



# Dallas TPID Update

## *October 2022*

### LETTER FROM THE CHAIRMAN

Dear DTPID Stakeholder:

As we pass from summer into fall, we want to take this opportunity to update you on some of the Dallas Tourism Public Improvement District activities. Updates include:

- The Dallas City Council approved our 2022-23 DTPID service plan. One of the notable highlights of our service plan is our projection that DTPID revenues will return to pre-COVID levels, with close to \$19 million in revenue projected over the next fiscal year.
- Information on the critical Proposition A election coming up on November 8th. The DTPID Board and the Hotel Association of North Texas both supported placing the issue before voters in November.
- Updates on several of our sales and marketing initiatives. One item of note: the [Margarita Mile](#) is back in Dallas! If you have not promoted this unique-to-Dallas experience to your guests, we urge you to do so. For those new to Dallas, the frozen margarita machine was invented in Dallas.

As we continue to emerge from the pandemic and guests return to our properties, we hope you will take advantage of the individual hotel incentive program to help drive group business to your property.

Thank you for your support.

Sincerely,  
Greg White

## PROPOSITION A

With their vote in August, the Dallas City Council formally set a date for the Proposition A election for Tuesday, November 8, 2022. The proposition asks Dallas voters to approve increasing the hotel occupancy tax (HOT) by 2% to fund an expansion of the Kay Bailey Hutchison Convention Center and improvements to six facilities at Fair Park.

The DTPID Board of Directors (DTPID) and the Hotel Association of North Texas (HANTX) both endorsed the city of Dallas placing the issue on this November's ballot for the significant benefits it will bring to the hotel and hospitality industries, as well as the city of Dallas. These include:

- A significant expansion and renovation of the convention center which will allow Dallas to host more meetings of all sizes with the latest in technology and meeting room configurations that are responsive to what meeting planners are seeking now and into the future
- A projected 100 percent increase in the number of attendees coming for meetings in Dallas
- Greater market compression resulting in substantially higher occupancy levels and ADR for hotels located both near and far away from the city center
- A much-enhanced visitor experience around the center with more walkable options, including restaurant, retail, and entertainment options
- Significant improvements at Fair Park will attract more visitors to events at the park, keep the Texas-OU game in Dallas, and allow the park to be used as a staging and exhibition area for large-scale events such as the FIFA World Cup, the Super Bowl, NCAA Final Four or other large gatherings



*Rendering of Fair Park Bandshell*

The ballot initiative is also being actively supported by many Dallas business and civic groups, including the Dallas Regional Chamber, the Dallas Citizens Council, Downton Dallas, Inc., the Real Estate Council, Fair Park First, and many others.

Cities across the state often use the Venue Tax to support their convention center and sports facilities. Furthermore, this is not the first time the Brimer Venue Tax mechanism has been used in Dallas. More than 20 years ago, Dallas voters approved using the mechanism to help build the American Airlines Center, home to the Dallas Mavericks and Dallas Stars.

Under state law, cities can increase their hotel occupancy taxes with voter approval to support convention centers and sports stadium facilities. Dallas sought, and the Texas Legislature passed a special amendment this past session for a portion of the Brimer Venue Tax to be used to improve facilities at Fair Park. However, the amendment applies only to Dallas.

If approved by voters – and so far, there is no organized opposition to the ballot measure – the 2% increase in the hotel occupancy tax is expected to generate \$1.5 billion in revenues over 30 years, with 80% of the funding going toward the expansion of the convention center, and 20% to the improvements at Fair Park. Construction on the convention center expansion would begin in 2024, with a scheduled completion date of 2029. Improvements at Fair Park would begin simultaneously, with most of the improvements being completed in time for the 2026 FIFA World Cup.

The increase in the hotel occupancy tax is not expected to impact Dallas’ ability to lure more meetings and visitors to Dallas. If voters approve, hotel guests would pay 15% in taxes and 2% PID fee on overnight stays of less than 30 days. All major cities in Texas and most of the cities with which Dallas competes for meetings have hotel tax rates at or above 17%.

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## **SIX HOTELS JOIN DISTRICT**

In June 2022, the Dallas City Council formally approved the petitions signed by six hotels including them in the Dallas Tourism Public Improvement District (DTPID). The properties are:

- Thompson Dallas, 205 N Akard St.
- Tru by Hilton Dallas Market Center, 1949 N Stemmons Fwy
- Kimpton Pittman Hotel, 2551 Elm St.
- Marriott Dallas Uptown, 3033 Fairmount St.
- Holiday Inn Express Dallas Market Center Love Field, 7800 John W Carpenter Fwy.
- Hilton Garden Inn Dallas Central Expy. North Park Area, 10350 N Central Expy.

[Click here](#) to learn more about the DTPID and our mission.

