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March Madness Tournament Arena Tests Muni-Bond Market Appetite.

- **Indianapolis agency is selling \$390 million of bonds**
- **Proceeds partly to finance renovations of NBA Pacers home**

One of the Indianapolis arenas hosting the men's college basketball championship next month is turning to the municipal-bond market to raise money for renovations, betting that fans will flock back to large venues once the pandemic is quelled.

The local government agencies that oversee the Bankers Life Fieldhouse, where some of the round 1 and 2 and Sweet 16 games of the tournament known as March Madness will play, are selling \$390 million of tax-exempt bonds on Thursday.

Proceeds will be used to finance improvements to the arena that is home to the Indiana Pacers that were part of a 2019 agreement to keep the professional basketball team in Indianapolis until 2044. Some of the money also will refinance two bond anticipation notes sold in 2019 and 2020.

Renovations include combined club level seats, a larger center home scoreboard, and a public plaza that will double as a skating rink in the winter. Andy Mallon, executive director of the Capital Improvement Board of Managers of Marion County, said the work is expected to be completed by the end of 2022.

The sale comes less than a month before the start of the National Collegiate Athletic Association's 2021 men's basketball championship. Last year's tournament was canceled because of the Covid-19 pandemic. Officials decided to host all of this year's games in one geographical location, with the majority of the tournament's 67 games taking place in Indianapolis. Attendance is limited to 25% in the stadiums.

Large public gatherings such as concerts, conventions and of course sporting events were canceled when Covid-19 spread across the U.S. one year ago. That left venues, many financed with municipal bonds, empty for much of the year. They have been slow to relaunch as public health officials urge caution while the vaccine rollout ramps up, though the Super Bowl was hosted with limited fans when it was played in Florida earlier this month.

The bond sale also comes amid a nearly two-week long selloff that has forced yields on benchmark securities up by nearly 5 basis points as investors speculate on a post-pandemic surge in economic growth.

"Even with the recent selloff we've seen, muni rates are still historically very low," said Craig Brandon, co-director of municipal investments for Eaton Vance Management. "We're at a very pivotal time in the market this week and everyone's waiting to see what the flow data is on Thursday."

By Anastasia Bergeron

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