

Bond Case Briefs

Municipal Finance Law Since 1971

Yankees Spat With Nuveen Over Spaces Delays Parking Deal.

- **City says club wanted last minute change to bond restructuring**
- **Deal would remove obstacle to new soccer arena in the Bronx**

A deal to restructure \$240 million of municipal bonds sold for underutilized parking garages at Yankee Stadium is on hold because of a spat over parking spaces.

New York last month delayed a Bronx Borough Board vote on a preliminary deal to resolve the long-running default after the New York Yankees sought to change key terms just days before the meeting, city officials said. The team wanted Nuveen LLC, the majority holder of debt for the underused garages, to guarantee 5,500 parking spaces for events, a provision that wasn't included in a term sheet signed by Nuveen, the Yankees and the city.

"After years of negotiations with the Yankees and other parties, we are disappointed they will not commit to promises already made to the city and the community," said Rachel Loeb, president and chief executive officer of New York's Economic Development Corporation in a statement. "The underutilized parking lots around Yankee Stadium can be so much more than they are today, and the South Bronx deserves a plan to build a healthier and stronger community."

The debt restructuring would remove an obstacle to the construction of a new soccer arena for Major League Soccer's New York City Football Club as part of a \$1 billion development project. Municipal bonds issued in 2007 to finance the construction of three garages and the renovation of other parking facilities at the new baseball stadium have been in default for eight years. The garages never generated enough revenue to pay the debt or rent to the city as fans preferred public transportation or ride-sharing services or sought out cheaper spots to park.

The preliminary agreement called for the city to split the current lease for 13 parking facilities near the stadium between Nuveen and Madd Equities, which has proposed building the 25,000-seat soccer arena, affordable housing and a hotel on parking lots near the stadium.

Madd would pay bondholders \$46.3 million for its share of the current lease and bondholders would retain the lease for the remaining four parking garages and two lots, which have 5,611 spaces, according to the city, a number the Yankees dispute. Nuveen, which held \$156 million of the parking debt as of May 31, intends to hire a firm to operate the remaining facilities.

The parking garage bonds last traded June 7 in blocks at 82 cents on the dollar. The trades, which came days after the preliminary restructuring deal was disclosed, were almost 70% higher than May.

City officials said that from the start Nuveen told the Yankees that the investment firm wouldn't provide additional rights beyond those in the current lease. However, Yankees president Randy Levine maintains that city had provided a guarantee for the number of spaces to be used at team events.

"I am extremely disappointed and heartbroken over the city's renegeing on guaranteeing parking

spots for Yankee stadium events and the community,” Levine said in a telephone interview. “The whole purpose of the bond issuance was to provide for parking spots for Yankee stadium events and the community.”

Jessica Greaney, a Nuveen spokeswoman, said Nuveen remains committed to a deal “set forth in the term sheet and looks forward to a continued strong relationship with the Yankees and the City.” The parties have been working on a plan to build the soccer stadium and resolve the bond default for more than two years.

City officials also said they were committed to reaching a resolution with the parties that benefits the Bronx and the city. New York delayed a Bronx Borough Board vote on the lease until the fall to give the parties more time to negotiate.

Bloomberg Markets

By Martin Z Braun

July 8, 2021, 9:17 AM PDT Updated on July 8, 2021, 2:12 PM PDT

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com