



City of Dallas

Kay Bailey Hutchison Convention Center Dallas (KBHCCD)
Master Plan Alternative Recommendation
and Requirements Pursuant to
Texas Local Government Code Chapter 334

Transportation and Infrastructure Committee
January 18, 2022

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Purpose



- Present a historical overview of the physical and operational challenges of the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) and its construction/renovation phases;
- Provide the Transportation and Infrastructure Committee an overview of the KBHCCD Master Plan (Plan) and present the recommended alternative – 3C West of Lamar – for input; and,
- Discuss project funding and the steps necessary for ordering an election under Texas Local Government Code Chapter 334 (Brimer Bill).



Agenda



1. Overview
2. Physical and Operational Challenges with Existing Facility
3. The Case for Investment
4. Alignment with Larger Downtown Economic Development Strategy
5. Convention Center Master Plan Process and Concept
6. Funding and Financing
7. Next Steps





Overview



Overview: Business Case



- Dallas lost 948 event bookings over the last 15 years due to center challenges.
- Investment in patch and repair of the existing facility will not resolve the maintenance issues created by a building constructed in five phases spanning from 1957 to 2002:
 - Deferred maintenance expenses on the current center are \$7 to \$8M annually or ~\$80M over the last decade
 - Negative public safety perception of the area surrounding the center
 - Lack of walkability, in and around the center
 - Poor use and design of outdoor contiguous spaces



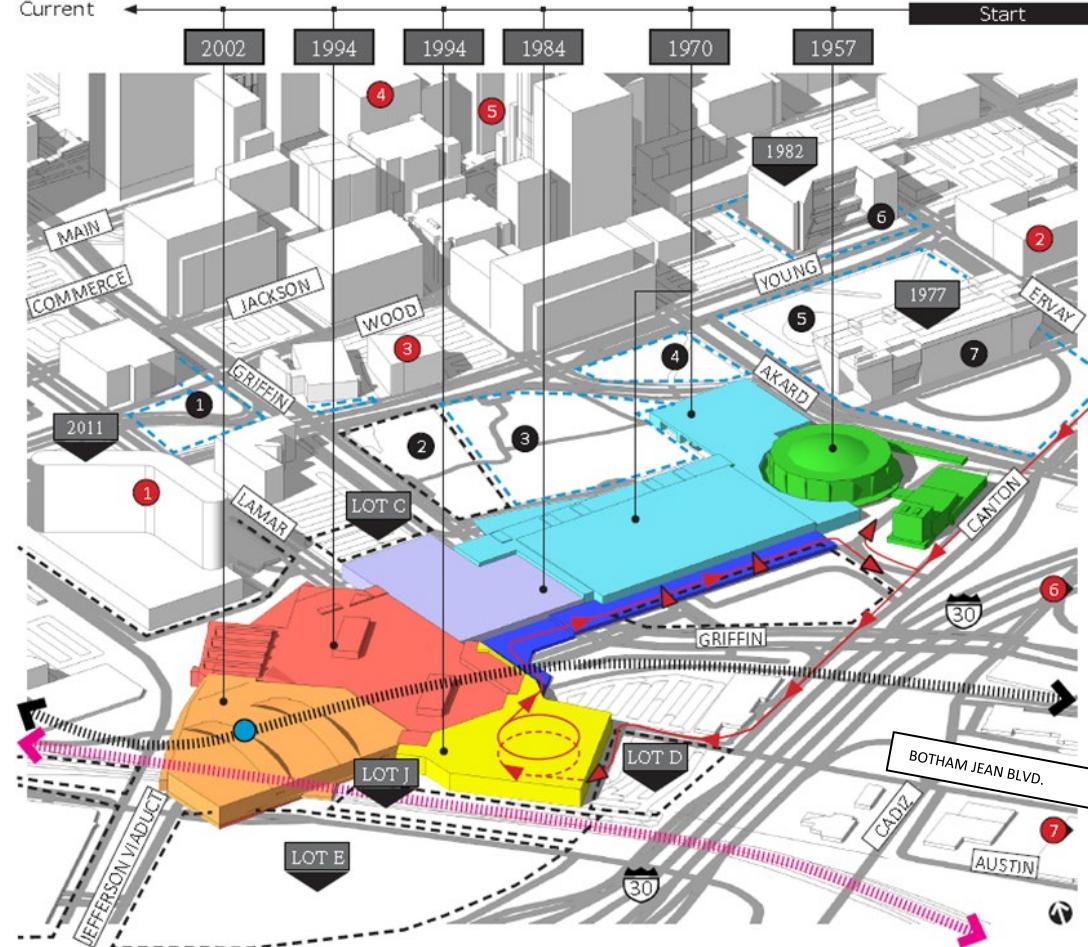


History of the Kay Bailey Hutchinson Convention Center Dallas (KBHCCD)

Kay Bailey Hutchinson Convention Center Dallas

Dallas, TX

Current



Parks/Open Space/Public Buildings

- 1 Founders' Plaza
- 2 Pioneer Plaza
- 3 Pioneer Park Cemetery
- 4 Dallas Police Memorial
- 5 City Hall Plaza
- 6 Dallas Central Library
- 7 Dallas City Hall

Hotels

- 1 Omni Dallas
- 2 Butler Brothers Bldg (Marriott)
- 3 Aloft Dallas Downtown
- 4 The Adolphus
- 5 Magnolia Dallas
- 6 Lorenzo (Nearby)
- 7 Canvass Hotel (Nearby)

Program

 Arena & Black Academy of Arts + Letters	 Ballroom A, Halls A & B	 Hall C	 Halls D & E	 Hall F	 Heliport
 Loading Dock	 City Owned/Operated Lots	 City-KBHCCD Owned/Operated Lots	 DART Convention Center Station	 DART Rail	 Union Pacific Line/AMTRAK



History of the KBHCCD (cont.)



Dallas Memorial Auditorium

May 1957

Designed by George Dahl, the Dallas Memorial Auditorium opened May 1957.

350k square feet

2nd Expansion

1984

OMNIPLAN led a second expansion that included Exhibit Hall C and C Ballroom.

257k square feet

4th Expansion

2002

HKS Inc. and Skidmore Owings & Merrill led the fourth expansion adding Exhibit Hall F and the Lower AB Lobby, making the center a top convention destination with more than 1M square feet of exhibit space.

368k square feet

Renaming 2013

In 2013, the Dallas City Council renamed the facility after Senator Kay Bailey Hutchison.

1957

1967

1970

1984

1994

2002

2011

2013

2020

1st Expansion & New Name

1970

Harrell + Hamilton Architects led the Dallas Memorial Auditorium's first expansion in 1970 adding Exhibit Halls A and B and the parking garage. It was renamed three years later to the Dallas Convention Center.

783k square feet

3rd Expansion

1994

The facility underwent a third expansion in 1994, adding Exhibit Halls D and E, the D Ballroom, D Lobby and Lower D meeting rooms. JPC Architects, Loschky Marquardt & Nesholm Architects led the project.

471k square feet

Omni Hotel Dallas Opens

2011 / 2012

In 2009, Dallas residents approved revenue bonds for the Omni Hotel, a 1,000-room hotel that is connected to the Convention Center via skybridge. It was designed by BOKA Powell and opened in 2011. The finish-out of Ballroom D and the Mezzanine were added by HKS Inc. in 2012.

Renovation 2015

HKS Inc. led the renovation of the C Meeting Rooms and C Ballroom.





Physical and Operational Challenges



Challenges with the Existing Facility

The HVS *Market and Future Strategies Study* for KBHCCD identified several issues with the center that would prevent market growth/expansion, and the spur of economic development around the facility.

KBHCCD Study Observations

Safety	Perception that KBHCCD and surrounding area are unsafe
Walkability/Continuity	Walkability and continuity challenges contribute to mobility issues, safety concerns, and inaccessible amenities
Retail/Restaurants	Lack of abutting restaurants and retail development and accessibility to transit deter clients
Contiguous Hotel	Documented need for an additional ~1k hotel rooms connected to KBHCCD to accommodate larger shows and clients in the industries we want to attract (e.g., medical, tech)
Outdoor Activation	Poorly designed and poor use of contiguous outdoor spaces (e.g., Pioneer Cemetery / Plaza)
Parking	With the development of the multimodal center, KBHCCD will lose a significant portion of its parking and its marshalling area / current parking lot orientation foster safety concerns
Center-Specific	Multiple design issues including accessibility, food preparation and delivery, signature entrance, and documented need for additional ballroom and meeting space

Physical and Operational Challenges - Impermeability



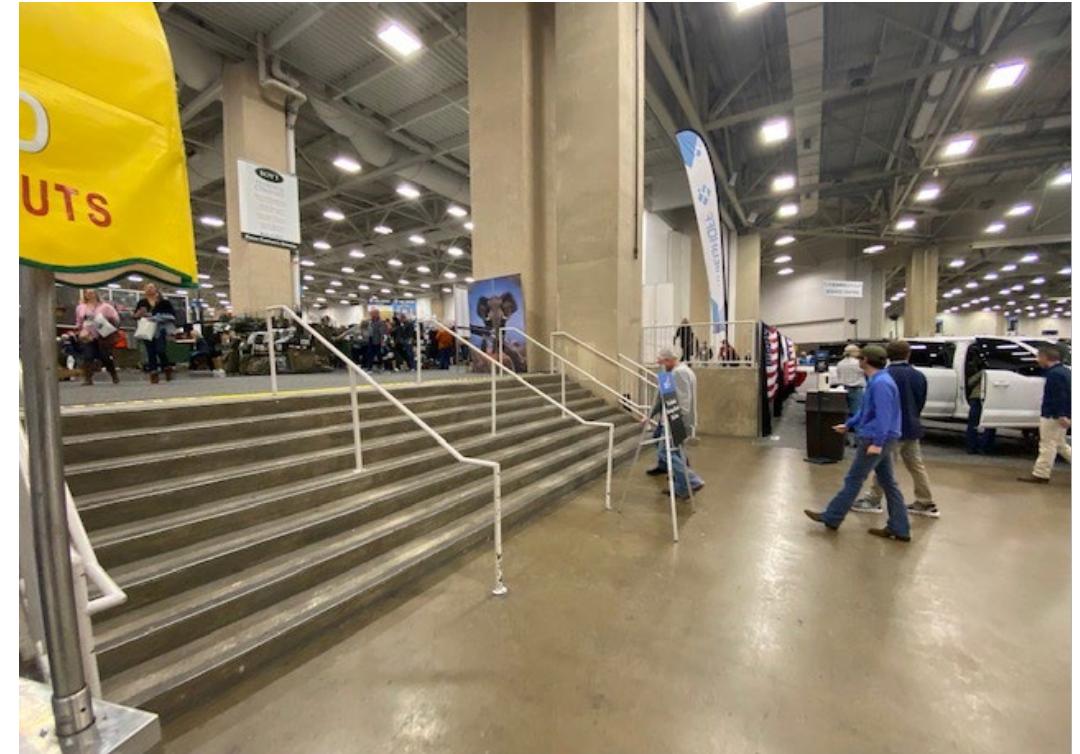
Convention and Event Services has invested millions of dollars in impermeability projects but given the multiple phases and additions to the building, the problems with leaks and water intrusion persist throughout the Convention Center.



**Exhibit Hall C and
Lobby D**



Physical and Operational Challenges – Transition Between Buildings



The transition between Buildings E and F creates challenges in uniformity and mobility. This transition challenge creates issues for clients during move in/out and gives an impression to exhibitors as “being apart” from the main flow of the show if both buildings are used.



Physical and Operational Challenges – Cargo Elevators



All cargo elevators that provide access to our exhibit level open to common lobby areas, severely limiting their use and complicating operational logistics for both the operator and clients.



Cargo Elevators servicing Buildings C, D, E, & F



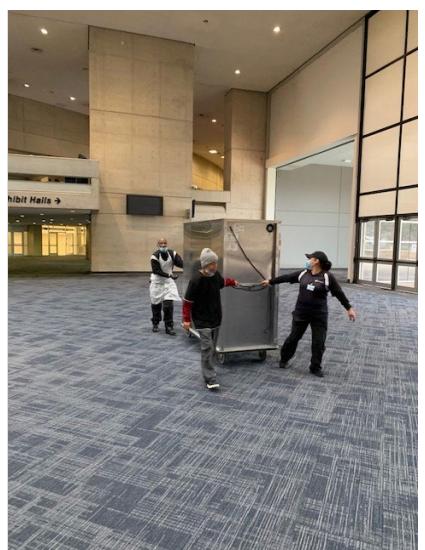
Physical and Operational Challenges – Lack of Storage



Although there were multiple phases of renovation throughout the building's history, storage was never added, forcing the operator to store equipment in public lobby spaces and in client leased space.



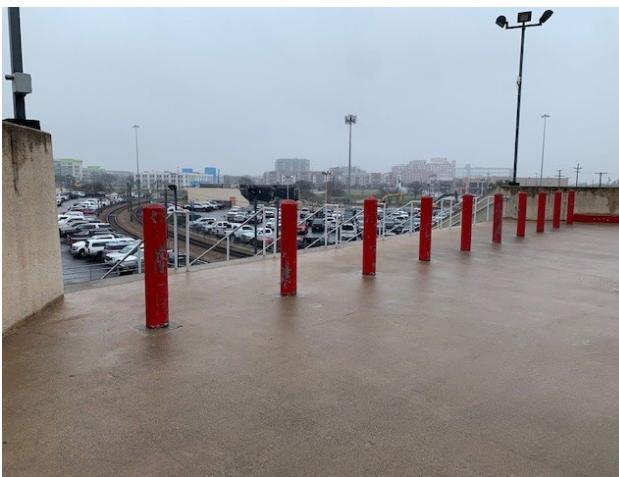
Physical and Operational Challenges - No Service Corridors and Inadequate Kitchen Space



As with storage, no construction phase ever solved the lack of a service corridor, creating a “back of the house” issue. As a result, operations and Food & Beverage (F&B) teams cross through open lobby spaces, sometimes full of attendees, with equipment that should never be seen by the public.

The F&B operation is the largest revenue generator for the KBHCCD, yet the operation lacks adequate space. The current facilities limits the size of F&B events that can be handled without constructing temporary kitchens or using off site facilities. In the case of large events, the F&B operator has had to prepare food at locations as far away as Fair Park and transport it back. The current event size that can be handled is 3,500 guests, when regularly we host events that require service for over 12,000 guests. This increases operational costs and reduces revenue.

Physical and Operational Challenges - Exposed Dock Area



The KBHCCD dock has no transition space and is exposed directly to the street. This translates to no storage space and climate control issues within the exhibit halls, along with security issues.



Physical and Operational Challenges - Meeting Room Challenges



KBHCCD has a total of 88 meeting rooms, far below the industry standard for a building this size. Out of that total, 36 meeting rooms are part of the A100 bay of rooms. Unfortunately, the rooms do not meet industry standards of size or layout, meaning 40% of our meeting room inventory is technically unusable for most clients. 32 out of these 36 rooms are under 660 sq. ft, with 28 of them below the 500 sq. ft mark.



Physical and Operational Challenges - Dated Facilities and Systems

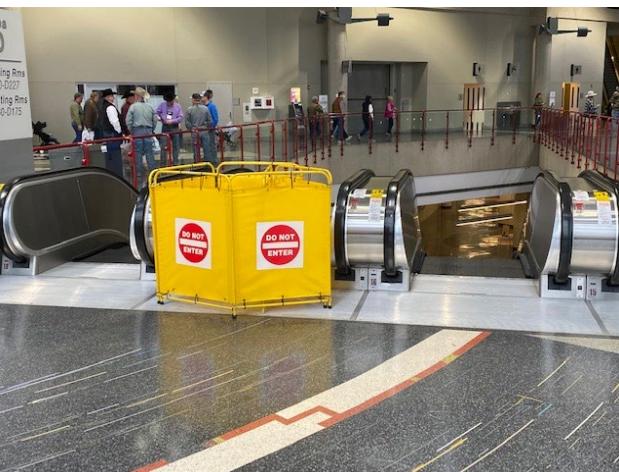
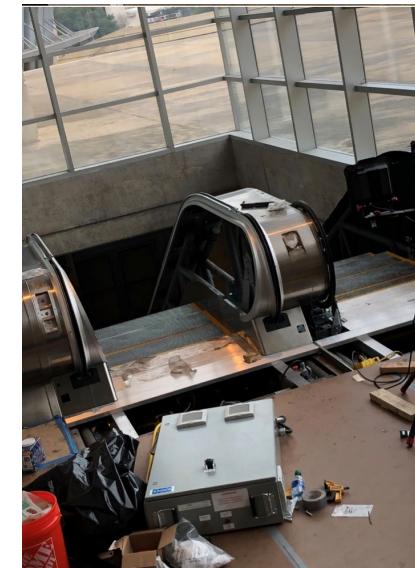
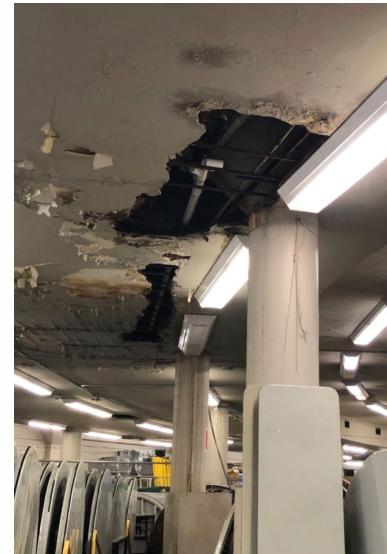


During the many phases of additions, none of the existing facilities were updated, leaving a span of 6 decades of finishes, fixtures and building systems throughout the building.

Arena, Building A, & Building F



Physical and Operational Challenges - Dated Facilities and Systems (cont.)



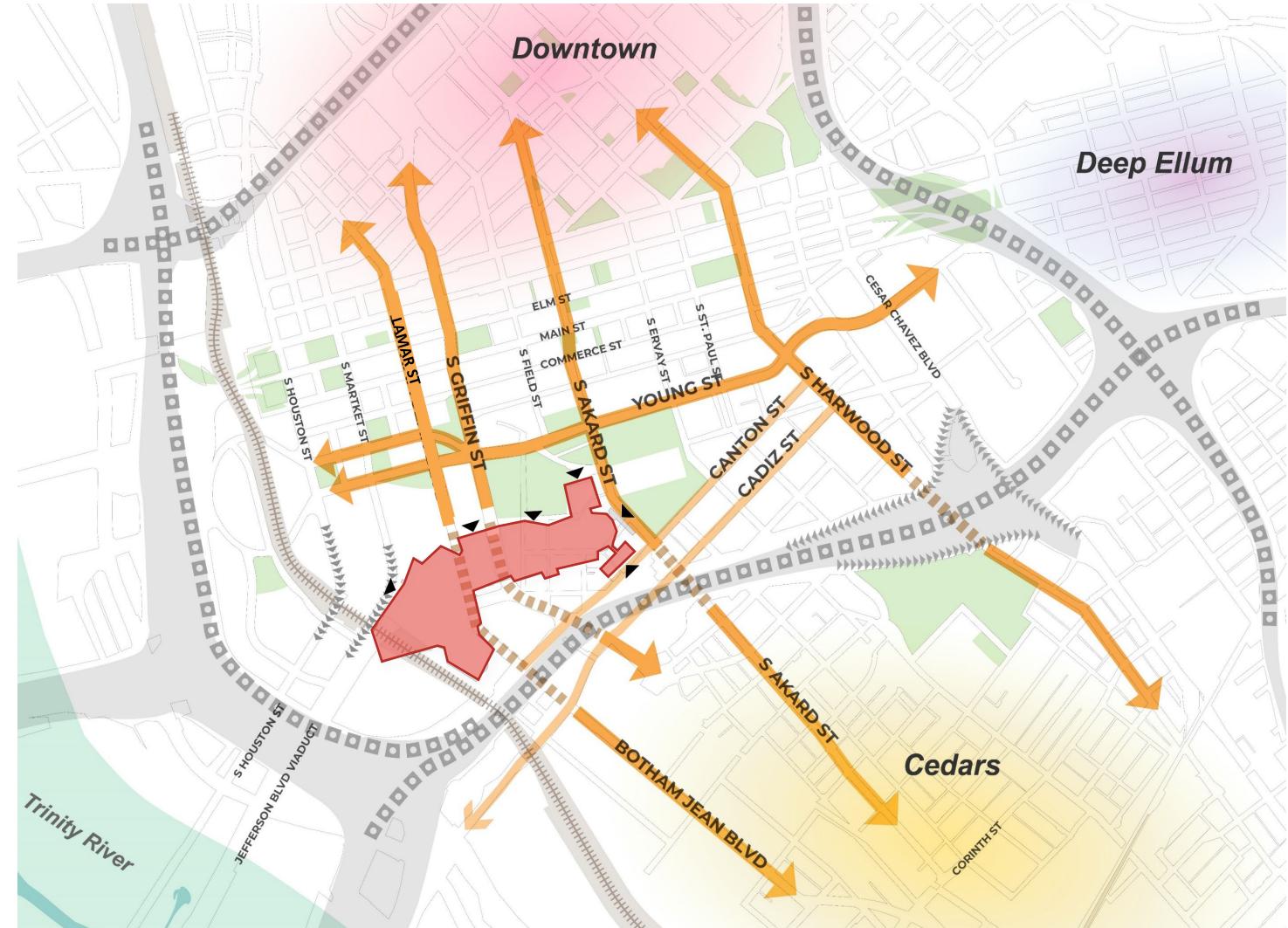
Barriers to Economic Development and Job Growth



1. Convention Center is a physical barrier
2. Entrance to the Convention Center is not clear
3. Poor pedestrian experience
4. Nearby assets are not being leveraged

Key Takeaway: Improve the pedestrian experience on multiple north-south and east-west corridors

- Highway
- Railway
- Highway Ramp
- Underpass/Bridge
- Key Corridors





Circulation and Access to KBHCCD

- Poor pedestrian connectivity
- No clear front door for KBHCCD
- Auto-centric

Public Open Spaces

- Poorly utilized/dispersed open space
- Inconsistent street wall
- Trinity River is amenity but inaccessible

Development and Value Capture

- Limited parcels for development (beyond Lot E)
- Opportunities on Lot E but parcel is difficult to access
- Lack of complimentary uses to KBHCCD

- Improve pedestrian realm; connect activity centers
- Create a focus for the convention center
- Regularize and pedestrian scale blocks (Marilla Street/Wood Street)
- Connect open space and program for a range of activation uses
- Create build to lines to reinforce the public realm
- Explore connections to the Trinity River
- Maximize development opportunities
- Create nodes of complimentary uses (hotels/restaurants/entertainment)
- Create a destination unique to Dallas to attract shows and increase the value of surrounding development



Area Plan Design Challenges



Credit: Image from Google Maps

The KBHCCD has a large building footprint organized primarily in an east-west direction and a barrier to north-south connections.



The KBHCCD covers Lamar and Griffin Streets creating a visual barrier.



I-30 is a visual and physical barrier and separates the KBHCCD from the Cedars.





