

City of  
**SACRAMENTO**  
Office of the City Treasurer

915 I Street, HCH 3<sup>rd</sup> Floor  
Sacramento CA 95814

John Colville ~ Interim City Treasurer

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**EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12  
RATING CHANGES**

Dated: October 21, 2016

NOTICE IS HEREBY GIVEN that on October 6, 2016, Moody's Investors Service ("**Moody's**") upgraded the City of Sacramento's debt issues below to "A1" from "A2" with a stable outlook.

1. Lease Revenue Refunding Bonds, Series 1993 B
2. 2006 Taxable Capitalized Improvement Revenue Bonds, Series B
3. 2006 Capitalized Improvement Revenue Bonds, Series D
4. 2006 Refunding Revenue Bonds, Series E
5. 2015 Refunding Revenue Bonds

Moody's also affirmed the City of Sacramento's 1997 Lease Revenue Bonds (ARCO Arena Acquisition) and Lease Revenue Refunding Bonds, Series 1993 A rating of "A2" with a stable outlook.

On October 10, 2016, a notice was submitted on EMMA to each of the issuances referenced above, with the exception of the 2015 Refunding Revenue Bonds which was inadvertently missed. A copy of the proof of the EMMA submittal on October 10, 2016 listing all of the CUSIPS is attached along with a copy of the rating report by Moody's.

City of Sacramento



Brian Wong  
Debt Manager

- Attachments: 1) Event Notice (signed October 10, 2016)  
2) Confirmation of EMMA submittal (on October 10, 2016)  
3) Moody's Investors Service – Upgraded and Affirmed the City of Sacramento  
Various Debt Issues

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**EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12  
RATING CHANGES**

Dated: October 10, 2016

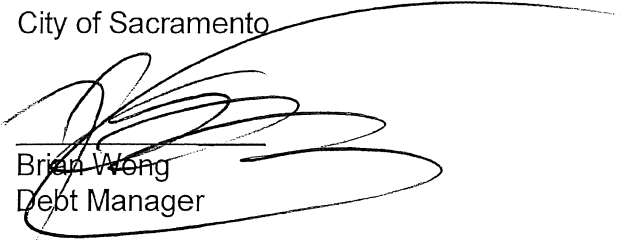
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Moody's also affirmed the City of Sacramento's 1997 Lease Revenue Bonds (ARCO Arena Acquisition) and Lease Revenue Refunding Bonds, Series 1993 A rating of "A2" with a stable outlook.

A copy of the rating report by Moody's regarding this rating change is attached.

City of Sacramento



Brian Wong  
Debt Manager

Attachment: Moody's Investors Service – Upgraded and Affirmed the City of Sacramento Various Debt Issues



Submission ID:EP752269  
10/10/2016 19:13:04

## CONTINUING DISCLOSURE (SUBMISSION STATUS: PUBLISHED)

### EVENT FILING (CUSIP-9 BASED)

#### Rule 15c2-12 Disclosure

Rating Change: 2016-10-10 Moody's Upgrade Master Lease Bonds and Affirms 1997 LRB & 1993 LRB A, dated 10/10/2016

### Documents

#### Event Filing dated 10/10/2016

2016-10-10 Moody's Upgrade Master Lease Bonds and Affirms 1997 LRB & 1993 LRB A.pdf posted 10/10/2016

### The following issuers are associated with this continuing disclosure submission:

CUSIP-6	State	Issuer Name
785846	CA	SACRAMENTO CALIF CITY FING AUTH LEASE REV
785849	CA	SACRAMENTO CALIF CITY FING AUTH REV

### The following 17 securities have been published with this continuing disclosure submission:

CUSIP-9	Maturity Date
785846BN5	11/01/2020
785846BP0	11/01/2020
785846BR6	07/15/2027
785846CT1	07/15/2027
785849TK6	12/01/2016
785849TL4	12/01/2021
785849TM2	12/01/2036
785849UP3	12/01/2016
785849UV0	12/01/2019
785849UW8	12/01/2021
785849UX6	12/01/2022

785849UY4	12/01/2023
785849UZ1	12/01/2024
785849VA5	12/01/2025
785849VB3	12/01/2026
785849VC1	12/01/2030
785849VD9	12/01/2033

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**Issuer's Contact Information**

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**Obligor's Contact Information**

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**Rating Action: Moody's Upgrades the City of Sacramento, CA's Lease Revenue Bonds to A1; Confirms Ser. 1997 and Ser. 1993A at A2; outlook is stable**

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Global Credit Research - 06 Oct 2016

New York, October 06, 2016 -- Summary Rating Rationale

Moody's Investors Service has upgraded the rating of the City of Sacramento, CA's Lease Revenue Bonds to A1 from A2. We have also confirmed the A2 rating on the city's Lease Revenue Bonds (ARCO Arena Acquisition), Series 1997 and Lease Revenue Refunding Bonds, Series 1993A.

The A1 rating is two notches lower than Moody's Aa2 Issuer Rating for the city. The notching reflects a standard legal structure for a California abatement lease financing and the leased assets that we view as "more essential." The notching also reflects the strong legal features of California general obligation bonds that are not shared by lease revenue debt.

The A2 rating on the city's Lease Revenue Bonds (ARCO Arena Acquisition), Series 1997 and Lease Revenue Refunding Bonds, Series 1993A is three notches lower than Moody's Aa2 Issuer Rating for the city. The notching reflects a standard legal structure for a California abatement lease financing and the leased assets that we view as "less essential." The notching also reflects the strong legal features of California general obligation bonds that are not shared by lease revenue debt.

The city's lease ratings are generally weakened by the significant debt service burden on the city's general fund, as the legal security for the bonds; though we note the significant additional revenues available, but not legally pledged, which help to support the debt service on the city's lease obligation bonds.

This action concludes a review undertaken in conjunction with the publication on July 26, 2016 of the Lease, Appropriation, Moral Obligation, and Comparable Debt of US State and Local Governments Methodology.

Rating Outlook

The stable outlook on the lease revenue bonds reflects the stable outlook on the city's fundamental credit factors.

Factors that Could Lead to an Upgrade

Improvement of the general credit profile of the issuer

Factors that Could Lead to a Downgrade

Deterioration in the general credit profile of the issuer

Legal Security

The lease revenue bonds are secured by lease payments made by the city for use and occupancy of the leased assets.

The city's 2015 Refunding Revenue Bonds (Master Lease Program Facilities); 2006 Capital Improvement Revenue Bonds, Series A and 2006 Series B Taxable; 2006 Capital Improvement Revenue Bonds, Series C (300 Richards Boulevard Building Acquisition); 2006 Taxable Capital Improvement Revenue Bonds, Series D (300 Richards Boulevard Building Acquisition); and 2006 Refunding Revenue Bonds, Series E (Master Lease Program Facilities) all benefit from the essential nature of the assets within the city's Master Lease Program.

The city's Lease Revenue Refunding Bonds, Series 1993B benefit from the essential nature of the city's executive airport and civic center garage as the leased assets securing the bonds.

The Lease Revenue Bonds (ARCO Arena Acquisition), Series 1997 are secured by the city's Sleep Train sports arena, which we deem as a less essential asset.

The Lease Revenue Refunding Bonds, Series 1993A are secured by the city's Convention Center, which we deem as a less essential asset.

#### Methodology

The principal methodology used in this rating was Lease, Appropriation, Moral Obligation, and Comparable Debt of US State and Local Governments published in July 2016. Please see the Rating Methodologies page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

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