SPECIAL COMMITTEE ON AIRPORT ACTIVITIES

February 17, 2026 at 5:30 PM

Chairman Burkush calls the meeting to order.

The Clerk called the roll.

Present: Aldermen Burkush, Sapienza, Barry, Dexter, Terrio

Messrs.: T. Malafronte

1. Presentation from Tom Malafronte, Aviation Director, providing an update on the Manchester-Boston Regional Airport.

Tom Malafronte, Aviation Director: I have a lot of information to cover here, but I'm going to go through it as quickly as I can and try to leave a few minutes for questions. But if you do have a question as I go along, feel free to jump in and try to answer it as we go. The purpose of the update here is to provide you some of the numbers that we experienced in 2025. Talk a little bit about some of the things that we've been focusing on the last six months and the first few months of 2026. So first of all. First slide. So, what's up at MHT? Common question that I get all the time. And for the first time in a long time, I can tell you that every one of the metrics that we measure are up this year. Departure seats were up year 2025 over 2024. Passenger numbers were up, cargo numbers were up, general aviation activity was up, and property development was up. I'm going to go through a little more detail on all of these different things. So first, if you can go back just one second. In terms of departure seats, meaning the number of seats that the airlines have added to the market in 2025 over 2024. Our seats were up 13%. The national average was 1%. So that's a significant investment in Manchester. That translated into a passenger activity increase of 9% year over year. And was the best passenger year we've had on record since 2019. Obviously the COVID years, we've had a little bit of a drop off. This was a good rebound year for us in terms of cargo activity. You may have seen the press release, but our cargo carriers Amazon, FedEx and UPS handle 238 million pounds of cargo last year. That was a record-breaking year for Manchester. The previous record was 234 million pounds of cargo in 2023, so cargo tends to be directly attributed to the economy. When the economy does well, cargo does well. The fact that we broke a cargo record, continue to have strong investment in cargo, had the strongest passenger activity year that we've had since 2019; 2025 was a pretty good year for us. The two other segments of the airport industry here that are up are general aviation. Signature Airways is proposing to build a new 31,000 square foot hangar facility at the airport. Prostar is going to build a 40,000 square foot hangar. I'm going to show you what those look like in just a minute. Also, there is more interest in general aviation and corporate aviation development and interest in hangars. We've proposed a development in the northeast corner of the airfield, which I'm going to show you in just a second. And then the fourth segment, if you will, is properties. Properties represent the fourth leg of the airport stool: Airlines obviously, cargo, general aviation, and airport properties. Those are the four segments that we try to balance out. They're a critical part of our diversified revenue strategy and we're fortunate at an airport like