The Case for Investment





Deficiencies To Be Addressed

- Patch and Repair approach has resulted in unaddressed deferred maintenance totaling \$500M - \$700M
- Lack of ballrooms, meeting rooms, and the necessary amenities to compete for the most impactful convention, corporate events, and new client markets
- Existing building and hotel package does not support multiple simultaneous events
- Lack of support space/amenities necessary to generate revenue for the center and support the guest experience
- Uninspiring interior design and wayfinding that leads to a non-competitive guest experience
- Lack of the authentic Dallas urban experience, including walkable restaurants, retail, and entertainment options that customers demand



PROBLEM: How much business have we lost?



Lost Business - KBHCCD (15-Year period 2013-2027)

Lost Code	Number of Events	% of All Lost Business	Requested Room Nights	Average/Year over 15 Years
Dates Occupied - KBHCCD or Hotel	387	11.1%	3,475,491	231,699
KBHCCD Spaces too Small/Inadequate	223	10.2%	3,209,624	213,975
Hotel Package Inadequate	146	5.2%	1,642,673	109,512
Walkable Amenities/Restaurants/Appeal	192	7.1%	2,237,489	149,166
Total	948	33.7%	10,565,277	704,352
			Supportable Hotel Rooms*	2,859

The top meeting segments the KBHCCD cannot book currently include:

Medical
Trade Associations
High-Tech
Food Service
Scientific

* Assumes 68% annual hotel occupancy
Source: VisitDallas, Hunden Strategic Partners



What we are and what we could be



Metric	Current Performance	Future Opportunity
Attendance	More than 800k attendees	Nearly double annual attendance
Hotel Room Nights	More than 330k hotel room nights	~330k additional annual hotel room nights, bringing total to ~700k hotel room nights
Jobs	Supports 5,000+ long-term jobs in support businesses	Yield 50-100K jobs (construction, event-driven and permanent)
Spending	Induces almost \$300M in direct new spending within Dallas, + spinoff spending	\$30-50B in total spending over 30 years.
Property taxes generated through new development	0	up to \$2.5B in new property taxes
Visitors	Introduces hundreds of thousands of visitors to Dallas and downtown who spend time and dollars in the City resulting in a halo effect from leisure travel return visits	Redirect state taxes back to Dallas , capture new fees, and leverage existing assets to renovate or reconstruct the Convention Center



Competitive Cities Are Moving Ahead



Planned or Recently
Completed



Cities	New Building	New Exhibit Hall	New Ballroom / Flex Hall	New Meeting Rooms	New HQ Hotel	District Improvements
Austin	●	●	●	●	●	●
Fort Worth		●	●	●	●	●
San Antonio		●	●	●	●	●
Houston					●	●
Anaheim		●	●	●		●
Chicago					●	●
Denver			●			●
Las Vegas	●	●	●	●	●	●
Nashville	●	●	●	●	●	●
San Francisco	●		●	●		
Seattle	●	●	●	●		●
Boston			●	●	●	●
Orlando		●	●	●		
San Diego		●	●	●		



Success Story: Nashville Music City Center



Current Statistics - Opened May 2013

- City also provided \$128M for new 21-story Omni Hotel across the street
- 2,100,000 Sq. Ft of total space
- Built at the height of the recession, following a study recommending the city build a new center versus remodeling/expanding the old center. Created 7,300 jobs
- 150 Ft. Tall Floor to Ceiling Windows
- LEED Gold Certified: 211KW solar panel system, 360,000-gallon rainwater collection system, and four-acre green roof
- 60 Meeting Rooms, 57,000 Sq. Ft Ballroom with 40' ceilings
- Has created \$1.5B direct economic impact, or \$950,000 every day, hosted 2.8M attendees over 4 years. \$371,643,358 for 2016-2017
- Average Daily Rate has increased each month versus prior year every year since 2012

Planned Project

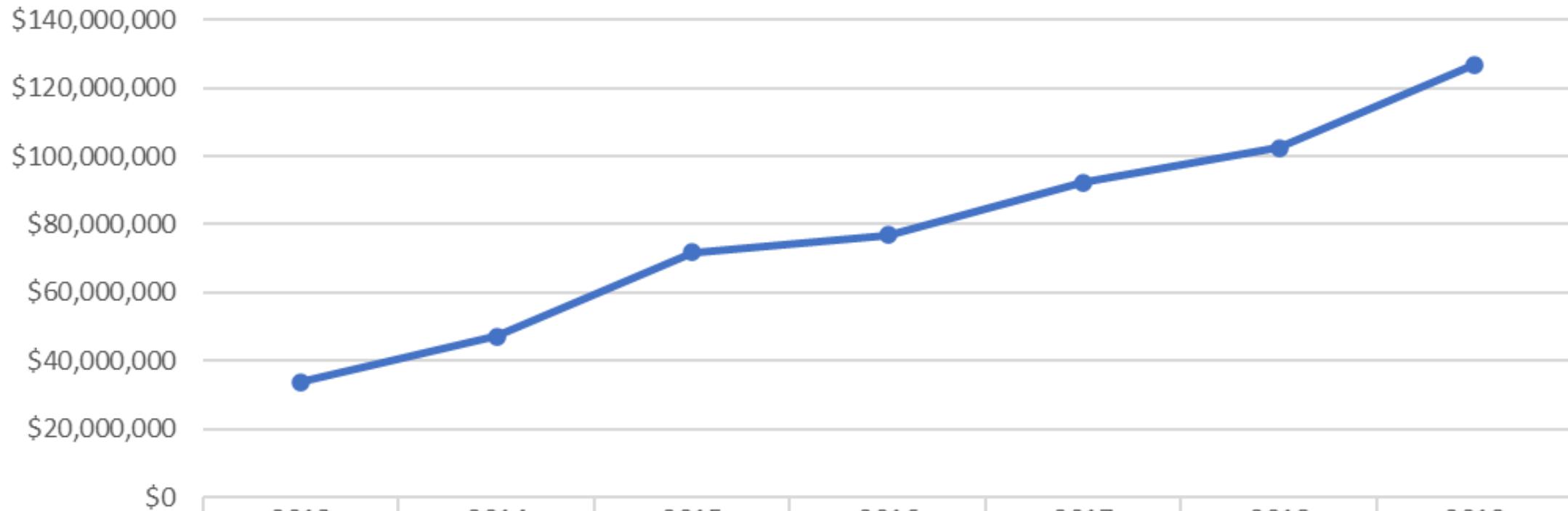
- \$20M approved Jan 2017 to develop new food and drink outlets, and expand the Exhibit Hall and Ballroom concourse



Success Story: Nashville Tax Growth



Tourism Tax Revenue After Music City Center Construction



Tourism Tax Revenue	2013	2014	2015	2016	2017	2018	2019
	\$33,805,943	\$47,105,555	\$71,810,601	\$76,943,627	\$92,365,781	\$102,539,865	\$126,820,172



Customer Feedback



The North American Spine Society searches for a city/destination which offers:

- Excellent convention center space to house all sessions and exhibition
- Easy work/labor rules
- Low labor rates for exhibitors
- Lucrative hotel package to suit the needs of both the city and attendees
- Abundant number of hotel rooms in close proximity to the convention center
- City with rich entertainment options for attendees and exhibitors
- Location with excellent airlift to allow for ease of travel

The Society had never included Dallas in their rotation because our center doesn't fit their needs.

During a sales call in November 2021 the VisitDallas sales team mentioned the possibility of a new center in the future, NASS included our city in their RFP process for 2033 – 2035.

I understand that Dallas is considering a plan to provide a **new convention center** If this is approved, **AUA would strongly consider Dallas as a destination** for its 2030 Annual Meeting..... Before the pandemic, our meeting attracted **over 16,000 medical professionals and exhibit personnel** from all over the world. Our meeting is scientific in nature; therefore, **the large ballrooms and breakout space are needed** to house over 150 abstract sessions, 2 plenary sessions, 90+ medical education courses, 14 surgical video sessions, etc. The **proposed contiguous exhibit space would also positively impact** our attendee's experience in the exhibit hall.

Janet V. Skorepa

Executive Vice President, Education, Meetings & Member Services

American Urological Association





Alignment with Larger Downtown Economic Development Strategy



Part of a Larger Downtown Economic Development Strategy



- Align and execute prior and existing plan
- Build on Central Business District momentum
- Create a destination
- Foster equitable access to downtown
- Elevate customer experiences
- Capitalize on prime real estate
- Enhance and expand Dallas' competitive position
- Spur economic development

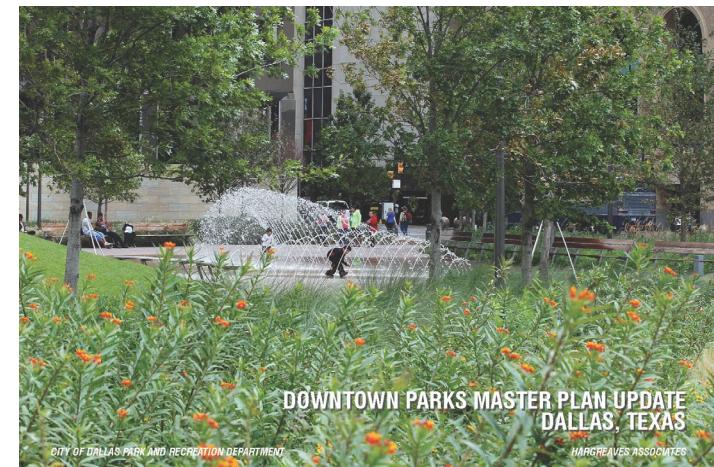
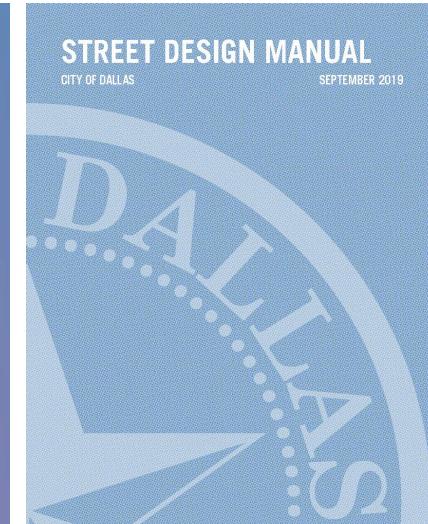


Alignment with Prior and Existing Plans



Relevant Plans

- HVS Market Futures Study funded by the Tourism Public Improvement District (TPID) (2017)
- Dallas 360 - High Speed Rail Station Catalytic Development Area (2017), City of Dallas, Dallas Downtown Inc. (DDI)
- Dallas Downtown Parks Master Plan Update (2013)
- Dallas Complete Streets Design Manual (2016)
- Dallas Cultural Plan (2018)
- South Lamar Street Site Study (2020)



Engagement of Partners



Agency and Other Stakeholders

- NCTCOG
- Rail/Transportation: DART, Amtrak, BNSF Railway, TRE, Texas Central, Union Pacific
- City of Dallas: 14 City Departments and various committees
- Trinity Park Conservancy and Trinity Corridor Local Government Corporation
- Hotel Association of North Texas (HANTX)
- Downtown Dallas, Inc.
- Matthews Southwest, Perkins & Will (Station Architects), Hoque Global
- Bell Corporation, Corgan, and Joby Aviation

Development Plans or Proposals

- I-30 Deck Park (proposed)
- D2 Subway
- Newpark Dallas
- East Quarter Growth
- Farmers Market Growth
- Cedars Growth
- Dallas Morning News Site
- AT&T Discovery District
- High Speed Rail Station/Development
- SoGood Development
- Harold Simmons Park
- Parks: Pacific Plaza/Carpenter/Harwood



Building on Central Business District Momentum



1. Rail District



2. NewPark



3. I-30 Deck Park

4. High-Speed Rail & Multimodal Hub



5. Dallas Morning News Site



Build on the Central Business District's Momentum



This new plan recognizes and responds to a new downtown, designed to attract both locals and visitors combined with new public open spaces.

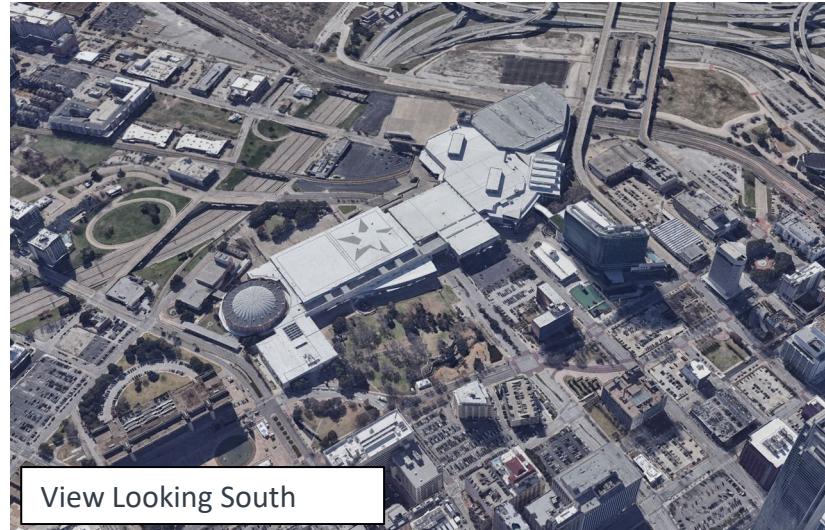
Since 1994, Downtown Dallas has grown:

- Population of a few hundred residents in the 1990s to more than 14,000 today (and growing)
- More than 80,000 residents now live within a 2-mile radius of Downtown
- Over \$11B of investment into the CBD over the past 20 years
- Redeveloped and adapted 40 vacant buildings over 20 years (now zero major vacant buildings)
- Currently \$4 billion of private development ongoing
- 4,000 employers now located in the CBD

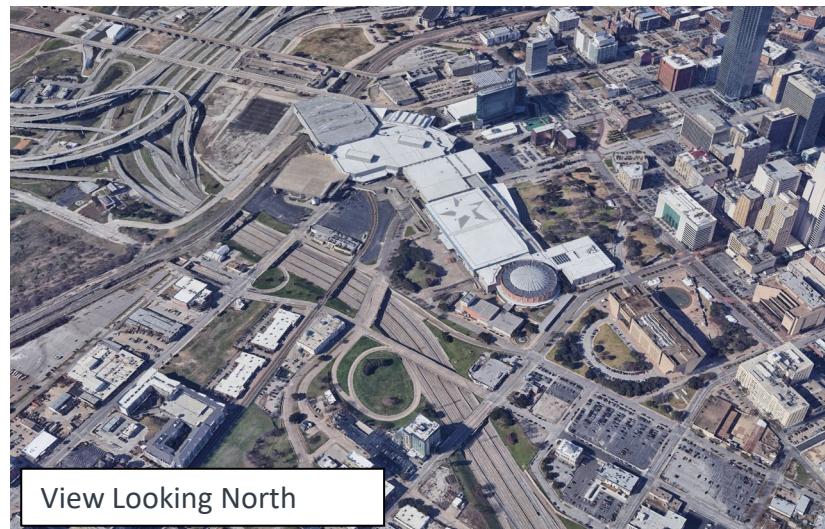
Source: DDI



Creating a Destination



View Looking South



View Looking North



Creating a Destination (cont.)



Special places throughout the Convention Center District draw visitors with a connected experience



Lamar Street - features traffic calming and widened sidewalks in front of the Convention Center; activities and programmed space enhance the experience and improve safety for pedestrians.



Field Street - is extended south to Canton Street, a new east-west pedestrian only retail/entertainment street connects the main Convention Center entrance and the Arena with a lively and active outdoor space.





Convention Center Master Plan Process and Concept



Project Understanding – One Integrated Plan



Modernized Facility and Upgraded Service

Upgrade and expand



Connect to Urban Realm

Create a destination



A Compelling Convention Center Experience

Bring Transit Assets Together

Link multiple transit modes



Financial Feasibility and Implementation

Capture value to fund implementation



Project Goals-Multiple Purposes and Definitions



Goal 1. Develop a plan for a world class Convention Center to address demands, that is a catalyst for economic development, and incorporates design criteria that extends beyond the convention center into the district.



Goal 2. Provide enhanced transportation connectivity, access and safety leveraging and integrating with existing infrastructure and proposed improvements.



Goal 3. Create a “healthy” and safe mixed-use urban environment that integrates the KBHCCD with the surrounding diverse/vibrant neighborhoods and KBHCCD area.



Goal 4. Incorporate land use policies and guidelines that generate increased value through the repositioning of assets; such as parking, that can be used to fund capital investments.



Goal 5. Develop a plan that is implementable, with a governance structure for funding/financing mechanisms that is efficient, self-sustaining, captures the value it creates.



Goal 6. Develop a plan that represents the values and diversity of the people of Dallas with respect to inclusion, hospitality in terms of General Service/Exhibitor Contractors, sustainability, resilience, and equitable economic development and investment.

Three Investment Packages - Informing Design Alternatives



PATCH & REPAIR

- Maintain Existing Structure
- Convert Arena into new Ballroom & Meeting Room spaces
- Add new Ballroom between Griffin & Lamar
- Similar Site Coverage
- Limited new SF

Example: TCF Center, Detroit MI

Conceptual Investment Level

- \$400M to \$500M

CAMPUS/HYBRID

- Maintain Some of Existing Structure
- New Construction for Large Ballroom & Meeting Rooms
- Heavily Revise Internal Circulation & BOH Circulation
- Increase Site Coverage
- Partially Open Lamar/Griffin to Sky

Example: Memphis/Las Vegas/Seattle

Conceptual Investment Level

- \$900M to \$1.1B

CLEAN SLATE

- Phased Replacement of Convention Center Facility
- All New Construction
- Reduce Site Coverage
- Free up Development Sites

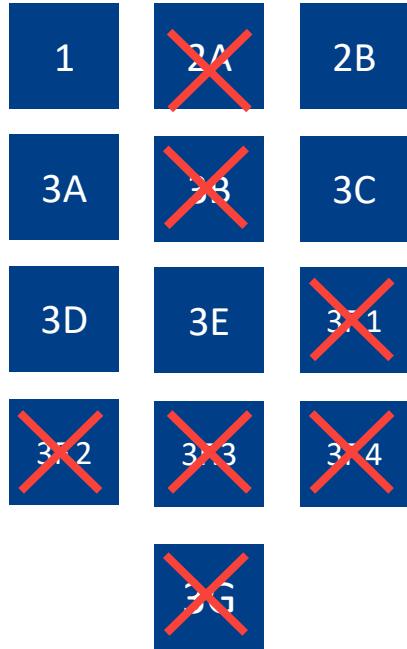
Example: Nashville/ Washington DC

Conceptual Investment Level

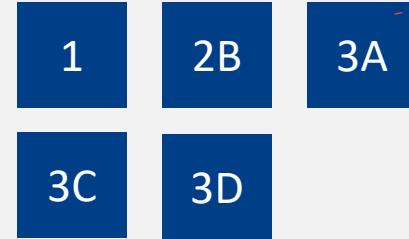
- \$1.5B to \$2B



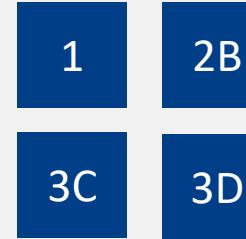
Convention Center: Screening the Alternatives



Phase 1 Screen
based on feedback
and fatal flaws



Phase 2 Screen
based on meeting
goals and objectives



Develop and analyze a full range of alternatives (over 13)

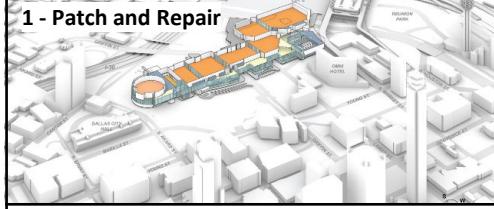
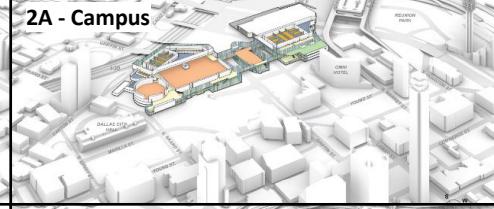
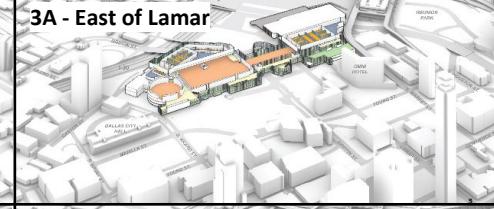
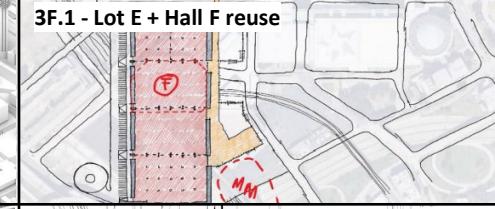
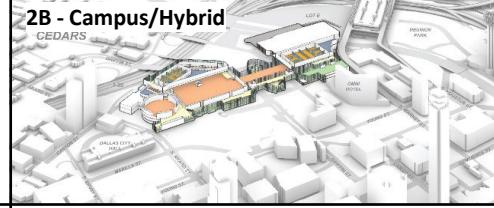
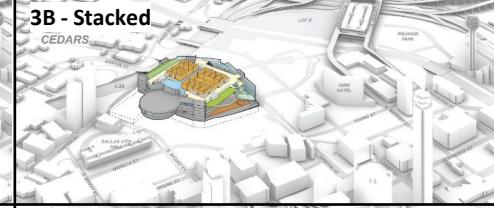
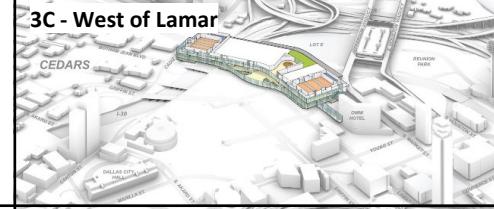
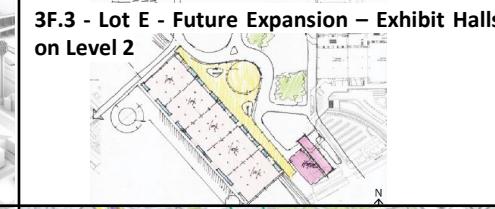
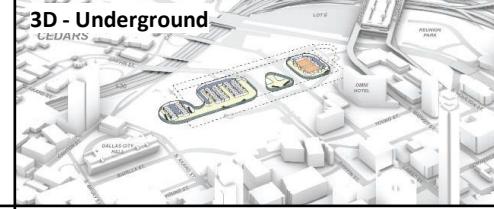
Advance the most promising alternatives for a more rigorous analysis (five alternatives)

Identify and advance the most promising alternatives for City Council review



The Full Range of Over 13 Alternatives



1 - Patch & Repair	2 - Campus	3 - Clean Slate	
1 - Patch and Repair 	2A - Campus 	3A - East of Lamar 	3F.1 - Lot E + Hall F reuse 
	2B - Campus/Hybrid 	3B - Stacked 	3F.2 - Lot E 
		3C - West of Lamar 	3F.3 - Lot E - Future Expansion – Exhibit Halls on Level 2 
		3D - Underground 	3F.4 - Lot E - Future Expansion- Exhibit Halls on Level 0 
		3E - East of Griffin 	3G - Former Reunion Arena Site (no graphic developed) 



