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Florida Rail Brightline's Riskiest Munis Lure Investors on Expansion Bet.

- **Railroad's unrated muni bonds gain about 13% since April**
- **John Miller fills First Eagle's muni portfolio with the debt**

Bond investors are snapping up the riskiest chunk of Brightline's debt in a wager on the private railroad as it expands west across Florida.

Investors, drawn by a 12% coupon, have bid up Brightline's \$925 million of unrated-tax exempt bonds so much that they're valued at about 105 cents on the dollar. They've returned some 13% since April, when the Fortress Investment Group-backed company refinanced its debt with nearly \$4.5 billion in muni bonds and junk notes.

Among the reasons the unrated debt is appealing to investors: collateral. They're secured by a lien on current and future assets including design contracts, permits, and rights-of-way that are earmarked for Brightline's project to stretch its tracks from Orlando to Tampa.

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Bloomberg Markets

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October 31, 2024

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