MEMORANDUM

DATE: January 17, 2014

TO: Members of the Budget, Finance & Audit Committee:
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT: Budget, Finance & Audit Committee Meeting

TUESDAY, JANUARY 21, 2014, 1:00 P.M.
Dallas City Hall - 6ES, 1500 Marilla St., Dallas, TX 75201

The agenda for the meeting is as follows:

1. Consideration of minutes from the January 6, 2013 Budget, Finance & Audit committee meeting

2. Dallas Convention Center Hotel Update
   Ron King, Director
   Convention & Event Services

3. Dallas Convention & Visitors Bureau Update
   Phillip Jones, President & CEO
   Dallas Convention & Visitors Bureau

FYI:

Upcoming Agenda Items:

4. Microwave Voice and Data Network Replacement
5. Excess Workers' Compensation Insurance Policy Renewal
6. Financial System Upgrade - End User Training
7. Construction Contract for the Omni Convention Hotel and Convention Center Dallas Area Rapid Transit Station Sustainable Development Infrastructure Project, Phase II

Jerry Allen, Chair
Budget, Finance & Audit Committee
A quorum of the Dallas City Council may attend this Council Committee meeting.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.

2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.

3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.

4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.

5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
Meeting Date: 1.06.2014  Convened: 1:03 p.m.  Adjourned: 2:27 p.m.

Committee Members Present:

Jerry R. Allen, Chair    Jennifer Staubach Gates, Vice-Chair
Tennell Atkins          Sheffie Kadane
Philip T. Kingston

Council Members Present:

Adam Medrano
Scott Griggs

Staff Present:

Jeanne Chipperfield    Molly McCall    La Toya Jackson    Michael Frosch
Jack Ireland           Dolores Lewis   Russell Dyer      Craig Kinton
Zeronda Smith          Forest Turner   Valanda Quaite    Adelia Gonzalez
Edward Scott           Rick Galceran   Theresa O’Donnell Melissa Miles
Lance Sehorn           Helendra Ruiz   John Rogers       Zaida Basora
Michael Frosch         Jesse Dillard   Robyn Gerard
Stephanie Cooper       William Finch   Beverly Davis

AGENDA:

1. Approval of the December 2, 2013 Minutes
   Presenter(s):
   Information Only: ___
   Action Taken/Committee Recommendation(s):

   A motion was made to approve the December 2, 2013 minutes. Motion passed unanimously.
   Motion made by: Sheffie Kadane    Motion seconded by: Tennell Atkins

2. Financial Benefits and Protections of Marriage
   Presenter(s): Theresa O’Donnell, Interim Assistant City Manager
                  John Roger, Assistant City Attorney
   Information Only: X
   Action Taken/Committee Recommendation(s):

   Committee Chair would like to build on the briefing series with a recommendation and speaker from
   the Human Rights Campaign. Additionally, Committee Members request a list of actions items in the
   next briefing.

3. Unlawful Discriminatory Practices Relating to Sexual Orientation
   Presenter(s): Beverly Davis, Assistant Director, Fair Housing Office
                  Melissa Miles, Assistant City Attorney
   Information Only: X
   Action Taken/Committee Recommendation(s):

   Committee Chair supported Councilmember Griggs request to include a comparison between
   Chapter 34 (Personnel Rules) of the City Code and Chapter 46 (Unlawful Discriminatory Practices
Relating to Sexual Orientation) in the upcoming briefing. Councilmember Kingston would like additional metrics from Fair Housing regarding their educational efforts on Chapter 46.

4. **Comprehensive Energy Conservation & Solar Performance Contracts**  
   Presenter(s): Rick Galceran, Director, Public Works  
   Information Only: X  
   Action Taken/Committee Recommendation(s):

5. **Best Practices in E3 Government, Finance & Audit- Index Cities and SWOT Analysis**  
   Presenter(s): LaToya Jackson, Assistant Director, Strategic Customer Services  
   Dolores Lewis, Human Resources  
   Russell Dyer, Office of Cultural Affairs  
   Information Only: X  
   Action Taken/Committee Recommendation(s):

   Councilmembers Atkins and Kingston would like additional information on E3 analysis, specifically metrics, supporting data and costs to implement opportunities.

FYI

5. **Upcoming Agenda Items: Risk Consultant and Actuarial Services**  
   Presenter(s): N/A  
   Information Only: X  
   Action Taken/ Committee Recommendation(s):

   N/A

6. **November 2013 Financial Forecast Report**  
   Presenter(s): N/A  
   Information Only: X  
   Action Taken/ Committee Recommendation(s):

   N/A

__________________________________
Jerry R. Allen, Chair  
Budget, Finance & Audit Committee
Memorandum

DATE       January 17, 2014

TO         Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT    Dallas Convention Center Hotel Update

On Tuesday, January 21, 2014 you will be briefed on the Dallas Convention Center Hotel Update. The briefing materials are attached for your review.

Please contact me with any questions.

