



## Governmental Financing

Pullman & Comley has substantial experience and expertise in tax-exempt governmental financing. It has represented the state of Connecticut, the Connecticut Health and Educational Facilities Authority, the University of Connecticut, the Connecticut Development Authority, the South Central Connecticut Regional Water Authority, the Connecticut Resources Recovery Authority, various municipalities, local development authorities, housing authorities and numerous borrowers in tax-exempt financing transactions. As bond counsel, the firm has participated in the issuance of almost every type of bond issue, taxable and tax-exempt, including: general obligation bonds; bonds secured by tax intercept funds; conduit revenue bonds; both fixed rate and variable rate obligations; bonds sold by remarketing agents or underwriters; and obligations secured by liquidity facilities.

### Tax Experience

Members of our Public Finance practice have substantial expertise in all aspects of tax law governing tax-exempt financing. These include sophisticated issues involving classification of expenditures, the consequences of such classifications, and every type of private activity question. A brief description of some of the tax issues the firm has analyzed follows.

- The private use analysis of tax-exempt financing, including development projects
- Various arbitrage issues arising from defeasance of bonds, termination of hedges, and individual contracts
- Whether change of use or ownership of various facilities effect the status of tax-exempt bonds issued to finance them and whether remedial corrective action is necessary
- The structuring of a refunding so that a housing authority could be released from the security granted under the refunded bonds so that the underlying property could be used for a new project
- The analysis of various contracts to determine whether they are qualified management contracts
- The classification of the relationship among various affiliates of various government units and Section 501(c)(3) organizations
- Various arbitrage issues raised concerning rebate arising where the bonds are credit enhanced and part of the proceeds are used to fund a special reserve fund

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### **Clean Water Fund Act**

The firm represents a number of Connecticut municipalities with respect to their obligations issued under the Connecticut Clean Water Fund Act. In this capacity, our Public Finance attorneys are well versed with the terms and provisions of the various Project Loan and Project Grant Agreements between the State of Connecticut Commissioner of Environmental Protection and the respective borrowing municipalities, the provisions of the Clean Water Fund Act as codified in the Connecticut General Statutes, the respective authorizing resolutions of the municipalities and the various closing certificates, documentation and opinions required by the State Treasurer's Office, Debt Management Division.

### **Lease Financing Experience**

Over the years the firm has also represented its public clients in lease financing transactions. These have typically involved large ticket equipment or computer systems. We served as bond counsel for the renovations to a municipality's waste water and incinerator facilities and underwriter's counsel in the financing of an energy center for a state school, both of which transactions included the sale of certificates of participation in lease financings. In addition, we represented the University of Connecticut in connection with the lease financing of its electric cogeneration facility and a fire district in connection with a lease transaction related to the construction of a new firehouse. Lease financing is often used because it can avoid certain procedural requirements applicable to bonding or other restrictions, such as debt limits or maximum terms. In addition, in some situations the use of a lease structure can afford enhanced security as the lender retains a security interest in the asset.