New Issue – Book–Entry Only **RATINGS: SEE "Ratings" HEREIN**

The delivery of the 2022 Senior Lien Bonds is subject to the opinions of Katten Muchin Rosenman LLP and Neal & Leroy, LLC, Co-Bond Counsel, to the effect that under existing law, interest on the 2022 Senior Lien Bonds is not includible in the gross income of the owners thereof for federal income tax purposes and that, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, interest on the 2022 Senior Lien Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. In addition, (i) interest on the 2022A Senior Lien Bonds and the 2022C Senior Lien Bonds is an item of tax preference for purposes of computing individual alternative minimum taxable income, (ii) interest on the 2022A Senior Lien Bonds and the 2022C Senior Lien Bonds is not excludable from the gross income of the owners who are substantial users of the facilities financed or refinanced thereby, and (iii) interest on the Series 2022 Senior Lien Bonds is included in the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. Interest on the 2022 Senior Lien Bonds is not exempt from present Illinois income taxes. See "TAX MATTERS" herein.

$1,768,005,000
CITY OF CHICAGO
CHICAGO O'HARE INTERNATIONAL AIRPORT

$1,110,055,000 **General Airport Senior Lien Revenue Bonds, Series 2022A (AMT)**	**$150,450,000** **General Airport Senior Lien Revenue Bonds, Series 2022B (Non-AMT)**	**$164,420,000** **General Airport Senior Lien Revenue Refunding Bonds, Series 2022C (AMT)**	**$343,080,000** **General Airport Senior Lien Revenue Refunding Bonds, Series 2022D (Non-AMT)**

Dated: Date of Delivery **January 1, as shown on the inside cover pages**

The 2022A Senior Lien Bonds, the 2022B Senior Lien Bonds, the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds (collectively, the "2022 Senior Lien Bonds") will be limited obligations of the City of Chicago (the "City") payable from and secured by a pledge of Revenues (as defined herein) derived from the operation of Chicago O'Hare International Airport ("O'Hare") and will be secured on a parity basis as to Revenues with the City's Outstanding Senior Lien Bonds (as defined herein) and such other Senior Lien Obligations (as defined herein) as may be outstanding from time to time, as more fully described herein. See "**THE 2022 SENIOR LIEN BONDS**" and "**SECURITY FOR THE 2022 SENIOR LIEN BONDS**." Neither the faith and credit nor the taxing power of the City, the State of Illinois or any political subdivision of the State of Illinois will be pledged to the payment of the principal of or interest on the 2022 Senior Lien Bonds.

The 2022 Senior Lien Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2022 Senior Lien Bonds. Purchasers of the 2022 Senior Lien Bonds will not receive certificates representing their interests in the 2022 Senior Lien Bonds purchased. Ownership by the beneficial owners of the 2022 Senior Lien Bonds will be evidenced by book-entry only. Principal of and interest on the 2022 Senior Lien Bonds will be paid by U.S. Bank Trust Company, National Association, Chicago, Illinois, as trustee for the 2022 Senior Lien Bonds to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the 2022 Senior Lien Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the 2022 Senior Lien Bonds will be made to such registered owner, and disbursal of such payments to beneficial owners will be the responsibility of DTC and its participants. See **Appendix G – "Description of Book–Entry Only System."**

Interest on the 2022 Senior Lien Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2023. The 2022 Senior Lien Bonds are subject to redemption prior to maturity in the manner and at the times set forth herein. See "**The 2022 Senior Lien Bonds-Redemption Provisions**."

The City will use the proceeds from the sale of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds, together with other available funds, to: (i) pay or reimburse the City for the cost of certain projects for O'Hare constituting "Airport Projects" under the Senior Lien Indenture (as defined herein), including the refunding of Credit Agreement Notes (as defined herein), (ii) increase the sum held in the Common Debt Service Reserve Sub-Fund to the Reserve Requirement, (iii) pay capitalized interest on the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds, (iv) pay a portion of costs and expenses incidental to the issuance of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds and (v) pay the premium for a municipal bond insurance policy (the "Policy") issued by the Insurer (defined below) insuring the 2022A Senior Lien Bonds maturing on January 1 of the years 2028, 2029 and 2045, and in 2053 and bearing interest at a rate of 5.5% (the "Insured 2022A Senior Lien Bonds"). The City will use the proceeds from the sale of the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds to: (i) refund certain Outstanding Senior Lien Bonds (collectively, the "Refunded Bonds," as defined herein), (ii) pay a portion of costs and expenses incidental to the issuance of the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds and (iii) pay the premium for the Policy insuring the 2022D Senior Lien Bonds maturing on January 1 of the years 2038 and 2039 (the "Insured 2022D Senior Lien Bonds" and, together with the Insured 2022A Senior Lien Bonds, the "Insured 2022 Senior Lien Bonds"). See "**PLAN OF FINANCE**" and "**SOURCES AND USES OF FUNDS**" herein.

For a discussion of certain investment considerations associated with the purchase of the 2022 Senior Lien Bonds, see "**CERTAIN INVESTMENT CONSIDERATIONS**," "**AIR TRAFFIC ACTIVITY AT O'HARE – Recent Developments at the Airport – COVID 19**," and "**AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 on Air Traffic**." For maturities, principal amounts, interest rates, prices, yields, and CUSIP numbers, see the inside cover pages.

The scheduled payment of principal of an interest on the Insured 2022 Senior Lien Bonds when due will be guaranteed under the Policy to be issued concurrently with the delivery of the Insured 2022 Bonds by Assured Guaranty Municipal Corp. (the "Insurer"). See "**BOND INSURANCE**" and **APPENDIX I – SPECIMEN MUNICIPAL BOND INSURANCE POLICY**.

ASSURED GUARANTY®
MUNICIPAL

The 2022 Senior Lien Bonds are offered when, as and if issued by the City and accepted by the Underwriters subject to the approval of their validity by Katten Muchin Rosenman, LLP, Chicago, Illinois, and Neal & Leroy, LLC, Chicago, Illinois, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by (i) its Corporation Counsel and (ii) in connection with the preparation of this Official Statement, Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois, and Cotillas and Associates, Chicago, Illinois, Co-Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by Mayer Brown LLP, Chicago, Illinois. It is expected that delivery of the 2022 Senior Lien Bonds in book-entry form will be made through the facilities of DTC on or about October 4, 2022.

J.P. MORGAN **CABRERA CAPITAL MARKETS LLC** **CITIGROUP**

LOOP CAPITAL MARKETS **PNC CAPITAL MARKETS LLC** **WELLS FARGO SECURITIES**

ACADEMY SECURITIES **RICE FINANCIAL PRODUCTS COMPANY** **SECURITY CAPITAL** **STINSON SECURITIES, LLC** **VALDES & MORÉNO, INC.**

Dated August 31, 2022

MATURITIES, AMOUNTS, INTEREST RATES, PRICES, YIELDS, AND CUSIP† NUMBERS

CITY OF CHICAGO
CHICAGO O'HARE INTERNATIONAL AIRPORT

$1,110,055,000
GENERAL AIRPORT SENIOR LIEN REVENUE BONDS, SERIES 2022A (AMT)

MATURITY (JANUARY 1)	AMOUNT	INTEREST RATE	PRICE	YIELD	CUSIP†
2025	$ 3,800,000	5.000%	104.211	3.04%	167593W65
2026	840,000	5.000%	105.590	3.17%	167593W73
2028	400,000	5.000%¥	108.116	3.30%	167593W81
2029	2,410,000	5.000%¥	108.983	3.39%	167593W99
2030	430,000	5.000%	109.115	3.56%	167593X23
2031	465,000	5.000%	109.230	3.69%	167593X31
2042	16,550,000	5.000%	104.200*	4.44%	167593X49
2055	150,795,000	5.000%	101.920*	4.74%	167593Y30
2055	165,555,000	5.500%	106.396*	4.64%	167593Y48

$78,585,000 Term Bond Due January 1, 2045; Interest Rate: 5.250%¥; Price: 106.390*; Yield: 4.40%; CUSIP No.+: 167593X56
$142,170,000 Term Bond Due January 1, 2048; Interest Rate: 4.500%; Price: 95.772; Yield: 4.79%; CUSIP No.+: 167593X72
$51,015,000 Term Bond Due January 1, 2048; Interest Rate: 5.000%; Price: 102.825*; Yield: 4.62%; CUSIP No.+: 167593X64
$100,830,000 Term Bond Due January 1, 2053; Interest Rate: 4.625%; Price: 96.751; Yield: 4.83%; CUSIP No.+: 167593X80
$146,210,000 Term Bond Due January 1, 2053; Interest Rate: 5.250%; Price: 104.200**; Yield: 4.63%; CUSIP No.+: 167593Y22
$250,000,000 Term Bond Due January 1, 2053; Interest Rate: 5.500%¥; Price: 106.531**; Yield: 4.54%; CUSIP No.+: 167593X98

$150,450,000
GENERAL AIRPORT SENIOR LIEN REVENUE BONDS, SERIES 2022B (NON-AMT)

MATURITY (JANUARY 1)	AMOUNT	INTEREST RATE	PRICE	YIELD	CUSIP†
2056	$101,410,000	4.500%	96.809	4.69%	167593Y55
2056	49,040,000	5.250%	106.813**	4.26%	167593Y63

¥ Insured.
* Priced to the January 1, 2032 optional redemption date.
** Priced to the January 1, 2031 optional redemption date.
†CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the registered owners of the applicable 2022 Senior Lien Bonds. Neither the City nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable 2022 Senior Lien Bonds or as included herein. The CUSIP number for a specific series and maturity is subject to being changed after the issuance of the 2022 Senior Lien Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2022 Senior Lien Bonds.

$164,420,000
GENERAL AIRPORT SENIOR LIEN REVENUE REFUNDING BONDS,
SERIES 2022C (AMT)

MATURITY (JANUARY 1)	AMOUNT	INTEREST RATE	PRICE	YIELD	CUSIP[†]
2023	$ 2,390,000	5.000%	100.521	2.79%	167593Y71
2024	20,660,000	5.000%	102.513	2.92%	167593Y89
2025	25,060,000	5.000%	104.211	3.04%	167593Y97
2026	34,645,000	5.000%	105.590	3.17%	167593Z21
2027	2,900,000	5.000%	106.713	3.29%	167593Z39
2028	3,050,000	5.000%	107.717	3.38%	167593Z47
2029	3,200,000	5.000%	108.573	3.46%	167593Z54
2030	3,360,000	5.000%	109.115	3.56%	167593Z62
2031	3,530,000	5.000%	109.230	3.69%	167593Z70
2032	3,705,000	5.000%	109.517	3.77%	167593Z88
2033	3,890,000	5.000%	108.784*	3.86%	167593Z96
2034	4,085,000	5.000%	107.736*	3.99%	1675932A9
2035	4,290,000	5.000%	106.859*	4.10%	1675932B7
2036	4,500,000	5.000%	106.147*	4.19%	1675932C5
2037	4,730,000	5.000%	105.833*	4.23%	1675932D3
2038	4,965,000	5.000%	105.519*	4.27%	1675932E1
2039	5,215,000	5.000%	105.207*	4.31%	1675932F8
2040	5,470,000	5.000%	104.818*	4.36%	1675932G6
2041	5,745,000	5.000%	104.431*	4.41%	1675932H4
2042	6,035,000	5.000%	104.200*	4.44%	1675932J0
2043	6,340,000	5.000%	103.663*	4.51%	1675932K7
2044	6,655,000	5.000%	103.510*	4.53%	1675932L5

* Priced to the January 1, 2032 optional redemption date.

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$343,080,000
GENERAL AIRPORT SENIOR LIEN REVENUE REFUNDING BONDS,
SERIES 2022D (NON-AMT)

MATURITY (JANUARY 1)	AMOUNT	INTEREST RATE	PRICE	YIELD	CUSIP†
2023	$ 5,170,000	5.000%	100.631	2.34%	1675932M3
2025	20,455,000	5.000%	105.502	2.46%	1675932N1
2026	21,095,000	5.000%	107.572	2.55%	1675932P6
2027	20,095,000	5.000%	109.491	2.62%	1675932Q4
2028	23,690,000	5.000%	111.426	2.65%	1675932R2
2029	35,020,000	5.000%	112.697	2.77%	1675932S0
2030	10,110,000	5.000%	114.114	2.83%	1675932T8
2031	10,610,000	5.000%	115.054	2.93%	1675932U5
2032	11,145,000	5.000%	115.858	3.02%	1675932V3
2033	11,705,000	5.000%	114.988*	3.12%	1675932W1
2034	12,285,000	5.000%	113.783*	3.26%	1675932X9
2035	12,905,000	5.000%	112.508*	3.41%	1675932Y7
2036	13,545,000	5.000%	111.751*	3.50%	1675932Z4
2037	14,220,000	5.000%	111.084*	3.58%	1675933A8
2038	14,935,000	5.000%¥	110.669*	3.63%	1675933B6
2039	15,680,000	5.000%¥	109.845*	3.73%	1675933C4
2040	16,465,000	5.000%	108.622*	3.88%	1675933D2
2041	17,285,000	5.000%	108.218*	3.93%	1675933E0
2042	18,150,000	4.000%	96.094	4.30%	1675933F7
2043	18,880,000	4.000%	95.186	4.36%	1675933G5
2044	19,635,000	4.000%	94.775	4.38%	1675933H3

¥ Insured.

* Priced to the January 1, 2032 optional redemption date.

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REGARDING THE USE OF THIS OFFICIAL STATEMENT

The Underwriters have provided the following sentence for inclusion in the Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement is being used in connection with the sale of the 2022 Senior Lien Bonds and may not be reproduced or used, in whole or in part, for any other purpose. Certain information contained in this Official Statement has been obtained by the City from DTC and other sources that are deemed to be reliable; however, no representation or warranty is made as to the accuracy or completeness of such information by the City. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents in their entirety for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof. Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward looking statements and information that are based on the beliefs of the City as well as assumptions made by and currently available to the City. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

Neither the City nor any other independent accountants, have compiled, examined, or performed any procedures with respect to, or been consulted in connection with the preparation of, the prospective financial information contained herein. The City's independent auditors assume no responsibility for the content of the prospective financial information set forth in this Official Statement, disclaim any association with such prospective financial information, and have not, nor have any other independent auditors, expressed any opinion or any other form of assurance on such information or its achievability.

No dealer, broker, sales representative or any other person has been authorized by the City to give any information or to make any representation other than those contained in this Official Statement in connection with the offering it describes and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the cover page and inside cover pages hereof, nor shall there be any offer to sell, solicitation of an offer to buy or sale of, the 2022 Senior Lien Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information and opinions expressed herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of O'Hare since the date of this Official Statement. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the 2022 Senior Lien Bonds.

In making an investment decision, investors must rely on their own examination of the terms of this offering, including the merits and the risks involved. These securities have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the 2022 Senior Lien Bonds or the advisability of investing in the 2022 Senior Lien Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Bond Insurance" and "APPENDIX I - Specimen Municipal Bond Insurance Policy".

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE 2022 SENIOR LIEN BONDS. SPECIFICALLY, THE UNDERWRITERS MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE 2022 SENIOR LIEN BONDS IN THE OPEN MARKET. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE 2022 SENIOR LIEN BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER THE 2022 SENIOR LIEN BONDS ARE RELEASED FOR SALE, AND THE 2022 SENIOR LIEN BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE 2022 SENIOR LIEN BONDS INTO INVESTMENT ACCOUNTS.

CITY OF CHICAGO
Chicago O'Hare International Airport

MAYOR
Lori E. Lightfoot

CITY TREASURER
Melissa Conyears-Ervin

CITY CLERK
Anna M. Valencia

CITY COUNCIL
COMMITTEE ON FINANCE
Scott Waguespack

CHIEF FINANCIAL OFFICER
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AIRPORT CONSULTANT
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CO-FINANCIAL ADVISOR
Frasca & Associates, LLC
Public Alternative Advisors, LLC

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$1,768,005,000
CITY OF CHICAGO
CHICAGO O'HARE INTERNATIONAL AIRPORT

$1,110,055,000 General Airport Senior Lien Revenue Bonds, Series 2022A (AMT)	**$150,450,000 General Airport Senior Lien Revenue Bonds, Series 2022B (Non-AMT)**	**$164,420,000 General Airport Senior Lien Revenue Refunding Bonds, Series 2022C (AMT)**	**$343,080,000 General Airport Senior Lien Revenue Refunding Bonds, Series 2022D (Non-AMT)**

INTRODUCTION

This Official Statement is furnished to set forth certain information in connection with the offering and sale by the City of Chicago (the "City") of its $1,110,055,000 aggregate principal amount Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022A (the "2022A Senior Lien Bonds"), its $150,450,000 aggregate principal amount Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022B (the "2022B Senior Lien Bonds"), its $164,420,000 aggregate principal amount Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022C (the "2022C Senior Lien Bonds") and its $343,080,000 aggregate principal amount Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022D (the "2022D Senior Lien Bonds"). The 2022A Senior Lien Bonds, the 2022B Senior Lien Bonds, the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds are referred to collectively herein as the "2022 Senior Lien Bonds."

Certain other capitalized terms used in this Official Statement, unless otherwise defined herein, are defined in APPENDIX A - "GLOSSARY OF TERMS."

AUTHORIZATION

The 2022 Senior Lien Bonds will be issued under the authority granted to the City as a home rule unit of local government under the Illinois Constitution of 1970. The 2022A Senior Lien Bonds will be issued pursuant to an ordinance adopted by the City Council of the City (the “City Council”) on March 28, 2018 (the “2018 O’Hare Financing Ordinance”) and an ordinance adopted by the City Council on October 27, 2021 (the “2021 Omnibus Borrowing Ordinance” and, together with the 2018 O’Hare Financing Ordinance, the "Bond Ordinance"). The 2022B Senior Lien Bonds, the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds will be issued pursuant to the 2021 Omnibus Borrowing Ordinance. Each Series of the 2022 Senior Lien Bonds will also be issued and secured under the Master Indenture of Trust Securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations dated as of June 1, 2018 (as further amended and supplemented from time to time, the "Senior Lien Indenture"), between the City and U.S. Bank Trust Company, National Association, Chicago, Illinois, as trustee (the "Trustee"), as supplemented, respectively (as shown below),” by the Seventy-First Supplemental Indenture dated as of October 1, 2022 (the "Seventy-First Supplemental Indenture"), the Seventy-Second Supplemental Indenture dated as of October 1, 2022 (the "Seventy-Second Supplemental Indenture"), the Seventy-Third Supplemental Indenture dated as of October 1, 2022 (the "Seventy-Third Supplemental Indenture") and the Seventy-Fourth Supplemental Indenture dated as of October 1, 2022 (the "Seventy-Fourth Supplemental Indenture" and collectively with the Seventy-First Supplemental Indenture, the Seventy-Second Supplemental Indenture and the Seventy-Third Supplemental Indenture, the "2022 Supplemental Indentures" and each a "2022 Supplemental Indenture") each between the City and the Trustee. The Senior Lien Indenture was amended and restated as of June 1, 2018 and became effective as of December 3, 2018, to reflect modifications to the agreements between the airlines and the City as set forth in the Airline Use and Lease Agreements (as defined herein). See "SECURITY FOR THE 2022 SENIOR LIEN BONDS-Airline Use and Lease Agreements."

The Senior Lien Indenture grants to the Trustee a first lien on and pledge of Revenues (as defined herein) derived from the operation of Chicago O'Hare International Airport ("O'Hare") to secure, on a parity basis, (i) the 2022 Senior Lien Bonds which are described in this Official Statement, (ii) all of the issued and Outstanding Senior Lien Bonds (as defined herein) and (iii) any other Senior Lien Obligations (as defined herein) issued by the City in accordance with the Senior Lien Indenture. The terms "Revenues," "Senior Lien Obligations" and "Outstanding Senior Lien Obligations" are more fully described and defined under the heading "SECURITY FOR THE 2022 SENIOR LIEN BONDS." The City currently has Outstanding Senior Lien Bonds in the aggregate principal amount of $8,469,785,000 (which amount includes the Refunded Bonds that are Senior Lien Bonds anticipated to be refunded with proceeds of the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds). The Outstanding Senior Lien Bonds, together with the 2022 Senior Lien Bonds, are collectively referred to herein as the "Senior Lien Bonds." See "PLAN OF FINANCE" and APPENDIX H- "BONDS TO BE REFUNDED."

Each Supplemental Indenture and the related Series of 2022 Senior Lien Bonds is described below:

SUPPLEMENTAL INDENTURE	**RELATED 2022 SENIOR LIEN BONDS**
Seventy-First Supplemental Indenture	2022A Senior Lien Bonds
Seventy-Second Supplemental Indenture	2022B Senior Lien Bonds
Seventy-Third Supplemental Indenture	2022C Senior Lien Bonds
Seventy-Fourth Supplemental Indenture	2022D Senior Lien Bonds

For information on the book-entry system operated by DTC (as defined herein), see APPENDIX G - "DESCRIPTION OF BOOK-ENTRY ONLY SYSTEM."

PURPOSE

The proceeds from the sale of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds, together with other available funds, are being used to: (i) pay or reimburse the City for the cost of certain projects for O'Hare constituting "Airport Projects" under the Senior Lien Indenture, including the refunding of Credit Agreement Notes (as defined herein), (ii) increase the sum held in the Common Debt Service Reserve Sub-Fund to the Reserve Requirement, (iii) pay capitalized interest on the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds, (iv) pay a portion of the costs and expenses incidental to the issuance of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds and (v) pay the premium for a municipal bond insurance policy (the "Policy") issued by Assured Guaranty Municipal Corp. (the "Insurer") insuring the 2022A Senior Lien Bonds maturing on January 1 of the years 2028, 2029 and 2045, and in 2053 and bearing interest at a rate of 5.5% (the "Insured 2022A Senior Lien Bonds"). The proceeds from the sale of the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds are being used to: (i) refund certain Outstanding Senior Lien Bonds (collectively, the "Refunded Bonds"), (ii) pay a portion of the costs and expenses incidental to the issuance of the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds and (iii) pay the premium for the Policy insuring the 2022D Senior Lien Bonds maturing on January 1 of the years 2038 and 2039 (the "Insured 2022D Senior Lien Bonds" and, together with the Insured 2022A Senior Lien Bonds, the "Insured 2022 Senior Lien Bonds"). See "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS."

SECURITY FOR THE 2022 SENIOR LIEN BONDS

The 2022 Senior Lien Bonds and the interest thereon will be limited obligations of the City payable from and secured by a pledge of Revenues derived from the operation of O'Hare and will be secured on a parity basis as to Revenues with the City's Outstanding Senior Lien Bonds and such other Senior Lien Obligations as may be outstanding from time to time, as more fully described herein.

The Revenues are substantially derived from payments of rentals, fees and charges made pursuant to the Airline Use and Lease Agreements (as defined herein) by the "Signatory Airlines" that use O'Hare and are signatories to such Airline Use and Lease Agreements. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS-Airline Use and Lease Agreements" for a discussion of the City's covenant to continue to collect rentals, fees and other charges from the airlines using O'Hare. See also APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS."

LIMITED OBLIGATIONS

The 2022 Senior Lien Bonds will not be general obligations of the City and will not constitute an indebtedness or a loan of credit of the City within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the State of Illinois, the City or any other political subdivision of the State of Illinois will be pledged to the payment of the principal of or interest on the 2022 Senior Lien Bonds. The 2022 Senior Lien Bonds are not payable in any manner from revenues raised by taxation. No property of the City (including property located at O'Hare) is pledged as security for the 2022 Senior Lien Bonds.

OUTSTANDING INDEBTEDNESS AT O'HARE AND FUTURE FINANCINGS

The City has financed capital improvements at O'Hare through various sources, including City financings. The City has from time to time issued obligations secured by Revenues, including the Outstanding Senior Lien Obligations secured by Revenues on a senior lien basis, and Chicago O'Hare International Airport Commercial Paper Notes ("Commercial Paper Notes") and Chicago O'Hare International Airport Letter of Credit Agreement Notes ("Credit Agreement Notes") both secured by Revenues on a junior lien basis. The Senior Lien Indenture provides that the City may pledge certain "Other Available Moneys" (as defined in the Senior Lien Indenture) to pay debt service on a Series of Senior Lien Bonds. The City has pledged Other Available Moneys to pay certain maturities of certain Series of Outstanding Senior Lien Bonds. Certain of the Outstanding Senior Lien Obligations are secured by revenue sources which are separate and apart from Revenues, such as Other Available Moneys consisting of a subordinate pledge on all revenues received by the City from the passenger facility charges imposed by the City at O'Hare ("PFC Revenues") and a pledge of Other Available Moneys, consisting of moneys received by the City from the United States of America and agencies thereof, including the FAA pursuant to a Letter of Intent (each a "Grant Letter of Intent") and other discretionary grants (the "Grant Receipts"). For additional information regarding the Grant Receipts and the expected uses of such funds, see APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT-Summary of Findings." In addition, the City has issued PFC Obligations (as defined herein) secured by PFC Revenues, CFC Obligations (as defined herein) secured by customer facility charges ("CFCs") paid by customers of the rental car companies operating at O'Hare, and Special Facility Revenue Bonds secured by payments made by individual airlines and other tenants and licensees pursuant to separate special facility agreements with the City. See "OUTSTANDING INDEBTEDNESS AT O'HARE" and APPENDIX D - "AUDITED FINANCIAL STATEMENTS-Note 4."

The City expects to issue additional indebtedness, from time to time, including Senior Lien Bonds, Commercial Paper Notes, Credit Agreement Notes, PFC Obligations, CFC Obligations and special Facility

Revenue Bonds, to continue implementation and funding of capital projects at O'Hare and refunding of outstanding indebtedness at O'Hare. For a discussion of future financings and financing needs for O'Hare, see "PLAN OF FINANCE," "CAPITAL PROGRAMS" and APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT."

BOND INSURANCE

Concurrently with the issuance of the 2022 Senior Lien Bonds the Insurer will issue the Policy for the Insured 2022 Senior Lien Bonds. The Policy guarantees scheduled payment of principal of and interest on the Insured 2022 Senior Lien Bonds when due as set forth in the form of the Policy included as Appendix I to this Official Statement. For additional information on the Insurer and the Policy, see "BOND INSURANCE" and APPENDIX I — "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

CHICAGO O'HARE INTERNATIONAL AIRPORT

O'Hare is the primary commercial airport for the City. O'Hare occupies over 7,200 acres of land and is located 18 miles northwest of the City's central business district. Based on data from Airports Council International ("ACI") for the 12-month period ended December 2021, O'Hare ranked second in the world in terms of aircraft operations, and fourth in the world in terms of passengers. According to the Chicago Department of Aviation ("CDA"), O'Hare had approximately 84.6 million total enplaned and deplaned passengers in 2019, approximately 30.9 million in 2020 and approximately 54.0 million in 2021. United Airlines and American Airlines each maintains a hub at O'Hare. United Airlines (including its regional affiliates) accounted for 42.9 percent of the enplaned passengers at O'Hare in 2021. American Airlines (including its regional affiliates) accounted for 37.8 percent of the enplaned passengers at O'Hare in 2021. For additional information regarding O'Hare, see "CHICAGO O'HARE INTERNATIONAL AIRPORT," "AIR TRAFFIC ACTIVITY AT O'HARE – Recent Developments at the Airport – COVID-19," "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic," "CERTAIN INVESTMENT CONSIDERATIONS" and APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT."

CAPITAL PROGRAMS

The City has ongoing capital programs at O'Hare that are collectively referred to herein as the "Airport Capital Program" or the "Capital Programs" which include the Terminal Area Plan ("*TAP*"), the expansion of Terminal 5, a three-gate expansion of Terminal 3 Concourse L, and ongoing capital improvement projects. The Airport Capital Program, which includes certain projects that received funding approval under prior airline use and lease agreements that expired on May 11, 2018 (the "*Prior Use Agreements*") as well as the projects approved in the Airline Use and Lease Agreement, was developed under O'Hare 21, a City initiative to improve the airport's connectivity, efficiency and capacity, and ensure the success of the Airport into the 21st century.

In March 2018, the City announced approximately $8.5 billion (in 2018 dollars) of new O'Hare projects approved under the Chicago O'Hare International Airport Airline Use and Lease Agreement approved by an ordinance adopted by the City Council on March 28, 2018, and consisting of multiple substantially similar agreements entered into between the City and various companies engaged in the commercial transportation by air of persons, property, mail, parcels and/or cargo at O'Hare (the "*Signatory Airlines*"), as such agreements may be extended, amended or supplemented from time to time in accordance with their terms (the "*Airline Use and Lease Agreements*"). The projects include three sets of projects, as defined in the Airline Use and Lease Agreements (i) the TAP; (ii) specific capital improvement projects approved by the Signatory Airlines as part of their execution of the Airline Use and Lease Agreements (the "*Pre-Approved CIP Projects*"); and (iii) other Pre-Approved Allowances for major capital maintenance and infrastructure reliability projects (the "*Pre-Approved Allowances*"). These projects and their funding are described herein and in the Report of the Airport Consultant (as defined herein). See "CAPITAL DEVELOPMENT PROGRAMS" and APPENDIX E —"REPORT OF THE AIRPORT CONSULTANT."

PROJECTS FUNDED WITH 2022A SENIOR LIEN BONDS AND 2022B SENIOR LIEN BONDS

The 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds are being issued to fund portions of the Airport Capital Program. See "CAPITAL PROGRAMS." For a more detailed discussion of the projects funded with proceeds of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds and future financings, see APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT."

REGIONAL AIRPORT OVERSIGHT

The City operates O'Hare and Chicago Midway International Airport ("Midway") through the CDA as separate and distinct enterprises for financial purposes. The 2022 Senior Lien Bonds are not secured by any revenues generated, or property located, at Midway. See "CHICAGO O'HARE INTERNATIONAL AIRPORT-Other Commercial Service Airports Serving The Chicago Region" herein. On April 15, 1995, the City and the City of Gary, Indiana entered into the Compact (as defined herein) with respect to the relationship among O'Hare, Midway, Merrill C. Meigs Field* and the Gary/Chicago Airport (now known as Gary/Chicago International Airport). Gary/Chicago International Airport is owned by the City of Gary, Indiana. See "CHICAGO O'HARE INTERNATIONAL AIRPORT-Regional Authority."

CERTAIN INVESTMENT CONSIDERATIONS

The 2022 Senior Lien Bonds may not be suitable for all investors. Prospective purchasers of the 2022 Senior Lien Bonds should read this entire Official Statement for details of the 2022 Senior Lien Bonds, the use of the proceeds of the 2022 Senior Lien Bonds, the financial condition of the airlines and certain other factors that could adversely affect the airline industry, including specifically the information under the captions "CERTAIN INVESTMENT CONSIDERATIONS," "AIR TRAFFIC ACTIVITY AT O'HARE – Recent Developments at the Airport – COVID-19" and "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic."

REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant (the *"Report of the Airport Consultant"*) prepared by Ricondo & Associates, Inc., the City's airport consultant (the *"Airport Consultant"*), included as APPENDIX E, provides certain information with respect to O'Hare and the Capital Programs, evaluates aviation activity at O'Hare and presents the analysis undertaken by the Airport Consultant to demonstrate the ability of the City to comply with the requirements of the Senior Lien Indenture on a pro forma basis for Fiscal Years 2022 through 2032 based on the assumptions set forth therein (the "Projections"). The Report of the Airport Consultant is described more fully under the caption "AIRPORT CONSULTANT" herein. The final maturity date of each Series of the 2022 Senior Lien Bonds extends beyond the period of the Projections. Projections contained in the Report of the Airport Consultant are based on assumptions set forth therein.

As noted below under "-Regarding Use of the Official Statement—*Forward Looking Statements,*" any projection, including, but not limited to those contained in the Report of the Airport Consultant, is subject to uncertainties, including the possibility that some of the assumptions used to develop the projections will not be realized and that unanticipated events and circumstances will occur. Accordingly,

* Meigs Field was closed in March 2003.

there are likely to be differences between projections and actual results, which differences could be material. See APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT."

REGARDING USE OF THE OFFICIAL STATEMENT

Forward Looking Statements. All statements other than statements of historical facts included in this Official Statement are forward looking statements, including, without limitation: (a) statements concerning projections of future passenger activity at O'Hare and of future financial performance at O'Hare (see APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT"), (b) statements of the plans and objectives of the City in relation to the Capital Programs (see "CHICAGO O'HARE INTERNATIONAL AIRPORT," "AIR TRAFFIC ACTIVITY AT O'HARE" and "CAPITAL PROGRAMS"), (c) statements concerning projections regarding developments and impact of COVID-19 (see "AIR TRAFFIC ACTIVITY AT O'HARE" and "CERTAIN INVESTMENT CONSIDERATIONS") and (d) assumptions relating to the statements described in clauses (a) and (b) above (collectively, the "Forward Looking Statements"). See "CERTAIN INVESTMENT CONSIDERATIONS-Forward Looking Statements."

