



Project Financing Zone No.1 Amendment for Convention Center Complex, known as the Hilliard Center

City Council Presentation
February 10, 2026

Background

- The Project Financing Zone (PFZ) statute was enacted in 2013 by the Texas Legislature to provide State-funded financial assistance for convention center expansion and renovations in Dallas and Fort Worth
- On February 28, 2023, City Council members discussed and approved Resolution seeking legislation that would allow the City to create a PFZ to fund a Qualified Project
- On September 1, 2023, the Texas Legislature approved HB 5012 authorizing the PFZ for Corpus Christi
- On December 10, 2024, City Council approved designation of PFZ No. 1 to redirect the existing state hotel associated tax revenues (state HOT, sales, mixed-beverage) incremental revenues generated within a three-mile radius of the Convention Center Complex to the City for thirty (30) years
- On December 23, 2024, the City notified the state and subsequently established the zone, with 2024 as the baseline year
- On September 1, 2025, the Texas Legislature approved HB 2313 authorizing the City to update the Zone's geographic area



Project Financing Zone

Section 351.1015(a)(4), as amended, of the Texas Tax Code, authorizes the City to designate as a Project Financing Zone an area within the City that is within a three-mile radius of the Qualified Project.

The zone's incremental state tax revenues can be used to finance Qualified Project Activities which include:

- Costs to acquire or lease
- Costs to construct, improve, expand, enlarge, renovate, modernize
- Costs to equip, maintain, and operate
- Costs associated with the payment of bonds or other obligations

The Convention Center Complex, known as the Hilliard Center, includes the Convention Center, the Selena Auditorium, and the Arena.



Project Financing Zone

Project financing zone is an area:

- that the municipality designates as a project financing zone
- the boundaries are within a three-mile radius of qualified project
- expires on the 30th anniversary from designation
- State funds collected in the zone will revert to the State if the project is not commenced within 5 years of first deposit in Suspense Account

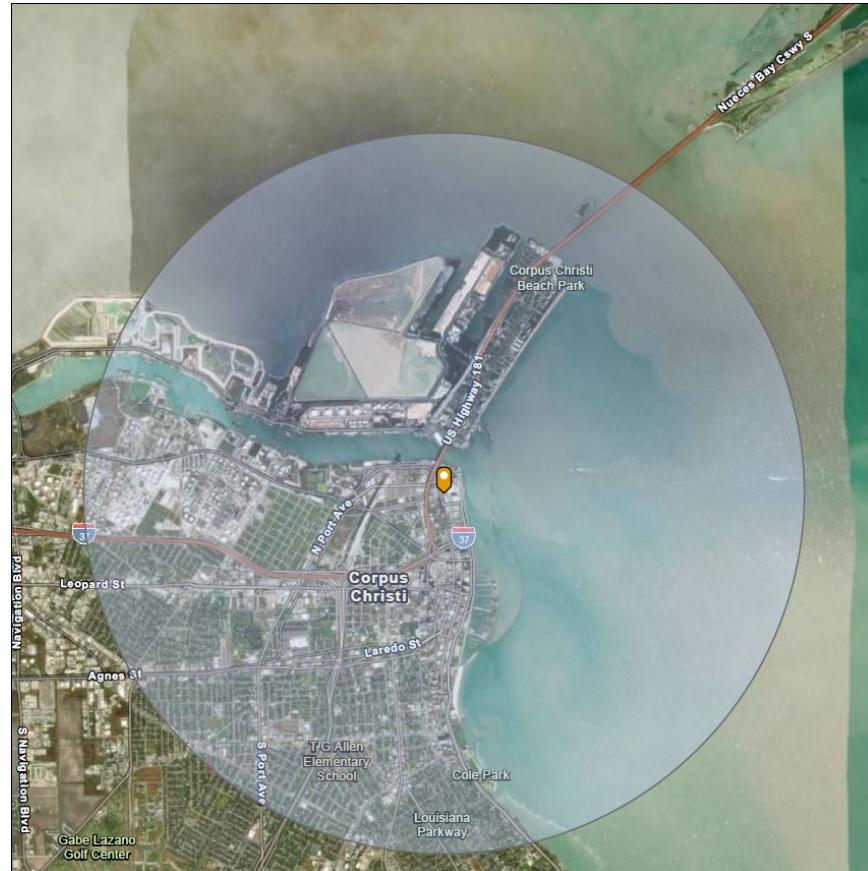
The Hotel-associated state revenue are:

- **State HOT**
- **State Sales Taxes**
- **State Mixed Beverage Tax (MBT)**
- that is collected in a project financing zone from all hotels located in the zone



