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# CITY OF PALMDALE

## *NEWS RELEASE*

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### City of Palmdale Earns Upgrade from Moody's to A1

PALMDALE – The City of Palmdale has announced that Moody's Investors Service has upgraded the rating on the City's lease backed debt to A1 from A3, according to a press release issued by Moody's on Oct. 12.

This rating action affects approximately \$45 million in outstanding certificates of participation and lease revenue bonds. The bonds are secured by lease payments made by the City, for use and occupancy of leased assets, which include Certificates of Participation (2002 Park Improvements and Avenue S Construction Project) for City Hall, Palmdale City Library, Chimbole Cultural Center, park land and improvements, and street improvements; and the leased asset for the Lease Revenue Refunding Bonds Series 2012 for is the City's development services building and the South Valley WorkSource Center.

Under Moody's rating system, obligations rated A are judged to be upper-medium grade and are subject to low credit risk.

The City of Palmdale's A1 rating is one notch lower than Moody's Aa3 Issuer Rating. According to Moody's press release, "The notching reflects a standard legal structure for a California abatement lease financing and leased assets that Moody's views as "more essential." The notching also reflects the strong legal features of California general obligation bonds that are not shared by lease revenue debt."

“This is more good news in regards to the City of Palmdale’s manner in which we manage our fiscal responsibilities” said Palmdale Mayor Jim Ledford. “Our City Manager Jim Purtee and finance team have done an outstanding job of refinancing debt, keeping costs down, and balancing our budget. When we’re out talking to new businesses, investors, manufacturers and retailers, we’ve got a great story to tell about how Palmdale is a solid investment for them, and a place they need to be.”

“This is the path we’re focused on,” said City Manager James Purtee. “We have strong direction from our Mayor and Council to engage in sound fiscal management policies as we move ahead to create a world-class city for our residents to live, thrive, work and enjoy.”

### **About Moody’s Investors Service**

Moody's Investors Service is a leading provider of credit ratings, research, and risk analysis. Moody's commitment and expertise contributes to transparent and integrated financial markets. The firm's ratings and analysis track debt covering more than 120 sovereign nations, approximately 11,000 corporate issuers, 21,000 public finance issuers, and 72,000 structured finance obligations. Moody's Investors Service is a subsidiary of Moody's Corporation (NYSE: MCO), which reported revenue of \$3.5 billion in 2015, employs approximately 10,800 people worldwide and maintains a presence in 36 countries. Further information is available at [www.moodys.com](http://www.moodys.com).

