

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALLAS MAKING CERTAIN FINDINGS AND DETERMINATIONS REGARDING THE EXPANSION OF THE KAY BAILEY HUTCHISON CONVENTION CENTER DALLAS VENUE PROJECT AND FAIR PARK FACILITIES VENUE PROJECT, CREATING THE VENUE PROJECTS FUND PURSUANT TO CHAPTER 334, TEXAS LOCAL GOVERNMENT CODE, AND PROVIDING FOR THE USE OF MONEYS IN THE FUND

WHEREAS, Chapter 334, Local Government Code (the “Act”) authorizes the City of Dallas (the “City”) to impose certain specific taxes for the purpose of financing all or a portion of the costs of venue projects that are planned to be located within the City, if the venue projects and the taxes are approved at an election held in accordance with the Act; and

WHEREAS, at an election held in the City on November 8, 2022, a majority of the voters of the City voting at said election voted in favor of a proposition authorizing the City to provide for the planning, acquisition, establishment, development, construction, renovation and financing of the expansion of the Kay Bailey Hutchison Convention Center Dallas, and related infrastructure as defined in the Act, including demolition costs (collectively, the “Convention Center Expansion Venue Project”); and authorizing the City to provide for the planning, acquisition, establishment, development, construction, renovation and financing of certain Fair Park facilities, including the Automotive Building, the Centennial Building, the Band Shell, the Music Hall, the Cotton Bowl and the Coliseum, and related infrastructure as defined in the Act (collectively, the “Fair Park Facilities Venue Project” and, together with the Convention Center Expansion Venue Project, the “Venue Projects”) and to impose a new hotel occupancy tax at the rate of two percent (2%) for the purpose of financing the Venue Projects (the “2% HOT”); and

WHEREAS, the City intends to issue one or more series of bonds, notes, or other obligations (the “Obligations”) that are payable from and secured by a pledge of one, all, or a portion of the 2% HOT and certain other revenues as may be designated by any ordinance or indenture that the City Council may adopt authorizing the issuance of the Obligations, and to use the proceeds of the Obligations for the purpose of paying a portion of the costs of the Venue Projects as permitted by and in accordance with the Act; and

WHEREAS, Section 334.042 of the Act requires the City, by resolution, to establish among its accounts and funds a separate and distinct venue project fund, and various accounts therein, for the purpose of receiving and accounting for the expenditure of the proceeds of the Obligations, and from the levy, imposition, and collection of the 2% HOT; and

WHEREAS, the City may create other accounts in the venue project fund to the extent required by the terms and provisions of any ordinance or indenture that the City Council may adopt authorizing the issuance of the Obligations; and

WHEREAS, the City Council, by this resolution, intends to create a separate and distinct venue project fund for the Venue Projects, and various accounts therein (all as further defined and described herein and in any ordinance or indenture that the City Council may adopt authorizing the issuance of the Obligations), to declare its intent and plan to participate in the construction of the Venue Projects in the City, and to finance a portion of the costs of the Venue Projects in accordance with the Act.

Now Therefore,

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

SECTION 1.

(a) The declarations, findings and determinations declared, made, and found in the preambles to this Resolution are adopted, restated, and made a part of the operative provisions hereof.

(b) The City Council finds and declares for all constitutional and statutory purposes that the Venue Projects will be owned, used, and held for public purposes by the City and the City Council hereby adopts and confirms the provisions of Section 334.044 of the Act.

SECTION 2.

(a) The City Council creates and establishes among its various funds and accounts the venue projects fund required by Section 334.042 of the Act, the fund to be entitled the "Venue Projects Fund" of the City.

(b) The City Council orders and directs that the Chief Financial Officer create the following accounts within the Venue Projects Fund:

- (1) the "2% HOT Account" (with subaccounts for the Convention Center Expansion Venue Project and the Fair Park Facilities Venue Project);
- (2) the "Projects Cost Account" (with subaccounts for the Convention Center Expansion Venue Project and the Fair Park Facilities Venue Project); and
- (3) such other accounts or subaccounts as may be required, including by any ordinance or indenture authorizing the Obligations.

(c) The Venue Projects Fund and any accounts and subaccounts established therein shall be held in the depository bank of the City or in such other bank or banks as may be designated and required by any ordinance or indenture authorizing the Obligations.

SECTION 3.

(a) All revenues received by the City from the levy and collection of the 2% HOT, together with all earnings from the investment thereof, shall be deposited to and accounted for in the 2% HOT Account, and shall be used exclusively for the purposes of:

- (1) reimbursing the City for prior expenditures made in connection with, or paying the costs of planning, acquiring, establishing, developing, constructing, or renovating the Venue Projects to the extent not prohibited by any ordinance or indenture authorizing the Obligations;
- (2) paying the principal of and the interest on the Obligations, creating reserves therefor, paying other costs relating to the Obligations, or to refund the Obligations, to the extent, in the manner, and at the times required by any ordinance or indenture authorizing the Obligations; and
- (3) such other uses as permitted by applicable law.

(b) The net proceeds received by the City from the sale and delivery of the Obligations that are remaining after the payment of the City's costs of issuance and the creation of reserves, if any, required by any ordinance or indenture authorizing the Obligations shall be deposited to the Projects Cost Account.

(c) Earnings received from investments of the Projects Cost Account shall be deposited as directed by any ordinance or indenture authorizing the Obligations.

SECTION 4. The City Council, by amendment to this resolution or by provisions contained in any ordinance or indenture authorizing the Obligations, reserves the right to amend and modify the provisions of this resolution. Provisions in any ordinance or indenture authorizing the Obligations that are inconsistent with provisions of this resolution shall be deemed to be amendments hereto and shall be controlling.

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, and it is accordingly so resolved.