

**MAY 20, 2020 CITY COUNCIL BRIEFING AGENDA**  
**CERTIFICATION**

This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Briefing Agenda dated May 20, 2020. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.

  
\_\_\_\_\_  
T.C. Broadnax  
City Manager

\_\_\_\_\_  
5-15-20  
Date

  
\_\_\_\_\_  
Elizabeth Reich  
Chief Financial Officer

\_\_\_\_\_  
5-15-20  
Date



RECEIVED

2020 MAY 15 PM 7:50

CITY SECRETARY  
DALLAS, TEXAS

**City of Dallas**

*1500 Marilla Street  
Dallas, Texas 75201*

**Public Notice**

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**POSTED** CITY SECRETARY  
DALLAS, TX



## **COUNCIL BRIEFING AGENDA**

**May 20, 2020**

**9:00 AM**

(For General Information and Rules of Courtesy, Please See Opposite Side.)

(La Información General Y Reglas De Cortesía Que Deben Observarse

Durante Las Asambleas Del Consejo Municipal Aparecen En El Lado Opuesto, Favor De Leerlas.)

## **General Information**

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on Time Warner City Cable Channel 16. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 by 5:00 p.m. of the last regular business day preceding the meeting. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

## **Rules of Courtesy**

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while

## **Información General**

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación *Time Warner City Cable* Canal 16. El Ayuntamiento Municipal se reúne en el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 5:00 pm del último día hábil anterior a la reunión. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

## **Reglas de Cortesía**

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal

"Los ciudadanos y visitantes presentes durante las

attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

asambleas del Ayuntamiento Municipal deben de obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que este presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisara al oficial que este presidiendo la sesión a tomar acción." Según la sección 3.3 (c) de las reglas de procedimientos del Ayuntamiento.

## **Handgun Prohibition Notice for Meetings of Governmental Entities**

"Pursuant to Section 30.06, Penal Code (trespass by license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a concealed handgun."

*"De acuerdo con la sección 30.06 del código penal (ingreso sin autorización de un titular de una licencia con una pistol oculta), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola oculta."*

"Pursuant to Section 30.07, Penal Code (trespass by license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not enter this property with a handgun that is carried openly."

*"De acuerdo con la sección 30.07 del código penal (ingreso sin autorización de un titular de una licencia con una pistola a la vista), una persona con licencia según el subcapítulo h, capítulo 411, código del gobierno (ley sobre licencias para portar pistolas), no puede ingresar a esta propiedad con una pistola a la vista."*

The City Council meeting will be held by videoconference. Individuals who wish to speak in accordance with the City Council Rules of Procedure must sign up with the City Secretary's Office. The following videoconference link is available to the public to listen to the meeting and Public Affairs and Outreach will also stream the City Council Briefing on Spectrum Cable Channel 95 and [bit.ly/cityofdallastv: https://dallascityhall.webex.com/dallascityhall/onstage/g.php?MTID=ed1a35e751f9713af09cc8846d2b21133](https://dallascityhall.webex.com/dallascityhall/onstage/g.php?MTID=ed1a35e751f9713af09cc8846d2b21133)

9:00 a.m. Invocation and Pledge of Allegiance

Special Presentations

Open Microphone Speakers

### **VOTING AGENDA**

1. [20-989](#) Approval of Minutes of the May 6, 2020 City Council Briefing
2. [20-990](#) Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)

### **BRIEFINGS**

- A. [20-801](#) 2020-2022 Dallas Area Rapid Transit (DART) Board of Directors Nominee Interviews  
The materials can be accessed at the following link:  
[https://dallascityhall.com/government/citysecretary/Pages/DARTBoard\\_docs.aspx](https://dallascityhall.com/government/citysecretary/Pages/DARTBoard_docs.aspx)
- B. [20-920](#) VisitDallas Contract Renewal  
**Attachments:** [Presentation](#)
- C. [20-1024](#) Right-of-Way and Lane Closure Permit Fees  
**Attachments:** [Presentation](#)

Closed Session

Attorney Briefings (Sec. 551.071 T.O.M.A.)

- Christopher Kelson et al. v. City of Dallas et al., Civil Action No. 3:18-CV-3308-E.

Adjournment

The above schedule represents an estimate of the order for the indicated briefings and is subject to change at any time. Current agenda information may be obtained by calling (214) 670-3100 during working hours.

Note: An expression of preference or a preliminary vote may be taken by the Council on any of the briefing items.



**EXECUTIVE SESSION NOTICE**

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. seeking the advice of its attorney about pending or contemplated litigation, settlement offers, or any matter in which the duty of the attorney to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Texas Open Meetings Act. [Tex. Govt. Code §551.071]
2. deliberating the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.072]
3. deliberating a negotiated contract for a prospective gift or donation to the city if deliberation in an open meeting would have a detrimental effect on the position of the city in negotiations with a third person. [Tex. Govt. Code §551.073]
4. deliberating the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee unless the officer or employee who is the subject of the deliberation or hearing requests a public hearing. [Tex. Govt. Code §551.074]
5. deliberating the deployment, or specific occasions for implementation, of security personnel or devices. [Tex. Govt. Code §551.076]
6. discussing or deliberating commercial or financial information that the city has received from a business prospect that the city seeks to have locate, stay or expand in or near the city and with which the city is conducting economic development negotiations; or deliberating the offer of a financial or other incentive to a business prospect. [Tex Govt. Code §551.087]
7. deliberating security assessments or deployments relating to information resources technology, network security information, or the deployment or specific occasions for implementations of security personnel, critical infrastructure, or security devices. [Tex Govt. Code §551.089]



# City of Dallas

1500 Marilla Street  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 20-989

**Item #:** 1.

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**SUBJECT**

Approval of Minutes of the May 6, 2020 City Council Briefing



# City of Dallas

1500 Marilla Street  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 20-990

**Item #:** 2.

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**AGENDA DATE:** May 20, 2020

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** City Secretary's Office

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**SUBJECT**

Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)



