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## **Seattle Transit Authority Plans Biggest-Ever Green Muni Bond.**

This week, the Central Puget Sound Regional Transit Authority plans to sell about \$923 million of green bonds, which help finance environmentally friendly projects. It would be the world's largest green-bond issue from a municipal entity, providing a boost to green-bond sales figures that have been tracking below expectations so far this year.

Green bonds have surged in popularity over the last few years, as companies, governments and development banks take advantage of investor demand for securities that are seen as aiding the environment. But this year's volume of green-bond sales has disappointed some advocates amid concerns about whether projects financed with green bonds are truly "green."

So far, roughly \$19 billion of green bonds have been sold this year, according to a tally from the Climate Bonds Initiative, a nonprofit group based in London. The group, however, forecast \$100 billion of new green bond sales this year, a figure that looks unlikely now. Last year, nearly \$37 billion of bonds were sold, the most on record.

The Seattle agency, known as Sound Transit, plans to use proceeds from its sale to expand the region's light-rail system, as well as refinance existing debt used for previous projects. The agency expects to finalize pricing of the bonds on Tuesday.

Brian McCartan, chief financial officer for Sound Transit, said the agency is hoping to diversify its investor base with the new green bonds, as well as promote its sustainability program and deepen the green-bond market.

Unlike some other recent municipal issuers, the agency commissioned a study from research-and-analysis firm Sustainalytics to sign off on the environmental benefits of the agency's new bonds. Green-bond investors say these outside opinions are useful in determining whether a project is truly environmentally friendly.

In its review, Sustainalytics said Sound Transit "aims to support projects that will provide low-carbon public transit" in the region, reducing greenhouse-gas emissions, and found the green bonds "robust and credible." The opinion should "really give investors that additional vote of confidence that the moneys will be used for sustainable projects," Mr. McCartan said. The firm charged a "modest fee" for the review, he said.

The bonds will be repaid from sales-tax collections. They are expected to carry a triple-A rating from Standard & Poor's Ratings Services, the highest rating available, and a Aa2 rating, the third highest, from Moody's Investors Service. J.P. Morgan is leading the deal.

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