



Proposed
MANAGEMENT AGREEMENT
with
FAIR PARK TEXAS FOUNDATION

Park and Recreation Board Briefing

April 7, 2016

- **Background**
 - **Mayor's Fair Park Task Force**
 - **Park and Recreation Board**
 - **City Council**
- **Fair Park Texas Foundation Vision and Implementation**
- **Dallas Zoo Model**
- **Proposed Deal Points**
- **Next Steps**



Mayor's Fair Park Task Force (Mayor's FPTF)

- **Convened in 2013**
 - **Nine-member group**
- **On September 3, 2014, Mayor's FPTF presented to the Dallas City Council and the Park and Recreation Board**
 - **Recommendations:**
 - **Implement 2003 Fair Park Comprehensive Development Plan**
 - **Enhance access and connectivity with community**
 - **Establish a community park within Fair Park**
 - **Empower new non-profit organization as operational and marketing authority for Fair Park**

City Council

- Briefed on November 18, 2015 by Walt Humann
- Public Hearing on February 8, 2016



Park and Recreation Board

- Board began discussion of recommendations on September 18, 2014
- Five community meetings in Fall of 2015
- Additional discussions by the Board through early 2015:
 - Concerned for future of existing Fair Park staff, community engagement and neighborhood impact
 - Comprehensive land use study and urban design plan
- Adoption of Mayor's FPTF recommendations by the Board at May 7, 2015 meeting
 - Modified recommendations:
 - Community-led design and land use study
 - Below-grade parking
 - The future 501(c)3 board include member(s) representing the surrounding Fair Park community and member(s) with expertise in historic preservation

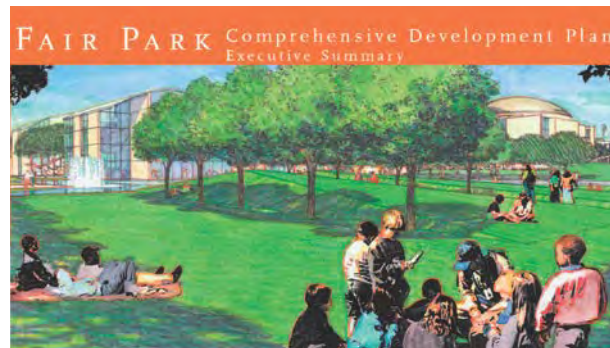
- **Fair Park Texas Foundation (“Foundation”)** is currently being formed as a new 501(c)3 non-profit organization to operate and maintain Fair Park



- **Fair Park:**
 - **A place that entertains, enlightens, educates, stimulates, and creates**
 - **A world-class cultural park for all ages**
 - **A premier Dallas attraction for residents and tourists**
 - **A unique recreational and educational amenity**
 - **A signature park**
 - **A place of quiet enjoyment**



- **Vision is based on objectives of the Fair Park Comprehensive Development Plan (adopted by the Park and Recreation Board in 2003)**
 - **Create a signature public park**
 - **Uphold the park's historic legacy**
 - **Support Fair Park institutions and partners, while activating new programs and uses**
 - **Encourage economic vitality**
 - **Enhance connectivity with the community and the greater Dallas metroplex**



- **Streamline and unify management**
- **Provide additional funding:**
 - **Operational**
 - **Capital**
- **Expand programming and events**
- **Enhance maintenance**
- **Establish marketing, communications, public and governmental relations**
- **Implement consensus planning**
- **Increase donor, community, volunteer and membership base**

- **Foundation Board of Trustees**
 - Nine members
 - Board will be strong, diverse and inclusive
 - Park and Recreation Board liaison
- **Foundation Advisory Board of Trustees**
 - Eleven members
 - Community representatives
 - Historic preservation representatives
 - Resident institution chairs/directors
 - Park and Recreation Department Director
- **Independent Auditor**
- **Fair Park Organization**
 - Retain, reorganize and expand
 - Unify resident institutions and partners

FAIR PARK TEXAS FOUNDATION: IMPLEMENTATION STRATEGIES

FOUNDATION BOARD OF TRUSTEES

Nine (9) Members

TBD	TBD	TBD	Dianne Curry	Walt Humann	Arcilia Acosta	TBD	TBD	TBD
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Park and Recreation Board
Liaison
Ex-officio

FOUNDATION ADVISORY BOARD OF TRUSTEES

Eleven (11) Members

Neighborhood Representative Ken Smith MLK Ex-officio	Neighborhood Representative Benjamin Leal Jubilee Park Ex-officio	Neighborhood Representative Alendra Lyon Mill City Ex-officio	Neighborhood Representative Anna Hill Dolphin Heights Ex-officio	Historic Preservation Nancy McCoy	Historic Preservation Virginia McAlester	Planning TBD	Planning Zaida Basora AIA President Ex-officio	Park and Recreation Department Willis Winters Ex-officio	Resident Institution Representative* TBD	Resident Institution Representative* TBD
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* Two members to represent the Resident Institutions Council: State Fair, Music Hall, Gexa, African American Museum, Children’s Aquarium, Dallas Historical Society, Texas Discovery Garden, Daughters of the American Revolution, Perot Museum, and Old Mill Inn. Representatives will be rotated.

- **Enhance Fair Park Neighborhoods**
 - **Implement streetscape improvements**
 - **Improve wayfinding signage**
 - **Advocate for long-term lowering of Interstate 30**
 - **Connect neighborhood with Deep Ellum/East Dallas**
 - **Creation of deck park over Interstate 30 (similar to Klyde Warren Park)**
 - **Support development of comprehensive land use study and urban design plan for the surrounding neighborhood**
 - **Encourage revitalization in surrounding neighborhoods with private philanthropy**

- **Market Fair Park**
 - **Unify coordination of events, activities, and park promotion**
 - **Develop community relations team to obtain long-term community, state, and federal support**
 - **Dispel myths that inhibit Fair Park's growth**



Fair Park Advisory Board
 (Community representatives
 Historic preservation representatives
 Resident institution chairs/directors
 Park and Recreation Board liaison
 Park and Recreation Department representative)

FAIR PARK TEXAS FOUNDATION

City Council
 Park and Recreation Board

Foundation Board
 9 Trustees

Independent Auditor

Chair, CEO, and Officers - Board Elected

CEO

Full Time Employee Count	
Now	48
Added	41
Total	89

Resident Institutions Board Chairs / Senior Sponsors	Institutions Leaders	Resident Institutions Coordination
State Fair Tx Board Chair	State Fair Tx President	↔
DS Musicals Board Chair	DS Musical President	↔
Museum Board Chairs	Museum Presidents	↔
Education Board Chair (DCCC / DISD)	Fair Park Education Principal	↔
Recreation Board Chair(s)	Recreation Managers (YMCA)	↔
Restaurant VP's/Owners	Restaurant Manager(s)	↔
Entertainment VP's/Owners	Entertainment Manager(s)	↔

Finance and Control Administration	Events and Activities Execution Sales, Booking Sponsorships	Operations, Maintenance, Event Coordination Transportation	Communications Marketing, Public, Government Communications, and Board Relations	Planning, Design and Construction	Fund Raising, Donors, Volunteers Members
Human Resources Budget Planning Finance Accounting Internal Audit Risk Management Cash Mgt Payroll Info Technology Security Data / Analytics Legal	Annual Events, Educational Activities, Business Incubators, Mini-Parks Activities, Athletic Activities, Arts and Crafts, Music Festivals Restaurants, Food Community Events Rodeo/Agribus.	Operations, People Movers, Park Maint. Landscaping, Purchasing, Security and Crowd Management, Vehicles and Equipment Buildings, Water Features, Roads, Parking, Traffic Control	Total Fair Park Marketing, Advertising, Social Media, Public Relations, Government Relations, Board, Information Center Volunteer Guides, Promotions, Public Service Events	Overall Planning, Facilities Design, Construction, Restoration, Historical Preservation, Access Corridors	Friends of Fair Park, Volunteer Groups, Naming Rights
Resources Org and Finance, Budgeting and Control	Resources Fair Pk Action Team, Persons from Enterprises and outside	Resources City of Dallas Departments Adm.=3, Cot Bowl =8 Environment	Resources Fair Park marketing team, SFT, DSM TDG, Perot, Resident Enterprises	Resources Fair Park Improvement Team, DSM, AIA, Univ. DPR Dept, DLC-Presev.	Resources Dallas Charitable Foundations Volunteer - Info Center

Current Resident Institutions include: State Fair, Music Hall, Gexa, African American Museum, Children's Aquarium, Dallas Historical Society, Texas Discovery Garden, Daughters of the American Revolution, Perot Museum, and Old Mill Inn.

