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Vegas Train Approved for Record \$4.2 Billion of Unrated Debt.

The sale of a record \$4.2 billion in unrated municipal bonds to finance a passenger train to Las Vegas moved closer to happening with a key vote in Nevada, promising to test investor appetite for risk amid a coronavirus pandemic.

Nevada's state board of finance Friday cleared the way for Virgin Trains USA to sell \$950 million in tax-exempt private activity bonds for a high-speed rail to the gambling hub from a southern California desert town. The company, backed by Fortress Investment Group private equity funds, had already won the ability to sell \$3.25 billion in such debt through a California state agency.

Virgin Trains plans to sell both issues together by September 30, according to spokesman Ben Porritt. That would surpass the biggest unrated tax-exempt deal on record, \$1.75 billion the company sold last year for its inaugural rail system in Florida. That line hasn't run since March because of the outbreak.

The 170-mile (274-kilometer) California to Nevada project is expected to break ground by the end of this year. The company says that its electric trains to a Las Vegas station three miles from the Strip will reach 200 mph and take 85 minutes from the California terminus in Apple Valley.

The cost of the project, about \$5 billion, will be covered primarily through the debt, while the company will contribute \$583 million, according to a report reviewed by the Nevada board.

"I'm very thankful and appreciative of the jobs that this is going to create as we move out of this Covid recession that we're dealing with right now and try to get our people back to work," said Nevada Governor Steve Sisolak, chair of the state's finance board, before the unanimous vote.

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