# City of Dallas

1500 Marilla Street  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 20-801

**Item #:** A.

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2020-2022 Dallas Area Rapid Transit (DART) Board of Directors Nominee Interviews

The materials can be accessed at the following link:

[<https://dallascityhall.com/government/citysecretary/Pages/DARTBoard\\_docs.aspx>](https://dallascityhall.com/government/citysecretary/Pages/DARTBoard_docs.aspx)



# City of Dallas

1500 Marilla Street  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 20-920

**Item #:** B.

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VisitDallas Contract Renewal

# **VisitDallas Contract Renewal**

**Dallas City Council Briefing**

**May 20, 2020**

**City of Dallas**

**Rosa Fleming, Director**

**Convention and Event Services**

**Joey Zapata, Assistant City Manager**

**VisitDallas**

**Craig Davis, CEO/President**

**Joyce Williams, Board Chair**

**Dave Brown, Chair-Elect**

**Greg White, Board Member &  
Dallas Tourism Public Improvement District  
(DTPID) Corporation Chair**

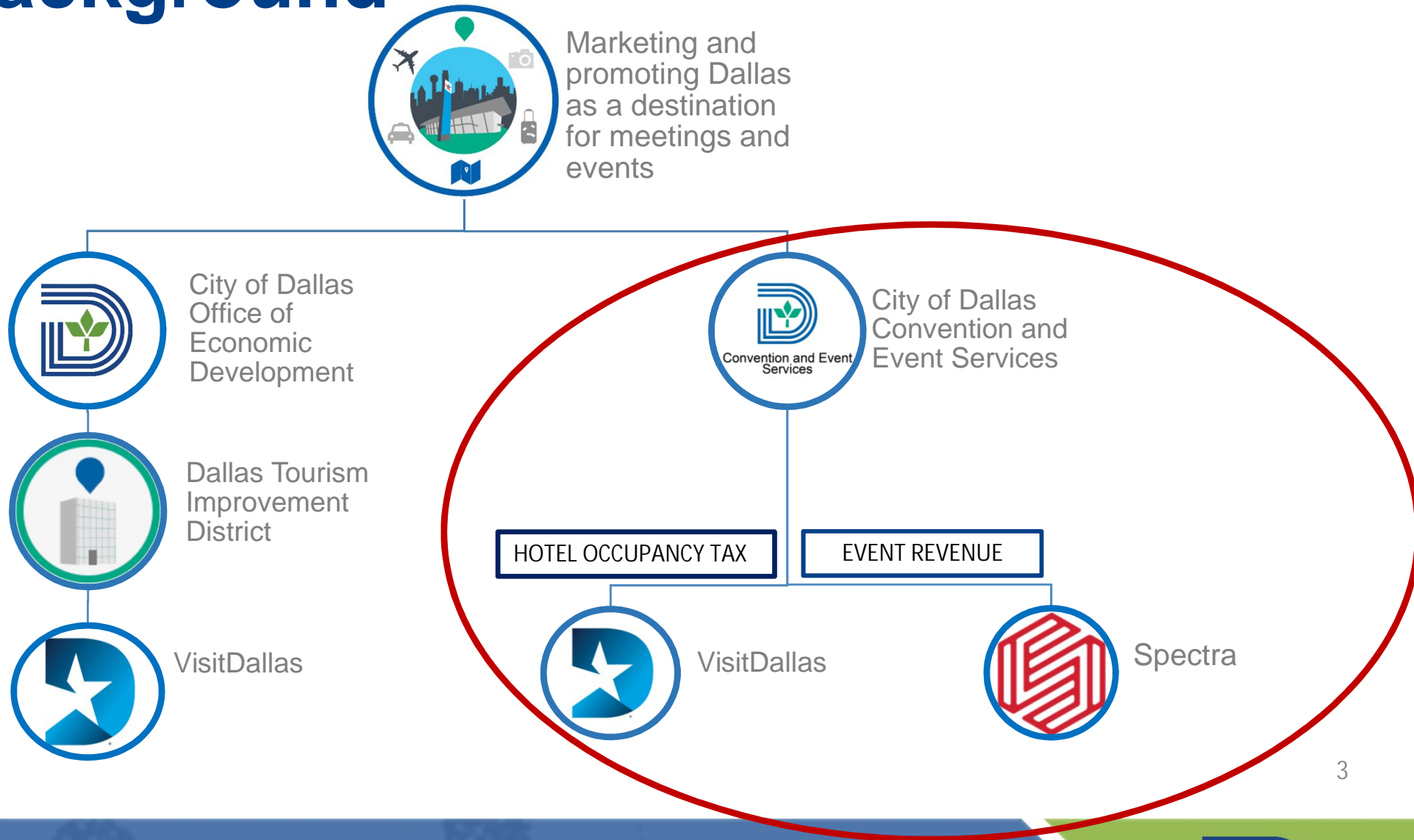


# Presentation Overview

- Background
- Purpose
- City Priorities
- Proposed Contract Terms
- Compensation Study
- Dallas-First Marketing
- Governance
- Requested Action
- Next Steps



# Background





# Background (cont.)

- City Council approved an amended and restated (A&R) contract for VisitDallas on November 13, 2019
- A&R contract expires September 30, 2020
- Contract has options for a five-year and thereafter a three-year renewal
- Convention and Event Services (CES) staff agreed to brief City Council in the spring about proposed renewal terms

# Purpose

- Review recommended contract terms for contract renewal for City Council input
- Address the current and forecasted impact of the COVID-19 emergency and effects on CES revenue and local tourism industry

# City Priorities

## PRIORITIES

- Reduce VisitDallas budget and revise ordinance to provide 11% to other allowable uses for hotel occupancy tax (HOT)
- Align VisitDallas salaries with industry standards and reduce/adjust where necessary
- Focus tourism promotion and marketing on the city of Dallas
- Ensure continued and focused contract compliance
- Generate a governance structure proposal that takes into consideration percent of HOT funding allocated to VisitDallas by ordinance



