

## Navigating the COVID-19 Financial Crisis

### A Four Point Action Plan

State and local governments and other public entities are in a period of uncertainty creating unprecedented financial demands. As traditional sources of funding shrink or disappear for an unknown period of time, federal assistance to meet payment obligations is a must.

Depending on how events unfold in the coming weeks, it is likely that federal assistance will evaporate and fall far short of the demands of America's cities, counties, municipal agencies, airports, transit authorities, public utilities, hospitals and colleges, all of which will be fighting for a limited pool of federal resources.

Public agencies should incorporate the following four elements in their economic recovery plans to successfully navigate these difficult times:

#### 1. Secure Federal and State Funds

Policy makers at the state and federal levels are making decisions in response to COVID-19 that impact every aspect of the US economy. Our nationally-ranked Public Policy Practice can help you identify who is driving decisions, what funding opportunities are available, including assistance in the recently expanded federal stimulus packages, and, most importantly, how to get those funds.

#### 2. Effective Access to Federal Loan Creation

Our team is actively advising clients on how to access aid and other economic assistance for municipalities in the various stimulus packages now signed into law. We can also help identify opportunities to access funding through federal emergency lending programs offered by the Federal Reserve and other agencies.

#### 3. Restructure to Protect Agency Assets

Our restructuring professionals can help you implement creative strategies, integrating federal assistance, to protect your assets as well as your financial stability. We have more than a century of experience in working with local governments, their creditors, investors and credit support providers with respect to public sector fiscal matters. We have done so successfully through many economic cycles and changing federal/state/local fiscal statutes and regulatory regimes.

#### 4. Look at Opportunities to Examine Replacement/New Debt Offerings When Markets Open

Whether it is the financing of new money or restructuring old debt, we help clients with a comprehensive approach to ensure they strategically navigate the legal and regulatory landscape and achieve their goals. Our nationally recognized Public & Infrastructure Finance practice has more than a century of experience advising both public and private entities on how to structure their debt, working with an integrated team that includes public finance tax lawyers and disclosure expertise.

## Why Choose Us

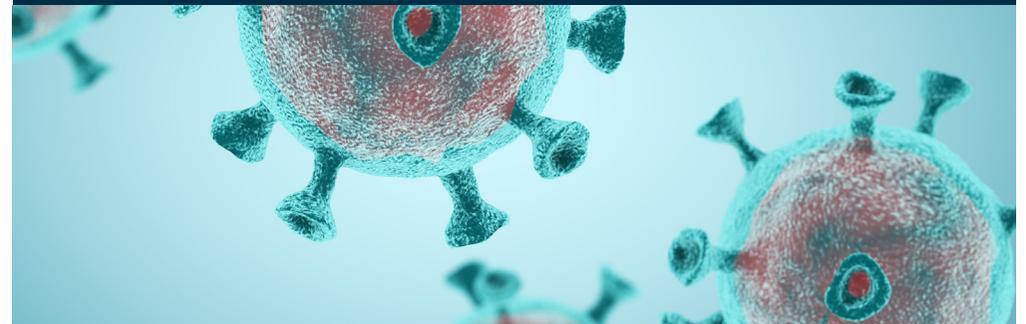
Our public policy team will help you **aggressively pursue and access COVID-19 federal aid and other economic assistance** for municipalities as various stimulus packages become law. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) is expected to provide US\$150 billion in direct aid to states and territories, and billions more for airports, ports, mass transit and other programs. We expect the US Congress will approve at least a fourth and, possibly, a fifth recovery or stimulus bill.

Working with our public finance and restructuring teams, we provide sophisticated counsel to help public entities properly deploy federal support to restructure debt or issue new or replacement debt, as appropriate.

We have represented clients in connection with many of the most complex, high-profile municipal restructuring transactions and proceedings in US history. Our experience includes restructurings of municipalities and US territories, including Atlantic City, Detroit, Stockton, US Virgin Islands and Puerto Rico. Our experience in restructuring tax-exempt public bonds includes significant work in healthcare, higher education and many other services in municipal districts.

Our deep experience includes advising many clients involved in distressed municipal situations, including Chapter 9 proceedings, as well as developing and implementing strategies for out-of-court restructuring. A series of cutting-edge webinars focused on avoiding bankruptcy that we hosted can be reviewed at [Fiscal Emergencies](#), [AB506 and Mediation](#), [Out-of-court Restructuring and Pension Costs](#) and [Financial Pressure](#).

Working with our best in class Public Policy Practice, we lead teams to work directly with state legislatures to modify municipal restructuring statutes to better assist access to capital and protect the interests of capital market creditors, bond insurers and other credit support providers. We also work with federal and state governments to assist municipalities seeking federal and state law changes and funding assistance.



