



City of Chicago



F2018-70

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 12/12/2018

Sponsor(s): Dept./Agency

Type: Communication

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

Committee(s) Assignment:



DEPARTMENT 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

2018 DEC -4 PM 12:03
OFFICE OF THE
CITY CLERK

2018 DEC -4 PM 12:03

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 4th day of December 2018.

CITY OF CHICAGO

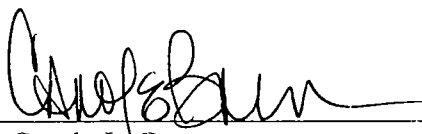
By: 
Name: Carole L. Brown
Title: Chief Financial Officer

EXHIBIT 1

MATURITY SCHEDULE

\$612,420,000 Sales Tax Securitization Bonds, Series 2018C (tax-exempt)

\$315,420,000 Series 2018C Serial Bonds

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield^C</u>	<u>CUSIP[†] No.</u>
2022	\$14,760,000	5.00%	2.75%	79467B1BP9
2023	14,905,000	5.00%	2.85%	79467B1BQ7
2024	15,645,000	5.00%	2.94%	79467B1BR5
2025	16,430,000	5.00%	3.06%	79467B1BS3
2026	17,255,000	5.00%	3.22%	79467B1BT1
2027	18,120,000	5.00%	3.36%	79467B1BU8
2028	19,590,000	5.00%	3.48%	79467B1BV6
2029	20,710,000	5.00%	3.56%	79467B1BW4
2030	3,500,000	5.00%	3.63% ^C	79467B1BY0
2030	18,250,000	5.50%	3.51% ^C	79467B1BX2
2031	26,860,000	5.50%	3.57% ^C	79467B1BZ7
2032	28,330,000	5.50%	3.64% ^C	79467BCA1
2033	15,000,000	5.00%	3.81% ^C	79467BCC7
2033	14,895,000	5.50%	3.69% ^C	79467BCB9
2034	22,520,000	5.25%	3.79% ^C	79467BCD5
2035	23,700,000	5.25%	3.84% ^C	79467BCE3
2036	10,000,000	5.00%	3.96% ^C	79467BCF0
2036	14,950,000	5.50%	3.84% ^C	79467BCG8

\$41,500,000 5.00% Series 2018C Term Bonds Due January 1, 2043, Yield 4.15%^C, CUSIP[†] No. 79467BCH6

\$91,500,000 5.25% Series 2018C Term Bonds Due January 1, 2043, Yield 4.08%^C, CUSIP[†] No. 79467BCJ2

\$164,000,000 5.25% Series 2018C Term Bonds Due January 1, 2048, Yield 4.16%^C, CUSIP[†] No. 79467BCK9

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

[†] 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 Bonds only at the time of issuance of the Series 2018C 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 Bonds as a result of various subsequent 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 Bonds.

EXHIBIT 2

THE SERIES 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 Bonds. 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, 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 360-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, 2043, and January 1, 2048 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

5.000% Series 2018C Bonds maturing on January 1, 2043

<u>Year</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>
2039	\$7,510,000
2040	7,885,000
2041	8,280,000
2042	8,695,000
2043 [†]	9,130,000

[†]Stated maturity

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

<u>Year</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>
2039	\$16,475,000
2040	17,340,000
2041	18,255,000
2042	19,210,000
2043 [*]	20,220,000

[†]Stated maturity

Series 2018C Bonds maturing on January 1, 2048

<u>Year</u> <u>(January 1)</u>	<u>Principal</u> <u>Amount</u>
2044	\$29,530,000
2045	31,085,000
2046	32,715,000
2047	34,430,000
2048 [*]	36,240,000

[†]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 on 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 further state that, if on such date all conditions to redemption have been satisfied, there shall become due and payable on such date upon each Series 2018C Bond to be redeemed the Redemption Price thereof, 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 thereon 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

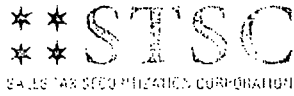
SUMMARY OF REFINANCED OBLIGATIONS

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 described in "PLAN OF FINANCE".