The Process: Public and Stakeholder Engagement



Public Input Highlights

- Dynamic English and Spanish Project Website
- MetroQuest Online Public Engagement and Survey Platform
- Mentimeter Virtual Meeting Live Polling Platform
- Eighty (80+) Stakeholder Meetings with community groups, organizations and agency partners
- Approximately 3,000-4,000 individuals from the public, agencies and other stakeholders participated in the public involvement

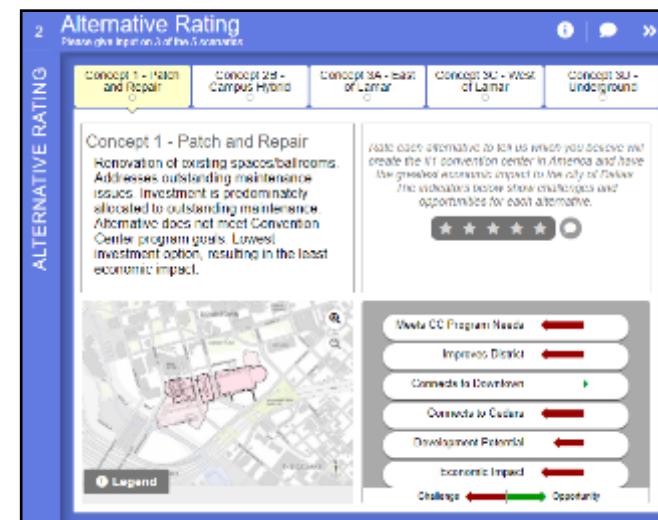


The Process: Public and Stakeholder Engagement

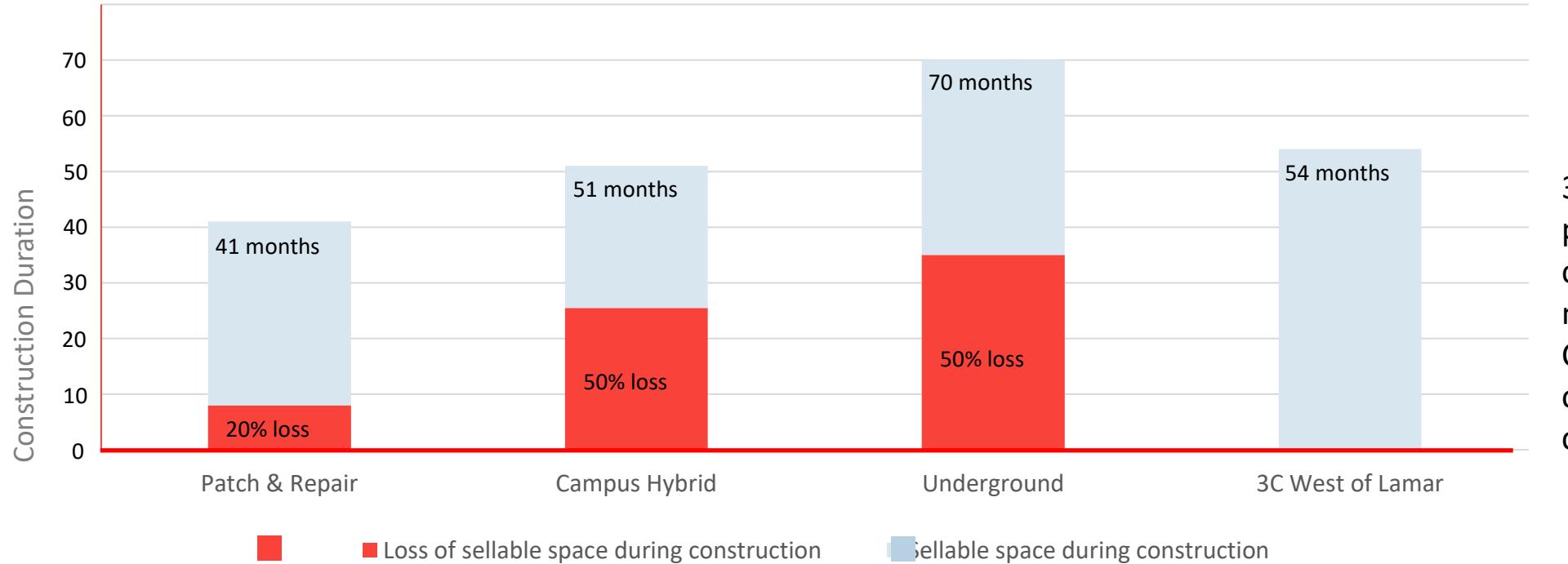


Public Input Highlights

- **Eighty (80+) Meetings with Key Stakeholders** (City departments, public agencies, chambers of commerce, advocacy organizations, community groups, etc.)
- **Five (5) Public Meetings** (3 meetings to date, 4th meeting March 2022, and 5th in April 2022)
 - *Mentimeter Live Polling*
- **Two (2) Telephonic Town Hall Meetings** (1 meeting to date, 2nd meeting in April 2022)
- **Eight (8) Stakeholder Task Force Committee**
 - *Mentimeter Live Polling*
- **Two (2) ADA Public Meetings**
 - *Mentimeter Live Polling*
- **Two (2) MetroQuest Public Surveys**



Construction Impact on Operations



3C West of Lamar best preserves convention center business, maintaining 100% of Convention Center operations during construction

Loss of Sellable Exhibit Hall SF during Construction

Based on the anticipated construction schedule required for each alternate. The phasing impact could be quantified based on the percentage(%) of exhibition space that is not sellable during construction.

Patch & Repair: closes 20% of existing exhibit halls for 41 months

Campus/Hybrid: closes 50% of existing exhibit hall for 51 months

Underground: closes 50% of existing exhibit hall for 70 months

3C West of Lamar: closes 0% of existing exhibit hall for 54 months.



Summary: Rating of Options



Substantially meets
the goal



Does not meet
the goal



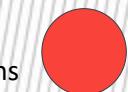
Goals/Objectives	Patch & Repair	Campus/Hybrid	Underground	West of Lamar
Meets CC Program Needs	Red	Green	Green	Green
Improves District	Red	Red	Green	Green
Connects to Downtown	Red	Red	Green	Green
Connects to Cedars	Red	Red	Green	Green
Development Potential	Red	Red	Green	Green
Economic Impact	Red	Red	Green	Green
Business Interruption / Revenue Flow	Red	Red	Red	Green
Overall Ranking:	Red	Red	Green	Green



Onsite Program: Rating of Options



Substantially meets the program recommendations



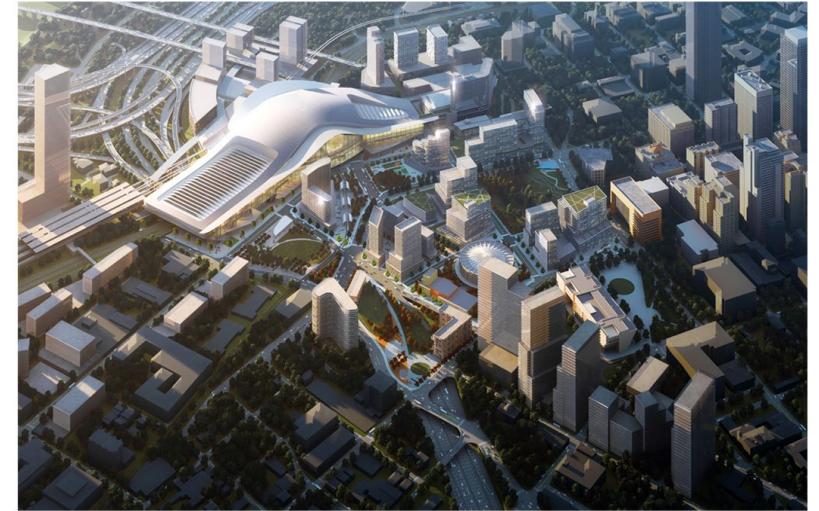
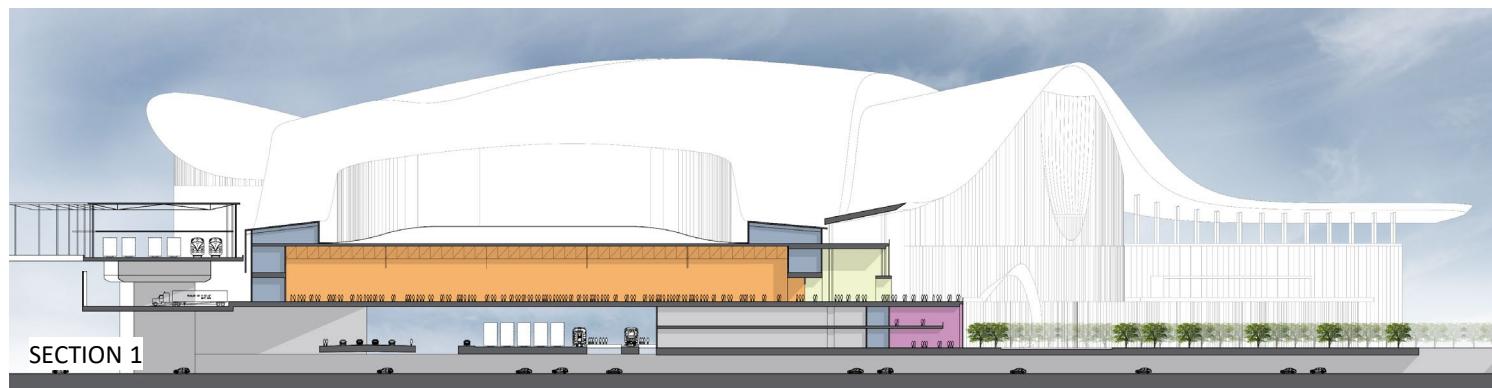
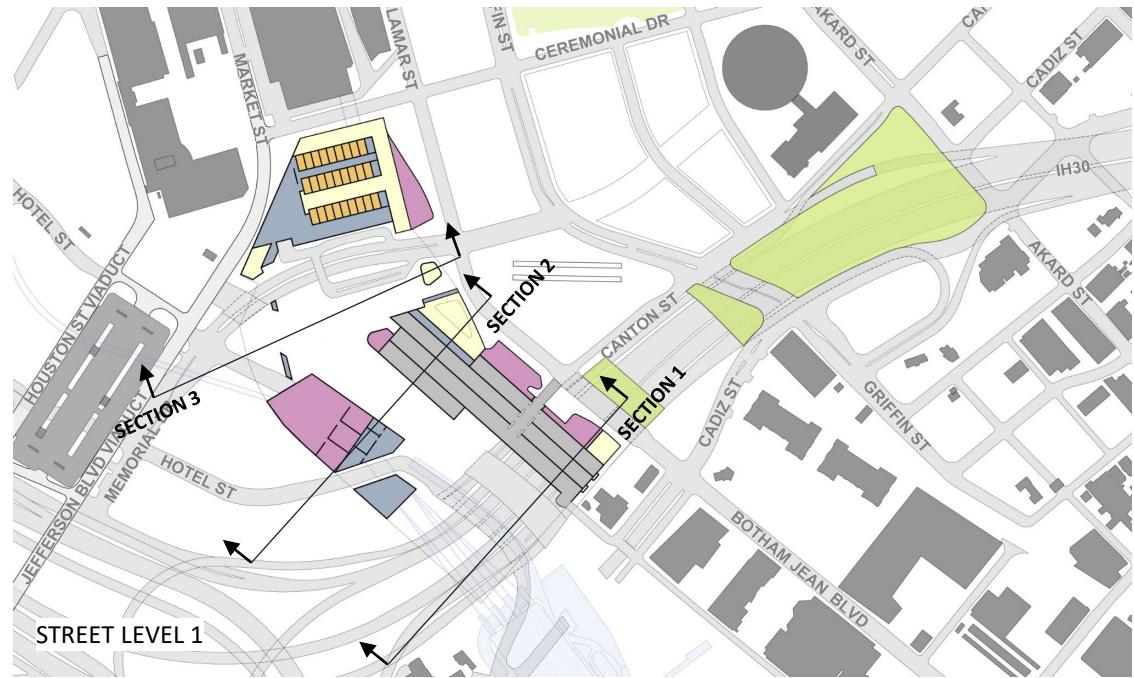
Does not meet the program recommendations



Goals/Objectives	Patch & Repair	Campus/Hybrid	Underground	3C West of Lamar
Annual Visitation	815,000	1,301,000	1,531,000	1,531,000
Annual Hotel Room Nights	330,000	593,000	705,000	705,000
Exhibit Hall Ranking	9th	9th	9th	9th
Ballrooms' Space Ranking	14th	4th	2nd	2nd
Largest Ballroom Ranking	24th	5th	3rd	3rd
Meeting Room Space Ranking	18th	7th	4th	4th
Meeting Rooms	89	171	217	217
Overall Ranking:	LAST	3rd	2nd	FIRST



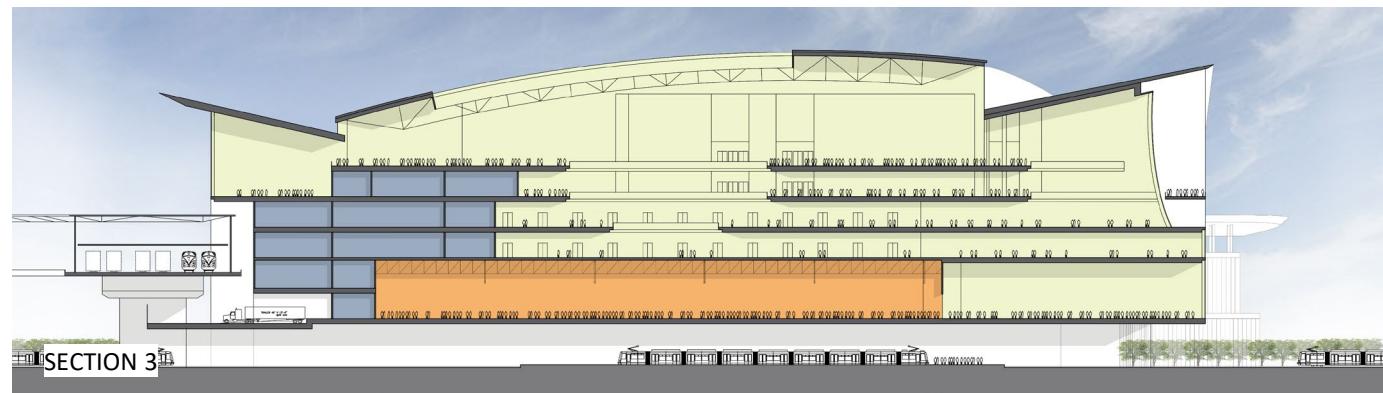
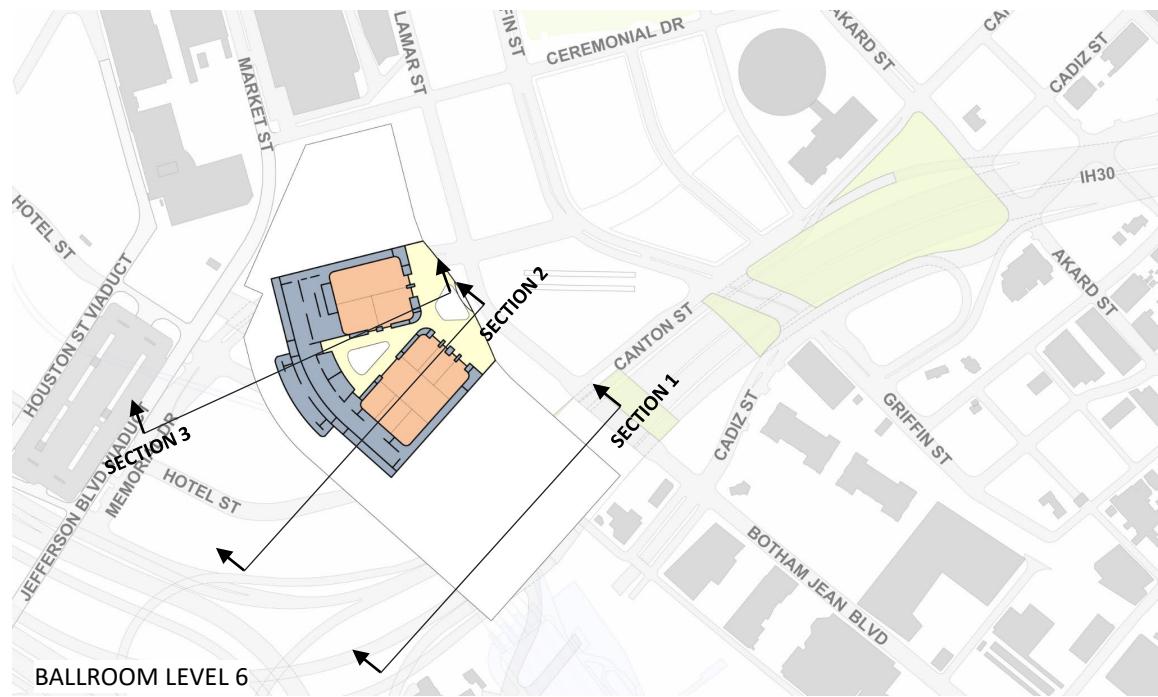
Alternative 3C – West of Lamar



Alternative 3C – West of Lamar (cont.)



Alternative 3C – West of Lamar (cont.)



Alternative 3C – West of Lamar (cont.)



Area Plan Considerations



What we Heard

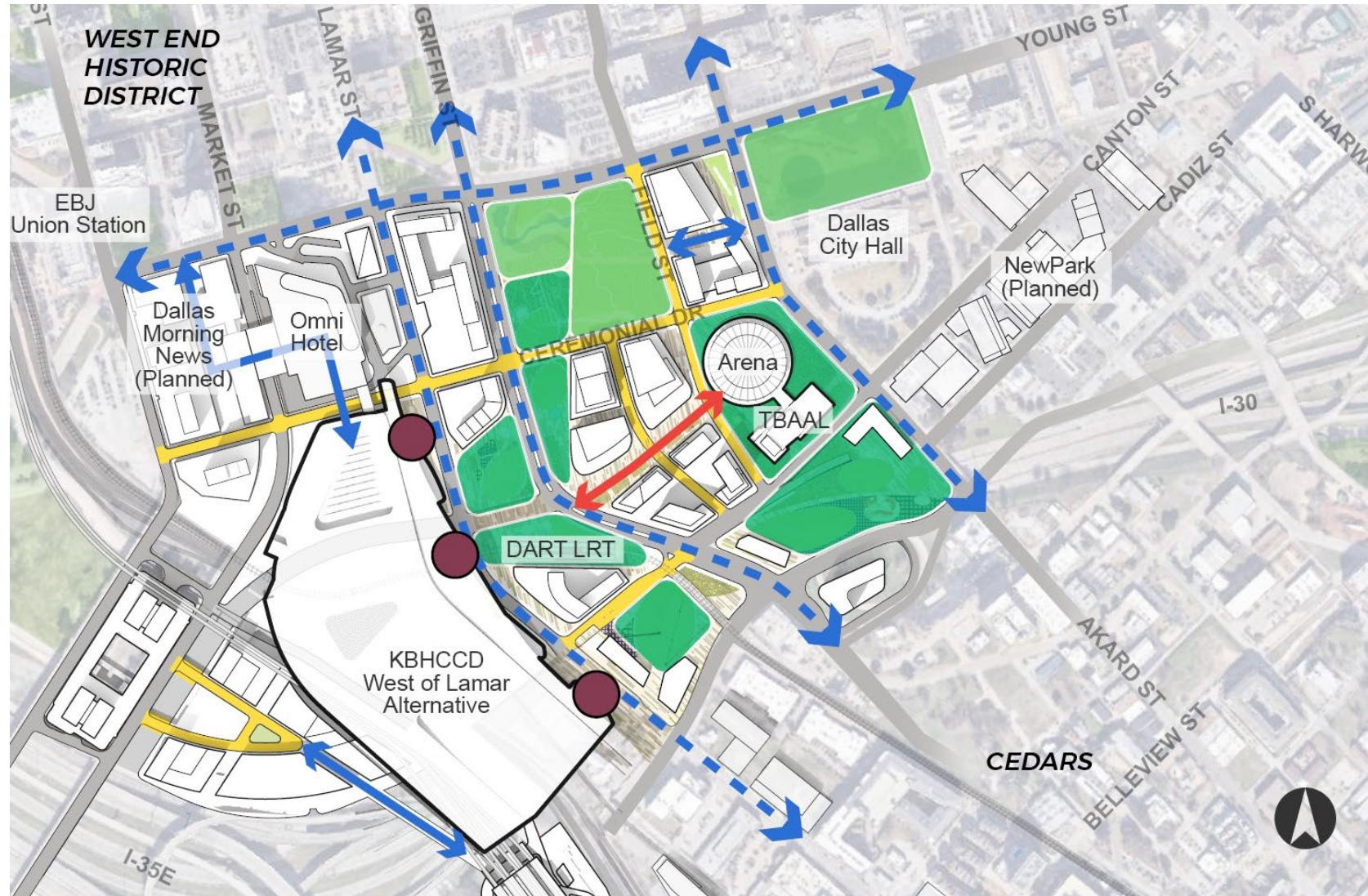
To be competitive, the KBHCCD needs an authentic Dallas urban experience that includes walkable restaurants, retail and entertainment options which connect the center into surrounding neighborhoods like Downtown and the Cedars.

