



# Office of the City Clerk

City Hall  
121 N. LaSalle St.  
Room 107  
Chicago, IL 60602  
www.chicityclerk.com

## Legislation Details (With Text)

**File #:** F2018-70

**Type:** Communication      **Status:** Placed on File

**File created:** 12/12/2018      **In control:** City Council

**Final action:** 12/12/2018

**Title:** Notification and filing of authorization for various bond redemptions, issuance of sales tax resecuritization bonds, and Offering Circular for Series 2018C Bond Sale

**Sponsors:** Dept./Agency

**Indexes:** BONDS & BOND ISSUES

**Attachments:** 1. F2018-70.pdf

Date	Ver.	Action By	Action	Result
12/12/2018	1	City Council		Placed on File

DhPARTMINT OF Law CITY OF CHICAGO

December 4, 2018

Andrea M. Valencia City Clerk  
121 N. LaSalle St., Room 107 Chicago, IL  
60602

Re: Sales Tax Securitization Corporation  
Sales Tax Securitization Bonds, Series 2018C

Dear Ms. Valencia:

Attached is the Notification of Sale which is required to be filed with your office pursuant to Section 5(j) and Section 6(a) of the Ordinance Establishing the Sales Tax Securitization Corporation and Providing for Certain Related Matters of the City Council of the City, approved by the City Council of the City of Chicago on October 11, 2017.

Please direct this filing to the City Council.

Very truly yours,

Carole L. Brown Chief Financial  
Officer

4812-5398-7925 1

, Doc. No. 27

## NOTIFICATION OF SALE

City Council of the City of Chicago Office of the City  
Clerk 121 N. LaSalle St., Room 107 Chicago, IL 60602

Pursuant to Section 5(j) and Section 6(a) of the Ordinance Establishing the Sales Tax Securitization Corporation and Providing for Certain related Matters of the City Council of the City (the "Ordinance"), approved by the City Council of the City of Chicago on October 11, 2017, authorizing the issuance by the Sales Tax Securitization Corporation (the "Corporation") of \$612,420,000 aggregate principal amount of Sales Tax Securitization Bonds, Series 2018C (the "Series 2018 Bonds"), I am filing with you this notification of sale and providing additional information regarding the Series 2018 Bonds. Unless otherwise defined, capitalized terms are , used as defined in the Ordinance.

The attached Exhibits excerpted from the Offering Circular relating to the Series 2018 Bonds describe the following information:

i) Exhibit 1 describes the series designation, the aggregate principal amount and maturity schedule for the Series 2018 Bonds, the interest rates on the Series 2018 Bonds and whether such interest is tax-exempt or taxable;

ii) Exhibit 2 describes the authorized denominations and redemption provisions for the Series 2018 Bonds;

iii) Exhibit 3 describes the specific maturities, series and amounts of the City bonds (the ("Refunded Obligations")) to be refunded with proceeds of the Series 2018 Bonds and the date on and price at which the Refunded Obligations shall be redeemed (if such redemption shall occur prior to stated maturity or pursuant to mandatory sinking fund redemption);

iv) Exhibit 4 describes the identity of the underwriters for the Series 2018 Bonds; and

v) Exhibit 5 describes the purposes for which the Series 2018 Bonds were issued.

In addition, the following information is provided pursuant to Section 5(j) of the Ordinance:

(i) The disposition of the revenues pledged and/or the taxes levied or imposed for payment of the Refunded Obligations for the years following the date of issuance of the Series 2018 Bonds is as follows: the City will partially abate the levy of property taxes for levy years 2018 and following in order to reflect payment of the Refunded

Obligations with the proceeds of the Series 2018 Bonds;

ii) None of the Series 2018 Bonds were insured by a bond insurance company;

iii) The Bank of New York Mellon Trust Company, N. A. is the trustee for the Series 2018 Bonds;

iv) Aggregate underwriter compensation paid in connection with the sale of the Series 2018 Bonds was \$3,380,714.98; and

v) In connection with the refunding of the Refunded Obligations, The Bank of New York Mellon Trust Company, N.A., the Amalgamated Bank of Chicago, U.S. Bank, National Association and Zions Bancorporation, National Association, were named escrow trustees.

In addition, the following information is provided pursuant to Section 6(a) of the Ordinance: with respect to each series of Series 2018 Bonds, the Sales Tax Revenues for the most recently completed fiscal year are at least 150 percent of the aggregate maximum annual debt service for such series of Series 2018 Bonds plus all other Sales Tax Obligations previously issued and outstanding upon issuance of such series of Sales Tax Obligations.