2009 DZS/DZM Agreement

- **On October 1, 2009, the Dallas Zoological Society (DZS) and Dallas Zoo Management (DZM), a new nonprofit organization founded by the Society to manage the Dallas Zoo and Children's Aquarium at Fair Park, entered into a management agreement with the City of Dallas (City)**
- **25-year term with two five-year renewal options**

Deal Points: General

- **City continues to own all land, real property interests, buildings and improvements**
- **City transferred personal property utilized by the Zoo for DZM daily operations**
- **City contracts assigned to DZM for continuation or termination**
- **DZM responsible for all permitting, accreditation, management costs**
- **All Zoo revenues retained by DZM**
 - **Parking**
 - **Gate receipts**
 - **Food concessions**
 - **Ride concessions**
 - **Memberships**
- **Admission prices reviewed and approved by the Park and Recreation Board**

Deal Points: Capital Improvements

- City includes Zoo capital improvements in needs inventory for inclusion in future bond programs
- DZM promotes and develops additional capital funding sources to leverage capital funding opportunities
- Park and Recreation Department administers City funded capital improvement projects
- Park and Recreation Board adopts Zoo Master Plan



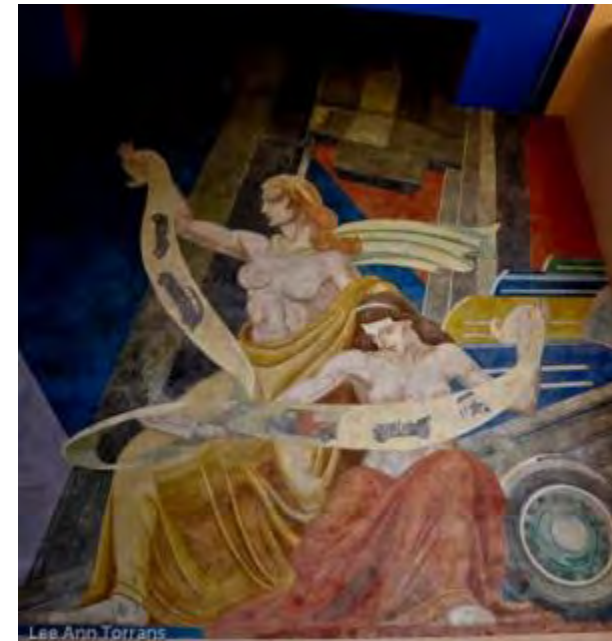
Annual Management Fee

- FY2009-10: \$10.8M (\$14.8M in 2016 dollars)
 - FY2010-11: \$10.8M
 - FY2011-12: \$11.8M
 - FY2012-13: \$13.8M
 - FY2013-14: \$14.0M
 - FY2014-15: \$14.1M
 - FY2015-16: \$14.1M
-
- **Total Dallas Zoo Budget for FY2014-15: \$29.8M**



Fair Park Texas Foundation

- **Contract Terms and Permissible Uses**
- **Management Services**
- **Foundation Board**
- **Management Fee**
- **Capital Needs/Funding**
- **Capital Projects**
- **Personnel**
- **Revenues**
- **Existing Contracts**
- **Ownership and Personal Property**
- **Intellectual Property**
- **Information Technology**
- **Utilities**
- **Termination**
- **Operational Plan**



CONTRACT TERMS

- **20-year agreement from October 1, 2016 until September 30, 2036**
- **Two five-year renewal options**
- **Similar model to Dallas Zoo**

PERMISSIBLE USES

- **Park land**
- **Recreation**
- **Entertainment**
- **Education (recreation and/or cultural component)**

MANAGEMENT SERVICES

- Foundation shall be responsible for full operational management, maintenance and improvement of Fair Park
- Foundation shall operate Fair Park to a standard that exceeds what has historically been implemented by the City

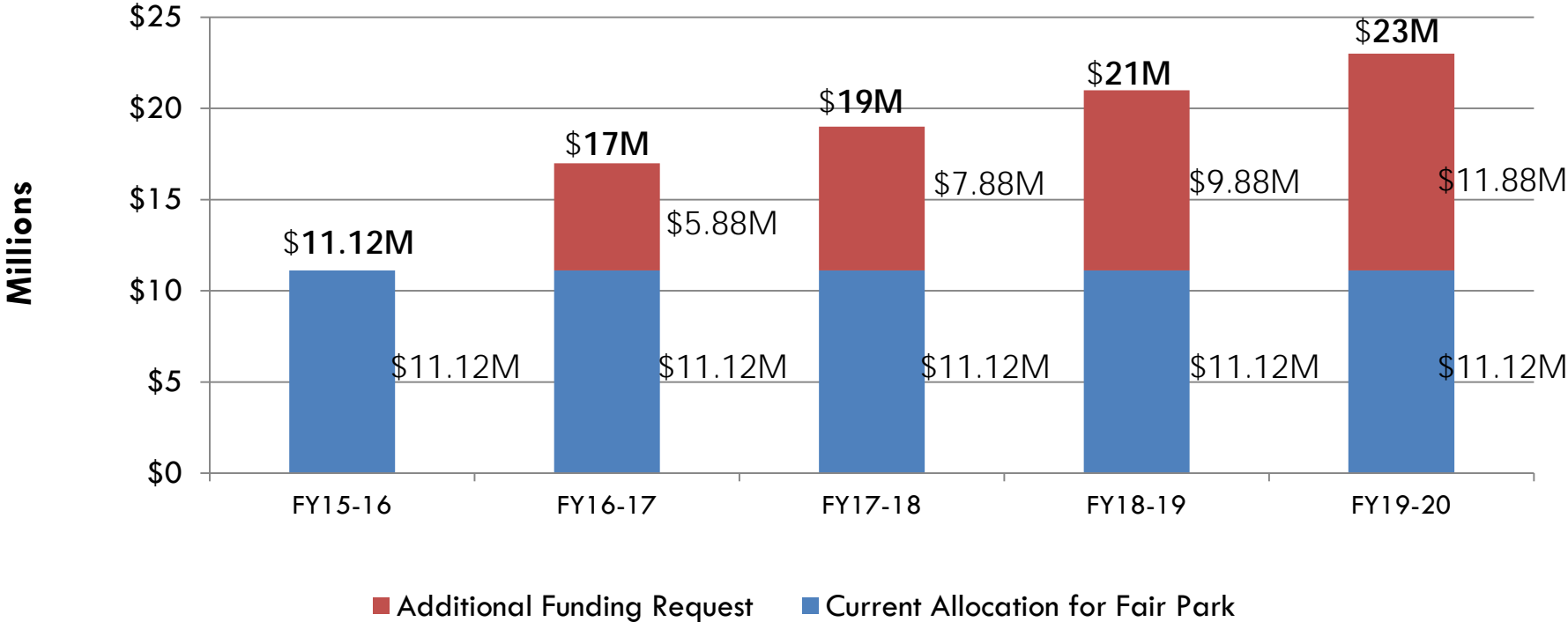


- **Foundation Board of Trustees**
 - Nine members
 - Board will be strong, diverse and inclusive
 - Park and Recreation Board liaison
- **Foundation Advisory Board of Trustees**
 - Eleven members
 - Community representatives
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- **Independent Auditor**
- **Fair Park Organization**
 - Retain, reorganize and expand
 - Unify resident institutions and partners

MANAGEMENT FEE

- **City to pay Foundation annual Management Fee**
 - Subject to City Council approval, considering all budget priorities
- **FY2016-17: \$17M**
 - (less \$1M in transition funds provided in FY2015-16)
 - Original request: \$25M
- **FY2017-18: \$19M**
 - Original request: \$30M
- **FY2018-19: \$21M**
 - Original request: \$30M
- **FY2019-20: \$23M**
 - Original request: \$30M
- **FY2020-21 and beyond: \$23M**
 - Original request: \$35M in FY2025-26 and beyond (with CPI adjustment)

PROPOSED DEAL POINTS



MANAGEMENT FEE

- **FY2016-17**
 - **Management Fee due on October 1, 2016**
- **FY2017-18 and beyond:**
 - **Quarterly installments for following years**
- **All financial payments by the City subject to annual appropriation by City Council**



CAPITAL NEEDS

- **Revised capital improvements estimated at \$181.7M**
 - **Safety, security, ADA (Priority 1): \$26.4M**
 - **Preventive maintenance (Priority 2): \$54.3M**
 - **Prevent loss of customers/visitors (Priority 3): \$51.2M**
 - **Gain new customers/visitors (Priority 4): \$49.8M**
- **City commits to seeking bond funding for necessary capital expenditures at Fair Park over two bond programs**
 - **Subject to City Council approval, in consideration of all budget priorities**

CAPITAL FUNDING - Two Bond Programs

- **First Bond Program* - May 2017**

- **City - \$25M for Priority 1**
 - **Fire alarm systems**
 - **ADA**
 - **Roof structural issues**
 - **Electrical vaults – leaks**
- **City - \$50M for Priority 2**
- **Foundation - \$50M for Priorities 3 and 4**

-
- **In addition Foundation supports \$25M for street and stormwater improvements in Fair Park area**

***Subject to City Council approval, in consideration of all budget priorities**

CAPITAL FUNDING - Two Bond Programs

- **Second Bond Program – Future**
 - **City - \$50M for Priority 3**
 - **Foundation - \$50M for Priority 4**

