

Research Update:

# Bryan, TX Series 2026 Combination Tax And Revenue Certificates Of Obligation Assigned 'AA+' Rating; Outlook Stable

May 28, 2026

## Overview

- S&P Global Ratings assigned its 'AA+' long-term rating to the City of **Bryan**, Texas' proposed \$65.43 million series 2026 combination tax and revenue certificates of obligation (COs).
- At the same time, S&P Global Ratings affirmed its 'AA+' long-term rating on the city's debt outstanding.
- The outlook is stable.

## Rationale

### Security

The bonds and COs are secured by a limited ad valorem tax levied on all taxable property located within the city. The state's statutes limit the ad valorem tax rate to a maximum of \$2.50 per \$100 of taxable assessed valuation (AV) for all purposes, including a maximum of \$1.50 for debt service. The city's fiscal 2026 levy is well below the maximum, at 62.4 cents per \$100 of AV, with 17.0 cents dedicated to debt service.

Despite state statutory tax-rate limitations, we do not differentiate the city's limited-tax debt from its general creditworthiness, since the ad valorem tax is not derived from a measurably narrower tax base and there are no limitations on the fungibility of resources, which supports our view of the city's overall ability and willingness to pay debt service.

The COs are additionally secured by a limited pledge of net revenues of the city's waterworks and sewer system. However, due to the pledge's limited nature, we rate the COs to the strength of the general obligation pledge.

Proceeds from the series 2026 COs will fund various works related to Midtown Park, a new animal shelter and streets and drainage projects, as well as the acquisition of new fire engines.

### Credit highlights

### Primary Contact

**Constanza maria Chamas**  
Mexico City  
52-5510375256  
c.chamas  
@spglobal.com

### Secondary Contact

**Karolina Norris**  
Dallas  
+ 1 (972) 367 3341  
Karolina.Norris  
@spglobal.com

The rating reflects our view of Bryan's sizable tax base and significant growth prospects, as well as the presence of Texas A&M University in the adjacent city of College Station, which anchors the economy of both cities and acts as a stabilizing influence, offsetting understated income metrics. Additional factors supporting the rating include the maintenance of significant reserves supported by forward-looking management with well-established financial projections and plans. These factors are partially offset by a large-but-manageable debt burden, which is in line with that of similarly rated peers in Texas.

Bryan is the seat of Brazos County in east-central Texas. The economy revolves around higher education--with Texas A&M University within five minutes of the historic center--as well as healthcare, manufacturing, retail trade, and the municipally owned utilities. The city is also the home to Texas Triangle Park, an important industrial park and inland port for the state's trade activity. Bryan has experienced considerable tax base growth over the past five years, with AV growing approximately 70% between 2022 and 2026, reflecting increased new development and steady appreciation, primarily on the residential side. Given recent trends and new developments, such as Amazon's new 93,000-square-foot delivery station, we expect this trend will continue.

In fiscal 2025 the city posted a deficit of approximately 5% of their general fund revenues primarily financed by the drawdown of its committed and assigned fund balances, including \$9.8 million in one-time American Rescue Plan Act capital expenditures. The city's budget has been pressured by considerable population growth, which has necessitated increased investment to meet rising infrastructure and service demands, particularly in the public safety realm. While the city adopted an \$8.3 million surplus budget for fiscal 2026, we expect operating results will remain closer to balance. We expect management will continue strategically drawing down reserves for one-time capital expenditures, leveraging their above-target reserve levels without compromising the city's strong liquidity position.

The rating further reflects our view of Bryan's:

- Subdued income metrics compared with those of similarly rated peers, potentially understated given the sizable student population. This is offset by significant tax base and population growth, which we expect will continue, albeit at a lower rate as the housing market normalizes and appreciation rates stabilize.
- Historically positive operations prior to 2023, which allowed the city to build reserves exceeding 40% of general fund revenues. We expect the city will continue its strategic use of fund balances, drawing only amounts in excess of its target balance. The city has a formal reserve policy that requires a minimum unassigned fund balance of 60 days of expenditures.
- Sophisticated management policies and practices, characterized by conservative budgeting, comprehensive oversight and monitoring of budget-to-actual results, long-term financial and capital plans, and formalized investment, debt management, and reserve policies.
- Elevated-but-manageable debt burden. We do not consider the city's pension and other postemployment benefits (OPEB) to be a significant source of credit pressure, due to adequate pension-funding status and limited OPEB liabilities. In addition, utility operations remain primarily self-supporting, with user fees and rate revenues comfortably covering debt service on existing revenue bonds.
- For more information on our institutional framework assessment for Texas municipalities, see "[Institutional Framework Assessment: Texas Local Governments](#)," Sept. 9, 2024.

