

Municipal Secondary Market Disclosure Information Cover Sheet

This cover sheet should be sent with all submissions made to the Municipal Securities Rulemaking Board, Nationally Recognized Municipal Securities Information Repositories, and any applicable State Information Depository, whether the filing is voluntary or made pursuant to Securities and Exchange Commission rule 15c2-12 or any analogous state statute.

See www.sec.gov/info/municipal/nrmsir.htm for list of current NRMSIRs and SIDs

IF THIS FILING RELATES TO A SINGLE BOND ISSUE:

Provide name of bond issue exactly as it appears on the cover of the Official Statement (please include name of state where issuer is located):

See Below

Provide nine-digit CUSIP* numbers if available, to which the information relates:

See Below

IF THIS FILING RELATES TO ALL SECURITIES ISSUED BY THE ISSUER OR ALL SECURITIES OF A SPECIFIC CREDIT OR ISSUED UNDER A SINGLE INDENTURE:

Issuer's Name (please include name of state where Issuer is located): **CITY OF SAN DIEGO, CALIFORNIA, AND OTHERS**

Other Obligated Person's Name (if any): _____
(Exactly as it appears on the Official Statement Cover)

Provide six-digit CUSIP* number(s), if available, of Issuer: **797260, 797448, 797299, 79727L, 797290, 797236, 79730C, 79730A, 797300, 797304**

*(Contact CUSIP's Municipal Disclosure Assistance Line at 212.438.6518 for assistance with obtaining the proper CUSIP numbers.)

TYPE OF FILING:

Electronic and Facsimile (Number of pages attached): **5 PAGES (INCLUDING THIS COVER SHEET)**

If information is also available on the Internet, give URL: **N/A**

WHAT TYPE OF INFORMATION ARE YOU PROVIDING? (Check all that apply)

A. Annual Financial Information and Operating Data pursuant to Rule 15c2-12

(Financial information and operating data should not be filed with the MSRB.)

Fiscal Period Covered:

B. Audited Financial Statements or CAFR pursuant to Rule 15c2-12 Fiscal Period Covered:

C. Notice of a Material Event pursuant to Rule 15c2-12 (Check as appropriate)

- | | |
|---|---|
| 1. Principal and interest payment delinquencies _____ | 6. Adverse tax opinions or events affecting the tax-exempt status of the security _____ |
| 2. Non-payment related defaults _____ | 7. Modifications to the rights of security holders _____ |
| 3. Unscheduled draws on debt service reserves reflecting financial difficulties _____ | 8. Bond calls _____ |
| 4. Unscheduled draws on credit enhancements reflecting financial difficulties _____ | 9. Defeasances _____ |
| 5. Substitution of credit or liquidity providers, or their failure to perform _____ | 10. Release, substitution, or sale of property securing repayment of the securities _____ |
| | 11. Rating changes <u>XXX</u> |

D. Notice of Failure to Provide Annual Financial Information as Required

E. Other Secondary Market Information (Specify): _____

I hereby represent that I am authorized by the issuer or obligor or its agent to distribute this information publicly:

Issuer Contact:

Name P. LAMONT EWELL Title CITY MANAGER
Employer CITY OF SAN DIEGO
Address 202 C STREET, MAIL STATION 9A City SAN DIEGO State CA Zip Code 92101

Dissemination Agent Contact:

Name: P. LAMONT EWELL Title: CITY MANAGER
Employer: CITY OF SAN DIEGO
Address: 202 C STREET, MAIL STATION 9A City: SAN DIEGO State: CA Zip Code: 92101
Relationship to Issuer: DISCLOSURE REPRESENTATIVE

Obligor Contact, if any:

Name _____ Title _____
Employer _____
Address _____ City _____ State _____ Zip Code _____

Investor and Credit Relations Contact:

Name _____ Title _____
Telephone _____ Fax: _____

Press Contact:

Name GINA LEW Title DIRECTOR OF PUBLIC AND MEDIA AFFAIRS
Telephone (619) 236-6851 Fax: (619) 236-6067

