

State of Dallas City Hall

**Finance Committee
October 21, 2025**

The logo of the City of Dallas, featuring a stylized white 'D' on a dark blue background. Inside the 'D' is a white three-lobed flower or leaf design. Below the logo, the text 'City of Dallas' is written in a white, bold, sans-serif font.

City of Dallas

Donzell Gipson, Assistant City Manager
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City of Dallas

Presentation Overview



- Purpose
- History and Origins
- Facility Features and Current Use
- Deferred Maintenance
- Operational Reality
- Considerations and Next Steps



Purpose



- Provide City Council with historical context of Dallas City Hall
- Review the facility's key design features, functions, and current uses
- Highlight deferred and major maintenance needs
- Convey the operational realities of the facility in its current condition, including future potential impacts of escalating deferred maintenance
- Receive feedback from City Council on next steps



History and Origins



- **June 24, 1964:** The Dallas City Council established a City Hall Committee
- **May 17, 1972:** Construction contract authorized
- **March 12, 1978:** Facility formally opened with dedication ceremony



Source: Dallas Municipal Archives



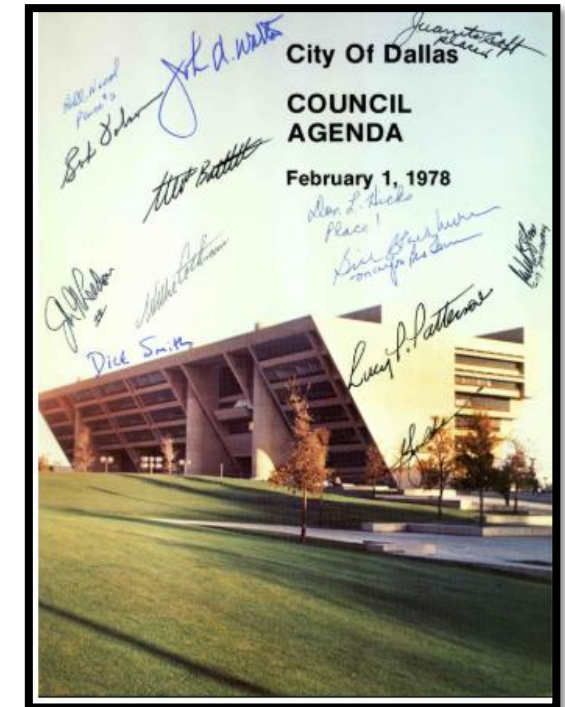
Dallas City Hall



- Dallas City Hall's first City Council meeting occurred on February 1, 1978
- Serves as the seat of municipal government and ceremonial events
- Location for City Council meetings, boards and commissions, and various other civic functions
- Location of Emergency Operations Center, when activated, for emergencies

By The Numbers:

47	Facility Age
1,000,000	Total Facility Square Feet
~411,000	Office Space Square Feet
26	City Department Operations
~2,200	City Employees Assigned
1,465	Garage Parking Spots
102	Surface Parking Spots



Deferred Maintenance



- The City has historically underinvested in major maintenance, resulting in a growing backlog of deferred needs
- City Hall's needs have not been funded in recent bond programs due to limited capacity and competing priorities
- The following information reflects known issues and high-level estimates based on staff review and prior assessments, when available
- This list is not comprehensive
- Estimates shown are rough order-of-magnitude (ROM) figures only and are expected to change if detailed assessments are completed, and increase annually with inflation



Deferred Maintenance



Need	Range: Minimum	Range: High
HVAC Upgrades	\$24M	\$40M+
Roof Replacement	\$3M	\$4M
Water Infiltration	\$72M*	\$100M*
Garage Structural Repairs	\$25M*	\$145M*
Electrical Upgrades	\$2M	\$15M+
Freight Elevator Upgrades	\$217K	\$217K
Fire Suppression Upgrades	\$8.8M	\$14M
ADA Upgrades	\$860K*	\$10M+*
Emergency Generators	\$17M	\$17M
Estimate Totals**	\$152M	\$345M+

*Estimate is a ROM, intended to illustrate potential costs in the absence of an assessment.

**Estimate excludes financing costs and any expenses related to temporary closures, operational staging, or relocation required during major repairs.

- Estimates represent ranges to illustrate potential investment levels.
- Variances reflect the potential differences in scope, from limited repairs to full replacement.
- Additional expense is anticipated for work required to comply with current Code.



