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Tampa International Airport, FL Series 2018 Revenue Bonds Rated 'AA-'

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CHICAGO (S&P Global Ratings) Oct. 4, 2018--S&P Global Ratings assigned its 'AA-' rating to Hillsborough County Aviation Authority, Fla.'s pro forma $297.7 series 2018E-F senior-lien revenue bonds and its 'A+' rating to the pro forma $104.6 million series 2018A subordinate-lien revenue bonds issued for Tampa International Airport (TPA). At the same time, S&P Global Ratings affirmed its 'AA-' long-term rating and underlying rating (SPUR) on the authority's senior revenue bonds issued for TPA. S&P Global Ratings also affirmed its 'A+' long-term rating and SPUR on the authority's subordinate-lien revenue bonds issued for the airport. The outlook is stable.

"The ratings reflect our opinion of the authority's very strong enterprise risk profile and strong financial risk profile," said S&P Global Ratings credit analyst Kevin Archer.

The very strong enterprise risk profile reflects our view of the authority's:

Very strong market position;
Extremely strong service area economic fundamentals in the primary air service area, which includes the Tampa-St. Petersburg-Clearwater metropolitan statistical area;
Low industry risk relative to that of other industries and sectors; and
Extremely strong management and governance.

The strong financial risk profile reflects our view of the authority's:

Strong financial performance;
Very strong debt and liabilities capacity; and
Strong liquidity and financial flexibility.

Bond proceeds will fund master plan and capital improvement projects at TPA.

The stable outlook reflects our view that TPA's primarily origin and destination enplanement base will continue to provide strong demand. The outlook further reflects our expectation that, including additional near-term borrowing plans, the authority will maintain its financial performance with DSC remaining at or near 1.5x, and that debt and liquidity metrics will remain at levels that support the current assessments.

We do not expect to raise the ratings during the two-year outlook horizon, given the risks associated with the airport's large capital improvement plan (CIP). However, we could raise the rating over the longer term if TPA manages its CIP, producing DSC at levels we consider very strong and sustainable.

If enplanement levels materially decline, or if TPA struggles to manage its CIP and incurs higher-than-anticipated additional debt, we could lower the rating, to the extent we believe the financial profile materially weakens.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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