



Rating Action: Moody's assigns stable outlook and affirms Aa3 on Miami Beach, FL's Stormwater Rev. Bonds

Global Credit Research - 04 Oct 2017

New York, October 04, 2017 -- Summary Rating Rationale

Moody's Investors Service has affirmed the Aa3 rating and changed the outlook from negative to stable on the City of Miami Beach's (FL) \$180 million Stormwater Revenue Bonds.

The Aa3 rating is based on the system's healthy liquidity position, adequate debt service, mature service area and high leverage.

Rating Outlook

The stable outlook reflects our expectation that the city will manage significant additional debt of the system, which provides an essential service given the city's location on a barrier island, with timely rate increases, maintaining coverage and cash levels.

Factors that Could Lead to an Upgrade

Significant increase in debt service coverage

Significant reduction in debt burden

Factors that Could Lead to a Downgrade

Additional debt without timely rate increases, resulting in weakened debt service coverage

Significant declines in liquidity

Legal Security

The bonds are secured by the net revenues of the system.

Use of Proceeds

Not applicable.

Obligor Profile

City of Miami Beach Stormwater system covers 4,200 acres and services 109,000 ERUs. Miami Beach had a population of 91,026 in 2014.

Methodology

The principal methodology used in this rating was US Municipal Utility Revenue Debt published in December 2014. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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