



OFFICE OF THE MAYOR  
CITY OF CHICAGO

**FOR IMMEDIATE RELEASE**

September 24, 2015

**CONTACT:**

Mayor's Press Office

312.744.3334

[press@cityofchicago.org](mailto:press@cityofchicago.org)

**CITY OF CHICAGO APPROVES BOND ORDINANCES AS PART OF LONG TERM STRATEGY TO  
MITIGATE DEBT RISK**

*Trading of Chicago Bonds Improving Following Mayor Emanuel's 2016 Budget Presentation*

Mayor Rahm Emanuel and City Council today passed three separate bond ordinances at the September City Council meeting, paving the way for the City to re-enter the bond market as yields on City of Chicago general obligation bonds show marked improvement with investors responding favorably to Mayor Emanuel's 2016 budget proposal.

As part of the bond ordinances approved today, the City will primarily issue bonds to achieve significant savings in debt service and continue the Mayor's efforts to stabilize the City's finances. The largest issuance is for O'Hare Airport General Airport Revenue bonds, which will primarily be dedicated to refunding for savings with a small portion to support infrastructure improvements at O'Hare.

"Over the last four years and with my 2016 budget proposal, we are reforming the bad and unsustainable financial practices of the past and eliminating hundreds of millions of dollars of risk to Chicago taxpayers," said Mayor Emanuel. "These bond ordinances continue Chicago on a path toward a secure and stable financial future, while continuing to invest and improve City infrastructure."

City Council approved the following transactions:

- Up to \$2 billion of senior lien general airport revenue bonds with \$1.7 billion allocated to refunding outstanding debt and \$300 million for new projects at O'Hare International Airport.
- Up to \$500 million general obligation refunding bonds. Approximately \$225 million of the G.O. refunding bonds will be issued for restructuring purposes. The balance will be sold to refund outstanding bonds for present value savings.
- Up to \$125 million of second lien sewer revenue bonds to convert existing variable-rate bonds to a fixed-rate mode and to terminate swaps used to hedge interest-rate risk.

These bond ordinances are approved just days after the Mayor unveiled his plan to stabilize the City's finances, structurally balance the City's corporate fund budget and fund the pensions of police and firefighters. The market responded quickly and favorably to the Mayor's budget plan for a

phased-in a property tax increase committed to funding police and fire pensions, as yields on the City's general obligation debt declined 40 to 60 basis points.

"We continue to manage our debt portfolio in a way that seeks to improve our position in the bond market and find savings for Chicago taxpayers without sacrificing capital investments," said Carole Brown, Chief Financial Officer for the City of Chicago. "But the City's difficulties can't be reversed overnight. The upcoming issuance converts expensive variable rate debt, identifies savings, and invests in O'Hare Airport and our water and sewer system"

The City anticipates issuing the O'Hare Airport General Airport Revenue bonds, the wastewater conversion bonds and General Obligation bonds over the coming months.

###