To support the KBHCCD, the Area Plan will Transform the District by:

- Creating **activity 365 days of the year** with mix-of-uses and a range of attractions
- **Improving connections** to the neighborhoods and destinations around the KBHCCD
- **Integrating with other planned projects** and relate planned development and large infrastructure
- Leveraging placemaking open space to **create a destination** to draw both visitors and residents
- Supporting a larger Downtown **economic development strategy**



Connected and Activated Street Grid



Land Use Program

Potential privately developed Hotels

2,900 Hotel Rooms

Potential Office **2.8M SF**

Potential Res. **3,400 Units**

Potential Retail **370K SF**

↔ Enhanced Streetscape & Sidewalks with active uses

→ New Pedestrian Connection

Yellow line New Streets and Pedestrian Links

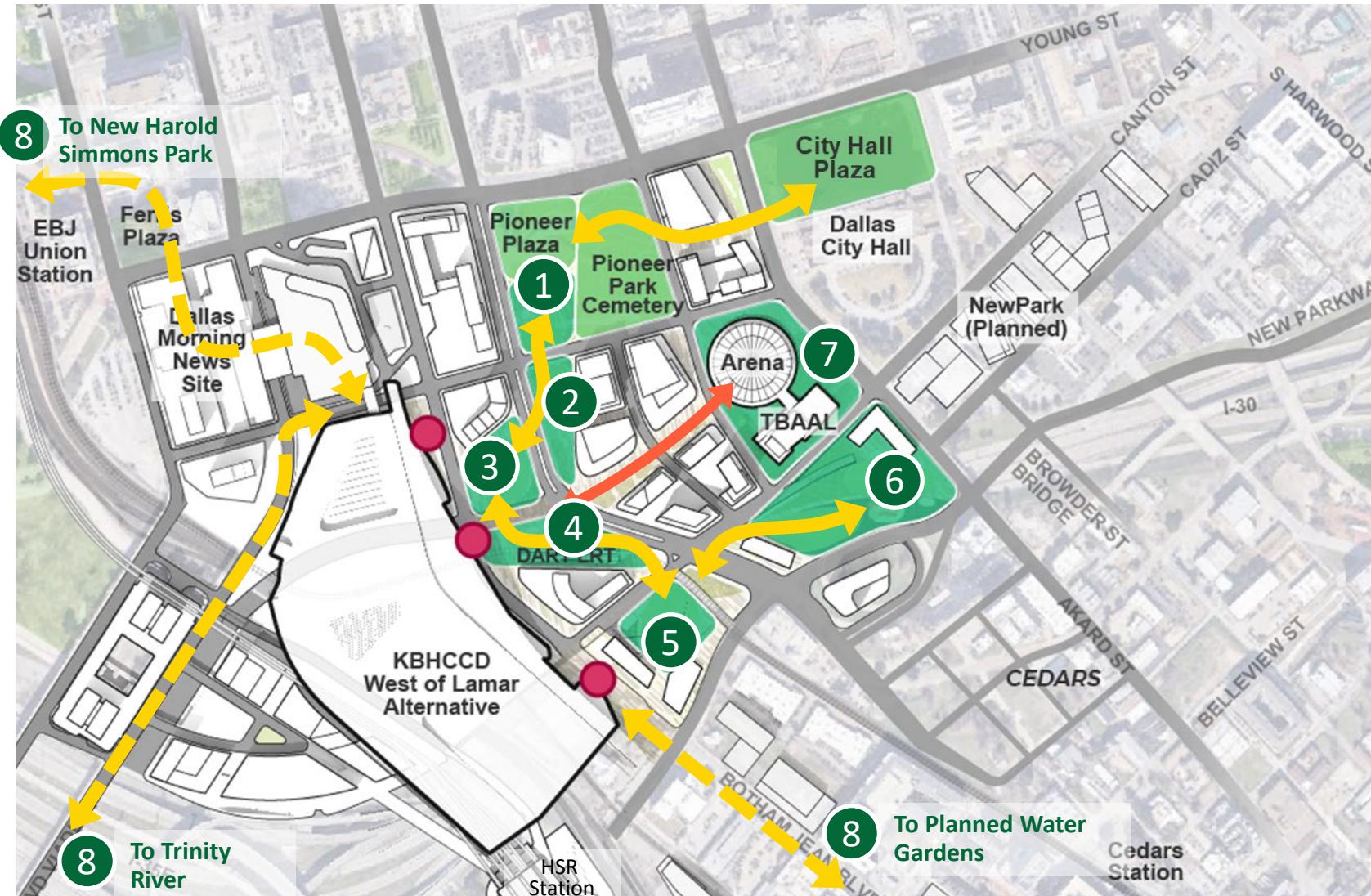
→ Pedestrian Retail/Entertainment Street

Connected Parks & Open Space

Green box Proposed Convention Center Entrance



Connected Network of Parks and Public Open Space

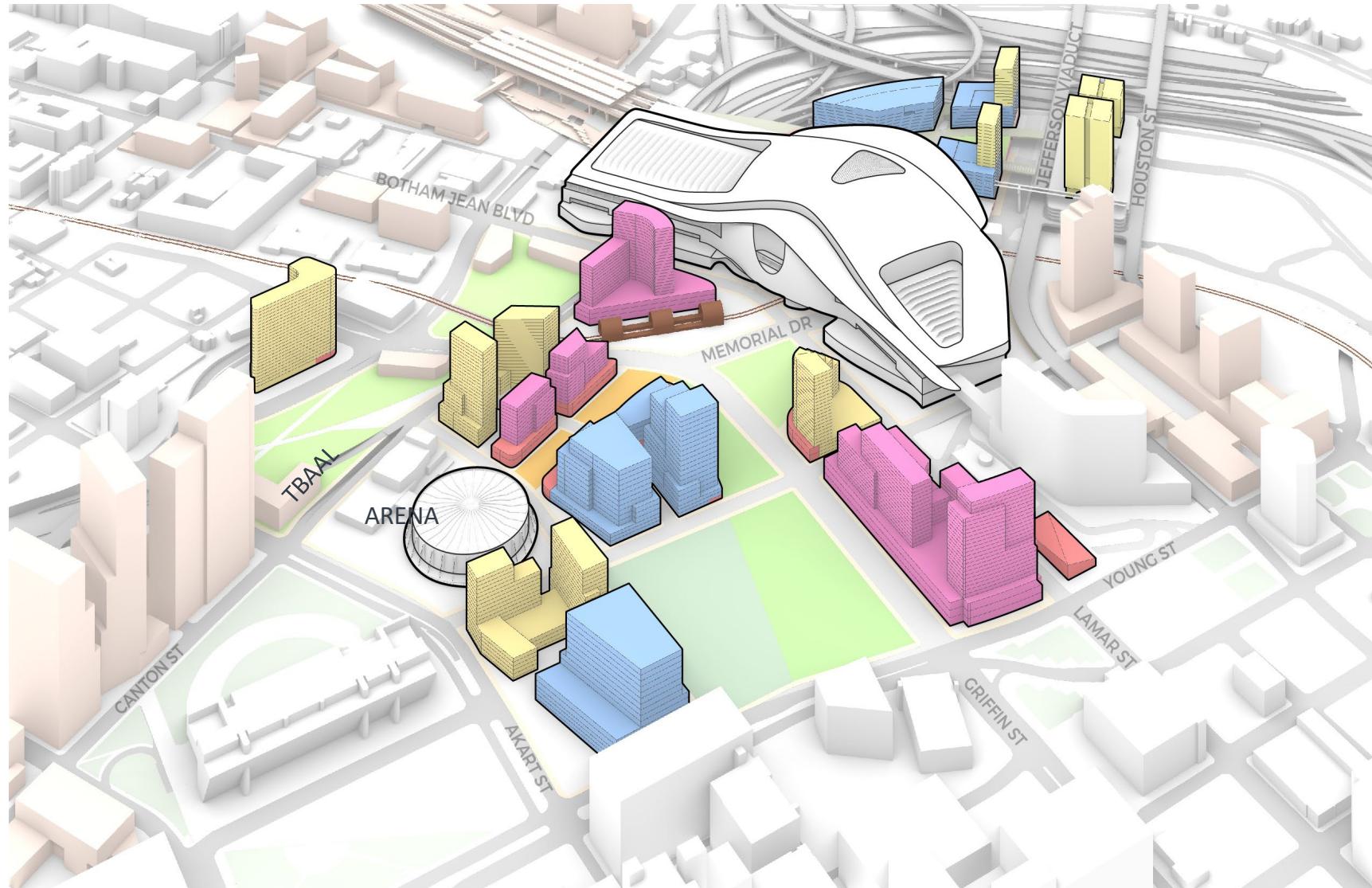


- Convention Center Entrance
- ↔ Connected Parks and Open Space Network
- ↔ Proposed Pedestrian Retail/Entertainment Street
- ↔ Vehicular Connection
- Existing Open Space
- Proposed Open Space

1	Pioneer Lawn
2	Pioneer Green
3	Event Lawn and Plaza
4	DART Plaza
5	I-30 South Deck Lawn and Plaza
6	I-30 Deck Lawn
7	Cultural Commons
8	To Trinity River



Alternative 3C - West of Lamar



Start with a connected grid

1. KBHCCD is at the center of a walkable Convention Center District
2. Connect pedestrians from KBHCCD to West End / Cedars with activated sidewalks on Lamar
3. Pedestrian focused entertainment street links Arena and TBAAL with the KBHCCD
4. Open space is reinforced with new development
5. Downtown business district is extended south with office uses

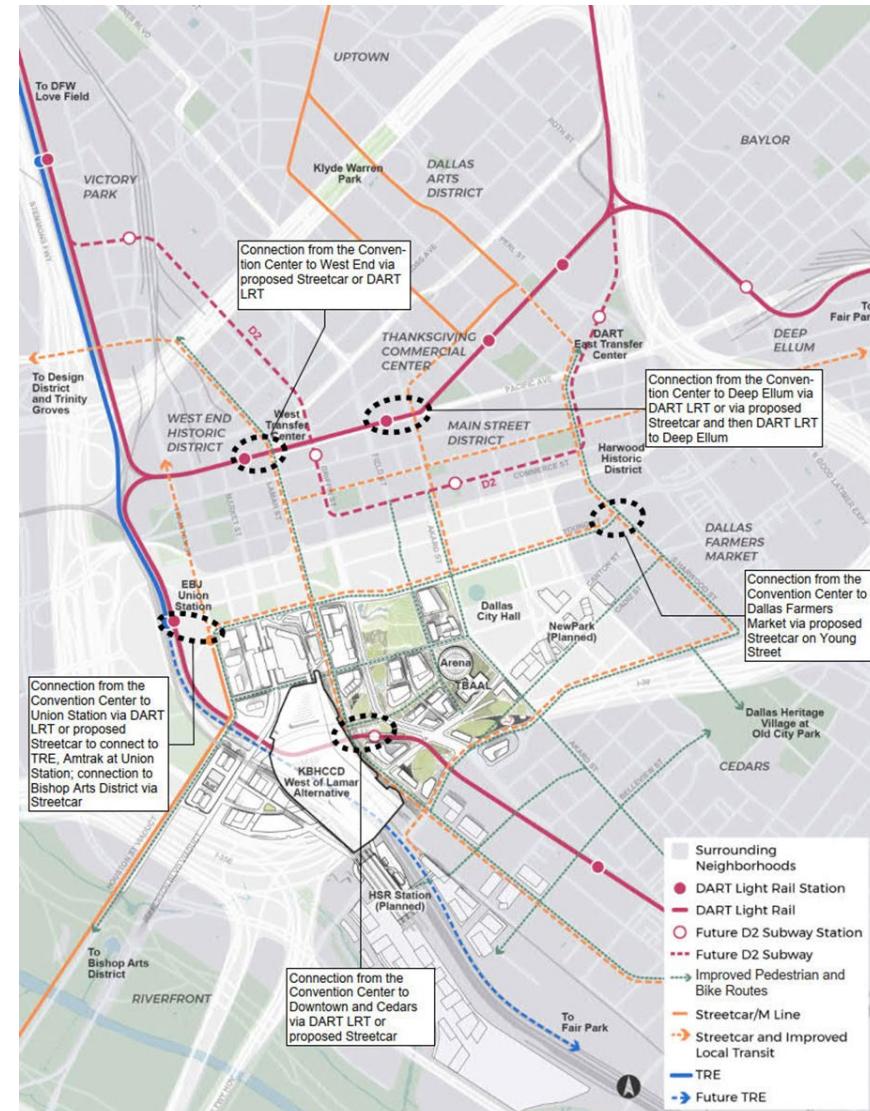


Transit Connectivity to Surrounding Neighborhoods



Existing, Future and Planned Transit Connections from Convention Center:

- **Downtown/Cedars** - Connection via DART LRT or proposed Streetcar
- **Deep Ellum** - Connection via DART LRT or potential Streetcar
- **Downtown Arts District** – Connection via proposed Streetcar extension
- **West End** - Connection via proposed Streetcar or DART LRT
- **Dallas Farmers Market** - Connection via potential Streetcar
- **Union Station** - Connection via DART LRT or proposed Streetcar
- **Bishop Arts District** - Connection via Streetcar





Funding & Financing



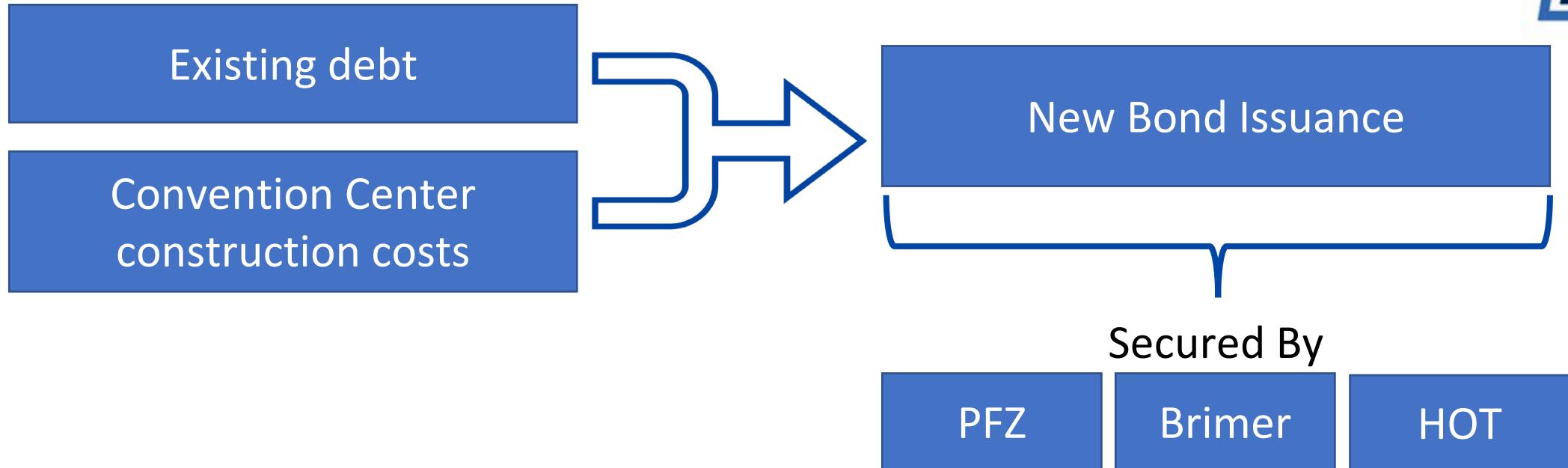
Proposed Financing Strategy



- The KBHCCD component of the project **includes no general obligation bonds**.
 - General obligation and revenue bonds differ in the sources of cash flows that are responsible for repaying the investors who provide the capital when the bonds are issued.
 - General Obligation Bonds are backed by the full faith and credit of the issuer, including the power of the municipality to tax its citizens.
- This KBHCCD component of the master plan project **will only use Revenue Bonds**.
 - **A revenue bond issued by a municipality is backed by a specific stream of revenue and not by taxes on citizens.**
 - Revenue bonds for the KBHCCD will be secured by:
 - Convention Center allocated portion of local HOT
 - Convention Center event revenues and mixed beverage taxes, if necessary
 - State incremental taxes collected through the PFZ
 - Proposed 2% increase to HOT through Chapter 334 (Brimer Bill)



Proposed Financing Strategy (cont.)



Financing Tool	Estimated Revenue (30 years)	Description
Project Financing Zone (PFZ)	Approx. \$2.2 B	State Hotel Related Incremental Taxes Redirected to City of Dallas
2% Hotel Occupancy Tax (HOT) Increase	Approx. \$1.5 B*	Increase City portion of HOT collections from 7% to 9% (excludes TPID assessment)



Financing Strategy – Proposed Next Steps

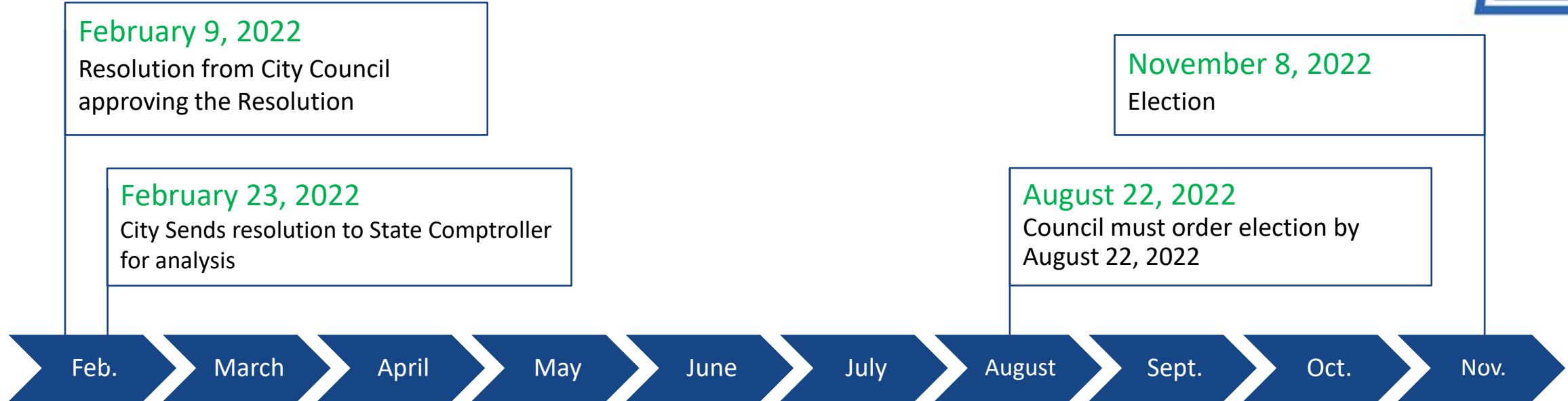


Brimer Bill Process (Texas Local Government Code Chapter 334)

- City Council may order an election under Texas Local Government Code Ch. 334 for the November 8, 2022, uniform election date or any uniform election date thereafter.
- To call the election, City Council must pass a resolution outlining both
 - *The venue project, including expansion of the convention center and Fair Park facilities, if applicable; and,*
 - *Each method of financing authorized by Chapter 334 that the City intends to use to fund the venue project.*
- Up to twenty percent (20%) of the revenues for the venue project may be used for costs related to “an amphitheater, arena, exhibit hall, music hall, or stadium located in a municipally-owned park.”
- Up to a two percent (2%) increase in additional Hotel Occupancy Tax may be adopted provided the total tax rate does not exceed seventeen percent (17%).
- The resolution must be approved by the Texas Comptroller of Public Accounts before City Council can order an election.



Timeline for Texas Local Government Code 334



State Comptroller Response

- State Comptroller has 15 days from receipt of Resolution to respond if there is a negative impact to the State. If they don't respond in 30 days, the project is deemed to have no negative effect.
- If the State Comptroller does find there is a negative impact, the City may contest the finding by appeal not later than the 10th day after receiving notice. The comptroller is required to perform a new analysis within 10 days of the notice. If they don't respond in 30 days, the project is deemed to have no negative effect.



HOT Collection Comparison Among Texas Cities



City	HOT	Venue Tax	County	Other	State	Total
Austin	9%	2%	0%		6%	17%
El Paso*	9%	2.5%			6%	17.5%
San Antonio	7%	2%	1.75%		6%	16.75%
Fort Worth**	9%			2%	6%	17%
Houston*	7%		2%	2.5%	6%	17.5%
Dallas*** (Current)	7%			2%	6%	15%
Dallas (Proposed)	9%			2%	6%	17%

* The 17.5% predicated the Legislation's 17% cap and were grandfathered

** Fort Worth has a 2% Tourism Public Improvement District fee that is added to the hotel folio after the hotel occupancy taxes are calculated and 2% TPID.

***Dallas has a 2% Tourism Public Improvement District assessment added to the hotel folio after the hotel occupancy taxes are calculated





Next Steps





Should the Transportation and Infrastructure Committee recommend City Council action for the items below, CES staff will prepare for a City Council briefing on February 2, 2022, for input on:

1. Proposed City Council approval of the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan's convention center alternative - 3C West of Lamar - such that the alternative can move forward to 30% design and bridging documents, and future project-related procurements.
2. Proposed City Council approval as to form of a draft resolution which would order an election under Texas Local Government Code Chapter 334 for the November 8, 2022, uniform election date; and,
3. Proposed City Council approval of the submission of said draft resolution to the Texas Comptroller of Public Accounts for preliminary approval per the Code.



**Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan
Alternative Recommendation
and Requirements Pursuant to
Texas Local Government Code Chapter 334**

**Transportation and Infrastructure Committee
January 18, 2022**

Rosa Fleming - Director, Convention and Event Services
Joey Zapata - Assistant City Manager
Majed A. Al-Ghafry, P.E. - Assistant City Manager



Appendix





December 7, 2021 Briefing





City of Dallas

Kay Bailey Hutchison Convention Center Dallas (KBHCCD)
Master Plan Alternative Recommendation
and Requirements Pursuant to
Texas Local Government Code Chapter 334

Transportation and Infrastructure Committee
December 7, 2021

Rosa Fleming - Director, Convention and Event Services

Joey Zapata - Assistant City Manager

Majed A. Al-Ghafry, P.E. - Assistant City Manager

Dr. Eric Anthony Johnson – Chief of Economic Development
and Neighborhood Services

Purpose



- Provide the Transportation and Infrastructure Committee with an overview of the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan (Plan) and present the recommended alternative – 3C West of Lamar – for input; and
- Request Committee recommendation for City Council action to approve the following at the January 12, 2022, meeting:
 - *Procurement of a design contract to prepare 30% design and bridging documents in preparation for a future Design/Build/Finance procurement,*
 - *As to form, a draft resolution which would order an election under Texas Local Government Code Chapter 334 for the November 8, 2022, uniform election date; and,*
 - *Submission of said draft resolution to the Texas Comptroller of Public Accounts for preliminary approval per the Code.*

Agenda



1. Project Timeline and Overview
2. Purpose of the Plan
3. Public and Stakeholder Engagement
4. Proposed Convention Center Alternatives
5. Role and Vision for Multimodal Transportation
6. Brimer Bill (Texas Local Government Code Chapter 334)
7. Summary and Next Steps



The Project Vision



Produce a master plan that transforms the KBHCCD into the #1 Convention Center and convention center urban district in the United States that:

- Meets current and future market demands efficiently, adaptably and flexibly
- Generates an unparalleled experience for customers, visitors, exhibitors and City residents that leads to economic prosperity and return on citizen's investments,
- Integrates the surrounding communities through a series of multi-modal and barrier-free connective links; and,
- Promotes accessibility, energy, excitement and equity both locally and regionally.



