

# **Bond Case Briefs**

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## **As Red Sox Seek World Series Win, City Makes a Bond Bet on Team.**

- **Massachusetts city is selling bonds for farm-team stadium**
- **Stadium will anchor a \$240 million development project**

The Boston Red Sox need to win two more games against the Los Angeles Dodgers to become 2018 World Series champions. But Worcester, Massachusetts, is already betting on the club's future.

The city, about 50 miles (80 kilometers) west of Boston's Fenway Park, is selling \$30 million of municipal bonds next week to begin construction of a new stadium for the Red Sox's triple-A minor league affiliate. The farm team is moving from Pawtucket, Rhode Island, their home of nearly 50 years, following a protracted bidding war between the two cities.

Minor-league baseball stadiums have evolved into smaller versions of their big league counterparts, complete with luxury boxes, kids' attractions and nearby commercial development. And municipalities have jumped at the chance to host the teams. Fayetteville, North Carolina, sold \$50 million in municipal bonds earlier this year to fund a stadium for a Houston Astros's affiliate, for example. Wichita, Kansas, is selling \$42 million in sales-tax debt next week to fund a stadium expected to house the Miami Marlins triple-A team.

Worcester's bonds will kick off funding for the design, construction and equipment of the city-owned ballpark. Known as Polar Park, the stadium will seat about 10,000 fans and is expected to open for the start of the 2021 season. The city expects to sell another \$73 million of debt for the project.

The ballpark will anchor a \$240 million redevelopment effort that will include \$90 million of urban apartments, a 150-room hotel, a second boutique hotel, and 65,000 square feet of retail and restaurant space.

The new issue bonds will be secured by Worcester's full faith and credit and a limited tax on city residents, giving the bonds an AA grade from Fitch Ratings. The city expects revenue from the new development district to pay the bonds, while the team has agreed to make lease payments to the city in "amounts sufficient to meet the city's obligations," according to the bond documents.

### **Bloomberg Markets**

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