



STATE OF VERMONT
OFFICE OF THE STATE TREASURER

NEWS RELEASE

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State Sells \$14.4 Million in Transportation Infrastructure Bonds

MONTPELIER, Vt.—One of the financial building blocks for constructing the Lake Champlain Bridge was put in place yesterday. The State Treasurer's Office successfully sold \$14.4 million in Vermont special obligation transportation infrastructure bonds. A portion of the money raised by the bond sale will go toward meeting the State's obligation for rebuilding the bridge, as well as provide funds for other needed transportation infrastructure repairs and improvements.

The bonds are backed by the State's new Motor Fuels Transportation Infrastructure Assessment (MFTIA) passed by the State Legislature in the 2009 session. The bond sale was not held until this week because the State wanted to first use available federal stimulus monies to fund identified transportation projects.

"Typically, in order for states to access federal transportation dollars they must cover 20 percent of the cost of the project," explained State Treasurer Jeb Spaulding. "This week's bond sale provided the state with the matching funds needed to support badly needed transportation projects like the Lake Champlain Bridge."

The Governor and State Legislature passed the MFTIA to raise money to fund a backlog of State transportation infrastructure needs. The bonds sold this week are different from the State's general obligation bonds in that they are repaid exclusively with revenue collected from the special assessment. The MFTIA is adjusted quarterly and is set at 2 percent of the price of gasoline and 3 cents per gallon on diesel fuel.

In addition to the Lake Champlain Bridge at Crown Point, bond proceeds will pay for interstate bridge rehabilitation work in Brattleboro and Putney; as well as, State bridge projects in Cambridge, Cornwall, Richmond, and in the Moretown-Middlesex area. Funding also will be used for work on the north lane of the Bennington Bypass.

"Over the past two years, the Agency of Transportation has made significant progress in addressing paving and bridge needs," said Transportation Secretary David Dill. "Adding bonding to our tool box will no doubt assist us in keeping the momentum going in the right direction – reducing our number of structurally deficient bridges and decreasing the number of miles of very poor pavement conditions. I thank Treasurer Spaulding and his staff for a very successful bond sale."

This week's bond sale could be the first of several over the next five years to support transportation. The sale was conducted via the internet, with nine companies bidding on the

bonds. The winning bid was from the Robert W. Baird & Company located in Milwaukee, Wisconsin. The bonds mature in increments of between one and 20 years and pay a total interest cost of 3.2 percent.