

Rating Action: Moody's assigns Aaa to Three Rivers Park District, MN's GO bonds

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New York, October 15, 2018 -- Moody's Investors Service has assigned a Aaa to the Three Rivers Park District, MN's \$6.1 million General Obligation Bonds, Series 2018A. Moody's maintains a Aaa rating on the district's outstanding General Obligation Unlimited Tax (GOULT) debt. Following the sale, the district will have \$67 million in outstanding debt.

RATINGS RATIONALE

The Aaa rating reflects a large and diverse tax base, a healthy financial profile and moderate leverage related to long-term debt and pension liabilities.

RATING OUTLOOK

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

FACTORS THAT COULD LEAD TO AN UPGRADE

-Not Applicable

FACTORS THAT COULD LEAD TO A DOWNGRADE

-Material declines in the tax base and weakening of the regional economy

-Deterioration of operating reserves or liquidity

-Deterioration of the district's enterprise operations that require General Fund support

LEGAL SECURITY

The district's GOULT debt, including the Series 2018A bonds, are secured by the park district's GO unlimited tax pledge which benefits from a dedicated property tax levy that is unlimited as to rate or amount. The security benefits from a statutory lien, but there is no lockbox structure.

USE OF PROCEEDS

Proceeds will finance various capital improvements within the district.

PROFILE

Three Rivers Park District serves all of Hennepin County (Aaa stable), with the exception of the City of Minneapolis, and Scott County (Aa1) through a joint powers agreement. The district also has recreational facilities in Dakota (Aaa stable), Wright, Carver, and Ramsey (Aaa stable) counties. The district operates a 27,000 acre system in 10 regional parks, seven park reserves, more than 160 miles on 13 different regional trails, six special recreation features, two ski and snowboarding areas and four golf courses. Two of the golf courses are operated as enterprises and two of which are operated as recreation facilities for other governments. The park district hosted approximately 12.7 million visitors in fiscal 2017, a figure that nearly doubled in the last 10 years.

METHODOLOGY

The principal methodology used in this rating was US Local Government General Obligation Debt published in December 2016. Please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

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