Memorandum

CITY OF DALLAS

DATE November 17, 2026

TO Honorable Members of the Finance Committee: Chad West (Chair), Kathy Stewart, (Vice Chair), Zarin Gracey, Maxie Johnson, Jesse Moreno, Jaime Resendez, Gay Donnell Willis

SUBJECT **December 9, 2026, City Council Agenda Item #26-3696A - Resolution Establishing Airport System Commercial Paper Notes, AMT Series A and Series B**

The December 9, 2026, City Council agenda includes a resolution approving resolutions of the Love Field Airport Modernization Corporation with respect to establishing the Airport System Commercial Paper Notes, AMT Series A (the "Series A Notes") in an aggregate principal amount not to exceed $100,000,000; the Airport System Commercial Paper Notes, AMT Series B (the "Series B Notes") (collectively, the "Notes") in an aggregate principal amount not to exceed $200,000,000; and approving the issuance of refunding bonds in an aggregate principal amount not to exceed $200,000,000 as required for the Series B Notes; and approving financing documents and other matters in connection therewith. Funding for the Notes is not to exceed $2,025,000 from the Aviation Fund (estimated $679,250 upfront closing costs plus annual fees of $448,583; for a total three-year cost of $2,025,000), subject to annual appropriations.

The City utilizes commercial paper to provide interim financing for capital projects and award contracts in accordance with Chapter XI., Sections 9 -10 of the City Charter. Commercial Paper allows for more cost-efficient uses of capital as short-term debt is issued to closely match the amount and timing of the award of capital project contracts, which is then periodically reduced by refinancing it with long-term debt. In alignment with the FY 2026-27 Adopted Budget and Love Field Expansion Airport Program (LEAP), the City is seeking to establish the Notes to provide a source of appropriation authority and capital at a low cost to the City, replacing the existing program expiring in December 2026. The Airport System commercial paper program is supported by Airport System revenues.

To support the LEAP Master Plan, the City's Co-Financial Advisors, Hilltop Securities Inc. and Estrada Hinojosa & Company, recommend the establishment of the Notes to be issued from time to time, in an aggregate principal amount not to exceed $300,000,000; as a hybrid program of traditional and extendable commercial paper. The Series A Notes consists of traditional commercial paper in an aggregate principal amount not to exceed $100,000,000, supported by an external bank line of credit and rating. The Series B Notes consists of extendable commercial paper in an aggregate principal amount not to exceed $200,000,000, supported by the City's own credit rating and does not require a letter of

credit from a bank which lowers the overall cost of the program to the City. Due to the terms of the agreement, the extendable commercial paper requires preliminary approval of LFAMC refunding bonds in an amount to cover the size of the Series B Notes in the event that bonds are needed to refund outstanding extendable commercial paper

On April 30, 2026, the Office of Procurement Services issued a Request for Competitive Sealed Proposals seeking responses from qualified financial institutions to provide one or more services related to the establishment of separate short-term borrowing programs, including the LFAMC, to replace the existing program expiring in the fall of 2026. Proposals specific to the Notes have been received and evaluated by the procurement evaluation committee, City staff, and the City's Co-Financial Advisors. As a result, Bank of America, N.A. was deemed most favorable bid for Liquidity Provider and U.S. Bancorp Investments, Inc. was deemed most favorable bid for Dealer services for the Series A Notes; and Wells Fargo Securities was deemed most favorable bid for Dealer services for the Series B Notes. In an informal bid, U.S. Bank Trust Company, National Association was selected as commercial paper Issuing and Paying Agent.

This item authorizes the establishment of the Notes. All agreements to be executed by the LFAMC in connection with establishing the commercial paper program are subjected to review and approval by the Board of Directors of the LFAMC. Pending approval of the City's Resolution, the effective date of the Notes is January 12, 2027.

Should you have any questions, please contact me or Jenny Kerzman, Assistant Director of Treasury, at jenny.kerzman@dallas.gov.

Service First, Now!

Jack Ireland
Chief Financial Officer

c: Kimberly Bizor Tolbert, City Manager
Bertram Vandenberg, City Attorney (I)
Rory Galter, City Auditor (I)
Bilierae Johnson, City Secretary
Preston Robinson, Administrative Judge
Baron Eliason, Inspector General (I)
Dominique Artis, Chief of Public Safety
Dev Rastogi, Assistant City Manager
M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Robin Bentley, Assistant City Manager
Ahmad Goree, Chief of Staff to the City Manager
John Johnson, Chief of Real Estate
Directors and Assistant Directors