San Antonio, Texas

Consolidated Rental Car (CONRAC) Special Facility Project
New Issue Report

Ratings
New Issues

$124,210,000 Consolidated Rental Car Facility Bonds, Series 2015	BBB+

Outstanding Debt

$222,265,000 Airport Revenue Bonds Series 2006, 2007, 2010, 2012	A+
$143,210,000 Passenger Facility Charge Subordinate Airport Revenue Bonds, Series 2005, 2007, 2012	A

Rating Outlook
Stable

Related Research
Fitch Rates San Antonio (TX) Airport Revs 'A+', Outlook Stable (July 2015)

Peer Review of U.S. Airports (February 2015)

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Debt Class/Lien	Amount ($ Mil.)	Final Maturity	Ratio of Transaction Days/Deplaned Passengers (%)	Transaction Days	Leverage (x)
Consolidated Rental Car Facility Bonds, Taxable Series 2015	124.2	2045	48.8	2.0	10.2

Source: Fitch Ratings.

Key Rating Drivers

Rationale: The rating reflects rental car market monopoly for visitor transportation services and increased efficiency from a new airport-connected CONRAC facility. Near-term rising debt service requires transaction growth either from longer car rentals or more deplaned passengers. Customer facility charges (CFC) collections have been growing since FY2012 inception to support the CONRAC and will be required through maturity. Fitch notes that the airport is able to charge rental car companies contingent rent should CFC rate increases be insufficient.

Rental Car Necessity: Despite a predominantly origin and destination (O&D) base (92.3% of total enplanements), limited visitor transportation options make the airport's rental car business a necessary service. The new CONRAC will increase convenience with the ability to rent cars from a single facility, but car rental demand is vulnerable to leisure, and the ratio of transaction days to deplaned passengers has been declining over the past few years.

Flexible Rate Setting: CFC rates can be changed at any time without outside approval, and the competitive current $5.00 rate may be increased as debt service ramps up to its maximum. All airport rental car operators plus three new entrants have executed CONRAC agreements.

Rising Debt Structure: Fixed-rate debt with escalating annual debt service levels from issuance to FY2027 at $9.8 million through final maturity in FY2045. The bonds will benefit from a fully cash-funded debt service reserve fund sized to MADS, a 25% coverage account, and a $7.5 million renewal and replacement (R&R) account, which provide some initial liquidity to partially mitigate the debt obligations. Additional CFC-backed borrowing is not anticipated.

Moderate Metrics: Initial liquidity is around $2.5 million in the CFC surplus fund. In Fitch's base case through FY2023, net debt-to-cash flow available for debt service (CFADS) is initially high around 10x and should drop to around 7x, CFC bond coverage is strong (above 1.5x), but total coverage including the new general airport revenue bond (GARB) debt service is thinner at just above 1.13x.

Consolidated Operations: Project construction starts August 2015 and should open March 2018. The project is expected to be fully funded with proceeds from the San Antonio International Airport (SAT) series 2015 CFC revenue bonds, series 2015 GARBs and internal CFC liquidity.

Peer Analysis: SAT has similar levels of transaction days as Charlotte (rated A, Stable Outlook) and Austin (rated BBB+, Stable Outlook). When considering additional GARB debt being issued, SAT's CONRAC is expected to cost more than both Charlotte and Austin. However, leverage is expected to be comparable to Austin but higher than Charlotte, partially explaining SAT's 'BBB+' rating.

Rating Sensitivities

Negative: A considerable drop in rental car transactions or volatility in the underlying O&D traffic base could adversely affect pledged revenue and coverage levels absent an increase in the CFC rate.

Negative: Use of fund balances beyond those anticipated in the sponsor's forecast or imposition of contingent rents to rental car companies in order to fully support project cash flow requirements under the bond documents and rental car concession agreements may lead to a downgrade.

Positive: Rental car transaction day growth above Fitch's base case and a material reduction in leverage.