IN WITNESS WHEREOF, I have set my hand this 4<sup>th</sup> day of December 2018.

**CITY OF CHICAGO**

Name: Carole L. Brown Title: Chief Financial Officer

**EXHIBIT**

**IN ATU RH Y SCI IED U LL**

**\$612.420.000 Sales Tax Securitization Bonds. Series 2018C (tax-exempt) \$315.420.000 Series 2018C**

**Serial Bonds**

**Matrilineal (January 1)**

2(122 2(123 2024 2025 2026 2027 2028 2029 2030 2030 2031 2032 2033 2033 2034 2035 2036 2036

**Principal Amount**

SI 4,760,000 14,905,000 15,645,000 16,430,000 17,255,000 IS 12(1,000 19,590,000 20,710,000 3,500,000 15,250,000 26,860,000 28,330,000 15,000,000  
14,895,000 22,520,000 23,700,000(1 10,000,000 14,950,000

**Interest Rate**

5.00%;  
5.00%, 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.50% 5.50% 5.50% 5.00% 5.50% 5.25% 5.25% 5.00% 5.50%

**Yield'**

2.75%  
2.85%  
2.94%;

3.06%  
3.22%  
3.36%  
3.48%  
3.56%  
3.63%<sup>c</sup>  
3.51%<sup>f</sup>  
3.57%<sup>f</sup>  
3.64%<sup>g</sup>  
3.81%<sup>f</sup>  
3.69%<sup>c</sup>  
3.79%<sup>c</sup>  
3.84%<sup>g</sup>  
3.96%<sup>h</sup>  
3.84%<sup>f</sup>

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**No.**

79467BBP9  
79467BBQ7  
79467BBR5  
79467BBS3  
794671 JUT I  
79467BIJU8  
79467BBV6  
79467BBW4  
79467BUY0  
79467BBX2  
79467BBZ7  
79467BCA1  
79467BCC7  
79467BCB9  
79467BCD5  
79467BCG3  
79467BCF0  
79467BCG8

**\$41,500,000 5.00% Series 2018C Term Bonds Due January 1, 2043, Yield 4.15%<sup>c</sup>, CUSIP<sup>f</sup> No. 79467BCH6 \$91,500,000 5.25% Series 2018C Term Bonds Due January 1, 2043, Yield 4.08%<sup>f</sup>, CUSIP<sup>g</sup> No. 79467BCJ2 \$164,000,000 5.25% Series 2018C Term Bonds Due January 1, 2048, Yield 4.16%<sup>c</sup>, CUSIP<sup>g</sup> No. 79467BCK9**

**C-Yield to First Optional Call on January 1, 2029**

<sup>+</sup> Copyright, American Bankers Association ("ABA") CUSIP data herein are provided by CUSIP Global Services, operated on behalf of the ABA by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders of the Series 2018C Term Bonds only at the time of issuance of the Series 2018C Term Bonds and neither the Corporation nor the Underwriters make any representation with respect to such numbers or undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2018C Term Bonds as a result of various business actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2018C Term Bonds.

EXHIBIT 2

**THK SKKIKS 2018C BONDS**

*The following summary describes certain terms of the Series 2018C Bonds. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of the Indenture and the Series 2018C Bond Trust Agreement. Copies of the Indenture may be obtained upon written request to the Trustee.*

**General**

The Series 2018C Bonds will be dated the date of delivery, will mature on January 1, 2029, and will bear interest from the dated date until paid or redeemed, payable semiannually on each January 1 and July 1, commencing January 1, 2019. The Series 2018C Bonds will bear interest at the rates per year and will mature in the principal amounts on January 1 in each year, as set forth on the inside cover page of this Offering Circular. Interest on the Series 2018C Bonds will be computed on the basis of a 300-day year consisting of twelve 30-day months. The Series 2018C Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiples thereof (each an "Authorized Denomination").

**Redemption**

*Optional Redemption*

The Series 2018C Bonds are subject to redemption prior to maturity, at the election or direction of the Corporation, in whole or in part (and, if in part, in an Authorized Denomination) on any date on or after January 1, 2029, at a Redemption Price of par plus any accrued interest thereon to the date fixed for redemption.

