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Fitch assigns 'A+' rating to Memphis' upcoming bond issue

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Fitch Ratings has given strong ratings to several upcoming Memphis bond issues while recognizing that the ongoing lawsuit with **Memphis City Schools** and other economic issues could affect those ratings.

Fitch assigned an 'A+' rating to the city's \$83 million general improvement bonds/series 2009 and reaffirmed an 'A+' rating on \$1 billion of outstanding general obligation bonds for the city.

It gave an 'A' rating for \$199 million in outstanding senior-lien revenue bonds for the Memphis and **Shelby County Sports Authority**.

The rating outlook for all of the bonds is "positive," Fitch said.

The rating agency cited the city's "considerable improvements" in financial operations for the upgrade.

"The city's fiscal years 2006-2008 operating results increased fund balances by nearly \$100 million to well above management's policy level," Fitch said. "The strong results followed three years of operating deficits that dramatically reduced the city's operating flexibility."

The city's diverse economy and about \$1.4 billion in ongoing construction projects were cited as strong economic pluses.

Challenges for the city include "elevated levels" of home foreclosures and the impact the economic recession could have on Memphis' manufacturing, trade and transportation sectors.