



COUNTY OF ORANGE

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County of Orange Credit Ratings Upgraded, Bankruptcy Case Closed

Santa Ana, Calif. (November 16, 2018) – This week the County of Orange received an upgrade in its Issuer Default Rating (IDR) from Fitch Ratings to AAA and a reaffirmation of its Issuer Credit Rating (ICR) from S&P Global Ratings of AA+. In addition, on November 8, the United States Bankruptcy Court granted the County’s Motion for Order to close the County’s 1994 bankruptcy case.

“The County of Orange should be extremely proud of its fiscal standing and how we’ve fully recovered from the 1994 bankruptcy,” said Chairman Andrew Do, First District. “This is a result of the prudent stewardship by this Board of Supervisors, our past Boards and by the dedicated professional staff of the County.”

Credit rating agencies cited Orange County’s growth in property values as well as one the country’s strongest economic base in bestowing its ratings.

“The bankruptcy taught the County a hard lesson from which the Board instituted controls, oversight and installed fiscally conservative policies through which we have emerged financially with a strong balance sheet and a better ability to deliver the best possible government services,” said Vice Chairman Shawn Nelson, Fourth District.

In addition, the credit ratings agencies noted the County’s strong management with its sound fiscal management, good financial policies and practices coupled with its strong budgetary performance and budgetary flexibility as factors further solidifying their ratings determinations.

“The citizens of Orange County can take pride in all that we have done since 1994 to ensure fiscal soundness and financial prudence,” said Supervisor Michelle Steel, Second District.

The County of Orange made its final bankruptcy debt recovery payment in July 2017 under its 1996 bankruptcy exit plan. The court agreed to formally close the case this week.

“I was elected in 1996 just after the bankruptcy occurred with a mandate to make the Board of Supervisors responsible financial stewards and to put safeguards in place. During my entire tenure of 12 years, I have done exactly that. Technically we may be out of bankruptcy, but the County must remain vigilant and have safeguards in place to ensure that this tragedy isn’t repeated,” said Supervisor Todd Spitzer, Third District.

The rating agencies have a bullish outlook on the County’s future given expected continued growth in property tax revenues and its sound strategic planning practices that help address budgetary shortfalls before they occur.

“By exploring the County’s land holdings and entering into long-term lease arrangements with property developers, we will continue to add to our discretionary revenue. This will help the County weather future troubles,” said Supervisor Lisa Bartlett, Fifth District.

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