
The Muni-Bond Market Loves You When Google Is Your Top Taxpayer.

- **Mountain View district sells some bonds for below AAA yields**
- **Sale illustrates the strong demand for scarce California debt**

You can get a good deal in the municipal-bond market when Google is your biggest taxpayer.

The Mountain View-Los Altos Union High School District, which operates schools for more than 4,400 students in Silicon Valley, sold $100 million in AAA rated bonds backed by property taxes in the wealthy enclave. But some of the securities sold for higher prices than even its gilt-edged rating suggests: Those due in 2022, for example, were priced for a yield of 1.5 percent, 37 basis points less than the rate charged the most credit worthy municipal borrowers, according to data compiled by Bloomberg.

Investors have gobbled up tax-exempt bonds issued by governments in California to drive down their tax liability, either because of their sizable fortunes or to offset the effect that the limit on state and federal tax deductions will have on their federal returns. At the same time, the securities have been hard to come by, with debt sales by issuers in the state dropping by 30 percent this year.

In the case of Mountain View, the headquarters of Google parent Alphabet Inc., the school district may have benefited from the massive wealth in its own backyard.

The median home value in Mountain View has risen by about 22 percent over the past year to $1.9 million, according to Zillow Inc. The assessed valuation of property in the district rose 9 percent to $48.4 billion in fiscal 2018, almost double what it was a decade ago, according to bond offering documents.

The bonds will be used to help teach future coders and software engineers by modernizing science and technology classrooms for “21st-century learning” and to accommodate growing enrollment at the district. It’s the first installment of a $295 million sale approved by voters in June.

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By Amanda Albright

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