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Chicago to Sell Debt From Unpaid Fees Despite Uncertain Buyers.

Takeaways by Bloomberg AI

- Chicago is seeking to sell about $1 billion in debt from things like unpaid parking tickets, which has never been done at this scale and scope.
- The sale is expected to be costly with uncertain investor appetite, and the investor base for the proposed deal would be narrower than a traditional offering.
- Chicago aims to sell the debt by April to garner at least $89 million in revenue, despite concerns from credit rating firms that the projected revenue may not materialize.

Chicago is seeking to sell about $1 billion in debt the city is owed from things like unpaid parking tickets even as a top finance official warns the unprecedented offering is expected to be costly with uncertain investor appetite.

The sale is the first of its kind for the third largest city in the US, and has never been done at this scale and scope as far as the administration under Mayor Brandon Johnson knows, Chicago Comptroller Michael Belsky told council members in a letter last week. Despite the uncertainty, Chicago is pursuing the sale of outstanding debt owed to it because of a measure that aldermen added to the budget to help plug this year’s nearly $1.2 billion deficit.

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Bloomberg Markets

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February 12, 2026

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