

April 27, 2022

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DALLAS DESIGNATING AND PROVIDING FOR THE EXPANSION OF THE KAY BAILEY HUTCHISON CONVENTION CENTER DALLAS AND THE ACQUISITION, CONSTRUCTION, AND IMPROVEMENT OF LISTED FAIR PARK FACILITIES AS QUALIFYING VENUE PROJECTS AND DESIGNATING A METHOD OF FINANCING PURSUANT TO CHAPTER 334 OF THE TEXAS LOCAL GOVERNMENT CODE

WHEREAS, if approved at an election, the City Council (the “Council”) of the City of Dallas (the “City”) intends to expand the existing Kay Bailey Hutchison Convention Center Dallas (“KBHCCD”), a city-owned facility (“Convention Center Expansion Venue Project”), and acquire, construct, and improve certain amphitheater, arena, exhibit hall, music hall, or stadium facilities located at Fair Park (“Fair Park Facilities Venue Project”), collectively the Convention Center Expansion Venue Project and Fair Park Facilities Venue Project hereinafter referred to as the “Venue Projects” for the purposes of this Resolution, under the authority and subject to the provisions of Chapter 334, Texas Local Government Code (the “Act”) and impose a new hotel occupancy tax at the rate of 2% for the purpose of financing the Venue Projects; after which, if approved by the voters, the maximum hotel occupancy tax rate imposed from all sources in the City would be fifteen percent of the price paid for a room in a hotel; and

WHEREAS, the KBHCCD hosts approximately 100 events annually in at least one million square feet of exhibit space, three ballrooms, 88 meeting rooms, a 1,750-seat theater, and a 9,816-seat arena connected to a 1,001-room hotel via skybridge, with two Vertiport landing pads; and

WHEREAS, Fair Park is a municipally owned park that is at least 100 acres and is designated as a national historic landmark district that contains amphitheater, arena, exhibit hall, musical hall, and stadium facilities; and

WHEREAS, the November 16, 2017, *KBHCCD Market and Future Strategies Study* identified the need for additional ballroom and meeting space, space for food and beverage preparation, and additional hotel rooms to attract larger shows and conventions from a wide range of industries to address barriers to market growth and economic development; and

WHEREAS, the City proposes to expand the KBHCCD and its vicinity, and undertake other related improvements, including related infrastructure, to enhance the KBHCCD and its vicinity by enhancing its use, value, and appeal by expanding its building footprint, its operating capacity, and its convention center service offerings; and

WHEREAS, the City meets the population requirement and is a municipality in Texas located within a county of less than 1,000 square miles that has a council-manager form of government, meeting the requirements of Texas Tax Code, Section 351.106(c); and

WHEREAS, as authorized by Texas Tax Code, Section 351.1015, the KBHCCD, which is located at 650 South Griffin, Dallas, Texas 75202, is a “qualified project”; and

WHEREAS, the City has identified the following improvement projects at Fair Park for the Fair Park Facilities Venue Project -- the Automotive Building, an exhibit hall; the Centennial Building, an exhibit hall; the Band Shell, a music hall; the Music Hall, a music hall; the Cotton Bowl, a stadium; the Coliseum, a stadium, and related infrastructure -- a qualified venue project under Section 334.2518 of the Act; and

WHEREAS, upon the earlier of: (a) receiving written notice from the Comptroller that implementation of this resolution will not have a significant negative fiscal impact on state revenue or (b) the expiration of 30 days from the date the Comptroller receives a copy of this resolution if no such written notice is provided by the Comptroller, the Council may order an election to submit to the voters the question of approving and implementing this resolution as authorized by the Act; and

WHEREAS, if approved at an election by a majority of the qualified voters of the City of Dallas, voting at an election, the Council desires to provide for the planning, acquisition, establishment, development, construction, renovation, and financing of the Venue Projects under the authority of and subject to the provisions of the Act; and

