



City of Dallas

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

**Dallas City Council Briefing
February 2, 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 City Council with 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: Why Now?



Goal 1. Develop a world-class Convention Center that incorporates new technologies, maximizes existing and new urban spaces, and serves as a catalyst for economic growth.

A reimagined KBHCCD can bolster economic growth in the City of Dallas. The taxes, jobs, and economic impact of the convention center provides a strong return on any costs associated with building and operating the facility.

Goal 2. Increase transportation connectivity, access, and safety to address local and regional needs.

With the planned investments in the Texas High-Speed Rail (TxHSR) and other transit investments underway in the area, now is the time to leverage these transportation investments to connect the Convention Center District with the surrounding neighborhoods. Improvements in transportation will also encourage "smart"/well planned growth in Dallas' downtown areas.



Overview: Why Now? (cont.)



Goal 3. Create a healthy and safe urban environment that integrates the Convention Center with great public spaces and a diverse mix of uses.

The Convention Center is between areas of strong growth & activity. Expanding and redeveloping the Convention Center would remove the building as a barrier and result in transformational change by freeing up city-controlled parcels for development.

Goal 4. Support a viable funding mechanism that will increase and capture value throughout the Convention Center District and promote long-term operations.

The recommended financing plans (PFZ and Chapter 334) do not take funding away from other City of Dallas priorities. It is important to note that no taxes paid by local citizens will be utilized for Convention Center component of this development.

Goal 5. Represent the values and diversity of the City of Dallas in terms of inclusion, contracting opportunities, sustainability, resilience, and equitable economic development and investment.

Equity across all phases of project development and operation is central to the City of Dallas and the KBHCCD Master Plan. The project will include opportunities for equitable contracting, workforce, small business development.



Overview: Business Case



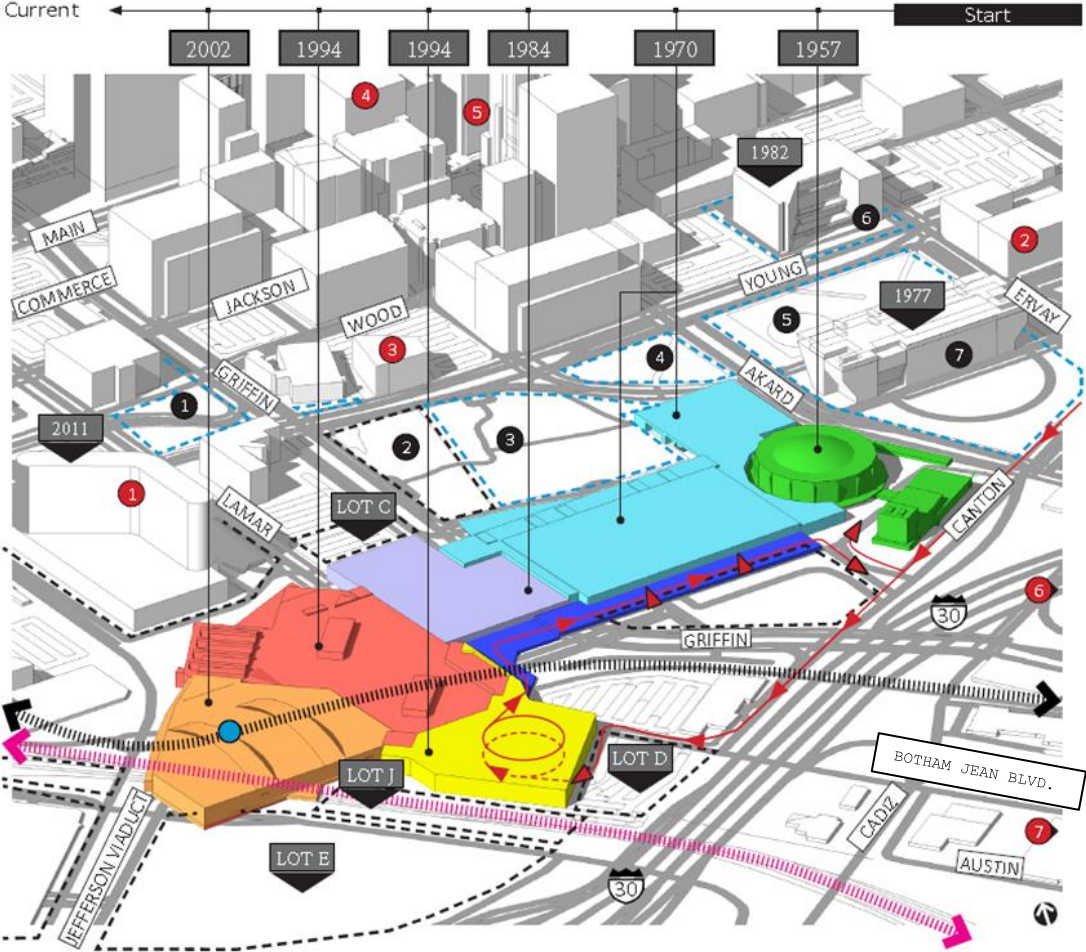
- Dallas lost 948 event bookings over the last 15 years due to center challenges.
- Investment in patch and repair of the existing facility will not resolve the maintenance issues created by a building constructed in five phases spanning from 1957 to 2002:
 - Deferred maintenance expenses on the current 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 Hutchison Convention Center Dallas (KBHCCD)



Kay Bailey Hutchison 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

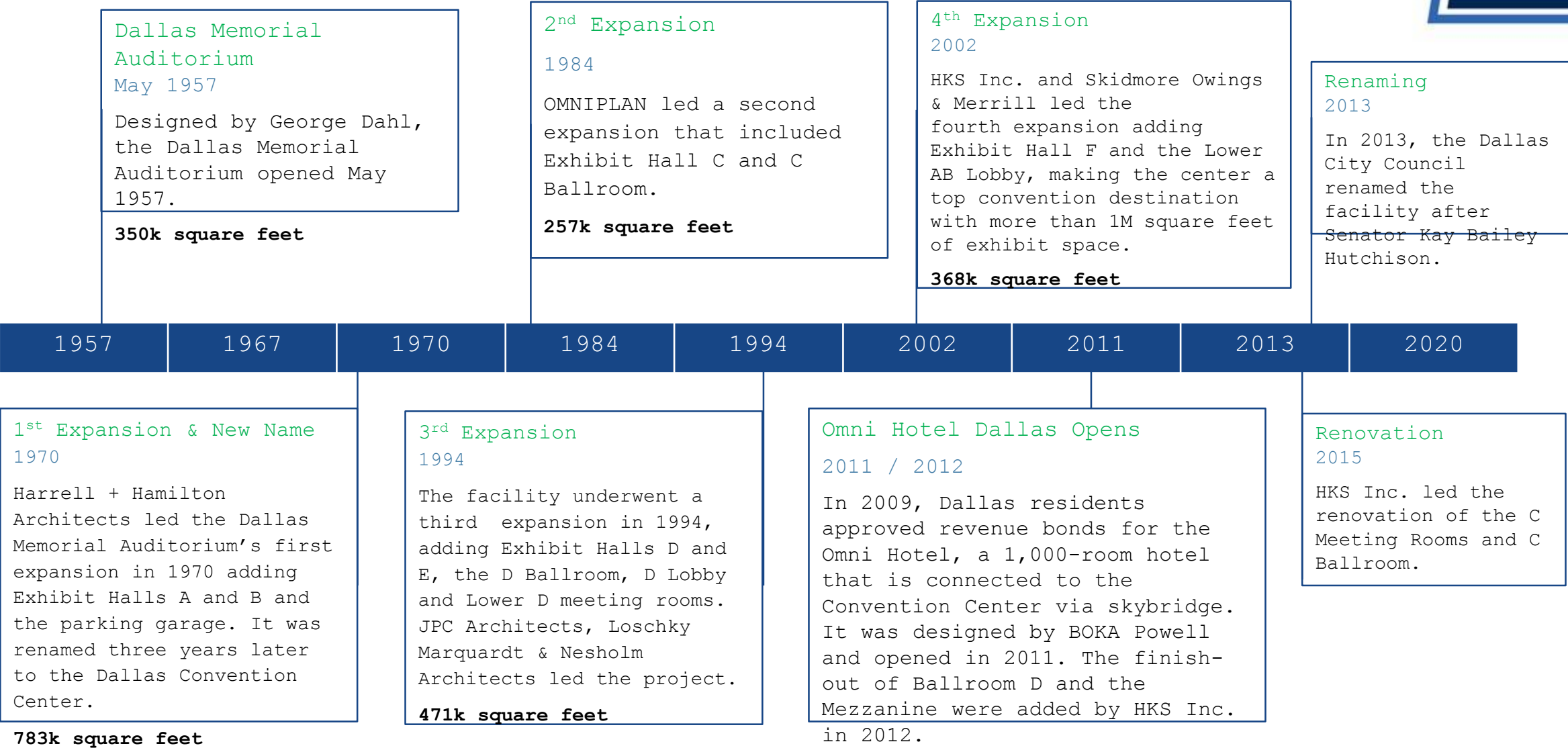
- 1 Omni Dallas 2 Butler Brothers Bldg (Marriott) 3 Aloft Dallas Downtown 4 The Adolphus 5 Magnolia Dallas 6 Lorenzo (Nearby) 7 Canva Hotel (Nearby)

Program

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



History of the KBHCCD (cont.)





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

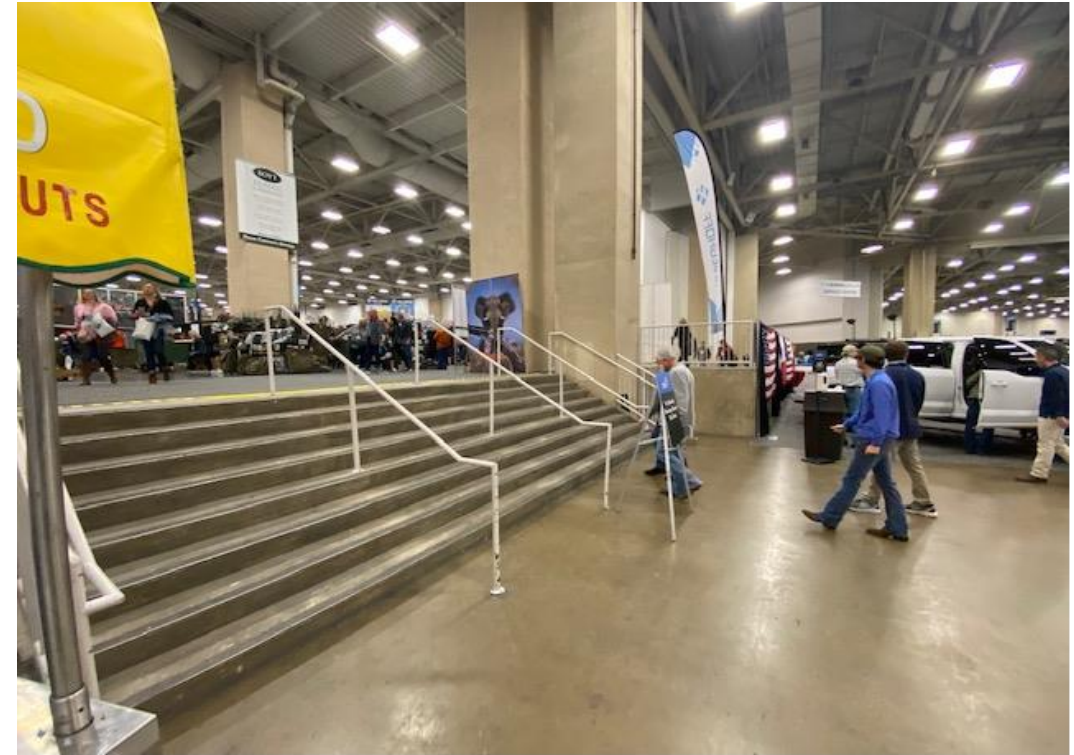


Convention and Event Services has invested millions of dollars in impermeability projects but given the multiple phases and additions to the building, the problems with leaks and water intrusion persist throughout the Convention Center.



