Memorandum

MIAMI-DADE COUNTY

Date: July 26, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor

Subject: Upcoming Miami-Dade County, Florida Aviation Revenue and Revenue Refunding Bonds, Series 2013 Rating Reports

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I am pleased to report that the County has received the following ratings for the upcoming Miami-Dade County, Florida Aviation Revenue and Revenue Refunding Bonds, Series 2013 to be issued:

- Fitch Ratings assigned an "A" rating with Stable Outlook,
- Moody's Investors Service assigned an "A2" rating with Stable Outlook, and
- Standard and Poor's Rating Services assigned an "A" rating with Stable Outlook

In addition each rating agency affirmed the same ratings for the outstanding Aviation debt.

Background
Resolution R-412-13, approved by the Board of County Commissioners on June 4, 2013, authorized the issuance of the Miami-Dade County, Florida Aviation Revenue and Revenue Refunding Bonds, Series 2013 in aggregate principal amount not to exceed $900 million to refund all or a portion of the outstanding, all Alternative Minimum Tax, Aviation Revenue Bonds, Series 2002A and Series 2003A and the Aviation Revenue Refunding Bonds, Series 2003B and Series 2003D. The transaction also contemplates the issuance of new money Aviation Revenue Bonds to the extent that the debt service on the new money bonds can be offset by savings from the proposed refunding so that there is no net increase in overall debt service at the Aviation Department.

The reports note that the ratings and outlooks cited are "attributable to the nature of the County's large connecting hub airport with niche market dominance producing steady financial results, strong growth in passenger enplanements and competitive position in the growing Latin American and Caribbean markets." In addition, it is noted that "...despite recovery challenges in the aviation industry, overall traffic activity remains robust." The reports also reference the conservative debt structure on the outstanding debt as well as noting the successful completion of the Aviation Department's capital program with a budget which has remained constant for the past several years." Items that can further improve the rating include the final outcome of American Airline's emergence from bankruptcy, sustained growth in traffic and non-airline revenues, continued lower than forecast cost per enplaned passenger and ongoing build-up of liquidity.

Purpose of Credit Review Process
Credit review ratings and outlooks represent an opinion of the creditworthiness of an issuer with respect to certain financial, management and economic information. Consideration is given to net revenue and cash reserves of the Aviation Department for the prompt payment of debt obligations, commitment to financial obligations, provisions of the debt obligation and protections afforded to bondholders. Solid ratings and stable outlooks ultimately result in a lower borrowing cost to the County.

Fitch defines an "A" rating as an "expectation of low default risk; capacity for payment of financial commitments is strong...but, this capacity may be more vulnerable to adverse business or economic conditions." Moody's defines an "A2" rating as, "an issuer with above-average credit worthiness relative to other domestic issuers (the number 2 represents mid-range)." Standard and Poor's defines an "A" rated issue/issuer as "Very strong capacity to meet financial commitments, but somewhat susceptible to adverse economic conditions and changes in circumstances."

If you have any questions or concerns, please contact Deputy Mayor Edward Marquez at 305-375-1451.

Attachments

c: Robert A. Cuevas, Jr., County Attorney
Office of the Mayor Senior Staff
Charles Anderson, Commission Auditor
Emilio T. Gonzalez, Director, Aviation Department
Anne Syrcle Lee, Chief Financial Officer, Aviation Department
Blanca Padron, Deputy Finance Director
Frank P. Hinton, Director, Bond Administration, Finance Department

Fitch Rates Miami-Dade County, FL's Aviation Revs 'A'; Outlook Stable

Ratings Endorsement Policy
12 Jul 2013 12:11 PM (EDT)

Fitch Ratings-New York-12 July 2013: Fitch Ratings assigns an 'A' rating to Miami-Dade County, Florida's approximately $795 million aviation revenue refunding bonds series 2013, issued on behalf of the Miami-Dade County Aviation Department (MDAD). Fitch also affirms the county's $5.82 billion parity aviation revenue bonds at 'A'. The Rating Outlook is Stable.