WHEREAS, if approved at an election by a majority of the qualified voters of the City of Dallas voting at an election, the City desires to spend the entire 20 percent of the revenue allowed under 334.2518 of the Act from the new 2% hotel occupancy tax for costs related to the Fair Park facilities specifically listed on the ballot; and

WHEREAS, undertaking the Venue Projects will improve the opportunity to host convention business and drive tourism in the City of Dallas by fostering downtown connectivity, connecting downtown to the Cedars neighborhood, and increasing the number of ballrooms, meeting space, and amenities while minimizing business interruption and maintaining revenue flow; and

WHEREAS, the Council finds and determines that the Venue Projects will benefit the City of Dallas, generate increased tourism and convention business, and enhance Fair Park, a national historic landmark, thereby increasing local positive economic impact and job growth; and

WHEREAS, this resolution is adopted pursuant to the requirements of and in conformity with Sections 334.021 and 334.2518 of the Act.

Now Therefore,

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

SECTION 1. The City Council hereby designates and, subject to approval at an election, authorizes the Venue Projects within the City of Dallas, as described, defined, and permitted by Sections 334.001(4)(B) and 334.2518 of the Act. The Convention Center Expansion and Fair Park Facilities Venue Projects are described as follows:

Authorizing the City of Dallas to provide for the planning, acquisition, establishment, development, construction, renovation, and financing of the expansion of the Kay Bailey Hutchison Convention Center Dallas, a venue within the City of the type described and defined in Section 334.001(4)(B) of and permitted by Chapter 334, Local Government Code, as amended (the "Act"), designated by Resolution _____ (the "Resolution") and described in summary form as an expansion of a convention center described in Section 334.001(4)(B) of the Act, a convention center facility as defined by Section 351.001(2), Tax Code, as amended, and related infrastructure as defined in the Act (collectively, the "Convention Center Expansion Venue Project"); and authorizing the City of Dallas to provide for the planning, acquisition, establishment, development, construction, renovation, and financing of certain Fair Park facilities, a venue within the City of the type described and defined in Section 334.001(4)(D) of and permitted by the Act, designated by the Resolution and described in summary form pursuant to Section 334.2518 of the Act as the acquisition, construction and improvement of the Automotive Building, the Centennial Building, the Band Shell, the Music Hall, the Cotton Bowl and the Coliseum, and related infrastructure as defined in the Act (collectively, the "Fair Park Facilities Venue Project" and, together with the Convention Center Expansion Venue Project, the "Venue Projects").

SECTION 2. The City Council designates the following method of financing that the City desires to use to finance the Venue Projects:

The imposition of a new hotel occupancy tax at the rate of 2%. If approved, the maximum hotel occupancy tax rate imposed from all sources in the City of Dallas would be 15% of the price paid for a room in a hotel.

SECTION 3. The City Manager or the City Manager's designee is authorized and directed to send a copy of this resolution to the Comptroller, together with other information as may be requested by the Comptroller, for a determination regarding whether the implementation of this resolution will have a significant negative fiscal impact on state revenue.

SECTION 4. The City Manager or the City Manager's designee shall place on the City Council's agenda an ordinance calling an election under Section 334.024 of the Act on the question of approving and implementing this resolution upon the first of the following to occur: (1) receiving written notice from the Comptroller that implementation of this resolution will not have a significant negative fiscal impact on state revenue; or (2) the

expiration of thirty (30) days from the date the Comptroller receives a copy of this resolution if no such written notice is provided by the Comptroller.

SECTION 5. If the method of financing described in Section 2 of this resolution are approved at the election ordered by the City pursuant to Section 4 of this resolution, the City Council, by resolution, shall establish the Convention Center Expansion and Fair Park Facilities Venue Projects Fund as the Venue Projects Fund, as required by Section 334.042 of the Act. The proceeds from any tax imposed under Chapter 334 of the Act, all revenue from the sale of bonds of other obligations under Chapter 334 of the Act, and any other revenue required by law, or as directed by the Council, shall be deposited to such fund and shall be used exclusively for and in accordance with Section 334.042 of the Act.

SECTION 6. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City, and it is accordingly so resolved.