

## Riverton, UT Franchise and Sales Tax Revenue Bond Rating Raised To 'AA+' From 'AA-' On Our Criteria

SAN FRANCISCO (S&P Global Ratings) June 4, 2019--S&P Global Ratings raised its long-term rating to 'AA+' from 'AA-' on Riverton, Utah's outstanding franchise and sales tax revenue bonds. The outlook is stable.

"The raised rating reflects our view of the application of our [priority-lien tax revenue debt criteria](#)," said S&P Global Ratings credit analyst Jen Hansen. The criteria, published Oct. 22, 2018, on RatingsDirect, factor in both the strength and stability of the pledged revenue, as well as the general credit quality of the municipality where taxes are distributed and collected (the obligor's creditworthiness).

The rating is based on our assessment of the city's:

- Participation in the Salt Lake City-Ogden metropolitan statistical area and its location along major transportation corridors, with further economic development likely;
- Strong growth in pledged revenue during the past five fiscal years; and
- Strong pro forma 3.85x coverage of maximum annual debt service.

The stable outlook reflects our view of the city's strong to very strong economy and strong bond covenants, and our anticipation that pledged revenue will remain at least stable and provide very strong coverage of the bonds. We do not expect to change the rating within the two-year outlook horizon.

While not expected, should coverage levels remain very strong and the city's local economy and population significantly grow, we could raise the rating. Additionally, we would consider raising the rating if the city's general creditworthiness improves.

Should additional debt issuances or declines in pledged revenue significantly dilute coverage, we could consider lowering the rating. Additionally, should the city's general creditworthiness significantly deteriorate, we would lower the rating.

The city has about \$32 million of sales and franchise tax revenue bonds outstanding.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and

should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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