



Houston Airport System Capital Improvement Plan FY 25-29

George Bush Intercontinental Airport (IAH)
William P. Hobby Airport (HOU)
Ellington Airport (EFD)
Houston Spaceport

Summary – Current Year CIP Submission

The HAS 5-Year CIP submission for FY25-29 calls for \$2.8 billion to expand, update and maintain the airport system. This year's submission is essentially flat compared to the FY24-28 CIP of \$2.8 billion as HAS continues to optimize its capital portfolio and improve the efficiency of capital deployment without increasing the overall budget. HAS has fully recovered from the COVID-19 pandemic disruptions and airport stakeholders are interested in the modernization and expansion of our facilities to accommodate increased projected passenger volumes. A summary breakdown of projects within scope for FY25-29 is shown below.

George Bush Intercontinental (IAH) \$2,008M:

- Terminal Modernization Program - \$900M
- Terminal B Redevelopment Program - \$474M
- Central Utility Plant Improvements - \$110M
- IAH Airfield Taxiway and Runways - \$127M
- Infrastructure and Roadways - \$110M
- HVAC, Conveyances and Restrooms - \$80M
- Parking - \$60M

William P. Hobby (HOU) \$638M:

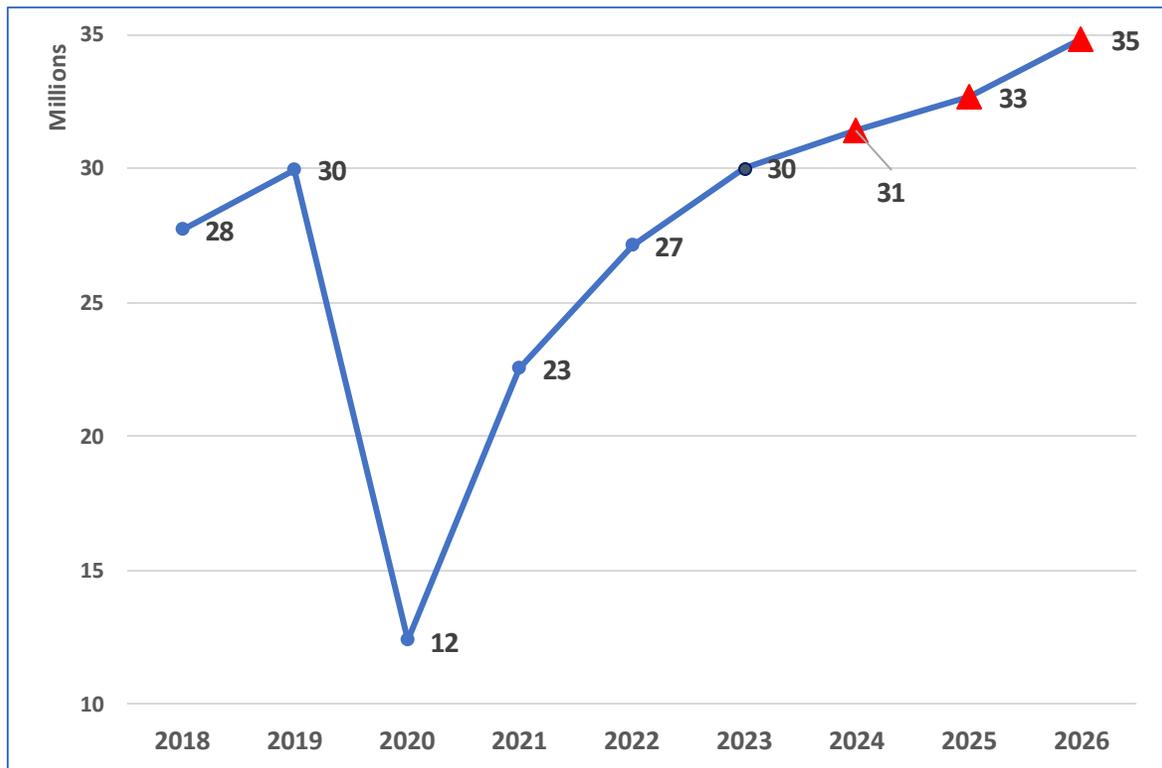
- West Concourse Expansion - \$200M
- HOU Airfield Taxiway and Runways - \$293M
- Infrastructure and Roadways - \$49M
- HVAC, Conveyances and Restrooms - \$41M

