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CONTACT: Office of the Treasurer, Gabrielle Farrell, gabrielle.farrell@ct.gov



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

TREASURER WOODEN COMPLETES THREE MAJOR BOND SALES IN ONE MONTH

Latest Bond Sale Achieves Record Low 2.31%

Hartford, CT -- State Treasurer Shawn T. Wooden today announced the results of the last of three bond sales for the State of Connecticut that were brought to market in the past month. The three bond sales, which totaled \$1.75 billion, each attracted significant investor demand and achieved low overall interest costs under 3%.

“As bond interest rates continue to fall, the last of our three bond sales achieved the lowest interest cost, on any Connecticut 20-year tax-exempt General Obligation bond sale on record, at 2.31%,” said Treasurer Wooden. “Despite the earlier market upheaval from the global pandemic, we successfully navigated the waters on all three of these bond sales receiving high investor demand and lower interest costs on our bonds. This translates directly into a benefit for all of our residents and critical investments in the future of our state.”

The Treasurer’s latest offering was \$400 million of tax-exempt General Obligation Bonds that priced on June 11th. During a dedicated one-day priority retail-only order period on Wednesday, June 10th, more than \$430 million of retail orders were received. Orders from both retail and institutional investors aggregated to more than \$4 billion, far exceeding the amount of bonds offered, which allowed the State to lower its borrowing costs in the final pricing. Morgan Stanley led the underwriting syndicate for this bond sale.

Proceeds from this tax-exempt General Obligation Bonds issuance will be used to fund:

- \$57.7 million in grants-in-aid to various not-for-profit health and human services providers;
- \$56.0 million in infrastructure improvements throughout the Connecticut State Colleges and Universities system;
- \$43.7 million in wastewater treatment upgrades at the Metropolitan District Commission’s water pollution control facilities;

- \$42.7 million in housing projects in Bridgeport, Bristol, Ellington, Fairfield, Farmington, Glastonbury, Hartford, Kent, Manchester, Meriden, Naugatuck, New Haven, Norwich, Trumbull, Wallingford, and Westbrook;
- \$42.4 million in Clean Water and Drinking Water Projects in Hartford, New Haven, Norwich, Old Lyme, Plainville, Thomaston, and Torrington;
- \$41.0 million in Grants for Urban Action in Bridgeport, Fairfield, Hartford, New Britain, New London, Stamford, Stratford, Waterbury, West Hartford, West Haven, Wethersfield, and Windsor Locks;
- \$40.5 million for various State and Judicial equipment, technology and improvements;
- \$26.0 million to the Small Town Economic Assistance program;
- \$20.0 million to General Dynamics Electric Boat in Groton;
- \$15.0 million to the Local Capital Improvement Projects program; and
- \$15.0 million for various infrastructure projects in Bridgeport, Hartford, Killingly, Milford, New London, Trumbull, and Windham.

The Treasurer priced the three final State bond sales of the fiscal year between May 19th and June 11th. The bond closings for these three financings began on May 29th with the final scheduled on June 25th for this most recent offering. The first of the three bond sales was the May 19th pricing of \$850 million Special Tax Obligation (STO), Transportation Infrastructure Bonds, that attracted over \$480 million in retail orders alone, the highest level of retail sales for any STO bond sale. The second offering was the May 28th pricing of \$500 million Taxable General Obligation Bonds that achieved a low 2.43% borrowing cost for the ten-year bonds.

“Following the onset of the COVID crisis, the municipal bond markets experienced major disruptions marked by reduced liquidity and weak investor demand,” continued Treasurer Wooden. “In conjunction with our financial advisors, my office developed a thoughtful strategy to bring these transactions to market on a compressed schedule. The results are especially noteworthy given that Treasury staff and our business partners executed these transactions working mostly from home due to the pandemic. The investor demand is the clearest signal we have yet that the municipal markets are confident about Connecticut, as supported by all four rating agencies re-affirming the State’s credit ratings and stable outlooks last month.”

For more information about the State’s bonding programs, please visit: www.buyCTbonds.com.

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