



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

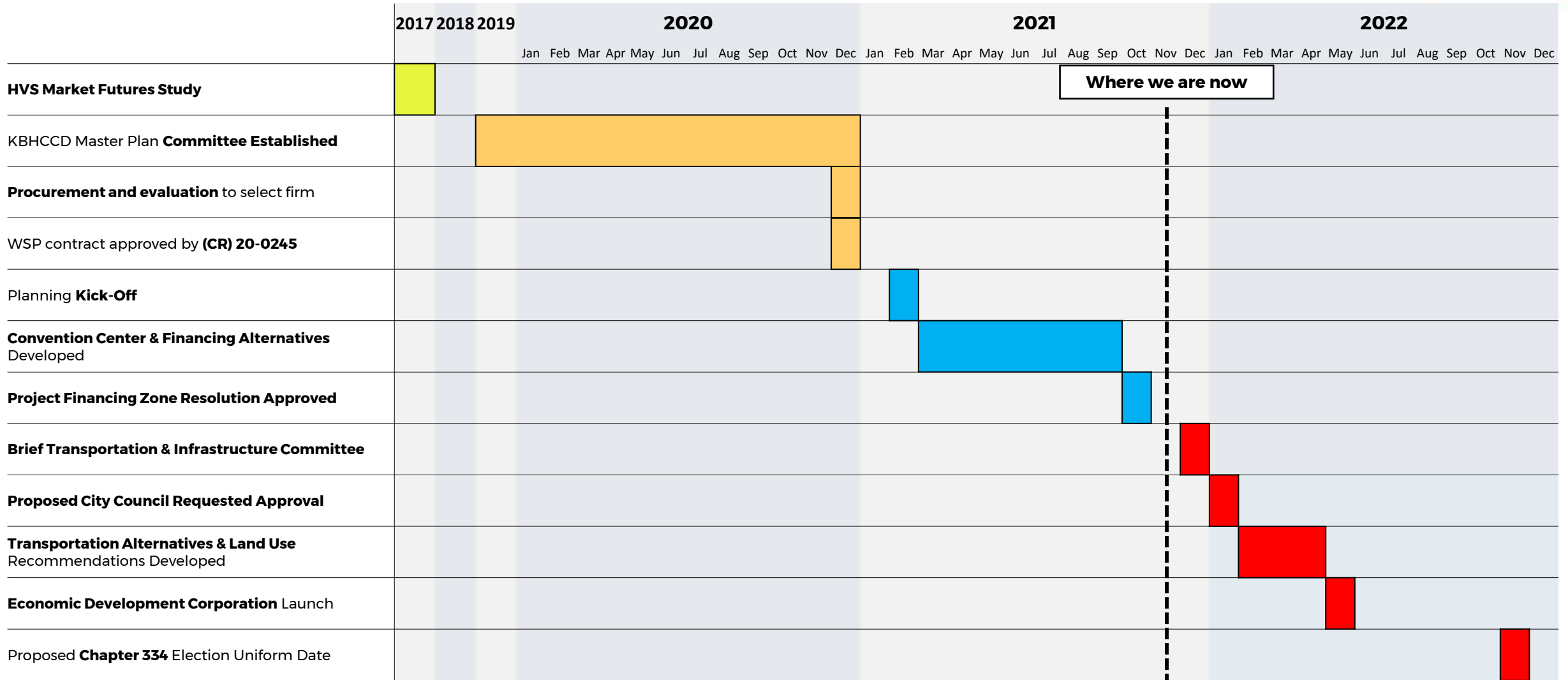
- Connect to Urban Realm and Create a destination

Financial Feasibility and Implementation

- Capture value to fund implementation



KBHCCD Master Plan Procurement and Deliverable Timeline



Where we are now



Process To-Date



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
- Fifty (50+) 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

