



Contra Costa County

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NEWS RELEASE: Contra Cost County Issues \$99.8 Million in Bonds *Significant Interest Savings Achieved and Health Services Department Projects Funded*

Contra Costa County has closed a \$99,810,000 lease revenue bond transaction as the result of an innovative agreement with Wells Fargo Bank. \$9.7 million will fund capital projects within the County's health services department, including its hospital and clinic system. The remaining \$90.1 million will be used to refinance existing county bond debt at historically low interest rates. Ultimately, the County and Wells Fargo negotiated a 10-year term at an interest rate of 2.33%, saving taxpayers more than \$9.1 million in today's dollars. The transaction closed on Friday, March 3, 2017.

Supervisor Federal D. Glover, Chair of the Board of Supervisors, praised the County for continuing to monitor the credit markets for cost savings opportunities. "The County's 'AAA' bond rating through Standard and Poor's has allowed us to take full advantage of the low interest rate environment and maximize cost savings for our taxpayers," said Glover. "Ultimately, this means more tax dollars are available to provide services to our residents."

County Administrator David Twa noted that the County's high credit ratings and reputation for financial prudence continues to pay dividends. "Through the strong leadership of the Board of Supervisors and the assistance of our employees, the County has been able to emerge from the Great Recession on a sound financial footing," Twa said. "The willingness of Wells Fargo to purchase close to \$100 million of our bonds directly at such a favorable interest rate is evidence of that."

Contra Costa County is rated "AAA" by Standard and Poor's and "Aa2" by Moody's Investor Service. Both credit rating agencies have attributed their high ratings for Contra Costa County to very strong financial management, with policies and practices well-embedded in County operations. They have also pointed to a strong local economy with a large, diverse tax base.

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