Forest E. Turner
Assistant City Manager

[Attachment]

c:  Honorable Mayor and Members of the City Council
    A.C. Gonzalez, Interim City Manager
    Rosa A. Rios, City Secretary
    Warren M.S. Ernst, City Attorney
    Daniel F. Solis, Administrative Judge
    Craig D. Kinton, City Auditor
    Ryan S. Evans, Interim First Assistant City Manager
    Jill A. Jordan, P.E., Assistant City Manager
    Forest E. Turner, Assistant City Manager
    Joey Zapata, Assistant City Manager
    Charles M. Calo, Interim Assistant City Manager
    Theresa O’Donnell, Interim Assistant City Manager
    Frank Librio, Public Information Officer
    Elsa Cantu, Assistant to the City Manager

"Dallas-Together, we do it better!"
Dallas Convention Center Hotel Update Briefing

Budget, Finance & Audit Committee
January 21, 2014
Purpose

• Provide an update on the Convention Center Hotel Operations, ongoing and future development opportunities.
Outline

• Vision for the overall development
• Key components of the hotel project
• Timeline/Milestones
• Convention Center Hotel
• Restaurant Development Overview (Phase II Hotel Development)
• Omni/DART Lamar Connection
• Potential future development
• Summary
Vision for Overall Development

Source: December 6, 2010 Economic Development Briefing, Dallas City Council

• Build another destination for Dallas
• Enhance convention attendee experience
• Develop hotel, restaurant, retail, cultural and entertainment elements

• Create a Lamar Street entertainment corridor by:
  • Improving connectivity from Kay Bailey Hutchison Convention Center Dallas (KBHCCCD) south into the Lamar Street Entertainment Corridor and north through downtown, to Victory Plaza
Key Components of Hotel Project

- Increase the competitiveness of the KBHCCD
- Enhance overall economic benefits generated by the Convention industry to the City of Dallas
- Achieve an overall project that can be constructed and operated within the projected revenues and construction budget

- 1,000 Room Hotel
- Provide meeting and banquet space within the hotel
- 30% Goal for M/WBE utilization during construction
  - Higher than 25% M/WBE Program construction goal
- Select a professional hotel management company/operator to manage the asset for the City
Timeline

• Convention Center Hotel:
  • City Council approved formation of Local Government Corporation (LGC)—August 2008
  • Hotel developer selected—September 2008
  • Omni selected to manage hotel—February 2009
    • 15 year term operator agreement
    • Locally owned
    • 25% M/WBE utilization commitment from Omni
  • Voters approved Convention Center Hotel referendum—May 2009
  • Council approval of bonds to finance hotel—June 2009
  • Groundbreaking—September 2009
  • Hotel opened—November 2011
Convention Center Hotel
Organizational & Financial Structure

City of Dallas

Hotel LGC

DCVB (Citywide Sales & Marketing Initiatives)

OMNI
- Hotel Operations
- Parking Operations
- Property Management

Hotel Financial Structure

Funding
- Revenue Bonds
- Build America Bonds

Debt Service
- Hotel Net Operating Revenue
- Economic Development Agreement
  - 6% State HOT*
  - 6.25% State Sales Tax*
  - 7% Local HOT
- Reserve Accounts
*Years 1-10 only

Convention & Services Dpt.
- KBHCCD Operations
- Contract Management support

B/R/P Design/Builder

MSW Developer

Restaurant Leases
Convention Center Hotel Site

(November 2007)
Convention Center Hotel Completed

December 2013

Standard Guest Room

Pre Function Lobby
**Hotel Construction:**
- Significant joint venture between Balfour Beatty and two M/WBE firms:
  - Pegasus Texas
  - H.J. Russell Co. (BRP JV)
- Exceeded goal of 30% for a total of 37.9%
- Resulted in 163 separate contracts to M/WBE

**Hotel Operations M/WBE Participation**

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>M/WBE Goal</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>M/WBE Actual</td>
<td>31%</td>
<td>32.7%</td>
</tr>
</tbody>
</table>
A Citywide event is based upon 2,500+ room nights on peak. Bookings occur into the future.
Room Night Reservations

- Hotel Occupancy rates have exceeded proforma in both 2012 and 2013
- 2014 Proforma based on 66% occupancy rates
- Average occupancy rate for the City of Dallas was 61.8% for 2012 and 65% for 2013
Food & Beverage Performance
(Convention Center Hotel, including ballrooms)

Food & Beverage Revenues

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proforma</td>
<td>20,000,000</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Actual</td>
<td>10,000,000</td>
<td>20,000,000</td>
</tr>
</tbody>
</table>

- Proforma
- Actual
Omni Dallas Success to date

The hotel is expected to close 2013 with:

- Occupancy 7.2% over proforma*
- Food and Beverage revenue exceeding proforma by $11.08M*
- Total revenue exceeding proforma by approximately $13.2M *
- Earnings $4.9M *

*Preliminary unaudited
Restaurant Development Overview
Restaurant Development Overview
(Phase II Hotel Project)

- Original hotel ancillary development anticipated additional debt.
- Development plan is now to be paid with unspent/existing bond proceeds.
  - Project paid from original hotel construction budget
  - Revenue will offset the approximate $1.6M debt service payment on the land.
- Land is owned by the City of Dallas
- Land is leased to the Dallas Convention Center Hotel Development Corporation (DCCHDC)
- Current project plan includes development of land in front of the Omni Dallas Hotel:
  - 350 space below grade parking garage
  - Approximately 15k square feet of restaurants
  - Four individual storefront concepts
- Omni will manage/maintain the parking and restaurant leases as an extension of current hotel operations.
City of Dallas (Land Owner)