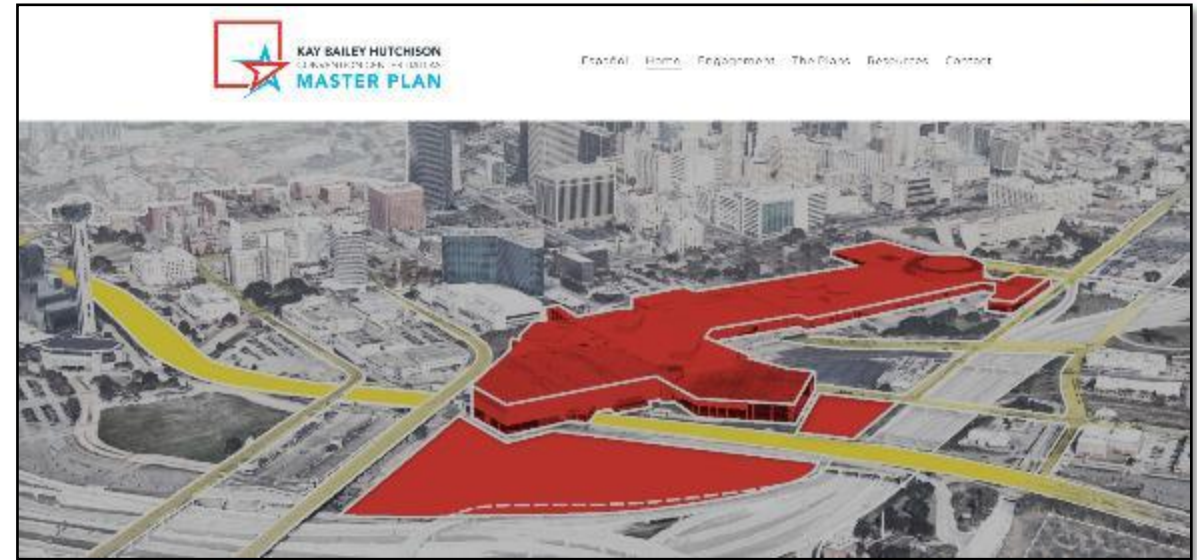


The Process: Public and Stakeholder Engagement



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 Jan 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**



Alternative Rating
Please click on the 5 stars to rate each alternative.

Concept 1 - Patch and Repair	Concept 2d - Campus Hybrid	Concept 3A - East of Lamar	Concept 3C - West of Lamar	Concept 3U - Underground
Concept 1 - Patch and Repair Renovation of existing spaces/rooms. Addresses outstanding maintenance issues. Investment is predominantly allocated to outstanding maintenance. Alternative does not meet Convention Center program goals. Lowest investment option, resulting in the least economic impact.				
Rating each alternative to tell us which you believe will create the best convention center in America and have the greatest economic impact to the city of Dallas. The video below shows challenges and opportunities for each alternative.				
5 ★ ★ ★ ★ ★				
Meets CC Program Needs ←				
Improves District ←				
Connects to Downtown →				
Connects to Cousins ←				
Development Potential ←				
Economic Impact ←				
Challenge ← Opportunity →				

KAY BAILEY HUTCHISON CONVENTION CENTER DALLAS (KBHCCD) 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 Rose Fleming by emailing rose.fleming@kaybaileyhutch.com or by calling (214) 694-0755. 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