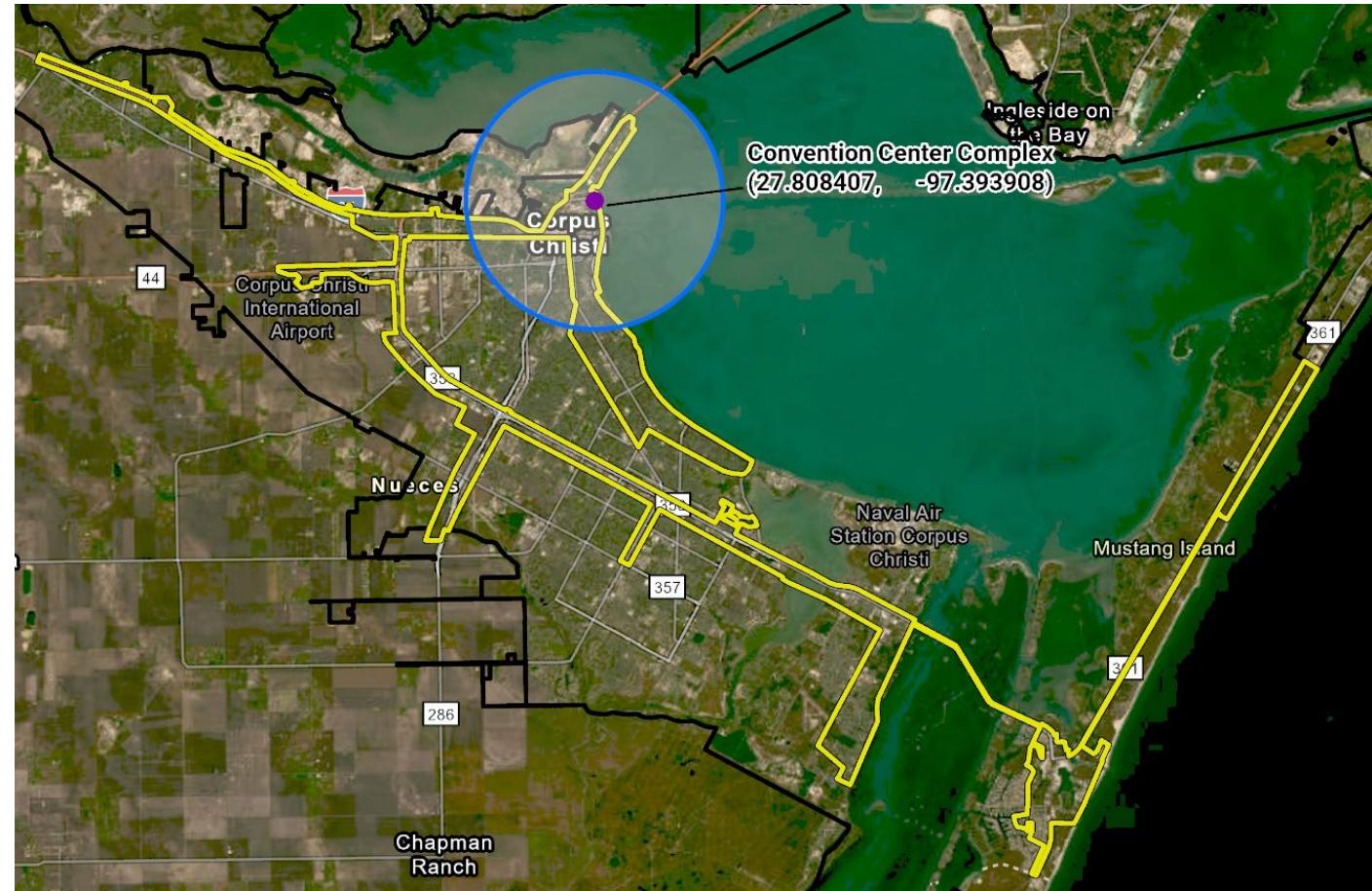
Current PFZ No. 1

- 3-Mile radius of the Convention Center Complex that includes the Convention Center, the Selena Auditorium, and the Arena as a qualified project
- Start date: January 1, 2025
- End date: December 31, 2054



Proposed Amended PFZ No. 1

- Existing zone boundary in blue
- Amended zone boundary in yellow



Staff Recommendation

Action today

Amend the geographic area in Project Financing Zone No. 1 for deposit of incremental state hotel-associated tax revenues for the Hilliard Center

Next steps

Prepare financial modeling and present proposed plan for the Hilliard Center in Summer 2026





Questions?