Leases land to the DCCHDC

Matthews Southwest
Development and project management, negotiates leases

Balfour, Russell, Pegasus
Design and build development

Once complete, Omni will manage the development as an extension of current operations

Base Rent + 100% of net operating profits paid back to City as rent (will offset land debt service)

$
Restaurant Development Benefits
(Phase II Hotel Project)

- Makes Dallas as a destination more attractive
- Enhances Convention Center Hotel project
- Clients are requiring more restaurant and entertainment venues within walking distance of the Convention Center
- Increases the economic impact of the destination
- Enhances convention attendee experience
- Enhances the overall Lamar Streetscape Plan
- Enhances Lamar entertainment venues
Conceptual Rendering
Restaurant Concepts*
(Phase II Hotel Project)

- Sushi
- Brasserie
- Tex-Mex
- Pizza & Wine

*Letters of intent signed, leases currently under negotiation
Omni/DART Lamar Connection Under the Convention Center

• Connects:
  • Omni Dallas Hotel and DART station
  • Omni Dallas Hotel to DFW Airport
    • Orange Line – Expected 2014
  • Design District, Victory, West End, Main Street, Cedars, Southside and Cedars DART station (D-Link)

• Improvements Includes:
  • Enhanced safety
  • Lighting and signage
  • Pedestrian experience

• Schedule:
  • Lamar Street: Under the Convention Center
    • Design – June 2013 through October 2013
    • Construction – April 2014 through December 2015
Omni/DART Lamar Connection
Under the Convention Center

Before

After
North Entrance

Before
DART/OMNI Connection Budget

Total Budget $ 4,673,574

• Sources:
  • 2009 Convention Center Revenue Bonds $ 2,073,574
  • NCTCOG Grant Funds $ 600,000
  • 2006 Bond Program $ 2,000,000

Total Sources $ 4,673,574

• Uses:
  • Concept (Approved by City Council April 25, 2012) $ 69,986
  • Design (Approved by City Council May 22, 2013) $ 771,638
  • Construction (For City Council consideration January 22, 2014) $ 3,831,950

Total Uses $ 4,673,574
Lamar Street Entertainment Corridor
## Potential Future Ancillary Development

<table>
<thead>
<tr>
<th>Map Number</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Parking Lot C</td>
</tr>
<tr>
<td>2</td>
<td>Parking Lot E</td>
</tr>
<tr>
<td>3</td>
<td>Convention Center</td>
</tr>
<tr>
<td>4</td>
<td>NW Corner of Lamar &amp; I-30</td>
</tr>
<tr>
<td>5</td>
<td>Jefferson Viaduct Boardwalk</td>
</tr>
<tr>
<td>6</td>
<td>Memorial Auditorium (Arena)</td>
</tr>
<tr>
<td>7</td>
<td>NE Corner of Griffin &amp; Canton</td>
</tr>
<tr>
<td>8</td>
<td>MSW Parking Lot</td>
</tr>
<tr>
<td>9</td>
<td>Heliport Supergraphics Location</td>
</tr>
<tr>
<td>10</td>
<td>Old Pump Station</td>
</tr>
</tbody>
</table>
Summary

- Convention Center Hotel performing better than proforma
- Convention Center Hotel has met or exceeded established goals
- Citywide convention bookings have increased moving into the future
- Phase II development currently underway
- Lamar streetscape improvements in progress
- There is potential for future development in the Convention Center District
Questions?
Memorandum

DATE January 17, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Dallas Convention and Visitors Bureau Update

On Tuesday, January 21, 2014 you will be briefed on the Dallas Convention and Visitors Bureau Update. The briefing materials are attached for your review.

Please contact me with any questions.

Forest E. Turner
Assistant City Manager

[Attachment]

c: Honorable Mayor and Members of the City Council
   A.C. Gonzalez, Interim City Manager
   Rosa A. Rios, City Secretary
   Warren M.S. Ernst, City Attorney
   Daniel F. Solis, Administrative Judge
   Craig D. Kinton, City Auditor
   Ryan S. Evans, Interim First Assistant City Manager

   Jill A. Jordan, P.E., Assistant City Manager
   Forest E. Turner, Assistant City Manager
   Joey Zapata, Assistant City Manager
   Charles M. Cato, Interim Assistant City Manager
   Theresa O'Donnell, Interim Assistant City Manager
   Frank Librio, Public Information Officer
   Elsa Cantu, Assistant to the City Manager
PHILLIP J. JONES
President/CEO Dallas CVB

DAVE BROWN
American Airlines Center
Dallas CVB Chairman 2013-2014
Year-in-Review
CVB ROOM NIGHTS BOOKED
COMPARATIVE 2003-2013

FY 02-03  FY 03-04  FY 04-05  FY 05-06  FY 06-07  FY 07-08  FY 08-09  FY 09-10  FY 10-11  FY 11-12  FY 12-13

0  200000  400000  600000  800000  1000000  1200000  1400000  1600000  0
CVB CITYWIDE MEETINGS BOOKED
COMPARATIVE 2003-2013
## PERFORMANCE COMPARISONS

(11-Month Hotel Performance Change from Prior Year Sorted by Occupancy)

