

# Outlooks Revised To Negative On Transportation-Related GO Special District Ratings Due To COVID-19, Global Recession

March 31, 2020

CENTENNIAL (S&P Global Ratings) March 31, 2020--S&P Global Ratings revised its outlook to negative from stable on several long-term and underlying general obligation (GO) ratings. The affected ratings consist primarily of debt secured by ad valorem property tax revenue, issued by special districts that have transportation-related operations, regardless of the purpose of issuance. These issuers include airport authorities, port districts, and mass transit operators. The negative outlooks provide notification to market participants that the affected credits face at least a one-in-three likelihood of a negative rating action over the intermediate term (generally up to two years).

This action applies to the ratings of 18 issuers, and 86 issue level ratings.

As the COVID-19 virus spreads and the social distancing efforts intended to protect the health and safety of the community, slow the infection rate, and flatten the curve of the virus brings local economies to a virtual halt, S&P Global Ratings is of the view that the nation and world have entered a recession per our March 27, 2020, publication "It's Game Over for the Record U.S. Run; The Timing Of A Restart Remains Uncertain." The negative outlook reflects our view that social distancing, which we believe constitutes a social risk, and the related economic recession will expose this group of credits to significant declines in revenue. We expect this to occur as airport, port, and mass transit operations experience abrupt declines in activity levels, and issuers face uncertain timelines for a return to normal operations, as well as uncertain prospects with respect to the timing and sizing of state or federal aid. (For more on our view of environmental, social, and governance (ESG) risk factors, see our article "Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors", published Feb. 27, 2020, on RatingsDirect.)

On March 26, 2020, S&P Global Ratings revised to negative the outlooks on nearly all long-term debt ratings in the U.S. transportation infrastructure sector due to the severe and ongoing effects associated with the COVID-19 pandemic (see our report, "Ratings Outlooks On U.S. Transportation Infrastructure Issuers Revised To Negative Due To COVID-19 Pandemic", published March 26, 2020 on RatingsDirect). Though the issuers within the scope of this outlook revision issue GO debt to fund a variety of purposes, in our view, each of these issuers' operating profiles includes a relatively substantial degree of transportation-related operations. As such, we believe the declining activity levels across the transportation sector will likely pressure these issuers' operations and financials.

Furthermore, we believe these issuers' credit profiles may face additional stress as management teams encounter unprecedented and complex logistical and other financial challenges, as activity

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levels decline and the timeline and shape of a rebound remain largely unclear. The ultimate effect on local economies, and each issuer's financial performance and flexibility will be instrumental in determining each credit's performance within the outlook period.

An ability to levy property taxes, in many cases without limit as to rate or amount to make debt service payments, is a key factor contributing to the relative strength of the ratings for this group of credits. Accordingly, our ratings reflect the strength of the local economies underpinning the issuers' ad valorem revenue pledges. In addition, our criteria assesses each issuer's financial performance and flexibility, debt burden, and management.

In our view, those credits that derive a greater share of total revenue from property taxes and a lesser share of from transportation operations will likely prove somewhat more resilient. We expect the issuers' taxing powers will likely limit the risk of missed debt payments.

In addition, the timing and availability of state and federal aid will be key. We view favorably the \$2 trillion federal stimulus package, which includes billions of dollars of support for transportation sector operators, including \$25 billion for mass transit operators and \$10 billion for airports. We will evaluate the implications of this and any additional federal and state support in our ongoing surveillance.

