



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

FOR IMMEDIATE RELEASE

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Chiang Sells \$548.2 Million of SPWB Bonds Saving Taxpayers Nearly \$122 Million

SACRAMENTO – State Treasurer John Chiang today announced that the State Public Works Board of the State of California (SPWB) sold \$548.2 million of Lease Revenue Refunding Bonds. The sale included \$431.9 million in 2015 Series F (Department of General Services, Various State Office Buildings) and \$116.3 million in 2015 Series G (Department of Public Health, Richmond Laboratory). The bonds were rated A1 by Moody's, A by Fitch, and A+ by S&P.

"This is a great result," Chiang said. "It reflects continuing improvement in the State's fiscal condition and growing confidence in the State's bond issues by the national rating agencies. The total savings to taxpayers will be nearly \$122 million over the remaining life of the bonds."

The 2015 Series F Bonds are being issued to refinance the following four SPWB bond issues to achieve interest rate savings:

- SPWB Lease Revenue Bonds (Department of General Services) 2002 Series A (Capitol East End Complex – Blocks 171-174 & 225)
- SPWB Lease Revenue Bonds (Department of General Services) 2002 Series C (Mission Valley State Office Building)
- SPWB Lease Revenue Bonds (Department of General Services) 2003 Series D (Butterfield State Office Complex)
- SPWB Lease Revenue Bonds (Department of General Services) 2005 Series A (Butterfield State Office Complex)

The 2015 Series G Bonds are being issued to refinance the following two SPWB bond issues:

- SPWB Lease Revenue Bonds (Department of Health Services) 2005 Series B (Richmond Laboratory, Phase III Office Building)
- SPWB Lease Revenue Refunding Bonds (Department of Health Services) 2005 Series K (Richmond Laboratory Project)

The bonds are expected to close on October 13, 2015. The overall true interest cost on the bond issue was approximately 2.49 percent and total savings over time will be \$121.7 million.

The SPWB consists of the Director of the Department of Finance, who serves as the chair, the Director of the Department of Transportation, and the Director of the Department of General Services. The State Treasurer and the State Controller are also members of the SPWB for the purpose of hearing and deciding upon matters relating to the issuance of bonds, and the State Treasurer serves as agent for sale for all SPWB bond issues.

The State Treasurer has broad responsibilities and authority in the areas of public investment and finance. In particular, he oversees the issuance of State debt and is responsible for crafting best practices for the sale of debt and the investment of public funds for California's more than 4,000 local bond issuers, including the State, school districts, cities, counties, and special districts.

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