**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



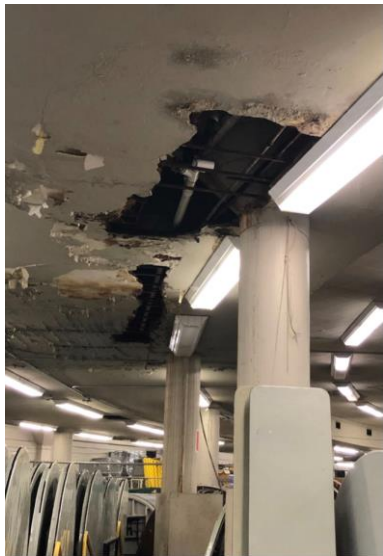
During the many phases of additions, none of the existing facilities were updated, leaving a span of 6 decades of finishes, fixtures and building systems throughout the building.



Arena, Building A, & Building F



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

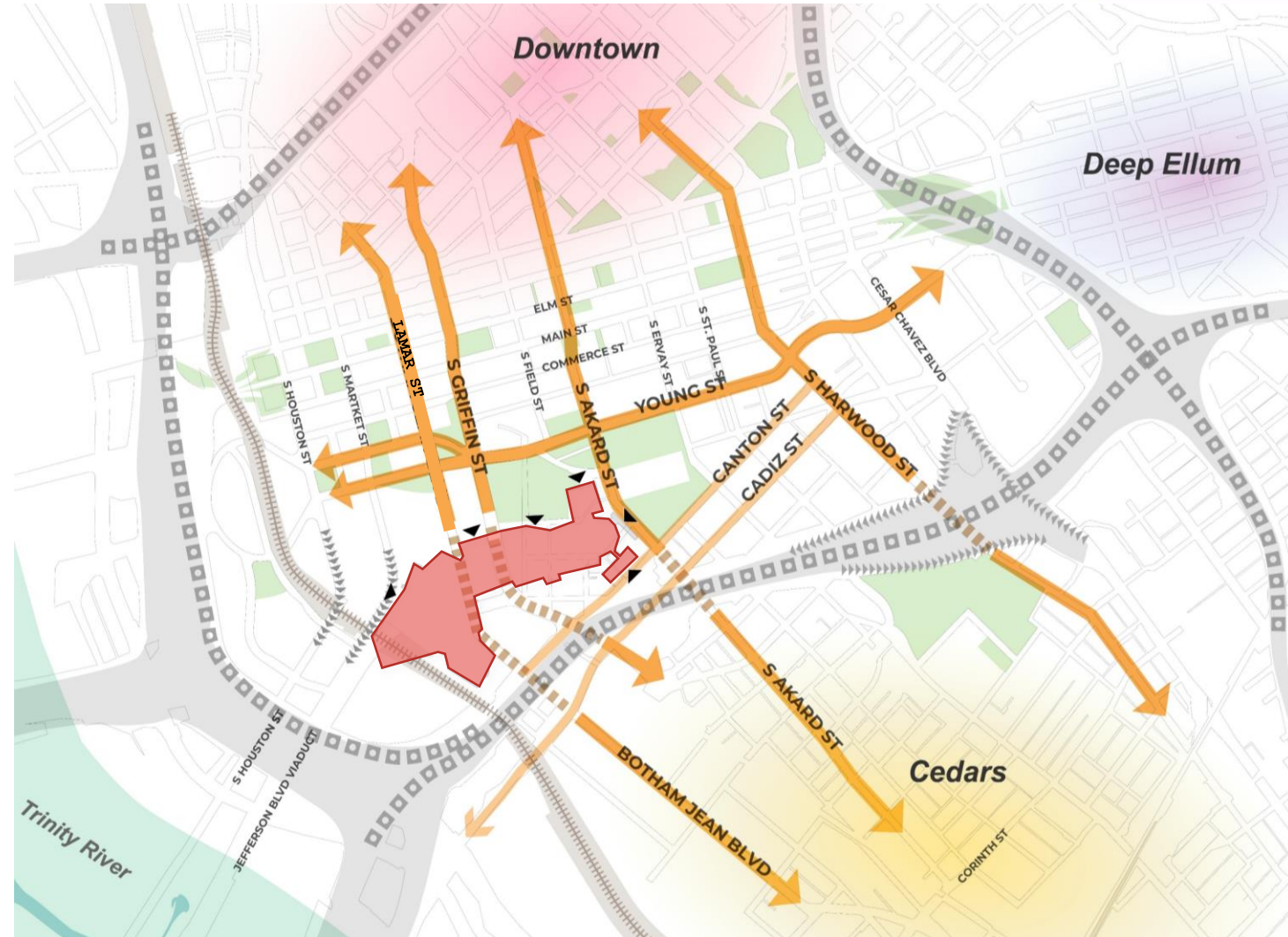
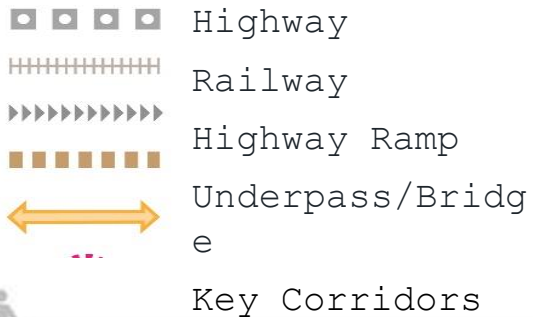


Barriers to Economic Development and Job Growth



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





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



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 Business	Requested Room Nights	Average/Year over 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 Amenities/Restaurants/Appeal	192	7.1%	2,237,489	149,166
Total	948	33.7%	10,565,277 Supportable Hotel Rooms*	704,352 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

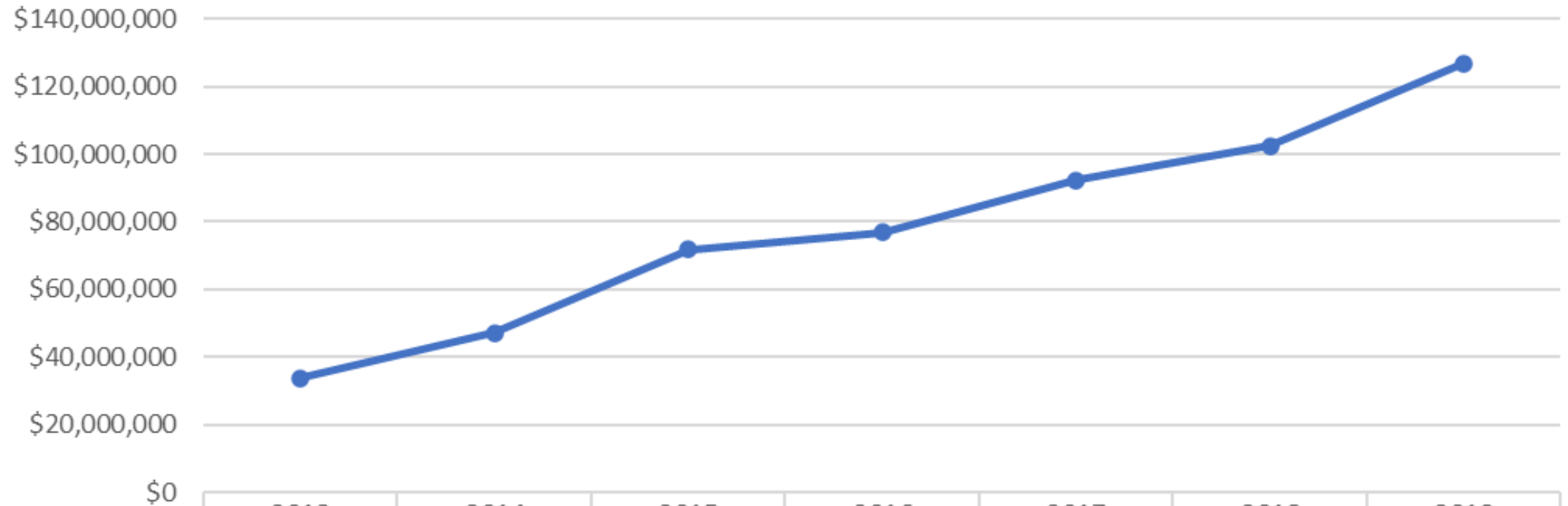
- \$20M approved Jan 2017 to develop new food and drink outlets, and expand the Exhibit Hall and Ballroom concourse



Success Story: Nashville Tax Growth



Tourism Tax Revenue After Music City Center Construction



	2013	2014	2015	2016	2017	2018	2019
Tourism Tax Revenue	\$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

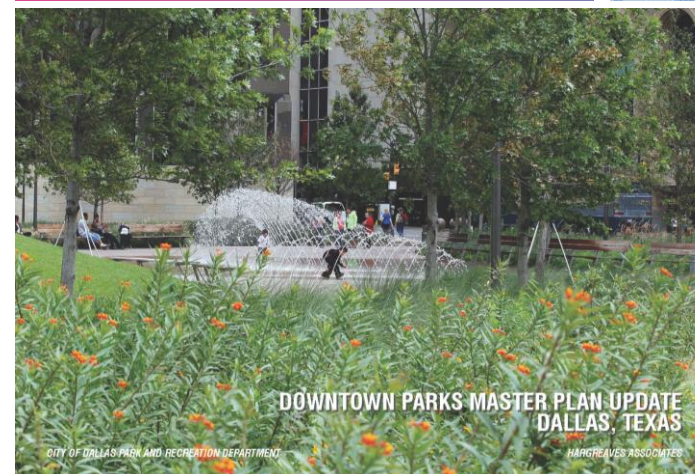
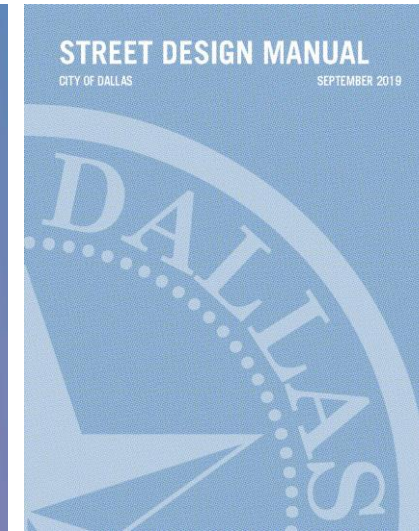


Alignment with Prior and Existing Plans



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

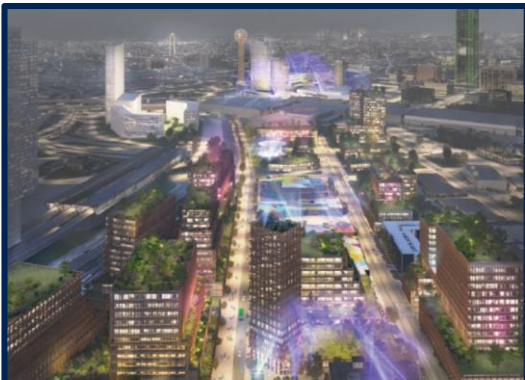
- NCTCOG
- Rail/Transportation: DART, Amtrak, BNSF Railway, TRE, Texas Central, Union Pacific
- City of Dallas: 14 City Departments and various committees
- Trinity Park Conservancy and Trinity Corridor Local Government Corporation
- Hotel Association of North Texas (HANTX)
- Downtown Dallas, Inc.
- 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. South of I-30
Walkable Urban Grid

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.