Overview

Transaction Summary

The City of San Antonio is issuing $124.2 million series 2015 CFC revenue bonds to construct five levels for CONRAC operations within a new seven-level CONRAC facility at the airport. The city is also issuing $39.3 million series 2015 senior GARBs secured by net airport revenues to construct two levels of public parking within the new CONRAC facility (see *Fitch Rates San Antonio (TX) Airport Revs 'A+', Outlook Stable*, July 9, 2015). However, the city intends to pay Series 2015 GARB debt service with surplus CFC revenues.

Enterprise Summary

Project Summary Data		**Financial Summary Data**	
Project Type	Airport CONRAC	Rated Debt Terms	$124.2 million fixed rate
Project Location	San Antonio, TX	Amortization Profile	Fully amortizing, matures 2045
Status	Construction	Reserves	$2.44 million Debt Service Coverage Fund; $9.8M Debt Service Reserve Fund; and $7.5M CFC Renewal and Replacement Fund.
Operator	City of San Antonio	Transaction Triggers	Senior Bonds: Rate Covenant: 1.25x; Additional Bonds Test: 1.25x
Revenue Basis	Volume		

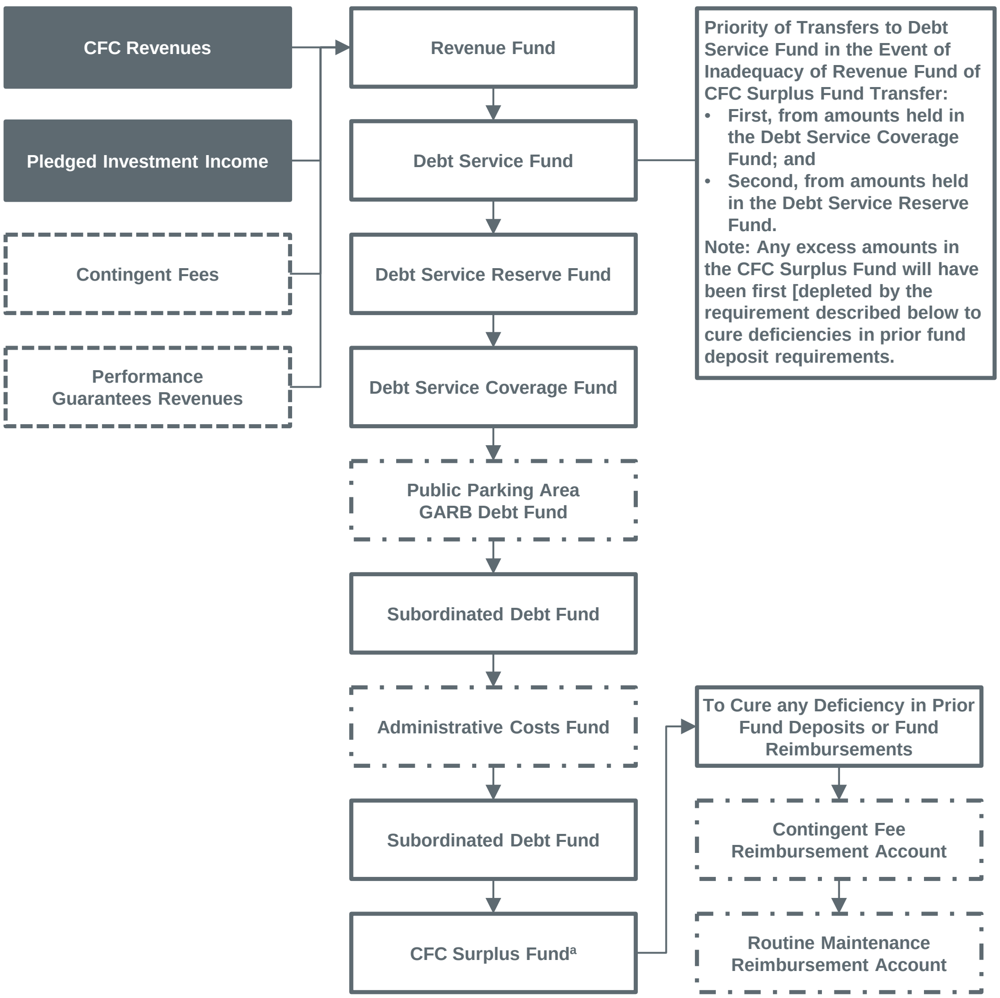
Source: SAT, Fitch Ratings

Key Features

Project Overview

Airport rental car operations are currently unconsolidated and spread across multiple sites, which requires customer shuttle buses that create congestion. Present public parking facilities adequately serve volume but are not sized to fit demand expectations. The CONRAC facility will consolidate all airport rental car operations, replace the short-term parking garage next to the airport terminals and directly connect to the terminal via a sky bridge. A total of seven stories tall, the facility will include 2,040 ready/return spaces, 1,060 storage spaces, a customer service center, a quick turn-around facility that allows car rental companies to provide vehicle service support and maintenance, other essential supplemental functions, as well as 1,349 short-term public parking spaces on the first two floors. Construction will begin in August 2015, public parking levels are expected to open 20 months later, and the CONRAC should open to the public in March 2018 (the date of official occupancy, or DBO). The city and rental car operators will operate CONRAC through a CONRAC lease agreement and rental car concession agreements, and Fitch expects manageable operation risk given the detailed provisions set out in both agreements. All rental car operators have participated in developing the CONRAC and will execute and deliver the lease agreements on or prior to Series 2015 CFC bond delivery, which will give each rental car operator the right as well as the obligation upon completion to occupy and operate rental car concessions in the CONRAC.

