

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 Works 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)

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[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 Shoib

Write to Zaeem Shoib at zaeem.shoib@wsj.com

(END) Dow Jones Newswires

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

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[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 new 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 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)

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[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)

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[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-Newark-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)

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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)

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[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 cyclicalities 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 housing programs.

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 are 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)

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[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)

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[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: Abridn'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 to 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)

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[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)

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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 expediate 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 Bohannon-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](https://twitter.com/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 cyclical 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 Shoab

Write to Zaeem Shoab at zaeem.shoab@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)

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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](#)

[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 cyclicity.

[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 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.

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 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.

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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 F 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.

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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 cyclicity.

[Access Report](#)

Thu 19 Sep, 2024

[Loop Taps Former Barclays, Ramirez Muni Bankers in Northeast.](#)

- **Hires come during broad talent shift in municipal-bond market**
- **Scranton joins as head of surface transportation deals**

Loop Capital Markets has hired three public finance bankers as the Chicago-based investment bank expands in the Northeast amid a rebound in municipal-bond sales this year.

Jaimie Scranton joined Loop in Boston this month as a managing director and head of surface transportation deals, according to a statement from the bank. She most recently served as a senior banker at Barclays Plc.

Doug Adams joined in July to open a new office for Loop in Philadelphia. As a vice president, he will focus on higher education and transportation. He previously worked at Echo Financial Products, an advisory firm. Christopher Dinno joined Loop as an investment banking associate last month in New York. He previously worked for Ramirez & Co.

Representatives of Barclays, Ramirez and Echo didn't respond to emails seeking comment about the departures.

"We are looking to grow nationally, emphasizing Texas and the Northeast," Bo Daniels, Loop's head of public finance, said in the statement. "This new group of bankers further underscores that strategy, especially in the Northeast. The market is strong right now, and we expect that to continue into next year."

The hires come during a broader talent shift in the market after Citigroup Inc. and UBS Group AG largely exited the muni market. Loop is among a series of smaller banks now hiring from other competitors still active in the market, after recruiting earlier this year from the exiting firms.

In March, Loop announced it had hired three former Citigroup bankers and one from UBS to expand in Boston, Houston and San Antonio, according to a [statement](#).

In Thursday's statement, Loop Chairman and Chief Executive Officer Jim Reynolds said the firm sees "tremendous growth opportunities" in the market.

Bloomberg Industries

By Shruti Singh

September 19, 2024

[Texas Public Finance Authority: Fitch New Issue Report](#)

Texas' 'AAA' Issuer Default Rating (IDR) and general obligation (GO) bond rating reflect its growth-oriented economy and the ample fiscal flexibility provided both by its conservative approach to financial operations and the maintenance of substantial reserves, including in its budgetary reserve, the economic stabilization fund (ESF).

[Access Report](#)

Fri 20 Sep, 2024

[ICE: Municipal Bonds - Reliable Pricing for a Fragmented Market](#)

ICE's rules-based, transaction-driven approach provides a transparent representation of municipal market movement.

The complex and fragmented municipal bond market - comprised of around one million securities and 50,000-plus issuers - has long been a challenge to price. Data can be scarce, dated, and not standardized. ICE has been working to address this challenge over the past few years, drawing on our expertise in evaluations and depth of our pricing data. Today, our expanded range of Municipal Coupon & Callability Curves cover four ratings buckets (AAA, AA, A, BBB) three coupon rates (3%, 4%, 5%) and nine call structures (from 10 to 2 years to first call). The curves are mid yield, yield to worst (YTW) curves, with a methodology that is rules-based, transaction-driven, and updates based on certain round lot trades reported to the MSRB's Real-time Transaction Reporting System (RTRS).

To appreciate what distinguishes our methodology, it's important to understand how municipal bonds are priced for trading in the secondary market, where a market participant typically refers to recent trades for the price paid in conjunction with other factors such as the size of the trade and spread to the municipal bond (or "muni") reference curve. The typical muni reference curve is a AAA 5% coupon with a 10-year par call which has traditionally been the most common new issuance borrowing structure of municipalities. If no recent trades are available or market conditions have changed so the last trade price is no longer relevant, other sources are consulted - such as trades involving bonds with similar characteristics. That's where yield curves have a part to play in collating market color. Many participants are turning to ICE's AAA Municipal Yield Curve as the key reference curve in both primary and secondary markets due to its rules-based, transaction-driven framework. This provides a more transparent representation of municipal market movement than traditional methods of curve construction, which typically use a consensus approach.

Following the launch of ICE's AAA Municipal Yield Curve, its live pricing could be applied to as much as 80% of the one million active municipal bond securities universe. Yet ICE's municipal bond team recognised its limitations: not every bond has a 5% ten-year par call structure throughout its life. Using the AAA curve as a base, they built lower-level coupon and call curves from observed trades that met certain criteria. As criteria-acceptable trades are applied to the model, the curves are updated to reflect changes in current market conditions. This means the impact of any curve movements can be applied to a large swathe of bonds quickly- a more effective way to pass through market color to a larger set of comparable bonds. A survey-based approach would struggle to reflect market conditions in this manner.

The spreads from ICE's expanded curve set can update several times a day - but no less frequently than daily - and ICE's team aims to track and reflect the institutional mid yield of each maturity point of the curves. Trades fitting the selection criteria are each associated with a curve and its interpolated tenor yield. Several checks are included to maintain curve consistency across rating, coupon, call and curve shape, while a proprietary optimizer solves for the best suite of curves that minimizes total trade to curve spread differences. The curves are fitted through the middle of the selected trades for a particular curve, so each curve represents the average, or mean credit. ICE's evaluators are also on hand to provide oversight on curve behavior. Importantly, these curves are used daily to apply intraday and end-of-day market moves to most of the investment grade municipal bond universe evaluated by ICE. Intraday updates to the curves support ICE's Continuous Evaluated Pricing™ while the end-of-day curves are used to support ICE end-of-day municipal evaluation.

The development of ICE's expanded municipal curve offering was well underway when the most recent rate hike cycle began in March 2022. These rate hikes - unprecedented in their pace and magnitude - contributed to a market sell-off amid fears of a potential recession. This saw a growing number of outstanding municipal bonds fall into de minimis territory, with ICE estimating a third of tax-exempt munis were affected at the height of the sell-off. In addition, December 2022 saw the ICE Municipal AAA yield curve invert for the first time in history; a dynamic that persists with the two-t-10-year segment of the municipal yield curve. These factors - a drastic rate hike cycle, muni yield curve inversion, and thousands of bonds breaching de minimis - upended recent pricing relationships, underscoring the need for a broader set of municipal bond curves for use in evaluated pricing. These curves can be a valuable input for firms looking to partially or fully automate their trading on municipal securities. While ICE's evaluations take in and apply more market data than just the curves, the curve suite is now one of the main drivers of evaluation movement.