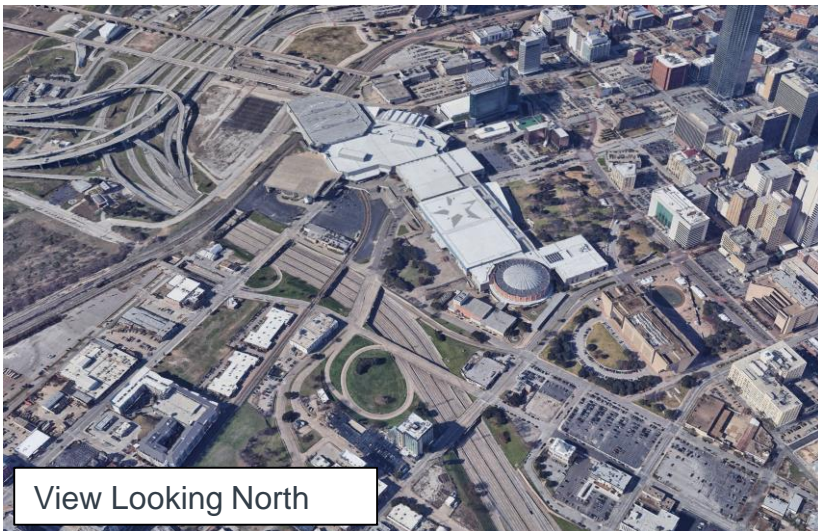
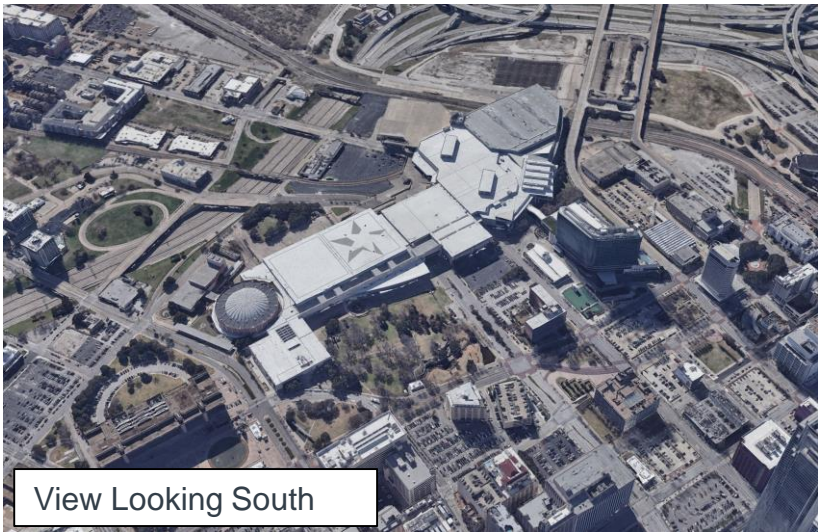
Since 1994, Downtown Dallas has grown:

- 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



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



Three Investment Packages - Informing Design Alternatives



CAMPUS PATCH & REPAIR

- Maintains most of existing structure
- Number and size of ballrooms and meeting rooms will increase to expand square footage and capacity
- Convention services will expand service offerings
- Limited new site coverage

Example: TCF Center, Detroit MI

CAMPUS HYBRID

- Maintains some of existing structure
- Number and size of ballrooms and meeting rooms will increase to expand square footage and capacity
- Convention services will expand service offerings
- Heavily revises internal and back-of-house circulation
- Increases site coverage
- Partially opens Lamar/Griffin to sky

Example: Memphis/Las Vegas/Seattle

CAMPUS REDEVELOPMENT

- Phased expansion and redevelopment of structure
- Fully meets program recommendations for increased number and size of ballrooms and meeting rooms
- Reduces site coverage while expanding service offerings
- Frees up development sites

Example: Nashville/ Washington DC

Conceptual Investment Level

- \$400M to 500M

Conceptual Investment Level

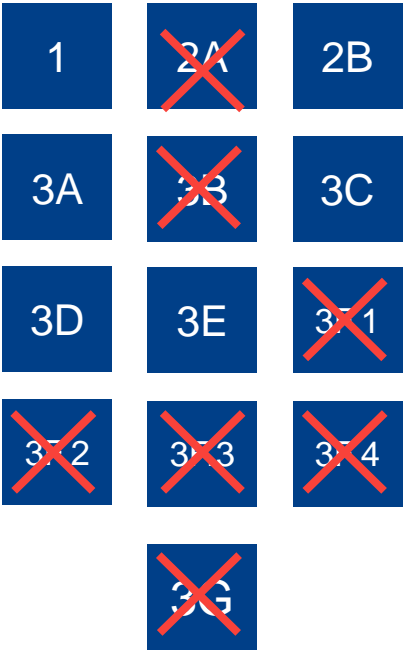
- \$900M to \$1.1B

Conceptual Investment Level

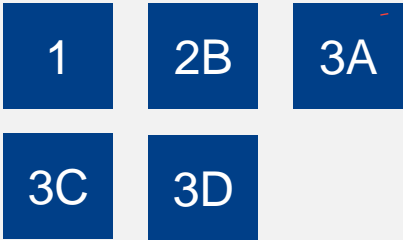
- \$1.5B to \$2B



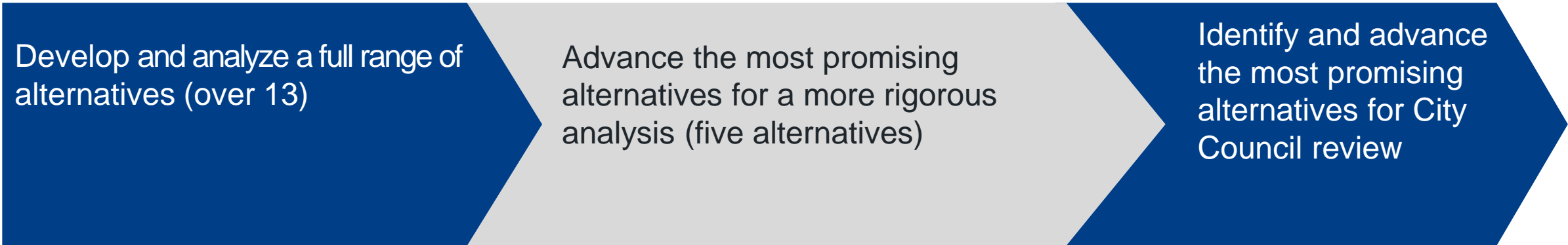
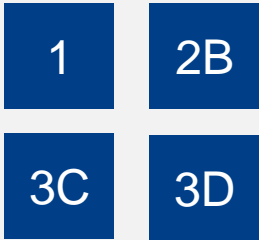
Convention Center: Screening the Alternatives



Phase 1 Screen based on feedback and fatal flaws



Phase 2 Screen based on meeting goals and objectives



The Full Range of Over 13 Alternatives



1 – Campus Patch & Repair	2 – Campus Hybrid	3 – Campus Redevelopment	
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

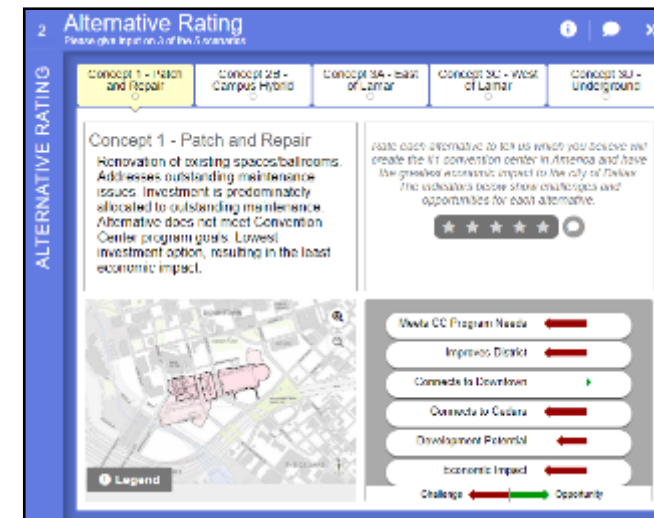
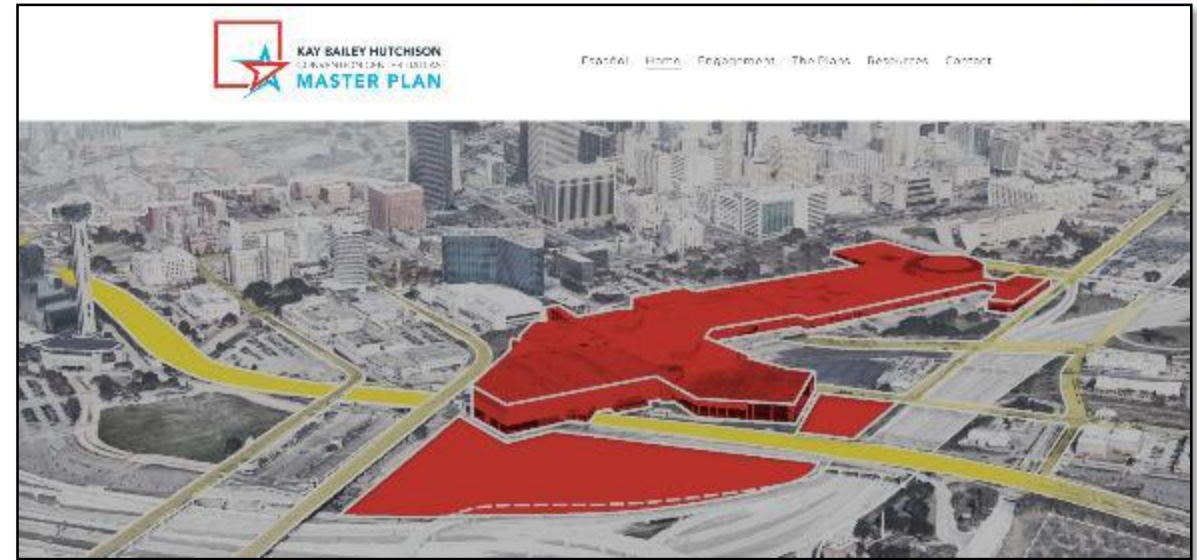