KEY RATING DRIVERS

LEADING INTERNATIONAL GATEWAY AIRPORT: MIA is a well-positioned, leading international gateway airport to serve the building Latin America market. Despite general recovery challenges in the aviation industry and the presence of competition from nearby Fort Lauderdale Airport, overall traffic activity remains robust with approximately 19.7 million enplanements. The passenger base is well balanced for both origination/destination (O&D) and connecting passengers as well as international and domestic operations. American Airlines maintains a sizable connecting hub at Miami serving nearly 70% of total passengers. American's anticipated merger with US Airways could lend to uncertainty over the carrier's future service decisions. However, the Miami market is well anchored and the airport has a solid franchise for significant traffic activity.
Revenue Risk - Volume: Midrange

RESIDUAL RATE SETTING: All of the airport's costs are adequate covered by the use agreement rate setting mechanisms. The current agreement extends until 2017. While airline costs have been relatively high, with the estimated cost per enplanement (CPE) of slightly below $20 for fiscal 2012, the most recently updated CPE forecasts are coming in measurably lower than previously estimated due to a combination of improving traffic and non-airline revenue trends as well as lower post-construction operating costs.
Revenue Risk - Price: Stronger

CONSERVATIVE DEBT STRUCTURE: All of the airport's debt are fixed rate obligations and amortize with mostly level debt service through final maturity in 2041.
Debt Structure Risk: Stronger

HIGH LEVERAGE AND MODEST COVERAGE: Very high airport debt levels (approx. $315 per enplanement and 13x net debt/CFADS) in conjunction past financings for a terminal driven $6.5 billion capital program. Leverage should slowly moderate over the next five years but still remain elevated at 11x-12x. Debt service coverage ratios (DSCR) on a historical basis are stable at close to 1.50x but are supported by fund balance transfers and debt service offsets from passenger facility charge deposits. Future DSCR levels should level off at around the 1.25x -1.30x range.
Debt Service Risk: Weaker

CAPITAL PROGRAM COMPLETION: Nearly all of the $6.5 billion capital program has been expended and the overall budget has remained intact over the past several years. MDAD expects future needs will be far smaller in scale and additional borrowings are not foreseen over the near term.
Infrastructure Development/Renewal Risk: Stronger

RATING SENSITIVITIES
--Material losses or increased volatility in aviation activity considering the particular exposure to the operations of American Airlines and the Latin American economies;
--Operating costs that trend materially above current forecast parameters, leading to upward revisions to airline costs;
--Development of a new capital program that results in increased leverage metrics.

SECURITY
The bonds are secured by net revenues of the county's Port Authority Properties (PAP), the main asset of which is MIA.

TRANSACTION SUMMARY
The county intends to issue up to $795 million in parity aviation revenue and revenue refunding bonds for the purposes of generating debt service savings which will help support the airport's goal to advance fund grant-funded projects. The bonds are expected to be issued in fixed rate mode with a final maturity in 2036.

MIA's enplanement activity continues to demonstrate solid growth with a positive change of 5.3% in fiscal 2012 to 19.7 million enplanements. Fiscal 2013 year-to-date enplanements are largely flat and thus may result in a slight underperformance to the sponsor forecast growth of 2.1% for this period. Still, Fitch notes that the overall traffic resiliency reflects the relative strength of international traffic, particularly to Latin American markets that have close economic and cultural ties to the Miami metropolitan area. Expanded services from American are also a result of increased gate availability at the airport's North Terminal facility. The airport is served by a diverse mix of airlines, including nine scheduled domestic carriers, 37 scheduled foreign flag airlines, and 23 all cargo carriers. Miami's leading role for international operations is not only relevant for passenger operations but as well for air cargo. Miami currently ranks in the top two positions for U.S. airports in terms of nonstop international destinations and international air cargo tonnage.

Still, Fitch views future traffic stability to remain an ongoing risk consideration given the high concentration of traffic from American's operations. American and its affiliate American Eagle collectively represents 68% of MIA's total passenger traffic and support a key part of the airport's domestic and international traffic operations. American's market share of total passenger traffic has remained mostly stable over the past several years. Subsequent to the American bankruptcy filing in late 2011, system-wide service capacity at the carrier has remained positive with international service expansion to Latin American markets being most beneficial for the airport. Fitch does not expect the pending American merger with US Airways to have material changes to the operational activities at MIA as there is very little overlap in domestic or international routes. Miami should remain a primary hub with significant base of international aviation activity.

In addition to general economic conditions, both domestically as well as internationally across Latin American regions, MIA's base of service also faces ongoing competitive threats for its domestic O&D traffic from nearby Ft. Lauderdale Airport (FLL). FLL currently has a much lower cost profile and is served by a broader diverse mix of domestic legacy and low cost carriers. FLL is also undergoing a $2 billion expansion and redevelopment on both its airfield and terminal facilities, and could create a more challenging environment for MIA with regards to sustaining the traffic growth off its existing passenger traffic base.

