

Brightline, Florida's High-Speed Railroad, Slashes 2024 Ridership Forecast

- Brightline's December bond documents show 21% cut from earlier
- Fortress-backed railroad eyes refinancing \$4 billion in debt



Fortress Investment Group-backed Brightline said this month that the Florida lines carried about 2.1 million passengers in 2023. *Photographer: Joe Raedle/Getty Images*

By Martin Z Braun

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Brightline, the first US private passenger railroad built in more than a century, is on a slow track toward building ridership.

The Florida high-speed rail system last month disclosed in bond documents that it anticipates carrying a combined 5.5 million passengers this year on its new long-distance service between Miami and the Orlando airport and on its five-year-old South Florida commuter line between West Palm Beach and Miami.

That's down 21% from Brightline's forecast of about 7 million riders in September, when the service to Orlando airport opened.

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Fortress Investment Group-backed Brightline said this month that the Florida lines carried about 2.1 million passengers in 2023, signaling how important building ridership on the Miami-Orlando route will be to making the railroad profitable. The updated passenger numbers come as Brightline weighs refinancing its \$4 billion in municipal and other debt as early as this quarter.

“They have a ways to go to reach the level that is needed long term,” said Dan Solender, head of municipal debt at Lord Abbett & Co. “They’re expanding service but we still need to see if the demand can attain their aspirations.”

Proponents of high-speed rail projects in the US are watching Brightline closely. Before the Miami-to-Orlando train’s first run, Chief Executive Officer P. Michael Reininger called it a “blueprint for expanding rail in America.”



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This week, the US Department of Transportation approved \$2.5 billion of tax-exempt bonding authority for Brightline’s planned 218-mile high-speed line that will connect Southern California and Las Vegas. The \$12 billion project, running mainly along a median on Interstate 15 and known as Brightline West, received a \$3 billion grant from President Biden’s infrastructure law in December. Ground breaking is projected this year.

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Passengers board a Brightline train at the Fort Lauderdale station in Florida. *Photographer: Joe Raedle/Getty Images*

Ben Porritt, a Brightline spokesman, declined to comment. Gordon Runte, a Fortress spokesman, didn't respond to a request for comment.

“We believe the swift adoption of our service by customers demonstrates the latent demand in the market for an improved mode of travel between South and Central Florida,” Brightline’s Florida operation said in a ridership report this month.

City to City

Brightline is betting on replicating the model of Amtrak’s high-speed Acela service between cities in the Northeast, but without government subsidies. The railroad says travelers between Miami and Orlando – both big tourism cities – can avoid the stress of a traffic-clogged four- to five-hour drive or the hassles of air travel.

The overwhelming number of travelers between the two cities drive the 235 miles (378 kilometers). The journey is “too short to fly, too long to drive,” says a Brightline bond offering document.

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switched from New York to West Palm Beach.

The population of South Florida's three metropolitan counties – Miami-Dade, Broward and Palm Beach – is projected to grow to 6.8 million in 2030, an increase of about 600,000 from 2020, according to the Florida Legislature's Office of Economic and Demographic Research.

Lingering Doubts

Skeptics say South Florida's car culture will be hard to disrupt and that train passengers would need to take a ride share or rent a car to get from the Orlando airport to the city's tourism destinations, such as Disney World or Universal Studios theme parks. Brightline is planning one or more stations to serve theme parks on its extension to Tampa.

Many vacationers from the US and abroad fly to Orlando directly or can get flights from Miami for as low as \$99 on American Airlines, according to Expedia.

And regarding Brightline's commuter service, it already has competition in South Florida from a cheaper, albeit slower, public rail line that links West Palm Beach with Miami.

Tri-Rail, operated by the South Florida Regional Transportation Authority, has 18 stops and carried 3.7 million riders in 2023. Brightline's service in South Florida, which has five stops, carried about 1.7 million people through December. A one-way ticket from West Palm Beach to Miami on Tri-Rail costs \$8.75 compared with a \$24 to \$54 coach ticket on Brightline.

Brightline's Florida operation lost \$192 million in the first nine months of 2023.

"It's really hard to run profitable rail," said Lisa Washburn, a managing director at Municipal Market Analytics.

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the massive demand drivers in Orlando and the overall demographic trends in Florida," Rosberg said.

The long-distance route, projected eventually to generate more than two-thirds of Brightline's total revenue, is forecast to carry 2.8 million passengers this year, rising to 4.5 million in 2026, the company's documents said. It carried about 306,000 people in the last quarter of 2023.

"I think as the international tourism continues to come back that's going to be a huge piece of their ridership," said Orlando Mayor Buddy Dyer in an interview.

Brightline estimated in 2019 the market for long-distance trips by residents and visitors between South Florida and Central Florida was about 35 million, 99% traveling by car, growing to 38 million in 2026.

"If they can convert a small sliver of those travelers using rental cars, they're easily going to meet their forecast," said Rosberg.

— *With assistance from Skylar Woodhouse*



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