City of Chicago

F2019-15

Office of the City Clerk

Document Tracking Sheet

Meeting Date:	3/13/2019
Sponsor(s):	Dept./Agency
Type:	Communication
Title:	Notification and filing of authorization for issuance of sales tax resecuritization bonds, Series 2019A Bond Sales
Committee(s) Assignment:	

DEPARTMENT OF FINANCE

CITY OF CHICAGO

January 30, 2019

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

2019 JAN 30 PM 12:41
CITY CLERK

Re: Sales Tax Securitization Corporation
Sales Tax Securitization Bonds, Series 2019A

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

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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 $605,430,000 aggregate principal amount of Sales Tax Securitization Bonds, Taxable Series 2019A (the "Series 2019 Bonds"), I am filing with you this notification of sale and providing additional information regarding the Series 2019 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 2019 Bonds describe the following information:

(i) Exhibit 1 describes the series designation, the aggregate principal amount and maturity schedule for the Series 2019 Bonds, the interest rates on the Series 2019 Bonds and whether such interest is tax-exempt or taxable;

(ii) Exhibit 2 describes the authorized denominations and redemption provisions for the Series 2019 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 2019 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 2019 Bonds; and

(v) Exhibit 5 describes the purposes for which the Series 2019 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 2019 Bonds is as follows: the City will partially abate the levy of property taxes for levy years 2019 and following in order to reflect payment of the Refunded Obligations with the proceeds of the Series 2019 Bonds;

(ii) None of the Series 2019 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 2019 Bonds;

(iv) Aggregate underwriter compensation paid in connection with the sale of the Series 2019 Bonds was $3,475,855.35; 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 2019 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 2019 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 30th day of January 2019.

CITY OF CHICAGO

By: _____

Name: Carole L. Brown

Title: Chief Financial Officer

EXHIBIT I

MATURITY SCHEDULE

$605,430,000 Sales Tax Securitization Bonds, Taxable Series 2019A

$302,690,000 4.637% Term Bonds Due January 1, 2040, Yield 4.637%, CUSIP† No.79467BCM5

$302,740,000 4.787% Term Bonds Due January 1, 2048, Yield 4.787%, CUSIP† No. 79467BCN3

† 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 2019A Bonds only at the time of issuance of the Series 2019A 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 2019A 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 2019A Bonds.

EXHIBIT 2

THE SERIES 2019A BONDS

The following summary describes certain terms of the Series 2019A 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 2019A Bonds. Copies of the Indenture may be obtained upon written request to the Trustee.

General

The Series 2019A Bonds will be dated the date of delivery and will bear interest from the dated date until paid or redeemed, payable semiannually on each January 1 and July 1, commencing July 1, 2019. The Series 2019A 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 2019A Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2019A Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiples thereof (each an "**Authorized Denomination**").

Redemption

Make Whole Optional Redemption of the Series 2019A Bonds

The Series 2019A Bonds are subject to redemption prior to maturity, at the election or direction of the Corporation, on any date, in whole or in part, and if in part from such maturities and interest rates as shall be determined by the Corporation on any Business Day (as defined below) at a redemption price equal to the greater of: (A) the principal amount of such Series 2019A Bonds to be redeemed, or (B) the sum of the present values of the remaining scheduled payments of principal and interest on such Series 2019A Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date such Series 2019A Bonds are to be redeemed, discounted to the date of redemption of such Series 2019A Bonds to be redeemed on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (defined below) plus 20 basis points plus accrued interest on such Series 2019A Bonds being redeemed to the date fixed for redemption.

The make whole optional redemption price of any Series 2019A Bonds to be redeemed will be calculated by an independent accounting firm, investment banking firm or financial advisor (the "**Calculation Agent**") retained by the Corporation at the Corporation's expense. The Trustee and the Corporation may rely on the Calculation

Agent's determination of the make whole optional redemption price and will not be liable for such reliance. The Corporation shall confirm and transmit the redemption price as so calculated on such dates and to such parties as shall be necessary to effectuate such redemption.

The "**Treasury Rate**" is, as of any redemption date for a Series 2019A Bond, the time-weighted interpolated average yield for a term equal to the Make Whole Period of the yields of the two U.S. Treasury nominal securities at "constant maturity" (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that is publicly available not less than two (2) Business Days (as defined below) nor more than 30 calendar days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) maturing immediately preceding and succeeding the Make Whole Period. The Treasury Rate will be determined by the Calculation Agent or an independent accounting firm, investment banking firm, or financial advisor retained and compensated by the Corporation as a Corporation Expense.

"**Make Whole Period**" means the number of years, including any fractional portion thereof, calculated on the basis of a 360-day year consisting of twelve 30-day months, between the redemption date and the remaining weighted average life of each Series 2019A Bond to be redeemed.

"**Business Day**" means for purposes of this section "— *Make Whole Optional Redemption of the Series 2019A Bonds*" any day other than a day on which banks in New York, New York, Chicago, Illinois, or the city in which the Trustee maintains its designated office are required or authorized to close.

Mandatory Redemption from Sinking Fund Installments of Series 2019A Bonds

The Series 2019A Bonds are Term Bonds, maturing on January 1, 2040 and on January 1, 2048, and 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:

Series 2019A Bonds maturing on January 1, 2040

Year (January 1)	Principal Amount
2022	$5,880,000
2023	6,150,000
2024	6,440,000
2025	6,735,000
2026	7,045,000
2027	7,370,000
2028	7,150,000
2029	7,340,000
2030	7,680,000
2031	8,535,000
2032	8,935,000
2033	9,345,000
2034	18,725,000
2035	19,595,000
2036	20,500,000
2037	47,720,000
2038	49,930,000
2039	27,995,000
2040†	29,620,000

†Stated maturity

EXHIBIT 2

Series 2019A Bonds maturing on January 1, 2048

Year (January 1)	Principal Amount
2041	$31,250,000
2042	32,740,000
2043	34,300,000
2044	37,265,000
2045	38,990,000
2046	40,810,000
2047	42,700,000
2048†	44,685,000

†Stated maturity

Purchase of Series 2019A 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 2019A Bonds to be redeemed from such Sinking Fund Installment. The principal amount of each Series 2019A Bond so canceled will be credited against the Sinking Fund Installment due on such date.

