Fitch Ratings
KNOW YOUR RISK

FITCH RATES COLUMBUS OH'S GOS 'AAA'; OUTLOOK STABLE

Fitch Ratings-New York-19 July 2010: Fitch Ratings assigns an 'AAA' rating to the following Columbus, Ohio general obligation (GO) bonds:

--$129.245 million various purpose unlimited tax, series 2010 A;
--$16.315 million various purpose limited tax, series 2010 B;
--$266.380 million various purpose unlimited tax Build America Bonds (Federally Taxable-Direct Payment), series 2010 C;
--$14.04 million various purpose limited tax Build America Bonds (Federally Taxable-Direct Payment), series 2010 D;
--$5.735 various purpose limited tax (Taxable), series 2010 E.

The bonds are expected to sell via negotiated sale on July 28, 2010.

In addition, Fitch affirms the following bonds at 'AAA':

--$1.57 billion in outstanding GO unlimited and limited tax bonds.

The Rating Outlook is Stable.

RATING RATIONALE:

--The city economy is broad and diverse and benefits from the growing and stabilizing presence of state and city government, Ohio State University, strong health care and educational institutions and financial services.
--The city benefits from strong conservative financial management which has instituted a 10-year financial accountability and cost reduction plan which has been largely approved by city council and has begun to be implemented. A key credit strength is the city's conservative financial management and sophisticated debt and fiscal policies.
--The city's financial flexibility benefits from a voter approved significant increase in the income tax rate in 2009 which should enable the city to achieve structural balance in its operating funds in 2010 and beyond, in addition to its continued control of spending.
--The city's general fund financial reserves weakened in fiscal 2009 but significant reserves outside the general fund provide strong combined reserve levels.
--The city has the ability to levy unlimited ad valorem property taxes for debt service which it has not yet needed to do, as the city uses income taxes and user fees to pay its obligations.
--The debt profile remains favorable, with low to moderate overall debt and conservative debt policies, including rapid debt amortization, internal affordability metrics, and no exposure to derivative risk. Although the city retains substantial authorization for additional debt, Fitch expects the city's debt burden will remain moderate and many capital projects will be repaid through user fees. Other long-term liabilities are also modest and fully funded on an annual basis.

KEY RATING DRIVERS:

--Continued stabilization of combined reserves.
--Maintenance of structural balance and controlled spending.

SECURITY:

The full faith and credit of the city are irrevocably pledged for the prompt payment of the bonds. The series A and C bonds are the voted general obligation of the city and are payable from the levy of an ad valorem tax of all property without limitation as to rate or amount. The series B, D and E bonds are the unvoted general obligation of the city and payable from the levy of an ad valorem tax on all property within the ten-mill limitation imposed by Ohio law.

CREDIT SUMMARY:

Columbus is anchored by a stable and growing economic base largely composed of professional and business services, healthcare, education, and government. As the state capital and home to Ohio State University (OSU), the city's economy has remained relatively resilient during the national recession. Significant facilities investment by the healthcare and financial services sector, namely OSU, Children's Hospital and Nationwide Insurance, are expected to add to the city's expanding employment base with an additional 10,000 new jobs over the next five years. The May 2010 unemployment rate of 8.7% remains below the state rate of 10.1% and the nation's 9.3%, and further gains in healthcare and educational sector employment are expected in 2010 and beyond. Real property values have increased modestly and the city's population has expanded 1% annually since 2000.

Despite its stable economic case, the city experienced the financial impact of the national recession, as income tax revenues contracted in both 2008 and 2009. In fiscal 2009, the city's general fund produced a $12.9 million shortfall, down sharply from the large $43 million shortfall in fiscal 2008, reflecting the benefit from the significant increase of 0.5% in the income tax rate approved by voters in 2009. Fiscal 2009 results showed an unreserved general fund of $41.1 million, or 6.5% of total expenditures and transfers. However, the city retains substantial reserves in its special income tax fund as part of its policy of segregating 25% of income tax revenues outside general operating accounts which positively augments the city's financial flexibility. When combined with other reserve sources, total fund balance increased to over 26%. The city has not and does not intend to access the reserves for operating relief.

The city continues to implement its 10-year fiscal reform plan that included budget cuts in fiscal 2010 and beyond to restore structural balance to operating funds. With furlough days, overtime reductions, the elimination of new recruit classes for sworn personnel, and the voluntary deferral of wage increases by the city's fire union, the city made more than $30 million in budget cuts for 2009. The long-term strategic plan outlines further reductions, including staff cuts; no additional programmatic spending was promised as part of the tax increase. While fiscal 2010 will continue to be challenging, Fitch expects the city will address its structural imbalance fully and begin to replenish general fund reserves.

The city's debt profile is favorable, with moderate overall debt and conservative debt policies, including rapid debt amortization, internal affordability metrics, and no exposure to derivative risk. Overall debt totals $1,502 per capita or 2.5% of property market values. Indicative of its conservative financial practices, about 76% of the city's direct GO debt is repaid in 10 years, and when combined with revenue debt about 60% is repaid in 10 years. The large $2.6 billion capital improvement plan primarily addresses environmental mandates for the city's sewerage system. Although the city retains substantial authorization for additional debt, Fitch expects the tax-supported debt burden will remain moderate due to rapid retirement of debt and the use of enterprise fees to repay debt service.

Applicable criteria available on Fitch's website at 'www.fitchratings.com':
'Tax-Supported Rating Criteria,' dated Dec. 21, 2009.
'U.S. Local Government Tax-Supported Rating Criteria', dated Dec. 21, 2009.

Considerations for Taxable/Build America Bonds Investors
The following sector credit profile is provided as background for investors new to the municipal market.

Local Government General Obligation Bonds:
The unlimited taxing power of most local government general obligation pledges is the broadest security a U.S. local government can provide to the repayment of its long-term borrowing, and therefore is the best indicator of its overall credit quality. The average local government general obligation rating is 'AA-' with approximately 56% rated at or above 'AA-' and 7% rated 'BBB+' or

below. The relatively high ratings reflect local governments' inherent strengths: the authority to levy property taxes, nonpayment of which can result in property foreclosures; additional taxing power that can include sales, utility, and income taxes; and essentiality of and lack of competition for services provided by local governments. Those with low investment-grade or below-investment-grade ratings generally have a combination of a limited or highly volatile economic base, high levels of long-term liabilities including debt and post-employment benefits, and/or unusually limited financial flexibility.

Contact: Ann G. Flynn +1-212-908-9152 or Dora Lee +1-212-908-0341, New York.

Media Relations: Cindy Stoller, New York, Tel: +1 212 908 0526, Email: cindy.stoller@fitchratings.com.

Additional information is available at 'www.fitchratings.com'.