Manchester to have both aeronautical and non-aeronautical land available for development, which means aeronautical land, meaning land that we have on the airfield that accesses the runways and taxiways. Non-aeronautical development, meaning we have property that is not contiguous to the airfield that we can also use to develop and generate additional airport revenues. Some recent developments include Liberty Utilities that just built a power substation south of the airfield; long term 20-year lease. The Executive Health Club. You'll hear about that in the near future. We're working with them on another long-term lease for pickleball courts, which is a very popular sport, obviously. We think that's a good addition to the health club. And I mentioned the Signature and Prostar editions, which I'll show you a graphic in just a second. Other opportunities that we have for development: the Ammon Center, which was the second of the three terminal buildings that we have on the airfield, obviously the original terminal building was built in the 30s that now serves as the aviation Museum. The Ammon Centre served the airport well from the early 60s up until 1994. The Center is now basically cold storage, but we have the ability and we've spoken with some developers to either renovate or demolish and completely rebuild that facility. Its prime piece of real estate located in between the two runways. It's the number one piece of property that we have available for development. And then the northeast ramp, there's an opportunity for a significant general aviation development in the northeast ramp as well. This is what some of these projects are going to look like. This is Prostar aviation. Prostar, if you're not familiar, does work on a lot of corporate jets. They have contracts with Falcon, Embraer, Pilatus, companies like that. The hangar that you're looking at here and the red box that is their proposed new construction. So that would be a 40,000 square foot hangar expansion. The reason that's important for the airport and for the city is because with a 40,000 square foot hangar expansion comes additional jobs; additional jobs, additional economic activity. And for the airport, more corporate aircraft means more landed weight, more fuel pumped. And we get a percentage of both of those. it's more revenue for the airport. The small hangar that you see outlined in the middle there is hangar five, which is a general aviation hangar which is now owned by the airport. It's vacant. That's going to be demolished as part of this construction. And I'm going to show you what our plan is for the general aviation tenants and facilities in just a second. This is what the Signature development will look like. You can see from left to right, they have one, two, three, four hangars. Currently, they will be building a fifth hangar to the upper right-hand side of that image, which is basically where you see fuel trucks parked. That's right in this area right here. You have this main hangar, two more corporate hangars, their main office, this fourth hangar, this 30,000 square foot addition will go right there. Again, that means more corporate aircraft, more fuel sales, a revision to their lease. Now their lease goes all the way through 2059. A good long-term revenue for the airport. Then you might ask the question: if we're going to expand the Prostar facility to the north, and we're going to expand Signature Aviation to the south, what happens with general aviation that was squeezed in the middle? What we're basically going to do is we are going to look to consolidate all of the general aviation facilities that are currently in our Arrowhead hangars that were tied down on the east ramp, and they were kind of scattered around the airfield, to be perfectly honest, into one general aviation community type of an area. This is in the northeast corner of the airfield, if you're familiar. This is Dean Kamen's hangar up here. The buildings that you see in white right here are existing hangars. And the ones in purple are ones that we are proposing for future development. We have the ability if we do this working in a public private partnership to develop facilities that will accommodate up to 30 additional airplanes. As we go through the airport master plan update and as we make these changes to corporate aviation, members of the general aviation community where I started my career can rest assured that we are not pushing general aviation away. We're doing just the opposite. We're encouraging them to grow. We're encouraging them to develop. And we're defining an area here. And we're going to study this more as part of the master plan. They will always have a home here in in Manchester. So what did we accomplish in 2025 and 2026. Just the first couple of months. A lot is the short answer, but I'll go through some of the key points. First, we developed a five-year Airport Capital Improvement Program. That's ACIP. And you'll notice 2026 to 2031 is actually six years. The six-year is really just a placeholder for financial reasons to be able to fund the next five-year CIP. That comes after this. In our five-year CIP, we identified approximately $97 million in airport improvement projects that are going to take place over this six-year planning horizon. How are we going to pay for that? FAA is going to fund 90% of that. The State of New Hampshire is going to fund 5%, and the airport will fund 5%. The nearly $100 million that we're going to spend in the next five years means more jobs for people in this area. More construction jobs, more engineering jobs, more economic activity, again, for the airport. And we're just reinforcing this already good infrastructure that we have by reinvesting. Most of this is airfield work. We're also looking at ATP, which stands for Airport Terminal Program funding if and when it's available, and I'll get into that in just a second. This year alone, 2026, we acquired $13 million in federal grants for airport projects. And these are the one, two, three, four, five that you see listed up there. Taxiway Echo design, Golf and Delta rehabilitation, airfield drainage study, reconstruct our electrical vault and procure snow removal equipment vehicles. That's just high level. On the next slide, I'll give you a little more detail as to who's helping us with those projects. We also completed our annual airport certification inspection, basically a three-day audit that the airport undergoes every year. We conducted our triennial emergency exercise, which is a live drill the airport has to conduct as part of our regulatory requirements to have commercial air service. This year, we had over 70 agencies respond on a kind of raw rainy day. We closed runway 06/24, but we were able to test our emergency procedures and learned a lot from that. It was a successful outcome. We also held an airport security tabletop where we simulated a cyber security attack. If you don't know, there was a major cybersecurity attack against one of the largest airports in the country, Atlanta, where attackers were actually able to get into the airport's network through their flight information display monitors. We have since secured all of our systems from an attack like that, but we tested our systems during that tabletop and we're able to add some additional safeguards as a result. We also attended four Air Service conferences last year. Years ago, some of you may recall, that Air Service development meant flying to the individual airline's corporate headquarters and making your pitch at their headquarters. Post COVID, airlines don't do that anymore. When there is an air service conference available, an airline will take a meeting. We ask for the meeting