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# Debt Management Update

September 14, 2015

# New Bond Authorization

- Request authorization for \$800 million revenue bonds to finance a portion of the *Move Illinois* Program
- Estimated amount and timing
  - \$400 million in 4<sup>th</sup> quarter 2015
  - \$300 million in 2<sup>nd</sup> quarter 2016
  - Additional \$100 million contingency to accommodate increase if change to projected spending or favorable market conditions
- Will be two more *Move Illinois* bond issues
- First four bond issues generated \$1.88 billion for projects at average yields of 3.6 percent to call date and 4.2 percent to maturity
- Rescind \$200 million remaining from June 2014 authorization

# Renewal of Financial Advisor Pool

Ongoing Financial Advisor	Transactional Financial Advisors
The PFM Group	AC Advisory Inc. Acacia Financial Group Inc. Columbia Capital Management LLC

- Established by competitive procurement process RFP#12-0161
- Provide financial advisory services in connection with: (i) financing the *Move Illinois* Program, (ii) management of bonded indebtedness and (iii) other capital financing initiatives
- All four firms registered as municipal advisors with the SEC as required by the Dodd-Frank Act



# Renewal of Financial Advisor Pool *(cont.)*

- **\$1,425,000 authorized for three-year initial term**
  - Ongoing financial advisor: \$250,000 annually
  - Transactional financial advisors: \$225,000 during initial term and maximum \$75,000 per assignment
  - Compensation to D/M/WBE firms has been 26 percent
- **Initial terms expire October 31, 2015 or November 30, 2015**
- **Contracts renewable up to two years**
- **Request six-month renewal and increase in authorization from \$1,425,000 to \$1,700,000**

# Renewal of Underwriter Pools

Senior Pool	Co-Manager Pool
<b>Barclays Capital Inc</b>	<b>Cabrera Capital Markets</b>
<b>BMO Capital Markets GKST</b>	<b>Duncan-Williams</b>
<b>Citigroup Global Markets</b>	<b>Fifth Third Securities</b>
<b>Goldman Sachs</b>	<b>George K. Baum</b>
<b>Jefferies &amp; Company</b>	<b>Janney Montgomery Scott</b>
<b>J.P. Morgan Securities</b>	<b>KeyBanc Capital Markets</b>
<b>Loop Capital Markets</b>	<b>Mesirow Financial</b>
<b>Merrill Lynch</b>	<b>Oppenheimer</b>
<b>Morgan Stanley &amp; Co</b>	<b>Piper Jaffray</b>
<b>RBC Capital Markets</b>	<b>PNC Capital Markets</b>
<b>Samuel A. Ramirez &amp; Co.</b>	<b>Raymond James</b>
<b>Siebert Brandford Shank</b>	<b>Rice Securities</b>
<b>Wells Fargo Bank</b>	<b>Robert W. Baird</b>
<b>William Blair &amp; Company</b>	<b>Stifel Nicolaus &amp; Company</b>
	<b>The Williams Capital Group</b>
	<b>U.S. Bancorp / U.S. Bank N.A.</b>

# Renewal of Underwriter Pools *(cont.)*

- Established by competitive procurement process RFP#12-0045
- Firms in the senior pool are available to serve as senior managing underwriter, co-senior managing underwriter or remarketing agent
- Firms in the co-manager pool are available to serve as co-managing underwriter
- Three-year initial terms expire December 31, 2015
- Underwriting assignments: \$2.50 per \$1,000 bond par amount
- Remarketing assignments: 0.045 percent of bond par amount
- Contracts renewable up to two years
- Request one-year renewal

# Underwriter Assignments

- **Underwriting group previously assigned to Series 2008B Refunding is requested to be re-assigned to Tollway's next bond issuance, expected to be either (a) the Series 2008B Refunding or (b) the next new money bond issue**
  - ❑ Due to pending acquisition of one of the firms previously assigned as senior managing underwriter in this group, such firm is recommended to be replaced by JPMorgan acting as a co-senior manager
  
- **Following group recommended for assignment to underwrite the Tollway's next bond issue after the bond issue underwritten per the above**
  - ❑ RBC and Siebert Brandford Shank (as senior managing underwriters)
  - ❑ Wells Fargo and William Blair (as co-senior managing underwriters)
  - ❑ Duncan-Williams, George K. Baum, Mesirow Financial, Janney Montgomery, Key Banc and Robert Baird (as co-managers)





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**THANK YOU**