

**Rating Action: Moody's assigns Aaa to Madison, WI's GO bonds and notes; outlook stable**

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New York, September 16, 2021 -- Moody's Investors Service has assigned a Aaa rating to the City of Madison, WI's \$81.3 million General Obligation Promissory Notes, Series 2021-A, \$4 million Taxable General Obligation Promissory Notes, Series 2021-B, and \$17.8 million General Obligation Corporate Purpose Bonds, Series 2021-C. We maintain the Aaa rating on the city's outstanding general obligation unlimited tax (GOULT) debt. Following the sale, the city will have \$556.8 million GOULT debt outstanding. The outlook is stable.

**RATINGS RATIONALE**

The Aaa rating reflects the city's sizeable tax base which benefits from a strong, diverse economy with significant institutional presence and above-average resident income. The financial position is solid. These positive attributes are balanced against limited revenue raising flexibility and elevated fixed costs.

**RATING OUTLOOK**

The stable outlook reflects the expectation that credit quality will remain sound, supported by continued economic growth and long-standing government and higher education presences within the city. It also reflects the expectation of financial stability due to conservative fiscal management.

**FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS**

- Not applicable

**FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS**

- Deterioration of the city's tax base and resident wealth and income
- Material narrowing of operating reserves or liquidity
- Increased leverage

**LEGAL SECURITY**

The city's outstanding GOULT debt, including the current issuance, is backed by its full faith and credit pledge. Debt service is payable from a designated property tax levy that is unlimited as to rate or amount.

**USE OF PROCEEDS**

The Series 2021-A notes will finance capital projects for various city departments.

The Series 2021-B notes will finance community development and affordable housing projects within the city.

The Series 2021-C bonds will finance the construction and improvements to three metro transit facilities.

**PROFILE**

Madison is the state capital of Wisconsin (Aa1 stable) and is home to the flagship campus of the University of Wisconsin. It is the state's second largest city with an estimated population of just under 260,000.

**METHODOLOGY**

The principal methodology used in these ratings was US Local Government General Obligation Debt published in January 2021 and available at [https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM\\_1260094](https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBM_1260094). Alternatively, please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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Natalie Claes  
Lead Analyst  
REGIONAL\_MIDWEST  
Moody's Investors Service, Inc.  
100 N Riverside Plaza  
Suite 2220  
Chicago 60606  
JOURNALISTS: 1 212 553 0376  
Client Service: 1 212 553 1653

Robert Weber  
Additional Contact  
REGIONAL\_NE  
JOURNALISTS: 1 212 553 0376  
Client Service: 1 212 553 1653

Releasing Office:  
Moody's Investors Service, Inc.  
250 Greenwich Street  
New York, NY 10007  
U.S.A  
JOURNALISTS: 1 212 553 0376  
Client Service: 1 212 553 1653

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