Ellington Field (EFD) / Spaceport \$127M:

- EFD Taxiway Lima (Phase 1 & 2) - \$62M
- EFD Spaceport Road Construction - \$14M

Houston requires world class facilities to meet projected travel demands

HAS Total Enplanements (2018 – 2026)



- All values are for calendar year
- 2018 – 2023 – Actual values
- 2024 total – Actuals through Feb 24 + Forecasted values from Mar 24 through Jun 24
- 2025 & 2026 – Forecasted values for entire year

- Enplanements have recovered strongly and will surpass 2019 pre-pandemic levels this year
- FAA’s long-term forecast is projecting ~ 100% enplanement growth over 25 years for Houston area airports
- Future enplanement growth driven primarily by higher airport utilization as airlines schedule more flights using larger planes to simultaneously meet demand while maximizing profit margins

Major Capital Projects



DEVELOPMENT | IAH Terminal B Transformation



Terminal B Modernization

CIP Budget - \$474M (*HAS Share remaining of \$624M*)
Projected Completion – 2026/2027

- \$2.5 billion modernization of Terminal B, including 40 new gates that can service domestic and international flights
- Project will add 3,000 new jobs to Houston along with the 14,000 Houston based United employees
- Terminal B transformation includes:
 - Improving IAH traffic by expanding curbside and roadway capacity
 - Constructing 115,000 sq. ft. of state-of-the-art food and retail space
 - Building the largest club in the global United system on the mezzanine level
 - Creating a multimedia interactive park along with a comfort zone for passengers needing to decompress and relax
 - Expanding the baggage claim and deploying a new baggage handling system equipped with advanced baggage tracking technology