By Patrick Smith, Senior Director, Head of Municipal Evaluations, ICE

By fidesk -September 17, 2024568

[SOLVE Debuts AI-Driven Predictive Pricing Platform for the Municipal Bond Market.](#)

NEW YORK, Sept. 17, 2024 (GLOBE NEWSWIRE) — SOLVE, the leading provider of pre-trade data and predictive pricing for fixed income securities markets, is debuting SOLVE Px™, the firm's proprietary, AI-driven predictive price data for the municipal bond market. SOLVE Px will provide SOLVE's buy and sell-side customers with unprecedented visibility into "next-trade" pricing data on over 900,000 municipal bonds.

SOLVE's platforms—including SOLVE Quotes™, which provide price transparency data on over 20

million daily quotes and more than 1,250,000 securities across different asset classes—are already being used by investment, trading, and valuation experts across the fixed income market. SOLVE Px is the newest addition to a slate of products designed to give the fixed income investment ecosystem access to insights that enable better trading decisions, including for municipal bonds that are infrequently quoted and traded.

“One of the unique challenges in the municipal bond market is the sheer number of outstanding CUSIPs and the lack of pricing transparency on the vast majority of them. This makes valuing specific munis very time-consuming and market participants do not have the confidence that they have all the relevant information to make sound relative value decisions,” said SOLVE founder and CEO Eugene Grinberg. “By tapping into our unparalleled quotes data and leveraging AI’s ability to see in many dimensions, SOLVE Px lets front-office municipal bond professionals price munis with confidence and identify investment opportunities.”

SOLVE Px leverages data from the extensive SOLVE Quotes database and is based on an AI Prediction Model powered by nearly 300 feature inputs. This Prediction Model is re-trained daily to adjust dynamically to constantly evolving market conditions. SOLVE Px incorporates real-time Quotes, trades, and reference data to produce predictive prices in real time.

“We leveraged our deep muni market relationships as we developed our predictive pricing platform, sought industry feedback, and performed rigorous back-testing to ensure Px meets the high standards of our diverse client base. Our output, Px, is a unique platform that delivers predictive prices for the buy and sell sides and at the trade size that makes sense to our clients,” said Gregg Bienstock, Group Head of Municipal Markets. “This is just the beginning as we move to expand this offering with tools for relative value and as we move to other asset classes.”

SOLVE Px has proven highly accurate over its year-long testing period and will bring many competitive advantages to SOLVE’s customers.

Key Benefits Include:

- Unmatched predictive accuracy – SOLVE Px is a highly accurate prediction model that enables sell-side and buy-side investors to execute trades with better and more informed data. SOLVE Px’s median absolute yield error of just 5-6 bps significantly improves trading outcomes.
- Relative Value – SOLVE Px, by accurately pricing virtually every security in the municipal asset class, is uniquely suited for various Relative Value exercises, including rich/cheap bond vs. bond, bond vs. cohort, or cohort vs. cohort analyses and visualizations.
- Breadth of coverage – Access to the largest suite of price transparency-driven data and analytics – Including Quotes that come from parsing a client’s own messages with AI, Quotes that come from other contributing clients, and tools to identify comparisons and generate representative pricing.

SOLVE Px is available now and predicts the next trade price for over 900,000 fixed coupon bonds, representing 99% of all fixed coupon bonds and over 93% of the entire universe of live municipal bonds.

To learn more about SOLVE Px, please visit <https://solvefixedincome.com/solve-px>.

About SOLVE

SOLVE is the leading market data platform provider for fixed-income securities, trusted by sophisticated buy-side and sell-side firms worldwide. Founded in 2011, SOLVE leverages its proprietary Deep Market Insight™ to offer unparalleled transparency into markets, reduce risk, and save hundreds of hours across front-office workflows. With the largest real-time datasets for

Securitized Products, Municipal Bonds, Corporate Bonds, Syndicated Bank Loans, Convertible Bonds, CDS, and Private Credit, SOLVE empowers clients to transform the way they bring new securities to market, trade on secondary markets, and value highly illiquid securities. Headquartered in New York, with offices across the globe, SOLVE is the definitive source for market pricing in fixed-income markets. For more information, visit <https://solvefixedincome.com>.

SOLVE Px does not constitute Investment Advice and does not seek to value any security and does not purport to meet the objectives or needs of specific individuals or accounts.

Media Contact:

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[California Community Choice Aggregator Issues Third Pre-Pay Green Bond.](#)

Clean Power Alliance on Sept. 12 said it has issued its third municipal non-recourse Clean Energy Project Revenue Bond through the California Community Choice Financing Authority.

The \$1.524 billion bond issuance is expected to reduce CPA's renewable energy costs by an estimated \$93 million over the initial eight-year period of the bond, or an average of \$11.6 million annually.

The savings from this prepay transaction are locked in until 2032, at which time the bond will be repriced.

Founded in 2017, Clean Power Alliance is the locally operated not-for-profit electricity provider for 33 cities across Los Angeles County and Ventura County, as well as the unincorporated areas of both counties.

The bond received an investment-grade A1 rating from Moody's and a 'Green Bonds' designation by Kestrel Verifiers.

CPA issued its first two Clean Energy Project Revenue bonds in February 2023 and April 2023, respectively. The three bond issuances are expected to generate total annual savings of approximately \$25.3 million.

Energy prepayment bonds are long-term financial transactions available to public agencies like CPA to provide power procurement cost savings.

A Clean Energy Project Revenue Bond is a form of wholesale electricity prepayment that requires three key parties: a tax-exempt public electricity retailer (CPA in this transaction), a taxable energy supplier (J Aron & Company, LLC in this transaction), and a municipal bond issuer (CCCFA in this transaction)

The three parties then enter into long-term power supply agreements for zero-emission clean electricity sources such as solar, wind, geothermal, and hydropower. The municipal bond issuer issues tax-exempt bonds (underwritten by Goldman Sachs in this transaction) to fund a prepayment of energy that will be delivered over 30 years.

The energy supplier provides a discount to the tax-exempt public electricity retailer in exchange for the prepayment of power purchases funded by the bond proceeds.

CPA has assigned three solar-plus-storage power purchase agreements to this prepay transaction. The bond will be utilized to prepay the purchase of a combined capacity of 854.5 megawatts of renewable energy.

For the bond, CPA was advised by municipal financial advisor Municipal Capital Markets Group and by the law firm Chapman & Cutler.

publicpower.org

by Paul Ciampoli

September 12, 2024

[Orrick: Portland International Airport Opens Main Terminal After \\$2 Billion+ Renovation](#)

Passengers at Portland international Airport are coming and going through a new terminal, part of a broader renovation that also includes enhancements to parking and rental-car areas.

Orrick has served as bond and/or disclosure counsel for the Port of Portland in five financings totaling \$2.2 billion since 2019. Those financings provided funding for the renovation work, including a \$589.9 million financing that closed around the same time as the new terminal opened August 14.

THE COMPANIES

The Port of Portland operates Portland International Airport and two other airports as well as four marine terminals and five business parks.

