

Finance Attorneys Navigate Active Texas Municipal Bond Market Amid ESG

Media Mentions

February 08, 2024 | *The Texas Lawbook* | 1 minute read | Houston

Bracewell's **Barron Wallace** recently discussed with *The Texas Lawbook* [some of the emerging trends in the bond market](#) and what kept Texas public finance attorneys busy in 2023.

In July, the City of Houston Airport System closed a \$647.87 million bond issue called a tender. One of the largest issues of the year, the deal represents an emerging trend. A tender is essentially a refunding by having individual holders tender their bonds to the issuer. Bracewell served as bond counsel for the deal.

"Issuers were able to produce savings through those transactions," Wallace said. "That also drove a little bit more interest in doing refundings."

When interest rates were low, entities used to issue taxable bonds to advance refund debt. As taxable rates and tax-exempt rates have gone up, those bonds are less valuable.

"So, you can go on the secondary market and make an offer to buy it," added Wallace. "So, whereas holders might be able to sell it for 85 percent of value, the issuers could offer 88 percent and both the issuers and the holders both benefit."

A tender is a way to create a refunding but doing it on a current refund basis by purchasing bonds on the open market, Wallace said.

In terms of market share, Bracewell came in number three as bond counsel in 2023 and number four as underwriters counsel. Bracewell was also underwriters counsel for a similar bond issue by City Public Service of San Antonio.

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