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Arizona Sports Park Defaults in New Sign of Muni Stress.

A 320-acre sports park in Mesa, Ariz., has defaulted on its bonds eight months after opening, a fresh sign of stress in the often-sleepy world of municipal finance.

A notice of default filed late Tuesday by trustee UMB Bank said the sports park project has failed to make payments to the trustee on its debt, which are due monthly. The notice said the borrower also failed to file audited financial statements, and that a lien or other encumbrances has been filed against the park, a violation of the loan agreement.

The borrower, a nonprofit called Legacy Cares that had no experience owning a sports park, sold $280 million in muni debt to Vanguard Group and other mutual funds in 2020 and 2021 amid a frenzied hunt for tax-exempt yield. Legacy Cares President Douglas Moss could not immediately be reached for comment.

Another speculative muni-financed project, the Rutherford, N.J., American Dream mall and theme park, defaulted in August.

The Wall Street Journal

By Heather Gillers

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