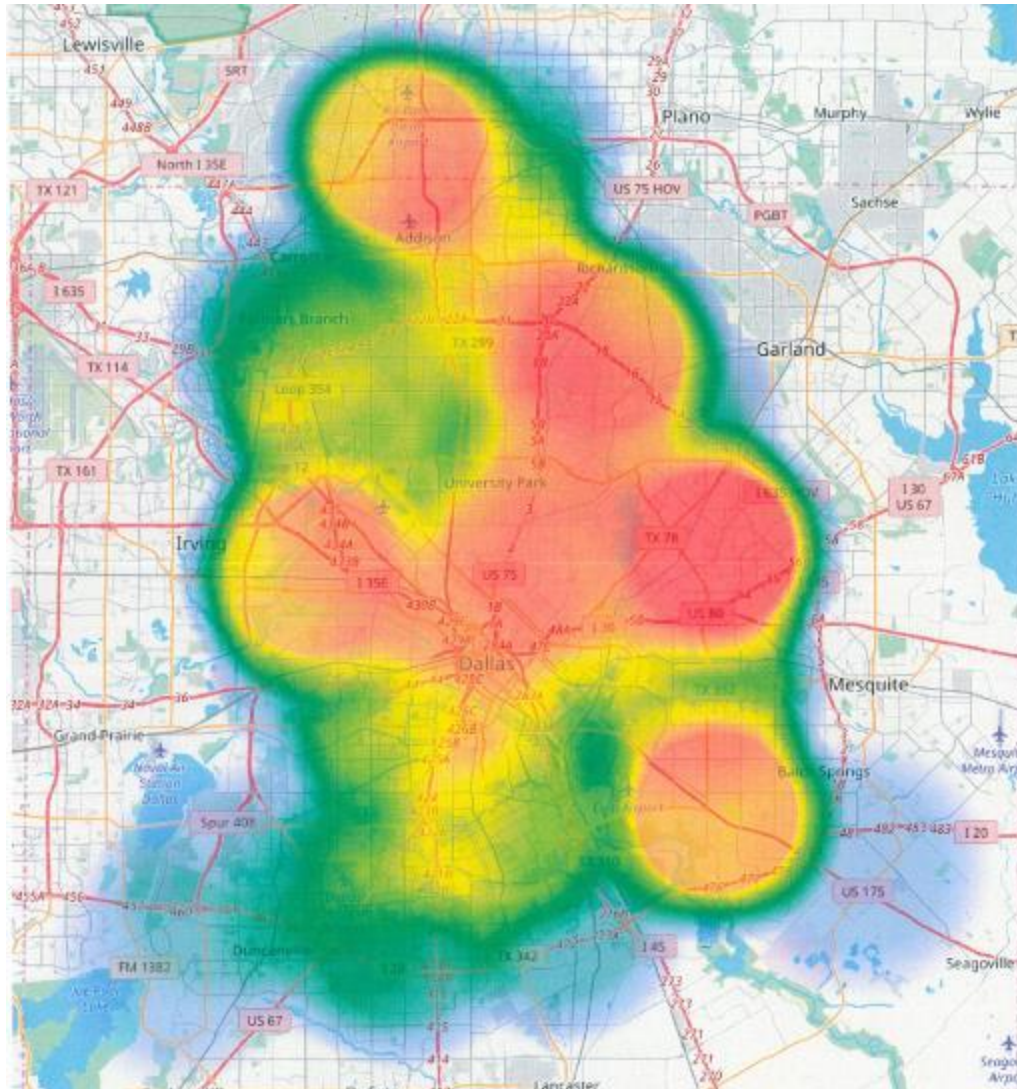


Metric	Current Performance	The Opportunity
Attendance	More than 800k attendees	Nearly double annual attendance
Hotel Room Nights	More than 330k hotel room nights	~330k additional annual hotel room nights, bringing total to ~700k hotel room nights
Jobs	Supports 5,000+ long-term jobs in support businesses	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



