Memorandum

CITY OF DALLAS

DATE August 28, 2026

TO Honorable Mayor and Members of the City Council

SUBJECT **September 9, 2026, City Council Agenda Items: Dallas Fort Worth International Airport**

The purpose of this memorandum is to provide information regarding four upcoming Dallas Fort Worth International Airport ("DFW Airport") agenda items anticipated for consideration by the City Council on September 9, 2026. The items include two transactions requiring approval as Dallas/Fort Worth Public Facility Improvement Corporation (PFIC) projects, an amendment to the DFW Airport Code of Rules and Regulations, and approval of DFW Airport's Fiscal Year (FY) 2027 budget.

The Transportation and Infrastructure (TRNI) Committee did not have an opportunity to review the upcoming agenda items since the Committee did not meet in August. A memorandum informing the TRNI Committee chair of the items was sent on August 21. Separately, the Finance Committee received a memorandum on August 24, 2026, regarding the FY27 DFW International Airport Budget.

Background

The Dallas/Fort Worth International Airport PFIC was created in 2001 to finance, plan, construct, equip, own, renovate, repair, maintain, and operate facilities within the boundaries of DFW Airport. The PFIC operates under the authority of the DFW Airport Board and the owner cities of Dallas and Fort Worth to undertake "Approved Airport Projects."

Below is an overview of each of the four items.

1. International Air Cargo Facilities – PFIC Project

DFW Airport is requesting Owner City approval of a PFIC transaction involving International Air Cargo Facilities 1, 2, and 3 for a purchase price not to exceed $99.8 million.

Under the proposed transaction:

- PFIC would assume the existing ground leases for IAC 1, 2 and 3 between Prologis and the DFW Airport Board. The leases expire on March 12, 2046; July 1, 2040; and November 19, 2038, respectively.
- The DFW Airport Board would extend 10 non-aeronautical warehouse leases with Prologis affiliates. If all available options are exercised, certain lease terms would extend beyond 40 years.
- Prologis would assign its subleases with tenants for IAC 1, 2 and 3 and the adjacent aprons to PFIC.
- PFIC would assume property management responsibilities.

- PFIC would continue to pay ground rent to the DFW Airport Board under the existing ground leases, along with additional rent sufficient to cover debt service.

The PFIC Board approved the transaction on July 29, 2026, followed by approval by the DFW Airport Board on August 6, 2026. Owner City approval is required for new PFIC projects and for certain lease terms extending beyond 40 years. The proposed City Council resolution would approve the transaction and designate it as an authorized PFIC project.

2. Hyatt Regency DFW – PFIC Project

DFW Airport is requesting Owner City approval for PFIC to acquire the 811-room Hyatt Regency DFW, located adjacent to Terminal C, for a purchase price not to exceed $193.65 million. The hotel is currently leased and operated by Woodlake HRDFW Hotel Owner, LLC (Woodlake).

The existing hotel lease commenced on October 23, 1986, and has up to 59 years remaining if all available options are exercised. The Hotel Management Agreement is coterminous with the lease.

Under the proposed transaction:

- PFIC would enter into a Purchase and Sale Agreement with Woodlake.
- PFIC would assume the existing hotel lease and Hotel Management Agreement.
- PFIC would purchase the hotel's furniture, fixtures and equipment ("FF&E") and inventory.
- The lease would be amended to provide additional rent to the DFW Airport Board equal to debt service associated with the acquisition or future renovations.

The PFIC Board approved the transaction on July 29, 2026, and the DFW Airport Board approved it on August 6, 2026. As part of its approval, the City would determine that the Hyatt Regency DFW constitutes a "Public Facility" under the PFIC Articles of Incorporation and applicable provisions of the Texas Transportation Code and designate the transaction as an authorized PFIC project.

3. International Parkway Speed Limit – Code Update

DFW Airport is requesting Owner City approval of an amendment to Appendix I of the DFW Airport Code of Rules and Regulations to reduce the posted speed limit on portions of International Parkway. A map of the speed limit reduction is attached to this memorandum.

The proposed amendment:

- Would reduce the posted speed limit from 55 mph to 45 mph in the high-density terminal areas of International Parkway.
- Would apply to both northbound and southbound traffic.
- Was recommended based on a recent traffic study conducted by DFW Airport.

The DFW Airport Board was briefed on and approved the proposed amendment on August 6, 2026. Approval by the City Councils of Dallas and Fort Worth is required under the Contract and Agreement governing DFW Airport for amendments to the Airport's Code of Rules and Regulations.

4. DFW International Airport Fiscal Year 2027 Budget

DFW Airport is requesting Owner City approval of its FY 2027 Operating Budget, consistent with the Contract and Agreement between the Cities of Dallas and Fort Worth. The proposed budget covers the fiscal year beginning October 1, 2026, and ending September 30, 2027.