## Ratings List

**The outlook on all ratings is negative.**

Issuer	Issue	State	Rating
Abbeville Harbor and Term Dist	US\$4.92 mil ltd tax bnds ser 2014 due 03/01/2016-2031 2034	LA	A
Caddo-Bossier Parishes Port Commission	US\$24.97 mil rev rfdg bnds (Caddo-Bossier Parishes Port Commission) ser 2010 dtd 07/16/2010 due 04/01/2011-2030 2034 2038	LA	AA-
Des Moines Area Regl Transit Auth	US\$3.5 mil ltd tax GO bnds ser 2010 due 06/01/2020	IA	AA
Joliet Regl Port Dist	US\$0.87 mil taxable GO bnds (alternate rev source) ser 2013B dtd 04/24/2013 due 12/30/2018 2020-2021	IL	A
Joliet Regl Port Dist	US\$4.655 mil GO rfdg bnds (alternate rev source) ser 2013A dtd 04/24/2013 due 12/30/2013-2014 2021-2023 2029-2033	IL	A
Joliet Regl Port Dist	US\$3.99 mil GO bnds (alternate rev source) ser 2015A dtd 08/12/2015 due 12/30/2015-2018 2024-2026 2034-2035 06/30/2016-2018 2024-2026	IL	A
Joliet Regl Port Dist	US\$3.97 mil ARS go bnds ser 2004 dtd 06/01/2004 due 12/30/2007-2023	IL	A
Minneapolis-St. Paul Metro Council	US\$68.325 mil GO transit & pk & rfdg transit bnds ser 2002C-E dtd 11/01/2002 due 02/01/2003-2019 2022	MN	AAA
Minneapolis-St. Paul Metro Council	US\$41.375 mil GO transit bnds ser 2004A dtd 04/01/2004 due 02/01/2024	MN	AAA
Minneapolis-St. Paul Metro Council	US\$44.7 mil GO transit bnds (Heywood Garage II) ser 2019B dtd 06/19/2019 due 03/01/2020-2039	MN	AAA
Minneapolis-St. Paul Metro Council	US\$72.3 mil GO transit bnds ser 2019A dtd 06/19/2019 due 03/01/2020-2029	MN	AAA
Minneapolis-St. Paul Metro Council	US\$40.0 mil GO transit bnds ser 2018D due 03/01/2028	MN	AAA
Minneapolis-St. Paul Metro Council	US\$40.0 mil GO transit bnds ser 2017B dtd 05/18/2017 due 03/01/2018-2027	MN	AAA

**Ratings List (cont.)**

The outlook on all ratings is negative.

Issuer	Issue	State	Rating
Minneapolis-St. Paul Metro Council	US\$36.17 mil GO transit & rfdg bnds ser 2016A due 03/01/2026	MN	AAA
Minneapolis-St. Paul Metro Council	US\$45.0 mil GO transit bnds ser 2015A dtd 08/06/2015 due 03/01/2016-2025	MN	AAA
Minneapolis-St. Paul Metro Council	US\$24.59 mil GO transit rfdg bnds ser 2012H dtd 11/15/2012 due 02/01/2014-2028	MN	AAA
Minneapolis-St. Paul Metro Council	US\$57.605 mil GO transit cap & rfdg bnds ser 2012C dtd 06/15/2012 due 03/01/2013-2032	MN	AAA
Minneapolis-St. Paul Metro Council	US\$65. mil taxable GO wastewtr rev bnds ser 2010F dtd 12/22/2010 due 12/01/2012-2021 2023-2030	MN	AAA
Minneapolis-St. Paul Metro Council	US\$69. mil taxable GO transit bnds ser 2010E dtd 12/22/2010 due 02/01/2012-2021 2024 2031	MN	AAA
Minneapolis-St. Paul Metro Council	US\$43. mil taxable GO transit bnds (Build America Bnds) ser 2009A dtd 09/01/2009 due 03/01/2010-2027 2029	MN	AAA
Minneapolis-St. Paul Metro Council	US\$2.8 mil hsg dev rev bnds (Brickyard Apts) ser 1999 cap apprec. bnds dtd 01/18/2000 due 01/01/2011-2016 & rev bnds due 01/01/2025 2030	MN	AAA
Minneapolis-St. Paul Metro Council	US\$10.16 mil GO transit bnds ser 2007E dtd 03/15/2007 due 02/01/2012-2022	MN	AAA
Minneapolis-St. Paul Metro Council	US\$60.0 mil GO wastewtr rev bnds ser 2014D due 09/01/2034	MN	AAA
Minneapolis-St. Paul Metro Council	US\$123.125 mil GO wastewater rev & rfdg bnds ser 2016C due 03/01/2036	MN	AAA
Minneapolis-St. Paul Metro Council	US\$105.0 mil GO wastewtr rev bnds ser 2017C dtd 05/18/2017 due 03/01/2018-2037	MN	AAA
Minneapolis-St. Paul Metro Council	US\$65.0 mil GO wastewtr rev bnds ser 2012B dtd 06/15/2012 due 09/01/2013-2032	MN	AAA
Minneapolis-St. Paul Metro Council	US\$105.0 mil GO wastewtr rev bnds ser 2018C due 03/01/2038	MN	AAA
Minneapolis-St. Paul Metro Council	US\$215.93 mil taxable GO wastewtr rev rfdg bnds ser 2012F dtd 07/01/2012 due 09/01/2013-2022	MN	AAA
Minneapolis-St. Paul Metro Council	US\$119.415 mil GO wastewtr rev rfdg bnds ser 2012I dtd 11/15/2012 due 03/01/2016-2028	MN	AAA
Minneapolis-St. Paul Metro Council	US\$93.91 mil GO wastewtr rev rfdg bnds ser 2012E dtd 06/15/2012 due 09/01/2014-2025	MN	AAA
Minneapolis-St. Paul Metro Council	US\$100.0 mil GO wastewtr rev bnds ser 2015C dtd 08/06/2015 due 03/01/2016-2035	MN	AAA
Minneapolis-St. Paul Metro Council	US\$12.295 mil taxable GO wastewtr rev bnds ser 2018B due 03/01/2028	MN	AAA
Minneapolis-St. Paul Metro Council	US\$9.12 mil rfdg COPs ser 2014E due 06/01/2024	MN	AAA
Port of Beaumont Navig Dist	US\$48.655 mil GO bnds ser 2018 dtd 07/15/2018 due 03/01/2019-2039 2043	TX	AA-