Deferred Maintenance



The following images highlight examples of deferred maintenance, aging equipment, and Code compliance deficiencies.

Example: Garage Structural and Water Infiltration



L1 garage structural and water infiltration

Example: Interior Water Infiltration



Water infiltration in L1 Payroll offices

Example: Interior Water Infiltration



Collapsed ceiling in L1 Payroll due to water infiltration



Deferred Maintenance



Example: Interior Water Infiltration



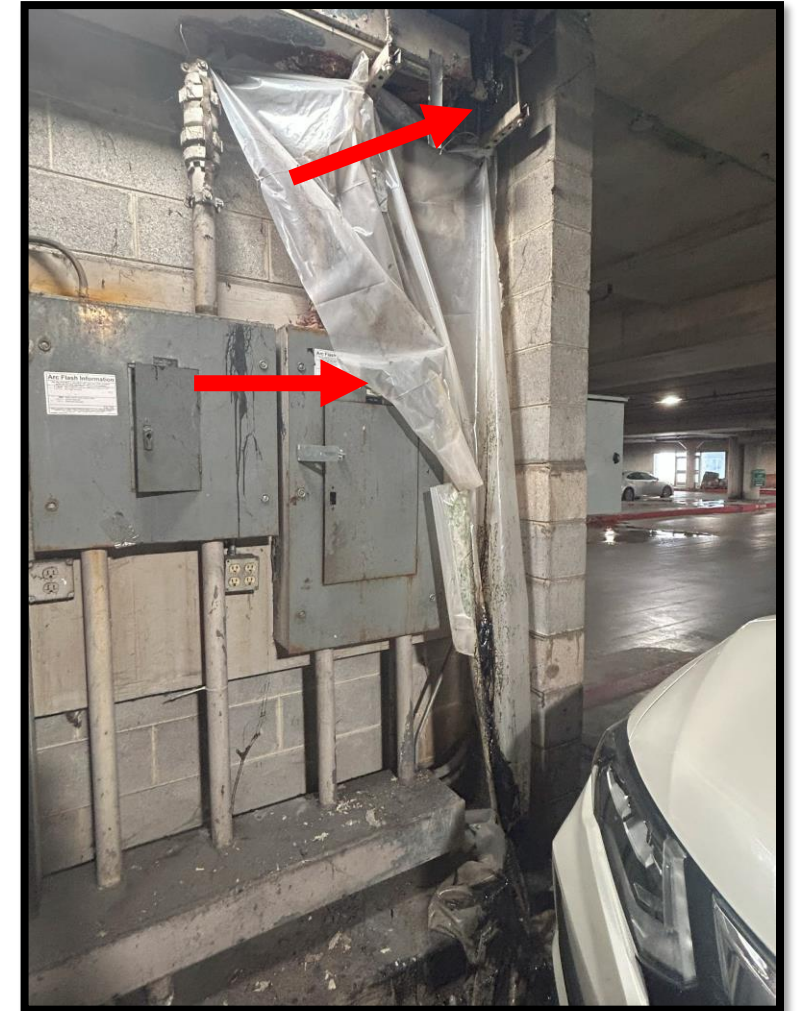
Active water infiltration over a telecommunications distribution center w/failed gutter system

