



## **Rating Action: Moody's Assigns A1 to the City of Pembroke Pines' (FL) \$46M Capital Improvement Rev. Ref. Bonds, Ser. 2017**

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**Global Credit Research - 18 Apr 2017**

New York, April 18, 2017 -- Issue: Capital Improvement Revenue Refunding Bonds, Series 2017; Rating: A1; Rating Type: Underlying LT; Sale Amount: \$46,425,000; Expected Sale Date: 05/09/2017; Rating Description: Special Tax: Non-Sales/Non-Transportation;

### Summary Rating Rationale

Moody's Investors Service has assigned an A1 rating to the City of Pembroke Pines' (FL) \$46.4 million Capital Improvement Revenue Refunding Bonds, Series 2017.

The A1 rating reflects the lower but still satisfactory maximum annual debt service (MADS) coverage from pledged electric franchise fees, as well as a 20-year bond payout with level annual debt service. Additionally, the rating considers adequate legal provisions including a surety funded debt service reserve and a modest 1.25 times MADS additional bonds test (ABT).

### Rating Outlook

Outlooks are not usually assigned to local governments with this amount of debt outstanding.

### Factors that Could Lead to an Upgrade

- Improved and maintained MADS coverage

### Factors that Could Lead to a Downgrade

- Electric franchise fee revenues and MADS coverage that do not meet the city's projections and legal provisions
- Overleveraging of debt
- Deterioration of local economy

### Legal Security

The bonds are secured by electric franchise revenues, paid to the city from FPL pursuant to the Electric Franchise Ordinance.

### Use of Proceeds

Proceeds from the Series 2017 bonds will be used to refund all or a portion of the outstanding 2006 and 2007 Capital Improvement revenue bonds, for a net present value savings of \$5.6 million or 10.7% of the refunded bonds.

### Obligor Profile

Pembroke Pines is located in southeast Florida and has a population of 162,243.

### Methodology

The principal methodology used in this rating was US Public Finance Special Tax Methodology published in January 2014. Please see the Rating Methodologies page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

### Regulatory Disclosures

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