With hundreds of employees, the Port is an economic engine for transforming the region into a place where everyone is welcome, empowered, and connected to the opportunity to find a good job or grow their business.

THE IMPACT

Built and designed by more than 30,000 local craftspeople, the terminal offers more places to eat, drink and shop. It has “double the capacity but keeps the heart and character of the airport that consistently ranks among travelers’ favorites,” the Port said.

“Our focus throughout this entire project was: How do we reflect the pride and love we all have for the region in the new PDX?” said Curtis Robinhold, executive director for the Port of Portland. “It was a lot of local love for the Pacific Northwest that made it all happen.”

The terminal includes new airline check-in areas, a public space with stadium seating and a mezzanine restaurant, a streamlined security process and 11 local shops and restaurants.

Work from now until 2026 will add more shops and restaurants, more escalators and elevators to the arrivals level, shorter walks to and from airline gates and new airline VIP lounges, among other things.

THE TEAM

Greg Blonde and Christine Reynolds led the Orrick teams that have advised the Port of Portland on five financings since 2019. The teams also included John Stanley, Mayling Leong, Leslie Conrad Krusen IV, Alexandra Bartos-O'Neill and Angie Gardner.

September.09.2024

State of Illinois: Fitch New Issue Report

The State of Illinois' 'A-' Long-Term IDR reflects solid operating performance that nonetheless remains weaker than that of most other states. Illinois has a long record of structural imbalance primarily related to pension underfunding, offset by continued progress toward more sustainable budgeting practices. The rating also reflects the state's elevated long-term liability position and resulting spending pressure. Illinois' deep and diverse economy is growing slowly, but still provides a strong fundamental context for its credit profile.

[Access Report](#)

Thu 12 Sep, 2024

Idaho State Building Authority: Fitch New Issue Report

The 'AA+' rating on the series 2024A 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 School Modernization Facilities (SMF) Fund distribution, provide strong debt service coverage, even when taking into account maximum future issuance.

[Access Report](#)

Fri 13 Sep, 2024

Greenberg Traurig Represents Bond Investors in Electric Vehicle Charging Infrastructure Grant Anticipation Notes Issuance.

ORLANDO, Fla. – Sept. 9, 2024 – Global law firm Greenberg Traurig, P.A. represented bond investors in the issuance of Electric Vehicle Charging Infrastructure Grant Anticipation Notes Series 2024 and Series 2024-B by the National Finance Authority, totaling \$50,400,000. The proceeds from these bonds have been loaned to Francis Energy Charging, LLC to finance the construction of an electric vehicle charging station network. This project will be reimbursed by funds from the federal National Electric Vehicle Infrastructure program.

The Greenberg Traurig team was led by Public Finance & Infrastructure Shareholder Carl McCarthy with assistance from Associate Violeta Gonzales.

About Greenberg Traurig's Public Finance & Infrastructure Practice: Greenberg Traurig, LLP has a national public finance practice that consistently ranks among the top bond, disclosure, and underwriter's counsel firms according to The Bond Buyer's nationwide and statewide rankings. Greenberg Traurig LLP's Public Finance & Infrastructure Practice has been serving the needs of state and local issuers, underwriters, credit providers, bondholders, and conduit borrowers throughout the United States for more than forty years in virtually every area of public finance. The firm currently has 35 attorneys in the Public Finance & Infrastructure Practice in its Arizona, Colorado, Florida, Georgia, Illinois, Massachusetts, New York, Pennsylvania, Texas, and Washington, D.C. offices."

About Greenberg Traurig: Greenberg Traurig, LLP has more than 2750 attorneys in 47 locations in the United States, Europe and the Middle East, Latin America, and Asia. The firm is a 2022 BTI "Highly Recommended Law Firm" for superior client service and is consistently among the top firms on the Am Law Global 100 and NLJ 500. Greenberg Traurig is Mansfield Rule 6.0 Certified Plus by The Diversity Lab. The firm is recognized for powering its U.S. offices with 100% renewable energy as certified by the Center for Resource Solutions Green-e® Energy program and is a member of the U.S. EPA's Green Power Partnership Program. The firm is known for its philanthropic giving, innovation, diversity, and pro bono. Web: www.gtlaw.com.

[Phillips Academy Andover Prepares \\$54 Million Muni Bond Sale.](#)

- **Andover plans to use proceeds to refinance existing debt**
- **School's endowment was valued at \$1.4 billion in June**

Phillips Academy Andover, a top prep school that counts two former US presidents among its alumni, is tapping the municipal bond market to pay off existing debt.

Andover is slated to issue \$53.7 million of bonds through the Massachusetts Development Finance Agency on Thursday, preliminary documents show. Proceeds of the offering will be used for refinancing and terminating an interest-rate swap, as well as paying for issuance costs, according to the prospectus.

The alma mater of both Presidents George H. W. Bush and George W. Bush, Andover joins a smattering of private schools that have come to the state and local debt market of late. Earlier this summer, St. Ignatius College Preparatory sold muni bonds in California to revamp its campus, while Massachusetts' the Wheeler School raised debt in April.

[Continue reading.](#)

Bloomberg Markets

By Erin Hudson

September 9, 2024

[NY's JFK Airport Developer Preps \\$1.5 Billion Muni Bond Sale.](#)

- **Borrower targets tax-exempt muni sale for Oct. 8 at earliest**

• **The airport is in the midst of a large renovation project**

The developer behind a major renovation of John F. Kennedy International Airport is preparing a \$1.5 billion municipal bond sale next month.

JFK Millennium Partners is considering tapping the market with a tax-exempt issue to refinance outstanding obligations issued in 2022, according to a regulatory filing posted this week to the Municipal Securities Rulemaking Board's EMMA website. That debt includes bank loans and an initial series of bonds issued with the Royal Bank of Canada.

The group behind the public-private partnership is in the process of developing the airport's new Terminal 6, which is expected to be 1.2 million square feet and cost \$4.2 billion. The first gates at the terminal are expected to open in 2026 with the project finishing two years later.

Construction began on the terminal in February 2023. The new terminal, which is set to have food offerings like Italian-sandwich shop Alidoro and Momofuku founder David Chang's Fuku, is part of a larger \$19 billion overhaul of the airport in Queens. The new terminal will also include features like touchless check-in technology and a taxi plaza.

The municipal bonds would be sold through the New York Transportation Development Corporation and could be priced as early as Oct. 8. The sale would be underwritten by a group led by Goldman Sachs and Siebert Williams Shank, according to the filing.

Bloomberg Markets

By Lily Meier and Shruti Singh

September 12, 2024

[Philadelphia College Files Bankruptcy After Shock Closure.](#)

- **University of the Arts bond trustee sought accelerated payment**
- **School abruptly closed its doors in June, shocking students**

The University of the Arts, a private college in Philadelphia that abruptly closed its doors in June, filed bankruptcy Friday, two weeks after it faced a demand by its bondholders for immediate repayment of more than \$50 million in debt.