# Proposed Contract Terms

GOAL		PROPOSED CONTRACT TERM
<b>Five-Year Proforma</b>	✓	Reduced budget over five years to release 12.5% for other allowable HOT uses
<b>Compensation Study</b>	✓	Implemented study recommendations
<b>Dallas-First Marketing</b>	✓	Developed a policy and website changes
<b>Continued Contract Compliance</b>	✓	Continue working with VisitDallas on contract compliance improvements
<b>Governance (not included in A&amp;R contract)</b>	✓	Proposed for elected City officials to select one additional board member in the general business group from a choice of 3 provided names

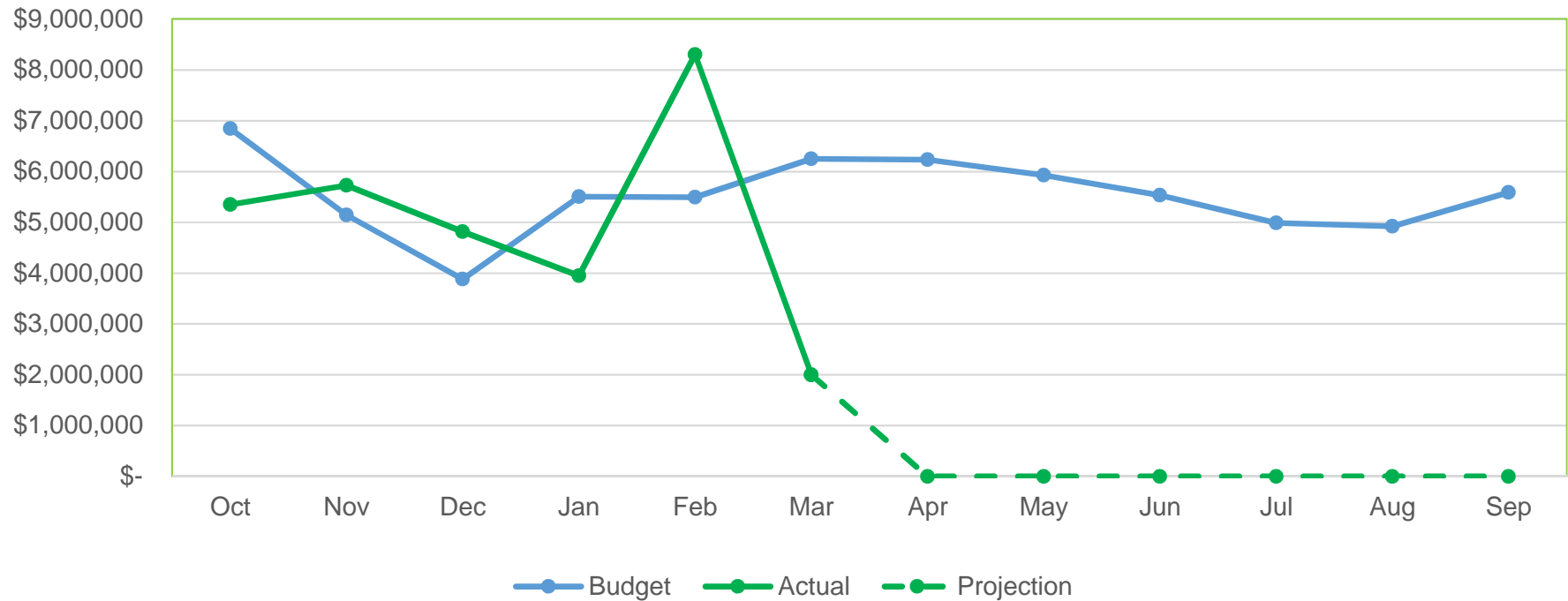
# City Priorities – Five-Year Proforma

GOAL	BUDGET REDUCTION
Five-Year Proforma	<p><b>\$15M proposed five-year budget reduction:</b></p> <ul style="list-style-type: none"><li>✓ Fulfill existing tourism promotion and marketing commitments</li><li>✓ Refinement of staffing to better meet mission</li><li>✓ No impact to sales for Kay Bailey Hutchison Convention Center Dallas</li><li>✓ <i>Do no harm</i> to tourism, marketing and promotion of Dallas and its correlation to HOT and economic impact</li><li>✓ KBHCCD capital construction contribution returned to City</li><li>✓ Commitment to relocate to KBHCCD or other city facility in 2022 upon lease expiration (\$800k savings)</li></ul>

# City Priorities – Five-Year Proforma

GOAL	APPROACH
<p><b>Five-Year Proforma</b></p> <p><b>Reduce budget without impacting revenue for:</b></p> <ul style="list-style-type: none"><li>• KBHCCD Debt Service</li><li>• KBHCCD Operations</li><li>• Hotel Occupancy Tax (HOT)</li><li>• Overall Tourism Dollars</li></ul> <p><b>Reduce budget without impacting:</b></p> <ul style="list-style-type: none"><li>• Sales &amp; Marketing for KBHCCD</li><li>• Arts &amp; Culture Marketing</li></ul>	<ul style="list-style-type: none"><li>• Forecasted COVID decreases</li><li>• Used Tourism Economics forecast</li><li>• Evaluated short-term rental (STR) City actuals and CBRE study</li><li>• Restructured operations and staffing</li></ul> <p><b>Result:</b></p> <ul style="list-style-type: none"><li>• No reduction in 2021 (Post-COVID-19 recovery)</li><li>• Reductions in 2022 – 2025 = 9%</li><li>• Total Reduction A&amp;R plus Proforma = 12.5%</li></ul>

# CES Forecasted FY20 HOT Revenue



FY20 (in Million Dollars)	Budget	Actual/Projection	Variance
October to February	\$27.0	\$28.1	\$1.1
March to September	\$39.4	\$2.0	(\$37.4)
<b>Total</b>	<b>\$66.4</b>	<b>\$30.1</b>	<b>(\$36.3)</b>

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# CES Forecasted FY20 Event Revenue