***Subject to City Council approval, in consideration of all budget priorities**



CAPITAL PROJECTS

- **City-funded:**
 - City will administer City-funded capital projects, or
 - City will award contracts and assign to Foundation to manage
 - City staff maintains oversight of project
- **Foundation-funded:**
 - Foundation can administer projects, or
 - Transfer funding to City to administer contract
 - Foundation provides liaison
 - Director must approve plans and specifications for all projects over \$100,000
- **All improvements shall belong to the City**

PERSONNEL

- **Civil Service rules and Park and Recreation Department protocol require that employees be given 45-day notification of a Reduction-In-Force (RIF)**
- **Foundation will offer employment to ALL Fair Park employees**
- **Employees who choose to stay with the City will be re-assigned to a new position in the Park and Recreation Department**
 - **Employees may choose to apply for a position in another city department**
- **Eligible employees may also choose to retire**

REVENUES

- **All existing and new Fair Park revenues will be retained by the Foundation including:**
 - **Special events**
 - **Concessions**
 - **Parking**
 - **Admissions**
 - **Naming and sponsorships**
- **Foundation has the exclusive right to contract for advertising and naming rights involving Fair Park**
 - **Must follow Park and Recreation Board naming policy, as amended, and applicable code requirements**
 - **No alcohol advertisements**
 - **No tobacco advertisements**
 - **No sexually oriented business advertisements**

EXISTING CONTRACTS

- **City will assign to the Foundation all contracts applicable to the ongoing operation of Fair Park**
 - Resident institutions
 - Equipment leases
 - Concessions contracts
 - Service contracts
 - Radio Tower leases
 - State Fair must approve contract assignment to Foundation
- **The following city departments will continue to operate at Fair Park:**
 - WRR
 - Dallas City News Television (DCNTV)
 - Dallas Police Department – Mounted and Canine Units

OWNERSHIP

- **City retains ownership of land, real property interests and improvements**

PERSONAL PROPERTY

- **City shall provide an inventory of all personal property used in conjunction with Fair Park**
 - **Vehicles**
 - **Equipment**
 - **Furniture**
 - **Fixtures**
 - **Supplies**
 - **Inventory**
 - **Merchandise**
- **The City shall transfer ownership of personal property to the Foundation**

INTELLECTUAL PROPERTY

- **City will license and make available to the Foundation intellectual property currently used in operation of Fair Park**
 - **Copyrights**
 - **Patents**
 - **Logos**
 - **Trademarks and trade names**
 - **Trade secrets**
 - **Visual arts**
- **Any rights or intellectual property developed by the Foundation with regards to Fair Park shall be the joint property of the Foundation and the City**
 - **Foundation has control of use and exploitation of developed Intellectual Property while management agreement is in effect**

INFORMATION TECHNOLOGY

- **City and Foundation will develop Technology Plan to transition information systems**
 - **Technology Plan will identify all systems, software, services required for long-term operation of Foundation**
- **City will provide inventory of all computer equipment**
 - **Equipment will be transferred to the Foundation as Personal Property**
- **The Foundation shall bear the cost of any new systems, licenses, IT services to be added**

UTILITIES

- **City will continue to secure and pay for all utility services at Fair Park**
 - **Water**
 - **Electrical**
 - **Wastewater**
 - **Stormwater**
 - **Disposal**
 - **Natural Gas**
 - **Communications**
- **The Foundation shall reimburse the City for all utilities at city cost**

TERMINATION

- Agreement may be terminated after the occurrence of a material default and 90 days notice and opportunity to cure
- City and the Foundation shall have the right to terminate upon 90 days notice if City fails to appropriate and fund Management Fee for any given year without any liability to either party



OPERATIONAL PLAN

- **Park and Recreation Board and Department will receive**
 - **Periodic Briefings**
 - Update on Fair Park operations
 - Update on capital projects
 - Update on Foundation activities and accomplishments
 - **Annual report**
 - **Independent annual audit and financial reports**
- **Park and Recreation Board will approve**
 - **Proposed revisions to Fair Park Comprehensive Development Plan**

TRANSITION

- **To September 30, 2016**
 - **City will continue to fund and support all current city operations and services at Fair Park**
 - **City will assist Foundation with the seamless transition of payroll, accounting, risk management, information technology, and assignment of contracts**



Park and Recreation Board

- **April 21, 2016 – Authorize agreement with Foundation**

City Council

- **May 4, 2016 – Briefing**
- **May 25, 2016 – Authorize agreement with Foundation**
- **June 6, 2016 – 80th Anniversary of Texas Centennial Exposition**





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FAIR PARK TEXAS FOUNDATION

Park and Recreation Board Briefing

April 7, 2016

APPENDIX 1: BOARD MAY 7, 2015 RESOLUTION

RESOLUTION OF THE CITY OF DALLAS PARK AND RECREATION BOARD REGARDING THE MAYOR'S FAIR PARK TASK FORCE KEY RECOMMENDATIONS

WHEREAS, the Dallas Park and Recreation Board supports the Mayor's Fair Park Task Force Key Recommendations with the following proposed modifications:

Proposed Modification to MFPTF Key Recommendation 1:

The Dallas Park and Recreation Board recognizes that it has no authority to undertake planning initiatives around or near Fair Park. The Board encourages the City Council to undertake and develop a comprehensive land use study and urban design plan for the South Dallas/Fair Park neighborhood. This plan should have strong community participation and input. A goal of the study should be to protect the community and surrounding neighborhood and to mitigate gentrification.

Proposed Modification to MFPTF Key Recommendation 2:

The Dallas Park and Recreation Board recommends below-ground parking to preserve the character and landscape of Fair Park.

Proposed Modification to MFPTF Key Recommendation 3:

The Dallas Park and Recreation Board recommends that the board of the new 501(c)(3) for the public/private partnership be diverse and inclusive, with no less than 10% of its members representing the surrounding Fair Park community and no less than 10% having expertise in historic preservation.

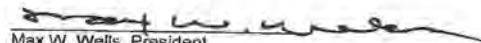
Proposed Modification to MFPTF Key Recommendation 4:

The Dallas Park and Recreation Board recommends that implementation of the Task Force recommendations within the Dallas Park and Recreation Board jurisdiction be the responsibility of the Dallas Park and Recreation Board.

PASSED AND APPROVED by the City of Dallas Park and Recreation Board on this the 7th day of May 2015.

RESOLUTION OF THE CITY OF DALLAS PARK AND RECREATION BOARD REGARDING THE MAYOR'S FAIR PARK TASK FORCE KEY RECOMMENDATIONS

APPROVED:



Max W. Wells, President
Dallas Park and Recreation Board

ATTEST:



Dawna M. Ray, Secretary
Dallas Park and Recreation Board

FAIR PARK

— 1524 1008 4111 09 0011 —

Report of the Mayor's Fair Park Task Force

October 6, 2014

OVERVIEW

Key Recommendations

1 Enhance access, connectivity with community, city

- Continue establishing Exposition Avenue/Parry Avenue entrance as the front door of Fair Park
- Ensure the design of traffic – enhanced signage, all entry points and surrounding roads – emphasizes Fair Park DART Station as park's front door
- Improve Martin Luther King Junior Boulevard, along with all entry points and surrounding roads, to enhance access to Fair Park
- Extend Santa Fe Trail directly to Fair Park
- Encourage the lowering of I-30 from Exhibition Boulevard to Grand Avenue and support construction of deck parks that connect Fair Park to Deep Ellum, Baylor Medical campus and the string of parks north along Grand Avenue

2 Establish a community park on south side of Fair Park

- Turn parking lots between Music Hall and the African American Museum and former Parrot Museum and former Science Place into green areas and develop them into an open, year-round community park
- Build structured parking garages to north and west sides of park to reallocate parking space

- Relocate the stretch of fence that runs along Robert B. Cullum Boulevard in between Martin Luther King Boulevard and Grand Avenue so that it sits on the north side of Leonhardt Lagoon (see map), making the southern area of Fair Park accessible and connective to the surrounding community

3 Empower new organization as operational and marketing authority for Fair Park

- Governing body should be have full authority over park's operations, marketing
- Park and Recreation Board should contract with private organization
- State Fair and all other organizations housed at or using Fair Park should fall under new body's authority
- 501 (c) entity should feature a diverse fundraising board and staff
- City should sufficiently fund the park's operations, which the Task Force has estimated to be at least \$15 million annually, and finance much-needed capital improvements to the park, estimated at around \$478 million

THE FUTURE OF FAIR PARK

*Fair Park - The “Crown Jewel” of the region...an under-utilized asset **with great potential***

