
State of Delaware: Fitch New Issue Report

Fitch Ratings has assigned Delaware a 'AAA' rating for its GO bonds, with a Stable Outlook. The state's strong financial performance is attributed to proactive management and institutional protections ensuring surplus operations. Delaware's revenue growth aligns with national GDP trends, supported by diverse sources including personal income tax and business-related taxes. The state maintains robust reserves, fully funding two reserves to a combined 12% of revenues. Despite above-average long-term liabilities, Delaware's prudent budget practices and strong reserves provide financial resilience. The fiscal 2025 budget projects modest revenue growth and continues investments in infrastructure and education. Governor Meyer's fiscal 2026 budget proposal suggests continued fiscal stability, with revenue growth and maintained reserves. Delaware's economy is service-oriented, with strong post-pandemic growth and a low unemployment rate. The state's long-term liabilities, including pension and OPEB obligations, are managed through proactive funding strategies.

Tue 22 Apr, 2025

Regional Transportation Authority (IL): Fitch New Issue Report

The Regional Transportation Authority (RTA) in Illinois has received an 'AA+' rating from Fitch for its General Obligation Bonds, Series 2025, with a stable outlook. The rating reflects strong debt service coverage, with pledged revenues covering maximum annual debt service (MADS) by 12.1x in fiscal 2024. Despite a 6% revenue decline in 2020 due to the pandemic, pledged revenues grew significantly in subsequent years. The RTA's service area, anchored by Cook County, supports solid revenue growth prospects above national inflation rates. The authority's sales tax and public transportation fund revenues are expected to continue growing, supported by the diverse Chicago-area economy. Fitch does not maintain an Issuer Default Rating on the RTA due to its limited operational risk exposure. Future leveraging is anticipated to meet the 2.5x MADS ABT requirement, ensuring robust resilience against economic downturns.

Tue 22 Apr, 2025

Virginia Public School Authority: Fitch New Issue Report

The Virginia Public School Authority (VPSA) school technology and security notes are rated 'AA+', one notch below Virginia's 'AAA' Long-Term IDR. This reflects the risk of the Virginia general assembly not appropriating sufficient funds for debt service. Virginia's 'AAA' rating is supported by substantial fiscal resources, careful fiscal management, and strong economic growth prospects. The state’s fiscal reserves reached $4.7 billion in 2024, equal to 16% of general fund revenues. Virginia’s 2024-2026 budget emphasizes increased social services and education spending. The commonwealth’s unemployment rate was 3.1% in February 2025, below the national rate of 4.1%. Virginia’s economic profile remains strong, with diverse industries and high education levels supporting job growth and economic gains.

Mon 21 Apr, 2025

[Fort Bend Independent School District, Texas: Fitch New Issue Report]()

Fitch Ratings has affirmed Fort Bend Independent School District’s (ISD) ‘AA+’ Long-Term Issuer Default Rating (IDR) and underlying rating on its unlimited tax (ULT) bonds. The district’s financial resilience is rated ‘aaa’, supported by a low midrange budgetary flexibility assessment, strong demographic and economic indicators, and a stable outlook. The ‘AAA’ enhanced rating on the ULT bonds reflects the Texas Permanent School Fund bond guarantee program. The district closed fiscal 2024 with a $11.9 million surplus, maintaining an unrestricted general fund balance at 26% of spending. The district plans to issue remaining authorized debt annually through 2029. Key risks include potential declines in general fund reserves and economic performance.

Fri 18 Apr, 2025

[Los Angeles (CA): Fitch New Issue Report]()

Los Angeles’ sewer system maintains a strong credit rating of ‘AA’ with a stable outlook, reflecting low leverage and robust revenue defensibility. Despite a 9% revenue decline in fiscal 2024, leverage improved to 6.5x due to controlled costs and state support. Projected leverage may peak at 7.2x in 2025 but remains within acceptable limits. Significant rate adjustments are planned through 2029, starting with a 22% increase in October 2024. The system’s expansive $3.1 billion capital improvement plan focuses on enhancing infrastructure and meeting regulatory requirements. The system’s financial profile is strong, with substantial liquidity and sound debt service coverage. Future risks include potential cost increases and the impact of wildfires, but the system’s financial health is expected to remain stable.

Thu 17 Apr, 2025

[Syracuse University to Receive $425 Million From Revenue Bond Sale]()

Syracuse University will receive $425 million proceeds from the sale of municipal bonds by the Onondaga Civic Development Corp. to fund capital projects on its campus in central New York.

The corporation will sell Series 2025 revenue bonds and lend the money the university, according to documents posted on MuniOS.

The securities are special, limited obligations, and are backed by payments received by the corporation from the university. The debt is a general, unsecured obligation of the university.

The loan agreement calls for the university to make payments to the corporation in amounts sufficient to pay the principal of, premium, if any, and interest on the bonds when due.

Dates for the pricing and closing of the sale were yet to be determined, according to the roadshow document posted on MuniOS.

The university will use the money to finance the construction of new dormitories, renovate and equip educational properties, and for the construction and renovation of academic, teaching and research facilities.

Interest on the bonds is payable semiannually on June 1 and Dec. 1, beginning Dec. 1, 2025.

Syracuse University is a non-profit education corporation that operates a private, co-educational and residential institution in Syracuse, N.Y. The university is a research and graduate center that operates under the direction of an independent board of trustees. As of the 2024-2025 academic year university had about 22,589 students.

The bonds are rated Aa3 by Moody's and AA- by S&P Global Ratings.

RBC Capital Markets is the lead underwriter.

Write to Chris Wack at chris.wack@wsj.com

(END) Dow Jones Newswires

April 15, 2025 06:50 ET (10:50 GMT)

As California Rebuilds, What Do Growing Wildfire Damages Mean for Muni Bonds?

As communities in Los Angeles and San Diego counties begin to recover from the devastation, we examine the impact of California wildfires on municipal bonds and discuss how active management can potentially help mitigate climate and environmental risks.

The destruction caused by the recent Southern California wildfires is estimated to be one of the costliest natural disasters in U.S. history, with projected property and capital losses ranging from $95 billion to $164 billion. This staggering figure far exceeds the $16.5 billion cost of the 2018 Camp Fire, which devastated about 90% of the town of Paradise and was previously the most expensive wildfire disaster on record. As assessments of the damage continue, these updated estimates underscore the ongoing process of evaluating the immense scale of the destruction.

While the personal losses and community impacts are profound, we expect that municipal bondholders are likely to be relatively insulated from any financial damage. Former President Biden's declaration of the affected areas as a disaster zone makes these communities eligible for FEMA funding, which can cover approximately 75% to 90% of recovery costs.

However, federal funding can take time to reach affected areas. In the meantime, municipalities typically rely on their own resources along with early state assistance to support and fund initial response efforts. Despite the challenges, the availability of federal aid serves as a financial lifeline, enabling communities to begin the process of rebuilding and recovery.

What areas of the municipal bond market have been affected?

While we don't anticipate material credit impacts for the city or county overall, there is potential for risks for areas with more limited assets or tax bases. As the second-largest city in the United States, Los Angeles has a strong credit profile and is well positioned to withstand the financial impact of the wildfires.

The Los Angeles Unified School District (LAUSD) faces significant exposure to loss and property damage and will likely rely on support from both the city and the state. However, LAUSD maintains a strong Aa2 credit rating following an upgrade in 2024 and has shown consistent financial stability due to strategic planning and conservative budgeting practices. As such, the LAUSD fund balance is robust, and can help provide the district with the financial flexibility to navigate through the rebuilding process effectively.

In contrast, municipal bonds backed by Tax Increment Financing revenues or tied to single assets, such as nursing homes or charter schools, may encounter more financial difficulties. These entities often face greater risks due to their reliance on a specific revenue stream, which can be less predictable in the wake of a natural disaster.

Bonds issued by the Los Angeles Department of Water and Power (LADWP), the largest municipal utility in the United States, were also affected by the recent wildfires. As the fires raged, the spreads on these bonds widened as investors became concerned that the fires may have been caused by LADWP's power system equipment. Although there's no evidence to suggest that LADWP is at fault, utility companies have been found liable for causing fires in California, Hawaii, and Washington in recent years.

Is the risk of natural disaster priced into the municipal bond market?

As climate-related events increase in frequency and severity, there's research to suggest that these risks aren't yet fully reflected in the municipal bond market. Since municipal bonds are often used to finance infrastructure and other public projects, the financial stability of the issuing municipalities is of key importance and can be threatened in the event of a natural disaster.

Historically, no municipal bond issuer has ever defaulted due to a climate-related event. However, we do believe that this is a risk that needs to be considered, especially given growing concerns about the willingness and ability for insurers to cover growing losses. This factor underscores the importance of active management, where in-depth, bottom-up research can add value by integrating climate risk analysis into the security selection process.

Mitigating risks in municipal bonds with active management

Natural disasters and climate-related events are difficult to predict, but active managers can assess these risks by evaluating an issuer's level of preparedness to recover from such events. This analysis may lead them to pass on a specific name or demand a wider spread to compensate for this risk.

Considering the role of municipal bonds in financing recovery efforts, we believe this approach is essential as regions with a higher likelihood of experiencing these events may increasingly depend on such funding. This approach can potentially help to protect investors while also supporting communities in building resilience against the growing financial challenge presented by these climate-related disasters.

jhinvestments.com

April 11, 2025

[San Antonio City Public Service (TX): Fitch New Issue Report]

San Antonio City Public Service (CPS Energy) maintains a ‘AA-‘ rating with a Stable Outlook, supported by a strong financial profile, diversified customer base, and low operating costs. CPS Energy has increased its debt financing plan to support a $7.4 billion capital expenditure program over the next five years, including the acquisition of 1,710 MW of natural gas-fired generation assets. The utility’s leverage is expected to range between 8.0x and 10.0x. CPS Energy’s revenue defensibility is strong, with significant wholesale energy sales and high customer growth. The utility’s financial profile improved in fiscal 2024, with leverage declining to 6.0x and strong liquidity metrics. Future performance will depend on maintaining adequate operating cash flows and implementing rate adjustments.

Mon 14 Apr, 2025

[State of Connecticut: Fitch New Issue Report]

Connecticut’s ‘AA-‘ rating reflects its strong fiscal management, including robust budgetary controls and reserve funding mechanisms. The state’s economic profile is wealthy but slow-growing, with revenue growth expected to be modest and below national inflation rates. Connecticut’s long-term liability burden is high, primarily due to pension obligations. The state has made significant pension contributions and implemented reforms to manage these liabilities. The Positive Outlook indicates expectations of continued revenue growth and adherence to budgetary constraints. Connecticut’s unemployment rate is low, but its labor market recovery has lagged behind national trends. The state projects revenue and expenditure growth for fiscal years 2025 and 2026, with no new tax policy changes in the 2024 session. The proposed budget includes increased corporate taxes and funding for a universal preschool program. Fitch Ratings notes the state’s ability to manage financial pressures and maintain fiscal balance despite past tax reductions.

Mon 14 Apr, 2025

[Texas Bills Propose Significant Reforms to Infrastructure Financing: Frost Brown Todd]

Two bills of note pertaining specifically to certificates of obligation are being considered by the Texas Legislature. House Bill (HB) 1453 and Senate Bill (SB) 470 are substantially similar, with some key distinctions, in making significant proposed amendments to the Certificate of Obligation Act. Certificates of obligation are a non-voted ad valorem and revenue and tax-secured financing tool that enables local governments to respond proactively to financing critical infrastructure needs rather than delaying until the next bond election cycle.

Pursuant to HB 1453 and SB 470, certificates of obligation can only be issued to (1) comply with a state or federal law or rule for which the issuer has been notified of noncompliance; (2) mitigate the impact of a public health emergency; (3) finance the cleanup, mitigation, or remediation of a declared natural disaster; (4) comply with a court order; and (5) pay for professional services necessary for a public work.

Continue reading.

April 10, 2025

Washington, State of (WA): Fitch New Issue Report

Fitch Ratings has affirmed Washington State's 'AA+' Long-Term Issuer Default Rating (IDR) and GO bond ratings, reflecting its robust economy, strong revenue growth, and solid fiscal management. The state benefits from a balanced four-year budget requirement and substantial fiscal reserves. Education funding remains a significant long-term expenditure due to population growth. Washington's revenue framework is strong, with new revenue sources like the capital gains tax and Climate Commitment Act enhancing long-term prospects. The state's debt and pension liabilities are moderate, and its economic recovery post-pandemic has outpaced national trends. The proposed 2025-2027 budget includes increased taxes and reserve drawdowns, but Fitch expects the state to maintain solid reserves and fiscal resilience.

Mon 14 Apr, 2025

Memorial Sloan-Kettering Cancer Center, New York: Fitch New Issue Report

Fitch Ratings has assigned an 'AA' rating to Memorial Sloan-Kettering Cancer Center's (MSKCC) 2025 tax-exempt revenue bonds. MSKCC is recognized as a leading cancer hospital, with strong market share and financial metrics. The center reported total revenues of $8.1 billion in 2024, with a 9.5% operating EBITDA margin. Key financial metrics include 230.3% cash to debt and 364.5 days cash on hand. The center's strong liquidity and manageable debt support its robust capital spending plans, including a new inpatient pavilion. MSKCC's payor mix remains stable, with significant revenue from commercial and Medicare contracts.

Fri 11 Apr, 2025

State of Oregon: Fitch New Issue Report

Fitch Ratings has affirmed Oregon's Long-Term Issuer Default Rating (IDR) and General Obligation (GO) bond ratings at 'AA+' with a Positive Rating Outlook. This reflects Oregon's strong revenue control, low liabilities and effective financial management. The state's economy is diverse and shows strong long-term growth prospects, although it is heavily reliant on personal income tax (PIT). The Positive Rating Outlook is due to increased reserves in the Education Stability Fund (ESF) and Rainy Day Fund (RDF). Oregon's fiscal 2024–2025 biennium saw record revenues and reserves, with significant PIT and corporate income tax (CIT) growth. The state projects $2.9 billion in designated reserves by the end of the biennium. The governor's proposed fiscal 2026–2027 budget anticipates a 29% revenue increase, maintaining funding for key programs. Oregon's labor market recovery lags the national trend, but overall economic performance remains strong.

Mon 14 Apr, 2025

Tariff-Fueled Market Rout Cost Chicago's Pensions $1 Billion.

Four Chicago pension funds are estimated to have lost nearly $1 billion amid the market rout set off by President Donald Trump's tariff policies, a blow to the city's retirement programs that are among the least funded of all major US cities.

While the largest 25 state and local pension systems have all lost billions this year, the downturn has an outsized impact on those associated with Chicago and its school district because they've been underfunded for decades, according to the Equable Institute, a Washington, DC-based nonprofit that put together the loss estimates.

The net pension liability of the four retirement funds the city contributes to rose about 5% to $37.2 billion as of Dec. 31, 2023, according to the city's latest annual financial report. The institute's analysis didn't include the city's laborer fund.

Continue reading.

Bloomberg Wealth

By Shruti Singh

April 14, 2025

BondLink Launches Parity Plus to Modernize Competitive Bond Sales.

New offering builds on the S&P Global Market Intelligence Parity Platform to deliver enhanced insights and pre-sale investor outreach capabilities to municipal finance teams

BOSTON–(BUSINESS WIRE)–BondLink, the leading cloud-based investor relations and debt management platform for the municipal bond market, is excited to announce the launch of Parity Plus in collaboration with S&P Global Market Intelligence. The new tool provides municipal bond issuers with greater transparency and resources to harness market demand before a bond sale.

Municipal finance teams can now upgrade to Parity Plus to access a suite of advanced pre-sale tools. These include dedicated deal pages that centralize and distribute key financing details to maximize investor awareness, along with a customizable dashboard that provides real-time visibility into bidder activity. Parity Plus also provides sophisticated reporting capabilities so government borrowers and their advisors can assess demand and refine their strategies ahead of bond auctions.

This latest enhancement of Parity initiates a larger, dynamic approach that will bring efficiencies to numerous aspects of the new-issue process. Issuers and Municipal Advisors rely on S&P Global Market Intelligence's Parity bidding platform for close to 4,000 bond auctions each year, making it one of the most important services in the bond market.

Colin MacNaught, CEO & co-founder of BondLink, expressed his enthusiasm for the launch, stating, "We're thrilled to introduce Parity Plus to the muni bond market. This new platform will not only streamline the pre-sale market outreach process but also facilitate more credit evaluations for potential bidders and investors, fostering the opportunity for broader deal participation. Our collaboration with S&P Global Market Intelligence demonstrates the trust vested in us to develop solutions that empower municipal market participants to excel in an increasingly crowded environment."

Fully integrated into the existing Parity workflow, Parity Plus ensures a user-friendly transition for market participants. Those interested in exploring the potential of Parity Plus are encouraged to visit this page for further information.

ABOUT BONDLINK
BondLink, the premiere cloud-based investor relations and debt management platform for the municipal bond market, provides state and local governments with the tools needed to more efficiently finance the public infrastructure that their constituents rely on. Founded by CEO Colin MacNaught, a former Assistant State Treasurer & debt manager for the Commonwealth of Massachusetts, and CTO Carl Query, BondLink went live in 2016. BondLink clients issued more than $70 billion in bonds in 2024, and the company is backed by top investors, including Intercontinental Exchange and Franklin Templeton. Headquartered in Boston, BondLink was recently named to the 2025 GovTech 100, marking its seventh consecutive appearance on the annual list. For more information, visit www.bondlink.com, and connect on LinkedIn and X.

Apr 3, 2025

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Baylor College of Medicine to Use $150 Million From Muni Bond Sale For New Building

The Baylor College of Medicine will receive $150 million from the sale of tax-exempt municipal bonds, which it will use to construct new building for the schools of medicine and health professions.

The Series 2025 A Medical Facilities Mortgage Revenue Bonds will be issued as put bonds with a stated maturity in November 2054 and a mandatory tender date of May 15, 2032, according to roadshow document posted Wednesday on MuniOS.

Pricing is slated for the week of April 7 with an estimated closing on April 23.

The securities will be issued by the Harris County Cultural Education Facilities Finance Corporation, which will then pass along the proceeds to Baylor.

Interest on the bonds is payable semiannually starting on Nov. 15, and then on May 15.

The bonds are limited obligations of the issuer with principal and interest paid by the college under the loan agreement.

Baylor will use money from the sale to build Cullen Tower, a 503,000 gross square foot building that is expected to be completed by June 30, 2026 at an estimated cost of $263 million, according to the roadshow document.

The Baylor College of Medicine was ranked among the top medical schools in the U.S. last year. The college trains more than 3,600 medical, graduate, nurse anesthesia, physician assistant and genetic counseling students, as well as residents and postdoctoral fellows annually.

S&P Global Ratings gave the bonds a rating of A.

Barclays and BofA Securities are the underwriters.

Write to Patrick Sheridan at patrick.sheridan@wsj.com

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(END) Dow Jones Newswires

April 03, 2025 20:08 ET (00:08 GMT)

Harvard to Borrow $750 Million After Funding Threat Warning.

Harvard University plans to borrow $750 million from Wall Street amid mounting threats to its federal funding from the Trump administration.

“As part of ongoing contingency planning for a range of financial circumstances, Harvard is evaluating resources needed to advance its academic and research priorities,” a spokesperson for Harvard said in an emailed statement on Monday when asked about the bond sale.

The debt will be taxable, and proceeds will be used for general corporate-purposes, according to bond documents. Goldman Sachs Group Inc. is the sole bookrunner on the transaction.

Continue reading.

Bloomberg Industries

By Amanda Albright

April 7, 2025

Cornell, Brown Look to Alternative Funding After Trump Threats.

US colleges facing the threat of federal funding cuts under President Donald Trump’s administration are tapping short-term borrowing to preserve cash.

Cornell University is set to roughly triple the size of its taxable commercial paper program to $1 billion, according to Moody’s Ratings. The school plans to replace an existing $1 billion tax-exempt program with commercial paper notes. Brown University and the University of Southern California are exploring similar strategies.

Commercial paper is a short-term financing tool widely used by companies, governments and colleges to fund infrastructure and other projects. Institutions often issue the notes as bridge financing before replacing them with long-term debt.

Continue reading.

Bloomberg Politics

By Amanda Albright and Janet Lorin

April 4, 2025

Chicago's Revenue Surpasses Estimate on Cloud Tax, Home Sales.

Chicago's revenue exceeded estimates by 7.2% in the first two months of this year thanks to taxes on cloud storage and home sales, collections that will help a city that's struggling with annual deficits.

The city collected $365.7 million in revenue during this period, according to a report on its website. That represents a turnaround from January, which showed revenue 4.2% below forecast.

Any additional cash will be helpful for Mayor Brandon Johnson after he closed a roughly $1 billion deficit for this year and previously estimated a similar shortfall for next year. The budget for 2025 that the City Council narrowly passed at the end of last year came after a patchwork of tax hikes.

Continue reading.

Bloomberg Economics

By Shruti Singh

April 2, 2025

NJ Appellate Division Affirms Broad Municipal Authority Under LRHL To Negotiate Redeveloper Payments - Day Pitney

On March 6, the Superior Court of New Jersey, Appellate Division, issued a published opinion upholding a trial court ruling in favor of the City of Long Branch (the City), affirming the legality of a redevelopment plan amendment and a $2 million payment made by the redeveloper to the City, as part of a redevelopment agreement. The decision in *Blackridge Realty, Inc. v. City of Long Branch, A-1400-23, 2025 WL 715100* (N.J. Super. Ct. App. Div. Mar. 6, 2025) reinforces that municipalities have broad discretion under the Local Redevelopment and Housing Law ("LRHL") to negotiate payments with redevelopers without a direct connection between the payment and the specific redevelopment project.

The dispute arose when Blackridge Realty Inc., a former designated developer, challenged the City's

2020 amendment to the Oceanfront-Broadway Redevelopment Plan. The amendment relaxed several restrictions, including by removing density limits, increasing building heights and expanding coverage allowances. The City approved these changes, finding them consistent with its Master Plan. As part of its redevelopment agreement, the designated redeveloper, 290 Ocean LLC, agreed to pay the City $2 million, which was later allocated to renovations of the City's senior center, as seniors were allegedly impacted by the redevelopment of the City's waterfront.

Blackridge filed suit, arguing that the payment was unlawful because it lacked a direct connection to the redevelopment project. It further claimed that its consent was required before the City could amend the plan, given its prior designation as a developer. Blackridge also alleged that the amendment constituted impermissible spot zoning, benefiting 290 Ocean at the expense of other property owners.

Continue reading.

Day Pitney LLP – Nicole M. Magdziak, Craig M. Gianetti, Katharine A. Coffey, Thomas J. Malman, Peter J. Wolfson and Larry Zhao

April 1 2025

North Carolina Medical Care Commission: Fitch New Issue Report

Fitch Ratings has affirmed the 'BBB' rating for Twin Lakes Community (TLC) in North Carolina, reflecting its stable financial profile and sound demand for independent living units (ILUs). TLC completed Phase I of its Stockton expansion, with Phase II set to begin in June 2025 and finish by July 2026. Despite some financial pressures, TLC maintains strong occupancy rates and a solid waitlist, supporting future growth. The bonds are secured by gross revenues and a first mortgage lien. Key financial metrics include a 2.7x MADS coverage and 418.5 days cash on hand. Future expansions and strong market demand are expected to sustain TLC's financial stability.

Oklahoma Capitol Improvement Authority: Fitch New Issue Report

Fitch Ratings has rated the Oklahoma Capitol Improvement Authority's $275 million State Highways Capital Improvement Revenue Bonds, Series 2025A, at 'AA–' with a positive outlook. Oklahoma's 'AA' Long-Term Issuer Default Rating reflects its strong operating performance, low long-term liability burden, and significant reserves, despite the state's economic volatility due to its reliance on natural resources. The fiscal 2025 budget is structurally balanced at $12.47 billion, with reduced one-time spending from the previous year. Oklahoma's reserves are at an all-time high, providing resilience against revenue fluctuations. Future rating upgrades could result from sustained fiscal reserves and economic diversification.

Mon 07 Apr, 2025

[California, State of (CA): Fitch New Issue Report]

California’s ‘AA’ Issuer Default Rating (IDR) reflects its large, diverse economy, strong revenue growth prospects, and solid fiscal management. The state has managed to build up its budgetary stabilization account and eliminate past budgetary borrowing, enhancing its ability to withstand economic cycles. Despite recent revenue volatility, California’s fiscal 2026 budget proposal aims for balance, incorporating a $7.1 billion draw on the rainy day fund. The state faces challenges from slower population growth and increased outmigration, impacting long-term economic expansion. Key fiscal measures include managing pension liabilities and addressing Medi-Cal expenditure increases. Future budget updates will clarify California’s fiscal resilience and economic stability.

Tue 08 Apr, 2025

[Osceola County School District (FL): Fitch New Issue Report]

Fitch Ratings has assigned an ‘AA’ rating with a stable outlook to Osceola County School District, Florida’s $109.55 million Capital Outlay Sales Tax Revenue Bonds, Series 2025. The rating reflects strong resilience with a 2.0x coverage of maximum annual debt service (MADS) by pledged revenues of $45.8 million in fiscal 2024. The district’s revenue growth is expected to surpass inflation, driven by robust sales tax collections and state law changes. Potential risks include revenue declines or leveraging that reduces MADS coverage below 1.5x. The bonds are secured by a voter-approved sales surtax effective through 2036. The district’s rapid population growth and economic diversification are notable, though enrollment growth is moderated by charter and private schools.

Tue 08 Apr, 2025

[Ohio, State of (OH): Fitch New Issue Report]

The State of Ohio’s ‘AAA’ Long-Term IDR and general obligation ratings reflect its high financial resilience and superior budget management. Ohio’s fiscal 2024–2025 biennial budget anticipates 2.9% annual tax revenue growth, with notable tax policy changes reducing revenues by $2.1 billion. The budget includes increased spending on K–12 education, higher education, and Medicaid. Despite revenue shortfalls, Ohio maintained fiscal balance through expenditure savings. The state’s economy is diverse, with significant investments like Intel’s $20 billion semiconductor project. Ohio’s debt and pension liabilities are low, and it maintains substantial reserves, including a $3.8 billion BSF. The state’s revenue growth aligns with U.S. inflation expectations, and its conservative debt management supports a stable financial outlook.

Wed 09 Apr, 2025

[New York City, New York: Fitch New Issue Report]

New York City’s ‘AA’ Long-Term IDR and GO bond rating reflect strong budget monitoring and controls, with reserves at or above 7.5% of spending. The city’s financial resilience is supported by high revenue control and midrange expenditure control. As of fiscal 2024, available reserves totaled $11.4 billion, or 10.1% of expenditures. Despite a mixed demographic and economic trend, high educational attainment and midrange income levels mitigate declining population trends. The city's long-term liabilities are elevated, with liabilities-to-personal income at 25.5%. Future debt needs and pension liabilities are expected to keep long-term liabilities high. The city's role in the New York-Newark-Jersey City MSA, contributing 8.3% to U.S. GDP, is significant. Revenue performance exceeded budget in fiscal 2025, with a $112 billion budget, up 5% from fiscal 2024. Challenges include expected revenue deceleration and changes in federal policies. Fitch expects continued strong budget management and revenue growth post-economic interruptions.

Mon 07 Apr, 2025

Triborough Bridge and Tunnel Authority: Fitch New Issue Report

The 'AA+' long-term rating on the Payroll Mobility Tax (PMT) Bond Anticipation Notes (BANs) reflects the solid growth prospects of the dedicated revenue stream and ample resilience of the bond structure based on the 2.25x additional bonds test (ABT). The rating is capped at the 'AA+' Issuer Default Rating (IDR) of New York State and does not reflect the credit quality of the Metropolitan Transportation Authority (MTA; IDR AA/Stable) as revenues are not exposed to its operations.

Tue 01 Apr, 2025 – 3:00 PM ET

New York City Plans Two Bonds Sales Totaling $3.25 Billion For Public Works Projects.

New York City plans to raise $3.25 billion in two separate municipal bond sales to help pay for capital projects.

The city will offer $1.5 billion in tax-exempt general obligation bonds, Fiscal 2025 Series G, and $1.75 billion of taxable general obligation bonds, Fiscal 2025 Series H, according to documents posted Monday on MuniOs.