Fitch notes that the airport's current $6.5 billion capital program is nearly complete and remains at about the budget estimates indicated over the past several years. Key projects tied to terminal redevelopment have been completed including the new in-line baggage system to service the newly rebuilt North Terminal (Concourse D). Previously, the airport had faced cost overruns for the baggage system project necessitating some use of the set-aside capital program contingencies. At this time Fitch views the capital program risk to be minimal to the credit profile.

Taking into consideration the airport system's residual rate-setting methodology, financial operations have been largely stable over the past several years with coverage of debt service holding in the 1.4 times (x) to 1.55x range, taking into account Improvement Fund transfers. Airline revenues account for about 50% of total revenues and have increased measurably in recent years to support the airport's growing cost base. However, non-airline commercial revenues have also risen in conjunction with the rising traffic levels. Otherwise, coverage is typically at or near the 1.2x-1.3x range net of the use of such reserves. Based on the enplanement forecast (1.7% compounded annual growth rate through 2018) and the financial structure of the airport, projected coverage from net revenues to remain in the range of 1.2x to 1.3x through 2018. MIA's approximately $5.8 billion in senior-lien debt translates to approximately $315 per enplanement based on the 2012 traffic base but no additional debt is planned over the next several years to complete the funding of the current capital program. Estimated net debt to CFADS for fiscal 2012 is high for large hub airports at 13x but will ultimately moderate to a still elevated 11x-12x level as airline costs are increased to meet the rising expenses even though annual debt service requirements are leveling. Airport unrestricted fund balances at about $260 million in FY2012, or 257 days cash on hand, have been largely stable but somewhat constrained given the residual airline agreements.

Airport CPE was $19.72 in fiscal 2012, an increase from $18.51 in fiscal 2011. These levels are generally high even for international gateway airports. However, the most recent CPE forecast report indicates materially lower growth trends as seen from previous projections. The combination of rising passenger levels, growing non-airline revenues, and containment in operating costs results in CPE rising to less than $22 by 2018. Earlier forecasts assumed CPE levels rising to $30 and higher over the same time period. Fitch notes the airport's forecasted CPE may become a barrier to bring in new carrier service for domestic based traffic but is partially mitigated by higher yields typically attained by the airlines for international travel

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Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:
--'Rating Criteria for Infrastructure and Project Finance' (July 12, 2012);
--'Rating Criteria for Airports' (Nov. 28, 2012).

Applicable Criteria and Related Research:
Rating Criteria for Infrastructure and Project Finance
Rating Criteria for Airports

Additional Disclosure
Solicitation Status

MOODY'S
INVESTORS SERVICE

New Issue: Moody's assigns A2 with stable outlook to Series 2013 aviation revenue and refunding bonds of Miami-Dade County, FL and affirms outstanding A2. Outlook stable

Global Credit Research - 17 Jul 2013

Airport has $6.062 billion rated debt outstanding

MIAMI-DADE (COUNTY OF) FL AIRPORT ENTERPRISE
Airports
FL

Moody's Rating

ISSUE		RATING
Aviation Revenue and Revenue Refunding Bonds, Series 2013 (AMT)		A2
Sale Amount	$720,000,000	
Expected Sale Date	08/01/13	
Rating Description	Revenue: Government Enterprise	

Moody's Outlook STA

Opinion

NEW YORK, July 17, 2013 --Moody's Investors Service assigns an A2 rating to the Series 2013 Aviation Revenue and Refunding Bonds issued by Miami-Dade County for Miami International Airport (MIA) and affirms the outstanding A2 rating. The outlook is stable.

RATING RATIONALE

The rating and outlook are based on the airport's strong growth in passenger enplanements and competitive position in growing Latin American and Caribbean markets; improving liquidity; full residual airline agreements that ensure 100% cost recovery and a nearly completed debt-financed capital improvement program (CIP) that will result in above average airline costs when fully rate-based, though these costs have moderated in recent years with strong enplanement growth. Nevertheless, MIA's debt per enplaned passenger remains among the highest in the portfolio of Moody's rated airports.