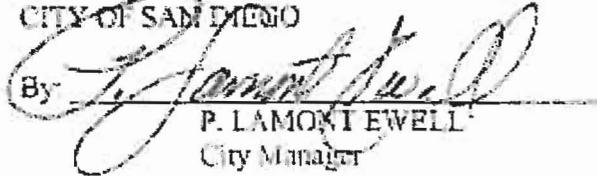
**MATERIAL EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12(b)(5)(i)(C)
OF STANDARD & POOR'S RATINGS SERVICES RATINGS SUSPENSION**

Dated September 20, 2004

NOTICE IS HEREBY GIVEN that on September 20, 2004, Standard & Poor's Ratings Services announced that it had suspended its ratings and underlying ratings (SPURs) on the City of San Diego, California's general obligation bonds, general fund-backed lease underlying ratings, all water and sewer revenue bonds, and all outstanding bonds and short-term notes, including those issued by all City entities (except the Housing Authority and Area Housing and Finance Agency). In addition, the City continues on CreditWatch with negative implications. The attached Standard & Poor's Ratings Services publication dated September 20, 2004 provides additional information regarding this action.

CITY OF SAN DIEGO

By



P. LAMONT EWELL

City Manager

**MATERIAL EVENT NOTICE PURSUANT TO S.E.C. RULE 15c2-12(b)(5)(i)(C)
OF STANDARD & POOR'S RATINGS SERVICES RATINGS SUSPENSION**

Distribution:

Municipal Securities Rulemaking

Via DisclosureUSA:

Bloomberg Municipal Repository

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FT Interactive Data

Standard & Poor's J. J. Kenny Repository

BNY Western Trust Company (Trustee)

Wells Fargo Bank, N.A. (Trustee)

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MBIA Insurance Corporation (Insurer)

FGIC (Insurer)

XL Capital Assurance, Inc. (Insurer)

Stone & Youngberg, LLC (Underwriter)

Legg Mason Wood Walker, Inc. (Underwriter)

Morgan Keegan & Company, Inc. (Underwriter)

Citigroup Global Markets, Inc. (Underwriter)

San Diego, CA's Ratings Suspended Due to Continued Delay in Release of Fiscal 2003 Audit

Analyst:

Paul Dyson, San Francisco (1) 415-371-5079; Gabriel Petek, San Francisco (1) 415-371-5042

Publication date: 20-Sep-04, 13:23:29 EST

Reprinted from RatingsDirect

SAN FRANCISCO (Standard & Poor's) Sept. 20, 2004--Standard & Poor's Ratings Services today suspended its ratings and underlying ratings (SPURs) on the City of San Diego, Calif.'s GO bonds, general fund-backed lease underlying ratings, all water and sewer revenue bonds, and all outstanding bonds and short-term notes, including those issued by all city entities (except the Housing Authority and Area Housing and Finance Agency). The ratings are suspended due to the continued absence and lack of estimated release date for the city's fiscal 2003 audited financial statements. The delay in release of the city's audited financial statements for fiscal 2003, which ended nearly 15 months ago, creates uncertainty regarding the city's true financial condition with an unknown effect on credit quality. Standard & Poor's will likely reinstate the city's ratings after public release and analysis of the audit.

On Sept. 16, 2004 a report commissioned by the city was released regarding the San Diego City Employees' Retirement System. The report, by Vinson & Elkins L.L.P., addresses the city's disclosure practices from 1996 to 2004 regarding the retirement system. The report indicated that the long-term liabilities of the pension system as of June 30, 2003 were 67% funded with an estimated unfunded accrued actuarial liability of approximately \$1.2 billion. The estimated unfunded liability figure was previously factored into Standard & Poor's rating action on Feb. 23, 2004, when the city's GO rating was lowered to 'AA-' from 'AA' and its general fund-backed lease underlying ratings were lowered to 'A+' from 'AA-'. The rating actions reflected increasing fiscal pressures relating to the city's burgeoning unfunded pension liability.

Even upon the expected reinstatement of the ratings when the financial statements are released, the city will remain on CreditWatch with negative implications for so long as the city is under investigation for its disclosure practices by the Securities and Exchange Commission and the U.S. Attorney.

Complete ratings information is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search.

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