<table>
<thead>
<tr>
<th>City</th>
<th>Supply</th>
<th>Demand</th>
<th>Occ.</th>
<th>ADR</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas</td>
<td>0.6%</td>
<td>4.4%</td>
<td>3.8%</td>
<td>7.8%</td>
<td>12.5%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>-0.5%</td>
<td>2.9%</td>
<td>3.5%</td>
<td>9.8%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>-1.8%</td>
<td>1.1%</td>
<td>3.0%</td>
<td>4.9%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Orlando</td>
<td>0.4%</td>
<td>2.5%</td>
<td>2.1%</td>
<td>2.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>DC</td>
<td>0.3%</td>
<td>2.2%</td>
<td>1.9%</td>
<td>2.5%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Boston</td>
<td>1.3%</td>
<td>3.1%</td>
<td>1.7%</td>
<td>2.9%</td>
<td>6.1%</td>
</tr>
<tr>
<td>US</td>
<td>0.7%</td>
<td>2.1%</td>
<td>1.4%</td>
<td>3.8%</td>
<td>6.1%</td>
</tr>
<tr>
<td>Atlanta</td>
<td>0.4%</td>
<td>1.4%</td>
<td>1.0%</td>
<td>3.1%</td>
<td>4.6%</td>
</tr>
<tr>
<td>New York</td>
<td>2.4%</td>
<td>3.2%</td>
<td>0.8%</td>
<td>3.0%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Chicago</td>
<td>1.9%</td>
<td>1.3%</td>
<td>-0.6%</td>
<td>2.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>0.5%</td>
<td>-0.3%</td>
<td>-0.8%</td>
<td>6.8%</td>
<td>6.5%</td>
</tr>
</tbody>
</table>
TOP 5 AGAIN
(Destination Rankings by Room Night Bookings)

1. Las Vegas
2. San Francisco
3. Orlando
4. Chicago
5. Dallas
6. San Diego
7. Atlanta
8. Washington, DC
9. New Orleans
10. Anaheim
11. San Antonio
12. Indianapolis
13. Philadelphia
14. Denver
15. Houston
What visitors do in Dallas
MAJOR DALLAS ATTRACTIONS
SOME OF THE MOST VISITED LOCATIONS IN DALLAS

• AT&T Performing Arts Center
• American Airlines Center
• Dallas Arboretum and Botanical Gardens
• Dallas Museum of Art
• Dallas World Aquarium
• Dallas Zoo
• Fair Park

• Geo-Deck at Reunion Tower
• George W. Bush Presidential Center
• Klyde Warren Park
• Nasher Sculpture Center
• Perot Nature and Science Museum
• Sixth Floor Museum
1,504,229 TOTAL ROOM NIGHTS BOOKED

31 CITYWIDE MEETINGS BOOKED [largest number in our history]

$1.6 Billion TOTAL ECONOMIC IMPACT

63.2% OVERALL DALLAS METRO OCCUPANCY

REPRESENTS A 5% YEAR-OVER-YEAR INCREASE

61,367 Visitors assisted in the Tourist Information Center

184 Groups Serviced
55 Sports groups booked

USA Volleyball Girls’ Jr. Nat. Championships
191,600 Record attendance over eight days

Big 12 Women’s Basketball Championship
Dallas hosted the second largest attendance in the history of the Big 12 Women’s Basketball Championships in the first year of being split from the Men’s Championship in another city.
Welcome

Generated
134,776
Leisure room-nights

Hosted
200
Regional and international travel trade clients

10% increase in international visitors
BIG THINGS HAPPEN HERE

$4.3 MILLION
Brand campaign

132 MILLION
Media Impressions with .12% CTR

VisitDallas.com
VISITS INCREASED 62% (INCLUDES MOBILE)
WEBSITE HAD 1.8M VISITORS

FANS GREW BY 54,349
UP 555%

FOLLOWERS INCREASED BY 92%
TOURISM
Public Improvement District
PASSED JUNE 2012
RESULTED IN
$4M
Marketing Budget
TO LAUNCH NEW BRAND
PROVIDED
$11.4M
BUDGET
FOR DCVB
Previous Marketing Budget
$1M
DALLAS CONVENTION & VISITORS BUREAU
1st Destination Management Organization in the Country
To create a Diversity and Inclusion Department

WOMEN'S INITIATIVE
High Tea with High Heels
300 attendees

NATIONAL GAY & LESBIAN
CHAMBER OF COMMERCE
Hosted 10th Annual Conference
600 attendees

Includes 87.4% diverse participants

MegaFest
Largest city event hosted to date
Record attendance
75,329
DESTINATION FOR FAMILY TRAVEL = DALLAS

Perot Museum of Nature & Science
Klyde Warren Park
Bush Presidential Center
Rory Meyers Children’s Adventure Garden

Exceeded 2M visitors to four major city attractions

In 2 decades $15B New development

DALLAS
BIG THINGS HAPPEN HERE

VisitDallas.com/BIGyear
What that meant for the City of Dallas
VISITOR IMPACT IN DALLAS

22.6 Million Visitors Spent $3.7 Billion

Visitor Volume and Spending
City of Dallas

Visitor volume, mil (L)
Visitor spending, bils (R)

Sources: Longwoods International, STR, Tourism Economics
VISITOR IMPACT IN DALLAS

$6.2 Billion in Total Sales Revenue

Tourism Sales by Industry
City of Dallas, $ millions

- Lodging
- F&B
- Retail Trade
- FIRE
- Recreation
- Bus. Services
- Gas
- Other Transp
- Education
- Construction
- Manu.
- Comm.

