

**FLORIDA DEVELOPMENT FINANCE CORPORATION
REVENUE BONDS (BRIGHTLINE FLORIDA PASSENGER RAIL
PROJECT) BRIGHTLINE TRAINS FLORIDA LLC ISSUE,
SERIES 2024 (TAX-EXEMPT) AMT**

FLORIDA DEV-REF-AMT

CUSIP: 340618DT1 FIGI: BBG01MN98792

BOND ANALYSIS

FLORIDA DEVELOPMENT FINANCE CORPORATION REVENUE BONDS (BRIGHTLINE FLORIDA PASSENGER RAIL PROJECT) BRIGHTLINE TRAINS FLORIDA LLC ISSUE, SERIES 2024 (TAX-EXEMPT) AMT FLORIDA DEV-REF-AMT

Report Created On: 04/22/2026



NEGATIVE
AI-CREDIT
SENTIMENT

Executive Summary

This offering involves the remarketing of \$985,000,000 Series 2024A Revenue Bonds as part of a total \$2,219,280,000 Series 2024 issuance. The project connects Miami to Orlando over 235 miles of track. While revenue more than doubled to \$188 million in 2024 following the Orlando opening, the company reported a net loss of \$549 million, driven by high interest and refinancing costs. The project carries approximately \$5 billion in debt and has faced significant operational challenges, including a \$150 million cost overrun in 2024 and a 40% drop in short-haul commuters following a shift to higher-margin long-haul pricing. In July 2025, Tampa officials approved a motion to proceed with a Tampa expansion, though integration with highway projects may cause delays. Legal uncertainty exists following an August 2025 lawsuit by Florida East Coast (FEC) regarding Miami commuter services. Financial distress led to an unscheduled draw on the Debt Service Reserve Account in January 2026 and deferred interest payments on \$1.2 billion in bonds.

Financial Ratios

- **Days Cash on Hand:** ~225 days (March 2026)
- **Unrestricted Cash (Available Liquidity):** \$160 million (March 2026)
- **Senior Debt Service Coverage Ratio (DSCR):** 1.30x (Covenant Requirement)
- **Total Debt Outstanding:** Approximately \$5 billion (August 2025)

Briefing Document

Bond Info

CUSIP: 340618DT1
State: Florida
Sector:
Maturity: 07/01/2053

Coupon: 5.500%
Last Trade Date: 04/14/2026
Last Trade Price: \$62.75
Last Trade YTW: 8.765%

For Sale (30 days): no
Funds Holding: 47

Issue Details

- Issuer:**
- Borrower/Beneficiary:**

Brightline Trains Florida LLC, a Delaware limited liability company.

- Issue Name:** FLORIDA DEVELOPMENT FINANCE CORPORATION REVENUE BONDS (BRIGHTLINE FLORIDA PASSENGER RAIL PROJECT) BRIGHTLINE TRAINS FLORIDA LLC ISSUE, SERIES 2024 (TAX-EXEMPT) AMT

- Principal Amount:** \$2,219,280,000

- Maturity:**

The Series 2024 Bonds have an aggregate principal amount of \$2,219,280,000. Specific term bond maturities include July 1, 2041 (\$83,450,000), July 1, 2044 (\$122,455,000 - Insured), July 1, 2047 (\$74,725,000 - Insured), and July 1, 2053 (\$112,350,000 - Insured). The remarketed Series 2024A Bonds mature on July 1, 2057.

- Interest Payments:** Interest is payable semiannually on February 15 and August 15 of each year, commencing February 15, 2025. Interest is calculated on a 360-day year basis. OpCo bonds have a flat, interest-only payment period through 2032. However, Brightline deferred interest payments on \$1.2 billion in bonds in July 2025 and skipped another interest payment in early 2026 due to liquidity issues. Early 2024 pricing for tax-exempt bonds offered yields between 11% and 15% for certain tranches.

- Underwriter:**
n/a

- Insurance:**

Maturities in 2044, 2047, and 2053 are insured by Assured Guaranty Municipal Corp. ("AGM"). Following a corporate merger, Assured Guaranty Inc. (AG) is the surviving corporation and has assumed all obligations under the policy. Approximately \$1.133 billion of the bonds are guaranteed, resulting in an 'AA' rated portion for those specific maturities.

- Enhancements:**

Credit enhancements include a municipal bond insurance policy from AGM/AG for specific maturities. Additionally, the bonds are secured by several reserve accounts: a Senior Debt Service Reserve Sub-Account funded at \$115,944,225, a Ramp-Up Reserve Account of \$175,000,000, a Project Reserve Account of \$75,000,000, and a Rolling Stock Reserve Account of \$60,000,000. The project also benefits from a 30-year fixed-price O&M contract for rolling stock with Siemens Mobility. The U.S. Department of Transportation has also obligated over \$42 million in safety grants for infrastructure upgrades.