**DALLAS CITY COUNCIL BRIEFING
NOVEMBER 18, 2015**

Walter J. Humann

PRESENTATION AGENDA

- OBJECTIVES
- ASSETS - The “GEMS” OF FAIR PARK
- PROBLEMS - The “FLAWS” IN THOSE GEMS
- PERCEIVED PROBLEMS - “THE MYTHS”
- RECOMMENDATIONS
- NEXT STEPS
- Q & A - COMMENTS - SUGGESTIONS
- CLOSING REMARKS

FAIR PARK OBJECTIVES

- **Provide Great Experience for Visitors - Weekdays, Weekends, Evenings – Year Round**
- **Provide Excellent Employment Opportunities**
- **Attain Full Potential – Preserve Successes**
- **Gain Broad Community Support**
- **Resolve Fair Park’s Current Problems**
- **Long Term - Financial Strength & Quality**
- **Help Adjacent Neighborhoods Improve**

The Assets of Fair Park

- **Talented, Staff –** Over 350 F.T., 3,500 P.T. Employees
- **One of Nation's Largest Parks – 277 Acres**
- **Cultural, Historical, Museum, Entertainment & Sports Venue**
- **Home of the Largest State Fair in America –**
Fair since 1886,
- **Variety of Multi-Purpose Buildings**

The Assets of Fair Park

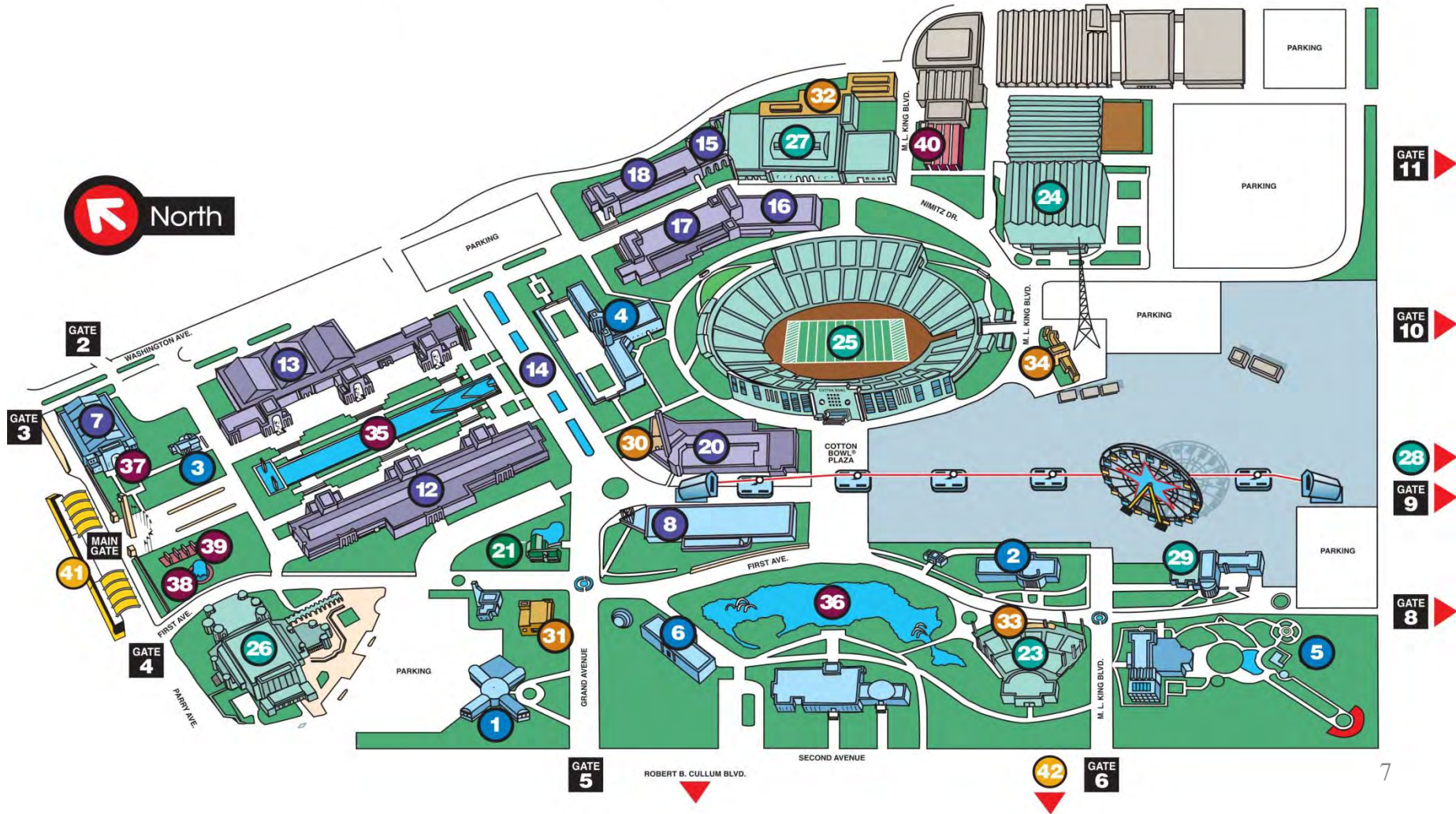
- **National Historic Landmark** - Art Deco Building Architecture built for the 1936 Texas Centennial Exposition. Largest Art Deco Structures in Nation
- **Part of Dynamic North Texas** — *The Economist article*
- **Abundance of Unique Venues and Grounds to Increase the current 6,000,000 +/- Visitors**
- **Potentially a \$1.0+ Billion enterprise.**

\$ 1.0 Billion Potential Value of Park

- **277 Acres of Prime Land**
- **Improvements** – 1,000,000 sq.ft., water features, parking for 100,000+ visitors, streets, Midway complex, landscaping, art deco
- **Center of Employment** – Full Time = 350, Part Time = 3,500
- **Contributions of Sales and Use Taxes**
- **Convention and Visitors Impact**
- **Potential to Improve Adjacent Neighborhoods**
- **On-Going Business Activity of Fair Park Resident Institutions & Park Events Operating in the Area**

FAIR PARK, TX

One fun thing leads to another.



Map of Fair Park



REAL PROBLEMS

- 1. Poor to Very Poor Condition of Buildings**
- 2. Too little “green in park”, too many parking lots - asphalt & concrete.**
- 3. Lack of Significant, Sustained Funding Operating & Capex – Public & Private Funds.**
- 4. Lack of Management Structure to Manage \$1+ billion enterprise with a coherent vision.**

REAL PROBLEMS - Continued

- 5. Lack of Fair Park Marketing, Communication, Public Relations, Government Relations**
- 6. Key Museums have moved out – not coming back while Numerous Events Relocated Elsewhere**
- 7. Lack support from region's leadership**
- 8. Perceived Problems – “Myths”**
 - (a) Unsafe (b) Inaccessible (c) Dirty**
 - (d) Surrounding areas (e) Fair Park = State Fair of Texas**

POOR CONDITION OF ASSETS

- **Fair Park buildings are almost 80 years old.**
- **Examples of deterioration - Hall of State, Esplanade Walls, Food and Fabric Bldg.**
- **2011 Study - Documented \$103 million is needed just to correct major problems.**
- **2014 Task Force - Estimated \$494 million to Fix Properties**

Examples of Building Decay



HALL OF STATE BUILDING – FAIR PARK'S PREMIER BLDG

Examples of Building Decay



BUILDINGS ALONG ESPLANADE

Examples of Building Decay

- Food and Fiber Building

Side Wall of Art Deco Building



FINANCIAL PROBLEMS

- **Declining and Sub-Par Financial Support**

Operating funds and CAPEX funding for Fair Park and for its institutions.
Economics Changed when SFT split from Fair Park Management in 1987

- **Operating/Capex – City to Fair Park Dept.**

Operating Subsidy paid in past 10 years-\$9 to \$11.5 mm/yr.

CAPEX Contribution paid in past 20 years - \$2 - 3 mm/yr.

- **Little Philanthropic Support is the Result**

- **Little Prospect for County, Suburbs, Texas or U.S.
Funding in the Near Term If City Does Not Help**

Operating Financial Needs

- **Present City Funding Does Even Cover Adequate Maintenance for Comparable Buildings**
- **Maintenance Periodic Replacement –**
 - **Buildings – 1 mm sf x \$10/sf**
 - **Parking Lots, Roads & Pathways –**
 - **Fountains, Lagoons**
- **Security**
- **Utilities**
- **Events Planning, Implementation**
- **Marketing**
- **Operations**
- **General & Administrative Costs**

MANAGEMENT PROBLEMS

- **There Is No Unified Management Structure To Manage Fair Park, A Multi-Faceted Enterprise**
- **Multiple Layers Are Required To Get Approvals**
- **Fair Park Institutions and Other Fair Park Entities Are Not Working As A Single, Cohesive Team.**
- **“Mess” Chart in 2001 - Still True Today**

Multiple Entities Involved in Fair Park

Dallas City Council

Parks & Rec Department

Fair Park Dept. - Dallas Landmark Comm.

Other City of Dallas Departments/Rules/Regs.



