



Municipal Market Disclosure Information Cover Sheet

This Filing Applies to:

1. City of Sacramento Tourism Infrastructure District, Assessment Revenue Bonds (Convention Center Ballroom), Series 2019, \$50,465,000, Dated: August 22, 2019
785843AA1, 785843AB9, 785843AC7, 785843AD5, 785843AE3, 785843AF0, 785843AG8,
785843AH6, 785843AJ2, 785843AK9, 785843AL7, 785843AM5, 785843AN3, 785843AP8,
785843AQ6, 785843AR4, 785843AS2, 785843AT0, 785843AU7, 785843AV5

TYPE OF FILING:

If information is also available on the Internet, give URL: www.dacbond.com

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)**Financial / Operating Data Disclosures****Rule 15c2-12 Disclosure**

- Annual Financial Information & Operating Data (Rule 15c2-12)
- Audited Financial Statements or CAFR (Rule 15c2-12)
- Failure to provide as required

Additional / Voluntary Disclosure

- Quarterly / Monthly Financial Information
- Change in Fiscal Year / Timing of Annual Disclosure
- Change in Accounting Standard
- Interim / Additional Financial Information / Operating Data
- Budget
- Investment / Debt / Financial Policy
- Information Provided to Rating Agency, Credit / Liquidity Provider or Other Third Party

- Consultant Reports
- Other Financial / Operating Data

Event Filing

Rule 15c2-12 Disclosure

- Principal / Interest Payment Delinquency
- Non-payment Related Default
- Unscheduled Draw on Debt Service Reserve Reflecting Financial Difficulties
- Unscheduled Draw on Credit Enhancement Reflecting Financial Difficulties
- Substitution of Credit or Liquidity Provider, or Its Failure to Perform
- Adverse Tax Opinion or Event Affecting the Tax-exempt Status of the Security
- Modification to the Rights of Security Holders
- Bond Call
- Defeasance
- Release, Substitution or Sale of Property Securing Repayment of the Security
- Rating Change
- Tender Offer / Secondary Market Purchases
- Merger / Consolidation / Acquisition and Sale of All or Substantially All Assets
- Bankruptcy, insolvency, receivership or similar event
- Successor, Additional or Change in Trustee
- Failure to Provide Event Filing Information as Required
- Financial Obligation - Incurrence and Agreement
- Financial Obligation - Event Reflecting Financial Difficulties

Additional / Voluntary Disclosure

- Amendment to Continuing Disclosure Undertaking
- Change in Obligated Person
- Notice to Investor Pursuant to Bond Documents
- Communication From the Internal Revenue Service
- Bid For Auction Rate or Other Securities
- Capital or Other Financing Plan
- Litigation / Enforcement Action
- Change of Tender Agent, Remarketing Agent or Other On-going Party
- Derivative or Other Similar Transaction
- Other Event-based Disclosures

Rating Affirmation

Asset-Backed Securities Filing

Additional / Voluntary Disclosure

- Initial Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(1))
- Quarterly Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(i))
- Annual Asset-Backed Securities Disclosure (SEC Rule 15Ga-1(c)(2)(ii))
- Other Asset-Backed Securities Disclosure (e.g. notice of termination of duty to file reports pursuant to SEC Rule 15Ga-1(c)(3))

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Relationship to Issuer: Dissemination Agent

Authorized By:

Name: Brian Wong

Title: Debt Manager

Entity: Sacramento, CA, City of

Digital Assurance Certification

Filing Certificate

DAC transmitted the Other Event-based Disclosures to EMMA/SID (if applicable) on behalf of Sacramento, CA, City of under their SEC Rule 15c2-12 Continuing Disclosure Agreement.

Transmission Details: P11140927

Date & Time Stamp:	05/04/2021
Document:	Other Event-based Disclosures: Rating Affirmation
DAC Bond Coversheet:	Yes
Transmitted to:	MSRB-EMMA
Total CUSIPs associated with this Filing:	20
Filing made on Series:	2019

Codes: P (Prerefunded), R (Refunded), U (Unrefunded), E (Escrowed), A (Advance Refunding), D (Defeased), T (Tendered), V (Derivatives), UD (Undetermined), NLO (No Longer Outstanding)

Red: Original CUSIPs - filing missed · **Blue:** Non-Original CUSIPs - filing missed · **Green:** Outstanding CUSIPs - filing made · **Black:** Inactive CUSIPs

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1. Issue: City of Sacramento Tourism Infrastructure District, Assessment Revenue Bonds (Convention Center Ballroom), Series 2019, \$50,465,000, Dated: August 22, 2019

CUSIP: 785843AA1, 785843AB9, 785843AC7, 785843AD5, 785843AE3, 785843AF0, 785843AG8, 785843AH6, 785843AJ2, 785843AK9, 785843AL7, 785843AM5, 785843AN3, 785843AP8, 785843AQ6, 785843AR4, 785843AS2, 785843AT0, 785843AU7, 785843AV5

No missing CUSIPs for this bond issue

City of
SACRAMENTO
Office of the City Treasurer

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Sacramento CA 95814

John Colville ~ City Treasurer

Phone 916-808-5168
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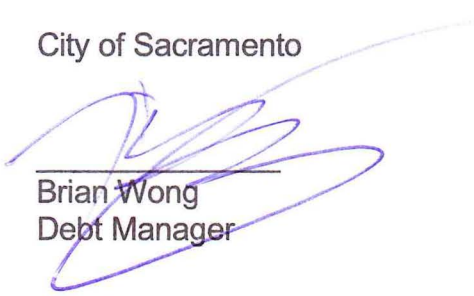
Via Email

**ADDITIONAL (VOLUNTARY) DISCLOSURE
RATING AFFIRMED**

Dated: May 4, 2021

NOTICE IS HEREBY GIVEN that on May 3, 2021, Moody's Investors Service ("**Moody's**") affirmed the "**A2**" long-term rating and affirmed the outlook as **negative** for the 2019 Sacramento Tourism Infrastructure District Assessment Revenue Bonds.