The school listed assets and liabilities of \$50 million to \$100 million, in a petition for Chapter 7 liquidation filed in the US Bankruptcy Court in Delaware. The school's board of trustees held a special meeting on Sept. 5 to approve the filing. It was subsequently approved by 17 of 18 board members.

The closing of the school came as a shock to students, parents and staff who were only given a week's notice. The action spurred protests at its campus as well as multiple legal actions.

[Continue reading.](#)

Bloomberg Markets

By Martin Z Braun

September 13, 2024

[Orrick: The Largest Energy-as-a-Service Health Care Transaction in U.S. History: Adventist Health and Bernhard Enter Into 30-Year Lease and Concession](#)

Adventist Health, a faith-based nonprofit health system across the West Coast and Hawaii, has entered into a 30-year energy-as-a-service concession and lease with Bernhard.

Orrick advised Adventist and served as bond counsel. The project involves a \$457 million tax-exempt project financing and investment in energy-related infrastructure systemwide.

Bernhard will support Adventist as a long-term developer to optimally and most efficiently operate and maintain the new and existing energy assets, including renewable energy assets and central utility plants.

The guaranteed utility cost savings as a result of the improvements are structured to offset the design, construction, financing and operations and maintenance costs for the project. This tax-exempt financing structure was novel in that it used a special purpose not-for-profit entity formed by the broader Adventist organization to support this transaction. It also included multiple bond issuers to finance improvements in three different states.

[Continue reading.](#)

September.03.2024

[California Munis in Trouble.](#)

California's [high-yield municipal bonds](#), intended to fund housing for essential workers like police officers and teachers, are under financial stress. The state issued between \$8 billion and \$10 billion in speculative municipal bonds to convert existing apartments into affordable housing for middle-income families, but these projects are now struggling due to rising interest rates and declining occupancy.

Local agencies often borrowed beyond the purchase price, assuming high occupancy would cover expenses, but that assumption has proven risky as the economic landscape shifts. The bonds, many of which were sold when interest rates were historically low, now face significant challenges as financial conditions tighten.

Experts are increasingly doubtful about the sustainability of this workforce-housing model, which has not yet been tested across different economic cycles.

Nasdaq

Written by dkorth@finsum.com

August 28, 2024

[Metropolitan Water District of Southern California: Fitch New Issue Report](#)

The 'AA+' ratings reflect MWD's very low leverage, measured as net adjusted debt to adjusted funds available for debt service (FADS), within the context of the district's very strong revenue defensibility and operating risk profiles, both assessed at 'aa'. Between fiscal 2018 (FYE June 30) and 2022, leverage, measured as net adjusted debt to adjusted FADS, ranged between 5.4x and 6.5x. However, lower demand due to drought conservation measures weakened FADS and overall performance in fiscal 2023 and drove leverage up to 8.2x. Based on estimated actual performance in fiscal 2024, leverage could increase further, potentially approaching 12.0x, largely the result of sustained lower demand as purchasers utilized more of their respective local supplies rather than purchasing from MWD. Positively, action taken by MWD's board of directors (the board) in adopting its current biennial 2025 and 2026 budget increased both water rates and property tax rates. The increases are expected to drive improved margins and performance beginning in fiscal 2025, which should bring performance and leverage back in line with the current rating. Fitch's Analytical Stress Test (FAST) also points to declining leverage thereafter, supportive of the current rating and Outlook.

[Access Report](#)

Thu 05 Sep, 2024 - 9:22 AM ET

[Texas Officials Sued Over Anti-ESG Law Targeting Wall Street.](#)

- **American Sustainable Business Council sues state officials**
- **Lawsuit argues the Texas legislation is unconstitutional**

The American Sustainable Business Council sued Texas officials in an effort to block a law that restricts state investments with certain financial firms because of their energy policies.

The lawsuit filed Thursday in federal court in Austin, argues the 2021 state law is unconstitutional and it seeks to "coerce and punish" businesses seeking to reduce reliance on fossil fuels.

The group — a nonprofit that represents thousands of businesses and advocates for environmentally-friendly policies — sued Texas Comptroller Glenn Hegar and the state's Attorney General Ken Paxton, who have been vocal supporters of the measure. In the lawsuit, it argued that the law overstepped and went against the First Amendment.

[Continue reading.](#)

Bloomberg Markets

By Amanda Albright and Madlin Mekelburg

August 29, 2024

[San Antonio \(TX\): Fitch New Issue Report](#)

The 'AA' bond ratings along with the 'aa' Standalone Credit Profile (SCP) reflect SAWS' combined water and sewer system's (the system) very strong revenue defensibility assessment of 'aa', supported by its fundamental role as the sole water and sewer service provider to a broad service area with very favorable demographic trends. Its very strong operating risk assessment of 'aa' incorporates ample and diversified water supplies, a very low operating cost burden and strong levels of capital investment. The system's leverage, measured as net adjusted debt to adjusted funds available for debt service (FADS), measured 6.0x in fiscal 2023 (FYE Dec. 31), up slightly from the prior year's level of 5.9x. The increase was the result of a residential rate decrease, which was mostly revenue neutral (less than 2% decline from year prior) because of offsetting rate increases to other customer classes, in conjunction with an increased debt burden. The revision of the Outlook to Stable from Positive reflects an updated view on the system's leverage, which is now expected to modestly exceed 7.0x in upcoming years. After the residential rate decrease in fiscal 2023, rates were further held flat in fiscal 2024 compared to previous expectations that incremental adjustments would be implemented beyond fiscal 2023.

[Access Report](#)

Thu 05 Sep, 2024 - 2:30 PM ET

[Texas Water Development Board: Fitch New Issue Report](#)

The 'AAA' rating reflects the ability of the SWIRFT program's (the program) financial structure, and funding mechanisms, to absorb hypothetical pool defaults in excess of Fitch's 'AAA' stress scenario without causing an interruption in bond payment. 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 (CFM). The PSM's liability stress hurdle is measured against the CFM's breakeven default tolerance rate to produce a model-implied rating. A positive net difference (the default tolerance less the hurdle) in the calculation suggests a passing model output at a given rating stress. Additionally, given the nonstandard investments of the program, Fitch also applied stress to its approximately \$1.8 billion in outstanding investments to create a Fitch-modelled investment stress scenario, as per Fitch's criteria.

[Access Report](#)

Thu 05 Sep, 2024 - 3:32 PM ET

[Arizona Water Infrastructure Finance Authority: Fitch New Issue Report](#)

The 'AAA' rating reflects the ability of the Water Authority Infrastructure Authority of Arizona's (WIFA or the authority) Master Trust Indenture (MTI) program's (the program) financial structure to absorb hypothetical pool defaults in excess of Fitch's '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. The loans pledged are made by the authority pursuant to state legislation from the authority's Clean Water Revolving Fund and the Drinking Water Revolving Fund (together, the SRF

pledged pool). The SRF pledge pool produces a 'AAA' liability stress hurdle of 40.0% in the PSM. On an annual basis, Fitch's cash flow modeling demonstrates the program can continue to pay bond debt service with a default tolerance rate of 100% through the anticipated October 2027 maturity of the series 2024 bonds without an interruption in debt service. As the default tolerance exceeds the 'AAA' stress hurdle, this implies a passing result under Fitch's criteria.

