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Corpus Christi Drought Pushes Up Borrowing Costs for City’s Debt.

Takeaways by Bloomberg AI

- The water shortage in Corpus Christi is pushing up borrowing costs for its debt due to climate risks, with a recent bond sale having a spread of 60 basis points for its 10-year bonds.
- Concerns about extreme weather events and droughts have not factored much into prices in the municipal market, but the penalty on the bond offering in Corpus Christi indicates that’s starting to change.
- The city’s water shortage and downgraded credit rating may make it more expensive to finance infrastructure and projects that protect against extreme weather, with city officials estimating the downgrade will cost $3.75 million over 30 years for every $100 million in debt issued.

Continue reading.

Bloomberg Green

By Stella Mackler

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