Series G bonds are being offered in one subseries, G-1. The bonds mature between 2027 and 2053, and are callable at par starting on Aug. 1, 2035. Bonds that are a part of the $1.75 billion sale will mature between 2027 and 2055. They will be subject to a make-whole redemption, and some maturities may include a par optional redemption.

Retail orders for the Series G bonds will be accepted on April 7, and institutional pricing begins on April 8. Indications of interest on the Series H bonds is on April 14, and pricing will begin on April 15. Both sales are set to close on April 29.

The city said proceeds will be used to pay for various capital projects and pay issuance costs, according to the statements.

According to the city the bonds have preliminary ratings, based on the ratings of currently outstanding general obligation debt, of Aa2, AA and AA from Moody's, S&P Global Markets and Fitch Ratings.

Loop Capital Markets is lead underwriter on the Series G sale, and RBC Capital Markets is lead on the Series H debt.

Write to Paulo Trevisani at paulo.trevisani@wsj.com

(END) Dow Jones Newswires

April 01, 2025 16:10 ET (20:10 GMT)

School for Hollywood, NBA Stars Sells $55 Million in Muni Bonds.

Campbell Hall School, a Los Angeles private school known for educating the children of Hollywood's elite, is borrowing $55 million from Wall Street to pay for a new athletics facility named after a family of basketball stars.

The revenue bonds, which S&P Global Ratings assigned an A rating, are being sold through the California Enterprise Development Authority on Wednesday. Stifel Nicolaus & Co Inc. is managing the offering, according to bond documents.

Proceeds will help finance a replacement for the school's 35-year-old gym which can no longer host athletic tournaments or championships. The new facility will be named after the Holiday family that includes alumni and professional basketball players Aaron, Justin and Jrue Holiday and their mother Toya, who's worked at the school since 1999 and is currently its director of diversity, equity, inclusion and justice.

Continue reading.

Bloomberg CityLab

By Erin Hudson

March 26, 2025

Struggling College Gives Bondholders Rights to President's House.

La Roche University, a private Catholic university in Pennsylvania, is giving bondholders a mortgage on the college president's home as extra protection.

The provision was included as part of a forbearance agreement that the college reached this month with UMB Bank, the trustee for bondholders, according to a regulatory filing. The five-bed, 3 1/2-bath residence, which is similar to others in the neighborhood, is worth an estimated $682,000, according to Zillow.

La Roche, located in a Pittsburgh suburb, is contending with a nearly 30% drop in undergraduate enrollment since 2020. The school was founded in 1963 by the Congregation of Divine Providence and has periodically encountered financial difficulties since then, according to its website. It has about $19 million in municipal-bond debt outstanding.

Continue reading.

Bloomberg Markets

By Amanda Albright

March 25, 2025

Houston's Audit Underscores Ongoing Financial Challenges.

Executive Summary

The City of Houston's Annual Comprehensive Financial Report (ACFR) for FY2023–2024 highlights the City's ongoing financial challenges, despite short-term improvements in its net position.

While the City reported record revenues of $7.3 billion and a $1.3 billion surplus last year, much of that improvement was driven by business-like activities, such as the airport and water systems. In contrast, the governmental fund continues to have a large unrestricted net position deficit of $4.9 billion.

Although there have been improvements in pension liabilities, the City remains burdened by the contributions required to fund its pension and debt service on pension bonds taken out to shore up the funds.

Grant income has seen dramatic growth since 2018, reaching an astonishing 35% of all revenue by 2022. However, this increase has begun to reverse, as grants decline toward historical levels, raising concern about the City's reliance on these funds.

Compounding these financial pressures, the City's population has stagnated since 2017, threatening its ability to grow its tax base.

In addition to these challenges, the City's General Fund faces further strain due to two significant legal rulings last year. First, a settlement with firefighters over backpay resulted in a one-time expense of $650 million, phased in over the next five years and increased firefighter compensation going forward. Second, the City lost a lawsuit resulting in an order mandating transfers from the General Fund to the Dedicated Drainage and Street Renewal Fund (DDSRF) of roughly $100 million annually.

The Combined Utility System (CUS) has shown financial improvement, primarily due to a series of rate increases. Still, it continues to face infrastructure challenges, highlighted by a consent decree with the Environmental Protection Agency (EPA) that requires billions in investments for improvements.

Tax Increment Reinvestment Zones (TIRZs) remain a significant issue, as they continue to divert a growing portion of property tax revenue away from the General Fund, complicating Houston's financial landscape. Last year, the diversion to the TIRZs reached $200 million for the first time.

Houston's fiscal outlook remains precarious, requiring urgent structural reforms to address long-term budget imbalances, manage pension liabilities, and secure sustainable funding for critical infrastructure needs.

View the full paper (PDF).

bakerinstitute.org

March 27, 2025 | Bill King, John W. Diamond, Joyce Beebe

State of Georgia: Fitch New Issue Report

Georgia maintains a 'AAA' rating with a stable outlook, reflecting its strong fiscal management and diverse economy. The state's revenues, primarily from income and sales taxes, show solid long-term growth potential. Georgia's expenditure growth, driven by Medicaid, slightly exceeds revenue growth, but the state effectively manages expenses. The long-term liability burden is low, with rapid debt amortization and fully funded pension contributions. Georgia's economic recovery post-pandemic is robust, with job growth outpacing the national average. The state anticipates stable revenue growth despite recent tax cuts. Significant reserves and a history of prudent fiscal practices position Georgia well for future economic downturns.

Access Report

Wed 26 Mar, 2025

Illinois Finance Authority: Fitch New Issue Report

The Illinois Finance Authority is issuing $500 million in Clean Water Initiative revolving fund revenue bonds, rated 'AAA' by Fitch. The bonds, divided into Series 2025A, 2025B and 2025C, will be sold the week of March 24. The 'AAA' rating reflects the program's strong financial structure, which can withstand significant defaults without interrupting bond payments. The loan portfolio includes about 550 obligors, with the top 10 making up 55% of the portfolio. The program's cash flow is robust, with a projected minimum annual debt service coverage of 1.6x. The program is managed by the Illinois EPA and has shown no pledged loan defaults to date.

Fri 21 Mar, 2025

Broward County School District, Florida: Fitch New Issue Report

Fitch Ratings has affirmed Broward County School District's 'AA-' rating, with a negative outlook due to potential revenue pressures and operational imbalances from declining enrollment and increased expenditures. The district's financial resilience is rated 'bbb' due to limited budgetary flexibility. The district is addressing fiscal challenges through funding model revisions and cost-saving measures. A $123 million settlement for charter schools will be paid over three years. The district's financial profile shows stable revenue trends and a balanced budget for fiscal 2025. Long-term liabilities are low, with strong economic and demographic metrics. Future rating actions depend on maintaining financial stability and addressing enrollment declines.

Mon 24 Mar, 2025

[Covenant Living Communities and Services, Illinois: Fitch New Issue Report]

Fitch Ratings has affirmed Covenant Living Communities and Services (CLC) Obligated Group's (OG) Long-Term IDR at A- with a Stable Outlook. CLC OG, a large not-for-profit life plan community provider, exhibits strong revenue defensibility due to its size and geographic diversity, with 15 campuses across 10 states. Despite a mixed financial profile, including a cash-to-adjusted debt ratio of 77% at FYE 2024, MADS coverage remains consistent with the 'A' category. Future bond proceeds will fund capital projects and debt refinancing. Key strengths include a strong market position and demand for services, while challenges involve inflationary pressures and staffing issues. Fitch's forward look anticipates stable operating performance and consistent financial metrics.

Mon 24 Mar, 2025

[University of Colorado Hospital Authority: Fitch New Issue Report]

Fitch Ratings has affirmed the 'AA' rating for University of Colorado Health (UCHealth) with a positive outlook. UCHealth's strong financial profile benefits from its position as Colorado's only academic medical center, robust operating margins, and a solid relationship with the University of Colorado. Despite industry pressures, UCHealth maintains strong operating EBITDA margins, with a 12.2% margin in FY 2024. The system's cash-to-debt ratio is 370.5%, and it has over $6.9 billion in unrestricted cash. Future capital spending is projected at $3.2 billion through FY 2029. UCHealth's financial stability is expected to persist, even under stress scenarios.

Wed 26 Mar, 2025

[King County, Washington: Fitch New Issue Report]

King County, Washington, has been assigned an 'AAA' Long-Term Issuer Default Rating (IDR) and GO ratings by Fitch Ratings, reflecting its strong financial resilience, demographic, and economic strength. The county's budgetary flexibility is midrange, maintaining an unrestricted fund balance of at least 15% of spending since 2015, with reserves at 26% of spending at the end of 2023. Despite budget gaps due to inflation-driven salary growth outpacing revenue growth, the county is expected to draw on its fund balance while aligning spending with revenue. The county's economic strength is bolstered by high educational attainment and a diverse economy. Future budgets anticipate deficits, but the county plans to address these through revenue measures or service reductions. The county's long-term liability burden is exceptionally low, with planned issuances not expected to impact its credit strength. The 'AAA' rating also considers the county's significant contributions to the Seattle-Tacoma-Bellevue MSA and its strong revenue-raising capacity.

Thu 27 Mar, 2025

[First Use of STAR Bonds in Illinois Signals Commitment to Transformational Economic Development, Stinson Attorneys Advise Developer]

Stinson LLP Partner Tom Smallwood helped secure necessary public financing for the development of a major destination retail and entertainment project, the first to ever use the Illinois Innovation, Development and Economy Act (also known as the STAR Bonds Act). The Oasis Outdoors real estate project in Marion, Ill., is slated to open to the public by 2027. In addition to representing the developer on this financing and various aspects of the development project, Smallwood was the principal drafter of the STAR Bonds Act, having worked with fellow Stinson partner Todd LaSala and stakeholders, lobbyists and legislators to craft and enact the original legislation.

In February, the Marion City Council approved an ordinance to issue approximately $125 million in STAR bonds to support the Oasis Outdoors project, which will consist of the ongoing redevelopment of the Illinois Star Centre Mall and new construction of a hotel and entertainment and sports complex that promises to be a significant economic engine for the City of Marion and surrounding areas. The use of STAR bonds was the essential public financing piece to make the Oasis Outdoors project viable. The public offering of the first STAR bonds issuance closed on March 13, 2025.

“Large-scale mixed-use projects take a significant amount of time and creativity to succeed in any market,” Smallwood said. “For the first time in Illinois, we have a developer and a city with the vision to form a public-private partnership to put STAR bonds to work and create jobs, attract further economic investment and build an exciting entertainment and sports tourism destination for southern Illinois.”

Developer Rodney Cabaness shared his gratitude regarding the firm’s work on this effort. “Projects like this don’t happen without a tremendous amount of collaboration. We were incredibly fortunate to have Tom and his team to help guide us through the process,” Cabaness said. “His efforts will be part of an everlasting transformation to our region.”

Smallwood’s experience in Illinois builds off of Stinson real estate attorneys’ depth of experience with STAR bonds in Kansas. Todd LaSala and other Stinson attorneys have worked on numerous STAR bonds projects to help support real estate-based economic development efforts in various parts of the state.

“Our track record with public-private partnerships utilizing STAR bonds and so many other public financing incentives to support multimillion-dollar development projects shows how the firm successfully navigates complex deals to mitigate risks and bring substantial, positive changes that benefit communities,” Smallwood said.

stinson.com

03.25.2025

[URI Launches State and Municipal Finance Academy to Address Public Finance Workforce Shortage.]

Program offers limited fee waivers for displaced federal workers, grant administrators

KINGSTON, R.I. – March 26, 2025 – The University of Rhode Island Master of Public Administration program, in collaboration with the Rhode Island League of Cities and Towns, URI's Office of Strategic Initiatives, and Gov. Dan McKee's Office, has launched the State and Municipal Finance Academy (SMFA) to tackle the critical shortage of public finance professionals in Rhode Island's state agencies, municipalities, and school districts.

"As part of my administration's Rhode to Prosperity initiative, we're focusing on empowering Rhode Islanders to seek pathways to higher-wage jobs, and that includes jobs in the public sector," said McKee. "The State and Municipal Finance Academy will not only help address the workforce shortage in this crucial sector, but also create more opportunities for Rhode Islanders to advance their careers and increase their earning potential."

Meeting a workforce need

The State and Municipal Finance Academy is a non-credit professional development program designed to equip state, municipal, and school district employees with the essential skills needed for careers in public finance. Through seven weeks of hybrid instruction from Aug. 19 to Sept. 30, participants will gain expertise in state and municipal budgeting, tax assessment, government accounting, state reporting requirements, and negotiations.

The University of Rhode Island's Office of Strategic Initiatives has a long track record of being engaged in efforts to address workforce challenges affecting the state.

"Governor McKee's Rhode to Prosperity calls for experiential learning that empowers Rhode Islanders who seek pathways to higher-wage jobs," said John Olerio, director of URI's Office of Strategic Initiatives. "The Office of Strategic Initiatives is thrilled to partner with the URI MPA program and the Rhode Island League of Cities and Towns to deliver an innovative program that aligns with both Governor McKee's call to provide upward mobility for ambitious Rhode Islanders and to advance the University's strategic goal of addressing the most pressing issues facing our state."

The need for skilled public finance professionals has also been recognized by organizations like the Rhode Island League of Cities and Towns, which surveys its members to identify workforce challenges across the state.

"Rhode Island's cities and towns rely on skilled finance professionals to ensure strong fiscal management and long-term stability," said Randy Rossi, executive director of the Rhode Island League of Cities and Towns. "The State and Municipal Finance Academy is a critical investment in our public workforce, equipping current and future municipal employees with the training they need to advance their careers and better serve their communities. We are proud to collaborate on this initiative and look forward to its positive impact on local government operations across the state."

Graduates of the SMFA will receive a certificate of completion from URI, signifying their specialized training in public finance.

Supporting displaced federal workers

In response to recent federal workforce reductions, a limited number of tuition waivers will be available for displaced Rhode Island federal employees and grant administrators. This initiative aims to help highly skilled professionals transition into state and local government finance roles, strengthening Rhode Island's public sector.

"We are proud to collaborate with our partners to address the critical shortage of skilled public finance professionals in Rhode Island's state and municipal governments," said Aaron Ley, director of URI's MPA Program. "Consistent with our nationally accredited MPA program's mission, this program is designed to strengthen the operational capacity of public institutions while supporting public service employees at all levels of government. We also recognize the challenges faced by displaced federal service workers and grant administrators. To support their continued commitment to public service, we are offering a limited number of seats at no cost, with the hope that they bring their expertise and dedication to serve at the state and municipal level in Rhode Island."

Program Details

• Format: 7-week hybrid program via Zoom

• Dates: Aug. 19 – Sept. 30 (Tuesdays, 9 a.m. to noon)

• Cost: $750 per participant (a limited number of fee waivers available for displaced federal employees and grant administrators)

• Registration: https://web.uri.edu/osi/smfa/

The SMFA will be facilitated by Stephen Coleman, chief of the Division of Municipal Finance for the Rhode Island Department of Revenue. A recognized expert in public finance, Coleman serves on the board of the Rhode Island Government Finance Officers Association and has contributed to key state initiatives such as the Municipal Resiliency Task Force and the Asset Management Commission of Smithfield. "My goal for this program is to expand the pool of qualified local fiscal professionals by introducing students to essential concepts and topics not typically covered in traditional educational programs, but are critical to the role," said Coleman.

With a curriculum tailored to Rhode Island's unique public finance landscape and instruction from experienced practitioners, the State and Municipal Finance Academy is poised to become a cornerstone in training the next generation of public finance leaders.

About the URI MPA program

Established in 1961, the University of Rhode Island's Master of Public Administration program is the only NASPAA-accredited MPA program in Rhode Island. It provides rigorous yet flexible training in public service leadership, policy analysis, and public management. Through partnerships with nonprofit organizations, state agencies, and local governments, the program prepares graduates to lead, manage, and address critical public service challenges.

For more information or to enroll in the State and Municipal Finance Academy, visit https://web.uri.edu/osi/smfa/. Or contact Aaron Ley, at 218-431-6322 ajley@uri.edu

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Oklahoma Agency to Issue $1.15 Billion Muni Bonds for Tire Factory.

Oklahoma's Salina Economic Development Authority plans to issue $1.15 billion in revenue bonds through a Wisconsin agency to fund the construction of a tire factory in Tulsa, Okla.

The factory is projected to produce 4.3 million tires annually and create 500 jobs, according to a statement and roadshow material published Monday on MuniOS.

The goal is to make private-label tires and "displace a portion of the current Asian imports and meet some of the tire growth over the next four years," according to the roadshow. The document says the tires won't be subject of tariffs.

The facilities will be built on land owned by the City of Tulsa and located at the Tulsa International Airport.

The Wisconsin Public Finance Authority is a conduit agency that provides financing support for local governments across the country. Oklahoma's Salina Economic Development Authority will borrow the proceeds to build the factory.

The project will be managed by a Delaware corporation formed for this purpose and wholly owned by Finland's American Tire Works. Another Finish company, Black Donuts, will provide the product and process technology.

The bond issue is called the Revenue Bonds (Salina Economic Development Authority – American Tire Words Project) Series 2025 A (Current Interest Bonds.)

The bonds are a mix of current interest and capital appreciation bonds. The Series 2025 A tranche, current interest bonds will mature between 2025 and 2053. The capital appreciation bonds consist of a tax-exempt tranche Series 2025 B-1 and a taxable tranche Series 2025 B-2.

Interest rates and coupon information weren't available. The bonds are payable from the facilities revenues.

The bonds won't be rated.

Hilltop Securities is the underwriter.

Provided by Dow Jones Mar 18, 2025 10:38am

By Paulo Trevisani

Write to Paulo Trevisani at paulo.trevisani@wsj.com

(END) Dow Jones Newswires

March 18, 2025 13:38 ET (17:38 GMT)

Orrick: Brightline West Project Closes $2.5 Billion in Private Activity Bonds for High-Speed Rail Line Between Southern California and Las Vegas

Orrick served as bond counsel to the California Infrastructure and Economic Development Bank and the Director of the State of Nevada Department of Business and Industry in connection with $2.5 billion of senior subordinated bonds for the financing of DesertXpress Enterprises, LLC's ("Brightline West") privately owned and operated Brightline West high-speed rail project connecting Southern California and Las Vegas. The bonds utilized a portion of the $5.5 billion in tax-exempt private activity bond volume cap allocations received to date from the United States Department of Transportation for the project.

THE COMPANY
Brightline West is affiliated with Brightline Holdings LLC ("Brightline Holdings"), which is indirectly owned primarily by funds managed by an affiliate of Fortress Investment Group LLC ("Fortress"), and owns transportation and real estate assets, including Brightline Trains Florida LLC. Brightline Holdings was formed in 2012 to develop America's first privately funded major intercity passenger rail service in over a century. Its mission is to bring convenient, comfortable and environmentally friendly passenger train travel to the United States market, in line with the success of similar high-speed rail systems globally. Brightline Florida, a subsidiary of Brightline Holdings, owns and operates a 235-mile passenger rail line currently operating from Miami to Orlando.

THE IMPACT
The project aims to transform transportation in the region with fully electric trains capable of reaching speeds up to 186 miles per hour, enabling the 218-mile trip between Rancho Cucamonga, California and the Las Vegas, Nevada to be completed in approximately two hours. Brightline has secured all key rights-of-way necessary to construct the railroad under long-term agreements, including leases, licenses and easements, with the states of Nevada and California and the federal government for passenger rail access to the existing I-15 corridor. The rail system will connect Greater Los Angeles, the second largest metropolitan area in the United States, with Las Vegas, one of the most visited cities in the world, promising widespread benefits for climate goals, job creation and enhanced economic competitiveness for both Nevada and California. "Connecting Las Vegas and Southern California will provide wide-spread public benefits to both states, creating thousands of jobs and jumpstarting a new level of economic competitiveness for the region," said Fortress co-founder, Wes Edens.

THE TEAM
Orrick's John Wang led the team that included Jesse Albani, Sean Yates, Rich Moore, and Orlando Zaragoza.

March.19.2025

Plastic-to-Fuel Recycling Plant Owing Muni Debt Goes Bust.

An Indiana recycling plant that tapped municipal bond investors for capital six years ago has filed for bankruptcy after the facility was marred by design flaws and production sputtered.

Brightmark Plastics Renewal LLC, which converts waste plastic into fuel, filed for Chapter 11 on Sunday, listing assets and liabilities between $100 million and $500 million. The plant employs 113 people and has $172.5 million in outstanding municipal bonds.

The filing came after Brightmark Plastics missed a roughly $13 million debt payment due March 1. The plant's owner, San Francisco-based Brightmark Energy, had contributed more than $211 million in equity and determined it couldn't keep investing in the project, according to a court filing. The company's bonds last traded at about 16 cents on the dollar on Feb. 10. They were issued in March 2019.

Continue reading.

Bloomberg Markets

By Martin Z Braun

March 18, 2025

Texas City Faces a Modern Municipal Bond Dilemma.

Texas City is going through what might be called the Modern Municipal Dilemma, except that it besets not just cities but every governmental body, especially school districts.

It's a point at which voters just will not approve a bond issue no matter how urgently needed and solidly justified the spending might be or how little effect the debt would have on taxpayers.

The district's campuses already are crowded, the student population is growing and is about to grow more and faster as rooftops roll south from Houston.

Continue reading.

By MICHAEL A. SMITH

The Daily News

Illinois Finance Authority: Fitch New Issue Report

The Illinois Finance Authority is issuing $500 million in Clean Water Initiative revolving fund revenue bonds, rated 'AAA' by Fitch. The bonds, divided into Series 2025A, 2025B and 2025C, will be sold the week of March 24. The 'AAA' rating reflects the program's strong financial structure, which can withstand significant defaults without interrupting bond payments. The loan portfolio includes about 550 obligors, with the top 10 making up 55% of the portfolio. The program's cash flow is robust, with a projected minimum annual debt service coverage of 1.6x. The program is managed by the Illinois EPA and has shown no pledged loan defaults to date.

Fri 21 Mar, 2025

S&P Higher Education Brief: Pennsylvania

Overview

As of March 24, 2025, S&P Global Ratings maintains 49 public ratings on Pennsylvania colleges and universities, the most in the higher education sector, including 44 private college and university ratings and five public university ratings. For fall 2024, these universities enrolled about 330,835 full-time equivalent students (FTEs), 173,834 for private colleges and 157,001 for public colleges. Compared with fall 2023, private colleges saw an estimated 2.5% decline in FTEs while public universities saw a roughly 2.8% increase.

Continue reading.

24 Mar, 2025

NYC Municipal Water Authority to Issue $600 Million of Revenue Bonds.

The New York City Municipal Water Finance Authority plans to sell $600 million of revenue bonds to refund outstanding bonds.

The authority seeks to issue Fiscal 2025 Series CC bonds that mature from 2027 to 2046. The issuance includes a term bond with an unspecified maturity year.

Interest on the bonds will be payable semiannually on each June 15 and Dec. 15.

The retail order period ends on March 24, with institutional pricing on March 25.The bonds are expected to be delivered on April 10.

The authority is a public benefit corporation that may borrow money, issue debt and refund bonds, notes and general obligation bonds of the city issued for water or sewer purposes.

Proceeds of the bonds are expected to be applied to refund outstanding second resolution bonds and pay costs of issuance. The authority currently has $33.8 billion of outstanding second resolution bonds.

Moody's assigned a rating of Aa1 to the bonds, while S&P Global Ratings and Fitch Ratings have assigned ratings of AA+.

Raymond James and Siebert Williams Shank are acting as lead managers on the issuance.

Provided by Dow Jones Mar 18, 2025 9:32am

By Zaeem Shoaib

Write to Zaeem Shoaib at zaeem.shoaib@wsj.com

(END) Dow Jones Newswires

March 18, 2025 12:32 ET (16:32 GMT)

Fitch Places District of Columbia Ratings on Rating Watch Negative.

Fitch Ratings – San Francisco – 18 Mar 2025: Fitch Ratings has placed the ratings on the District of Columbia on Rating Watch Negative (RWN). A full list of rating actions and affected securities is below.

The RWN is driven by heightened uncertainty and execution risk created by enactment of a federal government continuing resolution (CR, House Resolution 1968) that funds the federal government through the end of the fiscal year (September 30) and also reverts the District's local funds spending authority to fiscal 2024 levels, necessitating spending cuts that could reach $1.1 billion (approximately 16% of the unexpended local budget appropriations) through the remainder of fiscal 2025 (ending September 30).

Required actions to comply with the CR may be difficult to implement in a relatively short amount of time, and the consequences of a failure to comply with the CR are uncertain. Importantly, the required significant cuts are occurring amidst an economic environment buffeted by material federal workforce reductions. District management reports that the CR does not directly impinge on its ability to collect revenues or its ability to make full and timely payment of debt service on outstanding obligations.

Continue reading.

Florida Authority Selling $96.1 Million of Municipal Bonds For Student Housing.

The Florida Capital Trust Authority will issue approximately $96.1 million of bonds to pay for the construction of a nw student housing facility for the Florida Institute of Technology.

The authority plans to sell $94.6 million of tax-exempt Series 2025 A Educational Facilities Revenue bonds and $1.5 million of federally taxable Series 2025 B debt, according to a document posted Wednesday on MuniOS.

The sale is open only to accredited or institutional investors, according to the roadshow document.

Pricing of the bonds is set for the week of March 31, and settlement the week of April 7. Interest payments on the bonds will be Jan. 1 and July 1, beginning later this year. The tax-exempt bonds are subject to optional call starting July 1, 2035, and the taxable debt is subject to a make-whole redemption prior to maturity.

Proceeds will be used to design, build and equip a new student housing development at the institute's Melbourne campus. The the 149-unit, 556-bed facility will total about 212,000 square feet and include classrooms, laundry facilities and parking. Money from the sale will also be used to pay issuance costs.

Founded in 1958, as Brevard Engineering College, the school initially offered continuing education to scientists, engineers and technicians working at what is now known as NASA's John F. Kennedy Space Center. The Florida Institute of Technology now sits on a 130-acre campus in Melbourne, Florida. Total enrollment for fall 2024 was 9,863. Approximately 48.3% of undergraduate students live on campus. Current housing consists of 2,080 beds in seven residence halls and five apartment/suite-style housing complexes, according to the preliminary limited offering memorandum.

S&P Global Ratings has a assigned a BB rating to the bonds.

Morgan Stanley is the underwriter

Write to Patrick Sheridan at patrick.sheridan@wsj.com

(END) Dow Jones Newswires

March 20, 2025 15:26 ET (19:26 GMT)

Utah School District to Sell $100 Million of Bonds for Capital Projects.

Utah's Davis School District's board of education plans to issue $100 million of municipal bonds to fund capital projects.

The district will offer General Obligation Bonds Series 2025 in a competitive sale, and bids can be submitted electronically starting at 11:30 a.m. ET on March 27, according to a document posted Wednesday on MuniOS. A resolution on the sale of the bonds was approved by voters in a special bond election in November 2022.

The securities will mature starting on June 1, 2026, through June 1, 2045. Interest payments on the bonds begin Dec. 1. The bonds are subject to optional redemption starting on June 1, 2036.

Proceeds from the sale will be used to finance all or part of the costs of purchasing land and equipment, constructing new schools, and making improvements or renovation to existing facilities, according to a notice posted by the district. Money will also be used to pay for related expenses.

The bonds are backed proceeds from ad valorem taxes on all taxable property in the district. They are guaranteed by taxing power of the state under provisions of the Utah School District Bond Guaranty Act.

Established in 1911, the district shares a common boundary with Davis County, a 304-square mile community that had an estimated 373,000 residents as of 2023, according to the U.S. Census Bureau. A portion of the county adjoins both Salt Lake City and Salt Lake County.

Moody's rates the bonds AAA, which are backed by the state of Utah's guarantee. The bonds have an underlying rating of Aa1.

Write to Adam L. Cataldo at adam.cataldo@wsj.com

(END) Dow Jones Newswires

March 19, 2025 19:57 ET (23:57 GMT)

Illinois Finance Authority: Fitch New Issue Report

The Illinois Finance Authority is issuing $500 million in Clean Water Initiative revolving fund revenue bonds, rated 'AAA' by Fitch. The bonds, divided into Series 2025A, 2025B and 2025C, will be sold the week of March 24. The 'AAA' rating reflects the program's strong financial structure, which can withstand significant defaults without interrupting bond payments. The loan portfolio includes about 550 obligors, with the top 10 making up 55% of the portfolio. The program's cash flow is robust, with a projected minimum annual debt service coverage of 1.6x. The program is managed by the Illinois EPA and has shown no pledged loan defaults to date.