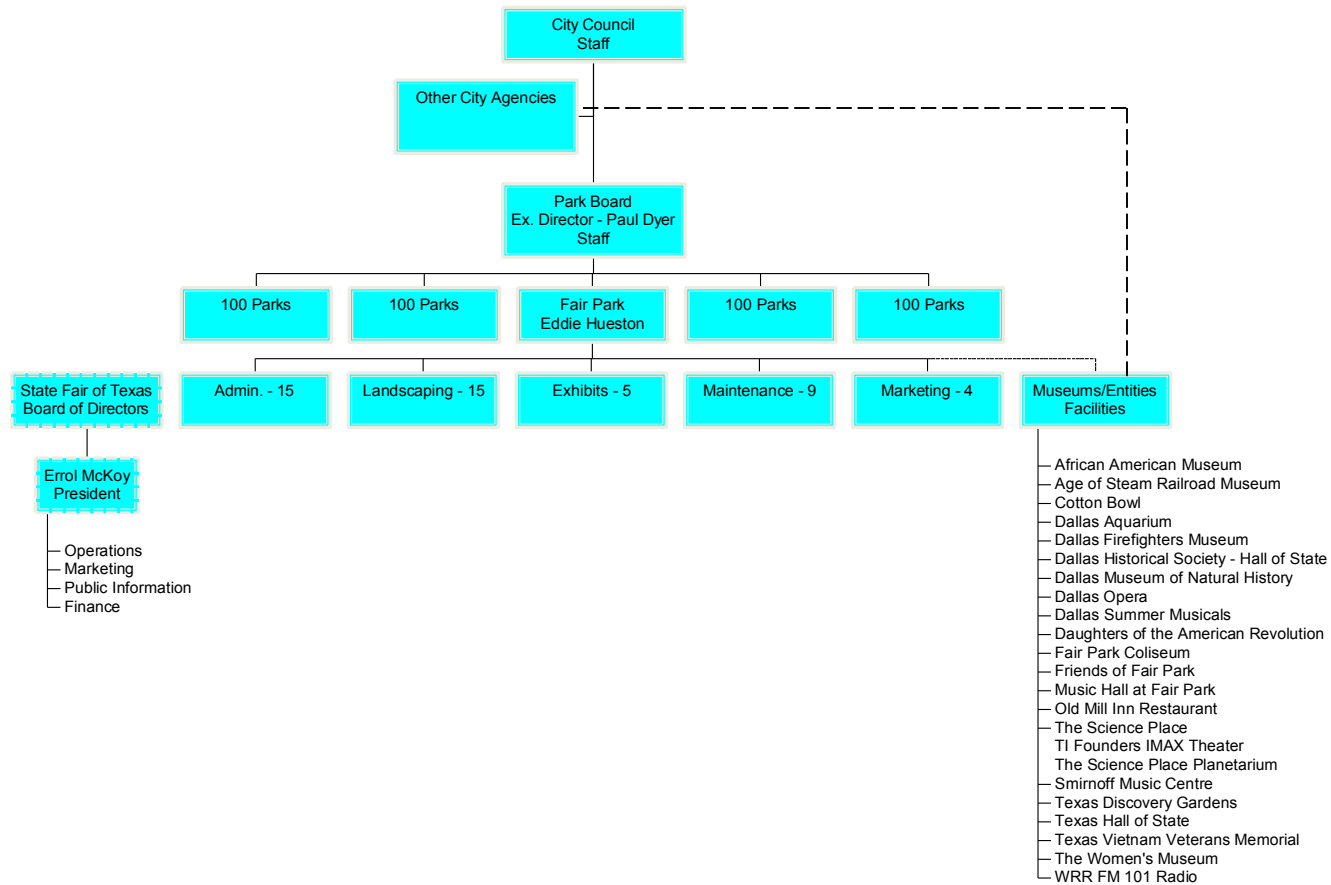
Fair Park

Resident Institutions – Events – Other

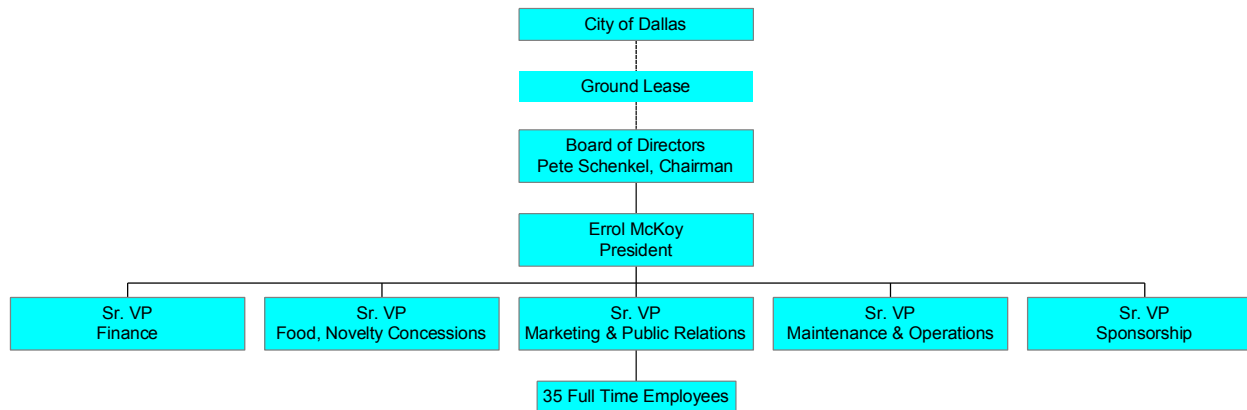
**Institutions Have Management Agreements with Extensions
thru Years 2049, 2045, 2028, 2025.**

2001 Organizational Structure

Same Structure Today



State Fair of Texas. Inc.



- Non-profit Corporation created in 1987
- Lease Grounds from City of Dallas for 3.5 months
- Controls all operations, maintenance, spending
- Separated from Fair Park operations

EXAMPLE OF COMPLEX DECISION & ACTIVITY MATRIX FOR THE SCIENCE PLACE

ACTIVITY/DECISION	TSP	City of Dallas									
		Cul Affairs Comm.	Dallas Park Dept	Fair Park Office	State Fair	City Mgr. Office	City Council	City Bldg Operations	Public Works	Landmark Comm.	Police Fire, Other
Selection of Board	X										
Financial Support											
Operational	X	X				X		X		X	
Capital	X		X	X							
Bond Funding	X		X	X				X			
Pricing of Product/ Discounts	X	X									
Maintenance											
Inside building											
Paint walls	X			X						X	
Utilities	X			X				X			
HVAC				X				X			
Remodel	X			X							
Outside Building											
Roof			X	X				X			
Landscaping				X				X			
Banners/signs	X									X	
Remodel	X		X	X		X		X		X	
Legal / Insurance	X					X					
Parking	X		X	X	X						
Advertising	X			X	X						
Fence Issues	X			X	X						
Event Scheduling Coordination	X			X	X						
Master Planning	X		X	X	X	X		X			
Security/Fire/Safety	X										X
Other											

VISION PROBLEMS

- **Fair Park Master Plans –Mostly Physical Plans**
 - 2000 Renaissance Plan – All Parks Plan
 - 2003 Hargraves Master Plan – Fair Park Only
 - 2014 Mayor’s Fair Park Task Force
 - 2014 *DiMambro/Don Williams Alternatives*
 - *HR&A Economic & Benchmarking Dallas Parks.*
- **No Plan Dealt With How To Pay For Plans !**
- **What is Fair Park in 10 years? 20 Years?**
- **How do you measure Success?**

MARKETING, COMMUNICATIONS P.R. & GOV'T RELATIONS PROBLEMS

- Little Overall, Aggressive Marketing Efforts Devoted to Entire Fair Park as a Single Entity
- Public Relations & Governmental Relations – Lacking these Vital Functions
- Competition now HUGE from Other Venues.
- Resident Institutions Do Limited Advertising
- Communication & Actions Needed to Dispel “Myths”.

PERCEIVED PROBLEMS –“MYTHS”

There are Significant Myths, but all can be real “market barriers”.

