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Illinois's Road and Bridge Bond Runs Smack Into a Supply Glut.

- **State plans to issue \$750 million in general obligation bonds**
- **Governor Pritzker in June signed a \$45 billion capital plan**

Illinois already has to pay up when the worst-rated state borrows money from Wall Street. Now, as the state kicks off a \$45 billion capital spending plan, it will have to compete with a crowd of issuers flooding the \$3.8 trillion municipal debt market trying to capture cheap rates.

Illinois is scheduled to issue \$750 million in general obligation bonds this week for Governor J.B. Pritzker's six-year "Rebuild Illinois" infrastructure plan, intended to infuse funding into roads, bridges, railways, broadband and schools. The debt likely will need to come with "more attractive yields," amid the supply glut, said Michael Belsky, executive director of the University of Chicago's Center for Municipal Finance. Still, the state could get within 100 to 150 basis points of the benchmark AAA index, he said.

"I anticipate that it'll be well received. It'll probably have some spread," said Dora Lee, director of research for Belle Haven Investments, which holds Illinois bonds among \$10 billion of municipal debt.

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