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NEW YORK CITY N Y INDL DEV AGY CIVIC FAC REV REV BDS BRONX PARKING DEVELOPMENT COMPANY LLC 2007

NYC IDA BRONX PKG

CUSIP: **649438FM5** FIGI: **BBG001103ZS4**

BOND ANALYSIS

NEW YORK CITY N Y INDL DEV AGY CIVIC FAC REV REV BDS BRONX PARKING DEVELOPMENT COMPANY LLC 2007 NYC IDA BRONX PKG

Report Created On: 05/01/2026

NEGATIVE
AI-CREDIT
SENTIMENT

Executive Summary

This offering financed the Yankee Stadium Parking System, a critical infrastructure component for the stadium's relocation. While the project initially benefited from over $100 million in state and city grants, operational revenues have consistently failed to meet debt service requirements. Key issues include a permanent shift in fan behavior toward public transit (specifically the Metro-North station) and competitive pricing from nearby facilities like the Gateway Center. The Company triggered an Event of Default in 2011 by failing to meet the 1.15x DSCR covenant and subsequently defaulted on interest payments starting in April 2013.

In mid-2021, a tentative agreement was reached to resolve the default by splitting the 99-year lease into two parts: a Balance Lease (covering six facilities to remain as the core parking system) and a Severance Lease (covering underutilized lots to be sold for redevelopment into affordable housing). Despite this, the project remains entangled in maintenance disputes with the New York Yankees and broader economic challenges in the South Bronx.

Financial Ratios

- **Current Ratio**: 0.13 (September 30, 2018)
- **Days Cash on Hand**: 13.5 Days (September 30, 2018)
- **Unrestricted Net Assets (Member's Deficiency)**: ($327,255,287) (June 30, 2024)
- **Unrestricted Cash**: $33,034 (June 30, 2024)
- **Debt Service Coverage Ratio**: 0.82 (Nine Months Ended September 30, 2018)

As of June 30, 2024, the Company reported a member's deficiency of $327.3 million and total liabilities of $541.0 million against assets of only $213.8 million. Accrued interest on bonds alone exceeds $97 million. Bondholders, led by a group holding over 66 2/3% of the debt, have directed the Trustee to forbear from foreclosure while pursuing various restructuring paths. Payments to bondholders are currently limited to periodic 'Default Distributions' derived from excess cash flow.

Briefing Document

Bond Info

CUSIP: 649438FM5
State: New York
Sector: Parking Authority
Maturity: 10/01/2037

Coupon: 5.750%
Last Trade Date: 04/30/2026
Last Trade Price: $45.06
Last Trade YTW: 0.000%

For Sale (30 days): no
Funds Holding: 10

Issue Details

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

Bronx Parking Development Company, LLC (BPDC), a New York limited liability company whose sole member is Community Initiatives Development Corporation (CIDC), a 501(c)(3) organization.

- **Issue Name:** NEW YORK CITY N Y INDL DEV AGY CIVIC FAC REV REV BDS BRONX PARKING DEVELOPMENT COMPANY LLC 2007
- **Principal Amount:** $237,635,000
- **Maturity:**

The Series 2007 Bonds have an aggregate principal amount of $237,635,000 with maturities on October 1, 2017 ($8,825,000); October 1, 2027 ($41,760,000); October 1, 2037 ($73,630,000); and October 1, 2046 ($113,420,000).

- **Interest Payments:** Interest is payable semi-annually on April 1 and October 1. Rates range from 5.625% to 5.875%. Due to defaults starting in April 2013, scheduled interest payments have been replaced by 'Default Distributions' from excess cash flow under various forbearance agreements. Accrued interest payable on bonds reached $97,478,440 by June 30, 2024.

- **Underwriter:**
Roosevelt & Cross, Incorporated

- **Insurance:**

The Design-Builder is required to provide various insurance policies including General Liability ($50,000,000), Automobile Liability ($5,000,000), Umbrella Liability, Builder's Risk, Workers' Compensation, Professional Liability ($10,000,000), and Pollution Legal Liability ($10,000,000). The Operator must also maintain comprehensive insurance naming the Owner, NYCIDA, and Trustee as additional insureds. Cash balances in banks are insured by the FDIC up to $250,000, though significant balances remain uninsured at institutions like US Bank NA. Insurance expense for the year 2022 was $700,509.

