



California State Treasurer Fiona Ma, CPA

# News Release

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## State Treasurer Fiona Ma Announces Sale of \$272.6 Million in Green Bonds for CalSTRS Headquarters Expansion

**SACRAMENTO** – California State Treasurer Fiona Ma announced the results of today's sale of \$272.6 million of lease revenue bonds to fund a cutting-edge expansion of California State Teachers' Retirement System (CalSTRS) headquarters in West Sacramento using innovative designs to achieve energy and resource savings while enhancing workforce well-being.

The project in West Sacramento is designated "Green Bonds – Climate Bond Certified." It will use green building practices, including green technologies, sustainable construction, energy conservation, and whole-building integrated efficiency measures while also promoting employee wellness goals. The bonds will be issued by the California Infrastructure and Economic Development Bank (IBANK).

"This project is another strong signal to the world that we Californians stand committed to the Global Warming Solutions Act of 2006 and the reduction of our greenhouse gas emissions," Treasurer Ma said. The act, also known as [Assembly Bill 32](#), was authored by former Assembly member Fran Pavley and Assembly Speaker Fabian Nunez.

"The CalSTRS headquarters expansion building will be one of the most environmentally-sustainable buildings in the northern California region," said CalSTRS CEO Jack Ehnes. "Financing the project with green bonds ensures that sustainability is interwoven through every aspect of its progressive design."

In addition to the green bond certification, the project is expected to achieve LEED Platinum certification, WELL Gold certification, and LBC Materials, Beauty and Place Petals certification.

The headquarters expansion project is expected to be completed in mid-2022. The expansion consists of a ten-level structure connected to the existing headquarters by a pedestrian bridge. The 510,000 square foot structure will include a five-level 260,000-square-

foot office structure where approximately 1,200 CalSTRS employees will work, atop a five-level 250,000-square-foot parking structure.

RBC Capital Markets served as senior managing underwriter, with Great Pacific Securities serving as co-senior manager. In addition, there were also nine co-managers to round out the syndicate. The bonds were very well received by the market, with over \$2.2 billion of total orders placed for the bonds. The 30-year bonds have an all-in true interest cost of 3.25%, with yields offered to investors of 1.02% for the 2023 maturity to 2.21% for the 2049 maturity.

The calendar of all upcoming state bond sales is available at the Treasurer's investor relations website at [BuyCaliforniaBonds.com](http://BuyCaliforniaBonds.com).

**CalSTRS** was established by law in 1913 to provide retirement benefits to California's public school educators from prekindergarten through community college. Today, CalSTRS is the largest educator-only pension fund in the world, and the second largest pension fund in the U.S. The market value of the CalSTRS Investment Portfolio was approximately \$246 billion as of October 31, 2019.

**Climate Bond Certification** requires rigorous scientific criteria to ensure that a project is consistent with the 2 degrees Celsius warming limit in the Paris Agreement. It is a global reference for bond issuers, governments, investors and the financial markets and prioritizes investments which genuinely contribute to addressing climate change.

**LEED** stands for "Leadership in Energy and Environmental Design." LEED certification has four rating levels, with "platinum" being awarded only to designs that achieve the highest number of points across a range of categories. "Green building is the practice of designing, constructing and operating buildings to maximize occupant health and productivity, use fewer resources, reduce waste and negative environmental impacts, and decrease life cycle costs," according to the U.S. Green Building Council.

The **WELL Building Standard** encourages the optimization of design, operations and behaviors within the places where we live, work, and learn in order to advance health and well-being.

**LBC (Living Building Challenge) Materials, Beauty and Place Petals** certification is to encourage the creation of a regenerative built environment. The process aims to raise environmental building standards bar from doing less harm to contributing positively.

*Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in payments within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of more than \$90 billion, approximately \$23 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on over \$90 billion of outstanding debt.*

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