Projections. The Projections set forth in the Report of the Airport Consultant or otherwise in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the City's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the O'Hare. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the prospective financial information. Neither the City's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability. Such parties assume no responsibility for, and disclaim any association with, the prospective financial information.

The City has included the Report of the Airport Consultant based upon the Airport Consultant's expertise in the aviation industry. The Airport Consultant believes that the expectations reflected in the Forward Looking Statements are reasonable. However, there can be no assurance that the expectations contained in the Forward-Looking Statements, including those set forth in the Report of the Airport Consultant, will be achieved. Important factors that could cause actual results to differ materially from the current expectations of the Airport Consultant are discussed in this Official Statement.

Glossary of Terms; Document Summaries. This Official Statement contains summaries of the terms of and security for the 2022 Senior Lien Bonds, together with descriptions of O'Hare and its operations. A Glossary of Terms used in the Senior Lien Indenture is included as APPENDIX A, a summary of certain provisions of the Senior Lien Indenture is included as APPENDIX B and a summary of certain provisions of the Airline Use and Lease Agreements is included as APPENDIX C. APPENDIX A- "GLOSSARY OF TERMS" contains terms of general applicability, which are used herein, and terms related to the Senior Lien Indenture and the Airline Use and Lease Agreements as set forth therein. Certain capitalized terms not otherwise defined herein are defined as set forth in APPENDIX A. All references to the 2022 Senior Lien Bonds are further qualified by references to the information with respect to them contained in the Senior Lien Indenture. All references herein to agreements and documents are qualified in their entirety by references to the definitive forms of the agreement or document.

THE 2022 SENIOR LIEN BONDS

GENERAL

The 2022 Senior Lien Bonds will mature on January 1 of the years and in the amounts shown on the inside cover pages hereof and will be dated as of their date of delivery. The 2022 Senior Lien Bonds will bear a fixed rate of interest until their final maturity or earlier redemption at the rates per annum set forth on the inside cover pages hereof. Interest on the 2022 Senior Lien Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2023.

The 2022 Senior Lien Bonds will be subject to redemption as described below under "Redemption Provisions."

The 2022 Senior Lien Bonds will be issued only as fully registered bonds. The 2022 Senior Lien Bonds will be issued in denominations that are integral multiples of $5,000. The 2022 Senior Lien Bonds will be initially registered through a book entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Details of payments of the 2022 Senior Lien Bonds when in the book entry form and the book entry only system are described in APPENDIX G - "DESCRIPTION OF BOOK–ENTRY ONLY SYSTEM." Except as described in APPENDIX G, beneficial owners of the 2022 Senior Lien Bonds will not receive or have the right to receive physical delivery of 2022 Senior Lien Bonds, and will not be or be considered under the Senior Lien Indenture to be the Registered Owners thereof. Accordingly, beneficial owners must rely upon (i) the procedures of DTC and, if such beneficial owner is not a DTC Participant, the DTC Participant who will act on behalf of such beneficial owner to receive notices and payments of principal and interest on the 2022 Senior Lien Bonds and to exercise voting rights, and (ii) the records of DTC and, if such beneficial owner is not a DTC Participant, such beneficial owner's DTC Participant, to evidence its beneficial ownership of 2022 Senior Lien Bonds. As long as DTC or its nominee is the Registered Owner of 2022 Senior Lien Bonds, references herein to Bondholders or Registered Owners of such 2022 Senior Lien Bonds shall mean DTC or its nominee and shall not mean the beneficial owners of such 2022 Senior Lien Bonds.

REDEMPTION PROVISIONS

Optional Redemption Provisions.

2022A Senior Lien Bonds. The 2022A Senior Lien Bonds maturing on (i) January 1, 2048 and bearing interest at 4.500% and (ii) January 1, 2053 (regardless of interest rate) (collectively, the "2031 Optional Redemption 2022A Senior Lien Bonds") are subject to redemption at the option of the City on or after January 1, 2031, as a whole or in part at any time, and if in part, from such maturities as the City shall determine and by lot for the 2031 Optional Redemption 2022A Senior Lien Bonds of the same maturity and interest rate, at a redemption price equal to the principal amount of each 2031 Optional Redemption 2022A Senior Lien Bond to be redeemed, plus accrued interest to the date of redemption.

The 2022A Senior Lien Bonds (other than the 2031 Optional Redemption 2022A Senior Lien Bonds) maturing on and after January 1, 2042 are subject to redemption at the option of the City on or after January 1, 2032, as a whole or in part at any time, and if in part, from such maturities as the City shall determine and by lot for the 2022A Senior Lien Bonds of the same maturity and interest rate, at a redemption price equal to the principal amount of each 2022A Senior Lien Bond to be redeemed, plus accrued interest to the date of redemption.

2022B Senior Lien Bonds. The 2022B Senior Lien Bonds are subject to redemption at the option of the City on or after January 1, 2031, as a whole or in part at any time, and if in part, from such 2022B

Senior Lien Bonds as the City shall determine and by lot for 2022B Senior Lien Bonds bearing interest at the same rate, at a redemption price equal to the principal amount of each 2022B Senior Lien Bond to be redeemed, plus accrued interest to the date of redemption.

2022C Senior Lien Bonds. The 2022C Senior Lien Bonds maturing on and after January 1, 2033, are subject to redemption at the option of the City on or after January 1, 2032, as a whole or in part at any time, and if in part, from such maturities as the City shall determine and by lot for the 2022C Senior Lien Bonds of the same maturity, at a redemption price equal to the principal amount of each 2022C Senior Lien Bond to be redeemed, plus accrued interest to the date of redemption.

2022D Senior Lien Bonds. The 2022D Senior Lien Bonds maturing on and after January 1, 2033, are subject to redemption at the option of the City on or after January 1, 2032, as a whole or in part at any time, and if in part, from such maturities as the City shall determine and by lot for the 2022D Senior Lien Bonds of the same maturity, at a redemption price equal to the principal amount of each 2022D Senior Lien Bond to be redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption Provisions.

2022A Senior Lien Bonds. The 2022A Senior Lien Bonds maturing on January 1, 2045 are subject to mandatory redemption, in part and by lot, by the application of Sinking Fund Payments on January 1 of each of the years and in the respective principal amounts set forth below at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption:

Year	Amount
2043	$17,355,000
2044	16,475,000
2045†	44,755,000

† Final Maturity

The 2022A Senior Lien Bonds maturing on January 1, 2048 and bearing interest at 4.500% are subject to mandatory redemption, in part and by lot, by the application of Sinking Fund Payments on January 1 of each of the years and in the respective principal amounts set forth below at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption:

Year	Amount
2046	$34,765,000
2047	52,515,000
2048†	54,890,000

† Final Maturity

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The 2022A Senior Lien Bonds maturing on January 1, 2048 and bearing interest at 5.000% are subject to mandatory redemption, in part and by lot, by the application of Sinking Fund Payments on January 1 of each of the years and in the respective principal amounts set forth below at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption:

Year	Amount
2046	$12,340,000
2047	18,940,000
2048†	19,735,000

† Final Maturity

The 2022A Senior Lien Bonds maturing on January 1, 2053 and bearing interest at 4.625% are subject to mandatory redemption, in part and by lot, by the application of Sinking Fund Payments on January 1 of each of the years and in the respective principal amounts set forth below at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption:

Year	Amount
2050	$20,135,000
2051	21,110,000
2052	22,135,000
2053†	37,450,000

† Final Maturity

The 2022A Senior Lien Bonds maturing on January 1, 2053 and bearing interest at 5.250% are subject to mandatory redemption, in part and by lot, by the application of Sinking Fund Payments on January 1 of each of the years and in the respective principal amounts set forth below at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption:

Year	Amount
2050	$29,490,000
2051	31,220,000
2052	33,130,000
2053†	52,370,000

† Final Maturity

The 2022A Senior Lien Bonds maturing on January 1, 2053 and bearing interest at 5.500% are subject to mandatory redemption, in part and by lot, by the application of Sinking Fund Payments on January 1 of each of the years and in the respective principal amounts set forth below at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption:

Year	Amount
2050	$48,790,000
2051	51,115,000
2052	53,455,000
2053†	96,640,000

† Final Maturity

Each of the foregoing term bonds is a discrete maturity of the 2022 Senior Lien Bonds. If the City redeems the 2022A Senior Lien Bonds, subject to mandatory redemption pursuant to optional redemption or purchases such 2022A Senior Lien Bonds subject to mandatory redemption and cancels the same, then an amount equal to the principal amount of the 2022A Senior Lien Bonds of such maturity so redeemed or purchased shall be deducted from the Principal Installments as provided for such 2022A Senior Lien Bonds of such maturity in such order as the Chief Financial Officer of the City shall determine.

Redemption Procedures. Notice of redemption of the 2022 Senior Lien Bonds identifying the 2022 Senior Lien Bonds or portions thereof to be redeemed, and specifying the redemption date, the redemption price, the places and dates of payment, that from the redemption date interest will cease to accrue, and whether the redemption (in the case of an optional redemption) is conditioned upon sufficient moneys being available on the redemption date (or any other condition), shall be given by the Trustee by mailing a copy of such redemption notice, not less than 30 days nor more than 60 days prior to the date fixed for redemption, to the Registered Owner of each such 2022 Senior Lien Bond to be redeemed in whole or in part at the address shown on the registration books. Redemption notices will be sent by first class mail, except that notices to Registered Owners of at least $1,000,000 of 2022 Senior Lien Bonds of the same Series shall be sent by registered mail. Failure to mail any such notice to the Registered Owner of any such 2022 Senior Lien Bond or any defect therein shall not affect the validity of the proceedings for such redemption of such 2022 Senior Lien Bond. Any such notice mailed as described above shall be conclusively presumed to have been duly given, whether or not the Registered Owner of any 2022 Senior Lien Bond receives the notice.

If a 2022 Senior Lien Bond is of a denomination larger than $5,000, all or a portion of such 2022 Senior Lien Bond (in a denomination of $5,000 or any integral multiple thereof) may be redeemed, but such 2022 Senior Lien Bond shall be redeemed only in a principal amount equal to $5,000 or any integral multiple thereof. Upon surrender of any 2022 Senior Lien Bond for redemption in part only, the City shall execute and the Trustee shall authenticate and deliver to the Registered Owner thereof, at the expense of the City, a new 2022 Senior Lien Bond or 2022 Senior Lien Bonds of the same Series, maturity and interest rate and of authorized denominations, in aggregate principal amount equal to the unredeemed portion of the 2022 Senior Lien Bond surrendered.

Selection of 2022 Senior Lien Bonds to be Redeemed. If fewer than all of the 2022 Senior Lien Bonds of the same Series, maturity and interest rate are called for redemption, such 2022 Senior Lien Bonds (or portions thereof) to be redeemed shall be selected by lot by the Trustee (except at any time when such 2022 Senior Lien Bonds are held in the DTC book entry system, in which case selection of such 2022 Senior Lien Bonds to be redeemed will be by lot in accordance with procedures established by DTC).

For information on the book-entry system operated by DTC, see APPENDIX G – "DESCRIPTION OF BOOK-ENTRY ONLY SYSTEM."

SECURITY FOR THE 2022 SENIOR LIEN BONDS

GENERAL

Overview. The 2022 Senior Lien Bonds and the interest thereon are limited obligations of the City payable from and secured by a pledge of Revenues derived from the operations of O'Hare and certain funds, sub-funds and accounts maintained under the Senior Lien Indenture and do not constitute an indebtedness or a loan of credit of the City within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the State of Illinois, the City or any other political subdivision of the State of Illinois is pledged to the payment of the principal of, premium, if any, or interest on the 2022 Senior Lien Bonds. The 2022 Senior Lien Bonds are not payable in any manner from revenues raised by taxation. No property of the City (including property located at O'Hare) is pledged as security for the 2022 Senior Lien Bonds.

As described below, the claim of the holders of the Senior Lien Obligations, including holders of the 2022 Senior Lien Bonds, to Revenues of O'Hare is a first lien on and pledge of such Revenues and is senior to the claim of any Junior Lien Obligations. The 2022 Senior Lien Bonds are secured on a parity basis with the City's Outstanding Senior Lien Obligations. Subject to certain conditions set forth in the Senior Lien Indenture, the City may issue additional Senior Lien Bonds (the "Additional Senior Lien Bonds") or incur other Senior Lien Obligations that will be secured on a parity basis with the 2022 Senior Lien Bonds and the City's other Senior Lien Obligations. See "OUTSTANDING INDEBTEDNESS AT O'HARE-Airport Obligations-Issuance of Additional Airport Obligations" and "CAPITAL PROGRAMS."

As used in this Official Statement the following terms shall have the meanings as set forth below:

"Senior Lien Obligations" means the 2022 Senior Lien Bonds, all Outstanding Senior Lien Bonds, and other obligations of the City payable from Revenues, other than Junior Lien Obligations, including any obligations of the City under a Qualified Senior Lien Swap Agreement and obligations incurred by the City to reimburse the issuers of any letters of credit or bond purchase agreements securing one or more Series of Senior Lien Bonds.

"Junior Lien Obligations" means Commercial Paper Notes, Credit Agreement Notes, and other obligations payable from Revenues on a junior lien basis to Senior Lien Obligations.

"Airport Obligations" refers to and includes all obligations payable from Revenues, including Senior Lien Obligations and Junior Lien Obligations.

The Senior Lien Indenture provides that in addition to the Revenues, Senior Lien Bonds may be secured by and payable from "Pledged Other Available Moneys" pledged to the payment thereof under the Supplemental Indenture securing such Series of Senior Lien bonds.

The 2022 Senior Lien Bonds will be payable solely from and secured by a pledge of Revenues.

DESCRIPTION OF REVENUES

General. "Revenues" consist of all amounts received or receivable, directly or indirectly, by the City for the use and operation of, or with respect to, O'Hare provided, however, Revenues does not include: (i) interest accruing on, and any profit from the investment of, moneys in any fund or account of O'Hare that is not available by agreement or otherwise for deposit into the Revenue Fund; (ii) Government Grants in Aid; (iii) the proceeds of any PFC, CFC or similar tax or charge levied by or on behalf of the City including but not limited to, any cargo facility charge or security charge; (iv) insurance proceeds, except to the extent such moneys are deemed revenues in accordance with generally accepted accounting principles, and condemnation award proceeds; (v) amounts derived by the City from Special Facility Financing Arrangements, but only to the extent such moneys are required to pay the principal of, premium, if any, and interest on Special Facility Revenue Bonds and other payments required by Special Facility Financing Arrangements; (vi) the proceeds of any borrowing by the City; (vii) the proceeds of any tax levied by or on behalf of the City; (viii) security deposits and the proceeds of the sale of any O'Hare property; and (ix) unless otherwise provided in a Supplemental Indenture, any Released Revenues.

"Released Revenues" means any Revenues in respect of which the Trustee has received the following: (i) a request from the City to exclude such Revenues from the pledge and lien of the Senior Lien Indenture; (ii) a Certificate of an Independent Airport Consultant, based upon reasonable assumptions, to the effect that Revenues, after Revenues covered by such request are excluded for each of the five full Fiscal Years following the Fiscal Year in which such certificate is delivered, will be sufficient to enable the City to satisfy the debt service coverage covenant described in the first paragraph under the subcaption " – Debt Service Coverage Covenants" below in each of those five Fiscal Years; (iii) an opinion of counsel to the effect that (a) the conditions to the release of such Revenues have been met, and (b) the exclusion of such Revenues from the pledge and lien of the Senior Lien Indenture will not, in and of itself, cause the interest on any Outstanding Senior Lien Obligations to be included in gross income for purposes of federal income taxation; and (iv) written confirmation from each of the Rating Agencies to the effect that the exclusion of such Revenues from the pledge and lien of the Senior Lien Indenture will not cause a withdrawal or reduction in any unenhanced rating then assigned to any Senior Lien Obligations.

For a complete definition of Revenues, see APPENDIX A - "GLOSSARY OF TERMS." For a general description of the application of Revenues under the Senior Lien Indenture, see "-Flow of Funds" below and APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE-Source of Payment; Pledge of Revenues and Other Moneys."

The Senior Lien Indenture creates the Revenue Fund to be held and administered by the Trustee as provided in the Senior Lien Indenture. The Senior Lien Indenture requires that all Revenues shall be collected by the City and promptly deposited to the credit of the Revenue Fund.

Certain Aviation Fuel Taxes Excluded from Revenues. Pursuant to the Airport and Airway Safety and Capacity Expansion Act of 1987 (P.L. No. 100-223) (the "1987 Airport Act"), aviation fuel taxes imposed at airports which have received federal grant funds must generally be used for airport capital and operating costs or for a state aviation program or for noise mitigation purposes on or off the airport. However, certain provisions of the 1987 Airport Act authorize the City to use aviation fuel tax revenues generated from aviation fuel taxes at the per gallon rate in effect at O'Hare on December 30, 1987, for other than such permitted airport-related purposes (such provisions of the 1987 Airport Act are referenced in the "Revenue Use Policy" related to such act as "grandfathered"). Such portion of aviation fuel tax revenues do not constitute Revenues pledged to secure the Senior Lien Bonds under the Senior Lien Indenture, and no pledged Revenues are covered by this 1987 Airport Act provision.

O'HARE REVENUES MUST BE USED FOR AIRPORT PURPOSES

The Senior Lien Indenture provides that moneys and securities held by the City in the Airport General Fund, may be applied, used and withdrawn by the City for any lawful corporate purpose. See "-Flow of Funds" for a description of the Airport General Fund. The Senior Lien Indenture also provides that the City will comply with all valid acts, rules, regulations, orders and directives of any governmental, legislative, executive, administrative or judicial body applicable to O'Hare, unless the City contests them in good faith, all to the end that O'Hare will remain operational at all times.

As a recipient of federal grants for O'Hare, the City is required by federal law, including, without limitation, grant assurances applicable to the City under grant agreements with the Federal Aviation Administration ("FAA"), to use all revenues generated at O'Hare, including all Revenues, for the capital or operating costs of O'Hare, the local airport system, or other local facilities which are owned or operated by the City and directly and substantially related to the air transportation of passengers or property.

Any diversion by the City of revenues generated at O'Hare, including Revenues, in violation of federal law or the City's grant assurances, would subject the City to potential enforcement actions by the FAA, including: (i) withholding Airport Improvement Program ("AIP") grant funds, approval of AIP grant applications, modifications of existing AIP grants and approval of applications to impose and use PFCs; and/or (ii) assessment of a civil penalty for unlawful revenue diversion of up to $50,000; and/or (iii) seeking judicial enforcement for violation of any grant assurance; and/or (iv) assessment of a civil penalty up to three times the amount of the diverted revenue; and/or (v) assessment of interest on the amount of diverted revenue; and/or (vi) withholding any amount from funds otherwise available to the City from the United States Department of Transportation ("*USDOT*"), including funds for other transportation projects, such as transit or multimodal projects; and/or (vii) exercise by the FAA of its right of reverter and, on behalf of the United States, taking title to all or any part of federal property interests previously conveyed by the federal government to the City.

In addition, any diversion by the City of revenues generated at O'Hare, including Revenues, in violation of the City's grant assurances or federal law may result in a default under the Senior Lien Indenture, which, upon becoming an Event of Default under the Senior Lien Indenture, could result in the exercise by the Trustee of the remedies under the Senior Lien Indenture. See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE-Remedies."

DESCRIPTION OF GRANT RECEIPTS

Grant Receipts consist of moneys received by the City for use at O'Hare from the United States of America and agencies thereof, including from Grant Letters of Intent and other discretionary FAA grants. For additional information regarding Grant Receipts, see APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT – Summary of Findings."

PLEDGE OF REVENUES

Revenues. The Senior Lien Indenture authorizes the issuance of Senior Lien Obligations, without limit as to amount but subject to compliance by the City with certain covenants as to the issuance of additional Senior Lien Obligations, for the purpose of financing "Airport Projects" (as defined in the Senior Lien Indenture), refunding obligations issued to finance Airport Projects and related purposes. Senior Lien Obligations are secured by, and payable from, Revenues paid to the Trustee for deposit into the Revenue Fund established under the Senior Lien Indenture. Pursuant to the Senior Lien Indenture, such Revenues are pledged on a parity basis to the payment of the principal of, premium, if any, and interest on all Senior Lien Obligations (including the 2022 Senior Lien Bonds).

Revenues deposited into the Revenue Fund are allocated monthly to the Operation and Maintenance Fund and semi-annually to the other Senior Lien Indenture Funds, including the Debt Service Fund. Moneys in the Debt Service Fund are then allocated to Dedicated Sub-Funds, including the Common Debt Service Reserve Sub-Fund and any separate debt service reserve fund, to satisfy the then current Deposit Requirements. See "-Flow of Funds" below.

Each 2022 Supplemental Indenture establishes with the Trustee a separate and segregated sub-fund within the Debt Service Fund (the "2022 Senior Lien Dedicated Sub-Funds," each a "2022 Senior Lien Dedicated Sub-Fund"). Each 2022 Senior Lien Dedicated Sub-Fund and each Account established therein are held solely for the benefit of the Registered Owners of the 2022 Senior Lien Bonds issued pursuant to the applicable 2022 Supplemental Indenture. Moneys on deposit in a particular 2022 Senior Lien Dedicated Sub-Fund are not to be used or available for payment of any other Airport Obligations including other 2022 Senior Lien Bonds.

For a general description of the application of Revenues, see "Payment of Debt Service on the 2022 Senior Lien Bonds" below and APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE-Source of Payment; Pledge of Senior Lien Revenues and Other Moneys."

Other Available Moneys. The Senior Lien Indenture permits the City, at its option, to transfer to the Trustee Other Available Moneys to pay the principal of and interest on the Senior Lien Bonds in addition to Revenues. "Other Available Moneys" means, for any Fiscal Year, the amount of money determined by the Chief Financial Officer to be transferred to the Revenue Fund from sources other than Revenues.

FLOW OF FUNDS

General. Revenues and expenses of O'Hare are accounted for as a separate enterprise fund of the City, subject to the provisions of the Senior Lien Indenture. Under the Senior Lien Indenture, Revenues, including amounts collected by the City to satisfy deposit requirements established in any resolution, ordinance or indenture securing Airport Obligations, are required to be deposited to the credit of the Revenue Fund in the name of the Trustee with a depository or depositories, each fully qualified under the provisions of the Senior Lien Indenture to receive the same as deposits of money held by the Trustee. The Trustee shall be accountable only for moneys actually so deposited.

Flow of Funds. Moneys in the Revenue Fund shall be disbursed and applied by the Trustee as required to make the following deposits on the dates and in the amount provided:

(a) On the tenth day of each month, the Trustee shall transfer to the City for deposit into the Operation and Maintenance Fund an amount equal to one-twelfth of the amount provided in the then current Operation and Maintenance Expense Projection for the current Fiscal Year; provided, however, that if the latest projection in accordance with the Airline Use and Lease Agreements contains an adjustment of Operation and Maintenance Expenses (exclusive of required deposits in the Operations and Maintenance Reserve Fund and the Supplemental O&M Reserve Fund), the amount required to be deposited in the Operation and Maintenance Fund each month of such Fiscal Year shall be increased or decreased as appropriate by an amount equal to the amount of such adjustment multiplied by a fraction the numerator of which is 1 and the denominator of which is the number of monthly deposits to the Operation and Maintenance Fund to be made for the remainder of the Fiscal Year;

(b) On the Business Day of the Trustee immediately preceding each January 1 and July 1, the Trustee shall make the following deposits in the manner and order of priority set forth:

First, into the Debt Service Fund the amount, if any, necessary to increase the amount on deposit therein to an amount sufficient to fund the Deposit Requirements corresponding to that January 1 or July 1;

Second, to the City for deposit into the Operation and Maintenance Reserve Fund, an amount equal to one-half of the Operation and Maintenance Reserve Fund Deposit Requirement, if any, for the Fiscal Year which includes such January 1 and July 1; provided, however, that if the latest projection contains an adjustment of Operation and Maintenance Expenses, then the amount required to be deposited in the Operation and Maintenance Reserve Fund with respect to each July 1 shall be increased or decreased as appropriate by an amount equal to the amount of such adjustment;

Third, to the City for deposit into the Maintenance Reserve Fund an amount equal to the lesser of (i) $1,500,000 and (ii) the amount, if any, required to increase the amount on deposit therein to $3,000,000;

Fourth, into the Junior Lien Obligation Debt Service Fund an amount, if any, equal to the amount required by any resolution or ordinance authorizing the issuance of Junior Lien Obligations to be deposited therein on such date and without priority, one over the other, to any sub-funds or accounts within the Junior Lien Obligation Debt Service Fund, the amount specified by a Certificate filed with the Trustee;

Fifth, to the City for deposit into the Supplemental O&M Reserve Fund an amount equal to one-half of the Supplemental O&M Reserve Fund Deposit Requirement, if any, for the Fiscal Year which includes such January 1 and July 1; provided, however, that if the latest projection contains an adjustment of Operation and Maintenance Expenses, then the amount required to be deposited into the Supplemental O&M Reserve Fund with respect to each July 1 shall be increased or decreased as appropriate by an amount equal to the amount of such adjustment; and

Sixth, to the City for deposit into the Airport General Fund, any amount remaining in the Revenue Fund unless the City shall have filed with the Trustee a Certificate specifying a lesser amount, in which case the amount specified by the City in the Certificate shall be the amount to be transferred to the City at such time for deposit into the Airport General Fund.

If at the time deposits are required to be made as described under paragraphs (a) or (b) above, the moneys held in the Revenue Fund are insufficient to make any required deposit, the deposit shall be made up on the next applicable deposit date after required deposits into all other Funds enjoying a higher priority shall have been made in full.

The City shall be mandatorily and irrevocably obligated to apply moneys in the Maintenance Reserve Fund to make up any deficiencies in the Debt Service Fund. In the event moneys are so applied from the Maintenance Reserve Fund, the amount applied shall be restored on the next applicable deposit date after all other Fund deposits enjoying a higher priority shall have been made in full.

Amounts on deposit in the Debt Service Fund, the Operation and Maintenance Fund, the Operation and Maintenance Reserve Fund, the Maintenance Reserve Fund, the Junior Lien Obligation Debt Service Fund and the Supplemental O&M Reserve Fund in excess of the amount required under the Senior Lien Indenture or under any Supplemental Indenture, or under any ordinance or resolution authorizing the issuance of Junior Lien Obligations to be on deposit in such Fund at the end of such Fiscal Year shall be transferred to the Revenue Fund.

All moneys held by the City in the Airport General Fund may be applied, used and withdrawn by the City for any lawful airport purpose of O'Hare, free from any lien or security interest in favor of the Trustee and the owners of Senior Lien Obligations. See "-O'Hare Revenues Must Be Used For Airport Purposes" and APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE-Indenture Funds and Payment of Debt Service – Disbursements from Revenue Fund."

Flow of Funds Table. The table on the following page sets forth, in simplified form, the flow of funds described above.

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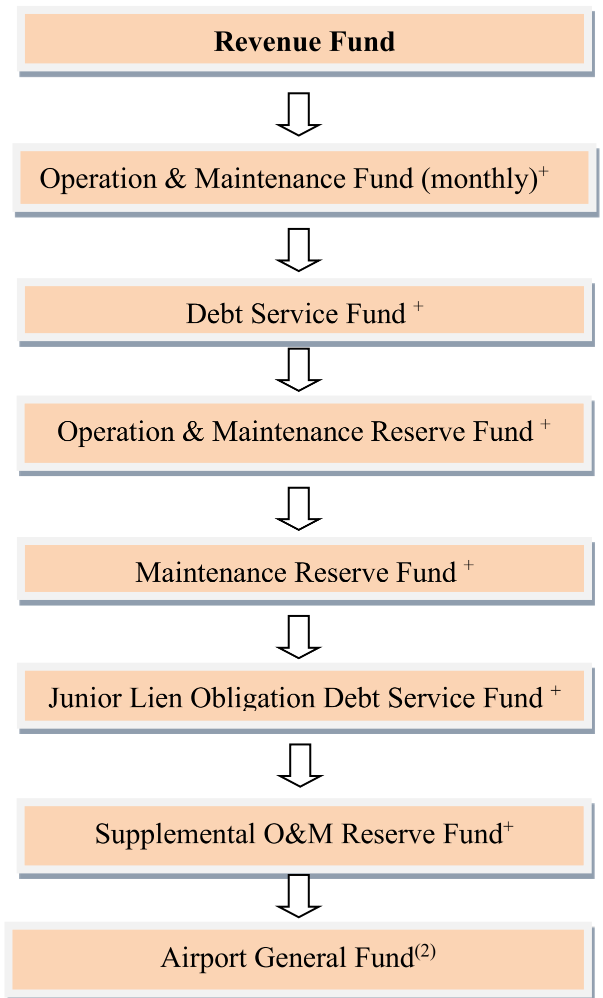
FLOW OF FUNDS[1]



+Balance at Fiscal Year end transferred to Revenue Fund.
Source: Senior Lien Indenture.
[1] This chart represents a simplified description of disbursements from the Revenue Fund. For a detailed description of the disbursements from the Revenue Fund, see "– Flow of Funds," above.
[2] Moneys in the Airport General Fund may be applied, used and withdrawn by the City for any lawful airport purpose of O'Hare, free from any lien or security interest in favor of the Trustee and the owners of Senior Lien Obligations. See "– O'Hare Revenues Must Be Used For Airport Purposes," above.

PAYMENT OF DEBT SERVICE ON THE 2022 SENIOR LIEN BONDS

General. The moneys in the Debt Service Fund are to be disbursed and applied by the Trustee as required by the provisions of the Senior Lien Indenture, or by the provisions of any Supplemental Indenture creating a Series of Senior Lien Obligations (including the applicable 2022 Supplemental Indenture creating each Series of the 2022 Senior Lien Bonds), or by any instrument creating Senior Lien Obligations. The Trustee shall segregate within the Debt Service Fund and credit to (i) the Common Debt Service Reserve Sub-Fund, such amounts as may be required to be so credited under the Senior Lien Indenture and (ii) such Dedicated Sub-Funds, accounts and sub accounts therein as may have been created for the benefit of such Senior Lien Obligations such amounts as may be required to be so credited under the provisions of such Supplemental Indenture or instrument creating Senior Lien Obligations to pay the principal of and interest on such Senior Lien Obligations. See APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE-Indenture Funds and Payment of Debt Service."

Each Series of the 2022 Senior Lien Bonds will be payable from Revenues allocated to the Dedicated Sub-Fund established for that Series by the applicable 2022 Supplemental Indenture within the Debt Service Fund.

2022A Senior Lien Bonds. On January 1 and July 1 of each year, commencing January 1, 2023 (each such date referred to herein as the "Deposit Date"), there will be deposited into the 2022A Senior Lien Dedicated Sub-Fund from amounts on deposit in the Debt Service Fund, an amount equal to the aggregate of the following amounts, which amounts shall have been calculated by the Trustee on the next preceding December 5 or June 5 (in the case of each January 1 or July 1, respectively) (such aggregate amount with respect to any Deposit Date being referred to herein as the "2022A Deposit Requirement"):

(a) for deposit into the "2022A Senior Lien Principal and Interest Account," an amount equal to the aggregate of: (i) one half of the Principal Installment, if any, coming due on the 2022A Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2022A Senior Lien Bonds on the current Deposit Date reduced (i) by moneys transferred from the 2022A Senior Lien Capitalized Interest Account and (ii) in the case of each January 1 Deposit Date, by investment earnings credited as of the immediately prior calculation date to the 2022A Senior Lien Principal and Interest Account; and

(b) for deposit into the "2022A Senior Lien Program Fee Account," the amount estimated by the City to be required as of the close of business on such Deposit Date to pay all fees and expenses with respect to the 2022A Senior Lien Bonds during the semiannual period commencing on such Deposit Date.

In addition to the 2022A Deposit Requirement, there shall be deposited into the 2022A Senior Lien Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Senior Lien Indenture or the Seventy-First Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2022A Senior Lien Dedicated Sub-Fund and to one or more accounts therein.

