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Update on the Assessment of Dallas City Hall

City Council

March 4, 2026

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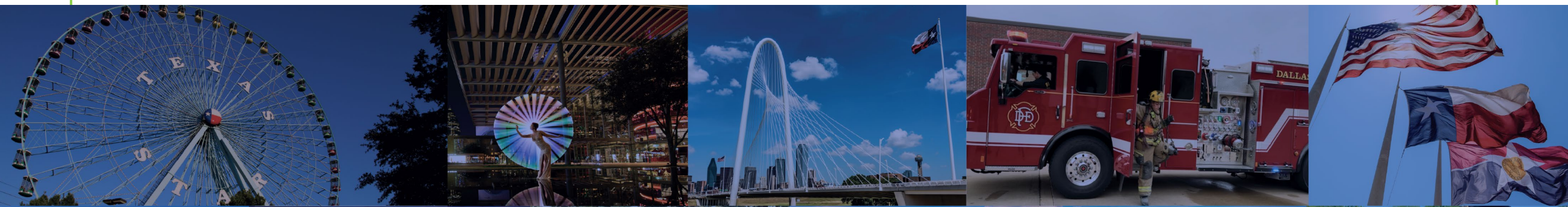

Finance Committee Follow-up

- Peer municipalities 911/EOC Operations Locations
- Technology Infrastructure: Current State vs. Estimated Improvements
- Expanded Detail: Asbestos Report
- Real Estate Market Summary
- Appendix
  - February 23rd Finance Committee Meeting Briefing
  - Deferred Major Maintenance Funding Overview

Peer Municipalities 911/EOC Operations Locations

Peer Municipalities 911/EOC Operations Locations

In response to City Council inquiry about housing 911/EOC operations outside or inside of City Hall, staff conducted research of industry standards for locating 911/emergency communications centers.

Additionally, staff explored best practices from peer municipalities with 250,000+ population.

Industry Standards for Location of Emergency Communication Center

The Association of Public Safety Communications Officials (APCO) and National Emergency Number Association (NENA) have developed standards for the location of emergency communication centers.

- APCO International is the world's largest organization of public safety communications professionals.
- NENA is an organization whose mission is to foster the technological advancement, availability, and implementation of a universal emergency telephone number system in the United States.

Industry Standards for Location of Emergency Communication Center

*Excerpts from the standards for the location of emergency communication centers as prescribed by APCO and NENA are below:

- The Communications Center shall be located in its own building or separated from other portions of joint use buildings.

- The Communications Center should be separated by approved fire barriers when located in joint use buildings.

*ANS APCO/NENA 1.102.3.2020, page 29

911/EOC Locations (Cities with 250,000+ Population)

Located within City Hall (YES)/(NO)

City	911	EOC	Notes
Dallas, TX	YES	YES	
Plano, TX	YES	NO	911 is scheduled to relocate to a new facility in 2027
Philadelphia, PA	NO	NO	Located in separate facility
San Antonio, TX	NO	NO	Located in separate facility
Cincinnati, OH	NO	NO	Located in separate facility
Fort Lauderdale, FL	NO	NO	Located in separate facility
Portland, OR	NO	NO	Located in separate facility
Austin, TX	NO	NO	Located in separate facility
Fort Worth, TX	NO	NO	Located in separate facility
Charlotte, NC	NO	NO	Located in separate facility
Glendale, AZ	NO	NO	Located in separate facility
Aurora, CO	NO	NO	Located in separate facility
Greensboro, SC	NO	NO	Located in separate facility
Chula Vista, CA	NO	NO	Located in separate facility

Technology Infrastructure: Current State vs. Estimated Improvements

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Technology Infrastructure: Current State vs. Budgeted Improvements

Current State of Dallas City Hall

AV / Broadcast

- Aging broadcast equipment — multiple voting systems are end-of-life; Portable-only AV for lobby/events. No standardized conferencing across meeting rooms.

Low-Voltage / IT

- Single IDF per floor — no redundancy if a closet fails. Mixed-age switching gear. No dual-port workstation cabling. Limited Wi-Fi density. On-premises PBX phone system.

Security (ESS)

- Insufficient panic buttons. No elevator access control. No electronic turnstiles or systematic visitor tracking. Limited camera coverage at IDF/MDF rooms.

DAS / Cellular

- Basic cellular boost for interior coverage. Aging infrastructure with limited carrier support.

Acronym Legend
ESS – Electronic Security Systems
IDF – Intermediate Distribution Frame
MDF – Main Distribution Frame
DAS – Distributed Antenna System
LPR – License Plate Recognition

All figures are rough order of magnitude estimates. Scope includes AV, low-voltage cabling, IT network, security, sound masking, and DAS.

Estimated Improvements to Dallas City Hall and EOC

AV / Broadcast - $17.4M (City Hall $13.3M, EOC $4.1M)

- New conferencing & voting system replacing existing system (Council Chambers). New display systems across 300+ rooms. Full broadcast production studio, L1 auditorium with control room, and dedicated Council Chambers control room. Video conferencing in all collaboration spaces.

Low-Voltage / IT - $12.8M (City Hall $8.2M, EOC $4.6M)

- Dual IDFs per floor with failover. New robust switching gear. Dual-port Cat6/Cat6A cabling to every workstation. High-density Wi-Fi 6E/7 coverage. Cloud-ready network supporting cloud calling (no on-premises phone system required).

Security (ESS) - $12.4M (City Hall $9M, EOC $3.4M)

- Sufficient panic buttons with strobe/dispatch integration. Badge-controlled elevator access on all cabs. Electronic turnstiles at all building entries with badge-in/badge-out. Full visitor management with LPR. More robust camera system. IDF/MDF badge-in/badge-out accountability.

DAS / Cellular - $2.3M (City Hall $1.5M, EOC $0.8M)

- Full multi-carrier DAS (AT&T, Verizon, T-Mobile). Life Safety DAS per NFPA requirements. FirstNet/P25 public safety band support. 5G capable.

Expanded Detail: Asbestos Report

Asbestos Report: Environmental Findings

Flooring and Other Surface Finishes

- ***Several vinyl floor tiles and associated black and brown mastics*** including floor tiles below other flooring layers found on several floors
- ***Mortar associated with white ceramic floor and wall tiles*** in restrooms from floors L2 through 7
- ***12" x 12" Ceiling Tile Puck Mastic*** on L1 floor

HA 17: 1" x 1" Ceramic Floor Tile (White)

HVAC Duct Mastic

Beige duct mastic on HVAC ductwork above ceilings and in duct chases throughout the building

HA 58: 4" TSI Pipe Insulation Runs (Tan)

Thermal System Insulations

Hard-pack pipe insulation found in generator room

4" pipe insulation runs located throughout the building above ceilings and wet walls classified

These materials are friable and require careful handling.