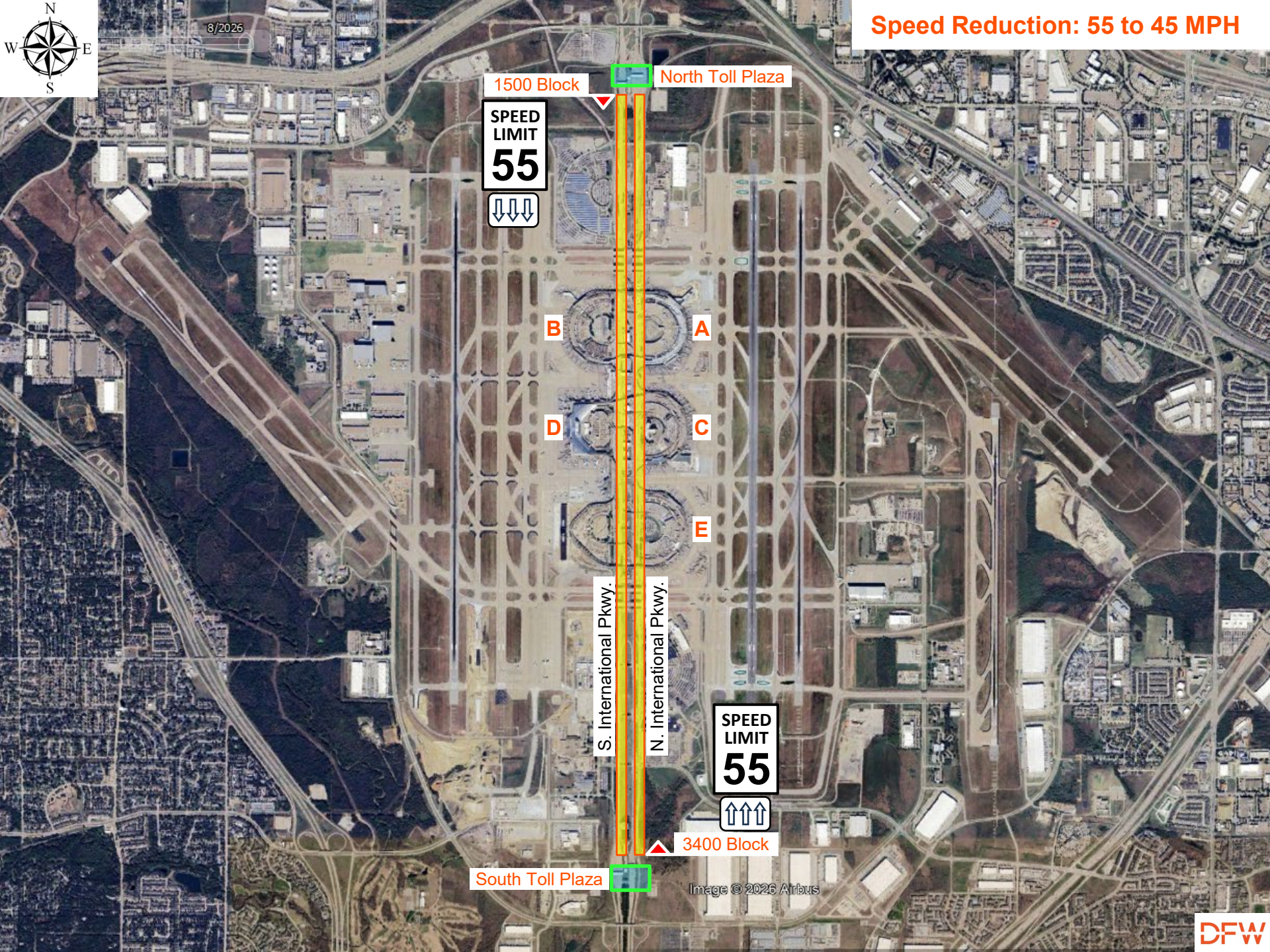
The proposed City Council resolution would approve the Airport's FY 2027 Operating Budget as presented by the DFW Airport Board, with the approval conditioned upon similar approval by the City Council of Fort Worth.

Should you have questions regarding these items, please contact Eric Dominguez, Director of Government Affairs, at eric.dominguez@dallas.gov

Service First, Now!

Dev Rastogi
Assistant City Manager
[Attachment]

c: Kimberly Bizor Tolbert, City Manager
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Alina Ciocan, Assistant City Manager
Robin Bentley, Assistant City Manager
Jack Ireland, Chief Financial Officer
Ahmad Goree, Chief of Staff to the City Manager
John Johnson, Chief of Real Estate
Directors and Assistant Directors


Speed Reduction: 55 to 45 MPH
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8/2026
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S. International Pkwy.
N. International Pkwy.
SPEED LIMIT 55
3400 Block
South Toll Plaza
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DFW