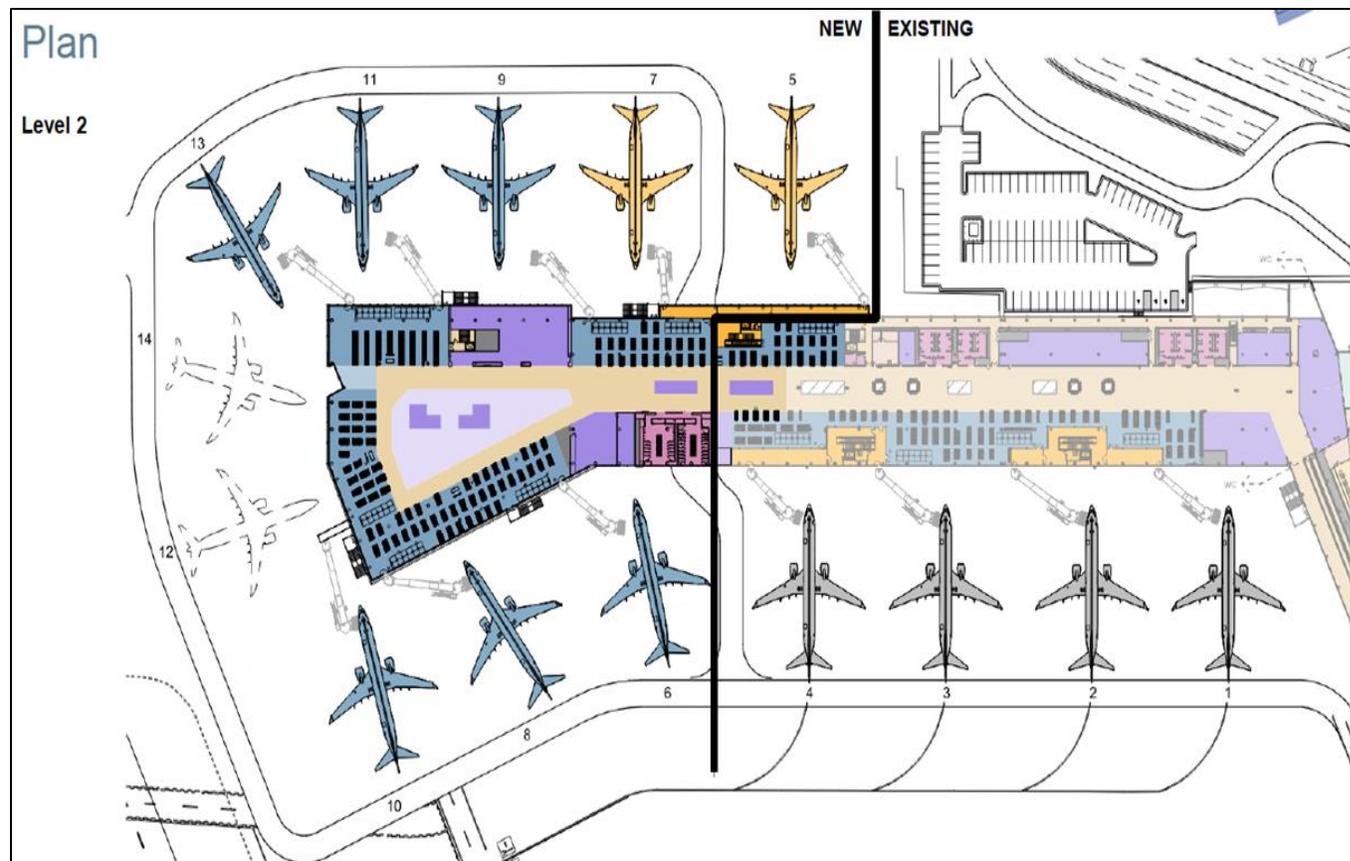
DEVELOPMENT | HOU West Concourse Expansion



West Concourse Expansion

CIP Budget - \$200M (HAS Share remaining of \$470M)

