



The Office Of State Treasurer
Denise L. Nappier

News

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TRANSPORTATION BOND SALE DRAWS STRONG INVESTOR INTEREST
TREASURER NAPIER SAYS SALE WILL STIMULATE STATE'S ECONOMY

HARTFORD, CT -- State Treasurer Denise L. Nappier announced today the results of a successful \$600 million Special Tax Obligation ("STO") bond sale for infrastructure improvements that attracted strong demand from investors.

The sale included a one-day individual investor retail order period, during which \$173.4 million of retail orders were placed, primarily by Connecticut residents -- the highest level for any sale under the STO bonding program since its inception in 1984.

Following the retail order period, bonds were offered to institutional investors, and a total of \$734.2 million in orders were placed. Orders exceeded bonds available, which allowed for a reduction in yields. The overall interest cost on the 20-year bond sale was 3.67 percent.

Proceeds of the bonds will be used to fund transportation infrastructure improvements, including the construction, repair and rehabilitation of the State's highways and bridges, mass transportation and transit facilities, waterways, maintenance garages and administrative facilities of the State Department of Transportation. Much of the funding will be used to leverage additional federal transportation aid.¹

Treasurer Nappier said, "This financing will provide the capital necessary to support critical strategic transportation investments across the State, create jobs for Connecticut residents and help strengthen the economy. I commend Governor Dannel Malloy for his leadership in promoting responsible public investments that foster much needed economic productivity and improve the quality of life."

Marketing to investors included a broad print and digital component that included both newspapers ads targeting, in part, underserved markets and e-mails announcing the sale directly to individuals with interest in bond sales, who then could immediately access the State's www.buyCTbonds.com website. Hearst and Tribune Media Groups created the

¹ The Special Tax Obligation bond program is set up as the State of Connecticut's funding source for the match requirement for transportation federal funding. The funding requirement can vary by program and project but the general rule is 80 percent/20 percent (federal money/state match).

email list to reach individuals in regions where bond purchases have historically been strong.

Moody's Investor Service, Standard & Poor's and Fitch Ratings rated the new Special Tax Obligation Bonds, 2013 Series A at Aa3, AA, and AA, respectively, all with a Stable Outlook. At the same time, all three rating agencies affirmed the credit ratings on all the outstanding senior lien and second lien bonds of the program.

Updike Kelly & Spellacy and Lewis & Munday were co-bond counsel for the sale. The underwriting team was led by Siebert Brandford Shank & Co., LLC. Squire, Sanders LLP and the Law Office of Joseph C. Reid, P.A. served as co-underwriters counsel. Public Resources Advisory Group and A.C. Advisory Inc. are co-financial advisors on the program. The sale closed on November 21.

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