

Tampa International Airport, FL CFC Revenue Bond Rating Raised To 'A-' On Financial Resilience; Outlook Positive

CENTENNIAL (S&P Global Ratings) Oct. 26, 2021--S&P Global Ratings raised its long-term rating to 'A-' from 'BBB+' on the Hillsborough County Aviation Authority (HCAA), Fla.'s customer facility charge (CFC) revenue bonds issued for Tampa International Airport (TPA). The outlook is positive.

"The upgrade and positive outlook reflect the TPA's consolidated rental car facility's (CONRAC) demonstrated financial resilience during a period of materially depressed activity levels and our expectation that the facility will maintain financial metrics consistent with a strong financial risk profile given recent positive rental car activity trends that have exceeded our updated activity recovery estimates, with July, August, and September 2021 monthly rental car transaction days at 91%, 80%, and 86% of 2019 levels," said S&P Global Ratings credit analyst Kayla Smithy. We believe the recent activity levels are sustainable and support an improvement in our market position assessment and strong enterprise risk profile. We could raise the rating further as rental car activity and the broader rental car industry demonstrate a return to business-as-usual market conditions. (For more information, see "[Updated Activity Estimates For U.S. Transportation Infrastructure Show Recovery For Air Travel Demand Accelerating And Public Transit Lagging](#)," published July 29, 2021, on RatingsDirect.)

TPA currently has approximately \$358 million in outstanding CFC debt. The bonds are secured solely by a \$5.95-per-day rental car CFC for cars rented at the airport. The bonds financed an airport rental car facility, which rental car companies operating on TPA's premises use. In addition, the bonds partially funded a 1.4-mile automatic people mover. The CONRAC has a cash-funded debt service reserve that provides additional security for bondholders totaling approximately \$37.4 million.

"The rating action reflects our opinion of the CONRAC facility's strong enterprise and financial risk profiles, tempered by evolving rental car industry conditions. The improved market position is based on the facility's impressive rebound in rental car activity and financial recovery to near pre-pandemic levels," said Ms. Smith. Although we believe the CONRAC's recent activity trends are sustainable and supportive of strong financial metrics, the rating also reflects our view that financial metrics have not fully recovered and rental car industry market conditions remain unsettled.

We analyzed TPA's risks and opportunities related to environmental, social, and governance (ESG) credit factors relative to its market position, management and governance, and financial performance. Elevated health and safety concerns, which we consider a social risk factor, are abating and are currently considered credit neutral in our analysis. We view environmental risks are somewhat elevated for the airport due to its location along Florida's Gulf Coast, which makes it more susceptible to weather events and the effects of climate change. Governance credit factors are in line with our view of the sector. We will continue to evaluate risks and opportunities.

RELATED RESEARCH

- [How We Apply Our Global Not-For-Profit Transportation Infrastructure Enterprise Criteria](#), Nov. 2, 2020
- [Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors](#), April 28, 2020

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