- **Enhancements:**

The Series 2007 Bonds are secured by a Guaranty Agreement from the Bronx Parking Development Company, LLC (BPDC), mortgage liens on leasehold interests, and a security interest in all project revenues. A Debt Service Reserve Fund was initially funded at $16,590,919. MBIA provided a surety bond or insurance wrap for the Debt Service Reserve Fund and Capitalized Interest Account. As of December 31, 2022, the Debt Service Reserve Fund and Renewal and Replacement Fund were completely unfunded.

Tax Status

Interest on the Series 2007 Bonds is excluded from gross income for federal income tax purposes and is exempt from New York State and New York City personal income taxes. The IRS closed an examination in 2014 with a 'No Change' determination, although it noted unspecified areas of non-compliance.

Redemption

The bonds are subject to optional redemption on or after October 1, 2017, at prices ranging from 102% to 100%. Mandatory sinking fund redemptions were scheduled to begin October 1, 2013, but have been subject to forbearance and non-payment. The 2017 maturity portion ($8,825,000) is fully matured and unpaid.

Purpose of Issuance

To finance the design, construction, and equipping of two new parking garages (Garage A and C), the renovation of two existing garages (Garages 8 and 3), and the renovation of surface parking lots to serve the New Yankee Stadium in the Bronx.

Bond Security & Payment Source

- **Security Pledge:**Pledge of all Revenues derived from the use and operation of the Parking Facilities, including parking fees, rentals, and interest earnings.
- **Mortgage:**First mortgage lien on BPDC's leasehold interest in the Ground Lease Premises.
- **Rate Covenant:**Requirement to set rates to maintain a Coverage Ratio of at least 1.15x; currently in chronic default.
- **Forbearance Agreement:**Operations and distributions are governed by successive forbearance agreements which restrict the Trustee from exercising remedies while Excess Cash Flow is distributed to bondholders.
- **Payment Priority:**Funds held under the Indenture are used first for payment of Trustee fees, costs, and indemnities before any distribution to bondholders.

Sentiment Reasoning

The project is a total failure of a municipal revenue bond. It has been in continuous default for over a decade, has exhausted all reserves, and operates in a market where its core service (parking) has been largely superseded by public transit and ridesharing. The financial metrics—including a deficiency of $327 million and a current ratio of 0.13—indicate that the entity is functionally bankrupt. While the 2021 restructuring proposal offers a path toward partial recovery through land redevelopment, the project remains entangled in maintenance disputes with the Yankees and significant socio-political opposition. It is now a distressed real estate turnaround play rather than a stable municipal investment.

Key Financials

Current ratio	September 30, 2018	0.13
Days cash on hand	September 30, 2018	13.5 Days
Unrestricted net assets	June 30, 2024	($327,255,287)
Unrestricted cash	June 30, 2024	$33,034
Debt service coverage ratio	Nine Months Ended September 30, 2018	0.82
Net Loss	Six Months Ended June 30, 2024	($18,076,180)
Total Liabilities	June 30, 2024	$541,038,092
Total Assets	June 30, 2024	$213,782,805
Interest Payable - Bonds	June 30, 2024	$97,478,440
Parking Revenue	Six Months Ended June 30, 2024	$6,113,378
Accrued Unpaid Rent, PILOT, and Interest	2021	$156,000,000

Investment Data

Asset Impairment

Auditors issued an adverse opinion because the Company failed to record an impairment charge. The facilities are valued at over $200M on the books (net), but their fair market value based on current cash flows is likely a small fraction of that. Impact: Bondholders should expect significant loss of principal in any final settlement.

South Bronx Economic Profile

According to 2024 census data, the Bronx median household income is ~$46,040 (half the NY State average), with a 28.8% poverty rate. Over 60% of renters are housing burdened. Impact: This economic vulnerability complicates parking rate increases and necessitates that redevelopment focus on affordable housing rather than high-margin commercial use.

Redevelopment Potential

Proposals by developers like Maddd Equities involve constructing approximately 2,000 units of affordable housing on underutilized parking sites. Impact: Land sales and lease severances represent the primary 'exit' strategy for bondholders to recoup a portion of principal.

Accrued Liabilities

As of June 2024, accrued interest on bonds ($97.5M), PILOT ($38.9M), and rent ($29.9M) total over $166 million in senior/parity claims. Impact: This massive liability overhang makes a full recovery of principal virtually impossible.

