



nerej

East Providence's Bond Rating Upgraded to A2 status by Moody's Investor Services

September 10, 2015 - Rhode Island

Recognizing the city's dramatic financial resurgence, Moody's Investors Service upgraded the city's bond rating status to a very healthy A2 rating on August 18th. Moody's Investors Service upgraded the city of East Providence's general obligation rating to A2 from its previous Baa1 rating, with the city's outlook identified as stable. According to Moody's report, "the city's continued trend of financial improvement over the last three fiscal years has significantly increased its reserve and liquidity levels through adherence to its formal fiscal policies. Further, the rating reflects the reduction of the city's unfunded liability in its self-administered pension plan as a result of improved funding practices...In addition, the A2 rating incorporates East Providence's sizeable tax base with average wealth levels and a manageable direct debt burden."

In response to the release of the report city manager Paul Lemont said, "Through hard work and financial discipline from elected officials, city management and city employees, the city has elevated itself from junk bond status to the elite tier of A-ranked municipalities. This is what the taxpayers of East Providence deserve." The positive ratings also bring good news in the form of city now being able to take advantage of lower interest rates to reduce its annual debt service.

Our upgraded bond rating comes on the heels of a very positive 2014 financial audit, a 2015 zero tax increase for the city's residents, and the news that the city is operating with a significant surplus for the third straight year in a row. The bond rating upgrade is an important step in the city's efforts to promote itself as a premiere location for economic development opportunity, including the provision of tools that promote economic expansion, such as the city's tax stabilization program; which is intended to attract new, private investment in our city. Moody's bond rating upgrade should make the city even more attractive for business growth in the future. Indeed, the city is already witnessing noteworthy expansion in a number of industrial sectors including medical and professional office development, industrial facility expansion, new retail development and multifamily residential.

The city is eager to assist anyone looking to establish a new business or who may be seeking to expand their existing business in East Providence. Business owners, developers and other parties who are interested in learning more about our economic development programs and initiatives in East Providence are urged to contact the city at 401-435-7531 and to visit the city's website at www.eastprovidence.com or the city's Waterfront District website at www.eastprovidencewaterfront.com for more information on economic activities in our city.

James Moran is the economic planner for East Providence, R.I.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540