Ratings List (cont.)

The outlook on all ratings is negative.

Issuer	Issue	State	Rating
Port of Camas-Washougal	US\$6.995 mil taxable ltd tax GO and rfdg bnds ser 2013B dtd 02/12/2013 due 12/01/2013-2016 2019-2024 2026 2028 2029 2032	WA	AA-
Port of Camas-Washougal	US\$3.0 mil ltd tax GO bnds ser 2015B due 12/01/2029	WA	AA-
Port of Camas-Washougal	US\$1.0 mil GO bnds ser 2015A due 12/01/2029	WA	AA-
Port of Camas-Washougal	US\$0.99 mil ltd tax GO rfdg bnds ser 2013A dtd 02/12/2013 due 12/01/2016-2023	WA	AA-
Port of Houston Auth	US\$85.665 mil unlted tax port imp bnds (Non-AMT) ser 2010D-2 dtd 08/19/2010 due 10/01/2039	TX	AAA
Port of Houston Auth	US\$147.940 mil unlted tax rfdg bnds ser 2010D-1 (Non-AMT) dtd 08/19/2010 due 10/01/2023-2031 2035	TX	AAA
Port of Houston Auth	US\$22.330 mil unlted tax rfdg bnds ser 2010E (Non-AMT) date of delivery due 10/01/2014-2030 2033 2038 & cap apprec due 10/01/2034-2035	TX	AAA
Port of Houston Auth	US\$176.555 mil unlted tax rfdg bnds ser 2018A dtd 07/18/2018 due 10/01/2024-2038	TX	AAA
Port of Houston Auth	US\$22.93 mil unlted tax rfdg bnds ser 2010B dtd 02/17/2010 due 10/01/2010-2026	TX	AAA
Port of Houston Auth	US\$30.255 mil unlted tax rfdg bnds ser 2010C dtd 02/03/2010 due 10/1/2011-2029 2031 2038 & cap apprec due 10/01/2032-2033	TX	AAA
Port of Houston Auth	US\$49.77 mil unlted tax rfdg bnds ser 2015C dtd 08/26/2015 due 10/01/2031	TX	AAA
Port of Houston Auth	US\$26.01 mil unlted tax rfdg bnds ser 2015B dtd 08/26/2015 due 10/01/2023	TX	AAA
Port of Houston Auth	US\$62.945 mil unlted tax rfdg bnds ser 2015A dtd 08/26/2015 due 10/01/2027	TX	AAA
Port of Houston Auth	US\$49.45 mil unlted tax rfdg bnds ser 2011A(AMT) dtd 10/05/2011 due 12/31/2011	TX	AAA
Port of Newport	US\$5.452 mil GO bnds ser 2011 dtd 05/03/2011 due 01/01/2012-2021 2026 2031 2036 2041	OR	A+
Port of Newport	US\$7.61 mil GO rfdg bnds ser 2016 dtd 06/16/2016 due 01/01/2017-2035 2037	OR	A+
Port of Newport	US\$5.32 mil taxable GO rfdg bnds ser 2019 dtd 12/17/2019 due 01/01/2020-2029 2034 2038 2041	OR	A+
Port of Pasco	US\$2.095 mil ltd tax GO rfdg bnds ser 2012B dtd 11/07/2012 due 08/01/2017-2022 2024	WA	A
Port of Pasco	US\$4.415 mil lmted tax GO bnds ser 2010 dtd 04/22/2010 due 08/01/2011-2020 2025 2030	WA	A
Port of Pasco	US\$2.095 mil ltd tax go bnds (Tax-Ex) ser B dtd 09/15/2004 due 08/01/2012-2016 2018 2022 2024	WA	A
Port of Seattle	US\$75.44 mil ltd tax GO rfdg bnds (taxable) ser 2013B dtd 03/26/2013 due 11/01/2013-2021 2025	WA	AAA
Port of Seattle	US\$27.32 mil ltd tax GO rfdg bnds ser 2013A dtd 03/26/2013 due 11/01/2021-2023	WA	AAA