*Mandatory Redemption from Sinking Fund Installments*

The Series 2018C Bonds maturing on January 1, 2023, and January 1, 2024 are Term Bonds subject to mandatory redemption from Sinking Fund Installments at a Redemption Price equal to 100% of the principal amount being redeemed, plus accrued interest, on the dates and in

the amounts set forth below:

EXHIBIT 2

5.1(00% Series 2018C Bonds maturing on January 1, 2043

Year	Principal Amount
2039	\$7,510,000
2040	7,885,000
2041	8,280,000
2042	8,695,000
2042	2043 <sup>1</sup> 9,130,000

<sup>1</sup>Stated maturity

5.250% Series 2018C Bonds maturing on January 1, 2043

Year	Principal Amount
2039	\$16,475,000
2040	17,340,000
2041	18,255,000
2042	19,210,000
2042	2043* 20,220,000

<sup>\*</sup>Stated maturity

Series 2018C Bonds maturing on January 1, 2048

Year	Principal Amount
2044	\$29,530,000
2045	31,085,000
2046	32,715,000
2047	34,430,000
2048*	36,240,000

<sup>\*</sup>Stated maturity

*Selection of Series 2018C Bonds to be Redeemed*

If less than all of the Series 2018C Bonds of a single maturity and tenor are to be redeemed, the particular Series 2018C Bonds of such maturity to be redeemed shall be selected by lot by the Trustee by such method of selection as it shall deem proper in its discretion.

*Purchase of Series 2018C Bonds to be redeemed from Mandatory Sinking Funds*

The Corporation may, at any time subsequent to the first day of any Fiscal Year but in no event less than twenty (20) days prior to the succeeding date on which a Sinking Fund Installment is scheduled to be due, direct the Trustee to purchase, with money on deposit in the Debt Service Fund, at a price not in excess of par plus interest accrued and unpaid to the date of such purchase, Series 2018C Bonds to be redeemed from such Sinking Fund Installment. The principal amount of each Series 2018C Bond so

canceled will be credited against the Sinking Fund installment due 011 such date.

*Notice of Redemption*

When Series 2018C Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2018C Bonds in the name of the Corporation which notice will specify the Series 2018C Bonds to be redeemed, the maturity dates and interest rates of the Series 2018C Bonds to be redeemed and the date such Series 2018C Bonds

**EXHIBIT 2**

were issued; the numbers and other distinguishing marks of the Bonds to be redeemed, including CUSIP numbers; the redemption date, the Redemption Price, if then known; and the principal amount of each Bond to be redeemed. If the Corporation's obligation to redeem the Series 2018C Bonds is subject to conditions, the notice will include a statement to that effect and of the conditions to such redemption. Such notice shall state that, if on such date all conditions to redemption have been satisfied, (here shall become due and payable on such date upon each Series 2018C Bond to be redeemed the Redemption Price (hereof, together with interest accrued and unpaid thereon to the redemption date, and that, from and after such date, payment having been made or provided for, interest (hereon shall cease to accrue.

The Trustee will give notice by mailing a copy of such notice, not less than 20 days (or such shorter period if then permitted by DTC) nor more than 60 days prior to the redemption date by mail, to the registered owners of the Series 2018C Bonds which are to be redeemed, at their last known addresses appearing on the registration books not more than ten Business Days prior to the date such notice is given. The failure of any Holder of a Series 2018C Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Series 2018C Bonds.

*Payment of Redeemed Bonds*

Notice having been given by mail in the manner described above, the Series 2018C Bonds or portions thereof so called for redemption will become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date, and, upon presentation and surrender of such Series 2018C Bonds, at the office or offices specified in such notice, such Series 2018C Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to the redemption date. If there is called for redemption less than all of the principal amount of a Series 2018C Bond, the Corporation will execute and the Trustee will authenticate and deliver, upon the surrender of such Series 2018C Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Series 2018C Bond so surrendered. Series 2018C Bonds of like maturity and tenor in any of the authorized denominations. If, on the redemption date, money for the redemption of all Series 2018C Bonds or portions thereof of any like maturity and tenor to be redeemed, together with interest accrued and unpaid thereon to the redemption date, shall be held by the Trustee and Paying Agents so as to be available therefor on such date and if notice of redemption shall have been mailed as described above, then, from and after the redemption date, interest on the Series 2018C Bonds or portions thereof so called for redemption shall cease to accrue and such Series 2018C Bonds shall no longer be considered to be Outstanding under the Indenture. If such money is not available on the redemption date, such Series 2018C Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

**EXHIBIT 3**

**APPENDIX D**

**SUMMARY OF REFINANCED OBLIGATIONS**

The following is a list of the general obligation bonds issued by the City of Chicago that will be refunded with a portion of the proceeds of the Series 2018C Bonds. The following is subject to change and subject to delivery of the required redemption notices. The CUSIP numbers are provided for convenience and no representation is made with respect to the accuracy of such CUSIP number. All of the bonds listed below are the Refinanced Obligations

Redemption Date  
Redemption Price

described in "PLAN OF FINANCE".