Flow of Funds Chart



Source: San Antonio International Airport.

CFC Collection

The CFC is a per transaction day fee at a city-determined rate charged to every airport rental car customer. The airport has collected CFCs since FY2012 in preparation for the new CONRAC facility and will use approximately $27 million of previously collected CFC revenues in addition to bond proceeds to fund construction and establish project reserves. The total project cost is estimated at $196 million, incorporating uses for tenant improvements and reserve funds, which include a renewal and replacement fund, a debt service reserve fund, and a debt service coverage fund. Future CFCs will be used to pay Series 2015 debt service and maintain and operate the CONRAC, as well as replenish bond funds. The airport must collect CFCs from all rental car companies as long as CFC bonds remain outstanding regardless of when the CONRAC opens.

While the CFC debt is secured by a narrow revenue stream dependent upon rental car activity, the current $5.00 per day CFC rate is moderate when compared to other airports with CFC-secured stand-alone bonds. Management forecasts a $0.50 increase in the CFC rate on Sept. 1, 2018. Unscheduled rate increases are permitted as needed to meet annual gross debt service, and contingent rent may be levied to the extent that a needed rate increase is not economically feasible.

CONRAC Agreements

In Fitch's view, the lease and concession agreements provide a strong framework for operations and payments between the airport and the rental car operators. The CONRAC lease agreement is initially set for a 20-year term, starting when construction is completed. The city hands over the CONRAC to rental car operators who have 180 days to make company-specific improvements. The city will reimburse operators up to $6 million or 50% of total improvements constructed by all operators. After 180 days, the CONRAC opens for business to the public on the DBO which is expected on March 1, 2018. Rental car operators deposit an amount equal to six months of CFCs as a security deposit as well as an amount equal to six months of ground rent. The city is required to charge rental car operators contingent fees if CFC revenues are anticipated to fall short of necessary payment obligations under the agreements and bond ordinance.

The lease may be terminated by the city or a rental car operator before it expires if a rental car operator defaults. Fitch notes that the 20-year lease agreement is short of the 2045 debt maturity which the airport views as additional flexibility and allows for lease revisions or modifications. Contingent fees and security deposit will be required in future leases as mandated in the CFC indenture.

