

Fitch Upgrades STL Airport's Revenue Bonds to 'A-' Stable

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Fitch Ratings has upgraded St. Louis Lambert International Airport's (STL) approximately \$324.5 million in outstanding airport revenue bonds to 'A-' from 'BBB+'. **The Rating Outlook is revised to Stable from Positive. The Rating Outlook is revised to Stable from Positive.**

Fitch cited that the upgrade reflects continued favorable trends in enplanement growth combined with stable debt service coverage ratios (DSCR), and an improving leverage position that falls to 5.16x by 2022 in Fitch's rating case.

The Airport's most recent enplanement report shows a **7.8 percent growth for August 2017** with a year-to-date enplanement growth up by 6.3 percent. STL's total passengers (arriving and departing) for 2017 has topped 9.8 million passengers, which is 6.4 percent more than the January through August time period in 2016. The Airport has seen two straight years in month—over-month passenger growth.

"The credit rating upgrade by Fitch is a vote of confidence in the city's management team at St. Louis Lambert International Airport," said St. Louis City Comptroller Darlene Green.

Fitch also cited other factors in its ratings change including the Airport's stable financial metrics, manageable capital needs in the near future and the airport's largest carrier, Southwest Airlines, showing a long term commitment to STL with increasing service levels. The Airport is in its second year of a 5-year airline use and lease agreement which included a five year capital improvement program (CIP) totaling \$170 million through 2021.

Earlier this year, two other major rating agencies boosted the ratings for STL in advance of a major airport revenue bond refunding and bond sale. St. Louis also has \$305.8 million of series 2012, 2013, 2015, and 2017 parity airport revenue bonds not rated by Fitch.

S&P Global Ratings issued an 'A-' long-term rating with a positive outlook up from stable for STL's outstanding airport revenue bonds. Moody's assigned **St. Louis A3 with positive outlook**, a change from stable.

Those rating changes came prior to the May 2017 refunding of \$240 million to retire 2007 airport revenue bonds. St. Louis City, owner and operator of the Airport, also

issued \$58 million in new airport revenue bonds, series 2017C and 2017D, which will fund the five year CIP plan, which includes runway and taxiway construction, parking infrastructure repairs, new snow removal equipment, new passenger loading facilities and other projects.

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