Example: Interior Water Infiltration



Failed interior gutter system

Example: Garage Water Infiltration



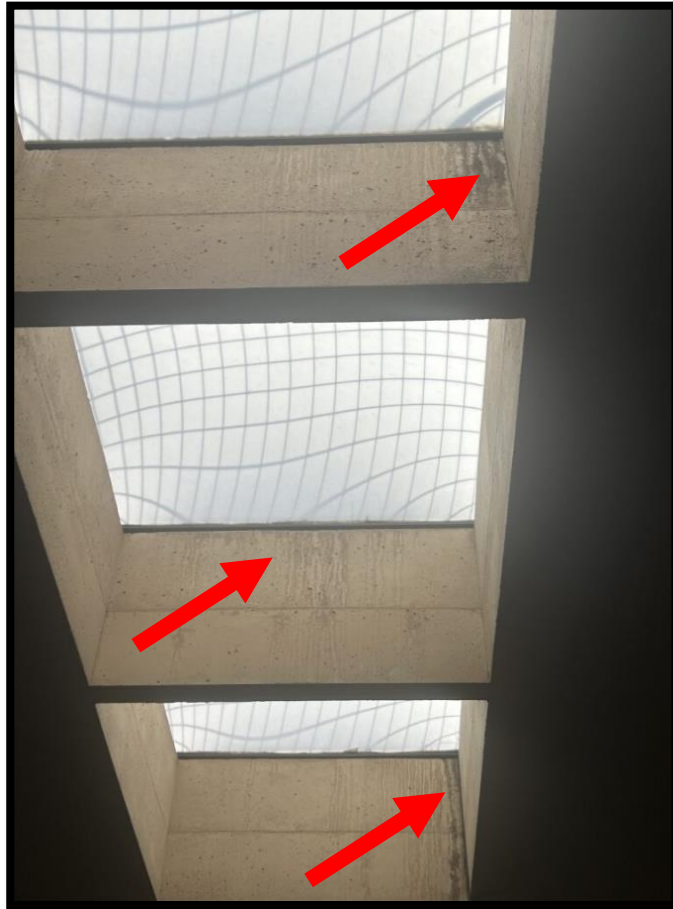
L1 garage water infiltration over electrical subpanels