The rental car operators will pay the city $1 per square foot per year of ground rent which will be increased by 15% every five years. The city will perform as well as pay for facility and site major maintenance using the CFC R&R fund, which is initially funded upfront with $7.5 million of bond proceeds and then from the CFC surplus fund. Rental car operators are responsible for CONRAC routine maintenance and estimate $4.0 million total annual expenses, either CFC eligible ($1.5 million) or non-CFC eligible ($2.5 million). The rental car operators will perform CONRAC maintenance and will be reimbursed for CFC-eligible tasks. Rental car operators will charge customers a facility maintenance fee (FMF) per transaction day to cover non-CFC-eligible expenses as well as projected CFC-eligible maintenance shortfalls. All labor salaries are embedded in task-specific items. All CONRAC routine maintenance is paid by rental car operators, and CFC-eligible expenses are reimbursed to the extent sufficient funds are available.

Current rental car companies operate under existing concession agreements which have been extended to the DBO and will begin new 10-year agreements after the DBO, which mitigates completion risk. The new 10-year agreements may be extended for an additional 10 years, and the city will maintain concession agreements from the DBO until the Series 2015 CFC Bonds mature. If rental car companies fail to execute and deliver concession agreements, they will be unable to offer rental car services at the airport.

Current as well as any new rental car operators are also required to pay SAT the greater of percentage rents and minimum annual guarantees (MAGs). The initial MAG for current operators is 85% or $250,000/brand while the MAG for new operators will be set at $250,000/brand. MAGs are removed if passenger air traffic collapses or auto supply shortages cause a greater than 25% loss in gross revenue for the entire rental car industry at SAT. In lieu of a MAG, rental car operators will still pay the city a percentage fee, which is a portion of the rental car operator's gross revenues.

Completion Risk

Fitch considers the structural features of the transaction to be adequate based on protections available to mitigate project completion and delay risk. Under the terms of the guaranteed maximum price construction contract, the CONRAC contractor is responsible for any cost overruns but the DBO can be delayed. Under a delay in opening, CFCs would continue to be collected. Reserves include a $2.44 million debt service coverage fund; a $9.8 million debt service reserve fund; and a $7.5 million CFC renewal and replacement fund.

Nonstop Flights

Source: San Antonio International Airport.

San Antonio Airport

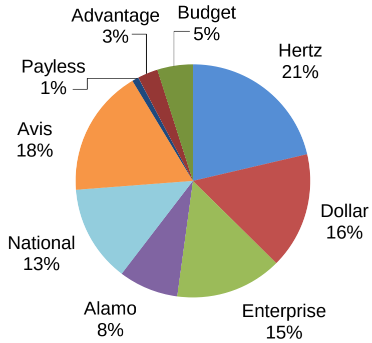
SAT is a city-owned airport eight miles from downtown San Antonio, and visitors usually rent a car, take a cab or are picked up by residents because robust regional transportation alternatives are not present, which supports the rental car market. San Antonio is the seventh largest U.S. city with strong military and government employment, trade, convention and tourism, health care, finance, and telecommunications alongside low unemployment and high population growth, which support a firm 92.3% O&D enplanement base. The level of deplaned passengers is directly correlated to rental car transaction days. Deplanements increased 1.34% for FY2014 to 4.1 million (a 5-year CAGR of 1.09%) and should continue to grow alongside Texas as Texas outpaces the U.S.

A diverse group of airlines, including five network carriers, approximately ten of their regional affiliates and four Mexican carriers, serve the airport with no airline holding more than a 42% share of passengers (Southwest; 'BBB' Positive Outlook). The airport serves 35 nonstop destinations including five cities in Mexico and, as expected, experienced no impact from the Wright Amendment expiration. SAT's main competition comes from Austin-Bergstrom International Airport, a 77 mile (1.5 hour drive) northeast. However, Austin does not offer as many international services, and San Antonio maintains that significant traffic diversion between the two airports does not occur due to comparable fare and service levels at each airport.

Rental Car Operations

In Fitch's view, the rental car operations are an essential component of the airport enterprise with an established history. All rental car operators have participated in developing the CONRAC. Ten rental car brands that currently serve SAT as well as three new brands have entered into lease agreements with the city to operate at the CONRAC. SAT does not have any off-airport rental car operators, but if any arrive, they will have to pay SAT CFCs.