[Access Report](#)

Thu 05 Sep, 2024 - 9:27 AM ET

[Alabama Hospital Defaults on Municipal Debt as Expenses Soar.](#)

- **Jackson Hospital & Clinic faced demands for repayment**
- **Montgomery, Alabama non-profit hospital has 344 beds**

A 344-bed hospital in Alabama's capital, Montgomery, defaulted on \$60 million of municipal bonds, failing to meet a bondholder trustee's demand for immediate repayment of the debt.

The non-profit Jackson Hospital & Clinic, squeezed by high labor costs and inflation, didn't make an interest payment that was due to be paid on Sept. 3, according to a [filing](#). Last month, UMB NA, the bond trustee, demanded full payment of all principal and interest, saying the hospital had breached the terms of bond documents by failing to make rent and lease payments for five months.

Pat Mathews, Jackson's interim chief financial officer, didn't respond to a request for comment. Jackson bonds with a 4% coupon, maturing in 2036 last traded at about 53 cents on the dollar on Aug. 27.

[Continue reading.](#)

Bloomberg Markets

By Martin Z Braun

September 4, 2024

[NFL's 'Bills Mafia' Tapped to Finance New Stadium With Muni Debt.](#)

- **Erie County, New York, is selling \$110 million of bonds**
- **The new Bills stadium is expected to open for the 2026 season**

Buffalo Bills' most committed fans, known as Bills Mafia, are known for lending a hand to the team, having cleared snow from the NFL franchise's stadium for a playoff game earlier this year. Now, these enthusiasts are being offered the chance to finance the team's new \$1.7 billion stadium.

The Erie County Comptroller's Office plans to open a retail order period on Sept. 23 for individual investors and Buffalo Bills fans to buy a piece of a \$110 million municipal bond sale, a day before the debt will be available to institutional investors.

The bonds will help fund the county's pledged contribution of \$250 million toward the construction

of a new stadium for the Bills. The county will split its obligation between cash and proceeds raised from the upcoming bond sale.

[Continue reading.](#)

Bloomberg Markets

By Maxwell Adler

August 29, 2024

[WSJ: The King of Risky Hometown Bonds Is Back](#)

Former Nuveen executive John Miller begins a second act at First Eagle

It seemed as though John Miller's luck was running out.

Buying the riskiest bonds in the \$4 trillion market for state and local debt had made Miller a power player in a corner of Wall Street often derided as staid and boring. But the 2022 bond rout drained billions from his flagship high-yield fund at Nuveen. Last year, on Miller's 56th birthday, the trillion-dollar asset-management company abruptly announced plans for his departure.

Now, Miller is on the rebound. He joined forces with a boutique firm, recruited a handful of analysts and traders and, earlier this year, started a fund from scratch. Money is pouring in: about \$3 billion this year through August, according to Morningstar Direct.

[Continue reading.](#)

The Wall Street Journal

By Heather Gillers

Sept. 7, 2024

[Florida Boomtown Borrows Millions to Help Fix Bursting Jail.](#)

- **Pasco County had seen a large population gain in 2023**
- **Bond sale priced on Thursday in a negotiated transaction**

A county close to Tampa, Florida, is one of the fastest growing in the US and the influx of new residents is causing a problem — its local jail is bursting.

Pasco County — located on Florida's Gulf Coast — borrowed \$65 million from municipal bond investors this week to help finance capital projects including an expansion of its local correctional facility to add about 500 new beds, according to bond documents. A portion of proceeds will also be used to fund improvements to local parks including athletic fields and a recreation complex.

The new Pasco County Corrections Center broke ground last year and construction is expected to be completed in the spring of 2026. The project comes after surging population growth in the area. The

county saw a 27% increase in residents over the past decade, with growth accelerating the last several years after slew of office relocations and sports facilities made it a regional center for jobs.

[Continue reading.](#)

Bloomberg Markets

By Erin Hudson

September 6, 2024

Why Miami Struggled to Sell its First Forever Bonds.

Larry Spring has overseen the sale of hundreds of millions of dollars of government bonds during his career. But his roughest day was mid-June when the city of Miami first sold its Forever Bond to investors.

“It was a tough day,” Miami’s Chief Financial Officer reflected several weeks later. “I’ve been affiliated with the city for 20 years and it was actually my worst day in the market ever.”

The city was borrowing its first Miami Forever Bond. That is the name of a borrowing plan approved by voters in 2017. The plan calls for borrowing \$400 million to spend on five areas: floodwater protection, roads, parks, public safety and affordable housing.

The city started spending the money a year after the vote. But it didn’t actually borrow the money until this summer when the city went looking for investors to lend it its first \$179 million dollars. That was in June.

[Continue reading.](#)

WLRN Public Media | By Tom Hudson

Published September 4, 2024 at 6:00 AM EDT

State of California: Fitch New Issue Report

The state of California’s ‘AA’ Issuer Default Rating (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 better withstand economic and revenue cyclicity.

[Access Report](#)

Tue 20 Aug, 2024 - 12:11 PM ET

California Munis for Police, Teacher Housing Show Cracks.

- **Local agencies sold as much as \$10 billion of the bonds**
- **Deals were highly levered and rely on high occupancy**

High-yield municipal bonds issued to finance housing for police officers, teachers and nurses in California are showing signs of strain.

Mira Vista Hills Apartments, a 280-unit rental complex in the Bay Area city of Antioch, disclosed in a Friday filing that it didn't meet a debt-service coverage ratio required by investors. At least four other complexes, known as "workforce housing," have drawn on reserves since the start of 2023 to help pay their debt, according to securities filings.

About \$8 billion to \$10 billion of munis — all in a speculative category without a credit rating — have been issued in California to convert market-rate apartments into affordable housing for middle-income households, according to research firm Municipal Market Analytics. Seven of the nation's 10 priciest housing markets are in the state, according to the National Association of Realtors.

[Continue reading.](#)

Bloomberg Markets

By Martin Z Braun

August 20, 2024

Texas Drought Forces Small Town to Default on Water System Debt.

- **Clyde, Texas, missed its Aug. 1 municipal bond payment**
- **The action caused S&P to drop debt rating from A- to D**

A persistent drought in Texas is hurting the finances of a small town, making it unable to pay bondholders in a rare instance of climate-related default.

The city of Clyde, located roughly halfway between Dallas and Midland, informed investors it couldn't make a debt payment due in August, according to a securities filing. Instead, its bond insurers — Assured Guaranty and Build America Mutual — were asked to cover the payment, illustrating the financial strain facing the city.