21 Mar, 2025

4 Keys to the Future of Public Finance with Microsoft 365 Copilot for Finance.

Every day, the work of public finance professionals provides the financial foundation upon which all government activities can be assured, from delivering basic services to ensuring overall economic stability. In a world of rapid change, however, public finance organizations at all levels of government are straining to meet new demands.

Across industry sectors, 80% of finance teams report challenges in their ability to do strategic work beyond operations.1 For public finance organizations, this is made even more difficult due to the pressures unique to government: budgetary constraints, revenue volatility, public demands for transparency, complex regulations, and workforce challenges, to name just a few.

Modernization plays a major role in helping public governments navigate this landscape. New cloud and AI solutions are helping governments reignite economies by simplifying taxation, improving budgeting, and mitigating fraud and corruption. Now, a new level of impact is at hand with the Microsoft 365 Copilot for Finance, an AI-powered, role-based Copilot agent designed to help government agencies accelerate time to business impact. Copilot for Finance is now in public preview and will be delivered in the coming months.

Continue reading.

microsoft.com

March 11, 2025

A Bay Area City Pioneers Urban-Scale Insurance for Climate Disasters.

Fremont, California, has purchased citywide flood coverage, a novel step that could become more common as the Trump administration looks to shrink FEMA's role.

"Fire took everything, please help."

The headline was one of hundreds like it on GoFundMe campaigns that launched even as the embers of the fires in the Pacific Palisades and Altadena were still smoldering. They were a grim reminder that even in more affluent areas of the US, there are always people who are uninsured or, despite having insurance, still need help with immediate needs like clothing and shelter after a disaster.

Three-hundred and fifty miles to the north of Los Angeles, another California city is pioneering a form of disaster insurance that could provide more reliable relief than the kindness of strangers.

Continue reading.

Bloomberg Green + Citylab

By Leslie Kaufman

March 11, 2025

[Northeastern to Sell Bonds to Replace Iconic Boston Hockey Arena.]

Northeastern University is looking to sell municipal bonds to help replace its storied Matthews Arena, a century-old facility where the NHL's Boston Bruins and NBA's Boston Celtics played.

Board members for the Massachusetts Development Finance Agency, a state agency that can issue debt on behalf of nonprofits, voted on Thursday to approve the issuance of as much as $650 million of bonds on behalf of the university. Currently, Northeastern's men's and women's hockey teams as well as the men's basketball team use the arena, which opened in 1910.

Northeastern wants to replace the facility, more popularly known as the Boston Arena, with a multi-purpose complex that will continue to host the teams but also serve as a space for other academic and non-athletic events. The new arena would seat 4,050 people for ice hockey and 5,300 for basketball events, according to the school.

Continue reading.

Bloomberg Markets

By Amanda Albright and Elizabeth Rembert

March 13, 2025

S&P: Offsetting Characteristics Reduce Wildfire Credit Vulnerabilities For Two California Power Utilities

Key Takeaways

- Two utilities that we rate have characteristics that we believe could stabilize their credit despite increasing risks posed by wildfires in the state of California
- Clean Power Alliance has an operational structure that we believe should shield it from direct liability
- Vernon Public Utilities Department's infrastructure is remote from any of the combustible vegetation that is typically implicated in utility-caused wildfires
- Both utilities also have access to high levels of unrestricted cash to help defray any future assessed liability

What We're Watching

As of publication, the California Department of Forestry and Fire Protection reports that the Eaton and Palisades fires rank as the No. 2 and 3 most destructive California wildfires in recorded history, respectively. The agency estimates that the Palisades, Eaton, and Hughes fire have together caused 42 fatalities, burned more than 48,000 acres, and destroyed over 16,000 structures within Los Angeles County. As we continue to monitor the California not-for-profit public power utilities we rate that are exposed to increasingly frequent and severe wildfires, we have identified two utilities within, or proximate to, the areas affected by the Palisades and Eaton fires — Clean Power Alliance (CPA) and Vernon Public Utilities Department (VPU) — as having offsetting operational characteristics that we believe could stabilize their financial performance and credit quality. These characteristics differentiate CPA and VPU from other utilities in the region, such as Los Angeles Department of Water and Power, Glendale Water and Power, and Pasadena Water and Power, for which S&P Global Ratings lowered ratings or revised outlooks to negative in the wake of the fires. For more information, see “Credit Risks Associated With Wildfires Are Increasing For California Public Finance Entities,” published Feb. 20, 2025 on RatingsDirect.

Continue reading.

3 Mar, 2025

Seattle Private School for Gifted Students to Borrow $35 Million.

A Seattle private school that has Amazon.com Inc. and Microsoft Corp. executives on its board is borrowing $35 million from the municipal-bond market to pay for new facilities in a bid to boost enrollment.

The Evergreen School, which was founded in 1963 for “highly capable” children, will use the funds to construct a new 24,000-square-foot early childhood center on a new parcel across the street from its existing 4.5-acre campus. The new facility will house preschool, prekindergarten and kindergarten classes. The school dug into its reserves to acquire the additional land, according to an investor presentation.

“This project represents both the foundation and the future of our program,” Evergreen’s head of school Halsey Bell said in a statement. “The new early childhood center will give our youngest learners spaces that are purposely designed for their unique developmental needs.”

Continue reading.

Bloomberg Markets

By Erin Hudson

March 5, 2025

Texas Water Development Board: Fitch New Issue Report

The Texas Water Development Board (TWDB) has announced the issuance of $372.125 million in State Revolving Fund (SRF) Revenue Bonds, New Series 2025, rated ‘AAA’ by Fitch Ratings with a stable outlook. The bonds are secured by repayments from clean and drinking water SRF obligors and pledged accounts. The financial structure is robust, with a high default tolerance, ensuring bond payments even under severe stress scenarios. The TWDB’s SRF programs have strong credit quality, with 77% of the portfolio consisting of investment-grade borrowers. The programs benefit from overcollateralization and strong management practices. The combined pool has 353 obligors, with the top 10 representing 48% of the portfolio. Fitch’s analysis shows the financial structure can withstand significant defaults without interrupting bond payments.

Access Report

Tue 04 Mar, 2025

[New York City to Sell $242.8M of Municipal Bonds for Multi-Family Housing Projects.]

The New York City Housing Development Corporation will sell $242.8 million in sustainable development, multi-family housing revenue bonds to finance construction and mortgage loans for housing projects.

The securities will be offered to investors in two separate series, according to a preliminary official statement posted Monday on MuniOS. The corporation will sell $135.1 million of 2025 Series A-1 Sustainable Development Bonds that will mature from 2030 through 2064. They will also sell $124.7 million in 2025 Series A-1 Fixed Rate Term Bonds with maturities ranging from 2040 through 2064.

Retail orders can be placed on March 10, and institutional pricing is scheduled for March 11. The securities are expected to be available for delivery on March 21. All of the bonds are exempt from city, state and federal taxes.

Interest payments will start on Nov. 1, and then be made every six months thereafter.

A portion of proceeds will be used to help finance new construction mortgage loans for the development of the Innovative Urban Village, a mixed-use community in the East New York section of Brooklyn. The project will include affordable housing, retail and community facilities, according to the project's website.

The corporation government agency that began operations in 1972. It was established to finance the creation and preservation of affordable multi-family housing for low-, moderate- and middle-income residents in New York City.

S&P Global Ratings and Moody's Ratings have assigned AA+ and Aa2 ratings to the bonds, respectively.

Loop Capital Markets is senior manager on deal. Barclays and RBC Capital Markets are co-senior managers.

The Wall Street Journal

By Patrick Sheridan

March 4, 2025

Write to Patrick Sheridan at patrick.sheridan@wsj.com

[New York City, New York: Fitch New Issue Report]

Fitch Ratings has assigned an 'AA' rating with a Stable outlook to New York City's $1.4 billion General Obligation (GO) bonds for fiscal 2025, citing the city's strong budget monitoring, financial resilience, and substantial reserves. The city's financial profile is bolstered by high revenue control and midrange expenditure control, despite challenges like high long-term liabilities and a declining population. Fitch recognizes New York City's significant economic role in the New York-Newar--Jersey City metropolitan area, contributing 9.3% of the national metropolitan GDP. The city's budget for fiscal 2025 is $112 billion, with expected revenue growth driven by property and personal income taxes. However, future challenges include decelerating revenue growth, federal policy uncertainties, and state-imposed funding requirements. Fitch expects the city to maintain strong fiscal management, with reserves mitigating potential economic downturns.

Access Report

Mon 03 Mar, 2025

Triborough Bridge & Tunnel Authority (NY): Fitch New Issue Report

Fitch Ratings has assigned an 'AA+' rating to the Triborough Bridge and Tunnel Authority's (TBTA) $400 million Payroll Mobility Tax Bond Anticipation Notes (PMT BANs), Series 2025A, with a scheduled sale date of March 11, 2025. The rating reflects the solid growth prospects and resilience of the pledged revenue stream, primarily derived from payroll taxes and transportation fees within the Metropolitan Commuter Transportation District (MCTD). The senior lien bonds are supported by a 2.25x additional bonds test, ensuring ample coverage and limiting overleveraging. The rating is capped at the 'AA+' Issuer Default Rating of New York State, with the 'F1+' short-term rating based on the senior lien bonds' credit quality. The PMT receipts have shown significant growth, driven by a recent increase in the PMT rate, and are expected to continue exceeding national inflation rates. The bonds are insulated from the Metropolitan Transportation Authority's (MTA) operational risks due to statutory and structural protections.

Access Report

Thu 06 Mar, 2025

State of Illinois - Build Illinois Bonds: Fitch New Issue Report

Fitch Ratings has assigned an 'A+' rating to $725 million of State of Illinois Build Illinois Bonds, with a Stable Outlook. These bonds are backed by state sales tax revenues, which are expected to grow with inflation and provide robust debt service coverage. Despite the strong structural protections, the bond ratings are capped at two notches above Illinois' 'A-' IDR due to the lack of a constitutional or voter-approved pledge. The bonds are resilient to economic volatility, with high coverage levels and legal provisions that segregate pledged revenues from the state's general operations. The economic growth of Illinois, centered on the Chicago metropolitan area, lags the national average. Analysts involved in this rating are Eric Kim and Ashlee Gabrysch.

Access Report

Fri 07 Mar, 2025

State of Ohio: Fitch New Issue Report

The State of Ohio has received an 'AAA' Long-Term Issuer Default Rating (IDR) and General Obligation (GO) rating from Fitch Ratings, reflecting its strong financial resilience, superior budget management, and low long-term liability burden. Ohio's economy is diverse, with significant sectors in manufacturing, finance, healthcare, and real estate. The state has robust fiscal reserves, including a $3.8 billion Budget Stabilization Fund (BSF), and maintains a low debt burden. Ohio's revenue framework is supported by broad-based taxes, but recent tax policy changes have reduced collections. The state's expenditure flexibility is high, with low carrying costs for debt and retiree obligations. Ohio's Medicaid program and education are primary cost drivers, with federal funding playing a significant role. The state has effectively managed budget gaps in economic downturns through expenditure cuts and reserves without drawing on the BSF. Ohio's fiscal 2024–2025 budget focuses on tax cuts, education, and transportation spending, with revenues lagging but expenditure savings closing the gap. The state anticipates no draws on operating reserves in the proposed 2026–2027 budget.

Access Report

Fri 07 Mar, 2025

LA Fire Victims Are Suing Utilities. What's at Stake?

The wildfires that incinerated entire neighborhoods in the Los Angeles area in January were among the most destructive in California state history, killing at least 29 people and causing billions of dollars in property damage.

That loss of life and property has led to a flurry of lawsuits against two utilities: Edison International Inc., an investor-owned electricity supplier with operations in Southern California, and the Los Angeles Department of Water and Power, the biggest municipal utility in the US. Some residents who lost homes, businesses and loved ones allege the utilities failed to take appropriate safety measures in an area highly vulnerable to wildfires.

Over the last decade, electrical utilities in the western US — from California to Oregon, Colorado, Texas and Hawaii — have become frequent targets of lawsuits that blame their equipment for devastating fires. The flood of litigation has put utilities in financial peril and created a backlog that forces many victims to wait years for payouts that may not fully cover their losses.

Continue reading.

Bloomberg Industries

By Peter Blumberg

March 1, 2025

Oregon Bill Would Grant Utilities Immunity From Wildfire Lawsuits.

The bill calls on utilities to meet wildfire protection standards. In return, they'd gain legal protection.

A bill that would establish minimum wildfire prevention standards for electric utilities in exchange for an annual certificate from the Oregon Public Utility Commission could give them immunity from being held accountable in lawsuits, lawyers say.

If passed, House Bill 3666 would give utilities a state-sanctioned defense against lawsuits when their equipment starts fires, leaving customers holding the bag for damages caused by multi-billion dollar companies that provide electricity to nearly 75 percent of Oregonians, lawyers and survivors warn.

Rep. Pam Marsh, D-Ashland, filed the bill Tuesday to create standards for wildfire prevention work undertaken by utilities. That would result in safer communities and help the utilities stay insured by avoiding costly lawsuits, she said.

Continue reading.

governing.com

Feb. 28, 2025 • Alex Baumhardt, Oregon Capital Chronicle

University of California to Sell $1.2 Billion of General Revenue Bonds.

The Regents of the University of California is offering $1.2 billion of municipal bonds and plans to use proceeds from the sale to finance and refinance projects across its system.

The university is selling $320.5 million of 2025 Series CB, and $887 million of 2025 Series CC general revenue bonds, according to documents posted Wednesday on MuniOS.

Retail orders can be placed on March 4, with institutional pricing scheduled for March 5. The offering is expected to close on March 19. Interest payments will be made on May 15 and Nov. 15, with the first payment due in the second half of this year.

The University of California system encompasses 10 campuses, six academic health centers, and three national laboratories. It has about 293,000 full-time equivalent undergraduate and graduate students.

The bonds will be secured by the university's general revenue, bond proceeds and money from other funds and accounts. Sources of revenue include student tuition and fees, and net sales and service revenue from educational and auxiliary enterprise activities, according to the preliminary official statement.

Moody's rated the securities Aa2, and S&P Global Ratings and Fitch Ratings have them rated at AA.

RBC Capital Markets and Siebert Williams Shank are lead managers on the deal.

Provided by Dow Jones Feb 27, 2025 4:30pm

By Stephen Nakrosis

Write to Stephen Nakrosis at stephen.nakrosis@wsj.com

Chicago City Council Passes Controversial $830 Million Bond Plan.

- **Aldermen last week delayed vote on bonds for infrastructure**
- **Critics question why payments for principal delayed until 2045**

Chicago's City Council on Wednesday approved Mayor Brandon Johnson's controversial proposal to sell $830 million in bonds for infrastructure costs despite concerns about the debt's delayed repayment schedule and who would get to use the proceeds.

The ordinance passed 26 to 23.

The finance committee had approved the proposal earlier this month but last week aldermen delayed the full City Council vote given criticism of a plan to start principal payments on the debt in about two decades.

The bond is the first the city is seeking to issue after S&P Global Ratings downgraded its credit one notch to BBB last month. S&P said the cut was due to a "sizable structural budgetary imbalance" that will make aligning costs and revenue "more challenging" in the coming years.

"There's nothing wrong with them needing to borrow the money for their capital plans," Lisa Washburn, a managing director at Municipal Market Analytics, said in an interview before the vote. "The issue is that the debt structure is aggressive and expensive, and pushes the costs well into future."

While some Chicago officials defended the structure of the bonds, Washburn said that such back-loaded debt payment schedules aren't typical in the public finance industry. Plus, the structure as laid out by the administration could make future budgets more challenging, she added.

The City Council narrowly passed a budget for 2025 that closed a nearly $1 billion deficit but questions still remain about how the city will account for $175 million it needs for its underfunded municipal employee pension that it expected to receive from the Chicago Public Schools. The school district has been contributing toward the municipal employee pension for the last few years because its non-teacher employees participate in that plan.

Given deficits for both the school district and the city, that payment has become a source of conflict between the mayor and CPS Chief Executive Officer Pedro Martinez.

Bloomberg Markets

By Shruti Singh

February 26, 2025

Detroit Suburb Tries Muni Sale Again After Hackers Stole Deal Proceeds.

- **Hackers got access to town's email and impersonated official**

- **Thieves gave bank wiring instruction for 2024 bond closing**

Three months after cyber bandits hacked White Lake Township, Michigan, stealing about $30 million during the closing of a municipal-bond offering, the Detroit suburb is returning to the market.

The community of 32,000 plans to sell $29 million of bonds after the cyberattack forced it to cancel a debt issue to finance the construction of a civic center.

On the day of the initial sale's closing in November, criminals impersonated a township official after gaining access to the municipality's email, according to an offering document for the upcoming sale. The hackers then directed Robert W. Baird & Co., the investment bank that bought the bonds, to wire the purchase price to an account they set up.

Continue reading.

Bloomberg Markets

By Martin Z Braun

February 27, 2025

S&P: Credit Risks Associated With Wildfires Are Increasing For California Public Finance Entities

What We're Watching

California wildfires have been increasing in intensity and frequency, occurring in all seasons, and spreading into more densely populated areas, resulting in more structural and infrastructure damage than in the past. Notably, 15 of the top 20 most destructive wildfires (in terms of the number of structures destroyed) in California's history have occurred in the past 10 years, according to the California Department of Forestry and Fire Protection (Cal Fire). As of this publication, Cal Fire estimates the Eaton and Palisades fires were, respectively, the second- and third-most destructive in the state's history (table 1).

Continue reading..

[Free registration required.]

20 Feb, 2025 | 14:54

Chicago Council Delays $830 Million Bond Vote Amid Scrutiny.

- **Proposed schedule won't start paying down principal until 2045**
- **Borrowing would largely fund infrastructure projects**

The Chicago City Council postponed a vote on Mayor Brandon Johnson's $830 million bond proposal after some aldermen criticized the deal's structure, which puts off principal payments for two decades.

The ordinance to sell the 30-year general obligation bonds to fund infrastructure improvements had been slated for a vote during Wednesday's city council meeting after the finance committee signed off earlier this month. But concerns arose after the bonds' delayed repayment schedule came to light.

The proposed structure would allow the city to defer interest payments on the 30-year bonds for two years, with principal pay-downs not starting until 2045, according to a copy of the proposed schedule. The bonds, which will help finance city infrastructure, would have total debt-service costs of more than $2 billion, according to the schedule.

Continue reading.

Bloomberg CityLab

By Elizabeth Rembert and Shruti Singh

February 19, 2025

Muni-Backed Charter School in Texas to Close, Risking $25 Million of Debt.

- **Texas school will shutter at the end of the academic year**
- **Charter schools are leading the distress rate for borrowers**

A charter school in San Antonio is expected to close at the end of the year, jeopardizing $25 million of municipal bonds the institution borrowed just three years ago.

The Gathering Place, a school of roughly 555 students in kindergarten through the 6th grade, had its charter-renewal request denied by the Texas Education Agency because of "academically unacceptable" performance, according to a securities filing dated Feb. 13. The school's board of directors decided not to appeal the decision, the filing said.

"While we're proud of our students' progress and growth, we recognize that our academic achievement results haven't yet reached the level our TGP community deserves," school superintendent Brian Sparks wrote in a letter earlier this month.

Continue reading.

Bloomberg Markets

By Sri Taylor and Martin Z Braun

February 18,

S&P Second Party Opinion: Massachusetts Housing Finance Agency (MassHousing) Impact Framework

MassHousing is an independent, quasi-public agency created in 1966 in the Commonwealth of Massachusetts. The agency provides affordable mortgage loans and other assistance for low and moderate-income homebuyers, and financing to build and preserve affordable and mixed income rental housing. Since its inception, MassHousing has provided more than $29 billion in financing for affordable housing, including financing single-family loans, down payment assistance loans, and multifamily loans. These activities further its mission to confront the housing challenges facing the commonwealth and improve the lives of its citizens. In addition, MassHousing operates the Massachusetts Community Climate Bank, the nation's first green bank dedicated to affordable housing, created in 2023.

Download

S&P Charter School Brief: Colorado

Read the S&P Brief.

19 Feb, 2025 | 19:15 United States of America

Patrick Mahomes' Alma Mater Gets Stadium Makeover With Munis.

- **Texas Tech system sold about $342 million of muni bonds**
- **University is acquiring upgraded projects from foundation**

The football stadium at Texas Tech University, where Kansas City Chiefs quarterback Patrick Mahomes played, is the latest to get a debt-financed face-lift.

One of the school's athletic foundations — known as the Red Raider Facilities Foundation — has already financed the renovations which include upgrades to the stadium's south end zone and a new athletic training facility. Both projects were completed last year and financed through $116.7 million of donations as well as debt. Even Mahomes chipped in $5 million to support the endeavor.

This week, the Texas Tech University System — which encompasses five institutions and enrolls more than 63,000 students — sold $341.5 million of municipal bonds to help acquire the projects from the foundation, according to offering documents. Proceeds from the sale are expected to pay off the loan the nonprofit incurred for the projects, among other uses, the documents state.

Colleges often tap the municipal bond market to help finance upgrades on campus including stadium renovations. Last year, a roughly $300 million bond sale funded improvements to Florida State University's football stadium. The bond sale was secured by revenue from the athletic department and Seminole boosters.

The Texas Tech Red Raiders play at Jones AT&T Stadium in Lubbock, which is roughly 350 miles west of Dallas. When it opened in 1947, the stadium could hold 27,000 people and has gone through multiple renovations over the years. Now it has a capacity of more than 60,000, about the same as some professional facilities.

The school's football coach and athletics director toured NFL stadiums to get inspiration for the most recent renovations, which mark the largest athletic project in school history. The upgrades feature new concession options, luxury suite seating and screening rooms for football players to watch tape and simulate plays.

“This initiative extends beyond the stadium, including state-of-the-art training facilities that will enhance the student-athlete experience and support their development both on and off the field,” said Allison Hirth, assistant vice president of marketing and communications at Texas Tech, in a statement. “The project underscores Texas Tech’s commitment to competing at the highest level, equipping student-athletes with the necessary resources while elevating the gameday experience for fans.”

The bond deal priced on Thursday and was managed by Siebert Williams Shank, according to investor roadshow documents. Tax-exempt bonds maturing in 2051 priced at a 4.22% yield, 34 basis points above AAA rated municipals, according to data compiled by Bloomberg.

The securities carry a AA+ rating from Fitch Ratings and Aa1 from Moody’s Ratings, the second-highest grades available. The rating incorporates Texas Tech’s “excellent strategic positioning and sizable scope of operations,” according to a report by Moody’s authored by Nicolanne Addalli.

Bloomberg Markets

By Elizabeth Rembert and Amanda Albright

February 20, 2025

S&P: Texas Schools Face Uncertain Fiscal 2026 Budget Cycle Amid Rising Costs, Stagnant State Funding

Key Takeaways

- Texas public schools faced significantly increased credit pressure in 2024, with downgrades and outlook revisions to negative outpacing upgrades and positive outlooks.
- We took negative rating actions on Texas school districts experiencing weaker local taxing base growth, declining enrollment, or management’s difficulty in closing structural gaps due to constrained revenue or expenditure flexibility.
- State legislative negotiations continue on increases to per-pupil funding and the establishment of a statewide Educational Savings Account (ESA) program for private and alternative school options, which could affect long-term funding for public schools.

Continue reading.

10 Feb, 2025

Idaho Housing & Finance Association: Fitch New Issue Report

The ‘AA+’ rating on the series 2025A bonds reflects strong growth prospects for state sales tax collections, the source of revenues pledged to the bonds and the resilience of the bond structure. Available sales tax collections, net of distributions that occur ahead of the Transportation Expansion and Congestion Mitigation (TECM) Fund distribution, provide strong debt service coverage, even when taking into account maximum future issuance. The rating is capped at one notch below the state of Idaho’s ‘AAA’ Issuer Default Rating (IDR), as the Idaho Legislature retains the ability to alter or repeal the continuing appropriation for debt service.

Access Report

Wed 12 Feb, 2025

New York City Transitional Finance Authority: Fitch New Issue Report

The ‘AAA’ rating on the subordinate future tax-secured (FTS) revenue bonds reflects solid long-term growth prospects for pledged revenue and the bonds’ highly resilient structure. Fitch Ratings anticipates that the bond structure will be able to withstand changes in economic cycles and maintain solid debt service coverage. Fitch’s analysis indicates resilience would be strong even if New York City leveraged the pledged revenue up to its legally permitted amount, but Fitch expects issuance to be well below that level as excess revenue flows to the city for general operations. A very strong legal structure insulates bondholders from the operating risk of New York City (IDR: AA/Stable.

Access Report

Wed 12 Feb, 2025

Wisconsin, State of (WI): Fitch New Issue Report

The Wisconsin Environmental Improvement Fund (EIF) is issuing $28 million in Environmental Improvement Fund Revenue Refunding Bonds, 2025 Series 1 (Green Bonds), rated AAA by Fitch Ratings with a stable outlook. The EIF’s financial structure can absorb significant defaults without interrupting bond payments, supported by a large and diversified loan pool of over 590 participants. The bonds are secured by pledged loan repayments and other revenues. The program’s cash flow is strong, with projected annual debt service coverage exceeding 3.3x through 2043. The EIF is managed by Wisconsin’s Department of Natural Resources and Department of Administration, and has never experienced a payment default. Fitch’s analysis confirms the program’s robust financial health and ability to withstand stress scenarios.

Access Report

Thu 13 Feb, 2025

Commonwealth of Pennsylvania: Fitch New Issue Report

The ‘AA-‘ rating on the Pennsylvania Economic Development Financing Authority (PEDFA) revenue bonds reflects appropriation risk. Appropriations for PEDFA debt service payments are subject to annual appropriation by the state legislature. Pennsylvania’s ‘AA’ Issuer Default Rating (IDR) reflects Fitch Ratings’ assessment of solid operating performance, as well as the commonwealth’s low long-term liability burden and broad flexibility to manage spending pressures.

Access Report

Thu 13 Feb, 2025

Kutak Rock Grows Minneapolis Office to Become Largest Public Finance Firm in Minnesota.

Kutak Rock LLP is pleased to announce that four public finance attorneys have joined its Minneapolis office. Their addition makes Kutak Rock the largest public finance firm in Minnesota by number of public finance attorneys, bringing the total in the state to eight (with more than 130 nationwide). The four attorneys make the move from Kennedy & Graven Chartered. The group strengthens the firm's service offerings in the areas of public finance, economic development, and municipal law, increasing Kutak Rock's total attorney count to 576.

Joining the firm's Minneapolis office are Jenny Boulton, Julie Eddington, Gina Fiorini and Sofia E. Lykke. The new attorney group represents numerous cities, counties, housing and redevelopment authorities, economic development authorities, townships, school districts and other governmental entities in all aspects of public finance, including the issuance of revenue bonds, general obligation bonds, conduit revenue bonds, lease financing, tax increment financing and economic development and redevelopment.

"We are thrilled to welcome Jenny, Julie, Gina and Sofia to our team," said Justin Reppe, a public finance partner in Kutak Rock's Minneapolis office. "Their exceptional talent and deep experience in public finance will significantly enhance our ability to serve our clients across Minnesota. Bringing them to the firm aligns with our mission to deliver innovative, client-focused solutions."

"Kutak Rock has a broad national footprint, deep experience across many practice areas, an unparalleled reputation for exceptional commitment to client service and a welcoming, collaborative culture," said Sofia Lykke. "When we looked for a new home for our clients, we wanted a firm that values public finance and its practitioners and has made a long-term commitment to the practice. Kutak Rock is that firm. We are excited to bring our team's experience to Kutak Rock and look forward to working with our new colleagues as we join the Minneapolis office."

"Kutak Rock was founded 60 years ago in public finance and, as evidenced by this announcement, continues its commitment to this core practice," remarked John Petr, Chair of Kutak Rock. "We're excited about the contributions our new colleagues will make to our firm and about the additional capabilities and services their affiliation with Kutak Rock will allow them to offer clients ."

