

In a move that will save the Seminole Tribe a significant amount of money, Moody's Investors Service and Fitch Ratings both upgraded the Tribe's debt and bond credit ratings on June 16. The ratings reflect the Tribe's ability to pay its debts in a timely fashion.

Moody's upgraded the Tribe's existing term debt and bond to Baa2 from Baa3 and upgraded its Special Obligation Bonds to Baa3 from Ba1. Moody's also assigned a Baa2 rating to the Tribe's specific plans for future borrowing to repay outstanding loans and fund proposed expansions at the Seminole Hard Rock Hotels and [Casinos](#) in Tampa and Hollywood. Fitch Ratings also assigned a BBB rating to the Tribe's specific plans for future borrowing.

"The ratings upgrades, affirmations and strong new ratings are great news for the Seminole Tribe of Florida as we look toward a solid, stable future for the Tribe," said Chairman Marcellus W. Osceola Jr. in a press release. "It means our Tribal members, employees, customers, vendor partners and community residents can count on many good years ahead."

Seminole Gaming CEO Jim Allen said in the press release, "These improved and renewed investment-grade ratings will save millions of dollars by helping to keep borrowing costs low. They will help Seminole Gaming to continue as one of the world's most profitable gaming enterprises."

Moody's website stated the rationale for the upgrade was due in part to the Tribe's decision to continue to make revenue payments to the state despite a 2016 court ruling that entitles the Tribe to withhold payments. The court ruled that the State allowed other entities to conduct banked card games in violation of the existing gaming compact's exclusivity clause. Moody's also acknowledged the favorable gaming demand characteristics in Florida will likely continue.

Fitch Ratings favorably viewed the Tribe's expansion plans and underlying operating environment.

"STOF's gaming division continues to experience steady, positive operating trends compared to more flat growth seen in other US gaming markets," read a statement on its website. "STOF has a track record of instituting sound financial policies, including operating tribal government with a surplus. A new chairman was elected in December 2016, Marcellus Osceola Jr., who continues to support the Tribe's prudent fiscal policies."

The upgrades were announced by John Eder, Seminole Gaming chief financial officer, at the June 16 Council meeting. He said the upgrades will help the Tribe gain credibility and shows the agencies have complete confidence in the management team of the Tribe and Council. It will also mean lower interest rates as the Tribe borrows funds from the financial markets.

"We are a BBB staple, which is an investment grade well above any other gaming company in the U.S. and probably the world," Eder said. "So congratulations to the Tribe for having great financial discipline and being able to show the market that we are a real player and are absolutely deserving of the rating that we received. This is a great day for the Tribe."

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