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Atlanta Raises \$410M from Impact Bond Sale.

Issuance follows rocky period for social, sustainability, and municipal fixed income markets

The City of Atlanta, Georgia, has raised \$410 million in an impact-linked municipal sale, the city announced last week.

The bonds were significantly oversubscribed, reflecting high levels of investor demand for social bonds. The proceeds of this sale will go towards funding the city's 'Moving Atlanta Forward' package, which will invest as much as \$750 million in various infrastructure projects across Atlanta, including transportation, public safety and recreational facilities.

Mohamed Balla, chief financial officer of the City of Atlanta, said: "This bond sale shows that the City of Atlanta is able to attract strong investor demand based upon the strong credit quality of the City.

"Additionally, we were able to tap into the growing investor demand for social and sustainable investments, while providing an attractive cost of capital for these vital capital projects."

In the third quarter of this year alone, municipal bonds with ESG links raised \$13.3 billion, more than 13% of total municipal issuance for the quarter, according to S&P Global Market Intelligence. Of this total, social bonds raised \$6.6 billion.

Sustainability bonds worldwide have taken a hit as a knock-on effect from the Russia-Ukraine conflict as well as rising inflation, and the municipal market has also been affected. Longer-term, however, bonds with a social link have attracted significant interest due to Covid-19 issues.

Research from S&P Global published in August forecast that global sustainable bond issuance was set to exceed \$1.5 trillion this year, driven by investor demand and the rise of climate-related finance and other ESG-related investment themes.

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