The Process: Public and Stakeholder Engagement

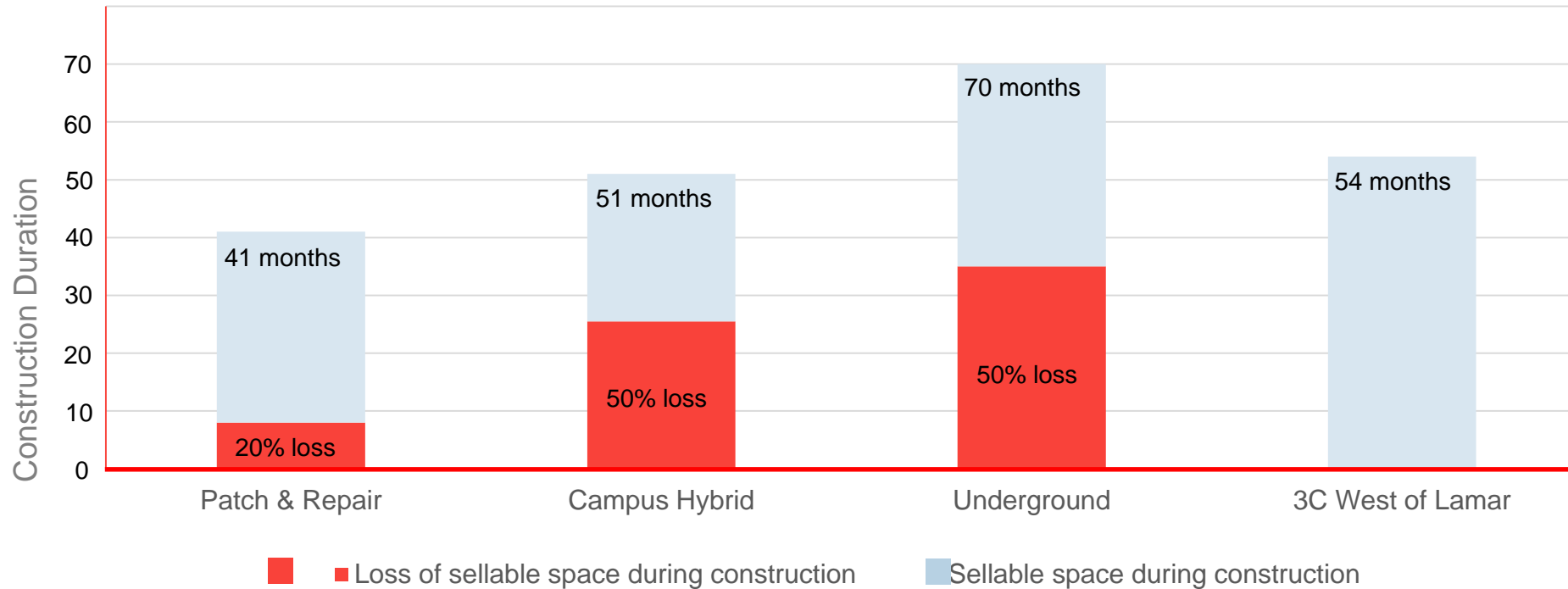


Public Input Highlights

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



Onsite Program: Rating of Options



Substantially meets the
program
recommendations



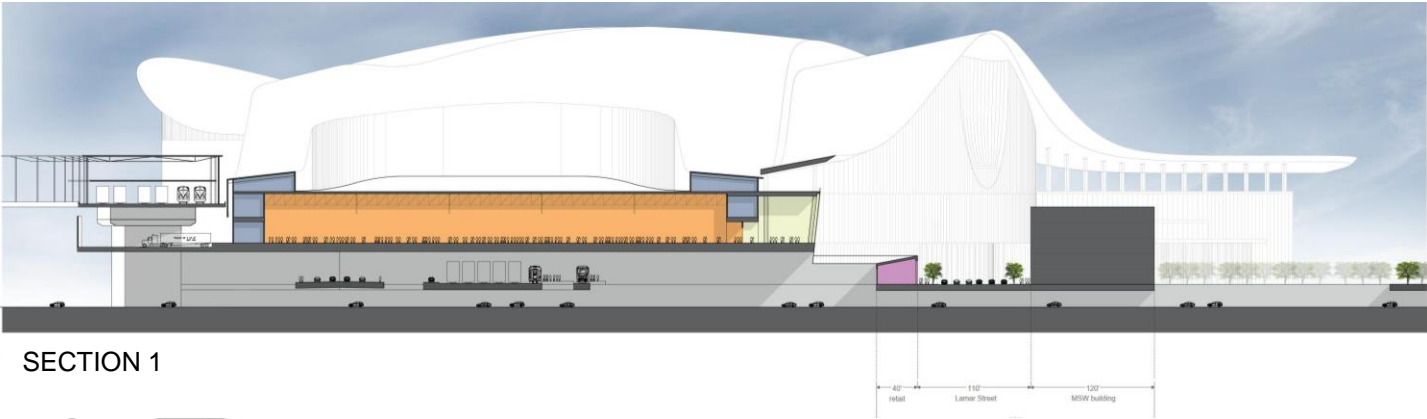
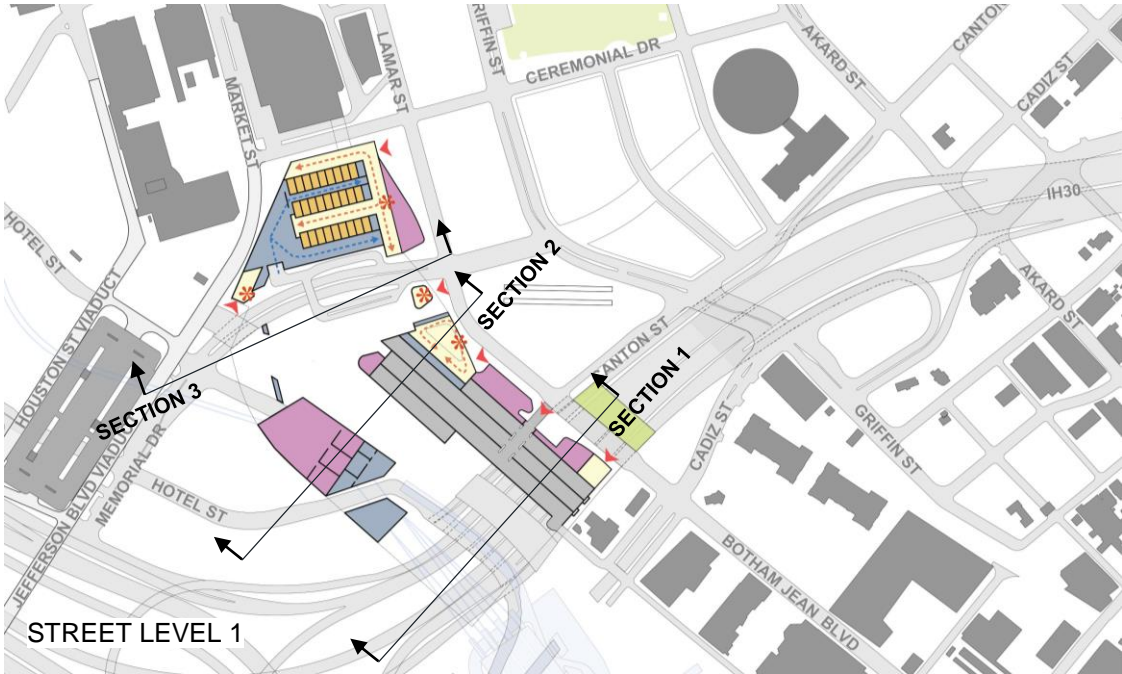
Does not meet the
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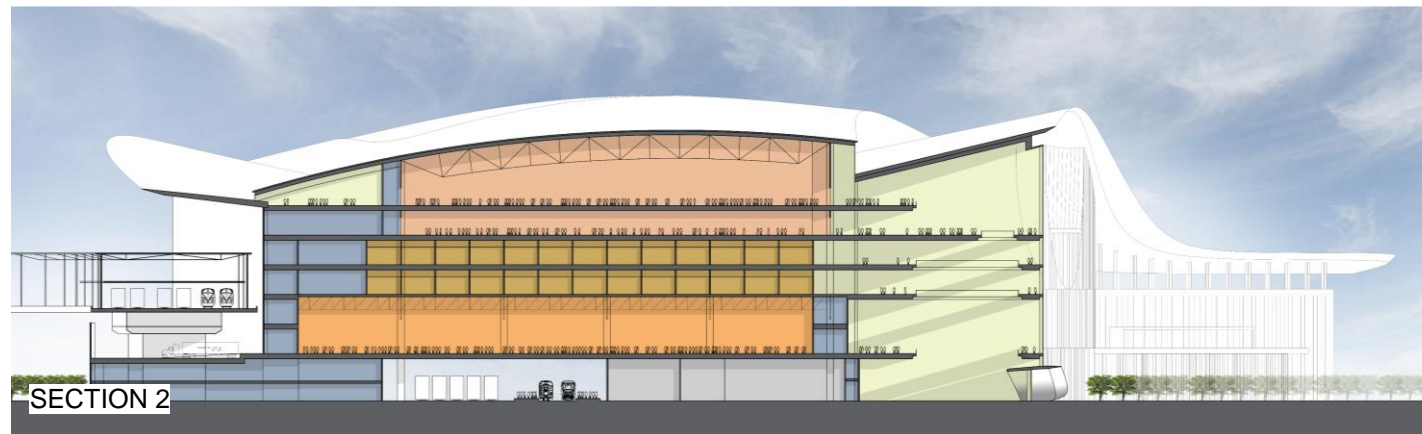
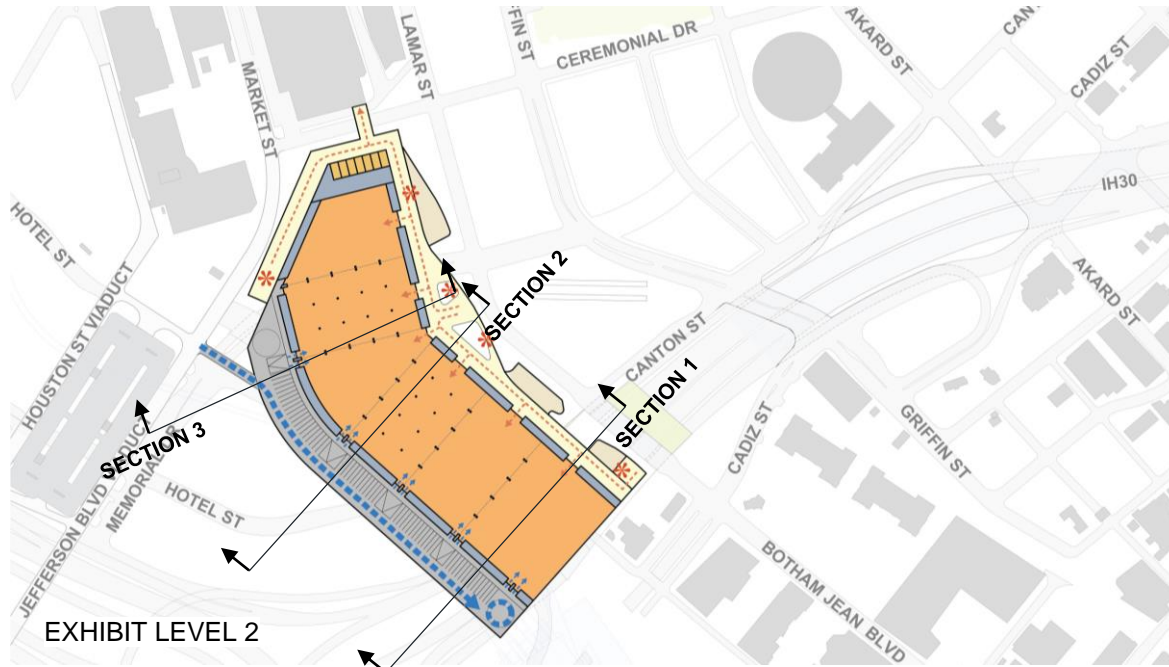
Goals/Objectives	Patch & Repair	Campus/Hybrid	Underground	3C West of Lamar
Annual Visitation	815,000	1,301,000	1,531,000	1,531,000
Annual Hotel Room Nights	330,000	593,000	705,000	705,000
Exhibit Hall Ranking	9th	9th	9th	9th
Ballrooms' Space Ranking	14th	4th	2nd	2nd
Largest Ballroom Ranking	24th	5th	3rd	3rd
Meeting Room Space Ranking	18th	7th	4th	4th
Meeting Rooms	89	171	217	217
Overall Ranking:	LAST	3rd	2nd	FIRST



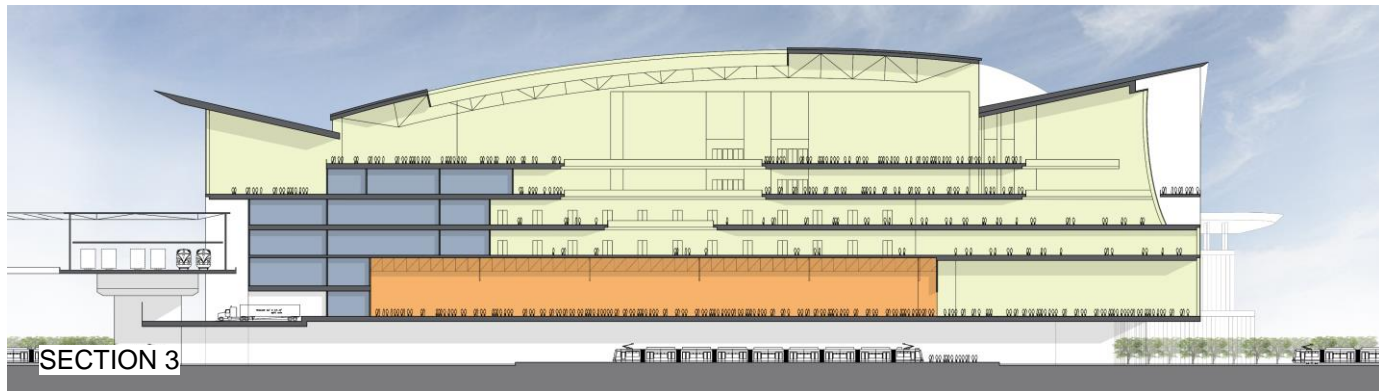
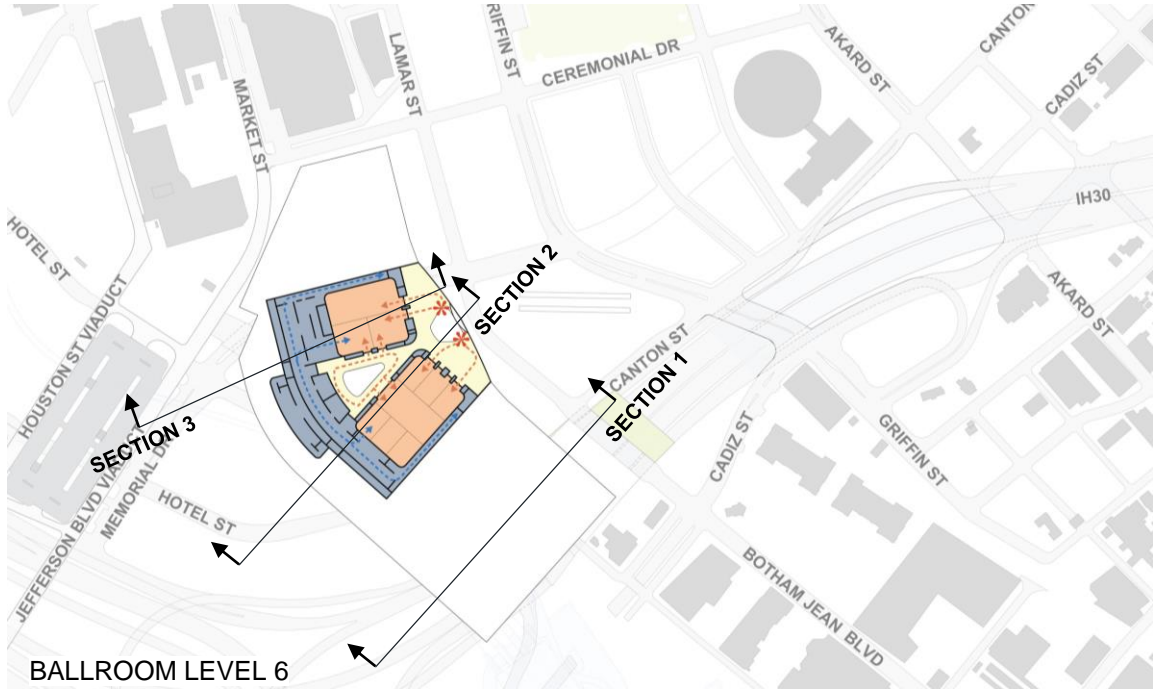
Alternative 3C – West of Lamar



Alternative 3C – West of Lamar (cont.)



