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York County bond sale ensures funds for projects

Leaders secure buyer amid credit crisis

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Updated 10/24/08 - 12:48 AM |

Some York County building projects, including prison and road construction, won't be delayed because of a worldwide credit crisis.

This week, the county sold a \$45 million bond to Hutchinson, Shockey, Erley & Co., a Chicago-based investment banking firm, according to county leaders.

The sale ensures the financing for several building projects, including courthouse renovations and a new prison.

The county postponed the bond sale late last month because of the credit crisis affecting financial markets around the world.

Typically, six or seven banks bid for county bonds, but initially, only one pursued this one, and the interest rate offered by that bidder was higher than leaders wanted to pay.

So last week, the county again sought bids because the bond market seemed to be improving, said County Manager Jim Baker.

On Wednesday, Hutchinson, Shockey, Erley & Co. purchased the bond, and the county received a lower interest rate.

"It benefits the taxpayers tremendously by getting that lower interest rate," said County Council Chairman Buddy Motz. "A lot of the work that's out there is really necessary. ... We really would have been up against a rock and a hard place had we not been able to find a successful rate."

Had the county not been able to sell the bond, Baker said projects could have been delayed six to eight months while leaders waited for interest rates to come down -- and there's no guarantee they would have.

"In the meantime, the cost of construction might have gone up," he said.

The lower interest rate will save the county more than \$1 million during the life of the bond, leaders said.

The bond has been a point of contention in some County Council races.

While most council members say the bond projects are needed, Councilman Roy Blake has been campaigning on his opposition to the bond and the debt that comes with it.

Eddie Lee, the Democrat challenging Councilman Joe Cox for the District 3 seat, also says the county shouldn't have passed the bond, which Cox contends is needed.

"That's a major tax increase for 20 years," Lee said. "And somebody's going to have to pay for it."

The bond pays for some projects that were included in a 2006 referendum, which voters rejected.

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