

March 14, 2018

To the Honorable Mayor and Members of the Dallas City Council:

Dallas Fort Worth International Airport is requesting that Owner Cities of Dallas and Fort Worth approve the proposed Hyatt House Hotel as a Public Facility Improvement Corporation (PFIC) Project. PFIC was created in 2001 by the Owner Cities as a means of financing, constructing, and operating certain projects at DFW Airport. For a project to receive funding from PFIC, it must receive approval by the Owner Cities. To date, the current approved PFIC projects include the Grand Hyatt Hotel, the Rental Car Center and bus fleet, and the Hyatt Place Hotel.

The proposed Hyatt House Hotel will be located at the Southgate Plaza center on the southeast side of DFW Airport. This hotel will feature 125 guest rooms, approximately 4,500 square feet of meeting space, an enclosed pool, fitness center and a restaurant/bar to include indoor and outdoor seating. The development of the Hyatt House will complement the surrounding facilities, including the Drive Nation Sports Complex, as it will target customers planning for longer stays. Additionally, the hotel will be located within the City of Euless and be subject to tax-sharing jurisdictions. DFW Airport predicts that in the first stabilized year (2022) the City will receive \$178,000 in tax revenue. Over 25 years, this will equate to approximately \$3 Million in tax revenue. This will include Hotel Occupancy Tax and Sales Tax.

This project was approved by the PFIC Board on February 19, 2018 and received approval by the Airport Board at the March 8 Board meeting. This item is scheduled to be briefed to the Mobility Solutions, Infrastructure and Sustainability Committee on March 26 and is scheduled for Council Action on April 25. Pending approvals, construction will begin in late 2018 with a targeted opening date of February 2020.

Should you have any questions, please contact John Terrell, Vice President of Commercial Development, at 972-973-4655. Thank you for your consideration.

Regards,



Sean Donohue  
Chief Executive Officer  
Dallas Fort Worth International Airport

C: William Meadows, DFW Airport Board Chair  
T.C. Broadnax, Dallas City Manager

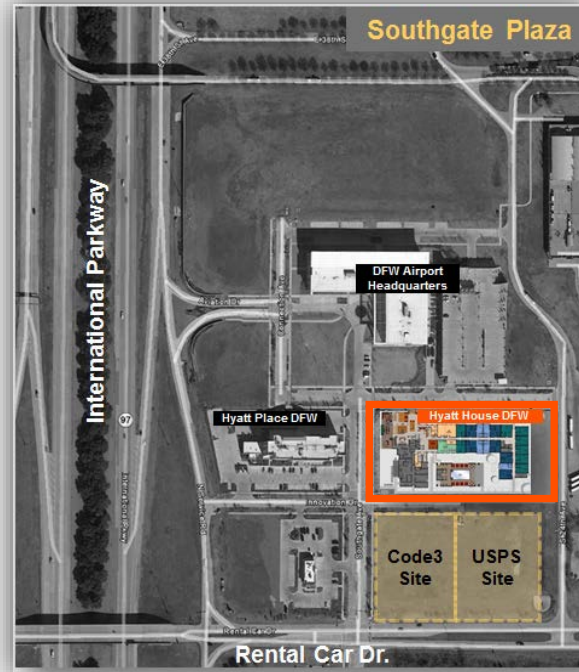
# Dallas Fort Worth International Airport Hyatt House Hotel

3.26.18



# Requested Committee Action

Approve Designation of the proposed Southgate Hyatt House Hotel as an Authorized Public Facility Improvement Corporation (PFIC) Project



# Approve Designation of the proposed Southgate Hyatt House Hotel as an Authorized PFIC Project

## Background:

In 2001 the Owner Cities authorized formation of the PFIC by Dallas Fort Worth International Airport (Airport)

- To finance, construct and operate facilities on the Airport
- To operate other “Approved Airport Projects” with Owner City concurrence

## PFIC Facilities:

- Grand Hyatt Hotel – Airport Approved Project (opened 2005)
- Rental Car Center (RAC) and Bus Fleet - Assets, rights, duties and obligations assigned and transferred to PFIC in 2012
- Hyatt Place Hotel – Airport Approved Project (opened 2016)





# Tax Revenues to Owner City

## Projected Tax Revenue from proposed Hyatt House through Hotel Occupancy Tax (H.O.T.) and Sales Tax

- To City of Dallas in projected stabilized year (2022) = \$178,000
- Present Value of Tax Revenue to City of Dallas (25 yrs.) = \$3,000,000

## Actual Tax Revenue from Hyatt Place DFW through Hotel Occupancy Tax (H.O.T.) and Sales Tax

- To City of Dallas in 2017 = \$171,000
- Present Value of Tax Revenue to City of Dallas (25 yrs.) = \$2,900,000



# Hyatt House Development Schedule



2017

2018

Development Terms with Woodbine

Approvals  
PFIC, Board,  
City Councils

Finalize &  
Execute  
Contract:  
Woodbine

**Design/Permitting (5-6 mos.) + Construction (15-17 mos.) – Woodbine Team**  
With Hyatt Reviews and Technical Support

# Thank you