"Such draw is unscheduled and reflects financial difficulties of the issuer, including without limitation financial difficulties resulting from increased costs related to operations and maintenance of the issuer's waterworks and sewer system," the filing dated Aug. 15 read. The bonds were sold to support the city's water and wastewater system.

That caused S&P Global Ratings to drop the grade on the bonds to D from A-, a whopping 15-notch downgrade, according to a report from the company late Friday. It also cost the city its A- credit rating, as S&P downgraded Clyde's general-obligation debt to B, which is below investment-grade.

Analysts led by Misty Newland wrote that "a lack of willingness to pay an unconditional debt

obligation results in a rating cap.”

Clyde is a commuter community near Abilene, and is home to about 4,000 residents. Roughly one-third of Callahan County, where it’s located, is facing a moderate drought. The city has been implementing a drought-contingency plan for several years, which includes double-digit water reductions. Following the restrictions, the town’s water sales decreased — which hit revenues.

On Aug. 1, the day the bond payment was due — Clyde issued a “water emergency” notice, outlining “severe water shortage” conditions with the intention of reducing usage by 30%.

Local government bond defaults are incredibly rare, with those caused by climate-related events all but unprecedented. While bondholders will be made whole because the debt is insured, Clyde’s financial challenges are a stark reminder that the \$4 trillion municipal bond market isn’t without risk and extreme weather can pose a threat.

Texas is the epicenter of such weather events in the US, and has faced multiple disasters this year. Hurricane Beryl knocked out power in Houston for days in July. A May derecho punched windows out of skyscrapers in the city and a storm that month dropped hailstones the size of DVDs near Lubbock. The largest wildfire in state history burned more than 1 million acres in the panhandle in February and March.

Currently, more than 30% of Texas is experiencing drought conditions, according to the US Drought Monitor. The most extreme issues are in western part of the state, but almost all of North Texas is facing dryness. Governor Greg Abbott has issued a drought disaster proclamation for the state.

To help reduce water usage, officials in Clyde have prohibited the use of water for cleaning sidewalks and driveways. Only new lawns at residents’ homes can be watered, not existing ones.

The drought has affected life in other ways. Some residents were unhappy that a splash pad — which is a playground of sprinklers used by children — wasn’t working, according to local news station KTXS.com.

“Would you rather have your splash pad running so your kid can spend two hours a day in the water there, or do you wanna be able to bathe your kid with water at your house?,” the mayor told KTXS.com.

Michael Stanton, head of strategy and communications at Build America Mutual, said in an emailed statement that the company’s insurance protected investors. “Although this is a small exposure, our team is in contact with city officials and their professional advisors and will continue to represent bondholders’ interests in those discussions,” the statement read.

Robert Tucker, senior managing director of investor relations and communications at Assured Guaranty, said in a statement that bondholders would be protected. “The type of situation Clyde, Texas, encountered - unexpected conditions leading to the non-payment of debt service - is exactly what our bond insurance is designed for,” he said.

Bloomberg Green

By Amanda Albright

August 19, 2024

— *With assistance from Jeremy Diamond, Will Wade, and Songyan Yu*

[Houston Schools Propose Largest Debt and Property Tax Increase in Texas History.](#)

Voters would have to approve a \$4.4 billion bond package in November, to be financed by property tax increases over 33 years. Including interest, the package would cost \$11 billion.

The Houston Independent School District board voted last week to pass a \$4.4 billion bond proposal. This total excludes the interest on the principal. When included, it brings the total debt obligation to nearly \$11 billion.

To pay for it, the board will authorize levying new, additional property taxes over 33 years, if voters approve the proposal in November. Taxpayers would be saddled with additional debt and taxes through 2058, according to the bond certificate filed by the district.

This is the largest debt and property tax increase proposal in state history.

[Continue reading.](#)

governing.com

Aug. 14, 2024 • Bethany Blankley, The Center Square

[Peace River Manasota Regional Water Supply Authority \(FL\): Fitch New Issue Report](#)

The 'AA' rating on the revenue bonds and 'AA' Issuer Default Rating (IDR) reflect Peace River Manasota Regional Water Supply Authority's 'Very Strong' financial profile in the context of its 'Very Strong' revenue defensibility and operating risk profile, as well as the very strong credit quality of the authority's two largest wholesale customers — Sarasota County, FL (utility system rated 'AA+') and Charlotte County, FL. The authority's revenue defensibility is supported by strong contract provisions with the ability to reallocate costs, limiting bondholder exposure to individual members. The purchasers' obligation to make payments to the authority is unconditional and payable as an operating and maintenance expense of their respective utilities based on proportional water use. The authority's operating risk assessment reflects a very low operating cost burden and moderate life cycle investment needs. The revision of the outlook to Negative from Stable reflects the authority's projected increases in leverage, measured as net adjusted debt to adjusted funds available for debt service (FADS), as it works through a capital-intensive period driven by surface water expansion projects to meet growing demand. Leverage registered 6.1x in fiscal 2023 and is expected to grow substantially to 17.8x in fiscal 2025 in Fitch's rating case scenario.

[Access Report](#)

Thu 22 Aug, 2024 - 2:30 PM ET

McKinsey: Will Mortgages and Markets Stay Afloat in Florida?

Flood risk is rising in Florida due to climate change. How exposed is residential real estate—both directly and indirectly—and what can be done to manage the risks?

Located in a tropical cyclone zone with low elevation and an expansive coastline, Florida faces numerous climate hazards, including exposure to storm surge and tidal flooding that are worsened by sea level rise, and heat stress due to rising temperatures and changes in humidity. Other unique features include the state's porous limestone foundation which can exacerbate flooding as water seeps into properties from the ground below and also causes saltwater intrusion into water aquifers, and makes adaptation challenging.

Much of Florida's physical and human capital is located along its vulnerable coast. Two-thirds of the state's population lives near the coastline, exposing many of them to tidal flooding, and almost 10 percent is less than 1.5 meters within sea level. At the same time, Florida's economy depends heavily on real estate. In 2018, real estate accounted for 22 percent of state GDP. Real estate also represents an important part of household wealth for the 65 percent of Floridians who are home owners: primary residences represent 42 percent of median home owner wealth in the United States.

In this case study, we focus on residential property in Florida exposed to flooding from storm surges and to tidal flooding and assess the likely impact both in terms of direct and knock-on effects, for example through housing price adjustments (See sidebar: An overview of the case study analysis).

[Continue reading.](#)

McKinsey Global Institute

April 27, 2020

Sixth Circuit Considering Whether Placing a Water Lien on a Property Could Violate the Fair Housing Act.

In 1968, the Federal Fair Housing Act (FHA) was enacted to protect individuals from discrimination based on certain protected characteristics when they are renting or buying a home, getting a mortgage, seeking housing assistance, or engaging in other housing-related activities. However, a recent class action lawsuit—which is currently on appeal before the federal Sixth Circuit—seeks to stretch one provision of the FHA further than any other case before it, with significant consequences to municipalities.