and we try to get in front of them as much as we possibly can. This year we attended Jumpstart, the Breeze conference which was held out in Utah, CMT conference which we hosted here in Manchester, and Takeoff conference. We had some pretty fruitful conversations and all of those various meetings. We added five new routes. Since I put this presentation together. October 26th, JetBlue brought their Fort Lauderdale seasonal service back four times weekly. On October 28th, they brought back JetBlue service to Fort Myers three times weekly. November 6th, Breeze Airways launched Raleigh-Durham service twice a week. On February 6th, just last week, we launched our inaugural Myrtle Beach flight on breeze, and we filled 127 out of the 130 seats. The response to the Breeze product and the JetBlue product has been very strong, which is good. We began negotiations on a new airline operating agreement that is a five-year agreement that we have with all of the air carriers. Essentially, if the carriers sign on to the five-year airline operating agreement, they get the benefit of lower rates, lower terminal rates, lower landing rates. If they do not, then they pay basically a 25% premium. The goal for us, the goal for me, is to get all of our carriers signed on to that new airline operating agreement, which goes into effect July 1st. If we do that, we get some assurance that they're going to stay for at least five years and continue to invest in Manchester. If they don't, they pay the higher rate. And it basically says there it's that much easier for them to just pick up and leave. We want to try to get as many, if not all, of the air carriers to sign on to that new agreement. We also prepared for a new airport master plan update. That's one of the reasons that I wanted to come before this committee tonight to let you all know that sometime in the next month, we are going to kick off the 2026-2027 Airport Master Plan study. With that study will do is lay out the groundwork or a blueprint for the next 20 years of development at the airport. This will be the third master plan that I've been a part of. And I can tell you just briefly, the 1997 Master Plan update focused primarily on the airfield. And the reason for that was we built a brand-new terminal building in 1994. Beautiful facility. Everyone loved it. The experience continues to be a good experience as far as the terminal environment. But we had very outdated airfield infrastructure. Under the 1997 Master Plan update, we extended runways, we improved safety areas. We basically rebuilt the entire airfield since the 1997 master plan was announced. We had a solid airfield to match a solid terminal. And then the 2011 master Plan update we went street side, we did street side improvements. We did parking garage, we did Raymond Wieczorek Drive. There were a lot of things in terms of access, even wayfinding, that we did to improve the experience going from roadside to the terminal building. This airport master plan update is not going to focus on capacity enhancements. We're not going to build in addition to the terminal. We don't need any more runway capacity. We've got a 9,200-foot primary runway that can take you to Europe nonstop or to the West Coast nonstop. We certainly don't need to make any changes there. We've got the right navigational aids. You can land at the airport with virtually zero visibility, which is important for the cargo carriers. Our airfield infrastructure is good. The roadway infrastructure is good, parking garage infrastructure is good. But the terminal building is now 32 years old and starting to show its age. This new master plan update will focus a lot on improving efficiencies in the terminal building: HVAC systems, restrooms, escalators, the not so glamorous side of airport management and operations, to be perfectly honest. But it all goes back to the guest experience and what people see and feel when they come to the airport. The last thing we want to do is to announce a new airline, get someone to make the decision to come to Manchester versus going to Boston or Providence or Portland, or all of the other options they have, and come to the terminal building, and the escalators aren't working, or the restrooms aren't up to date, or they just don't have the best experience they possibly can. Which is why this master plan we're going to focus on primarily the terminal building. In addition to the master plan, we have also applied for several additional federal grants. There's a couple I won't go into a lot of detail tonight, but there's a program called NOFO, Notice of Funding Opportunity, available through the Department of Transportation. We’ve applied for federal grants for HVAC improvements, escalator improvements and restroom upgrades. So, we put in for three grants. If we get them that's great. We will apply them just as we do airport improvement projects and we'll begin work on those almost immediately. If we don't, at the same time, we're also researching the opportunity to get congressionally directed spending. There's over $500 million available in that program. Working with a consultant, we're going to focus on the same types of things: HVAC improvements, terminal roof replacement, communication center upgrades. There's no guarantee we're going to get any of these. But the bottom line is, every time there's a federal funding opportunity available that helps us improve the facility that we have, creates more efficiencies in the terminal, lowers the cost for the airlines, and enhances their ability to add more service, we're going to do it. I'm hoping in a future meeting to be able to report on one or some of those programs that we have initiated grants for, and hopefully they'll be successful. Airport capital improvement projects, these are the $97 million in airport improvement projects that I mentioned we're going to do over the next five years. This is the first wave of those projects. This year, we've already kicked off the airport master plan update. It's about a $2 million project now because we've added a couple of components since I put this presentation together. Primary contractor on that project is Centurion Planning and Design, the local contractor on that project. The company that will help us with public meetings and scheduling coordination, things like that will be Hoyle, Tanner & Associates. There's always a local component to every one of our projects. Taxiway Golf and Delta reconstruction. If you're not familiar, just to acclimate you, this is the terminal building right here. Taxiway Golf and Delta are directly behind the southwest gates. That pavement is starting to get a little bit worn out, so that project will take place this summer. It begins July 13th. It will take about 60 days. That's going to necessitate that we shift Southwest, back and forth on their gates to be able to get those pavement improvements done. We're also working on a taxiway Echo design. So that taxiway Echo right here is the taxiway that connects the cargo carriers, which are all down in this area with runway 17/35 or 06/24. That taxiway, because it serves heavy aircraft, it tends to get rutted sooner than the others. We're doing the design on that this year. And next year this will be the taxiway that we construct. We have a pavement management plan for this entire airfield. Every piece of pavement gets a score, and the pieces of pavement that have the lowest useful life and have the lowest score are the ones that hit highest in our priority list, which is why they're on this list right here. We're also replacing our electrical vault, which basically is the hub of the airport in terms of lighting, navigational aids and things like that. That's