Kutak Rock's Minneapolis office opened in 2011 with two public finance attorneys. Today there are 27 attorneys practicing in the areas of real estate, energy, healthcare, employment, employee benefits, business litigation, intellectual property and public finance.

February 4, 2025

Kentucky Agency Offers $122 Million in Bonds for New Power Facility.

The Kentucky Municipal Energy Agency plans to sell nearly $122 million in bonds for construction of a power generating station.

The agency is offering approximately $57 million in Series 2025 serial bonds with maturities ranging from 2029 to 2045. The agency is also selling $28.5 million in term bonds that mature in 2050 and $36 million in term bonds maturing in 2055.

The bonds are slated to be priced on Feb. 12 and have a closing date of March 6, according to the roadshow document accompanying the preliminary official statement posted Monday on MuniOS.

Interest payment dates on the bonds are due on Jan. 1 and July 1, beginning July 1, 2025.

The securities are limited obligations of KYMEA and backed by revenues generated and paid under power purchase agreements from member municipalities.

Proceeds from the sale will be used to build a 75 megawatt natural gas-fired power generating station and associated ancillary support systems located in Madisonville, Hopkins County, Kentucky. Funds will also be used to pay the costs of bond issuance.

Moody’s Ratings and Fitch Ratings have given the bonds A3 and A ratings, respectively.

BofA Securities is the underwriter of the bonds.

Provided by Dow Jones

By Patrick Sheridan

Write to Patrick Sheridan at patrick.sheridan@wsj.com

Feb 4, 2025 9:41am

[Arizona's Salt River District to Sell $650 Million in Bonds for Electric System Improvements.]

Arizona’s Salt River Project Agricultural Improvement and Power District plans to issue $650 million in municipal bonds for improvements to its electric system.

The district plans to use the proceeds from the Electric System Revenue Bonds, 2025 Series B, to finance capital improvements to the electric system under a capital improvement program, refund certain outstanding revenue bonds, and cover issuance costs, according to roadshow material published Wednesday on MuniOs.

The capital improvement program for fiscal years 2025 through 2030 totals about $11.5 billion, including construction and other expenses meant to shore up the district’s generation, transmission and distribution systems.

The bonds are secured by revenues from the district’s electric system operations after payment of operating expenses. In the fiscal year ended April 2024, the district reported operating revenues of $4.05 billion from about 1.2 million customers.

The securities are rated AA+ by S&P Global Ratings and Aa1 by Moody’s.

Maturity, coupon and interest rate details weren't available. Pricing is preliminarily scheduled for Feb. 11 and closing for March. 4. The bonds are subject to optional redemption prior to maturity.

J.P. Morgan is serving as the lead manager for the issuance.

Provided by Dow Jones on Feb 6, 2025

By Paulo Trevisani

Write to Paulo Trevisani at paulo.trevisani@wsj.com

(END) Dow Jones Newswires

February 06, 2025 14:13 ET (19:13 GMT)

Texas Tech University System to Sell $343.4 Million in Bonds for Facilities.

The Texas Tech University System plans to sell $343.4 million in municipal bonds for the acquisition, construction, renovation and improvement of certain facilities.

The funds will also be used to pay for the design and construction of a new athletic training facility and improvements to the Jones AT&T Stadium, according to documents posted Thursday on MuniOs.

The university system is selling $306 million of Series 2025 A and $37.4 million of Series 2025 B Refunding and Improvement Bonds due Feb. 15 from 2026 to 2054. The Series 2025A bonds are tax exempt while the Series 2025 B bonds are taxable.

Interest on the bonds is payable on Feb. 15 and Aug. 15 of each year, starting Aug. 15, 2025.

Pricing of the bonds is scheduled for Feb. 20, with closing expected on March 13.

The university system consists of Texas Tech University, Texas Tech University Health Sciences Center, Texas Tech University Health Sciences Center at El Paso, Angelo State University and Midwestern State University. The system had fiscal year 2024 operating revenue of $1.71 billion and enrolls almost 64,000 students as of fall 2024.

The bonds are payable from and secured solely by the pledged revenues of the University System's Revenue Financing System.

The securities have been assigned ratings of Aa1 by Moody's and AA+ by Fitch Ratings.

Siebert Williams Shank and Jefferies are serving as lead managers on the issuance.

Provided by Dow Jones Feb 7, 2025 1:43pm

By Zaeem Shoaib

Write to Zaeem Shoaib at zaeem.shoaib@wsj.com

(END) Dow Jones Newswires

February 07, 2025 16:43 ET (21:43 GMT)

S&P Second Party Opinion: Rhode Island Housing And Mortgage Finance Corp. Impact Framework

S&P Global Ratings assesses Rhode Island Housing and Mortgage Finance Corp.'s Impact Framework as light green, indicating activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term low-carbon climate resilient solutions. Rhode Island Housing and Mortgage Finance Corp. is a public corporation of the State of Rhode Island. As the state's primary housing agency, Rhode Island Housing and Mortgage Finance Corp. provides affordable financing options and assistance programs for both multifamily and single-family housing.

Download

Cash-Flush Florida Seeks to Retire $1.7 Billion of State Debt.

- **Governor's proposal marks start of state budget negotiations**
- **DeSantis has prioritized paying down state tax-backed debt**

Municipal bonds sold by the state of Florida are poised to become much scarcer.

That's because Governor Ron DeSantis plans to pay down $1.7 billion of tax-supported debt as part of his budget proposal for the fiscal year that begins in July. The spending plan — dubbed the "Focus on Fiscal Responsibility Budget" — builds on his existing debt-reduction program.

Florida has been paring its liabilities for years and DeSantis has made it a priority since he took office in 2019. The state had roughly $15.4 billion of direct debt outstanding at the end of the last fiscal year, according to an annual debt report prepared by the Division of Bond Finance. That's a 40% drop since 2015, the data shows. Direct debt includes tax-backed bonds and those secured by self-sustaining revenue like highway tolls.

Continue reading.

Bloomberg Markets

By Erin Hudson

February 5, 2025

NJ Bonds for American Dream Megamall Miss February Payment.

- **Debt makes up a quarter of $1.1b muni bonds issued for complex**
- **Securities traded in September at 90 cents on the dollar**

Municipal bonds issued to finance the American Dream megamall didn't make their February interest payment, according to a securities filing.

The bonds that missed the payment are tied to sales tax collections at the $5 billion shopping and entertainment complex and backed by New Jersey economic development grants. The bonds account for about $287 million of the roughly $1.1 billion of municipal debt issued to finance the project.

Last August, after months of delay, bondholders received a $26 million distribution of grant revenue from the state to pay a portion of the $46 million of interest on the debt that was past due. Under the terms of the grant agreement, payments are only made once in a 12 month period, the filing said. The payments are subject to appropriation by the state legislature.

Continue reading.

Bloomberg Markets

By Martin Z Braun

February 7, 2025

Charlotte Gets Approval for $400 Million of Muni Debt.

North Carolina's biggest city is poised to sell $400 million of municipal bonds after a recent population surge underscored the need for more infrastructure.

Charlotte received approval to sell the debt from an arm of the state Treasury on Tuesday. Proceeds of the upcoming sale will finance transportation improvements and affordable housing projects, among other initiatives. The bonds were greenlit by voters in November's election and are backed by a 0.25-cent tax increase per $100 of assessed property value.

Known as the Queen City, Charlotte is riding the wave of a broader migration to the South, with residents drawn to the region for more affordable housing and warmer climates. It is one of the fastest-growing cities in the country, adding roughly 15,600 people between 2022 and 2023, according to US Census Bureau data. That surge had pushed Charlotte's population to more than 900,000, making it one of the largest in the US, the data show.

Continue reading.

Bloomberg Markets

By Aashna Shah

February 4, 2025

PIMCO Expects No Disruption to LA Muni Bondholder Payments After Fires.

NEW YORK, Jan 29 (Reuters) – Los Angeles municipal bond issuers should be able to absorb losses caused by fires in the region without disrupting payments to investors, U.S. bond fund manager

PIMCO said on Wednesday.

“While the situation is devastating, our baseline expectations are that the long-term credit impact of the Los Angeles wildfires will be manageable,” said the Newport Beach, California-based firm, which manages around $2 trillion.

The Los Angeles region has been devastated by a series of wildfires since Jan. 7 that are still not fully contained.
Los Angeles city and county, along with nearby school districts and the state of California, are in a strong financial position to manage losses, ensuring bondholder payments remain unaffected, said PIMCO.

It highlighted the municipality’s broad tax base that, despite property damage and losses, will continue to generate sufficient revenues to meet debt obligations. Federal Emergency Management Agency (FEMA) funding for temporary assistance will also be key to ensure continued debt payments, it said.

“We believe all affected local governments entered this disaster with healthy liquidity and reserve funds, helping to provide near-term funding and a longer-term bridge to potential FEMA reimbursement for rebuilding,” said PIMCO.

In contrast to the city, county, state and school districts, the credit profile of the Los Angeles Department of Water and Power (LADWP) has deteriorated after it was sued for allegedly failing to properly manage water supplies critical to fighting the deadly Palisades Fire, PIMCO said.

Ratings agency S&P Global Ratings downgraded the U.S. largest utility’s water and power bonds by two notches earlier this month citing potential vulnerability to liability claims.

The risk of missed debt payments is low due to solid financials, said PIMCO, but investors may require higher returns to hold LADWP bonds to take into account the potential financial impact of litigations over the next few years, it said.

LADWP did not immediately respond to an email seeking comment outside of regular business hours.

By Davide Barbuscia

January 29, 2025

Pimco Warns LA City Utility Faces Liabilities After Fires.

- **Sees LADWP likely to get caught up in protracted litigation**
- **Says LA muni bonds girded against payment disruptions**

The Los Angeles Department of Water and Power is facing the risk of significant financial liability for damages in the utility’s response to the Palisades Fire, according to Pacific Investment Management Co.

“Given the sheer size of insured and uninsured losses, managing wildfire claims could have a material impact on the leverage profile of LADWP, and the risk premium investors require to hold roughly $19 billion in outstanding debt,” the asset manager said in a report to clients. The firm oversees a $309 million California muni bond fund, among other products.

A series of catastrophic wildfires that began on Jan. 7, and are still not fully contained, have devastated Southern California. Legal experts are suggesting the nation's largest municipal utility may be held accountable under a legal argument called inverse condemnation, which could pave the way for property owners to collect damages from the utility for leaving fire crews without enough water.

Continue reading.

Bloomberg Markets

By Maxwell Adler

January 29, 2025

State of Ohio: Fitch New Issue Report

Ohio's 'AAA' IDR and GO ratings reflect the state's high level of financial resilience and superior budget management, as evidenced by robust fiscal reserves and cash, and the state's proven ability to absorb the effects of economic cyclicality and repeated tax policy changes. Ohio also has a low long-term liability burden and associated carrying costs.

Access Report

Tue 04 Feb, 2025

Connecticut Housing Finance Authority to Issue $300 Million in Social Bonds.

The Connecticut Housing Finance Authority is issuing nearly $300 million in municipal bonds to finance housiprograms.

The Housing Mortgage Finance Program Bonds, 2025 Series A, consists of $100 million in tax-exempt Subseries A-1 and roughly $200 million in federally taxable Subseries A-2 bonds.

Proceeds will be used to finance new home mortgage loans and agency securities, refund and replace existing bonds, make a deposit to the Housing Mortgage Capital Reserve Fund, and cover issuance costs.

The social bonds are secured by revenues from home mortgage loans and multifamily mortgage loans.

The issuance includes serial and term bonds. All of them were priced at par.

Serial bonds mature between 2025 and 2037, with interest ranging from 3% to 5.651%. Term bonds mature between 2040 and 2055 with interest rates between 4.5% and 5.953%.

The bonds are rated Aaa by Moody's and AAA by S&P.

RBC Capital Markets is the lead underwriter.

The bonds is expected to be delivered on Feb. 6.

Provided by Dow Jones Jan 30, 2025 10:54am

By Paulo Trevisani

Write to Paulo Trevisani at paulo.trevisani@wsj.com

(END) Dow Jones Newswires

January 30, 2025 13:54 ET (18:54 GMT)

[Temple University to Sell $219.5 Million of Bonds to Refund Existing Debt.]

Temple University plans to issue $219.5 million of municipal bonds to refund existing debt.

The First Series of 2025 Temple University of the Commonwealth System of Higher Education Revenue Bonds have maturities ranging from 2026 through 2045, according to documents posted Tuesday on MuniOS.

Pricing is scheduled for Jan. 29 and closing on Feb. 11.

Proceeds of the sale, together with other available funds, will be used to refund Temple University Revenue Bonds, First Series of 2015, 2016, and 2020, as well as Second Series of 2016 bonds. Proceeds will also be used to pay the costs of issuance, according to a document on MuniOS.

Interest on the bonds is payable initially on April 1, 2025, and semiannually thereafter on April 1 and Oct. 1.

The bonds are a general interest obligation of Temple University, and are payable from the gross revenue, which includes appropriations from the state. Total revenue without donor restrictions in fiscal 2024 was $1.3 billion, according to the roadshow document.

Temple University was founded in 1884 and is situated on six campuses in Pennsylvania, with its main campus located in North Philadelphia. Fall 2024 enrollment was approximately 30,000 students, making it one of the 50 largest public, fully accredited higher education institutions in the U.S.

S&P Global Ratings and Moody’s have assigned ratings of A+ and Aa3 to the bonds, respectively.

Loop Capital Markets is senior managing underwriter on the transaction.

Provided by Dow Jones Jan 29, 2025 3:24pm

By Patrick Sheridan

Write to Patrick Sheridan at patrick.sheridan@wsj.com

(END) Dow Jones Newswires

January 29, 2025 18:24 ET (23:24 GMT)

Ohio Boomtown Turns to Munis for $1 Billion Airport Revamp.

- **Columbus airport authority to replace city's international hub**
- **Airports raised more than $20 billion in muni market last year**

Columbus, Ohio, is having a moment. But, as more businesses and residents flock to the state capital for its cheaper cost of living, its aging airports are feeling the strain.

To address the region's growing capacity needs the region's airport authority will issue $1 billion of investment-grade municipal debt on Tuesday, marking the agency's largest bond sale ever and the most ambitious overhaul in the history of Columbus' airports. Proceeds will go toward building a modern facility replacing the outdated 1958 terminal for the John Glenn Columbus International Airport, as well as retiring debt and a reserve account, according to preliminary bond documents.

"As external businesses grow and more and more folks move to the area, we need an airport that can support the future needs of the community," said Fabio Spino, chief financial officer of the Columbus Regional Airport Authority.

Continue reading.

Bloomberg Markets

By Aashna Shah

January 27, 2025

California Wildfires Threaten Home Values Across State, S&P Says.

Home values throughout California could face downward pressure following the Los Angeles-area wildfires as increases in insurance premiums exacerbate the state's affordability crisis, S&P Global Ratings said.

Property owners may struggle to secure adequate insurance, increasing risk and lowering a home's perceived value across California, especially in disaster-prone or high-risk areas, according to the report released Friday.

"This will be problematic for a state that has already been experiencing muted population growth as many people leave for more tax-friendly affordable places to reside," S&P analysts led by Patricia A. Kwan wrote in the report.

Continue reading.

Bloomberg Markets

By Maxwell Adler and John Gittelsohn

January 24, 2025

Fire-Ravaged LA Library District Issues Bleak Bondholder Warning.

- **District says ability to pay debt service could be impacted**
- **Loss of tax revenues due to the fire hasn't been totaled yet**

A library district just north of Los Angeles says that so many homes and businesses in its taxing zone have been destroyed by a massive wildfire that it might not be able to raise enough revenue to pay municipal bondholders.

The Altadena Library District Community Facilities District said in a regulatory filing that it anticipates that the majority of the structures damaged or destroyed in the Eaton Fire are within its taxing boundaries and that it expects the number of parcels destroyed or damaged will increase as Los Angeles County completes its inspections. None of the libraries within the district were destroyed.

The fire, which is now mostly contained, has killed 17 people, burned through 14,000 acres and destroyed more than 9,000 structures since it began Jan. 7, according to the California Department of Forestry and Fire Protection.

"The District is not able to quantify the loss of special tax revenues within the Community Facilities District at this time and the impact it may have on the District's ability to make debt service payments on the Bonds," the district said in a disclosure dated Jan. 17.

The warning is the first municipal borrower affected by the wildfires to disclose a related credit issue, according to Municipal Markets Analytics partner Matt Fabian.

The library district issued about $21 million in municipal bonds in 2022 that are secured by revenue from a special property tax. S&P Global Ratings has placed the bonds on watch for a possible downgrade because of the fire damage and the district's lack of a debt service reserve fund. In fiscal year 2025, more than 95% of the special taxes came from residential properties, S&P said.

If property owners fail to pay the special taxes, banks holding mortgages on those properties may advance the taxes to the district to preserve values, Fabian wrote in a Jan. 22 note. The bonds are also insured by Assured Guaranty "so the potential for non-payment on bondholders is minimal," he said.

Bloomberg CityLab

By Erin Hudson

January 23, 2025

University of California Taps Munis for $2 Billion With Enrollment at Record High.

- **Fall 2024 enrollment for UC system reached a record 299,407**
- **Deal likely to do well in primary market: Abrdn's Laranjeiro**

The University of California system is joining the borrowing boom in higher education this week with plans to sell $2 billion of tax-exempt revenue debt.

As student enrollment across its 10 campuses hits an all-time high, the UC system is looking to raise debt to pay for capital projects and refinance older obligations. Retail investors will get a chance to place orders for the investment-grade issue on Wednesday, with pricing to follow on Thursday, according to MuniOS documents.

While smaller and less prestigious colleges around the country face demographic challenges, the university network has managed to expand its student body. Enrollments hit 299,407 this past fall, a 5% increase from 2019's prepandemic tally, university data show.

Continue reading.

Bloomberg Markets

By Elizabeth Rembert

January 22, 2025

Orrick: Novel Bond Offering Provides More Affordable Housing in Portland, Oregon at Lower Cost

BRIDGE Housing, a nonprofit affordable housing developer on the West Coast, has raised $70.7 million in a tax-exempt bond offering to finance the construction of 224 units of affordable housing at a crucial transit juncture in Portland, Oregon.

The project represents a public-private collaboration among BRIDGE, TriMet and numerous public and private funders and partners.

Orrick served as bond counsel to Oregon Housing and Community Services Department, which acted as the conduit issuer for the tax-exempt bonds, awarded low-income housing tax credits (LIHTC) to the project and provided a portion of the public gap-funding for the project

KeyBanc Capital Markets served as the underwriter in the public offering and sale of the bonds, which were sold as rated investment grade (AA-) bonds based on the guarantee of the bonds by BRIDGE Housing. Sam Adams, managing director of affordable housing for KeyBanc, noted that BRIDGE Housing is "the first nonprofit to guarantee municipal bonds using a credit rating" resulting in a considerably lower interest rate for the bonds.

THE PARTIES
The Oregon Housing and Community Services Department provides resources for Oregonians to reduce poverty and increase access to stable, affordable housing. The Department issued more than $550 million in conduit revenue bonds in 2024, financing 24 projects across Oregon, all leveraging

low-income housing tax credits and numerous other public and private funding sources.

BRIDGE Housing is a nonprofit developer, owner, and manager of affordable housing on the West Coast, with a mission to strengthen communities and improve lives. Hollywood HUB is the most recent, among several, innovative BRIDGE Housing projects in the Portland metro region in recent years. Founded in 1983, BRIDGE Housing has participated in the creation of more than 22,000 affordable homes in California, Oregon and Washington, with a total development cost of $5.8 billion.

KeyBanc Capital Markets is a leading corporate and investment bank providing capital markets and advisory solutions to dynamic companies capitalizing on opportunities in changing industries, including a broad range of financing solutions in the affordable housing sector.

THE IMPACT
BRIDGE Housing will use the bond proceeds to develop Hollywood HUB. The 224-unit project is one of the largest affordable housing developments in Oregon in recent years and is located adjacent to the TriMet's Hollywood Transit Center in NE Portland. In addition to the bonds, the project received an award of low-income housing tax credits and numerous public and other gap funding sources, including METRO, HOME and Housing Trust Funds through the Portland Housing Bureau and the Department.

"We are constantly seeking innovative financing to spur sustainable growth and advance our urgent mission to provide affordable housing," said BRIDGE Housing President and CEO Ken Lombard. "We are grateful to KeyBank for leading this pathbreaking bond sale, to our investors, and to our partners on this very important project."

THE TEAM
Michael Schrader led the Orrick team that served as bond counsel and advised the Oregon Housing and Community Services Department on the project. The team included Paul Toland, Alexandra Bartos-O'Neill, Angie Gardner, Raiko Kaneshige-Green, Steven White and Barbara Jane League.

"Our aim is to help our client address the housing crisis in Oregon by efficiently and effectively maximizing the public and private funding sources that are essential to create safe, sustainable and affordable housing. The Hollywood HUB project exemplifies how the private and public sectors can innovate and collaborate, supported by a dedicated team of professionals, to finance these projects that are critical in beginning to address the housing crisis," Toland said.

January.24.2025

Chicago Schools Take $400 Million Advance From Revolving Credit.

- **The draw on Jan. 8 is more than the $100 million a year ago**
- **Public school district faces rising labor costs, other strains**

The Chicago Board of Education tapped $400 million from its short-term revolving credit agreements with Bank of America and PNC Bank.

The amount drawn on Jan. 8 exceeded the $100 million draw down taken just a year ago, according to bond filings. It comes as the fourth-largest US public school district faces escalating fiscal pressures with federal pandemic aid coming to an end, underfunded pensions and rising labor costs.

A spokesperson for the public schools did not say specifically what the latest advance will be used for but said in an email statement that the money will “fund current operational expenses.”

Continue reading.

Bloomberg Markets

By Shruti Singh

January 23, 2025

WSJ: Los Angeles Wildfires Hit Some Muni Bonds

Altadena public library bonds traded lower and L.A. power and water bonds suffered a credit ratings downgrade, signs the municipal market is growing concerned about the Los Angeles wildfires.

Los Angeles area governments will be able to rely on federal and state aid plus a rich and diverse tax base to help fund their recovery. The Altadena library, which is still standing, and L.A.’s water and power debt remain well within investment-grade status.

But the fires could still disrupt the taxes and fees flowing to many borrowers in the $4 trillion market for state and local governments.

The library bonds traded at 95 cents on the dollar Tuesday, down from 100 cents on the dollar in December. The bonds, issued three years ago to finance a renovation still underway, are largely backed with special taxes collected in Altadena, a mostly residential eight-square mile area of unincorporated Los Angeles County hit hard by the Eaton fire.

Also Tuesday, S&P Global Ratings lowered its grades on the city of Los Angeles’s water and power bonds. Those securities are backed by fees paid by L.A. rate-payers, some of whose homes burned down in the Palisades fire. While only a small share of ratepayers have so far been affected, analysts said the increasing likelihood of fire disruption in L.A. and other urban areas makes such bonds a shakier bet going forward.

The Wall Street Journal

by Heather Gillers

LA Fires Test Bond Market Used to Shaking Off Disasters.

- **Blazes are a ‘tipping point’ for munis, researcher says**
- **Utility rates likely to rise because of rebuilding costs**

There’s a truism in municipal debt: Bonds rarely move on natural disasters. That long-tested concept had held up until fires destroyed thousands of properties in Los Angeles last week.

The Los Angeles Department of Water and Power — the biggest American municipal utility — has seen its bonds drop and credit rating downgraded as the blazes continue to burn. A planned debt sale this week is in limbo. While there hasn't been anything to establish a connection between LADWP's power lines and the Palisades Fire in its territory, the investor concern is clear.

The disaster has exposed LADWP's fire preparedness as vulnerable and perhaps inadequate. It didn't turn off electricity in the Pacific Palisades before the massive blaze erupted Jan. 7 — the type of move power giants PG&E Corp. and Edison International frequently make when extreme winds are forecast. The utility has already been sued by homeowners faulting it for not supplying enough water to fight the flames.

Continue reading.

Bloomberg Markets

By Maxwell Adler, Mark Chediak, and Amanda Albright

January 16, 2025

S&P Downgrades Los Angeles Muni Utility Bonds by Two Notches.

S&P Global Ratings on Tuesday lowered the rating on municipal bonds sold by Los Angeles Department of Water and Power, downgrading the utility's power system bonds by two notches to A from AA-.

The ratings company said that the rating on the power system bonds "face further and significant downward pressure" after the devastating wildfires in Los Angeles. S&P also lowered its rating on the utility's water system revenue bonds by two notches to AA- from AA+. Prices on LADWP power bonds have already dropped in recent days as investors assess the damage posed by the fires.

"Although the utility's infrastructure has so far not been implicated as the cause of the ongoing wildfires, the increasing frequency and severity of highly destructive wildfires within LADWP's service territory and recent spread into more urban areas highlights the utility's potential vulnerability to financial liability claims that could eclipse its liquidity and insurance coverage," said S&P Global Ratings credit analyst Paul Dyson.

Continue reading.

Bloomberg Markets

By Amanda Albright

January 14, 2025

LA City Utility Sued Over Water Shortage for Palisades Fire.

- **Failure to fix reservoir blamed for inadequate fire response**
- **Blaze bigger than Manhattan has razed over 5,000 structures**

The city of Los Angeles' electric and water utility was hit with a lawsuit faulting it for not supplying enough water to fight the biggest fire still raging in the second-largest US metropolis.

Property owners in the city's tony Pacific Palisades neighborhood sued the Los Angeles Department of Water and Power, the largest municipal utility in the US. The complaint appeared late Monday on the Los Angeles Superior Court's website, but hasn't yet been fully processed by the court.

The plaintiffs claim that a reservoir that had been drained and not repaired, coupled with inadequate water pressure in fire hydrants, undercut efforts by firefighters and ultimately allowed the wind-whipped fire to spread out of control. The cause of the fire remains under investigation.

Continue reading.

Bloomberg Markets

By Jef Feeley, Mark Chediak, and Robert Burnson

January 13, 2025

Los Angeles Muni Utility's Bond Sale Is in Limbo Amid Fires.

- **Pricing of borrowing has been moved to 'day to day' status**
- **Deal had been expected to sell on Wednesday: pricing wire**

A bond offering by the Los Angeles Department of Water and Power that was expected to price this week moved to "day to day status" on Monday amid the wildfires in Southern California, according to people familiar with the matter, who asked not to be identified discussing the deal.

Bank of America Corp., the lead underwriter of the transaction, sent a notice that the transaction has been moved to day-to-day status, according to a pricing wire viewed by Bloomberg. That designation typically signals a deal will price when conditions warrant. The utility was set to offer water system revenue bonds for capital projects, according to preliminary bond documents dated Jan. 7. It was initially set to price on Wednesday, according to a separate pricing wire.

Power system bonds sold by the utility have dropped in the past week after the devastating wildfires in Los Angeles. The department is the largest municipal utility in the US, responsible for providing electric and water services to about 3.8 million residents. As of Dec. 31, the system had about $6.6 billion of water-revenue debt outstanding, bond documents say.

Sheryl Lee, a spokesperson for Bank of America, declined to comment. A spokesperson for LADWP didn't immediately provide a response to requests for comment.

Bloomberg Markets

By Amanda Albright

January 13, 2025

Fitch: California State Lease Bond Facilities Not Affected by Wildfires

Fitch Ratings-San Francisco/New York-17 January 2025: Facilities supported by state appropriation-backed bonds remain unaffected by the recent Los Angeles wildfires, according to Fitch Ratings. The California State Public Works Board (SPWB) and the State Treasurer's Office have reviewed the leased facilities in the Los Angeles area for the SPWB bonds and have indicated that none have been damaged by the LA fires.

The SPWB issues appropriation-backed bonds for facilities throughout the state. Each state agency's obligation to pay rent under the various facilities' leases between state agencies and the SPWB is subject to the ongoing use and occupancy of the facility leased under the facility leases. Rent can be abated when there is substantial interference with the use and occupancy of the facility.

Fitch generally rates appropriation-backed bonds one notch below the obligor's Issuer Default Rating (IDR), reflecting the slightly higher degree of optionality associated with lease/appropriation payments compared to the IDR. Fitch believes the incentive and propensity to repay lease/appropriation debt is closely linked to an obligor's incentive and propensity to repay all debt. This reasoning applies to abatement leases and Fitch does not apply additional notching from the IDR when abatement is present. Fitch assumes that the issuer will repay such debt even if it technically has the option not to do so.

