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Developer Says Work on Vegas-to-L.A. Line Could Start This Year.

Developers of the proposed \$8-billion high-speed train between Southern California and Las Vegas—a project that has been on financial hold since last fall—have told Nevada regulators that construction, originally planned to start in 2020, could begin this year.

The president of Brightline West said in a Jan. 4 letter to the Nevada High-Speed Rail Authority that construction heading south from Las Vegas could begin in the second quarter of 2021. Last fall, Brightline's parent company, Fortress Investment Group, put the brakes on the project when it was unable to complete financing.

"We are preparing a revised financing plan for 2021 that is expected to include additional equity and a relaunch of the bond sale," wrote Brightline West President Sarah Watterson. The letter cited Brightline's recent issuance of nearly \$1 billion in tax-free bonds to fund an expansion of its existing Florida line as evidence of "improving market conditions and strong interest in private intercity passenger rail projects."

The letter also announced that the company has contracted with Siemens Mobility to provide its Velaro trains for the SoCal-to-Vegas project. Brightline promises one day to link Las Vegas with Los Angeles, its biggest feeder market, with an initial 170-mile train line that would cut the six-hour driving time in half.

"We continue to make progress on Brightline West and remain focused on expanding our plans to connect further into L.A. County," says Greta Seidman, Brightline West's director of public affairs. "We appreciate the tremendous support from Nevada and California and are actively engaging officials in both states on our financing and construction plans."

In 2020, Brightline secured the rights to issue \$800 million in private activity bonds allocated by California and Nevada. The company let those rights lapse last fall, citing financial market uncertainty caused by the pandemic. A bond industry newsletter said at the time that there were no markets for the securities, which were offered with yields running from 7% to 7.5%, about four times what top-rated municipal bonds pay.

The company says the project would create 40,000 construction jobs and 1,000 permanent jobs. It also says the all-electric train, with speeds of up to 200 mph, will keep 400,000 tons of carbon dioxide out of the air each year and remove three million cars from Interstate 15, which is often clogged with travelers on weekends.

Along with the rail project connecting Southern Nevada and Victorville, the company is also discussing additional links to California cities Rancho Cucamonga and Palmdale, where riders can then connect with the Metrolink railway to downtown Los Angeles.

The company's letter also mentioned it is recruiting for its executive and project management teams in Las Vegas and offered to provide an in-person briefing for the Nevada High-Speed Rail Authority

in the near future.

Ninyo & Moore and Terra Contracting have been conducting geotechnical testing and exploratory boring for Brightline near the planned Las Vegas station south of the Strip.

Brightline West is the latest name for the project. It was introduced in 2019 as Virgin Trains USA and included participation by billionaire investor Richard Branson's Virgin Group Ltd.

It was renamed Xpress West after Branson left the project last year and is now being reintroduced as Brightline West, to better associate with the Florida Brightline train that, before being suspended during the pandemic, traveled from the Miami area to Orlando.

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