2022B Senior Lien Bonds. On each Deposit Date of each year, commencing January 1, 2023, there will be deposited into the 2022B Senior Lien Dedicated Sub-Fund from amounts on deposit in the Debt Service Fund, an amount equal to the aggregate of the following amounts, which amounts shall have been calculated by the Trustee on the next preceding December 5 or June 5 (in the case of each January 1 or July 1, respectively) (such aggregate amount with respect to any Deposit Date being referred to herein as the "2022B Deposit Requirement"):

(a) for deposit into the "2022B Senior Lien Principal and Interest Account," an amount equal to the aggregate of: (i) one-half of the Principal Installment, if any, coming due on the 2022B Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2022B Senior Lien Bonds on the current Deposit Date reduced (i) by moneys transferred from the 2022B Senior Lien Capitalized Interest Account and (ii), in the case of each January 1 Deposit Date, by investment earnings credited as of the immediately prior calculation date to the 2022B Senior Lien Principal and Interest Account; and

(b) for deposit into the "2022B Senior Lien Program Fee Account," the amount estimated by the City to be required as of the close of business on such Deposit Date to pay all fees and expenses with respect to the 2022B Senior Lien Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2022B Deposit Requirement, there shall be deposited into the 2022B Senior Lien Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Senior Lien Indenture or the Seventy-Second Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2022B Senior Lien Dedicated Sub-Fund and to one or more accounts therein.

2022C Senior Lien Bonds. On January 1 and July 1 of each year, commencing January 1, 2023, there will be deposited into the 2022C Senior Lien Dedicated Sub-Fund from amounts on deposit in the Debt Service Fund, an amount equal to the aggregate of the following amounts, which amounts shall have been calculated by the Trustee on the next preceding December 5 or June 5 (in the case of each January 1 or July 1, respectively) (such aggregate amount with respect to any Deposit Date being referred to herein as the "2022C Deposit Requirement"):

(a) for deposit into the "2022C Senior Lien Principal and Interest Account," an amount equal to the aggregate of: (i) for the January 1, 2023 Deposit Date, the Principal Installment due January 1, 2023 and thereafter, one half of the Principal Installment, if any, coming due on the 2022C Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2022C Senior Lien Bonds on the current Deposit Date reduced, in the case of each January 1 Deposit Date, by investment earnings credited as of the immediately prior calculation date to the 2022C Senior Lien Principal and Interest Account;

(b) for deposit into the "2022C Senior Lien Program Fee Account," the amount estimated by the City to be required as of the close of business on such Deposit Date to pay all fees and expenses with respect to the 2022C Senior Lien Bonds during the semiannual period commencing on such Deposit Date.

In addition to the 2022C Deposit Requirement, there shall be deposited into the 2022C Senior Lien Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Senior Lien Indenture or the Seventy-Third Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2022C Senior Lien Dedicated Sub-Fund and to one or more accounts therein.

2022D Senior Lien Bonds. On January 1 and July 1 of each year, commencing January 1, 2023, there will be deposited into the 2022D Senior Lien Dedicated Sub-Fund from amounts on deposit in the Debt Service Fund, an amount equal to the aggregate of the following amounts, which amounts shall have been calculated by the Trustee on the next preceding December 5 or June 5 (in the case of each January 1 or July 1, respectively) (such aggregate amount with respect to any Deposit Date being referred to herein as the "2022D Deposit Requirement"):

(a) for deposit into the "2022D Senior Lien Principal and Interest Account," an amount equal to the aggregate of: (i) for the January 1, 2023 Deposit Date, the Principal Installment due January 1, 2023 and thereafter, one half of the Principal Installment, if any, coming due on the 2022D Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2022D Senior Lien Bonds on the current Deposit Date reduced, in the case of each January 1 Deposit Date, by investment earnings credited as of the immediately prior calculation date to the 2022D Senior Lien Principal and Interest Account; and

(b) for deposit into the "2022D Senior Lien Program Fee Account," the amount estimated by the City to be required as of the close of business on such Deposit Date to pay all fees and expenses with respect to the 2022D Senior Lien Bonds during the semiannual period commencing on such Deposit Date.

In addition to the 2022D Deposit Requirement, there shall be deposited into the 2022D Senior Lien Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Senior Lien Indenture or the Seventy-Fourth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2022D Senior Lien Dedicated Sub-Fund and to one or more accounts therein.

DEBT SERVICE RESERVES

The 2022 Senior Lien Bonds are Common Reserve Bonds secured by the Common Debt Service Reserve Sub-Fund.

Common Debt Service Reserve Sub-Fund. Pursuant to the Senior Lien Indenture, the Common Debt Service Reserve Sub-Fund is a Dedicated Sub-Fund within the Debt Service Fund which is held and administered by the Trustee in accordance with the terms of the Senior Lien Indenture. The 2022 Senior Lien Bonds and the Outstanding Senior Lien Bonds, other than the Series 2016C Bonds, the Series 2016F Bonds, the Series 2017B Senior Lien Bonds the Series 2020C Senior Lien Bonds and the Series 2020E Senior Lien Bonds, (which Series of bonds are collectively referred to herein as the "Non-Common Reserve Bonds"), are entitled to the benefit of the Common Debt Service Reserve Sub-Fund (the "Common Reserve Bonds"). Non-Common Reserve Bonds are each secured by a separate debt service reserve account established under the respective Supplemental Indenture authorizing their issuance. These individual debt service reserve accounts do not secure and are not available for payment of debt service on the Common Reserve Bonds, and the Common Debt Service Reserve Sub-Fund does not secure and is not available for payment of the Non-Common Reserve Bonds.

The "Reserve Requirement" for the Common Debt Service Reserve Sub-Fund is an amount equal to the maximum amount of Principal Installments and interest payable on the Common Reserve Bonds in the current or any succeeding Bond Year; provided, however, that if upon the issuance of a Series of Common Reserve Bonds such amount would require that moneys be paid into the Common Debt Service Reserve Sub-Fund from the proceeds of such Common Reserve Bonds in an amount in excess of the maximum amount permitted under the Code, the Reserve Requirement shall be the sum of (a) the Reserve Requirement immediately preceding the issuance of such Common Reserve Bonds, and (b) the maximum amount permitted under the Code to be deposited from the proceeds of such Common Reserve Bonds, as certified by the Chief Financial Officer.

Additional Senior Lien Bonds issued by the City in the future pursuant to the Senior Lien Indenture may, but need not, be designated as entitled to the benefit of the Common Debt Service Reserve Sub-Fund. The moneys in the Common Debt Service Reserve Sub-Fund are held for the benefit of all Common Reserve Bonds issued or to be issued under the Senior Lien Indenture.

The Reserve Requirement for the Common Debt Service Reserve Sub-Fund may be satisfied by the deposit with the Trustee of (i) cash, (ii) one or more Qualified Credit Instruments, (iii) Qualified Investments, or (iv) a combination thereof.

The Senior Lien Indenture provides, and the City covenants in each of the 2022 Supplemental Indentures that (i) the City will maintain the Common Debt Service Reserve Sub-Fund in an amount equal to the Reserve Requirement, (ii) moneys held therein will be held and disbursed for the benefit of all Common Reserve Bonds and such moneys are pledged and assigned for that purpose, and (iii) all Common Reserve Bonds are on a parity and rank equally, without preference, priority or distinction. If on any valuation date under the Senior Lien Indenture the amount on deposit in the Common Debt Service Reserve Sub-Fund is more than the Reserve Requirement, unless otherwise directed by a Certificate of the City to be withdrawn and deposited in trust to pay or provide for the payment of Senior Lien Obligations, the amount of such excess shall be transferred to the Trustee for deposit into the Revenue Fund, provided, however, that immediately after such withdrawal, the amount on deposit in the Common Debt Service Reserve Sub-Fund equals or exceeds the Reserve Requirement.

If at any time the Common Debt Service Reserve Sub-Fund holds both Qualified Credit Instruments and Qualified Investments, the Qualified Investments shall be liquidated and the proceeds applied for the purposes for which Common Debt Service Reserve Sub-Fund moneys may be applied under the Senior Lien Indenture prior to any draw being made on the Qualified Credit Instrument. If the Common Debt Service Reserve Sub-Fund holds Qualified Credit Instruments issued by more than one issuer, draws shall be made under such credit instruments on a pro rata basis to the extent of available funds.

Deficiencies in the Common Debt Service Reserve Sub-Fund are required to be satisfied from Revenues. Amounts deposited in the Common Debt Service Reserve Sub-Fund shall be applied first to reimburse the Qualified Credit Provider and thereby reinstate the Qualified Credit Instrument and next to make deposits into the Common Debt Service Reserve Sub-Fund. The Common Debt Service Reserve Sub-Fund will be applicable only to the Common Reserve Bonds and will not be available to pay debt service on any other Senior Lien Obligations. See "Payment of Debt Service on the 2022 Senior Lien Bonds" above and APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE-Indenture Funds and Payment of Debt Service."

Prior to issuance of the 2022 Senior Lien Bonds, the Reserve Requirement for the Common Reserve Bonds is $577,145,889. Upon issuance of the 2022 Senior Lien Bonds and the defeasance of the Refunded Bonds, the new Reserve Requirement for the Common Reserve Bonds and the Common Debt Service Reserve Sub-Fund will be $637,811,532.80.

In addition to the cash and Qualified Investments on deposit, various Qualified Credit Instruments remain on deposit in the Common Debt Service Reserve Sub-Fund. As a result of the widespread losses in the mortgage market and overall credit market challenges, among others, Qualified Credit Providers may experience claims and/or reductions in capital such that their capital resources may no longer be sufficient at their respective rating levels to meet their ongoing additional capital needs and/or to respond to claims, including claims under the Qualified Credit Instruments. In the event of the financial distress of any Qualified Credit Provider that has provided a Qualified Credit Instrument on deposit in the Common Debt Service Reserve Sub-Fund, the City is under no obligation to replace the applicable Qualified Credit Instrument with cash or another Qualified Credit Instrument so long as the Common Debt Service Reserve Sub-Fund remains fully funded with cash and Qualified Investments on deposit in satisfaction of the requirements of the Senior Lien Indenture.

Except as may be required by the Undertaking described below under "SECONDARY MARKET DISCLOSURE," neither the City nor the Underwriters undertakes responsibility to bring to the attention of the owners of the 2022 Senior Lien Bonds any information regarding the financial condition of any Qualified Credit Provider or to take any action in connection therewith.

DEBT SERVICE COVERAGE COVENANTS

The City covenants in the Senior Lien Indenture to fix and establish, and to revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O'Hare and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient:

(i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and

(ii) to provide for the greater of (A) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all Outstanding Senior Lien Obligations or other Outstanding Airport Obligations are issued and secured, and (B) one and twenty five-hundredths times the Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, and, in each case, such Aggregate Debt Service shall be reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations.

The City further covenants in the Senior Lien Indenture to fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O'Hare and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys consisting solely of (a) any PFCs deposited with the Trustee for that Fiscal Year, and (b) any other moneys received by the City in the immediately prior Fiscal Year and deposited with the Trustee no later than the last day of the immediately prior Fiscal Year, will be at least sufficient:

(i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and

(ii) to provide for the payment of Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during the Bond Year to pay the principal of and interest on Senior Lien Obligations.

If during any Fiscal Year, Revenues and other funds are estimated to produce less than the amount required under sections (i) and (ii) above, the City shall revise its Airport rentals, fees and charges or alter its methods of operation to take other action in such manner as is necessary to produce the amount so required in such Fiscal Year.

Within 90 days after the end of each Fiscal Year, the City is required by the Senior Lien Indenture to furnish to the Trustee calculations of the required debt service coverage, as described above. If either calculation for any Fiscal Year indicates that the City has not satisfied its obligations described above, then as soon as practicable, but in any event no later than 45 days after receipt by the Trustee of such calculation, the City must employ an Independent Airport Consultant to review and analyze the financial status and the administration and operation of O'Hare and to submit to the City, within 45 days after employment of the Independent Airport Consultant, a written report on the same, including the action which the Independent Airport Consultant recommends should be taken by the City with respect to the revision of O'Hare rentals, fees and charges, alteration of its methods of operation or the taking of other action that is projected to result in producing the amount so required in the then current Fiscal Year or, if less, the maximum amount deemed feasible by the Independent Airport Consultant. Within 60 days following its receipt of the recommendations, the City must revise O'Hare rentals, fees and charges or alter its methods of operation, which revisions or alterations need not comply with the recommendations so long as any revisions or alterations are projected by the City to result in compliance with the required debt service coverage, as described above. If at any time and as long as the City is in full compliance with the provisions of the Senior Lien Indenture summarized in this paragraph, there shall be no event of default under the Senior Lien Indenture as a consequence of the City's failure to satisfy the coverage covenants described above.

COVENANTS AGAINST LIEN ON REVENUES

The City covenants in the Senior Lien Indenture that it will not issue any indebtedness, other than Senior Lien Obligations, secured by the pledge of Revenues. The City also covenants not to create or cause to be created any lien or charge on Revenues, or on any other amounts pledged for the benefit of owners of the Senior Lien Obligations, including the 2022 Senior Lien Bonds, other than the pledge of Revenues contained in the Senior Lien Indenture.

Notwithstanding the covenants described in the prior paragraph, the City has the right to issue debt payable from or secured by a pledge of Revenues to be derived on and after the discharge and satisfaction of all Senior Lien Obligations and to issue debt payable from, or secured by, a pledge of amounts to be withdrawn from the Junior Lien Obligation Debt Service Fund so long as such pledge is expressly junior and subordinate to the pledge of Revenues to the payment of Senior Lien Obligations.

ISSUANCE OF ADDITIONAL SENIOR LIEN BONDS

Additional Senior Lien Bonds may be issued upon the satisfaction of certain conditions as set forth in the Senior Lien Indenture. These conditions include delivery to Trustee of:

(i) a Certificate of an Independent Accountant or a Certificate of the City, in either case stating that Revenues and Other Available Moneys in the most recent completed Fiscal Year for which audited financial statements have been prepared satisfied the first covenant described under " – Debt Service Coverage Covenants" above, assuming for such purpose that Aggregate Debt Service for the Bond Year commencing during such Fiscal Year includes the maximum Annual Debt Service on all Outstanding Senior Lien Obligations and the Series of Senior Lien Obligations proposed to be issued (disregarding any Airport Obligations that have been paid or discharged or will be paid or discharged immediately after the issuance of the Senior Lien Obligations proposed to be issued); or

(ii) a Certificate of an Independent Airport Consultant or a Certificate of the City, in either case stating that, based upon reasonable assumptions set forth in the Certificate, Revenues and Other Available Moneys are projected to be not less than that required to satisfy the first covenant described under " – Debt Service Coverage Covenants" above (disregarding any Airport Obligations that have been paid or discharged or will be paid or discharged immediately after the issuance of the Senior Lien Obligations proposed to be issued) for each of the next three Fiscal Years following the issuance of the Senior Lien Obligations or, if later, for each Fiscal Year from the issuance of the Senior Lien Obligations through the two Fiscal Years immediately following completion of the project or projects financed by the Senior Lien Obligations.

For the purpose of computing Revenues under either clause (i) or (ii) above, there must be taken into account (x) any reduction in the rate of any PFCs, and (y) any increase in the rate of any PFCs authorized by legislation if the City has taken all action required to impose those increased charges at O'Hare pursuant to such legislation. For the purpose of computing Revenues and Other Available Moneys under clause (ii) above, Other Available Moneys shall be projected only to the extent they have been (x) paid over to the Trustee and deposited in the Revenue Fund, or (y) irrevocably pledged to the payment of debt service on Airport Obligations.

The City may issue Refunding Bonds and Completion Bonds (both as defined in the Senior Lien Indenture) either by satisfying the debt service coverage requirement described above, or by satisfying the applicable requirements described in APPENDIX B - "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE-Refunding Bonds" and "-Completion Bonds."

AIRLINE USE AND LEASE AGREEMENTS

Airline Use and Lease Agreements. The City and the airlines operating at O'Hare entered into Airline Use and Lease Agreements (collectively, the "Airline Use and Lease Agreements" or "AULA") effective May 12, 2018 (with respect to each signatory airline, the applicable effective date of its agreement being the "Effective Date"), which agreements were approved by the City Council on March 28, 2018. The airlines identified as signatories to the Airline Use and Lease Agreements, together with any additional airline that executes an agreement with the City substantially the same as the Airline Use and Lease Agreements, are referred to as the "Signatory Airlines."

The Airline Use and Lease Agreements are designed to expand and elevate O'Hare as a global gateway. The Airline Use and Lease Agreements launched the largest capital expansion of O'Hare's history, with construction and implementation currently anticipated to take place through 2032 for the TAP. As part of the expansion, the City is making a series of investments in terminals and the core airport design to increase capacity, connectivity and growth to match passenger demand. For a discussion of TAP, see "CAPITAL PROGRAMS – Terminal Area Plan."

The Airline Use and Lease Agreements are residual agreements with non-airline revenues used to offset charges to the airlines. There are two term options for airline signatories to the Airline Use and Lease Agreements. For Long-Term Signatory Airlines, the Airline Use and Lease Agreements expire on December 31, 2033. For Short-Term Signatory Airlines, the Airline Use and Lease Agreements expire on December 31, 2023 (if the Effective Date is prior to January 1, 2024), December 31, 2028 (if the Effective Date is between January 1, 2024 and December 31, 2028), or December 31, 2033 (if the Effective Date is between January 1, 2029 and December 31, 2033). Short-Term Signatory Airlines have the option to extend the term for each of two successive five-year periods through December 31, 2028 and then through December 31, 2033. Short-Term Signatory Airlines are eligible to use common use gates but cannot vote on capital improvement control decisions. Non-Signatory Airlines must sign operating agreements in order to operate at O'Hare and have separate month-to-month leases. Long-Term Signatory Airlines and Short-Term Signatory Airlines are referred to as "Signatory Airlines."

The Airline Use and Lease Agreements do not provide airlines with exclusive use gates. Rather, Long-Term Signatories are given the first right to schedule use of preferential gates. Long-Term Signatories can earn additional preferential gates by increasing flight activity. Reallocation of the preferential gates occurs on an annual basis. During extended windows without scheduled use, the City can allocate such preferential gate for use by another carrier, as defined in the terminal space use protocols promulgated in accordance with the AULA. Common use gates are available for any airline.

Airline rates and charges are set by the City on an annual basis, calculated to generate sufficient moneys to cover all of O'Hare's annual operating and debt service requirements as well as coverage and reserves, including the satisfaction of all of the City's obligations to make deposits and payments under the Senior Lien Indenture and any other ordinance or resolution authorizing Airport Obligations in accordance with the Airline Use and Lease Agreements. Landing fees are charged for each flight landing at O'Hare.

Landing fees are calculated in a manner that will ensure sufficient moneys are available to cover City associated airfield costs. Terminal rates and fees are set to sufficiently pay for costs associated with terminals with an offset of the concession, net parking and ground transportation revenues. Additionally, square foot rental rates are paid for exclusive use space such as offices, lounges, and operations space and preferential gates and check-in space. Common use fees are charged for gates, check-in, Federal Inspection Services fees and baggage systems based on activity levels. Joint use fees are charged for baggage systems shared by certain Long-Term Signatory Airlines. Revenues deposited by the City in accordance with the Senior Lien Indenture include rentals, fees and charges imposed upon the Signatory Airlines under the Airline Use and Lease Agreements. See "AIR TRAFFIC ACTIVITY AT O'HARE-Airlines Providing Service at O'Hare" and "CERTAIN INVESTMENT CONSIDERATIONS." Under the Airline Use and Lease Agreements, the City is authorized to undertake New Projects so long as such New Projects are not disapproved by 70 percent or more of Long-Term Signatory Airlines measured by landed weight, Terminal Charges, or Airport Fees and Charges for the City's issuance of Airport Obligations, the debt service on which is payable by the Signatory Airlines, for certain capital projects at O'Hare. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS."

The Airline Use and Lease Agreements authorize the City to assess rates and charges on the Signatory Airlines in amounts sufficient to increase debt service coverage on its Senior Lien Obligations issued under the Senior Lien Indenture in .05 increments annually from 1.10x in 2018 to 1.25x in 2021 and thereafter. In order to increase the days cash on hand, the City agreed in the Airline Use and Lease Agreements to fund the Supplemental O&M Reserve Fund established under the Indenture (the "Supplemental O&M Reserve Fund") to reach 25 percent of the current year's budgeted operating and maintenance ("O&M") expenses by 2025 and subsequent years, which is in addition to the existing O&M expense reserve of 25 percent. For information on the deposits to the Supplemental O&M Reserve Fund, see APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE."

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The table below highlights key provisions of the Airline Use and Lease Agreements.

Major Provisions	Airline Use and Lease Agreements
Term	For Long-Term Signatory Airlines, 15 years, beginning on May 12, 2018. Short-Term Signatory Airlines have a term that currently expires on December 31, 2023 and may extend their terms to 2033 and elect to transition to Long-Term Signatory Airlines.
Capital Projects	Previously Approved Projects were approved under the Prior Use Agreements. The TAP, Near-Term Gate Improvements and Other Projects and Pre-Approved CIP Projects are pre-approved projects under the Airline Use and Lease Agreements. Pre-Approved Allowances are pre-approved funding amounts for major maintenance and infrastructure reliability.
Assignment of Gates	Preferential Use Gate Space under the Airline Use and Lease Agreements is assigned to certain Long-Term Signatory Airlines and the City retains control of the common areas. The City has rights to reallocate gate rights based on several factors including airline activity, operational efficiency and passenger experience.
Rate Covenant	Under the Airline Use and Lease Agreements, airline rates and charges are required to be sufficient to meet the City's debt service coverage covenants under the Senior Lien Indenture. Debt Service coverage on Senior Lien Obligations under the Senior Lien Indenture is 1.25x coverage. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS – Debt Service Coverage Covenants."
Majority-in-Interest (MII) Review	No further MII review or approval is needed for the Previously Approved Projects, the TAP Program, Pre-Approved CIP Projects Near-Term Gate Improvements and Other Projects and Pre-Approved Allowances (see "Capital Projects" above in this table). For all such projects, MII review is limited to modifications significantly increasing project scope, or increasing project cost in excess of 110% of original estimated cost as escalated from January 1, 2018 by the then-current Construction Cost Index for Chicago, Illinois published by Engineering News Record. Under the Airline Use and Lease Agreements, the City is authorized to undertake New Projects so long as such New Projects are not disapproved by 70% or more of Long-Term Signatory Airlines measured by Landed Weight, Terminal Charges, or Airport Fee and Charges.

For a more complete summary of the Airline Use and Lease Agreements see APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS."

Expiration of Airline Use and Lease Agreements. A significant portion of the debt service on the 2022 Senior Lien Bonds and the Outstanding Senior Lien Bonds becomes due after expiration of the Airline Use and Lease Agreements. Upon expiration, the City may extend such agreements, enter into new agreements with the airlines, or impose rates and charges upon the airlines by City ordinance consistent with the requirements of federal law. Regardless of which of these options is pursued, the City has covenanted in the Senior Lien Indenture (which extends beyond the expiration of the Airline Use and Lease Agreements) to establish rentals, rates and other charges for the use and operation of O'Hare such that Revenues (including rentals, fees and charges imposed on the airlines), together with certain other moneys deposited with the Trustee, are sufficient to pay the Operation and Maintenance Expenses at O'Hare and to satisfy the debt service coverage covenants in the Senior Lien Indenture described above under " – Debt Service Coverage Covenants." Thus, while it is not possible to predict whether any airline will be contractually obligated to make payments, including, among other things, for debt service on the 2022 Senior Lien Bonds, the Outstanding Senior Lien Bonds or any other Senior Lien Obligations after the expiration of the Airline Use and Lease Agreements, the City is obligated under the Senior Lien Indenture to impose fees and charges on the airlines for use of O'Hare that will enable the City to satisfy the Senior Lien Indenture debt service coverage covenants described above under " – Debt Service Coverage Covenants."

Nonpayment of Rentals, Fees and Charges. The Airline Use and Lease Agreements provide that if an Airline Party defaults on the payment of its rentals, fees or charges, and if the City has undertaken appropriate collection efforts and has exhausted certain other specific funds available under the Airline Use and Lease Agreements to pay the unpaid rentals, fees or charges, the City then is entitled to include the unpaid rentals, fees or charges in the landing fees payable by the other non-defaulting Airlines. See APPENDIX C - "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS."

PROPOSED AMENDMENT TO THE SENIOR LIEN INDENTURE

In 2010, the City proposed an amendment (the "2010 Amendment") to the Senior Lien Indenture that would remove the restrictions described under "Restrictions on Sales or Transfer of Airport" in APPENDIX B. The 2010 Amendment does not take effect unless and until (among other things) the 2010 Amendment is consented to by the Owners of more than 50% in principal amount of the then Outstanding Senior Lien Obligations and the City determines to present such amendment to the Trustee. Pursuant to the 2022 Supplemental Indentures authorizing each Series of the 2022 Senior Lien Bonds, the Owners of the 2022 Senior Lien Bonds shall be deemed to have consented to the 2010 Amendment by purchasing such 2022 Senior Lien Bonds. Such consent of any Owner may be revoked in writing as provided in the Senior Lien Indenture. Currently and continuing after the issuance of the 2022 Senior Lien Bonds, Owners of the required percentage of the Outstanding Senior Lien Obligations have consented to the 2010 Amendment and the City thus may elect to implement the 2010 Amendment by presenting it to the Trustee for execution. As discussed herein, the City also separately amended and restated the Senior Lien Indenture as of June 1, 2018 and effective on December 3, 2018, to reflect modifications to the agreements between the airlines and the City as set forth in the Airline Use and Lease Agreements. For a description of these modifications, see APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE."

REMEDIES

There is no provision for the acceleration of the maturity of the 2022 Senior Lien Bonds if any default occurs in the performance of any other obligation of the City under the Senior Lien Indenture, or if interest on the 2022 Senior Lien Bonds becomes includible in the gross income of the Owners thereof for federal income tax purposes. See APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE-Remedies."

BOND INSURANCE

THE POLICY

Concurrently with the issuance of the 2022 Senior Lien Bonds, Assured Guaranty Municipal Corp. (the "Insurer" or "AGM") will issue its Municipal Bond Insurance Policy for the Insured 2022 Senior Lien Bonds (the "*Policy*"). The Policy guarantees the scheduled payment of principal of and interest on the Insured 2022 Senior Lien Bonds when due as set forth in the form of the Policy included as APPENDIX I to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

THE INSURER

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings.

On July 8, 2022, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On October 20, 2021, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Capitalization of AGM.

At June 30, 2022:

- The policyholders' surplus of AGM was approximately $2,779 million.
- The contingency reserve of AGM was approximately $905 million.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,114 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference.

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed by AGL with the SEC on February 25, 2022);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022 (filed by AGL with the SEC on May 6, 2022); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2022 (filed by AGL with the SEC on August 4, 2022).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the 2022 Senior Lien Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – The Insurer" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM

Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the 2022 Senior Lien Bonds or the advisability of investing in the 2022 Senior Lien Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE”.

PLAN OF FINANCE

GENERAL

The City will use the proceeds from the sale of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds, together with other available funds, to: (i) pay or reimburse the City for the cost of certain projects for O’Hare constituting "Airport Projects" under the Senior Lien Indenture, including the refunding of Credit Agreement Notes, (ii) increase the sum held in the Common Debt Service Reserve Sub-Fund to the Reserve Requirement, (iii) pay capitalized interest on the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds and (iv) pay a portion of the costs and expenses incidental to the issuance of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds. The City will use the proceeds from the sale of the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds to: (i) refund certain outstanding Senior Lien Bonds (collectively, the "Refunded Bonds," as described in APPENDIX H) and (ii) pay a portion of the costs and expenses incidental to the issuance of the 2022C Senior Lien Bonds and the 2022D Senior Lien Bonds. See "SOURCES AND USES OF FUNDS" herein.

REFUNDING PLAN

The City intends to refund the Refunded Bonds with a portion of the proceeds of the 2022 Senior Lien Bonds. The table in APPENDIX H – "BONDS TO BE REFUNDED" sets forth the series designation, maturities, principal amounts and interest rates for the Refunded Bonds. All of the Refunded Bonds will be redeemed on January 1, 2023 at the redemption price of par. The City will give the Trustee instructions to call the Refunded Bonds on the applicable redemption date. Notices of the call for redemption of the Refunded Bonds will be given by the Trustee in the manner required by the Senior Lien Indenture.

To provide for the refunding and defeasance of the Refunded Bonds, certain proceeds of the 2022 Senior Lien Bonds will be deposited in an escrow account (the "Escrow Account"), held under a Refunding Escrow Agreement, to be dated as of October 1, 2022, between the City and the Trustee under the Senior Lien Indenture, and invested in Federal Obligations or held in cash in amounts sufficient (without reinvestment) to provide for the payment of the Redemption Price of and interest on the Refunded Bonds on the January 1, 2023 redemption date.

The accuracy of the mathematical computations regarding the adequacy of the moneys and Federal Obligations deposited and held in the Escrow Account to pay the debt service described above on the Refunded Bonds will be verified by Robert Thomas CPA, LLC.

PAYMENT OF AIRPORT PROJECTS AND REPAYMENT OF CREDIT AGREEMENT NOTES

The City will deposit $434,020,718.51 of the proceeds of the 2022A Senior Lien Bonds and $123,326,054.07 of the proceeds of the 2022B Senior Lien Bonds into separate Project Accounts established with the Trustee from which they will be used to pay for Airport Projects.*

The City expects to repay approximately $568,200,000 of currently outstanding principal of the City's Credit Agreement Notes, and interest thereon, from the proceeds of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds.

FUTURE FINANCINGS FOR O'HARE

The City expects to issue additional (i) Airport Obligations, including Senior Lien Bonds, Commercial Paper Notes and Credit Agreement Notes, (ii) PFC Obligations and (iii) from time to time, to continue implementation and funding of capital projects at O'Hare and refunding Outstanding Airport Obligations, PFC Obligations and CFC Obligations. The Report of the Airport Consultant assumes that the City will issue, and the City expects to issue Senior Lien Bonds to fund approximately $8.9 billion in additional the Airport Capital Program project costs over the next ten years. For a discussion of future financings and financing needs for O'Hare, see "OUTSTANDING INDEBTEDNESS AT O'HARE," "CAPITAL PROGRAMS" and APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT- The Airport Consultant's Letter."

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* Prior to issuance of the 2022 Senior Lien Bonds, the City will be finalizing investments of certain proceeds of the 2022 Senior Lien Bonds, including proceeds of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds to be deposited into the 2022A Senior Lien Capitalized Interest Account and the 2022B Senior Lien Capitalized Interest Account, respectively. If the investment earnings to be received on the proceeds of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds to be so deposited allow the amount of such deposits to be reduced, the amount of such proceeds no longer needed to be so deposited will be deposited into the Project Accounts to pay for Airport Projects instead. Additionally, prior to issuance of the 2022 Senior Lien Bonds, the City could issue additional Credit Agreement Notes up to its unused capacity to do so, currently $31,800,000. In that event, proceeds of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds expected to be deposited into the Project Accounts to pay for Airport Projects would instead be used to repay such Credit Agreement Notes. See "SOURCES AND USES OF FUNDS" and "OUTSTANDING INDEBTEDNESS AT O'HARE – AIRPORT OBLIGATIONS – Obligations Subordinate to Senior Lien Bonds."

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of 2022 Senior Lien Bonds.

SOURCES OF FUNDS	2022A SENIOR LIEN BONDS	2022B SENIOR LIEN BONDS	2022C SENIOR LIEN BONDS	2022D SENIOR LIEN BONDS	TOTAL
Par Amount	$1,110,055,000.00	$150,450,000.00	$164,420,000.00	$343,080,000.00	$1,768,005,000.00
Net Premium	34,361,465.05	105,102.10	8,500,083.00	28,170,440.25	71,137,090.40
Total	$1,144,416,465.05	$150,555,102.10	$172,920,083.00	$371,250,440.25	$1,839,142,090.40
USES OF FUNDS					
Deposit to Project Accounts[1]	$434,020,718.51	$123,326,054.07			$557,346,772.58
Repay Credit Agreement Notes[1]	564,697,896.93	3,502,103.07			568,200,000.00
Deposit to Capitalized Interest Accounts[1]	56,857,222.93	12,227,432.87			69,084,655.80
Deposit to Common Debt Service Reserve Sub-Fund	79,285,845.45	10,430,545.98			89,716,391.43
Defease Refunded Bonds			171,994,826.49	368,965,485.95	540,960,312.44
Bond Insurance Premium	1,791,659.43			136,825.45	1,928,484.88
Costs of Issuance[2]	7,763,121.80	1,068,966.11	925,256.51	2,148,128.85	11,905,473.27
Total	$1,144,416,465.05	$150,555,102.10	$172,920,083.00	$371,250,440.25	$1,839,142,090.40

(1) The City will be finalizing its investments of certain proceeds of the 2022 Senior Lien Bonds, including proceeds of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds to be deposited into the 2022A Senior Lien Capitalized Interest Account and the 2022B Senior Lien Capitalized Interest Account, respectively, prior to issuance of 2022 Senior Lien Bonds. If the investment earnings to be received on the proceeds of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds to be deposited into such Senior Lien Capitalized Interest Accounts allow for a smaller amount of such proceeds to be so deposited, the amount of such proceeds no longer needed to be so deposited will be deposited instead into the Project Accounts to pay for Airport Projects. In addition, prior to issuance of the 2022 Senior Lien Bonds, the City could issue additional Credit Agreement Notes up to its unused capacity to do so, currently $31,800,000. In that event, proceeds of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds expected to be deposited into the Project Accounts to pay for Airport Projects would instead be used to repay such Credit Agreement Notes.

