



Media Release

FOR IMMEDIATE RELEASE

February 12, 2014

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NDOT/State Treasurer's Office Announces Upgrade of Highway Bond Rating

CARSON CITY, Nev. – The Nevada Department of Transportation, in conjunction with the State Treasurer's Office, announced that Standard & Poor's Ratings Services has raised its ratings on Nevada's \$441.4 million in highway revenue bonds from AA+ to AAA, the highest possible credit rating.

In raising NDOT's rating, there were a number of strong features of NDOT's bonding program that the rating service praised. S&P cited the state's very strong coverage of maximum annual debt service, strong legally-protected pledged revenue, flexible financing plan and NDOT's ability to utilize a high share of federal transportation funds the state is eligible for. The rating service also called the state's highway program "a well-run program that leverages federal funding but is positioned to scale back should federal transportation funding become jeopardized in Congress." S&P noted that the state's "highway revenue bond program weathered the Great Recession with minimal impact on its ability to retire its debt obligations."

State Treasurer Kate Marshall said her office appreciated the partnership with NDOT to closely examine NDOT's bonding program and reduce the term of the upcoming 2014 highway bond issuance to just 12 years, thereby saving millions of taxpayer dollars. Marshall added "S&P's decision to raise the rating on NDOT's bonds is another sign that others have recognized the recovery underway in Nevada and the strong debt management practices of the State."

Staff from the State Treasurer's Office worked closely with NDOT and its financial advisors over the last month to model future scenarios related to Project NEON and provide flexibility for the future, while at the same time preserving the strong debt service coverage on NDOT's bonds.

"Our focus at NDOT is to provide mobility and traffic safety, and provide it by the most efficient and responsible use of taxpayer funds," NDOT Director Rudy Malfabon explained. "This top rating is another show of faith in the way that the Department and the Treasurer's Office work together to responsibly generate funding for transportation projects the state needs today."

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Upgrade of Highway Bonding - *Continued*

The rating upgrade also applies to the state's upcoming sale of \$100 million Highway Revenue (Motor Vehicle Fuel Tax) Bonds Series 2014 which will be offered on or about Feb. 26, 2014 and will be on parity with the state's existing highway revenue bonds. The 2014 Bonds will be used primarily for the acquisition of right-of-way for Project NEON, a multi-phase project to boost safety, mobility and accessibility in the most heavily traveled corridor in the state, from the US 95/I-15 interchange to Sahara Avenue in Las Vegas.

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