



OFFICE OF THE MAYOR
CITY OF CHICAGO

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**ALL THREE RATINGS AGENCIES AFFIRM CHICAGO BOND RATINGS ON HEELS OF
MAYOR EMANUEL'S 2012 BUDGET PROPOSAL**

***Fitch's, Moody's and Standard & Poor's Point Toward Chicago's Diverse Economic Landscape,
Administration's Budget-balancing Efforts and Focus on Addressing Structural Deficit***

On the heels of last week's introduction of Mayor Rahm Emanuel's 2012 budget proposal, the City of Chicago today received positive ratings news from all three bond rating agencies. Fitch Ratings, Standard & Poor's and Moody's all affirmed Chicago's general obligation debt and sales tax bond ratings and gave its credit a stable outlook.

"I committed on the campaign to stabilize the city's finances and this rating news is an affirmation that with our 2012 budget proposal we are on the right track. These ratings will ensure that we can secure the best deal for the taxpayers of Chicago," said Mayor Rahm Emanuel.

The Mayor's financial team has been aggressively pursuing new strategies and working hard to keep all of the ratings agencies informed of the progress the City has made. Last week, the Mayor met personally with each of the agencies in advance of the his budget address to outline his plans to increase economic development, address the City's structural deficit, and halt its reliance on one time fixes.

By avoiding a downgrade, the Emanuel administration has potentially saved taxpayers approximately \$30 million over the next 20 years, which will mean more funds available to invest in the city's education, infrastructure and services. For general obligation bonds, a downgrade would have cost the City \$1 million per year or \$20 million over the next 20 years. For sales tax bonds, the avoided downgrade will be \$500,000 per year or \$10 million total.

Fitch said the affirmation reflects that the Emanuel financial team is "highly focused on addressing the large budget imbalance with recurring funding sources rather than use of reserves and other non-recurring measures." It also noted that "Chicago remains an important commercial and trade center with good prospects for long-term stability if not growth."



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"The rating reflects our view of the city's deep and diverse economic base, as evidenced by its status as a major regional economic center," said Standard & Poor's credit analyst Helen Samuelson. "Further supporting the rating is the city's recent budget-balancing efforts that strive for budget reforms under a newly-elected administration."

Chief Financial Officer Lois Scott said, "This positive affirmation is the result of Mayor Emanuel's dogged focus on pursuing sound, long term fiscal policies that don't just get us through the next year, they have us looking ahead into the next decade. The Mayor's determination has gotten noticed by the financial community, and has helped restore confidence and optimism in Chicago's economic future."

On Thursday, October 20, 2011, Mayor Emanuel will host the first-ever Investors Conference for investors from all over the country to highlight the city's unique financial assets and continue a strong, reinvigorated dialogue with the financial community about all Chicago has to offer.

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