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Credit Agency Says Detroit Development Must Expand Beyond Downtown.

Detroit's ready to issue bonds that are not backed by the state of Michigan. Moody's Investors Service reports the city should be able to handle that. But Moody's says Detroit's future rests on economic development reaching the city's neighborhoods.

The credit ratings service Moody's says Detroit has recovered enough from bankruptcy to safely borrow millions of dollars without being backed by the state of Michigan.

But Moody's is concerned whether the city's recovery will continue if it is mainly anchored in Detroit's downtown.

Moody's reports that Detroit officials plan to issue $115 million in tax-exempt municipal bonds around the beginning of December.

The Detroit City Council had previously approved a request from Mayor Mike Duggan to issue a total of $255 million in new bonds over the next five years.

The borrowing is supposed to pay for capital projects in the city.

The credit ratings agency Moody's approves of the move, noting there's been an economic resurgence in Detroit's downtown since it exited the nation's largest-ever municipal bankruptcy.

But Moody's warns that Detroit will continue to see people move out if progress does not extend to the city's neighborhoods.

Moody's estimates Detroit has lost about 35,000 residents since 2010.

The credit ratings agency also fears the Detroit Public Schools Community District could dramatically slow the city's revitalization.

The school system was rescued by the state of Michigan and now has very little funding on hand to make badly-needed improvements to its buildings and infrastructure.

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