



CITY OF CHICAGO • OFFICE OF THE MAYOR



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**CITY OF CHICAGO GENERATES \$40 MILLION IN ADDITIONAL SAVINGS FROM FIRST EVER TENDER OFFER**

CHICAGO—Mayor Lori E. Lightfoot today announced the results of the City of Chicago's first ever tender offer, in conjunction with this week's issuance of General Obligation (GO) and Sales Tax Securitization Corporation (STSC) bonds. The City expects to accept \$374 million of tender offers and estimates that this will generate \$40 million in additional savings over and above the \$210 million estimated for the 2020 budget.

This week the City will price STSC and GO bonds to refinance outstanding City GO bonds, Motor Fuel Tax (MFT) bonds and Chicago Infrastructure Trust Notes for savings. The City's bond issuance, authorized by the City Council in November, is expected to produce significant savings for the City's operating budget.

Importantly, the expected savings from the tender offer allows the City to defer the forward refunding portion of the bond transaction until later this year, potentially resulting in additional near-term savings. The City will also be increasing the size of the bond issue to \$1.47 billion to accommodate the tender and to benefit from the current market.

"With the City facing deficits in the outyears, our administration is working vigorously to pursue every opportunity to create savings and efficiencies for City taxpayers," said Mayor Lightfoot. "With the recent passage of our 2020 budget solving the largest shortfall in recent memory, our city stakeholders and investors can rest assured that Chicago is taking every option in its disposal to shore up our finances for the long term, and to identify savings to support much needed investments to build safer and stronger communities."

A tender is an offer to purchase some or all the bonds held by bondholders of an issuer. Generally used in the corporate sector, tender offers are typically made publicly and invite bondholders to sell their bonds for a specified price and within a particular window of time.

"The City was able to take advantage of favorable market conditions and the attractive taxable STSC interest rates through the first tender in the City's history," said Jennie Huang Bennett, Chief Financial Officer. "The feedback we received from investors was extremely positive."



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Building on the passage of the 2020 City budget, the tender is another example of many steps taken by the Lightfoot administration to reduce costs and find efficiencies to address our fiscal challenges.

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