



**OFFICE OF  
STATE TREASURER  
DENISE L. NAPIER**

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# NEWS

**FOR IMMEDIATE RELEASE**

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## **STATE TREASURER'S OFFICE COMPLETES SALE OF UCONN BONDS, \$100 MILLION WILL FINANCE PROJECTS AT STORRS, HEALTH CENTER**

### *Investor Confidence Strong as "UCONN 2000" Project enters its eleventh year*

The State Treasurer's Office has concluded the sale of \$98.1 million in General Obligation Bonds in conjunction with the University of Connecticut, with \$56 million of the bonds purchased by Connecticut investors. The sale included a two-day retail order period, as the state has traditionally made bonds available in the retail market in advance of institutional pricing.

"Although there has been considerable fluctuation in the market, we saw a very strong response from individual investors," said State Treasurer Denise L. Nappier. "This level of retail purchases and institutional sales demonstrates investor confidence in both the bonds as an investment and in the University as an institution."

This was the 11th sale of UConn General Obligation bonds by the Treasury in conjunction with the University. The bonding program, known as *UCONN 2000*, began in 1996 as a \$1.25 billion, ten-year state investment program authorized by the General Assembly to rebuild and restore the infrastructure at UConn. It was renewed for another 10 years by the Connecticut legislature in 2003. It is one of the most significant university building programs ever undertaken, nationally or internationally, and one that has made the University increasingly attractive to prospective students and faculty.

"UCONN 2000 has transformed the University of Connecticut, taking what was historically a very good regional university and making it a national leader in public higher education," says University President Philip E. Austin. "Thanks to the foresight of our state's elected leaders and the special contribution of the State Treasurer to the success of our bond sales, UConn is making giant strides in teaching, research, and service to the state. This is an investment that pays significant public dividends in every respect."

This month's bond sale represents the first time that a portion of the proceeds will be used to finance projects planned for the University of Connecticut Health Center in Farmington. More than \$16 million will be dedicated to work on a new 200,000-square-foot research tower at the Health Center, which will include more than 30 laboratories

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and house a new Nuclear Medicine Research Program. Renovations are also planned for the Dental School and several of the medical school's academic buildings and facilities. Although the Treasury sold \$98.1 million in par value, the University will receive \$100 million for the various projects due to the addition of \$1.9 million in original issue premium.

The transaction will also finance projects including the completion of the Student Union and Pharmacy buildings on the Storrs campus and renovations at UConn's Avery Point, Greater Hartford, and Stamford campuses. The financing also provides more than \$30 million for deferred maintenance, equipment, library collections, and telecommunications at UConn.

"We worked very closely with officials at the University and with our financial team on every aspect of the sale," Nappier said. "It was a true collaborative effort that will continue to pay off with solid returns."

The Senior Manager for the issue was J.P. Morgan, and Nappier commended the firm's work on the bond sale. The Treasurer also noted that public announcement of the bond issue was enhanced by the participation of former UConn Basketball standout Rebecca Lobo, who was recently named by Governor Rell to the UConn Board of Trustees. Lobo joined the Treasurer in informing the public about the pending bond issue in a radio announcement.

The UConn bonds received ratings of AA, Aa3 and AA- from Standard & Poor's, Moody's Investors Service, and Fitch. In addition, the bonds maturing in 2013-2025 which were insured by FSA, were rated AAA by all three rating agencies. The maturities are between 2005 and 2025. The retail order period was conducted on March 7 and 8, and the issue had an overall interest cost of 4.2%. The bonds are exempt from federal income tax and Connecticut state income tax for most Connecticut residents.