Induced
Indirect
Direct

F&B: Food and Beverage
FIRE: Finance, Insurance, Real Estate
Bus. Services: Business Services
Gas: Gasoline Stations
Other Transp: Other Transportation
Manu.: Manufacturing
Personal Serv.: Personal Services
Comm: Communication
VISITOR IMPACT IN DALLAS

50,000 Jobs Supported by Tourism

Tourism Employment by Industry

- **F&B**: Food and Beverage
- **FIRE**: Finance, Insurance, Real Estate
- **Bus. Services**: Business Services
- **Gas**: Gasoline Stations
- **Other Transp.**: Other Transportation
- **Personal Serv.**: Personal Services
- **Wholesale Tr.**: Wholesale Trade
- **Gov.**: Government

- Induced
- Indirect
- Direct
VISITOR IMPACT IN DALLAS

Tourism Generated $724 Million in Taxes

Within the City, tourism-driven state and local tax proceeds of $365 million helped offset the average household tax burden by $805 per household.

<table>
<thead>
<tr>
<th>Tourism Tax Generation (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Federal</strong></td>
</tr>
<tr>
<td>Personal Income: $114.2</td>
</tr>
<tr>
<td>Corporate</td>
</tr>
<tr>
<td>Corporate: $40.5</td>
</tr>
<tr>
<td>Sales</td>
</tr>
<tr>
<td>Indirect Business: $33.7</td>
</tr>
<tr>
<td>Lodging</td>
</tr>
<tr>
<td>Social Security: $170.9</td>
</tr>
<tr>
<td>Other Taxes and Fees</td>
</tr>
<tr>
<td><strong>State</strong></td>
</tr>
<tr>
<td>$177.0</td>
</tr>
<tr>
<td><strong>Local</strong></td>
</tr>
<tr>
<td>Sales: $0.2</td>
</tr>
<tr>
<td>Lodging: $84.4</td>
</tr>
<tr>
<td>Property: $57.0</td>
</tr>
<tr>
<td>Other Taxes and Fees: $35.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>$359.3</td>
</tr>
<tr>
<td>$177.0</td>
</tr>
<tr>
<td>$187.6</td>
</tr>
</tbody>
</table>
Customer Perceptions
### CUSTOMERS

**Reputation of Dallas Meeting Facilities – Historic Trends**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Good for Large Trade Shows</td>
<td>8</td>
<td>6</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Excellent Hotel Meeting Facilities</td>
<td>12</td>
<td>12</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Good for International Conventions</td>
<td>16</td>
<td>15</td>
<td>15</td>
<td>14</td>
</tr>
<tr>
<td>New/Expanded Convention Center</td>
<td>10</td>
<td>18</td>
<td>14</td>
<td>26</td>
</tr>
</tbody>
</table>
CUSTOMERS
Ranked as Having Built or Expanded Their Convention Center

<table>
<thead>
<tr>
<th>Las Vegas</th>
<th>Orlando</th>
<th>San Jose</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orleans</td>
<td>Phoenix</td>
<td>Washington, DC</td>
</tr>
<tr>
<td>Chicago</td>
<td>Anaheim</td>
<td>Charlotte</td>
</tr>
<tr>
<td>Nashville</td>
<td>Atlanta</td>
<td>Boston</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>Austin</td>
<td>San Antonio</td>
</tr>
<tr>
<td>Denver</td>
<td>Philadelphia</td>
<td>Vancouver</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>San Diego</td>
<td></td>
</tr>
</tbody>
</table>
Competitive Standings
COMPETITION
Current and Recent Projects

- Austin, TX – two new 1,000 room hotels.
- Chicago, IL – new 1,661 hotel rooms.
- Houston, TX – new 1,000 room hotel.
- Indianapolis, IN – recent 1,005 room hotel.
- Los Angeles, CA – recent 1,001 hotel rooms.
- Nashville, TN – new 800 room hotel.
- Orlando, FL – recent 2,150 hotel rooms.
- San Diego, CA – recent 1,190 room hotel.
- Washington, DC – new 1,167 room hotel.
Comparison of Prime Exhibit Space – Competitive and Comparable Facilities

<table>
<thead>
<tr>
<th>City</th>
<th>Exhibit Space</th>
<th>Median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago, IL</td>
<td>2,588,500</td>
<td></td>
</tr>
<tr>
<td>Orlando, FL</td>
<td>2,055,100</td>
<td></td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>1,940,600</td>
<td></td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>1,366,000</td>
<td></td>
</tr>
<tr>
<td>New Orleans, LA</td>
<td>966,300</td>
<td></td>
</tr>
<tr>
<td>Houston, TX</td>
<td>862,000</td>
<td></td>
</tr>
<tr>
<td>Anaheim, CA</td>
<td>813,600</td>
<td></td>
</tr>
<tr>
<td>San Diego, CA (1)</td>
<td>755,700</td>
<td></td>
</tr>
<tr>
<td>Dallas, TX</td>
<td>726,600</td>
<td></td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>581,400</td>
<td></td>
</tr>
<tr>
<td>Denver, CO</td>
<td>579,000</td>
<td></td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>538,700</td>
<td></td>
</tr>
<tr>
<td>Boston, MA</td>
<td>516,000</td>
<td></td>
</tr>
<tr>
<td>San Antonio, TX (1)</td>
<td>515,000</td>
<td></td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td>503,000</td>
<td></td>
</tr>
<tr>
<td>Nashville, TN</td>
<td>353,100</td>
<td></td>
</tr>
<tr>
<td>Austin, TX</td>
<td>246,100</td>
<td></td>
</tr>
</tbody>
</table>

Average = 935,700
Median = 726,600

Note: Includes space that is either planned or currently under construction.

