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Muni Refinancing Gains Momentum Even as Yields Reach 2015 Highs.

(Bloomberg) — School districts in Nevada and South Carolina are leading about \$6 billion of refinancing sales this week, showing that municipalities can still reap savings from refunding even as yields soar to 2015 highs.

The district of Clark County, home to Las Vegas, is selling about \$399 million on Tuesday to refinance higher-cost borrowings, according to data compiled by Bloomberg. In South Carolina, Pickens School District in the northwest part of the state is offering \$255 million through a local agency, for anticipated savings of about \$21 million, according to Brian Nurick, its bond counsel.

The projected savings, which will go toward maintaining infrastructure, were “slightly higher when we started the process,” Nurick said in an interview. “But we’re still in what we would consider the sweet spot to move forward.”

Refinancings are set to make up about 68 percent of issuance this week, up from 50 percent last week, Bloomberg data show. The sales are gaining momentum even as yields are climbing. The \$3.5 trillion municipal market has lost 1.2 percent this month, leaving it poised to break a record 13-month rally.

Benchmark 10-year notes yield 2.14 percent, the highest since December, after rising three straight weeks for the first time since June. Yet this week’s calendar shows states and localities can still expect to save.

Sarasota County on Florida’s Gulf Coast plans to issue about \$33 million in refunding securities. The municipality seeks savings of at least 5 percent and this offering should deliver 5.3 percent, said Regina Foss, who helps oversee the county’s finances.

“We expected to get a little bit higher savings,” Foss said in an interview. “But it’s still within our threshold.”

Next month, Maryland may sell about \$400 million for refunding, Bloomberg data show.

by Meenal Vamburkar

February 23, 2015

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