

Memorandum



CITY OF DALLAS

DATE September 3, 2009

TO Members of the Economic Development Committee:
Tennell Atkins (Vice-Chair), Dwaine Caraway, Jerry R. Allen,
Sheffie Kadane, Ann Margolin, Linda Koop, Steve Salazar

SUBJECT **Hilton Hotels Corporation Regional Headquarters Relocation:
Economic Development Grant, September 23, 2009, Council Agenda**

MAIN TOPIC

Authorize an economic development grant of \$150,000, pursuant to Chapter 380 of the Local Government Code, with Hilton Hotels Corporation related to the relocation of its regional headquarters to 16000 N. Dallas Parkway.

BACKGROUND

Hilton Hotels Corp. seeks City Council approval of an economic development grant in an amount not to exceed \$150,000 to help defray a portion of the relocation costs for its regional headquarters to 16000 N. Dallas Parkway from Farmers Branch, TX. In addition to the Dallas site, Hilton considered Farmers Branch, Addison, and Plano as a potential location for the relocation. Hilton will lease 50,000 square feet of Class A office space at 16000 N. Dallas Parkway for a minimum of 5 years. The 187,000 square feet building is presently 45% vacant.

Hilton Hotels Corporation will make a private investment of approximately \$3,000,000 in tenant improvements and approximately \$1,100,000 in business personal property, as well as create a minimum of 200 jobs in order to be eligible for the proposed economic development grant. The city grant is designed to defray relocation costs and building improvements. The city grant will be payable upon substantial completion of approximately \$3,000,000 in improvements and the creation of 200 jobs at the site by April 30, 2010.

This proposed regional headquarters relocation is non conforming project under the Public Private Partnership Program as adopted by the City Council on April 9, 2008 and requires a 3/4 City Council vote for approval. Hilton Hotels Corporation is bringing 200 jobs to Dallas which is below the minimum North Dallas Commercial Zone requirement of 250.

