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United Pulls $248 Million Junk Muni Debt for Houston Airport.

Takeaways by Bloomberg AI

- United Airlines Inc. shelved two municipal bond issues due to market conditions.
- The bonds were to finance facilities at George Bush Intercontinental Airport in Houston, including a ground services equipment facility and a catering center.
- The airline may seek to finance the projects in the future, with one possibility being next year if the Federal Reserve cuts interest rates.

United Airlines Inc. shelved two municipal bond issues as the volatility hitting other asset classes makes a rare appearance in the state and local government debt market.

The airline had tried to tap muni investors to finance facilities at George Bush Intercontinental Airport in Houston. An issue for $102.8 million was expected to finance a portion of the design and construction of a ground services equipment facility and a separate $145.6 million series go toward a new catering center, according to offering documents. The bonds were high yield, carrying a BB+ rating from S&P Global Ratings.

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Bloomberg Industries

By Aashna Shah

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