1. Fair Park is not safe – especially at night
2. Fair Park is not accessible
3. Fair Park is not clean
4. Fair Park is surrounded by some pockets of urban blight and decay
5. Fair Park Is Essentially The State Fair & Two Cotton Bowl Games

REALITY-Park Is Safe

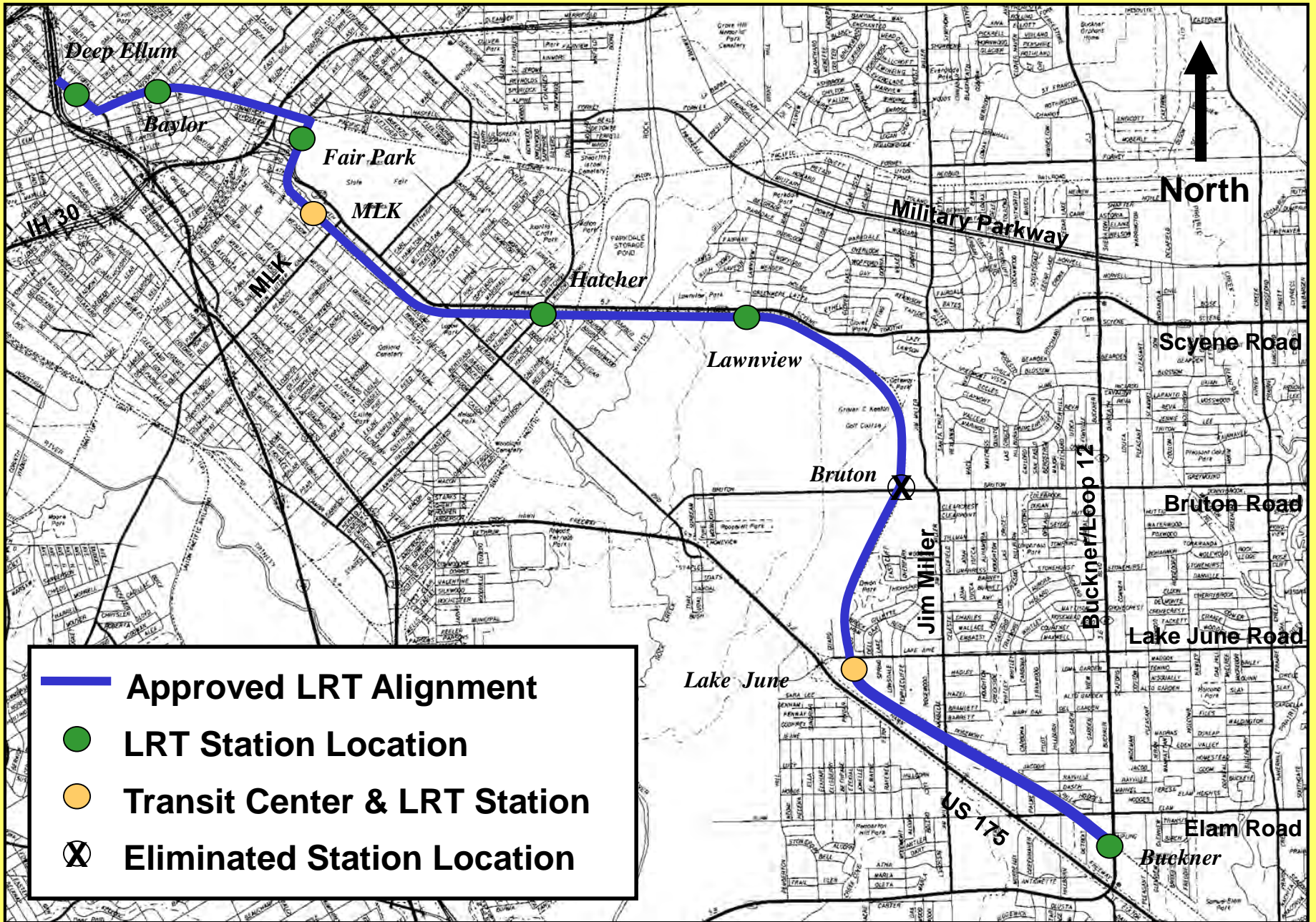
- Inside Fair Park is safer than Prominent Shopping Centers (2015 Dallas Police “Beat Report” on Fair Park.)
- Public information, better lighting, video cameras, DSM actions can to change negative perception
- Safety concerns decline when visitor activity increases – 6 Million plus visitors each year.
- Excellent Support by Police in the Park.
- Must Dispel Myth or Fair Park Will Continue Having Difficulty In Gaining More Visitors, Events, & Resident Institutions.

REALITY - PARK IS “ACCESSIBLE”

- Fair Park Centrally Located in DFW
- Excellent Highway access – I-30, I-45 & N.C.E
- DART Has Two Stations – Growing Popularity

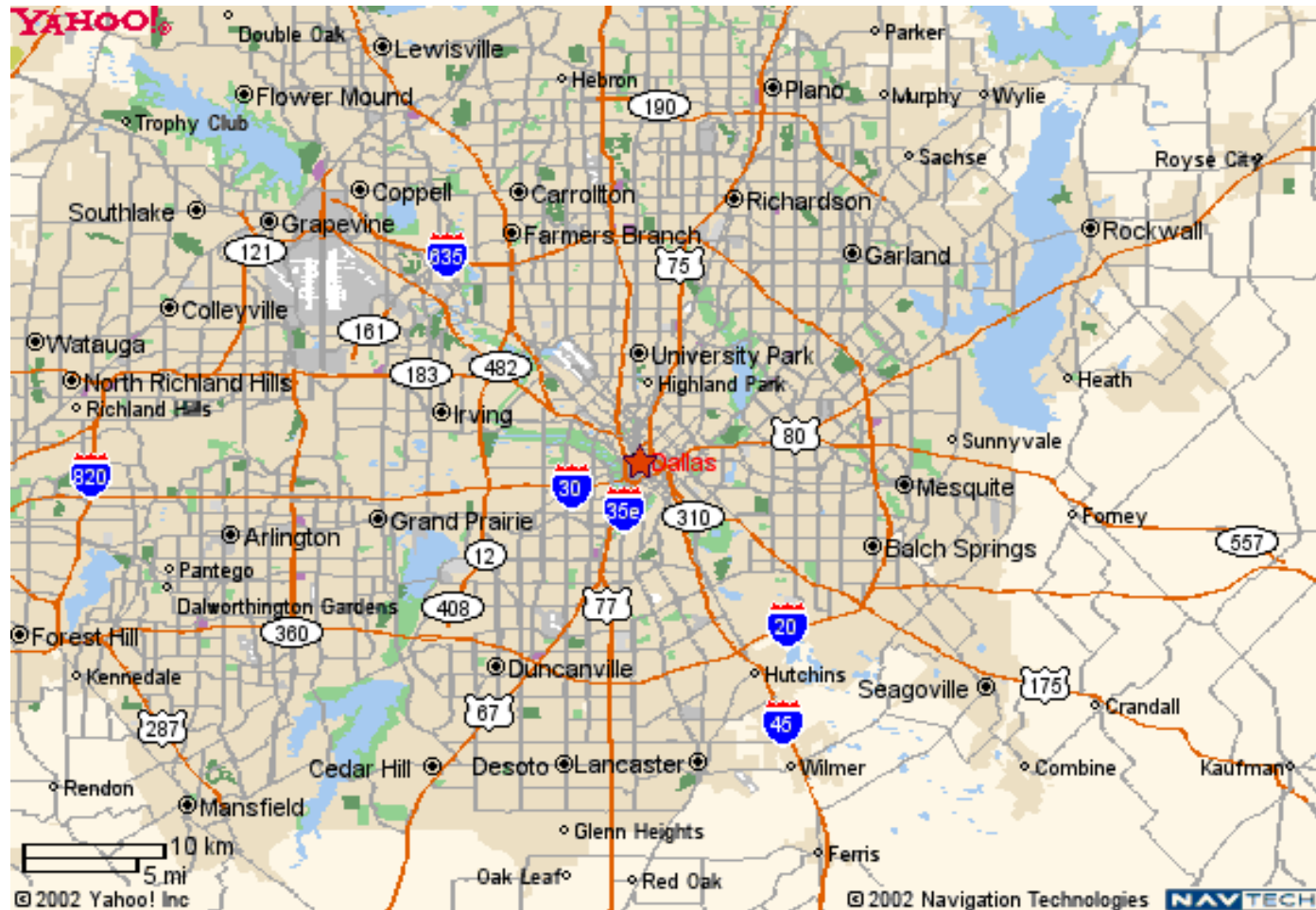
REALITY – CAN BE MORE ACCESSIBLE

- Improve Signage, Maps and Remote, Changeable Message Boards - NCE
- Improve Traffic Routing & Control
- Instruction to/from Fair Park and for Parking
- Improve Vehicle & Personal Entrances
- Provide A People Mover Within Fair Park
 - North Park
 - SW Medical School Shuttle
 - SMU

