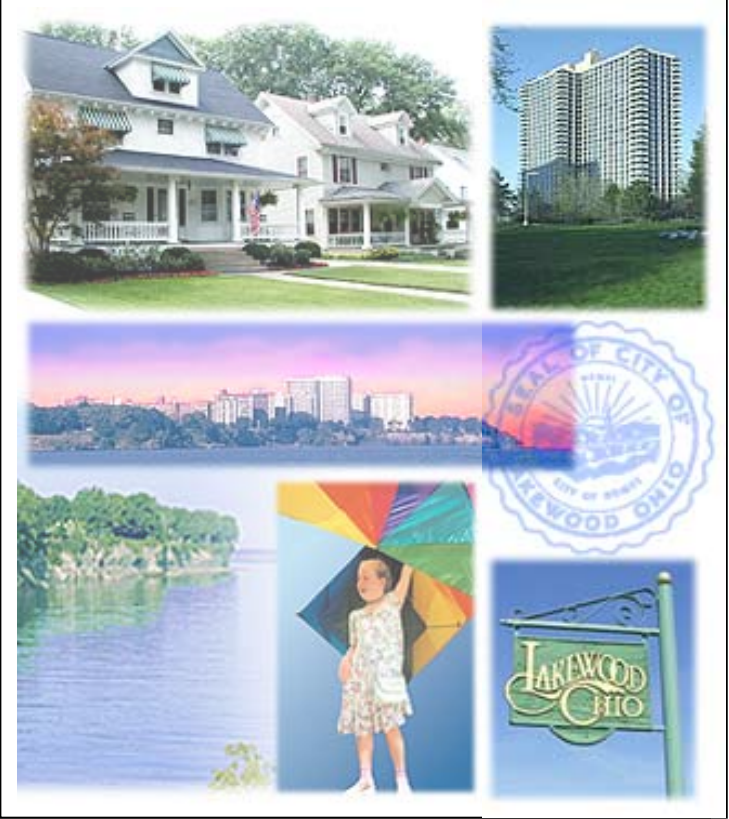


\$8,700,000 General Obligation Bonds Moody's Upgrade

LAKEWOOD
A great place to call home...



In April, 2003 the City of Lakewood issued limited tax, various purpose bonds for a variety of capital projects. The City began the issuance process with a Aa3 rating by Moody's, which had been confirmed twice in the past four years. The City engaged Sudsina & Associates to assist with the underwriter selection, to guide the rating process and to oversee the ultimate pricing of the bonds.

The City had previously issued bonds in 1998 and 2001. With 1998 issue, the City's Aa3 rating was confirmed. In 2001, a positive outlook was added to the rating, largely in part due to increased General Fund balances.

Lack of vacant and or otherwise developable land was another issue the City was dealing at the time of the 2003 issue. Increasing the City's tax base was a priority of the administration. Accordingly, City officials had initiated the planning process to redevelop a tract of land that was primarily used for high density residential rental units. The plan would involve a \$150,000,000 private investment in a lifestyle center that would include retail establishments and a minimum of 200 condominiums. Although the \$8,700,000 financing did not impact development, the plan did effect the rating process as it called for the City had to devise a \$35,000,000 financing plan to subsidize the required infrastructure improvement that would include a combination of tax increment financing, non-tax revenue bonds and general obligation bonds. As such, the plan, and its impact on the City's finances and debt limitations, had to be satisfactorily rendered during the rating process.

The \$8,700,000 were underwritten by A. G. Edwards and were sold with the Aa2 rating, without bond insurance and with an eight year call.



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