**Ratings List (cont.)**

The outlook on all ratings is negative.

Issuer	Issue	State	Rating
Port of Seattle	US\$127.345 mil ltd tax GO bnds ser 2017 dtd 03/07/2017 due 01/1/2018-2039 2042	WA	AAA
Port of Seattle	US\$76.685 mil ltd Tax GO rfdg bnds (amt) ser 2011 dtd 02/23/2011 due 12/01/2011-2025	WA	AAA
Port of Seattle	US\$155.05 mil ltd tax GO and rfdg bnds ser 2015 due 06/01/2040	WA	AAA
Port of Tacoma	US\$109.535 mil ltd tax GO bnd (Non-Amt) ser 2008A dtd 01/17/2008 due 12/01/2014-2030 2033 2038	WA	AA
Port of Tacoma	US\$110.26 mil ltd tax GO rfdg bnds ser 2016A dtd 09/08/2016 due 12/01/2017-2018 2021-2038	WA	AA
Port of Tacoma	US\$20.485 mil Limited Tax GO rfdg bnds ser 2017 due 12/01/2038	WA	AA
Port of Tacoma	US\$56.625 mil ltd tax go bnds ser 2003 dtd 08/05/2003 due 12/01/2018-2026 2028 2033	WA	AA
Port of Tacoma	US\$21.74 mil ltd tax GO bnd (AMT) ser 2008B dtd 01/17/2008 due 12/01/2014-2029 2033 2038	WA	AA
Port of Vancouver	US\$5.6 mil ltd tax GO rfdg bnds ser 2011 dtd 12/20/2011 due 12/01/2012-2021	WA	AA-
Port of Vancouver	US\$5.985 mil GO bnds ser 2012 dtd 03/19/2012 due 12/01/2014-2022	WA	AA-
Port of Vancouver	US\$29.93 mil ltd tax GO rfdg bnds ser 2012B due 12/01/2028	WA	AA-
Port of Vancouver	US\$40.945 mil Lmtd Tax GO bnds (amt) ser 2008 due 12/01/2028	WA	AA-
Rock Island Cnty Metro Arpt Auth	US\$2.5 mil GO alt rev bnds ser 2010D dtd 07/01/2010 due 07/01/2021-2023	IL	AA-
Rock Island Cnty Metro Arpt Auth	US\$1.545 mil GO alt rev rfdg bnds ser 2010C dtd 07/01/2010 due 12/01/2020	IL	AA-
Rock Island Cnty Metro Arpt Auth	US\$5.57 mil GO alt rev rfdg bnds ser 2010B dtd 07/01/2010 due 07/01/2016-2021	IL	AA-
Rock Island Cnty Metro Arpt Auth	US\$11.535 mil GO alt rev bnds ser 2010E dtd 07/01/2010 due 07/01/2026 2030	IL	AA-
San Francisco Bay Area Rapid Transit District	US\$240.0 mil GO bnds ser 2013C dtd 11/21/2013 due 08/01/2014 2017-2033 2037	CA	AAA
San Francisco Bay Area Rapid Transit District	US\$43.5 mil (taxable) GO bnds (Green) ser 2019G dtd 08/14/2019 due 08/01/2029-2034 2037	CA	AAA
San Francisco Bay Area Rapid Transit District	US\$300.0 mil GO bnds (Election Of 2016) ser 2017 A-1 & A-2 due 08/01/2047	CA	AAA
San Francisco Bay Area Rapid Transit District	US\$84.735 mil GO rfdg bnds (Election Of 2004) ser 2017 E due 08/01/2037	CA	AAA
San Francisco Bay Area Rapid Transit District	US\$313.205 mil GO bnds (Green) ser 2019 B-1 dtd 08/14/2019 due 08/01/2020-2039 2044 2049	CA	AAA
San Francisco Bay Area Rapid Transit District	US\$205.1 mil GO bnds (Green) ser 2019F-1 dtd 08/14/2019 due 08/01/2022-2038	CA	AAA
San Francisco Bay Area Rapid Transit District	US\$276.805 mil GO bnds (Election Of 2004) 2015 rfdg ser D dtd 10/08/2015 due 08/01/2035	CA	AAA

