



The Office Of State Treasurer
Denise L. Nappier

News

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TREASURER NAPIER ANNOUNCES BOND SALE ACHIEVES STRONG RETAIL INTEREST, ATTRACTIVE INTEREST RATE

HARTFORD, CT – State Treasurer Denise L. Nappier announced today that a successful \$650 million bond sale drew the highest amount of retail interest in the State’s General Obligation bond program in almost a year and a half and finished with a final overall interest rate of 3.26 percent, an attractive cost of funds.



The sale received more than \$122 million in orders from individual investors during a special one day retail only order period on Monday, November 16. For this bond issue, in addition to a broad print and internet marketing campaign, the State advertised on train platforms along the Metro North commuter rail line and in elevators and lobbies of 36 office buildings. It is the State’s long-standing practice to give individual investors first priority during a bond sale, which benefits citizens by providing them with a tax-exempt investment opportunity and lowers the cost of the financing for the State.

“Outreach is important to our bonding program to help inform our citizens on the benefits of investing their savings right here in Connecticut,” said Treasurer Nappier.

The bonds were offered to institutional investors on Tuesday November 17. The State prepared an internet roadshow that was distributed electronically with the Preliminary Official Statement and also held one-on-one conference calls with institutional investors. The investors who participated in these presentations placed orders for more than \$168 million of the bonds. The State received a total of \$1 billion in orders from institutional investors, oversubscribing some maturities.

“At the end of the day, despite market concerns about the State’s overall financial health, the demand for Connecticut bonds by both retail and institutional investors remains strong,” Treasurer Nappier said. “The bond pricing was comparable to other deals in the market this week taking into account credit rating, transaction size and structure. This confirms the investment community’s confidence in the Treasury’s prudent management of its debt portfolio and also in the State’s commitment to identify long-term solutions to its fiscal challenges.”

In advance of the sale, officials from the Treasurer’s Office and the Office of Policy and Management participated in rating agency conference calls. Following the calls, all four major credit rating agencies reaffirmed the State’s bond ratings. Moody’s Investor Service, Standard & Poor’s, Fitch Ratings and Kroll Bond Ratings reported that Connecticut’s general obligation bonds will remain rated at Aa3, AA, AA and AA, respectively.

The proceeds of the General Obligation 2015 Series F Bonds will be used to fund \$300 million in local school construction grants; \$125.2 million for various state building projects including \$63 million for ongoing renovations to 450 Columbus Boulevard in Hartford and \$38 million for upgrades to the CORE-CT accounting system; \$100 million for the Connecticut State University System including \$35 million for technology upgrades and smart classrooms; \$30 million for the Town Aid Road program, \$15 million toward the Local Capital Improvement Program; and \$14.8 million for various grants programs.

The proceeds of the General Obligation 2015 Series G - Green Bonds will fund \$65.0 million in grants to local municipalities for Clean Water infrastructure projects statewide.

“These bonds will fund critical infrastructure improvements and represent an investment in our State’s future while creating jobs and stimulating our economy,” said Treasurer Nappier.



Connecticut has successfully issued three Green Bonds since their introduction to the American municipal markets in 2013. The State is following the process guidelines as specified by the Green Bond Principles, which is a voluntary standard for issuing Green Bonds established last year by a group of environmental finance experts and banks active in the development of the Green Bonds market.

The closing date for the bonds was Tuesday, December 1. They were offered through an underwriting syndicate led by Barclays. Disclosure counsel are Day Pitney LLP and Finn Dixon & Herling LLP. Tax counsel are Robinson & Cole LLP and Soeder & Associates, LLC. Financial advisors are Acacia Financial Group, Inc. and A.C. Advisory.

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