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## Florida's High-Speed Rail Kicks Off \$1.2 billion Junk-Debt Sale.

Florida's high-speed rail system, Brightline, is tapping the US high-yield market with a \$1.25 billion offering on Monday.

The Fortress Investment Group-backed railroad is selling six-year senior secured notes callable after three years, according to people with knowledge of the matter. The bonds — which are expected to price next week — are part of the rail line's plans to refinance its roughly \$3.9 billion debt load.

Morgan Stanley, the sole underwriter, had been sounding out investor appetite on the taxable junk bond at a yield of 10% to 11%, Bloomberg reported earlier this month. Interest has reached about \$500 million for the deal at that yield range.

The offering is part of an expected \$3.2 billion debt-refinancing package that includes proposed senior municipal bonds that may be issued this month by the Florida Development Finance Corp.

Earlier in April, the tax-exempt notes were assigned a S&P Global Ratings preliminary rating of BBB, its lowest investment grade. The muni bonds also received preliminary designations of BBB from Fitch Ratings and BBB from Kroll Bond Rating Agency.

Brightline is betting on replicating the model of Amtrak's high-speed Acela service in the Northeast with better amenities. The railroad says travelers between Miami and Orlando — both big tourism destinations and business centers — can avoid the stress of a traffic-clogged four- to five-hour drive as well as the hassles of air travel.

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