



Rating Action: Moody's Ratings upgrades Kenton Cnty. Airport Board, KY - Cons. Ground Trans. Fac. to A2, outlook stable

21 Aug 2025

New York, August 21, 2025 -- Moody's Ratings (Moody's) has upgraded the rating on Kenton County Airport Board, KY - Consolidated Ground Transportation Facility's customer facility charge (CFC) revenue bonds to A2 from A3. The outlook has been revised to stable from positive. The facility has about \$96.7 million in debt outstanding.

The rating upgrade was driven by continued demand for rental cars that has supported a debt service coverage ratio (DSCR) over 2.0x and strengthened liquidity from all customer facility charge (CFC) accounts to 7.7 times maximum annual debt service requirements. We expect a solid debt service coverage ratio above 2.0x and liquidity in excess of 6.7x MADS following the use of funds for capital projects will continue to support the A2 rating.

RATINGS RATIONALE

The A2 rating reflects the continued demand for rental cars at Cincinnati/Northern Kentucky International Airport (CVG) that will sustain a debt service coverage ratio (DSCR) over 2.0x going forward. Strong cash flow has bolstered liquidity, and though we expect CFC balances will dip to a low but still very strong 6.7x MADS with the use of about \$15 million toward ConRAC capital projects we anticipate liquidity to recover to about 8x MADS by fiscal 2029 based on Moody's projections. The solid economic base of the Cincinnati metro area will provide continued demand for the airport and rental car usage with transaction days per O&D enplanement normalizing to about 0.36 post-pandemic, near the sector average though slightly below pre-pandemic levels. The credit profile is also supported by strong structural features including a pledge of effectively gross CFC revenues to the bonds as facility operating and maintenance expenses are covered by the RACs and a lease agreement that includes the ability to charge contingent rent in the event of a CFC collection shortfall. Additionally the CFC rate can be adjusted without limit to both on-airport and off-airport RACs. These strengths are balanced against the somewhat high CFC rate of \$7.50 which is above the sector median along with elevated leverage near \$60 per transaction day. Rental car facilities in general are exposed to demand risks posed by ridesharing and autonomous vehicles, which is more pronounced given the long tenure of the bonds through 2049.

RATING OUTLOOK

The stable outlook reflects our expectation of that continued rental car demand and level debt service will support a DSCR near 2.0x and the ConRAC's liquidity position will remain strong in excess of 6x MADS.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Sustained DSCR above 3.0x MADS
- Accumulation of liquidity such that all CFC balances are in excess of debt outstanding

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Erosion of rental car demand that results in DSCR below 2.0x on a sustained basis
- Additional leverage for new projects or a drain of liquidity such that CFC balances are below 4x maximum annual debt service requirements

PROFILE

The Consolidated Ground Transportation Facility is located immediately adjacent to the main terminal at the Cincinnati/Northern Kentucky International Airport (CVG), a medium hub airport located 13 miles southwest of downtown Cincinnati. The Consolidated Ground Transportation Facility includes a Consolidated Rental Car Facility (ConRAC) and a Ground Transportation Center (GTC).

METHODOLOGY

The principal methodology used in this rating was Publicly Managed Airports and Related Issuers published in February 2023 and available at <https://ratings.moody.com/rmc-documents/398689>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

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Bridgett Stone
Lead Analyst

Kurt Krummenacker
Additional Contact

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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