High

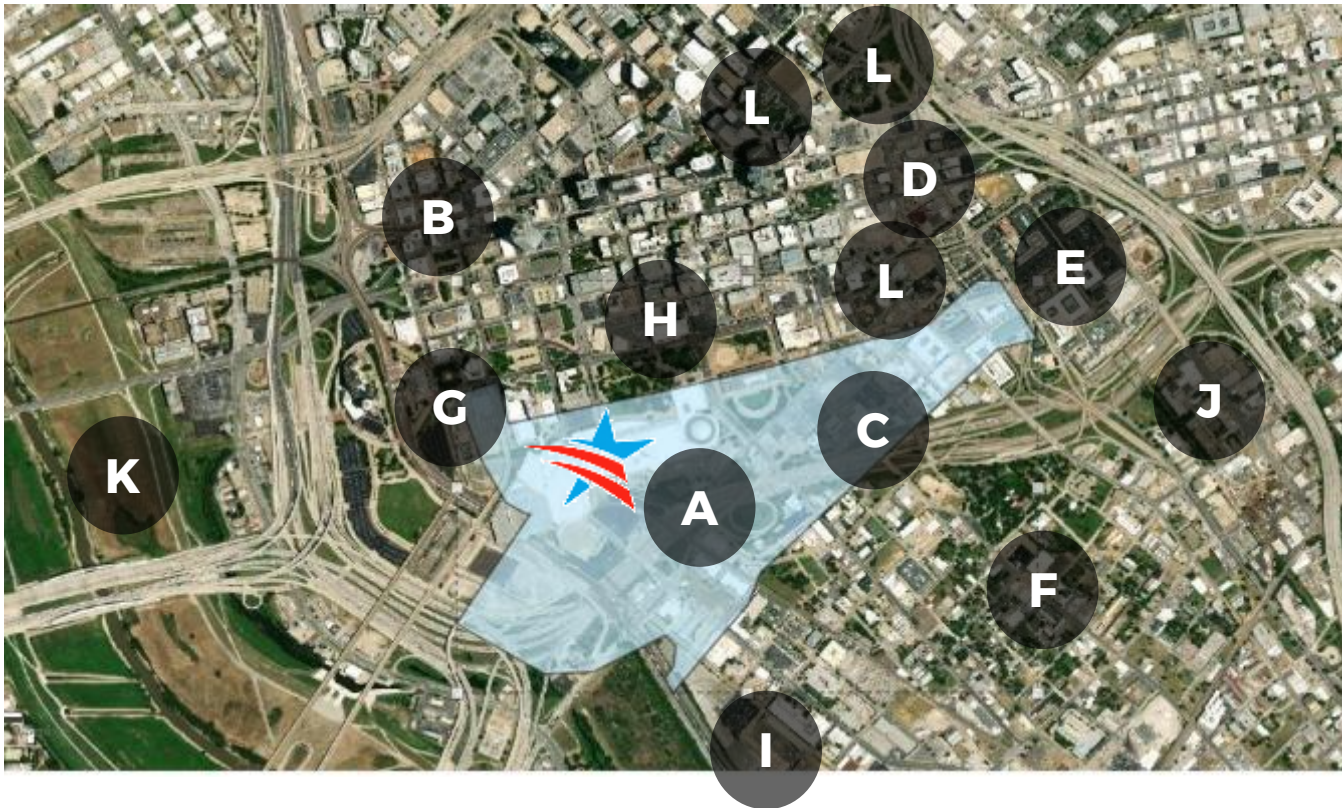


Building on the Central Business District's Momentum



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	A green arrow pointing upwards, indicating a goal or improvement from the current ranking to the future/recommended ranking.
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

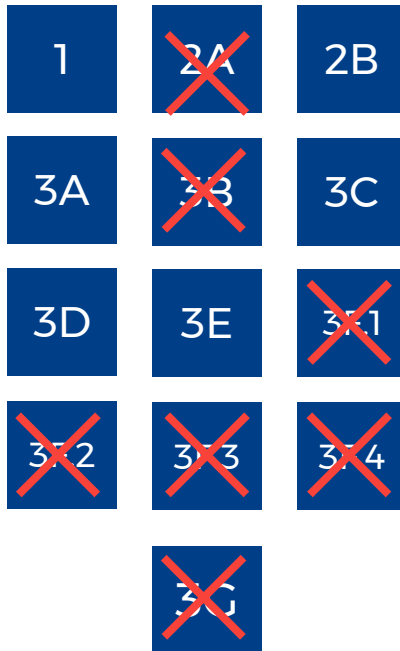
- Austin Convention Center, Austin TX
- Fort Worth Convention Center, Fort Worth TX
- Henry B Gonzales Convention Center, San Antonio TX

National Competitive Set

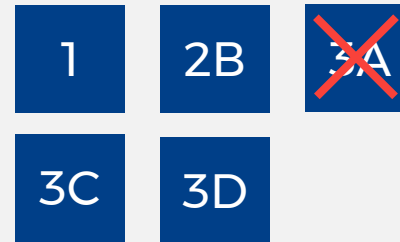
- Colorado Convention Center, Denver CO
- Indiana Convention Center, Indianapolis IN
- Javits Center, New York NY
- Kentucky International Convention Center, Louisville KY
- Las Vegas Convention Center, Las Vegas NV
- New Orleans Ernest N. Morial Convention Center, New Orleans LA
- Washington State Convention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



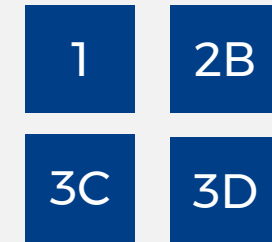
Convention Center: Developing and Screening the Alternatives



Phase 1 Screen
based on
feedback and
fatal flaws



Phase 2 Screen
based on
meeting goals
and objectives



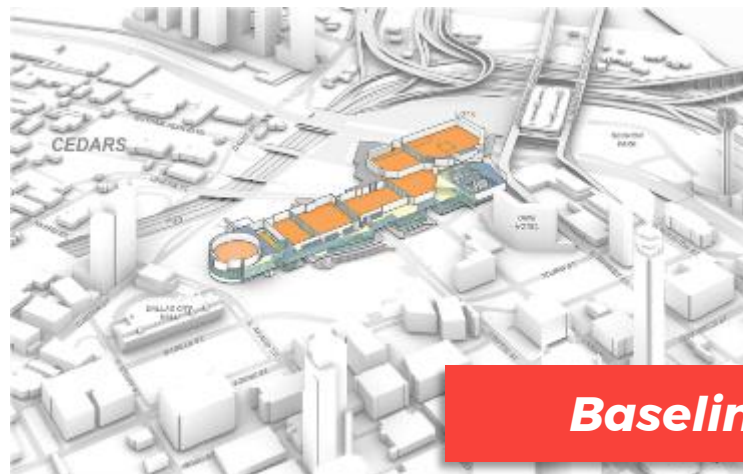
Develop and analyze a full range
of alternatives (over 13)