Asbestos Remediation Concerns

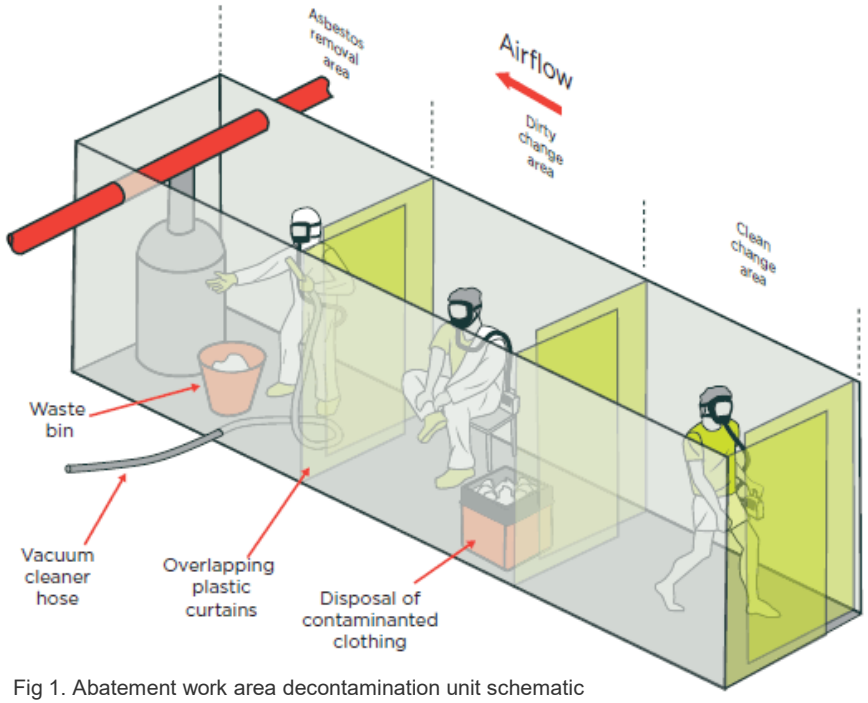


Fig 1. Abatement work area decontamination unit schematic

Kickoff Delays/Complexity

Federal and state regulations require advance notifications of occupants that asbestos abatement project will be performed in building.

Building remaining occupied will limit and/or prevent exploratory demolition to confirm the extent and presence of additional Asbestos Containing Materials (ACMs), which will likely lead to change orders during abatement/construction.

Engineering Controls/Work Area Setup

Abatement activities will be performed under negative pressure enclosures, and building remaining occupied will significantly impact the allowable design of work areas and associated High Efficiency Particulate Air (HEPA) filtration, decontamination areas, and waste loadout areas.

Abatement contractors may opt to perform abatement activities during off-hours, which would incur overtime costs.

Added Risk of Asbestos Exposure and Additional Air Monitoring Requirements

Public occupancy of building would require additional outside work area air monitoring, and potential re-cleaning of work areas to achieve acceptable final clearance air sampling results.

Risk of public exposure of airborne asbestos due to negative pressure work area breach.

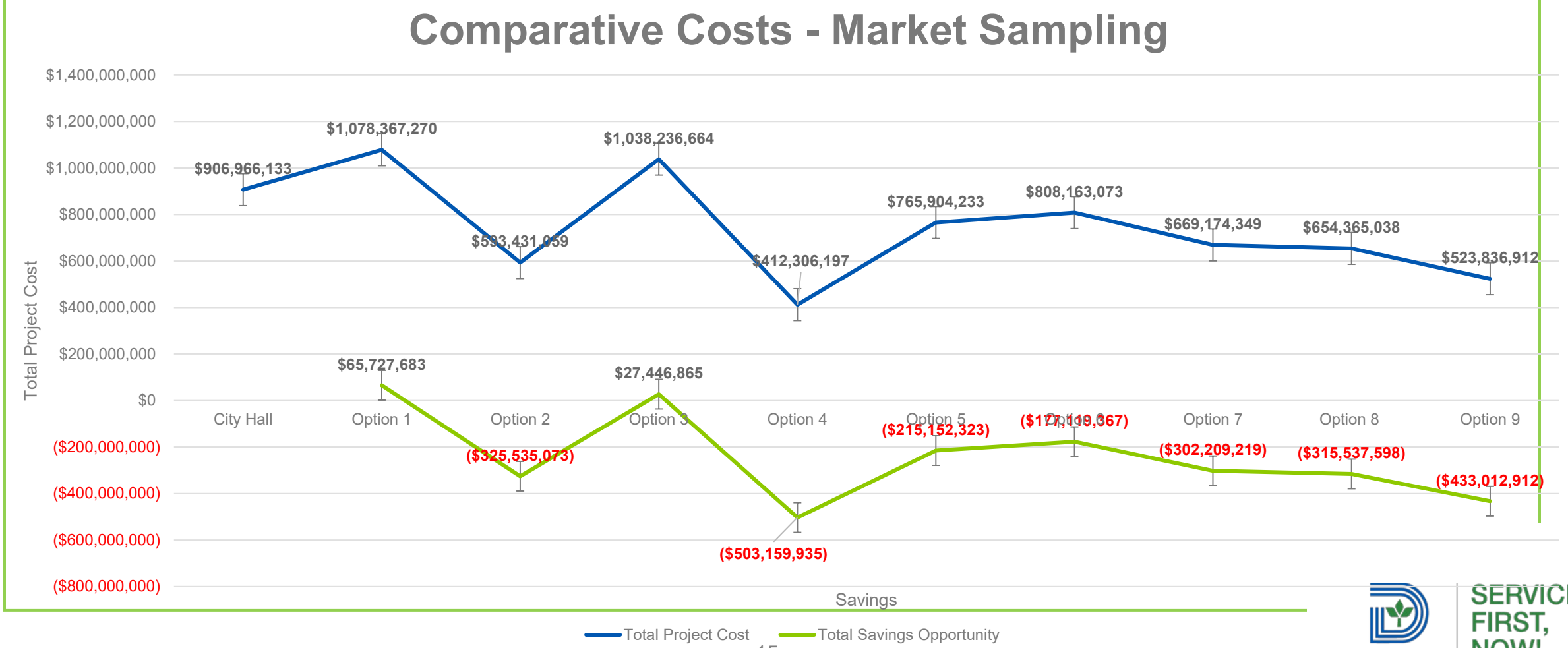
Real Estate Market Summary

Comparative Cost Savings – Select Locations from Dozens of Proposals

- **Unnegotiated Samples**
- **Deliberately Conservative Assumptions (CapEx) –** equal treatment on "Modernization" and Systems
- **Many solutions with $200M of savings – some exceeding $500M**
- **Record high vacancies in CBD and looming refinancings create unique window of opportunity**