Projected Completion – 2027

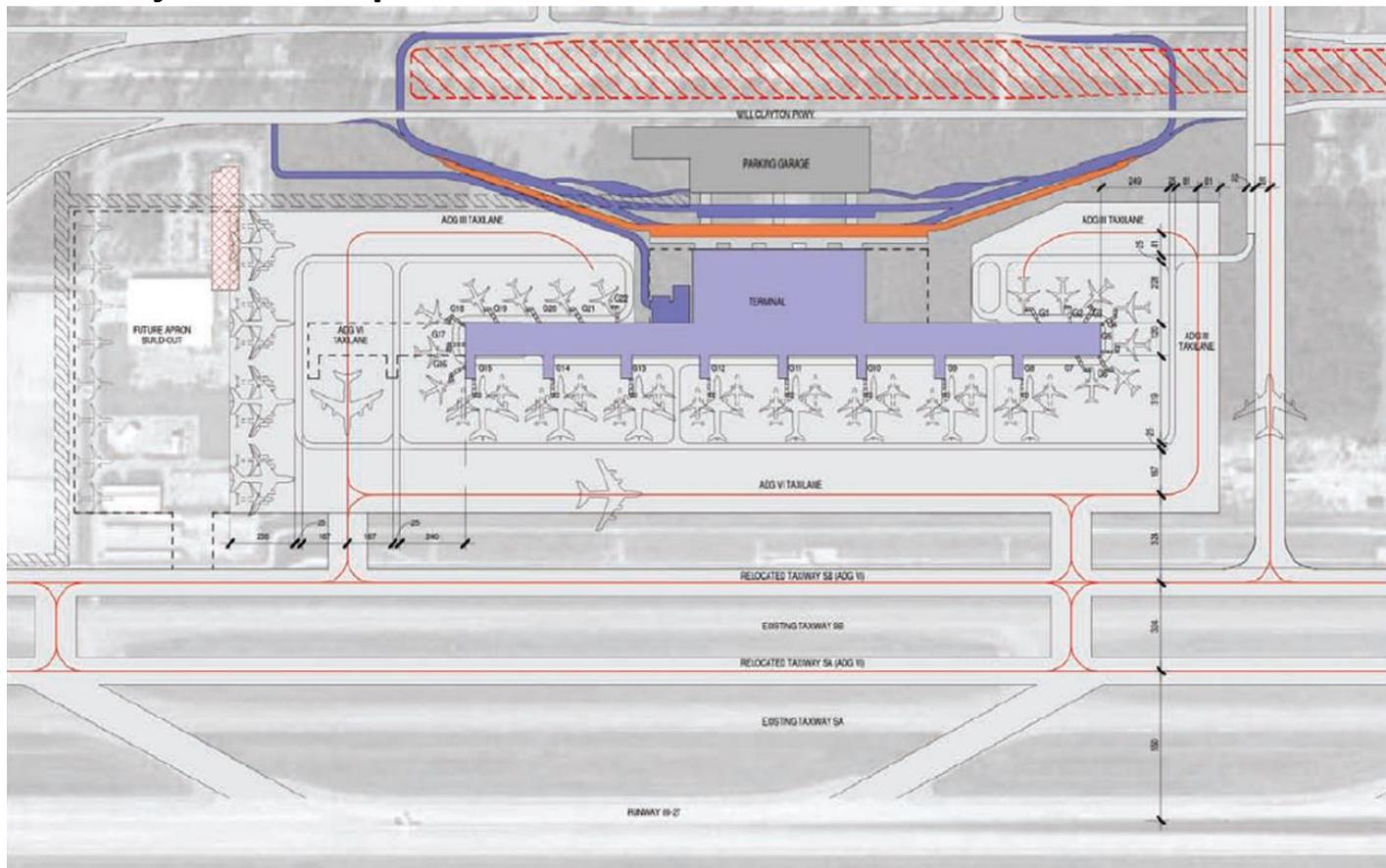


- \$470 million expansion of the West Concourse, including constructing 7 new gates that can service domestic and international flights and relocation of an existing gate
 - 6 preferential-use gates to Southwest
 - 1 common-use international gate which can be assigned by HAS to any carrier
- Southwest currently employs 5,000 people with the majority based at Houston Hobby
- West Concourse expansion includes:
 - Constructing an overhead canopy along the departures curb to protect against inclement weather
 - Expanding and renovating the baggage handling system and baggage claim area
 - Upgrading existing infrastructure (HVAC, sewer, water, etc.) to be able to support increased passenger counts

IAH Terminal Modernization

Phased development, \$900M contained in this CIP

Projected Completion – 2030+



- Non-hub airlines at IAH are requesting additional gates to service significantly higher passenger traffic to the Houston Metro Area
- Expansion of IAH domestic gate capacity will help meet this demand while also positioning Houston as a preferred service destination for all our airline partners
- Domestic terminal modernization includes:
 - Increasing airfield capacity
 - Expanding passenger parking facilities
 - Upgrading and improving retail and concession options

Central Utility Plant Upgrades

Budget - \$110M

Projected Completion – 2026



- Replace CUP assets reaching end of life
- Replace various pumps, transformers, switchgear, motor control centers, cooling towers, air handling units, chillers, boilers, controls and other physical building structural components
- Additional capacity upgrades required for future domestic terminal expansion



Restroom Modernizations

Budget - \$17.5M (IAH) / \$18M (HOU)

Projected Completion – 2025 (IAH) / 2027 (HOU)