(2) Includes Underwriters' Discount and other costs, and other costs of issuance.

CHICAGO O'HARE INTERNATIONAL AIRPORT

GENERAL

O'Hare is the primary commercial airport for the City, as well as an important connecting point for numerous domestic and international flights. Located 18 miles northwest of the City's central business district, O'Hare occupies over 7,200 acres of land and is directly linked to the central business district by a rapid transit rail system. O'Hare is the busiest airport serving the Chicago Region (as defined herein). O'Hare serves nearly all of the Chicago Region's international air traffic and is the predominant airport for nonstop/business travel from the Chicago Region to the top 50 origin and destination ("O&D") markets.

Based on data from ACI for the 12-month period ended December 2021, O’Hare ranked second in the world in terms of aircraft operations, and fourth in the world in terms of passengers. The Airport had approximately 84.6 million total enplaned and deplaned passengers in 2019, approximately 30.9 million in 2020 and approximately 54.0 million in 2021.

United Airlines and American Airlines each maintain a hub at the Airport. United Airlines (including its regional affiliates) accounted for 42.9 percent of the enplaned passengers at O'Hare in 2021. American Airlines (including its regional affiliates) accounted for 37.8 percent of the enplaned passengers at the Airport in 2021. See "CERTAIN INVESTMENT CONSIDERATIONS — AVIATION INDUSTRY RISK FACTORS" herein for additional information regarding the airlines serving the Airport.

For more complete and detailed information regarding historical and projected air traffic at O'Hare, see "Air Traffic" in APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT."

THE AIR TRADE AREA

The primary air trade area that O'Hare serves consists of 10 counties in Illinois (Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, McHenry and Will), four counties in Indiana (Jasper, Lake, Newton and Porter) and one county in Wisconsin (Kenosha). These 15 counties comprise the "Chicago Region" and include two Metropolitan Statistical Areas ("MSA") that contain four adjoining major metropolitan areas. This area (the "Air Trade Area") is depicted on the map on the following page.

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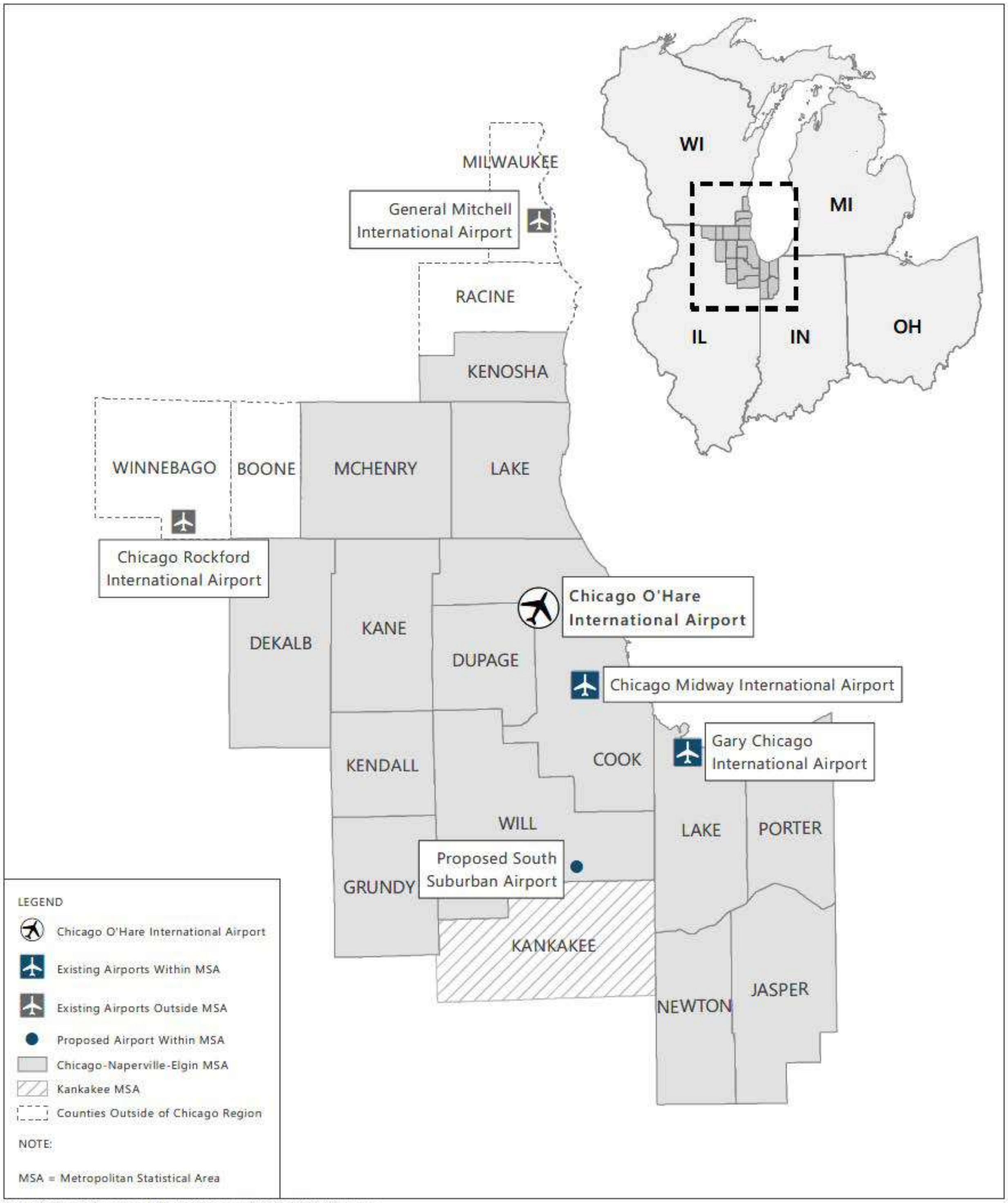

SOURCES: U.S. Census, 2021 (county, state); Esri, 2010 (airports).

NORTH 0 25 mi

EXHIBIT 3-1

CHICAGO O'HARE INTERNATIONAL AIRPORT
AIR TRADE AREA

OTHER COMMERCIAL SERVICE AIRPORTS SERVING THE CHICAGO REGION

Midway. In addition to O'Hare, Midway is owned by the City and operated through the CDA. Midway, located 15 miles south of O'Hare and ten miles southwest of the central business district of the City, also provides scheduled commercial passenger service. Based on CDA management records, total enplaned passengers at Midway were approximately 10.3 million for 2019, 4.4 million for 2020, and 7.9 million for 2021. In 2021, Midway provided nonstop service to 90 markets (10 of which are international destinations) with a total of 183 average daily scheduled nonstop flights. In 2021, Midway had approximately 2.8 million connecting enplanements and approximately 5.1 million originating enplanements; these enplanements represented approximately 24.8 percent of Chicago originating passenger traffic and approximately 19.8 percent of Chicago connecting passenger traffic, whereas O'Hare's originating and connecting percentages of Chicago passenger traffic for 2021 were approximately 75.2 percent and 80.2 percent, respectively.

O'Hare and Midway are operated as separate and distinct enterprises for financial purposes and the 2022 Senior Lien Bonds are not secured by any revenues generated, or property located, at Midway.

General Mitchell International Airport. The nearest commercial service airport outside the Chicago Region is General Mitchell International Airport ("Mitchell"), located approximately 70 miles north of O'Hare. Mitchell serves the commercial air service needs of Milwaukee, southeast Wisconsin, and portions of northern Illinois. According to Mitchell’s own data, total enplaned passengers there were approximately 3.4 million in 2019, 1.3 million in 2020, and 2.3 million in 2021. Although Mitchell is in close proximity to O'Hare (their overlapping service areas include three counties in the northern Chicago Region area, which represent approximately 12 percent of the population in the Chicago Region), the higher frequency nonstop service to top O&D markets from O'Hare attracts a greater portion of traffic in northern Illinois and southern Wisconsin to O'Hare. In 2021, Mitchell had approximately 70 average daily scheduled nonstop flights to 40 markets, 1 of which was international.

Gary/Chicago International Airport. Gary/Chicago International Airport, which is owned by the City of Gary, Indiana, is also located in the Chicago Region. Currently, no commercial passenger service is provided at Gary/Chicago International Airport.

FEDERAL LEGISLATION, STATE ACTIONS AND PROPOSED SOUTH SUBURBAN AIRPORT

Federal Legislation. On October 5, 2018, President Trump signed into law the FAA Reauthorization Act of 2018 ("FAA Reauthorization Act"). The FAA Reauthorization Act reauthorizes the Federal Aviation Administration ("FAA") operations and programs and provides funding through September 30, 2023. As of the date of this Official Statement, the City has no assurance that the current FAA authorization and programs will be extended or that a new authorization or programs will be approved beyond September 30, 2023. See "CERTAIN INVESTMENT CONSIDERATIONS."

O'Hare Modernization Act. The O'Hare Modernization Act, 620 ILCS 65/1 et seq., which became law in August 2003, was created to expedite and facilitate the O’Hare Modernization Program (“OMP”). Specifically, the O'Hare Modernization Act states the Illinois General Assembly's intent that "all agencies of this State and its subdivisions shall facilitate the efficient and expeditious completion" of the OMP. Among other things, the O'Hare Modernization Act eliminates duplicative aeronautics review of the OMP under the Illinois Aeronautics Act and grants quick take condemnation authority to the City for land acquisition associated with the OMP. The O'Hare Modernization Act also amends other laws to facilitate the OMP. Completion of the projects constituting the OMP occurred in December, 2021.

Public Act 99-0202, which was effective on January 1, 2016 amended the O'Hare Modernization Act to increase from eight to ten the maximum number of runways available for aircraft operations at O'Hare that may exist after the construction of a new runway at O'Hare without a certificate of approval from the Illinois Department of Transportation.

State Approval of Federal Grants. Under the Illinois Aeronautics Act, the City is generally required to obtain the approval of Illinois Department of Transportation for all AIP grant applications that the City submits to the FAA. The O'Hare Modernization Act provides that this requirement does not apply to AIP grant applications related to the OMP and further provides that the City may directly accept, receive and disburse AIP grant funds related to the OMP.

Proposed South Suburban Airport. Plans to build a third airport in the Chicago Region have been discussed for many years. The most likely site for such an airport is the proposed South Suburban Airport site located near Peotone, Illinois, in Will County, approximately 35 miles south of the City's central business district. The State of Illinois fiscal year 2020 budget allotted $1 million to the South Suburban Airport to be used for environmental studies and an airport master plan. An additional $162 million was apportioned in the 2019 capital plan for roadwork to connect the proposed Peotone-adjacent site with Interstate 57. The State of Illinois fiscal year 2023 budget allocates approximately $17 million to land acquisition for the site.

It is not possible at this time to determine the viability of a new major commercial airport at the Peotone site or to predict whether or when any new regional airport would be constructed; nor is it currently possible to predict what effect, if any, such an airport would have on operations or enplanements at O'Hare.

Future Legislation. O'Hare is subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. The City is unable to predict the adoption or amendment of any such laws, rules or regulations, or their effect on the operations or financial condition of O'Hare.

EXISTING AIRPORT FACILITIES

As a result of the OMP, the Airport currently has eight active runways (the most of any commercial airport globally) that allow for operations in good and poor weather conditions. A network of aircraft taxiways, aprons and hold areas supports the runways. All of the runways are at least 7,500 feet in length, with one runway 13,000 feet in length and one 10,800 feet in length that meets Aircraft Design Group VI standards. All runways have electronic and other navigational aids that permit aircraft landings in most weather conditions. For more information regarding the existing airfield facilities at the Airport, see the section "The Airport Facilities and Capital Programs" in APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT."

The airlines serving O'Hare operate out of four terminal buildings. Three terminal buildings, (Terminals 1, 2 and 3) having a total of 174 aircraft gates, serve domestic flights and certain international departures. A fourth terminal building, Terminal 5 (formerly known as the International Terminal), with 20 aircraft gates and four hardstand aircraft parking positions, serves the remaining international departures, certain domestic operations and all international arrivals requiring customs clearance. A common transportation system serves Terminals 1, 2 and 3, Terminal 5 and the remote long term parking areas. For more information regarding the existing terminal facilities at O'Hare, see the section "The Airport Facilities .and Capital Programs" in APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT."

Currently, of the 198 domestic and international gates and related facilities at O'Hare, 24 are common use gates and 174 are preferential use gates. The preferential use gates are allocated to the following carriers: United Airlines, American Airlines, Delta Air Lines, Air Canada, Spirit Airlines, JetBlue

Airways and Alaska Airlines pursuant to the Airline Use and Lease Agreements. The remaining 24 gates are operated on a common use basis in Terminal 5. Delta will be relocating from its existing location in Terminal 2 to Terminal 5 in Fall 2022. When Terminal 5 is complete in 2023, as described under "CAPITAL PROGRAMS – Terminal Area Plan", it will operate from 10 gates in Terminal 5 (over and above the 24 common use gates mentioned above) as preferential use. The gates Delta will be vacating in Terminal 2 will be reconfigured and reallocated, the net effect of which will be four gates operated as preferential use and three gates operated as common use.

A hotel, an elevated parking structure, two surface parking lots and the heating and refrigeration plant serving O'Hare are located adjacent to the terminal buildings. The hotel, owned by the City and operated by Hilton Management LLC, provides 860 guest rooms as well as restaurants and meeting facilities. The six story parking structure located next to Terminals 1, 2 and 3 has approximately 9,300 parking spaces and is supplemented by two adjacent surface lots with approximately 2,830 additional spaces. As of August, 2022, available public parking spaces at O'Hare totals approximately 18,920, and as of June 2, 2022 the Airport had broken ground on a new Terminal 5 parking garage that, when complete, will add an additional 1,400 parking spaces. The City also operates two surface lots with approximately 3,000 total spaces where employees and contractors can purchase monthly parking passes. This is in addition to approximately 20,000 spaces available for employee and contractor parking leased directly by airport tenants in lots throughout the Airport.

With 20 air cargo buildings and four aircraft maintenance hangars, O'Hare is a major center for other aviation related activity such as aircraft maintenance and domestic and international air cargo shipment. In addition, one flight kitchen, six buildings used for airline equipment maintenance, one United States Postal Service facility, and two airport equipment maintenance complexes that store and service snow removal and other equipment are located at O'Hare.

AIRPORT MANAGEMENT

O'Hare is owned by the City and operated through the CDA, which oversees planning, design and construction, operations, safety and security, and finance and administration. The CDA also oversees such activities at Midway. The CDA is headed by the Commissioner of Aviation and as of August 1, 2022 had approximately 1,530 FTE employees (1,297 at O'Hare and 233 at Midway).

REGIONAL AUTHORITY

In 1995, the City and the City of Gary, Indiana, entered into the Compact, which established the Chicago-Gary Regional Airport Authority (the "Chicago-Gary Authority") to oversee and support Midway, O'Hare, Meigs Field and the Gary/Chicago International Airport, to evaluate jointly the bi-state region's need for additional airport capacity and to coordinate and plan for the continued development, enhancement and operation of such airports and the development of any new airport serving the bi-state region. Subject to the power of the Chicago-Gary Authority to approve certain capital expenditures and other actions, the City continues to manage, own and operate Midway and O'Hare. Meigs Field was closed by the City on March 30, 2003. The approval of the Chicago-Gary Authority is required for implementation of capital projects at O'Hare. The City has obtained all required approvals from the Chicago-Gary Authority for the OMP, the CIP Projects and the Terminal Area Plan.

O'HARE NOISE COMPATIBILITY COMMISSION

The O'Hare Noise Compatibility Commission (the "O'Hare Noise Commission") was formed to (i) determine certain noise compatibility projects to be implemented in a defined area surrounding O'Hare, (ii) oversee a noise monitoring system operated by the City, and (iii) advise the City concerning other O'Hare noise related issues. As of June 9, 2022, the City had spent approximately $547 million on residential and school noise compatibility projects since the establishment of the O'Hare Noise Compatibility Commission in 1996.

BUDGET PROCEDURES

The Illinois Municipal Code requires the City to pass an annual appropriation ordinance prior to the beginning of each Fiscal Year. The CDA submits its proposed budget for the following Fiscal Year, including the proposed budget for O'Hare, to the City's Budget Director for inclusion in the proposed City budget. The Budget Director includes a proposed budget for the CDA in the City's budget proposal for approval by the Mayor who submits the City budget to the City Council for approval. O'Hare's budget, as proposed by CDA, may be modified by the Budget Director, the Mayor or the City Council. The City's Fiscal Year 2022 budget was approved by the City Council on October 27, 2021.

AIR TRAFFIC ACTIVITY AT O'HARE

O'HARE OPERATIONS

For over 60 years, O'Hare has been and continues to be one of the principal components in the national airspace system, providing not only the primary O&D service to the third largest metropolitan area in the United States, but also serving as an important connecting hub for two of the world's four largest air carriers (in terms of revenue passenger miles) – United Airlines and American Airlines. Based on data from ACI for the 12-month period ended December 2021, O'Hare ranked second in the world in terms of aircraft operations, and fourth in the world in terms of passengers. According to the CDA, the Airport had approximately 84.6 million total enplaned and deplaned passengers in 2019, approximately 30.9 million (36% of 2019) in 2020 and approximately 54.0 million (64% of 2019) in 2021. In 2022, monthly enplanements have averaged 79% of 2019 levels and in June were 82% of 2019 levels. For additional information regarding O'Hare, see "CHICAGO O'HARE INTERNATIONAL AIRPORT," "CERTAIN INVESTMENT CONSIDERATIONS" and APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT."

As of July 2022, nonstop service was provided from O'Hare to 242 destinations, 178 domestic airports and 64 foreign airports. By comparison, in 2019 nonstop service was provided from O'Hare to 245 destinations, 180 domestic airports and 65 foreign airports.

PASSENGER ACTIVITY AT O'HARE

The table on the following page shows the total enplaned passenger activity for a 10-year period from 2012 through 2021. Total enplaned passengers at O'Hare reached a record high of approximately 42.2 million total enplaned passengers in 2019. For a discussion of passenger activity in 2020 and 2021, see "– Impact of COVID-19 on Air Traffic" below.

As set forth in the following table, O'Hare supports substantial international service. Between 2012 and 2019, the percent of international enplaned passengers ranged from 14.9% to 16.8% of the total enplaned passengers.

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TOTAL ENPLANED PASSENGERS
CHICAGO O'HARE INTERNATIONAL AIRPORT
2012-2021

	DOMESTIC		INTERNATIONAL		TOTAL	
YEAR	**ENPLANED PASSENGERS**	**ANNUAL GROWTH**	**ENPLANED PASSENGERS**	**ANNUAL GROWTH**	**ENPLANED PASSENGERS**	**ANNUAL GROWTH**
2012	28,288,427	N/A	4,956,088	N/A	33,244,515	N/A
2013	28,195,077	-0.3%	5,102,501	3.0%	33,297,578	0.2%
2014	29,559,975	4.8%	5,392,787	5.7%	34,952,762	5.0%
2015	32,877,967	11.2%	5,517,938	2.3%	38,395,905	9.9%
2016	33,015,851	0.4%	5,856,818	6.1%	38,872,669	1.2%
2017	33,587,845	1.7%	6,228,043	6.3%	39,815,888	2.4%
2018	34,598,046	3.0%	6,965,297	11.8%	41,563,343	4.4%
2019	35,168,714	1.6%	7,079,656	1.6%	42,248,370	1.6%
2020	13,549,416	-61.5%	1,801,630	-74.6%	15,351,046	-63.7%
2021	24,169,431	78.4%	2,775,928	54.1%	26,945,359	75.5%
COMPOUND ANNUAL GROWTH RATE						
2012-2019	3.2%		5.2%		3.5%	
2012-2021	-1.7%		-6.2%		-2.3%	

SOURCE: City of Chicago, Department of Aviation Management Records, June 2022. Totals include data for general aviation, helicopter and miscellaneous passengers, which are not included in the corresponding table contained in the Report of the Airport Consultant attached hereto as Appendix E.

Enplaned passenger traffic at O'Hare can be divided into two primary components: O&D and connecting. O&D enplaned passengers consist of those travelers whose residence and/or place of employment are in the Chicago Region and surrounding communities and whose air trips originate at O'Hare, and those travelers who are not residents of or employed within the Chicago Region and surrounding communities, but who visit for business, personal or pleasure-related activity. Connecting passengers include those passengers traveling from a destination outside the Chicago Region to a destination outside the Chicago Region, who board one aircraft at O'Hare after having arrived on another aircraft at O'Hare. The number of connecting enplaned passengers at O'Hare reflects airline operating decisions, which are in part dictated by the size of the local air passenger market, the profitability of O'Hare to the airlines, and the geographic location of O'Hare relative to heavily traveled air routes.

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The following table shows total enplaned passengers, total originating enplaned passengers and total connecting enplaned passengers at O'Hare for a 10-year period from 2012 through 2021. As shown, O'Hare has a strong O&D market with the percent of originating passengers ranging from 49.0% to 56.6% of total enplaned passengers over the 10-year period. See APPENDIX E "REPORT OF THE AIRPORT CONSULTANT".

ORIGINATING AND CONNECTING ENPLANEMENTS
CHICAGO O'HARE INTERNATIONAL AIRPORT
2012-2021

YEAR	TOTAL ORIGINATING ENPLANED PASSENGERS	ORIGINATING ENPLANED PASSENGER ANNUAL GROWTH	TOTAL CONNECTING ENPLANED PASSENGERS	CONNECTING ENPLANED PASSENGER ANNUAL GROWTH	TOTAL ENPLANED PASSENGERS	TOTAL ENPLANED PASSENGER ANNUAL GROWTH	ORIGINATING ENPLANED PASSENGER PERCENTAGE
2012	16,867,283	N/A	16,377,232	N/A	33,244,515	N/A	50.7%
2013	17,044,643	1.1%	16,252,935	-0.8%	33,297,578	0.2%	51.2%
2014	17,115,535	0.4%	17,837,227	9.7%	34,952,762	5.0%	49.0%
2015	20,096,191	17.4%	18,299,714	2.6%	38,395,905	9.9%	52.3%
2016	20,991,241	4.5%	17,881,428	-2.3%	38,872,669	1.2%	54.0%
2017	22,429,433	6.9%	17,386,455	-2.8%	39,815,888	2.4%	56.3%
2018	23,483,289	4.7%	18,080,054	4.0%	41,563,343	4.4%	56.5%
2019	23,836,209	1.5%	18,412,161	1.8%	42,248,370	1.6%	56.4%
2020	8,308,671	-65.1%	7,042,375	-61.8%	15,351,046	-63.7%	54.1%
2021	15,259,775	83.7%	11,685,584	65.9%	26,945,359	75.5%	56.6%
COMPOUND ANNUAL GROWTH RATE							
2012 - 2019	5.1%		1.7%		3.5%		
2012 - 2021	-1.1%		-3.7%		-2.3%		

SOURCES: City of Chicago's Annual Comprehensive Financial Report; City of Chicago, Department of Aviation Management Records (historical enplaned passengers), August 2022; Ricondo & Associates, Inc., August 2022 (analysis of passenger components). Totals include data for general aviation, helicopter and miscellaneous passengers, which are not included in the corresponding table contained in the Report of the Airport Consultant attached hereto as Appendix E.

As shown in the tables below, when compared to other U.S. airports, O'Hare served the 6th highest number of O&D passengers and served the 5th highest number of connecting passengers in 2021. Further, O'Hare is the largest U.S. airport utilizing a fully residual rate-making methodology.

ENPLANEMENTS ACROSS U.S. LARGE HUB AIRPORTS*

CY 2021 O&D ENPLANEMENTS			CY 2021 CONNECTING ENPLANEMENTS			CY 2021 TOTAL ENPLANEMENTS		
RANK	AIRPORT	ENPLANEMENTS	RANK	AIRPORT	ENPLANEMENTS	RANK	AIRPORT	ENPLANEMENTS
1	LAX	20,088,436	1	ATL	21,474,333	1	ATL	36,838,349
2	MCO	18,356,870	2	DFW	17,688,631	2	DFW	30,021,363
3	DEN	16,847,446	3	CLT	15,201,142	3	DEN	28,869,992
4	LAS	16,594,058	4	DEN	12,022,546	4	ORD	26,945,359
5	ATL	15,364,016	5	ORD	11,685,584	5	LAX	23,732,391
6	ORD	15,259,775	6	IAH	7,189,960	6	CLT	20,908,848
7	JFK	13,248,879	7	SEA	5,994,186	7	MCO	19,704,503
8	PHX	13,141,558	8	PHX	5,951,264	8	LAS	19,122,806
9	EWR	12,483,097	9	MIA	5,346,127	9	PHX	19,092,822
10	DFW	12,332,732	10	MSP	4,334,886	10	SEA	17,389,024

Source: U.S. Department of Transportation T-100 Database and Origin and Survey (DB1B), April 2022; City of Chicago's Annual Comprehensive Financial Report; City of Chicago, Department of Aviation Management Records (ORD enplaned passengers), June 2022.

TOP TEN U.S. AIRPORTS RANKED ON TOTAL O&D PASSENGERS*

FOUR QUARTER PERIOD ENDING

Airport	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
LAX	1	1	1	1	1	2	1	1	1	1	1
MCO	3	3	3	2	2	3	2	2	2	2	2
LAS	5	5	6	4	4	4	4	4	4	3	3
DEN	6	6	5	3	3	1	3	3	3	4	4
ORD	**4**	**4**	**4**	**6**	**6**	**7**	**6**	**6**	**5**	**5**	**5**
JFK	2	2	2	5	8	13	12	9	7	7	6
ATL	8	8	8	7	5	5	5	5	6	6	7
EWR	10	10	10	9	11	10	11	11	9	9	8
PHX	14	14	14	10	7	6	7	7	8	8	9
MIA	15	15	15	15	13	11	10	12	12	10	10

Source: Sabre Market Intelligence, July, 2022 (Marketing Information Date Transfer (“MIDT”) bookings data).

TOP TEN U.S. AIRPORTS RANKED ON CONNECTING PASSENGERS*

FOUR QUARTER PERIOD ENDING

Airport	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
ATL	1	1	1	1	1	2	2	1	1	1	1
DFW	2	2	2	2	2	1	1	2	2	2	2
CLT	4	4	3	3	3	3	3	3	3	3	3
ORD	**3**	**3**	**4**	**4**	**4**	**5**	**5**	**5**	**5**	**5**	**4**
DEN	5	5	5	5	5	4	4	4	4	4	5
IAH	6	6	6	6	6	6	6	6	6	6	6
MIA	12	12	12	12	10	9	9	9	9	7	7
SEA	9	9	8	7	7	7	7	7	8	8	8
PHX	11	11	11	9	8	8	8	8	7	9	9
MSP	10	10	10	11	11	11	11	11	11	10	10

Source: Sabre Market Intelligence, July, 2022 (MIDT bookings data).

*The information and data contained in these tables was not prepared by the City and is being included in this Official Statement solely for the purpose of presenting general comparative information. The City is under no obligation to update the information and data contained in these tables and such information and data shall not be deemed to be “Annual Financial Information” under the Undertaking (as defined herein). See "SECONDARY MARKET DISCLOSURE."

AIRCRAFT OPERATIONS

The table on the following page shows total aircraft operations at O'Hare for the 10-year period 2012 through 2021. From 2012 through 2019, the number of aircraft operations increased, to 919,704. In both 2019 and 2021, O'Hare ranked number 1 in the U.S. for value of cargo handled. In 2021, O'Hare ranked 11th worldwide and fifth in the U.S. for cargo tonnage handled. Due to the increase in cargo operations and the increase in frequency of smaller regional aircraft to nearby cities, paired with the increase in international flights, total operations increased to 903,747 and 919,704 in 2018 and 2019, respectively. For a discussion of aircraft operations in 2020 and 2021, see " – Impact of COVID-19 on Air Traffic" below.

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TOTAL AIRCRAFT OPERATIONS
CHICAGO O'HARE INTERNATIONAL AIRPORT
2012-2021

	DOMESTIC			INTERNATIONAL						
YEAR	MAJORS/ NATIONALS	REGIONALS/ COMMUTERS	DOMESTIC TOTAL	U.S. FLAG CARRIERS	FOREIGN FLAG CARRIERS	INTERNATIONAL TOTAL	TOTAL PASSENGER AIRLINES	GENERAL AVIATION [1]	ALL CARGO	TOTAL
2012	273,129	481,949	755,078	58,213	26,837	85,050	840,128	21,103	16,877	878,108
2013	268,225	486,971	755,196	60,148	28,843	88,991	844,187	22,774	16,326	883,287
2014	269,035	488,926	757,961	59,221	31,974	91,195	849,156	17,344	15,433	881,933
2015	307,694	441,715	749,409	52,795	33,404	86,199	835,608	21,828	17,700	875,136
2016	322,137	420,828	742,965	49,620	35,999	85,619	828,584	21,119	17,932	867,635
2017	328,125	416,368	744,493	48,649	39,346	87,995	832,488	15,412	19,149	867,049
2018	335,361	437,662	773,023	50,071	41,020	91,091	864,114	15,581	24,052	903,747
2019	347,876	441,642	789,518	48,339	41,466	89,805	879,323	15,970	24,411	919,704
2020	165,493	275,479	440,972	16,419	18,381	34,800	475,772	32,037	30,402	538,211
2021	239,122	342,508	581,630	21,987	25,390	47,377	629,007	23,442	31,752	684,201
COMPOUND ANNUALGROWTH RATE										
2012-2019	3.5%	-1.2%	0.6%	-2.6%	6.4%	0.8%	0.7%	-3.9%	5.4%	0.7%
2012-2021	-1.5%	-3.7%	-2.9%	-10.3%	-0.6%	-6.3%	-3.2%	1.2%	7.3%	-2.7%

Note: N/A = not applicable.
[1] Includes general aviation, helicopter, and other miscellaneous operations.
Source: City of Chicago, Department of Aviation Management Records, June 2022, U.S. Department of Transportation T-100 Database (segmentation of activity), July 2022.

AIRLINES PROVIDING SERVICE AT O'HARE

For more information, see "Air Traffic-Airlines Serving the Airport" in APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT."