Location	Surplus Capacity for Other Departments	Systems Investment Included?	Square Ft Thesis	Council Chambers/Plaza	Total Project Cost	Savings w/o Sale
City Hall	No	Yes	TBD	Existing	$906,966,133	
Option 1	No	Yes	Most efficient	On-site	$1,078,367,270	$65,727,683
Option 2	Yes	Yes	Efficient	On-site	$593,431,059	($325,535,073)
Option 3	Yes	N/A	Most efficient	Turn-Key New	$1,038,236,664	$27,446,865
Option 4	Yes	Yes	Efficient	Turn-Key New	$412,306,197	($503,159,935)
Option 5	Yes	Yes	Efficient	On-site	$765,904,233	($215,152,323)
Option 6	No	Yes	Efficient	Turn-Key New	$808,163,073	($177,119,367)
Option 7	No	N/A	Most efficient	Turn-Key New	$669,174,349	($302,209,219)
Option 8	Yes	Yes	Inefficient	On-site	$654,365,038	($315,537,598)
Option 9	Yes	Yes	Efficient	On-site	$523,836,912	($433,012,912)

Comparative Cost Savings – Select Locations – Market Proposals



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Thank you

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Appendix

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February 23rd Finance Committee Meeting Briefing

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Memorandum

CITY OF DALLAS

DATE February 20, 2026

TO Honorable Members of the Finance Committee: Chad West (Chair), Kathy Stewart (Vice Chair), Zarin Gracey, Maxie Johnson, Jesse Moreno, Jaime Resendez, Gay Donnell Willis

SUBJECT **Assessment of Dallas City Hall**

Access the final reports at the following link: Dallas City Hall City Hall Analysis Reports

If you have any questions please contact Donzell Gipson, Assistant City Manager at donzell.gipson@dallas.gov

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Donzell Gipson
Assistant City Manager

c: Kimberly Bizor Tolbert, City Manager
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
Directors and Assistant Directors

City of Dallas

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Assessment of Dallas City Hall

Finance Committee

February 23, 2026

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Corgan, Architecture & Design

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Background – Mayor's Policy Direction

In an August 29, 2025 memorandum the Mayor laid out the City Council Committee assignments and gave each a "**Policy Priority**" for the 2025-27 City Council term.

For the Finance Committee, the Policy Priority is denoted below:

> "Determine whether Dallas City Hall and other municipal facilities effectively support City operations and **best serve the citizens** of Dallas; Consider all potential options and **identify the most fiscally responsible course** to address the mounting deferred maintenance and carrying costs of Dallas City Hall"

Background - Finance Committee

On October 21, 2025, staff provided a briefing on deferred maintenance at City Hall and requested policy direction to include:

Option 1 - maintain status quo

Option 2 - plan and fund repairs

Option 3 - explore alternatives for a new City Hall

On November 3 and 4, 2025, staff provided an update to the Finance and Economic Development Committees. The Committees discussed the need for:

- Additional analysis on deferred maintenance
- Future Exploration of **"Option 3"** for policy consideration

Background - City Council Policy Direction

November 12, 2025, City Council Resolution

The City Council Resolution tasked staff to complete the following:

- Evaluate Office Space Needs
- Review Available Office Space in the market
- Lease, Buy, or Build Analysis
- Review City Hall Needs and Costs
- Market Study, Economic Impact Analysis and Appraisal

City Manager engaged Dallas Economic Development Corporation (EDC) to support the production of the requested deliverables

Purpose of Today's Meeting

- ❑ Respond to deliverables from the City Council Resolution
- ❑ Seek policy direction to guide next steps

Dallas Economic Development Corporation (EDC) Team

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Industry Leading Teams

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Global Infrastructure

CORGAN
Design & Workplace Consulting

CBRE
Commercial Real Estate
& Environmental Assessment

OMS
Commercial Real Estate

SCHMIDT & STACY
Mechanical Electrical & Plumbing Engineers

URBAN STRUCTURE
Structural Engineering

aD by ACCESS by DESIGN
ACCESSIBILITY CONSULTANTS
Accessibility Consultants

- **Over 80 participants** in the project
- **1,000's of hours** of inspections and reviews
- **Over 15 days** in the facilities
- Technical reports can be reviewed here

NTi
Network Technologies

Belhaven, llc
BUILDING SCIENCE RESEARCH I DESIGN I CONSULTATION
Water Infiltration

The Status Quo

- City Hall is a 47-year-old building with all systems past their useful life.
- Mechanical, Plumbing, Heating, Air Conditioning and Electrical systems cannot meet modern standards and usage.
- The majority of repairs done to-date have been reactive to system failures.

Key Findings

- **Fully Updated City Hall is estimated to cost a minimum of $906M**

Corrective Repairs (Assumes Unoccupied Building)	$329M
Temporary Relocation (Assumes 5 years)	$113M
Financing (20-year)	$299M
Make City Hall move-in ready	$165M

- Fully updating City Hall will **cost much more** than corrective repairs due to required code and ADA upgrades, temporary relocation, and financing costs.
- Building systems such as plumbing, HVAC, electrical are **beyond their useful life.**
- In-place renovation is not recommended due to **increased construction cost, extended construction timeline, operational disruptions, and environmental considerations.**
- The occupancy evaluation revealed opportunities to make City services **easier to access, use less space, and optimize** the city's real estate portfolio, regardless of location.
- The real estate market engagement revealed **favorable conditions and cost-effective** relocation solutions as compared to the renovation cost estimate.

