

Green Bond Fact Sheet

Stockton Public Financing Authority			Date: 27-Nov-2018
Issue date: 20-Nov-2018 Maturity date: 01-Oct-2037 Tenor: 19			
Issuer Name	Stockton Public Financing Authority	Amount Issued	USD145m
Country of risk	USA	CBI Database	Included
Issuer Type ¹	Local government	Bond Type	US MUNI
Green Bond Framework	N/A	Second party opinion	N/A
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Water & wastewater	<input checked="" type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	No additional reporting on or monitoring of the status of the Green Projects is anticipated.
Company information	The City emerged from bankruptcy in February 2015. The City of Stockton Water Utility Stockton is one of three utilities managed and operated by the municipality, together with Stormwater and Wastewater.
Firsts, records and certifications	BAM GreenStar Bonds
Proceeds description	<p>According to the prospectus, proceeds will be used to refinance previously completed projects for the distribution of water via the “North” and “South” Water System(s). While the importance of floods prevention is also taken into consideration, this bond aims only at refinancing water distribution infrastructure. The prospectus’ section on bondholder risks discusses various risks associated to climate change, including droughts, floods and wildfires and acknowledges that these effects could be material to the city’s revenue streams.</p> <p>The deal is insured by Build America Mutual Assurance Company (BAM) and was designated as BAM GreenStar Bonds, a new label aimed at facilitating the identification of US Muni green bonds aligned with the ICMA’s Green Bond Principles.</p>
Climate Bonds view	<p>The BAM GreenStar Bonds designation is a welcomed labelling tool highlighting good transparency standards in the US muni market. We haven’t seen many US Muni issuers incorporating climate change considerations in their risk disclosure as yet.</p> <p>Acknowledging the potential severity of the impacts from climate-related events is a positive first step towards the development of response plans and we encourage other issuers to follow the Stockton example.</p>
Underwriters	Citi
Deal comments	
Credit Rating	A- (S&P); BBB+ (Fitch)
Pricing summary	Pricing/yield at issuance: 105.008/2.240
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign