

Rating Action: Moody's assigns Aa3 to Salina Airport Auth., KS's GOULT Temp. Notes, Ser. 2021-1

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New York, October 08, 2021 -- Moody's Investors Service has assigned a Aa3 rating to Salina Airport Authority, KS' \$3.6 million Taxable General Obligation Temporary Notes, Series 2021-1. Moody's maintains the Aa3 rating on the authority's outstanding general obligation unlimited tax (GOULT) debt. The authority's total GOULT debt outstanding will be \$25.3 million post-sale.

RATINGS RATIONALE

The Aa3 rating incorporates a moderately sized and modestly growing tax base that is coterminous with the City of Salina (Aa3), below average income levels of the city's residents, which is partially offset by the low cost of living, and the airport's regional importance and positioning as a major refuel stop in the aviation industry. The rating also reflects an improving financial position though liquidity has historically been volatile and narrow, and manageable debt and pension burdens.

RATING OUTLOOK

Outlooks are usually not assigned to local government credits with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Substantial growth in the tax base
- Significant growth in unrestricted fund balance and liquidity

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Contraction in the tax base
- Weakening of fund balance or liquidity
- Significant increase in leverage

LEGAL SECURITY

The notes are general obligations of the authority and are payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all taxable tangible property, real and personal, within the territorial limits of the City of Salina.

USE OF PROCEEDS

Proceeds will provide temporary financing for improvements to an air terminal, construction of aviation hangars, and remodeling of commercial and industrial buildings.

PROFILE

The Salina Airport Authority was created for the purpose of accepting as surplus property portions of the former Schilling Air Force Base, which was closed by the United States Department of Defense in 1965. The authority operates and develops the Salina Regional Airport and the Salina Airport Industrial Center. The authority is coterminous with the City of Salina, the county seat of Saline County (Aa2). The city is the seventh largest city in Kansas (Aa2 stable), with a 2019 estimated population of 47,000.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2021 and available at <https://www.moody.com/researchdocumentcontentpage.aspx?>

[docid=PBM_1260094](#). Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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