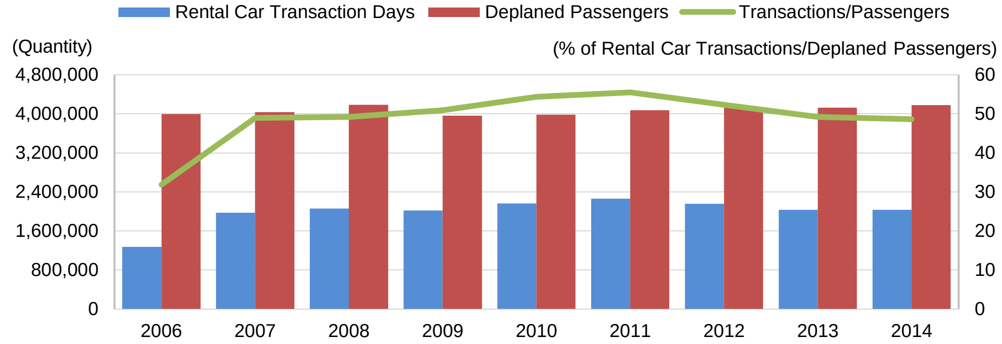
SAT Rental Car Brand Market Share
(FY2014)



Source: SAT.

SAT rental car activity is measured by rental car transaction days and gross rental car sales with a distinct seasonal pattern (highest demand during summer tourism season). Usually rental car transaction days equate to half of deplaned passengers, which should increase with the convenience the CONRAC will bring and support early revenue pressure from rising debt service. After decreasing demand from FY2011 through the first half of FY2013, rental car transaction days at the airport began increasing in the second half of FY2013 through the end of FY2014. Gross rental car sales at SAT increased at a 4% CAGR in FY2011–FY2014, which can be attributed to increasing daily rental rates that averaged $39.43 in FY2011 and $49.37 in FY2014.

Rental Car Transaction Days to Deplaned Passengers



Source: SAT.

Financial Profile and Analysis

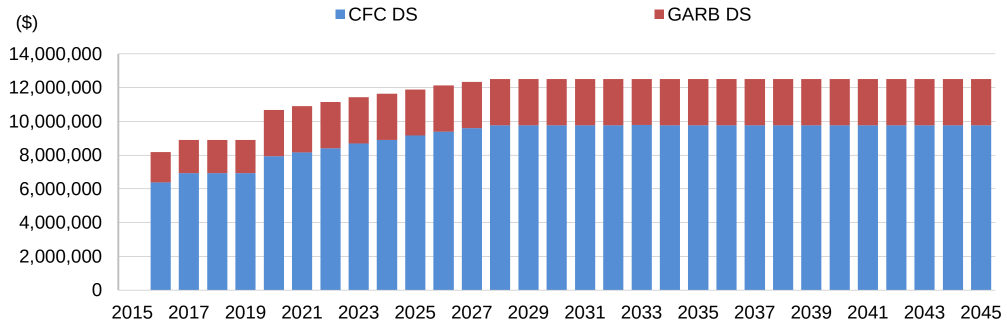
Debt Structure

In Fitch's view, the debt structure is comparable in form to a number of other airport, stand-alone CONRAC financings. The City of San Antonio is issuing approximately $124 million in fixed-rate CFC secured debt to construct an airport-connected CONRAC facility. The city is separately issuing approximately $39 million of fixed-rate airport system revenue bonds that will pay for the construction of two floors of public parking within the seven-story CONRAC facility. While the GARBs are secured by a pledge of airport revenues with no recourse to CFC funds, management intends to pay the debt service on those bonds with surplus CFC monies.

The debt amortization is structured to have inclining payment levels through the first 10–15-year period followed by level payments through maturity. CFC debt has a five-year interest-only period to protect against revenue underperformance and allow for surplus fund accumulation should management's projections be realized. CFC bond annual debt service (ADS) is sculpted such that it begins at approximately $6.4 million in FY2016 and ramps up to around $9.8 million by FY2028 before levelling out through maturity. When factoring in the additional GARB debt, the total debt service profile grows by about 53% between FY2016 and FY2028 or a CAGR of 3.9%, which necessitates revenue growth in the early years; However, Fitch notes that there are several cash-funded reserves that will provide some initial liquidity to partially mitigate this risk. Further, management retains the right to levy contingent fees or to pay the CFC debt service should CFC collections fall short of forecast.