City of Sacramento



Brian Wong
Debt Manager

Attachment: Moody's affirms Sacramento Tourism Infrastructure District No. 2018-04 assessment bonds at A2; outlook remains negative

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Rating Action: Moody's affirms Sacramento Tourism Infrastructure District No. 2018-04, CA's assessment bonds at A2; outlook remains negative

03 May 2021

New York, May 03, 2021 -- Moody's Investors Service has affirmed the A2 rating on Sacramento Tourism Infrastructure District No. 2018-04, CA's assessment bonds. The outlook is negative. The district has about \$49.6 million in outstanding debt.

RATINGS RATIONALE

The A2 rating on the bonds reflects the economic strength of the assessment district, which includes all of the City of Sacramento (Aa2 stable) and neighboring unincorporated areas of Sacramento County (A1 stable) primarily to the east. While the assessment district was newly established in 2018, it is nearly contiguous with a tourism marketing district formed in 2012, which has a track record of collecting similar assessments, and prior to the coronavirus outbreak, was experiencing robust growth in travel and tourism.

The A2 rating further reflects the limited nature of the assessments pledged to repay the bonds, which are economically sensitive. The assessment district was formed by lodging businesses in the Sacramento area for the purpose of funding a new ballroom at the city's convention center through a 1% assessment on lodging revenues. The rating incorporates the solid historical demand for hotel rooms, as demonstrated by the rapid growth in assessments collected in the overlapping tourism marketing district, as well as projected demand that prior to the pandemic was resulting in notable new hotel construction. The rating further incorporates favorable debt structuring and legal provisions, which are key credit features.

Coverage for the bonds from current revenue provided 1.3 times in fiscal 2020. Coverage, however, has declined to below 1.0 times in fiscal 2021 and is not expected to provide 1.0 times coverage again until fiscal 2024. The district has a surplus revenue account funded to 50% of maximum annual debt service (MADS) equal to \$1.4 million available to pay debt service, but has not been used to do so. American Rescue Plan Act funds will be more than sufficient to cover the expected shortfalls.

RATING OUTLOOK

The negative outlook for the STID bond ratings reflects the city's expectation that pledged revenue will provide less than 1.0 times coverage for several years and uncertainty around when coverage will return to 1.0 times.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Substantial growth in debt service coverage
- Restoration of hotel occupancy rates to normal levels could result in removal of the negative outlook

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Recovery of assessment revenue from the effects of the coronavirus outbreak that lags projections
- Authorization and issuance of substantial new debt beyond the remaining bonds permitted for current project completion
- Depletion of available reserves
- Use of the debt service reserve surety

LEGAL SECURITY

The STID bonds are secured by a first pledge of and lien on all of the pledged revenues from assessments on the lodging businesses in the district, excluding vacation rentals, although any assessments paid by vacation rental owners are also available for payment of debt service. Parity bonds are permitted for the costs of ballroom completion or refunding outstanding bonds. Subordinate obligations permitted for other tourism

infrastructure projects approved by the tourism district committee in accordance with the STID Management District Plan. There is an additional bonds test (ABT) of 1.15 times MADS. The debt service reserve account was funded at closing with a surety at the lesser of 10% of original principal, MADS, or 1.25 times average annual debt service (the standard three-pronged test). Additionally, a surplus revenue account was cash funded at 50% of MADS and any draws will be replenished over time from excess revenues.

PROFILE

The Sacramento Tourism Infrastructure District was formed through petition by lodging businesses located within the district and approval by the City of Sacramento to provide specific benefits to payors, by providing funding for the construction of a second ballroom as part of the Sacramento Convention Center and other infrastructure project and marketing designed to increase room night sales for assessed lodging businesses. The Tourism District was formed pursuant to the Property and Business Improvement District Law of 1994, as augmented by an ordinance adopted by the City Council pursuant to its charter powers. The assessment rate is 1% of total room revenues of lodging businesses within the district, with collections beginning in September 2019. Assessments on lodging businesses located outside of the city but within the district are collected and remitted to the city by Sacramento County. At its inception, the district had over 100 lodging businesses (excluding vacation rentals) with nearly 11,000 rooms.

Sacramento is located at the confluence of the Sacramento and American rivers in the northern Central Valley, 75 miles northeast of San Francisco (Aaa negative). The city encompasses 100 square miles and has over 500,000 residents as of 2018, making it the sixth largest city in the state. It was incorporated in 1849 and is the California (Aa2 stable) state capital and the seat of Sacramento County (A1 stable). The full-service city is governed by a nine-member city council including an elected mayor.

METHODOLOGY

The principal methodology used in this rating was US Public Finance Special Tax Methodology published in January 2021 and available at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBM_1260087. Alternatively, please see the Rating Methodologies page on www.moody.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

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