Source: Facility floor plans and management, 2013

- The 726,600 square feet of exhibit space provided at the DCC ranks at the mid-point of the major market competitive and comparable convention centers analyzed as part of this analysis.
- Centers in San Diego, Boston, Anaheim, San Antonio, Las Vegas, Denver and Austin are being considered for expansion projects.
Comparison of Meeting Space – Competitive and Comparable Facilities

(1) Includes space that is either planned or currently under construction.

• The available meeting space at the DCC ranks towards the bottom of the comparable/competitive facility set reviewed.

• Our survey research has continually demonstrated that event planners rank the availability of meeting space as a top variable when evaluating and selecting an event destination.

• The low DCC ranking represents a competitive disadvantage.

Average = 175,500
Median = 160,000
Comparison of Ballroom Space – Competitive and Comparable Facilities

- Average = 82,200
- Median = 71,100

- Includes space that is either planned or currently under construction.

- Note: The Las Vegas Convention Center does not offer dedicated ballroom space.

- Source: Facility floor plans and management, 2013

- The ballroom space offered at the DCC ranks somewhat low among the facilities reviewed.

- Ballroom space is very often used for a diversity of event functions, including general sessions, product demonstrations, poster sessions, and food functions.

- Most recent convention center development and expansion projects have included contiguous ballroom space of at least 50,000 square feet.

- The largest ballroom at the DCC is only 27,000 square feet, much smaller than ballroom space in competitive markets.
<table>
<thead>
<tr>
<th>City</th>
<th>Hotel Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco, CA</td>
<td>18,925</td>
</tr>
<tr>
<td>Las Vegas, NV</td>
<td>16,631</td>
</tr>
<tr>
<td>Orlando, FL</td>
<td>10,803</td>
</tr>
<tr>
<td>Anaheim, CA</td>
<td>10,544</td>
</tr>
<tr>
<td>San Antonio, TX</td>
<td>9,354</td>
</tr>
<tr>
<td>New Orleans, LA</td>
<td>8,614</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>8,317</td>
</tr>
<tr>
<td>San Diego, CA (1)</td>
<td>7,760</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>6,594</td>
</tr>
<tr>
<td>Austin, TX (2)</td>
<td>5,617</td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td>4,625</td>
</tr>
<tr>
<td>Dallas, TX</td>
<td>3,776</td>
</tr>
<tr>
<td>Houston, TX (1)</td>
<td>3,251</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>1,844</td>
</tr>
<tr>
<td>Boston, MA (1)</td>
<td>1,690</td>
</tr>
<tr>
<td>Chicago, IL (1)</td>
<td>1,089</td>
</tr>
</tbody>
</table>

Average = 7,500
Median = 7,200
Stakeholders Help Drive Our Success
2013-2014 BOARD OF DIRECTORS

DAVE BROWN - CHAIRMAN
American Airlines Center

PEG HALL – CHAIR-ELECT/TREASURER
Dentons US LLP
Finance Committee Chair

MONICA R. ALONZO – VICE CHAIRMAN
Councilmember, City of Dallas
Diversity & Inclusion Committee Chair

BILL BOYD – IMMEDIATE PAST CHAIRMAN
AlliedPRA DFW
Nominating Committee Chair

MICHAEL BEKOLAY
Legends Hospitality Management

AMY W. COWAN
Cowan Roberts Community Relations

TAMMY DEMERY
First National Bank of Omaha

MARTIN BURRELL
The Burrell Group

LAL DASWANI
Dcustomtailors

DARLENE ELLISON
Veritex Community Bank
2013-2014 BOARD OF DIRECTORS

DEAN FEARING
Fearing’s Restaurant

DR. ELBA GARCIA
Dallas County

SONNY GARCIA
E-Rewards, Inc.

JENNIFER STAUBACH GATES
Councilmember, City of Dallas

DEREK GEROW
Bain & Company

DARWIN GIBSON
Janssen Pharmaceuticals, Inc.

SAM GILLILAND
Sabre Holdings

TARA GREEN
Klyde Warren Park

NEVIN GRINNELL
Dallas Area Rapid Transit

BILLY D. HINES
NorthPark Management Company

AMY HOFLAND
Crow Collection of Asian Art

LINDA KAO
SMU Cox School of Business

RON KING
Convention & Event Services
City of Dallas

LAURA MacNEIL
Wells Fargo Bank

LARRY MAGOR
Omni Dallas Hotel

MICHAEL D. MCGILLIGAN
Hilton Dallas Lincoln Centre

PAULINE MEDRANO
Community Leader
2013-2014 BOARD OF DIRECTORS

DALE MORRIS
Freeman

MARIE PERRY
Brinker International

STEPHAN PYLES
Stephan Pyles

HAROLD RAPOZA
Hilton Anatole Dallas Hotel

EDDIE REEVES
Reeves Strategy Group

PETE SCHENKEL
Dean Foods

LAURIE SPROUSE
Ultimate Ventures

MITZI TALLY
Dallas Market Center

KERRY TASSOPOULOS
Mary Kay Inc.

