



STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

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**TREASURER WOODEN ANNOUNCES COMPLETION OF A
SPECIAL TAX OBLIGATION BOND SALE WITH
ALL-TIME LOW INTEREST COSTS; SAVING TAXPAYERS
OVER \$32 MILLION THROUGH BOND REFINANCING**

OVER \$1 BILLION RAISED FOR TRANSPORTATION PROJECTS ACROSS THE STATE

Hartford, CT – Today, Connecticut State Treasurer Shawn T. Wooden announced that the State’s \$1 billion of Special Tax Obligation (STO), Transportation Infrastructure bond sale achieved an overall interest cost of 2.12%, an all-time record low cost for the STO bonding program. This demonstrates very strong investor demand from both retail and institutional buyers. The sale included \$875 million of new money bonds that will provide \$1.03 billion in new funding for transportation projects. The sale also includes two series of refunding bonds to refinance existing bonds for a total savings of \$32.2 million over the life of the bonds.

Consistent with past practice, Treasurer Wooden gave retail investors priority during a dedicated retail order period on Wednesday, April 21st. Retail orders received during this one-day priority period totaled \$512 million, setting a new record for the STO Bond program, and the second highest level on any State bond sale in history.

“The success of this bond sale is a direct result of smart fiscal policies practiced during the past few years which led to Connecticut recently receiving our first credit rating upgrade in over twenty years,” said Treasurer Shawn Wooden. “Connecticut’s recent credit rating upgrade generated greater demand from investors and allowed us to borrow at a record low interest cost, and also helped to save taxpayers over \$32 million through bond refinancing. The funding from this bond sale will be used to invest in key transportation projects across Connecticut.”

In a first for the State, the sale included the use of a Forward Delivery bond. This is a structure which allows the State to sell tax-exempt refunding bonds today, taking advantage of the low interest rates in the market, but then delivers the refunding bonds in five months when the bonds to be refunded can be legally redeemed.

Major transportation infrastructure projects being funded by STO bonds include the following:

- I-95 Gold Star Memorial Bridge in New London;
- I-84 Improvement Program in Waterbury;
- I-91/CT 15 Interchange Improvements in Wethersfield and East Hartford;
- New Haven Rail Yard Master Complex;
- The replacement of the Walk Bridge in Norwalk; and
- New rail cars for the New Haven rail line.

Orders from both retail and institutional investors reached \$6 billion, far exceeding the bonds offered and allowing the State to lower its borrowing costs in the final pricing. The overall interest cost on the twenty-year new money bond sale is 2.12%, the lowest on any such STO bond sale in history. The bond pricing spreads relative to municipal bond indices were at the lowest levels achieved in seven years.

“The ability to finance strategic improvements in our transportation infrastructure at such a low cost is a benefit for all of our residents and the future of our state,” said Treasurer Shawn Wooden. “This directly translates into saving taxpayer dollars and will pay dividends toward our long-term financial sustainability.”

Prior to the sale, the STO bonds were rated by all four major credit rating agencies, as follows: Moody’s Investor Services upgraded the rating from “A1” to “Aa3” and the other three rating agencies affirmed their credit ratings S&P Global Ratings at “A+”, Fitch Ratings at “A+”, and Kroll Bond Ratings at “AA+”. All four credit rating agencies have stable outlooks on the STO bond program.

Goldman Sachs led the bond underwriting syndicate that sold the bonds. The bond sale is scheduled to close on May 12, 2021.

More information on the State's bonding programs is available at www.buyctbonds.com.

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