

# Memorandum



DATE February 1, 2013

TO Members of the Economic Development Committee: Tennell Atkins (Chair), Ann Margolin (Vice Chair), Jerry R. Allen, Sheffie Kadane, Monica Alonzo

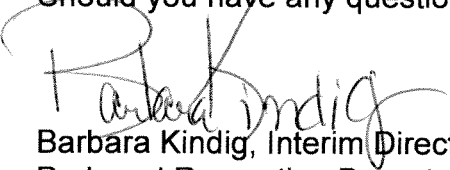
THRU Ryan S. Evans  
Assistant City Manager

SUBJECT **Fair Park and Proposed State Fair of Texas Contract Amendment**

On February 4, 2013, the Economic Development Committee will be briefed on the Fair Park and Proposed State Fair of Texas Contract Amendment. The City Council will consider approval of the item on February 13, 2013.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-4071.

  
Barbara Kindig, Interim Director  
Park and Recreation Department

C: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa Rios, City Secretary  
Thomas P. Perkins, City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Judiciary  
A.C. Gonzalez, First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Director, Chief Financial Officer  
Karl Zavitskovsky, Director, Office of Economic Development  
J. Hammond Perot, Assistant Director, Office of Economic Development  
Stephanie Pegues Cooper, Assistant to the City Manager



# Fair Park and State Fair of Texas Proposed Contract Amendment

Economic Development Committee  
February 4, 2013



## Purpose of the Briefing

- Present the scope of annual events and activities at Fair Park
- Identify the economic benefit of events at Fair Park
- Review the Fair Park Comprehensive Development Plan, which directs the future of the park
  - Summer Adventures in Fair Park, managed by the State Fair of Texas
    - Parking management for Summer Adventures
  - Enhanced or new facilities at Fair Park including the Livestock Center



## Purpose of the Briefing

- Describe the proposed amendment to the contract between the City and the State Fair of Texas (SFT)
  - Share parking revenue with SFT during Summer Adventures
  - Require SFT to provide the majority of funding to construct the Livestock Center
  - Grant SFT naming rights for the Livestock Center
  - Require SFT to operate and maintain the Livestock Center
- Provide a recommendation to the City Council regarding the proposed amendment to the contract with the SFT

## Fair Park Events

- Fair Park hosts an average of 1,200 special events, sporting events and concerts/musical performances each year
  - 2013 Heart of Dallas Bowl (48,000)
  - North Texas Irish Festival (73,000)
  - Earth Day Dallas (50,000)
  - Fair Park Fourth (40,000)
  - Taste of Dallas (35,000)
  - State Fair of Texas (3,000,000)
  - Diwali Mela Festival (50,000)
  - KwanzaaFest (45,000)
  - Chinese Lantern Festival (163,000)





# Cotton Bowl Events

## ■ 2012

- Ticket City Bowl
- Gatorade Film Shoot
- Dog Bowl
- El Salvador v. Moldova
- Honduras v. New Zealand
- Univision H2O Concert
- Club America v. Cruz Azul
- Fair Park Fourth
- BvB Charity Football
- Grambling v. Prairie View
- Texas v. OU
- Diwali Mela Festival

## ■ 2013 (construction)

- Heart of Dallas Bowl
- Dallas Cup Opening Ceremony and Championship Games
- Dog Bowl
- Fair Park Fourth
- High School Football Games
- Army v. Louisiana Tech
- Grambling v. Prairie View
- Texas v. OU
- Diwali Mela Festival

## How We Compare

- Using Global Attractions Attendance Report figures, Fair Park attendance in 2010 of 5.47M exceeded:
  - Sea World Orlando (5.10M)
  - Universal Studios Hollywood (5.04M)
  - Busch Gardens Tampa (4.20M)
  - Sea World San Diego (3.80M)
- Other venues with higher attendance:
  - Disney California Adventure (6.28M)
  - Universal's Island of Adventure Florida (5.95M)
  - Universal Studios Florida (5.93M)





## How We Compare

- American Planning Association: “Great Places in America” designation in 2011
- Trust for Public Land: 18<sup>th</sup> Most Visited Public Park in America in 2011
- **Non SFT attendance has increased each of the last three fiscal years**





# Economic Benefits

- Estimated economic impacts
  - State Fair of Texas (\$300M)
  - at&t Red River Rivalry (\$34M)
  - State Fair Classic (\$6M)
  - Heart of Dallas Bowl (\$10M)
  - Dallas Summer Musicals (\$109M)



# Fair Park Comprehensive Development Plan

- Fair Park Comprehensive Development Plan adopted by Park and Recreation Board and City Council in 2003, included the following objectives for Fair Park:
  - Create a public signature park
  - Uphold the park's historic legacy
  - Support the museums and SFT, while activating the park with new programs and uses
    - Develop a summer Midway
  - Encourage economic vitality
  - Enhance connectivity with the community and the greater Dallas metroplex



# Summer Adventures in Fair Park

- On October 4, 2012 the Park Board was briefed on SFT's "Summer Adventures in Fair Park"
  - \$27M investment in Fair Park by SFT over a three-year period
  - Opens May 3, 2013
  - 20-acre tropical paradise of rides, shows, and activities
  - Top o' Texas Tower, the tallest ride in the country at 500 feet
  - Parking revenues shared between City and SFT



