

Agencies Boost STL's Outlook Ahead of Bond Refunding

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(May 30, 2017 –St. Louis) In advance of a major airport revenue refunding and a new bond sale, two major rating agencies have boosted the outlook for St. Louis Lambert International Airport (STL).

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.

Both rating agencies extended its ratings outlook to include an upcoming refunding, 2017 series, for up to \$240 million to retire series 2007 airport revenue bonds. That effort is being led by the office of St. Louis City Comptroller Darlene Green. St. Louis City, which owns and operates the Airport, is also issuing up to \$70 million in new airport revenue bonds, series 2017C and 2017D, which will fund a variety of capital projects in the Airport's five-year CIP plan including runway and taxiway construction, parking infrastructure repairs, new snow removal equipment, new passenger loading facilities and other projects.

S&P stated the revised outlook reflects favorably declining debt levels and strong liquidity. It also noted stable passenger enplanement levels and a good competitive position that supports a good base of air travel demand.

Moody's stated in its credit opinion that it changed its outlook based on expectation of growth in enplanements, a significant decline in debt from historic levels, and a continued decrease in debt service with no major capital investment needs which has helped improve STL's operating and financial profile.

The Airport has recorded 20 straight months of passenger enplanement growth, through April 2017. Currently, the Airport passenger enplanement traffic is up seven percent (2,229,134 vs 2,085,695) year-to-date in CY2017. In the last calendar year of 2016, STL saw a surge in total passenger traffic of 10 percent, with 13.9 million travelers. That was the best total passenger performance since 2008.

The credit agencies noted the Airport's existing debt totals \$686 million as of 2016. Over a five year period, STL has reduced its debt by \$147 million. Debt per enplaned originating passenger has decreased to \$104 from \$135.

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