Series	CUSIP Number	Maturity Date	Interest Rate (%)	Outstanding Principal (\$)	Principal Refunded (\$)	Redemption Date	Redemption Price
NA21-2003	167485-3P4	01/01/33 ⁽¹⁾	5.000	8,250,000	8,250,000	12/20/18	100.000
2005B	167486-YT0	01/01/26	5.000	5,095,000	5,095,000	12/20/18	100.000
2005B	167485-IU8	01/01/27	5.000	25,320,000	25,320,000	12/20/18	100.000
2005B	167485-IIV6	01/01/28	5.000	26,385,000	26,385,000	12/20/18	100.000
2005B	167485-IHW4	01/01/29	5.000	20,320,000	20,320,000	12/20/18	100.000
2005B	167485-IIX2	01/01/30	5.000	16,010,000	16,010,000	12/20/18	100.000
2006A	167485-RF0	01/01/27	5.000	11,640,000	11,640,000	12/20/18	100.000
2006A	167485-RG8	01/01/28	5.000	10,005,000	10,005,000	12/20/18	100.000
2007A	167485-C74	01/01/23	5.000	18,320,000	18,320,000	12/20/18	100.000
2007A	167485-D73	01/01/33	4.500	2,480,000	2,480,000	12/20/18	100.000
2007A	167485-D81	01/01/33 ⁽¹⁾	5.000	38,955,000	29,520,000	12/20/18	100.000
2007A	167485-D65	01/01/32 ⁽¹⁾	5.000	76,415,000	60,735,000	12/20/18	100.000
2007C	167485-R78	01/01/26	5.000	22,970,000	22,970,000	12/20/18	100.000
2008A	167485-SQ0	01/01/27	5.250	12,700,000	12,700,000	12/20/18	100.000
2008A	167485-5R8	01/01/28	5.250	13,370,000	13,370,000	12/20/18	100.000
2008A	167485-5T4	01/01/33 ⁽¹⁾	5.250	54,980,000	54,980,000	12/20/18	100.000
2008A	167485-5U1	01/01/37 ⁽¹⁾	5.250	49,695,000	49,695,000	12/20/18	100.000
2008C	167486-DA4	01/01/23	5.000	9,780,000	9,540,000	01/01/19	100.000
2008C	167486-DC0	01/01/24	5.000	19,185,000	18,710,000	01/01/19	100.000
2008C	167486-DG1	01/01/26	5.000	14,610,000	14,245,000	01/01/19	100.000
2008C	167486-DJ5	01/01/27	5.000	15,830,000	15,435,000	01/01/19	100.000
2008C	167486-DL0	01/01/28	5.000	11,285,000	11,005,000	01/01/19	100.000
2008C	167486-DM8	01/01/29	5.000	18,925,000	18,455,000	01/01/19	100.000
2008C	167486-DS5	01/01/34 ⁽¹⁾	5.000	121,115,000	92,045,000	01/01/19	100.000
2008C	167486-DT3	01/01/40 ⁽¹⁾	5.000	109,105,000	106,395,000	01/01/19	100.000
Total Refunded Par					<u>673,625,000</u>		

Note (1) Maturity Date shown is the final mandatory redemption date of a Term Bond

EXHIBIT 4



\$612,420,000
SALES TAX SECURITIZATION CORPORATION
Sales Tax Securitization Bonds,
Series 2018C

Loop Capital Markets
RBC Capital Markets

The Williams Capital Group, L.P.
Academy Securities

Stifel
Mesirow Financial, Inc.

November 15, 2018

EXHIBIT 5

PLAN OF FINANCE

The Series 2018C 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 2018C Bonds will be used to pay costs of issuance of the Series 2018C Bonds. See APPENDIX D — "SUMMARY OF REFINANCED OBLIGATIONS" for a list of the Refinanced Obligations to be refunded with the net proceeds of the Series 2018C Bonds.