Deferred Maintenance

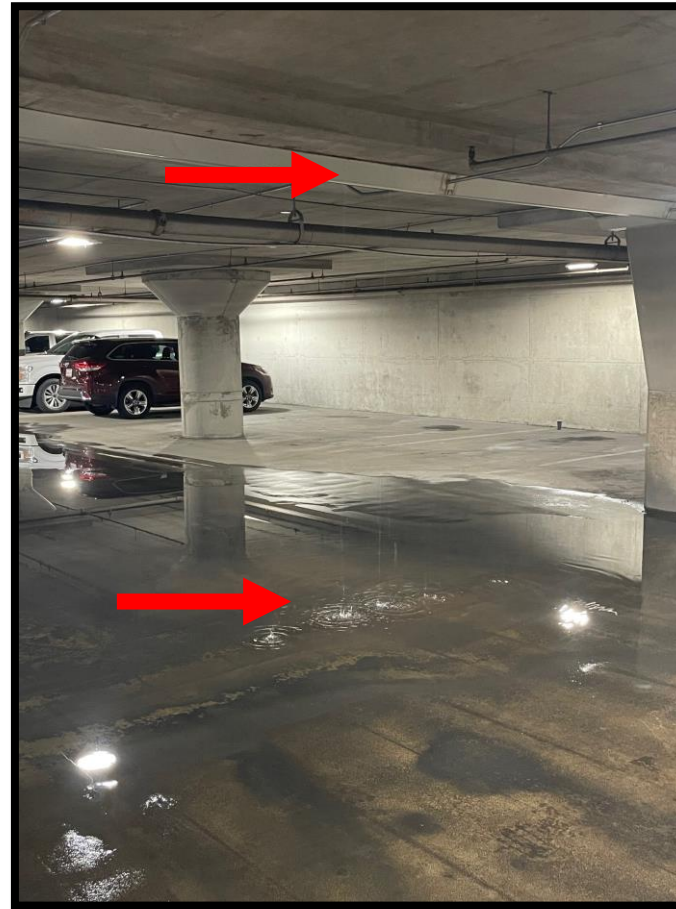


Example: Interior Water Infiltration/Roof Leaks



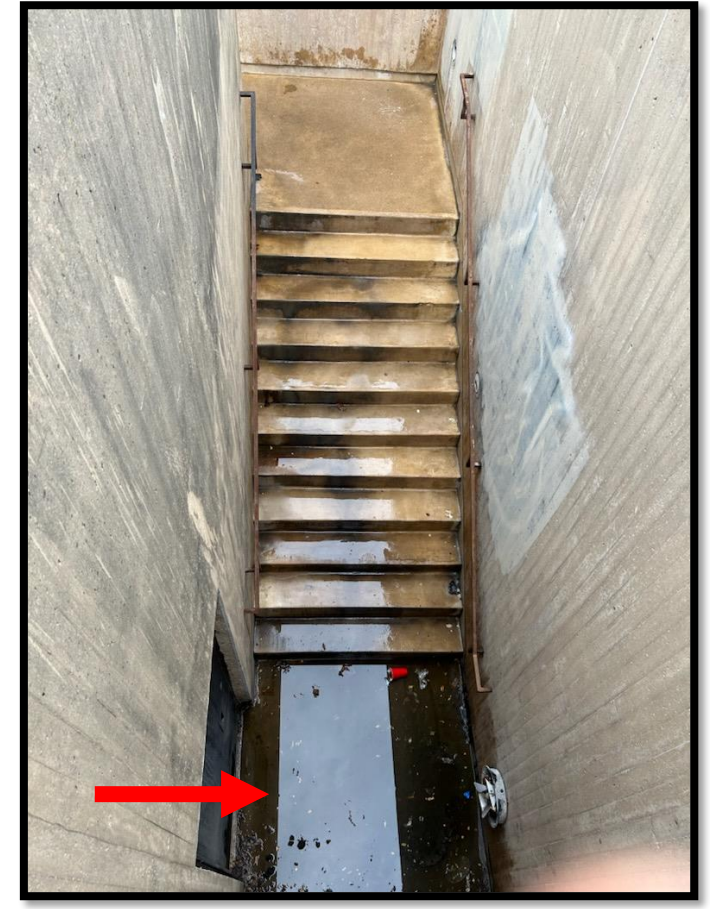
Stairwell roof skylight water infiltration

