

**Subject:** Press Release- ORANGE COUNTY RECEIVES POSITIVE FINANCIAL OUTLOOK: MOODY'S INVESTORS SERVICES



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**FOR IMMEDIATE RELEASE**

**ORANGE COUNTY RECEIVES POSITIVE FINANCIAL OUTLOOK:  
MOODY'S INVESTORS SERVICES**

**ORANGE COUNTY, NC** (May 20, 2014)—The Orange County Financial Administrative Services Department is announcing that Moody's Investors Services has upgraded the rating to Aaa from Aa1 of Orange County's (NC) \$86.2 million outstanding general obligation bonds.

Concurrently, Moody's has upgraded the rating on the County's \$108 million of outstanding limited obligation bonds to Aa1 from Aa2, with a stable outlook.

The upgrade to Aaa reflects the County's healthy financial performance that has strengthened over the past five years given conservative budgeting practices and prudent management that is committed to maintaining healthy reserves.

The bonds are secured by installment payments from the County, which are subject to annual appropriation and by recourse to essential County assets in the event of non-appropriation. The Aaa rating reflects the County's sizable tax base anchored by the University of North Carolina – Chapel Hill, proximity to the vital research triangle economy and average debt profile with above average amortization of principal.

“This rating is validation of the County’s commitment to being fiscally responsible with our tax payer’s dollars. The positive outlook also reflects the County's recently improved financial position in line with its fund balance policy,” said Clarence Grier, assistant county manager and chief financial officer for Orange County.

The tax base has continued to grow with a five-year average of 5.0% since 2009, which includes a sizable jump of 21.2% in 2010, due to revaluation. The majority of the tax

base is residential with most of the population (56%) concentrated in the southern region around the Towns of Chapel Hill and Carrboro.

Additionally, Orange County is experiencing new economic expansion on its eastern border. Morinaga America Food Inc., American affiliate of Japanese candy maker of Hi-Chew candies, finalized a 21-acre land purchase in the Town of Mebane. The 100,000 square foot manufacturing plant will employ 90 people initially; the plant is expected to open in June 2015.

Carolina North, a 250 acre mixed commercial and residential area north of Chapel Hill, is set to employ up to 3,600 people. According to a recent University of North Carolina research report, the new development estimates a \$133 million economic impact for the County. Still much of Orange County remains rural with a mixture of farming, residential and light industrial and commercial uses.

The County's unemployment rate of 4.6% as of March 2014, has been consistently well below the state and nation.

The stable outlook reflects Moody's expectation the County will continue to benefit from the significant institutional presence and proximity to RTP as well as ongoing growth in the local economy. The outlook further reflects the expectation the sound financial operations will be maintained given conservative management practices.

For more information about the County's Aa1 rating, please visit [www.moodys.com](http://www.moodys.com)

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Regards,

*Carla Banks*

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