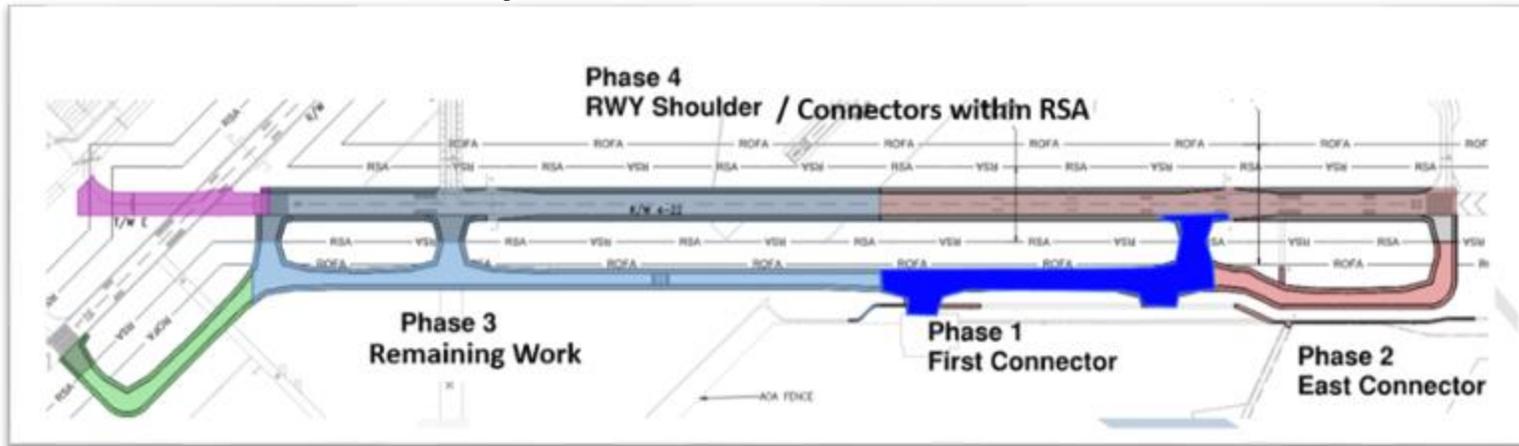


- ✈ Modernization of restroom facilities within both airports is a high priority for HAS
- ✈ Guiding principles of restroom modernization
 - ✈ Ease of maintenance to substantially decrease repair downtime
 - ✈ Improved serviceability to increase cleanliness
 - ✈ Durability to handle projected increased passenger traffic

Taxiway Lima

Budget - \$62M (Phase 1&2)
 Projected Completion – 2026

Taxiway Lima Construction Phases



- Provides spaceport access to the EFD airfield
- Catalyst for further spaceport expansion, providing necessary infrastructure for the manufacture and assembly of parts to be delivered to outer space
- Fulfills existing commitment to finalize completion of taxiway
- Project to be constructed in phases in coordination with the needs of Spaceport occupants

Phases	Projected Completion	Estimated Project Cost (\$millions)
Phase 1	2026	40
Phase 2	2027	22
Phase 3 & 4	2030+	TBD

5-YEAR CIP Funding Sources

Funding Source (\$ thousands)	FY25	FY26	FY27	FY28	FY29	FY25-29
Airport Improvement Fund	108,822	150,666	131,864	97,685	119,594	608,631
Bonds	488,472	398,780	191,300	128,900	243,900	1,451,352
Grants	85,689	177,005	134,295	27,455	13,100	437,544
R&R	37,690	21,800	35,300	15,300	15,300	125,390
PFC Pay-Go	25,000	25,000		50,000	50,000	150,000
Total	\$745,673	\$773,251	\$492,759	\$319,340	\$441,894	\$2,772,917

HAS Ratings and Credit Strengths¹

Extremely strong enterprise risk profile with stable outlook

- Monopoly position, managing both commercial service airports in the combined statistical area
- Economically strong air service market area with strong population growth
- Geographic location that supports hub operations

	Fitch	Moody's	S&P	Kroll
Subordinate Lien	A+	A1	A	AA-

¹Rating as of June 30, 2022. On September 29, 2022, Fitch Ratings, Inc upgraded its long-term unenhanced rating to "A+" from "A" on the Airport's Subordinate Lien Bonds"

QUESTIONS?