Tax Status

Tax-Exempt. Interest on the Series 2024 Bonds is intended to be excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code (AMT).

Redemption

The bonds are subject to optional redemption on or after July 1, 2032, at par. Prior to that date, they are subject to Make-Whole Redemption at the MMD Rate plus 20 basis points. Mandatory Sinking Fund Redemption applies to term bonds starting in 2034. Extraordinary Mandatory Redemption may occur from insurance loss proceeds.

Purpose of Issuance

The proceeds are used to finance or refinance a portion of the Project Costs (Miami to Orlando rail system), fund interest on the bonds, fund various liquidity reserves, and pay costs of issuance or remarketing.

Bond Security & Payment Source

- **Security Pledge:**The bonds are special, limited obligations of the Issuer, payable solely from and secured exclusively by the Trust Estate and the Collateral, including the payments to be made by the Borrower under the Loan Agreement.
- **Collateral:**Repayment is secured by mortgages on project real property and a security interest in all project accounts, equipment, and Rolling Stock Assets. This includes first-priority security interests in Registered IP (Copyrights, Patents, Trademarks).
- **Flow of Funds:**A specific priority of payments is established, directing project revenues first to Agent fees, taxes, and senior debt service before any subordinated payments or distributions.
- **Debt Service Reserve:**A 12-month debt service reserve fund was established to cover interest and principal payments in the event of revenue shortfalls.

Sentiment Reasoning

The sentiment is negative due to the imminent risk of default and the multi-notch downgrades to 'CCC' levels. The project's failure to meet ridership forecasts (tracking at less than half of projections), combined with massive losses (\$549M in 2024) and the rapid depletion of liquidity reserves, indicates a severely stressed financial position. S&P's warning of a 'virtual certainty' of financial restructuring by mid-2026, alongside deferred interest payments and unscheduled DSRA draws, underscores the critical instability. While the project benefits from Florida's strong demographic growth and federal safety grants, the current cash flow is insufficient to cover the massive \$5 billion debt load without significant restructuring.

Key Financials

Days Cash on Hand	March 2026	~225 days
Days Cash on Hand	December 2025	~269 days
Senior Debt Service Coverage Ratio (DSCR) for Distributions	Covenant Requirement	1.30x
Unrestricted Cash (Available Liquidity)	March 2026	\$160 million
Unrestricted Cash (Available Liquidity)	December 2025	\$191 million
Total Debt	August 2025	approximately \$5 billion
Net Loss	FY 2024	\$548.7 Million
Total Revenue	FY 2024	\$188 million
Total Revenue	FY 2023	\$88 million
Interest Payments	FY 2024	\$178 million
Refinancing Costs	FY 2024	\$218 million
Total Ridership	FY 2024	2.8 million
Total Ridership	FY 2023	2.0 million
Projected Ridership	2025 (Actual vs. Forecast Shortfall)	~3.1 million
Fare Revenue (Orlando Route)	FY 2024	\$119 million
Operating and Maintenance Expenses	2024	\$341 million
Total Assets	As of Dec 31, 2024	\$5,790.2 Million

Investment Data

Ridership and Revenue Growth

Total passenger trips grew from 2 million in 2023 to 2.8 million in 2024. Revenue more than doubled from \$88 million to \$188 million in the same period. However, 2025 ridership of ~3.1 million is less than half of original bond document projections. Impact: While growth is exponential, it is insufficient to meet the aggressive financial targets set during the debt issuance.

Debt Service and Cash Burn

The company reported a \$549 million loss in 2024. Interest payments alone were \$178 million. As of August 2025, total debt is approximately \$5 billion. Impact: The current negative cash flow makes the project highly dependent on successful restructuring or further equity injections.

Florida Demographic and Tourism Data

Florida's population reached 23.3 million in 2024. Orlando saw the 10th-largest numeric growth in the U.S. (+55,000 residents). Florida saw 34.3 million visitors in Q3 2025. Impact: This robust growth provides a strong long-term market for transit services between major hubs.

Tampa Expansion Potential

Tampa officials approved the Ybor City expansion in July 2025, which is projected to add 650,000 monthly riders. However, integration with I-4 highway projects may cause up to a 10-year delay. Impact: Expansion offers long-term upside but significant execution risk and capital requirements.

Risk Assessment Summary

The project faces severe liquidity pressure and a high probability of default or restructuring. While revenue doubled in 2024 following the Orlando expansion, ridership is less than half of original forecasts. The company reported a \$549 million loss in 2024 and carries a \$5 billion debt load. Operational costs were \$150 million over budget in 2024, and the company has already begun drawing on its Debt Service Reserve Account and deferring interest payments. S&P projects a 'virtual certainty' of financial restructuring by mid-2026. Public liability and reputational risks are high due to a safety record involving 185+ fatalities since 2017. Legal disputes with the host railroad (FEC) and potential delays in the Tampa expansion further complicate the outlook. Mitigation is limited to bond insurance for approximately half of the principal and strong regional population growth.