FY20 KBHCCD Bookings	Bookings	Revenue Projections (\$M)
Budgeted	98	33.2
Completed by Feb-29	48	18.4
Cancelled	(31)	(12.8)
Remaining Events thru Sep-30	19	5.2
Added Events (Shelter/FMS*)	2	2.0
<b>Revised Bookings/Revenue</b>	<b>69</b>	<b>25.6</b>

\* *Field Medical Service*

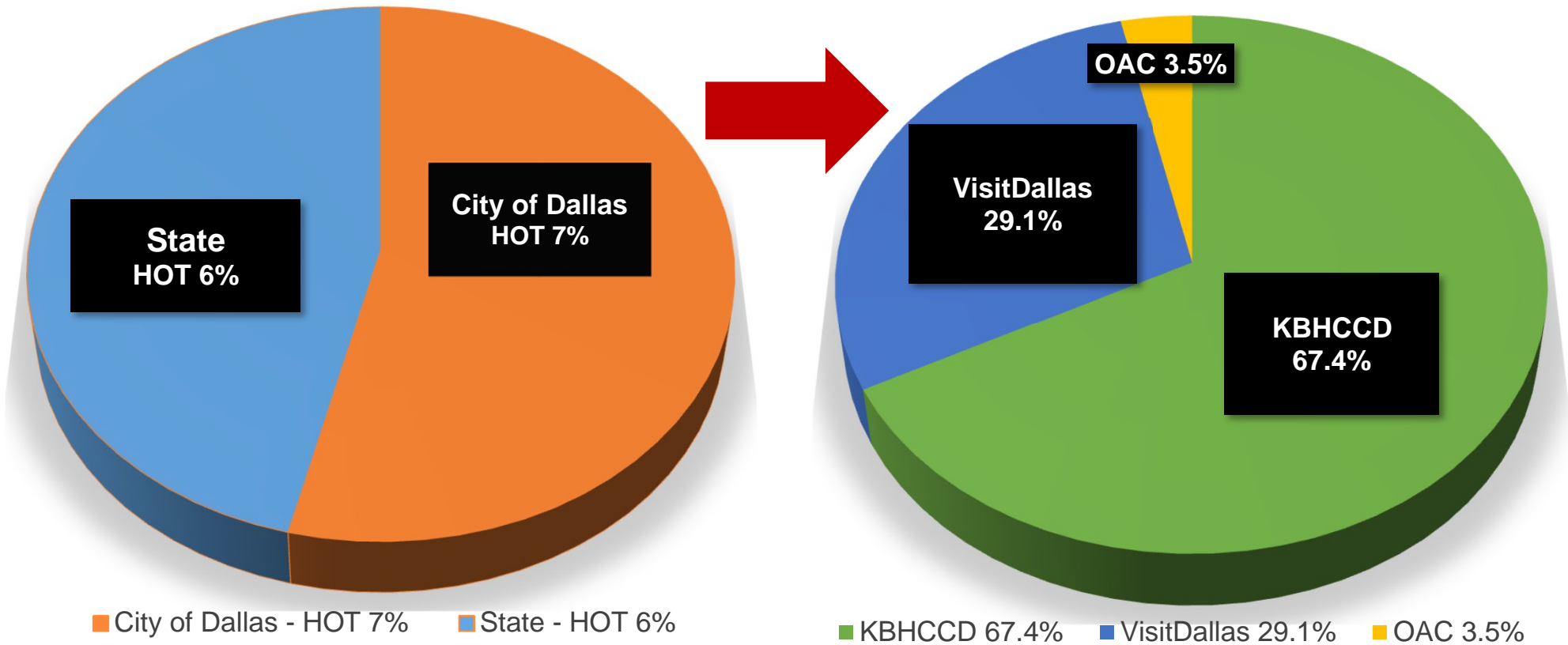
VisitDallas and Spectra submitted budgets and provided an outline of the number of events that have cancelled for this fiscal year. Of the 98 budgeted bookings included, thirty-one events have cancelled, including seven citywide events (2,500 room nights on peak).



# Hotel Occupancy Tax (HOT) Rate & Allocation

HOT Rate = 13%

City's 7% HOT Allocation



Although not yet reflected in the ordinance, in November 2019, the City Council approved an Amended and Restated contract with VisitDallas that increased the Office of Arts and Culture (OAC) allocation by adding an additional .9% to their budget through a direct allocation from VisitDallas. Additionally, \$500k of the existing allocation to VisitDallas is returned to Convention and Event Services for capital improvements.