Example: Interior Water Infiltration



Garage water infiltration following a rain event
Failed gutter system

Example: Failed Plumbing Infrastructure



Failed plaza stairwell storm drains

Deferred Maintenance

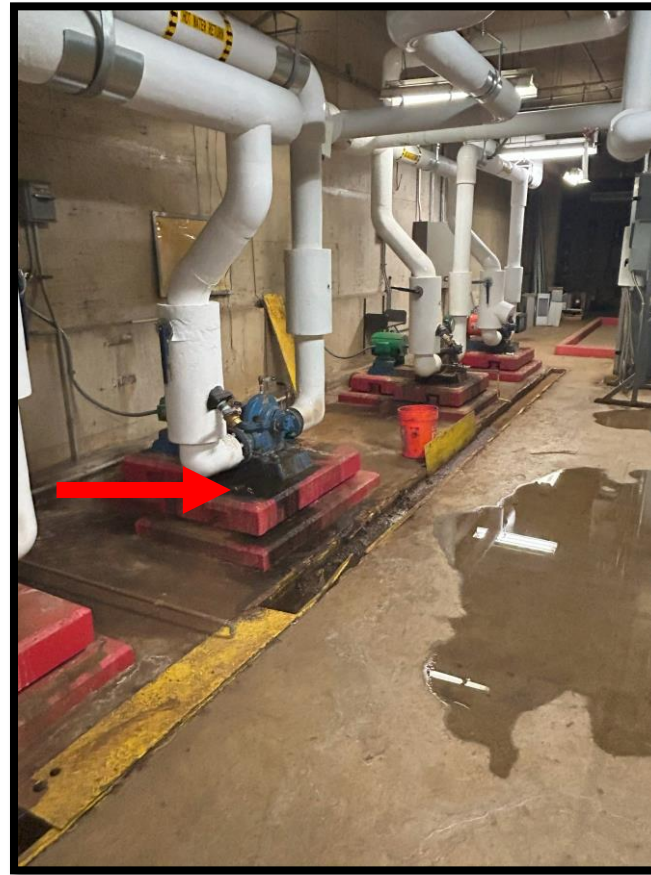


Example: Interior Water Infiltration



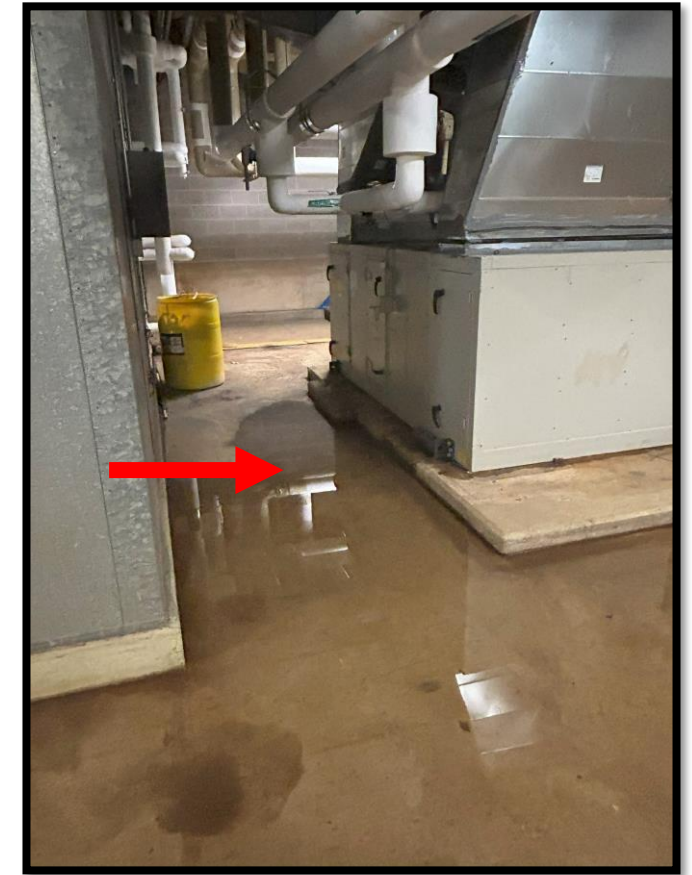
8th floor water infiltration

Example: Obsolete HVAC Infrastructure



Antiquated and leaking HVAC pumps

Example: Interior Water Infiltration



8th floor water infiltration

Deferred Maintenance



Example: Non-Compliant Code



Obsolete electrical subpanel

Example: Obsolete Equipment



Non-functional and obsolete emergency generator

Example: Deferred Maintenance



Restroom facilities beyond serviceable life



Previous Major Maintenance/Emergency Repairs



Example: Garage Structural Failures

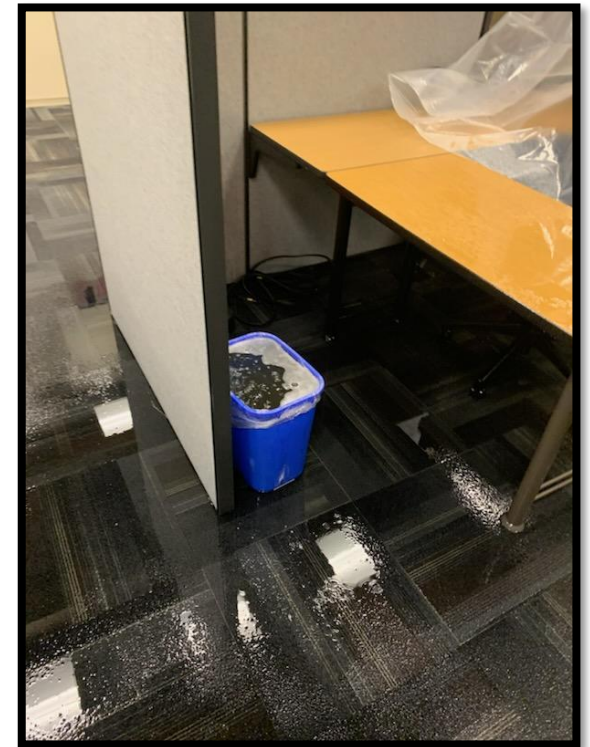
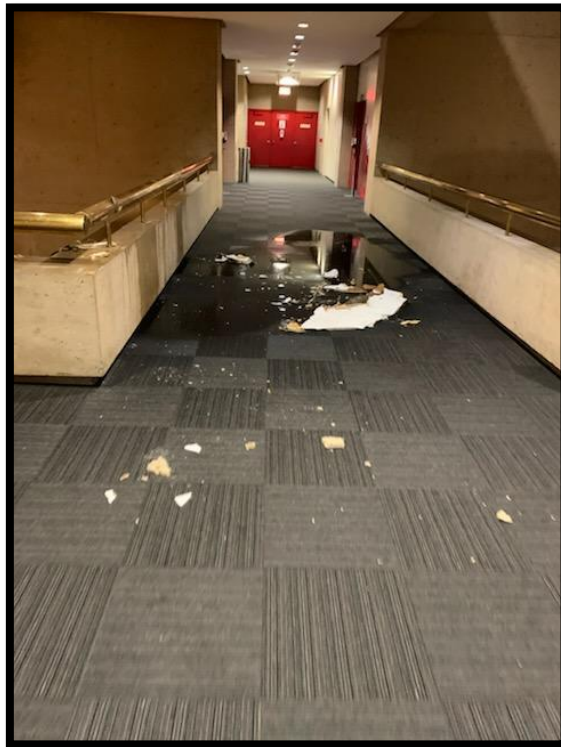
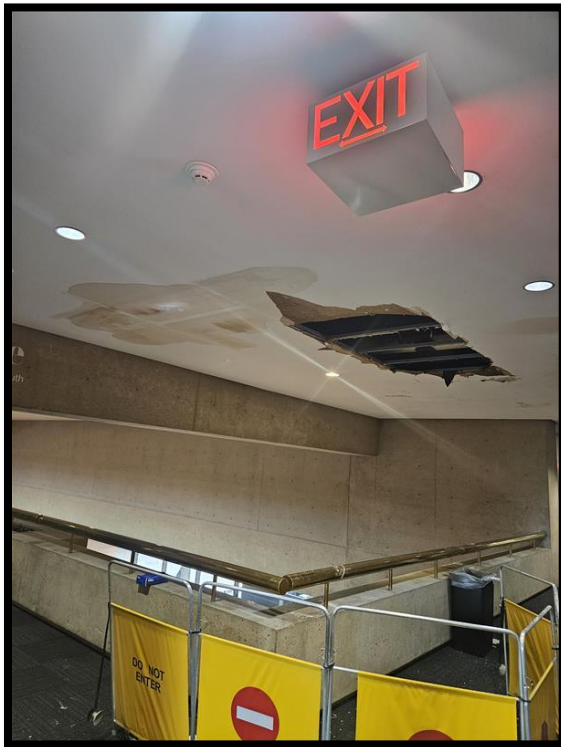