This was the case in 2023 when the California Department of Food and Agriculture (CDFA) lost use and occupancy of a bond-financed facility following flooding in Tulare. The obligation of the CDFA to pay rent under the facility lease between the CDFA and SPWB was abated as there was substantial interference with the use and occupancy of the facility. At that time, it was determined that the abated portion was modest relative to the overall lease financing and the SPWB used legally available funds for payment of a portion of one debt service payment. Ultimately, the bonds were defeased through a subsequent refunding issuance and such CDFA facility is no longer subject to a facility lease for any outstanding SPWB bonds.

Investment Brief: California Wildfires' Potential Impact on Municipal Bonds

Here, we address questions we have received from investors about how the blazes might affect municipal credits in the state.

In Brief

- We expect that very few municipal credits in Los Angeles and Ventura Counties will face any long-term negative credit impact from the January 2025 wildfires.
- School districts affected by wildfires have received financial support from Sacramento in the past, while revenue-bond issuers should face limited to no long-term credit impact from the wildfires.
- In assessing the financing of recovery efforts, we would note that in previous disasters, the rebuilding process has historically been supported by a range of solutions including significant federal aid, support from state governments, and funding mechanisms such as increased taxes, higher utility rates, and issuance of additional municipal debt.
- While the potential liabilities, if any, faced by the electric-utility arm of the Los Angeles Department of Water and Power (LADWP) may not be determined for some time, we believe that LADWP has strong cost recovery mechanisms available, with extraordinary support from governmental entities also being possible.

The series of wildfires that broke out in Los Angeles in early January has caused tremendous damage, and our thoughts are with all those affected, their friends and families, and the first responders working to contain the blazes. At times like this, it is difficult to see past the immediate suffering, but investors in California municipal bonds should be reassured that we expect very few municipal credits in Los Angeles and Ventura Counties to face any long-term negative credit impact from the disaster. In addition, investors may take some comfort in the fact that municipal bonds directly support fire prevention and containment efforts—financing the construction of fire stations, the acquisition of fire trucks and emergency service vehicles, and the maintenance of water infrastructure that makes fighting fires possible.

The road to recovery after disasters is often a long and difficult one, but time after time, we have seen impacted communities show resilience following disasters, whether they are hurricanes, ice storms, or wildfires. The rebuilding process has historically been supported by significant federal aid, extraordinary state legislation, and state support, in addition to more traditional routes for raising funds such as through increased taxes, higher utility rates, and issuance of additional municipal debt. Considering all the financial levers available to municipal entities, we view the downside more as the time it will take to determine the solution rather than the actual risk of nonpayment of financial obligations.

Government & School District Impact
As we discussed in a previous article, California's general obligation credit standing remains strong. While concerns about the liabilities created for the state's insurer of last resort, the FAIR Plan, have been well publicized, less frequently noted is that the state is not responsible for making up any shortfalls that may materialize from claims related to wildfire damage—the burden will be spread across ratepayers all over the state in the form of insurance surcharges and thus will not directly affect the state's finances.

While the large size and revenue diversity of city and county credits help insulate them from localized emergencies, the state's school districts, with their reliance on enrollment-linked state revenues and often much smaller size, face a different set of challenges. Fortunately, the state has historically been very quick to step in when disaster strikes.

Case in point: Following the 2018 Camp Fire, the Paradise Unified School District lost nearly half of its enrollment in one year as families were forced to relocate while rebuilding efforts commenced. The state immediately tasked the Fiscal Crisis & Management Assistance Team with identifying a solution, and quickly passed emergency "hold harmless" provisions that granted the district additional funding that was gradually phased out through fiscal 2023. Because of the state's prompt and effective action, the district's credit rating remained investment grade, and no negative actions were taken by the rating agencies while the hold harmless provisions phased out.

Two areas that have been significantly affected by the current wildfires are Pacific Palisades and Altadena. Because neither Pacific Palisades nor Altadena are independent municipalities themselves, there are no outstanding general obligation bonds that are backed solely by these areas.

Sector Impact
Beyond tax-backed debt, the municipal bond market also consists of other sectors such as healthcare, higher education, transportation, and utilities. In our analysis, almost all such credits operating in Los Angeles County and Ventura County should face limited to no long-term credit impact from the wildfires due to strong existing creditworthiness or sufficient physical distance from the wildfires, although a few names need to be monitored given proximity to the blazes. There is a very limited number of names and sectors that we would expect to see negative credit impact from the wildfires.

One sector that could be negatively affected would be real estate development deals in the direct path of the wildfires. Known in our market colloquially as “dirt” deals, such issuances are typically secured by special tax assessments on property or revenues derived from incremental assessed value growth within the area where the development took place. Issuances backed by very small acreage face stress if hit by a force majeure event. In our review of the broader California dirt market, we have pinpointed very limited outstanding dirt debt which may see a negative credit impact from the recent fires.

Focus on LADWP

The highest-profile municipal issuer in the headlines is the Los Angeles Department of Water and Power (“LADWP”). The electric arm of LADWP serves much of Los Angeles County including Pacific Palisades. In California, electric utilities are liable for wildfire damage caused by their equipment. It has not been formally determined if LADWP equipment in Pacific Palisades sparked the Palisades Fire, and a formal determination is likely months away, but at least two media outlets have reported that no LADWP equipment was in the immediate vicinity of the ignition point, and that the fire is initially suspected to be caused by humans.

In the meantime, we think it is worth reviewing LADWP’s credit strengths. LADWP is the largest municipal utility in the country and is currently highly rated (following S&P’s downgrade of the debt to ‘A‘ on January 14, LADWP is rated either ‘AA’ or ‘A’ by all three major rating agencies). Unlike corporate utilities, LADWP, as a municipal utility, has independent rate-setting authority, which includes the ability to raise rates or issue debt as it sees fit, without any third-party oversight. Significant wildfire-related liabilities, if any, could be addressed by issuing debt and raising rates, and/or via extraordinary support from the city, county, state, or federal governments. Higher rates would be suboptimal for LADWP ratepayers. However, residential rates are currently 21 cents per kilowatt-hour (kWh), significantly lower than the 32 cents per kWh rate paid by residential customers of Southern California Edison (SCE), the largest electric utility adjacent to LADWP. Therefore, LADWP retains very significant ability to raise rates if needed. We would also note that, per a recent Moody’s default study,1 there have historically not been any municipal electric utility defaults due to weather incidents like hurricanes, wildfires, and other events.

We expect continued headline risk, but we also note that (1) cost recovery mechanisms for LADWP are inherently strong; (2) the cause of the Palisades Fire remains undetermined with initial speculation being that the fires were not sparked by LADWP equipment; and (3) even if LADWP is found liable for significant damages, there is a playbook in place to address such costs in an orderly manner, with extraordinary support from governmental entities also being possible. Nevertheless, it is important to continue to monitor the still-ongoing fire developments and the size of any potential liabilities, which have continued to grow.

The previously mentioned SCE has also been in the headlines, as the large Eaton fire was sparked within its service area. SCE, which has a very limited amount of municipal debt outstanding, is a regulated investor-owned utility that is subject to a different cost recovery process. We would note, though, that SCE has access to a significant, newly formed, $20 billion-plus wildfire fund available for the three California based investor-owned utilities. Further, the limited number of outstanding SCE municipal bonds are senior secured, meaning that in more stressed scenarios they would likely be senior to any potential unsecured wildfire liabilities.

Looking Ahead

After the fires are contained, public attention will turn to how communities will be rebuilt, how such events can be prevented in the future, and whether there will be an entity or entities that will be deemed financially responsible. We view rebuilding as inevitable given the attractiveness of the affected real estate locations, but questions will remain about the longer-term impacts on demographics and the insurance market. In terms of future prevention, storm hardening and wildfire mitigation protocols will be top of mind as the state finalizes its latest budget in the coming months.

Finally, we reiterate that we expect very low probability for any municipal bond payments to be disrupted, and that almost all municipal credits in California should see little to no credit impact from the recent wildfires. Even those that could see a potential credit impact, like LADWP, have very strong credit fundamentals and a playbook if needed to address very significant costs. We do expect headline risk to remain though, for many months, but not all unfavorable headlines will necessarily mean a negative credit impact.

LORD ABBETT

By Gary M. Huang, Roman Schuster

January 14, 2025

State of Washington: Fitch New Issue Report

The State of Washington's 'AA+' Long-Term Issuer Default Rating (IDR) and GO bond ratings reflect its broad and growing economy, with solid long-term revenue growth prospects, and the state's demonstrated commitment to maintaining fiscal balance. The ratings also reflect long-term liabilities that place a low burden on the economic resource base. Revenue performance over time has exceeded U.S. GDP growth. Fitch Ratings expects this to continue to support strong revenue growth prospects. Washington possesses ample expenditure flexibility, with various statutory commitments including broad responsibility for education and infrastructure spending offset by low carrying costs. Washington also benefits from the broad expense-cutting authority common to most U.S. states. The combined burden of debt and net pension liabilities is low as a percentage of personal income but above the median for U.S. states as calculated by Fitch. Washington maintains very strong gap-closing capacity and budgetary flexibility with solid reserves.

Access Report

Thu 16 Jan, 2025

Los Angeles Utility's Municipal Bonds Drop Amid Destructive Wildfires.

- **The city's Department of Water and Power is largest in the US**
- **JPMorgan analysts said the utility faces downgrade risk**

Power revenue bonds sold by Los Angeles's municipal utility dropped on Friday amid the devastating wildfires in Southern California.

Prices on municipal debt issued by the Los Angeles Department of Water and Power have declined this week. The average spread on debt due in 2045 widened to 112 basis points on Friday, up from as little as 95 basis points in December.

The scale of the destruction in America's second-largest city is becoming clearer. At least 10,000 structures, including homes and businesses, have likely been damaged or destroyed as the blazes have burned about 30,000 acres, fire officials said.

The Los Angeles Department of Water and Power is the largest municipal water and power utility in the US, with 1.4 million electric customers. JPMorgan Chase & Co. strategists said the utility and other issuers "face headline and downgrade risk."

Analysts at S&P Global Ratings said in a report Thursday that the fires "might pose significant financial and operational risks for rated entities, especially if not-for-profit electric utilities' infrastructure triggered the fires."

Still, Bank of America Corp. strategists said in a Friday report that Los Angeles's overall credit profile will remain resilient given that it's the second-largest city in the US. Utilities can also adjust rates to support operations when necessary, they said.

Bloomberg Markets

By Amanda Albright

January 10, 2025

KBRA Comments on Los Angeles Area Wildfires and Potential Risk to Real Property Leased Assets Associated with Certain MICLA Lease Revenue Bonds.

NEW YORK–(BUSINESS WIRE)–With wildfires still burning in the Los Angeles area, KBRA is tracking real property leased assets of the City associated with various series of KBRA-rated lease revenue bonds issued by the Municipal Improvement Corporation of Los Angeles ("MICLA").

Under the respective Lease Agreements, the City of Los Angeles ("the City") agrees to pay MICLA, as rent, basic lease payments from the City's General Fund. The City also agrees to pay "additional payments" which include insurance premiums on insurance required under each Lease Agreement.

Lease payments are subject to abatement if there is substantial interference with the use and possession of the real property because of loss, damage or destruction. However, lease payments are not subject to abatement to the extent that the proceeds of rental interruption insurance relating to the series of lease revenue bonds are available to pay lease payments which would otherwise be abated.

Per the Lease Agreements, during the term of the Lease Agreements, the City must maintain rental interruption or use and occupancy insurance to cover the total or partial loss of the use of any part of a MICLA property caused by any covered hazard for a period of 24 months. The City is not permitted to self-insure rental interruption insurance through its risk retention program. The Trustee is the beneficiary, and any amounts received shall be credited towards the relevant lease payments in the order in which they become due.

The City has also covenanted in the Lease Agreements to maintain insurance against certain risks, and the City's annual budget includes funds for commercial insurance against loss or damage to the MICLA properties by fire and lightning. Extended coverage is also required for loss or damage by explosion, windstorm, smoke and certain other hazards.

Given the structural protections of the MICLA Lease Revenue Bonds, KBRA does not currently see any near-term credit impact on the KBRA-rated MICLA Lease Revenue Bonds. We will continue to monitor the status of the fires and their impact, if any, on the underlying properties.

January 10, 2025

San Francisco To Sell $996 Million in Bonds for Airport Upgrades.

The Airport Commission of the City of San Francisco will issue $996 million in municipal bonds to help fund its capital improvement plan.

The commission will sell approximately $243 million in Second Series 2025 A Revenue Bonds with maturities ranging from 2029 through 2036 and $627 million in term bonds maturing in 2055. The commission will also offer $108.4 million in Second Series 2025 B Revenue Bonds with maturities ranging from 2037 to 2053. Additionally, Second Series 2025 C Revenue Bonds in the amount of $17.1 million with a maturity date of November 1, 2025 will also be offered.

The Series A issue are AMT bonds, while the Series B is non-AMT and the Series C are federally taxable.

The pricing date on the offering is scheduled for Jan. 14 and the closing date is Feb. 6, according the roadshow document accompanying the preliminary official statement posted Thursday on MuniOS.

The bonds will be secured with a pledge of, lien on and security interest in the net revenues of the San Francisco International Airport.

Proceeds will be used to help fund the modernization of Terminal 3 West and the renovation of Terminal 1 Center. Proceeds will also be used for cargo and hangar improvements, runway upgrades, wastewater system improvements and preliminary work for shoreline protection projects. Funds will also be used to repay certain commercial paper notes and pay the costs of issuance, among other things according to the document on MuniOS.

For calendar year 2023, San Francisco International Airport was ranked as the 12th most active airport in the U.S. in terms of total passengers. The airport serves the second most populous area in California and the 5th most populous area in the U.S. The San Francisco area economy was the 11th largest in the world in 2022 and accounted for 36% of California GDP and 5% of U.S. GDP, according to a roadshow document on MuniOS.

S&P Global Ratings, Moody's Ratings and Fitch Ratings have assigned AA-, A1 and A+ ratings to the bonds, respectively.

Samuel A. Ramirez & Co. is a lead underwriter on the offering.

Provided by Dow Jones Jan 9, 2025 12:17pm

By Patrick Sheridan

Write to Patrick Sheridan at patrick.sheridan@wsj.com

(END) Dow Jones Newswires

January 09, 2025 15:17 ET (20:17 GMT)

[In California, a Movement for Locally Controlled Finance Gains Ground.]

At the end of 2019, the California Public Banking Act (AB 857) opened the doors for local governments to establish public banks. Just months later, the pandemic brought the world to a standstill, slowing progress. Yet, in the years since, this once-radical idea has quietly gained traction, reshaping the conversation about who controls financial power. In today's unpredictable political and economic climate, local control isn't just practical—it's essential for advancing the public good.

Building a movement of this scale takes time. Progress has been slow, as institutional change often is. However, the ultimate impact could be profound. Public banks offer the promise of shifting economic power back to local hands, reducing reliance on federal and for-profit backing. This is no minor reform. It's about transforming how public funds work to serve our collective benefit, not individual gain.

By empowering cities to establish community-owned, community-grown banks that focus on local needs above corporate profits, public banks offer a pathway to cut municipal costs, expand credit access, and drive sustainable growth—all while challenging Wall Street's control of public dollars.

Continue reading.

nonprofitquarterly.org

by Trinity Tran

January 8, 2025

Disaster Aid Seen Easing Risk to Los Angeles Area Muni Bonds.

The devastating wildfires in Los Angeles are unlikely to have an impact on the bonds of local governments as US officials promise financial support from the Federal Emergency Management Agency, according to a report from FHN Financial.

"While the personal losses and community impacts are unimaginable, so far we expect municipal bondholders will be spared from the same magnitude of damages," FHN's Abigail Urtz said in a report.

The influx of aid and insurance payments has historically prevented natural disasters from driving local governments to default on their debt even in cases where the damage has been significant. That appears to be likely again, with the Biden administration issuing a disaster declaration that will allow for FEMA funding to be disbursed.

Continue reading.

Bloomberg Markets

By Amanda Albright and Maxwell Adler

January 9, 2025

San Francisco Airport to Sell $1 Billion in Bonds for Expansion.

- **Bond sale will finance capital projects and debt repayment**
- **Fitch affirmed an A+ rating on outstanding SFO airport debt**

The San Francisco International Airport is planning to tap the muni bond market with a $1 billion deal, becoming the latest among its peers to seek new capital.

The Bay Area airport will use proceeds of the debt sale to fund $565 million in capital improvement projects, repay outstanding obligations, and fund reserve requirements, according to a report from Fitch Ratings published this week.

Airports had been major debt issuers in 2024, borrowing more than $20 billion from muni investors last year, according to data compiled by Bloomberg. The deluge is expected to continue with facilities in Ohio and Texas already floating upcoming deals.

In San Francisco, air travel has recovered slower than its cohorts across the nation, though its performance is consistent with California peers, according to Fitch. “A full recovery is expected over the next few years as domestic departures ramp back up,” the analysts at Fitch led by Jim Code said.

The company assigned an A+ rating to the new sale and affirmed that grade on about $8.9 billion of the Bay Area airport’s revenue bonds. It provided a stable rating outlook for all of its debt, citing its “strong operational and financial performance.”

Moody’s Ratings upgraded the airport’s outlook to positive on Monday, signaling it may boost its credit rating. Moody’s rates the airport’s debt as A1, according to a report.

The raised outlook “recognizes that SFO’s enplanement recovery is poised to advance with continued strength in the local economy driven by investments in the areas AI technology companies,” the analysts at Moody’s said in the report. “The positive outlook also reflects that SFO’s service offering is tilted toward premium travelers that we expect to drive growth in the high-end segment this year, despite slow overall growth caused by weakness in low-cost travel.”

The airport’s capital improvement plan totals about $11 billion through 2033 with a majority of it to be financed through bonds, according to Fitch. The airport has a bevy of projects on its agenda, including fortifying its shoreline to address flooding risks and upgrading terminals.

A representative from the airport didn’t reply to phone and email messages seeking comment.

Bloomberg Markets

By Aashna Shah

January 7, 2025

San Francisco (City & County), California: Fitch New Issue Report

The revision of the Rating Outlook to Negative reflects San Francisco's persistently large budgetary gaps, which the city is closing primarily through the use of various non-recurring resources, including pandemic aid, fund balance, and other one-time sources. This is reflected in a -1 notch additional analytical factor (AAF), which reduces the headroom at the current 'AAA' rating. The stability of the 'AAA' rating is predicated on the city making demonstrable progress in closing the budget gap.

Access Report

Thu 09 Jan, 2025

Iowa Finance Authority, Iowa: Fitch New Issue Report

The 'AAA' rating reflects the ability of Iowa Finance Authority's (IFA) financial structures to absorb hypothetical pool defaults in excess of Fitch Ratings' 'AAA' stress scenario without causing interruption in bond payments. Aggregate pool credit risk is measured using Fitch's Portfolio Stress Model (PSM), and the strength of the program's financial structure is measured using Fitch's Cash Flow Model.

Access Report

Wed 08 Jan, 2025

NYC Congestion Pricing Helps MTA; Bridge, Tunnel Revenues May Decrease - Fitch

Fitch Ratings-New York/Chicago-09 January 2025: Manhattan's Central Business District Tolling Program (CBDTP; congestion pricing) will provide important funding for the Metropolitan Transit Authority's (MTA) capital budget, Fitch Ratings says. However, the program will likely reduce connecting bridge and tunnel toll revenues despite the recent increase in tolls for crossings between New York and New Jersey.

Negative ratings actions are unlikely for the Triborough Bridge and Tunnel Authority (TBTA) and Port Authority of New York and New Jersey (PANYNJ), as varied revenue streams support their financial profiles. Both TBTA and PANYNJ have substantial financial cushions to absorb traffic declines and maintain their current ratings.

A federal judge recently ruled against New Jersey in a lawsuit brought by the state, which sought to halt congestion pricing. However, the ruling required the Federal Highway Administration (FHA) to provide additional information on the environmental impact on certain communities by Jan. 17.

Continue reading.

Children's Hospitals and Clinics of Minnesota: Fitch New Issue Report

The ‘AA’ rating reflects Children’s Health Care’s (d/b/a Children’s Minnesota, or Children’s Hospitals and Clinics of Minnesota) strong balance sheet and robust liquidity. The rating also reflects Fitch Ratings’ expectation of a marginal operating improvement over the next two to three years as Children’s Minnesota starts an electronic health record (EHR) conversion project while focusing on operating efficiencies and key service line growth. Fitch expects operating EBITDA margins to reach about 7% by fiscal 2027, following compressed margins in fiscal 2023, with operating and EBITDA margin of 2.8%, and an expected operating EBITTDA margin of about 4% in fiscal 2024.

Access Report

Fri 10 Jan, 2025

S&P Second Party Opinion: Connecticut Housing Finance Agency's Sustainability Framework

S&P Global Ratings assesses Connecticut Housing Finance Agency’s Sustainability Framework as Light green and aligned with: Social Bond Principles, ICMA, 2023; Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1); and Sustainability Bond Guidelines ICMA, 2021. The state of Connecticut created CHFA, a quasi-public organization, in 1969 to alleviate the shortage of housing for low- to moderate-income families and individuals in the state.

Download

University of Maryland Medical System to Receive $301 Million From Bond Sale.

The Maryland Health and Higher Educational Facilities Authority plans to sell $301 million of municipal bonds for the University of Maryland Medical System.

The sale will include $227.9 million of Series 2025A bonds, encompassing serial bonds due from 2025 through 2042, and a $143 million term bond due in 2052, according to an offering statement posted Wednesday on MuniOS. The authority will sell $73 million of Series 2025B bonds maturing in 2045.

Delivery is expected on or about Feb. 12.

The authority also expects to sell $150 million of Series 2025C bonds in February.

The bonds are special obligations of the authority payable solely from payments by University of Maryland Medical System and certain affiliates to the authority or its trustee.

Money from sale will be used to help pay for construction of the Shore Regional Medical Center in Easton, the Center for Advanced Medicine project in Baltimore and refund other securities, according to the preliminary official statement. The medical system has more than 28,000 employees operating in over 150 locations, including 10 acute care hospitals and five freestanding medical facilities.

Bond counsel believes interest isn't an item of preference for purposes of the alternative minimum tax for individuals.

The bonds have ratings of A2 from Moody's Ratings rated the bonds A2, and S&P Global Ratings has them rated at A.

Lead underwriters are Morgan Stanley and RBC Capital Markets.

Provided by Dow Jones Jan 9, 2025 3:49pm

By Josh Beckerman

Write to Josh Beckerman at josh.beckerman@wsj.com

(END) Dow Jones Newswires

January 09, 2025 18:49 ET (23:49 GMT)

Nebraska DOT Cleared to Issue First Highway Bond.

The Nebraska State Highway Commission recently authorized the Nebraska Department of Transportation to issue bonds to finance the completion of the US-275 expressway corridor; the first time the state has issued bonds to finance a state highway project.

The agency said this corridor project is vital to northeast Nebraska; vital to improving safety, supporting regional industries like agriculture and manufacturing, and enhancing access to markets and national freight networks.

This project underscores the state's commitment to "advancing infrastructure" in order to improve quality of life and drive economic competitiveness, noted Governor Jim Pillen (R) in a statement – and bonding helps condense construction schedules that could take longer using traditional pay-a--you-go strategies.

"The completion of the Scribner – West Point corridor along the US-275 was a win for Nebraska, but there's more work ahead," the governor added. "Local communities have long supported this expressway, understanding the safety improvements and economic benefits it brings. I have directed Nebraska DOT to condense the timeline to complete the corridor."

"With major employers and heavy truck traffic, completing the US-275 corridor is essential to supporting industries like steelmakers, manufacturers and farmers," explained Highway Commissioner David Copple. "This vital infrastructure will drive economic growth and strengthen connections to healthcare, education and major markets."

"[We are] using a fiscally conservative method to secure resources, safeguarding the schedule of the US-275 corridor," noted Vicki Kramer, Nebraska DOT director.

"Innovative finance, bonding in this scenario, is a tool that can be leveraged to expedite project schedules, delivering needed safety and capacity improvements to communities," she explained. "While this bond issuance will finance a portion of the corridor, it's important to state [that] bonding is not a revenue source but rather a financing tool."

American Association of State Highway and Transportation Officials

January 3, 2025

PREPA Bondholders Issue Statement.

- **Comment on U.S. First Circuit Court of Appeals' Denial of FOMB's Unprecedented Third Attempt to Invalidate Bondholder Lien on Past, Present and Future Net Revenues**
- **Despite Ongoing Blackouts and Repeated Litigation Losses, Oversight Board Turns a Blind Eye to the Interests of Puerto Rico**
- **Oversight Board's Actions Signal Ill-Fated Plan to Extend PREPA's Bankruptcy by Continuing Costly Litigation**

NEW YORK–(BUSINESS WIRE)–January 03, 2025 — Bondholders of the Puerto Rico Electric Power Authority ("PREPA"), including GoldenTree Asset Management, LP, Assured Guaranty Inc., and National Public Finance Guarantee Corporation (collectively, the "PREPA Bondholders"), today issued the following statement:

"On December 31, the U.S. Court of Appeals for the First Circuit (the "Court") denied an unprecedented additional round of motions for rehearing filed by the Financial Oversight and Management Board (the "Board") and the Official Committee representing PREPA's junior unsecured creditors seeking to wrongly strip fundamental bondholder rights. This is the third time in the last six months that the bondholders have won, and the Board has lost, in the Court of Appeals, which has now repeatedly confirmed that PREPA's over $8.2 billion face amount of revenue bonds (which, with interest accrued prior to and during the now-seven-year span of the case, could result in a claim of over $11 billion) are properly secured by a perfected, enforceable lien on PREPA's past, present and future net revenues.

Tone deaf to the Court's repeated rejection of its arguments, the Board announced its intention to resume its already-failed strategy to impose a nonconsensual plan of adjustment, rather than working with its secured and properly perfected bondholders on a consensual exit from bankruptcy that recognizes the bondholders' legal rights and funds PREPA's immediate financing needs. After reneging on three prior settlements, the Board's strategy ensures that PREPA will remain in bankruptcy for the foreseeable future and that measures to improve the reliability of PREPA's electric system will be delayed indefinitely against the best interests of Puerto Rico. As demonstrated by the end-of-year island-wide power outage, the people of Puerto Rico will continue to suffer while the Board's advisors add to all-time record high fees for a municipal restructuring, currently in excess of $1.5 billion.

The bondholders believe they are legally entitled to post-petition interest on their claim, which would increase it to over $11 billion, that they have billions of administrative expense claims arising from PREPA's consumption of their collateral during the case, that their rights are senior to the underfunded claims of PREPA's pension, and that the Commonwealth has liability for any bondholder losses. The bondholders intend to vigorously litigate these and other issues absent a global settlement. In that regard, the mediation team appointed in PREPA's bankruptcy case has publicly expressed its skepticism regarding the ability to forge a settlement absent further litigation, which is now underscored by the Board's commitment to nonconsensual resolution.

The bondholders remain willing to promptly resolve PREPA's bankruptcy case using rates that the Board has said would be fair and affordable. In addition to agreeing to take back 50-year replacement bonds that would have no fixed principal payments and interest that could be accrued rather than paid if needed, the bondholders' proposal would also provide $2.5 billion of new funding to pay for PREPA's bankruptcy exit and to begin paying for urgently needed improvements to PREPA's electric system.

Thus far, all of Puerto Rico's bankruptcies have been resolved consensually, in keeping with PROMESA's overarching aim of restoring its market access. The Board's current plan to vitiate bondholder rights at PREPA will be long and fruitless.

The secured and properly perfected bondholders are entitled to have their rights respected and the people of Puerto Rico are entitled to a reliable electric power system. The Board's costly and reckless behavior must end."

Contacts
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Indiana Municipal Power Agency (IN): Fitch New Issue Report

The 'A+' IDR of Indiana Municipal Power Agency's (IMPA) and its bond ratings reflect Fitch Ratings' very strong revenue defensibility, supported by the IMPA role as a wholesale power supplier serving 61 member-utility systems and the strong credit quality of the largest members. Members are bound by long-term, take-and-pay power supply contracts (PSCs), which ensure full cost recovery of all of IMPA's costs.