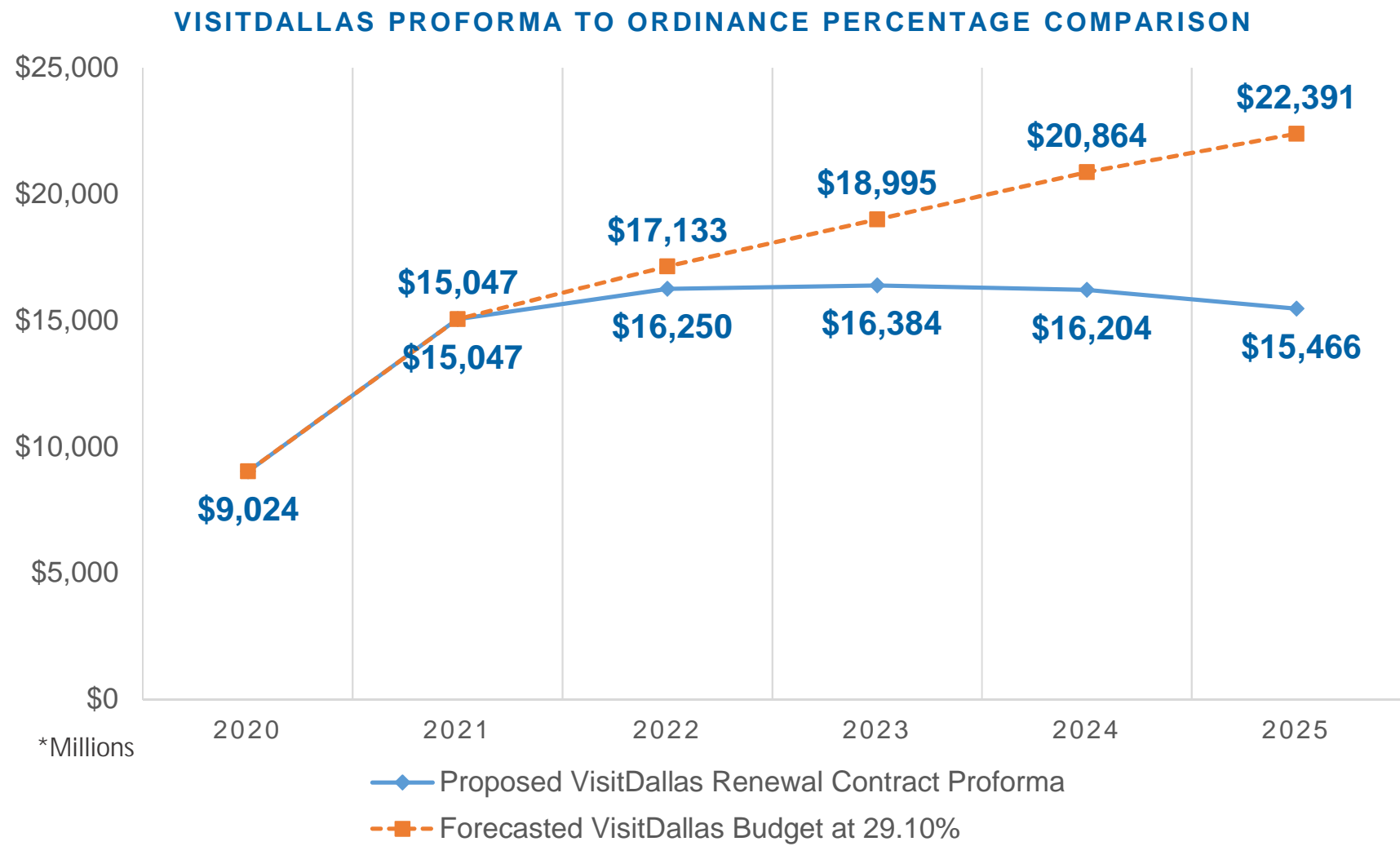
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# Proposed Revised Ordinance Distribution

Fiscal Year	HOT Reduction	VisitDallas	Other Allowable Uses	Convention Center
2021	0.00%	29.10%	3.50%	67.4%
2022	1.50%	27.60%	5.00%	67.4%
2023	2.50%	25.10%	7.50%	67.4%
2024	2.50%	22.60%	10.00%	67.4%
2025	2.50%	20.10%	12.50%	67.4%



# Proforma to Forecast Comparison



# Compensation Study

## VisitDallas - Pre-COVID-19

- CFO By Design completed an analysis comparing VisitDallas operations with competitive destinations, including:

Competitive Analysis				
Houston	Atlanta	Nashville	Orlando	San Diego
Chicago	New Orleans	San Antonio	Anaheim	Phoenix

- Findings illustrated VisitDallas operational headcounts aligned with competitive set averages
- CES verified with another consultant

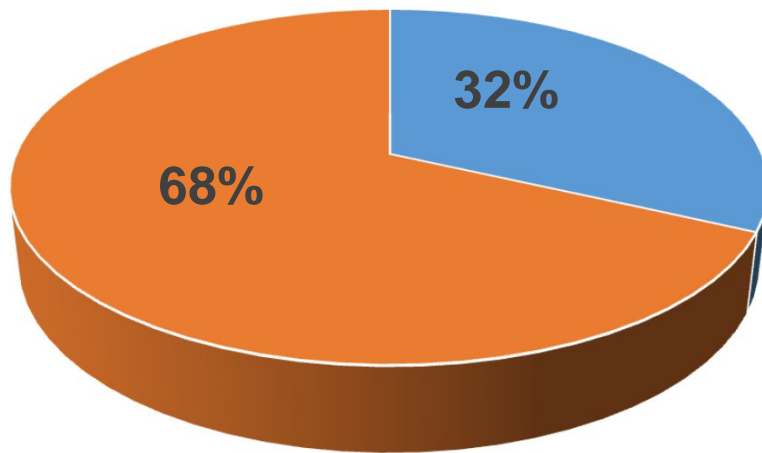
# Compensation Study (cont.)

Division	Dallas	Average of Like-Sized DMOs/Sports Commissions
Sales	26.0	24.9
Marketing/Communications	15.0	16.0
Services (Convention and Visitor)	13.6	15.0
Tourism	6.0	5.0
Sports Commission	9.0	10.0
Diversity and Inclusion	3.0	0.8
Admin (Exec, Finance, HR, IT, Research)	15.5	16.5
Public Affairs / Community Affairs / Membership	3.0	6.1
<b>Total</b>	<b>91.1</b>	<b>94.3</b>

# Compensation Study (cont.)

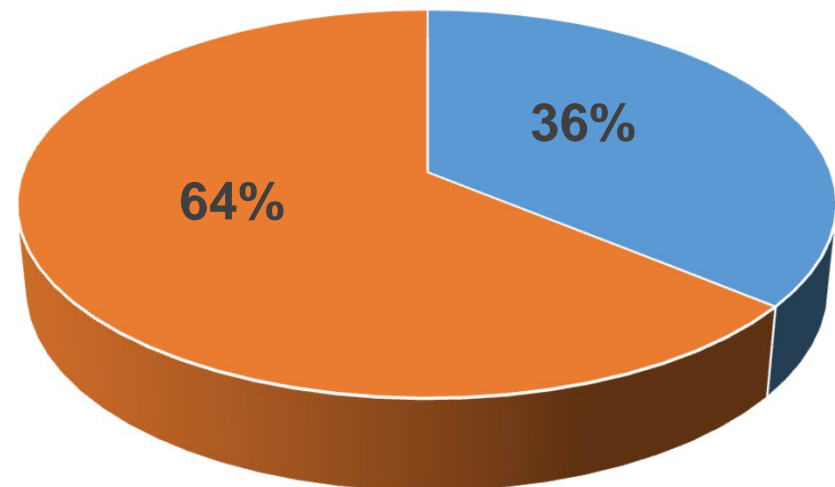
## Spend on Personnel by Percentage of Total Budget

Dallas



- Percentage of Budget Invested in Personnel
- Percentage of Budget Invested in Programs

Average of Like Sized DMOs



- Percentage of Budget Invested in Personnel
- Percentage of Budget Invested in Programs

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# Compensation Study (cont.)