Council Policy Direction: Evaluate Office Space Needs

Corgan: Local Workplace Experts

87 YEARS

IN BUSINESS

HQ'd in Downtown Dallas

600+

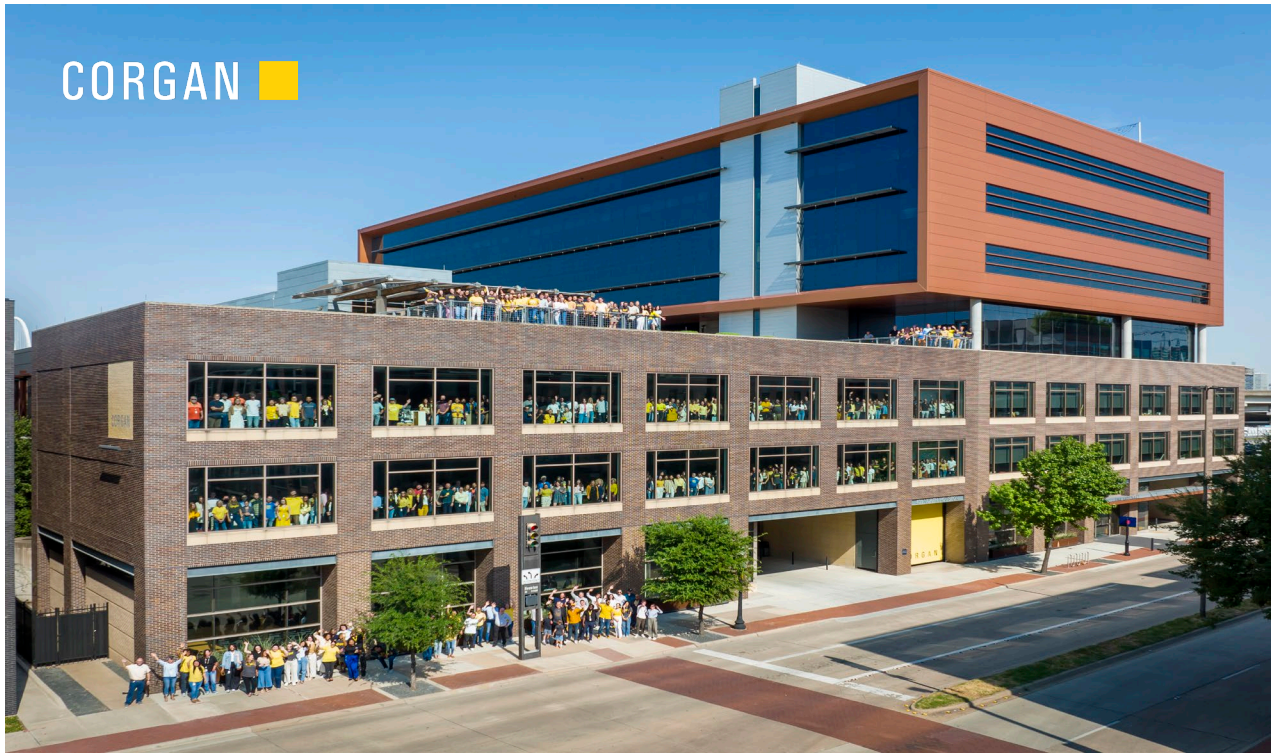
EMPLOYEES

in Dallas

50M+ SF

OFFICE DESIGN

Past 5 Years



#1

ARCHITECTURE FIRM

ENR Texas & Southeast

#7

U.S. INTERIOR DESIGN GIANT

Interior Design Magazine

#4

U.S. ARCHITECTURE FIRM

Building Design + Construction

Occupancy Evaluation & Programming Methodology

To support plans to stay in current facilities, or the search for alternative real estate options, Corgan assessed the following workspace needs that would support a 20-year timeframe:

- Quantity of space required for public services, ceremonial, workspace, and support functions
- Parking needs for employees, fleet vehicles and public visitors
- Group adjacency and location needs related to other groups, public access, parking or physical resources

Comprehensive process - proven tools and expert analysis:

To inform our recommendations, we used existing information, conducted information gathering engagements, and factored in industry best practices informed by our research and work with other clients.

Extensive access was provided:

18 Programming Meetings & Review Sessions

60+ Participants

Mayor and City Council teams	Sustainable Pillar
Core Pillar	City Auditor's Office
Safe Pillar	Livable Pillar
Location Scenarios Work Session	City Attorney's Office
Ceremonial Functions	Vibrant Pillar
Fiscally Sound Pillar	Emergency Services Programming 1
Growing Pillar	Emergency Services Programming 2
City Secretary's Office	Preliminary Program Review
Office of Inspector General	Executive Program Review

2 Comprehensive Workspace Tours:

City Hall
Oak Cliff Municipal Center

Current Space Planning

Pain points and challenges:

- Building arrangement creates challenges related to **wayfinding and security**
- **Lack of meeting space** availability due to number and departmental ownership of rooms
- Piecemeal space renovations have resulted in **inconsistencies and inefficient** use of space
- Building design and structure **limits renovations** to support current needs
- Earlier space planning adjustments have **decreased functionality of building systems** such as HVAC

Space Planning

Opportunities for improved function and experiences:

- Increase **space efficiency** by sharing workspace resources such as conference and training rooms, break and other support spaces
- Supporting collaboration with **ideal departmental adjacencies.**
- Improved **quantity and quality of meeting spaces** for City staff, City executives, and public engagements
- **Meeting current standards** for workspace wellness spaces such as Mother's and Decompression rooms
- Universal space planning strategies can **increase future flexibility**
- Improved access and **wayfinding for public functions and services**
- **Improved accessibility** for individuals with limited mobility

Major City Workspace Locations

CITY HALL

CONSOLIDATED: 500,000 USF

One or more office spaces to support the majority of current city hall functions.

PRIMARY IF TWO LOCATIONS:
205,000 USF

ANNEX IF TWO LOCATIONS:
300,000 USF

CEREMONIAL & PRIMARY

Ceremonial spaces, workspace amenities and office space for primary city hall departments supporting the Council, CMO and Mayor.

POTENTIAL ANNEX

Office space for groups that don't work with Council, CMO and Mayor daily.

RELOCATED FUNCTIONS:
- DATA CENTER, CITY SECRETARY RECORDS CENTER
- 911 & DPD DISPATCH, FIRE DISPATCH
- 311 CONTACT CENTER
- EMERGENCY OPERATIONS CENTER & OEM

OCMC - OAK CLIFF MUNICIPAL CENTER

City-owned site ideal for fleet-heavy groups or groups with field workers that need touchdown workspace.

RELOCATED FUNCTIONS:
- PERMIT CENTER MOVED TO CITY HALL

Current Building Size: 164,000 SF

SAFETY COMMUNICATIONS AND EMERGENCY OPERATIONS CENTER

Critical dispatch and call center functions, currently located in city hall, ideally located in a special hardened and weather-proof facility.

140,000 USF / 165,000 GSF

AUXILIARY NEEDS ACCOMODATED VIA SERVICE CONTRACTS

Data Center

File storage via Iron Mountain can remain

City Hall Experiential Needs

Ideal Building Attributes & Assumed Amenities

Public Gathering / Plaza: Ground-level outdoor space that could support public gatherings or City-hosted events.

Access, Transportation and Parking:

- Easy access to the City Hall lobby will be important for efficiency of visitors coming to lobby bill pay functions
- DART Access is critical for the visiting public and beneficial for employees; with convenient access to a rail line stop being most ideal
- Parking:
  - Convenient visitor parking
  - Available reserved parking
  - Covered / Structured
  - Options for parking larger vehicles (Class 2 Trucks)

Building-Provided Amenities:

- Cafeteria or Grab-n-Go
- Fitness Center

Security:

- Dual Power Feeds
- Dual Internet Feeds
- Secured Parking
- Additional Requirements To-Be-Determined

Council Policy Direction: Market Engagement

About CBRE & OMS

CBRE

The Global Leader in Commercial Real Estate Services and Investments

OMS STRATEGIC ADVISORS

With services, insights and data that span every dimension of the industry, we create solutions for clients of every size, in every sector and across every geography.