Risk Assessment

Factor	Strength/ Weakness	Impact on Credit Profile
Liquidity Depletion and Restructuring Risk	weakness	Reserves have been consumed faster than anticipated, leading to an unscheduled draw on the DSRA in Jan 2026 and deferred interest payments. S&P warns of a virtual certainty of restructuring by March 2026.
Ridership and Revenue Underperformance	weakness	2025 ridership (~3.1 million) was less than half of the levels originally projected. Revenue growth has lagged behind the aggressive ramp-up forecasts required to support the \$5 billion debt load.
Significant Financial Losses	weakness	Brightline reported a \$549 million loss in 2024, with \$178 million spent on interest payments and \$218 million on refinancing costs.
Safety Record and Public Liability	weakness	Labeled the 'deadliest' railroad in the U.S. with 185+ fatalities since 2017. High frequency of accidents (one every 13 days) creates legal and reputational risk.
Commuter Alienation and Pricing Shift	weakness	Eliminating \$10 commuter passes in favor of \$35 packages led to a 40% drop in South Florida short-haul commuters, potentially impacting long-term brand appeal.
Legal and Regulatory Uncertainty	weakness	An August 2025 lawsuit by Florida East Coast (FEC) regarding commuter service plans introduces regulatory risk.
Bond Insurance	strength	Insurance from Assured Guaranty provides a guarantee of principal and interest for \$1.133 billion of the debt, maintaining an 'AA' rating for those tranches.
Strategic Regional Demographics	strength	Florida's population reached 23.3 million in 2024, with significant growth in the Miami and Orlando metro areas providing a growing pool of potential riders.
Federal Infrastructure Support	strength	Over \$42 million in federal safety grants have been obligated for fencing and grade crossing upgrades.

People of Interest

Jeff Swiatek Chief Financial Officer Period: 2024 - Jeff.Swiatek@gobrightline.c	Nicolas Petrovic Chief Executive Officer Period: 2026 -	Cynthia Bergmann General Counsel Period: 2024 - Cynthia.Bergmann@gobrig	Ahisha Rodriguez Assistant Secretary Period: 2026
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Timeline of Events

Other	2017	Brightline train testing began; start of operational safety record.
Project Update	September 2023	Orlando service commenced, significantly boosting long-haul travel.
Closing	2024-05-09	Dated date of the Indenture and Senior Loan Agreement; completion of \$2.2 billion refinancing.
Other	2024-08-15	Remarketing of Series 2024A Bonds.
Project Update	2024-10-15	Fleet transitioned to five-car long trainsets (306 seats).
Other	December 2024	Long-haul ridership reached a record 162,445, a 40% increase year-over-year.
Project Update	July 2025	Tampa officials approved motion to proceed with financing for Ybor City expansion.
Other	July 2025	Brightline deferred interest payments on \$1.2 billion in bonds, leading to debt downgrades to 'junk' status.
Other	August 2025	Florida East Coast (FEC) filed lawsuit against Brightline regarding Miami commuter service plans.
Other	2025-12-19	S&P Global Ratings lowered debt ratings to 'CCC' with Negative Outlook.
Project Update	2025-12-22	Received final 5 Premium coaches to complete the fleet expansion.
First Payment	2026-01-01	Unscheduled draw on Debt Service Reserve Account to fund interest payment.
Other	Early 2026	Brightline skipped another interest payment on its bonds.
Other	2026-01-16	Fitch Ratings downgraded Series 2024 Bonds to 'CCC'.
Other	2026-03-05	S&P Global Ratings downgrades Series 2024 Tax-Exempt Bonds to 'CCC-' and subsequently withdraws the rating.
Other	March 2026	S&P warns of a 'virtual certainty' of financial restructuring within six months.

FAQ

1. Why did the credit ratings for the bonds drop significantly in 2025 and 2026?

The downgrades to 'CCC' levels were driven by material deviation from growth expectations, a \$150 million cost overrun in 2024, and ridership levels that were less than half of original projections. This led to a liquidity crisis, unscheduled DSRA draws, and deferred interest payments on \$1.2 billion in debt.

2. How did the company pay the January 2026 interest payment?

Due to insufficient operational cash flow, the company utilized an unscheduled draw from its **Debt Service Reserve Account (DSRA)** to meet the interest obligation on the Series 2024 Bonds.

3. What is Brightline's safety record?

Brightline has been labeled the 'deadliest major passenger railroad' in the U.S. based on deaths per mile traveled. Since 2017, over 185 people have been killed in Brightline strikes, averaging one death every 13 days of service. While many incidents involve trespassing, the high frequency poses severe reputational and legal risks.

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