## VisitDallas - Post-COVID-19

- Used forecast data from *Tourism Economics* to eliminate \$2M in programming and \$2.5M in personnel costs
- Eliminated or furloughed 45% of staff
  - Eliminated 28 full-time, and 8 part-time positions (30%)
  - Furloughed an additional 13 positions (15%)

When adjusting for the five-year proforma, savings from permanent reductions carried forward to reach 12.5% for other allowable uses by year 5.

# Dallas-First Marketing

VisitDallas increased website advertising rates for non-Dallas entities to allow for a greater focus on the city of Dallas

Membership Type	Partnership Level	Former Rates	New Rates (effective 10/1/20)
<b>Non-Hotel Partner</b>			
	Dallas Strategic	\$650	\$650
	Non-Dallas Strategic	\$650	\$900
	Dallas Invested	\$1,000	\$1,000+
	Non-Dallas Invested	\$1,000	\$1,250+
<b>Hotel Partner</b>			
	Dallas Hotel	\$15-\$20/room	\$20/room in hotel
	Non-Dallas Hotel	\$10.84-\$12.75/room	\$25/room in hotel

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# Dallas-First Marketing (cont.)

VISIT DALLAS

THINGS TO DOEVENTSHOTELS DININGPLAN BLOG

Q

85°

STAY HOME FOR NOW

VISIT DALLAS SOON

HOME OF THE MARGARITA MILE

DALLAS IN REAL TIME

Trending topics, the latest news and the must see stops.

RESOURCES

DAY

NIGHT

WEEKEND

DALLAS COVID-19 RESOURCES/JOB

# Contract Compliance

- City improves monitoring of expense, audit, reporting and invoicing data received from VisitDallas
- City hires an independent third party to analyze VisitDallas performance goals and metrics
- Visit Dallas, with City input, engages third party to analyze and provide feedback on the reasonableness and sufficiency of VisitDallas policies, procedures and back-up source data

# Governance

Governance was not specifically addressed as part of the A&R Contract; however, VisitDallas did address City Council and City staff leadership concerns with the size and composition of its Board of Directors.

	Original Board Composition	Amended Board Composition	Proposed New Board Composition
Board Size	55	24	24
Mayoral Appointments	2	2	2
Additional Appointment by City Officials	0	0	1
Mayor Selected Chair-Elect	1	1	1
Mayor Selected Vice Chair	1	0	0
City Staff on Board	1	0	0
City Ex-Officios	0	2	2
VisitDallas Ex-Officios	0	1	1
City Presence as a Percentage of Board	9.1%	20.8%	25.0%

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\*Amended and Proposed Board composition include 21 voting board members and 3 non-voting ex-officio members for total of 24 members.

# Requested Action

City Council approval to:

- Accept proposed contract renewal terms
- Revise the existing Ordinance 29-880 last revised in 2015

# Next Steps

City Council consideration of the renewal contract and amended ordinance for May 27, 2020



End Note: Any statements made in this presentation that are not historical or current facts are “forward-looking statements.” These statements are based on assumptions and analyses made by the City in light of its experience and perception of historical trends of the City, current conditions, expected future developments, and other factors it believes are appropriate under the circumstances. However, whether actual results and developments conform to expectations and predictions is subject to a number of known and unknown risks and uncertainties, as well as additional factors beyond the City’s control. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the City’s revenues or operations. All forward-looking statements made herein are qualified by these cautionary statements.



# **VisitDallas Contract Renewal**

**Dallas City Council Briefing**

**May 20, 2020**

**City of Dallas**

**Rosa Fleming, Director**

**Convention and Event Services**

**Joey Zapata, Assistant City Manager**

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**Craig Davis, CEO/President**

**Joyce Williams, Board Chair**

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**Greg White, Board Member &  
Dallas Tourism Public Improvement District  
(DTPID) Corporation Chair**



# Appendix

1. Renewal Contract Committee Meetings
2. HOT Comparison of Texas Cities
3. Proforma Overview
4. Contract Compliance Details
5. Previous Briefings





# Renewal Contract Committee Meetings

CES and the Renewal Contract Committee outlined below met weekly with VisitDallas staff and leadership to negotiate the potential renewal contract:

## **Renewal Contract Committee**

Joey Zapata – Assistant City Manager

Rosa Fleming – Director – CES

Sheri Kowalski – Director – Controller's Office

RaKeba L. Gordon – Assistant Director – Controller's Office

Courtney Pogue – Director – Office of Economic Development

Jennifer Scripps – Director – Office of Arts and Culture

Craig Davis – CEO/President – VisitDallas

Jill Larsen – CFO – VisitDallas

Joyce Williams – Chair – VisitDallas Board of Directors

Dave Brown – Chair-Elect – VisitDallas Board of Directors

Mary Pat Higgins – Cultural Tourism Committee Chair – VisitDallas Board of Directors

Peg Hall – Former Member – VisitDallas Board of Directors

Greg White – Chair – Dallas Tourism Public Improvement District

# HOT Comparison of Texas Cities

Fiscal Year	City*	HOT State Portion	HOT Municipal Portion	Convention/ Information Centers	Registration Convention Delegates	Advertising	Arts	Historical Restoration and Preservation	Signage Directing the Public
2019	Dallas (Current)	6.00%	7.00%	67.40%	0.00%	29.10%	**3.50%	0.00%	0.00%
2020 to 2025	Dallas (Proposed)	6.00%	7.00%	67.40%	0.00%	20.10%	12.50%	0.00%	0.00%
2019	Austin	6.00%	7.00%	54.00%	0.00%	16.00%	15.00%	15.00%	0.00%
2019	Fort Worth	6.00%	9.00%	***49.14%	3.15%	43.04%	0.33%	4.07%	0.27%
2019	Houston	6.00%	7.00%	44.00%	0.00%	37.00%	19.00%	0.00%	0.00%
2019	San Antonio	6.00%	9.00%	51.00%	0.00%	27.00%	11.00%	11.00%	0.00%