Selection of Series 2019A Bonds to be Redeemed

If less than all of the Series 2019A Bonds are to be redeemed, the particular Series 2019A Bonds or portions thereof to be redeemed will be selected on a pro-rata pass-through distribution of principal basis in accordance with DTC procedures, provided that the selection for redemption of such Series 2019A Bonds will be made in accordance with the operational arrangements of DTC then in effect.

It is the Corporation's intent that redemption allocations made by DTC be made on a pro-rata pass-through distribution of principal basis as described above. However, none of the Corporation, the Underwriters or the Trustee can provide any assurance that DTC, DTC's Participants or any other intermediary will allocate the redemption of Series 2019A Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2019A Bonds on a pro-rata pass-through distribution of principal basis as discussed above, then the Series 2019A Bonds will be selected for redemption in accordance with DTC procedures, by lot.

Notice of Redemption

When Series 2019A Bonds are to be redeemed, the Trustee will give notice of the redemption of the Series 2019A Bonds in the name of the Corporation which notice will specify the Series 2019A Bonds to be redeemed, the maturity dates and interest rates of the Series 2019A Bonds to be redeemed and the date such Series 2019A Bonds 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 2019A 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 2019A 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 2019A 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 2019A Bond to be redeemed to receive such notice shall not affect the validity of the proceedings for the redemption of the Series 2019A Bonds.

Payment of Redeemed Bonds

Notice having been given by mail in the manner described above, the Series 2019A 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 2019A Bonds, at the office or offices specified in such notice, such Series 2019A 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 2019A Bond, the Corporation will execute and the Trustee will authenticate and deliver, upon the surrender of such Series 2019A Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the registered Series 2019A Bond so surrendered, Series 2019A Bonds of like maturity and tenor in any of the authorized denominations. If, on the redemption date, money for the redemption of all Series 2019A 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 2019A Bonds or portions thereof so called for redemption shall cease to accrue and such Series 2019A Bonds shall no longer be considered to be Outstanding under the Indenture. If such money is not available on the redemption date, such Series 2019A 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 2019A 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
2007A	167485-C82	01/01/24	5.000	19,760,000	19,760,000	02/19/19	100.000
2007A	167485-C90	01/01/25	5.000	47,605,000	47,605,000	02/19/19	100.000
2007A	167485-D32	01/01/26	5.000	32,475,000	12,000,000	02/19/19	100.000
2007A	167485-D99	01/01/37	5.000	100,300,000	17,065,000	02/19/19	100.000
2008C	167486-DA4	01/01/23	5.000	240,000	240,000	02/19/19	100.000
2008C	167486-DC0	01/01/24	5.000	475,000	475,000	02/19/19	100.000
2008C	167486-DE6	01/01/25	4.600	13,370,000	330,000	02/19/19	100.000
2008C	167486-DG1	01/01/26	5.000	365,000	365,000	02/19/19	100.000
2008C	167486-DJ5	01/01/27	5.000	395,000	395,000	02/19/19	100.000
2008C	167486-DL0	01/01/28	5.000	280,000	280,000	02/19/19	100.000
2008C	167486-DM8	01/01/29	5.000	470,000	470,000	02/19/19	100.000
2008C	167486-DS5	01/01/34	5.000	29,070,000	3,020,000	02/19/19	100.000
2008C	167486-DT3	01/01/40	5.000	2,710,000	2,710,000	02/19/19	100.000
2008E[1]	167486-FA2	01/01/29	6.050	121,575,000	18,800,000		
2009A	167486-GR4	01/01/21	4.000	3,560,000	3,560,000	01/01/20	100.000
2009A	167486-HC6	01/01/21	5.000	7,890,000	7,890,000	01/01/20	100.000
2009A	167486-GS2	01/01/22	4.000	530,000	530,000	01/01/20	100.000
2009A	167486-HD4	01/01/22	5.000	11,515,000	11,515,000	01/01/20	100.000
2009A	167486-GT0	01/01/23	4.000	2,025,000	2,025,000	01/01/20	100.000
2009A	167486-HE2	01/01/23	5.000	13,995,000	13,995,000	01/01/20	100.000
2009A	167486-GU7	01/01/24	5.000	20,140,000	13,500,000	01/01/20	100.000
2015B[2]	167486-VW6	01/01/42	7.750	393,060,000	326,215,000	01/01/25	100.000
Total Refunded Par					502,745,000		

Note [1] Series 2008E Term Bond Partial Refunding will be applied to Sinking Fund Redemption Date 01/01/22

Note [2] Series 2015 Term Bond Partial Refunding will be by pro rata pass-through in accordance with DTC guidelines

EXHIBIT 4

$605,430,000
SALES TAX SECURITIZATION CORPORATION
Sales Tax Securitization Bonds,
Taxable Series 2019A

Citigroup
Morgan Stanley
Piper Jaffray & Co.

Ramirez & Co., Inc.
Melvin & Company
Stern Brothers

January 16, 2019

EXHIBIT 5

PLAN OF FINANCE

The Series 2019A 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 2019A Bonds will be used to pay costs of issuance of the Series 2019A 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 2019A Bonds.