Structural failure: garage ceiling concrete spalling

Previous Major Maintenance/Emergency Repairs



Example: Plumbing Infrastructure Failure



Plumbing failure: collapsed ceiling, water damage, and multi-level water damage



Previous Due Diligence



- Beginning in 2023, the Government Performance and Financial Management (GPFM) Committee began focusing on ways to improve building utilization and stewardship of assets
- In September 2024, GPFM tasked staff to conduct a space planning review of City Hall and Oak Cliff Municipal Center (OCMC) to identify underutilized areas that could potentially be repurposed
- A design and engineering firm was engaged to evaluate the feasibility of consolidating operations from OCMC to City Hall
- Following the assessment and high-level infrastructure review, staff discovered that City Hall's constraints included:
 - Insufficient square footage to house all requested functions
 - Inadequate restroom capacity and ADA compliance
 - Infrastructure limitations (electrical, HVAC, and plumbing)
 - Inadequate parking available for staff, visitors, customers, and fleet vehicles
 - Current ingress and egress locations are insufficient to support increased traffic



Operational Reality



- City Hall generates frequent maintenance requests from the Mayor and Council, employees, and visitors related to myriad issues
- Frequent complaint categories:

- Plumbing
- Electrical
- HVAC (hot/cold)
- Water Infiltration
- Elevator malfunctions

Frequent Requests by Type	FY2024	FY2025
Plumbing	683	833
Electrical	588	627
HVAC	285	267

- Major maintenance and emergency repair work often disturbs operations
- Noise, vibration, dust, odors, etc., present challenges to staff in daily responsibilities
- Large-scale, excessively noisy, or disruptive projects would likely require the temporary closure of the facility



Operational Reality



Deferred maintenance has created significant operational challenges that affect both the functionality of the facility and the people who work in it.

Current Impacts of Deferred Maintenance:

- Standing water and ongoing water infiltration in the parking garage
- Damage to facility contents; costly mold testing and abatement required
- Inefficient heating and cooling due to aging systems and outdated controls
- Portions of the facility are unusable and non-compliant with current Code (e.g., 7th Floor Cafeteria kitchen)
- Inadequate electrical capacity causing operational issues (e.g., Council Chambers breaker trips)
- No ability to expand EV charging infrastructure to support future fleet electrification
- Emergency repairs often disrupt City operations (e.g., 911 call center flooding)
- Major maintenance projects cause noise, vibration, and other impacts that interrupt daily work (e.g., Boiler replacement)



Operational Reality



Future Impacts of Continued Deferred Maintenance:

- Major capital investment is needed to address City Hall's aging systems and infrastructure, supported by an identified funding strategy
- Continued deferral of maintenance will drive recurring system failures, costly emergency repairs, and potential secondary damage to the building and its contents
- Failures in critical systems (HVAC, plumbing, electrical) create life-safety and operational risks, and could force temporary closure of City Hall, disrupting Council, administration, and critical emergency services
- **The City is at an inflection point: either begin addressing the significant investment needs or accept the potential risks, costs, and disruptions of deferred maintenance**



Considerations for Next Steps



City Council feedback and direction is requested to guide which option, or combination of options, should be pursued moving forward.