The Global Market Leader

#128 2025 Fortune 500 Ranking	$35.8B 2024 Company-Wide Revenue	$332.9B 2024 Total Transaction Value	Dallas HQ 2025
100+ Countries where CBRE Serves Clients	140,000 Employees Globally	500 Global Offices	100+ Public Sector Clients

An Unparalleled Bench of Subject Matter Experts

- Government
- Office
- Healthcare
- Banking & Financial Services
- Energy, Oil & Gas
- Nonprofit
- Industrial
- Education
- Land
- Food & Beverage
- Sports & Leisure
- Retail
- Mixed Use
- Corporate
- Infrastructure & Public Enterprise
- Life Sciences
- Aerospace & Aviation
- Corporate Capital Markets
- Land, Agriculture & Natural Resources
- Data Centers

Public Sector Specialists

CBRE

Managing projects to align real estate with your mission, employees, and citizens

OMS STRATEGIC ADVISORS

Travis County, TX - $430 million ground lease on downtown urban infill parcel; proceeds funded construction of new civil and family court complex also structured by CBRE.

Dallas County, TX - A 10-year relationship resulting in over 60 assignments across various transaction types, including strategic planning, acquisitions, dispositions, valuation, due diligence, creative transaction structuring, and disposition of multiple assets.

City of Austin - Multi-year exclusive relationship resulting in the development or acquisition of multiple consolidated government centers and departments. Award-winning P3 transactions for Austin Energy, Planning & Development Center.

CBRE/OMS Market Engagement

- **Methodology** included comprehensive review of all project data and comprehensive market engagement for all programming provided by Corgan
- **Solicitation** – hundreds of parties contacted; expansive City-wide search
- **Market Excitement** – dozens of proposals received – leases, purchases, lease-to-own, joint-ventures; existing assets and build-to-suits (new construction)
- **Compelling Business Case –** multiple opportunities provide financial benefit, consolidation opportunities, and unlock portfolio optimization
- **Favorable Market Timing**

Council Policy Direction: Lease, Buy, or Build Analysis

Lease | Buy | Build

- **Market response has been favorable** for all space requirements (i.e. City Hall and Safety Communications and Emergency Operation Center)
- Market has proposed flexible occupancy structures including:
  - Lease
  - Lease-to-Purchase, Owner-Financed, or Alternative Amortizing Structures
  - Purchase
  - Build-to-Suit
- Select options have **existing streams of income**, offsetting the potential City costs
- CBRE applied local market data from comparable projects, and peer benchmarks, to formulate and refine inputs on costs to create a normalized model for scenarios
- Preliminary findings reveal **acquisition (lease or purchase)** to be **the least costly option**, with similar higher costs between renovation and new construction
- Continued engagement will yield more complete financial terms for the City (i.e. operational costs, financial structures/flexibility, and risk considerations)

Space Planning and Real Estate Efficiency Options

- Market engagement revealed **multiple property options with excess space** (100,000 sf+) that can accommodate other City owned/leased facilities
- Space planning of locations with support from Corgan and CBRE data will solidify most efficient and effective occupancy strategy
- Additional City facilities, including Oak Cliff Municipal Center and the Central Service Center, are **under consideration for consolidation and disposition/redevelopment** to a higher & better use
- Market engagement **fulfilled resolution goals** – transitioned from theoretical to actual proposals, with hard data to formulate comparative analysis and discern opportunities for financial and programmatic stewardship.

Council Policy Direction: Review City Hall Needs and Costs

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Environmental Site Assessment (ESA)

CBRE performed the Phase I ESA with in-house personnel and subcontracted UES to perform the onsite survey for the asbestos-containing materials survey.

- The Asbestos-Containing Materials (ACM) Survey found ACM in the building.
- ACM was **found throughout the building**, including asbestos-containing flooring materials, ceiling tiles, and thermal system insulations (TSI).
- The ACM survey did not include exploratory demolition; therefore, additional asbestos-containing TSI and other ACM is **likely present in** inaccessible wall cavities and mechanical chases.

Note: Asbestos disturbed during renovation must be abated.

Left undisturbed, it causes no immediate risk to human health.

AECOM

AECOM is the global infrastructure leader, committed to delivering a better world.

Our team's partner with public and private sector clients to create innovative solutions throughout the project lifecycle – from advisory, planning, design and engineering to program and construction management.

ENR
Engineering News-Record

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WORLD'S MOST ADMIRED COMPANIES™ 2026

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Facility Condition Assessment (FCA) Approach Overview

FCA Guidance

- Guided by the industry standard ASTM 2018-24.
- Non-intrusive, visual evaluation of readily-accessible building systems.
- Focused on identifying significant facility and system needs.
- Performed by architects, engineers, and specialists.
- Interviews conducted with knowledgeable facility staff.

System Useful Life Data

- BOMA provides standardized expected useful life (EUL) ranges for common building systems and components.
- Establishes baseline design life for architectural, mechanical, electrical, and site systems.
- Supports portfolio-level capital planning and lifecycle forecasting.
- Design life values are modified based on:
  - Observed condition
  - Maintenance practices
  - Environmental/climate factors
  - Usage intensity

Cost Estimating Approach

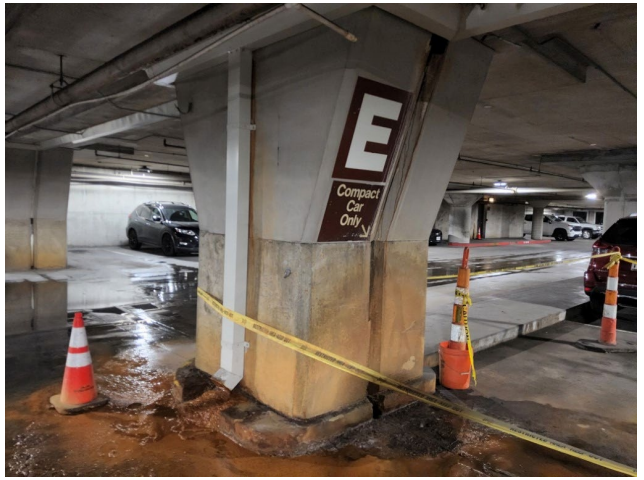
- Industry standard AACE (Class 5/4)
- Planning-level cost estimates for budgeting based on current conditions and available information.
- Uses current market pricing and typical repair approaches.
- Supports capital planning and project prioritization.
- Estimates refined as project timeline is established.

