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**LOCUST** EST.  
**GROVE** 1893

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# PRESS RELEASE

## Moody's assigns initial Aa3 rating to City's Series 2022 GO Bonds

*The City of Locust Grove is set to issue \$7.2 million in general obligation debt as part of its promise to hasten transportation projects in T-SPLOST.*

**Locust Grove, GA, February 4, 2022:** Moody's Investors Service assigned an initial Aa3 rating to the City of Locust Grove for its upcoming \$7.2 million general obligation bond backed by its share of T-SPLOST collections that were approved by voters in November 2021. The proceeds will be used towards various transportation projects throughout the city to help alleviate congestion and maintain roads with resurfacing, signaling, signing, widening and intersection improvements.

**Rating Rationale.** Moody's rationale behind the rating took into the facts of a stable and growing tax base, the city's substantial reserves (fund balance) and liquidity levels among other factors, including city's "management has historically exhibited strong budget performance reflecting proactive and conservative fiscal management".

**Locust Grove's Record Growth of Henry County Cities.** The City of Locust Grove grew 65.2% between 2010 and 2020 from 5,402 to 8,947. In particular, the rate of growth between 2018 – 2019 was 14.8% and then 8.5% between 2019 and 2020. Accompanying this rapid pace of population growth was a tax digest that more than doubled between 2016 and 2021 due to rapid increase in home construction and large-scale logistics buildings and other commercial such as hotels, shopping centers, and restaurants.

**T-SPLOST Program.** The City of Locust Grove intends to hasten the key components of its T-SPLOST, including resurfacing of nearly 10 miles of local streets at a cost of over \$2 million, Intersection improvements, including work with GDOT on Bethlehem at SR 42 along with other key intersections in the city, and the \$3.5 million project to coordinate with Georgia DOT on Congestion Mitigation along SR 42 in the middle of the City with additional lanes, intersection improvements, and more connectivity. Other projects will be along Bill Gardner Parkway and bicycle/pedestrian improvements.

For information about Moody's Investors Service:

[https://www.moody.com/research/Moodys-assigns-initial-Aa3-to-Locust-Grove-City-of-GAs--PR\\_907560061](https://www.moody.com/research/Moodys-assigns-initial-Aa3-to-Locust-Grove-City-of-GAs--PR_907560061)

Please call Tim Young, City Manager at (770) 957-5043 for more information.

**FOR IMMEDIATE RELEASE**

**Rating Action: Moody's assigns initial Aa3 to Locust Grove (City of) GA's GO bonds, Series 2022**

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04 Feb 2022

New York, February 04, 2022 -- Moody's Investors Service has assigned an initial Aa3 rating to the City of Locust Grove, GA's \$7.2 million General Obligation Sales Tax Bonds, Series 2022. The city does not have any general obligation bonds currently outstanding.

**RATINGS RATIONALE**

The city's initial Aa3 general obligation unlimited tax rating reflects the stable tax base, substantial fund balance and liquidity levels, slightly below average resident wealth levels and moderate fixed costs resulting from the below average long term liabilities. The underlying rating also considers our assessment of governance as a key rating factor; management has historically exhibited strong budget performance reflecting proactive and conservative fiscal management.

**RATING OUTLOOK**

Outlooks are not typically assigned to local government issuers with this amount of debt.

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

- Growth in tax base
- Diversification of revenue base
- Increase in resident wealth and income levels

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

- Declines in reserves and liquidity
- Deterioration of tax base
- Substantial increase in fixed costs burden

**LEGAL SECURITY**

The bonds are general obligations of the city, intended to be repaid by the city's Transportation Special Purpose Local Option Sales Tax (TSPLOST) but ultimately repaid by the city's absolute and unconditional unlimited general obligation to repay.

**USE OF PROCEEDS**

The series 2022 bond proceeds will be used for road projects in Locust Grove including: widening, resurfacing, signaling, signage, intersection improvements.

**PROFILE**

The City of Locust Grove, Georgia is located in Henry County (Aaa stable) in the north central portion of the State of Georgia approximately 39 miles southeast of the City of Atlanta (general obligation Aa1 stable). The 2020 population was 8,947 a 66% increase over 2010.

**METHODOLOGY**

The principal methodology used in this rating 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.

## REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: [https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC\\_79004](https://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_79004).

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Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at [http://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC\\_1288235](http://www.moody's.com/researchdocumentcontentpage.aspx?docid=PBC_1288235).

At least one ESG consideration was material to the credit rating action(s) announced and described above.

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