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Los Angeles School District Is Top U.S. Municipal Bond Sales Next Week.

NEW YORK (Reuters) – The Los Angeles Unified School District, California’s largest school district, plans to sell nearly \$1.1 billion of general obligation refunding bonds in the biggest U.S. municipal bond offering next week.

The debt, backed by county property taxes, will refund 2007 bonds that have July 1 call dates. Through lead underwriter Morgan Stanley, the district will hold a one-day retail order period on Monday, with institutional pricing on Tuesday, according to a presentation for prospective bondholders.

The second biggest school district in the United States, Los Angeles had 625,434 students enrolled in kindergarten through 12th grade in fiscal 2017 and \$10 billion of general obligation bonds outstanding.

It is in the midst of a \$25.6 billion to upgrade buildings and construct new schools.

Altogether, issuers plan to offer an estimated \$9.4 billion of U.S. municipal bond and note sales next week as investors have maintained a steady interest in the muni market.

Investors have put money into muni funds for the last five weeks straight. Funds had \$605 million of inflows for the week that ended May 10, the second-biggest week of inflows since January, according to Lipper, a Thomson Reuters unit.

Other issuers coming to market next week with big deals include the Dormitory Authority of New York, for New York University taxable bonds, and the District of Columbia.

Reuters

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(Reporting by Hilary Russ; Editing by Leslie Adler)