

Delaware Holds Successful Bond Sale

Finance Secretary Rick Geisenberger announced today that Delaware successfully sold \$225 million in triple-A-rated general obligation bonds in Thursday's competitive bond sale.

Earlier this month, Delaware's triple-A rating was re-affirmed by Moody's Investors Service, Fitch Ratings, and Standard & Poor's Rating Services. This rating is the highest mark that a state can achieve, and translates to reduced interest costs for Delaware. Today's sale represented one of the lowest cost of funds in the last 15 years, pricing at very tight spreads to the prevailing AAA index – reflecting strong investor demand for the State's bonds.

“The success of this week's bond sale is a validation of the State's long-term fiscal discipline and prudent financial management even during challenging budget environments,” said Secretary Geisenberger. “The resulting funds will enable us to continue to invest in vital capital projects and infrastructure improvements around the state.”

Some of the projects funded with the proceeds of the bonds include a new elementary school in the Laurel School District, renovations in the Red Clay, Lake Forest, Cape Henlopen, Smyrna, Caesar Rodney and Brandywine school districts as well as public library construction and renovations at Garfield Park, Lewes, Delmar, Selbyville, Harrington and Duck Creek.

Delaware's true interest cost on this loan was 2.80%. The state received five bids; awarding Morgan Stanley & Co., LLC as the bidder offering the lowest cost of capital.