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AIRLINES SERVING O'HARE
(2022)

SCHEDULED U.S. CARRIERS (21)	FOREIGN-FLAG CARRIERS(34)	ALL-CARGO CARRIERS (33)
Air Choice One	Aer Lingus**	ABX Air Inc
Air Wisconsin (United Express)	Aeroméxico**	Aerologic
Alaska Airlines*	Air Canada[1]*	Aerounion
American Airlines*	Air France [1]**	Air Bridge Cargo
Cape Air	Air India**	Air China Cargo
Delta Air Lines*	All Nippon Airways**	Air France Cargo**
Denver Air Connection	Austrian Airlines*	Air Transport International
Endeavor Air (Delta Connection)	British Airways**	Asiana Cargo**
Envoy (American Eagle)	Cathay Pacific**	Atlas Air
Frontier Airlines	Copa Airlines*	Cargo Logic Air
GoJet Airlines (United Express)	Emirates**	Cargolux
Horizon Air (Alaska)	Ethiopian Airlines**	Cathay Pacific Cargo**
JetBlue Airways*	Etihad Airways**	China Airlines
Mesa Airlines (United Express)	EVA Air**	China Cargo
Piedmont Airlines (American Eagle)	Finnair[1]	China Southern
Republic Airways (American Eagle, Delta Connection & United Express)	Flair Airlines	Emirates Sky Cargo**
SkyWest Airlines (Alaska SkyWest, American Eagle, Delta Connection and United Express)	Iberia	Etihad Cargo**
Southwest Airlines	Icelandair**	Eva Airways Cargo**
Spirit Airlines*	Japan Airlines**	FedEx *
Sun Country Airlines	Jazz (Air Canada Express)	Kalitta
United Airlines*	KLM Royal Dutch Airlines*	Korean Air Cargo**
	Korean Air**	Lufthansa Cargo*
	LOT Polish Airlines*	Martinair Holland
	Lufthansa*	National
	Qatar Airways**	Nippon Cargo**
	Royal Jordanian*	Polar Air
	Scandinavian Airlines	Qantas
	SWISS International Air Lines*	Qatar Airways**
	Swoop	Silk Way West
	TAP Air Portugal**	Sky Lease
	Turkish Airlines*	Suparna
	Viva Aerobús	United Parcel Service*
	Volaris**	Western Global
	WestJet	

Notes: Airlines scheduled during the 12-month period ending August 2022.
* = Long term Signatory to an Airline Use and Lease Agreement
** = Short-term Signatory to an Airline Use and Lease Agreement
[1] Provides seasonal service at the Airport.
Sources: City of Chicago, Department of Aviation Management Records, January 2022; Innovata (published airline schedules), August 2022

AIRLINE SHARES OF ENPLANED PASSENGERS
CHICAGO O'HARE INTERNATIONAL AIRPORT
(2017 - 2021)

AIRLINE	2017 ENPLANED PASSENGERS	2017 SHARE	2018 ENPLANED PASSENGERS	2018 SHARE	2019 ENPLANED PASSENGERS	2019 SHARE	2020 ENPLANED PASSENGERS	2020 SHARE	2021 ENPLANED PASSENGERS	2021 SHARE
United Carriers Combined [(1)]	18,391,755	46.2%	18,789,732	45.2%	18,779,363	44.5%	6,750,478	44.0%	11,560,483	42.9%
American Carriers Combined	13,951,139	35.1%	14,598,806	35.1%	14,861,971	35.2%	5,640,306	36.8%	10,178,756	37.8%
United [(1)]	12,534,578	31.5%	12,831,523	30.9%	12,915,154	30.6%	4,055,574	26.4%	7,387,117	27.4%
American	9,763,126	24.5%	10,053,968	24.2%	10,153,179	24.0%	3,651,968	23.8%	6,581,952	24.4%
SkyWest (American Eagle, Delta Connection & United Express)	3,997,933	10.0%	3,781,224	9.1%	3,316,170	7.9%	1,376,952	9.0%	2,374,768	8.8%
Republic (American Eagle, Delta Connection & United Express)	1,110,964	2.8%	1,120,294	2.7%	878,245	2.1%	844,126	5.5%	2,050,516	7.6%
Envoy Air (American Eagle)	2,606,809	6.5%	2,890,716	7.0%	3,211,822	7.6%	1,270,603	8.3%	1,753,714	6.5%
Spirit	1,463,450	3.7%	1,627,243	3.9%	1,690,808	4.0%	852,909	5.6%	1,099,258	4.1%
Air Wisconsin (United Express)	106,052	0.3%	1,450,998	3.5%	1,522,041	3.6%	505,815	3.3%	856,582	3.2%
GoJet (Delta Connection & United Express)	709,925	1.8%	694,348	1.7%	609,533	1.4%	466,546	3.0%	743,699	2.8%
Delta Air Lines	898,063	2.3%	1,080,185	2.6%	1,456,569	3.4%	430,071	2.8%	677,092	2.5%
Southwest Airlines	0	0.0%	0	0.0%	0	0.0%	0	0.0%	604,377	2.2%
Frontier	692,996	1.7%	580,110	1.4%	615,983	1.5%	260,186	1.7%	453,562	1.7%
Alaska	317,065	0.8%	479,545	1.2%	486,667	1.2%	178,214	1.2%	343,436	1.3%
Piedmont Airlines (American Eagle)	0	0.0%	0	0.0%	0	0.0%	6,194	0.0%	201,177	0.7%
Volaris	77,002	0.2%	69,853	0.2%	93,473	0.2%	86,149	0.6%	147,864	0.5%
Turkish Airlines	109,362	0.3%	118,131	0.3%	118,133	0.3%	68,198	0.4%	130,593	0.5%
Other	5,415,363	13.6%	4,772,245	11.5%	5,167,910	12.2%	1,291,449	8.4%	1,529,642	5.7%
Airport Total [(2)]	39,802,688	100.00%	41,550,383	100.00%	42,235,687	100.00%	15,344,954	100.00%	26,935,349	100.0%

Notes: Excludes general aviation, helicopter, and miscellaneous passengers included in the City of Chicago's Annual Comprehensive Financial Report. USDOT Data has been used to determine United and American combined shares. Share totals for United Airlines and American Airlines combined include regional affiliates and is separate from the airport total calculation.
(1) In December 2013, American Airlines and US Airways merged. The FAA granted a single operating certificate on April 8, 2015. Data for the two airlines are combined.
(2) Columns may not add to totals shown because of rounding.
Sources: City of Chicago, Department of Aviation, Management Records, June 2022; Ricondo & Associates, Inc., August 2022.

Additional Airline Information. The Signatory Airlines (including the corporate parents of United Airlines and American Airlines) and certain other airlines operating at O'Hare (or their respective parent corporations) file reports and other information (collectively, the "SEC Reports") with the SEC. Certain information, including financial information, as of particular dates concerning each of the Signatory Airlines (or their respective parent corporations) is included in the SEC Reports. The SEC Reports can be read and copied at the SEC's Public Reference Rooms, which can be located by calling the SEC at 1-800-SEC-0330. In addition, electronically filed SEC Reports can be obtained from the SEC's web site at www.sec.gov. Each Airline Party and certain other airlines are required to file periodic reports of financial and operating statistics with the USDOT. Such reports can be inspected at the Office of Airline Information, Bureau of Transportation Statistics, Department of Transportation, Room 4201, 400 Seventh Street S.W., Washington, DC 20590, and copies of such reports can be obtained from the USDOT at prescribed rates. Non-U.S. airlines also provide certain information concerning their operations and financial affairs, which may be obtained from the respective airlines. Neither the City nor any of the Underwriters undertakes any responsibility for, or makes any representations as to the accuracy or completeness of, or the content of information available from, the SEC including, but not limited to, updates of such information or links to other internet sites accessed through the SEC web site.

RECENT DEVELOPMENTS AT THE AIRPORT – COVID-19

The information and data contained in this section are being provided solely for the purpose of describing the impacts of the COVID-19 pandemic on O'Hare, its operations and its financial condition. The City is under no obligation to update the information and data contained herein and such information and data shall not be deemed to be "Annual Financial Information" under the Undertaking (as defined herein). See "SECONDARY MARKET DISCLOSURE."

Introduction and Impact to the Airport. The COVID-19 pandemic and the related restrictions and measures adopted to contain the spread of the virus, have had a negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and the other concessionaires at the Airport, and have caused unemployment, labor shortages, supply chain issues, reductions in tourism, business travel, and travel-related industries, and a contraction of global and national economies, among other issues.

With the outbreak of COVID-19, which was first reported in Wuhan, China in December 2019, and the following worldwide governmental stay at home orders and travel restrictions, airlines reported unprecedented decreases in domestic and international air traffic, causing the cancellation of numerous flights. Additionally, many of the Airport's retail concessionaires either temporarily or permanently closed or reported substantial declines in sales. In addition to the impact on concessionaires, the reduction in air travel had an adverse effect on parking, transportation network companies and ground transportation (such as taxi and limousine) revenues throughout the Airport.

While several vaccines against COVID-19 have been approved and are being administered, and there are various indications of economic recovery, new COVID-19 variants are still emerging, and the duration, severity and ultimate economic effects of COVID-19 remain uncertain. Ongoing concerns about the continued spread or effects of the virus have and may result in some governments re-imposing travel restrictions, in particular as it relates to international air travel.

The actual impact and length of the COVID-19 pandemic on air travel, the Airport, its operations and its finances will depend on future events, including future events outside of the City's control, and actions by governments at all levels, domestic and abroad. The City cannot predict the duration or extent of the COVID-19 pandemic or any additional adverse impacts it may have on air travel, the Airport or its financial condition or operations. Any financial information, including projections, forecasts and budgets presented herein, do not and cannot account for all of the potential effects of COVID-19.

Government Regulations and Guidelines. The United States and many other countries adopted a number of restrictions, guidelines and other orders including, but not limited to, stay-at-home orders, restrictions on travel and requirements relating to masks and vaccinations in response to COVID-19. These restrictions, guidelines and other orders have been implemented at the state and local levels throughout the United States and abroad. Governments have relaxed and intensified these measures at various points throughout the COVID-19 pandemic in response to changes in circumstance, including, but not limited to, the status of infection rates, the percentage of the population vaccinated and other various factors relating to public health and other public policy concerns with localized and global geographic considerations. As of June 12, 2022, the United States had lifted the requirement for proof of a negative COVID-19 test prior to entry into the country.

Decrease in Travel through the Airport; Certain Indications of Domestic Flight Recovery. Airports in the United States have been acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic activity reductions resulting from the COVID-19 pandemic. Airlines serving the Airport reduced or cancelled flights and curtailed their overall capacity due to the drop in demand for both domestic and international air travel in an attempt to match capacity to the modified demand for air travel. See " – Impact of COVID-19 on Air Traffic" below.

The City anticipates that airlines will continue to increase capacity on existing routes and continue to restart additional destinations in the coming months, but it cannot predict precisely when these actions will occur or if levels may fluctuate if COVID-19 infection case rates increase.

While the City cannot predict future passenger activity levels, based on recent increases in the number of enplaned passengers and statements from the airlines regarding increases in domestic service, the City has assumed for planning purposes that the number of enplaned passengers using the Airport in Fiscal Year 2022 will increase by approximately 29.7% compared to Fiscal Year 2021. The assumed number of enplanements for Fiscal Year 2022 would also represent approximately 82.7% of Fiscal Year 2019 enplanements. The assumed increase from Fiscal Year 2021 takes into account certain potential factors affecting the number of enplaned passengers using the Airport, including, but not limited to, domestic and international travel restrictions, continued health and other concerns related to the COVID-19 pandemic that affect the propensity to travel, and the widespread use of vaccines. There can be no assurance that any of the City's assumptions will prove to be accurate. See "APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT."

The COVID-19 pandemic continues to impact air travel through the Airport. Resurgence of demand for international and domestic air travel has directly impacted the Airport's operations, budget and finances. In addition, the COVID-19 pandemic has resulted in labor shortages within the aviation industry, including exacerbating growing shortages in key positions such as pilots and mechanics. See "CERTAIN INVESTMENT CONSIDERATIONS – Uncertainties of the Airline Industry – Industry Workforce Shortages." The long-term effects of these and other factors on the Airport will heavily depend on future events outside of the control of the City.

Government Stimulus and Relief Measures in Response to the COVID-19 Pandemic. As a direct result of the COVID-19 pandemic, several bills were adopted by the U.S. Congress that provided or continue to provide financial aid to the airports around the country, the airlines and other concessionaires. The Coronavirus Aid, Relief, and Economic Security Act ("*CARES Act*"), which became law on March 27, 2020, the Coronavirus Response and Relief Supplemental Appropriations Act (the "*CRRSAA*"), which became law on December 27, 2020, and the American Rescue Plan Act ("*ARPA*"), which became law on March 11, 2021, each provided direct aid for airports. The Airport has received or currently anticipates receiving through 2023 a total of $651.9 million in federal relief from each of these Acts.

During 2020, the Airport received $294.4 million of CARES Act funding, which excludes approximately $22 million of additional CARES Act funding used to pay the local share of capital projects, which was included in the Airport's Fiscal Year 2020 Airport Improvement Program grant submission.

During 2021, the Airport was awarded $60.1 million of CRRSA funds, $8.8 million of CRRSA funds allocated to the City's COVID-19 Concessions Relief Program as currently structured ("*Concessions Relief*"); $253.6 million of ARPA funds, and $35.0 million of ARPA funds allocated to Concessions Relief, which were used to pay operating costs in an amount necessary to offset lost operating revenues, Passenger Facility Charges ("*PFC*") and Customer Facility Charges ("*CFC*"), net of cost reductions. This excludes approximately $8.3 million of additional CARES Act funding used to pay the local share of capital projects, which was included in the Airport's Fiscal Year 2021 Airport Improvement Program grant submission.

The City has applied or anticipates applying the federal relief it has received or anticipates it will receive for the following uses:

APPLICATION OF FEDERAL RELIEF FUNDS

	AMOUNT APPLIED ($mm)			
USES OF FUNDS	2020	2021	2022-23	TOTAL
CARES Act Funding				
Airline Rate Base Mitigation	$224.2[(1)]	--	$10.0	$234.2
PFC Revenue Bond Debt Service	30.2	--	--	30.2
CFC Revenue	9.5	$20.5	--	30.0
Subtotal	**$263.9**	**$20.5**	**$10.0**	**$294.4**
CRRSA Funding				
Airline Rate Base Mitigation	--	$37.6	--	$37.6
PFC Revenue Bond Debt Service	--	12.0	--	12.0
CFC Revenue	--	1.0	$9.5	10.5
Concessions Relief	--	8.8	--	8.8
Subtotal	**--**	**$59.4**	**$9.5**	**$68.9**
ARP Act Funding				
Airline Rate Base Mitigation	--	$8.0	$168.6	$176.6
PFC Revenue Bond Debt Service	--	43.0	15.0	58.0
CFC Revenue	--	--	19.0	19.0
Concessions Relief	--	--	35.0	35.0
Subtotal	**--**	**$51.0**	**$237.6**	**$288.6**
Total	**$263.9**	**$130.9**	**$257.1**	**$651.9**

Source: City of Chicago, Department of Aviation, August 2022.
(1) $42.9 mm of this amount was used to offset the shortfall of PFCs to pay for PFC-supported GARBs.

The Airport's goal was to use sufficient CRRSA and ARPA funds to stabilize rates and charges. Of the $357.5 million awarded, $45.5 million was applied to stabilize 2021 rates and charges ($21.9 million to offset operating expenses and $23.6 million to common use charges), $21.5 million for debt service to mitigate the shortfall in CFCs and $55.0 million for debt service to mitigate the shortfall of PFCs. The remaining amount will be applied to 2022 Rates and Charges, PFCs and CFCs. The Airport provided additional financial stability in 2021 by implementing additional cost cutting measures of $21.0 million, which in turn reduced the operating reserve requirement by $15.4 million (including $21.9 million of CRRSA and ARPA funds applied to offset operating expenses).

The City has applied or anticipates applying a total of $59.5 million in federal relief between 2020 and 2023 to offset declines in CFC collections and mitigate impacts to Facility Rent caused by such declines in collections. This total is comprised of relief received from each of these Acts.

The City may provide additional relief in the future as it deems reasonably necessary to address the impacts of the COVID-19 pandemic on the City and its operations and its airlines, concessionaires and service providers.

In November 2021, President Biden signed the Bipartisan Infrastructure Law ("*BIL*") bill into Law. The BIL provides $25 billion of capital grants for airport infrastructure improvements to address repair and maintenance backlogs, reduce congestion and emissions near ports and airports, and drive electrification and other low-carbon technologies over a period of five years, starting in federal fiscal year 2022, of which $15 billion will be allocated to primary airports, $5 billion will be provided as discretionary funding to primary airports and $5 billion will be provided to secondary and general aviation airports. The Airport will be able to draw on its annual allocated share of funds of $79.2 million starting in the second half of 2022 every year over the next five years. The Airport expects the BIL funding to strengthen its capital funding sources to continue with major capital improvements.

IMPACT OF COVID-19 ON AIR TRAFFIC

Impact on Passenger Volume

Air travel throughout the nation continues to be affected by the COVID-19 pandemic. The Airport, similar to most other airports across the nation, experienced steep declines in passenger volumes as a result of the COVID-19 pandemic. For the periods from January 2020 through December 2020, and January 2021 through December 2021, declines in passenger volumes were approximately 63.7% and 36.2%, respectively, as compared to the same period in 2019.

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DOMESTIC ENPLANED PASSENGERS (2019-2022)

Month	2019 Domestic Enplaned Passengers	2020 Domestic Enplaned Passengers	Percentage of 2019	2021 Domestic Enplaned Passengers	Percentage of 2019	2022 Domestic Enplaned Passengers	Percentage of 2019
January	2,235,225	2,412,622	108%	854,947	38%	1,612,629	72%
February	2,287,811	2,399,204	105%	902,341	39%	1,745,063	76%
March	2,962,312	1,412,889	48%	1,403,951	47%	2,468,865	83%
April	2,801,056	154,347	6%	1,579,458	56%	2,313,579	83%
May	3,142,245	331,666	11%	2,005,148	64%	2,517,520	80%
June	3,236,833	567,433	18%	2,425,685	75%	2,629,827	81%
July	3,342,491	949,127	28%	2,667,243	80%		
August	3,268,005	1,038,652	32%	2,591,067	79%		
September	2,935,521	1,076,866	37%	2,432,394	83%		
October	3,200,053	1,194,534	37%	2,668,481	83%		
November	2,808,070	989,325	35%	2,344,479	83%		
December	2,949,092	1,022,751	35%	2,294,237	78%		
Total	**35,168,714**	**13,549,416**	**39%**	**24,169,431**	**69%**		

SOURCE: City of Chicago, Department of Aviation Management Records, July 2022. Totals include data for general aviation, helicopter and miscellaneous passengers, which are not included in the corresponding table contained in the Report of the Airport Consultant attached hereto as Appendix E.

INTERNATIONAL ENPLANED PASSENGERS (2019-2022)

Month	2019 International Enplaned Passengers	2020 International Enplaned Passengers	Percentage of 2019	2021 International Enplaned Passengers	Percentage of 2019	2022 International Enplaned Passengers	Percentage of 2019
January	468,073	473,427	101%	128,320	27%	273,846	59%
February	418,287	383,248	92%	101,042	24%	248,912	60%
March	592,689	228,419	39%	145,132	24%	395,727	67%
April	552,957	14,920	3%	137,683	25%	411,014	74%
May	688,520	20,201	3%	181,785	26%	537,798	78%
June	735,906	45,026	6%	256,927	35%	628,440	85%
July	709,831	78,242	11%	311,277	44%		
August	684,894	92,319	13%	298,113	44%		
September	590,992	86,545	15%	255,857	43%		
October	568,106	90,707	16%	260,411	46%		
November	497,174	112,531	23%	297,482	60%		
December	572,227	176,045	31%	401,899	70%		
Total	**7,079,656**	**1,801,630**	**25%**	**2,775,928**	**39%**		

SOURCE: City of Chicago, Department of Aviation Management Records, July 2022. Totals include data for general aviation, helicopter and miscellaneous passengers, which are not included in the corresponding table contained in the Report of the Airport Consultant attached hereto as Appendix E.

TOTAL ENPLANED PASSENGERS (2019-2022)

Month	2019 Total Enplaned Passengers	2020 Total Enplaned Passengers	Percentage of 2019	2021 Total Enplaned Passengers	Percentage of 2019	2022 Total Enplaned Passengers	Percentage of 2019
January	2,703,298	2,886,049	107%	983,267	36%	1,886,475	70%
February	2,706,098	2,782,452	103%	1,003,383	37%	1,993,975	74%
March	3,555,001	1,641,308	46%	1,549,083	44%	2,864,592	81%
April	3,354,013	169,267	5%	1,717,141	51%	2,724,593	81%
May	3,830,765	351,867	9%	2,186,933	57%	3,055,318	80%
June	3,972,739	612,459	15%	2,682,612	68%	3,258,267	82%
July	4,052,322	1,027,369	25%	2,978,520	74%		
August	3,952,899	1,130,971	29%	2,889,180	73%		
September	3,526,513	1,163,411	33%	2,688,251	76%		
October	3,768,159	1,285,241	34%	2,928,892	78%		
November	3,305,244	1,101,856	33%	2,641,961	80%		
December	3,521,319	1,198,796	34%	2,696,136	77%		
Total	**42,248,370**	**15,351,046**	**36%**	**26,945,359**	**64%**		

SOURCE: City of Chicago, Department of Aviation Management Records, July 2022. Totals include data for general aviation, helicopter and miscellaneous passengers, which are not included in the corresponding table contained in the Report of the Airport Consultant attached hereto as Appendix E.

Impact on Cargo Volume

Total cargo tonnage (metric tons) at O'Hare was 2.0 million for the annual period ended December 2020, and 2.5 million for the annual period ended December 2021, as compared with 1.8 million for the annual period ended December 2019, which are approximate annual increases of 11% and 25%, respectively.

TOTAL CARGO ACTIVITY (METRIC TONS)
(2019-2022)

MONTH	2019	2020	Percentage of 2019	2021	Percentage of 2019	2022	Percentage of 2019
January	129,064	123,860	96%	186,654	145%	186,454	144%
February	121,217	117,000	97%	193,651	160%	176,872	146%
March	159,304	155,154	97%	241,115	151%	206,992	130%
April	149,483	154,331	103%	239,796	160%	177,488	119%
May	156,002	162,371	104%	225,477	145%	186,144	119%
June	157,963	168,346	107%	207,185	131%	193,080	122%
July	145,564	163,925	113%	218,001	150%		
August	152,397	177,784	117%	189,239	124%		
September	151,678	178,556	118%	185,674	122%		
October	164,629	200,963	122%	217,200	132%		
November	157,550	201,878	128%	220,771	140%		
December	143,151	198,505	139%	211,813	148%		
Total	**1,788,001**	**2,002,672**	**112%**	**2,536,576**	**142%**		

SOURCE: City of Chicago, Department of Aviation Management Records. Totals may not foot due to rounding.

Impact on Landed Weights

The total aircraft landed weights (in thousands of pounds) for passenger and cargo aircraft at O'Hare was 35,416,278 for the annual period ended December 2020, as compared with 57,471,102 for the annual period ended December 2019, which is an approximate decrease of 38%. The total aircraft landed weights for passenger and cargo aircraft at O'Hare was 46,858,701 for the annual period ended December 2021, which is an approximate decrease of 18%.

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PASSENGER AIRCRAFT LANDED WEIGHT (THOUSANDS OF POUNDS) (2019-2022)

	PASSENGER AIRCRAFT						
Month	**2019**	**2020**	**% of 2019**	**2021**	**% of 2019**	**2022**	**% of 2019**
January	3,709,445	3,853,716	104%	2,142,154	58%	3,180,479	86%
February	3,526,067	3,625,902	103%	2,032,048	58%	2,898,742	82%
March	4,260,882	3,459,449	81%	2,648,005	62%	3,524,401	83%
April	4,217,783	1,266,192	30%	2,772,472	66%	3,430,325	81%
May	4,541,253	1,257,908	28%	3,153,350	69%	3,660,644	81%
June	4,633,544	1,385,166	30%	3,592,600	78%	3,729,999	80%
July	4,736,850	2,185,504	46%	4,077,754	86%		
August	4,721,911	2,419,525	51%	3,988,441	85%		
September	4,445,486	2,244,973	50%	3,874,009	87%		
October	4,611,592	2,316,378	50%	4,002,065	87%		
November	4,154,752	2,314,408	56%	3,721,953	90%		
December	4,215,648	2,369,427	56%	3,707,272	88%		
Total	**51,775,213**	**28,698,546**	**55%**	**39,712,122**	**77%**		

SOURCE: City of Chicago, Department of Aviation Management Records. Totals may not foot due to rounding.

CARGO AIRCRAFT LANDED WEIGHT (THOUSANDS OF POUNDS) (2019-2022)

	CARGO AIRCRAFT						
Month	**2019**	**2020**	**% of 2019**	**2021**	**% of 2019**	**2022**	**% of 2019**
January	426,500	414,080	97%	570,050	134%	667,505	156%
February	383,999	390,740	102%	554,647	144%	623,796	162%
March	471,089	543,516	115%	633,609	134%	708,810	150%
April	462,795	576,730	125%	602,264	130%	628,291	136%
May	481,874	574,876	119%	621,324	129%	652,841	135%
June	485,038	596,663	123%	589,609	122%	648,621	134%
July	473,536	564,294	119%	593,723	125%		
August	504,687	576,918	114%	588,005	117%		
September	492,205	542,900	110%	580,067	118%		
October	517,712	652,835	126%	609,050	118%		
November	514,954	646,464	126%	600,864	117%		
December	481,501	637,717	132%	603,369	125%		
Total	**5,695,889**	**6,717,732**	**118%**	**7,146,579**	**125%**		

SOURCE: City of Chicago, Department of Aviation Management Records. Totals may not foot due to rounding.

TOTAL PASSENGER AND CARGO AIRCRAFT LANDED WEIGHT (THOUSANDS OF POUNDS) (2019-2022)

	TOTAL PASSENGER AND CARGO AIRCRAFT						
Month	**2019**	**2020**	**% of 2019**	**2021**	**% of 2019**	**2022**	**% of 2019**
January	4,135,945	4,267,796	103%	2,712,203	66%	3,847,984	93%
February	3,910,066	4,016,641	103%	2,586,694	66%	3,522,538	90%
March	4,731,971	4,002,964	85%	3,281,615	69%	4,226,211	89%
April	4,680,578	1,842,922	39%	3,374,736	72%	4,058,616	87%
May	5,023,127	1,832,784	36%	3,774,675	75%	4,313,485	86%
June	5,118,581	1,981,829	39%	4,182,209	82%	4,378,620	86%
July	5,210,386	2,749,798	53%	4,671,477	90%		
August	5,226,598	2,996,443	57%	4,576,446	88%		
September	4,937,691	2,787,873	56%	4,454,076	90%		
October	5,129,304	2,969,212	58%	4,611,114	90%		
November	4,669,706	2,960,872	63%	4,322,816	93%		
December	4,697,148	3,007,144	64%	4,310,640	92%		
Total	**57,471,102**	**35,416,278**	**62%**	**46,858,701**	**82%**		

SOURCE: City of Chicago, Department of Aviation Management Records. Totals may not foot due to rounding.

Impact on General Airport Finances

Financial provisions of the AULA have enhanced liquidity and improved debt service coverage since the AULA was put in place, despite the COVID-19 pandemic. The City has agreed in the AULA to assess rates and charges on the Signatory Airlines sufficient to increase Debt Service coverage on the Senior Lien Obligations to 1.25x, and to fund the Supplemental O&M Reserve Fund over time to reach 25% of the year's projected operation and maintenance expenses by 2025. For the 2022 fiscal year, the applicable percentage is 14.4%, rising to 18.0% in 2023, 21.6% in 2024, and 25.0% in 2025 and thereafter. The balance in the Supplemental O&M Reserve Fund as of August 15, 2022 is $42.9 million.

The Airport continues to maintain a critical role in the hub networks of both United Airlines and American Airlines, while also growing activity by low-cost aviation service providers. Revenues continue to climb back towards 2019 levels.

See "APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS." As of July 22, 2022, cash and investment balances were $862.7 million; based on 2022 budgeted annual operation and maintenance expenses of $661.5 million, the Airport had 476 days of cash on hand.

	2019 (Actual)	2021 (Actual)	2022 (Projected)
Total Enplanements[1]	42,248,370	26,945,359	33,173,394
Debt Service Coverage[2]	1.44x	1.59x	1.53x
Days Cash on Hand[3]	405	439	476
Total Revenue ($bn)	$1.25	$1.09	$1.33
Non-Airline Revenue ($mm)	$322.1	$189.8	$286.1

SOURCE: City of Chicago, Department of Aviation Management Records, August 2022; Ricondo & Associates, Inc., August 2022.
(1) Projected enplaned passengers exclude general aviation, helicopter and miscellaneous passengers.
(2) Coverage calculation makes adjustments for certain O&M Expenses, Revenues, and other reserve funds and therefore is not directly comparable to the coverage calculation in the financial statements.
(3) 2022 days cash on hand as of July 22, 2022.

Impact on Passenger Facility Charges Revenues

PFC Revenues consist of all revenue received by the City from the passenger facility charges imposed by the City at O'Hare pursuant to applicable law. The beginning balance of PFC Revenues at January 1, 2022 was approximately $228.2 million, and the amount of PFC Revenues collected during 2020 and 2021 were $69.0 million and $98.8 million, respectively, reductions of 61.8% and 45.3% compared to the same period in 2019.

Impact of COVID-19 on Certain Non-Airline Revenues

With the decline in enplaned passengers, there have been corresponding declines in demand for parking, rental cars, and passenger terminal concessions. The following table shows parking revenue, rental car revenue and concession revenue at O'Hare for 2020 and 2021 compared to the same period in 2019.

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PARKING, RENTAL CAR AND CONCESSION REVENUE (2019-2021)

MONTH	2019 CONCESSION, PARKING and RENTAL CAR REVENUE	2020 CONCESSION, PARKING and RENTAL CAR REVENUE	CHANGE, 2019-2020	2021 CONCESSION, PARKING and RENTAL CAR REVENUE	CHANGE, 2020-2021	CHANGE, 2019-2021
January	$26,128,761.34	$22,132,968.49	-15.29%	$15,722,955.94	-29.0%	-39.8%
February	24,107,781.49	20,924,140.03	-13.2%	14,618,302.67	-30.1%	-39.4%
March	25,595,870.37	17,422,348.44	-31.9%	17,447,908.72	0.1%	-31.8%
April	28,059,935.78	8,883,487.86	-68.3%	18,434,874.28	107.5%	-34.3%
May	29,403,789.68	9,824,621.84	-66.6%	18,300,034.90	86.3%	-37.8%
June	27,744,240.31	9,987,841.45	-64.0%	19,216,369.56	92.4%	-30.7%
July	26,778,778.42	13,377,104.70	-50.0%	17,745,385.70	32.7%	-33.7%
August	27,687,368.40	11,182,081.50	-59.6%	22,516,188.68	101.4%	-18.7%
September	26,802,188.32	15,212,366.85	-43.2%	20,575,982.64	35.3%	-23.2%
October	22,562,718.33	13,733,193.84	-39.1%	9,710,649.16	-29.3%	-57.0%
November	28,803,491.69	11,310,426.89	-60.7%	19,808,885.32	75.1%	-31.2%
December	28,471,606.20	14,622,011.89	-48.6%	7,749,357.63	-47.0%	-72.8%
Total	**$322,146,530.33**	**$168,612,593.78**	-47.7%	**$201,846,895.20**	19.7%	-37.3%

SOURCE: City of Chicago, Department of Aviation Management Records.

Other Related Matters

The prime contractor and largest subcontractor for the ATS that connects the terminals at the Airport to one another, remote public parking and the consolidated rental car facility at the Airport, each have made force majeure claims under their contracts relating to the ATS. These claims are not anticipated by the City to have a material adverse impact on the payment of the Senior Lien Bonds. The ATS was substantially completed in November, 2021 and as of April, 2022 the ATS operates at full service twenty-four hours a day. The City continues to work with the prime contractor for the ATS to complete testing regarding system reliability. The City currently is not aware of any other force majeure provisions in any other material contracts or agreements relating to the Airport that are expected to be invoked and have a material adverse effect on the Airport or its operations. The City cannot predict or foresee what other force majeure provisions may be invoked in the future.

Future COVID-19 Matters

Prospective investors should be aware that the restrictions and limitations related to COVID-19, and the current disruption to the air travel industry and the national and global economies, may continue or increase at least over the near term, may be subject to prolonged recovery and, therefore, may have an adverse impact on O'Hare revenues. Future outbreaks, pandemics or events outside the City's and O'Hare's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at O'Hare and declines in O'Hare revenues. See "CERTAIN INVESTMENT CONSIDERATIONS — COVID-19 Pandemic and "—Worldwide Health Concerns."

Forward-looking Statements

This Section contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance and achievements to be different from future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

O'HARE FINANCIAL INFORMATION

OPERATING RESULTS

The following is a summary of O'Hare's operating revenues and Operation and Maintenance Expenses for the five year period 2017 through 2021. O'Hare's Fiscal Year corresponds with the calendar year. See also APPENDIX D – "AUDITED FINANCIAL STATEMENTS" as of and for the years ended December 31, 2021 and 2020 (the "Financial Statements").

