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Delta's Bonds for LaGuardia Terminal Draw Eager Muni Investors.

- **Yield is equivalent to 12% on taxable bonds for NYC's rich**
- **Investors placed orders for seven to nine times bonds on offer**

Delta Air Lines sold about \$875 million in municipal bonds to help finance the completion of its new terminal at LaGuardia Airport. And the yields on the debt are exciting investors.

The bonds, issued through New York State's Transportation Development Corp. so investor returns are tax exempt, mature in 2035 and were priced to yield 5.6%, with securities maturing in 2040 priced at a 5.85% yield.

To match those yields, a New York City taxpayer in the \$1 million per year tax bracket would need to get 11.6% to 12% on equivalent taxable corporate debt.

Investor orders totaled seven to nine times the amount of securities available, people familiar with the transaction said. The bonds carry Delta's corporate ratings of BB+ from S&P Global Ratings Inc. and Baa3 from Moody's Investors Service.

Citigroup Inc. managed the sale and the bonds have an optional par call in 2031.

Bloomberg Markets

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October 25, 2023