The A2 rating also takes into account remaining uncertainty regarding the emergence from bankruptcy and the merger impact of the airport's largest carrier, American Airlines ("American") with US Air Airlines ("US Air"), though this is expected to be credit positive for MIA. The rating also considers MIA's somewhat weak legal covenants, including a debt service reserve funding requirement of half of maximum annual debt service (MADS), which is below the 12 month norm for US airports, and the use of improvement fund balances for rolling debt service coverage.

USE OF PROCEEDS: The Series 2013 bonds will refund $795 million outstanding Series 2002A and 2003A-D bonds for net present value savings. The transaction is market sensitive and will not be executed without a minimum of 5% net present value savings as required by Miami-Dade County policy. The bonds are being issued as fixed rate with a 2036 final maturity and overall debt service is level with gradual ramp up from $388 million in 2013 to $420 million MADs in 2033. The 2013 Series may include a new money component of $46 million for on-going capital improvements, subject to market conditions as well.

LEGAL SECURITY: The bonds are secured by a first lien on net airport revenues and a debt service reserve fund (DSRF) equivalent to six months of MADS.

INTEREST RATE DERIVATIVES: None.

STRENGTHS

*Miami is the second largest US international gateway in terms of passenger enplanements and the largest US gateway to South America; its broad and diverse mix of domestic and international passengers and cargo airlines helps offset concentration risk by American with 68% of total passengers

*Enplanements continue to exceed prior forecasts as American continues to consolidate its Latin American operations in Miami and add capacity, though total FY 2013 enplanements are flat. Erosion of domestic market share to Fort Lauderdale International Airport (FLL) has stabilized

*Strong facility control and a favorable residual cost-recovery methodology allows operating deficits in airport cost centers to be absorbed through increases in landing fees assessed on all airlines

*The cost per enplaned passenger (CEP) is now significantly lower than previously forecast due to faster enplanement growth than forecasted, lower operating expenses and higher non-airline revenue, although at $19.27 in FY 2012 is well above Moody's median of $10.10 for hub airports

*Cash position continues to improve and the airport unrestricted cash and investments is consistent with other residual airports

CHALLENGES

* Debt per passenger enplanement is among the highest for Moody's rated airports in the US at $283, though no additional debt is currently planned

*Though the CEP of $19.27 in FY 2012 is now forecasted to remain under $22 in 2018 and is lower than previously forecasted it will remain relatively high for US airports

*Market dominance by American exposes the airport to the financial condition of a single airline though the airline appears committed to serving the higher yield Latin American markets through Miami and continues to expand and consolidate service here

*The expected merger of American and US Air, while expected to be generally credit positive for MIA, continues to pose some uncertainty and risk

*Weak legal provisions include a DSRF funded at half of MADs and use of improvement revenues and passenger facility charges (PFCs) in calculating the additional bonds test

*The total cost of the CIP remains stable at $6.49 billion with little remaining construction risk that would add to costs; however, if not completed the new federal inspection service (FIS) baggage recheck facility could negatively affect American's operating efficiency

DETAILED CREDIT DISCUSSION

Passenger traffic increased 5.2% in FY 2012 following strong 7.4% growth in FY 2011, but is flat year-to-date through May FY 2013 compared to the same period in FY 2012. Enplanements for the first eight months of the fiscal year are down -0.2%. Miami's enplanement average annual growth (AAG) was 1.3% from 2000 to 2012, with international growth at 1.5% and domestic up 0.7%. The 2013 traffic engineer's forecast is a bit more optimistic at 1.6% AAG through 2018, but reasonable given recent enplanement growth trends and the concentration of Latin American and Caribbean traffic at Miami.

MIA retains its rank as 2nd largest international airport in the US by enplaned passengers, after JFK International and ahead of Los Angeles International. International passengers comprise 49.3% of the total, and this share is forecasted to increase to 53% by 2018 due to expected growth in Latin American markets. Brazil has been the fastest growing market for MIA with 64% growth in passengers from 2008 to 2012 and currently 107 weekly flights to 7 cities. The airport is served by 46 US and foreign flag carriers with 131 non-stop destinations as well as 23 scheduled all cargo carriers, and it ranks first in international cargo, which makes up 86% of the total.

The airport traffic engineering consultant sees little to no downside for MIA of an American USAir merger due to its dominant share of international traffic and minimal route overlap between the two carriers. Concentration risk by American and its reorganization under bankruptcy continue to pose credit risk, though this is mitigated by the strength of the Latin American market and American's strong commitment to serving Latin American and Caribbean markets out of Miami. American has affirmed all airport contracts and paid $26 million in pre-petition debt, plus $10 million pertaining to settlement of claims for Concourse D. American has continued to add capacity in Miami notwithstanding cuts at other airports: In FY 2012 the airline added 1.2% seat capacity at Miami, yet cut 1.4% system-wide.