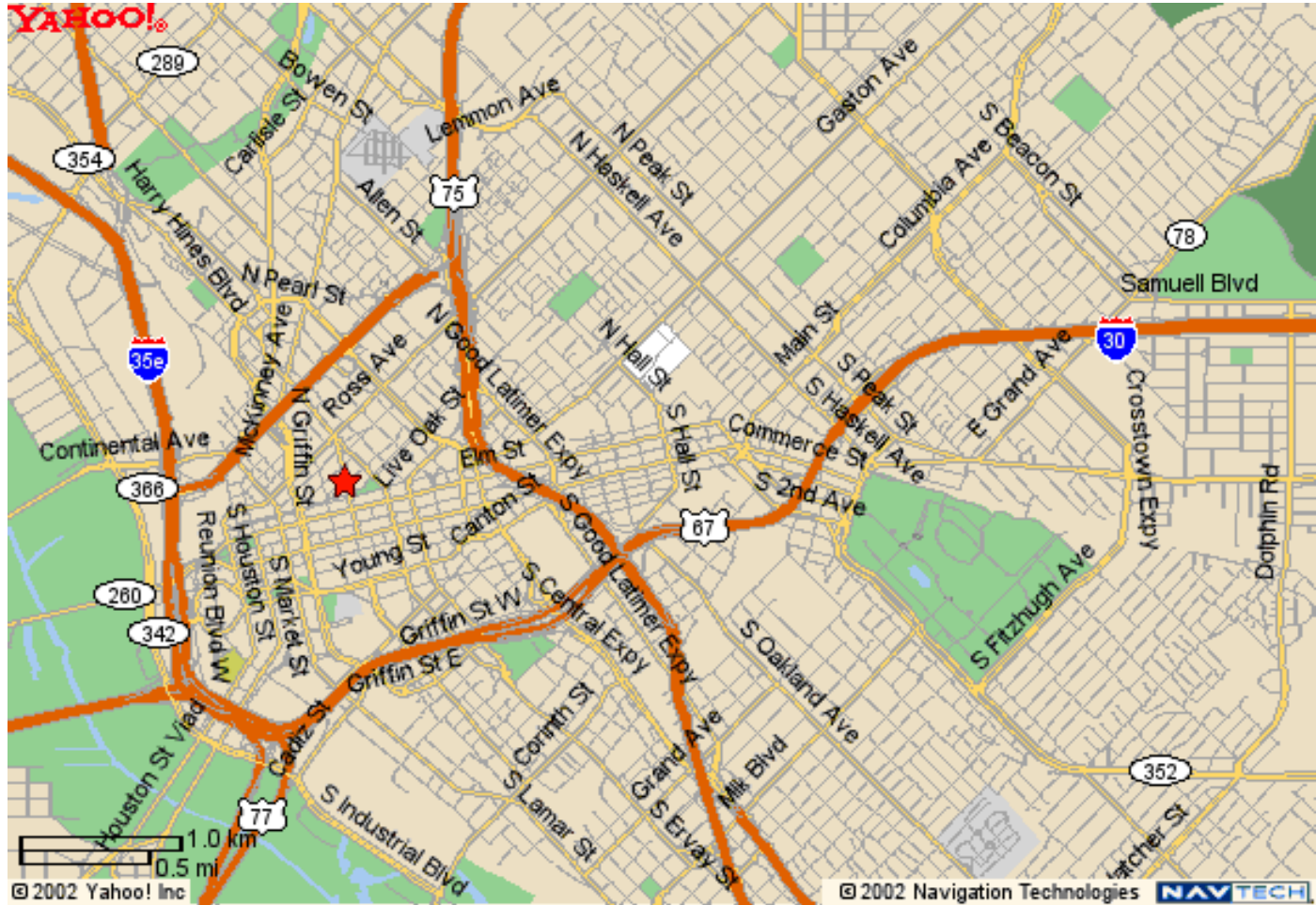


Southeast Corridor LRT Alignment and Station Location Vicinities

ACCESSIBILITY



ACCESSIBILITY



REALITY - PARK IS “CLEAN”

- Fair Park has beautiful landscaping – lacks attention after State Fair closes.
- Needs - Restoration of the art deco buildings, “coal town” look, cheap looking ground paving material, other improvements needed including more, clean and modern restrooms.
- The reflecting pond and other features have a “timeless” architecture look, but must be kept clean.

REALITY - PARK SURROUNDINGS HAVE BEEN GREATLY IMPROVED

- Cullum Blvd & MLK have been upgraded
- Jubilee Project –Revitalized immediate north
- Frazier Cts., Mill City --- City & DISD Have Provided More Improvements
- Commitment and Improvements in Fair Park will help adjacent neighborhoods.
- Public, Non-Profit and Private Entities MUST address urban blight & unemployment in selected areas around Fair Park

REALITY – A LOT GOING ON AT FAIR PARK BESIDES THE STATE FAIR

- While 3,000,000 +/- Visitors come to the State Fair...
- About 3,000,000 +/- visitors also come to over 1,000 separate, Non-State Fair events every year. Can and should double/triple that number – has Capacity
- Most Resident Institutions at Fair Park Have at least 100,000 +/- Visitors Each Year
 - Dallas Music Hall (DSM), Gexa/Live Nation, Hall of State,
 - African American Museum, Texas Discovery Gardens,
 - Children’s Aquarium, Old Mill Inn, Resident Institutions

RECOMMENDATIONS TO DRAMATICALLY CHANGE FAIR PARK

1. VISION
2. LEGAL
3. PHYSICAL ASSETS
4. FINANCIAL
5. MANAGEMENT
6. MARKETING
7. DISPEL “MYTHS” OR PERCEIVED PROBLEMS

VISION FOR FAIR PARK

- Develop a Consensus Vision and Secure Funding to Attain That Vision
- Fair Park Vision Should Be To: Entertain, Enlighten, Educate, Stimulate, Create, and Provide a Place for Quite Enjoyment at Reasonable Costs Every Day - Year Round
- Get busy attacking “low hanging fruit”
- There are a myriad of tasks to address which will help Fair Park
- Don't overly “contemplate your navel”

LEGAL

- Patterned after Zoo and Arboretum - A new, 501(c)(3) non-profit Entity would be formed ***“Fair Park Texas Foundation”***
- **City and Fair Park Texas Foundation** would sign a **Management Agreement** by May, 2016
- Fair Park would not be “Privatized”. Dallas will own all assets; Foundation will manage assets.
- Agreement Elements in a Term Sheet – T.B.E.
- Transaction would streamline and assign Resident Institution Management Contracts

LEGAL – TERM SHEET ELEMENTS

- Parks & Rec Dept. and Dallas City Council Would Approve the Long-Term, Management Agreement
- The City Would Pay An Annual Fee to the Foundation in exchange for its management of the Entire Fair Park
- All Current Contracts and Management Agreements between the City and Fair Park Entities would be Assigned to the Foundation

LEGAL – TERM SHEET ELEMENTS

- The Operations of the Foundation and the Institutions Operating in Fair Park would be transparent.
- An Independent, Outside Auditor Would Be Hired by the Foundation and Approved by the City Council. (The Foundation would also have an Internal Audit Function.)
- The Auditor Would Make Periodic Reports to the Foundation Board, Parks & Rec. Bd, & City Council

LEGAL – TERM SHEET ELEMENTS

- The Foundation Would be Governed by a 9 to 15 Board of Trustees. Trustees Serve – Pro Bono.
- Trustees Would Elect the Chair, CEO and Officers
- The Board will be a strong, diverse, active members. (*Suggestions would be welcome.*)
- The Initial Board would be approved by the Parks & Rec. Department and the Dallas City Council

LEGAL – TERM SHEET ELEMENTS

- No “Political Appointments” to the Board
- But there would be broad, diverse Advisory Board –
Parks & Rec Chair or Director., Community Reps (MLK,MC, JUB), Resident Institutions Chair or Director,
Experts
- Initial Chairman and CEO would also be presented at the time that Board approval is requested.
- Thereafter, Trustees would be elected to staggered, 3-year terms by the FPTF Board.

PHYSICAL ASSET IMPROVEMENTS

- Prioritize Capex “To-Do” List with available funds.
See Financial Recommendations to Meet Needs.
- Utilize historical buildings for rented functions – but must improve buildings first.
- Create additional green space by moving some parking – dual use and some underground. No above ground since they are visual barriers.
- Create additional water & light features

PHYSICAL ASSET IMPROVEMENTS

- Explore geothermal and solar energy sources to save utility costs. (DISD experience)
- Improve Access Corridors – Fitzhugh & 1st/2nd Avenue Entrance – DART Entrance
- Lower I-30 and install Entry “Deck Feature”
- Recruit Pro Bono Technical Support – Architects, Engineers, Operating Volunteers

FINANCIAL

- Need a Management Fee from City Rising to \$25 MM to \$35 MM – Ramp up from 2017 - 2020
- Need \$125 to \$175 MM in the next several Capital Bond Programs for Specific Improvements
- In the interim,
 - Use Operating Personnel to start attacking problems
 - Use Operating Surplus – to fix some problems.
 - Volunteers and Contributed In-Kind Help
- Assets are 80 years olds – Meant to last maybe 20 years.
- Shape up Assets BEFORE BI-CENTENNIAL – 20 yrs.