KEN THORNTON
FFE Texas-Superior Expo Services

JERONIMO VALDEZ
Valdez/Washington LLP

TONY VEDDA
North Texas GLBT Chamber of Commerce

ALAN WALNE
Herb’s Paint and Body

DANA WILLIAMS
Southwest Airlines

MARK WOELFFER
Renaissance Dallas Hotel

JEFFREY YARBROUGH
bigInk
Memorandum

DATE January 17, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer Staubach Gates (Vice-Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Microwave Voice and Data Network Replacement

The January 22, 2014 Council Addendum will include an item to authorize (1) an acquisition contract for the purchase of microwave equipment to replace the City’s existing microwave radio system in the amount of $6,284,983, and (2) a five year service contract for maintenance and support of the new microwave system in the amount of $1,825,255, total not to exceed $8,110,238, financed with Homeland Security Grant Funds ($6,595,070) and Current Funds ($1,515,168) (subject to annual appropriations).

The overarching goal of the City of Dallas’ Emergency Communications is to provide highly efficient, effective and interoperable public safety communications for city and county law enforcement, Fire and EMS agencies and the citizens they serve. The microwave communication system provides voice support for two-way radio communications used in Police, Fire, EMS, Water Utility, Streets, Sanitation, Aviation, Code, and other city departments that depend on reliable communications day-to-day, and during critical events.

Our current microwave network was built in 1996 and is outdated and limited in functionality in the following ways.

- No technical support and replacement parts for break/fix
- Will not support the future P25 standard based radio systems
- Not redundant, so when anything breaks the whole microwave network is inoperable
- Voice only, does not support data and video transmission

This contract will procure new a microwave communication system. Equipment procured will include microwave transmission antennas, receivers, cables, routers, security equipment, new auxiliary power supplies, and other IT related equipment. The design being proposed is a scalable solution to meet the growing demand of new data and voice solutions which will provide the following:

- A redundant solution for the network
- Three times the capacity of the existing system
- Flexibility to expand the network over the next several years, as an alternative to the traditional wired network for data and voice circuits
- Radio connectivity for all the City radios
- Compatibility with the proposed P25 radio network

Another benefit of the new network is that the vendor will assist the City with beginning to build a wireless voice and data microwave network. This initial network will replace telephone and internet land-line service at Police substations and Water Utility plants, thereby saving the cost of monthly land-line services. This network can be expanded in the future to cover additional City facilities.

"Dallas – Together, we do it better!"
January 17, 2014

Upcoming Agenda Item: Microwave Voice and Data Network Replacement, Page 2

Please contact Bill Finch at 670-1890 if you have any questions.

Jill A. Jordan, P.E.,
Assistant City Manager

c: Honorable Mayor and Members of the City Council
    A.C. Gonzalez, Interim City Manager
    Warren M.S Ernst, City Attorney
    Rosa Rios, City Secretary
    Craig Kinton, City Auditor
    Daniel F. Solis, Administrative Judge
    Ryan S. Evans, Interim First Assistant City Manager
    Forest Turner, Assistant City Manager
    Joey Zapata, Assistant City Manager
    Charles M. Cato, Interim Assistant City Manager
    Theresa O'Donnell, Interim Assistant City Manager
    Jeanne Chipperfield, Chief Financial Officer
    Frank Librio, Public Information Officer
    William Finch, Director/CIO, Communications and Information Services
    Elsa Cantu, Assistant to the City Manager

"Dallas – Together, we do it better!"
Memorandum

DATE January 17, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Excess Workers’ Compensation Insurance Policy Renewal

The January 22, 2014 Council Agenda includes an item to exercise the first of two one-year renewal options for Excess Workers’ Compensation Insurance with Texas Municipal League Intergovernmental Risk Pool (TMLIRP), not to exceed $425,000, effective February 1, 2014 through January 31, 2015. There is no additional cost to renew the policy and the premium will remain the same. TMLIRP’s Executive Board has approved the renewal of the policy.

Excess workers’ compensation insurance limits the City’s financial exposure on employee injury claims. The City purchases excess workers’ compensation insurance for compensable claims that exceed an established threshold. The policy will provide benefits such as disability, death, medical, etc. to employees that have suffered an injury or illness during the course and scope of their job. The City will pay the first $1 million for each injury and an additional $1 million corridor deductible.

TMLIRP is an interlocal government agency offering excess workers’ compensation coverage to political subdivisions in accordance with the Texas Workers’ Compensation Act. TMLIRP maintains an “A” Stable rating from Standard & Poor’s and provides coverage to cities, municipal utility districts, transit authorities and public utility boards. TMLIRP conforms to the requirements of Texas Statutes that are applicable for competitive bids and proposals in accordance with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

Please let me know if you need additional information.

