

# Bond Case Briefs

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## Javits Center Debt Downgraded as NYC Tourism Struggles to Revive.

- **Moody's lowers credit ratings on about \$1 billion of bonds**
- **Javits senior bonds lowered to A2, subordinate to Baa2**

New York's Jacob K. Javits Convention Center, which was turned into an emergency hospital during the first wave of Covid-19, had about \$1 billion of municipal bonds downgraded by Moody's Investors Service as tourism struggles to recover from the pandemic.

Moody's lowered ratings on \$770 million of senior debt issued by the New York Convention Center Development Corporation one level to A2 from A1. The rating on \$220 million of subordinate debt was lowered two levels to Baa2, the second-lowest investment grade, from A3. The outlook on the bonds is negative.

"The continuing impact of the coronavirus pandemic has created severe and ongoing disruptions in the New York City travel and tourism market and therefore pledged revenue receipts," Moody's said in a news release. "As the world continues to grapple with new virus variants, an uncertain recovery path faces travel and tourism as well as New York City's office occupancy and business travel."

Debt issued for the Javits Center is payable from a \$1.50 per-night fee on occupied hotel rooms in New York City and the senior bonds also get backing from a state agency that finances mortgages. The city's convention and visitors bureau projects tourism won't return to pre-pandemic heights of 66.6 million visitors until 2025. In late July almost 100 were closed to tourism, according to Costar.

The New York International Automobile Show, normally held at Javits, was canceled this month for the second year in a row because of concerns about the Covid-19 delta variant.

### **Bloomberg Markets**

By Martin Z Braun

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