Option One – Maintain Status Quo

- Continue operating City Hall as is, addressing issues as they occur.
- Deferred maintenance will grow, leading to more frequent and costly failures.
- Risks include property damage, service disruptions, and potential temporary closures.



Considerations for Next Steps



Option One – Maintain Status Quo

- Continuing to operate “as-is” is likely the most expensive path over time.
- Emergency repairs cost significantly more than planned investments and often cause additional damage.
- Future system failures could disrupt critical operations and may even force the temporary closure of City Hall.
- Because repairs happen only after failures, total costs are unpredictable and can escalate quickly.



Considerations for Next Steps



City Council feedback and direction is requested to guide which option, or combination of options, should be pursued moving forward.

Option Two – Plan and Fund Repairs

- Use Facility Condition Assessment (FCA) results to set priorities and guide future major maintenance investments.
- Develop a phased plan and funding strategy to address deferred maintenance.
- Fund through selling surplus assets, annual budgets, and/or future bond programs.



Considerations for Next Steps



Option Two – Plan and Fund Repairs

- FRM is preparing to launch a formal procurement for a comprehensive FCA before the end of the year.
- Once awarded, the assessment is expected to take between 18-24 months to complete.
- An FCA will provide the data needed to plan repairs, but funding those repairs will be difficult.
- Estimated repair costs for known needs range from \$152M - \$345M and identifying available funding will be challenging.
- Additional bond funding/capacity may not be available for several years and proceeds from surplus sales are unlikely to fully cover costs.
- Consideration of best use for a large investment into 50-year old building or other alternative use of resources.



Considerations for Next Steps



EXECUTIVE SUMMARY

	Base Case (Remain at City Hall)
Total RSF	640,332 SF (14.7 Acres) (Approx 411,000 SF Bldg)
Term	120 Months
FINANCIAL RESULTS	
Total Operating Expenses	\$61,904,948
Security	\$48,148,293
Deferred Maintenance	\$250,000,000
Annual Deferred Maintenance Capital Charge	\$125,000,000
Move / Staging Cost	\$35,000,000
Total Occupancy Costs	\$520,053,241
Average Annual Occupancy Cost	\$52,005,324

Notes:

Analysis assumes Annual Security Cost of \$4,200,000 for 10 years with 3% annual increases.

Analysis assumes Deferred Maintenance Cost of \$250,000,000 with bond interest of 5% with an implied Annual Capital Charge of \$12,500,000 for 10 years. Projected Cost is estimated to be \$150-400M.

Analysis assumes Move / Staging Cost of \$35,000,000.

Operating Expenses is currently \$5,400,000. Assumes that operating Expenses increase annually by 3%.

This analysis does not account for economic development and redevelopment of the CBD.



Considerations for Next Steps



City Council feedback and direction is requested to guide which option, or combination of options, should be pursued moving forward.

Option Three – Explore Alternatives

- Evaluate other long-term options as directed by City Council.
- May include leasing, selling, redeveloping, or constructing a new City Hall.



Considerations for Next Steps



Option Three – Explore Alternatives

- Exploring alternatives allows the City to evaluate what option best serves long-term operational and financial needs.
- Other comparable organizations have relocated after similar reviews and their case studies can inform the City's approach if Council explores that direction.
- Council direction is essential to define current priorities
 - Reinvest in City Hall
 - Lease space elsewhere
 - Replace City Hall
- Explore opportunities to consolidate or colocate departments, which is not feasible within the current City Hall