Summary of Assessment Findings

Key Findings

- Major building systems past / near end of useful life (repairs will not be sufficient, system replacements are required for continued occupancy of the building)
- Issues span exterior, core building systems, interiors, and the parking structure
- Too many systemic deficiencies to avoid substantial investment

Deteriorated Roof Membrane



Garage water intrusion managed by gutter and downspout

Original HVAC Equipment with Corroded Piping

Photos reflect field conditions observed during assessments held December 2025 / January 2026

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Summary of Assessment Findings

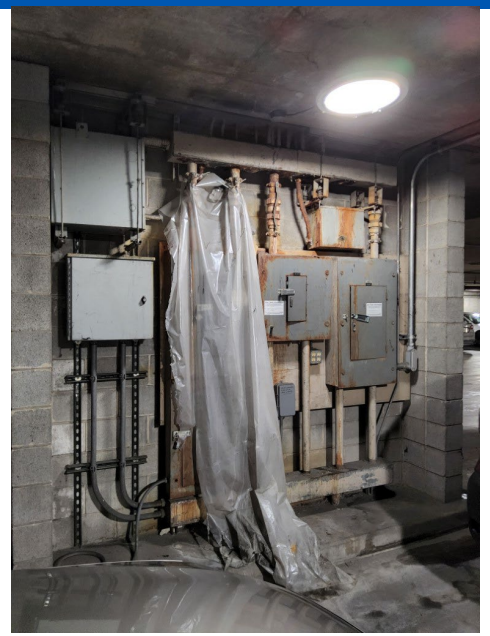
System Description	BOMA Useful Life (Years)	Estimated City Hall Asset Age (2026)
Roof	25	29
Exterior Windows	30-40	49
Plumbing Systems (Distribution)	30	49
HVAC Systems (Distribution)	20–30	49
Fire Protection Systems	30–40	37–49
Electrical Service and Distribution	30–40	49
Emergency Power Generation Systems	20-25	33–49

*City Hall construction 1972-1977

Key Recommendations- Representative Photos

Corrosion on Mechanical Piping

Deteriorated Finishes



Aged Electrical Distribution

Water Intrusion walls

- Comprehensive Emergency Power System Replacement
- Electrical Infrastructure Replacement
- HVAC System Upgrade
- Roof Replacement
- Replace Aged/Obsolete Clean Agent Fire Suppression Systems and Address Garage Fire Suppression Piping Reliability
- Building-Wide LED Lighting and Controls Upgrade
- Comprehensive Waterproofing and Plaza Deck Rehabilitation
- Garage Structural Concrete Rehabilitation

Mechanical/HVAC

Major Findings

Assets Do Not Meet Current Standards nor Needs

- Many Air Handling Units (AHUs) were original and had limited ability to meet current comfort, ventilation, and control expectations.
- Controls and system integration did not meet current standards for monitoring, optimization, or default detection.
- Data center's cooling systems operationally dependent on central condenser water infrastructure, emphasizing the importance of cooling system reliability for mission-critical operations.

Chiller Equipment Associated with Significant Long-term Capital Risks

- Chilled water plant was aged and requires planned replacement. Chillers rely on R-21 refrigerant subject to EPA phaseout regulations.
- Portions of chilled water and condenser water piping were original, with reported corrosion and degradation.

Corrosion visible to original condenser water piping (at roof).

Main chillers for building in need of replacement.

Back-up chillers for the data center in need of replacement.

Architectural

Major Findings

Roofing at End of Typical Service Life

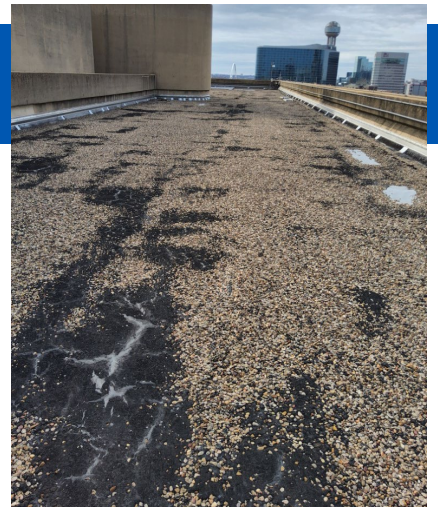
- Built-up and modified bitumen roof systems exhibit widespread deterioration including open flashings, membrane blistering, and base flashing failures.
- Ongoing maintenance is reactive and no longer effective long term.

Exterior Envelope Deterioration

- Original aluminum-framed windows and storefront systems were thermally inefficient, contributing to water intrusion risk and energy loss, and had exceeded their typical service life.
- City Hall exterior doors had exceeded their typical service life. Garage stairwell doors were severely corroded and damaged.

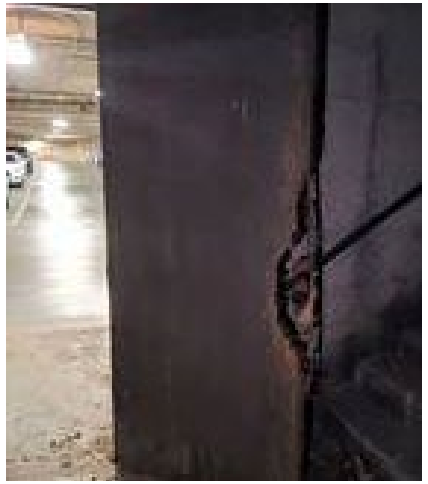
Interior Architectural Degradation

- Water-stained ceilings, damaged finishes, and localized deterioration were linked to roof and garage water intrusion.
- Aged and deteriorated interior flooring including Floor 2 and data center raised access flooring.

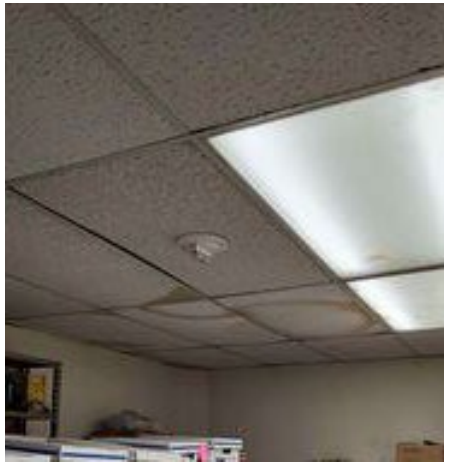


Typical condition of roof membrane, exhibiting widespread surface deterioration and nearing end of typical service life.

Original aluminum-framed windows do not meet current energy code requirements



Corroded interior door of parking garage interior stairwell



Water-stained ceiling tiles

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Electrical

Major Findings

Emergency Power System is a Critical Reliability Concern

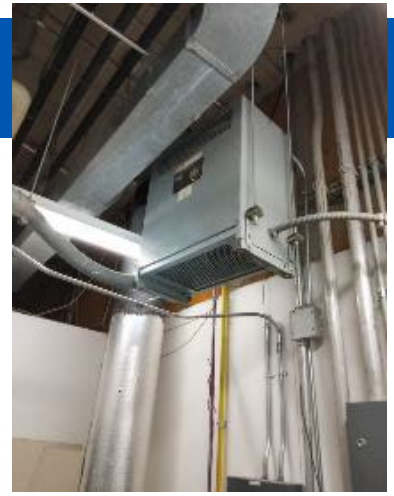
- Aged emergency generators, paralleling gear, and ATSs; replacement design completed, but implementation paused and funding reprogrammed, leaving undersized legacy systems in service to support mission-critical facility.
- Reliability risks remain until downstream distribution upgrades are completed.
- Electrical circuits serving the Council Chambers experience frequent tripping and requires additional capacity.

Original Switchgear and Distribution Equipment Remain in Service

- Legacy electrical equipment has exceeded typical service life and presents increased risk of failure with lack of parts availability. City has confirmed multiple sub-transformers contain polychlorinated biphenyl (PCB)-containing oil.

