

# THE BOND BUYER

## **Bond sales will continue financing Minneapolis airport terminal project**

By

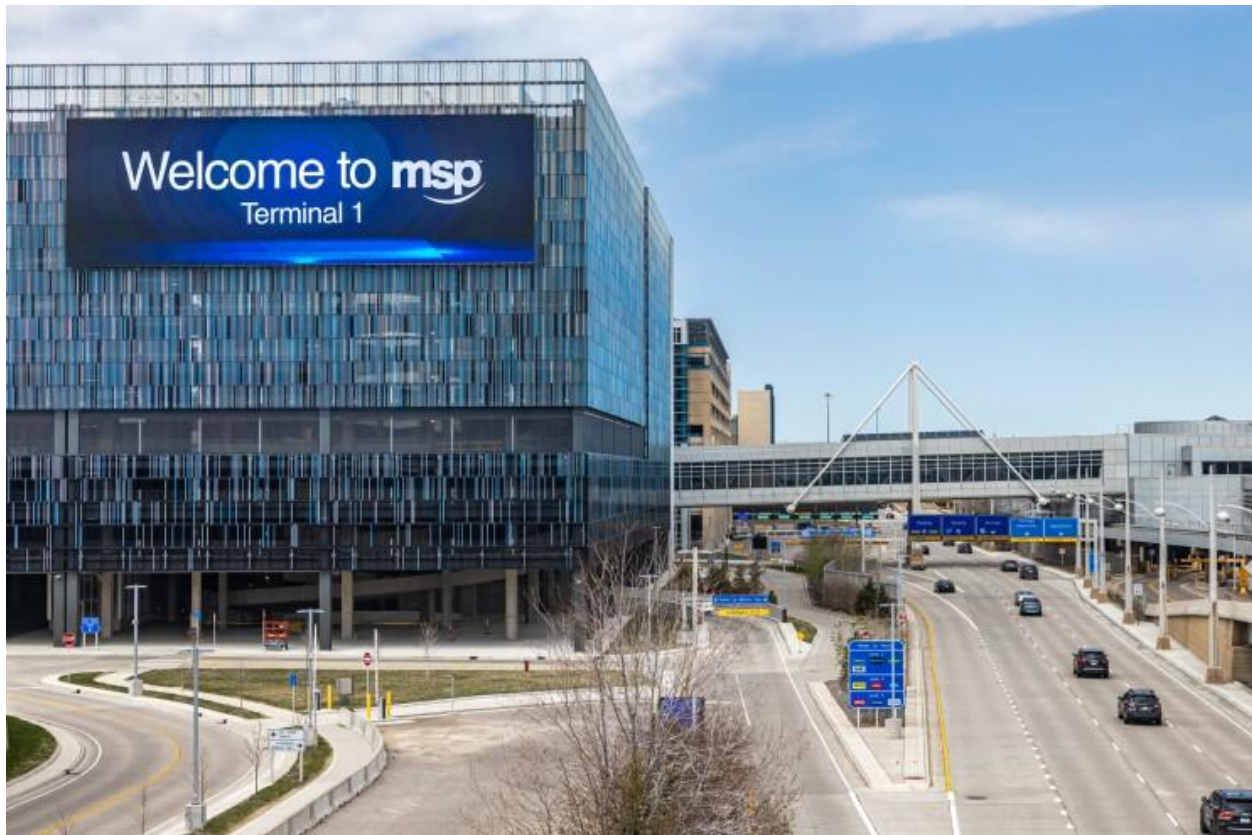
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The Metropolitan Airports Commission will issue \$125 million of bonds over the next few years to finance its share of a major terminal modernization project at the Minneapolis-St. Paul International Airport.

The commission, which already sold \$60 million of bonds for the Terminal 1 project as part of a nearly \$372.7 million subordinate airport revenue bond deal last year, will sell another approximately \$50 million of debt next year and about \$75 million in 2026, according to Chief Financial Officer Tim Simon.



A bond-financed project for Minneapolis-St. Paul International Airport's Terminal 1 aims to deliver a unified and modern interior design for six of the terminal's concourses and for about 75 Delta Air Lines' gates. *Metropolitan Airports Commission*

About \$700 million of new debt, which includes the \$50 million of bonds for the terminal, is expected to be sold in 2024 depending on market conditions and the timing of project cash flows.

"We haven't made a final decision on how next year's bonds will be issued — either senior or subordinate," Simon said Tuesday. "We'll assess that when we get a little further along in next year's bonding process."

The senior bonds are rated AA-minus and subordinate bonds have A-plus ratings from Fitch Ratings, as well as from S&P Global Ratings, which [upgraded its ratings by a notch](#) last year.

Delta Air Lines' share of the terminal project is \$60 million, which will be financed through a short-term loan paid back by the carrier, Simon said. Delta and its affiliates accounted for 71.4% of enplaned passengers in 2022 at the airport, which serves as Delta's second-largest hub.

The project marks the [largest interior renovation of concourses](#) and passenger gate areas in Terminal 1, which opened in 1962, according to a commission press release. The \$242 million project aims to deliver a unified and modern design for six of the terminal's concourses and for about 75 Delta gates.

Work commenced in late October and is scheduled to continue into 2025.

"By the time the concourse renovations are completed, the MAC will have invested more than \$1 billion in a series of high-profile projects over the course of a decade to transform Terminal 1, from curb to gate," the press release said, adding projects included a 30,000-square-foot expansion that began in 2016.