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## **DTPID SERVICE PLAN FY2023 – 2027**

The DTPID Board of Directors approved the overall FY2023 budget at the July 26th meeting based upon the April 2022 Tourism Economics forecast. The Dallas City Council approved the District’s assessment roll and five-year service plan, highlighted below, at the August 24th Council meeting. Revenue is allocated based on the Service Plan percentages as defined in the 2016 petition.

		FYE 2023	FYE 2024	FYE 2025	FYE 2026	FYE 2027
<b>Net Assessment Revenue</b>		<b>\$19,887,000</b>	<b>\$21,821,000</b>	<b>\$23,471,000</b>	<b>\$24,868,000</b>	<b>\$26,111,000</b>
Service Plan Expense Categories		%				
Incentives & Sales Efforts	42.50%	8,451,975	9,273,925	9,975,175	10,568,900	11,097,175
Marketing (Promotion/Advertising)	35.00%	6,960,450	7,637,350	8,214,850	8,703,800	9,138,850
Site Visits & Familiarization Tours	10.00%	1,988,700	2,182,100	2,347,100	2,486,800	2,611,100
Event Funding Application Pool	7.50%	1,491,525	1,636,575	1,760,325	1,865,100	1,958,325
Operations/Research/Administration	5.00%	994,350	1,091,050	1,173,550	1,243,400	1,305,550
<b>Total Expenses</b>	100.00%	<b>\$19,887,000</b>	<b>\$21,821,000</b>	<b>\$23,471,000</b>	<b>\$24,868,000</b>	<b>\$26,111,000</b>

[Click here](#) for more information on the Service Plan.

## HOTEL INCENTIVE FUNDS

One of the unique features of the DTPID is the Hotel Incentive Fund. Designed to help individual DTPID hotels lure group business and overnight stays to their properties. Each hotel can receive up to \$150,000 in funding for the fiscal year October 1, 2022, through September 30, 2023, to secure small meetings and events to book in Dallas. This program allows your property to offer up to 10% of consumed room revenue back to the group to offset their meeting or event costs. As you plan for 2023, do not forget about this valuable resource your property can access.

### Program Guidelines

- Limited to single-property events
- Must be competing with properties outside the city of Dallas
- Limited to meetings using 10 or more of applicant property's room inventory at peak
- The standard of 10:1 of total room revenue equals the Dallas TPID Incentive
- Funding maximum \$150,000 (October 1, 2022, through September 30, 2023)
- Only DTPID participating hotels are eligible
- Events receiving other DTPID funds are ineligible
- City-wide affiliated events are ineligible

### Group Types

- Sports
- Reunions
- Weddings
- Religious
- Corporate
- Associations
- Third-party

### **How to calculate the DTPID Hotel Incentive**

1. Anticipated number of Contracted Room Nights as determined by contracted room block
2. Multiplied by Average Contracted Hotel Rate to get Total Room Revenue
3. Divide Total Room Revenue by 10 for Maximum Dallas TPID Incentive

### **Apply**

- District hotels can [apply here](#).

### **Contact**

- [Sheryl.Budelier@visitdallas.com](mailto:Sheryl.Budelier@visitdallas.com)

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## **UPCOMING DTPID SUPPORTED EVENTS AND TRADE SHOWS**

Sales efforts funded with DTPID support include event sponsorships, trade shows and direct client contact events to promote a positive economic impact on the city. Many events include the opportunity for DTPID hotels to participate alongside the Visit Dallas and Dallas Sports Commission sales teams.

EVENT	DATES	LOCATION
IMEX America & Client Event	10/11-10/13/2022	Las Vegas-Mandalay Bay
Association Forum Holiday Showcase & Client Dinner	11/30-12/1/2022	Chicago-Hilton Chicago
IAEE Expo!Expo! – Tradeshow & Client Dinner	12/13-12/15/2022	Louisville, KY
PCMA Convening Leaders & Client Event	1/8-1/11/2023	Columbus, OH
Southwest Showcase	1/27/2023	Roundrock, TX
Informa Pharma Forum	3/20-3/23/2023	Northeast
New York Corporate Association Event	May or June	New York City
Mid-Atlantic Annual CEO Event	Late spring/early summer	DC
Cvent Connect & Client Event	7/24-7/27/2023	Caesar's Forum, Las Vegas
ASAE Annual Meeting & Client Event	8/5-8/8/2023	Atlanta, GA
West Coast CEO Event	August or September	California

For more information, contact:

- Minnie Muñoz, Vice President of Sales, [Minnie.Munoz@visitdallas.com](mailto:Minnie.Munoz@visitdallas.com), 214-571-1081
- Sandy Galletta, Director of Sales Operations, [Sandy.Galletta@visitdallas.com](mailto:Sandy.Galletta@visitdallas.com), 214-536-9270

## COMING IN 2029



Exciting news! An expanded convention center is coming to Dallas in 2029. See details in [this new video](#). Based on customer input, the design for the center includes more breakout and flexible-use spaces, support services and unique amenities. The current convention center will remain operational throughout the construction, which is expected to begin in 2024. Stay updated on the latest news about this exciting development at [conventioncenter.visitdallas.com](https://conventioncenter.visitdallas.com).