Access Report

Mon 06 Jan, 2025

State of Florida: Fitch New Issue Report

Florida's revenues are primarily driven by sales tax receipts. Fitch anticipates that Florida's revenues will grow in line with or above U.S. GDP growth over the long term, based on the state's economic and demographic fundamentals. The state maintains ample expenditure flexibility with low carrying costs related to debt and retiree benefits and the broad expense-cutting ability common to most U.S. states. Education and health and human services, including Medicaid, are the key drivers of the general revenue budget. Florida's long-term liability burden is low and well below the median for U.S. states. Outstanding debt has steadily declined, driven by lower new money issuance and greater use of pay-as-you-go capital spending. Florida remains well positioned to maintain a high level of fundamental financial flexibility through economic downturns, with broad expenditure and revenue controls buttressed by robust reserves. Sound financial management practices, including a history of prompt action to maintain fiscal balance and reserves, are an important mitigant to above average revenue volatility.

Access Report

Thu 26 Dec, 2024

Idaho State Building Authority: Fitch New Issue Report

The 'AA+' rating on the sales tax revenue education bonds reflects strong growth prospects for state sales tax collections, the source of revenues pledged to the bonds and the resilience of the bond structure. Available sales tax collections, net of distributions that come ahead of the SMF Fund distribution, provide strong coverage of maximum debt service.

Access Report

Fri 27 Dec, 2024

2025 May be a Watershed Year for Bankrupt Chester after 3 Cecades of 'Distress' in Pa.'s Oldest Town.

Chester will be preparing for what it hopes will be a prominent role in the nation's 250th birthday party. And the new year looms as one of the most-eventful ones in a history that predates even William Penn's landing where the Delaware River meets Chester Creek.

But in 2025, Delaware County's only city will reach a milestone it would prefer not to mark.

Confronting overwhelming debts, on Jan. 24, 1995, then-Mayor Barbara Bohannan-Sheppard asked Pennsylvania to declare Chester officially "distressed," and after finding what they described as "municipal chaos," state investigators assented three months later.

Continue reading.

msn.com

Story by Anthony R. Wood, The Philadelphia Inquirer

Kentucky Municipal Energy Agency (KY): Fitch New Issue Report

The 'A' rating on the bonds and Issuer Default Rating (IDR) reflect Kentucky Municipal Energy Agency's (KYMEA) very strong revenue defensibility, supported by the long-term, take-and-pay power sales contracts (PSCs) signed with its all-requirements members, as well as by rate-setting requirements pursuant to those contracts that provide for an unlimited re-allocation of costs in case of member default. The ratings also consider KYMEA's evolving profile, including the expected loss of its largest member in 2029 and transitioning business strategy, as well as the credit quality of the agency's broad pool of purchasers. KYMEA's strong operating risk profile, evidenced by a low operating cost burden and flexible and diverse mix of power supply, and its strong financial profile are also important rating considerations.

[Access Report]

Wed 18 Dec, 2024

[Jordan Valley Water Conservancy District (UT): Fitch New Issue Report]

The 'AA+' water revenue bond rating and 'AA+' IDR reflect the district's 'Very Strong' financial profile within the framework of 'Very Strong' revenue defensibility and 'Very Strong' operating risk profile, both assessed at 'aa'. The district's leverage, measured as net adjusted debt to adjusted funds available for debt service (FADS), was very low at 6.7x in fiscal 2024 (FYE June 30th) and is expected to peak at 7.8x by fiscal 2028. It generally averages 7.0x over the five-year period through fiscal 2029 in Fitch's Analytical Stress Test (FAST) rating case, retaining marginal headroom for the rating as it progresses through a capital expansion. The rating could come under pressure should leverage exceed 8.0x on a consistent basis. The district's five-year capital improvement plan (CIP) includes the Jordan Valley Water Treatment Plant (JVWTP) expansion and related infrastructure. Updates to the district's longer-range forecast include lower water sales than historically projected, reflecting the effect of drought and conservation measures, but planned rate increases have also been adjusted to partially offset the lower volumes.

[Access Report]

Tue 17 Dec, 2024

[Chicago Passes 2025 Budget Without Property Tax Hike.]

- **Mayor Johnson and aldermen battled for weeks to close deficit**
- **Chicago faced statutory deadline to pass a budget by Dec. 31**

The Chicago City Council approved an approximately $17 billion budget for 2025 that raises levies and fees by more than $180 million after Mayor Brandon Johnson removed his proposed property tax hike.

The spending plan comes after weeks of contentious talks between the Johnson administration and aldermen over how to close a nearly $1 billion deficit with higher taxes or cuts. The depth of disagreements had raised concerns about whether a budget would pass by the Dec. 31 statutory deadline. The budget passed 27 to 23 on Monday.

"I know this was a long and arduous process," Johnson said in remarks in the council chamber after the votes. "The budget we passed today is yet another down payment on securing a better, stronger and a much safer future for the people of this fine city."

[Continue reading.]

Bloomberg Economics

By Shruti Singh

December 16, 2024

[Cyber Attack Threatens Part of Mich. Township's Bond Money.]

White Lake Township was "a victim of a sophisticated cybersecurity attack," its police chief said. The incident has compromised a portion of $29 million in infrastructure bond funds. Federal authorities and local police are investigating.

(TNS) — White Lake Township officials are grappling with a cybercrime that has compromised at least some of its $29 million in infrastructure bond money.

During a Nov. 19 meeting, White Lake Township board of trustees celebrated progress on construction of the $35 million new civic center complex on Elizabeth Lake Road.

Treasurer Mike Roman said he thought the contractor would be able to pour the civic center foundation before the winter weather hit. He told trustees in two days, on Nov. 21, the township would take possession of $29 million in bonds approved for the project.

Continue reading.

December 06, 2024 • Peg McNichol, The Oakland Press, Sterling Heights, Mich.

Orrick: California School Finance Authority Marks Milestone

The California School Finance Authority has closed its 150th conduit financing, a $5.7 million refinancing for two charter schools in Stockton, California.

Orrick served as bond counsel to the Authority for its issuance of its Charter School Revenue Bonds (Stockton Collegiate International Schools Project), Series 2024A and Series 2024B (Taxable).

Proceeds will support the Stockton Collegiate International Elementary School and the Stockton Collegiate International Secondary School. Together, the schools serve about 830 students in grades K-12.

THE AUTHORITY
The California School Finance Authority is California's most active issuer of bonds, notes and secured loans for non-profit charter schools. It has issued nearly $3.5 billion in bonds, notes and secured loans supporting hundreds of schools and hundreds of thousands of students across California since 2010.

"While the 150th financing is a major milestone for CSFA and the Treasurer's Office, our celebration is brief, as CSFA is slated to close nearly a dozen more financings before the end of this year," said Fiona Ma, California State Treasurer and CSFA chair.

"The needs of California's diverse populations of students and educators are as pertinent and pressing as ever, and we continue to focus on closing the gaps in equity of public services and resources in our state."

THE TEAM
Orrick's Marc Bauer led the team that advised the CSFA with support from Eugene Clark-Herrera, Sean Yates, Chas Cardall, Cathleen Chang, Emily Bills, Charnay Jones and Bonita McAlpine.

December.09.2024

[Puerto Rico Mediators Warn Utility Debt Fix Is 'Years Away']

- **Island utility is seeking to restructure $9 billion of debt**
- **Parties are set to meet in court Wednesday before Judge Swain**

There remains no clear path on how to best reduce the debt of Puerto Rico's power utility, a mediation team warned US District Judge Laura Taylor Swain, who is overseeing the seven-year bankruptcy.

Recent negotiations have failed to bring about an agreement on how to restructure $9 billion of Puerto Rico Electric Power Authority debt or develop a framework on how to litigate certain disputes, the mediators wrote in their report that was filed Monday to the court. Litigation, as of now, would probably result in appeals and prolong the process, the mediators said.

"The mediation team believes there is simply no prospect for any mediated or consensual resolution here — and a litigated result is years away," according to the mediation team's report. "This is nothing short of a tragedy for the people of Puerto Rico."

Continue reading.

Bloomberg Markets

By Michelle Kaske

December 9, 2024

Posh Utah Ski Resort Seeks $300 Million of Muni Debt for New Development.

- **Muni bonds to fund public infrastructure improvements**
- **Deal is expected to have strong interest from high-yield shops**

Deer Valley Resort, the winter playground for the Kardashians and others searching for slopeside luxury, is on its way to becoming one of the largest ski resorts in North America.

A five-minute drive from Park City, Utah, and under an hour away from the nearest international airport, a new development is expected to more than double the resort's ski terrain with an additional 3,700 acres, 16 new lifts and a 10-passenger gondola.

A special district designed to fund public infrastructure is expected to borrow $300 million of high-yield municipal debt on Wednesday to support the resort. Proceeds of the bond sale will finance projects related to the development's new addition called Deer Valley East Village.

[Continue reading.](#)

Bloomberg Markets

By Aashna Shah

December 11, 2024

New Analysis Finds that Public-Private Financing for Transmission Infrastructure Could Save Californians $3 Billion Per Year .

SACRAMENTO, Calif. – Expanding and modernizing California's electricity transmission infrastructure is critical to achieving its clean energy goals, but relying solely on traditional investor-owned utility (IOU) financing could significantly burden ratepayers. New analysis from Clean Air Task Force (CATF) and Net Zero California (NZC) finds that public-private financing models could save Californians up to $3 billion annually, or approximately $123 billion over 40 years. These findings are instructive for policymakers in California and other states and regions in need of more cost-effective transmission expansion and development.

"Achieving California's ambitious climate goals will require unprecedented expansion of high-voltage transmission lines, and to do so, it's essential the state rethinks how it approaches transmission financing and development," said Nicole Pavia, Director of Clean Energy Infrastructure Deployment at CATF. "By embracing innovative solutions, California can protect consumers, save billions annually, and accelerate decarbonization while setting a national standard for building clean energy infrastructure efficiently and affordably. To meet the demands of a rapidly evolving energy landscape, we need bold action at the local, state, regional, and federal levels to modernize our transmission system, alleviate congestion, and connect new zero- and low-carbon resources – all without placing undue burdens on ratepayers."

California's ambitious climate goals will require an unprecedented expansion of high-voltage transmission lines, as outlined in the California Independent System Operator's (CAISO) 20-Year Outlook. However, relying solely on traditional IOU models to finance a multi-billion-dollar infrastructure portfolio could result in significantly higher consumer rates.

The analysis highlights several cost-saving strategies that maintain development efficiency:

- **Public Financing:** Leveraging low-cost public debt to replace equity in the capital structure.
- **Competitive Solicitation:** Ensuring a competitive selection process for transmission line developers.
- **Public Ownership:** Reducing tax burdens through public ownership of infrastructure assets.
- **Private Operations:** Enhancing operational efficiency by engaging private entities.

With nearly 70% of U.S. transmission lines over 25 years old and projected underinvestment in the sector exceeding $40 billion annually by 2031, the need for innovative solutions is urgent. CATF and NZC's findings demonstrate that leveraging public financing tools such as bonds, loans, and public-private partnerships can lower costs, mitigate ratepayer impacts, and accelerate grid modernization. In California, for example, replacing traditional IOU financing with a "lease-type" public-private partnership model could reduce costs by up to 57%, offering a scalable framework for adoption in other states.

A companion national-level policy brief from CATF, released today, underscores the broader relevance of these findings. Regions and states beyond California are similarly grappling with increasing ratepayer impacts and the need for significant transmission infrastructure expansion. The policy brief provides recommendations for practitioners in other geographies to conduct similar economic and policy analyses and consider adopting alternative financing models.

CATF sees great value in extending analysis of public financing infrastructure to other states seeking to modernize and expand their grid infrastructure while shielding ratepayers from rising costs.

Clean Air Task Force

December 2, 2024

Contact presse
Natalie Volk, Communications Manager, nvolk@catf.us, +1 703-785-9580

Clean Air Task Force (CATF) is a global nonprofit organization working to safeguard against the worst impacts of climate change by catalyzing the rapid development and deployment of low-carbon energy and other climate-protecting technologies. With more than 25 years of internationally recognized expertise on climate policy and a fierce commitment to exploring all potential solutions, CATF is a pragmatic, non-ideological advocacy group with the bold ideas needed to address climate change. CATF has offices in Boston, Washington D.C., and Brussels, with staff working virtually around the world. Visit catf.us and follow @cleanaircatf.

Orrick: Bond Issue Named ‘ESG/Green Financing Deal of the Year’

The California Community Choice Financing Authority (CCCFA) has issued more than $4.6 billion in “green bonds” to support renewable energy projects. That includes $1.5 billion in Series 2024B bonds on behalf of the Clean Power Alliance of Southern California (CPA).

Orrick acted as bond and tax counsel on the project, the largest tax-exempt renewable energy financing to date. The CCCFA/CPA bonds used an innovative financing structure Orrick helped develop and improve over several years.

The Bond Buyer has named the transaction its 2024 ESG/Green Financing Deal of the Year.

Proceeds from the bonds will help the CPA secure a 30-year supply of renewable energy and related storage.

THE COMPANIES
Five community choice aggregators formed the CCCFA in 2021, with the goal of reducing the cost of power purchases for its members.

The CCCFA issues Clean Energy Project Revenue Bonds (designated as “green bonds”) to help fund renewable energy projects.

THE IMPACT
The transaction secured 30 years of solar and storage, enabling CPA to provide over 225,000 homes a year with clean energy.

“The bond structure achieved record customer savings and demonstrated how large-scale green financings can make a lasting environmental and economic impact,” The Bond Buyer said.

THE TEAM
Orrick’s George Wolf led the team that advised the CCCFA. The team included John Stanley, Brandon Dias, Damon Pace, Sean Yates and Orlando Zaragoza.

[Orrick: LA Unified School District Honored for ‘Groundbreaking’ Bond Deal]

The Los Angeles Unified School District has secured $2.9 billion in tax-exempt bonds in a deal The Bond Buyer recognized in its Deal of the Year awards.

Orrick represented the school district as disclosure counsel in a deal Bond Buyer named a winner in the Far West category of its Deal of the Year awards.

THE COMPANIES

The second largest public school district in the nation, the Los Angeles Unified School District enrolls more than 400,000 students in transitional kindergarten through 12th grade. The district covers 710 square miles and includes the City of Los Angeles as well as all or parts of 25 smaller municipalities plus several unincorporated sections of Los Angeles County.

THE IMPACT

The Los Angeles Unified School District received funding through Build America Bonds (BABs) authorized by the American Recovery Reinvestment Act of 2009.

The BAB program allowed tax-exempt bond issuers to sell taxable bonds instead and receive an interest subsidy from the federal government. A few years later, though, Congress reduced those subsidy payments.

The Los Angeles Unified School District refunded its BABs into tax-exempt bonds in 2024.

The “groundbreaking $2.9 billion transaction was a key element in helping secure market access for future issuers looking to achieve savings and remove the risk of further reductions to their federal BABs subsidies,” according to The Bond Buyer Deal of the Year nominating statement.

THE TEAM

Donald Field led the Orrick team that advised the Los Angeles Unified School District. The team also included Chas Cardall, Kevin Hale and Haley Ritter.

November.26.2024

[Charm City Bets on Blockchain to Reduce Vacant Properties.]

Baltimore officials are leveraging blockchain to streamline property title recordation to make real estate transactions more efficient.

In an effort to revive vacant properties and expedite real estate transactions, Baltimore is using a blockchain-enabled platform to manage property title records.

Launched last week, the platform offers a secure system to provide verified, immutable property data to users, which will help reduce title fraud and decrease the time it takes to complete real estate transactions, city officials said in a statement.

"This initiative is part of the city's ongoing commitment to utilizing cutting-edge technology to improve public services and foster a more efficient real estate market," officials said.

The blockchain system will be particularly helpful for bringing vacant properties in the city back on the market more efficiently, said Alice Kennedy, housing commissioner at the Baltimore City Department of Housing.

There are an estimated 13,000 abandoned houses and buildings in Baltimore. They cost the city about $100 million in lost tax revenue annually and are likely to depreciate the value of nearby properties too, according to a 2022 report from the Abell Foundation.

"When we sell property to a developer, and then the developer sells it to a homeowner, having the [title] information and the blockchain technology … can make those subsequent real estate transactions go faster," Kennedy said. It will help recover lost property taxes and rebuild communities, she added.

Blockchain technology can also lead to a reduction in paperwork and the need for intermediaries to handle real estate transactions, which can lower transaction costs for buyers and sellers, said Stephen Salsbury, deputy solicitor at the Baltimore City Law Department, in an email to Route Fifty.

The city partnered with Medici Land Governance to develop a blockchain ledger using property data from the Maryland State Archives last year.

Route Fifty

By Kaitlyn Levinson,
Reporter, Route Fifty

November 14, 2024

Metropolitan Water Reclamation District of Greater Chicago, Illinois: Fitch New Issue Report

The 'AAA' bond ratings and Issuer Default Rating (IDR) reflect the Metropolitan Water Reclamation District of Greater Chicago's (the district) 'Very Strong' financial profile in the context of its 'Very Strong' revenue defensibility and 'Very Strong' operating risk profile, both assessed at 'aa'. The district's leverage, measured as net adjusted debt to adjusted funds available for debt service (FADS), was very low at 7.6x in 2023 (FYE Dec 31).

Access Report

Wed 04 Dec, 2024

Michigan Finance Authority (MI): Fitch New Issue Report

Key Rating Drivers Portfolio Credit Risk: The pool is large with over 370 obligors; the top 10 obligors account for about 48% of the total loan portfolio, when security of obligations is consolidated. Great Lakes Water Authority's (GLWA) sewer and water systems, the program's largest obligors, are rated 'AA-'/'A+' (senior lien/second lien) and 'A+'/'A' (senior lien/second lien), respectively by Fitch. When consolidated across liens, GLWA's sewer obligations represent about 19% and water obligations are about 6% of the total pledged portfolio. The remaining top 10 obligors range in size from less than 2% to about 4%. Financial Structure: Fitch's cash flow modeling demonstrates that annual program resources are sufficient to withstand hypothetical pool defaults in excess of Fitch's 'AAA' liability rating stress hurdle, as derived using its PSM without causing an interruption in bond payments. The program's cash flows reflect projected minimum annual debt service coverage of about 1.4x. The program has about $23.2 million in debt service reserve funds, which are anticipated to be depleted by 2026 as associated bonds mature.

Access Report

Thu 05 Dec, 2024

Philadelphia (PA): Fitch New Issue Report

The 'A+' IDR reflects the city's 'bbb' financial resilience assessment, which incorporates a 'low midrange' level of budgetary flexibility and Fitch's expectation for maintenance of unrestricted general fund reserves (unassigned, assigned, and committed) of at least 5% of spending going forward. Fiscal 2023 unrestricted general fund reserves totaled $1.1 billion or 18.9% of spending. However, multi-year projections show reserve levels settling around the city's reserve target of 6%-8%. Additionally, the ratings incorporate a +1 notch to reflect the fundamental strength of the city's economic base. This enhances the city's expected resilience to economic cycles and stress events relative to its elevated unemployment relative to the national rate and median levels of household income, which are well below the median of Fitch's local government rating portfolio. Long-term liability (LTL) metrics are 'midrange' on a composite basis.

Access Report

Fri 06 Dec, 2024

State of Ohio: Fitch New Issue Report

The 'AA+' rating on the bonds backed by Ohio's lease-appropriation pledge is one notch below the state's 'AAA' Long-Term IDR, reflecting the slightly higher degree of optionality associated with the payment of annual appropriation debt. Ohio's 'AAA' Long-Term IDR reflects the state's high level of financial resilience and superior budget management, as evidenced by robust fiscal reserves and cash and a proven ability to absorb the effects of economic cyclicality and repeated tax policy changes. Ohio also has a low long-term liability burden and associated carrying costs.

Access Report

Fri 06 Dec, 2024

Michigan Finance Authority (MI): Fitch New Issue Report

Key Rating Drivers Portfolio Credit Risk: The pool is large with over 370 obligors; the top 10 obligors account for about 48% of the total loan portfolio, when security of obligations is consolidated. Great Lakes Water Authority's (GLWA) sewer and water systems, the program's largest obligors, are rated 'AA-'/'A+' (senior lien/second lien) and 'A+'/'A' (senior lien/second lien), respectively by Fitch. When consolidated across liens, GLWA's sewer obligations represent about 19% and water obligations are about 6% of the total pledged portfolio. The remaining top 10 obligors range in size from less than 2% to about 4%. Financial Structure: Fitch's cash flow modeling demonstrates that annual program resources are sufficient to withstand hypothetical pool defaults in excess of Fitch's 'AAA' liability rating stress hurdle, as derived using its PSM without causing an interruption in bond payments. The program's cash flows reflect projected minimum annual debt service coverage of about 1.4x. The program has about $23.2 million in debt service reserve funds, which are anticipated to be depleted by 2026 as associated bonds mature.

Access Report

Thu 05 Dec, 2024

Chicago Plans $806 Million Refinancing Amid Budget Fight.

- **General obligation, sales-tax bonds deal expected on Thursday**
- **'No assurance' budget will pass by Dec. 31 deadline: filing**

Chicago is planning to sell about $806 million in municipal bonds this week as part of a refinancing as Mayor Brandon Johnson races to close a budget gap of nearly $1 billion by year end.

The city is expected to borrow $679.7 million of sales-tax-backed debt and $126.6 million of bonds tied to its general obligation pledge on Dec. 5. Proceeds will be used to refinance outstanding debt to save money and help close back-to-back shortfalls.

The sales come while Johnson and city council members disagree on how to fill a $982.4 million hole in next year's budget. The mayor proposed a $300 million property-tax increase that aldermen unanimously rejected. Tensions have escalated so much that potential investors in the upcoming general obligation bond sale were warned there is "no assurance" that a spending plan will be passed on time, according to offering documents.

Continue reading.

Bloomberg Markets

By Shruti Singh

December 2, 2024

Blackstone Refinances Debt for Luxury NYC Condo Tower With Munis.

- **NYC housing agency to sell $550 million of munis for tower**
- **Blackstone bought 76-story tower in 2022 for $930 million**

Blackstone Inc. is refinancing $550 million of municipal debt for 8 Spruce St., a 76-story residential tower in downtown Manhattan designed by famed architect Frank Gehry.

New York City's Housing Development Corp., plans to price the debt Tuesday on behalf of Blackstone, which purchased the building for $930 million from Brookfield Asset Management Inc. and Nuveen LLC in 2022.

About $204 million of the securities are tax-exempt and are issued under the Liberty Bond program, part of a federal economic package approved in 2002 to help lower Manhattan recover from the 9/11 terrorist attacks.

Continue reading.

Bloomberg Markets

By Martin Z Braun

December 3, 2024

Kansas City Looks Back on its Long, Costly Ride With Microtransit.

Since 2016, the Kansas City Area Transportation Authority has offered door-to-door trips from on-demand shuttles. Here's what the transit operator has learned.

Few innovations in public transportation are trendier — or more controversial — than microtransit: on-demand shuttles that ferry passengers from origin to destination and cost little more than a bus fare.

For passengers, the appeal is clear. Who wouldn't leap at the chance to take a door-to-door trip that is far cheaper than hailing an Uber? Advocates claim microtransit can bring people to public transit who would never otherwise consider it, while critics question the scalability of a service that can require eye-watering subsidies.

Few places have more microtransit experience than Kansas City, Missouri. In 2016, the Kansas City Area Transportation Authority became a pioneer when it partnered with Bridj, a now-defunct startup, to introduce on-demand shuttle trips. That experiment ended a year later, but it was quickly replaced by a similar app-based service called RideKC Freedom On Demand; now, Kansas Citians can request rides on IRIS, a microtransit program funded by local municipalities and managed by KCATA. Most IRIS fares are $3. (Since 2020, regular bus service in Kansas City has been free.)

Continue reading.

Bloomberg CityLab

By David Zipper

December 5, 2024

[Memphis Asset Manager to Buy Bankrupt Connecticut Muni Adviser.]

- **Principal Street Partners was sole qualified bidder for firm**
- **Greenwich Investment Management filed for bankruptcy in May**

Principal Street Partners, a Memphis-based investment firm, will acquire the clients of a bankrupt money manager that specialized in buying high-yield bonds issued for senior living facilities and charter schools.

A US Bankruptcy Court judge in the Middle District of Florida on Thursday approved the sale of Greenwich Investment Management to PSP, which runs high-yield and distressed muni separately managed accounts.

PSP, the sole qualified bidder, agreed to pay GIM $25,000 and 15% of management fees collected from GIM clients who sign new contracts for a period of three years after the sale closes. PSP had about $2.9 billion of assets under management as of Dec. 31 2023, according to documents filed with the US Securities and Exchange Commission.

Continue reading.

Bloomberg Markets

By Martin Z Braun

December 6, 2024

[United Airlines’ $1 Billion Junk Muni Deal Offers a Bond Bargain.]

- **Bonds will finance the infrastructure revamp at Terminal B**
- **Redevelopment project is expected to be completed by 2028**

The municipal-bond market’s lagging run is opening up an opportunity for corporate-debt investors eager to secure extra yield.

Junk state and local government bonds have underperformed high-yield corporate debt during the selloff that raced through fixed-income markets over the past several months, pushing their yields up by more.

That’s created a gap between debt that United Airlines has sold in the corporate and municipal markets: its muni securities, which are tied to payments it makes on airport leases, are yielding half a percentage point more on a tax-adjusted basis than the airline’s other taxable obligations, according to an analysis by Bloomberg Intelligence.

Continue reading.

Bloomberg Markets

By Aashna Shah

November 19, 2024

[Dallas, Texas – Water and Sewer System: Fitch New Issue Report]

The 'AA' waterworks and sewer revenue bond rating, along with the 'aa' Standalone Credit Profile, reflect the system's 'Very Strong' financial profile in the context of its 'Very Strong' revenue defensibility and 'Very Strong' operating risk profile, both assessed at 'aa'. The system's leverage, measured as net adjusted debt to adjusted funds available for debt service (FADS), was very low, at 8.8x, in fiscal 2023 and is projected to peak at 9.9x in fiscal 2025 in Fitch Ratings' Analytical Stress Test (FAST) rating case, as the final debt related to the Integrated Pipeline Project (IPL) is expected to be issued.

Access Report

Mon 18 Nov, 2024

[Dallas, Texas: Fitch New Issue Report]

The 'AA' Issuer Default Rating (IDR) reflects the 'aaa' financial resilience assessment based on an ample level of budgetary flexibility and assumes maintenance of unrestricted general fund reserves at least equal to 20% of spending, which the city significantly exceeds.

Access Report

Wed 20 Nov, 2024

[Austin to Sell $474 Million of Municipal Bonds for Capital Projects.]

The City of Austin, Texas plans to sell about $474 million of municipal bonds to finance capital improvements.

The city will issue $301.3 million of Public Improvement and Refunding Bonds and $103.5 million in Certificates of Obligation, according to preliminary official statement posted Thursday on MuniOS. The securities mature from 2025 through 2044. Austin will also sell $29.9 million of Public Property Finance Contractual Obligations due from 2025 through 2031.

Another $32 million of Public Improvement Bonds and $7.4 million of Certificates of Obligation will be available for purchase by investors. Both series are taxable and mature from 2025 through 2044.

A date of sale and initial pricing were unavailable. The securities are expected to be delivered on Dec. 19.

The bonds, the taxable bonds and the contractual obligations are direct obligations of the city and are backed by an annual ad valorem tax on eligible property, according to the official statement. The certificates and taxable certificates have the same pledge for repayment, along with a limited pledge of surplus revenue from the city's solid waste disposal system.

Proceeds will be used to finance capital improvements, refund for savings portions of the city's outstanding general obligation debt, and purchase equipment and other personal property for use by various city departments.

Austin's five-year capital improvement program estimates city-wide spending of $2.2 billion in fiscal year 2025.

S&P Global Ratings assigned the securities a rating of AAA, and Fitch Ratings has rated them at AA+.

Piper Sandler & Co. and Baird are lead managers for the sale.

Dow Jones

By Zaeem Shoaib

Write to Zaeem Shoaib at zaeem.shoaib@wsj.com

November 22, 2024 17:47 ET (22:47 GMT)

Chicago Entity Plans to Issue $679.7 Million in Refunding Bonds.

Illinois' Sales Tax Securitization Corp. plans to issue $679.7 million in municipal bonds to refinance outstanding debt.

