



Richard M. Daley, Mayor



Rosemarie S. Andolino, Commissioner

CDA Web Alert

January 11, 2011

Moody's affirms City Ratings for O'Hare Airport Revenue Bonds

Moody's Investors Service announced on Monday, January 10, 2011 that it has:

- Assigned an A2 rating to O'Hare's Passenger Facility Charge Revenue and Revenue Refunding Bonds, Series 2011 (in the aggregate amount of \$701.75 million, consisting of \$468.49 million Series A; \$81.0 million Series B; and \$152.26 million Series C);
- Assigned an A2 rating to O'Hare's Grant Receipts and Subordinate Lien Passenger Facility Charge Revenue Bonds, Series 2011A in the amount of \$412.75 million;
- Affirmed the A1 rating on O'Hare's outstanding Second Lien GARBs and the Aa3 rating on the First Lien GARBs;
- Maintained the outlook for the passenger facility charge revenue bonds and the first and second lien GARBs as stable; and,
- Affirmed the A1 rating on O'Hare's outstanding Third Lien GARBs and changed the outlook to negative from stable.

In its release, Moody's cited the following strengths of O'Hare International Airport in support of the strong A category ratings:

- Large, diverse, economically strong O&D base with demonstrated high demand for air service;
- Management focus on cost-containment and delivery of the \$3.28 billion O'Hare Modernization Program (OMP) Phase 1 on schedule and within program budget;
- Unique dual hub for two major airlines, American and United, who maintain a strong presence at the airport despite some recent cutbacks in service.

Moody's report highlights the City's ability to date to complete OMP Phase 1 construction on-time and within budget, and based on this experience believes that airport management has the ability to manage all reasonable problems that may arise during the Completion Phase of the project.

The ratings are also reflect that the airport released its initial financing plan for the OMP Completion Phase, with the passenger facility and grants receipts bonds being the first debt issued to fund this phase. Moody's notes that the airport's Grant Receipt and Subordinate Lien Passenger Facility Charge bonds enjoy the support of both annual FAA Airport Improvement Program (AIP) letter or intent (LOI) grant funds and a subordinate lien on the airport's PFC revenues.

~ ~ ~ ~

The Chicago Department of Aviation (CDA) is self-supporting, using no local or state tax dollars for operations or capital improvements at O'Hare and Midway International airports. Together, Chicago's

airports generate more than \$45 billion in annual economic activity and create 540,000 jobs for the region. Please visit www.flychicago.com to learn more about the Chicago Department of Aviation.

The CDA continues to incorporate and expand sustainable initiatives for airport planning, operations and maintenance, and concessions and tenants in accordance with the CDA Sustainable Airport Manual (SAM) Version 2.0, released in November 2010. To view case studies, lessons learned and new technologies, and for more information on the SAM, please visit www.airportgoinggreen.org.

The O'Hare Modernization Program (OMP), introduced by Mayor Richard M. Daley in June 2001, transforms O'Hare's airfield from an outdated system of intersecting runways into a modern parallel runway configuration. The program will reduce overall delays at the Airport by 79 percent, and bad weather delays by 95 percent. It will create 195,000 new jobs and \$18 billion in additional economic activity each year. Please visit www.oharemodernization.org to learn more about the OMP.

#