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



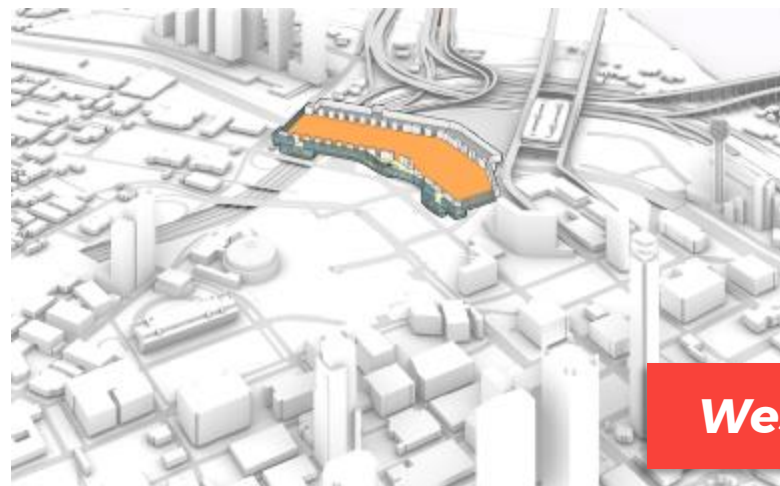
Baseline



Campus Hybrid



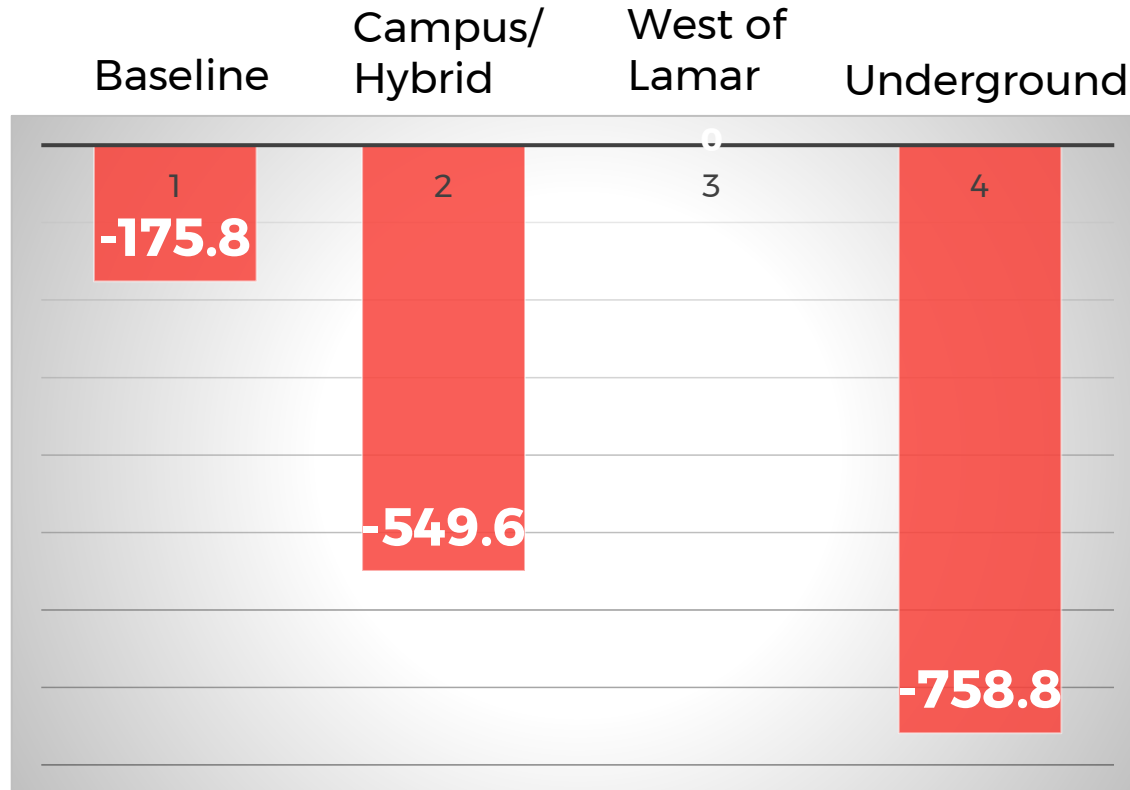
Underground



West of Lamar



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				
Improves District				
Connects to Downtown				
Connects to Cedars				
Development Potential				
Economic Impact				
Business Interruption / Revenue Flow				
Overall Ranking:				



