



The Office Of State Treasurer
Denise L. Nappier

News

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UCONN BOND SALE A SLAM DUNK: LOWEST INTEREST RATES, HIGHEST RETAIL SALES IN THE 20 YEAR HISTORY OF THE BONDING PROGRAM

HARTFORD, CT -- State Treasurer Denise L. Nappier, joined by University of Connecticut President Susan Herbst, announced today that a \$342 million UConn bond sale this week surpassed several records for any bond sale in the 20-year history of this highly successful bonding program.



Orders from individual investors were at the highest level in history at \$233 million, the overall interest cost for new funding was lower than any prior sale at 2.74 percent, and the sale was the largest in the history of the program.

These record setting results coincide with the UConn women's basketball team's historic NCAA championship win Tuesday night, which was their eleventh championship – the most in men's or women's basketball -- and the first time that any Division 1 women's team has won the title four years in a row.

“UConn bonds, like the school and its great sports teams, are winners in the market place! This week's successful sale is a testament to the energy surrounding UConn. The enthusiasm investors have shown will support investments in the University's infrastructure at very favorable terms. And when UConn thrives, so does the State,” Treasurer Nappier said.

“With tremendous excitement surrounding the University of Connecticut and its future, this bond sale is perfectly timed. The pride in UConn and support for our University is truly inspirational, and we are committed to seeing our success continue at all levels.” President Herbst said.

Bonds were offered to retail investors over an exclusive two-day retail order period which started Monday, April 4th and continued through Tuesday April 5th. The sale finished with an institutional order period on Wednesday, April 6th. The bonds are scheduled to close on April 21, 2016.

Marketing to investors included a broad print and digital component that featured newspaper ads, e-mails announcing the sale directly to individuals with interest in bond sales, and public radio announcements, including a radio campaign in Florida where many holders of Connecticut bonds reside. Retail orders from Florida residents totaled \$15,055,000.

The bonds were issued to provide \$300 million of new funding for critical infrastructure investments at UConn and its Health Center at an overall interest cost of 2.74 percent, as compared to 3.07 percent in last year's sale.

Key projects being funded include residential life facilities, a new engineering building, new and renovated classrooms at the Storrs and regional campuses, and the relocation of the UConn West Hartford campus to downtown Hartford.

Projects for the UConn Health Center include renovation of the main building, renovation of the Medical School academic building, and the final stages of construction for the new John Dempsey hospital.

Additional bonds were issued at an overall interest cost of 1.66 percent to refinance existing bonds to lower interest rates for savings. The refunding bonds will provide \$8.5 million in future debt service savings.

In advance of the sale, three major rating agencies released their credit ratings for the UConn 2000 bonding program: Moody's Investors Service (Aa3); Standard and Poor's (AA); and Fitch Ratings (AA-).

The UConn 2000 bonding program was established by legislation enacted in 1995 and the program began issuing bonds 20 years ago. The program has been expanded and extended three times and altogether provides funding for \$4.6 billion of capital improvements at the University of Connecticut over a 28-year period.

Jefferies led the underwriting syndicate. Pullman & Comley LLC and the Law Office of Joseph Reid are co-bond counsel. Nixon Peabody LLP, and Hardwick Law Firm are co-underwriters' counsel. First Southwest and Public Financial Management are financial advisors for the UConn 2000 bonding program.

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