The Baird-underwritten Harnett County, N.C., transaction was recognized as a 2013 Bond Buyer Deal of the Year in the Southeast category at The Bond Buyer's awards ceremony in New York on Dec. 5. This is the sixth time since 2005 that a Baird bond deal has been honored as a Deal of the Year. Baird associates Ryan Maher, Public Finance Banker; Stephen Anderson, Financial Analyst; Tim Jackson, Director of Municipal Underwriting; and Marcy Finley, Quantitative Manager, were involved in the deal.

“The award really celebrates innovative financing structure outside of the ‘routine’ project-based refunding mold,” said Ryan Maher, Public Finance Banker in Baird’s Winston-Salem, N.C., office. “Notably, this is the first issuer in North Carolina to receive this award.”

The Bond Buyer recognized this deal based on its unique and innovative financing structure that allowed the county to refund existing obligations for water and sewer districts that otherwise would not have been able to access the public debt markets on a stand-alone basis.

Harnett County’s issuance of $20 million in limited obligation bonds (LOBs) refinanced 12 existing debt obligations issued by the county’s seven water and sewer districts. Based on the recommendation of Baird and Davenport & Company LLC, the county’s financial advisor, the county staff and county board took the time to research and execute a plan to take advantage of the historically-low-interest-rate environment. As a result, the bond transaction achieved more than $4.9 million in gross debt service savings for county utility customers. This financing structure enabled the water and sewer districts within Harnett County to utilize the public capital markets that were previously largely inaccessible to them.

“It was a successful transaction from many perspectives, and the Deal of the Year recognition is an added bonus,” said Ted Cole, senior vice president with Davenport & Company LLC. “The county was able to take advantage of its strong credit ratings and favorable market conditions. Baird brought a well-developed financing approach to the county and executed the transaction very effectively.”

Since Baird first marketed this structure to debt issuers in North Carolina in 2012, eight counties – the majority of them in rural areas of the state – have utilized this Baird-underwritten financing structure to realize significant debt service savings.

The Bond Buyer’s Deal of the Year Awards recognize innovation in municipal finance. Winners were announced in regional categories including Northeast, Southwest, Midwest, Southeast and Far West, as well as Small Issuer, Healthcare and Non-Traditional categories. A national Deal of the Year winner was also announced.

The Bond Buyer is the only national daily newspaper committed to the municipal bond industry. Baird-advised deals also received Deal of the Year recognition from the publication in 2005, 2007, 2009, 2011 and 2012.