\*Not shown are additional general fund dollars distributed to Office of Arts and Culture equivalent departments

\*\*Proposed Dallas percentage distribution listed under Arts may be distributed for other allowable uses as well based on City Council recommendation

\*\*\*Fort Worth allocated \$6.8M for construction or expansion of a convention center facility above 7% HOT

Data based on information provided by each city to the Texas Comptroller's Office (<https://comptroller.texas.gov/transparency/local/hotel-receipts>)

# Proforma Overview

	2021	2022	2023	2024	2025
<b>REVENUE</b>					
<b>Hotel Occupancy Tax</b>	\$ 15,047,000	\$ 16,250,000	\$ 16,384,000	\$ 16,204,000	\$ 15,466,000
<b>DTPID Revenue</b>	-	-	-	-	-
<b>Event Trust Fund</b>	-	-	-	-	-
<b>Other Revenue</b>	1,697,016	1,743,000	1,790,000	1,838,000	1,887,000
<b>Total Revenue</b>	16,744,016	17,993,000	18,174,000	18,042,000	17,353,000
<b>Total Expense</b>	16,913,842	17,624,000	17,501,624	17,652,400	18,230,600
<b>Increase/(Decrease) in Net Assets</b>	\$ (169,826)	\$ 369,000	\$ 672,376	\$ 389,600	\$ (877,600)
	5-year cumulative increase in Net Assets				\$ 383,550

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# Contract Compliance

## City improves monitoring of expense, audit, reporting and invoicing data received from VisitDallas

Description	Status
Adopt formal procedures for documenting VisitDallas expenses <i>VisitDallas contracted with BDO to develop organization-wide formal procedures</i>	Subsequent to BDO review, VisitDallas contracted with CFO by Design to develop policies May-1
Obtain and review VisitDallas Form 990	Draft Apr-1 and Final by May-15
CES timely invoices VisitDallas for the annual capital contribution	Successfully implemented. Monitoring will continue
ECO to ensure timely invoicing of VisitDallas for annual Dallas Film Commission (Creative Industries) commitment and ECO Director requests monthly financial reports in a format that allows Creative Industries to efficiently reconcile direct expenses to program activity	Transferred duties to VisitDallas effective Oct 2019
ECO Director periodically monitors DTPID's expenses to ensure compliance	Minimum 3 monitoring visits / year
ECO Director, in coordination with VisitDallas and in consultation with the City Attorney's Office (CAO) to address the interim adjustments and excess assessments to ensure City has formal authority to accept assessments regarding hotels	Government Code – flexibility for inclusion now
CES Director monitors VisitDallas' expenses to ensure compliance by analyzing, reviewing and documenting expenses on a random sample basis	Ongoing
CES Director requests VisitDallas maintains a separate bank account for HOT funds	Completed
ECO Director requests VisitDallas maintains a separate bank account for DTPID funds	Completed

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# Contract Compliance

## City hires an independent third party to analyze VisitDallas performance goals and metrics

Description	Status
Ensure formal City approval of VisitDallas' performance goals	May-30
CES Director, in coordination with VisitDallas, provides adequate assurance that key metrics such as economic impact, bookings, and consumed activity are independently validated on a periodic basis and relevant supporting historical data is retained	Ongoing
CES Director, in coordination with VisitDallas, works to factor historical results of consumed events when setting Citywide event bookings performance goals	Ongoing
CES Director develops procedures for data and metrics measuring the success of the Convention Center	Ongoing
CES Director monitors VisitDallas' compensation practices with particular focus on employee incentive compensation	Ongoing

# Contract Compliance

VisitDallas, with City input, engages third party to analyze and provide feedback on the reasonableness and sufficiency of VisitDallas policies, procedures and back-up source data

Description	Status
ECO Director develops a formal contract monitoring procedure and obtains and reviews DTPID's Form 990 annually	Draft by Apr-1 and Finalized by May-15
CES Director develops policies and procedures that document the methodology, formulas, and associated definitions, used in preparing both the monthly VisitDallas metrics report and the annual Accomplishments and Action Plan report	Ongoing sampling
CES Director reviews VisitDallas policies and procedures for completeness and reasonableness and requests VisitDallas amends any insufficient aspects / obtains underlying source documentation used by VisitDallas	Ongoing sampling
CES Director monitors VisitDallas' compensation practices to ensure that paid compensation is properly documented according to VisitDallas policies in order to demonstrate compliance with State laws related to HOT	Sept -30
CES Director monitors VisitDallas' practices with particular focus on the basis for CEO's annual compensation goals in order to demonstrate compliance with State laws related to HOT	Sept-30
CES Director monitors VisitDallas' policies and procedures to provide adequate guidance on allowable expenses to ensure the City achieves the expected benefit from expenses made from HOT and the DTPID funds	Sept-30

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# Previous Briefings

[OFFICE OF THE AUDITOR - Audit of VisitDallas](#)

[AUDIT OF VISITDALLAS Report No. A19-006 PROPOSED  
CORRECTIVE ACTIONS Government Performance and Financial  
Management Committee February 19, 2019](#)

[AUDIT OF VISITDALLAS Report No. A19-006 UPDATE ON  
CORRECTIVE ACTIONS City Council Briefing May 15, 2019](#)

[VISITDALLAS AMENDED AND RESTATED CONTRACT City Council  
Briefing October 16, 2019](#)



# City of Dallas

1500 Marilla Street  
Dallas, Texas 75201

## Agenda Information Sheet

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**File #:** 20-1024

**Item #:** C.

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Right-of-Way and Lane Closure Permit Fees