The entity is a non-profit organization linked to the City of Chicago, according to preliminary documentation posted on MuniOs.

The corporation will issue $142.1 million of Sales Tax Securitization Bonds, Refunding Series 2024A, and $404.2 million of Second Lien Sales Tax Securitization Bonds, Refunding Series 2024A, that are exempt from federal taxes.

Also, the corporation will issue $133.4 million of Second Lien Sales Tax Securitization Bonds, Taxable Refunding Series 2024B, that are federally taxable.

The bonds are payable from sales tax revenues.

Proceeds from the issuance will mostly be used to refund outstanding obligations of the city.

S&P Global Ratings has assigned a AA- rating to all three series of bonds. Fitch Ratings has rated the Sales Tax Securitization bonds at AAA and the Second Lien bonds at AA-.

RBC Capital Markets and Ramirez & Co. are leading underwriters.

Dow Jones

By Paulo Trevisani

Write to Paulo Trevisani at paulo.trevisani@wsj.com

(END) Dow Jones Newswires

November 25, 2024 13:52 ET (18:52 GMT)

Orrick: Abilene Christian University Enters EaaS Partnership

Abilene Christian University has entered into a long-term energy-as-a-service (EaaS) partnership with Bernhard, a leader in energy infrastructure, to enhance the university's energy efficiency and sustainability.

Orrick advised ACU as bond and special tax counsel.

THE PARTIES

Abilene Christian University serves a diverse student population of about 6,700 with world-class teaching in a Christ-centered community.

Founded in 1906, this national research university offers online and residential undergraduate and graduate programs. Students choose from 87 baccalaureate majors that include more than 171 areas of study, as well as 71 areas of study in master's degree and specialist programs and four doctoral programs.

ACU's mission is to educate students for Christian service and leadership throughout the world.

Bernhard is an energy infrastructure firm headquartered in New Orleans, Louisiana. Founded in 1919, Bernhard's core services span the U.S. and include engineering, fabrication, construction, asset management and energy-as-a-service for customers in health care, higher education, hospitality, industrial and other market segments. Bernhard has 24 U.S. offices and more than 2,200 full-time employees.

THE IMPACT

The partnership allows ACU to better focus on its core mission of student success and academic excellence, the university said.

Over the past several years, ACU has made significant investments in its central plant, with $15 million recently allocated for upgrades. The partnership will free up significant capital resources to accelerate change and tap into Bernhard's expertise in optimizing energy systems. This agreement ensures the university can complete necessary projects faster and more efficiently, enhancing student comfort and reallocating resources toward academic initiatives.

"Our partnership with Bernhard represents a significant step forward in our commitment to sustainability and operational excellence," said Dr. Phil Schubert, ACU president.

A key component of the project is the installation of an 18 MWac solar array, designed to offset existing utility costs and provide long-term cost certainty.

Also, critical upgrades to the campus's central cooling and heating systems will improve resilience to support ACU's growth. The project also includes operational improvements, such as upgrades to HVAC, building automation and lighting systems, which will enhance energy efficiency and significantly reduce operational costs.

THE TEAM

Charles Cardall led the Orrick team that advised Abilene. The team also included Jerry Kyle. Larry Sobel, Amanda Stephens, Cathleen Chang and Jessica Doherty.

November.11.2024

[A $54,000-a-Year School in Pimco's Hometown Eyes Own Foray Into Bond Market.]

- **Sage Hill School is taking on $54 million in debt to expand]The high school is planning to begin teaching middle school**

An elite private high school in Newport Beach, California, the home of bond-fund firm Pacific Investment Management Co., is making its own foray into the debt market.

The Sage Hill School, whose board of trustees includes executives from Pimco, Goldman Sachs Group Inc., and video-game maker Activision Blizzard Inc., is selling about $54 million of municipal bonds to build a middle school and new athletic facilities. The school said it's the biggest capital project since it was founded.

Sage Hill is the latest California private school that's turning to the public debt market to raise cash, joining the college-like push to keep luring new students with new amenities.

Continue reading.

Bloomberg Markets

By Erin Hudson

November 12, 2024

The Rose Bowl to Refinance Debt With Tax-Free Bonds Ahead of Trump.

- **Pasadena authority to sell bonds to refund taxable BAB debt**
- **The refinancing avoids any tax move that may raise costs**

Managers of the Rose Bowl, the 102-year-old stadium northeast of Los Angeles, head to Wall Street this week to refund taxable Build America Bonds into tax-exempt debt.

The iconic stadium's municipal guardians are looking to capitalize on favorable market conditions.

They also will sidestep any potential tax law changes from the incoming Trump administration that might increase interest costs on bonds from the Obama-era BAB program.

The Pasadena Public Financing Authority is selling about $105 million of lease revenue refunding bonds beginning Wednesday. The negotiated refinancing, led by Stifel Financial Corp. and Raymond James Financial Inc., targets $106.6 million in Build America Bonds issued in 2010 to expand the Rose Bowl's concourses, build new premium seating and update broadcast facilities.

Continue reading.

Bloomberg Markets

By Maxwell Adler

November 13, 2024

University of Texas Launches Center on Muni Market.

Watch video.

Bloomberg Muni Moment

Bloomberg Markets: The Close

November 15th, 2024, 3:02 PM PST

UT Launches Center on Municipal Capital Markets to Train Students on Public Works Funding.

The University launched a new center on Oct. 29 aiming to train students to raise capital to fund public works projects.

The new initiative, called the Center on Municipal Capital Markets, joined the LBJ School of Public Affairs, according to a press release. It will teach graduate students about the process of issuing bonds to finance and build public infrastructure, such as roads, bridges, telecommunications and water systems, Center Director Martin Luby said. As part of the training, students will also advise professionals, such as financial advisors and law firms, about how to complete these transactions.

Luby, an associate professor of public affairs, said public infrastructure has decayed over the past few decades. However, under President Joe Biden's Bipartisan Infrastructure Deal, which invested trillions in transportation and infrastructure nationwide, physical infrastructure received substantial investments. The center will continue that momentum, Luby said.

Continue reading.

The Daily Texan

Laura Rivera, Senior News Reporter

November 14, 2024

[Chicago Plans $1.5 Billion Bond Refinancing in Early December.]

- **Interest rate savings of $110 million expected with the deal**
- **Munis have been volatile this week because of US elections**

Chicago plans to tap the muni market for $1.5 billion early next month to refinance its debt as it looks to capitalize on the Federal Reserve lowering interest rates.

The city will have $850 million in general obligation bonds available to replace with new debt. The deal, which also includes a debt buyback process, is expected to generate $110 million in savings.

"We are planning on pricing the first week of December," Chicago Chief Financial Officer Jill Jaworski said in an email on Friday. "We do not have any comments on how day-to-day market movements impact the sale."

Continue reading.

Bloomberg Markets

By Shruti Singh

November 8, 2024

Colorado Water Resources and Power Development Authority: Fitch New Issue Report

The 'AAA' rating reflects the ability of the Colorado Water Resources and Power Development Authority's combined clean water and drinking water state revolving fund bond programs' (together, the program) financial structure to absorb hypothetical pool defaults in excess of Fitch Ratings' 'AAA' liability stress hurdle without causing an interruption in bond payments. The program is above average in size at 299 obligors, which results in a pool that is less concentrated than its peers. The program's cash flows are very strong, as projected minimum annual debt service coverage (DSC) is about 3.5x. Program management adheres to a formal underwriting policy that includes minimum DSC requirements for borrowers.

Access Report

Thu 07 Nov, 2024

District of Columbia (DC) Ballpark Revenue Bonds: Fitch New Issue Report

The upgrade of the 2006A & 2006B bonds reflects improved long-term resilience of the structure to very strong levels, as well as growth prospects for pledged District ballpark fees and utility tax revenues in line with inflation following recent volatility. Fitch does not incorporate stadium-related revenues into its analysis given their volatility and unpredictability.

Access Report

Mon 04 Nov, 2024

State of New Jersey (New Jersey Educational Facilities Authority): Fitch New Issue Report

The ‘A’ ratings for the New Jersey Educational Facilities Authority capital improvement fund and higher education facilities trust fund refunding bonds are one notch below New Jersey’s ‘A+’ Issuer Default Rating. New Jersey’s revenue system is very diverse and sensitive to economic trends. Fitch expects natural growth in expenditures over time to be above revenue growth, driven by program spending demands. The long-term liability burden is elevated and higher than those of most U.S. states, reflecting considerable outstanding debt and a large net pension liability. Gap-closing capacity has strengthened significantly in recent years, with ending balances well above historical levels.

Access Report

Thu 07 Nov, 2024

Muni Lender Preston Hollow Is Exploring a Sale.

- **Firm is working with adviser to explore strategic options**
- **Preston Hollow has raised $1.6 billion from investors over time**

Preston Hollow Community Capital, a municipal finance lender, is exploring strategic options including a sale, according to people with knowledge of the matter.

The Dallas-based company is working with an adviser to solicit interest from potential suitors, said the people, who requested anonymity to discuss confidential information. No final decisions have been made and a transaction isn’t guaranteed.

Preston Hollow has invested more than $5.2 billion in municipal bonds since its founding in 2014 and has raised $1.6 billion from investors including Stone Point Capital, HarbourVest Partners and Nuveen LLC’s TIAA, according to a September release.

Continue reading.

Bloomberg Markets

By Gillian Tan

October 29, 2024

[Florida Rail Brightline's Riskiest Munis Lure Investors on Expansion Bet.]

- **Railroad's unrated muni bonds gain about 13% since April**
- **John Miller fills First Eagle's muni portfolio with the debt**

Bond investors are snapping up the riskiest chunk of Brightline's debt in a wager on the private railroad as it expands west across Florida.

Investors, drawn by a 12% coupon, have bid up Brightline's $925 million of unrated-tax exempt bonds so much that they're valued at about 105 cents on the dollar. They've returned some 13% since April, when the Fortress Investment Group-backed company refinanced its debt with nearly $4.5 billion in muni bonds and junk notes.

Among the reasons the unrated debt is appealing to investors: collateral. They're secured by a lien on current and future assets including design contracts, permits, and rights-of-way that are earmarked for Brightline's project to stretch its tracks from Orlando to Tampa.

Continue reading.

Bloomberg Markets

By Martin Z Braun

October 31, 2024

[Bloomberg: University of Texas Launches New Center Focused on Muni Market.]

- **Center to be housed within the public affairs graduate school**
- **Program to meet infrastructure needs due to climate, energy**

The University of Texas at Austin is launching a new center dedicated to the municipal bond market, ahead of an anticipated boom in infrastructure investments.

Dubbed the Center on Municipal Capital Markets, the new initiative will be housed under the institution's Lyndon B. Johnson School of Public Affairs. It's part of a broader push by university president Jay Hartzell to address extreme weather as a result of climate change and the energy grid's transition to renewable power.

"Our future as a growing, resilient society depends upon our ability to wisely invest in infrastructure, especially in the important energy sector," Hartzell said in an emailed statement. "Tomorrow's leaders need to understand the role of capital markets in making those investments possible."

A rush of public projects is anticipated after decades of infrastructure disinvestment and increasing needs driven by climate change, said Martin Luby, a professor of public affairs and the center's founding director.

"There's clearly a need for education, training and thought leadership in this area, and I think it's just even more acute given what we think is going to happen in terms of increased infrastructure investment in the future," Luby said in an interview. "When we think about capital financing it's all hands on deck and we're going to try to cover it as much as possible."

Municipal bond sales have already surged this year, totaling $426 billion since the start of January, a 41% increase from the same period in 2023, according to data compiled by Bloomberg. Texas issuance is a major chunk of that deluge, with about $60 billion of debt.

That comes as Texas' public finance market has been in flux for several years after state lawmakers passed two laws targeting Wall Street banks for their policies regarding fossil fuels and firearms — legislation that has reshuffled the muni underwriter rankings in the state.

The new center will train students on how to use the capital markets to strengthen communities and their infrastructure. Starting in September 2025, some students will conduct fellowships with municipal-finance firms including Moody's Corp. and Public Financial Management, Inc, according to Luby.

The center will also produce research and policy reports, as well as host an annual conference and outreach events for issuers. The first research report is slated for publication next year and examines the reserves needed for certain borrowers to absorb shocks related to natural disasters including wildfires, tornadoes, hurricanes and drought.

Continuing education courses for public finance professionals are expected to launch in the 2026-2027 academic year.

Luby said the center is looking to bring on a new hire with experiencing raising money in the muni market to focus on fundraising.

"Whether that's someone who's a former investment banker or CFO-type — that wants to transition into higher ed and help us build out this program," he said.

The center's advisory council includes industry professionals including Municipal Securities Rulemaking Board's chief executive Mark Kim.

Bloomberg Markets

By Erin Hudson

October 29, 2024

New Training and Research Center to Leverage Private Capital for Public Infrastructure Launches at University of Texas.

AUSTIN, Texas — One of the nation's only university-based centers to focus on capital market financing for public infrastructure projects will strengthen the ability of communities to build schools, roads and hospitals and make critical infrastructure, including energy systems, more resilient. The Center on Municipal Capital Markets (CMCM), launched by the LBJ School of Public Affairs at The University of Texas at Austin, will provide specialized training and research so that government entities can effectively leverage private capital for these public needs.

The center will train graduate students and host programs to educate professionals about how to leverage markets to have sufficient funding for projects they are pursuing. The importance of leveraging government resources for infrastructure development and maintenance has grown as recent federal initiatives aim to revitalize infrastructure after years of disinvestment.

“Our future as a growing, resilient society depends upon our ability to wisely invest in infrastructure, especially in the important sectors of health care, transportation and energy. Tomorrow’s leaders need to understand the role of capital markets in making those investments possible,” said UT President Jay Hartzell. Hartzell holds degrees in economics and finance and has expertise in corporate finance. “The LBJ School will equip both governmental leaders and capital market participants with the expertise to think creatively to solve the financial challenges of infrastructure development and maintenance, and to ultimately change the world for generations to come.”

Municipal capital markets allow government entities to raise funds for essential public infrastructure projects — such as schools, highways, hospitals, water, wastewater and energy systems — by selling bonds to private investors. These investments enhance the quality of life in communities and promote long-term economic growth by ensuring access to vital services. They also improve community resilience by preparing public systems to withstand challenges such as extreme weather while ensuring sustainability and reliability over time. This makes municipal capital markets a crucial tool for financing large-scale infrastructure projects that would otherwise be unaffordable through traditional funding methods.

CMCM will focus on four key areas:

- Undergraduate, graduate and continuing education for emerging and seasoned public finance professionals.
- Hands-on training and experiential learning.
- Applied research.
- Public outreach.

The foundation for CMCM was built during an event in December 2023, where more than 100 leaders from various public finance organizations, convened by LBJ School professor and the center’s inaugural director, Martin Luby, in collaboration with the Bond Dealers of America, discussed innovative approaches to infrastructure finance.

“Developing the next generation of professionals and advancing research and dialogue on the municipal capital markets is especially salient given the huge infrastructure needs we have in the United States,” said Luby, who teaches public and municipal finance courses at UT. “The Center on Municipal Capital Markets will address how such capital investments affect the macroeconomy, the local economies of state and local governments, as well as the day-to-day lives of all citizens.”

Luby has published widely on innovative government financial instruments, federal financing techniques, regulation of the municipal securities market, and the role of financial intermediaries in state and local government financings. He also has extensive banking, consultant and advisory experience with many state and local governments, as well as with the federal government. In addition to his research and advising, Luby has been at the forefront of initiatives to cultivate talent for the public finance sector, teaching more than 1,000 students and developing opportunities for research, education and experience in the public finance field.

CMCM has constituted a 16-member advisory council composed of national leaders in the municipal capital.

“I am honored to serve on the inaugural advisory council for the launch of the Center on Municipal Capital Markets at the LBJ School of Public Affairs,” said Mark Kim, CEO of the Municipal Securities Rulemaking Board. “I applaud CMCM’s dual mandate of teaching undergraduate and graduate students about the critical role of the municipal securities market in financing this nation’s public infrastructure, as well as empowering government finance professionals with a greater understanding of the capital markets through continuing education, training opportunities and academic research.”

CMCM has already introduced a Certificate in State and Local Finance for LBJ School students and is producing technical reports for clients on municipal finance.

“We are not only exploring solutions to the world’s most pressing problems but also developing innovative financing strategies for these solutions,” said LBJ School Dean JR DeShazo. “I am thrilled about the career opportunities this center will create and the impactful solutions our students will develop.”

Oct 29, 2024

Arizona Town Ditches Illegal Attempt to Dump $70 Million Debt on Residents.

Taxpayers in Payson, Ariz., are no longer on the hook for a massive debt after the Goldwater Institute and local residents raised concerns about the legality of the town’s inclusion of a so-called “emergency clause” for the sale of $70 million in bonds.

Payson officials had authorized the sale of $70 million in municipal bonds in August, using an “emergency” clause to bypass the democratic process and deny residents the opportunity to put the controversial bond measure to a popular vote. The purported “emergency” was nothing more than the Town Council’s desire to secure a bond quickly, as officials speculated that interest rates might slightly increase in the coming months.

The Goldwater Institute filed a lawsuit challenging the sham “emergency” measure on behalf of a local resident, pointing out that the Arizona Constitution and state statute guarantee the right of referendum—that is, voters’ rights to refer a bill, ordinance, or resolution to the ballot and vote on it.

The case is currently on appeal, but in the meantime, Payson voters and taxpayers have already received some great news. Last week, the Town Council voted to repeal the problematic resolution, cancelling the “emergency” bond sale.

The court battle against governments’ abuse of emergency clauses isn’t over—indeed, local governments throughout the state routinely bypass democratic accountability using “emergency” clauses. We’re fighting back to ensure government can’t steamroll its own citizens and deny them rights afforded under Arizona’s constitution.

You can read more about the case here.

The Goldwater Institute

by John Thorpe

October 30, 2024

John Thorpe is a Staff Attorney at the Goldwater Institute.

Hollywood Alma Mater Harvard-Westlake Taps Munis for New Campus.

- **Expanded grounds will house athletic facilities, public park**
- **$88 million in bonds will bridge the project's fundraising gap**

Harvard-Westlake School, one of the country's most exclusive private schools famous for educating generations of Hollywood stars, is tapping the public debt markets for the first time.

The school plans to borrow nearly $90 million of municipal bonds to finance a new athletic campus in Los Angeles' Studio City. The project, which is years in the making, will transform the former site of a neighborhood tennis and golf facility into a sprawling park that will house state-of-the-art spaces for Harvard-Westlake's 90 sports teams, according to bond documents. The undertaking — mostly funded through donations — will feature an Olympic-sized swimming pool, eight tennis courts, a club house and putting green.

"We're so limited with space on this campus," Beth Slattery, head of Harvard-Westlake's Upper School, told the school's student newspaper earlier this year. "This really frees us up to be able to do things and I'm excited about it."

Continue reading.

Bloomberg Markets

By Erin Hudson

October 29, 2024

Private-Jet Boom Comes to Muni Market With High-Yield Bond Deal.

- **Muni market sees return of fixed-base operator company**
- **Million Air to expand facility in Austin that opened in 2019**

Million Air, a luxury aviation company catering to the ultra-rich and high-flying executives, is borrowing $120.5 million from Wall Street to expand its operations in Austin to meet pent-up demand for hangar space to park private jets.

Originally founded for the Mary Kay Inc. cosmetics company, a wholly-owned subsidiary of Million Air's parent company plans to tap the municipal debt market in November. Proceeds from the sale will be used to roughly double the size of Million Air's facilities at the Austin-Bergstrom International Airport, which is among the top 25 busiest in the US for business jet operations.

Some of the bond money will also go toward adding enhancements to the company's facilities in Marathon, Florida. Raymond James is underwriting the unrated bond offering.

Continue reading.

Bloomberg Wealth

By Erin Hudson and Amanda Albright

October 28, 2024

State of California: Fitch New Issue Report

The state of California's 'AA' Long-Term IDR incorporates the state's large and diverse economy, which supports strong, albeit cyclical, revenue growth prospects, a solid ability to manage expenses through the economic cycle and a moderately low level of long-term liabilities. Strong fiscal management, institutionalized across administrations and demonstrated through the buildup of the budgetary stabilization account (BSA) and elimination of past budgetary borrowing, allows the state to withstand economic and revenue cyclicality.

Access Report

Wed 23 Oct, 2024

S&P U.S. Local Governments Credit Brief: California School Districts Means And Medians

Overview

California school districts entered fiscal 2025 in a position of financial strength, partly as a result of record per pupil funding and unprecedented one-time state and federal stimulus through the years following the peak of the pandemic. These extraordinary fiscal supports have thus far helped mitigate the challenges of broad school-age population declines and rising fixed costs. However, in S&P Global Ratings' view, key challenges could lead to credit pressure over the near term, including the risk that state aid will fail to keep up with rising fixed costs and increased expenditures. We also expect California school districts' reserve positions will weaken over the next year as districts focus on aligning continuously growing expenditures with revenue in the absence of Elementary and Secondary School Emergency Relief (ESSER) funding.

S&P Global Ratings evaluates the ratings on 687 school districts across California, including school facilities improvement districts. In the period from Aug. 24, 2023, to Aug. 12, 2024, we raised ratings on 16 school districts (2% of the total) and lowered nine (1%). Furthermore, we revised the rating outlook on 15 districts (2%), putting six (1%) on positive and nine (1%) on negative. The rating outlooks on the remaining 672 districts (98%) remained stable during this period. Following the release of our "Methodology for Rating U.S. Governments," published Sept. 9, 2024, on RatingsDirect, we placed 63 California school district ratings under criteria observation (UCO), signaling that we could affirm the ratings or change them as a result of the application of new criteria. For more information on the UCO designation and our plan for reviewing ratings under the new criteria, see the UCO list and "FAQ: A Closer Look At The New Methodology For Rating U.S. Governments," published Sept. 9, 2024.

Continue reading.

22 Oct, 2024

New York City Transitional Finance Authority: Fitch New Issue Report

The ‘AAA’ rating on the subordinate future tax-secured (FTS) revenue bonds reflects solid long-term growth prospects for pledged revenue and the bonds’ highly resilient structure. Fitch Ratings anticipates the bond structure can withstand changes in economic cycles and maintain solid debt service coverage.

Access Report

Tue 22 Oct, 2024

Philadelphia, Pennsylvania: Fitch New Issue Report

Fitch Ratings considers the monthly residential water and sewer bill affordable for about 76% of the service area population based on standard monthly usage of 7,500 gallons for water and 6,000 gallons for sewer. The midrange service area is characterized by average income levels, a moderate unemployment rate relative to the nation and midrange customer growth. In fiscal 2023, the system’s operating cost burden was considered very low at $2,805 per million gallons (mg), consistent with the operating risk assessment. The life cycle ratio is elevated at 48% in fiscal 2023. The system had moderate leverage of 8.3x as of fiscal 2023, slightly below the 8.7x average of the prior four fiscal years. The Philadelphia Water Department provides potable water to all of the approximately 1.6 million residents of the city and accounts in neighboring Montgomery and Delaware counties per a wholesale agreement.

Access Report

Tue 22 Oct, 2024

State of Washington: Fitch New Issue Report

The State of Washington’s ‘AA+’ Long-Term IDR and GO bond ratings reflect its broad and growing economy, with solid long-term revenue growth prospects, and the state’s demonstrated commitment to maintaining fiscal balance. The ratings also reflect long-term liabilities that place a low burden on the economic resource base. The ‘AA+’ ratings also incorporate the state’s very strong financial resilience, which is supported by a statutory requirement for a balanced four-year budget and formulaic funding of the budget stabilization account (BSA); the latter has led to the accumulation of solid fiscal reserves. Education poses continued spending pressure for the state given steady population growth and the state’s role as the primary funding source for K-12 public schools.

Access Report

Wed 23 Oct, 2024

[ICE Launches Climate Transition Risk Solution for Municipal Bond, MBS, Real Estate Segments.]

Financial technology and data services provider and exchange operator Intercontinental Exchange (ICE), announced the launch of a new climate transition risk solution targeted at underserved segments of fixed income including municipals, securitized mortgage-backed securities (MBS) and real estate.

According to ICE, the new solution will provide emissions estimates and portfolio analytics across various fixed income asset classes, covering Scope 1, Scope 2 and Scope 3 emissions for municipal bonds, MBS, and real estate, expanding ICE's existing coverage of sovereign, corporate equity, and private companies to help enable clients to assess and benchmark financed emissions across a comprehensive range of fixed income asset classes in one integrated offering.

Larry Lawrence, Head of ICE Climate, said:

> "Our clients increasingly need quality transition risk data for underserved segments, particularly mortgage-backed securities, where we have applied physics-based simulations with building energy models and ICE's data to provide emissions insights for RMBS and CMBS. Mortgages and mortgage securities can represent more than 20 percent of bank balance sheets, leading to a growing need for data to help meet regulatory disclosure and support stress testing to inform decision-making."

ICE said that the new solution will "address gaps in emissions data by covering underserved sub-asset classes, such as residential mortgage-backed security, commercial mortgage-backed security, and private corporates," as well as municipal bonds.

ICE's multi-asset class transition risk solution provides financed emissions data based on criteria of the Partnership for Carbon Accounting Financials, which provides financial institutions with data on compliance with aspects of the Paris Climate Agreement, encompassing over 110 million US properties and more than 4.2 million fixed income securities globally. ICE's methodologies, customized for each asset class, provide comprehensive emissions tracking, including Scope 1, 2, and 3 estimates, as well as carbon intensity metrics, which organizations need to meet climate regulatory reporting requirements, the company said.

by ESG Today Writing Staff

October 15, 2024

[Private-Jet Boom Comes to Muni Market With High-Yield Bond Deal.]

- **Muni market sees return of fixed-base operator company**
- **Million Air to expand facility in Austin that opened in 2019**

Million Air, a luxury aviation company catering to the ultra-rich and high-flying executives, is borrowing $120.5 million from Wall Street to expand its operations in Austin to meet pent-up demand for hangar space to park private jets.

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Some of the bond money will also go toward adding enhancements to the company's facilities in Marathon, Florida. Raymond James is underwriting the unrated bond offering.

Continue reading.

Bloomberg Markets

By Erin Hudson and Amanda Albright

October 28, 2024

S&P Charter School Brief: Texas

Overview

As of Oct. 17, 2024, S&P Global Ratings maintains 36 public ratings on Texas charter schools, which, along with California, top its list of states with the most rated charter schools. Texas is home to more than 900 charter schools, serving more than 375,000 students, with another 66,000 students on waitlists statewide. The Texas Legislature enacted its charter school law in 1995, and in fall 1996 the state's first charter schools opened their doors.

Continue reading.

17 Oct, 2024

Museum of Natural History Seeks Bond Buyers to Help Fund Rebound.

- **$85 million sale helps pay for Gilder Center, cuts debt costs**
- **Pandemic-era deficits get whittled as attendance on upswing**

The Covid-19 pandemic brought New York City's American Museum of Natural History, home to 30 million prized artifacts, its first deficits in decades. The institution plans to tap the municipal bond market for an $85 million boost.

Proceeds from the debt sale will help the 155-year-old museum lower its interest expenses and recover costs from building the Gilder Center, a major 21st Century addition. The offering by the Trust for Cultural Resources of The City of New York is expected to price on Oct. 17, according to investor roadshow documents.

The sprawling landmark on the Upper West Side of Manhattan welcomed 5 million visitors last year, second only to the city's Metropolitan Museum of Art among US museums. But the pandemic had hit hard, forcing the venue's closure between March and September 2020, and cutting average annual paid attendance by 37% that year.

Continue reading.

Bloomberg Markets

By Erin Hudson and Aashna Shah

October 16, 2024

Texas' Booming Finance Hub Confronts a $19 Billion Pension Bill.

- **Tax revenue from building boom helps with bigger payments**
- **Officials still look to cut costs, mull sale of public land**

Dallas is part of America's fastest-growing metropolitan area, a burgeoning powerhouse for finance jobs that's in the midst of a construction boom.

And yet, as flush as it appears to be, the city of 1.3 million still faces some hard choices as it grapples with how to tackle roughly $19 billion in projected pension payments over the next 30 years, including shoring up a police and fire retirement system that ranks among the nation's worst-funded.

