

Irving

IN FOCUS

Irving Convention
Center and
Entertainment Venue

Project Details

Phase One

- > Irving Convention Center at Las Colinas

- > Total Size: 275,000 square feet (excluding garage)

- > Total Cost: \$137 million (100% Hotel Occupancy Taxes)

- > Opening: November 2010

- > Key Features:
 - 50,000-square-foot column-free exhibit hall
 - 20,000-square-foot grand ballroom
 - 20 – approximately 1,000-square-foot conference rooms
 - Garage with 800 parking spaces

- > Location:
 - North – Spur 348/Northwest Highway/Loop 12
 - South – Fuller Drive
 - West – State Highway 114
 - East – Las Colinas Boulevard

Project Details

> Project Team

- Architects – RMJM Hillier
- Construction – Austin Commercial
- Owner's Rep – Beck Group
- Facility Operator – SMG Worldwide

> Green Initiatives

- Registered for LEED certification
- Natural/untreated copper panels
- Cantilevered floors create shade
- Grey-water system uses Lake Carolyn supply

> M/WBE Commitment

- Steel Package – 22%
- Civil Package – 43.92%

Project Features

> Project Design

- Immediately distinguishes Irving facility from the marketplace.
- Capitalizes on Las Colinas surroundings.
- Vertical design is unique; also allows for significant visibility from surrounding highways and rail line.
- Vertical design creates operational and user efficiencies.

> Sales, Marketing and Operations

- ICVB offices will move into the convention center, jointly functioning with the building's operator, SMG Worldwide.
- ICVB has primary sales and marketing responsibilities for room night-driven business.
- SMG will concentrate on short-term, catering-only business.
- The building is ultimately expected to accommodate 294 events annually – including 220 meetings/conferences/training programs.

Project Features

> New Business Opportunities

- **Creates a new market niche for Irving.**
- **Will primarily target corporate users midweek.**
 - **Business that has outgrown Irving, or has previously been too large.**
 - **Training, continuing education and user groups a key profile.**
 - **Business-to-business and distributor exhibits.**
 - **Average event attendance expected between 800-1,200.**
- **Facility provides greatest flexibility and opportunity for weekend use.**
- **Ballroom space is twice as large as Irving's existing space.**
- **Exhibit hall is five times larger than Irving's largest space.**

Project Details

Phase Two

> Entertainment Venue, Restaurants and Retail

- City has entered into a Letter of Intent with Las Colinas Group LP to develop:
 - 3,400-seat concert venue with an additional 2,000-person capacity in flexible space
 - 50 suites overlooking stage
 - 10 themed restaurants
 - 12 live music stages
 - Live Nation partnership

> Headquarter Hotel

- City has received a proposal from Hines Development for:
 - 350- to 400-room convention hotel
 - 15,000 square feet of meeting space
 - Restaurant and lounge
 - Spa

Project Financing

> Phase I Financing Steps

- **Convention Center – \$127 million (estimated)**
- **Entertainment Venue – \$5 million provided for architectural and engineering costs.**

> Phase II Financing Steps

- **Public-Private Partnership (PPP) for developing the entertainment venue.**
- **PPP development documents currently under negotiation.**
- **Financing of approximately \$131 million is expected in Spring 2009.**

Legal Framework

- > **Combined pledge of 9% Hotel Occupancy Tax secures the bonds.**
- > **Debt service payments structured to be paid from the 4% Hotel Occupancy Tax.**
 - **The resulting Phase I coverage is strong; Hotel Occupancy Tax revenues are in excess of two times debt service.**
- > **5% Hotel Occupancy Tax continues to fund the ICVB, Arts Center, and other city budgeted programs. (No change to current programs.)**
- > **A Debt Service Reserve Fund, equal to one year's obligation will be fully funded at issuance.**
 - **Includes a general project reserve for additional security.**
- > **Debt Amortization**
 - **Phase I – 30-year maturity**
 - **Phase II – 40-year maturity**
 - **Secures the Brimer taxes will be collected for the 40-year period.**

Financing Terms

- > City Obligation**
 - **City is legally obligated to pay the bonds from the Hotel Occupancy Taxes.**
 - **City has a moral obligation (not a legal obligation) to adequately provide for payment of all its debts.**

- > Adequacy of Hotel Occupancy Tax collections to satisfy maximum debt service:**
 - **Pledged 9% Hotel Occupancy Tax equals \$21 million in FY 2009-10.**
 - **Over the life of the financing, Debt Service requirement gradually grows to a maximum of \$20 million in 2027. This gradual growth provides budgetary ease for the city.**

Financing Terms

- > **The city will pursue a cost/benefit analysis for securing bond insurance and reducing interest costs.**

- > **The 4% Hotel Occupancy Tax collected in excess of annual debt service requirements will be prudently accumulated for:**
 - **Paying operations and maintenance expenses.**
 - **Providing for renewal and replacement of facilities.**
 - **Accelerating payment of debt service.**