## Ratings List (cont.)

The outlook on all ratings is negative.

Issuer	Issue	State	Rating
St Joseph Cnty Arpt Auth	US\$7.775 mil GO rfdg bnds of 2012 dtd 02/17/2012 due 07/01/2012-2019 2021-2022 & 01/01/2013-2019 2021-2023	IN	A+
St Joseph Cnty Arpt Auth	US\$6.0 mil GO bnds ser 2011 dtd 11/01/2011 due 07/01/2023-2028 & 01/01/2024 2030	IN	A+
St Joseph Cnty Arpt Auth	US\$8.435 mil GO rfdg bnds ser 2019 dtd 10/29/2019 due 07/01/2020-2028 & 01/01/2021-2028	IN	A+
St Louis Regl Arpt Auth	US\$2.5 mil GO arpt bnds ser 2018 dtd 06/07/2018 due 12/01/2019-2028	IL	A
St Louis Regl Arpt Auth	US\$5.5 mil taxable GO debt certs (ltd tax) ser 2014 dtd 03/01/2014 due 12/01/2033	IL	A
Williamson Cnty Airport Auth	US\$2.655 mil taxable GO ltd airport bnds ser 2015A dtd 03/18/2015 due 12/01/2017-2022 2024 2026 2029 2033 ser 2015B due 12/1/2034	IL	A+
Williamson Cnty Airport Auth	US\$1.7 mil taxable GO airport bnds (alternate rev source) ser 2016 due 12/01/2041	IL	A+

An Excel workbook listing the affected ratings can be downloaded here:

[https://www.standardandpoors.com/pt\\_LA/web/guest/article/-/view/sourceld/100042876](https://www.standardandpoors.com/pt_LA/web/guest/article/-/view/sourceld/100042876)

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- COVID-19 Macroeconomic Update: The Global Recession is Here and Now, March 17, 2020
- COVID-19 Credit Update: The Sudden Economic Stop Will Bring Intense Credit Pressure, March 17, 2020
- Global Macroeconomic Update, March 24: A Massive Hit To World Economic Growth, March 24, 2020
- COVID-19's Potential Effects In U.S. Public Finance Vary By Sector, March 5, 2020

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