It's a dilemma almost two decades in the making that's coming to a head now because of a state mandate to adopt and submit a plan by Nov. 1 to plug the funding gap in the first responders' pension within 30 years.

Continue reading.

Bloomberg Markets

By Erin Hudson

October 17, 2024

Asheville, Other North Carolina Communities May Get Cut by S&P Over Helene.

North Carolina municipalities such as Asheville and Blowing Rock and communities in Tennessee may see a credit downgrade in the wake of Hurricane Helene, S&P Global Ratings said in a report on Thursday.

The company placed the rating of a dozen municipalities on CreditWatch with negative implications. All have investment-grade ratings — the city of Asheville has a AAA mark. The storm unleashed flooding across the US South late last month.

S&P said it wasn't worried about disruptions to debt payments, but "potential long-term implications could impair credit quality."

Continue reading.

Bloomberg Markets

By Amanda Albright

October 17, 2024

Bank of America Sees Record $520 Billion of Muni Sales in 2025.

- **Strategists also revised forecast for this year up by 15%**
- **Issuance in 2024 so far is strong rising to $409 billion**

Strategists at the municipal-bond market's biggest underwriter are forecasting a very busy year for state and local government debt bankers.

Bank of America Corp analysts led by Yingchen Li and Ian Rogow anticipate state and local governments will sell $520 billion of debt in 2025, a record sum, the group said in a research note on Friday. The strategists also revised their forecast for this year to $460 billion from $400 billion.

"Positive factors for munis remain in place," they wrote, citing "well-controlled muni/Treasury ratios and compressing muni credit spreads."

Continue reading.

Bloomberg Markets

By Lily Meier

October 18, 2024

NJ Transportation Agency Raises $3.2 Billion in Muni Sale Surge.

- **NJ, other issuers are rushing to borrow ahead of US election**
- **A state trust fund will invest billions to modernize transit**

A New Jersey agency that finances road, bridge and mass transit infrastructure, joined the debt spree spurred by municipal issuers rushing to raise cash before the Nov. 5 US election.

The New Jersey Transportation Trust Fund Authority sold $3.2 billion in tax-exempt and taxable bonds Thursday to refinance its higher cost debt. The authority is fine-tuning its obligations as the state's finances improve despite a turbulent year for NJ Transit riders who have been bombarded with service meltdowns and disruptions.

The deal comes amid a surge in municipal bond sales, as borrowers seek to lock in financing ahead of a potential uptick in market volatility ahead of the US presidential election. The new bonds are backed by appropriations from lawmakers and carry an A rating from Fitch Ratings and an A- rating from S&P Global Ratings Inc., one level lower than their respective grades on New Jersey's general obligation debt.

Continue reading.

Bloomberg Markets

By Martin Z Braun and Sri Taylor

October 18, 2024

Private Equity-Backed Texas Housing Development Taps Muni Market.

- **Muni authority seeking debt for residential development**
- **Developers are planning to build more than 1,000 homes**

In suburban Texas, a neighborhood complete with an amphitheater, dance hall and goat farm is scheduled to be erected 40 miles from Houston's downtown — providing municipal-bond investors a window to bet on one of the fastest-growing areas of the US.

In a transaction that priced this week, a municipal authority sold high-risk, tax-exempt bonds to finance infrastructure associated with a housing development dubbed Two Step Farm. The planned community stretches more than 2,000 acres in Houston's sprawling metropolis. The first phase will have more than 1,000 homes priced between $350,000 and $1 million, as well as parks and amenities.

The bonds are backed by future revenues generated by the project, meaning investors are wagering that the development will be built out and populated. Texas metros are seeing the most sustained population growth of all the nation's major cities this year, according to US Census Bureau data. Houston added nearly 140,000 people to its population this year, following closely behind Dallas. San Antonio and Austin also ranked in the top 10 of the largest increases in new residents.

Continue reading.

Bloomberg Markets

By Sri Taylor

October 4, 2024

From the Edge of Bankruptcy to a Decade of Surpluses - Wayne County, MI

Wayne County, Mich., nearly filed for bankruptcy in 2014. It just posted its tenth budget surplus in a row.

In Brief:

- Wayne County, Mich., adopted a $2.23 billion budget last month, its tenth balanced budget in a row.
- The county was on the verge of bankruptcy in 2014, when its current county executive, Warren Evans, was elected.
- Renegotiated pension benefits and increases to property values have helped stabilize the county's finances.

In 2013, Detroit became the biggest city in the country ever to file for bankruptcy. A year later, it looked like Wayne County, Mich., the city's home county, was headed in the same direction.

The county had posted a string of annual budget deficits, with a structural deficit of about $52 million, according to Warren Evans, the Wayne County executive who was elected in 2014. Its pension fund was only about 45 percent funded, threatening its ability to fulfill its commitment to retiring public workers. And its bond rating had been lowered to junk status, making it more difficult to borrow money for public infrastructure and other obligations.

Continue reading.

governing.com

by Jared Brey

Oct. 10. 2024

Bloomberg Muni Moment: Florida CFO on Rebuilding After Hurricane

Florida CFO Jimmy Patronis says the state will bounce back while discussing the rebuilding efforts in the wake of Hurricane Milton. He speaks on "Bloomberg The Close."

Watch video.

Muni Moment – Bloomberg Markets: The Close

October 10th, 2024

Hurricane Milton Threatens $30 Billion of Muni Debt in Florida.

- **Debt sold to finance hospitals, senior living in storm's path**
- **Muni bond impairments possible in a 'worst-case scenario'**

As Hurricane Milton barrels toward Florida threatening massive storm surges in the Tampa Bay area, roughly $30 billion of municipal debt is at risk, according to an analysis from Bloomberg Intelligence.

That includes bonds sold to finance hospitals, utility systems and senior living homes. Florida borrowers have raced to the state and local government debt market this year on the heels of a population surge that required updated infrastructure. The Bloomberg Intelligence analysis identified tax-backed and revenue-supported debt sold by localities within the most at-risk evacuation areas.

"A worst case scenario could cause impairment issues across the municipal spectrum, especially for those credits who have limited financial cushion already," said Eric Kazatsky, senior US municipals strategist at Bloomberg Intelligence.

Continue reading.

Bloomberg Markets

By Maxwell Adler

October 9, 2024

[S&P: Florida State Finances And Insurance Mechanisms Help Absorb The Blow Of Another Major Storm]

Key Takeaways

- Hurricane Milton is the second major hurricane to make landfall in the State of Florida this year, with 51 counties placed under the pre-emptive disaster declaration that authorizes the Federal Emergency Management Agency to coordinate all disaster relief efforts and provide assistance to individuals in need.
- Florida (AAA/Stable) entered hurricane season with exceptionally high reserves totaling approximately 33.4% of operating revenue. In addition, it has a well-embedded emergency response apparatus to support short-term localized needs and enhance rebuilding efforts.
- The scale of damage remains highly uncertain from hurricanes Milton and Helene, but it could be substantial, leading to significant insured losses that are likely to place near-term pressure on the state's statutorily created entities: Citizens Property Insurance Corp. (not rated), Florida Hurricane Catastrophe Fund (AA/Stable), and Florida Insurance Guaranty Assn. (A/Stable [FIGA]).
- We continue monitoring how these events will affect Florida's general credit and insurance landscape, and if these entities will need to take additional measures (e.g., draws on pre-event bond proceeds, levying assessments, or new debt issuance) to help stabilize the property insurance market.

Continue reading.

10 Oct, 2024

Chicago to Issue $1.6 Billion of Municipal Bonds to Refinance O'Hare Airport Debt.

The City of Chicago plans to sell $1.6 billion of bonds to refinance outstanding debt sold to pay for improvements at O'Hare International Airport.

The issuance will be split into four tranches, according to roadshow material posted Tuesday on MuniOS.

The General Airport Senior Lien Revenue Refunding Bonds will be divided into $515.7 million in Series 2024 C and $840.1 million in Series 2024 D. The General Airport Senior Lien Revenue Bonds will include $158.4 million in Series 2024 E and $61.3 million in Series 2024 F debt. Series C and Series E are subject to the alternative minimum tax, while Series D and Series E are exempt.

Preliminary pricing information wasn't available. Pricing is scheduled for Oct. 17 and closing on Oct. 30, with both of those subject to change.

The Series 2024 C and 2024 D bonds will mature between 2025 and 2046. The Series 2024 E and 2024 F mature between 2025 and 2032.

Proceeds will be used to refund outstanding obligations, among other expenses. The bonds are backed by a pledge of revenue earned from airport's operations. Most of that money comes from the rental payments, fees and charges collected under airline use and lease agreements, according to the preliminary official statement posted to MuniOS. Series E and Series F debt is also backed by a subordinate pledge of revenue collected from a passenger facility charge.

About 36.6 million people boarded flights at O'Hare in 2023, up 7.3% from the prior year, with 82% of those passengers boarding domestic flights. The total number of people boarding flights was up 9.2% this year through Aug. 31. O'Hare was the fifth-largest airport in the country for both originations and destinations and total connecting passengers.

The debt is expected to receive a rating from S&P Global Ratings. Fitch Ratings has assigned the bonds a rating of A+.

"The rating reflects the strong air trade service area, Chicago's strategic location as a hub and the demonstrated importance of the airport to both United Airlines, Inc. and American Airlines, Inc.," Fitch said in a report Wednesday. "The rating also reflects risks related to the very sizable capital programs with overall escalated costs estimated at $12 billion over the next decade requiring around $9 billion of bond funding, including the recent series 2024A&B bonds."

J.P. Morgan and Jefferies are lead underwriters on the sale.

Provided by Dow Jones

Oct 9, 2024 9:31am

By Paulo Trevisani

Alabama College Reaches Deal With Nuveen After Bond Stress.

- **Deal requires Spring Hill to raise $5 million by Oct. 31**
- **Leadership is evaluating options to divest noncore real estate**

Spring Hill College, the oldest Catholic educational institution in the southeast of the US, has struck a deal with its biggest creditor Nuveen that gives it more time to shore up its finances and overcome a default.

The Mobile, Alabama-based college entered into what's known as a forbearance agreement with UMB Bank — the trustee for bondholders like Nuveen — after breaching a covenant, according to an Oct. 1 regulatory filing.

As part of such agreements, bondholders can agree to hold off on steps like lawsuits to give distressed borrowers more time to right their finances.

Continue reading.

Bloomberg Markets

By Amanda Albright and Nic Querolo

October 2, 2024

Columbia Is the Latest Ivy League School to Tap Muni Debt Market.

- **Ivy League schools have borrowed $2.8 billion so far this year**
- **Colleges are rushing to sell bonds to spruce up campuses**

Columbia University is expected to tap investors to borrow $500 million of debt, joining a boom of elite colleges that have issued in the capital markets this year.

The Ivy League university is poised to sell both tax-exempt and taxable securities this week to raise money for projects across its campus in Manhattan. A portion of the bond proceeds will be used to pay for improvements to multiple dorms, the addition of chemistry and quantum physics lab-space in academic buildings, furnishing the law school's library and upgrades to the college's medical center campus.

The deal marks one of the latest debt offerings from a US college, which have surged this year as the direction of interest rates stabilized and investor demand increased. Universities broadly have sold $24 billion of municipal debt so far in 2024, with sales from Ivy League schools climbing to nearly $3 billion, an increase of more than 650% from the same period a year ago, according to data compiled by Bloomberg.

Continue reading.

Bloomberg Markets

By Lily Meier

October 1, 2024

Private Equity-Backed Texas Housing Development Taps Muni Market.

- **Muni authority seeking debt for residential development**
- **Developers are planning to build more than 1,000 homes**

In suburban Texas, a neighborhood complete with an amphitheater, dance hall and goat farm is scheduled to be erected 40 miles from Houston's downtown — providing municipal-bond investors a window to bet on one of the fastest-growing areas of the US.

In a transaction that priced this week, a municipal authority sold high-risk, tax-exempt bonds to finance infrastructure associated with a housing development dubbed Two Step Farm. The planned community stretches more than 2,000 acres in Houston's sprawling metropolis. Once built out, the development will have more than 1,000 homes priced between $350,000 and $1 million, as well as parks and amenities.

The bonds are backed by future revenues generated by the project, meaning investors are wagering that the development will be built out and populated. Texas metros are seeing the most sustained population growth of all the nation's major cities this year, according to US Census Bureau data. Houston added nearly 140,000 people to its population this year, following closely behind Dallas. San Antonio and Austin also ranked in the top 10 of the largest increases in new residents.

Continue reading.

Bloomberg Markets

By Sri Taylor

October 4, 2024

S&P: California Utilities Enter Period Of Significant Capital Spending That May Strain Water And Sewer Rate Affordability

Key Takeaways

- Rising costs and affordability risks will be increasingly meaningful to municipal utility credit quality in California, particularly as they adapt to more extreme weather patterns, bolster supply resiliency, and invest in storage, which we expect will raise debt levels but reduce operating risks.
- California utilities' capital plans and needs far exceed those of its national peers, given their outsized exposure to water contaminants, strict wastewater discharge requirements, and substantial renewal and replacement costs.
- Rating downgrades in California outpaced upgrades in 2024, a trend we expect will continue through 2025, consistent with our negative sector outlook.

Continue reading.

3 Oct, 2024

ICE Launches Physical Climate Risk Municipal Indices.

Five new indices to track performance of securities of obligors exposed to climate risk, uses ICE Climate Risk Scores

Intercontinental Exchange, a leading global provider of technology and data, announced that it has launched a new suite of climate risk municipal indices, using the ICE Climate Risk Score, aimed at tracking the performance of securities selected based on exposure to acute climate risks.

The new suite of climate risk municipal indices is a collaboration between ICE's Climate and Index teams. The indices, using ICE Climate Risk data, track the performance of securities issued by obligors with different projected vulnerability to a range of climate risks, including hurricanes, wildfires and floods.

The new index family includes:

- ICE US High Physical Climate Risk Municipal Index (MUNIHICR)

- ICE US Low Physical Climate Risk Municipal Index (MUNILOCR)
- ICE US High Physical Wildfire Risk Municipal Index (MUNIWFCR
- ICE US High Physical Flood Risk Municipal Index (MUNIFLCR)
- ICE US High Physical Hurricane Risk Municipal Index (MUNIHRCR)

"ICE indices have helped market participants capture exposure to some of the most dynamic trends that shape the global economy, and climate risk has increasingly become an important factor in the investment decision-making process," said Preston Peacock, Head of ICE Data Indices, administrator of the new indices. "This new suite of climate indices will be an effective tool to track advancements in the repricing of climate risk in bond markets for researchers and investors."

The ICE Climate Risk Score serves as a singular assessment, ranging from 0.0 to 5.0, amalgamating all the ICE Sustainable Finance Platform's climate hazard models. It provides a comprehensive, relative measure of estimated total property risk stemming from physical climate hazards for a specific location, or a collection of locations related to the obligor.

"ICE research shows that, despite accelerating economic damages from severe weather, physical climate risk is not yet being priced into municipal bonds," said Evan Kodra, Head of Climate R&D at ICE. "That lack of pricing signal could obscure the true risk and perpetuate complacency around climate in the market. We are pleased to assist in the launch of new indices that can help address this, giving investors a consistent pulse on the climate-yield relationship and a benchmark for managing portfolio risk."

These new climate risk municipal indices join ICE's fixed income index offering, which includes approximately 6,000 standard indices tracking more than $100 trillion in debt spanning the global bond markets, with debt represented across 51 currencies.

Massachusetts Spurs Transit Projects With $500 Million Muni Deal.

- **The cash-strapped MBTA is breaking ground on repairs, projects**
- **The South Coast Rail will boost access to Boston for residents**

The commonwealth of Massachusetts is seeking $490.7 million in municipal debt to help fund improvements for its commuter rail and other transportation projects throughout the state.

The deal, according to preliminary bond documents, is comprised of three series: $150 million revenue bond series to fund the rail enhancement program, $125 million sustainability bonds and $215.7 million in revenue refunding bonds.

The sustainability bonds will finance construction for the Massachusetts Bay Transportation Authority's South Coast Rail Project, which will restore commuter rail service between Boston and southeastern Massachusetts — a region that historically hasn't had commuter rail access to the heart of the city.

Continue reading.

Bloomberg Markets

By Sri Taylor

September 25, 2024

Commonwealth of Virginia: Fitch New Issue Report

The ‘AA+’ rating on the Virginia Commonwealth Transportation Board’s Federal Transportation Grant Anticipation Revenue Notes (GARVEES), one notch below the commonwealth’s ‘AAA’ Long-Term Issuer Default Rating (IDR), reflects the appropriation commitment on the part of Virginia’s general assembly to pay debt service using all legally available funds, including funds derived from the commonwealth’s general fund, should this be necessary. The one notch rating differential reflects the slightly elevated risk associated with non-appropriation. Virginia’s ‘AAA’ Long-Term IDR and GO ratings reflect the commonwealth’s substantial fiscal resources, careful management of fiscal operations and debt, and exceptional gap-closing capacity. The commonwealth’s strong economic profile provides a stable revenue base and solid growth prospects for tax revenues. Virginia also maintains a low long-term liability burden relative to its economic resource base.

Access Report

Thu 26 Sep, 2024

Commonwealth of Kentucky: Fitch New Issue Report

The ‘AA-‘ rating on the Commonwealth of Kentucky’s appropriation-backed debt, including the project no. 131 bonds, is set one notch below the commonwealth’s ‘AA’ Issuer Default Rating (IDR) based on debt service for lease payments that are subject to annual appropriation. The ‘AA–’ rating reflects a slightly elevated risk of nonrepayment given the appropriation pledge.

Access Report

Fri 27 Sep, 2024

Fitch: Florida (Re)Insurers’, Citizens’ Ratings Unlikely Affected by Hurricane Helene

Fitch Ratings-New York/Chicago-27 September 2024: Hurricane Helene, while resulting in the tragic loss of life and significant economic losses in affected areas, is not likely to affect credit ratings for property/casualty (P/C) (re)insurers, Citizens Property Insurance (Citizens; AA) or the Florida Hurricane Catastrophe Fund (FHCF; AA), Fitch Ratings says. This assessment is based on our initial estimate of an insured loss range from $5 billion to $10 billion, with anticipated individual insured losses that should remain within ratings sensitivities, ample capital levels and insurers’ ability to increase premium rates.

Hurricane Helene, which made landfall in the sparsely populated Big Bend region of Florida as a Category 4 hurricane and moved through the southeast U.S. as a tropical storm, is expected to generate considerable economic and insured losses. Florida will be meaningfully affected by heavy rainfall, storm surge, flooding and high winds. However, Georgia’s losses may exceed Florida’s due to strong sustained winds across highly populated areas. The Carolinas, Tennessee and Kentucky are also likely to experience losses.

Standard homeowners' insurance does not typically cover flood damage. Private market flood insurance has grown, but remains less than 1% of industry direct premiums written, with the relatively small exposure limiting industrywide potential for loss. Fewer than 15% of homeowners buying insurance purchase primary flood insurance, with even lower take-up rates away from the coasts with less historical flooding. However, mortgage lenders require flood insurance if a homeowner has a federally backed mortgage and lives in a Federal Emergency Management Agency (FEMA) high-risk flood zone or if they have received prior FEMA compensation for flood damage.

Continue reading.

Buffalo Bills Fans Snap Up Stadium Bonds in Tax-Shy New York.

- **About 100 retail investors purchased the stadium bonds**
- **High-tax states tend to have stronger muni retail interest**

Buffalo Bills fans, fresh off a blowout win against the Jacksonville Jaguars, just scored another victory — this time in the municipal bond market.

Roughly 100 retail buyers placed orders for debt sold this week which will help finance the construction of a new $1.7 billion stadium for the National Football League team in Orchard Park, New York. Fans in the highest-tax bracket would need to find a taxable security yielding about 7% to compete with the payout on the offering's 20-year bond. Treasuries would need to offer a yield of 5.83%.

That's because the debt is exempt from state and federal income taxes, a valuable haven in a state with one of the highest levies in the US.

Continue reading.

Bloomberg Markets

By Maxwell Adler and Amanda Albright

September 25, 2024

Chicago Mayor Seeks Approval for $1.5 Billion Debt Refinancing.

- **Refinancing deal would generate savings to help plug deficit**
- **Measure is sitting with city council's finance committee**

Chicago Mayor Brandon Johnson is seeking approval to sell as much as $1.5 billion of bonds to refinance old debt to help plug this year's budget deficit.

Johnson filed the proposed ordinance last week, and it now sits with the city council's finance committee. If passed by the committee, which meets on Oct. 2, the measure then needs approval from the full council.

The deal would include bonds sold as part of an entity set up in 2017 to issue debt backed by sales levies. They carry a higher rating than Chicago's general obligation debt that is weighed down by factors including unfunded pension liabilities and back-to-back budget deficits.

Continue reading.

Bloomberg Markets

By Shruti Singh

September 25, 2024

S&P: BlackRock California Municipal Income Trust Series W-7 Variable-Rate Demand Preferred Shares Assigned Rating

NEW YORK (S&P Global Ratings) Sept. 25, 2024–S&P Global Ratings today assigned its short-term 'A-1′ rating to BlackRock California Municipal Income Trust's series W-7 variable-rate demand preferred (VRDP) shares, which have a liquidation preference of $100,000 per share.

The short-term rating addresses the expectation of timely repayment of the shares' liquidation preference in the event of an optional tender, mandatory tender, or mandatory purchase, and reflects the short-term rating on the liquidity provider, Barclays Bank PLC (A+/Stable/A-1). If the short-term rating on the liquidity provider were to change, we would expect to make a corresponding change to our rating on the series of VRDP shares.

Continue reading.

More Than $1 Billion in Low-Interest Loans Help Michigan Communities Upgrade Water Infrastructure, Protect Health, Environment.

Critical water system upgrades are in the works in dozens of Michigan communities thanks to $1.05 billion in low-interest loans from the state revolving funds. The Michigan Department of Environment, Great Lakes, and Energy (EGLE) issued financing agreements to 72 projects in the Drinking Water and Clean Water state revolving funds across the state in fiscal year 2024.

These projects ensure safe drinking water is available for residents and reduce the risk of contaminants entering surface water and ground water. Funds for these low interest financing programs come from the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund – mixes of federal and state dollars dedicated to financing community water infrastructure projects.

Requests for loan dollars were overwhelming, as cities, villages, and towns across Michigan struggle to maintain deteriorating water infrastructure. Properly functioning water systems are crucial to Michiganders' quality of life – from the water flowing from taps to the numerous lakes and streams that provide amazing recreational opportunities and flood control. Infrastructure is often taken for granted until it fails, impacting the well-being of people and the environment.

State Revolving Fund (SRF) interest rates are well below market rate and occasionally provide the opportunity for communities to secure principal forgiveness – a portion of the loan that does not have to be repaid. In fiscal year 2024, $147.3 million in loan dollars were forgiven for communities with financial hardships.

Demand has outpaced available funds, however, with community requests for project financing totaling nearly three times available funding.

“These long-term, low-interest loans help protect public health and the environment, reduce pressure on communities to raise funds quickly for essential upgrades, and minimize the need for large user rate increases,” said Paul McDonald, EGLE’s chief financial officer. “We’ve seen historic demand for assistance from the state revolving funds. While we’ve been unable to meet the entire demand, it is gratifying to see projects come to life in communities large and small.”

“The state revolving funds have provided financing for communities undertaking water infrastructure improvements over the past 30 plus years,” said Kelly Green, administrator of EGLE’s SRF programs. “It’s a proven program with long term financing options at very low interest rates that help communities and infrastructure users meet their needs and set the table for long-term success.”

Detailed information on the low-interest loans issued to communities this year can be found by accessing the SRF visual dashboard. The dashboard also contains information on every loan issued under the SRF programs.

Those interested in hearing more about EGLE grants and loans may subscribe to “EGLE grant and loan opportunities” communications and others at EGLE’s email update sign-up webpage.

Descriptions of funding sources

Drinking Water State Revolving Fund (DWSRF): Low-interest loan program to help public water systems finance the costs of replacement and repair of drinking water infrastructure to protect public health and achieve or maintain compliance with federal Safe Drinking Water Act requirements. As water systems repay their loans, the repayments and interest flow back into the DWSRF to support new loans.

Clean Water State Revolving Fund (CWSRF): Used by local municipalities to finance construction of water pollution control projects. These projects include wastewater treatment plant upgrades and expansions, combined or sanitary sewer overflow abatement, new sewers designed to reduce existing sources of pollution, and other publicly owned wastewater treatment efforts that improve water quality. The CWSRF can also finance stormwater infrastructure projects to reduce nonpoint sources of water pollution caused by runoff to lakes, streams, and wetlands.

michigan.gov

September 25, 2024

[S&P Second Party Opinion: City of New York's General Obligation Bonds,]()

2025 Series D Taxable Social Bonds, Subseries D-1

S&P Global Ratings assesses City of New York's General Obligation Bonds, 2025 Series D Taxable Social Bonds, Subseries D-1 as aligned with Social Bond Principles, ICMA, 2023. The City, with a population of 8.3 million (July 2023 estimate), has the highest metropolitan area GDP of all U.S. metro areas and is a global hub for finance, leisure, and business tourism, universities, health care providers, and–increasingly–technology companies. The City established the HPD in 1978 to handle the development and maintenance of its affordable housing.

Download

Nuveen's Muni Funds Strike $3 Billion Deal to Sell Power Stock.

- **Company made up 8.4% of Nuveen's largest junk-muni fund**
- **Vistra will become the sole owner of its power subsidiary**

The municipal-bond market's largest high-yield fund is poised to offload its biggest position — equity shares of a power company called Vistra Vision LLC.

Nuveen LLC has reached an agreement to sell its 11% stake in Vistra Vision to Vistra Corp., in a deal expected to close in December, according to statement late Wednesday. The transaction will total about $3.25 billion, including a share from Avenue Capital Management.

After the sale is completed, Texas-based Vistra will become the sole owner of its subsidiary Vistra Vision and Nuveen will receive payments it can reinvest into its municipal-bond funds. Vistra is a developer and owner of power plants and the best performing stock in the S&P 500 Index this year.

Continue reading.

Bloomberg Markets

By Danielle Moran

September 19, 2024

Kansas Development Finance Authority (State Revolving Fund): Fitch New Issue Report

The loan portfolio is large, with 307 obligors, but concentrated, with the top 10 obligors accounting for about 59% of the portfolio total. The top two obligors, the city of Wichita and Johnson County, make up 23.1% and 9.5% of the portfolio, respectively. Acting in conjunction with the Kansas Department of Health and Environment, the authority provides below-market financing to municipalities in the state of Kansas for water supply and wastewater projects. Bond proceeds are combined with recycled funds from prior loans, federal grants and an EPA requirement for the state to provide matching funds for such projects. In aggregate, the top 10 obligors represent about 59% of the pool, generally in line with Fitch's 'AAA' median level of 57%. The city of Wichita's water system (water and sewer revenue bonds not rated by Fitch but assessed to be of very strong credit quality) is the largest obligor, approximating 23% of the total pool. Johnson County (GO bonds rated 'AAA' by Fitch) and the city of Salina (bonds not rated by Fitch but assessed to be of very strong quality) are the next two largest participants, accounting for 9.5% and 4.4% of the pool, respectively.

Access Report

Wed 18 Sep, 2024

Indiana Finance Authority: Fitch New Issue Report

The 'AAA' rating reflects the ability of the Indiana Finance Authority's (IFA, or the authority) clean water (CW) and drinking water (DW) State Revolving Fund (SRF) bond program's (the program) financial structure to absorb hypothetical pool defaults in excess of Fitch Ratings' 'AAA' stress scenario without causing an interruption in bond payments. Aggregate pool credit risk is measured using Fitch's Portfolio Stress Model (PSM), and the strength of the program's financial structure is measured using Fitch's Cash Flow Model.

Access Report

Wed 18 Sep, 2024

State of California: Fitch New Issue Report

The state of California's 'AA' Issuer Default Rating (IDR) reflects its large and diverse economy, which supports strong, albeit cyclical, revenue growth prospects, a solid ability to manage expenses through the economic cycle and moderately low long-term liabilities. Strong fiscal management — institutionalized across administrations and demonstrated through the buildup of the budgetary stabilization account (BSA) and elimination of past budgetary borrowing — allows the state to withstand economic and revenue cyclicality.

Access Report

Thu 19 Sep, 2024
