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City of Kyle Receives A+ Bond Rating from Standard & Poor's

Kyle, TX - Standard & Poor's Ratings Services has assigned its "A+" long-term rating and a stable outlook to City of Kyle for refinancing $14.2 million in debt and reaffirmed the City's "A+" long-term rating also with a stable outlook on the City's existing General Obligation debt.

The City of Kyle is refinancing the debt in order to level out debt payments over the next three years and to save approximately $1 million in financing cost over the 17 year life of the bonds. This also results in smoothing out debt service payments over the next three years that could lead to a spike in debt service payments over those years.

The rating agency's thorough evaluation and due diligence process that resulted in the "A+" rating with a stable outlook to the City of Kyle included the following primary factors:

1. Access to Austin's deep and diverse economy resulting in strong income;
2. Tax revenue that has demonstrated resilience through the national economic downturn
3. Very strong finances

"This is very good news for our city and shows that we are continuing to be good stewards of the people's money", said Kyle Mayor Lucy Johnson. "We've made great strides recently in shoring up Kyle's finances and improving our transparency as to how we budget and spend tax dollars. I certainly think a big round of congratulations is due to our City Manager and his staff for their hard work and to our city council for their diligence is overseeing the budget process."

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The debt being refinanced was issued primarily to fund the extension of Kyle Parkway east of IH35 to Dacy Lane. This extension was an important part of bringing the Seton Medical Center – Hays to Kyle. In addition to the hospital, two new professional buildings, Lowes Hardware, Walgreens, and several other businesses have opened along the roadway and a new Walmart is also slated to begin construction later this year.

"This affirmation by the rating agency is testament to the sound financial practices we've put in place," said Perwez Moheet, City of Kyle Director of Finance. "We will need to continue to monitor the economic climate as we move forward to ensure that we are able to continue to improve the City's financial standing."

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