Security and Structural Features

Total CONRAC Debt Service To Be Paid with CFCs



CFC – Customer facility charge. DS – Debt service. GARB – General airport revenue bonds.
Source: San Antonio Airport.

Security

The bonds are special obligations of the city, secured by and payable from CFCs. SAT must charge/collect CFCs from all on/off airport rental car operators as long as CFC bonds remain outstanding. There is no recourse to general airport revenues.

Rate Covenant

CFC rates are reviewed and/or adjusted annually/as required to equal the aggregate of: a) 125% of CFC Debt Service and b) amounts necessary with the remainder after actually paying CFC debt service to provide (1) 125% of Series 2015 GARB debt service; and (2) fully (100%) fund all transfers from the revenue fund as required by the indenture in each fiscal year. No contingent fees will be established by the city and no drawings will be made under performance guarantees for the applicable fiscal year unless the CFC increase fails to generate sufficient funds and all funds are exhausted. If the rate covenant is not satisfied, it will not constitute an event of default so long as no payment default has occurred and the aviation director promptly follows the recommendations of the CFC consultant.

Additional Bonds Test

Additional parity debt is permitted to make future renovations/improvements to the CONRAC. Pledged revenues (CFCs) from the last completed fiscal year, or for 12 of the 18 consecutive months immediately preceding, must be equal to at least 1.25x the MADS requirements for all bonds outstanding plus the additional bonds. Additional bonds issued may refund existing bonds as long as new debt service will not exceed current debt service. The city may issue subordinated debt to repair/improve the CONRAC or refinance existing outstanding bonds as long as there are enough pledged revenues (CFCs) to pay subordinate debt service after all senior and GARB debt service payments are made.

Debt Service Reserve Fund

The debt service reserve fund will be cash funded at MADS and initially expected to be funded from proceeds at $9.8 million.

Debt Service Coverage Fund

The debt service coverage fund will be funded at 25% MADS and initially expected to be cash funded with proceeds at $2.4 million.

Renewal and Replacement Fund

The CFC R&R fund pays CONRAC facility major maintenance and will be cash funded with proceeds at close at $7.5 million (required). Importantly, the R&R fund may be used to fill buckets above it in the flow of funds including debt service and must be replenished upon depletion.

CFC Surplus Fund

Within the CFC surplus fund, the city has established the contingent fee reimbursement account, the routine maintenance reimbursement account, and the airport parking operating funds account (funded with prior CFC revenues at initial delivery of the Series 2015 bonds; no transfers from the revenue fund shall be made to this account). None of these accounts of the CFC surplus fund are included in or part of the trust estate, though amounts and deposits held in the CFC surplus fund that are not held in any other account are included. Management expects the fund to have a beginning balance of $2.5 million for FY2015 from prior CFC collections not contributed towards the total CONRAC cost.

Forecasts

SAT's management case expects rental car transaction days to equal 48% of deplaned passengers through FY2023, which is in line with the historical average since FY2013. Rental car transaction days are the basis for CFC revenues and are projected to grow at the same rate as deplaned passengers, representing a 2.3% CAGR from 2.0 million in FY2015 to 2.5 million for FY2023. CFC collections are projected at $9.4 million in FY2015, rising to $13.5 million for FY2023. In FY2016 (the first full year collecting at a $5.00 rate) through FY2023, CFCs are expected to grow at a 4.7% CAGR. Minimum debt service coverage ratio (DSCR) including series 2015 GARB debt service obligations is projected to be 1.22x in FY2017. Project leverage is initially high at around 10x net debt/CFADS but will evolve to a more moderate 7.5x by 2023.

In addition to the management case, Fitch developed its own base and rating cases incorporating the traffic assumptions used in the Fitch Ratings 2015 review of SAT's GARB and PFC subordinate bonds.