Under 42 U.S.C. § 3604(a), which codified Section 804 of the FHA, it is unlawful to “make [housing] unavailable” to individuals based on those protected characteristics. Actions such as redlining, discriminatory pricing, racial steering, and discriminatory appraisals have all been held to violate § 3604(a).

But in 2019, a group of individuals filed a class action against the City of Cleveland, Ohio, under § 3604(a). See *Picket et al. v. City of Cleveland*, Case No. 19-cv-2911 (N.D. Ohio). Their claim? That Cleveland makes housing unavailable when it certifies a tax lien against a property when the owner or tenant has let their water bill become seriously delinquent. (State law allows cities to certify liens in that circumstance, and the plaintiffs do not challenge that authorization.)

[Continue reading.](#)

Frost Brown Todd LLP - Philip K. Hartmann, Jesse J. Shamp and Anthony R. Severyn

August 22 2024

[NJ Lines Up \\$2.4 Billion Muni Bond Sale for Transportation Fixes.](#)

- **A state trust fund will invest billions to modernize transit**
- **The bonds were assigned an 'A' rating by Fitch Ratings**

New Jersey is poised to sell \$2.4 billion of bonds for its transportation infrastructure, according to a report from Fitch Ratings.

The New Jersey Transportation Trust Fund Authority is expected to issue \$1.3 billion of transportation system bonds and roughly \$1.1 billion of transportation program bonds through a negotiated sale in October, the Fitch report said.

The fund is charged with modernizing statewide transportation infrastructure like highways and bridges as well as providing additional capital funding for NJ Transit — New Jersey's public transit agency. The state is expected to extend as much as \$8.8 billion in bonding authorization to the authority over the next five years, or approximately \$1.76 billion annually, according to a March press release.

[Continue reading.](#)

Bloomberg Markets

By Sri Taylor

August 20, 2024

[Casino Reinvestment Development Authority, New Jersey: Fitch New Issue Report](#)

Future growth is likely to resemble pre-pandemic trends, with longer-term growth prospects limited, supporting a 'bbb' assessment. Factors potentially affecting long-term growth include the effects of competing regional gaming options, online gambling and sports betting. The sharp rebound in pledged revenue following pandemic-related shutdowns in 2020 has rebuilt the structure's cushion against volatility relative to recent years. Additional leverage in the current sale modestly reduces the structure's cushion against future revenue volatility, but resilience remains consistent with an 'a' assessment. The Casino Reinvestment Development Authority is an instrumentality of the State of New Jersey, which is the collection agent for luxury taxes. The brief deposit of these revenues in the state's general fund caps the rating at New Jersey's Issuer Default Rating (IDR) of 'A+' /Stable; this is not currently a rating factor for the bonds given that the bond rating is four notches below the state's IDR. Pledged revenues are separate from the financial operations of the city of Atlantic City.

[Access Report](#)

Penn State Will Likely Take On Up to \$700M in Debt for Beaver Stadium Upgrades. How Will It Pay It Back?

STATE COLLEGE — Penn State is prepared to take on up to \$700 million in debt to renovate Beaver Stadium, a price tag drawing scrutiny at a time when the university is implementing steep budget cuts and offering buyouts to some employees.

The school has emphasized that the athletics department, which has a self-sustaining budget, will pay back the debt and interest incurred through the renovation process. Students' tuition and taxpayer dollars will not fund the project, the university has said.

However, Penn State University is likely to take on the necessary debt rather than the athletics department. One expert told Spotlight PA this setup is typical for universities and allows an organization like Penn State to secure better financing costs.

Penn State generally uses its standing as a public university with tens of thousands of tuition-paying students to secure bonds and provide financial backing for debt, according to a review of bond documents. For example, last year Penn State sold \$204 million in bonds under the university's authority. That sale was used in part to finance "replacements to and renovations of Beaver Stadium," though the university said at the time the bonds would be repaid by athletics.

Penn State declined to make an official available for an interview for this story. A university spokesperson wrote in an email that the university's support for the project "is a signal of the commitment to bettering our student-athletes' experience and as a land-grant university, elevating Beaver Stadium's significance in driving local and state economies."

Christopher Collins, vice president and senior municipal credit analyst at Moody's Ratings, told Spotlight PA that although universities could have specific departments take out debt — perhaps as a way to increase accountability — issuing bonds through the entire university lowers financing costs. A university generally has a better credit rating, and a wider source of possible repayment, than a specific department, said Collins, who has analyzed Penn State's credit rating.

Some university trustees questioned what would happen if Penn State defaults on the debt. Penn State's athletic department reported \$126,000 in profit off of a \$202 million total budget in fiscal year 2023.

By Wyatt Massey Spotlight PA State College Aug 22, 2024

Buffalo's Home County to Issue 'Bills Bonds' for NFL Stadium.

When it comes to the construction of the Buffalo Bills' \$1.7 billion new stadium, local officials are taking the concept of "public financing" to a new level.

On Sept. 24, Erie County in western New York will offer fans the opportunity to buy "Bills bonds" toward the development of the new facility being built next door to Highmark Stadium. The county is

issuing \$125 million in bonds to pay half of its portion toward construction.

The county is offering the bonds to individuals for a single day before it offers them to outside investors.

“This is a once-in-a-generation opportunity,” county comptroller Kevin Hardwick said in a radio interview on Monday, “and there might be some average Bills fans out there who normally do not invest in municipal bonds, who might be interested in saying to themselves or telling their grandchildren that I had a hand in helping construct that stadium.”

The minimum investment for the bond is \$5,000. The website for the bond offering indicated that “the Series 2024B Bonds are general obligations of the County and are not an obligation of the Buffalo Bills.”

Sportico has reached out to the Erie County’s comptroller office as well as the Bills, but has not heard back.

Construction of the new Highmark Stadium is being funded largely by taxpayers in one of the most controversial stadium financing deals in recent memory. In March 2022, New York Gov. Kathy Hochul, herself a Buffalo native, announced a deal between the Bills, the state and county to develop the 62,000-seat, open-air stadium in Orchard Park next door to the team’s current home.

Of the \$1.4 billion in financing, the state will contribute \$600 million while Erie County will put in \$250 million. The NFL will loan \$200 million to the Bills, and the team itself will add \$350 million. The \$850 million in state and county contributions are the largest public subsidy ever committed to the development of an NFL stadium. The team will have a 30-year lease for the new field, which will officially be owned by the state.

Healthcare insurer Highmark Blue Cross Blue Shield of Western New York is carrying on its naming rights deal from the current building, which originally opened as Rich Stadium in 1973, to the new stadium. The current Highmark Stadium was also known as Ralph Wilson Stadium after the late founding owner, and New Era Field until the insurer took the rights in 2021.

