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City of Indianapolis receives fourth consecutive positive financial rating

Fitch Ratings affirms the City's "AAA" score, states outlook is "stable"

INDIANAPOLIS – Today, Fitch Ratings, one of the four major national credit rating agencies, has affirmed Indianapolis' "AAA" rating for ad valorem special benefits tax bonds – bonds based on assessed property tax value – as well as for the City's unlimited tax general obligation (ULTGO) bonds. Fitch also affirmed the City of Indianapolis' Issuer Default Rating (IDR) at "AAA." The rating outlook remains "stable."

This most recent "AAA" rating is the fourth in a series of positive financial reports for the City of Indianapolis since late last year. In December, S&P Global upgraded its long-term rating on the City's ad valorem tax-secured bonds to "AA+" and affirmed the City's "stable" outlook. Last November, Moody's Investors Service affirmed the City-County's "Aaa" issuer and the City's "Aaa" General Obligation Limited Tax Ratings and revised the outlook on all Indianapolis ratings to "stable," removing the "negative" outlook imposed in 2015. In October of 2018, the Kroll Rating Agency gave the City a credit rating of "AA+" and upgraded its outlook from "stable" to "positive" for the City of Indianapolis General Obligation Funds.

"This fourth positive report gives the City of Indianapolis affirmation that we are moving in the right direction for our residents, while demonstrating to prospective businesses, developers, and employers that we are a city that supports growth and expansion," said Mayor Joe Hogsett. "When companies and their employees move here and see success, we can reinvest in our neighborhoods, bringing that financial prosperity to all of Indianapolis."

Fitch explained its "AAA" rating for Indianapolis reflects the City's ability to grow its general fund revenues, keeping it above the rate of inflation. This revenue growth is based on the ongoing expansion of the local economy, due in large part to the residential and commercial boom happening in Marion County. As evidence, Fitch listed developments such as the Waterside District along the White River and the downtown projects that will convert the former Coca Cola Bottling plant and the historic AT&T Building to mixed-use developments.

Also cited in Fitch's release is the City's unemployment rate – which has been trending below the national rate since 2015 – and continued job growth, specifically within the City's burgeoning tech sector: Salesforce plans to add 800 new jobs to its already 1,400 employees by 2021; last year, Infosys announced plans for a \$245 million expansion at the site of the former Indianapolis International Airport, expected to bring nearly 3,000 jobs to the area over the next three years; and Fed Ex's \$1.5 billion expansion at the airport will add 20 new commercial gates by 2023.

Other key factors in Fitch's decision to affirm the "AAA" rating include the observation that the City's overall debt and long-term liability burden is relatively low in relation to income. Local tax revenue is projected to increase by six percent in 2019. Fitch also expects the City to be on solid financial footing

and able to maintain stability should there be a moderate economic downturn. Additionally, the ratings agency cites the City's ability to control expenditures by managing the size of its workforce – mainly through employee attrition and by carefully managing service contracts.

For more information on the report from Fitch Ratings, click [here](#).

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