PROJECT DETAILS

Project Site: 16000 N. Dallas Parkway

Jobs: 200

New Business Personal Property Investment: \$1.1 million

New Real Property Improvements: \$3.0 million

Average Salary: \$43,975

PROPOSED ESTIMATED SCHEDULE OF THE PROJECT

Commence Relocation	February 1, 2010
Complete Relocation	April 30, 2010

CITY INCENTIVES

Economic Development Grant: \$150,000

FISCAL INFORMATION

Financing: Public Private Partnership Program Funds - \$150,000

Owner

Hilton Hotels Corp
Robert King
VP Finance

MAP

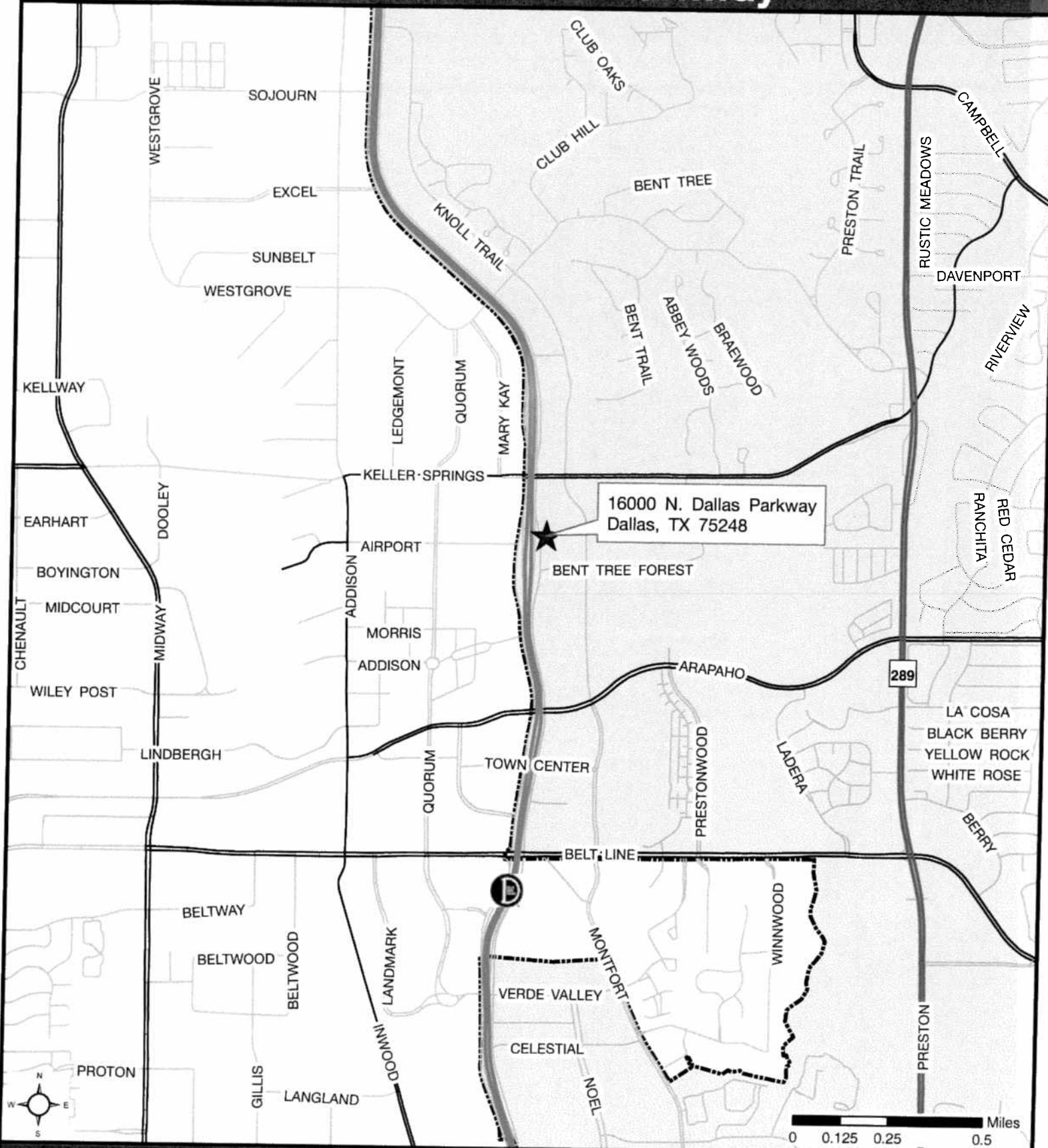
Attached

Should you have any questions, please contact me at (214) 670-3314.


A.C. Gonzalez
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Deborah Watkins, City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Forest Turner, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Jeanne Chipperfield, Director, Budget & Management Services
Karl Zavitkovsky, Director, Office of Economic Development
Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

16000 N. Dallas Parkway



**DALLAS
ECONOMIC
DEVELOPMENT**

Research & Information Division
(214) 670-1685
dallas-ecodev.org

Created 9/2/2009 - 09-09-01 Carlos Guzman, TCG



Legend

- Tollway
- Highway
- Arterial

- Local Road
- City of Dallas

Source: City of Dallas, 2009

Exhibit B
Proposed Project Information Worksheet
Economic Development Committee

A. Project Summary

Hilton Hotels Corp.

City Council District	11	
Project/Company Name	Hilton Hotels Corp.	
Project Location	16000 N. Dallas Parkway	
Project Type	Office Relocation	
Facilities (Square Feet)	50,000	
Construction Schedule	Begin	2/1/2010
	Complete	4/30/2010
Private Improvement Investment	Real Property	3,000,000
	Business Property	1,100,000
Jobs	Created	200
	Retained	N/A
Average Wage Rate	Salary	43,974.33
	Hourly	N/A
City Incentive Summary	Tax Abatement	N/A
	Infrastructure	N/A
	Grant	150,000

B. Economic Impact Estimates (Dallas City Economy Only, \$ Million)

	10-Year		20-Year	
	Jobs	Economic Output	Jobs	Economic Output
Direct Impact	100	\$ 64,548,636	100	165,456,437
Indirect and Induced Impact*	180	\$ 57,833,773	180	148,650,793
Total Impact	280	\$ 122,382,409	280	314,107,231

C. City of Dallas General Fund Fiscal Impact (\$ Million)

(From direct, indirect and induced economic impacts)

	10-Year		20-Year	
Total City GF Revenue Generated	\$	3,327,540	\$	8,980,618
Total City GF Service Costs	\$	2,807,753	\$	5,748,153
Net Impact Before Incentives	\$	519,787	\$	3,232,465
City Incentives	\$	150,000	\$	150,000
Net City Fiscal Impact	\$	369,787	\$	3,082,465

* Indirect impacts represent supplier effects, induced impacts represent spin-off household effects.

D. Other Taxing Jurisdiction 10-yr Estimated Tax Revenue*

	Property Taxes	Sales Tax
DISD	\$ 1,183,402	N/A
Dallas County	\$ 233,028	N/A
DCCCD	\$ 89,400	N/A
Parkland Hospital	\$ 254,000	N/A

* Based on previous valuations and following the income approach, this project will add \$10M to the improvement value.