

# Hiassen: Train-load of questions about a train

Carl Hiassen, Syndicated columnist 12:02 a.m. EDT August 15, 2015



(Photo: provided photo)

If you've got some extra cash lying around, here's an idea:

Sink all your hard-earned dollars into tax-free bonds for All Aboard Florida, the high-speed passenger train service that will supposedly run between downtown Miami and the Orlando airport.

Or, for the same return on your investment, take all your cash, dump it in a bucket and light it on fire.

Every passenger rail service in the United States loses money, but All Aboard Florida last week was approved to sell \$1.75 billion in municipal bonds to finance its 235-mile fantasy. The private firm promises to put up about \$700 million in equity and assume all debt.

The bonds will be unrated because of the absurdly high risks, which required a couple dozen pages to explain.

Bottom line: It will be impossible for the train project to ever make a profit. If your broker calls up and tries to sell you some of these bonds, fire the fool.

Here's the pitch you might hear: When the project is finished, All Aboard Florida will be running trains between Miami and Orlando 32 times a day at speeds exceeding 100 mph.

The company won't say what the price of a ticket will be, yet it predicts yearly revenues of \$300 million. No less rosy is its ridership projection of 5.4 million passengers annually by 2020 — about 14,000 riders daily.

Whoever cooked up these numbers must have been heavy into the mushrooms. It sounds like they basically sat around listening to Pink Floyd and making stuff up. Clearly they paid no attention to historical rail-use data.

Mass transit is terrific when it's truly used by the masses, but even then it can't function without huge taxpayer subsidies. Amtrak already runs roundabout routes between Miami and Orlando, but the trip has frequent stops, takes several hours and, of course, loses millions.

All Aboard Florida's trains will also be traveling a non-linear track. After leaving Miami they'll stop in Fort Lauderdale and West Palm Beach. Then they head up the seaboard all the way to Cocoa — don't ask why — where they turn due west on a yet-to-be-built 40-mile stretch to Orlando.

Executives for All Aboard Florida say the price of the trip will be comparable to what you'd spend going by car — as if a sane person would willingly drive directly from Miami to the Orlando airport.

Most motorists go straight to Disney World or Universal. If you ride the new train, however, you'll have to catch a tram, cab or rental car from the airport, adding time and costs to your trip.

Still, lots of people in South Florida are excited about All Aboard Florida. This is because of the prospect of a quick connection between Miami, where work already has begun on a new station, and West Palm.

That leg would definitely appeal to highway commuters, though it would still bleed money. Farther north, where the trains won't stop, All Aboard Florida isn't very popular.

Indian River and Martin counties have sued to halt the project, for good reason. Towns along the Florida East Coast railroad tracks will see traffic stymied at local crossings 32 times every day while the trains zip back and forth.

Residents, business leaders and officials fear the horns, noise and congestion will drive down property values. First-responders have also warned that the frequent lowering of crossing gates will impede ambulances and police cars responding to emergencies.

Still, the federal government and state of Florida have allowed the train project to roll forward. The only thing that can derail it is lack of funds. Just wait.

But for now, nutty as it seems, somebody somewhere will get suckered into buying All Aboard Florida's bonds.

The deal is so dicey that a consultant for the state's financing authority recommends that the bonds be sold in \$100,000 blocks only to "accredited investors" or "institutional buyers."

They might know how to bail out before they get hurt.

Among the "significant" risks of All Aboard Florida listed in a lengthy memo prepared by Bank of America Merrill Lynch:

"The company is not providing all the information that would be required if the company were being registered with the Securities and Exchange Commission."

Picky, picky, picky. What else?

"The company currently has no revenues or cash flows and has never constructed or managed a passenger railroad."

Well, OK, that's not so great.

But there's a first time for everything, right? We're only talking about \$1.75 billion, and it's not like you're taking it to Vegas.

Where your odds would actually be better.

Read or Share this story: <http://on.flatoday.com/1NvSWSV>

**TOP VIDEOS**



[\(/videos/opinion/3230448659001/438533444/\)](/videos/opinion/3230448659001/438533444/)

**Video: Matt Reed talks about the Indian River's health**  
[\(/videos/opinion/3230448659001/438533444/\)](/videos/opinion/3230448659001/438533444/)  
27:51



**Video: Matt Reed talks Pluto**

[\(/videos/opinion/3230448659001/4367585576/\)](/videos/opinion/3230448659001/4367585576/)  
[\(/videos/opinion/3230448659001/43675855760/\)](/videos/opinion/3230448659001/43675855760/)  
28:00



**Video: Matt Reed talks space, sharks with Brevard tourism director**

[\(/videos/opinion/3230448659001/4332564090/\)](/videos/opinion/3230448659001/4332564090/)  
[\(/videos/opinion/3230448659001/43325640900/\)](/videos/opinion/3230448659001/43325640900/)

**MORE STORIES**



**Teachers are our modern-day heroes**

[\(/story/opinion/2015/08/14/teachers-modern-day-heroes/31719655/\)](/story/opinion/2015/08/14/teachers-modern-day-heroes/31719655/)

[\(/story/opinion/2015/08/14/teachers-modern-day-heroes/31719655/\)](/story/opinion/2015/08/14/teachers-modern-day-heroes/31719655/)

Aug. 14, 2015, 12:54 p.m.



**PC Keat's opens Saturday in downtown Melbourne**

[\(/story/entertainment/dining/apleasantrepast/2015/08/keats-opens-saturday--downtown-melbourne/31748793/\)](/story/entertainment/dining/apleasantrepast/2015/08/keats-opens-saturday--downtown-melbourne/31748793/)

[\(/story/entertainment/dining/apleasantrepast/2015/08/14/keats-opens-saturday--downtown-melbourne/31748793/\)](/story/entertainment/dining/apleasantrepast/2015/08/14/keats-opens-saturday--downtown-melbourne/31748793/)

Aug. 14, 2015, 7:31 p.m.



**Brevard photographer doctors  
images in 'Digital Fusion'  
(/story/life/home-**

**(/story/life/home-  
garden/spaces/2015/08/15/brevard-  
photographer-  
doctors-  
images-digital-  
fusion/31630243/)  
garden/spaces/2015/08/15/brevard-  
photographer-doctors-images-digital-  
fusion/31630243/)**

Aug. 15, 2015, 12:02 a.m.