



Chicago Transit Authority (CTA) Case Study



\$350,000,000

Chicago Transit Authority, Illinois

Second Lien Sales Tax Receipts Revenue Bonds

Cabrera's Role: Book Running Senior-Manager

Sale Date: 3/31/2022 (Series 2022A)

A+/AA- by Standard & Poor's and KBRA, respectively

AA by Standard & Poor's (Insured)

TRANSACTION HIGHLIGHTS

- In late March of 2022, Cabrera served as the Book-Running Senior Manager on a \$350 million tax-exempt Second Lien Sales Tax Receipts Revenue bond transaction
- The bonds' all-in true interest cost (TIC) was 4.24% with an average life of 28.8 years and a final maturity in 2057.
- Cabrera helped the Authority secure an "A+" (stable outlook) rating from Standard & Poor's and an "AA-" (stable outlook) rating from Kroll, demonstrating the strength of the credit despite economic stress caused by the COVID-19 pandemic.
- Cabrera assisted the Authority and its financial advisor in determining whether bond insurance provided additional value. In the end, the Authority chose to use bond insurance to accommodate an investor request for the 2046 maturity providing a net benefit to the Authority.

TRANSACTION RESULTS

- Cabrera utilized a flexible approach to pricing during a week of high municipal market volatility enabling the Authority to enter the market during a short window of stability
- Cabrera was able to diversify the Authority's investment base, bringing in eight (8) new investors. 24 total investors participated in the sale
- Cabrera priced transaction "on the market" with only 1.3x oversubscription
- Generated over \$339 million of funds for CTA capital projects

MATURITY-BY-MATURITY BREAKDOWN

Maturity Date (Dec 1)	Principal Amounts (\$m)	Coupons %	Yield %		YTM %	MMD 3/23/2022	Spread to MMD (bps)
2046**	93,800	5.000%	3.280%	c	4.084%	2.41	87
2049	57,690	4.000%	3.670%	c	3.843%	2.44	123
2052	65,535	5.000%	3.500%	c	4.281%	2.47	103
2057	132,975	5.000%	3.600%	c	4.369%	2.47	113

*12/1/2031 Redemption Date (c)

**Indicates Insured Maturity (BAM)

