

# **Bond Case Briefs**

*Municipal Finance Law Since 1971*

---

## **Chicago, Illinois: Fitch New Issue Report**

Key Rating Drivers Revenue Defensibility: 'aa'; Affordable Rates; Stable Service Area Characteristics: The system provides essential services to a large geographic area that serves as the economic hub for the region. Service area characteristics are stable, with modest customer growth, midrange income levels, yet an elevated unemployment rate relative to national levels. System charges are affordable for the vast majority of the service area population. Operating Risk: 'aa'; Very Low Operating Cost Burden; Moderate Life Cycle Investment Needs: Operating costs are very low, and the system's investment needs are moderate as capital spending has consistently exceeded the pace of annual depreciation. Planned capital spending is significant and will continue to focus on the city's ongoing renewal and replacement program, which should maintain the system's low life cycle ratio. Financial Profile: 'a'; Solid Financial Profile, Rising Leverage: The system's financial profile reflects leverage that typically ranges between 9.0x and 11.0x. Although leverage is anticipated to move higher over the five-year horizon, it is expected to remain consistent with the financial profile assessment and current SCP. Liquidity is anticipated to remain neutral to the assessment.

### **ACCESS REPORT**

Fri 21 Apr, 2023