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## **Port of Palm Beach Receives Upgraded Fitch Rating Outlook**

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Riviera Beach, FL (May 31, 2016) – The Port of Palm Beach District is proud to announce that Fitch Ratings has revised the Rating Outlook on approximately \$9.72 million of outstanding Port of Palm Beach District port revenue bonds, series 2005, from Stable to Positive. The report, released May 27, 2016, documented the port's strengths, challenges and recent developments as the agency's rationale for the ratings upgrade.

According to the report:

The Positive Outlook recognizes the port's continued improvement in debt service coverage ratios (DSCRs) to a four-year average of 1.75x and robust liquidity position of over 300 days cash on hand (DCOH) since 2010. Both are expected to better position the port's financial profile to weather volatile economic conditions. Moreover, Fitch takes comfort from the restructuring of the port's operating profile since the recession, which has entailed lessening the port's exposure to fuel, replacing more volatile daily cruise operators with multi-day cruise operators, and elongating the tenor of leases. To the extent strong financial metrics are maintained in upcoming years, a rating upgrade may be warranted.

“It has been a pleasure to watch the port rebuild and fortify its financial strength and stability,” explains Port of Palm Beach Chairman Wayne Richards. “Since the 2008 recession, the port has restructured its operating profile, bringing in its most profitable multi-day cruise to date and lengthening the durations of its terminal and operating leases.”

These changes, the result of strong business development initiatives and contract negotiations, have been paired with robust cash balances, a fully-liquidity funded capital plan, supported by operating cash flow and grants from FDOT, and a tenant base that continuously beats its minimum annual guarantees.

Operating revenues at Port of Palm Beach have achieved a compound annual growth rate of approximately 5% between FY2008 and 2015. Currently, Port of Palm Beach operating revenues are 17.2% over FY2015 figures, due to a more than 50% increase in sugar, molasses and break-bulk commodities.

**About Port of Palm Beach**

Port of Palm Beach is a full-service, diversified port, offering cruise and cargo services to more than 30 onsite tenants and users. At only 162 acres, the port's efficiency is unparalleled – Port of Palm Beach processes over \$7 billion in commodities, over 2 million tons of cargoes and more than 350,000 cruise passengers annually. More than 2,850 people are employed by the Port of Palm Beach and its tenants, making it one of the largest employers in Palm Beach County. And through the contribution of more than \$185 million in business revenue and \$17.5 million in tenant-contributed state and local annual tax revenue, it is one of the largest economic engines in South Florida.