Fitch's base case assumes a more moderate 1.5% deplanement CAGR over the FY2015–FY2023 period while maintaining the airport's assumption of a 48% rental car transaction days/deplanement ratio. Under this scenario, management's forecast CFC rates were also observed ($5 increasing to $5.50 on Sept. 1, 2018); However Fitch notes that management would have to raise the CFC rate from a forecast $5.50 to $6.23 in FY2023 in order to meet all debt obligations and projected operating expenses without dipping below a $2 million balance in the CFC surplus reserve fund.

Fitch's rating case, which assumes a 6% drop in deplanements in FY2016 followed by recovery of 1%–2% annually for a 0.3% CAGR through FY2023 also maintained the 48% rental car transaction days/deplanement ratio. Once again, management's forecast CFC rates were observed except for FY2022 and FY2023, where management would have to raise the CFC rate from the forecast $5.50 to $7.57 and $6.95 in order to meet all debt obligations and forecasted operating expenses without fully depleting the CFC surplus fund balance. Fitch notes that, in practice, the surplus fund would be held at a minimum of $2 million and the

Forecast Scenario Summary FY2015–FY2023

($)	Sponsor Case	Fitch Base Case	Fitch Rating Case
Deplanement CAGR (%)	2.3	1.5	0.3
% Rental Car Transaction Days	48.8	48.6	48.6
CFC Rates			
FY2015	4.50/5.00	4.50/5.00	4.50/5.00
FY2016-FY2017	5.00	5.00	5.00
FY2018	5.00/5.50	5.00/5.50	5.00/5.50
FY2019-FY2021	5.50	5.50	5.50
FY2022	5.50	5.50	7.57
FY2023	5.50	6.23	6.95
CFC DSCR Min	1.57	1.50	1.41
CFC DSCR Max	1.81	1.74	1.89
CFC + GARB DSCR Min	1.20	1.13	1.06
CFC + GARB DSCR Max	1.41	1.36	1.43
CFC Net Debt/CFADS Max	10.09	10.20	11.08
CFC Net Debt/CFADS Min	7.47	7.18	6.74

Source: SAT and Fitch.

airport's share of routine maintenance would be reduced if funds were not available for a given year. Further, the airport would still have the additional liquidity from the CFC R&R fund to meet its operating and maintenance needs. In addition, Fitch understands that management would have the ability to proactively raise rates sooner and to a lesser extent to build up liquidity instead of having to raise rates so materially once a shortfall was imminent.

Fitch also ran several sensitivity analyses including testing the impact of either the ratio of transaction days to deplaned passengers stabilizing at 44% or the CFC remaining at the current $5 rate. Fitch notes that reserves may need to be tapped and/or contingent fee levied if transaction days fall short of forecast or the planned CFC increase fails to materialize. While the structure depends on near-term growth, Fitch views the growth to be achievable given the strength of the San Antonio market and takes comfort in the system's reserves should CFC revenues initially underperform.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

STANDARD & POOR'S
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Summary:

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San Antonio International Airport; Airport

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Rationale

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Related Criteria And Research

Summary:

San Antonio, Texas
San Antonio International Airport; Airport

Credit Profile		
US$124.21 mil Customer Facility Charge Rev Bnds (San Antonio Intl Arpt) ser 2015 dtd 07/01/2015 due 07/01/2015		
Long Term Rating	A-/Stable	New

Rationale

Standard & Poor's Ratings Services has assigned its 'A-' rating to San Antonio, Texas' $124.2 million rental car special facility revenue bonds series 2015, issued for the San Antonio International Airport. The outlook is stable.

The rating reflects our assessment of the following factors:

- Location in the San Antonio metropolitan statistical area (MSA), which benefits from a strong economy with low unemployment and a growing population, underpinning the O&D market's strength;
- Stable passenger levels, with enplanements up 2.2% through fiscal 2014 that we expect to remain stable through fiscal 2015, with year to date through April traffic up 0.8% compared with the same period a year earlier; and
- A strong origin and destination (O&D) market (92.3% in 2014) and adequate diversity of carriers, with Southwest Airlines Co., American/US Airways, and United Air Lines Inc. accounting for a combined 79.4% of enplanements in calendar year 2014.