Jacobs Design and Electric project. We're working on an airport drainage study, and we're procuring additional snow removal equipment, which is not an inexpensive venture. Another important thing, and another reason that I wanted to get in front of the committee tonight is just to talk a little bit about airport financials. If you look at the way our bonds are structured in the year, 2027 and 2028, the airport is going to experience and have to pass on to the airlines two pretty significant spikes in debt service. Our normal debt service kind of hums along at about $9 million a year, which is a lot for a small hub airport. But the way our bonds are structured, we have two spikes in 2027 and 2028 that are about $12 million to $16 million. If we don't restructure that debt and push that debt down and spread it out, the airlines are going to have to absorb those costs. For an airline like Breeze or JetBlue or even Southwest that just added Nashville, if we don't change the way our debt is structured and spread that out and lower that debt service, it's going to impact their revenues and they're not going to add more service. The plan is we are going to have a much more detailed plan to share with all of you to present to the full board that shows that we want to take out a $15 million private loan with a local bank. We want to pay down those spikes, the $12 million to $16 million in 2027 and 2028. And if we do that, we're going to have about $9 million in annual debt service through 2036 and $4 million thereafter, which is very sustainable for the airport. Cost per plane passenger. We're going to talk about that a little. We don't need to go into a whole lot of detail on it, other than if you haven't been involved in that conversation. CPE, if you will, is the total cost allocated to the airlines divided by their total enplanements. By restructuring our debt, that's what we're trying to do is lower that CPE. We're currently in about the $15 to $18 range. Our goal is to get back to the $10 to $13 range over time. If we do some of the things that I suggested with getting federal funding, improving some of our facilities, getting the airlines to add more service than their CPE will go down and encourage more investment. Overall airport operating costs are stable despite unfunded mandates and things that TSA has imposed on us that we had to take on. We have no intention to add new debt. We're not going to come before the board to ask to take out any types of long-term notes or anything like that. We're going to work within our means, and we're going to get as much federal funding as we possibly can to help with that. Okay, I'll keep moving. In terms of our air service update we have a good mix of air carriers. And I think you've probably heard us say this before. For a small hub airport that's just an hour north of a major large hub airport, we have good air service. We have two global network carriers in United and American, two low-cost carriers in Southwest and JetBlue, ultra-low-cost carriers in Breeze and Sun Country that still operates charter service. And Avelo. Avelo, if you don't know, is pausing at the moment in Manchester. They announced back in January that they were going to be pausing until spring. And at this point right now, we do not have a scheduled date for them to return. Avelo’s plan is to phase out Boeing 737s in their fleet and come back into several markets and hopefully Manchester someday with 130 seat Embraer regional jets, very similar to the Breeze model, so they will not start receiving those those regional jets until 2027. We probably wouldn't expect them back until at least 2028. We're still involved in conversations with them in terms of their future, but we are focusing now on the routes that they did serve and airlines like Breeze adding service and taking on some of their routes. This route map will just show you that we currently have 16 nonstop destinations, links you to 230 global destinations. And this will all change, obviously, with some of the recent announcements that we've had. We're currently the third fastest growing airport in New England in terms of seats that were added last year. We are the ninth fastest growing small hub in the country in terms of seats added, so that's a good news story in itself that the airlines are reinvesting in Manchester. And then just really quickly looking at our nonstop service detail for April. This is our spring schedule. And I know the font is a little bit small, but primarily American's going to be up to 12 flights a day. B6 is JetBlue two flights a day on average. Fort Lauderdale, Fort Myers, and Orlando. Breeze has quickly grown to five different markets Charleston, Fort Myers, Myrtle Beach, Orlando, and Raleigh-Durham. They average about two a day, roughly. United continues to serve Washington Dulles. We were pitching several other markets with them. And then you have Southwest, Baltimore, Chicago, Orlando and Tampa. And the recent announcement to serve Nashville, which will begin October 1st. If you look all the way down to Saturdays, Southwest will be back to ten flights a day on Saturday, which is pretty significant. We're looking forward to that. So, where do we go from here with five minutes to go? We have three strategic goals for 2026. Number one, complete negotiations on that airline operating agreement, which is critical so that we know that the future of our airlines and what their level of investment is going to be in Manchester. Restructure airport debt, which we're going to come back here in a couple of weeks to give you more detail on what that looks like. By doing that, again, we ensure that the airline's operating costs remain low so we don't price them out of our market. We're going to continue to work on the airport master plan update, and this committee will see regular updates as we go through that process. More specific targets. We want to work towards 1 million in plane passengers. This year we're targeting about 725,000 to 750,000. The more airlines invest, the closer we'll get to that. Continue to grow cargo. We're looking at a rebranding initiative for 2027, which is essentially a new logo, new look and feel that will come out with the new airport master plan. We're also starting to do some of the work for to celebrate the airport's 100-year anniversary. There's a lot of really good history that comes along with this airport. And I realized as we started kind of preparing and putting the pieces of the puzzle together, that it's up to me to make sure the story gets told, because there's a lot of great military stories, there's a lot of great early airline stories. There's a lot of great stories from people in this community that did a lot of amazing things to help get us where we are today. And then we're going to continue to work to position the airport for future success. I mentioned all of the things that we're working on. I guess one of the other important things is we are we are in the process of trying to attract and prepare the next generation of airport leaders, which in my mind is that young girl riding on the suitcase right there. Not just her family. She's the reason that we're doing the airport master plan update. Hopefully she's the reason why we're getting more airline service here and all of the things that we're going to do with the airline operating agreement, the debt restructuring, the master plan update, cargo development, GA development, additional federal funding. All of that goes to enhancing opportunities for airlines and cargo carriers to grow. And the bottom line is we're going to continue to do everything we possibly can to make the best small hub airport in the country.

