

Tagging Info**Fitch Upgrades San Diego, California GOs to 'A+'; Lease Revs to 'A' & Water Revs to 'AA-'**Ratings

11 Dec 2008 8:04 PM (EST)

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Fitch Ratings-San Francisco-12 December 2008: Fitch Ratings has upgraded and removed from Rating Watch Positive the following ratings for the City of San Diego, California (the city) as outlined below:

**\*San Diego**

--General obligation (GO) bonds to 'A+' from 'BBB+';

--Certificates of participation (1993 Balboa Park/Mission Bay Park) series 2003 to 'A' from 'BBB-'.

Fitch has also upgraded and removed from Rating Watch Positive several other tax-supported and water revenue bonds issued by the city and related entities.

**San Diego Public Facilities Financing Authority**

--Lease revenue bonds series 2002B to 'A' from 'BBB-';

--Subordinated water revenue bonds, series 2002 to 'A+' from 'BBB-'.

**San Diego Facilities and Equipment Leasing Corporation**

--Certificates of undivided interest, series 1998 (secured by a senior lien on water revenues) to 'AA-' from 'BBB+'.

**San Diego Metropolitan Transit Development Board**

--Lease revenue refunding bonds series 2003 to 'A' from 'BBB-'.

**Convention Center Expansion Financing Authority**

--Lease revenue bonds series 1998A to 'A' from 'BBB-'.

Fitch's rating actions affect a total of \$760 million in par.

Fitch has also assigned the following new ratings:

**San Diego Public Facilities Financing Authority**

--\$152.8 million ballpark lease revenue refunding bonds, series 2007A 'A';

--\$63 million water revenue bonds, refunding series 2009A 'AA-' (for a bond sale to take place via negotiation on or about Jan. 12, 2009).

The Rating Outlook is Stable.

Fitch has also assigned ratings to a new water revenue bond series and a lease-secured issue not previously rated by Fitch, also with a Stable Rating Outlook.

Fitch will release rating action commentaries with details on key rating factors for these actions tomorrow.

Fitch will review its 'BBB+' rating, on San Diego Public Facilities Financing Authority's \$893.7 million in outstanding sewer revenue bonds within the next several months as the city gets closer to a parity bond issuance. This rating currently is on Rating Watch Positive.

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Fitch issued an exposure draft on July 31, 2008 proposing a recalibration of tax-supported and water/sewer revenue bond ratings, which, if adopted, may result in an upward revision of these ratings (see Fitch Research on 'Exposure Draft: Reassessment of Municipal Ratings Framework'). Fitch has deferred its final determination on municipal recalibration due to market conditions and plans to revisit the recalibration in the first quarter of 2009 (see press release 'Fitch Defers Final Determination on U.S. Municipal Ratings Recalibration,' dated Oct. 7, 2008).

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