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

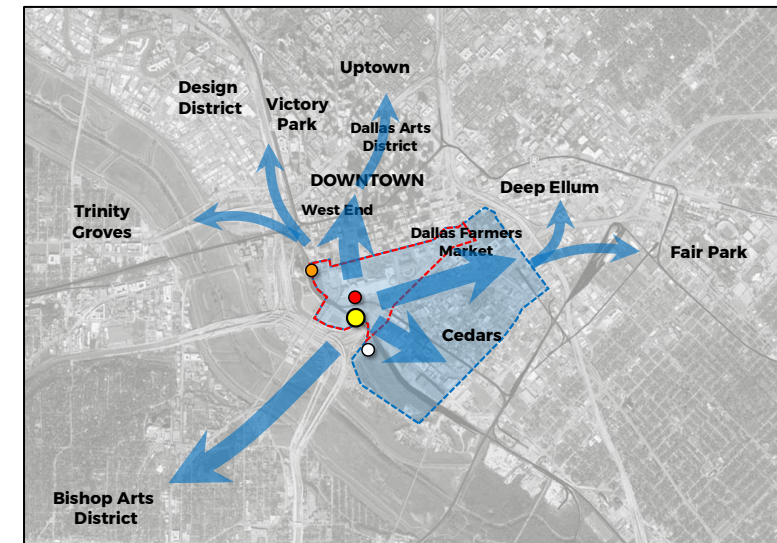
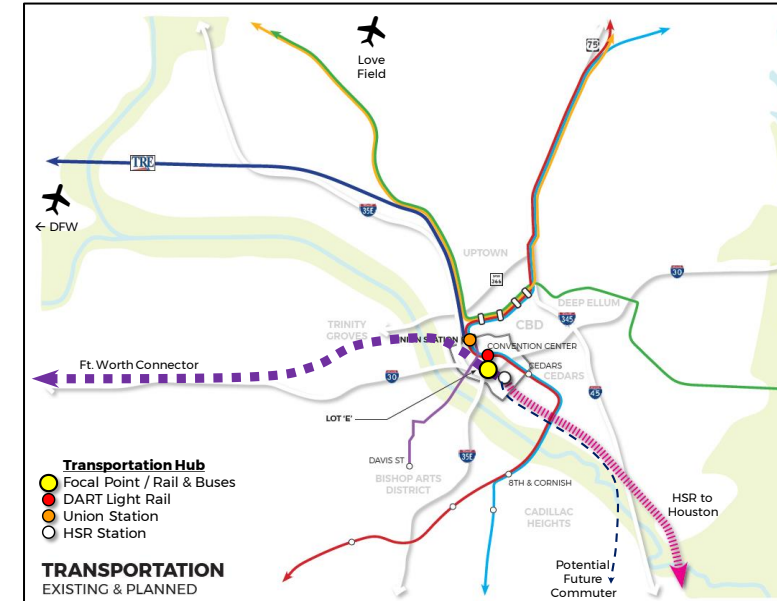
- *Pedestrian, bicycle and local transit*

