

May 24, 2023

WHEREAS, the Public Improvement District Assessment Act, codified in Texas Local Government Code, Chapter 372 (the “Act”) allows for a city or county governing body that receives a petition pursuant to Section 372.005 of the Act to establish a public improvement district, including a common characteristic public improvement districts; and

WHEREAS, on June 13, 2012, the Dallas City Council (“City Council”) established the Tourism Public Improvement District (the “District”), as a common characteristic 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 (“DTPIDC”) 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 DTPIDC, which manages the District and represents Dallas hotels within the District, delivered to the City of Dallas a petition to renew the District in accordance the Act, and upon City staff review of the petition, staff has determined that property owners of record representing 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 executed the petition, meeting the Act’s thresholds to call a public hearing to consider the proposed renewal and expansion after which the City Council authorized renewal of the District; and

WHEREAS, on March 25, 2020, pursuant to Section 372.007 of the Act, the City Council authorized the District expansion to include 14 additional hotels by Resolution No. 20-0520; and

WHEREAS, on June 8, 2022, pursuant to Section 372.005(b-1) of the Act, City Council authorized the expansion of the Tourism Public Improvement District boundary to include 6 additional hotels by Resolution No. 22-0897; and

WHEREAS, the Act allows the City Council to include and levy additional hotel properties to an existing hotel-PID, with hotel owner’s consent, if such property could have been included in the hotel-PID without violating the petition thresholds set forth in Section 372.005(b-1) of the Act; and

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WHEREAS, on February 1, 2023, VisitDallas, which manages the District on behalf of the Dallas Tourism Public Improvement District Corporation, delivered to the City of Dallas consent forms signed on behalf of two hotel owners seeking inclusion in the District in accordance with the Act, and upon review, City staff has determined that property owners of record representing 84.1% of the appraised value of Qualifying Hotels, and 63.6% of the land area for Qualifying Hotels executed the original petition or a consent form, thereby exceeding the Act's threshold requirements to call a public hearing to consider the proposed expansion after which the City Council may consider approval of the District expansion; and

WHEREAS, on April 26, 2023, the City Council called for a public hearing to be held on May 24, 2023, to hear comments and concerns regarding the expansion of the District and at the close of the public hearing, to consider a resolution to expand the District, by Resolution No. 23-0568; and

WHEREAS, pursuant to Section 372.009 of the Act, the City Council must hold a public hearing to consider the proposed expansion of the District to include an estimated two two additional over-100 room Dallas hotels as listed in **Exhibit A-2**, not described in the resolution or petition renewing the District in 2016 and the resolutions approving the 2020 or 2022 boundary expansions.

Now, Therefore,

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

SECTION 1. That pursuant to the requirements of the Act, the City Council, after considering the evidence and testimony presented at the public hearing on May 24, 2023, hereby finds and declares that it is advisable to adopt a resolution expanding the boundaries of the District to include two 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 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.

SECTION 1. (continued)

- B. **Nature of the Services and Improvements.** The purpose of the District will continue to be to: enhance services; and undertake certain improvements, in particular, special supplemental services relating to District marketing, business recruitment, and promotional activities authorized by the Act to improve and promote the District, including the provision of incentives with VisitDallas to organizations to encourage them to bring their large and city-wide meetings to Dallas and to fund additional marketing by contractual agreement with VisitDallas to increase hotel stays within the City. The District will continue to supplement and enhance services within the assessment area.
- C. **Estimated Cost of the Services and Improvements.** During the next five-year period, the estimated annual cost of District improvements and services is expected to be \$19,887,000.00 in fiscal year 2023 and increase to approximately \$26,111,000.00 in fiscal year 2027. The estimated total net assessments collected during the next five-year period is \$116,158,000.00. The District shall incur no bonded indebtedness.
- D. **Boundaries.** The District boundaries are located wholly within the city of Dallas, Texas. The District boundaries 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**.
- E. **Method of Assessment.** The District assessment will be levied on Qualifying hotels located within the District. The proposed services and improvements costs shall be assessed in a manner that results in imposing equal shares of the cost of the services qualifying on similarly benefitted hotels. Under the Act, the apportionment of the cost of the services against property in the District must be based on special benefits accruing to the property because of the services and improvements provided. The total services and improvements costs shall be apportioned at a rate of two percent of room-nights sold at Qualifying hotels located within the District until the collective total budget for the current period 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 District's promotion and marketing services. 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 annually reviewed and approved by the Dallas City Council. The future services and improvements cost that are budgeted in the FY 2022-23 Service Plan may be increased in amounts indicated in subsequent Service Plans, beyond the amount shown, subject to the limitations on the assessment per occupied room and the aggregate amount approved in the petition.

SECTION 1. (continued)

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 Qualifying hotels within the District, including City-owned qualifying hotels, such as the Omni Hotel.

SECTION 2. 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 3. That Dallas City staff mailed to the owners of property liable for assessment notice of the hearing as the ownership appears on the County 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 4. That the Director of the Office of Economic Development (or his or her designee) is directed to, no later than seven days after the date this resolution takes effect, shall file a copy of this resolution with the Dallas County Clerk's office in accordance with Section 372.010 of the Act.

SECTION 5. 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.