

Bond Case Briefs

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Meadowlands Mall Builder Sets the Year's Top Unrated Muni Sale.

- **Goldman Sachs Group Inc. will manage \$800 million bond issue**
- **American Dream features indoor water and amusement parks**

The Canadian developer building the long-stalled mega-mall in New Jersey's Meadowlands plans to sell \$800 million of tax-exempt municipal bonds next week to help complete the construction of the complex begun more than a decade ago.

Goldman Sachs Group Inc. is managing the deal, the largest sale of unrated municipal bonds this year, for mall owner Triple Five Group, run by the billionaire Ghermezian family. The bonds are backed by payments in lieu of property taxes and will be issued through a Wisconsin agency, the Public Finance Authority, that specializes in acting as a conduit for risky debt. Borrowers for speculative projects sometimes forgo credit ratings rather than risk the taint of being labeled junk.

The sale may benefit from a rally in the tax-exempt securities market as investors steer money into municipal-bond mutual funds, pushing yields to the lowest since early November. As investors seek bigger returns, high-yield state and local bonds have delivered gains of 6.1 percent this year, compared with 3.6 percent for the overall market, according to Bloomberg Barclays indexes.

Initial construction on the project in East Rutherford, about 10 miles (16 kilometers) west of Manhattan, began in 2004, only to be halted after the initial developers ran short of funds. Triple Five took over the project in 2011 and will receive \$350 million in grants from New Jersey if the project meets sales-tax revenue targets.

The 2.9 million square-foot (270,000 square-meter) American Dream, originally called Xanadu, will feature an indoor amusement park and water park, an 800-foot (245-meter) ski slope, a 300-foot Ferris wheel, aquarium, 1,500-seat performing-arts theater, skating rink and a 1,400-seat movie theater with "wind, rain, snow, fog and scents all synchronized to the on-screen action," the company says. It will also have 500 stores, restaurants and food shops.

The total cost of the project is estimated at \$2.8 billion, which will be covered by the tax-exempt bonds, \$500 million from the developer, payments from tenants and nearly \$1.7 billion in loans from JPMorgan Chase & Co.

Last year, a New Jersey appeals court rejected a non-profit group's challenge to the bond sale.

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by Martin Z Braun

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