Alternative 3C – West of Lamar (cont.)



Alternative 3C – West of Lamar (cont.)





What we Heard

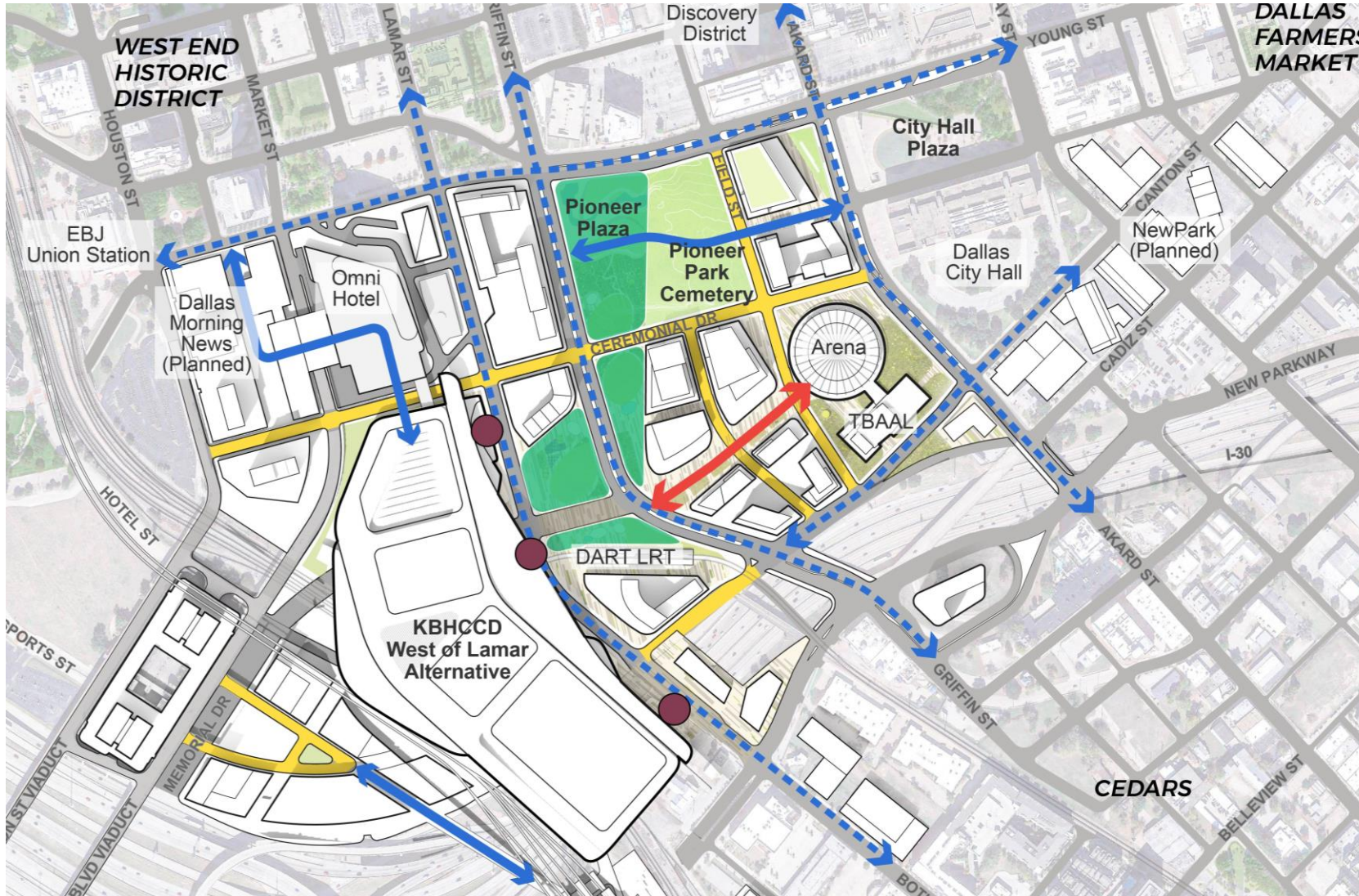
To be competitive, the KBHCCD needs an authentic Dallas urban experience that includes walkable restaurants, retail and entertainment options which connect the center into surrounding neighborhoods like Downtown and the Cedars.

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

- Creating **activity 365 days of the year** with of 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

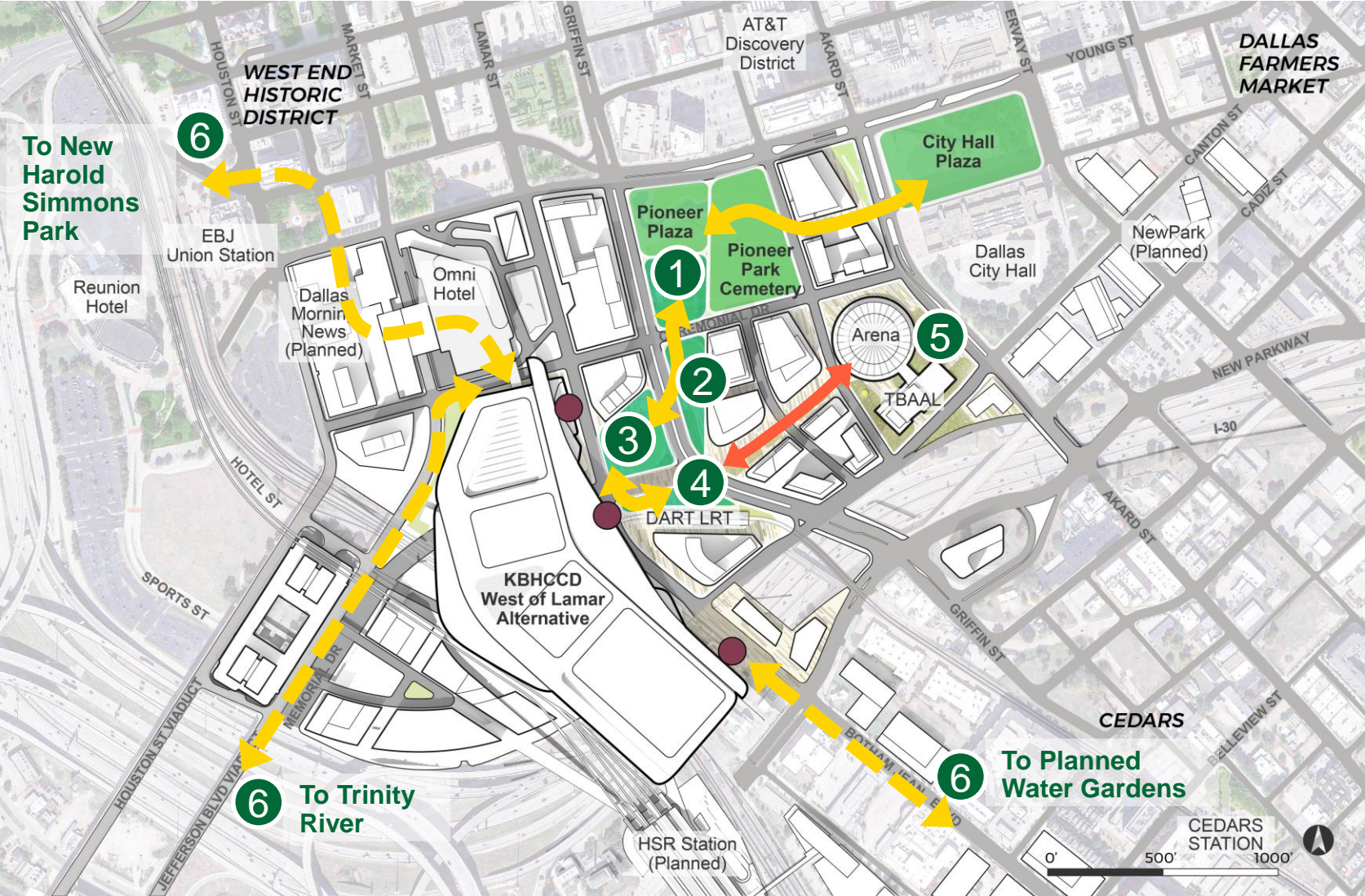
Potential Res. **3,400** Units

Potential Retail **370K** SF

-  Enhanced Streetscape & Sidewalks with active uses
-  New Pedestrian Connection
-  New Streets and Pedestrian Links
-  Pedestrian Retail/Entertainment Street
-  Connected Parks & Open Space
-  Proposed Convention Center Entrance



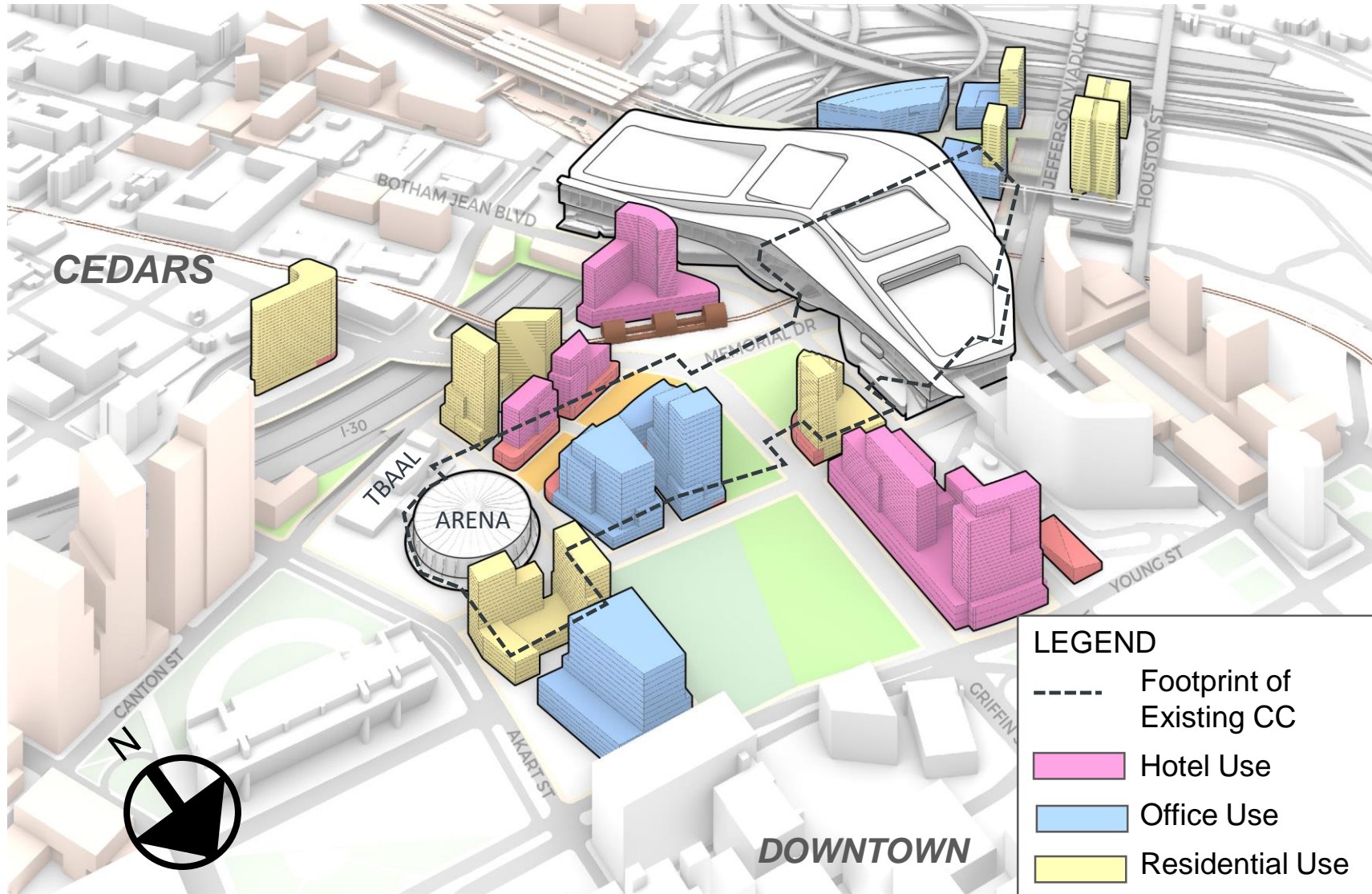
Connected Network of Parks and Public Open Space



