

## Sarasota County, FL 'BBB' Bond Rating Placed On CreditWatch With Positive Implications

Publication date: 08-Aug-2011 11:43:36 EST

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NEW YORK (Standard & Poor's) Aug. 8, 2011--Standard & Poor's Ratings Services has placed its 'BBB' long-term rating on Sarasota County, Fla.'s limited ad valorem tax bonds on CreditWatch with positive implications. The outlook had been negative.

"The CreditWatch placement reflects our view that significant improvement in maximum annual debt service coverage achieved through defeasance could support a higher rating," said Standard & Poor's credit analyst Lindsay Wilhelm.

On July 26, 2011, the county adopted a resolution authorizing:

- Defeasance of up to \$14 million of the approximately \$80 million of series 2008 limited ad valorem bonds currently outstanding, using unspent bond proceeds and other lawfully available county funds; and
- Redemption of up to \$4.5 million of the series 2010 bank note, issued to redeem approximately \$15 million of the series 2002 limited ad valorem bonds, using lawfully available county funds.

Standard & Poor's understands that management plans to redeem and defease the bonds in early August. The debt has not been defeased yet and, at this time, we do not have enough information to determine what the impact on coverage will be. Following the planned redemption and defeasance, we will review our rating on the county's limited ad valorem bonds based on an updated debt service schedule. If coverage improves significantly, we could change the outlook, revise the rating, or both. We expect to have a final rating determination within the CreditWatch period of 90 days.

### RELATED CRITERIA AND RESEARCH

USPF Criteria: [Special Tax Bonds](#), June 13, 2007

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