Antiquated Lighting Systems

- Generally functional, many lighting systems rely on outdated fixtures and technologies.



Aged electrical distribution equipment serving critical building and parking garage equipment.

Original switchgear has exceeded typical service life

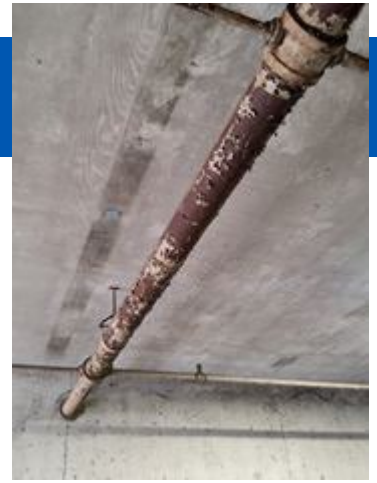
Aged emergency generators; multiple units beyond typical service life

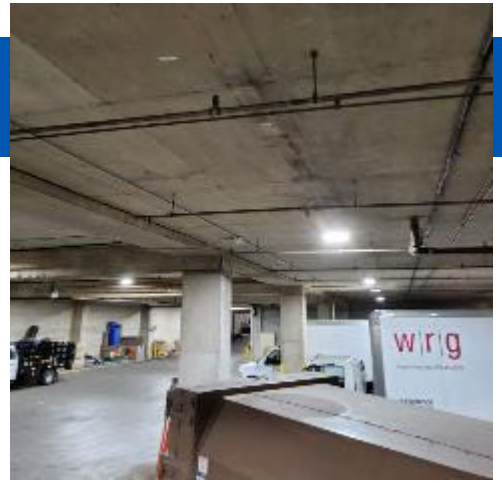
Fire Protection

Major Findings

Fire Suppression Systems were Original or Near End of Typical Service Life

- Large portions of the sprinkler and standpipe systems serving both the Dallas City Hall building and the parking garage were original or of similar vintage, exceeding typical service life expectations.
- Floors 1 thru 6 do not meet current construction standards (standpipe and fire extinguishers only)
- Several fire suppression systems were installed in earlier building modernization phases and utilize clean agent technologies that are now considered obsolete.
- Recurring nuisance alarms reported in the parking garage due to deterioration of the fire suppression piping.





Corroded fire suppression piping indicative of aging sprinkler infrastructure in parking garage.

Fire suppression wet system

Aged clean agent fire suppression system

Plumbing and Domestic Water Systems

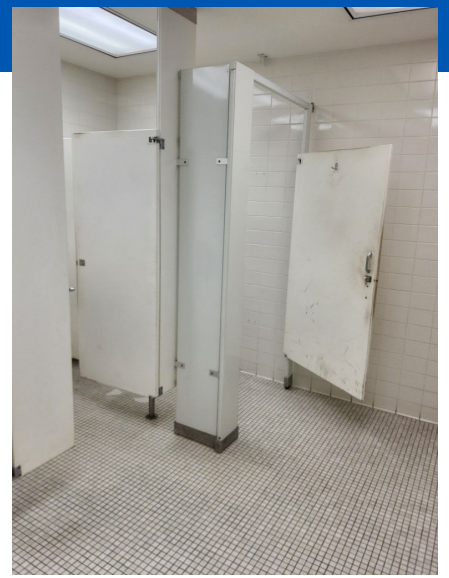
Major Findings

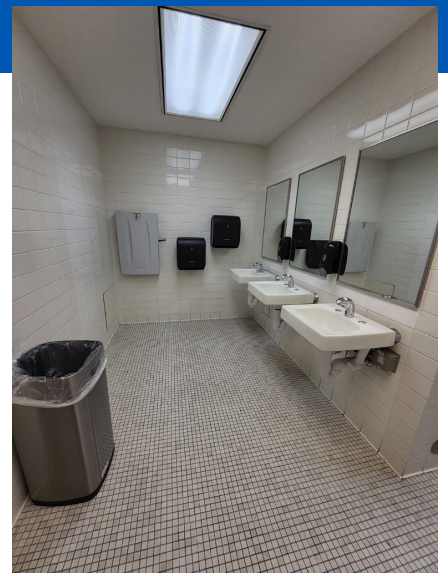
Plumbing Systems Nearing End of Typical Service Life

- Domestic water, sanitary, and vent piping systems were aged and approaching the end of their typical service life.
- Visible finish deterioration and aging restroom components suggest the facility is nearing its planned refresh cycle.
- Inadequate domestic water pressure served restrooms on upper floors.

Inadequate Grease Specialty Plumbing Systems

- The 7th floor cafeteria had inadequate grease management infrastructure, constraining food service operations and requires a new grease interceptor with structural modifications to support piping system.





Restroom facilities aesthetically dated and approaching planned refresh cycle

Undersized grease trap serving 7th floor cafeteria

Water Intrusion

Major Findings

Active Water Intrusion

- Ongoing leakage observed at plaza deck assemblies, garage expansion joints, wall/slab interfaces, and building-to-garage transitions.
- Moisture migration into the interior building spaces was confirmed.

Plaza Deck & Joint Failures

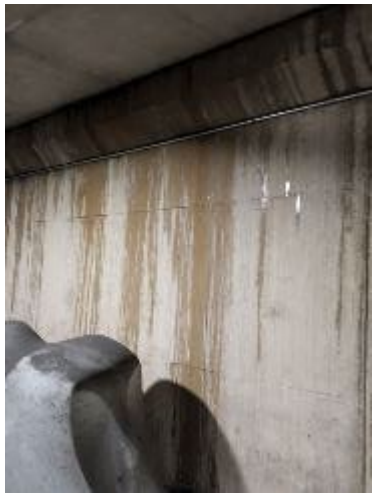
- Deteriorated waterproofing systems and failed sealant/joint assemblies were present at plaza deck and pool areas.
- Drainage deficiencies contributed to ponding and uncontrolled water movement.

Systemic Condition

- Water intrusion issues were systemic rather than isolated, reflecting original construction detailing and aged waterproofing systems.

Example of gutter system to capture leaking water at IT space within building interior

Coal tar pitch dripping at expansion joint directly above the gutter system installed to capture leaking water



Water intrusion on parking garage walls

Failed expansion joint in parking garage

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Structural

Major Findings

Localized Concrete Deterioration

- Localized spalling with exposed reinforcement was observed at select beams, columns, slab edges ramps, and planter interfaces at both the Dallas City Hall building and the parking garage.
- Cracking was noted in the basement walls, garage slabs, and north side and roof level exterior walls.

