



Rating Action: Moody's upgrades Woodstock, GA's ratings to Aa1; assigns Aa1 to GOLT-backed revenue bonds

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New York, December 05, 2023 -- Moody's Investors Service has upgraded the City of Woodstock, GA's issuer and general obligation limited tax (GOLT) ratings to Aa1 from Aa2. Concurrently, Moody's has assigned a Aa1 rating to the \$21.0 million Revenue Bonds (Downtown Parking Deck Project), Series 2023 that are being issued by the Downtown Development Authority of City of Woodstock (GA) and backed by the City of Woodstock, GA's GOLT pledge. The city will have approximately \$48 million of debt following the Series 2023 issuance.

RATINGS RATIONALE

The issuer rating is upgraded to Aa1 following years of surplus operations that have materially improved reserves, economic growth that continues to strengthen wealth and income metrics, and the maintenance of consistently low long-term liabilities. While rising personnel costs will likely pose budget headwinds in the coming years, organic revenue growth coupled with the city's ability to increase its primary revenue source (property taxes) will help mitigate these challenges. Social and governance considerations have a material positive impact on the city's credit quality, which stem from favorable population and work force trends (social factors) along with prudent budget management and broad control over revenue and expenditures (governance factors).

The Aa1 rating on the city's GOLT-backed revenue bonds is placed at the same level as the issuer rating to reflect the city's general promise to pay debt service from all available general revenue. Pursuant to an intergovernmental contract with the issuing authorities, the city's payment obligation is absolute and unconditional, backed by its full faith and credit.

RATING OUTLOOK

Moody's does not typically assign outlooks to issuers with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- Continued trend of surplus operations and accumulation of reserves to levels commensurate with higher rated cities
- Continued economic growth that bolsters resident income and full value per capita

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Material declines in reserves
- Material growth in long-term liabilities

LEGAL SECURITY

The city's GOLT-backed revenue bonds, issued through various authorities, are special limited obligations of the respective issuers payable solely from payments made by the city pursuant to an intergovernmental contract. Under the contracts, the city has agreed to levy an annual ad valorem tax on all taxable property up to the 10 mill limit prescribed by the city's charter. The city has also agreed in the contract to include in its general revenue, appropriation

and budget measures amounts sufficient to make such payments. The city's obligation to make contract payments is absolute and unconditional, backed by its full faith and credit pledge.

USE OF PROCEEDS

The Series 2023 bonds will finance construction and installation of a public parking garage in the city's downtown.

PROFILE

The City of Woodstock is located in Cherokee County (Aa1) in the northern portion of Metro Atlanta. The city provides routine municipal services that include public safety, public works, parks, stormwater management, water and sewer utility service, and other general governmental functions. The city's population is around 34,000.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties Methodology published in November 2022 and available at <https://ratings.moody.com/rmc-documents/386953>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

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Francis Mamo

Lead Analyst

REGIONAL_NE

Moody's Investors Service, Inc.

Zephyrhills

JOURNALISTS: 1 212 553 0376

Client Service: 1 212 553 1653

Heather Guss
Additional Contact
REGIONAL_SOUTHWEST
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

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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