We believe credit weaknesses include:

- The narrow revenue pledge, with customer facility charges (CFC) revenue being the main recurring revenue source available to repay the bonds;
- A moderate CFC rate, at $5.00 per transaction per day; and
- Projected debt service coverage levels from annual CFC collection of 1.4x-1.6x through 2023, which we consider adequate, based on projections that we consider optimistic.

Bond proceeds will fund approximately $166.4 million of the total $196.0 million in project costs. The airport is also issuing approximately $39.3 million in general airport revenue bond debt for this transaction, which will benefit from CFC revenues as well. Bond provisions are adequate, in our view, and provide a good legal framework for the operations of the facility. The rate covenant requires that the CFC be reviewed and adjusted as necessary to ensure 1.25x debt service coverage on the bonds, including a rolling debt service coverage fund funded to 25% maximum annual debt service, and the maintenance of all other fund requirements as stipulated in the indenture. The airport may issue additional bonds if revenues from 12 of any of the previous 18 months preceding a fiscal year equal 1.25x debt service on debt outstanding. The debt service reserve is fully funded to maximum annual debt service as well.

Upon completion, the facility will include 2,040 ready/return spaces, 1,060 storage spaces, a customer service center, a quick turn-around facility that allows rental car companies to provide vehicle service support, and other essential supplemental functions. Airport officials expect project construction to commence in July 2015 and be substantially completed in September 2017. The public parking area portion of the project is expected to be complete and open for public parking in March 2017. In September 2017, the facility will then be turned over to each rental agency complex (RAC) pursuant to separate lease agreements for approximately six months for tenant finishes and a break-in period. The facility is slated to enter operations March 1, 2018.

In addition to improved operating facilities for the rental car companies, management expects the facility to result in more efficient operations. The project also provides replacement covered close-in public parking spaces for the airport's passengers. New concession agreements among the city and eight rental car companies, representing 13 brands, are uniform and run for 10 years, with one optional 10-year extension. Under its terms, the rental car companies are required to charge, collect, and remit the CFC to the trustee. In addition, contingent fees may be charged to the rental car companies under the new concession agreements, in the event CFC collections are insufficient to meet the rate covenant. The aviation director can raise the CFC rate at any time, and rate increases do not require city council approval. The daily rate is $5.00, having increased July 1 from the initial rate of $4.50. Management forecast includes an increase to $5.50 in 2018. Net of routine maintenance costs, debt service coverage ranges from 1.4-1.6x through 2023. As calculated by the airport's consultant's feasibility study, however, with routine maintenance paid after debt service, projected coverage of annual debt service ranges from 1.57x-1.81x through maturity in 2023. Given 1.5% compound annual average declines in deplanements since 2010, we consider the projections to include more assertive growth assumptions (ranging from 2.1-2.4% through 2023). A consultant call-in is required pursuant to the indenture, however, should CFC collections fall 90% below forecast in any budgeted year. In addition, management has set a floor of $2 million in its CFC surplus fund, which we believe will support cash flow management and mitigates some of the risks associated with more optimistic forecasting.

Outlook

The stable outlook reflects our view of the airport's generally stable enplanement history and San Antonio's strong economy, which we believe will support demand for rental cars. The rating could be pressured to the extent that lower demand for the airport fuels declines for the facility and debt service coverage levels fall significantly below forecast. We could also consider a downgrade if the project experiences significant delays in construction or cost overruns. We do not expect to raise the rating during the outlook period, given that forecast performance is in line with the current rating level and is unlikely to be exceeded in that time.

Related Criteria And Research

Related Criteria

- USPF Criteria: Airport Multi-Tenant Special Facilities Bonds, June 13, 2007
- USPF Criteria: Assigning Issue Credit Ratings Of Operating Entities, May 20, 2015
- Criteria: Use of CreditWatch And Outlooks, Sept. 14, 2009

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