Overview - Four Integrated Plans



KBHCCD Master Plan

- Modernized Facility and Upgraded Service

Multimodal Station Feasibility and Transportation Study

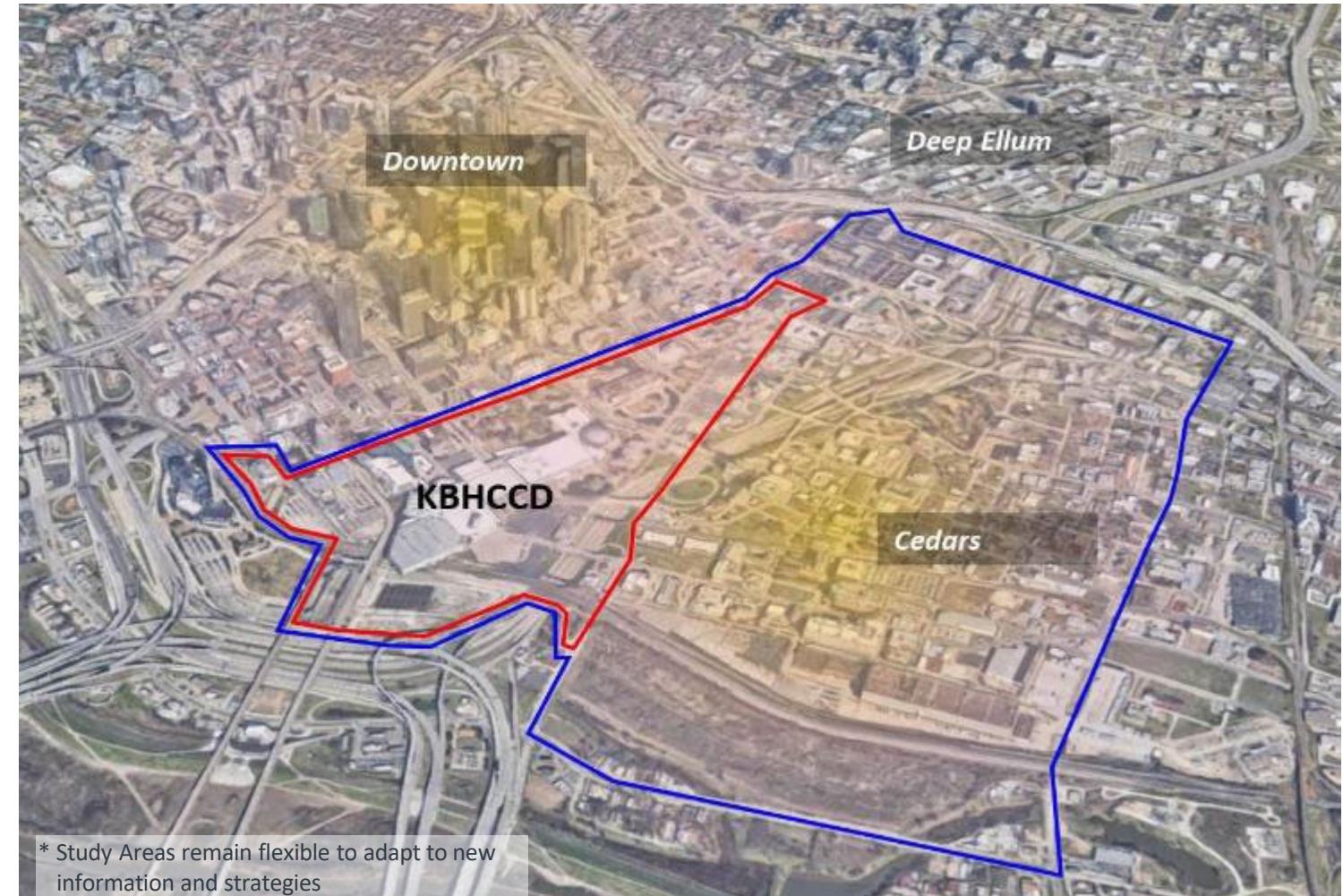
- Bring Transit Assets together

Area Master Plan

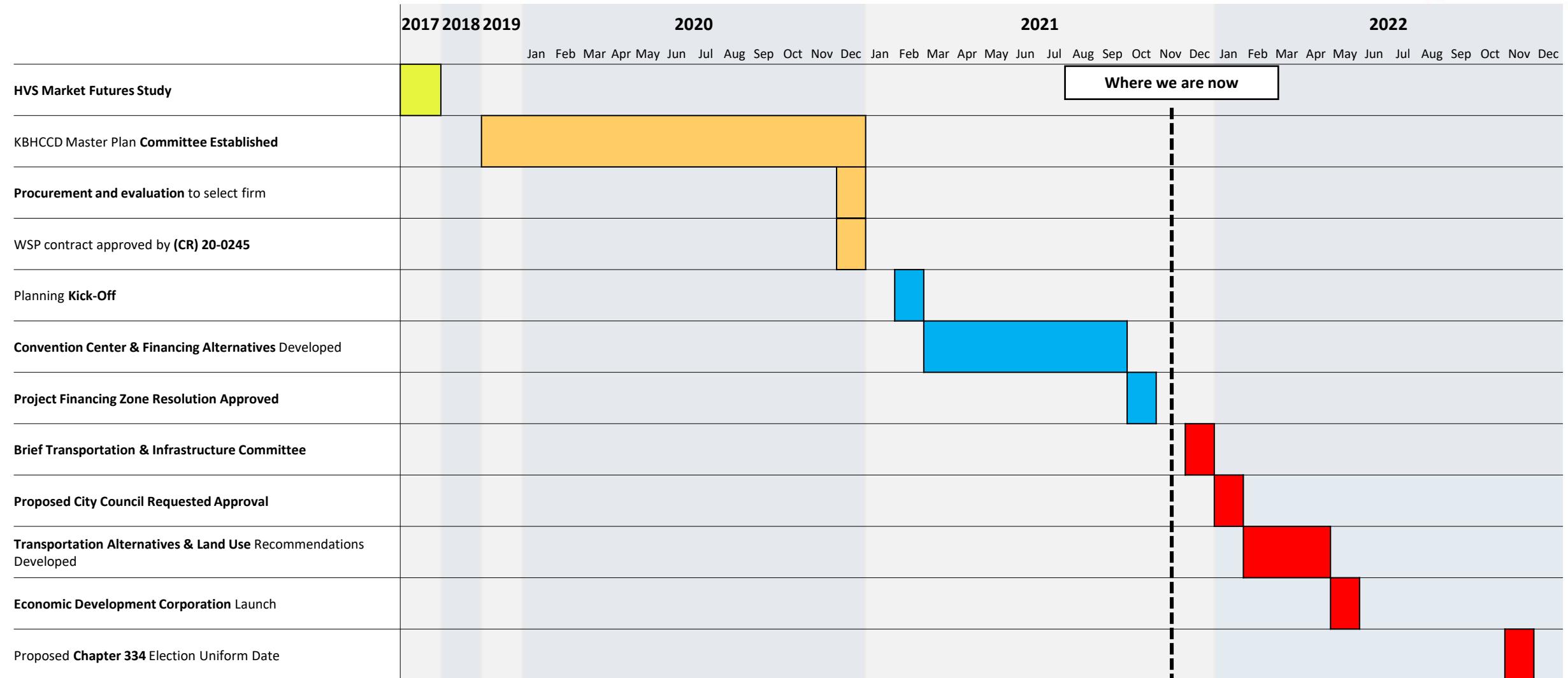
- Connect to Urban Realm and Create a destination

Financial Feasibility and Implementation

- Capture value to fund implementation



KBHCCD Master Plan Procurement and Deliverable Timeline





Approval of the proposed recommended alternative presented today is one of multiple steps in the project. To-date, staff and consultants have finalized debt restructuring and establishment of the PFZ with City Council approval. Critical next steps include:

- **Coordination** with multiple entities within and outside the city to complete the transportation and land use components of the plan following City Council approval of a concept
- **Procuring a design contract** for 30% design and bridging documents for the KBHCCD, followed by procurement of a developer to identify actual costs
- **Determining debt capacity** with financial advisors and the City Controller's Office using the developer's costs
- **Calling and holding** a Chapter 334 election
 - *Note that the January 12, 2022, resolution is a preliminary step necessary to call the election and designate financing sources for the convention center project but does not bind the City to do either.*
- **Transition** of the project to the Economic Development Corporation for the next phases of the project

The Process: Public and Stakeholder Engagement



Public Input Highlights

- Dynamic English and Spanish Project Website
- MetroQuest Online Public Engagement and Survey Platform
- Mentimeter Virtual Meeting Live Polling Platform
- Eighty (80+) Stakeholder Meetings with community groups, organizations and agency partners
- Approximately 3,000-4,000 individuals from the public, agencies and other stakeholders participated in the public involvement

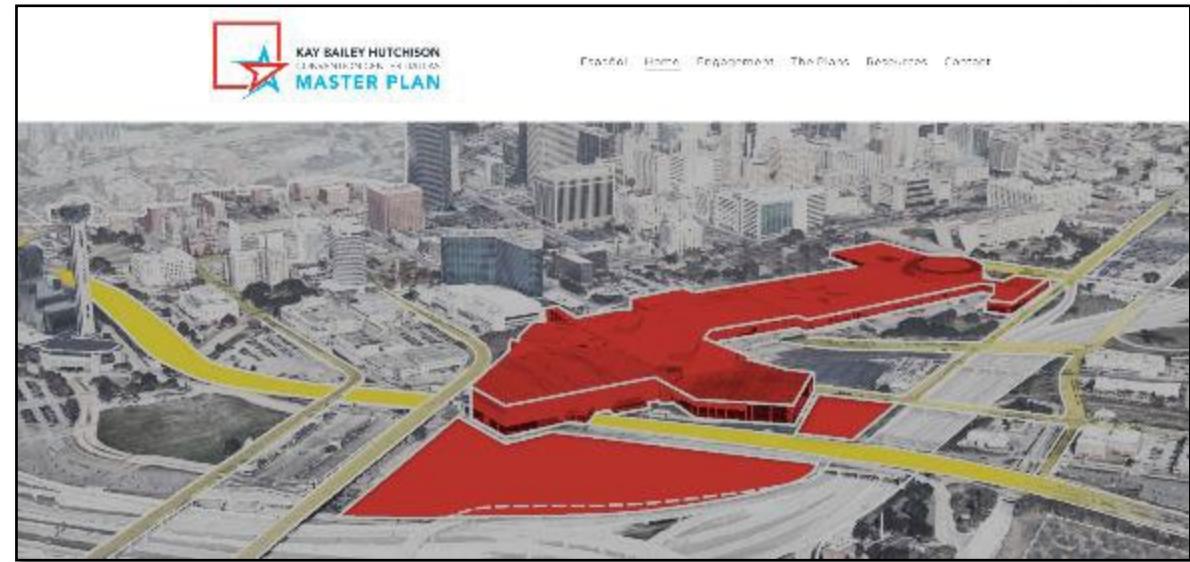


The Process: Public and Stakeholder Engagement



Public Input Highlights

- **Eighty (80+)** Meetings with Key Stakeholders (City departments, public agencies, chambers of commerce, advocacy organizations, community groups, etc.)
- **Five (5)** Public Meetings (3 meetings to date, 4th meeting March 2022, and 5th in April 2022)
 - *Mentimeter Live Polling*
- **Two (2)** Telephonic Town Hall Meetings (1 meeting to date, 2nd meeting in April 2022)
- **Eight (8)** Stakeholder Task Force Committee
 - *Mentimeter Live Polling*
- **Two (2)** ADA Public Meetings
 - *Mentimeter Live Polling*
- **Two (2)** MetroQuest Public Surveys



2 Alternative Rating

Please give input on the following:

Concept 1 - Patch and Repair	Concept 2 - Campus Hybrid	Concept 3A - East of Lamar	Concept 3B - West of Lamar	Concept 4U - Underground
ALTERNATIVE RATING				
Concept 1 - Patch and Repair	Concept 2 - Campus Hybrid	Concept 3A - East of Lamar	Concept 3B - West of Lamar	Concept 4U - Underground

Rate each alternative to 20 for us which you believe will create the #1 convention center in America and have the greatest economic impact in the city of Dallas. The websites below share challenges and opportunities for each alternative.

★★★★★

Map showing the location of the convention center and surrounding areas.

Legend:

- Legend

Legend items include:

- West CC Program Needs
- Improved Design
- Connects to Downtown
- Connects to Cedars
- Development Potential
- Economic Impact
- Challenges
- Opportunities

KAY BAILEY HUTCHISON CONVENTION CENTER DALLAS MASTER PLAN

Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan - Comment Form

This form is provided to receive your comments regarding the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Virtual Public Open House.

For more information about the KBHCCD Master Plan, please contact Rosa Fleming by emailing rosa.fleming@dallasconventioncenter.com or by calling (214) 639-2755. Thank you for your comments.



The Case for Investment: Why develop the KBHCCD Master Plan?



Each alternative, to some level, addresses the current deficiencies of the Convention Center and surrounding area, and generates various levels of new economic and social benefits to Dallas.

Existing Deficiencies

- Lack of ballrooms, meeting rooms and necessary amenities to compete for the most impactful conventions and corporate events
- Existing building and hotel package does not support multiple simultaneous events
- Lack of support space and amenities necessary to generate revenue for the center and support the guest experience
- Uninspiring interior design and wayfinding that leads to a non-competitive guest experience
- Too few walkable/connected hotels to be competitive
- Lack of an authentic Dallas urban experience, including walkable restaurants, retail and entertainment options that customers demand

Master Plan Benefits

- A world class Convention Center that competes with peer facilities and captures existing and new market demands
- A connected urban district with great public spaces and a mix of uses that generates excitement and economic vitality
- Creation of one-time jobs in construction and permanent jobs through development of a mixed-use transit-oriented district
- Generation of tax revenue to support public services through redevelopment and increased visitation
- Opportunity to embed public benefits such as affordable housing, programmable greenspace and arts and cultural opportunities during planning and development
- Opportunity to advance and align the goals of prior planning efforts related to equity, resilience, economic development, etc.



Why are we in the convention business?: Annual Benefits

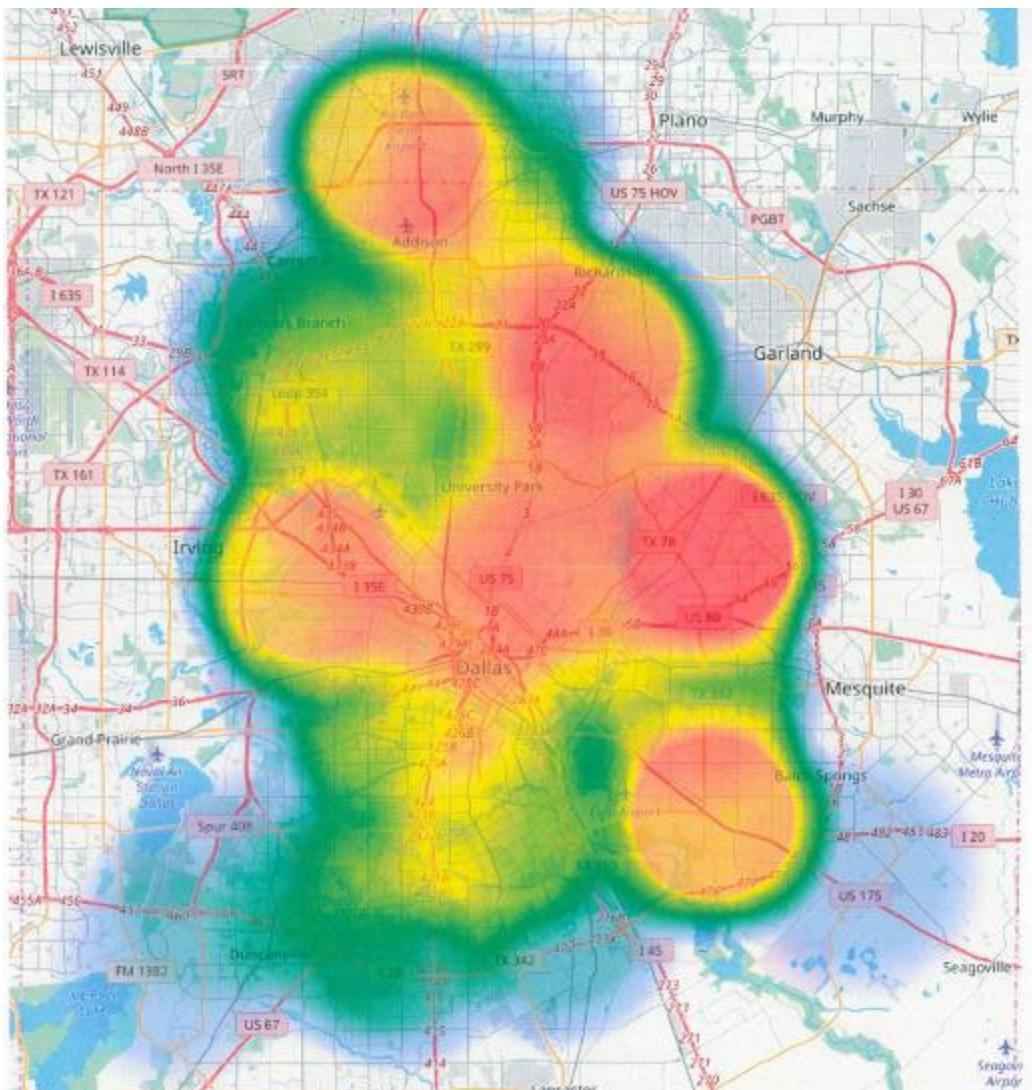


Metric	Current Performance	The Opportunity
Attendance	More than 800k attendees	Nearly double annual attendance
Hotel Room Nights	More than 330k hotel room nights	~330k additional annual hotel room nights, bringing total to ~700k hotel room nights
Jobs	Supports 5,000+ long-term jobs in support businesses	Yield 50-100K jobs (construction, event-driven and permanent)
Spending	Induces almost \$300M in direct new spending within Dallas, + spinoff spending	\$30-50B in total spending over 30 years.
Property taxes generated through new development	0	up to \$2.5B in new property taxes
Visitors	Introduces hundreds of thousands of visitors to Dallas and downtown who spend time and dollars in the City resulting in a halo effect from leisure travel return visits	Redirect state taxes back to Dallas , capture new visitor and user fees, and leverage existing assets to renovate or reconstruct the Convention Center

Other: **Improve operating efficiency** to bolster Convention and Event Services (CES) continued operation as an enterprise department **without reliance on the General Fund**



Hospitality Industry Employees – Housing by Zip Code



Distance: 4 miles

Low



gh

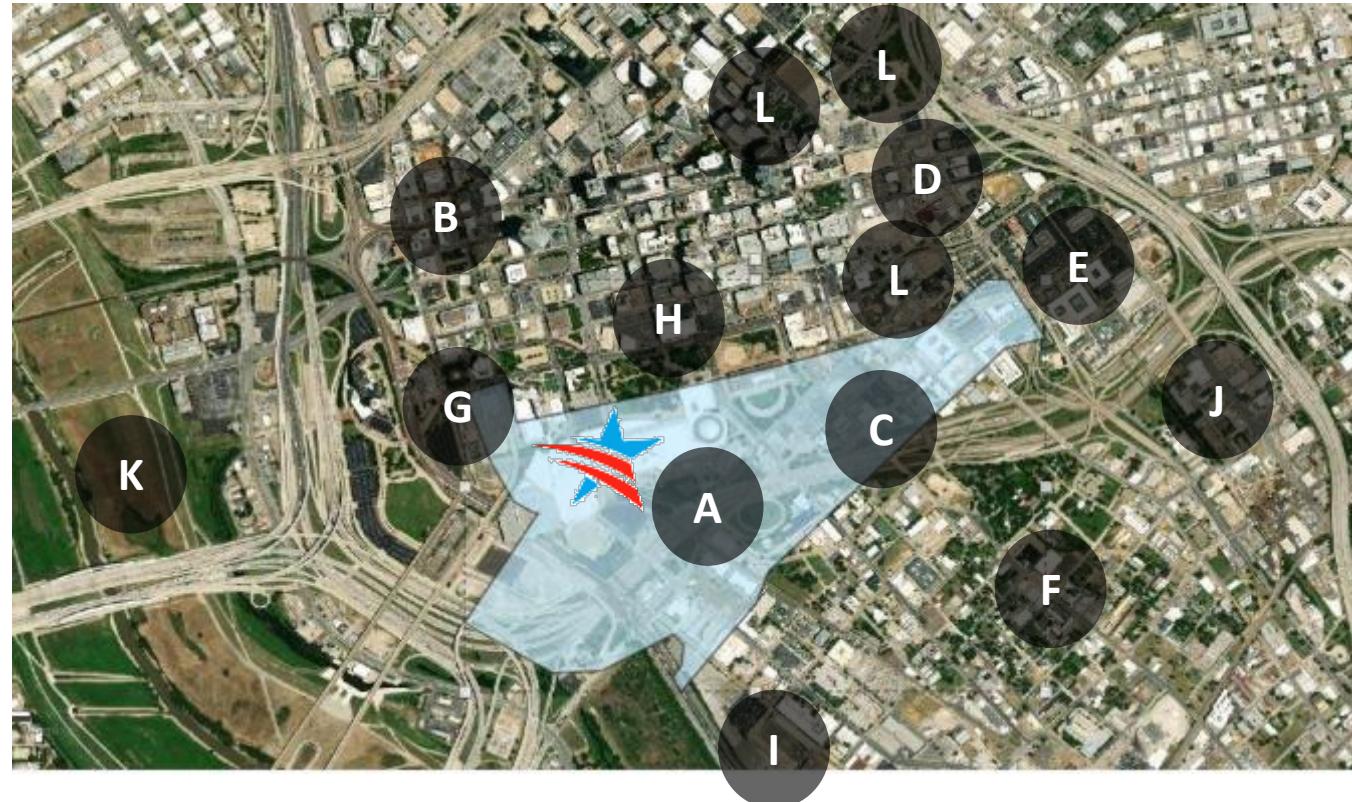


Building on the Central Business District's Momentum



Downtown Dallas continues to emerge as a prime destination to live, work, play, and visit. A repositioned convention center will set the stage for a vibrant new district and can leverage the excitement and energy generated by this renaissance.

