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FOR IMMEDIATE RELEASE

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**City of Castle Hills – Bond Rating as “AA” Reaffirmed from Standard & Poor’s**

CASTLE HILLS, TEXAS – Standard & Poor's Ratings Services reaffirmed the City of Castle Hills a “AA” for its second rating. The City of Castle Hills expects to continue efforts to address long-term infrastructure projects related to streets and drainage. Based on the current Street and Drainage needs within the City of Castle Hill’s Capital Improvement Plan (CIP) infrastructure identified the need to fund the reconstruction of nearly $10 Million as it relates to reconstructed streets. The 2020 Certificates of Obligation facilitated in the reconstruction of fourteen streets at $3.25 Million. Currently, the City needs another $3 Million in funding in order to complete additional streets requiring reconstruction/full depth category within the CIP.

The rating agency’s thorough evaluation and due diligence process that resulted in the "AA" rating for the City of Castle Hills included the following primary factors:

* Very strong economy,
* Adequate budgetary performance,
* Very strong liquidity,
* Strong management conditions,
* Healthy fund balance and strong institutional framework.

“City Council and City staff have continued to work together collectively to develop and implement sound budgetary policies that result in our reaffirmed “AA” rating by S&P,” said Castle Hills Mayor JR Treviño. “I applaud City staff for producing the Capital Improvement Plan which has served as our roadmap, outlining priority projects and presenting a pragmatic approach to address streets and drainage infrastructure.”

The City has identified nearly $3 Million for street reconstruction, which involves reconstruction work of many streets as outlined in the City’s CIP. The City of Castle Hills has already made momentous strides to address flooding with such projects as Banyan Phase I and II. The City has also identified $3 Million in drainage improvements in various watersheds located in Castle Hills. The street reconstruction projects selected are the highest priority within the City’s Street CIP, with the additional issuance will allow the City to continue to address the streets which require full-depth and have a low Pavement Condition Index (PCI). The AA: “Double A.” rating indicates a very strong creditworthiness.

“We are very pleased and proud that S&P has affirmed our rating, this is the City of Castle Hills’s second bond rating,” said City Manager Ryan Rapelye. “The combination of the strong local economy, sound financial/budgetary policies, healthy reserves and the City Council’s leadership have resulted in this being reaffirmed, this rating is significant as we continue to undertake long-term infrastructure needs in Castle Hills.”

For questions related to this bond rating or any future capital improvement projects, please contact Ryan Rapelye, City Manager, by email at rrapelye@castlehills-tx.gov or by calling at (210) 293-9673.