PRESS RELEASE

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District Continues Exemplary Stewardship of Bond Measure Funds

MARTINEZ, CA - The Contra Costa Community College District (District) received positive news from rating agencies Standard & Poor’s (S&P) and Moody’s, paving the way for its lowest ever repayment ratio of 1.26 in its recent sale of $110 million in general obligation bonds. In addition, the District refinanced almost $222 million in previously issued bonds, saving taxpayers more than $30 million in debt service, a savings of nearly 11 percent. This savings will be reflected on future property tax assessments for the District’s taxpayers.

“This is wonderful news for our community and the taxpayers who supported our bond measures”, says Governing Board president Vicki Gordon. “Spending public money is a responsibility that we take very seriously, and we hope these results show our community we are being frugal and managing their money wisely.”

Contra Costa County taxpayers approved Measure E during the 2014 election authorizing the District to issue $450 million in general obligation bonds for capital improvements at all locations. With the first issuance of $120 million largely depleted, this second sale of $110 million was needed to continue major facility updates including the completion of the new Brentwood Center and the PE/Student Union complex, the renovation and construction of a new library building at the Diablo Valley College (DVC)-San Ramon Campus, the PE/Kinesiology and Art complex at the DVC-Pleasant Hill campus and a new Science building and PE/Kinesiology Complex renovation and expansion at Contra Costa College.
“Bond funds provide the resources to upgrade and construct new facilities that contribute to our mission of providing affordable and excellent higher education for the residents of Contra Costa County”, says chancellor Fred Wood. “We are doing our part to ensure our colleges and facilities remain outstanding assets for our communities, and great learning environments for our students to be successful. Our bond funded capital improvement program is truly an exceptional team effort and we are especially thankful to our most important partners, our taxpayers.”

Approximately 18 months ago, S&P upgraded the District from AA to AA+ (one notch below AAA) with a “stable” outlook; that rating was affirmed by S&P in the lead up to the bond sale. Moody’s has rated the District at Aa1 (also one notch below AAA) with a stable outlook on its scale for eight years. While the Aa1 rating was affirmed once again, Moody’s upgraded the District’s outlook from “stable” to “positive”. Both agencies cited the solid management and finances of the District, particularly the dedication to funding long-term liabilities, stable general fund balance, and the practice of utilizing borrowing and stability to maximize revenue.

This is the third time the District has refinanced existing bond debt service. In 2011, the District refinanced more than $41 million of Measure A general obligation bonds originally issued in 2002. In 2012, the District refinanced over $106 million of both 2002 and 2006 bonds. Combined, the 2011, 2012, and 2019 refinancing transactions will save Contra Costa County taxpayers $50 million in debt service obligations.

The District’s bond sale was handled by KNN Public Finance, Morgan Stanley, Wells Fargo, Orrick Herrington & Sutcliffe, and the Contra Costa County Treasurer’s Office.

The Contra Costa Community College District (CCCCD) is one of the largest multi-college community college districts in California. The CCCCD serves a population of 1,019,640 people, and its boundaries encompass all but 48 of the 734-square-mile land area of Contra Costa County. The District is home to Contra Costa College in San Pablo, Diablo Valley College in Pleasant Hill, Los Medanos College in Pittsburg, as well as educational centers in Brentwood and San Ramon. The District headquarters is located in downtown Martinez.

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