# Right-of-Way and Lane Closure Permit Fees

**City Council Briefing**  
**May 20, 2020**

**Robert M. Perez, Ph.D., Director**  
**Ali Hatefi, P.E., Assistant Director**

**Department of Public Works**  
**City of Dallas**



# Presentation Overview

- Purpose
- Lane and Sidewalk Closure Permits and Right-of-Way Citations
  - Background/History
  - Operational Impacts
  - Staff Recommendations
  - Next Steps



# Purpose

- Provide background and history of Lane and Sidewalk Closure Permits and Right-of-Way (ROW) Citations
- Discuss operational impacts and staff recommendations of Lane/Sidewalk Closure Permit Fees and ROW Citations
- Discuss future Council action on the timing of implementation



# Lane and Sidewalk Closure Permits



# Background/History

- Lane and Sidewalk Closure Permits issued by Public Works (PBW) for traffic lane or sidewalk closures needed for construction
- Established October 1, 2014 (Ord. No. 26029)
- Lane and Sidewalk Closures Fee Structure
  - \$0.006 per square foot per day of street or sidewalk closed (or a minimum of \$145 for the permit)



# Background/History

- Comparative Analysis

ROW & Lane Closure Permit Fees			
City	Application Fee	Sidewalk Cost	Traffic Lane/Alley Cost
Dallas	None	\$0.006 sq. ft./day	\$0.006 sq. ft./day
Austin	\$45 short term projects \$145 long term projects	\$0.01-\$0.14 sq. ft./day	\$0.10-\$0.42 sq. ft./day
Fort Worth	\$100	\$0.015 sq. ft./day	\$0.03 sq. ft./day
Houston	Administration Fee*	\$71/week partial obstruction \$112/week full obstruction	Outside CBD: \$59/week local street; \$106-\$130/week Arterial/Collector Inside CBD: \$124-\$160/week
San Antonio	\$50.00	\$0.0629 sf. ft./day	\$0.0629 sq. ft./day

\* The fees may be subject to an administrative fee per Code Section 1-14



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# Operational Impacts

- Lowest lane/sidewalk closures fees of major cities in Texas
- Streets and sidewalks stay closed longer than needed for construction
- Minimal permittee consideration of impacts of closures on traveling public





# Staff Recommendation

- Public Works recommends:
  - Creation of a \$50 Application Fee for each Lane and Sidewalk Closure Permit
  - A revised, tiered-fee structure based on duration of closure and number of traffic lanes closed
  - Should incentivize contractors to remove barricades as early as possible





# Staff Recommendation

- Proposed Lane and Sidewalk Closure Fee Structure

Closure Fees	Number of Days Closed	Fees Per Square Foot Per Day
<u>Sidewalk &amp; up to one lane closure</u>	0-60	\$0.012/sq. ft./day
	61-120	\$0.024/sq. ft./day
	121-180	\$0.048/sq. ft./day
	180 or more	\$0.096/sq. ft./day
<u>Two or more lane closures</u>	0-60	\$0.036/sq. ft./day
	61-120	\$0.072/sq. ft./day
	121-180	\$0.144/sq. ft./day
	180 or more	\$0.288/sq. ft./day



# Staff Recommendation

- Proposed Lane and Sidewalk Closure Fee Structure Example



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# Staff Recommendation

- Proposed Lane and Sidewalk Closure Fee Structure  
Example of Current vs. Proposed Fees and comparison with other municipalities (1,000 sq. ft.)

Municipality	Fee Structure	Number of Days Closed	Closure Fee	Closure Cost
<b>Dallas</b>	Current	61	\$0.006/sq. ft./day	<b>\$366</b>
	Proposed	61	\$0.024/sq. ft./day	\$1,464 + \$50 Application Fee = <b>\$1,514</b>
<b>Austin</b>	Current	61	\$0.10/sf. ft./day	\$6,100+ \$45 Application Fee = <b>\$6,145</b>
<b>Fort Worth</b>	Current	61	Sidewalk \$0.015/sq. ft./day Traffic Lane \$0.03/sq. ft./day	\$366 + \$1,098 + \$100 Application Fee = <b>\$1,564</b>
<b>Houston</b>	Current	61	Sidewalk \$112 week CBD Traffic Lane - \$124 week	\$976 + \$1,081 = <b>\$2,057</b>
<b>San Antonio</b>	Current	61	\$0.0629/sq. ft./day	\$3,837 + \$50 Application Fee = <b>\$3,887</b>



# Staff Recommendation

- Briefed the Transportation and Infrastructure Committee on February 18, 2020
- As part of the communication plan, we briefed:
  - Individual Council Members
  - The Development Advisory Committee
  - Individual members of the Development Advisory Committee



# Staff Recommendation

- Mayor and City Council consideration on June 24, 2020 for October 1, 2020 implementation
- The proposed fee structure would result in \$1M to \$3M in additional revenues in FY 2021
- Closures permitted before October 1, 2020 would stay under current fee schedule



# ROW Citations



# Background/History

- ROW Citations are issued for non-adherence to the City codes and ordinances governing work in the City's ROW
- ROW Citations carry a fine of \$500 per violation, per day
- Since August 2018, PBW has issued approximately 600 citations



# Operational Impacts

- A total of 11 PBW staff issue ROW Citations primarily for:
  - Working without a permit
  - Failed to comply with restrictions or requirements of a permit issued
  - No permit on site





# Staff Recommendation

- During the February 18<sup>th</sup> Transportation and Infrastructure briefing, staff recommended an increase of ROW citations from \$500 per violation, per day to \$700 per violation, per day
- Further analysis by the City Attorney's Office found that the Local Government Code limits citations to \$500



# Next Steps

- Recommend moving forward with Mayor and City Council consideration of proposed ROW Lane and Sidewalk Closure Fee revisions during June 24, 2020 City Council meeting
- Discuss and finalize implementation date



# Right-of-Way and Lane Closure Permit Fees

**City Council Briefing**  
**May 20, 2020**

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