



**SERVICE
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Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan – TxDOT State Infrastructure Bank Loan Application

Transportation and Infrastructure Committee

February 17, 2026

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Overview



Background	2
SIB Program Overview	3
Application – Potential Projects	7
Submittal & Processing Timeline	8
Staff Recommendations & Next Steps	9

Background

- On May 28, 2025, the City of Dallas City Council approved resolution CR 25-0814 to authorize submission of a State Infrastructure Bank (SIB) application to the Texas Department of Transportation (TxDOT) for a potential \$90 million loan
- Convention and Event Services (CES) staff and City of Dallas financial advisors met with TxDOT in late 2025 to review recommended transportation initiatives surrounding the Kay Bailey Hutchison Convention Center Dallas (KBHCCD) Master Plan project area
- TxDOT advised that the City had the opportunity to apply for a modified amount of \$116 million, provided CES staff draft an updated City Council Resolution, which staff brought forward to the body on January 28, 2026

SIB Program Overview

Purpose

The SIB is a state-run, TxDOT managed revolving loan fund established to provide funds for public transportation projects at the local level

Eligible Projects

Highway/roadway infrastructure, transit, or safety projects, including but not limited to:

Construction

Environmental

Right-of-way Acquisition

Local Match

Utility Relocation

Contingency

Financial/Legal Advisory

Design

SIB Program Overview - Funding Limitations

TxDOT sets limitations for the program based on its available cash balance and loans outstanding at the beginning of each fiscal year. FY2026 limitations are highlighted below:

Category	Current Limit (FY26)
Per Borrower	\$116 million
Per Project	\$58 million
Deck Cap Project Allocation	\$22 million per borrower
Total for all deck cap projects in a TxDot District	\$33 million

SIB Program Overview - Terms and Conditions

- The City can utilize various types of debt instruments to structure the SIB loan (e.g., direct loan, bonds, certificates of obligation)
- Loans may be secured by various types of pledges (e.g., subordinate liens, surplus revenues)
- There are no application or closing costs

Repayment Terms			
Up to 30-Year Amortization	Level or Structured Amortization	Debt Service or Principal Deferral	Prepayment at any time with no penalty

SIB Program Overview - Terms and Conditions

- The SIB program is sensitive to borrower's funding considerations with very favorable and flexible terms negotiated through the application process
- Interest rates are based on security credit rating and loan length then benchmarked to the Municipal Market Data index (MMD) with a spread.

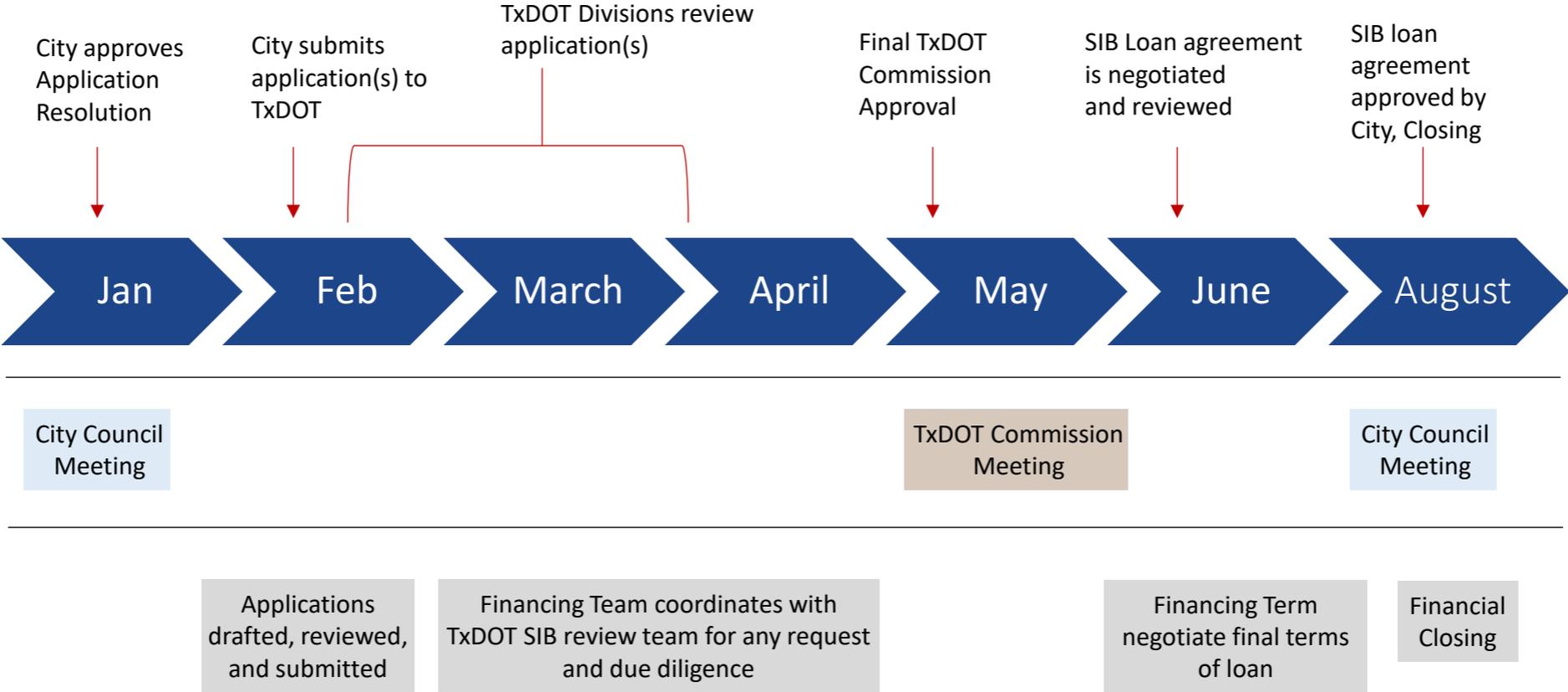
Rating	1-10 Year Loans	11+ Year Loans
AAA	MMD + 0 bps	MMD + 0 bps
AA	AAA + 5 bps	AAA + 10 bps
A	AAA + 10 bps	AAA + 20 bps
BAA	AAA + 15 bps	AAA + 30 bps
BBB-/Not Rated	AAA + 20 bps	AAA + 40 bps

Application - Potential Projects

There are approximately \$440M worth of projects that are available for submittal, and which have been vetted with TxDOT for compliance eligibility.

Item	Project Description	Phase / Scope
1	Surface Parking - Asphalt On-Grade	Construction
2	New Freight Marshalling and Staging Yards	Construction
3	New Loading Docks with Feeder Ramp	Construction
4	New Mobility Hub, including renovated DART station	Construction
5	Mitigating impact on DART Operations	Construction
6	Demolition of Halls D and E, and New Hall C Exterior Wall	Construction
7	Demolition of Hall C	Construction
8	Roadway/Pedestrian Network Improvements	Construction
10	I-30 Deck Cap Green Space	Construction
11	EV Charging Stations	Utilities
12	Utility Relocations	Utilities

Submittal and Processing Timeline



Staff Recommendations and Next Steps

- Submittal of a State Infrastructure Bank (SIB) loan application by the end of February 2026 in an amount not to exceed \$116 million, as approved by City Council resolution #25-0814 on January 28, to finance transportation-related improvements around the KBHCCD project area
- Follow-up with City Council to confirm submission and TxDOT application review
- Provide a recommendation of approval for City Council consideration for the loan in August 2026, should TxDOT approve the loan



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