

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns Aa1 to Clark County, WA's GOLT bonds

03 Oct 2024

New York, October 03, 2024 -- Moody's Ratings (Moody's) has assigned an Aa1 rating to Clark County, WA's Limited Tax General Obligation Bonds, 2024. The expected par amount is about \$34.9 million. We maintain the county's Aa1 issuer rating and the Aa1 ratings on its outstanding general obligation limited tax (GOLT) debt. Following the issuance the county will have about \$74 million of outstanding GOLT debt.

RATINGS RATIONALE

The Aa1 issuer rating reflects the county's growing economy that benefits from participation in the Portland metro area and solid property wealth as demonstrated by an assessed value per capita of about \$209,000. The rating also incorporates the county's sound financial position, supported by a capable management team, growing revenue streams and healthy reserves, including an available fund balance ratio of 40.0%. The county's leverage is low and will remain manageable given continued revenue growth.

The absence of a distinction between the county's issuer rating and its GOLT ratings reflects the strength and breadth of the full faith and credit pledge in Washington.

RATING OUTLOOK

We do not assign outlooks to local government issuers with this amount of debt outstanding.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Economic growth leading to resident incomes above 120% of the US median
- Maintenance of currently strong reserve ratios

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Increased leverage represented by a long-term liabilities ratio above 200%
- Significant economic slowdown relative to the U.S. GDP

LEGAL SECURITY

The bonds are secured by the county's full faith, credit and limited property tax pledge. While not pledged, the bonds are expected to be paid in part from the county's real estate excise tax revenue.

USE OF PROCEEDS

Bond proceeds will finance capital construction at the Jail Work Center, and various capital improvements at administrative and court facilities.

PROFILE

Clark County is located in the southwestern part of Washington State 15 miles north of Portland, Oregon (Aaa stable). The county has a population of over 500,000 residents and provides major services including public safety, law enforcement, public health, roads and parks.

METHODOLOGY

The principal methodology used in this rating was US Cities and Counties published in July 2024 and available at <https://ratings.moodys.com/rmc-documents/425429>. Alternatively, please see the Rating Methodologies page on <https://ratings.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 on <https://ratings.moodys.com/rating-definitions>.

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James Kelley
Lead Analyst
Regional PFG West
Moody's Investors Service, Inc.
405 Howard Street
Suite 300
San Francisco 94105
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653

Eric Hoffmann
Additional Contact
Regional PFG West
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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