HISTORICAL OPERATING RESULTS
CHICAGO O'HARE INTERNATIONAL AIRPORT[1]
2017-2021
(IN THOUSANDS)

OPERATING REVENUES	2017	2018	2019	2020	2021
Landing Fees	$300,247	$336,168	$370,945	$365,580	$562,241
Rental Revenues					
Terminal rental and use charges	350,727	373,765	440,325	274,283	253,713
Other rentals and fueling system fees	62,905	84,513	113,567	90,646	121,473
Sub-Total Rental Revenues	413,632	458,278	553,892	364,929	375,186
Concessions:					
Auto parking	106,620	103,975	103,459	39,624	73,599
Auto rentals	28,028	29,971	32,559	28,372	27,591
Restaurants	54,657	57,972	61,690	28,819	34,330
News and gifts	24,354	25,465	25,012	23,309	12,325
Other[2]	43,762	43,240	99,427	48,528	54,002
Sub-Total Concessions	257,421	260,623	322,147	168,652	201,847
Reimbursements	4,879	6,844	6,501	6,451	5,878
Total Operating Revenues	$976,179	$1,061,913	$1,253,485	$905,612	$1,145,152
OPERATION AND MAINTENANCE EXPENSES					
Salaries and Wages	$210,649	$227,219	$221,763	$228,173	$213,023
Pension Expense	145,992	145,920	159,153	45,419	62,448
Repairs and Maintenance	95,310	115,008	143,231	144,975	170,176
Energy	34,773	35,027	42,297	35,350	35,004
Materials & Supplies	6,937	16,284	14,647	7,670	13,876
Engineering & Other Professional Services	101,798	111,642	133,994	140,982	149,419
Other Operating Expenses[2]	57,035	59,166	127,499	89,156	128,985
Total Operation and Maintenance Expenses Before Depreciation and Amortization	$652,494	$710,266	$842,584	$691,725	$772,931
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	$323,685	$351,647	$410,901	$213,887	$372,221

SOURCE: City of Chicago's Annual Comprehensive Financial Report; City of Chicago.

(1) Columns may not add to total shown because of rounding.

(2) Other Concession Revenues and Other Operating Expenses include the operations of Hilton O'Hare, which was transferred back to the Airport on January 1, 2019 as the 30 year lease term with HLT O'Hare, Inc. ended on December 31, 2018. The City has entered a 10 year operating lease agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC for food and beverage operations. 2019 is the first year where the operations of Hilton O'Hare have been included in the basic financial statements.

DISCUSSION OF FINANCIAL OPERATIONS

The "Historical Operating Results" table above summarizes O'Hare's audited financial results for the years 2017 through 2021. Operating Revenues in the table are comprised of landing fees, terminal area rental/use charges, other rentals/fueling system fees and concessions. Operation and Maintenance Expenses are comprised of salaries and wages, repairs and maintenance, energy, materials and supplies, engineering and other professional services and other operating costs which include insurance premiums, equipment rentals, vehicles and various miscellaneous costs.

The City charges the Signatory Airlines based on a projection of, and recognizes revenues from the Signatory Airlines only to the extent required to fund, the net airline requirement (equal to Operation and Maintenance Expenses, net debt service requirements and fund deposit requirements less non-airline revenues and credits). Accordingly, landing fees and terminal area rental/use charges increased $176.1 million (27.5%) in 2021 compared to 2020, to $816 million, as air travel recovered from pandemic low levels (See "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic" herein).

Operating expenses before depreciation, amortization and loss on capital asset disposals increased by $81.2 million (11.7%) in 2021 compared to 2020. Increases were due in part to increases in pension expense of $17 million (37.4%) and repairs and maintenance of $25.2 million (17.4%) due to the provisions of the 2018 Airline Use and Lease Agreement. The AULA allows for additional ongoing repairs and maintenance of up to $40 million annually. Other operating expenses increased by $39.8 million (44.7%) primarily due to increases in indirect costs and insurance. These increases were offset by decreases in salaries and wages of $15.2 million (-6.7%) due to decreased fringe benefit costs and certain salaries associated with the capital programs being capitalized.

Of the $62.5 million of pension expense for 2021, $77.1 million is the portion of the City's pension contribution payable in 2021 to the pension funds and allocable to O'Hare Airport. The remaining portion of the pension expense (benefit) for 2021, ($14.6) million, is recognized on the income statement of O'Hare Airport for 2021 but is not due and payable by the City during 2021; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

The increase in concession revenues of $61.5 million from 2018 to 2019 was primarily due to the operations of Hilton O'Hare, which was transferred back to the Airport on January 1, 2019 as the 30 year lease term with HLT O'Hare, Inc. ended on December 31, 2018. The City has entered a 10 year operating lease agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC for food and beverage operations. 2019 is the first year where the operations of Hilton O'Hare have been included in the basic financial statements.

Cash Balances

O'Hare's unrestricted and restricted cash and investments balances as of December 31, 2020 and 2021 were as follows:

	UNRESTRICTED CASH AND INVESTMENTS ($mm)[1]	**RESTRICTED CASH AND INVESTMENTS ($mm)**
December 31, 2020	$205.8	$3,326.0
December 31, 2021	$292.5	$2,618.0

SOURCE: City of Chicago's Annual Comprehensive Financial Report
(1) Net of debt service payments due January 1 already transferred to the debt service funds.

The December 31, 2021 restricted cash and investments balance was comprised of construction funds of $553.4 million, $34.4 million of capitalized interest, debt service reserve funds of $783.1 million, $337.7 million of debt service funds, $179.3 million of operation and maintenance reserve, maintenance reserve and supplemental operations and maintenance reserve funds; $44.6 million of customer facility charge funds, $219.7 million in the Airport General Fund (including LOI receipts), $189.6 million in the aeronautical real estate, commercial real estate and pre-approved allowances funds; $48.1 million in other funds, and $228.2 million in the passenger facility charge fund.

Restricted cash and investments are recorded in the Annual Audit as restricted in accordance with generally accepted accounting principles. The following funds recorded as restricted in the Annual Audit may be used by the Airport for the purpose of paying operating expenses and debt service and are included by the Airport in unrestricted cash and investments for the purposes of calculating days cash on hand: Operation and Maintenance Reserve Fund, Supplemental O&M Reserve Fund, Maintenance Reserve Fund, Airport General Fund, Aeronautical Real Estate Fund, Commercial Real Estate Fund, Pre-Approved Allowances Fund, and other funds.

INSURANCE

The City maintains property and liability insurance coverage for both O'Hare and Midway and allocates the cost of the premiums between the two airports. The City's property and liability insurance premiums are approximately $12.5 million per year. The property coverage was renewed on December 31, 2021 with a limit of $3.5 billion and includes $3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2022, with a limit of $1 billion and includes $1 billion in war and terrorism liability coverage.

PENSION COSTS

Determination of Pension Contributions

Pursuant to the Illinois Pension Code, as revised from time to time (the "Pension Code"), the City contributes to four retirement funds (collectively, the "Retirement Funds"), which provide benefits upon retirement, death or disability to members and their beneficiaries. The Retirement Funds are, by order of membership: (i) the Municipal Employees' Annuity and Benefit Fund of Chicago ("MEABF"); (ii) the Policemen's Annuity and Benefit Fund of Chicago ("PABF"); (iii) the Firemen's Annuity and Benefit Fund of Chicago ("FABF"); and (iv) the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("LABF"). The Retirement Funds' membership consists primarily of current and former employees of the City and their beneficiaries. Each O'Hare employee participates in one of the Retirement Funds. For additional information on the O'Hare's portion of the net pension liability to the Retirement Funds, see APPENDIX D - "AUDITED FINANCIAL STATEMENTS- NOTES 7 and 8."

Members of each Retirement Fund (individually, an "Eligible Member," and collectively, "Eligible Members") are eligible for an annual annuity payment (the "Annuity Benefits") if they meet certain age, years of service and prior service credit requirements (the "Eligibility Factors"). Benefits to each Eligible Member are statutorily established based on a combination of the Eligibility Factors and the Eligible Member's average annual salary for certain years prior to retirement (the "Annuity Factors").

Annuity Benefits for each of the Retirement Funds are funded from three sources: (i) contributions from the City from the proceeds of a levy on all taxable property located within the City (the "City Contributions") and from any other legally available funds including payments from O'Hare on behalf of O'Hare employees (collectively, the "Other Available Funds," as described below, (ii) contributions from Eligible Members, including Eligible Members employed at or providing services to O'Hare (the

"Employee Contributions," and together with the City Contributions, the "Contributions"), and (iii) investment returns. O'Hare has historically contributed its pro rata share of City Contributions to the Retirement Systems (the "O'Hare Portion") based on the Annuity Factors for the number of O'Hare employees or non-Airport employees that provide services chargeable to O'Hare who are Eligible Members.

The portion of the City's contribution presently made from Other Available Funds consists of several revenue sources, including (i) general corporate fund revenues, and (ii) revenues of the enterprise systems (with respect to the portion of the contribution allocable to the employees of the respective enterprise systems). The City has identified additional revenue sources to assist in making the increased contributions to LABF and MEABF as a result of the enactment of P.A. 100-23 (described below). With respect to LABF, the City expects that a portion of such increased contribution will be made from funds in the Corporate Fund made available as a result of an increase in the 911 surcharge. With respect to MEABF, the City intends to utilize revenues generated from a tax on water and sewer usage which was imposed by the City Council on September 14, 2016, to fund a portion of the increase in the City's contributions to MEABF. The City also expects to allocate to the Retirement Funds revenues received commencing in 2022 from the operation of the City's first-ever casino.

The City allocates to its enterprise funds, including the enterprise fund for O'Hare, their share of the City's annual contribution to the Retirement Funds based upon the amount of services provided by City employees to the functions or enterprises related to or paid out of those funds. The enterprise funds account for their allocable share of the City's contributions to the Retirement Funds as operating and maintenance expenses. In addition, beginning in 2015, the financial statements of the enterprise funds have included an allocation of the applicable Net Pension Liability to such funds as required by the New GASB Standards. The amounts allocable to the respective enterprise funds, including the enterprise fund for O'Hare, may be significant and may have a material effect on such financial statements.

The provisions of the Pension Code mandate the amounts the City must contribute to the Retirement Funds, and the City is bound to contribute, and historically has contributed, such amounts.

Historically, the Pension Code required the City to contribute to a Retirement Fund a statutory multiple of the amount contributed to such Retirement Fund by the employees who are Eligible Members two years prior to the levy year of the property tax used to generate the contribution (the "Multiplier Funding System"). The Multiplier Funding System did not adjust for changes in the funding level of such Retirement Fund, so in many years the contributions determined under the Multiplier Funding System were substantially less than the contribution that would have resulted from an actuarial determination.

The City's contributions to the Retirement Funds are no longer calculated in accordance with the Multiplier Funding System. Public Act 96-1495 ("P.A. 96-1495"), as modified by Public Act 99-506 ("P.A. 99-506" and, together with P.A. 96-1495, the "FABF/PABF Funding Legislation"), modified the articles of the Pension Code applicable to FABF and PABF to provide for calculation of the respective contributions to such Retirement Funds in accordance with the FABF/PABF Funding Plan (as hereinafter defined and described). Public Act 100-23 ("P.A. 100-23") modified the articles of the Pension Code applicable to LABF and MEABF to provide for calculation of the respective contributions to such Retirement Funds in accordance with the LABF/MEABF Funding Plan (as hereinafter defined and described).

Pursuant to the FABF/PABF Funding Legislation, beginning in payment year 2021, the City must contribute to FABF and PABF annually the amount necessary to achieve a Funded Ratio (as described below) of 90 percent in such Retirement Funds by the end of fiscal year 2055 (the "FABF/PABF Actuarial Funding Amount"). For payment years 2016 through 2020, the FABF/PABF Funding Legislation specifies the amounts contributed by the City in gradually increasing amounts ahead of the FABF/PABF Actuarial

Funding Amount (the "FABF/PABF Phase-in Funding" and, together with the FABF/PABF Actuarial Funding Amount, the "FABF/PABF Funding Plan"). During the FABF/PABF Phase-in Funding, the City contributed the following amounts pursuant to the FABF/PABF Funding Legislation in payment year 2018, $727 million; in payment year 2019, $792 million; and in payment year 2020, $824 million. In payment year 2021 the City began contributing FABF/PABF Actuarial Funding Amounts, the first time in the City's history that contributions to a pension fund of the City were calculated on an actuarially-determined basis. The City contributed the FABF/PABF Actuarial Funding Amounts of $1.11 billion in payment year 2021 and will contribute $1.16 billion in payment year 2022.

Pursuant to P.A. 100-23, beginning in payment year 2023, the City must contribute to LABF and MEABF annually the amount necessary to achieve a Funded Ratio (as described below) of 90 percent in such Retirement Funds by the end of fiscal year 2058 (the "LABF/MEABF Actuarial Funding Amount"). For payment years 2018 through 2022, P.A. 100-23 specifies the amounts contributed by the City in gradually increasing amounts ahead of the LABF/MEABF Actuarial Funding Amount (the "LABF/MEABF Phase-in Funding" and, together with the LABF/MEABF Actuarial Funding Amount, the "LABF/MEABF Funding Plan"). During the LABF/MEABF Phase-in Funding, the City contributed the following amounts pursuant to P.A. 100-23: in payment year 2018, $302 million; in payment year 2019, $392 million, in payment year 2020, $481 million, in payment year 2021, $571 million and, in payment year 2022, $660 million. The City will contribute the LABF/MEABF Actuarial Funding Amount of $1.08 billion in payment year 2023.

The City's Fiscal Year 2022 budget included the following contributions to the Retirement Funds in 2023 (as indicated by total annual contribution and Airport proportional share): (i) $960.0 million for MEABF, of which $65.7 million, or 6.8 percent, is the Airport's proportional share; (ii) $116.6 million for LABF, of which $7.9 million, or 6.8 percent, is the Airport's proportional share; (iii) $799.4 million for PABF, of which $13.8 million, or 1.7%, is the Airport's proportionate share; and (iv) $399.9 million for FABF, of which $20.0 million, or 5.0% percent, is the Airport's proportional share. No pledged Revenues have been used or will be used to pay pension expenses for non-Airport employees or employees performing services not directly chargeable to the Airport; the proportional share contributed on behalf of the Airport is drawn from general airport revenues. The 2023 payment year is the first time that the contributions to all four pension funds of the City will be calculated on an actuarially-determined basis.

The allocations described in this subsection are not required by statute but represent the City's current method of allocating its pension costs. The City may alter the manner in which it allocates its pension costs to these funds at any time.

OUTSTANDING INDEBTEDNESS AT O'HARE

GENERAL

The City has financed capital improvements at O'Hare through various sources including City financings, federal grants, airline contributions, and available airport funds. The City has issued obligations secured by Revenues, including the Senior Lien Obligations (secured by Revenues on a senior lien basis) and Commercial Paper Notes and Letter of Credit Notes (secured by Revenues on a junior lien basis). Certain of the Senior Lien Obligations are secured by revenue sources which are separate and apart from Revenues, such as Grant Receipts and PFC Revenues.

In addition, the City has issued PFC Obligations secured by PFC Revenues, CFC Obligations secured by CFCs paid by customers of the rental car companies operating at O'Hare, and Special Facility Revenue Bonds secured by payments made by individual airlines and other tenants and licensees pursuant to separate special facility agreements with the City. See also APPENDIX D - "AUDITED FINANCIAL STATEMENTS-Note 4."

AIRPORT OBLIGATIONS

Outstanding Senior Lien Bonds. The City has outstanding Senior Lien Bonds (including the Third Lien Bonds issued prior to 2012) in the outstanding aggregate principal amount of $8.538 billion (which amount includes the Refunded Bonds that are Senior Lien Bonds anticipated to be refunded with proceeds of the 2022 Senior Lien Bonds). The 2022 Senior Lien Bonds are secured on a parity basis with the Outstanding Senior Lien Bonds and all other Senior Lien Obligations.

Debt Service Schedule for Outstanding Senior Lien Bonds. The Senior Lien Indenture secures on a parity basis as to Revenues the 2022 Senior Lien Bonds, the Outstanding Senior Lien Bonds and any additional Senior Lien Obligations issued or incurred by the City from time to time. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS-General." The debt service on the Outstanding Senior Lien Bonds is shown in the following table:

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DEBT SERVICE SCHEDULE FOR SENIOR LIEN BONDS[1]

Bond Year Ending January 1	Total Net Debt Service on Outstanding Senior Lien Bonds[2]	Total Debt Service on 2022A Senior Lien Bonds	Total Debt Service on 2022B Senior Lien Bonds	Total Debt Service on 2022C Senior Lien Bonds	Total Debt Service on 2022D Senior Lien Bonds	Less Capitalized Interest on the 2022 Senior Lien Bonds[3]	Total Net Debt Service[3]
2023	$ 421,197,702	$ 13,787,941	$ 1,725,029	$ 4,376,742	$ 9,178,610	$12,138,169	$ 438,127,854
2024	650,777,182	57,053,550	7,138,050	28,761,500	16,328,850	37,670,257	722,388,875
2025	650,774,881	60,853,550	7,138,050	32,128,500	36,783,850	15,404,843	772,273,988
2026	646,609,039	57,703,550	7,138,050	40,460,500	36,401,100	6,391,743	781,920,496
2027	647,485,885	56,821,550	7,138,050	6,983,250	34,346,350		752,775,085
2028	637,341,560	57,221,550	7,138,050	6,988,250	36,936,600		745,626,010
2029	613,829,130	59,211,550	7,138,050	6,985,750	47,082,100		734,246,580
2030	619,515,767	57,111,050	7,138,050	6,985,750	20,421,100		711,171,717
2031	619,494,612	57,124,550	7,138,050	6,987,750	20,415,600		711,160,562
2032	619,988,353	56,636,300	7,138,050	6,986,250	20,420,100		711,169,053
2033	621,239,696	56,636,300	7,138,050	6,986,000	20,422,850		712,422,896
2034	659,785,362	56,636,300	7,138,050	6,986,500	20,417,600		750,963,812
2035	676,325,487	56,636,300	7,138,050	6,987,250	20,423,350		767,510,437
2036	538,078,583	56,636,300	7,138,050	6,982,750	20,418,100		629,253,783
2037	538,623,746	56,636,300	7,138,050	6,987,750	20,415,850		629,801,696
2038	538,857,302	56,636,300	7,138,050	6,986,250	20,419,850		630,037,752
2039	537,515,333	56,636,300	7,138,050	6,988,000	20,418,100		628,695,783
2040	423,503,134	56,636,300	7,138,050	6,982,250	20,419,100		514,678,834
2041	365,469,925	56,636,300	7,138,050	6,983,750	20,415,850		456,643,875
2042	268,914,213	73,186,300	7,138,050	6,986,500	20,416,600		376,641,663
2043	268,934,125	73,163,800	7,138,050	6,989,750	20,420,600		376,646,325
2044	270,722,850	71,372,662	7,138,050	6,987,750	20,420,400		376,641,712
2045	243,310,538	98,787,725	7,138,050				349,236,313
2046	243,308,000	98,788,088	7,138,050				349,234,138
2047	221,138,200	120,956,662	7,138,050				349,232,912
2048	221,276,500	120,816,488	7,138,050				349,231,038
2049	534,310,500	42,734,688	7,138,050				584,183,238
2050	200,943,500	141,149,688	7,138,050				349,231,238
2051	201,077,519	141,016,769	7,138,050				349,232,338
2052	201,233,550	140,865,056	7,138,050				349,236,656
2053	120,093,219	212,901,962	7,138,050				340,133,232
2054	418,288,000	16,645,275	7,138,050				442,071,325
2055		332,995,275	7,138,050				340,133,325
2056			157,588,050				157,588,050
Total	$14,439,963,394	$2,728,632,279	$387,730,679	$231,478,742	$523,342,510	$71,605,013	$18,239,542,590

(1) Totals may not add due to rounding.

(2) Does not include Federal Subsidy Payments with respect to the Series 2010B Bonds. Under the Budget Sequestration Provisions of the Budget Control Act of 2011 the subsidy will be reduced by 5.7% for the Federal 2021-2030 Fiscal Years.

(3) The City will be finalizing its investments of certain proceeds of the 2022 Senior Lien Bonds, including proceeds of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds to be deposited into the 2022A Senior Lien Capitalized Interest Account and the 2022B Senior Lien Capitalized Interest Account, respectively, prior to issuance of 2022 Senior Lien Bonds. If the investment earnings to be received on the proceeds of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds to be deposited into such Senior Lien Capitalized Interest Accounts allow for a smaller amount of such proceeds to be so deposited, the amount of such proceeds no longer needed to be so deposited will be deposited instead into the Project Accounts to pay for Airport Projects. In addition, prior to issuance of the 2022 Senior Lien Bonds, the City could issue additional Credit Agreement Notes up to its unused capacity to do so, currently $31,800,000. In that event, proceeds of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds expected to be deposited into the Project Accounts to pay for Airport Projects would instead be used to repay such Credit Agreement Notes.

Issuance of Additional Airport Obligations. Subject to certain conditions set forth in the Senior Lien Indenture, the City may issue Additional Senior Lien Bonds or incur other Senior Lien Obligations that will be secured on a parity basis with the 2022 Senior Lien Bonds and the Outstanding Senior Lien Bonds. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS – Issuance of Additional Senior Lien Bonds" and "CAPITAL PROGRAMS."

Obligations Subordinate to Senior Lien Bonds. As described under "SECURITY FOR THE 2022 SENIOR LIEN BONDS-Covenants Against Lien on Revenues," the City has the right, at any time, to issue debt payable or secured by Revenues so long as such pledge is expressly junior and subordinate to the pledge of Revenues to the payment of Senior Lien Obligations. Indebtedness of the type described in the preceding sentence can be issued without limit as to nature or amount. Proceeds of the 2022A Senior Lien Bonds and the 2022B Senior Lien Bonds will be used to repay outstanding Credit Agreement Notes (as defined herein).

The City has authorized the issuance of Commercial Paper Notes and Credit Agreement Notes, respectively, in a combined aggregate principal amount outstanding at any one time of up to $1 billion. Pursuant to this authority, the City established a $600 million Credit Agreement Note program. The Commercial Paper Notes and the Credit Agreement Notes (to the amount issued) are Junior Lien Obligations and subordinate to the 2022 Senior Lien Bonds and all other Senior Lien Obligations with respect to their claim on Revenues. No Commercial Paper Notes are currently outstanding. The authorized and outstanding Credit Agreement Notes are set forth in the table below. The Credit Agreement Notes are issued pursuant to a revolving credit agreement and repayment of the amount outstanding would restore the credit capacity for future borrowings. The principal amount of Credit Agreement Notes currently outstanding are approximately $568,200,000; however the City may draw on the remaining unused portion of the Credit Note program prior to the sale and issuance of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds. All of the outstanding principal amount of Credit Agreement Notes outstanding at the time of issuance of the 2022 Senior Lien Bonds will be repaid with the proceeds of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds.

ISSUE	SERIES	CREDIT CAPACITY	AMOUNT OUTSTANDING*	FACILITY EXPIRATION	TERM/ YEARS	BANK
Credit Agreement Notes	2021	$500,000,000	$495,100,000	12/2/2024	3	Bank of America, N.A.
Credit Agreement Notes	2022	100,000,000	73,100,000	7/22/2024	2	Wells Fargo Bank, National Association
Total		$600,000,000	$568,200,000			

SOURCE: City of Chicago, Department of Finance.

AIRPORT PFC OBLIGATIONS

Outstanding PFC Obligations. The City has previously issued various series of PFC Obligations pursuant to the PFC Master Indenture and there are $343.8 million aggregate principal amount of PFC Obligations outstanding under the PFC Indenture. PFC Obligations are secured separately from the Senior Lien Bonds, solely by PFC Revenues.

Issuance of Additional PFC Obligations. The City has authorized the issuance of $500 million of PFC Obligations pursuant to a bond ordinance adopted in 2016. The City may issue, from time to time, additional PFC Obligations to fund additional capital projects, as described under "CAPITAL

* as of August 15, 2022

PROGRAMS." See "CERTAIN INVESTMENT CONSIDERATIONS-Future Indebtedness" and "-Availability of PFC Revenues."

Obligations Subordinate to Pledge of PFC Revenues. The City has the right to issue debt payable from or secured by PFC Revenues remaining after the discharge and satisfaction of all PFC Obligations and to issue debt payable from, or secured by a pledge of amounts to be withdrawn from the PFC Bond Fund so long as such pledge is expressly junior and subordinate to the pledge of PFC Revenues to the payment of PFC Obligations. Indebtedness of the type described in the preceding sentence can be issued without limit as to nature or amount.

AIRPORT CFC OBLIGATIONS

The City has previously issued and has outstanding $228.4 million aggregate principal amount of its Customer Facility Charge Senior Lien Revenue Bonds, Series 2013 (the "CFC Bonds") pursuant to an Indenture of Trust, dated as of August 1, 2013, as supplemented and amended (the "CFC Indenture"). In addition, the City has entered into a Transportation Infrastructure Finance and Innovation Act of 1998 loan with the USDOT, to provide funding in an aggregate principal amount up to $288.1 million (the "TIFIA Loan" and together with the CFC Bonds, the "CFC Obligations"), and which constitutes a subordinate bond under the CFC Indenture. The proceeds of the CFC Obligations, together with other moneys, are being used to finance the construction of the Multimodal Facility, and the CFC Obligations are secured separately from the Senior Lien Obligations, solely by CFCs collected from customers of rental car companies operating at O'Hare and certain other charges payable by rental car companies operating from the consolidated rental car facility ("CRCF"). The City anticipates issuing its Customer Facilities Charge Senior Lien Refunding Bonds Series 2022A to refund the outstanding CFC Bonds, which would be redeemed on January 1, 2023.

SPECIAL FACILITY REVENUE BONDS

The City has previously issued Special Facility Revenue Bonds on behalf of various airlines, as well as certain non-airline parties, to finance or refinance a portion of the capital improvements at O'Hare. These Special Facility Revenue Bonds are secured separately from the Senior Lien Bonds, solely by amounts received from such airlines and non-airline parties pursuant to the terms of related Special Facility Financing Arrangements. See "CERTAIN INVESTMENT CONSIDERATIONS-Uncertainties of the Airline Industry."

PFC PROGRAM AT O'HARE

GENERAL

The United States Congress enacted the PFC Act in 1990, authorizing a public agency, such as the City, which controls a commercial service airport to charge each paying passenger enplaning at such airport (subject to limited exceptions) a PFC of $1.00, $2.00 or $3.00. The purpose of the PFC is to provide additional capital funding for the expansion of the national airport system. The proceeds from PFCs are to be used to finance eligible airport-related projects that preserve or enhance safety, capacity or security of the national air transportation system; reduce noise from an airport that is part of such system; or furnish opportunities for enhanced competition between or among air carriers.

PFCs are collected on behalf of airports by air carriers and their agents (the "Collecting Carriers") and remitted to the City on a monthly basis. On September 1, 1993, pursuant to a PFC Approval, the City began to impose PFCs at O'Hare at the rate of $3.00 per eligible enplaned passenger.

The Wendell H. Ford Aviation Investment and Reform Act for the 21st Century ("AIR 21"), among other things, authorizes eligible public agencies, such as the City, to impose PFCs of $4.00 or $4.50 to finance PFC eligible projects, including the payment of debt service on indebtedness incurred to finance such projects, that cannot be paid for from funds reasonably expected to be available through the federal AIP. On April 1, 2001, pursuant to authorization contained in AIR 21 and amended PFC Approvals (as defined herein) received from the FAA, the City began imposing PFCs at O'Hare at the rate of $4.50 per eligible enplaned passenger. Regardless of the number of PFC applications which have been approved by the FAA, eligible public agencies, such as the City, only can collect a maximum of $4.50 from each eligible enplaning passenger.

COLLECTION OF THE PFCS

A PFC may be collected from a passenger for no more than two boardings (i) on a one-way trip or (ii) in each direction of a roundtrip. The public agency may request exemption from the requirement to collect PFCs for a class of air carriers if the number of passengers enplaned by the carriers in the class constitutes no more than one percent of the total enplaned passengers annually at the airport at which the PFC is imposed. The City has requested and received an exemption from the collection of PFCs for air taxi operators at O'Hare. Air taxi operators have historically accounted for less than one percent of all PFC eligible enplanements at O'Hare.

Treatment of PFCs in Airline Bankruptcies. The PFC Act provides that PFCs collected by the Collecting Carriers constitute a trust fund held for the beneficial interest of the eligible public agency (i.e., the City) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. However, the Collecting Carriers are permitted to commingle PFC collections with other revenues and are also entitled to retain interest earned on PFC collections until such PFC collections are remitted.

In the event of a bankruptcy of a Collecting Carrier, the PFC Act, as amended in December 2003 by the Vision 100—Century of Aviation Reauthorization Act ("Vision 100"), provides certain statutory protections to eligible public agencies imposing PFCs, including the City, with respect to PFC collections. It is unclear, however, whether the City would be able to recover the full amount of PFC trust funds collected or accrued with respect to a Collecting Carrier in the event of a liquidation or cessation of business. Vision 100 requires an airline that files for bankruptcy protection, or that has an involuntary bankruptcy proceeding commenced against it, to segregate passenger facility revenue in a separate account for the benefit of the eligible public agencies entitled to such revenue. Prior to the amendments made by Vision 100 allowing PFCs collected by airlines to constitute a trust fund, at least one bankruptcy court indicated that PFC revenues held by an airline in bankruptcy would not be treated as a trust fund and would instead be subject to the general claims of the unsecured creditors of such airline. In connection with another bankruptcy proceeding prior to Vision 100, a different bankruptcy court entered a stipulated order establishing a PFC trust fund for the benefit of various airports to which the bankrupt airline was not current on PFC payments. While Vision 100 should provide some protection for eligible public agencies in connection with PFC revenues collected by an airline in bankruptcy, no assurances can be given as to the approach bankruptcy courts will follow in the future. See "CERTAIN INVESTMENT CONSIDERATIONS—Effect of Airline Bankruptcy."

The City also cannot predict whether a Collecting Carrier operating at O'Hare that files for bankruptcy would have properly accounted for PFCs owed to the City or whether the bankruptcy estate would have sufficient moneys to pay the City in full for PFCs owed by such Collecting Carrier. Based on Vision 100, it is expected, although no assurance is given, that the City would be treated as a secured creditor with respect to PFCs held by a Collecting Carrier which becomes involved in a bankruptcy proceeding. See "CERTAIN INVESTMENT CONSIDERATIONS — Effect of Airline Bankruptcy."

THE CITY'S PFC APPROVALS

Since 1993, the FAA has approved several PFC applications and amendments submitted by the City authorizing the City to use PFCs to pay (i) allowable costs of projects approved by the FAA for PFC funding ("Approved Projects"), including those Approved Projects financed or refinanced by the issuance of the Series 2001 PFC Bonds, the Series 2008 PFC Bonds, the Series 2010 PFC Bonds and the Series 2011 PFC Bonds (each series as defined in APPENDIX A - "GLOSSARY OF TERMS"), together with debt service on such bonds, and (ii) allowable costs of certain Approved Projects on a "pay as you go" basis. The City received PFC authority for the International Terminal expansion project.

As of the date of this Official Statement, the City has authority from the FAA to impose and use at O'Hare up to $6.93 billion in PFCs. Based upon the City's current PFC authority, the FAA estimates the PFC collection expiration date to be July 1, 2041. See Exhibit 5-7 in APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT" for a description of PFC Revenues anticipated to be received by the City through 2025. Although the City expects that it will obtain new PFC Approvals before its current authority expires, no assurance can be given that the City will be able to do so. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS."

TERMINATION OF AUTHORITY TO IMPOSE PFCS

The FAA may terminate the City's authority to impose PFCs, subject to procedural safeguards, if the FAA determines that (i) the City is in violation of certain provisions of the federal Airport Noise and Capacity Act of 1990 (the "Noise Act") relating to airport noise and access restrictions, (ii) PFC collections and investment income thereon are not being used for Approved Projects in accordance with the PFC Approvals or with the PFC Act and the PFC Regulations, (iii) implementation of any Approved Projects does not commence within the time period specified in the PFC Act and the PFC Regulations or (iv) the City is otherwise in violation of the PFC Act, the PFC Regulations or the PFC Approvals. As provided by the PFC Regulations, a formal termination process that would last a minimum of 100 days would be required before the FAA could terminate the City's authority to impose a PFC for a violation of the PFC Act. The City has not received notice of any such determination by the FAA and has no reason to believe that it is in violation of the PFC Act or the PFC Regulations.

CAPITAL PROGRAMS

GENERAL

The City has ongoing capital programs at O'Hare that are collectively referred to herein as the "Airport Capital Program" and which include the Terminal Area Plan, the expansion of Terminal 5, a three-gate expansion of Terminal 3 Concourse L, and other capital improvement projects. The Airport's capital programs were developed under O'Hare 21, a City initiative to improve the Airport's connectivity, efficiency and ability to accommodate future demand, and ensure the success of the Airport into the 21st century.

