MANAGEMENT AND BUDGET

For Immediate Release
September 28, 2017

Minnesota Sells $858 Million General Obligation Bonds

ST. PAUL – On Wednesday, the State of Minnesota sold nearly $858 million of general obligation bonds. The proceeds of the bonds will fund capital investment projects in the state such as construction of higher education facilities, highway projects, and economic and redevelopment projects previously authorized by the Minnesota Legislature. The bond sale also included a refunding component that refinanced a portion of the state's outstanding debt, saving the state $44 million over the life of the bonds.

"This bond sale provides the capital necessary to fund critical projects throughout our great state. These investments will strengthen communities across Minnesota, ensuring Minnesotans can continue enjoying the high quality of life they know and deserve," Myron Frans, Commissioner of Minnesota Management and Budget, said. "This bond sale also reflects the confidence investors have in our state's fiscal position. Under Governor Dayton's leadership, Minnesota has gained a reputation for sound fiscal management, evidenced in the recent reaffirmation of our state's high credit ratings. We have a balanced budget, growing reserves, and a healthy surplus. As a result, our economy is thriving and the credit markets have responded favorably," said Commissioner Frans.

This month, Minnesota's credit ratings were reaffirmed by Fitch Ratings (AAA Stable Outlook), Moody's (Aa1 Stable Outlook), and Standard & Poor's (AA+ Stable Outlook). Fitch's rating of AAA is the highest rating awarded by the agency.

The five series of general obligation bonds were sold competitively. The interest cost on the three series of bonds that will finance new construction ranged from 2.02% to 2.74%. The two series of refunding bonds, which refinance a portion of the state's outstanding debt, received interest rates of 1.92% and 2.07%.

The general obligation bonds sold today include:

- $312,295,000 General Obligation State Various Purpose Bonds, Series 2017A
- $114,000,000 General Obligation State Trunk Highway Bonds, Series 2017B
- $27,000,000 General Obligation Taxable State Various Purpose Bonds, Series 2017C
- $323,770,000 General Obligation State Various Purpose Refunding Bonds, Series 2017D
- $81,110,000 General Obligation State Trunk Highway Refunding Bonds, Series 2017E

Kutak Rock acted as bond counsel on the transaction and Public Resources Advisory Group was the state's financial advisor for the sale.

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