Series	CUSIP Number Date	Maturity (%)	Interest Rate	Outstanding Principal Principal Refunded	...
				(S) (\$)	

I67485-.1P4

200511 2005H 2005U 2005 B 2005 U  
I674H6-YT0 167485-1IUH 167485-11V6 167485-HW4 167485-HX2  
01 01/26 01/01/27 01/01 28 01 '01/29 01/01/30  
5.000 5 000 5.000 5.000 5.0(H)  
5,095,000 25,320,000 26,385,000 20,320,000 16,010,000  
5,095,000 25,320,000 26,385,000 20,320,000 16,010,000  
12/20.18 12/20/18 12/20 18 12 20 IS 12/20 IS  
100.000 100.000 I (10.000 100.000 100.000

2006A 2006A  
I67485-RF0 I67485-RC8  
01/01/27 01/01/28  
5.000 5.000  
11,640,000 10,005,000  
11,640,000 10,005,000  
12/20'18 12 20 IS  
100.000 100.000

2007A 2007A 2007A 2007A  
I67485-C74 167485-D73 167485-081 I67485-D65  
01/01-23 01/01/33 01-01/33\*" 01/01/32"  
5.000 4.500 5.000 5.000

18,320,000 2,480,000 38,955,000 76,415,000  
18,320,000 2,480,000 29,520,000 60,7.15.000

12/20/18 J2/20T8 12/20. IS 12/20-18  
100.000 100.000 100.000 100.000

22,970,000 22,970,000

2008 A 2008A 2008A 2008A  
I67485-5Q0 167485-5R8 I07485-5T4 1674S5-5UI  
01/01/27 01/01/28 01/01/33" 0J/01/37"-  
5.250 5.250 5.250 5.250  
12,700,000 1.1.370,000 54,980,000 49,695,000  
12,700,000 13,370,000 54,980,000 49,695,000  
12/20/18 12/20/18 12/20 18 12/20 18  
100.000 100.000 100.000 100.000

2008C 2008C 2008C 2008C 2008C 2008C 2008C 2008C  
167486-167486-167486-167486-167486-167486-167486-167486-  
DA4  
DC0  
DC1  
DJ5  
DL0  
DM8  
1)S5  
DT.1  
01/01/23  
01/01/24  
01/01/26  
01/01/27  
01/01/28  
01/01/29  
01/01/29  
01/01/40"  
5.000 5.000 5.000 5.000 5.000 5.000 5.000 5.000  
9,780,000 19,185,000 14,610,000 15,830,000 11,285,000 18,925,000 121,115,000 109,105,000  
9,540,000 18,710,000 14,245,000 15,4,15,000 11,005,000 18,455,000 92,045,000 106,395,000  
01/01.19 0101/19 01/01/19 01 01 19 01/0119 0101/19 01/0119 01/01/19  
100.000 100.000 100.000 100.000 100.000 100.000 100.000 100000

folal Refunded Pin

Note (c) Maturity Date shown is the final mandatory redemption date of a Term Bond

D-1

**EXHIBIT 4**

- \* C ;"!p C ^t"~", \$612,420,000
  - \* i O SALES TAX SECURITIZATION CORPORATION
- s\*.ts 'as src'jffiiAiiC.vcufw-oisAito'i Sales Tax Securitization Bonds,

**Series 2018C**

**Loop Capital Markets RBC Capital Markets**

**The Williams Capital Group, L.P. Academy Securities**

**Stifel**

**Mesirow Financial, Inc.**

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**EXHIBIT 5**

**PLAN 01- FINANCE**

The Series 2018 SC Bonds are being issued to provide funds for the City to refund certain of the City's outstanding general obligation bonds (the "Refinanced Obligations"). In addition, proceeds of the Series 2018 SC Bonds will be used to pay costs of issuance of the Series 2018 SC Bonds. See Appendix I - "SUMMARY OF FINANCIAL OBLIGATIONS" for a list of the Refinanced Obligations to be refunded with the net proceeds of the Series 2018 SC Bonds.