Stronger than forecasted traffic and revenue growth over the past four years has produced consistently lower CEP than previously forecasted. However, airline costs will remain among highest for US airports when debt is fully rate-based, though costs have recently moderated due to faster than forecasted enplanement growth. The CEP is now forecasted to increase to $21.46 in 2018 (compared to just under $30 in the 2011 forecast) as Phase 1 of the CIP is fully rate-based.

Following strong growth in FY 2011, FY 2012 revenues increased 9.5% while operating expenses are up 4.5%, lower than the 5.7% budgeted. Airport staffing is down 23.8% since 2006, contributing to lower operating costs. The FY 2012 DSCR was better than the 1.49 times budgeted at 1.55 times on a bond ordinance basis. The airport added nearly 55,000 square feet of new concessions space since FY 2011 and now has a total of 187 concessions with 37 more opening in 2013. As a result concession revenue increased 10.9% in FY 2012 following 24.4% growth in FY 2011 and continues to grow in FY 2013 with a 5.2% gain year-to-date.

The airport's cash position continues to improve with $296 million in unrestricted cash and investments as of May 2013 compared to $252 million in May 2012, though we note that the DSRF funded at MADS interest is weaker than the 12-month principal and interest average for US airports.

The airport's $6.49 billion budgeted CIP is nearly complete and little or no additional debt is expected, with the budget unchanged since 2010. Over 96% of the CIP budget has been expended and all construction contracts have been bid and awarded. The baggage system in Concourse D is now fully operational and working as planned. Only the three remaining gates in North Terminal (expected to open in third quarter 2013) and the the FIS baggage handling recheck system (expected to be completed in early 2014) remain unfinished. No additional bonded debt is currently planned over the next 10 years, though we note that the airport is in the midst of updating its Master Plan.

Updated forecast assumptions through 2018 include 1.6% domestic enplaned passengers AAG and 1.9% AAG for international. Operating expenses are forecast to increase 4.0% annually in FY 2015 and FY 2016, and 5.0% annually in FY 2017 and FY 2018. The CEP peaks at $21.46 by 2018 and the DSCR remains above 1.26 times.

A stress scenario that cuts the number of enplaned passengers by 15%, with all commercial revenues decreased proportionately yields a CEP of $26.46 by 2018, which is still lower than 2009 and 2010 forecasts. This scenario would reduce the annual growth rates for current expenses to 4.0% instead of 5.0% later years due to the lower level of traffic activities. The stress case also yields DSCR above 1.26 times to the residual airport use and lease agreements.

Miami derives much of its credit strength from full residual airline use and lease agreements that ensure 100% cost recovery, plus a coverage factor tied to the 1.20 times rate covenant. Rates and charges may be adjusted twice a year to comply with the 1.20 times rate covenant. Key revenue producing facilities are airport controlled. The airport has no variable rate debt/derivatives exposure. The airline agreement expires in 2017 and the airport expects to employ a similar rate recovery methodology thereafter.

The March 2013 Moody's Economy.com report states that Miami is recovering unevenly and at a very moderate pace. While annual payroll revisions revealed a much stronger pace of job gains in 2012, few industries have added jobs over the past six months. Higher initial claims for unemployment insurance are disconcerting in the context of weak hours worked and average hourly earnings growth in the second half of the year. The MSA continues to lag Florida's economic recovery, although housing is a rare bright spot. Miami will recover in step with the nation in the near term, but slower population growth will prevent it from keeping pace with the state. Long term, the MSA economy will outperform the nation because of its expanding infrastructure, strong international trade ties, and stature as an international tourist destination.

OUTLOOK

The stable rating outlook continues to be based on better than forecasted traffic and revenues as well as lower CEP than forecasted and the near completion of the CIP within the current budget. The outlook also is based on our expectation that traffic and revenue will track the revised forecast and that American will maintain and continue to grow its operations at Miami post the expected merger with US Air.

What Could Change the Rating - UP

Sustained growth in traffic and non-airline revenues that reduces CEP and debt to enplaned passengers; continued build up of liquidity and continued commitment by American post bankruptcy reorganization and merger with US Air would exert positive rating pressure.

