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Fitch: Diverse Economy Buys Puget Sound Local Governments.

Fitch Ratings-San Francisco-11 January 2018: Washington's economic epicenter will continue to benefit from key local governments' robust revenue growth and strong operating performance, according to Fitch Ratings in a new report.

More people are finding favor with this cluster of counties and cities by Puget Sound as seen by a spike in population growth and a strong post-recession economic bounce-back. Market participants point to the Puget Sound region's increasingly diverse economy as a key driver of the region's rising appeal.

"While heavy manufacturing is still important, the Puget Sound region's ongoing diversification into information technology has been a big driver of growth, particularly for Seattle," said Alan Gibson. "Even a city like Tacoma that has had a tougher time transitioning away from heavy industry is benefiting from a diversifying economy and a competitively priced housing market." As a result, Seattle and Tacoma's revenue growth is far exceeding the pace throughout the rest of the country.

Fitch expects that overall debt and retiree benefits will remain low to moderate relative to local economic resource bases. This coupled with exceptionally strong gap-closing capacity and solid budget flexibility means ample reserve safety margins that King County, Seattle, and Tacoma can sustain throughout economic cycles.

As a result, Fitch-rated Puget Sound local government ratings, which range from 'AAA' to 'AA' along with Stable Rating Outlooks, are likely to remain strong over the next couple of years. 'Credit Strengths of Puget Sound Local Governments' is available at 'www.fitchratings.com' or by clicking on the above link.

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