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'Ugliest Damn Building' in New Jersey May Get \$675 Million Bonds.

New Jersey's American Dream entertainment and shopping center, the incomplete mega mall that Governor Chris Christie once called "the ugliest damn building" in the state, is poised for a jumpstart from the municipal-bond market.

A decade after ground was broken for the project in New Jersey's Meadowlands Sports Complex, proceeds from about \$675 million of bonds could speed up construction, according to East Rutherford Mayor James Cassella. The debt would be issued on behalf of Triple Five Group, which took over the project after previous developers ran out of cash and the financial crisis stymied funding.

As a first step, the borough council of East Rutherford, the site of the vacant structure, on Tuesday evening introduced an ordinance to authorize the sale of bonds for the Edmonton, Alberta-based Triple Five. The debt may be issued as taxable securities, instead of tax-free as initially planned, which would help prevent lawsuits against the borough should anything go awry, Cassella said.

Christie in 2011 had counted on American Dream, called Meadowlands Xanadu when it started, to bolster the local economy. The project by Triple Five, the developer of the Mall of America in Minnesota, was slated to open in 2013.

"We're one step closer to finalizing this, and hopefully we can get it done," Cassella said.

Meadowland Slope

Plans for the mega mall about 10 miles west of Manhattan include the country's first indoor ski slope and a theme park. A spokesman told Bloomberg News in September the mall may open in 2016.

Debbie Patire, a spokeswoman for the project, didn't return a call Tuesday, after earlier declining to comment on the financing. Brian Murray and Kevin Roberts, spokesmen for Christie, didn't return e-mails requesting comment. Michael DuVally, a spokesman for Goldman Sachs Group Inc., which is underwriting the debt, declined to comment.

The state Local Finance Board in 2013 signed off on the issuance of as much as \$550 million in municipal bonds. The borough must seek approval for the revised agreement before it can vote on the bond deal, Cassella said.

Payments by the developer would back the bonds issued by the borough. The sale could take place by November, he said.

Hang Up

"The big hang-up" between the borough and the company has been the municipality's desire to be protected from any potential defaults or bondholder lawsuits over issues unique to the tax-exempt

market, Cassella said.

“That goes away with the taxable bonds,” he said.

About 150 union members attended the council meeting to show their support for the project, said Rick Sabato, president of the Bergen County Building and Construction Trades Council. He said the developer may hire more than 5,000 construction workers.

“It’s been a long time waiting, and we finally got it,” he said. “It’s tremendous. It’s going to to change the face of the Meadowlands.”

Bloomberg

by Romy Varghese

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