FINANCIAL

- Develop “Dashboard” Statistics
- Collect “hard” data on attendance, events
- Establish Independent, External Audit for FPTF and City of Dallas and Internal Audit Dept. to monitor F.P. Subsidiary Institutions
- Develop new accounting and control system for FPTF and insure reporting from Fair Park Resident Institutions
- Early years, use existing surpluses to augment Bond funds

PROPOSED MGT. ORGANIZATION

- Dedicated, Talented Staff in Fair Park – Engage them
- “Flatten” the Organization Chart
- Use Volunteer Teams to help each key area.
- See Organization Chart
 - Eliminate Complex, Time Consuming Approval Chain
 - Obtain Help from Existing Fair Park Organizations
 - Add New Employees over time – especially in Operations, Maintenance and Marketing/Communications
 - Initial Chair and CEO will work without compensation, if elected. In three years hire compensated CEO. Hard to recruit until we “Turn the Queen Mary”.

EXPANDED EVENTS/ACTIVITIES

Education – DCCC – Skills Training – Culinary arts, other trades

Sports and Athletic Facilities – Parking Lots - YMCA

New Business Incubator Space – Menlo Park.

Sports venues – Soccer, skating, skate board, jogging, other.

Arts and Crafts Facilities for Emerging Artists

Music & Dance & Light & Sound Festivals

Quiet Enjoyment – Facilities for Picnics, Walks, Dogs

Water Features – Laser shows, additional lagoon

MARKETING

- “Market” Fair Park as a Single Entity – its events, activities, and the “park” a place of quiet enjoyment.
- Use Social Media extensively
- Ask for pro bono help
- Policy Issue – Fair Park as an amenity for citizens or as a money making enterprise, or a blend?
- Develop Public and Governmental Relations to change attitudes and obtain support.
- Target Markets – General public, People attending Events and Activities, Potential Donors, Adjacent Communities

“DEVELOPMENT”

- Utilize Parks & Rec. Dept. plus others for Planning, Design, and Construction Assistance – Near Term
- Note, high % of funding must go to Fixing the Assets; remaining % to new projects (the “Sizzle”)
- Develop Fund Raising Organization.
- Develop Fair Park Ambassadors, Information Kiosks, Digital Maps

SOLVE PERCEIVED PROBLEMS WITH ACTION AND COMMUNICATION

- UNSAFE – Security, Video Cameras, Horse Patrols, Careful Marketing Program, Visitors
- ACCESS – Signage, Maps, Preferred Access Corridors, Phone App, New Entrances - Traffic
- CLEAN –Increase maintenance after State Fair.
- HELP SURROUNDING NEIGHBORHOODS - Jobs Program, Public/Private efforts, Adopt a Business, Fair Park Institutions Outreach
- FAIR PARK MORE THAN STATE FAIR – Expand Marketing Materials; Publicize Event Calendar.

ACTION STEPS

- **First Phase**
 - This Council Briefing
 - City asked to pay to help Transition to Foundation; Otherwise Funds would have to be raised for legal and other services to develop Mgt. Agreement.
 - WJH offers to serve w/o pay as a consultant starting NOW to help Fair Park address some of its problems ASAP as well as aid the transition and closing by May, 2016

ACTION STEPS – Continued

- **Second Phase**

- Negotiate Management Agreement
- Recruit Board Members
- Human Resources Transition details - Current Employee careers most important
- Risk Management/Insurance Transition details
- Operational Details – Who Does What
- Operating Procedures under a New Management Environment...What can and cannot be done without “Red Tape”

ACTION STEPS – Continued

- **Third Phase** – Parks & Rec Board Approves Initial Board and Management Agreement
- **Fourth Phase** – City Council Approves Initial Board and Management Agreement
- **Final Phase** - Fair Park Texas Foundation Begins Operations. Initial Board Is Elected; New Board Elects Initial Chair and CEO.
(Subject to financial viability, WJH volunteers to serve as Initial Chair and CEO without pay for up to three years; then the new, compensated CEO would be hired.)

Q & A

COMMENTS

SUGGESTIONS

CLOSING REMARKS

Fair Park 1936



Fair Park Today



Fair Park's Future?

We are at a "Fork" in the Road



ROBERT FROST'S POEM



“Two roads diverged in a wood, and I -
I took the one less traveled by,
And that has made all the difference.”
- Robert Frost

One Path – Maintain Status Quo

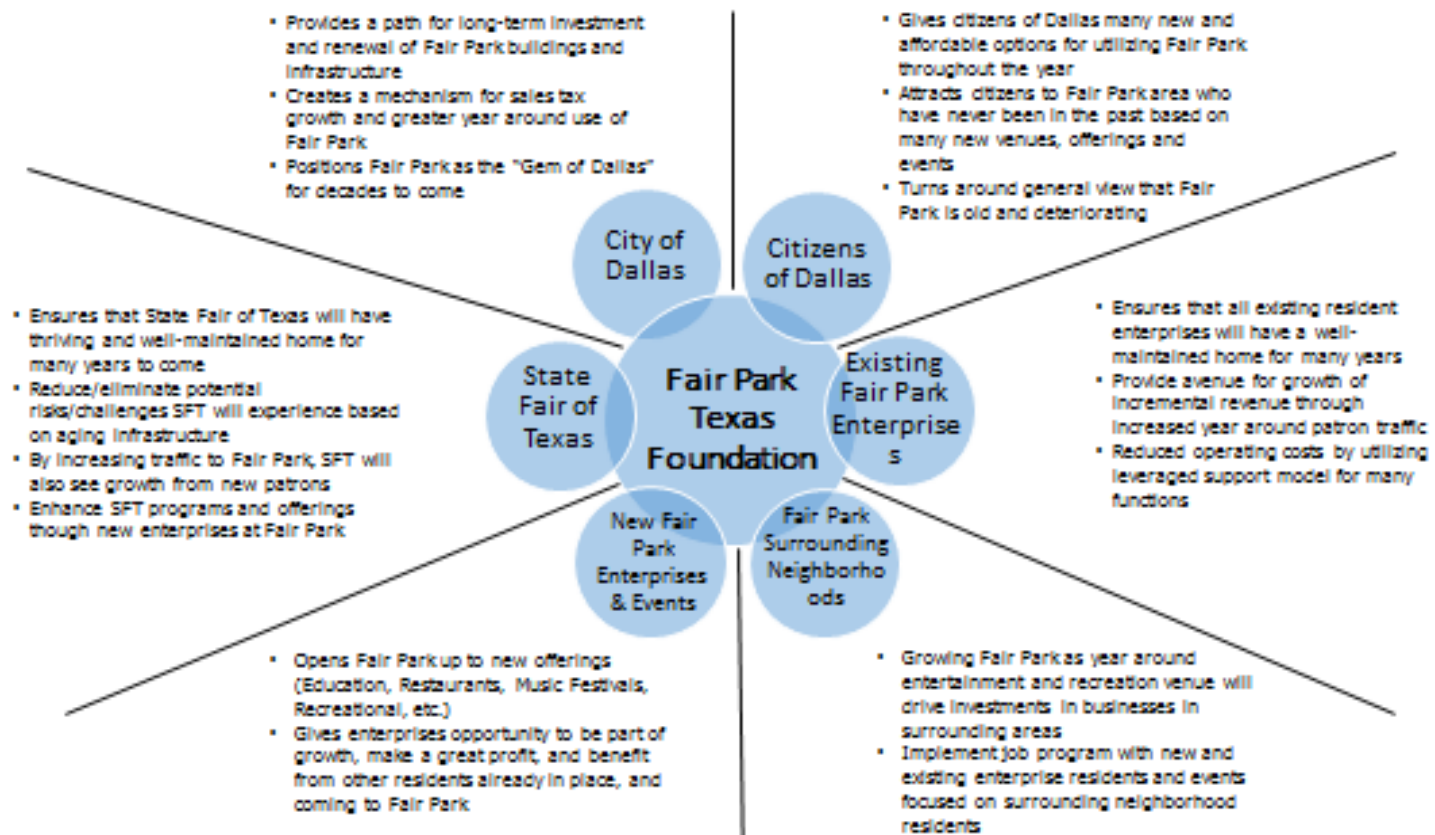
- Lacking Funds, Physical Assets Continue Decline
- Harder to Attract New Events and Activities and Retain Existing Events in light of Competition.
- Fair Park, the largest Public Asset in South Dallas/Fair Park Area, Provides No “Lift” to the Adjacent Communities; Development Stalls.
- State Fair of Texas is a Four Week “Oasis”, in an otherwise “Desert” Year
- Bi-Centennial Celebration Moves to A, H or S.A.

Less Traveled Path – Revitalize Park It Will Make All The Difference

- Fair Park Becomes One Of World's Premier Parks
- State Fair of Texas Remains the Best and Largest Fair in the Nation.
- Other Events, Activities, and Uses - Provided Increased Time and Space to Operate-Thrive Grow
- Private Funding Ultimately Augments and Exceeds City of Dallas support.
- Major National Events Choose Fair Park As Venue
- Bi-Centennial Celebration Held in Dallas-June,2036

Returns on the Requested Investment by City of Dallas

Fair Park Texas Foundation – Value Proposition



WHICH ROAD WILL IT BE?

“Two roads diverged in a wood, and I -
I took the one less traveled by,
And that has made all the difference.”
- Robert Frost