## **Environmental, social, and governance**

The rating incorporates our view of environmental, social, and governance factors relative to the city's economy, financial performance, management and debt liability profile, which we consider credit neutral in our analysis. The City of Bryan is susceptible to some environmental hazards, including flooding from heavy rainfall and extreme temperatures, for which it has taken preventive action.

## Outlook

The stable outlook reflects our view of Bryan's growing economy and our expectation that the city will maintain a sound financial performance and robust reserves as growth-related needs arise.

### Downside scenario

We could lower the rating if Bryan's budgetary performance weakens, resulting in sustained operating deficits and a reduction in reserves to a level below the city's policy target.

### Upside scenario

We could raise the rating if the city's tax base growth and economic diversification lead to a sustained improvement in wealth and income metrics that are comparable with those of peers at a higher rating level.

## Credit Opinion

### Bryan, Texas--credit summary

Institutional framework (IF)	1
Individual credit profile (ICP)	2.05
Economy	3.0
Financial performance	2
Reserves and liquidity	1
Management	1.00
Debt and liabilities	3.25

### Bryan, Texas--key credit metrics

	Most recent	2025	2024	2023
<b>Economy</b>				
Real GCP per capita % of U.S.	74	--	74	74
County PCPI % of U.S.	72	--	72	72
Market value (\$000s)	11,169,395	10,046,806	9,432,339	7,860,222
Market value per capita (\$)	124,812	112,267	105,401	89,839
Top 10 taxpayers % of taxable value	6.6	4.9	5.2	5.6
County unemployment rate (%)	3.2	3.2	3.4	3.4
Local median household EBI % of U.S.	75	--	75	82
Local per capita EBI % of U.S.	75	--	75	81
Local population	89,490	--	89,490	87,492

## Bryan, Texas--key credit metrics

	Most recent	2025	2024	2023
<b>Financial performance</b>				
Operating fund revenues (\$000s)	--	96,556	87,626	79,000
Operating fund expenditures (\$000s)	--	116,312	100,831	95,351
Net transfers and other adjustments (\$000s)	--	14,947	13,619	5,386
Operating result (\$000s)	--	(4,809)	414	(10,965)
Operating result % of revenues	--	(5.0)	0.5	(13.9)
Operating result three-year average %	--	(6.1)	(0.4)	1.3
<b>Reserves and liquidity</b>				
Available reserves % of operating revenues	--	43.2	48.8	53.0
Available reserves (\$000s)	--	41,669	42,742	41,831
<b>Debt and liabilities</b>				
Debt service cost % of revenues	--	13.7	13.5	15.0
Net direct debt per capita (\$)	3,430	2,699	2,858	2,586
Net direct debt (\$000s)	306,988	241,559	255,775	226,223
Direct debt 10-year amortization (%)	45	49	48	--
Pension and OPEB cost % of revenues	--	7.0	7.0	7.0
NPLs per capita (\$)	--	--	129	312
Combined NPLs (\$000s)	--	--	11,567	27,322

Financial data may reflect analytical adjustments and are sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. GCP--Gross county product. PCPI--Per capita personal income. EBI--Effective buying income. OPEB--Other postemployment benefits. NPLs--Net pension liabilities.

### Ratings List

#### New Issue Ratings

US\$65,430,000 City of Bryan, A Home Rule City located in Brazos County, Texas, Combination Tax and Revenue Certificate of Obligation, Series 2026, dated: June 1, 2026, due: February 15, 2051

Long Term Rating AA+/Stable

#### Ratings Affirmed

#### Local Government

Bryan, TX Limited Tax General Operating Pledge AA+/Stable

Bryan, TX Limited Tax General Operating Pledge and Water and Sewer System Subordinate Lien AA+/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

Copyright ©2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software, or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced, or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees, or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness, or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment, and experience of the user, its management, employees, advisors, and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.spglobal.com/ratings](http://www.spglobal.com/ratings) (free of charge) and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription) and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.spglobal.com/usratingsfees](http://www.spglobal.com/usratingsfees).