

# Memorandum



CITY OF DALLAS

DATE May 4, 2018  
TO Honorable Members of the Quality of Life, Arts & Culture Committee: Sandy Greyson (Chair), Mark Clayton (Vice Chair), Rickey D. Callahan, Jennifer S. Gates, Scott Griggs, B. Adam McGough, Omar Narvaez  
SUBJECT **Kay Bailey Hutchison Convention Center Dallas Capital Update**

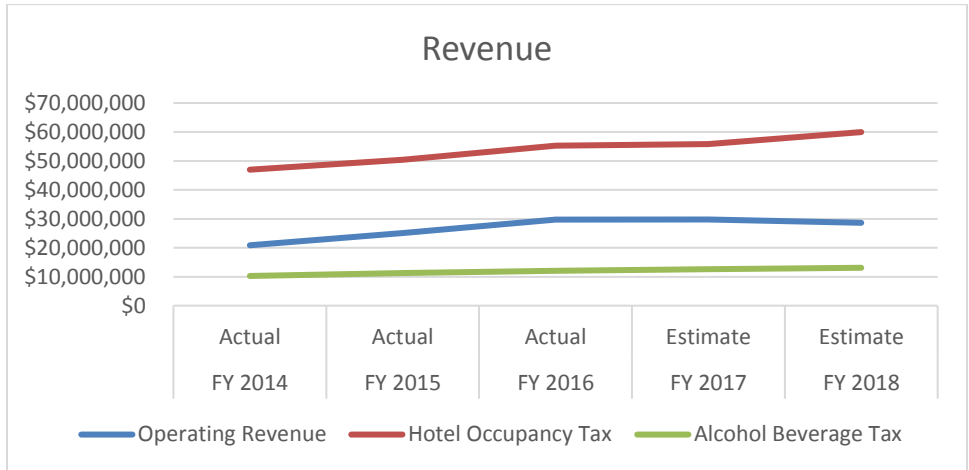
On Monday, April 9, 2018, during the Quality of Life, Arts & Culture Committee, City staff was asked to provide information and trends on the existing needs inventory for the Kay Bailey Hutchison Convention Center Dallas (KBHCCD), capital construction funds, and VisitDallas contributions.

In 2010 the Convention & Event Services (CES) department completed a Facility Assessment of the KBHCCD, identifying over \$170M in needs, categorized below.

<b>Improvement Category</b>	<b>Est. Cost</b>
Audio/Visual Improvements	\$3,977,991
Building Identity Improvements	\$2,566,328
Electrical Replacement Repairs	\$10,300,625
Emergency Lighting Improvements	\$7,018,000
Fire Alarm Improvements	\$6,787,500
Interior Finishes Upgrades	\$60,342,300
Inventory Improvements	\$53,153,750
Mechanical Replacements/Repairs	\$7,097,063
Roof Replacements/Repairs	\$13,592,875
Security Improvements	\$1,006,563
Telecommunication Repairs	\$5,569,310
Vertical Circulation	\$3,475,000
Waterproofing Water Infiltration	\$1,821,250
<b>Total:</b>	<b>\$176,708,553</b>

Subsequently, CES issued \$325M in Refunding and Improvement Revenue Bonds, of which \$60M was used for capital improvements to the KBHCCD. In response to the Facility Assessment, the Capital Improvement Program was comprised of roof replacements, fire alarm/life safety upgrades, Lamar Streetscape, upgrades to the C Area and Upper Level D ballrooms.

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Increases in revenues have allowed CES to address unfunded needs by transferring surplus revenues to the Capital Improvement Fund; with \$33M having been transferred since FY 2014, and an estimated transfer of \$12M for FY 2018. Primary sources of revenue increase are the Alcohol Beverage Tax (ABT) and Hotel Occupancy Tax (HOT), with 67.4% of HOT collections dedicated to debt service and the operation and maintenance of the convention center. In addition, VisitDallas has contributed \$500K annually, since FY 2013, for facility improvements, as required by contract.

CES continues to address the needs identified in the Facility Assessment, as funding and the event schedule allows. Attached is a listing of KBHCCD’s planned and completed capital projects. As needs have evolved over the last eight years, staff is revising and updating the Facility Assessment, as well as the Master Plan for the facility.

If you have any questions, please contact me at (214) 670-3009.

Joey Zapata  
 Assistant City Manager

- c: Honorable Mayor & Members of the City Council
- T.C. Broadnax, City Manager
- Larry Casto, City Attorney
- Craig D. Kinton, City Auditor
- Biliera Johnson, City Secretary
- Daniel F. Solis, Administrative Judge
- Kimberly Bizor Tolbert, Chief of Staff to the City Manager
- Majed A. Al-Ghafry, Assistant City Manager

- Jo M. (Jody) Puckett, Assistant City Manager (Interim)
- Jon Fortune, Assistant City Manager
- M. Elizabeth Reich, Chief Financial Officer
- Nadia Chandler Hardy, Chief of Community Services
- Raquel Favela, Chief of Economic Development & Neighborhood Services
- Theresa O'Donnell, Chief of Resilience
- Directors and Assistant Directors