Truck access to convention center loading dock and marshalling area



Vision for Multimodal Transportation in the Study Area

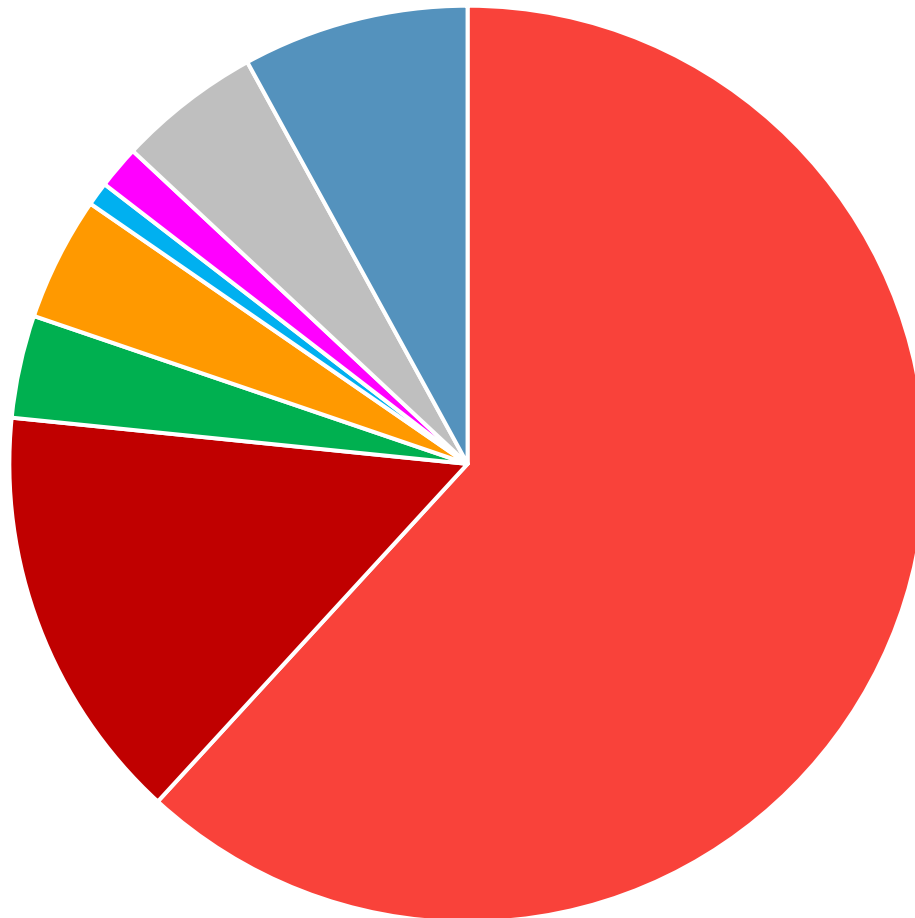
- **Provides access to the regional transit system for:**
 - Existing /new residents, workers
 - Convention center workers, vendors and visitors
 - High-speed rail passengers
- **Creates a transportation hub that serves intercity, regional and local travelers**
- **Accommodates/supports existing and 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:

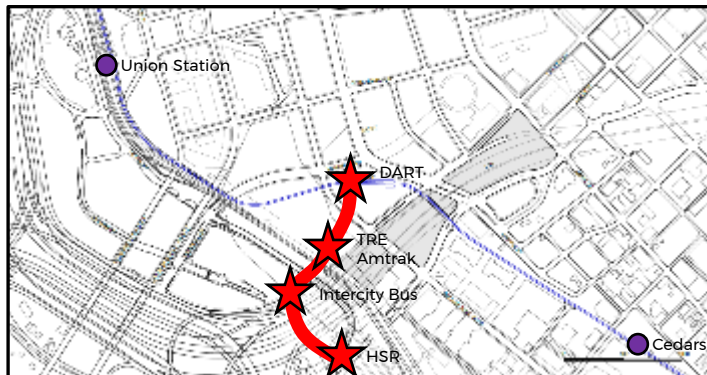
Consolidated Transit Hub

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

Distributed Transit Hub

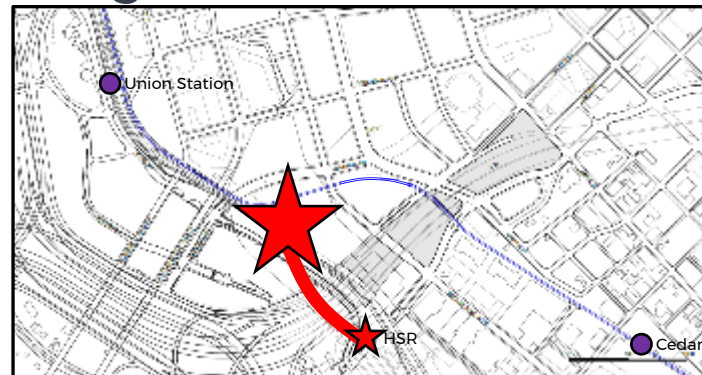
- Transit access spread across entire Convention Center district
- Transfers between modes and transit routes at multiple locations

