



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.

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