Recent/Planned Major Developments



- A. I-30 Deck Park (proposed)
- B. D2 Subway
- C. Newpark Dallas
- D. East Quarter Growth
- E. Farmers Market Growth
- F. Cedars Growth
- G. Dallas Morning News Site
- H. AT&T Discovery District
- I. High Speed Rail Station/Development
- J. SoGood Development
- K. Harold Simmons Park
- L. Parks: Pacific Plaza/Carpenter/Harwood

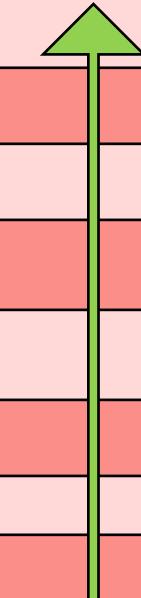


Competition: Shifting Market Expectations for KBHCCD



Event planners demand more from convention centers, the districts around them and a walkable hotel package. There are 20+ cities in North America offering more compelling versions of each of these elements. The KBHCCD loses ground because it is **disconnected** from downtown and the Cedars, outdated, has **little ballroom/meeting room space**, and has **1/3 of the walkable hotel rooms** needed by event planners. *Dallas is the 4th largest MSA (Market Size) and #3 for Airlift but the Convention Center rankings do not reflect this market potential*

Dallas KBHCCD Rankings vs. North America's Top Competitors		
	Current	Future/Recommended
Total Convention Space	#11	#6
Exhibit Space	#9	#8
Ballroom Space	#14	#2
Largest Ballroom	#24	#3
Meeting Room Space	#18	#4
Walkable Hotel Rooms	#19	#9
Walkable Retailers	#16	#9
Walkable Restaurants/Bars	#18	#9



Ranking of Competitive Cities Outside of Convention Facility



Category/City	City	Walkable Rooms (1,800 ft)	Largest HQ Hotels (1,000+)	CBD Rooms	Restaurants (5 min)	Bars (5 min)	Stores (5 min)	Score (Lowest is Best)
Washington State Convention Center	Seattle	1	5	9	3	8	1	27
San Diego Convention Center	San Diego	10	3	10	6	2	5	36
Austin Convention Center	Austin	3	9	14	6	1	7	40
Henry B. Gonzalez Convention Center	San Antonio	7	12	12	4	3	3	41
Moscone Center	San Francisco	13	10	4	9	6	6	48
Colorado Convention Center	Denver	2	7	15	10	9	7	50
Pennsylvania Convention Center	Philadelphia	11	20	13	1	5	2	52
Walter E. Washington Convention Center	Washington, DC	9	11	5	11	11	12	59
Indiana Convention Center	Indianapolis	4	18	20	8	4	9	63
Metro Toronto Convention Centre	Toronto	17	16	11	4	7	11	66
Las Vegas Convention Center	Las Vegas	5	1	1	19	20	21	67
Music City Center	Nashville	6	19	8	12	11	16	72
Ernest Morial New Orleans Convention Ctr.	New Orleans	12	15	6	13	13	15	74
Vancouver Convention Center	Vancouver	19	26	18	2	10	4	79
Jacob Javits Convention Center	New York	18	21	2	17	16	14	88
Kay Bailey Hutchison Convention Center	Dallas	20	10	10	18	18	16	92
Anaheim Convention Center	Anaheim	8	4	17	21	23	21	94
George R Brown Convention Center	Houston	21	8	22	14	15	16	96
McCormick Place	Chicago	23	6	3	19	23	25	99
Los Angeles Convention Center	Los Angeles	26	23	21	15	14	10	109
Georgia World Congress Center	Atlanta	21	13	7	24	25	21	111
Orange County Convention Center	Orlando	14	2	25	26	25	20	112

- Dallas comes in 17th when compared to convention center area offerings in key cities near their facilities
- The locations with the most walkable rooms, largest HQ hotels nearby, CBD rooms, and restaurants, bars and retail include **Austin, San Antonio, Seattle, San Diego**
- **Dallas' highest ranking is in CBD rooms is #10**

* Las Vegas room count is for the strip, not their downtown, given the CC location.



Dallas is Falling Behind its Competitors



Many competitive cities have recently expanded, or are in the process of expanding, their convention centers and hotel packages, including:

Texas Convention Centers

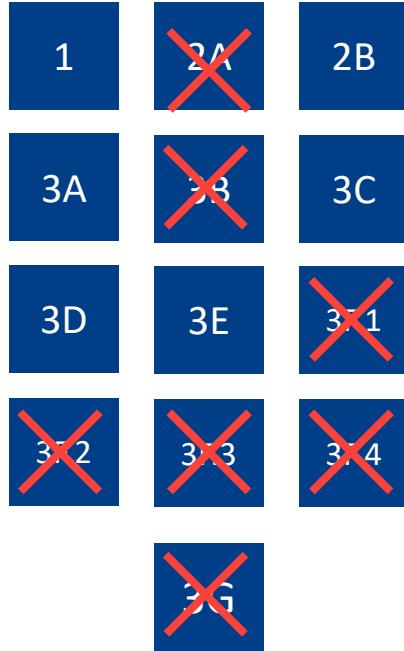
- Austin Convention Center, Austin TX
- Fort Worth Convention Center, Fort Worth TX
- Henry B Gonzales Convention Center, San Antonio TX

National Competitive Set

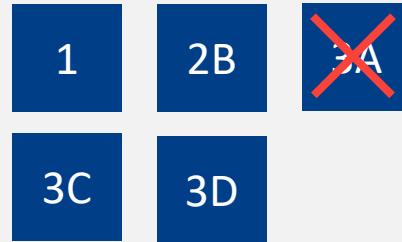
- Colorado Convention Center, Denver CO
- Indiana Convention Center, Indianapolis IN
- Javits Center, New York NY
- Kentucky International Convention Center, Louisville KY
- Las Vegas Convention Center, Las Vegas NV
- New Orleans Ernest N. Morial Convention Center, New Orleans LA
- Washington State Convention Center, Seattle WA



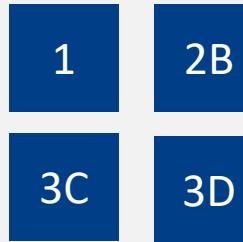
Convention Center: Developing and Screening the Alternatives



Phase 1 Screen
based on feedback
and fatal flaws



Phase 2 Screen
based on meeting
goals and objectives



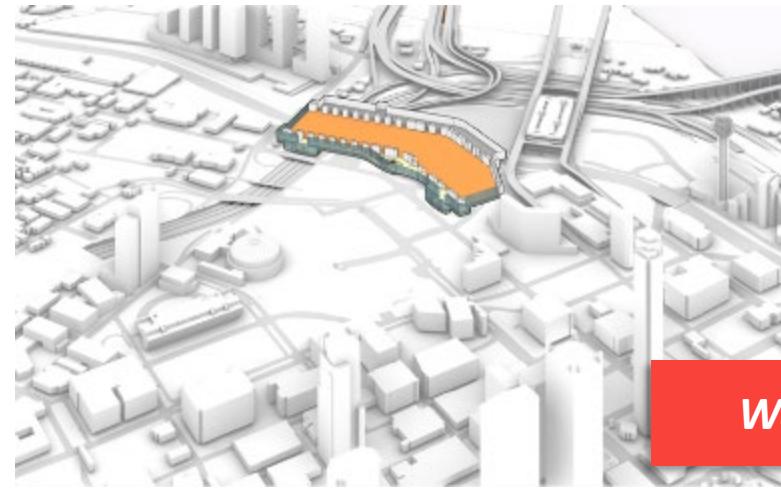
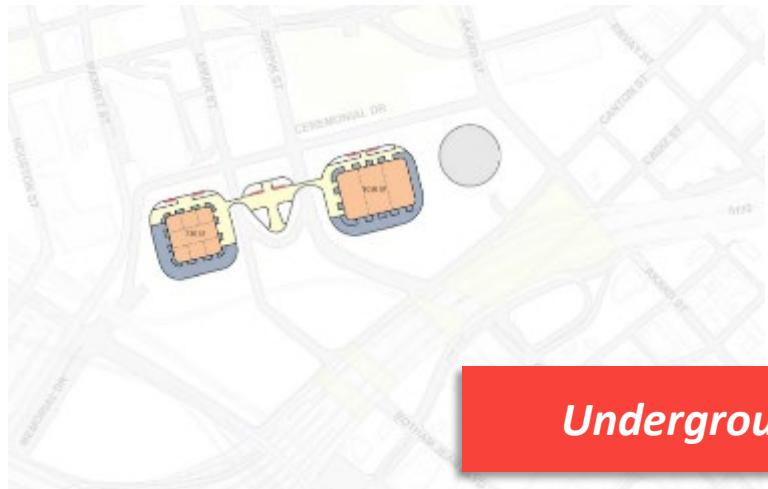
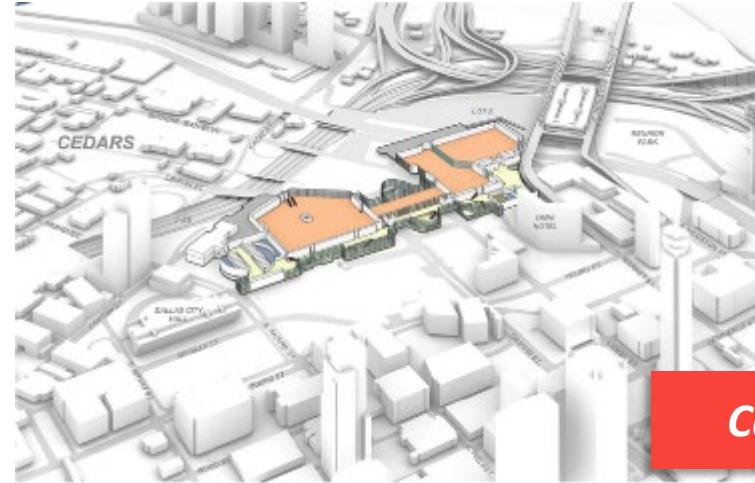
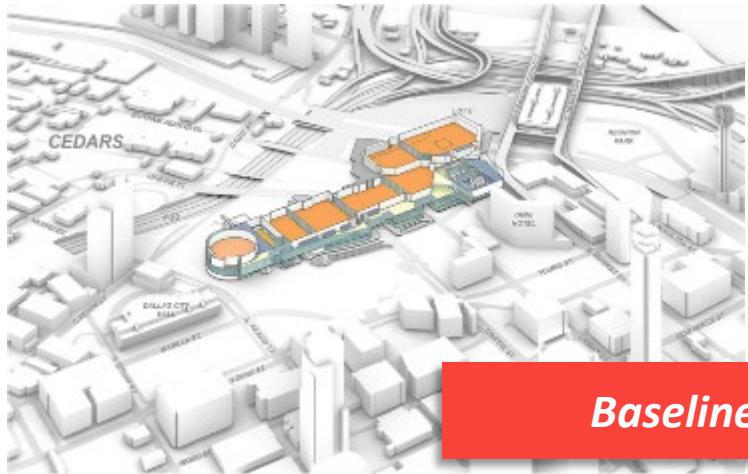
Develop and analyze a full range of alternatives (over 13)

Advance the most promising alternatives for a more rigorous analysis (five alternatives)

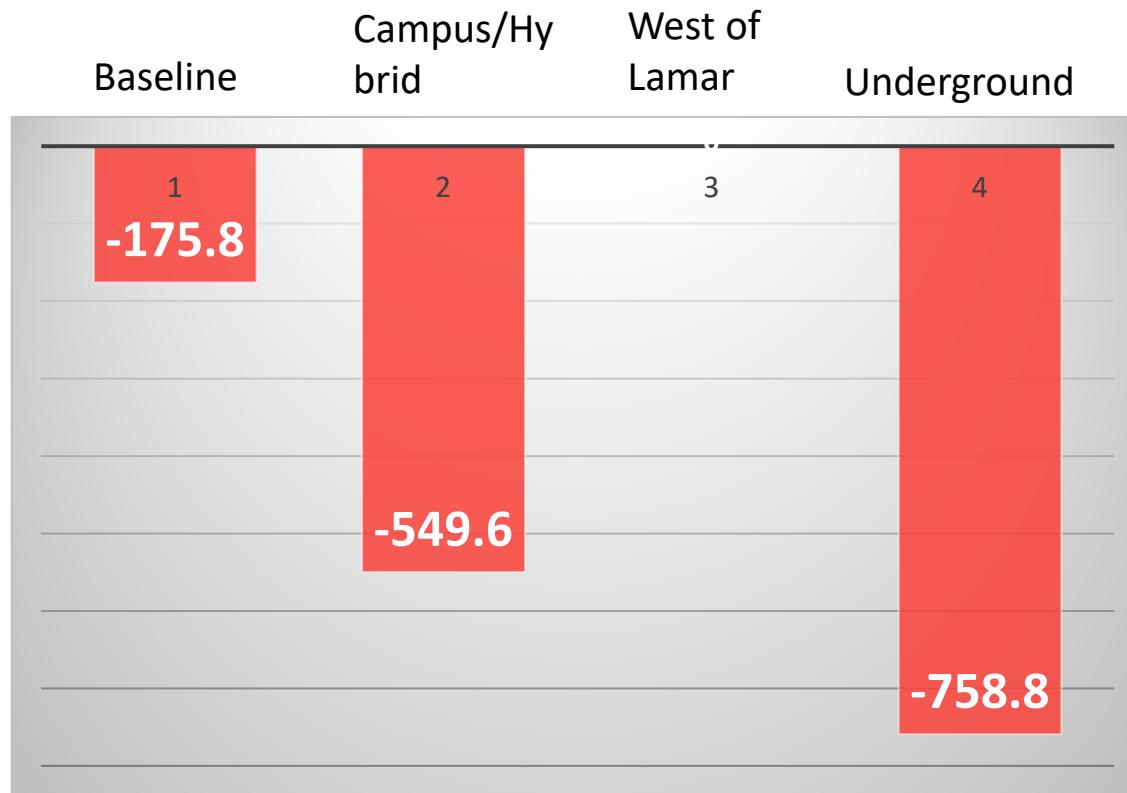
Identify and advance the most promising alternatives for City Council review



Convention Center: Baseline + Three Alternatives



Construction Impact on Operations



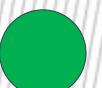
Loss of Sellable SF (m sf)

West of Lamar best preserves convention center business, maintaining 100% of Convention Center operations during construction

1. Based on the anticipated construction cost and schedule required for each alternate, the phasing impact could be quantified using sellable SF, as shown in the graph.
2. Sellable SF (SSF) per year = Sellable Area x 365.25 days.
3. Existing exhibit hall : 724,536 sf
4. Sellable SF per Year = 264.6 m sf (724,536 sf x 365.25=264.6 m sf)



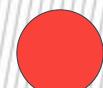
Summary: Rating of Options



Substantially
meets the goal



Partially
meets the
goal



Substantially does
not meet the goal



Goals/Objectives	Baseline	Campus/Hybrid	West of Lamar	Underground
Meets CC Program Needs	Red	Green	Green	Green
Improves District	Red	Yellow	Green	Green
Connects to Downtown	Yellow	Green	Green	Green
Connects to Cedars	Red	Yellow	Green	Green
Development Potential	Yellow	Yellow	Green	Green
Economic Impact	Yellow	Yellow	Green	Green
Business Interruption / Revenue Flow	Yellow	Yellow	Green	Red
Overall Ranking:	Yellow	Yellow	Green	Green





Modes

-  DART Light Rail
-  Trinity Railway Express
-  Amtrak
-  Dallas-Houston HSR
-  Future Fort Worth High-Speed Connector
-  Intercity Bus Terminal
-  Local Bus
-  Streetcar
-  Vertiport
-  Taxi and TNC
-  Vehicular Pick-Up/Drop-Off, Parking
-  Pedestrians, bicycles & scooters

Travel Markets

Regional/localized travel to and from workplaces and residences in study area

Regional trips transferring between modes at the multimodal hub

Intercity trips to and from greater Dallas

- *By rail via Amtrak or HSR*
- *Via transit to/from regional airports*

Trips to and from Convention Center

- *Regional, local, intercity rail and airport access*

Trips to and from HSR Station

Trips within study area and adjacent neighborhoods

- *Pedestrian, bicycle and local transit*

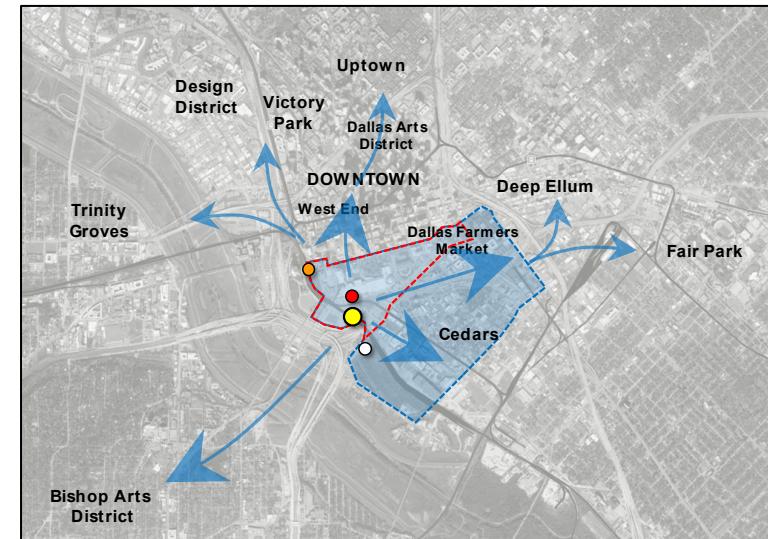
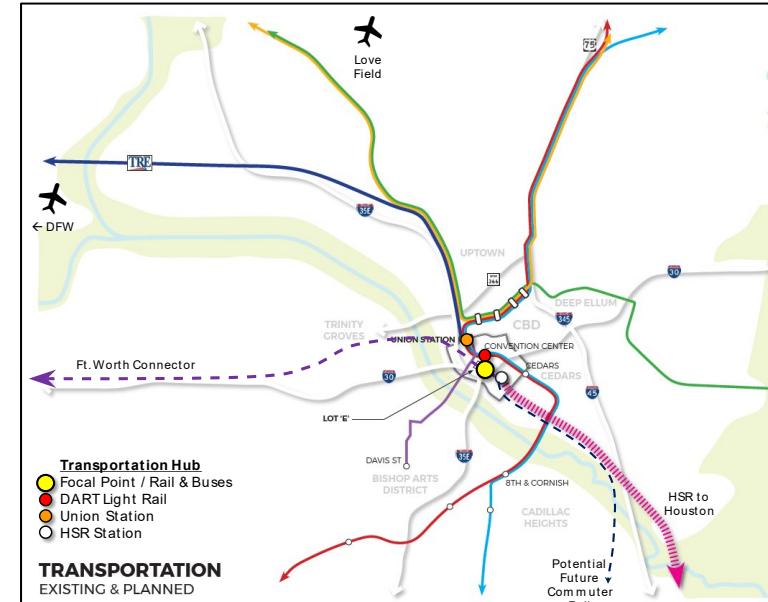
Truck access to convention center loading dock and marshalling area



Vision for Multimodal Transportation in the Study Area



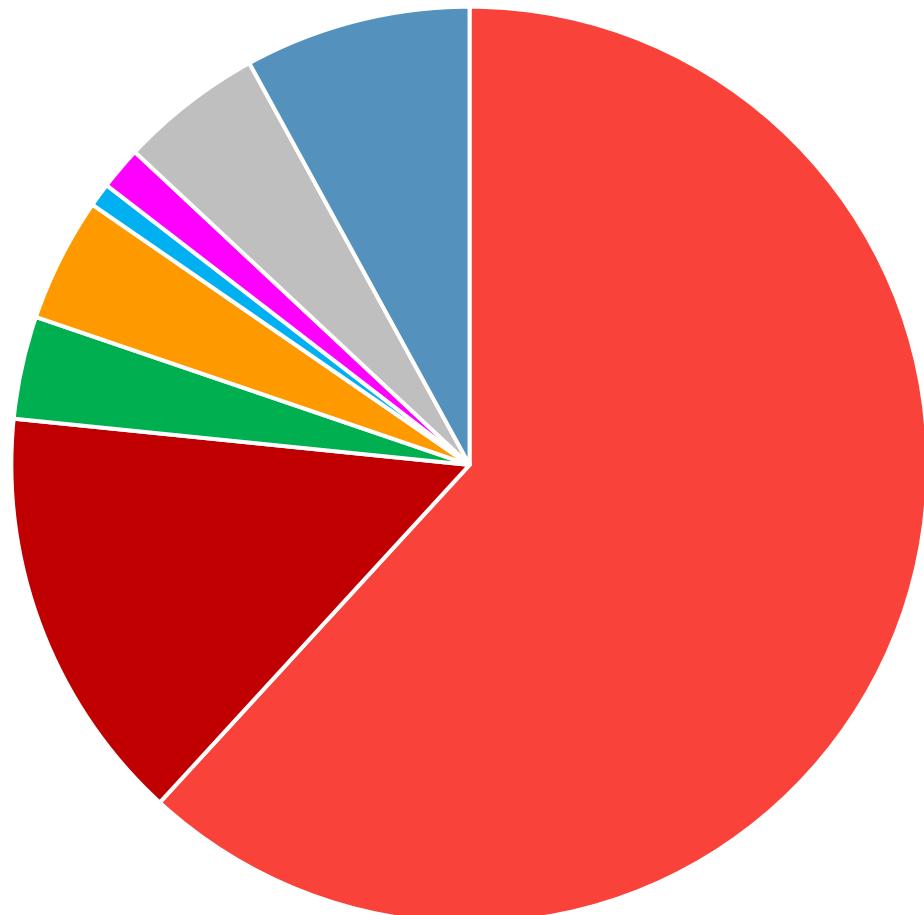
- Provides access to the regional transit system for:
 - *Existing /new residents, workers*
 - *Convention center workers, vendors and visitors*
 - *High-speed rail passengers*
- Creates a transportation hub that serves intercity, regional and local travelers
- Accommodates/supports existing and planned downtown commercial/residential development
- Provides a convenient transit choice for convention center visitors
- Promotes localized/active transportation (walking and biking)



Travel Markets Benefitted by Multimodal Improvements



Relative Size of Potential Transit Markets
(Out of ~200,000 Total Daily Transit Trips in 2045)



- Transit and TRE Access to Planned Development
- Transit and TRE Access to New Development
- Convention Center Access
- High-Speed Rail Access
- Amtrak Intercity and Corridor Service
- Regional Airport Access
- Regional transfer connectivity
- Local transit connectivity

Transit service primarily benefits existing and future residential and commercial development

Multimodal Transportation Concepts

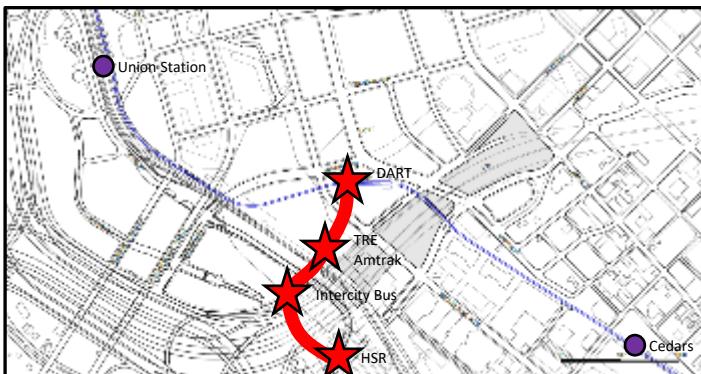
In response to the Convention Center alternatives, multiple multimodal transportation options have been developed and analyzed. The options fall into two general categories:



Consolidated Transit Hub

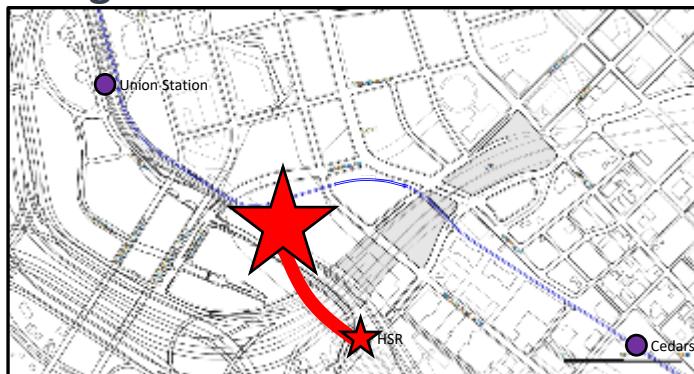
- All transit modes and routes accessible at a central location
- Creates focal point for development within the Convention Center district