Linear Hub

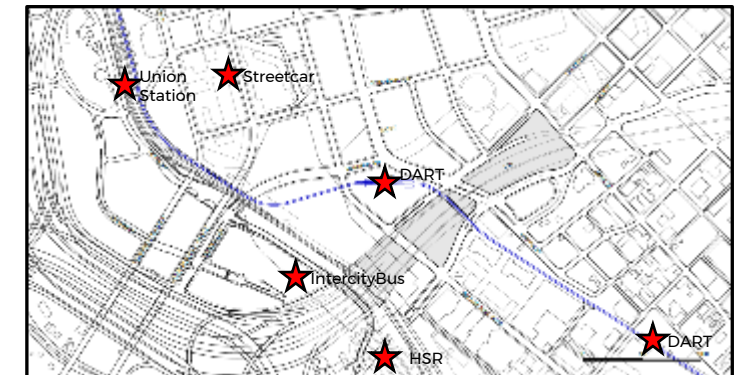


Transit-oriented district or campus

Single Point Hub



Single transit focal point

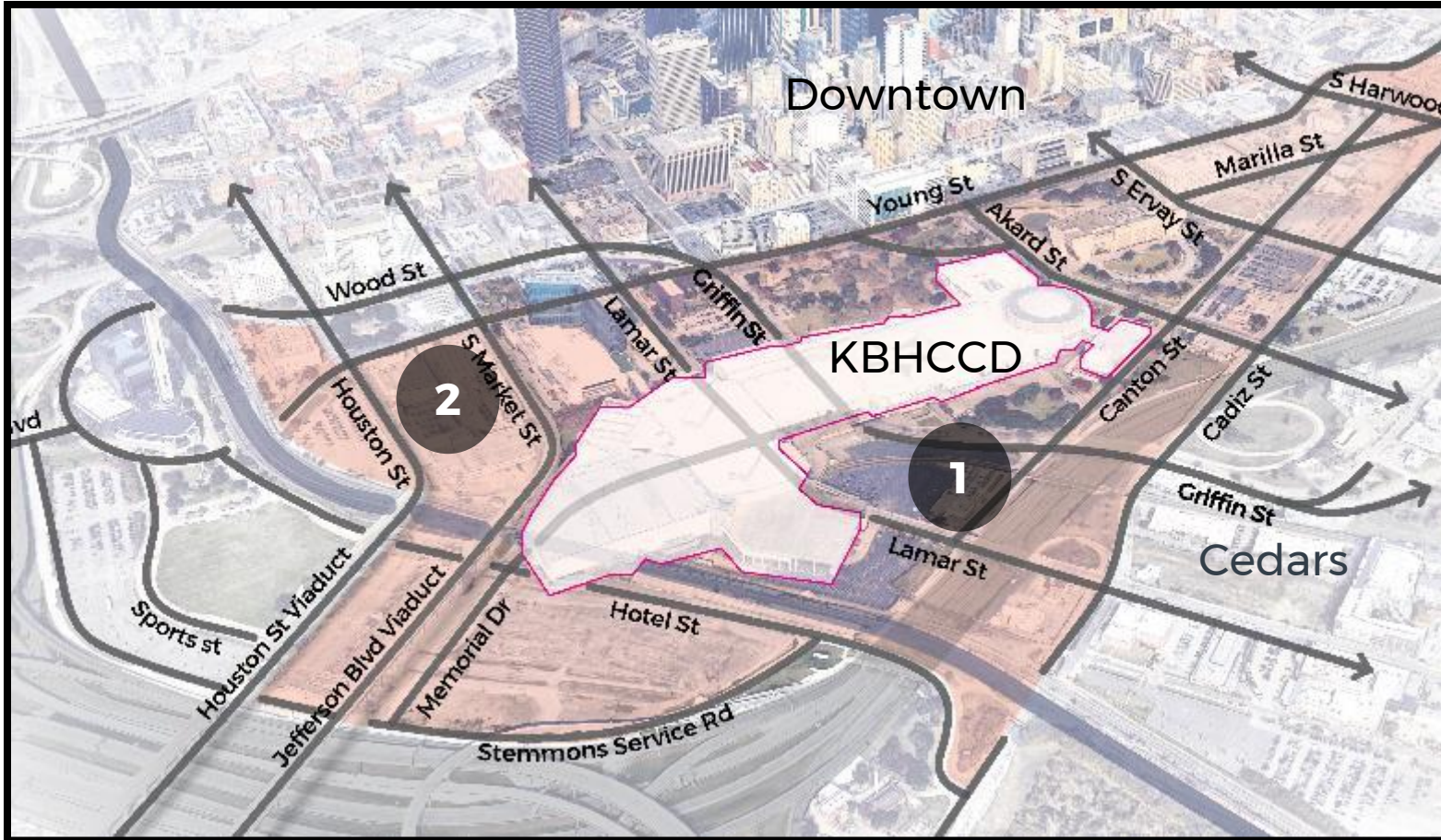


Multiple transit nodes

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% predated 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



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



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.





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