Alderman Barry: Quickly, you mentioned Avelo. Their pause, does that have anything to do with their federal contract that they had transporting detainees?

T. Malafronte: It does not, completely separate issue. And just for the record, Avelo has never flown a deportation flight out of the airport. They've never flown a charter flight out of the airport. They've only flown their published schedule out of out of the airport, out of Manchester.

Alderman Terrio: Tom, you're talking a lot about debt and debt service. What is your total with these proposals? Your total long-term debt that you're responsible for?

T. Malafronte: Long term debt is about $90 million. Currently, $60 million of it just resides in the parking garage. And it’s just because all of the bonds and all of the projects came due at different times. Those two debt spikes we've known about for a long time. One way to absorb those debt spikes would be to have lots and lots of employments come in and have airlines increase or double down on their investment, knowing that they're not going to do that. Growth is going to be organic. We need to kind of take a bold move and restructure that debt, flatten out that debt service, get it to the $4 million to $9 million mark, which we can. Certainly.

Alderman Burkush: I would like to thank you for your presentation. I encourage you to keep an open communication with this board, come quarterly or whatever you want to do.

T. Malafronte: Will do. Thank you very much.

*There being no further business, on motion of **Alderman Terrio**, duly seconded by **Alderman Dexter**, it was voted to adjourn.*

A True Record. Attest.

Matthew Normand

Clerk of Committee

Meeting Start Time: 5:30PM
Meeting End Time: 6:10PM
Minutes Prepared By: Tom Hilton