*Rendering of Expanded Convention Center*

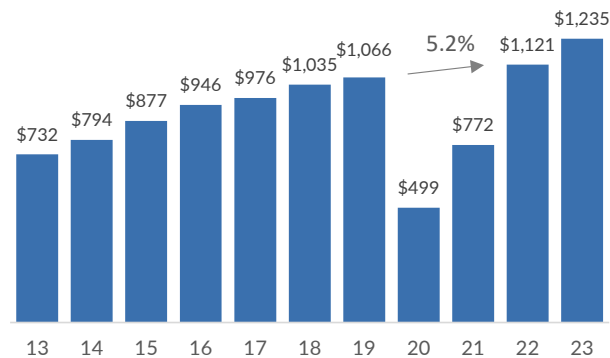
## HOTEL PERFORMANCE OUTLOOK

Market conditions in Dallas continue to show improving levels of room revenues in Dallas. Tourism Economics' most recent update to Dallas hotel performance shows that overall room revenues this year are expected to recover to 5.2% above 2019 levels. In addition, room revenues in 2023 are expected to be almost 16% above 2019 levels, an upward revision of over 10% from the prior forecast.

The graph below shows room revenues by year, highlighting the rapid recovery of room revenues experienced this year.

### Room revenue: Annual

Calendar year, in millions



Source: STR (room revenue history); Tourism Economics (forecast)

## MARKETING INITIATIVES

### **Brand Identity Exercise**

Visit Dallas is well underway with creating a unified brand identity. Project kick-off began in July, which included scoping existing research, conducting stakeholder interviews and an immersive in-market familiarization tour. The next phase of this exercise includes fielding a national panel of online surveys as well as in-person and virtual focus groups. A brand committee debrief and working session is scheduled for the last week of October, and a tentative launch is targeted for summer 2023.

### **Paid Media**

With COVID restrictions easing in 2022 and to capture pent-up travel demand, DTPID-funded leisure efforts ramped up in May for the second year of the “Find Your All” campaign. Funding this year also allowed for expanded targeting to include the “Nightlifer” audience segment (A25-34) and for testing a meaningful presence in Denver with high-impact, out-of-home placements. Campaign tactics focused primarily on digital efforts including CTV/OTV, rich media, programmatic, out-of-home, search and social as well as select national and regional print publications.

Additional efforts were made this year to promote the expansion of the Kay Bailey Hutchinson Convention Center Dallas, which included tagging of the current “Find Your All” trade campaign with a “coming soon” message, print placements in issues with expanded and renovated editorial, high-impact units including bellybands and gatefolds, and development of a [new convention center microsite](#).

FY 2022 paid advertising efforts will be measured by a new SMARI Advertising Effectiveness & ROI report in February 2023.

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## FY2023 DTPID EVENT MARKETING FUND

The application portal for the Event Marketing Fund opened July 11th at 10 a.m. and was fully allocated by July 13th at 6 p.m. In total, 72 applications were received which represented 62 cultural and 10 sporting events.

- 438,929 potential hotel room nights
- \$1,427,984 DTPID funds allocated

## 15TH ANNUAL HOSPY AWARDS GALA AND CELEBRATION



DTPID is a proud sponsor of the annual Hotel Association of North Texas (HANTX) event celebrating, recognizing and honoring excellence within the hospitality industry. The proceeds from this event go back into supporting the industry and its thousands of employees through advocacy efforts, educational programming, workforce development and scholarships that help students go into this as a field of study and encourage professional development for those already employed in the industry.

6-10 p.m. | Nov. 11, 2022 | Omni Dallas Hotel

[Click here](#) for more information and to purchase tickets.

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## MEET THE DTPID BOARD OF DIRECTORS | 2022 – 2024 TERM

### **Hotels with 1,000 or more rooms**

Michael J. Koffler, Hyatt Regency Dallas  
Mark Woelffer, Sheraton Dallas – Vice Chair/Treasurer  
Bruce Roy, Hilton Anatole

### **Hotels with 301 – 999 rooms**

Sven-Erik Richter, Fairmont Dallas  
Brett Krafft, Hilton Dallas Lincoln Centre  
Greg White, Westin Galleria Dallas – Chair

### **Hotels with 100 – 300 rooms**

Robbie Tawil, Dallas Marriott Uptown  
Andrea Gates, Rosewood Mansion on Turtle Creek  
Sean Kennerty, Woodbine Development Corporation – Secretary  
Mike Patel, Prosper Hospitality

### **Non-voting | Ex Officio**

Traci Mayer, Hotel Association of North Texas  
Craig Davis, Visit Dallas  
Rosa Fleming, City of Dallas  
Jiroko Rosales, City of Dallas