In March 2018, the City announced that funding for approximately $8.5 billion (in 2018 dollars) of new O'Hare capital projects was approved under the Airline Use and Lease Agreements. This funding, as defined in the Airline Use and Lease Agreements, includes: (i) the TAP; (ii) the Pre-Approved CIP Projects; and (iii) the Pre-Approved and Infrastructure Reliability Allowances for capital maintenance and infrastructure reliability projects. No additional airline approval is required for these capital projects with exception of circumstances such as scope or budget changes identified in the Airline Use and Lease Agreements. The Airport's capital programs and their sources of funding are described herein and in the Report of the Airport Consultant. The Airline Use and Lease Agreements include funding approval for capital projects anticipated to be delivered through the 15-year term of the agreement in 2018 dollars, with certain provisions for project cost escalation. Ongoing projects approved under use the Prior Use Agreements were reconfirmed with the execution of the Airline Use and Lease Agreement. See APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT." In addition to the Airport's capital programs, the City, in accordance with criteria established by the O'Hare Noise Compatibility Commission, participates in an ongoing program of providing sound insulation to eligible schools and residences in the vicinity of the Airport. See "CHICAGO O'HARE INTERNATIONAL AIRPORT — O'HARE NOISE COMPATIBILITY COMMISSION."

Projected Sources and Uses of Funds for the Airport Capital Program. The City is using a combination of (i) GARBs, (ii) PFC Revenue, and (iii) federal grants to fund the Airport Capital Program. See APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT" for a more detailed discussion of the $8.5 billion of Airport Capital Program funding approval in the Airline Use and Lease Agreements.

TERMINAL AREA PLAN

The TAP was developed to address gate capacity constraints and processing issues, improve the passenger experience, efficiently accommodate demand and modernize existing terminals and their functional and commercial spaces. The TAP includes redevelopment of the existing Terminal 2 site with construction of the O'Hare Global Terminal ("*OGT*") and O'Hare Global Concourse plus satellite concourses west of the existing passenger terminals. TAP is planned to be implemented in phases, including TAP and Additional TAP Elements (defined below) to be undertaken in the future.

The TAP received funding approval in the Airline Use and Lease Agreements. It includes the Terminal 3 Concourse L three-gate expansion and a portion of the Terminal 5 expansion. TAP is comprised of the following projects: (i) OGT and O'Hare Global Concourse; (ii) construction of Satellite 1 Concourse; (iii) construction of Satellite 2 Concourse; (iv) construction of a pedestrian and utility tunnel between the OGT, Satellite 1 Concourse and Satellite 2 Concourse, which will be sufficiently sized to accommodate construction of an automated people mover ("*APM*"); (v) construction of baggage handling system equipment within the OGT and O'Hare Global Concourse, Satellite 1 Concourse, Satellite 2 Concourse, and adjacent to the pedestrian and utility tunnel with additional connections to existing baggage handling system components in Terminals 1 and 3; (vi) Terminal 5 landside parking and improvements; (vii) reconfiguration of Terminal 5 terminal facilities; (viii) TAP utilities allowance for distribution and collection systems to locations outside the concourses and the OGT on the Airport site; and (ix) employee parking and security screening facility on the west side of the Airport (the "*Western Employee Parking and Screening Facility*"). Upon completion of TAP, the Airport is anticipated to have a maximum number of 220 gates. Contracts have been awarded for design, engineering, and construction management and advance planning, conceptual design, and the environmental approval process are ongoing. The TAP is under design and the estimated completion date is currently anticipated to be 2032.

The Airline Use and Lease Agreements contemplate "*Additional TAP Elements*" which are planned to accommodate additional growth. Additional TAP Elements include completion of the pedestrian and utility tunnel and installation of the APM, Satellite 3 Concourse, Satellite 4 Concourse, Terminal 1 Concourses B and C redevelopment, Satellite 1 Northern Extension, Concourse G redevelopment, Terminal 3 redevelopment, the approximately 9,300 space six story parking structure located next to Terminals 1, 2 and 3, phase 2 of Terminal 5 landside and parking improvements, phase 2 of the Western Employee Parking and Screening Facility and the baggage handling system expansion. As set forth in the Airport Lease and

Use Agreements, certain conditions (the "*Additional TAP Triggers*") must be met before the City may proceed with the design, construction and equipping of specified Additional TAP Elements.

The Additional TAP Triggers apply to two of the Additional TAP Elements: (i) the completion of the pedestrian and utility tunnel serving the Satellite 1 Concourse and Satellite 2 Concourse and installation of the APM and (ii) the Satellite 3 Concourse. A passenger activity trigger of 101,500,000 is required for each of these projects. The City may proceed with the design and construction of Additional TAP Elements that require an Additional TAP Trigger without additional Majority-in-Interest review if the following conditions have been satisfied: (i) Additional TAP Triggers specified for the project have been met for any three consecutive years; (ii) no airspace or airfield capacity constraints exist that would diminish the utility of the Additional TAP Element; (iii) OGT and O'Hare Global Concourse are complete and in service; (iv) the City does not plan any modifications of the Additional TAP Elements that would result in a change in project scope requiring Majority-in-Interest review; and (v) the City provides the Executive Working Group (as defined below) with documentation that the requirements have been satisfied and consults with the Executive Working Group on the estimated timing of the Additional TAP Elements. Within 12 months of the substantial completion of the OGT and O'Hare Global Concourse, the City is required to meet with the Long-Term Signatory Carriers to decide whether Additional TAP Element Triggers for the Additional TAP Elements should be revised downward and whether Additional TAP Elements that do not have defined triggers in the Airline Use and Lease Agreements should adopt triggers or otherwise proceed. See APPENDIX E — "REPORT OF THE AIRPORT CONSULTANT" for a more detailed discussion of the TAP and Additional TAP Elements.

The Terminal 5 expansion broke ground in March 2019. The 350,000 square foot expansion will increase Terminal 5 gate capacity by 25 percent with 10 new gates, passenger amenity space by 75 percent, and premium lounge space by 70 percent. The Terminal 5 expansion will also bring the total number of security checkpoint lanes to 13 lanes and improve immigration facilities. The first two permanent gates of the expansion opened in June 2022 and an additional three opened in July 2022. A complete replacement of the Terminal 5 baggage handling system and a new checked baggage inspection system, which is intended to increase bag throughput capacity, is expected to be complete by the end of 2023. In Fall 2022, Delta Air Lines (Delta) will relocate to Terminal 5 from its existing location in Terminal 2. The move enables Delta and its SkyTeam alliance partners to consolidate operations within the same terminal.

The Terminal 3 Concourse L Three-Gate Stinger Extension will further extend the existing Concourse L within Terminal 3 to provide approximately 11,000 square feet of additional concourse space and approximately 112,000 square feet of apron and taxilane pavement to provide three additional aircraft gate positions, and corresponding terminal functions including passenger holdrooms, passenger amenities, and circulation space. Two of the three gates are expected to be completed in 2023 with the third gate to open in 2025 following the demolition of a communications building and relocation of related infrastructure serving the Airport.

CIP PROJECTS

Pre-Approved CIP Projects. The Pre-Approved CIP Projects, which have been pre-approved under the Airline Use and Lease Agreements and do not require additional review by the Majority-in-Interest, are other capital projects not included in the major terminal projects that are in various stages of planning, design, construction and closeout and also include ongoing repair and maintenance projects. The primary focus of the upcoming five-year CIP is new and reconfigured airfield taxiway pavements, heating and refrigeration plant and distribution network upgrades, air handling unit replacements, and facility improvements in the vicinity of the passenger terminals. Several Pre-Approved CIP Projects are in progress or were recently completed, including a replacement of the roof and air handling units at Terminal 1, upgrades to the emergency standby power system, construction of a new Airport Operations Center, replacement of fire and domestic water mains at Terminals 1, 2, and 3, and a new pump station to support stormwater drainage on the terminal access roadway. See APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT" for a more detailed discussion of the sources and uses of funds for the Pre-Approved CIP Projects.

PRE-APPROVED AND INFRASTRUCTURE RELIABILITY ALLOWANCES

Pre-Approved and Infrastructure Reliability Allowances. The Airline Use and Lease Agreements approve annual Pre-Approved Allowances, allowing the City to implement, fund, and finance major asset replacement and maintenance projects not included in budgeted O&M Expenses. On average, $40 million in Pre-Approved Allowances is committed to be expended annually. In addition, the City has the ability to spend up to approximately $168.2 million for infrastructure reliability projects through the term of the Airline Use and Lease Agreements. The infrastructure reliability projects include repairs and upgrades to existing airport infrastructure including mechanical, electrical and plumbing equipment. The Pre-Approved Allowances, including infrastructure reliability projects, and can be funded through a combination of airline rates and charges, bond financing, and Net Aeronautical Real Estate Revenues. See APPENDIX E — " REPORT OF THE AIRPORT CONSULTANT."

MANAGEMENT APPROACH FOR CAPITAL PROGRAMS

The Airline Use and Lease Agreements established the "Executive Working Group", comprised of three City representatives and the following Signatory Airline representatives: one representative selected by each Long-Term Signatory Airline and one representative selected by the Signatory Airlines offering only international passenger service at the Airport that are not alliance partners of a Long-Term Signatory Airline. The Executive Working Group meets at least once every month to (i) review the status of all approved projects and Pre-Approved Allowances and (ii) consult concerning modifications to previously approved projects, TAP, Additional TAP Elements, Pre-Approved CIP Projects and new projects that change the scope of any project or increase its estimated total project costs.

The City employs program managers, in the case of major capital projects such as OMP or TAP, to coordinate and oversee the execution of permitting, design, and construction activities related to these projects. Additionally, the City retained three construction managers at risk ("CMARs") to provide pre-construction consultation and construction delivery and management services for the TAP program as well as for more significant components of the CIP. The City employs a construction manager in the case of smaller independent capital projects, to coordinate, supervise and inspect capital project construction. The manager prepares and maintains records on the progress of each capital project. The City also employs an independent quality assurance and materials testing contractor that operates an on-Airport materials testing laboratory and provides independent inspection and testing services for construction and maintenance improvements. The City, the CMARs, the construction manager, and the quality assurance and materials testing contractor oversee all work to ensure that each project is constructed in accordance with its plans and specifications within the timelines set forth in the construction schedule. In addition, the Signatory Airlines designate a construction representative to assess the construction and operational impact of capital projects and to participate in the evaluation of design and construction.

The City has entered into individual work orders with its CMARs that result in construction purchase agreements which include a guaranteed maximum price, schedule and delivery milestones, provisions for damages and shared savings, and assumptions and clarifications specific to the scope of work. The City has thus far entered into construction purchase agreements with its CMARs totaling approximately $932 million. An additional $732 million of work has been assigned to its CMARs, who are performing preconstruction services consisting of design reviews, trade subcontract procurement, and schedule and sequencing analysis as well as negotiating with the City on an overall construction purchase agreement for that work. The construction purchase agreements with the CMARs provide the City with price certainty and create incentives for the timely and cost effective delivery of the work. See “CERTAIN INVESTMENT CONSIDERATIONS – Capital Program Costs and Schedule.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

The City and CDA are committed to sustainability and enhancing its economic viability, operational effectiveness, environment and social responsibility at the Airport and Midway, while recognizing the interconnectedness of these elements. The CDA has implemented numerous airport industry-leading initiatives to improve natural resource conservation, operational efficiency, social responsibility and economic viability at the Airport and Midway.

SUSTAINABILITY GOALS

CDA, in alignment with the United Nations Sustainable Development Goals, has adopted the following environmental goals for the Airport and Midway:

Water Use Reduction: CDA is working to reduce potable water usage per passenger by 15% from a 2010 baseline by 2030.

Waste Reduction: CDA has targeted to reduce landfill waste per passenger by 25% from a 2017 baseline by 2030.

Energy Use and Supply: By 2025, CDA has set a goal to reduce energy usage per passenger by 30% from a 2010 baseline and to procure 100% renewable electricity.

Carbon Emissions: CDA is targeting to reduce carbon emissions by 50% from a 2019 baseline by 2030 and to achieve net zero carbon emissions by 2050.

Community: CDA is developing sustainability initiatives that support surrounding communities.

New Construction: By 2030, CDA is planning to achieve LEED certification (or equivalent) for all new construction projects.

Fleet Improvements: CDA has begun to transition to an electric vehicle fleet and is facilitating stakeholders to electrify their fleets.

The CDA continues to seek ways to reduce emissions and energy use, conserve water and natural resources, salvage and recycle materials, reduce waste, and educate passengers and the local community.

Sustainable Airport Manual: The CDA was the first airport in the nation to develop sustainable guidelines for design and construction at airports in 2003. In 2009, the Sustainable Airport Manual (“SAM”) was created (incorporating the 2003 design manual as a chapter) as part of Chicago’s ongoing efforts toward implementing more environmentally sustainable initiatives across all airport activities. The SAM is a manual used to incorporate and track sustainability in administrative procedures, planning, design and construction, operations and maintenance, and concessions and tenants with minimal impact to project schedules or budgets. In addition to being used by the Airport and Midway, it is used by several other airports around the world. The SAM is updated from time to time and, while available on the CDA’s website, is specifically not incorporated herein by reference and does not constitute a part of this Official Statement.

Energy Management: The CDA monitors the electricity and natural gas usage for the Airport in order to improve energy efficiency. Utility meter inventory allows for energy tracking of over 800 electricity meters and over 120 natural gas meters. Energy usage reports are sent to the CDA facilities staff to manage building systems and equipment. As of 2021 compared to a 2010 baseline, the CDA has achieved a reduction of 17.4% in electricity and 16.7% in natural gas use.

Lighting upgrades to light-emitting diodes (LEDs) are nearing completion at all roadways at the Airport. Additionally, many interior lighting upgrades are completed in the Terminals and in the Terminal Parking Garage. In 2018, the CDA completed a major Heating & Refrigeration Building project which involved replacing many chillers, motors, and pumps and the installation of variable frequency drives. Another major project at the Heating & Refrigeration Building has commenced to replace and upgrade the heating system to allow for increased control and energy efficient use at the Airport.

Clean Energy: The City of Chicago has entered into an agreement with a retail electricity supplier for an initial five-year term that will begin in 2023 to supply 100% clean, renewable energy expected to begin in 2025. Additionally, the City will partially source large energy uses, including the Airport, with clean, renewable energy from a new solar generation installation under development in central Illinois. The Airport will be among the busiest airports in the country to be 100% supplied by renewable energy when that goal is achieved, which is anticipated to occur in 2025.

Green Vehicles: Thirty-two public, Level II EV charging stations are available at the Airport with locations at the Main Parking Garage, the Multi-Modal Facility and the Chicago Travel Plaza at Higgins Road and Patton Drive. Further, to reduce vehicle emissions, the CDA operates alternative fuel vehicles and hybrid fleet vehicles at the Airport. The fleet includes over 60 hybrid sport utility vehicles ("SUVs"), buses, and pickup trucks; over 260 flex-fuel sedans, pickup trucks, police vehicles, and SUVs powered by E85 ethanol; and 55 diesel-powered vehicles with engine technology to reduce nitrogen oxide emissions.

Green Concessions Policy: The CDA's Green Concessions Policy provides concessionaires at the Airport and Midway with guidance and standards for minimizing waste, enhancing recycling, generating demand for eco-friendly products and providing healthier foods for passengers and employees. All concessionaires must adhere to the policy's requirements as listed in the SAM.

Resource Conservation: As specified in the SAM, the CDA requires all projects to maximize water efficiency within buildings to reduce the burden on the municipal water supply and wastewater systems and to also limit or eliminate the use of potable water for landscape irrigation. Water efficient landscaping techniques employed at the Airport include planting drought tolerant and native plant species; using high-efficiency irrigation techniques; use of captured rainwater; and use of recycled, non-potable water. The CDA reduces its environmental footprint through efficient recycling, reuse, and management of non-hazardous and hazardous wastes generated at the Airport, including a single-stream recycling program, in which mixed paper, bottles, and cans are placed in a single recycling container to increase the ease and convenience of recycling to drive increased participation. Additionally, the CDA maintains battery collection points in multiple work areas for safe, simple access by employees. These batteries are then disposed of properly for recycling to the greatest extent practical.

Green Roofs: The CDA has installed 445,590 square feet of vegetated green roofs at the Airport, including the first vegetated roof ever installed on an airport traffic control tower administration building. The sedum plant species used by the CDA are tolerant to drought and do not attract wildlife.

Airports Going Green Conference: Airports Going Green® is an annual aviation industry forum on sustainability and is led by the CDA and co-hosted by the American Association of Airport Executives. The CDA launched the event in 2007 to highlight the innovative construction-related sustainability initiatives incorporated into the execution of the OMP and will once again host the conference in November 2022. The conference brings together aviation leaders from around the world and serves as a valuable tool where the CDA educates industry experts, airport and airline professionals, contractors, consultants, environmentalists, and the media on airport sustainability initiatives.

U.S. Green Building Council® Building Certification: A total of ten new buildings at the Airport have received the U.S. Green Building Council (USGBC®) Leadership in Energy and Environmental Design™ (LEED®) third-party certification. The LEED® buildings help reduce energy and water use, improve indoor air quality, support better building material choices, and drive innovation. The South Airport Traffic Control Tower, O'Hare's first project to utilize a closed-loop geothermal system for heating and cooling, was awarded LEED® Gold in March 2019. This is O'Hare's first LEED® Gold facility and one of only five LEED® Gold airport traffic control towers to have achieved this certification in the world. Two additional capital projects at the Airport are LEED®-registered and currently in the evaluative certification process. The CDA has also directed the designers of record for the major terminal facilities included in its Terminal Area Plan to design in anticipation of achieving a LEED® certification in the future.

Extension and Modernization of the Airport Transit System: The CDA returned the Airport Transit System ("ATS") to service in November 2021 and began 24/7 ATS service in April 2022. The extended system now connects all four Airport passenger terminals with the Multi-Modal Facility, which houses rental cars, public parking, regional buses, and is adjacent to a commuter railroad station. The extended system allows rental car customers to utilize the electric-powered ATS in lieu of shuttle buses to move from individual leaseholds to the passenger terminal curbsides. The ATS not only provides service upgrades through shorter and more reliable journey times for a greater number of airport users but also is estimated to eliminate 1.3 million vehicle trips per year, equating to a reduction in vehicle emissions of 6 to 11 tons per year and a reduction in greenhouse gas carbon emissions by 2,500 to 5,000 tons per year.

Noise Mitigation and Abatement:

The O'Hare Noise Commission was established in 1996 and uses community outreach programs to disseminate a variety of information related to aircraft noise issues. As of August 2022, the O'Hare Noise Compatibility Commission's membership includes 43 communities and 19 school districts represented by mayors, Chicago ward designees, Cook and DuPage County delegates, and school superintendents at more than 20 public meetings that the ONCC and its committees hold annually. Additionally, the O'Hare Residential and School Sound Insulation Programs have resulted in excess of 11,500 homes and 124 schools sound insulations and the installation of 37 permanent noise monitors.

The O'Hare Fly Quiet Program is a voluntary program which encourages pilots and air traffic controllers to use designated nighttime preferential runways and flight tracts developed by the CDA in cooperation with the ONCC, the airlines and the FAA. On August 17, 2022 the O'Hare Noise Commission approved a new Fly Quiet Program in response to the reconfiguration of the Airport's runways as part of the OMP. The new Fly Quiet Program will be assembled by the CDA for review by the FAA.

SOCIAL FACTORS

Diversity, Equity and Inclusion. The City believes in developing and supporting a culture based on equity, belonging, a commitment to its diverse communities and a respectful workplace. To achieve its objectives, the CDA actively seeks a workforce that reflects the diversity of its communities and understands differences add value by bringing a variety of skills, knowledge, points of view, values and abilities onboard. As of July 2022, the CDA workforce was approximately 36% white, 37% African American or Black, 22% Latino, 3% Asian and 2% in another category/unidentified and 75% male and 25% female.

The CDA works with the Mayor's Office, City Council, the Chicago Department of Procurement Services ("DPS") the Mayor's Office for People with Disabilities ("MOPD"), the Chicago Public Schools

("CPS"), City Colleges of Chicago, the CMARs, and several non-governmental organizations to ensure access to accommodations for employees, contractors, vendors, and passengers and to create a meaningful pipeline from schools to work in the aviation industry. Some of these efforts are as follows:

Working Groups

O'Hare 21 Working Group: The O'Hare 21 Working Group was created in Spring 2018, consisting of representatives of the CDA, City Law Department and DPS to ensure small-, minority-, women-, veteran- and people with disability-owned businesses throughout the City's 77 community areas are included in hiring and contracting opportunities.

Airport Accessibility Advisory Committee: The CDA and MOPD have jointly led an initiative bringing government and advocacy groups together in seeking input from travelers with disabilities to make the Airport and Midway more accessible through removing physical and communication barriers and enhancing wayfinding signage. In January 2019, a 110 square foot Changing Places Restroom designed by CDA with input from MOPD opened in O'Hare Terminal 2 which contains an adjustable adult changing table, a motorized passenger lift system and an accessible roll-in and transfer shower.

Workforce and Career Building Initiatives

Since 2013, CDA has hosted career fairs in the City's neighborhoods to enhance minority recruitment for airline, cargo, concession, construction, security and other Airport and Midway job opportunities. At these events, the CDA partners with non-governmental and union organizations to offer workshops on resume writing, interview techniques, job training, job reentry information session and union apprenticeship programs. During 2020 and 2021, career fairs were hosted virtually rather than in person. Additionally, CDA participates in virtual and in-person career days with MOPD as well as CPS.

The CDA has also hosted a number of expos and symposiums on hiring and contracting opportunities, contracting initiatives to increase diversity, equity and inclusion, and how local and small businesses can get certified as an Airport Concessionaire Disadvantage Business Enterprise ("ACDBE"), Disadvantaged Business Enterprise ("DBE"), Minority-Owned Business Enterprise ("MBE"), Women-Owned Business Enterprise, Veteran-Owned Business Enterprise and/or "Business Enterprises Owned by People with Disabilities. The most recent event held in May 2022 had 45 exhibitors and approximately 200 attendees.

On June 20-23, 2022, the CDA hosted the 37th annual Airport Minority Advisory Council ("AMAC") Airport Business Diversity Conference: Redefining Aviation Opportunities Together which connected over 1,000 businesses, aviation professionals, government officials and individuals from around the United States on topics ranging from to how to do business at airports to public policy issues affecting the aviation industry. The conference serves as a national hub from education, advocacy and networking opportunities that promote diversity and inclusion in the aviation and aerospace industries.

Contracting Initiatives

O'Hare Concessions Program: The CDA has a goal for ACDBE participation in its concessions program at O'Hare at 30%, which is in excess of the federally required 10% ACDBE participation goal. The concessions program at O'Hare exceeds this goal, with ACDBE participation at 34.7% for the calendar year ending 2019, 42.1% for the calendar year ended 2020 and 41.2% for the calendar year ended 2021.

Target Market Procurement Program: The Target Market Program is designed to provide contracting opportunities for MBEs and WBEs to be the exclusive bidders on City contracts, with participation limited to MBEs, WBEs and joint ventures consisting exclusively of MBEs, WBEs or both. Since 2019, the City has awarded $234.4 million in target market procurements in the areas of information technology support services, security, custodial, landscaping and quality assurance materials testing. The City continues to look for additional Airport contracting opportunities for the Target Market Program.

GOVERNANCE FACTORS

The City operates O'Hare and Midway through the CDA as separate and distinct enterprises for financial purposes. The CDA is a department of City government. See "CHICAGO O'HARE INTERNATIONAL AIRPORT – Airport Management" herein. The CDA's core mission is to:

- Ensure safe and efficient travel through O'Hare and Midway International Airports.
- Enhance economic activity and job creation within the City and the region while growing opportunities for diversity, equity and inclusiveness at O'Hare and Midway.
- Continue to grow O'Hare and Midway's competitive positions in the global aviation marketplace.
- Provide world class services and amenities in an environment that reflects Chicago's rich, diverse and unique character.
- Continue to be the international leader in airport sustainability by integrating environmental best practices into all aspects of airport operations and the Airport Capital Program.

CERTAIN INVESTMENT CONSIDERATIONS

The purchase of 2022 Senior Lien Bonds involves certain investment risks and considerations. Prospective investors should read this Official Statement in its entirety. The factors set forth below, among others, may affect the security for the 2022 Senior Lien Bonds. The order in which the following information is presented is not intended to reflect the relative importance of any such considerations. There can be no assurance that other investment consideration not discussed herein will not become material in the future.

GENERAL FACTORS AFFECTING LEVEL OF AIRLINE TRAFFIC AND REVENUES

The 2022 Senior Lien Bonds are payable from and secured by a pledge of Revenues and certain Funds and Accounts held under the Senior Lien Indenture. Revenues are dependent primarily on the level of aviation activity and enplaned passenger traffic at O'Hare. Key factors affecting airline traffic at O'Hare include, among others, (i) population growth and the economic and political conditions of the region and the nation, (ii) the financial health of the airline industry and of individual airlines, (iii) airline service and route networks, (iv) capacity of the national air traffic control system and of O'Hare and other competing airports, (v) the occurrence of pandemics and other national and international natural and man-made disasters, (vi) safety concerns arising from international conflicts, the possibility of terrorist or other attacks, and (vii) various other local, regional, national and international economic, political and other factors. Many of these factors, most of which are outside the City's control, are discussed in detail in APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT." If aviation activity at O'Hare does not meet forecast levels, a corresponding reduction may occur in Revenues (absent an increase in O'Hare rentals, fees and charges).

See also "AIR TRAFFIC ACTIVITY AT O'HARE – Recent Developments at the Airport – COVID 19" and "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic."

COVID-19 Pandemic

Airports in the United States, including O'Hare, have been materially adversely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines have reported unprecedented downturns in passenger volumes, which in turn, has resulted in a considerable reduction in scheduled service. For a discussion of prior, existing and potential future impacts on the operations and financial condition of the Airport, See "AIR TRAFFIC ACTIVITY AT O'HARE – Recent Developments at the Airport – COVID-19" and "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic."

The City cannot predict (i) the duration or extent of the COVID-19 pandemic or another outbreak or pandemic; (ii) the scope or duration of the current COVID-19 pandemic and any additional restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which airlines may reduce services at O'Hare, or whether airlines would cease operations at O'Hare or shut down in response to such restrictions or warnings; (iii) what additional short or long-term effects the restrictions and warnings imposed as a result of the COVID-19 pandemic may have on air travel, including to and from O'Hare, the retail and services provided by Airport concessionaires, Airport costs or City revenues; (iv) to what extent the COVID-19 pandemic or another outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, or whether any such disruption may adversely impact Airport-related construction, or other City operations; (v) the extent to which the COVID-19 pandemic or another outbreak or pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or may have an impact on the airlines or concessionaires serving O'Hare, or the airline and travel industry, generally; (vi) whether or to what extent the City may provide additional adjustments, mitigation or other changes to the City's arrangements with its tenants and Airport concessionaires; or (vii) whether any of the foregoing may have a material adverse effect on the finances and operations of the City and O'Hare.

Prospective investors should assume that the restrictions and limitations related to the COVID-19 pandemic, and the current upheaval to the air travel industry and the national and global economies, will continue to some degree at least over the near term, and that full recovery may be prolonged and, therefore, have an adverse impact on Revenues. Future outbreaks, pandemics or events outside the City's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Revenues.

Impact Of Regional And National Economic Conditions On O'Hare

Historically, the financial performance of the air transportation industry has correlated with the state of the national economy. Future increases in passenger traffic will depend largely on the ability of the U.S. to sustain growth in economic output and income. The COVID-19 pandemic has materially adversely impacted local, state, national and global economies. The long term effects of these developments on the broader economy are not known at this time. There can be no assurances that weaknesses in international, national, state and/or local economies will not have an adverse effect on the air transportation industry, and on the Airport and its Revenues. See "AIR TRAFFIC ACTIVITY AT O'HARE — Recent Developments at the Airport — COVID-19" and "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic" above.

In addition, demand for air transportation is, to a degree, dependent upon the demographic and economic characteristics of an airport's air trade area. This relationship is true for O&D passenger traffic, which has historically accounted for approximately 50 to 60 percent of demand at O'Hare since 2011. Although O'Hare's Air Trade Area has a large, diverse economic base that supports business and leisure travel, there can be no assurances that any negative economic or political conditions affecting the Air Trade Area would not have an adverse effect on demand for air transportation at O'Hare. See APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT - Demographic and Economic Analysis."

See – "Financial Condition of the City and Other Overlapping Governmental Bodies" below for a discussion of the implications for O'Hare of the current financial challenges faced by the City and other public bodies located within the Air Trade Area.

UNCERTAINTIES OF THE AIRLINE INDUSTRY

General. The City's ability to collect Revenues is affected by the dynamics of the airline industry, which also affect the ability of the Signatory Airlines, individually and collectively, to meet their respective obligations under the Airline Use and Lease Agreements and other arrangements.

Historically, the financial performance of the airline industry generally has correlated with the strength of the national and global economy. Certain factors that may materially affect O'Hare and the airlines include, but are not limited to, (i) growth of population and the economic health of the region and the nation, (ii) airline service and route networks, (iii) national and international economic and political conditions, (iv) changes in demand for air travel, (v) service and cost competition, (vi) mergers and bankruptcy of any airlines, (vii) the availability and cost of aviation fuel and other necessary supplies as a result of shortages, inflation, supply chain delays and similar issues, (viii) levels of air fares, fixed costs and capital requirements, (ix) the cost and availability of financing, (x) the capacity of the national air traffic control system, (xi) national and international disasters and hostilities, (xii) public health concerns and pandemics, such as the spread of COVID-19, influenza, severe acute respiratory syndrome, Monkeypox or other communicable diseases, (xiii) the cost and availability of employees and labor relations within the airline industry, (xiv) regulation by the federal government, (xv) environmental risks, noise abatement concerns and regulation, (xvi) acts of war or terrorism, (xvii) aviation accidents, and (xviii) other risks. As a result of these and other factors, many airlines have operated at a loss in the past and many (including some that served O'Hare) have filed for bankruptcy, ceased operations and/or merged with other airlines. In addition, the so-called legacy carriers have taken many actions to restructure and reduce costs including reducing their workforce, renegotiating their labor agreements, reducing routes served, consolidating connecting activity and replacing mainline jets with regional jets.

Financial Condition of Airlines Serving O'Hare. The economic condition of the airline industry is volatile, and in recent years the industry has undergone significant changes, including major restructuring, bankruptcy, mergers, acquisitions and closures. The COVID-19 pandemic has severely and negatively affected domestic and international air travel. See "AIR TRAFFIC ACTIVITY AT O'HARE — Recent Developments at the Airport — COVID-19," "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic" and "— COVID-19 Pandemic" above.

Airlines operating at O'Hare have filed for bankruptcy protection in the past and may do so in the future. See "— Effect of Airline Bankruptcies" below. Even absent an airline bankruptcy filing, the City may encounter significant delays and non-payment of amounts owed to it under individual Airline Use and Lease Agreements with the applicable Signatory Airlines.

Airlines serving O'Hare (including United Airlines and American Airlines) utilize regional alliance agreements with regional carriers to serve smaller cities. These contractual relationships between larger airlines and regional carriers are historically unstable and can affect operations. Regional carriers have filed for bankruptcy from time to time, and in some cases, ceased operations.

The industry is cyclical and subject to intense competition and variable demand. Traffic volumes are responsive to economic circumstances and seasonal patterns. Other factors, such as fuel and regulatory costs, can also have a significant impact on the industry. As a result, financial performance can fluctuate dramatically from one reporting period to the next.

Current and future financial and operational difficulties encountered by the airlines serving O'Hare (most notably United Airlines and its regional affiliates, which accounted for approximately 42.9 percent of the enplaned passengers at O'Hare in 2021, and American Airlines and its regional affiliates, which accounted for approximately 37.8 percent of the enplaned passengers at O'Hare in 2021), could have a material adverse effect on operations at, and the financial condition of, O'Hare. If either United Airlines or American Airlines were to cease operations at O'Hare for any reason or eliminate or reduce O'Hare's status as a connecting hub, the current level of activity of such airline might possibly not be replaced by other airlines.

