

CITY OF SACRAMENTO -- COUNTY OF SACRAMENTO



PRESS RELEASE

Date: August 8, 2002

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Sacramento City Councilmember Steve Cohn, Chair of the Sacramento Regional Arts Facilities Financing Authority (SRAFFA), today announced "the successful sale of a public financing consisting of \$16.6 million in Certificates of Participation (COPs)." The proceeds from the financing will be used to fund improvements to the H Street Theatres Project. The Project includes renovation of the existing facilities and construction of additional facilities for the presentation of musicals and theatrical events produced by the California Musical Theatre (CMT) and Sacramento Theatre Company (STC).

Richard Lewis, Managing Director of CMT, expressed appreciation and thanks to the Sacramento City Council and Sacramento County Board of Supervisors for establishing SRAFFA, which is a joint powers authority developed to assist in the facilitation of financings in support of cultural, leisure and artistic venues in the Sacramento region. Other members of SRAFFA include Sacramento City Councilmembers Jimmie Yee and Ray Tretheway, and Sacramento County Board of Supervisors Muriel Johnson, Vice Chair, and Roger Dickinson. Lewis went on to thank CMT and STC board members including Ted Sheedy, Rick Frey, Arliss Pollock and Susan Edling who have volunteered a significant amount of time and expertise to guarantee the success of the transaction and ensure that arts continue to thrive in Sacramento.

Laura Sainz, project manager for the H Street Theatre project, commented "the completion of the bond sale culminates an 18-month period of project design and planning and paves the way to successfully completing the project in September 2003."

Sacramento City Treasurer Thomas P. Friery stated that the "true interest cost of 4.85% was outstanding in the bond market and produced a borrowing rate less than anticipated." He further stated, "the COPs carry AMBAC bond insurance and are therefore rated AAA by both Standard & Poor's and Moody's." Sacramento County Chief Financial Officer Geoffrey Davey added, "the aggressive bid indicated the bond market's interest in the Sacramento region as an investment opportunity and identified the SRAFFA project as a solid instrument."

Paul Rosenstiel, Principal, from E. J. De La Rosa & Co., Inc., the underwriter for the deal, stated "there was strong interest in the security with more orders than there were bonds to fill them. The strong investor interest resulted in the ability to lower the interest rate on the securities and provide an exceptionally low interest rate for the Project."

Davey announced the COPs are anticipated to close August 21, 2002, at which time the proceeds will be available to begin construction. He further commented that debt service on the COPs is to be paid from revenues generated by the two theatre companies and is guaranteed by a municipal bond insurance policy.

Lydia Lara, Deputy City Treasurer who led the financing thanked all members of the financing team, including City and County staff, CMT and STC staff and board members who have all contributed numerous hours to accomplish this financing. All told there were more than 40 individuals who have put their heart and soul into making this a reality. Once completed the addition of the H Street Theatre Project will not only enhance existing musical and theatrical performances, but will be an invaluable asset to the cultural opportunities for the Sacramento region.

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