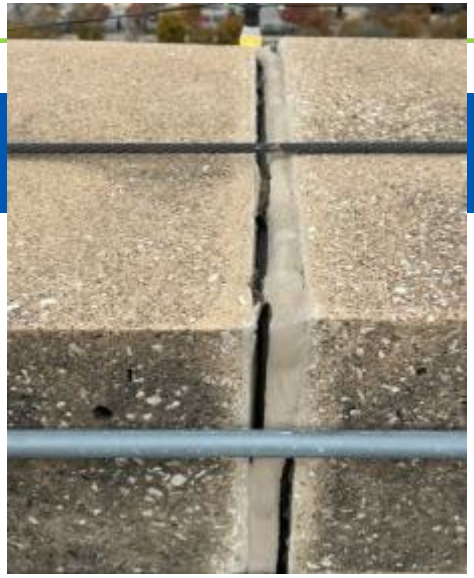
Garage & Building Interface Deterioration

- Structural interfaces between the Dallas City Hall building and the parking garage exhibited cracking and distress at expansion joints.
- Moisture exposure at these interfaces increase the risk of long-term durability issues.

No Global Structural Failure

- No evidence of widespread structural instability was observed at the time of assessment.
- Deficiencies were localized and need to be addressed

Spalled concrete with exposed reinforcement observed at City Hall slab edge, indicating localized structural deterioration.



Cracking of roof parapet wall.

Cracking and distress at expansion joints, signs of water intrusion.

Signs of water intrusion in parking garage.

City Hall Corrective Repair

Facility System Category	System Description	Prior Estimate 2025	Updated Estimate 2028
Building Exterior	Roofs, exterior walls, envelope, water infiltration	**$75M – $104M**	**$46.9M**
Building Interior	Interior spaces and associated known environmental remediation	**N/A**	**$9.6M**
Core Building Systems	HVAC, known environmental remediation, electrical, plumbing, fire protection, elevators, generators	**$52M – $86M+**	**$211.4M**
Structural & Site Elements	Parking garage structural repairs	**$25M – $145M**	**$61.5M**
Subtotal: Estimated Cost for Corrective Repairs	Building systems and infrastructure	**$152M – $345M+**	**$329.4M**

Estimate Assumes:
unoccupied building during construction

Estimate Excludes:
- Space reconfiguration / modernization
- Technology enhancements
- Temporary Lease

Implementation Considerations

FCA cost estimates are based on **vacating the building for 5 years,** excluding:

- Relocation and temporary lease costs
- Modernization, reconfiguration, or performance upgrades beyond restoring current functionality.

Phased repairs are possible but impractical and will lead to **longer timelines, increased budget,** and will **disrupt City Hall business** for 5+ years

Repairs would be invasive due to the building's age and original cast-in-place concrete construction, with many systems integrated into the structure.

- **Cost estimate does not include contingency for change orders and unexpected findings.**

20-Year Occupancy Expense Range

Category	Description	Expense Range
Corrective Repairs	Facility Conditions Assessment Repairs	$329M
Make City Hall Move-In Ready	Interiors	$54M - $107M
	Furniture, Fixtures and Equipment	$20M - $45M
	Technology – Cables, Networks, AV, etc.	$15M - $31M
	ADA Compliance	$33M
	Soft Costs and Moving	$20M
	Project Cost and Change Contingency	$23M - $28M
Temporary Relocation	5-Year Lease	$100M - $112M
	5-Year Lease – Fit Out	$13M - $73M
Financing	Interest Expense (20-Year)	$299M - $360M
	Subtotal – Fully Updated City Hall	**$906M - $1.14B**
	Operating Expenses (20-Year)	$277M
	Total – 20-Year Occupancy	**$1.1B - 1.4B**

Request for Policy Guidance

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Request for Policy Guidance

Given the updated information presented today, how would the Finance Committee like to proceed?

Next Steps

Next Steps

Public Hearing at Economic Development Committee - March 2nd

Full City Council Briefing - March 4th

Questions

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Deferred Major Maintenance Funding Overview

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FRM Major Maintenance

FY25-26 Allocations $14.5M

$11.5M: Standard Major Maintenance

$ 3.0M: One-Time Major Maintenance (Restricted)

- Major maintenance projects are prioritized based on life safety, operational impact, asset condition, and compliance across the full portfolio.
- The plan is dynamic.
- As new critical needs arise, such as system failures or unforeseen conditions, projects are re-evaluated and reprioritized to address the most urgent issues first.
- As a result, the planned project list can and does change throughout the year to respond to evolving conditions and available funding.

FY25-26 Planned Uses $14.5M

$2.5M: Anticipated critical failures

$1.5M: Environmental abatement

$1.5M: Emergency repairs

$3.0M: FRM operating and repair contingency

$2.5M: City Hall HVAC (Alternate: roof repairs)

$500K: Solar PV

$1.2M: DPD HQ and SE patrol fire panel upgrades

$1.3M: DPD various facility upgrades

$500K: DFR Dolphin Road buildings A&B

FRM Major Maintenance

FY26-27 Allocations $14.5M*

$14.5M: Standard Major Maintenance

Note: an additional $2M in FY26 and $3M in FY27 was allocated in FRM's operating budget to begin implementing a preventive maintenance program.

FY26-27 Planned Uses $14.5M*

$2.5M: Anticipated critical failures

$1.5M: Environmental abatement

$1.5M: Emergency repairs

$3.0M: FRM operating and repair contingency

$500K: Solar PV

$2.0M: DAS HVAC replacements

$3.5M: Phase 1, MLK complex HVAC rehab

*FY27 major maintenance budget allocations are planned only and assume a $14.5M budget. The final allocation will be determined by the City Manager's recommended budget, and planned projects are adjusted based on the approved funding and priority of known/emerging needs.

FRM ARPA Uses

FY25-FY26 ARPA Reallocations $15M

$7.5M: ARPA Reallocation AR98 (FY25)

$7.5M: ARPA Reallocation AR98 (FY26)

ARPA Uses $15M

Family Gateway North repairs

DPD Central Patrol structural assessment repairs

City Hall generators

Dallas Animal Services HVAC

Facility Condition Assessment

Real Estate Master Plan

2006-2024 Bond Funding for City Hall

($16.4M in funding with maximum $2.68M available, using reserve funds) (November 2025 Update)

Bond Year	Total Proposition Amount	City Hall Funding	Completed Projects	Identified and In Progress Projects	Remaining Balance for New Projects	Notes
2006 Prop 6	$34.75M	$9.4M	$8.77M	$628K	$160K (reserve)	$160K available reserve funds from Proposition (City Hall, Services and Maintenance Facilities)
2012	$0	$0	$0	$0	$0	No Funding for City Hall in 2012 Bond Program
2017 Prop H	$18.16M	$7.0M	$4.40M	$836K	$2.7M (Includes +$1M from reserve)	Remaining City Hall funding and reserve funds from Proposition (City Hall, Service & Admin Facilities)
2024	$0	$0	$0	$0	$0	No funding for City Hall in 2024 Bond Program
Total	**$52.91M**	**$16.4M**	**$13.2M**	**$1.46M**	**$2.86M**	$1.7M remaining, $2.86M includes $1.1M from reserve funds

Thank you

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