# Summer Adventures in Fair Park

- Weekends in May, then daily from June through mid-August
  - Monday – Thursday, 10am to 6pm
  - Friday and Saturday, 10am to 10pm
  - Sunday, 10am to 8pm
- 400 employees, including adults and students
- Anticipated annual attendance of 300,000+





## Parking

- The City of Dallas controls 8,947 parking spaces inside Fair Park during non-Fair time and 304 parking spaces in the Parry Avenue lot year-round
- SFT controls 6,000 parking spaces outside Fair Park which they permit the City of Dallas to use during non-Fair time
- The current City special event parking fee is \$10 per vehicle, with exception of May – August (Summer Adventures) when the parking fee is \$15, as approved by Park Board on December 6, 2012

## Parking Fees at Fair Park - 2013

Date	Parking Fee
January 1 – April 30	\$10*
May 1 – August 15 <ul style="list-style-type: none"><li>•Summer Adventures</li><li>•All other special events</li></ul>	\$15
August 16 – September 26	\$10*
September 27 – October 20 <ul style="list-style-type: none"><li>•State Fair of Texas</li></ul>	\$15
October 21 – December 31	\$10*
Museums and Institutions (Non-Fair)	Free

\*Does not include events which request special parking rates



## Parking Proposal

- SFT is proposing a 70/30 split on parking revenues generated by Summer Adventures
  - SFT would receive 70% and the City 30%
  - Estimated \$287,000 in new revenues to the City for enhanced maintenance of Fair Park
  - The 70/30 split would be calculated by dividing daily Summer Adventures ticket sales by a 3.3 persons per vehicle ratio to determine the number of vehicles and the related parking fees

# Livestock Center Background

- The 2006 Bond Program included funding to design and construct a new Livestock Center with supplemental funding from the State Fair of Texas
- Funding for the design and construction of the facility
  - City of Dallas 2006 Bond Funds \$4.5M
  - SFT estimated contribution \$9M





