



August 3, 2016

***Campbell Achieves Significant Savings from Debt Refinancing***

On Wednesday, August 3, the City of Campbell, through its Joint Public Finance Authority, issued \$8,085,000 in refunding lease revenue bonds that will be used to refinance two outstanding debt issues. The transaction takes advantage of historically low interest rates and will save Campbell taxpayers an estimated \$2 million over the next 12 years.

The effective interest cost on the debt is 1.95%. The reason the City was able to achieve these favorable rates is due partly to holding an issuer credit rating of "AAA" for many years and a recent affirmation of "AA+" by S&P Global Ratings on its current debt. Interest rates have also fallen dramatically in recent years making debt refinancing more attractive. The new bonds replace certificates of participation that were issued in 1997 and 2002 used for various civic center and community center improvements as well as for deferred street maintenance, improvements to the City's police station and construction of a new animal control facility. The City utilized the services of Raymond James as its underwriter to help sell the bonds to investors in the public offering.

In addition to this refinancing, the Campbell Successor Agency simultaneously issued \$22,660,000 in refunding tax allocation bonds that are being used to refinance two other debt issues belonging to the City's former Redevelopment Agency. The transaction was handled via a private placement based upon bids that were submitted to the Agency and selected based upon negotiated pricing from selected bidders. The Agency utilized the services of Stifel as its placement agent to help successfully place the bonds with investors.

The expected savings from this transaction is \$12 million over the next 15 years. The effective interest cost on this issuance is 2.13%. Because of the recent dissolution of Redevelopment Agencies by the State several years ago, the Agency will only receive a portion of the total savings with the majority of savings belonging to other taxing jurisdictions including the County of Santa Clara and various school and community college districts that overlap the City's boundaries. The new bonds replace bonds that were issued in 2002 and 2005 related to the construction of the City's downtown parking structure as well as for infrastructure and renovation of the City's Community Center including the Heritage Theatre, recreation facilities, parking lot and landscaping.

**For Immediate Release**

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The City and Agency relied on its financing team which included the financial consulting firm of Fieldman Rolapp & Associates and bond and disclosure counsel, Jones Hall, to help analyze and chart the best course of action for the City's taxpayers. City Finance Director, Jesse Takahashi, who has been with the City for almost 20 years said he was extremely pleased with the outcome of these transactions. "I am glad we had the opportunity to save our constituents a significant amount of money on these two deals. It will enable us to use these savings on community priority needs, such as public safety, street maintenance and parks." Takahashi went on to say that he was very pleased with the outstanding work done by the entire financing team of experts that had to navigate through a number of complex and critical issues in completing these transactions.

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