Jeanne Chipperfield
Chief Financial Officer

C: Honorable Mayor and Members of the City Council
A C. Gonzalez, Interim City Manager
Rosa A. Rios, City Secretary
Warren M.S. Ernst, City Attorney
Daniel F. Solis, Administrative Judge
Craig D. Kinton, City Auditor
Ryan S. Evans, Interim First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Charles M. Cato, Interim Assistant City Manager
Theresa O’Donnell, Interim Assistant City Manager
Frank Librio, Public Information Officer
Elsa Cantu, Assistant to the City Manager

“Dallas-Together, we do it better!”
Memorandum

DATE January 17, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer Staubach Gates (Vice-Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Item: Financial System Upgrade End User Training

The January 22, 2014 Council Addendum will include an item to authorize Supplemental Agreement No. 1 to the contract with CGI Technologies and Solutions, Inc. to provide professional services in support of the City’s financial and accounting system upgrade, through the State of Texas Department of Information Resources, in an amount not to exceed $192,200, from $1,130,411 to $1,322,611.

Communication and Information Services (CIS), the City Controller’s Office (CCO), Business Development & Procurement Services (BDPS), and the Office of Financial Services (OFS) are working together on an upgrade of the Advantage financial, vendor, and reporting system. This system provides processing of essential financial transactions including: general ledger accounting, budget control and grant management, purchasing, accounts payable, accounts receivable, fixed assets, and vendor registration. The upgrade began in March 2013 and is scheduled to be completed April 2014. The City of Dallas has hired CGI Technologies and Solutions, Inc. (CGI) to perform this upgrade.

On the January 22, 2014 City Council addendum is a request for authorization to amend the contract with CGI to include end user training in support of the current upgrade to the financial system. Training was planned and budgeted as part of the upgrade project and staff has recently completed negotiations with CGI on the scope of work and cost. The purpose of this contract amendment is to engage CGI to provide the following services in support of the upgrade:

- Develop end user training guides and materials for seven (7) Advantage business areas
- Deliver classroom training to approximately 800 total end users for each Advantage business area
- Provide extensive training to BDPS staff to be able to train and support external vendors for vendor self service functions including registration, account maintenance, bid responses, and award history
- Develop training guides and job aides that would be available on the City’s Intranet for all new employees as they onboard to the City or existing employees as they transfer to other City departments; and
- Update resources for the City to develop and deliver online and electronic training materials and sessions

Training development and delivery will start immediately after Council approval. The vendor will work with staff to meet the upgrade implementation schedule for the end of April 2014.

Please contact me if you have additional questions.

Jill A. Jordan, P.E.
Assistant City Manager

“Dallas – Together, we do it better!”
c: Honorable Mayor and Members of the City Council
   A.C. Gonzalez, Interim City Manager
   Warren M.S. Ernst, City Attorney
   Rosa Rios, City Secretary
   Craig Kinton, City Auditor
   Daniel F. Solis, Administrative Judge
   Ryan S. Evans, Interim First Assistant City Manager
   Forest Turner, Assistant City Manager
   Joey Zapata, Assistant City Manager
   Charles M. Cato, Interim Assistant City Manager
   Theresa O'Donnell, Interim Assistant City Manager
   Jeanne Chipperfield, Chief Financial Officer
   Frank Librio, Public Information Officer
   William Finch, Director/CIO, Communications and Information Services
   Edward Scott, Director, Controller’s Office
   Jack Ireland, Director, Financial Services
   Michael Frosch, Director, Business Development & Procurement Services
   Elsa Cantu, Assistant to the City Manager

“Dallas – Together, we do it better!”
Memorandum

DATE January 17, 2014

SUBJECT Upcoming Agenda Item: Construction Contract for the Omni Convention Hotel and Convention Center Dallas Area Rapid Transit Station Sustainable Development Infrastructure Project, Phase II

The January 22, 2014 Council Agenda will include an item to authorize a contract with Big Sky Construction Company, Inc., best value proposer of five for the construction of the Omni Convention Hotel and Convention Center Dallas Area Rapid Transit Station Sustainable Development Infrastructure Project, for an amount not to exceed $3,831,950.

A professional services contract for architectural and engineering design services was authorized in January 2010. This action will authorize a contract with Big Sky Construction Company, Inc. to furnish materials and labor for the construction of work to include: a new lighting scheme that is more visually appealing and inviting to pedestrians; cleaned and power-washed ceiling and existing wall finishes; raised decorative stamped concrete crosswalks to establish identifiable pedestrian crossing areas, as well as to be used for vehicular slowing devices. A continuous lighted wall along the west side of Lamar Street with updated wayfinding graphics will be included in this project.

These phase II improvements are part of the $60 million Kay Bailey Hutchison Convention Center Dallas Improvement Project. This phase is one of multiple projects identified in the facility assessment within the Kay Bailey Hutchison Convention Center Dallas Improvement Project. Construction projects which have been authorized to date are the Upper Level Meeting Rooms, Chilled Water Loop, Lobby A and A/B Prefunction Areas, and the Fire Alarm, Emergency Lighting Replacement, Roof Replacement of Exhibit Halls A/B and Lower C, Exterior Waterproofing and Storm Drain Repair, Roof Replacement Upper C and D/E Areas, and C Area Renovation. There will be future Council actions on this Project, as additional contracts are awarded.

Jill A. Jordan, P.E.  
Assistant City Manager

cc: Honorable Mayor and Members of the City Council  
A.C. Gonzalez, Interim City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Daniel F. Solis, Administrative Judge  
Craig D. Kinton, City Auditor  
Ryan S. Evans, Interim First Assistant City Manager

Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O’Donnell, Interim Assistant City Manager  
Frank Librio, Public Information Officer  
Elsa Cantu, Assistant to the City Manager

"Dallas-Together, we do it better!"