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Cook County, Ill., Taps Teams for New-Money, Refunding Issue

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By Caitlin Devitt

CHICAGO — Cook County, Ill., has announced the finance teams tapped to bring to market \$412 million of new money as well as a chunk of refunding bonds that likely will mark the last issue under Board President Todd Stroger's watch.

The county expects to sell the bonds in mid-June. The borrowing will include a mix of taxable Build America Bonds, taxable notes, and traditional tax-exempt debt.

The \$412 million new-money borrowing is expected to include \$224 million for the county's capital program and \$108 million for capital equipment needs.

Loop Capital Markets LLC is the senior manager on the new-money issue and Bank of America Merrill Lynch is the co-senior manager. Barclays Capital, Samuel A. Ramirez & Co., Siebert Brandford Shank & Co., and Stifel Nicolaus & Co. are co-managers.

Lead financial adviser will be Gardner, Underwood & Bacon LLC and the co-financial advisers will be A.C. Advisory Inc. and Peralta Garcia Solutions. Bond counsel is Chapman and Cutler LLP and Pugh, Jones, Johnson & Quandt PC is co-bond counsel. Perkins Coie LLP is underwriter's counsel and Tyson Strong Hill Connor LLP is co-underwriter's counsel.

The county will also issue \$80 million of taxable pension obligation notes and refund a yet-to-be-determined chunk of its outstanding debt, which totals

\$3.2 billion.

For the pension borrowing, Morgan Stanley will be senior manager. Rice Financial Products Co., is co-senior manager and Cabrera Capital Markets LLC, Citi, JPMorgan and William Blair & Co. are co-managers. The financial advisers and bond and underwriter's counsel will be the same as on the new-money borrowing.

"With the issuance of these bonds, the county will continue to adhere to its fiscal policy of accessing the capital markets to achieve interest cost savings and lower borrowing rates to fund capital projects," chief financial officer Jaye Williams said in a statement. "We will use those financing tools, Build America Bonds and well-structured refunding bonds, that, when coupled with the county's strong bond rating, will attract investors to purchase the county's bonds."

Cook's GO debt is rated AA by Standard & Poor's, Aa3 by Moody's Investors Service, and AA-minus by Fitch Ratings.

The board of Cook County, the second-largest county in the U.S., approved the new-money deal at its April 6 meeting.

Long-time Chicago Alderman Toni Preckwinkle, who beat Stroger in the February Democratic primary, will face Republican challenger Roger Keats in the November election.

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