In April, the Pegula family retained Allen & Company to facilitate the sale of a non-controlling minority stake in the Bills, with a reported “working figure” of 25% to be offered. The Bills are worth \$5.03 billion, according to Sportico’s latest NFL franchise valuations, published last week. Buffalo ranks 23rd among all 32 teams, jumping three spots compared to one year ago, as the price tag rose by 23%.

sportico.com

By Jason Clinkscales

August 26, 2024 3:54pm

[New York City, New York: Fitch New Issue Report](#)

New York City’s ‘AA’ Long-Term IDR and GO bond ratings reflect New York City’s exceptionally strong budget monitoring and controls, supporting Fitch Ratings’ ‘aa’ financial resilience assessment given the city’s ‘high’ revenue control, ‘mid-range’ expenditure control and Fitch’s expectation that

the city will maintain reserves at or above 7.5% of spending. For the purposes of this calculation, Fitch includes unrestricted general fund reserves (the sum of committed, assigned and unassigned), the available balance in the retirees' health benefits trust (RHBT) and the fiscal year-end budget stabilization and discretionary transfers of surplus for prepayment of certain of the following year's operating expenditures. The available balance as of fiscal year-end 2023 was \$12.8 billion, equal to 11.8% of expenditures and transfers out.

[Access Report](#)

Mon 19 Aug, 2024

[The City of New York Announces Successful Sale of \\$1.8 Billion of General Obligation Bonds.](#)

The City of New York (the "City") announced the successful sale of \$1.8 billion of General Obligation bonds, comprised of \$1.5 billion of tax-exempt fixed rate bonds and \$300 million of taxable fixed rate bonds. Proceeds from the sale will be used to fund capital projects.

The City received over \$327 million of orders during the retail order period and \$4.9 billion of priority orders during the institutional order period, which in total represents approximately 3.5x the tax-exempt bonds offered for sale.

Due to investor demand for the tax-exempt bonds, yields were reduced relative to the start of the institutional order period by 2 basis points in 2028, 2029, and 2042; by 3 basis points in 2027 and 2052; by 4 basis points in 2041, 2047, and 2048; by 5 basis points in 2030, 2043, and 2044; by 6 basis points in 2050; and by 8 basis points in 2031.

Final yields ranged from 2.62% in 2026 to 4.19% in 2052.

The tax-exempt bonds were underwritten through a syndicate led by book-running lead manager Loop Capital Markets, with BofA Securities, J.P. Morgan, Jefferies, Ramirez & Co., Inc., RBC Capital Markets, Siebert Williams Shank, and Wells Fargo Securities serving as co-senior managers.

The City also sold \$300 million of taxable fixed rate bonds via competitive bid. The bid attracted 8 bidders, with J.P. Morgan winning at a true interest cost of 4.617%.

August 22, 2024

[NYC Drama School Faces 14.5% Interest Rate on Muni-Bond Breach.](#)

- **American Musical and Dramatic Academy borrowed money in 2023**
- **School faces penalty for covenant default related to cash pile**

A drama and arts school with campuses in New York City and Los Angeles is facing an interest rate as high as 14.5% as a penalty for breaching an agreement with its municipal bondholders.

The American Musical and Dramatic Academy didn't maintain a cash pile that would last three months, breaking an agreement with holders led by Preston Hollow Community Capital. The school

had 67 days of cash on hand as of June 30, while it was supposed to maintain 90 days, a regulatory filing shows. Such a breach is known as a covenant default.

Now, the academy will have to pay jacked-up interest rates between 12.25% and 14.5% on two series of debt, according to letters sent to the school this month by Preston Hollow. The correspondence was included in a securities filing posted Thursday. The two series of bonds priced with already-high coupons of 7.25% and 9.5%, according to data compiled by Bloomberg.

Such a move by bondholders is rare in the municipal market. It's more common for investors to enter into forbearance agreements with struggling borrowers — meaning holders pledge not to take actions such as demanding immediate repayment on debt even if they have that right. For colleges, these agreements provide a runway to fix their finances while often requiring them to disclose more regular information or hire a consultant to offer suggestions.

The right to charge higher interest rates if a borrower defaults is a common protection that corporate and real estate lenders write into their credit documents. In practice, the ability to charge default interest often becomes a key element of negotiations between the parties on how to resolve the borrower's financial challenges.

Such penalties risk worsening distressed borrowers' financial situation, said Eric Kazatsky, senior US municipals strategist for Bloomberg Intelligence.

A spokesperson for Preston Hollow declined to comment. John Galgano, AMDA's chief operating officer, didn't reply to phone calls or email messages seeking comment. David Silverman, the school's chief financial officer, didn't respond to an emailed request for comment.

Campus Real Estate

The American Musical and Dramatic Academy opened in 1964 and is a prominent performing arts institute with about 3,000 students stretched across two campuses, on Manhattan's Upper West Side and in Hollywood. Its alumni includes Modern Family star Jesse Tyler Ferguson and pop star Jason Derulo.

This isn't the college's first brush with distress. The financings last year were meant to provide relief to the academy after it went into covenant default on prior obligations.

In 2023, the school sold \$91.6 million of bonds in two separate deals. The borrowing, which refinanced old debt and also included funds for campus projects, was originated by Preston Hollow and the firm purchased \$51.65 million of the securities, according to a November statement from the company. The deal "gives AMDA the flexibility to build out exciting new initiatives as they continue to pursue their important mission," Ron Van Den Handel, a former managing director at Preston Hollow, said in the statement at the time.

Like other small US colleges, the school has struggled in recent years. Its performing-arts focus has also brought unique challenges, especially after Broadway performances closed during the pandemic. Total enrollment has been falling, dropping from 4,098 in 2018-19 to a projected 3,219 in 2023-24, according to the 2023 bond documents.

The letters from Preston Hollow say the school also needs to begin "real estate monetization procedures" as a result of the covenant breach. The 2023 bond documents noted that if the borrower couldn't satisfy certain financial covenants, it could be required to sell real estate.

The academy has several buildings in New York City and its main facility is located at 211 West 61st

Street, close to Lincoln Center. It has an Art-Deco tower in Los Angeles blocks from the Hollywood Walk of Fame, along with other campus buildings.

Bloomberg Markets

By Amanda Albright

August 23, 2024

— *With assistance from Erin Hudson*

[BoFA Snubbed by Louisiana's GOP Treasurer in ESG Culture Wars.](#)

- **Treasurer snubs bank's bid to serve as state fiscal agent**
- **Announcement marks latest skirmish in anti-ESG fight**

Fresh off a win in Louisiana, Bank of America Corp. was dealt a blow by a Republican official in the state.

On Monday, Louisiana State Treasurer John Fleming said he wouldn't recommend Bank of America's application to become a state depository and fiscal agent for the state — his counsel will be considered by an ad hoc panel. There are nearly 100 banks that have been approved to work as state depositories and fiscal agents, according to the state.

"It is my opinion and that of many Americans that financial institutions should not weigh in on matters involving a political viewpoint, either conservative or liberal," Fleming said in a statement, citing concerns that the company is denying banking services to certain clients like religious organizations and gunmakers.

[Continue reading.](#)

Bloomberg Politics

By Amanda Albright

August 13, 2024