- 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 Cultural Commons
- 6 To Trinity River



Alternative 3C - West of Lamar Potential Land Uses



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

LEGEND

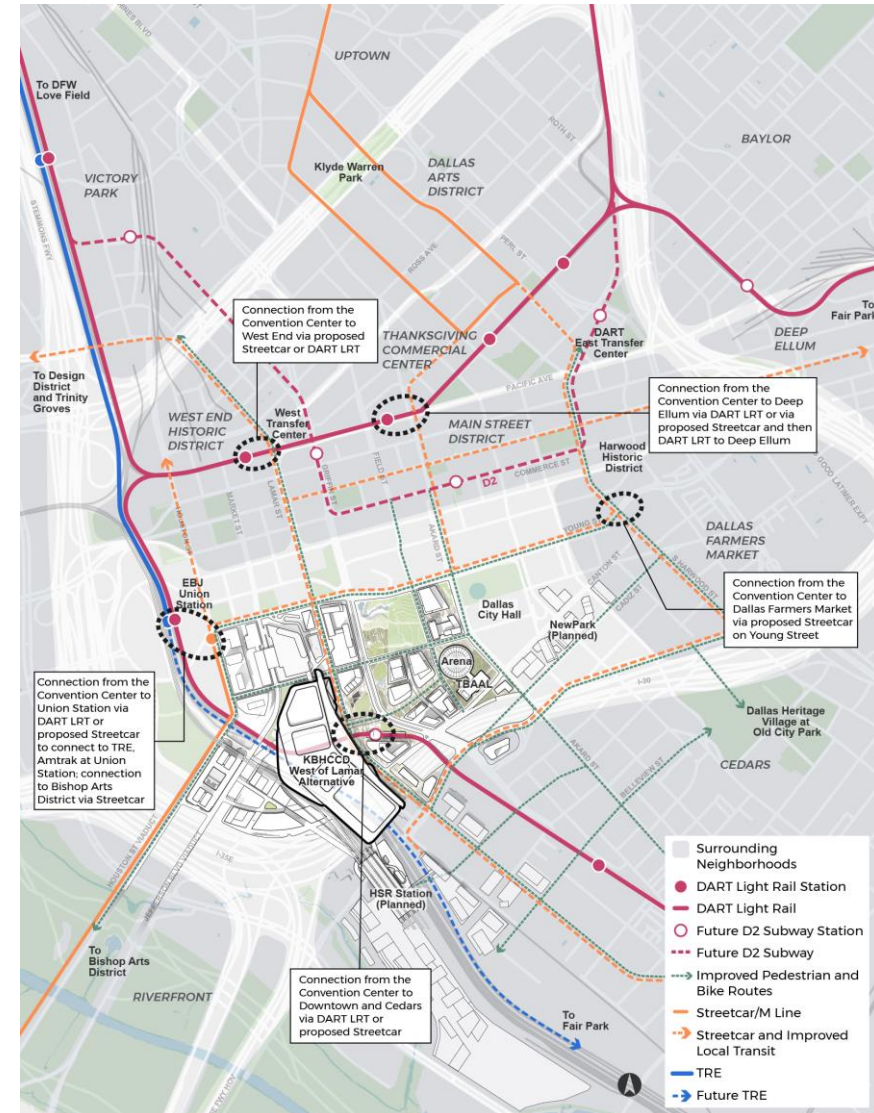
- Footprint of Existing CC
- Hotel Use
- Office Use
- Residential Use



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



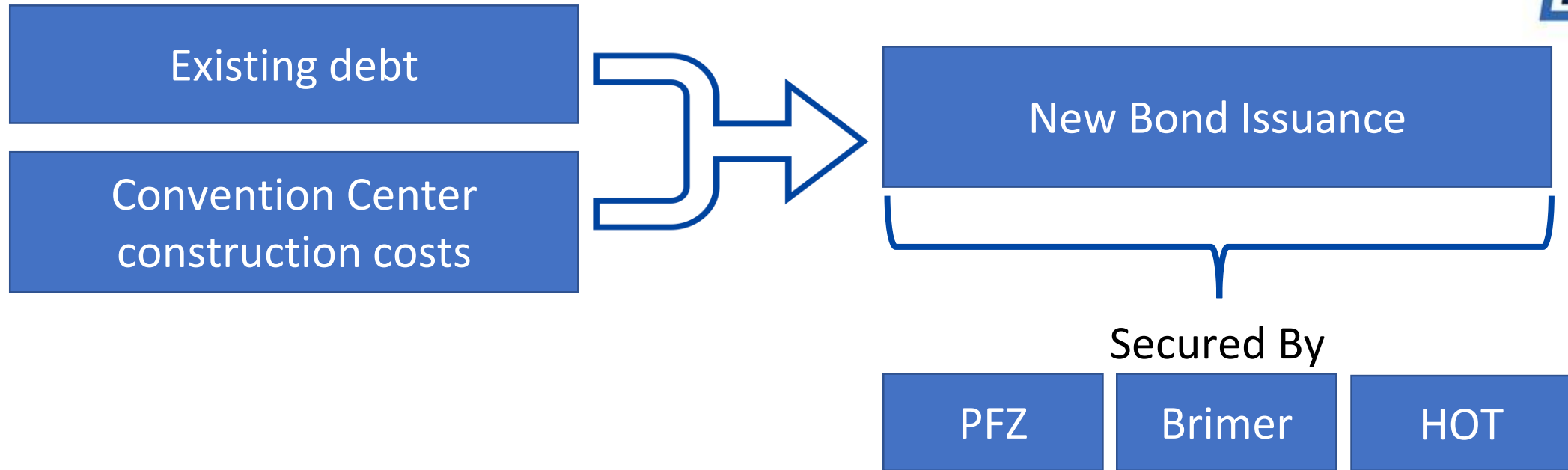
Proposed Financing Strategy



- 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

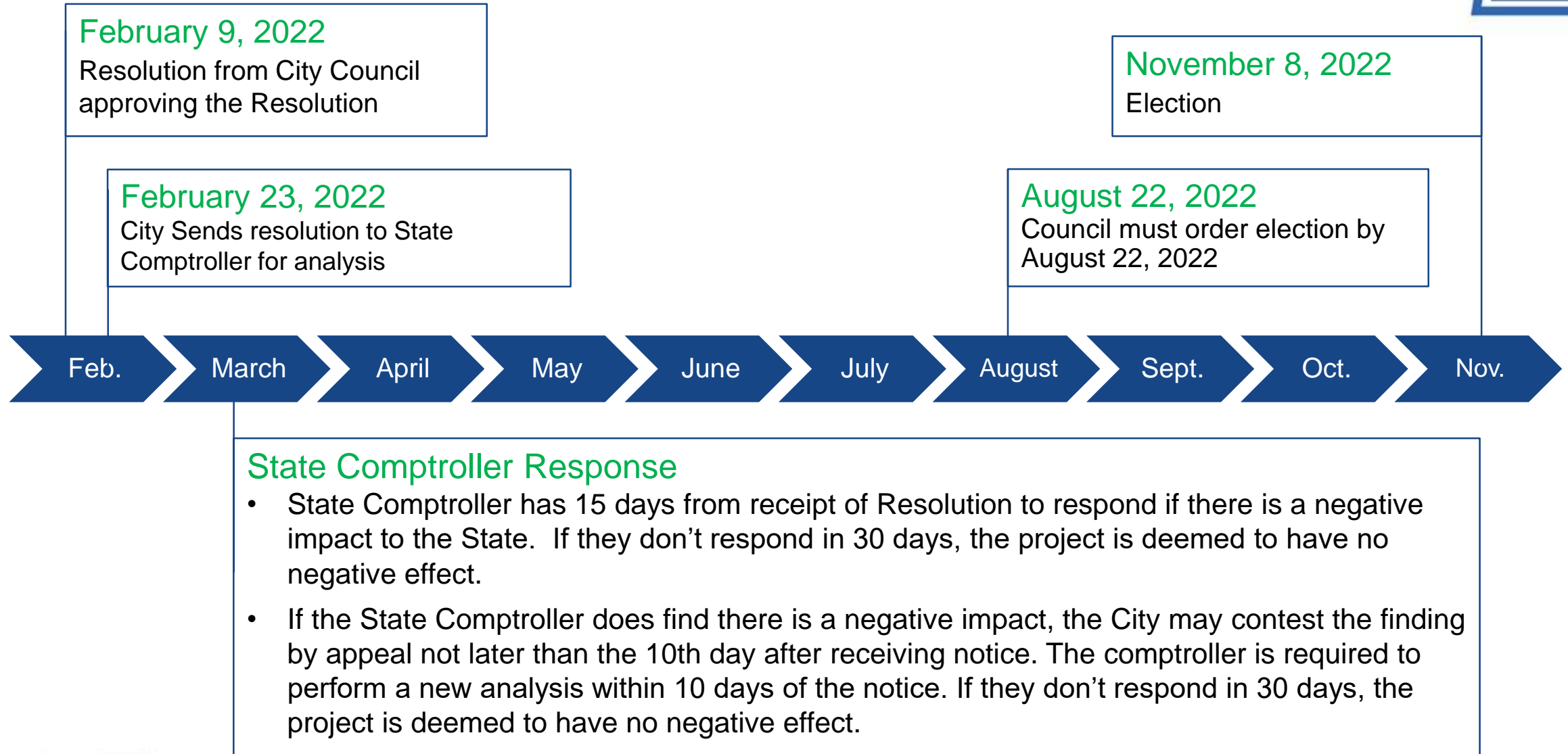


Brimer Bill Process (Texas Local Government Code Chapter 334)

- 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 the expansion of the convention center and the construction or improvement of an amphitheater, arena, exhibit hall, music hall, or stadium located within Fair Park; and,*
 - *Each method of financing authorized by Chapter 334 that the City intends to use to fund the venue project.*
- Not more than 20 percent of the revenue from the convention center expansion venue project may be spent for costs related to “an amphitheater, arena, exhibit hall, music hall, or stadium located within 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



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% 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 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



Next Steps



Should City Council approve future action on the master plan, CES staff will prepare agenda items and correlate resolutions for voting action on:

February 9, 2022

City Council approval of the convention center alternative for Phase 1 of the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan.

NOTE: Once Council approves the Phase 1 alternative, bond counsel will submit the expansion venue project resolution to the Office of the Attorney General for preliminary review.



Next Steps (cont.)



February 23 / March 9, 2022

1. A resolution authorizing approval of the supplemental agreement for the completion of the 30% design of the selected convention center alternative for Phase 1 of the KBHCCD Master Plan.
2. Depending on timing of the response from the Office of the Attorney General, resolution by City Council that:
 - Provides for the planning, acquisition, establishment, development, construction, or renovation of a venue project,
 - Designates each venue project and the method of venue project financing, and
 - Authorizes the submittal of the resolution to the Comptroller for a determination that the venue project financing will not have a significant negative fiscal impact on state revenue.

August 22, 2022 - Last day to order an election to be held on the November 2022 uniform election date.

November 8, 2022 – Uniform election date





City of Dallas

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

**Dallas City Council Briefing
February 2, 2022**

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





December 7, 2021 – Transportation and Infrastructure Committee

Briefing <https://cityofdallas.legistar.com/LegislationDetail.aspx?ID=5348373&GUID=8120F022-BCDA-4716-9A6A-E0D053675E1C&Options=&Search=>

December 17, 2021 – Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan – Update
Memo

https://dallascityhall.com/government/citymanager/Documents/FY%2021-22%20Memos/KBHCCD%20Master%20Plan_Memo_12172021.pdf





Additional Information



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.



