

Memorandum



CITY OF DALLAS

Date July 30, 2010
To Honorable Mayor and Members of the City Council
Subject City of Dallas' Regional Super Bowl XLV Participation - Update Briefing

The Convention and Events Services Department will be briefing the Dallas City Council on the City of Dallas Regional Super Bowl XLV Participation – Update on August 4, 2010.

Please let me know if you have any questions regarding this matter.

A handwritten signature in black ink, appearing to read 'A.C. Gonzalez'.

A.C. Gonzalez
Assistant City Manager

C: Deborah Watkins, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
Mary K. Suhm, City Manager
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Al Rojas, Interim Director, Convention and Event Services
Helena Stevens-Thompson, Assistant to the City Manager

City of Dallas' Regional Super Bowl XLV Participation – Update

City Council Briefing
August 4, 2010



Purpose

- Brief the City Council regarding the impact of Super Bowl XLV on the local economy
- Explain the State Trust Fund structure and process
- Describe the funding mechanisms for Super Bowl XLV expenses
- Seek recommendation of approval for contribution to the State Trust Fund

Background

- February 7, 2007 - City Council briefing
 - City Manager authorized to work with the Bidding Committee to bring Super Bowl XLV to the North Texas Region
- March 28, 2007 – City Council approved two resolutions in support of Super Bowl XLV
- May 22, 2007 - Super Bowl XLV awarded to the North Texas Region

Economic Impact

- February 2010 – Local Organizing Committee issued economic impact study to the State Comptroller of Public Accounts Office information upon which to make a determination of the incremental increase in tax receipts
- March 10, 2010 – Texas Comptroller of Public Accounts published its analysis of tax revenue associated with Super Bowl XLV

Incremental Tax Revenue Impact

- Local Organizing Committee Study

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| State | \$ 36.2M |
| Regional | 10.5M |
| Dallas | 5.0M |

- State Comptroller Determination

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|----------|----------|
| State | \$ 26.8M |
| Regional | 8.5M |
| Dallas | 4.6M |

State Comptroller Determination

- City of Dallas revenue impact of \$4.6M

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|-----------------------|--------------|
| – Hotel Occupancy Tax | \$ 3.149M |
| – Sales Tax | 1.237M |
| – Mixed Beverage Tax | <u>.177M</u> |
| Total | \$ 4.563M |

Trust Fund Deposit Requirements

- Amount deposited by the State into the Trust is determined by the deposit made by the endorsing municipalities
- Each dollar deposited by endorsing municipality is matched by the State with \$6.250 dollars
- The maximum increment of \$26.8M requires communities to deposit \$4.3M
- If communities contribute \$4.3M
 - Trust Fund total will be \$31M

Trust Fund Deposit Requirements

- City is to contribute \$2.702M of which \$1.465M will come from the Dallas Convention & Visitors Bureau
- Other participating endorsing municipalities contribute the remaining balance
- The largest portion of Dallas' tax increment impact is Hotel Occupancy Tax which is bond pledged to the Convention Center debt

City of Dallas Event Budget

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|------------------------|------------|
| ● DPD | \$ 2.135M |
| ● DFD | 486K |
| ● Support Departments | 229K |
| ● Supplies & Materials | 52K |
| ● Equipment & Fuel | <u>98K</u> |
| Total Budget | \$3.000M |

Budget Summary

- Super Bowl XLV activities are scheduled January 27th through February 6th
- DPD expenses are primarily sworn salary and overtime costs to staff officers:
 - At the key Dallas venues, i.e., Media Center, NFL Experience, etc.
 - For deployment teams responding to incidents
 - To ensure safety and circulation in the downtown core
- DFD expenses are primarily emergency medical services and monitoring life safety issues
- Smaller amount for incremental expenses for additional fuel and supplies

Key Dallas Venues

- NFL Headquarters Hotel
 - Hilton Anatole
- NFL Fan Experience
 - Dallas Convention Center
- NFL Media Center
 - Sheraton Dallas
- NFL Commissioners Party
 - Hilton Anatole

Trust Fund Agreement

- Sets Dallas' Event Budget at \$3.0M
- Establishes that Dallas Costs will be reimbursed (other than \$1.237M which is offset by the sales tax increment)
- Identifies Dallas' remittance of \$2.702M to the Trust Fund
 - \$1.237M City of Dallas obligation
 - This is fully reimbursed by the trust fund
 - \$1.465M Dallas Convention & Visitors Bureau obligation (to be deposited with the City of Dallas 75 days after the event)
- Dallas' remittance due 90 days after the event
- Establishes Dallas is to be paid on a first priority basis

Note: All incremental Hotel Occupancy Tax included in the \$3.1M protected tax impact and the Mixed Beverage Tax of \$177K go directly to the Convention Center

Next Steps

- City Council approval of the Event Trust Fund Agreement on August 4, 2010