Linear Hub



Transit-oriented district or campus

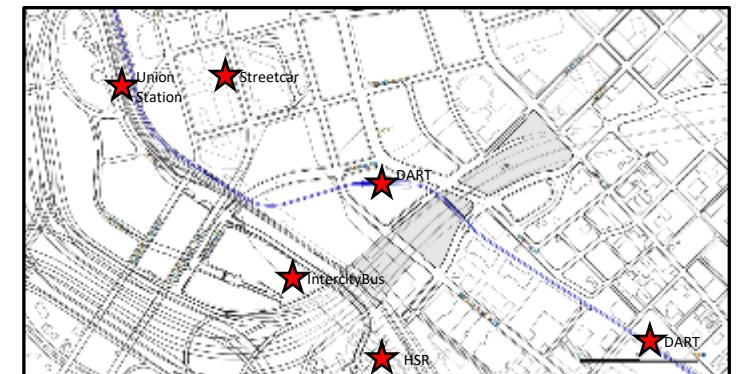
Single Point Hub



Single transit focal point

Distributed Transit Hub

- Transit access spread across entire Convention Center district
- Transfers between modes and transit routes at multiple locations

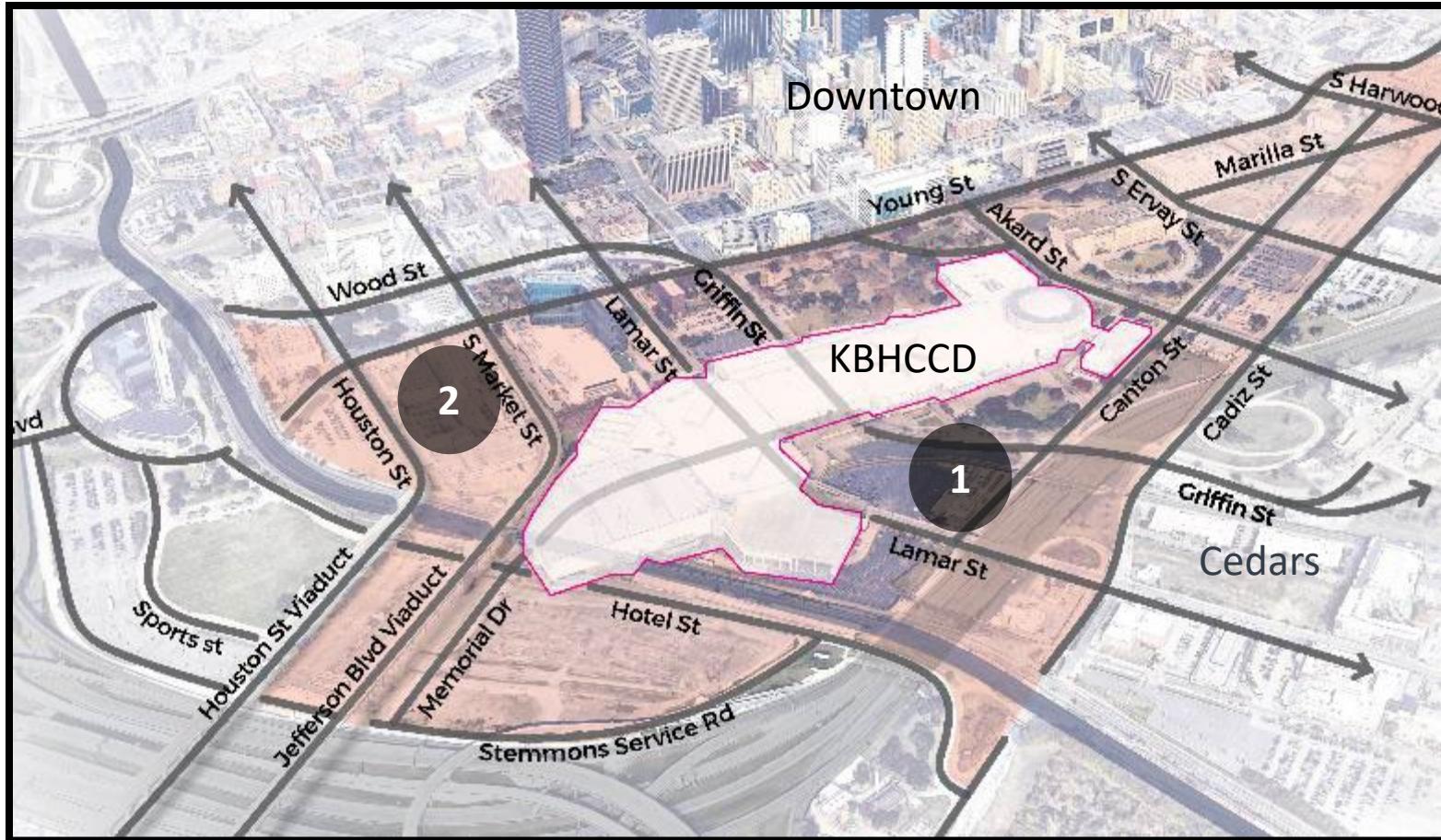


Multiple transit nodes

These concepts are feasible and compatible with all Convention Center alternatives.



Vertiport Siting Options



Vertiport Siting Options

1. Eddie Dean Site
2. Dallas Morning News Site
3. Convention Center*

* Location of the vertiport varies depending on Convention Center Alternative

Convention Center: Multimodal Transportation



- Transit options were used to **help shape and inform Convention Center alternatives**.
- The preferred Convention Center Plan will incorporate new transportation investments.
- **Two primary concepts for multimodal transit hub**
 - *Consolidated hub (linear and single-point configurations)*
 - *Distributed hub (multiple transit nodes serve the study area)*
- **Transportation elements are a modular kit of parts**
 - *Elements can be developed flexibly and in phases*



Proposed Financing Strategy



- As of November 16th, the existing revenue debt for the KBHCCD has been refunded, creating bond capacity that will be secured with existing HOT revenue
- To completely fund the project, following City Council approval to move forward, staff will work with the Controller's Office, bond counsel and financial advisors to leverage additional bond capacity secured by the sources in the table below

Financing Tool	Estimated Revenue (30 years)	Description
Project Financing Zone (PFZ)	Approx. \$2.2 B	State Hotel Related Incremental Taxes Redirected to City of Dallas
2% Hotel Occupancy Tax (HOT) Increase	Approx. \$1.5 B*	Increase City portion of HOT collections from 7% to 9% (excludes TPID assessment)
Monetization of Public RE (CC Sites)	\$100 - \$240 M	Leverages existing under-utilized assets

* Up to 20 percent of the revenue may be dedicated to a municipally-owned park meeting the criteria outlined in SB 2181 as amended and effective September 1, 2021, under Texas Local Government Code Chapter 334 applies to (and is exclusive to) Fair Park facilities.



Brimer Bill Process (Texas Local Government Code Ch. 334)



- City Council may order an election under Texas Local Government Code Ch. 334 for the November 8, 2022, uniform election date or any uniform election date thereafter.
- To call the election, City Council must pass a resolution outlining both
 - *The venue project, including expansion of the convention center and Fair Park facilities, if applicable; and,*
 - *Each method of financing authorized by Chapter 334 that the City intends to use to fund the venue project.*
- Up to twenty percent (20%) of the revenues for the venue project may be used for costs related to “an amphitheater, arena, exhibit hall, music hall, or stadium located in a municipally-owned park.”
- Up to a two percent (2%) increase in additional Hotel Occupancy Tax may be adopted provided the total tax rate does not exceed seventeen percent (17%).
- The resolution must be approved by the Texas Comptroller of Public Accounts before City Council can order an election.



Brimer Bill Process (Texas Local Government Code Ch. 334) cont.



- The January 12, 2022, resolution is a preliminary step necessary to call the election and designate financing sources for the convention center project, but do not bind the City to do either.
- The draft resolution, which will be submitted to the Texas State Comptroller must designate the proposed financing sources for the convention center project and identify the project or projects to be funded.
- The Comptroller has fifteen (15) days to respond with a written notice of the analysis of the resolution and project(s).
- If within the fifteen (15) days the analysis determines that the project(s) will have a negative impact on state revenues, the City must then amend the resolution.
 - *The City can contest the finding of negative impact and request that the State perform a new analysis within ten (10) days of receiving the State's report*
 - *Should the second analysis reach the same conclusion of negative impact, then the State must provide the City information on how to amend the resolution*
- If after thirty (30) days the state has not responded, then the project(s) are deemed to have no negative impact on state revenues and the City can order an election



HOT Collections in Dallas and Other Texas Cities



City	HOT	Venue Tax	County	Other	State	Total
Austin	9%	2%	0%		6%	17%
El Paso*	9%	2.5%			6%	17.5%
San Antonio	7%	2%	1.75%		6%	16.75%
Fort Worth**	9%			2%	6%	17%
Houston*	7%		2%	2.5%	6%	17.5%
Dallas***	7%			2%	6%	15%

* The 17.5% predicated the legislation's 17% cap and were grandfathered

** Fort Worth has a 2% Tourism Public Improvement District fee that is added to the hotel folio after the HOT is calculated and 2% TPID.

***Dallas has a 2% Tourism Public Improvement District assessment added to the hotel folio after the HOT is calculated





An election for Brimer must be ordered by City Council at least 78 days prior to a uniform election date and the ordinance ordering the election must include language which reads:

- *Authorizing _____ (municipality or county name) to _____ (insert description of venue projects) and to impose a _____ tax at the rate of _____ (insert each type of tax and minimum rate of each tax) for the purpose of financing the venue project. If approved the maximum hotel occupancy tax rate imposed from all sources in _____ (insert name of municipality or county) would be _____ (combined HOT rate that would be imposed from all sources at any location in the municipality or county, as applicable, if the rate proposed in the ballot proposition is adopted) of the price paid for a room in a hotel.*
- *To call an election for November 8, 2022, uniform election date, staff must have satisfied all Comptroller requirements for the City Council to order and election by August 22, 2022.*
- *The City may implement its resolution after a majority of voters approves the proposition.*

(Reference Texas Local Government Code Section 334 and 335, specifically 334.021 – 334.023, 334.024, 334.024(c) and (d-1), 334.081(c), and 335.051 – 335.054, and 335.071(e))

Definitions: Qualifying Venue, Related Qualifying Improvement and Related Infrastructure



- Texas Local Government Code defines a venue "a convention center facility or related improvement such as a convention center, civic center, civic center building, civic center hotel, auditorium, theater, opera house, music hall, exhibition hall, rehearsal hall, park, zoological park, museum, aquarium, or plaza located in the vicinity of a convention center or facility owned by a municipality or a county" Tex. Local Gov. Code Sec. 334.001(4)(B).
- Related qualifying improvements in the vicinity of the “venue” can include civic centers, museums, exhibition halls, theaters, music halls, plazas, parks, and civic centers.
- “Related infrastructure” includes stores, on-site hotels, restaurants, parking facilities, water and sewer facilities, streets, roads, and other improvements which enhance the venue’s use, value or appeal.



Next Steps



Should the Transportation and Infrastructure Committee recommend City Council action for the items below, CES staff will prepare for council consideration of both items on January 12, 2021:

1. Proposed City Council approval of the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan's convention center alternative 3C West of Lamar, or other recommended alternative such that the alternative can move forward to a Design/Build/Finance/Project Manager procurement phase; and,
2. Proposed City Council approval as to form of a draft resolution which would order an election under Texas Local Government Code Chapter 334 for the November 8, 2022 uniform election date; and,
3. Proposed City Council approval of the submission of said draft resolution to the Texas Comptroller of Public Accounts for preliminary approval per the Code.



Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan Alternative
Recommendation
and Requirements Pursuant to
Texas Local Government Code Chapter 334

Transportation and Infrastructure Committee
December 7, 2021

Rosa Fleming - Director, Convention and Event Services

Joey Zapata - Assistant City Manager

Majed A. Al-Ghafry, P.E. - Assistant City Manager

Dr. Eric Anthony Johnson – Chief of Economic Development and
Neighborhood Services



Additional Information

Projection of HOT & PFZ Revenue (West of Lamar Alternative)



Fiscal Year	Est. Gross Room's Revenue	Growth Rate*	City 7% HOT	Potential City 2% HOT	Total City HOT	PFZ HOT Increment (State 6%)	PFZ F&B Tax Increment	Total PFZ	Convention Center Operating Net	Est. Capex beyond Historical	Net CC & HOT
2012	\$ 546,796	—	\$ 38,276	\$ -	\$ 38,276						
2013	\$ 600,090	9.7%	\$ 42,006	\$ -	\$ 42,006						
2014	\$ 671,157	11.8%	\$ 46,981	\$ -	\$ 46,981						
2015	\$ 715,003	6.5%	\$ 50,050	\$ -	\$ 50,050						
2016	\$ 794,254	11.1%	\$ 55,598	\$ -	\$ 55,598						
2017	\$ 797,753	0.4%	\$ 55,843	\$ -	\$ 55,843						
2018	\$ 874,568	9.6%	\$ 61,220	\$ -	\$ 61,220						
2019	\$ 919,601	5.1%	\$ 64,372	\$ -	\$ 64,372				\$ (11,000)	\$ -	\$ 53,372
2020	\$ 567,644	-38.3%	\$ 39,735	\$ -	\$ 39,735				\$ (400)	\$ -	\$ 39,335
2021	\$ 768,277	35.3%	\$ 53,779	\$ -	\$ 53,779				\$ 900	\$ -	\$ 52,879
2022	\$ 1,036,413	34.9%	\$ 72,549	\$ -	\$ 72,549	\$ 11,852	\$ 296	\$ 12,149	\$ 940	\$ -	\$ 83,757
2023	\$ 1,127,617	8.8%	\$ 78,933	\$ 22,552	\$ 101,486	\$ 15,286	\$ 382	\$ 15,668	\$ 940	\$ -	\$ 116,213
2024	\$ 1,173,850	4.1%	\$ 82,169	\$ 23,477	\$ 105,646	\$ 17,027	\$ 426	\$ 17,452	\$ 940	\$ -	\$ 122,158
2025	\$ 1,221,977	4.1%	\$ 85,538	\$ 24,440	\$ 109,978	\$ 18,839	\$ 471	\$ 19,309	\$ 940	\$ -	\$ 128,347
2026	\$ 1,272,079	4.1%	\$ 89,045	\$ 25,442	\$ 114,487	\$ 20,725	\$ 518	\$ 21,243	\$ 940	\$ -	\$ 134,790
2027	\$ 1,324,234	4.1%	\$ 92,696	\$ 26,485	\$ 119,181	\$ 22,688	\$ 567	\$ 23,256	\$ 940	\$ -	\$ 141,496
2028	\$ 1,378,527	4.1%	\$ 96,497	\$ 27,571	\$ 124,067	\$ 24,732	\$ 618	\$ 25,351	\$ 940	\$ -	\$ 148,478
2029	\$ 1,479,418	7.3%	\$ 103,559	\$ 29,588	\$ 133,148	\$ 29,523	\$ 738	\$ 30,261	\$ (17)	\$ -	\$ 163,391
2030	\$ 1,561,847	5.6%	\$ 109,329	\$ 31,237	\$ 140,566	\$ 33,153	\$ 829	\$ 33,982	\$ 10	\$ (1,000)	\$ 173,558
2031	\$ 1,683,757	7.8%	\$ 117,863	\$ 33,675	\$ 151,538	\$ 39,099	\$ 977	\$ 40,076	\$ 17	\$ (1,500)	\$ 190,131
2032	\$ 1,752,791	4.1%	\$ 122,695	\$ 35,056	\$ 157,751	\$ 41,816	\$ 1,045	\$ 42,861	\$ 21	\$ (2,250)	\$ 198,384
2033	\$ 1,824,656	4.1%	\$ 127,726	\$ 36,493	\$ 164,219	\$ 44,644	\$ 1,116	\$ 45,760	\$ 25	\$ (3,150)	\$ 206,855
2034	\$ 1,899,467	4.1%	\$ 132,963	\$ 37,989	\$ 170,952	\$ 47,588	\$ 1,190	\$ 48,778	\$ 30	\$ (4,095)	\$ 215,665
2035	\$ 1,977,345	4.1%	\$ 138,414	\$ 39,547	\$ 177,961	\$ 50,653	\$ 1,266	\$ 51,920	\$ 35	\$ (4,914)	\$ 225,002
2036	\$ 2,058,416	4.1%	\$ 144,089	\$ 41,168	\$ 185,257	\$ 53,844	\$ 1,346	\$ 55,190	\$ 40	\$ (5,897)	\$ 234,590
2037	\$ 2,142,811	4.1%	\$ 149,997	\$ 42,856	\$ 192,853	\$ 57,166	\$ 1,429	\$ 58,595	\$ 44	\$ (6,486)	\$ 245,006
2038	\$ 2,230,666	4.1%	\$ 156,147	\$ 44,613	\$ 200,760	\$ 60,623	\$ 1,516	\$ 62,139	\$ 49	\$ (6,811)	\$ 256,137
2039	\$ 2,322,124	4.1%	\$ 162,549	\$ 46,442	\$ 208,991	\$ 64,223	\$ 1,606	\$ 65,828	\$ 49	\$ (6,811)	\$ 268,057
2040	\$ 2,417,331	4.1%	\$ 169,213	\$ 48,347	\$ 217,560	\$ 67,970	\$ 1,699	\$ 69,669	\$ 49	\$ (6,811)	\$ 280,467
2041	\$ 2,516,441	4.1%	\$ 176,151	\$ 50,329	\$ 226,480	\$ 71,870	\$ 1,797	\$ 73,667	\$ 49	\$ (6,811)	\$ 293,385
2042	\$ 2,619,615	4.1%	\$ 183,373	\$ 52,392	\$ 235,765	\$ 75,931	\$ 1,898	\$ 77,829	\$ 49	\$ (6,811)	\$ 306,833
2043	\$ 2,727,020	4.1%	\$ 190,891	\$ 54,540	\$ 245,432	\$ 80,158	\$ 2,004	\$ 82,162	\$ 49	\$ (6,811)	\$ 320,832
2044	\$ 2,838,828	4.1%	\$ 198,718	\$ 56,777	\$ 255,494	\$ 84,558	\$ 2,114	\$ 86,672	\$ 49	\$ (6,811)	\$ 335,406
2045	\$ 2,955,219	4.1%	\$ 206,865	\$ 59,104	\$ 265,970	\$ 89,139	\$ 2,228	\$ 91,367	\$ 49	\$ (6,811)	\$ 350,575
2046	\$ 3,076,383	4.1%	\$ 215,347	\$ 61,528	\$ 276,875	\$ 93,908	\$ 2,348	\$ 96,255	\$ 49	\$ (6,811)	\$ 366,368
2047	\$ 3,202,515	4.1%	\$ 224,176	\$ 64,050	\$ 288,226	\$ 98,872	\$ 2,472	\$ 101,343	\$ 49	\$ (6,811)	\$ 382,808
2048	\$ 3,333,818	4.1%	\$ 233,367	\$ 66,676	\$ 300,044	\$ 104,039	\$ 2,601	\$ 106,640	\$ 49	\$ (6,811)	\$ 399,922
2049	\$ 3,470,505	4.1%	\$ 242,935	\$ 69,410	\$ 312,345	\$ 109,419	\$ 2,735	\$ 112,154	\$ 49	\$ (6,811)	\$ 417,738
2050	\$ 3,612,796	4.1%	\$ 252,896	\$ 72,256	\$ 325,152	\$ 115,019	\$ 2,875	\$ 117,894	\$ 49	\$ (6,811)	\$ 436,284
2051	\$ 3,760,920	4.1%	\$ 263,264	\$ 75,218	\$ 338,483	\$ 120,848	\$ 3,021	\$ 123,870	\$ 49	\$ (6,811)	\$ 455,591
2052	\$ 3,915,118	4.1%	\$ 274,058	\$ 78,302	\$ 352,361	\$ 126,917	\$ 3,173	\$ 130,090	\$ 49	\$ (6,811)	\$ 475,689
2053	\$ 4,075,638	4.1%	\$ 285,295	\$ 81,846	\$ 366,807	\$ 133,235	\$ 3,333	\$ 140,333	\$ 49	\$ (6,811)	\$ 496,611
2054	\$ 4,242,739	4.1%	\$ 296,911	\$ 84,929	\$ 381,846	\$ 139,811	\$ 3,491	\$ 150,842	\$ 49	\$ (6,811)	\$ 518,391
Sum*	\$ 74,895,003		\$ 5,403	1,543,929	\$ 6,947,682	\$ 2,165,174	\$ 53,333	\$ 2,219,007	(2,726)	\$ (145,076)	\$ 8,766,784

* Assumed collection years start 2022 for PFZ and 2023 for Brimer 2% HOT; Construction of the convention center begins in 2025, open in 2029, so 30-year timeline ends 2054

Source: Hunden Strategic Partners, City of Dallas



Offsite Program: Rating of Options

Substantially meets
the goal

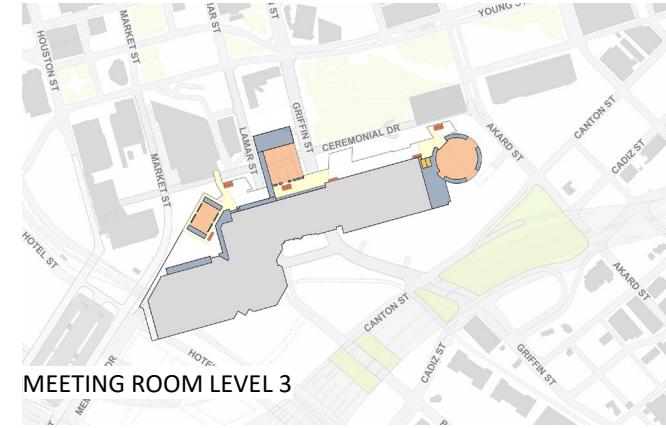
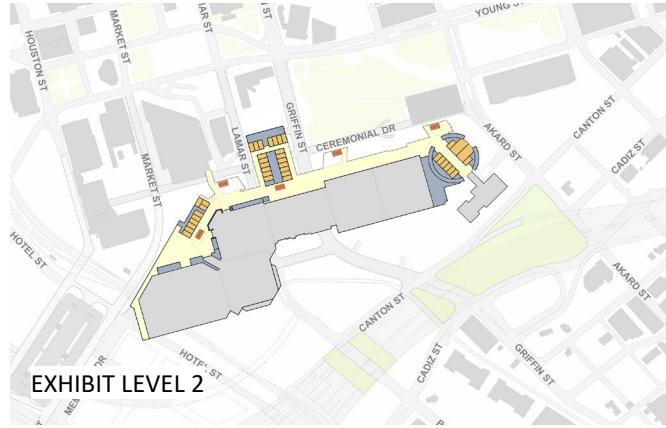
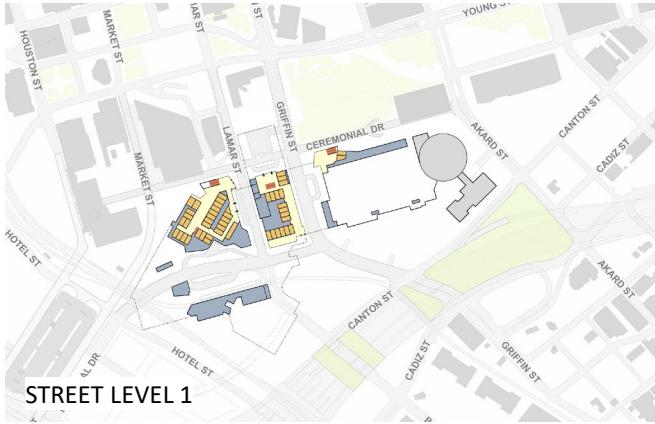
Does not meet
the goal