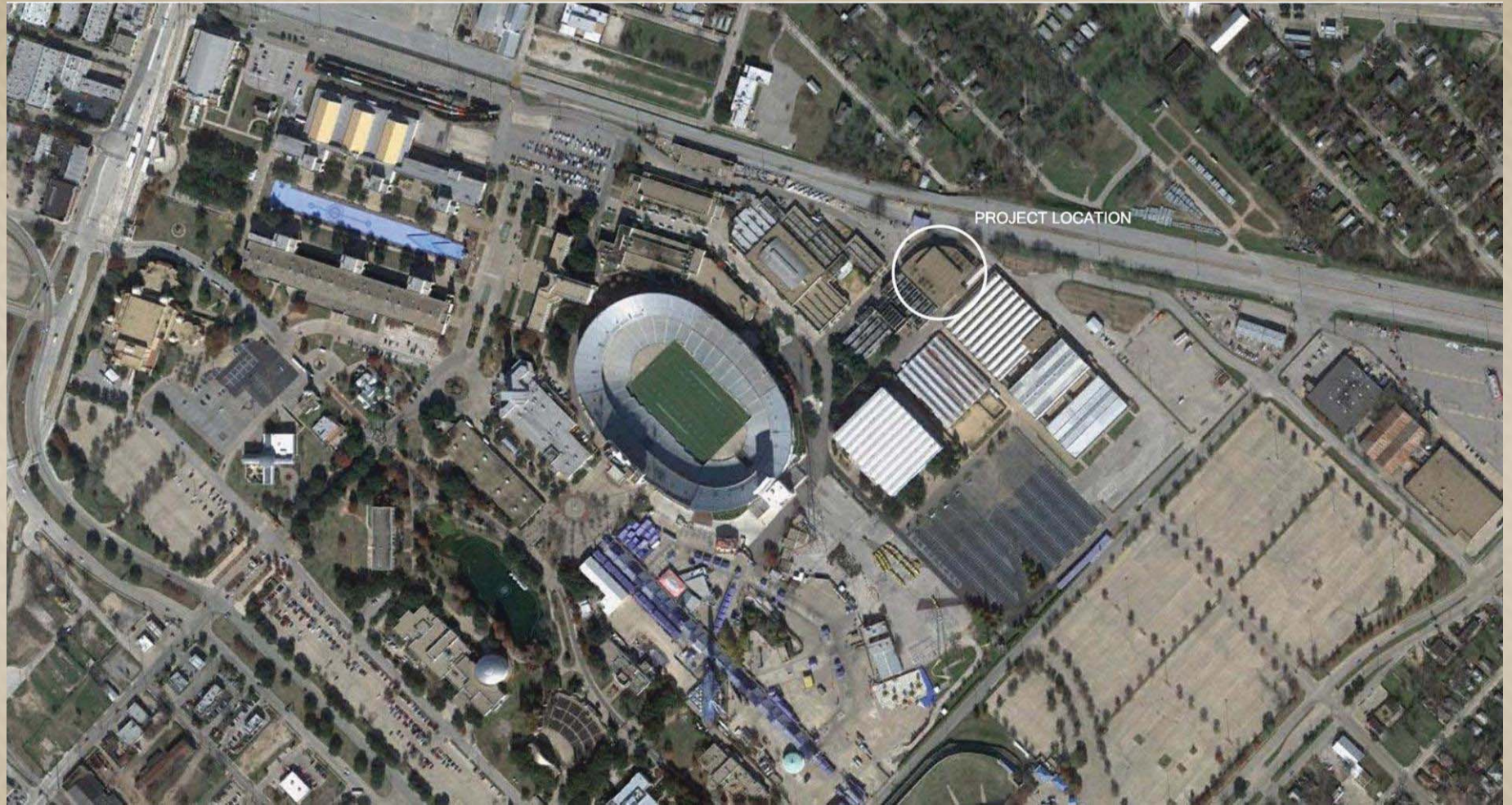
## Livestock Center Background

- On December 6, 2012, the Park Board authorized a contract amendment allowing SFT to:
  - Utilize the facility and pay for operating and maintenance costs for the Livestock Center year-round
  - Secure naming rights and sponsorship opportunities in consideration of private funds raised by SFT



# Livestock Center

## Site Context





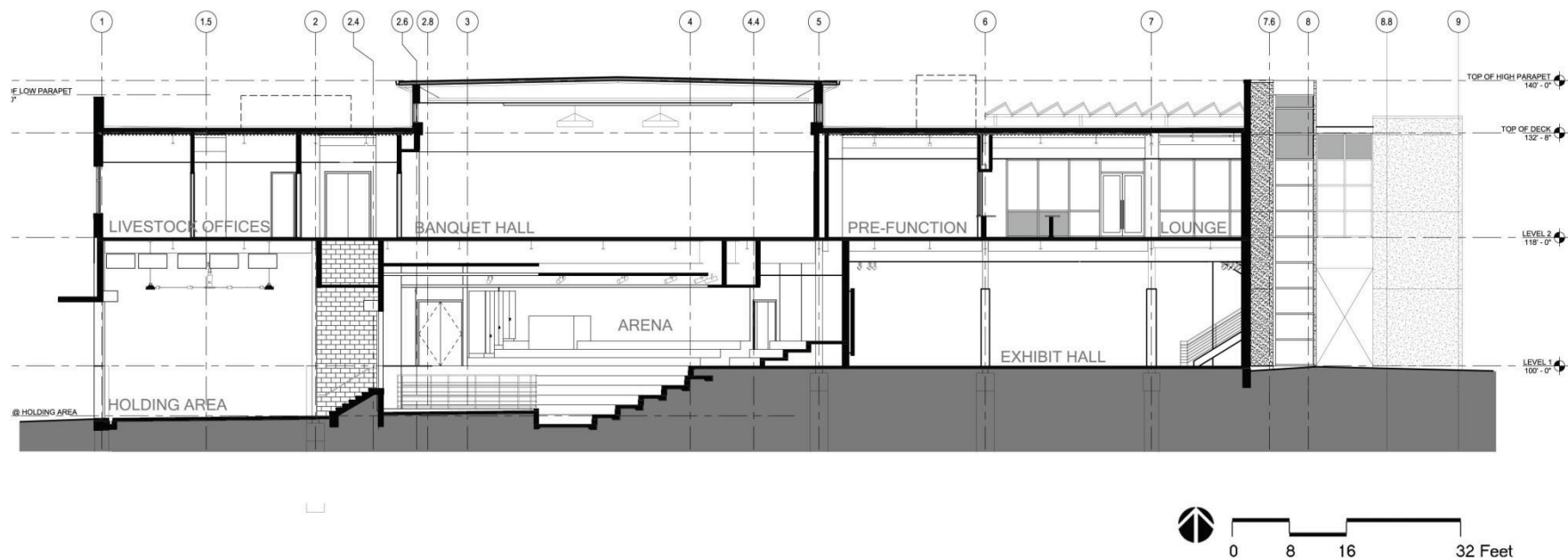
# Livestock Center

## Exterior View



# Livestock Center

## Building Section





## Livestock Center

## Arena Interior





# Livestock Center

## Arena Interior (Alternate Use)





## Proposed Deal Points

- SFT responsible for all operating and maintenance costs of the facility
- SFT may use offices on year-round basis
- Title to the facility and grounds will be held by the City of Dallas
- Term expiration will coincide with the existing SFT contract

## Proposed Deal Points

- The City will maintain the booking calendar for the facility and shall have access at all times during non-Fair dates
  - City will lease the facility and retain all rental revenues
- SFT may secure naming rights and sponsorship opportunities for the facility and/or its components
- SFT will support the City in their efforts to achieve and maintain LEED credits needed for the minimum LEED Silver rating



## Next Steps

- Seek authorization of the City Council to amend the City's contract with SFT to:
  - Authorize a 70/30 split on parking revenues for Summer Adventures
  - Authorize SFT to utilize the facility and pay for operating and maintenance costs for the Livestock Center year-round and to secure naming rights and sponsorship opportunities in consideration of private funds raised