Considerations for Next Steps



City of Fort Worth
Old



New



Dallas Independent School District
Old



New



City of Tulsa
Old



New



City of San Jose
Old



New



Considerations for Next Steps



Harwood Center



Ross Tower



Renaissance Tower



The Sinclair



717 N Harwood



Bank of America
Plaza



Comerica Bank
Tower



1700 Pacific



Dallas Arts Tower



One Main



Fountain Place



State of Dallas City Hall

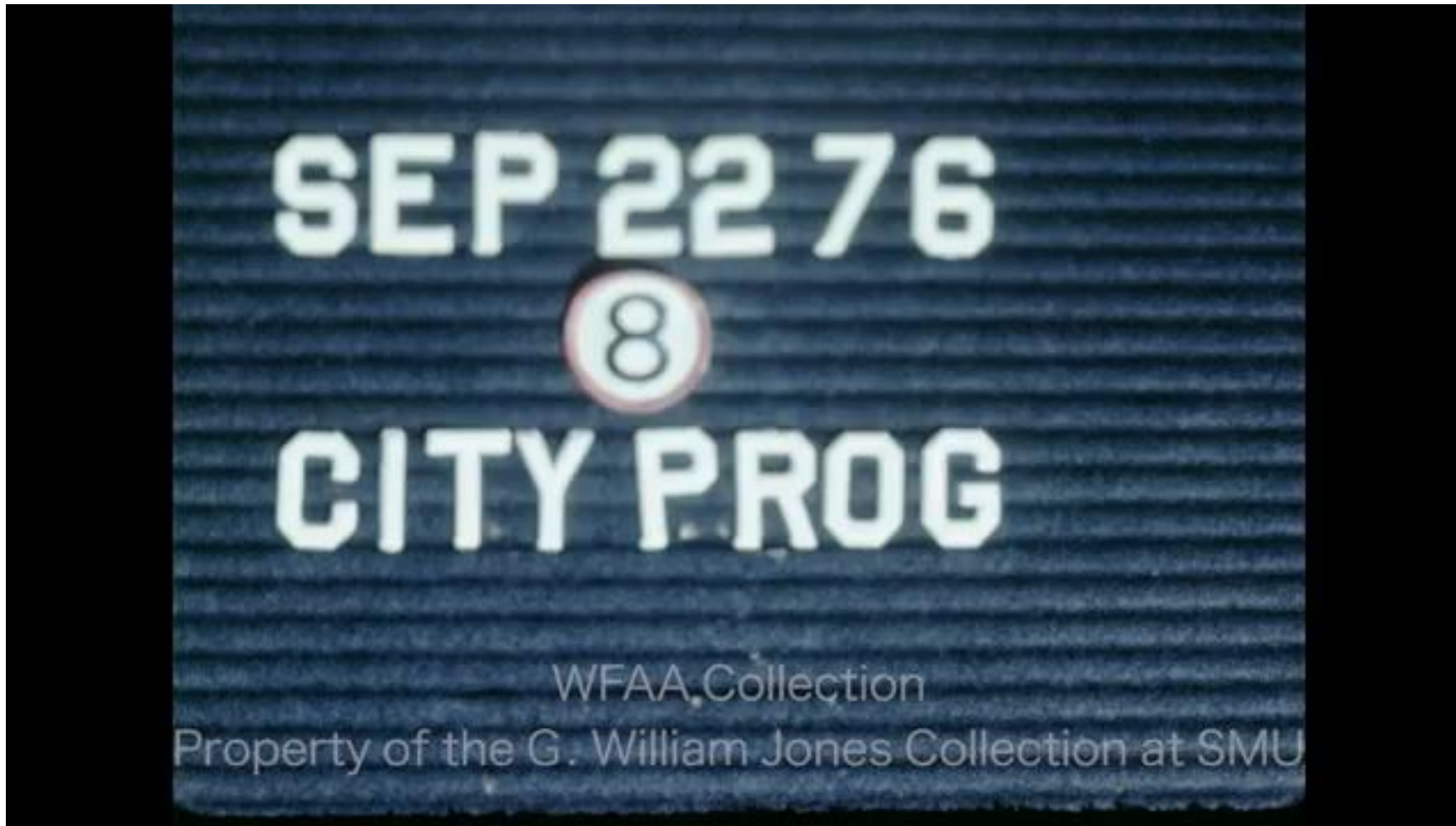
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Appendix



Link: <https://www.youtube.com/watch?v=H096PHtbz3g>

Source: G. William Jones Collection at SMU via YouTube

