provided by the District. Rooms that are not subject to the City's hotel occupancy tax shall not be included for the District assessment. The total assessment must be reviewed and approved annually by the Dallas City Council. The future cost of services and improvements that are budgeted in the 2019-20 Service Plan may be increased in amounts indicated in subsequent Service Plans, beyond the amount shown subject to an enhancement in value of property in the District and a corresponding increase in the services and improvements to be provided, and subject to the limitations on the assessment per occupied room and the aggregate amount approved in the petition. The total assessment amount for the year may be less than the amount budgeted for the year, but it shall not be more than the amount budgeted for the year as shown in the adopted Service Plan.

- (f) **Apportionment of costs between the District and the Municipality as a Whole.** The District shall continue to pay the cost of the supplemental services described in the Service Plan by assessment against the hotels with 100 or more rooms within the District, including City-owned qualifying hotels located within the District territory, such as the Omni Hotel.

SECTION 3. That the facts and recitations contained in the preamble of this Resolution are hereby found and declared to be true and that the action of the City Council closing the public hearing in these proceedings is hereby ratified and confirmed.

SECTION 4. That notice of City Council's intention to consider the proposed District expansion at a public hearing on September 11, 2019 at 6:00 p.m. in the City Council Chamber, 6th Floor, 1500 Marilla Street, Dallas, Texas 75201 was published in the official newspaper of the City of Dallas, Texas 75201 before the 15th day before the date of the hearing. The notice stated: (1) the date, time and place of the hearing; (2) the general nature of the services and improvements; (3) the cost of the services and improvements; (4) the boundaries of the District; and (5) that written or oral objections will be considered at the hearing.

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SECTION 5. That Dallas City staff mailed to the owners of property liable for assessment notice of the hearing as the ownership appears on the City tax roll. The notice contained the information required by the Act. The notice was mailed before the 15th day before the date of the hearing to the last known address of the property owner on the City tax roll. The failure of the property owner to receive notice does not invalidate the proceeding.

SECTION 6. That the City Secretary is directed to give notice of the expansion of the District by publishing a copy of this Resolution once in the newspaper of general circulation in the City of Dallas. Such authorization shall take effect and the expanded District boundaries shall be deemed to be effective upon the publication of such notice.

SECTION 7. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.