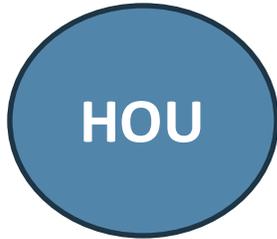
Appendix



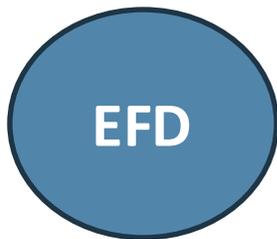
FY25-29 Capital Improvement Plan

(\$ thousands)	FY25	FY26	FY27	FY28	FY29	FY25-29
IAH Terminal B Redevelopment	250,000	224,000				474,000
IAH Terminal Modernization	10,000	90,000	150,000	250,000	400,000	900,000
Central Utility Plant Upgrades	60,000	50,000				110,000
Taxiways and Runways	29,361	61,061	26,659	10,092		127,173
Exterior Infrastructure (Roads, Bldgs., Drainage, Electrical, Signs)	19,750	26,400	35,500	13,248	15,594	110,492
Interior Infrastructure (HVAC, Conveyances, Restrooms)	17,500	30,793	22,000	5,000	5,000	80,293
Parking	2,543	28,000	29,300			59,843
Other	66,293	25,020	28,210	14,910	12,110	146,543
Total IAH	\$455,447	\$535,274	\$291,669	\$293,250	\$432,704	\$2,008,344

FY25-29 Capital Improvement Plan



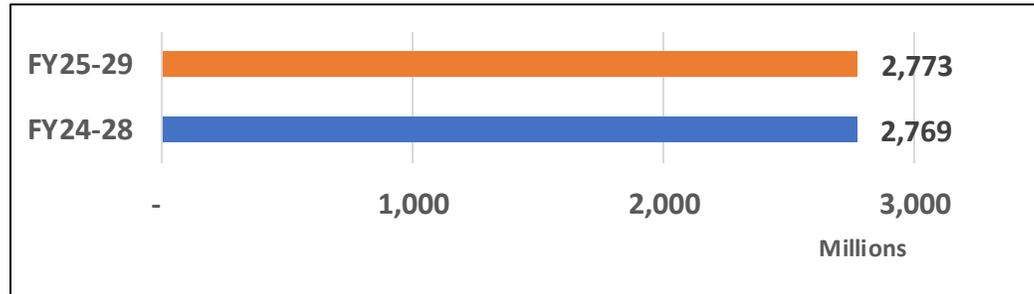
(\$ thousands)	FY25	FY26	FY27	FY28	FY29	FY25-29
West Concourse Expansion	200,000					200,000
Taxiways and Runways	22,000	128,000	137,500	5,000		292,500
Exterior Infrastructure (Roads, Bldgs., Drainage, Electrical, Signs)	7,900	14,900	23,000	2,700		48,500
Interior Infrastructure (HVAC, Conveyances, Restrooms)	8,000	28,138	5,000			41,138
Other	21,886	16,460	9,560	4,260	3,460	55,626
Total HOU	\$259,786	\$187,498	\$175,060	\$11,960	3,460	\$637,764