Risk Assessment Summary

The investment is characterized by extreme credit risk and ongoing default. The primary risk is the structural decline in demand for gameday parking due to superior mass transit alternatives, local competition, and ridesharing. The Company is deeply insolvent, with a member's deficiency exceeding $327 million and no remaining debt service reserves. Bondholders are dependent on a complex restructuring process involving the City and the New York Yankees, who hold third-party beneficiary rights and have withheld consent due to maintenance disputes (broken elevators, lighting, and vermin). Furthermore, the Company faces over $100 million in accrued liabilities for ground rent and PILOT payments. The South Bronx economic profile, with a 28.8% poverty rate and high housing burden, adds socio-political complexity to redevelopment efforts on former public parkland.

Risk Assessment

Factor	Strength/ Weakness	Impact on Credit Profile
Structural Demand Shift	weakness	Permanent shift to mass transit (Metro-North/Subway) and the rise of ridesharing (Uber/Lyft) has decimated gameday parking volumes compared to original 2007 projections.
Deep Insolvency	weakness	Liabilities exceed assets by over $327 million; the entity is not self-sustaining and has a current ratio of 0.13.
Lease Cancellation Risk	weakness	The City of New York has the right to terminate the ground lease due to over $100 million in unpaid rent and PILOT obligations.
Maintenance and Safety Issues	weakness	The New York Yankees have criticized the operator for failing to keep facilities safe and clean, citing broken elevators, poor lighting, and vermin infestations.
Socio-Political Contention	weakness	The project was built on 25.3 acres of seized public parkland (Macombs Dam Park), leading to community resentment and political pressure regarding the failure to provide promised benefits.
Reserve Depletion	weakness	The $16.6 million Debt Service Reserve Fund is exhausted, leaving no liquidity buffer for bondholders.

People of Interest

Edward G. Moran

Chief Restructuring Officer
Period: 2012 - 2019

Julie J. Becker

Vice President
Period: 2016 - 2021
julie.becker@usbank.com

Justin Shearer

Vice President
Period: 2022 - 2026
Justin.Shearer@usbank.co

Charles Lesnick

Interim Chief Operating Officer
Period: 2019 - 2024
chuck@bpdc.nyc

Timeline of Events

Closing	2007-12-01	Issuance of $237,635,000 Series 2007 Bonds.
Project Update	2010-05-01	Substantial completion of facility construction; facilities placed in service.
Other	2011-03-22	Waiver Agreement executed for first budget default; US Bank replaces BNYM as Trustee.
Other	2013-04-01	First missed scheduled interest payment to bondholders; formal Event of Default.
Other	2013-12-13	Execution of long-term forbearance agreement with bondholders.
Maturity	2017-10-01	Maturity of $8,825,000 principal portion; remains unpaid and overdue.
Other	2019-12-31	Expiration of the last formal extension of the forbearance agreement.
Other	2020-08-21	City of New York (NYCDPR) declares Event of Default under the Ground Lease.
Project Update	2021-06-01	Defaulted bonds trade at approximately 82 cents on the dollar following restructuring news.
Project Update	2021-07-01	Tentative agreement reached among the City, bondholders (Nuveen), and Yankees for lease splitting.
Project Update	2021-11-09	Trustee reports an impasse in restructuring negotiations regarding a potential soccer stadium.
Other	2026-04-20	Scheduled date for the most recent default distribution of $2,500,000.03.

FAQ

1.Why did the parking project fail to meet revenue projections?

The failure is attributed to a permanent shift in fan behavior. The opening of a new Metro-North station at Yankee Stadium and improvements to the NYC subway system significantly increased mass transit usage. Additionally, the nearby Gateway Center Garage offered heavily discounted rates that diverted gameday traffic from the project's facilities. The rise of ridesharing services (Uber/Lyft) also eroded the user base.

2.What is the current status of the bonds?

The bonds are in chronic default. The Company is unable to pay scheduled interest or principal. Bondholders are receiving periodic 'Default Distributions' derived from excess cash flow, but these payments are applied only to the massive backlog of unpaid interest. Bonds recently traded at ~82 cents on the dollar due to restructuring hopes.

3.What is the risk regarding the ground lease?

The City of New York has declared a default under the ground lease due to unpaid rent and PILOT obligations. The City has reserved the right to cancel the lease, which would eliminate the project's only revenue-producing asset and leave bondholders with no collateral.

4.What is the 'Severance Lease' proposal?

As part of the 2021 restructuring plan, the original lease would be split. The 'Severance Lease' would cover underutilized lots to be sold for redevelopment, potentially for affordable housing, while the 'Balance Lease' would maintain the core parking facilities.

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