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



Fiscal Year	Est. Gross Room 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	34.3%	\$ 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)	\$ 245,005
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)	\$ 335,405
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	\$ 81,507	\$ 366,807	\$ 133,235	\$ 3,334	\$ 136,569	\$ 49	\$ (6,811)	\$ 496,611
2054	\$ 4,242,739	4.1%	\$ 296,999	\$ 84,846	\$ 381,846	\$ 139,811	\$ 3,507	\$ 143,318	\$ 49	\$ (6,811)	\$ 518,391
Sum*	\$ 74,895,003		\$ 5,403,929		\$ 6,947,882	\$ 2,165,174	\$ 53,334	\$ 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 Convention Center begins 2025, open in 2029, so 30-year timeline ends 2054
Source: Haden Strategic Partners, City of Dallas



Offsite Program: Rating of Options



Substantially
meets the goal



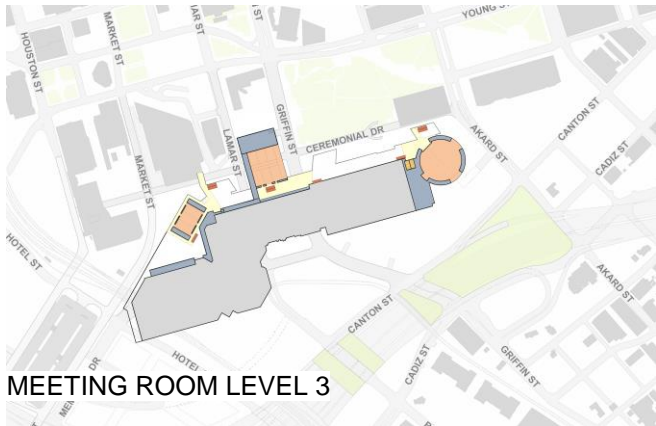
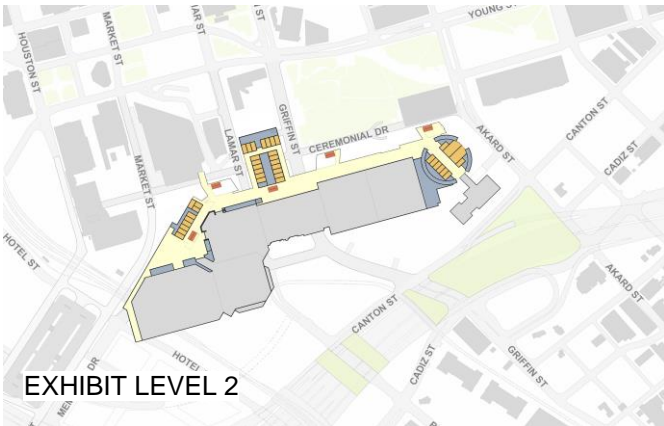
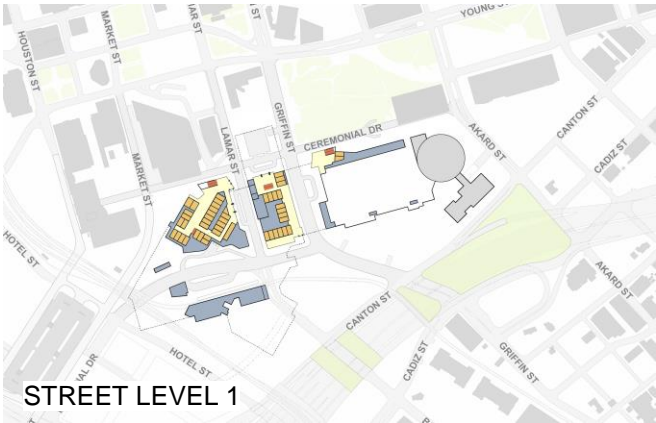
Does not meet
the goal



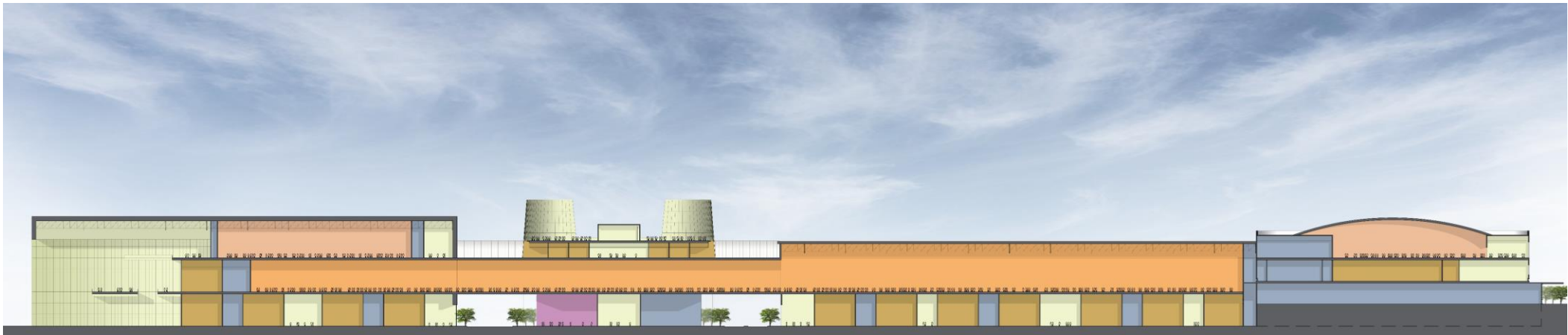
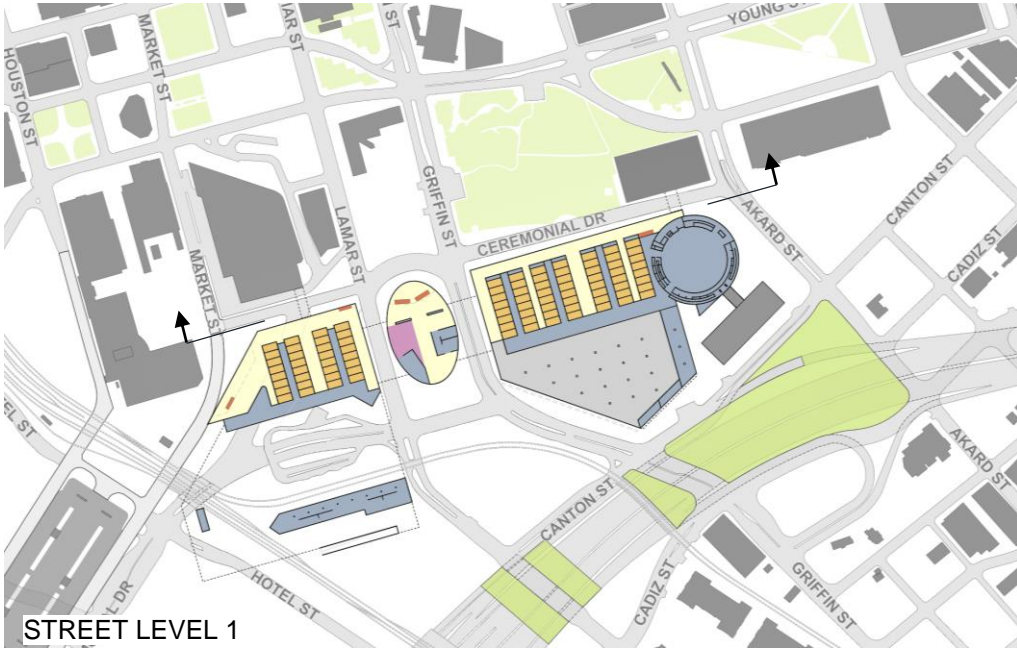
Goals/Objectives	Patch & Repair	Campus/Hybrid	Underground	West of Lamar
Hotel Rooms	800	1410	1,920	3,640
Restaurants/Bars/Retailers	24	59	97	98
Residential Units	3,000	3,460	2,750	3,300
Office SF	0.8 M	2.7M	3.4 M	2.7M
Private Investment (billions)	\$1.1 B	\$2.0 B	\$2.3 B	\$2.5 B
New 30-Yr. Real Estate 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



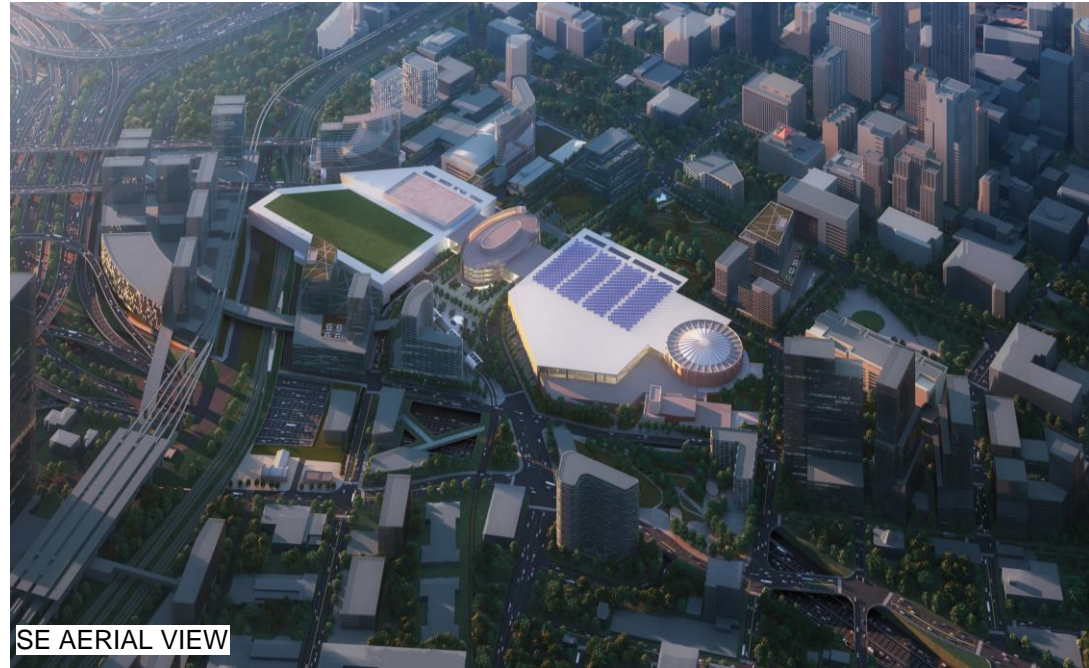
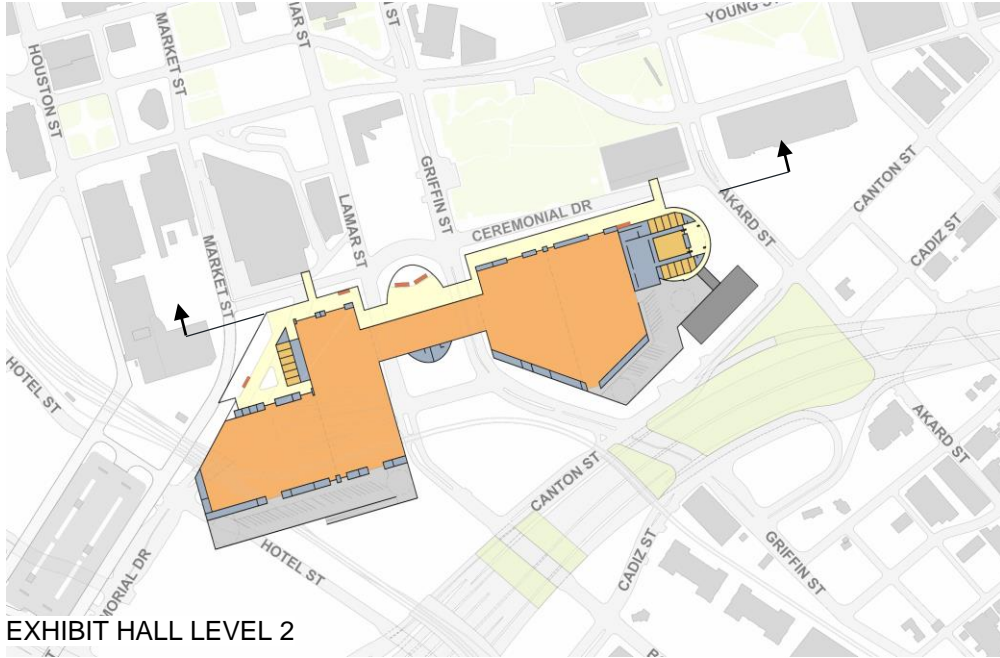
Alternative 1 – Patch & Repair