## A Multidisciplinary, Fully Integrated Approach

### Public Policy

- Secure federal money and loans
- Advance policy positions before federal, state and local governments and communicate directly with decision makers
- Identify statutory changes that support restructuring and reissuance
- Uniquely positioned to offer comprehensive, multidisciplinary counsel to navigate uncharted waters

### Restructuring

- Restructure, integrating federal assistance, to protect assets and maintain solid financial footing
- Transactional approach to resolving problems
- Out-of-court municipal workout and Chapter 9 expertise and experience
- Experienced litigation counsel when needed

### Public Finance

- Familiar with deal structure and documents
- Debt refinancing and restructuring
- Experienced in lien evaluation and enforcement



Municipal Restructuring



Government Relations



## Diverse Experience

Our municipal clients include:

- Bond insurers
- Borrowers that have accessed municipal debt to finance projects
- Cities and counties of all sizes
- Commercial entities and others doing business with municipalities
- Hospitals
- Indenture trustees and bondholders
- Local government and other issuers with existing debt obligations and those issuing new debt
- Private equity sponsors
- Private participants in public financings structured as leases, loans or other relationships
- Redevelopment agencies
- Special-purpose entities (e.g., municipal utility districts, authorities, public nonprofit corporations)
- State governments
- Transportation and water authorities
- Underwriters and insurers of municipal debt
- Universities

## About Us

- More than 1,500 lawyers in 45 offices and 20 countries
- Coverage of 140 jurisdictions and more than 40 languages
- We are proud to have the most experienced and well-recognized Public Policy Practice in the US and internationally. Our presence in nearly all the major capitals spans six continents.
- Our preeminent Public Policy Practice can develop effective strategies to make sure you are heard at the right time, by the right people. We can also help you assess, in advance or in real time, what government policies could affect your business interests.
- Expert at tax structuring for new money and refunding issues; submission of IRS ruling requests when clearly necessary; required tax calculations; and rebate issues.
- Nationally recognized bond counsel firm for more than 100 years with extensive experience serving as underwriters', disclosure and borrower counsel and providing continuing disclosure advice.
- Our Municipal Restructuring Group is rated one of the top practices by *The Legal 500 United States* directory and partner Karol D. Denniston is honored as a Leading Lawyer in the area.
- Municipal engagements include:
  - Counsel to investment bank serving as dealer manager and solicitation agent in connection with qualifying modification used to restructure the Government Development Bank of Puerto Rico
  - Counsel and public policy advisor to the Office of the Governor of the State of Colorado
  - Public policy advisor to Miami Dade County, Florida; Multnomah County, Oregon; Central Ohio Transit Authority; Metropolitan District Commission of Connecticut; Greenville, South Carolina; and a host of other public entities
  - Counsel to investment bank serving as dealer manager and solicitation agent in connection with restructuring of Puerto Rico's sales tax backed bonds (COFINA)
  - Counsel to governor appointed state designee for Atlantic City in connection with financial supervision and oversight of Atlantic City
  - Advising government leaders of a US territory in connection with access to federal funding, including loans and grants for disaster relief and recovery assistance
  - Counsel to the Court Appointed Expert on feasibility in Detroit's historic Chapter 9 case
  - Multiple hospitals and healthcare districts, charter schools and universities

## Contacts

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We have one of the largest, most diverse and highly regarded public finance practices in the US. We have been a nationally recognized bond counsel firm for more than 115 years and have been listed in *The Bond Buyer's* "Red Book" since its inception in the 1940s.

In 2019, we served as counsel on more than 600 transactions, totaling over US\$41.6 billion. In the last five years, we served as counsel on over 3,500 transactions, totaling more than US\$200 billion.

### Public Policy

Ranked by *The Legal 500* as a "Top Tier Law Firm" for Government Relations, our best-in-class Public Policy Practice develops effective strategies to make sure you are heard at the right time, by the right people. We can help you assess, in advance or in real time, what government actions have a direct impact on your interests. We have decades of experience advocating the interests of dozens of local governments and public entities of all sizes before US government decision makers, with the emphasis on creative federal funding and financing, infrastructure development, and opening markets for our clients.

### Restructuring

We have one of the largest, most experienced and respected restructuring and insolvency practices of any law firm. We are trusted advisors to a variety of financial services participants in both pre-default and default situations, including reorganizations under Chapters 9, 11 and 15 of the Bankruptcy Code and out-of-court restructurings. We work with our clients to develop effective recovery strategies that make sense for each specific transaction and have expertise addressing non-monetary defaults, as well as the more typical defaults. Our team includes our highly experienced bond, debt finance, securities, tax, restructuring and bankruptcy lawyers who work closely together to identify creative and cost-effective solutions agreeable to all parties.