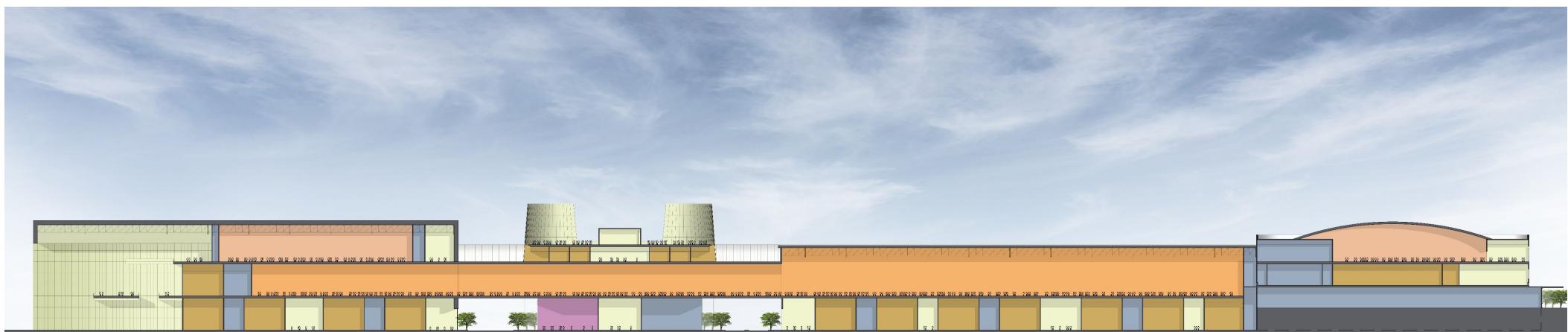
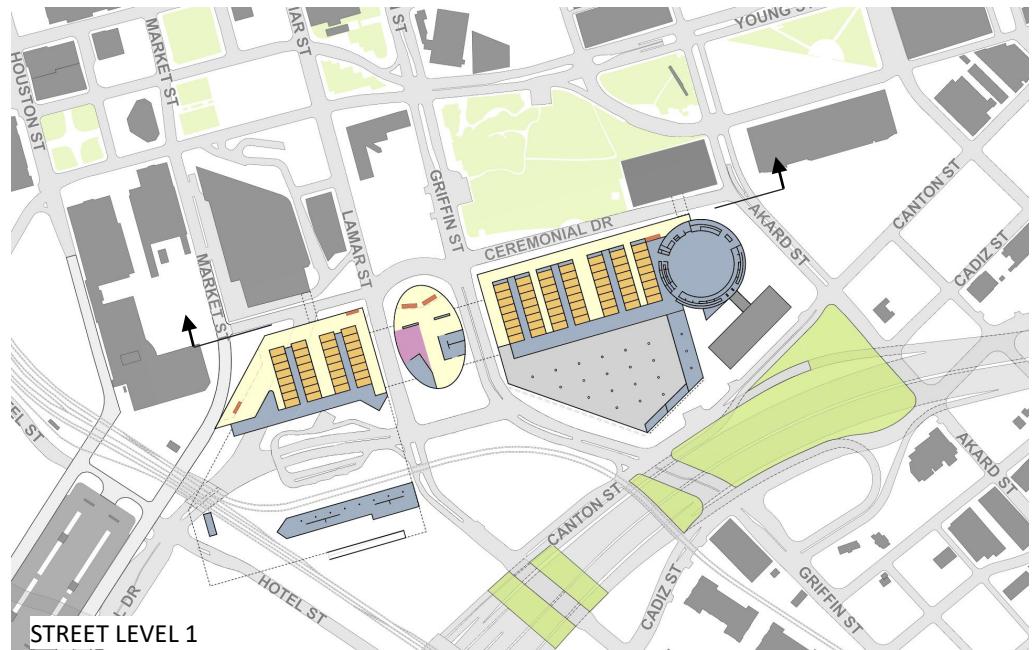
Goals/Objectives	Patch & Repair	Campus/Hybrid	Underground	West of Lamar
Hotel Rooms	800	1410	1,920	3,640
Restaurants/Bars/Retailers	24	59	97	98
Residential Units	3,000	3,460	2,750	3,300
Office SF	0.8 M	2.7M	3.4 M	2.7M
Private Investment (billions)	\$1.1 B	\$2.0 B	\$2.3 B	\$2.5 B
New 30-Yr. Real Estate Tax (billions)	\$0.7 B	\$1.9 B	\$2.3 B	\$2.5 B
New Ongoing Jobs	9,800	14,200	26,100	25,500
Overall Ranking:	LAST	3rd	1st - TIE	1st - TIE



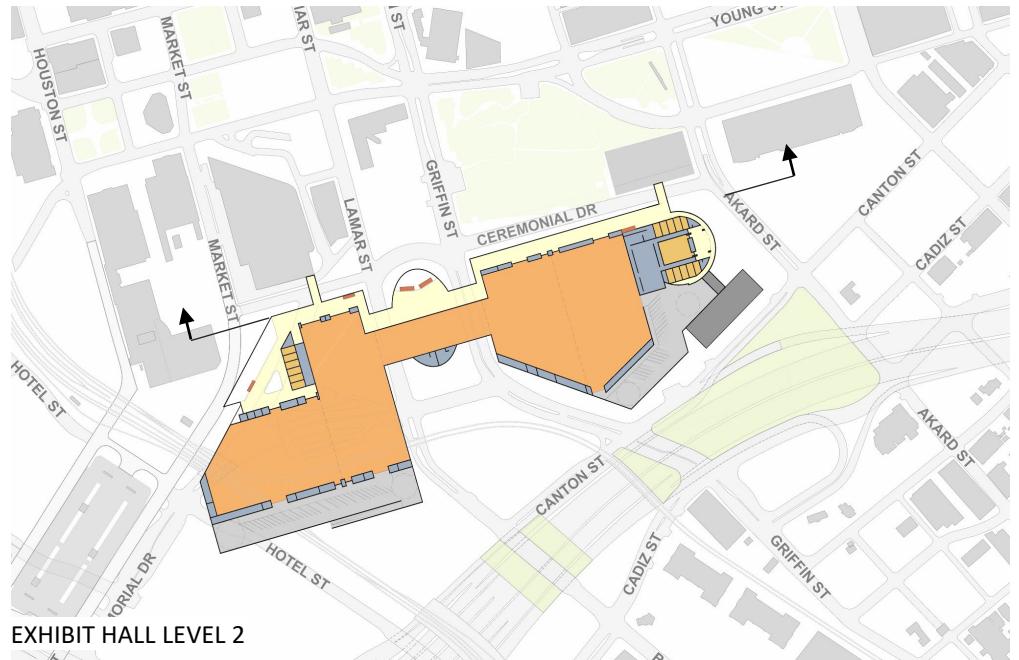
Alternative 1 – Patch & Repair



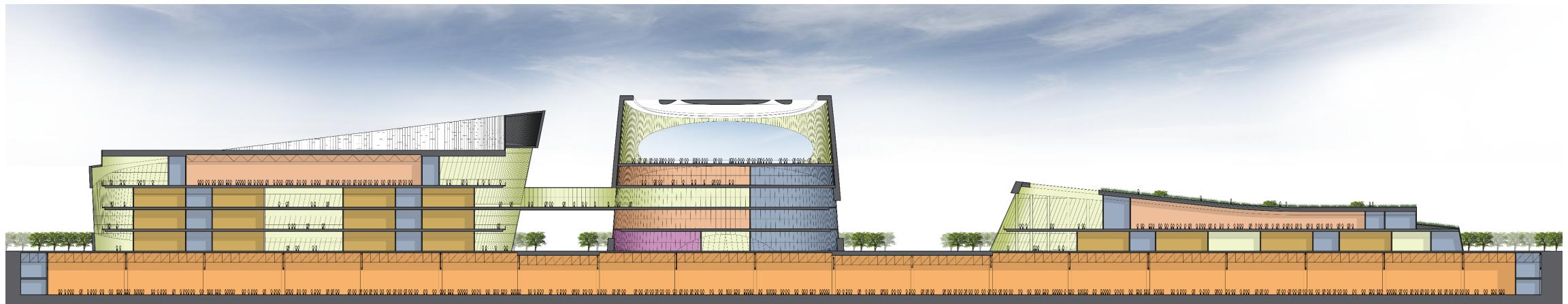
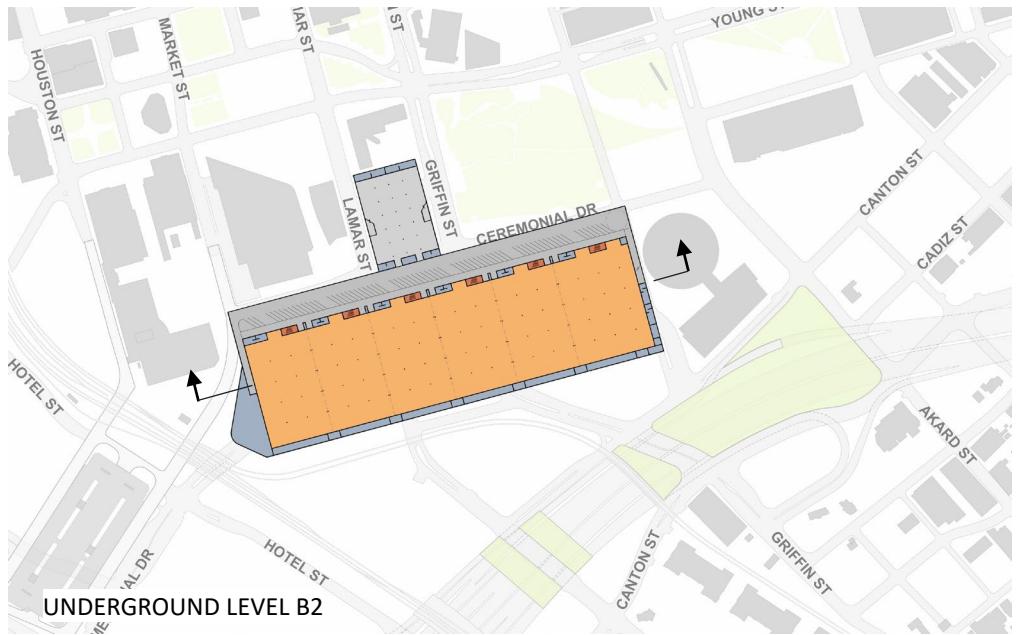
Alternative 2B – Campus/Hybrid



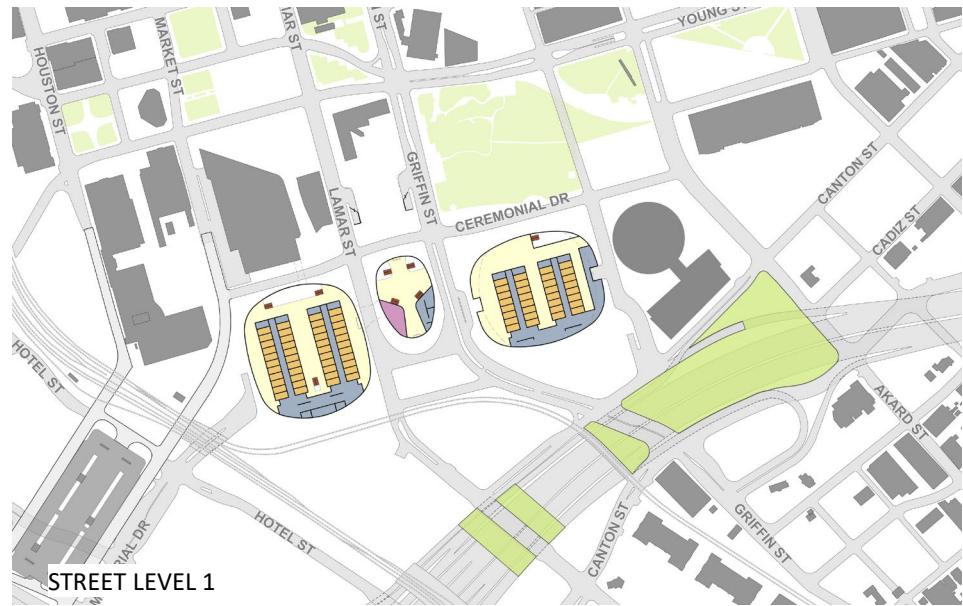
Alternative 2B – Campus/Hybrid



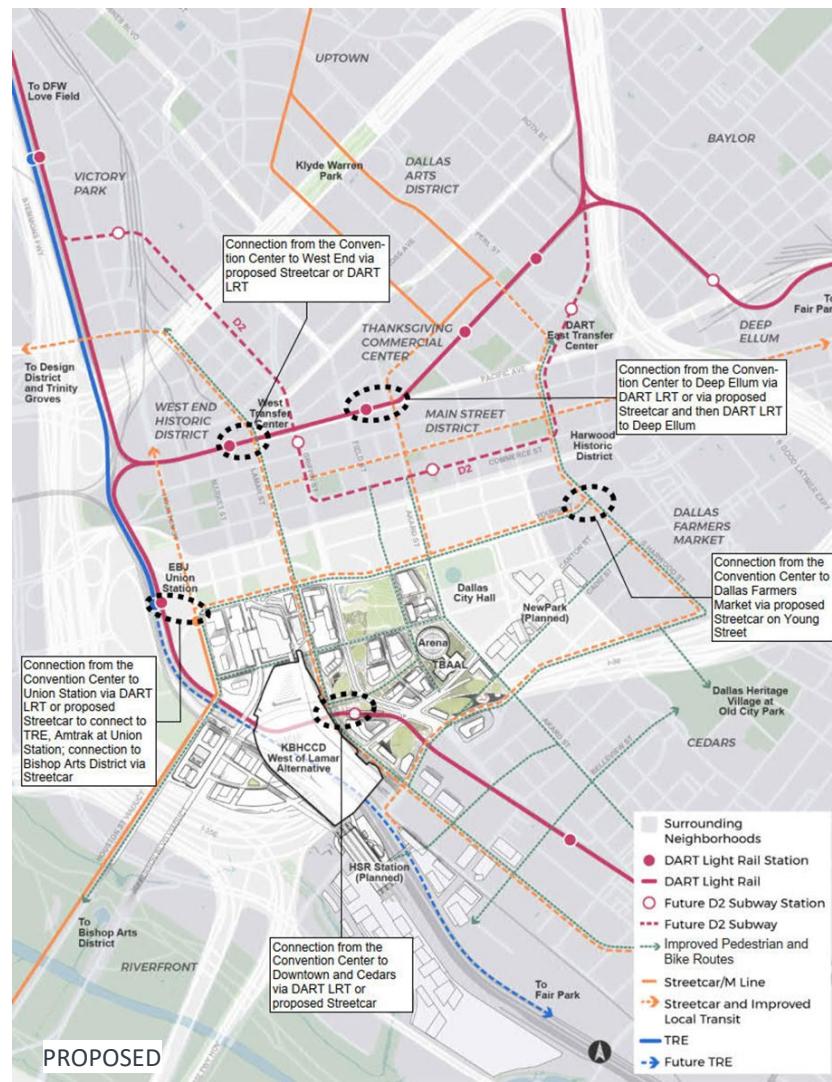
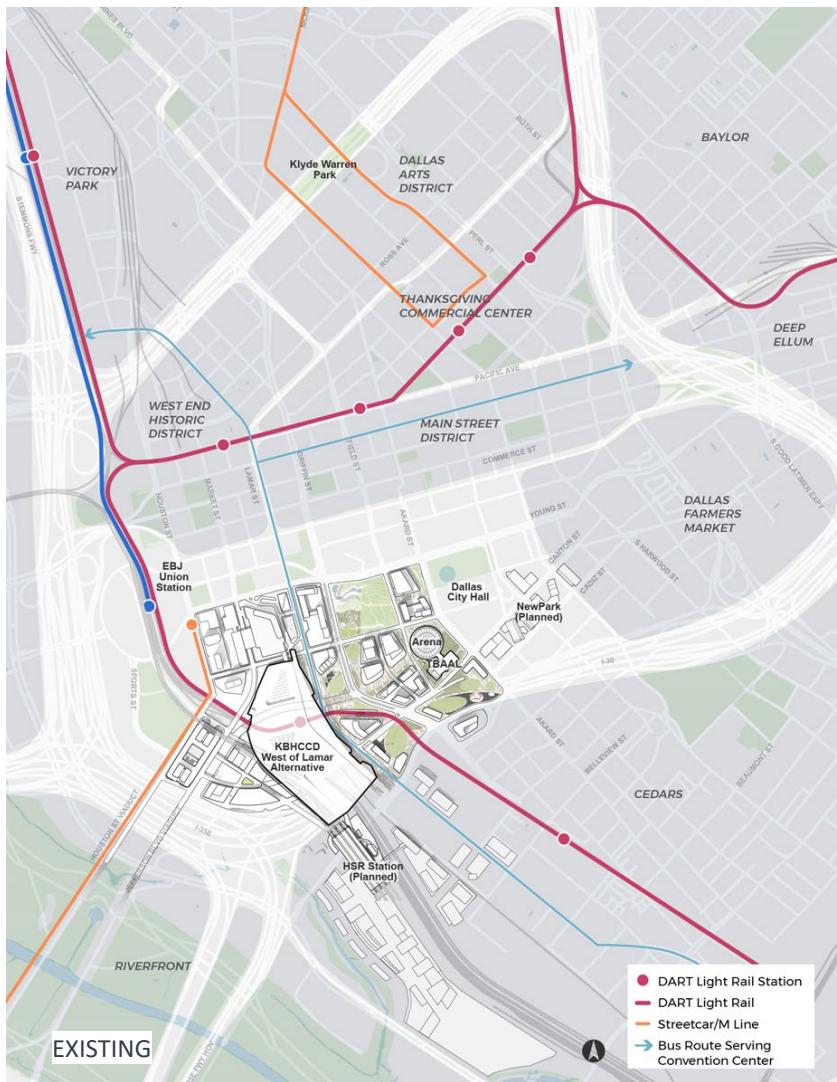
Alternative 3D – Underground



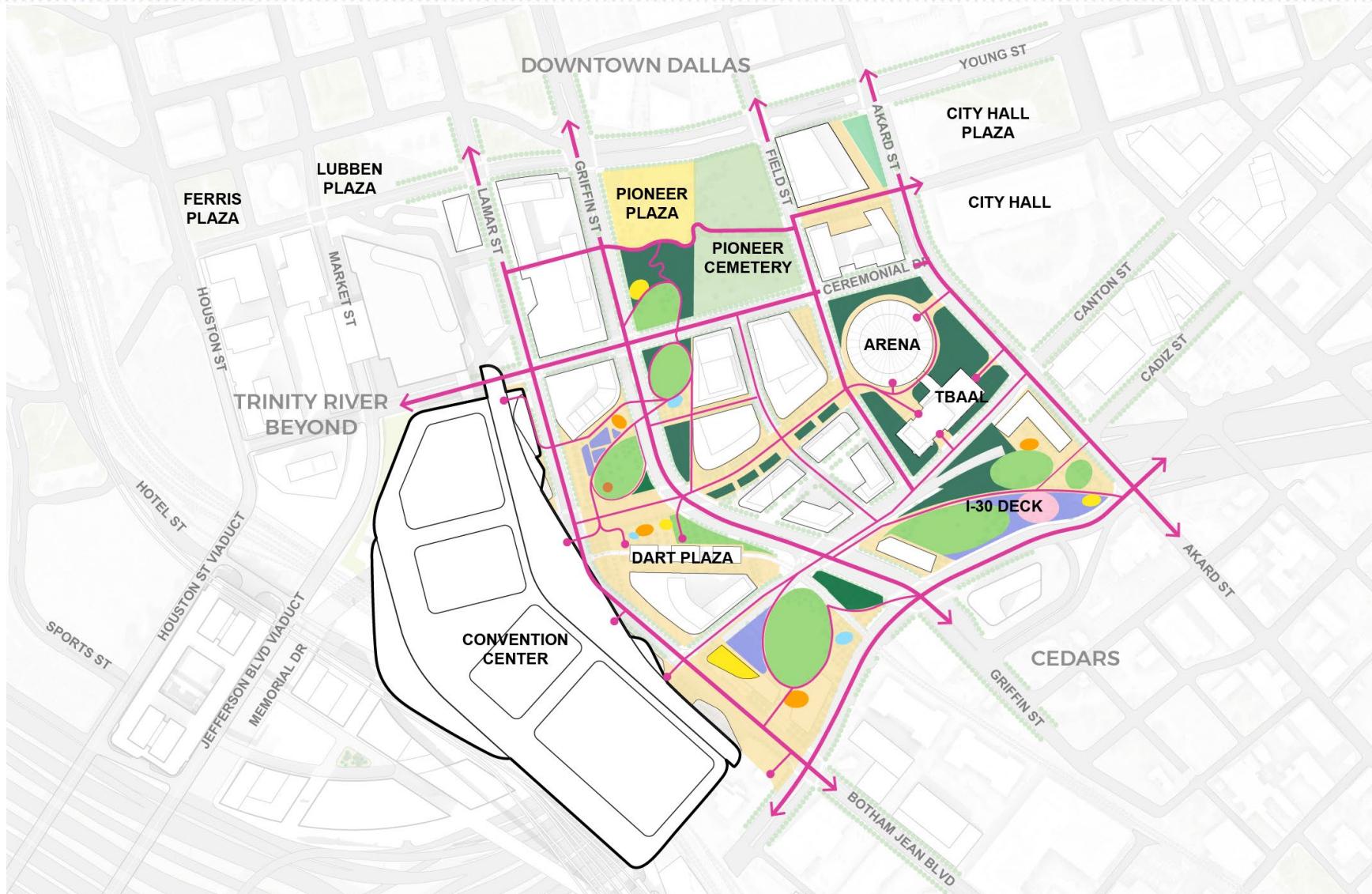
Alternative 3D – Underground



Neighborhood connectivity from the Convention Center via transit



Placemaking and Open Space: Landscape Design Concept



- Lawn
- Planted / Tall grasses
- Pioneer Cemetery
- Police Memorial
- Pioneer Plaza
- Paved
- Garden
- Play
- Cafe
- Shade Structure
- Water Feature
- Pathway
- Primary Entrance
- Main Axis



Placemaking and Open Space: Landscape Design Concept



- Lawn
- Plaza
- Garden
- Planted
- Water Feature
- Development
- Existing Open Space
- Trees



Placemaking and Open Space Precedents

