Sign In | Register

FitchRatings

RATING ACTION COMMENTARY

Fitch Upgrades Illinois State Toll Highway Authority's Senior Revenue Bonds to 'AA'; Outlook Stable

Fri 09 Oct, 2026 - 1:31 PM ET

Fitch Ratings - Chicago - 09 Oct 2026: Fitch Ratings has upgraded Illinois State Toll Highway Authority's (ISTHA) approximately $7.2 billion in outstanding senior revenue bonds to 'AA' from 'AA-'. The Rating Outlook is Stable.

The upgrade reflects ISTHA's new capital program, including approved toll increases effective in 2027, which materially strengthen Fitch's projected financial metrics to levels consistent with a higher rating. The capital program funding mix has shifted to a predominantly pay-as-you-go model. This approach reduces incremental leverage and enhances financial flexibility.

The rating reflects the essentiality of the tollway system, evidenced by its long-term traffic growth base and moderate price elasticity. The rating further reflects ISTHA's prudent debt management, with strong historical and projected debt service coverage ratios (DSCRs), while a major capital program is underway. The potential risks posed by ISTHA's sizable capital program are largely mitigated by its history of delivering a capital program on time and under budget, a very strong balance sheet position, and a proactive history of toll rate increases when needed.

KEY RATING DRIVERS

Revenue Risk - Volume - High Stronger

Essential Road Network with Stable Demand

The tollway system provides critical transportation links in the Chicago and northern Illinois metropolitan areas, including key connections to interstate highways. ISTHA has a

history of consistent growth in both commercial and passenger vehicles, which demonstrates demand in the service market. Price elasticity has proven low for passenger traffic and lower for commercial vehicles. The network benefits from a passenger vehicle base comprised mostly of commuters.

Revenue Risk - Price - Stronger

Demonstrated Rate-Making Flexibility

ISTHA has full legal authority to adjust toll rates at its discretion without limitation. The authority has approved a toll schedule to support its capital program, including sizeable increases for passenger vehicles and more moderate increases for commercial vehicles, followed by periodic inflation-based adjustments. The authority has a multidecade history of implementing significant rate increases to sustain a strong financial profile and limit borrowing needs.

Infrastructure Dev. & Renewal - Stronger

Large Capital Plan Partially Debt Funded

ISTHA's system requires ongoing, significant capital investment to preserve asset condition, as reflected in its large-scale capital programs. The new program, Driving Connections, is expected to be funded primarily through operating cash flow and, to a lesser extent, new-money debt, which represents a reduced reliance on borrowing. Recent and planned toll increases support the program's funding needs. The authority has a strong record of delivering major capital projects on time and under budget.

Debt Structure - 1 - Stronger

Conservative Debt Profile

All debt is on a senior lien, fully amortizing, and fixed-rate. Structural features are strong overall, and the authority maintains cash- and surety-funded debt service reserve funds with a combined balance equal to maximum annual debt service.

PEER ANALYSIS

The closest Fitch-rated large expressway network peers include Harris County Toll Road Authority (HCTRA; AA/Stable) and Central Florida Expressway Authority (CFX;

AA-/A+/Stable), despite ISTHA's significantly larger annual volume and toll revenue base. The authority has higher coverage than CFX, but lower coverage and greater capital needs than HCTRA.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

--Fitch rating case 10-year average DSCR falling at or below 2.4x combined with leverage at or above 6.0x would lead to a downgrade. This compares to a period of weakness from fiscal 2034-2044 with an average DSCR of 2.4x, which is mitigated by the issuer's strong liquidity position and low year-five leverage of 3.6x.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

—Given ISTHA's already high rating level and sector-wide risks inherent to toll roads and expressway systems, upward rating action is unlikely.

FINANCIAL PROFILE

The tollway system's debt is expected to rise as the capital programs progress, but leverage is expected to remain moderate and decline over the longer term. Debt service coverage has remained strong and is expected to increase over the next 10 years under Fitch's rating case with the approved toll rate structure. The authority also has substantial liquidity, which provides financial flexibility despite anticipated use of cash to fund a significant portion of the capital program.

SECURITY

The authority's debt is secured by a pledge and lien to the net revenues of the tollway system. Net revenues are defined in the indenture as the annual system revenue less operating expenses. Revenues exclude transfers to the revenue fund from the construction fund and transfers to the trustee by the authority from the system reserve account, the improvement account or the renewal and replacement account. According to bond counsel, the Build America direct payment subsidy is not treated as revenues under the indenture.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

CLIMATE VULNERABILITY SIGNALS

The results of our Climate.VS screener did not indicate an elevated risk for Illinois State Toll Highway Authority (IL).

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING TYPE	RATING	RATING ACTION	PRIOR
Illinois State Toll Highway Authority (IL)				
Illinois State Toll Highway Authority (IL) /Toll Revenues - First Lien/1 LT	LT	AA Rating Outlook Stable	Upgrade	AA- Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

Gavin Weiss
Director
Primary Rating Analyst
+1 312 606 3301
gavin.weiss@fitchratings.com
Fitch Ratings, Inc.
One North Wacker Drive Chicago, IL 60606

Jen Carroll
Senior Analyst
Secondary Rating Analyst
+1 212 908 0326
jen.carroll@fitchratings.com

Scott Monroe, CFA
Senior Director
Committee Chairperson
+1 415 732 5618
scott.monroe@fitchratings.com

MEDIA CONTACTS

Katherine Jones
New York
+1 212 908 0823
katherine.jones@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

Transportation Infrastructure Rating Criteria (pub. 07 Jan 2025) (including rating assumption sensitivity)

Infrastructure & Project Finance Rating Criteria (pub. 14 Nov 2025) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

GIG AST Model, v1.5.1 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Illinois State Toll Highway Authority (IL)	EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given

jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch’s website.

The information in this report is provided “as is” without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on

established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those

subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

READ LESS

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch’s international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU Regulation or the UK Regulation, as the case may be. Fitch’s approach to endorsement in the EU and the UK can be found on Fitch’s Regulatory Affairs page on Fitch’s website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.