The Virgin Islands Consortium

# Government Secures $91 Million For Major Road Work In Territory

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ST. CROIX -- On December 14, the Virgin Islands' Public Finance Authority (PFA) closed its Series 2015 Federal Highway Grant Anticipation Bond financing, commonly referred to as GARVEE Bonds, a press release Government House issued on Tuesday has made known.

The financing provided $91 million of proceeds for critical highway infrastructure projects, including $40 million allocated to Veterans Drive Highway on St. Thomas and $51 million directed to fund key initiatives here, one of which is the Melvin Evans Highway.

Standards & Poor's ratings services assigned an "A" rating with a stable outlook for the bonds. This is the highest rating of any bonding program currently offered by the PFA, and is among the stronger rated credits in the Caribbean, the release stated.

The Series 2015 Bonds were priced on December 8, 2015 by co-placement agents Jefferies LLC and Bostonia Global Securities, and the financing was well received in the marketplace, according to the release.

The PFA received over $201 million of orders for $89.9 million of bonds. Investor interest was broad with over 32 institutional accounts placing orders. The bonds were sold with a yield of 3.54%, among the lowest capital cost of any borrowing in the USVI.

"With the offering of the Series 2015 Bonds, this signifies the beginning, and continuation, of major road construction projects in both districts that would provide jobs to our residents, deliver an economic boon to the territory, but more importantly, will enhance our transportation safety and relieve traffic congestion on some of the Territory's most essential roadways," said Governor Kenneth Mapp, who is also chairman of the PFA Board of Directors.

The GARVEE funds are a result of a measure sponsored by Senator Nereida Rivera-O'Reilly (bill no. 31-0073) which sees the $16 million in highway funds that the territory receives annually from the federal government, being used as a security for the $91 million loan.

Construction on some of the projects is expected to commence early 2016, according to the release.