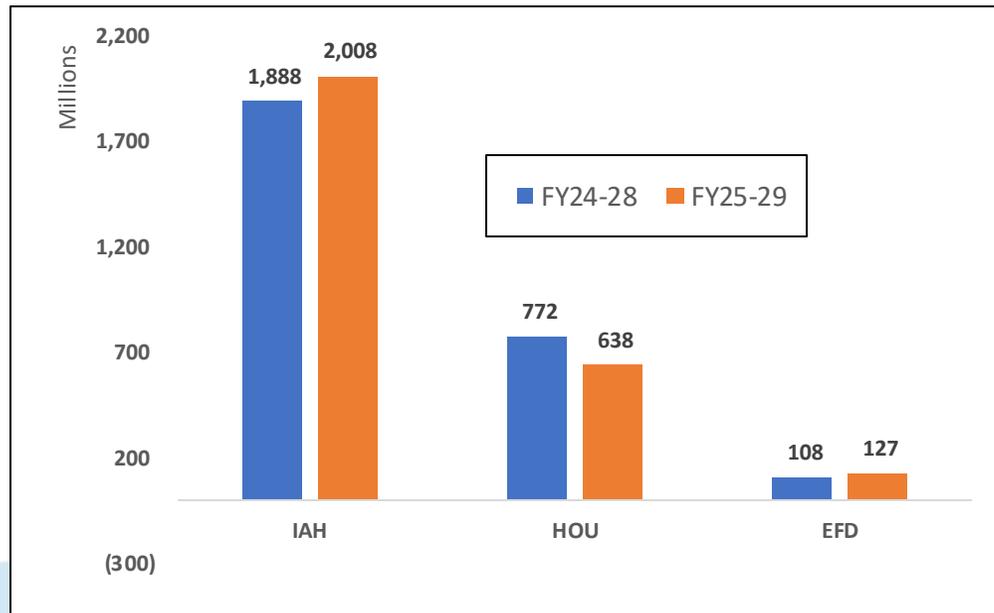
(\$ thousands)	FY25	FY26	FY27	FY28	FY29	FY25-29
Taxiway Lima	40,000	10,000	12,000			62,000
Spaceport Road		10,000	10,000	12,000		32,000
Other	15,440	5,480	4,030	2,130	5,730	32,810
Total EFD	\$55,440	\$25,480	\$26,030	\$14,130	\$5,730	\$126,810

CIP Comparison – FY25-29 vs. FY24-28

Prior Year Comparison - CIP Total



Prior Year Comparison - CIP Total by Airport



Prior Year CIP Comparison by Major Project

Program (\$ thousands)	Airport	FY25-29	FY24-28	Variance
Terminal B Redevelopment	IAH	474,000	0	474,000
West Concourse Expansion	HOU	200,000	449,200	(\$219,200)
Domestic Redevelopment Program	IAH	900,000	827,620	\$72,380
Skyway Replacement	IAH	0	350,000	(\$350,000)
Central Utility Plant Upgrade	IAH	110,000	110,000	\$0
Taxiway Lima	EFD	62,000	66,000	(\$4,000)
Spaceport Road	EFD	32,000	13,000	\$21,000
Phase 3 Admin Building	HAS	0	27,500	(\$27,500)

HAS Long-Term Outlook

(\$'s in thousands)	FY25	FY26	FY27	FY28	FY29
Gross Revenues	\$697,674	\$724,734	\$750,581	\$774,245	\$798,722
O&M Expense *	\$390,314	\$405,926	\$420,134	\$434,838	\$450,058
Net Revenues	\$307,361	\$318,808	\$330,448	\$339,406	\$348,665
Gross Debt Service Requirement	\$246,229	\$268,177	\$268,205	\$292,656	\$285,342
PFC Offset	\$82,439	\$82,439	\$82,439	\$82,439	\$82,439
Grants Available for Debt Service	--	--	--	--	--
Net Debt Service Requirement	\$163,791	\$185,738	\$185,766	\$210,217	\$202,903
DSCR	1.88x	1.72x	1.78x	1.61x	1.72x

*O&M Expense based on definition within Master Bond Ordinance, as required for calculation of the annual Debt Service Coverage Ratio.