What Could Change the Rating - DOWN

Declines in traffic and/or significant capital cost additions that increase CEP above projected levels, though currently unlikely, could lead to a downward revision of the outlook and rating. Failure by American to successfully emerge from bankruptcy or reduce service at MIA after the expected merger of American and US Air also could pressure the rating down.

KEY INDICATORS

Type of Airport: Hub

Rate-Making Methodology: Residual

FYTD Through May Enplanements: -0.2%

FY 2012 Enplanements: 19.46 million

FY 2012 Enplanement growth: 5.2%

FY 2012 % O&D vs. Connecting, 56%

FY 2012 Domestic: 50.3% / International: 49.7%

Largest Carrier by Enplanements, FY 2012 (share): American, 68%[1]

Airline Cost per Enplaned Passenger, FY 2011/2012: $18.51/$19.27

Debt per Enplanement, FY 2012: $283

Debt per O&D Enplanement, FY 2012: $505

Debt Service Coverage, FY 2011/2012: 1.49x/1.55x

Days Cash on Hand, FY 2012: 257

Debt Outstanding: $6.06 billion

[1] Including American Eagle.

METHODOLOGY SCORECARD FACTORS:

Factor 1 - Market Position- Total Enplanements: Aaa

Factor 1 - Market Position- Size of Service Area: Aaa

Factor 1 - Market Position- Economic Strength/Diversity of Area: Aaa

Factor 1 - Market Position- Competition for Travel: A

Factor 2 - Service Offering- Carrier Base (Primary): Baa

Factor 2 - Service Offering- Enplanement 5-year CAGR: A

Factor 2 - Service Offering- O&D Passenger Mix: Baa

Factor 3 - Capacity and Capital- Growth & Operational Restrictions: Aa

Factor 3 - Capacity and Capital- Construction Risk: Aa

Factor 4 - Financial Metrics - Airline Cost per Enplanement: A

Factor 4 - Financial Metrics - Debt Service Coverage: A

Factor 4 - Financial Metrics - Debt per O&D Passenger: Baa

Notching: Notch Change for Liquidity: -1

Scorecard Indicated Rating: A2

ISSUER CONTACTS:

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The principal methodology used in this rating was Airports with Unregulated Rate Setting published in July 2011. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see www.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

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Miami-Dade County, FL's 2013 Aviation Bonds Assigned 'A' Rating; Other Ratings Affirmed

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NEW YORK (Standard & Poor's) July 16, 2013--Standard & Poor's Ratings Services has assigned its 'A' long-term rating to Miami-Dade County, Fla.'s series 2013 aviation revenue and refunding bonds issued for Miami International Airport (MIA). At the same time, Standard & Poor's affirmed its 'A' rating on the county's aviation revenue bonds outstanding issued for MIA. The outlook is stable.

"The rating reflects our assessment of a large connecting hub airport with a niche market dominance that has produced steady financial results despite having a high debt load and high airline cost structure," said Standard & Poor's credit analyst Joseph Pezzimenti.

The 2013 bond proceeds will refund all or part of some aviation revenue bonds and replace grant funding that is no longer available when the associated capital projects in MIA's capital improvement program (CIP) were replaced with necessary CIP projects that are ineligible for grant funding

About 54% of MIA's domestic and 59% of its international passengers are origin and destination, so the service area economy is an important factor in long-term traffic trends. The local air trade area centers on Miami-Dade and Broward counties, the two largest metropolitan areas in the state. Unlike most airports, MIA has experienced what we view as generally good enplanement trends in the past few years. More specifically, from 2007-2012, growth in the number of domestic enplaned passengers outpaced both national growth and the growth at Fort Lauderdale International Airport. Only two U.S. airports -- Charlotte-Douglas International Airport and San Francisco International

Airport -- had greater growth in domestic enplaned passengers than MIA.

The stable outlook reflects Standard & Poor's expectations that MIA's financial performance will remain steady, demand will remain near recent levels, and debt needs will be limited. We could lower the ratings if declining enplanements or increasing leverage diminishes the airport's financial flexibility or if management does not adjust revenues and expenses as needed to consistently produce annual DSC (per our calculations) exceeding 1x. We do not expect to raise the ratings over the next two years given the airport's high debt load and airline cost structure, as well as the potential additional debt needs.

RELATED CRITERIA AND RESEARCH
USPF Criteria: Airport Revenue Bonds, June 13, 2007

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.