MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns Aa1 to Virginia Beach, VA's Public Facility Revenue Bonds; outlook stable

20 Aug 2026

New York, August 20, 2026 -- Moody's Ratings (Moody's) has assigned a Aa1 rating to the City of Virginia Beach, VA's Public Facility Revenue Bonds, Series 2026A with an estimated par amount of $46.5 million, Public Facility Revenue Bonds, Series 2026B (Federally Taxable) with an estimated par amount of $121.6 million and Public Facility Refunding Revenue Bonds, Series 2026C with an estimated par amount of $35.7 million. We maintain the city's Aaa issuer rating and Aa1 rating on parity revenue bond debt. The city will have approximately $2 billion in debt outstanding following the issuance of the Public Facility Revenue Bonds. The outlook is stable.

RATINGS RATIONALE

The Aaa issuer rating reflects the city's large and diverse regional economy with above average income and property wealth metrics. The city's financial position with fund balance above 40% of revenue is stable and benefits from strong, proactive management. Long-term liabilities are manageable at around 145% of revenue following the issuance of the Public Facility Revenue Bonds.

The Aa1 rating on the revenue bonds is one notch off of the issuer rating reflecting the risk of annual non-appropriation and the more essential nature of the majority of financed projects.

RATING OUTLOOK

The stable outlook reflects the likelihood that the city's economy will continue to support steady revenue growth, which, in addition to conservative budgeting and proactive management, will support strong reserves and liquidity.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATINGS

- N/A

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATINGS

- Sustained trend of structural imbalance leading to reserves and/or liquidity below 35% of revenue

- Significant increase in long-term liabilities nearing 400% of revenue

PROFILE

The City of Virginia Beach is an independent city, located in the southeastern corner of Virginia. It encompasses the entire eastern border of Virginia south of the Delmarva Peninsula and includes all of the area from the Chesapeake Bay to the North Carolina state line.

METHODOLOGY

The principal methodology used in these ratings was US Cities and Counties published in June 2026 and available at https://ratings.moodys.com/rmc-documents/466689. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

Lauren Dahan
Lead Analyst

Orlie Prince
Additional Contact

Releasing Office:
Moody's Investors Service, Inc.
250 Greenwich Street
New York, NY 10007
U.S.A
JOURNALISTS: 1 212 553 0376
Client Service: 1 212 553 1653