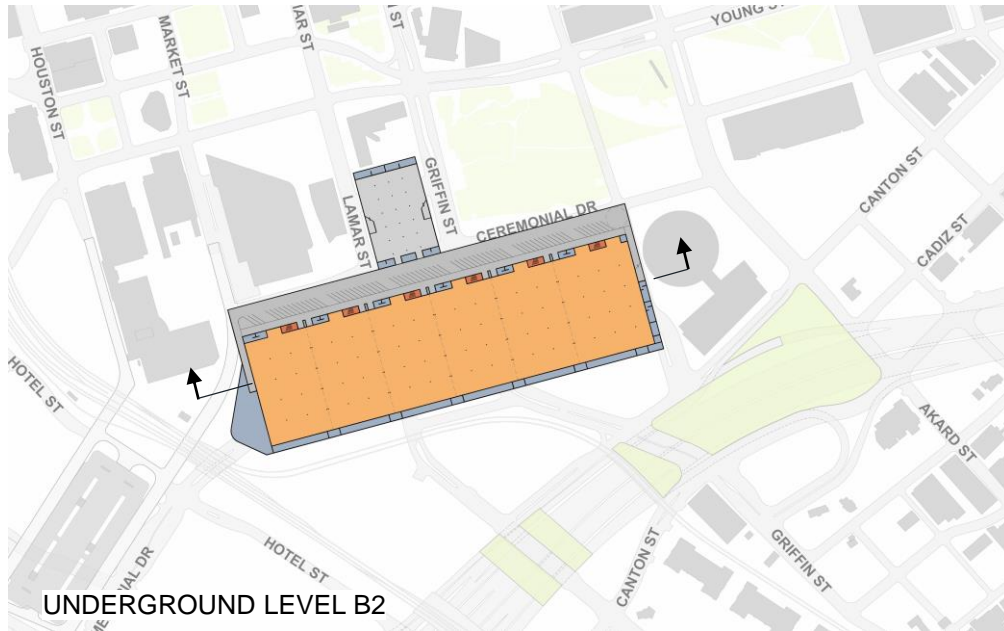
Alternative 2B – Campus/Hybrid



Alternative 2B – Campus/Hybrid



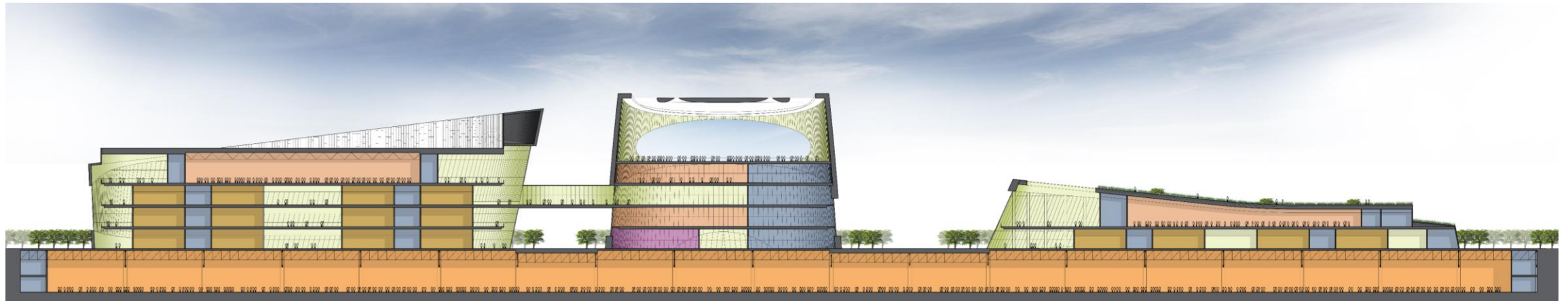
Alternative 3D – Underground



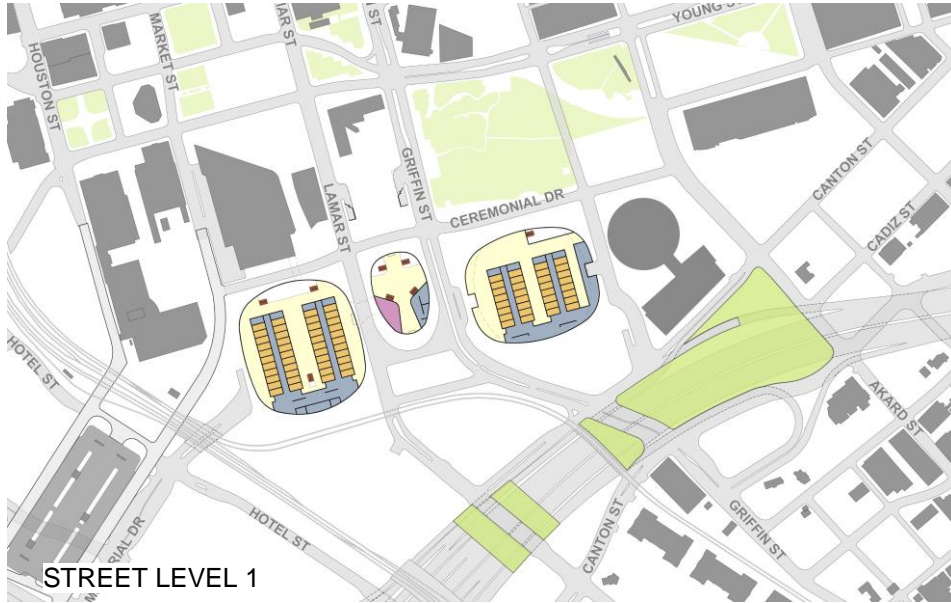
UNDERGROUND LEVEL B2



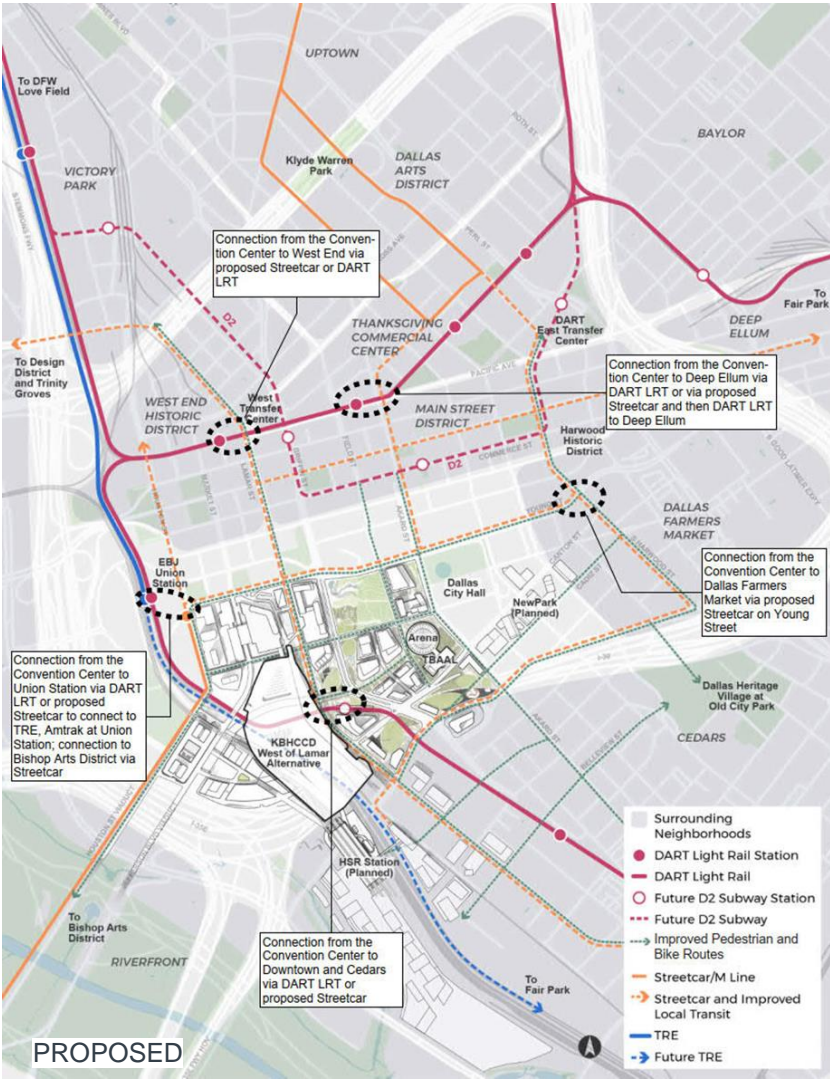
NE AERIAL VIEW



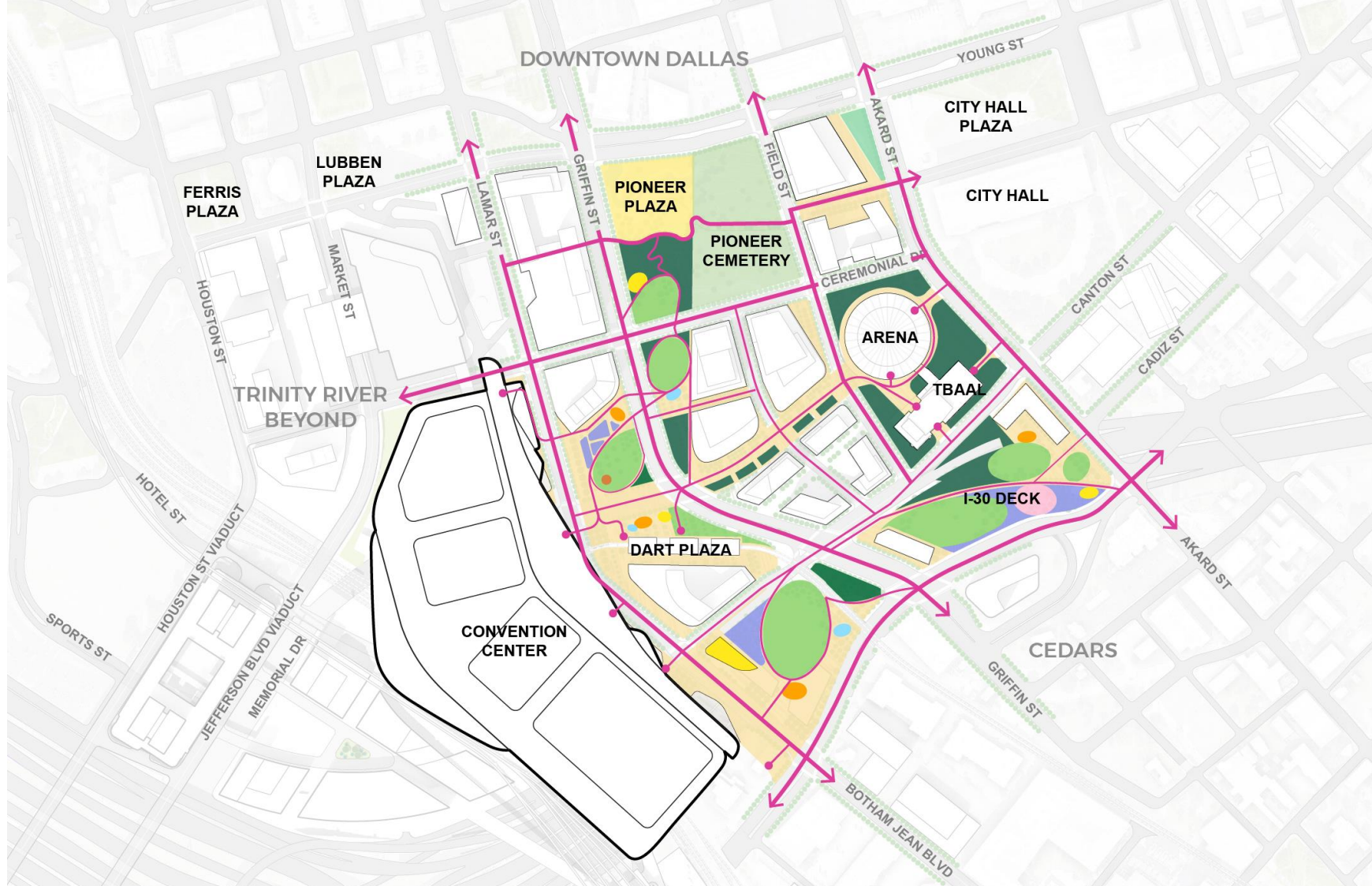
Alternative 3D – Underground



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