Industry Workforce Shortages. General labor shortages, including pilots and mechanics, have been impacting, and may continue to impact, the airline industry and the Airport. Several major airlines have announced reduced schedules and have cancelled flights as a result of reported labor shortages and staffing challenges. Labor shortages have been attributed to thousands of workers in the airline industry opting for buyouts, early retirement packages or otherwise terminated their employment during the COVID-19 pandemic. Staffing challenges as a result of COVID-19 infections and quarantines also may have short-term impacts on an airline's ability to operate scheduled flights.

Pilot shortages in particular have been an industry-wide issue, especially so for smaller regional airlines. There are several causes for the pilot shortage affecting all airlines. Congress changed duty time rules in 2010 to mitigate pilot fatigue, which required airlines to increase pilot staff. Beginning in 2013, first officers flying for commercial airlines have been required to have at least 1,500 hours of flight time, instead of the 250 hours previously required. Other factors include an aging pilot workforce and fewer new pilots coming out of the military. Further, as passenger demand increases and air traffic demand returns, the major air carriers are anticipated to need additional pilots, and are generally able to hire pilots away from regional airlines. An additional concern regarding the pilot workforce came to light due to the COVID-19 pandemic. Pilots were self-reporting increased errors to NASA's Aviation Safety Reporting System and attributed their errors to the reduction in flights due to the pandemic, which meant less time for pilots in the cockpit. Such reports raise the possible need for retraining opportunities as the airline industry recovers.

In addition to the pilot shortage, over the next decade there could be a shortage of qualified mechanics to maintain the airlines' fleet of planes. This potential shortage is a result of an aging pool of mechanics, a large portion of which are expected to retire in the next decade, and a lack of younger people joining the ranks of the mechanics. A shortage of mechanics could raise the cost of maintenance, require airlines to maintain more spare planes and/or result in increased flight cancellations and delays.

Cost of Aviation Fuel. Airline earnings are significantly affected by the price of aviation fuel. Any increase in fuel prices results in an increase of airline operating costs. Fuel prices continue to be impacted by, among other things, political unrest in oil-producing parts of the world, repercussions from Russia's invasion of Ukraine, including economic sanctions, increased demand for fuel caused by rapid growth in certain global economies, such as China and India, currency fluctuations and changes in demand for and supply of oil worldwide. Significant fluctuations and prolonged periods of increases in the cost of aviation fuel have had material adverse effects on airline profitability, causing airlines to reduce capacity, fleet and personnel, as well as increase fares and institute additional fees, such as checked baggage fees, all of which may decrease demand for air travel. While aviation fuel prices have declined significantly in the past few years, no assurance can be given that such fuel prices will not increase in the future, thereby negatively impacting airline earnings and operations.

Airline Mergers, Acquisitions and Alliances. In response to competitive pressures and increased costs, airlines have merged and acquired competitors in an attempt to combine operations in order to increase cost synergies and become more competitive. In 2009, Delta merged with Northwest Airlines. In 2010, United Airlines and Continental Airlines merged. In 2011, Southwest acquired AirTran Airways. In 2013, US Airways and American merged, with the consolidated airline retaining the American brand. The two airlines completed their merger in 2015, which created the largest airline in the world in terms of operating revenue and revenue passenger miles. In 2016, Alaska Airlines and Virgin America merged. The two airlines completed their integration in 2018. Frontier recently announced an agreement to merge with JetBlue Airways no later than the first half of 2024, pending shareholder and government regulatory approval. In addition, all of the large U.S. airlines are members of alliances with foreign-flag airlines, which alliances, and other marketing arrangements, provide airlines with many of the advantages of mergers. Alliances typically involve marketing, code-sharing, and scheduling arrangements to facilitate the transfer of passengers between the airlines.

Further airline consolidation remains possible and could result in changes in airline service patterns, particularly at connecting hub airports. The City cannot predict the effect, if any, such consolidation would have on airline traffic at the Airport.

EFFECT OF AIRLINE BANKRUPTCY

American Airlines, United Airlines and other airlines operating at O'Hare have emerged from bankruptcy reorganization in the past. U.S. airlines may file for bankruptcy protection in the future. See "–Uncertainties of the Airline Industry" above. The cessation of operations by an Airline Party with significant operations at O'Hare, such as United Airlines or American Airlines, could have a material adverse effect on operations, Revenues (with the resultant effect on repayment of the 2022 Senior Lien Bonds) and the cost to the other airlines of operating at O'Hare. The COVID-19 pandemic has severely and negatively affected domestic and international air travel. See "AIR TRAFFIC ACTIVITY AT O'HARE — Recent Developments at the Airport — COVID-19" and "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic."

In the event of bankruptcy proceedings involving an Airline Party, the debtor or its bankruptcy trustee must determine within a time period determined by the court whether to assume or reject the applicable Airline Use and Lease Agreement. In the event of assumption, the debtor would be required to cure any prior defaults and to provide adequate assurance of future performance.

Rejection of an Airline Use and Lease Agreement by any Airline Party that is a debtor in a bankruptcy proceeding would result in the termination of that Airline Use and Lease Agreement. Such rejection of an Airline Use and Lease Agreement would give rise to an unsecured claim of the City against the debtor's estate for damages, the amount of which is limited by the Bankruptcy Code. After application of certain reserve funds, the amounts unpaid by the Airline Party as a result of its rejection of an Airline Use and Lease Agreement in bankruptcy would be included in the calculation of the fees and charges of the remaining Airlines Parties under their Airline Use and Lease Agreements.

CAPACITY OF NATIONAL AND INTERNATIONAL AIR TRAFFIC CONTROL AND AIRPORT SYSTEM

Capacity limitations of national and international air traffic control systems have caused aircraft delays and restrictions in recent years, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These restrictions affect airline schedules and passenger traffic nationwide. The FAA has made certain improvements to the computer, radar and communications equipment of the air traffic control system in recent years, but no assurances can be given that future increases in airline and passenger traffic will not again adversely affect airline operations.

EXPIRATION OF AIRLINE USE AND LEASE AGREEMENTS

The expiration date of the Airline Use and Lease Agreements for Long-Term Signatory Airlines is December 31, 2033. For Short-Term Signatory Airlines, the Airline Use and Lease Agreements expire on December 31, 2023 (if the Effective Date is prior to January 1, 2024), December 31, 2028 (if the Effective Date is between January 1, 2024 and December 31, 2028), or December 31, 2033 (if the Effective Date is between January 1, 2029 and December 31, 2033). Short-Term Signatory Airlines have the option to extend the Term for each of two successive five-year periods through December 31, 2028 and then through December 31, 2033. Non-Signatory Airlines must execute an operating agreement to be granted the right to use areas exclusively at the Airport on a month-to-month basis. A portion of the debt service on the 2022 Senior Lien Bonds and the Outstanding Senior Lien Bonds becomes due after such dates. It is not possible to predict whether any airline will be contractually obligated to make payments, including, among other things, for debt service on the 2022 Senior Lien Bonds, the Outstanding Senior Lien Bonds or any other Senior Lien Bonds after the expiration date of the Airline Use and Lease Agreements. Upon the expiration of the Airline Use and Lease Agreements, the City may enter into extensions of such agreements with the airlines, enter into new agreements with the airlines, or impose rates and charges upon the airlines by City ordinance. The City has covenanted in the Senior Lien Indenture (which extends beyond the expiration of the Airline Use and Lease Agreements) to establish rentals, rates and other charges for the use and operation of O'Hare such that Revenues (including rentals, fees and charges imposed on the airlines), together with certain other moneys deposited with the Trustee, are sufficient to pay Operation and Maintenance Expenses at O'Hare and to satisfy the debt service coverage covenants contained in the Senior Lien Indenture. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS - Coverage Covenants."

EFFECT OF CONTRACTUAL COUNTERPARTY BANKRUPTCY

A number of concessionaires or contractual counterparties that served or are currently serving O’Hare have filed for bankruptcy protection in the past and may do so in the future. During 2020, each of Hertz, Thrifty Car Rental, Dollar Rent-A-Car and Advantage filed for Chapter 11 bankruptcy protection. The City cannot predict the impact these bankruptcy proceedings may have on the ability of these counterparties to fulfill their respective financial obligations under the agreements to which they are a party.

Future bankruptcies, restructurings and liquidations of other concessionaires or contractual counterparties may occur. While it is not possible to predict the impact on O’Hare of future bankruptcies, restructurings and liquidations by concessionaires or counterparties, if such concessionaire or counterparty had significant operations or contractual obligations at O’Hare, its bankruptcy, restructuring or liquidation could have a material adverse effect on the Revenues of O’Hare, operations at O’Hare and could increase the costs of other contractual counterparties to operate at O’Hare. In addition, there can be no assurance that other additional concessionaires or contractual counterparties would be available to provide the Revenues, services or operations at O’Hare of any bankrupt or terminating concessionaire or counterparty.

CAPITAL PROGRAMS COSTS AND SCHEDULE

The estimated costs of, and the projected schedule for, the projects in the Capital Programs for O'Hare depend on various sources of funding, and are subject to a number of uncertainties. The ability of the City to complete these projects within the current budgets and on the current schedules may be adversely affected by various factors including: (i) economic conditions, including as a result of worldwide health concerns including pandemics; (ii) estimating errors, (iii) design and engineering errors, (iv) changes to the scope of the projects, (v) delays in contract awards, (vi) material and/or labor shortages, (vii) delays due to airline operational needs, (viii) unforeseen site conditions, (ix) adverse weather conditions, (x) contractor defaults, (xi) labor disputes, (xii) delays in delivery of materials and/or equipment due to supply chain issues, (xiii) unanticipated levels of inflation, (xiv) litigation, (xv) environmental issues and (xvi) additional security improvements and associated costs mandated by the federal government. No assurance can be given that the costs of the projects will not exceed the current budget for these projects or that the completion will not be delayed beyond the currently projected completion dates. At present, the City is unable to estimate the costs associated with each of the risks identified above and the total impact of these risks if such events were to occur. In addition, the City may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule, resulting in different results than those included in the projections shown in the Report of the Airport Consultant. Any schedule delays or cost increases could result in the need to issue additional Senior Lien Bonds and could result in increased costs per enplaned passenger to the airlines, which could place the Airport at a competitive disadvantage relative to lower-cost airports.

FUTURE INDEBTEDNESS

As described under "CAPITAL PROGRAMS," the City expects that it will need to incur additional indebtedness, including the issuance of Senior Lien Bonds, other Airport Obligations, and PFC Obligations, to finance the Capital Programs. Also, the City's plans of finance for the Capital Programs assume that PFC Revenues would be available in certain amounts and at certain times for the payment of a portion of the anticipated costs of such capital projects on a "pay as you go" basis and for the payment of a portion of the debt service on Senior Lien Bonds, to the extent Senior Lien Bonds are payable from PFC Revenues. See "CAPITAL PROGRAMS." No assurance can be given that these sources of funding actually will be available in the amounts or on the schedules assumed. For a discussion of the availability of PFC Revenues, see "-Availability of PFC Revenues" below.

The City's plans of finance with respect to the Capital Programs assume that FAA LOI Grants and FAA AIP Grants would be available in certain amounts and at certain times for the payment of a portion of the anticipated costs of such capital projects on a "pay as you go" basis and for the payment of a portion of the debt service on the Senior Lien Bonds, including without limitation to the extent such Senior Lien Bonds are payable from Grant Receipts. FAA LOI Grants and FAA AIP Grants are subject to congressional appropriation, as well as automatic spending cuts, known as sequestration as described below in "–Additional Federal Authorization and Funding Considerations." Although the City considers such assumptions in its plans of finance to be reasonable, such assumptions are inherently subject to certain uncertainties and contingencies. Actual FAA LOI Grant Receipt and FAA AIP Grant Receipt funding levels and timing may vary and such differences may be material. See "CAPITAL PROGRAMS" and APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT."

In addition to the Capital Programs, the City may, from time to time, determine to fund additional capital projects at O'Hare prior to the maturity of the 2022 Senior Lien Bonds, the funding of which is not reflected in the projections set forth in the Report of the Airport Consultant. Such additional capital projects may have separate plans of finance which assume various sources of funding, including, without limitation, Additional Senior Lien Bonds, and the amount of such future Senior Lien Bonds may be material.

To the extent that any portion of the funding assumed in the plan of finance for capital projects at O'Hare is not available as anticipated, the City may be required to issue Additional Senior Lien Bonds to pay the costs of such capital projects and to increase airline rates and charges to pay debt service on such Additional Senior Lien Bonds and to fund the required coverage thereon. As an alternative to issuing Additional Senior Lien Bonds, the City may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule, producing different results than those included in the projections shown in the Report of the Airport Consultant.

GRANT RECEIPTS SUBJECT TO FEDERAL AUTHORIZATION/APPROPRIATION SEQUESTRATION

The availability of funding from Grant Receipts under Grant Letters of Intent is subject to Congressional authorization and appropriation and to sequestration under current federal deficit reduction legislation. In the event that the FAA authorization expired without a long-term reauthorization or another short-term extension, during such period FAA programs would be unauthorized, including FAA programs providing funding for O'Hare. A statutory restriction on total obligating authority in a future Federal Fiscal Year due to changes in statutory program authorization or appropriation act restrictions may necessitate a reduction by the FAA in apportionment funds, in discretionary funds, or both. A concurrent reduction in the maximum eligible grant installments payable in such Federal Fiscal Year under a Grant Letter of Intent may result. In such event, each Grant Letter of Intent provides that the ratio of the discretionary fund component of each installment, as reduced, to such component prior to reduction, shall be not less than the ratio of the discretionary funds newly available for obligation in the Federal Fiscal Year in which such reduction occurs, to the total discretionary funds made available for obligation in the Federal Fiscal Year in which such Grant Letter of Intent was issued. Each Grant Letter of Intent also provides that payment of the amount of any such reduction in a grant installment shall be deemed to be deferred to the following Federal Fiscal Year, subject again to the availability of funds and statutory authority.

Federal funding is also impacted by sequestration, a budgetary feature first introduced under the federal Budget Control Act of 2011. Unless changed by the United States Congress from time to time, sequestration is a multi-year process and could continue to affect FAA, Transportation Security Administration ("TSA"), and Customs and Border Control ("CBP") budgets and staffing, resulting in staffing shortages and traffic delays and cancellations at airports across the United States. See "Federal Legislation, State Actions and Proposed South Suburban Airport —Federal Legislation."

The FAA may, from time to time, and following consultation with the City, amend a Grant Letter of Intent to adjust the anticipated grant schedule or the maximum federal obligation, or both. Such adjustment may be made by the FAA when occasioned by changes in the actual allowable costs of a project, in the actual time required to complete a project, in actual or estimated future obligating authority or otherwise, when determined in the FAA Administrator's discretion to be in the best interests of the United States.

GRANT LETTER OF INTENT NOT A BINDING CONTRACT

A Grant Letter of Intent is not an obligation of the United States of America under Section 1501 of Title 31 United States Code, as amended, nor is it deemed to be an administrative commitment for funding. Rather, a Grant Letter of Intent reflects only the FAA's current intent to make grants to the City to reimburse the City for capital improvements, including the OMP. A Grant Letter of Intent is not a binding grant agreement. Even if the FAA receives sufficient appropriations to make the grants described in such Grant Letter of Intent, the FAA has no legal obligation to make such grants. In addition, the AIP, pursuant to which Grant Letter of Intent payments are to be made, is subject to revision by the U.S. Congress. Such an amendment could affect payments to be made to the City under such Grant Letter of Intent.

The FAA may, from time to time, following consultation with the City, amend a Grant Letter of Intent to adjust the anticipated grant schedule or the maximum federal obligation, or both. Such adjustment may be made by the FAA when occasioned by changes in the actual allowable costs of the OMP, in the actual time required to complete the OMP, in actual or estimated future obligating authority or otherwise, when determined in the FAA Administrator's discretion to be in the best interests of the United States.

AMOUNT OF GRANT LETTER OF INTENT PAYMENTS DEPEND ON ELIGIBLE EXPENDITURES AT O'HARE

A Grant Letter of Intent evidences the FAA's intent to make grants to reimburse the City for eligible expenditures and the maximum amount of grants available for such reimbursement. The estimated grant schedule represents the maximum eligible reimbursement grants with respect to any Federal Fiscal Year. In addition to the adjustments described in the immediately preceding section, the actual Grant Receipts received by the City in any one Federal Fiscal Year will also be dependent on the City's timely expenditure of amounts which are eligible for reimbursement under a Grant Letter of Intent and the timely application by the City for reimbursement. If the City has not expended funds and requested reimbursement prior to the end of any of the Federal Fiscal Years specified in such Grant Letter of Intent in an amount at least equal to the then-available amount of grants under such Grant Letter of Intent for that Federal Fiscal Year, the City can request an amendment to such Grant Letter of Intent to shift any unused moneys to the next Federal Fiscal Year.

GRANT RECEIPTS MAY BE REDUCED BY EVENTS OUTSIDE OF CITY'S CONTROL

Events outside the control of the City could cause the amount of Grant Receipts available to be received by the City pursuant to the Grant Receipts to be lower than the debt service requirements on any Senior Lien Bonds anticipated to be paid from such Grant Receipts. In such event, principal and interest on such Senior Lien Bonds would be paid from Revenues. The City would not be obligated to take any action to cause the Grant Receipts available to be received by the City pursuant to a Grant Letter of Intent or other Grant Receipts to be at least equal to the debt service requirements on any Senior Lien Bonds anticipated to be paid from such Grant Letter of Intent and other Grant Receipts. See "Grant Receipts Subject to Federal Authorization/Appropriation Sequestration," above for a discussion of certain events which could affect the amount of Grant Payments available to be received by the City.

TERMINATION OF GRANT LETTER OF INTENT FOR FAILURE TO COMPLY WITH CONDITIONS

The City is required, as a condition for its receipt of reimbursement as specified in each Grant Letter of Intent, to comply with all statutory and administrative requirements under the Airport and Airway Improvement Act and the regulations thereunder. Failure to comply with such requirements may lead to reductions in amounts payable under such Grant Letter of Intent or a revocation of the Grant Letter of Intent. Reimbursement may also be affected by failure to comply with other existing grant agreement assurances. In the event of any such failure by the City, or any other action by the City which threatens the federal contribution to the OMP, the FAA may pursue all remedies available in law or equity, including, but not limited to, the withholding of future payments under such Grant Letter of Intent.

AVAILABILITY OF PFC REVENUES

As discussed above under the subheading "-Future Indebtedness," the plans of finance for the Capital Programs assume that PFC Revenues would be available in certain amounts and at certain times for the payment of a portion of the anticipated costs of such capital projects on a "pay-as-you-go" as well as to secure additional Airport Obligations needed to fund such projects. In addition, the Report of the Airport Consultant, which sets forth certain Projections regarding O'Hare, assumes that certain available PFC Revenues not otherwise pledged to pay PFC Obligations, Senior Lien Bonds, and other payment obligations, will be applied by the City on a year-to-year basis as Other Available Moneys to pay debt service on such Airport Obligations. No assurance can be given that PFC Revenues will be available in the amounts or on the schedules assumed.

The ability of the City to collect sufficient PFC Revenues depends upon a number of factors, including, without limitation, the number of enplanements at O'Hare, the use of O'Hare by the Collecting

Carriers and the efficiency and ability of the Collecting Carriers to collect and remit PFCs to the City. The City relies on the Collecting Carriers' collection and remittance of PFCs, and both the City and the FAA rely upon the airlines' reports of enplanements and collections.

Under the terms of the PFC Act, the FAA may terminate the City's authority to impose a PFC if the City's PFC Revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the regulations promulgated thereunder, or if the City otherwise violates the PFC Act or regulations. The FAA may also terminate the City's authority to impose a PFC for a violation by the City of the Airport Noise and Capacity Act. The PFC termination provisions contained in the regulations provide both informal and formal procedural safeguards.

The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the City) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. Furthermore, the FAA's PFC regulations require Collecting Carriers to account for PFC collections separately, and further indicate that such funds are to be regarded as trust funds held by the Collecting Carriers for the beneficial interest of the public agency imposing the PFC. Recent bankruptcy court decisions, however, indicate that in a bankruptcy proceeding involving a Collecting Carrier, it is likely that PFCs will not be treated as trust funds and that airports are not entitled to any priority over other creditors of the Collecting Carrier as to such funds.

ADDITIONAL FEDERAL AUTHORIZATION AND FUNDING CONSIDERATIONS

The City receives federal funding for O'Hare not only in connection with FAA AIP Grants and PFC authorizations, but also in the form of funding for the TSA, air traffic control and other FAA staffing and facilities. On October 5, 2018, President Trump signed into law the FAA Reauthorization Act which reauthorizes the FAA operations and programs and provides funding through September 30, 2023. As of the date of this Official Statement, the City has no assurance that the current FAA authorization and programs will be extended or that a new authorization or programs will be approved beyond September 30, 2023. In the event that the FAA authorization were to expire without a long-term reauthorization or another short-term extension, during such period FAA programs would be unauthorized, including FAA programs providing funding for O'Hare. The City is unable to predict whether legislation to extend or reauthorize this statute or otherwise continue FAA programs will be adopted prior to the scheduled expiration date, if not so adopted, the duration of any resulting period of de-authorization, and the impact on O'Hare finances which might result therefrom.

Federal funding is also impacted by sequestration, a budgetary feature first introduced under the federal Budget Control Act of 2011. Unless changed by the United States Congress from time to time, sequestration is a multi-year process and could continue to affect FAA, TSA and CBP budgets and staffing, resulting in staffing shortages and traffic delays and cancellations at airports across the United States. The full impact of sequestration on the aviation industry and O'Hare, generally, resulting from potential layoffs or further furloughs of federal employees responsible for federal airport security screening, air traffic control and CBP, is unknown at this time.

REGULATIONS AND RESTRICTIONS AFFECTING O'HARE

The operations of O'Hare and its ability to generate revenues are affected by a variety of contractual, statutory and regulatory restrictions and limitations, including, without limitation, the provisions of the Airline Use and Lease Agreements, the PFC Act and other extensive federal legislation and regulations applicable to all airports in the United States. There is no assurance that there will not be any change in, interpretation of, or addition to any such applicable laws, regulations and provisions. Any such change, interpretation or addition may have a material adverse effect, either directly or indirectly, on O'Hare, which could materially adversely affect O'Hare's operations or financial condition.

In addition, following the events of September 11, 2001, O'Hare also has been required to implement enhanced security measures mandated by the FAA, TSA and the Department of Homeland Security. It is not possible to predict whether future restrictions or limitations on Airport operations will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for O'Hare, whether additional requirements will be funded by the federal government or require funding by the City or whether such restrictions or legislation or regulations would adversely affect Revenues.

Climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels that could have a material adverse effect on the operations of O'Hare and on the airlines operating at O'Hare. The United States Environmental Protection Agency (the "EPA") has taken steps toward regulation of greenhouse gas ("GHG") emissions under existing federal law. These steps may lead to further regulation of aircraft GHG emissions. No assurances can be given as to what any EPA emissions standards governing O'Hare or the airlines could be or what effect those standards may have on the City or the airlines operating at O'Hare.

COMPETITION

O'Hare competes with other U.S. airports for both domestic and international passengers. Portions of O'Hare's Air Trade Area are serviced by Midway and Mitchell. In 2021, Midway had enplanements representing approximately 24.8 percent of Chicago originating passenger traffic and approximately 19.8 percent of Chicago connecting passenger traffic. Midway is expected to continue to be a competitor for the Chicago region's domestic market. See "CHICAGO O'HARE INTERNATIONAL AIRPORT-Other Commercial Service Airports Serving the Chicago Region."

International passengers are also significant at O'Hare, making up approximately 11.2% of all passenger enplanements in 2021. International air travel may be more easily disrupted by worldwide health concerns, political instability, terrorist activities, current currency fluctuations and other factors outside the control of the City. The City cannot predict whether the level of international passengers will decrease, remain stable or grow, or what events, domestic or international, may adversely affect such air traffic. See APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT-Air Traffic-Factors Affecting Aviation Demand at the Airport-Regional Airports."

The COVID-19 pandemic has severely and negatively affected domestic and international air travel at the Airport. See "AIR TRAFFIC ACTIVITY AT O'HARE — Recent Developments at the Airport — COVID-19," "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic" and " – COVID-19 Pandemic" above.

Any increases in operating costs at O'Hare may increase costs to the airlines, which could result in O'Hare being put into a competitive disadvantage relative to other airports and other types of transportation. For a discussion of the costs to the airlines of operating at O'Hare, see APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT – Financial Analysis."

FINANCIAL CONDITION OF THE CITY AND OTHER OVERLAPPING GOVERNMENTAL BODIES

The 2022 Senior Lien Bonds are limited obligations of the City and do not constitute an indebtedness or a loan of credit of the City and neither the faith and credit nor the taxing power of the City nor any property of the City is pledged as security for the 2022 Senior Lien Bonds. The City is the issuer of the 2022 Senior Lien Bonds and the information under this heading regarding the City's financial condition and the financial condition of other governmental bodies sharing a common tax base is provided as information regarding certain factors that could impact the level of enplaned passenger traffic and aviation activity at O'Hare.

Unfunded Pensions. The Retirement Funds have significant unfunded liabilities and low funding ratios. The City's contributions to the Retirement Funds in accordance with the Pension Code have not been sufficient, when combined with employee contributions and investment returns, to offset increases in the Retirement Funds' liabilities, which has contributed to the significant underfunding of the Retirement Funds. Moreover, the contributions to the Retirement Funds in accordance with the Pension Code have had the effect of deferring the funding of the Retirement Funds' liabilities, which increases the costs of such liabilities and the associated financial risks, including the risk that each Retirement Fund will not be able to pay its obligations when due. Furthermore, increases in the City's contributions to the Retirement Funds caused the City to increase its revenues and may require the City to further increase its revenues, reduce its expenditures, or some combination thereof, which may impact the services provided by the City or limit the City's ability to generate additional revenues for other purposes in the future.

O'Hare is required to contribute a pro rata share of City Contributions to the Retirement Systems based on the Annuity Factors for the number of O'Hare employees who are Eligible Members. Historically, O'Hare has contributed its pro rata share to the Retirement Systems. See "O'HARE FINANCIAL INFORMATION – Pension Costs."

Overlapping Taxing Districts. A number of governmental units and other public bodies share in varying degrees a common tax base, including property taxes, with the City. The City does not control the amount or timing of the taxes levied by these overlapping taxing districts. Depending on the amount of such increase(s), an increase in the amount of taxes by these overlapping taxing districts could potentially be harmful to the City's economy and/or may make it more difficult for the City to increase taxes and maintain essential or necessary City services.

MUNICIPAL BANKRUPTCY

State Law Authorization. Municipalities, such as the City, cannot file for protection under the U.S. Bankruptcy Code unless specifically authorized to be a debtor by state law or by a governmental officer or organization empowered by state law to authorize such entity to be a debtor in a bankruptcy proceeding. State law does not currently permit municipalities to be a debtor in a bankruptcy proceeding. From time to time, legislation has been introduced in the Illinois General Assembly which, if enacted, would permit Illinois municipalities to be debtors in bankruptcy. The City is unable to predict whether the Illinois General Assembly will adopt any such legislation or the form of such legislation if enacted.

Special Revenues. Although the City can provide no assurances, the City believes that Revenues and Other Available Moneys currently pledged by the City under the Senior Lien Indenture constitute "special revenues," as defined in Section 902(2) of the U.S. Bankruptcy Code, and therefore, pursuant to Section 928(a) of the U.S. Bankruptcy Code, any and all of such pledged Revenues and Other Available Moneys currently pledged by the City under the Senior Lien Indenture acquired by the City after the commencement of a case by the City under Chapter 9 of the U.S. Bankruptcy Code would remain subject to the lien of the Senior Lien Indenture. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS-O'Hare Revenues Must Be Used For Airport Purposes."

FORCE MAJEURE EVENTS AFFECTING THE CITY AND O'HARE

There are certain unanticipated events beyond the City's control that could have a material adverse effect on the City's operations and financial condition, or on O'Hare's operations and financial condition, if they were to occur. These events include fire, flood, earthquake, tornado, epidemic, pandemic, adverse health conditions or other unavoidable casualties or acts of God, freight embargo, labor strikes or work stoppages, civil commotion, new acts of war or escalation of existing war conditions, sabotage, enemy action, pollution, unknown subsurface or concealed conditions affecting the environment, and any similar causes. No assurance can be provided that such events will not occur, and, if any such events were to occur, no prediction can be provided as to the actual impact or severity of the impact on the City's operations and financial condition or on O'Hare's operations and financial condition, as applicable.

See "AIR TRAFFIC ACTIVITY AT O'HARE — Recent Developments at the Airport — COVID-19," "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic" and "— COVID-19 Pandemic" above.

WORLDWIDE HEALTH CONCERNS

New travel restrictions, as well as other public health measures, may be imposed to limit the spread of communicable diseases which may arise. The outbreak of the COVID-19 has been declared a pandemic by WHO. The outbreak has had an adverse effect on domestic and international travel and a number of travel-related industries, and severely and broadly disrupted local and global economies. See "AIR TRAFFIC ACTIVITY AT O'HARE — Recent Developments at the Airport — COVID-19," "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic" and "— COVID-19 Pandemic" above.

Other previous travel alerts or advisories include the 2016 travel alert by the U.S. Centers for Disease Control and Prevention warning pregnant women to avoid travel to areas where outbreaks of the Zika virus, which has been linked to birth defects, were occurring. In 2009, WHO and the U.S. Department of Health and Human Services (through the Secretary of the Department of Homeland Security) declared public health emergencies as the result of outbreaks of a serious strain of HINI influenza or "flu." In spring 2003, there was an outbreak of a serious strain of bird flu in Asia and Canada called "Severe Acute Respiratory Syndrome" or SARS.

Future outbreaks or pandemics may lead to a significant or material decrease in air traffic, at least for a temporary period, which in turn could cause similar decreases in passenger activity at O'Hare and a corresponding decline in Revenues. A disruption to the global supply chain due to a pandemic can also stall manufacturing and construction operations, which in turn could interfere with the City's operations, or the operations of the airlines operating at O'Hare.

The City currently has adopted temporary measures that are intended to mitigate the impacts on O'Hare of the COVID-19 outbreak. However, the City is unable to predict if these measures are sufficient, or the extent and duration of the impact that the COVID-19 outbreak will have in the long-term on air travel to and from O'Hare and on operations of the City or O'Hare. Prospective investors should be aware that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies may remain in effect or may increase at least over the near term and, therefore, have an adverse impact on O'Hare revenues. See "AIR TRAFFIC ACTIVITY AT O'HARE — Recent Developments at the Airport — COVID-19," "AIR TRAFFIC ACTIVITY AT O'HARE – Impact of COVID-19 On Air Traffic" and "— COVID-19 Pandemic" above."

Cyber-Security

O'Hare, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations, and faces multiple cybersecurity threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, "Systems Technology"). As a recipient and provider of personal, private, or sensitive information, O'Hare may be the target of cybersecurity incidents that could result in adverse consequences to O'Hare and its Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to O'Hare's Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, O'Hare invests in multiple forms of cybersecurity and operational safeguards.

While O'Hare cybersecurity and operational safeguards are periodically tested, no assurances can be given by the City that such measures will ensure against cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to O'Hare's finances or operations. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose O'Hare to material litigation and other legal risks, which could cause O'Hare to incur material costs related to such legal claims or proceedings.

The airlines serving O'Hare and other O'Hare tenants also face cybersecurity threats that could affect their operations and finances. Computer networks and data transmission and collection are vital to the safe and efficient operation of the airlines that serve O'Hare and other tenants of O'Hare. Despite security measures, information technology and infrastructure of any of the airlines serving O'Hare or any other tenants at O'Hare may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the operation of the airlines serving O'Hare and the services provided at O'Hare, thereby adversely affecting the ability of O'Hare to generate revenue.

Alternative Transportation Modes And Future Parking Demand

One significant category of non-airline revenues at O'Hare is from ground transportation activity, including use of on-Airport parking garages; trip fees paid by taxi, limousine and transportation network companies ("TNCs"), such as Uber Technologies Inc. and Lyft, Inc.; and rental car transactions by O'Hare passengers.

New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in O'Hare passengers' choice of ground transportation mode.

While the City makes every effort to anticipate demand shifts, there may be times when the City's expectations differ from actual outcomes. In such event, revenue from one or more ground transportation modes may be lower than expected. The City cannot predict with certainty what impact these innovations in ground transportation will have over time on revenues from parking, other ground transportation services or rental cars. The City also cannot predict with certainty whether or to what extent it will collect non-airline revenues in connection with such new technologies or innovative business strategies.

ENFORCEMENT ACTIONS

The remedies available to bondholders upon nonpayment of principal of or interest on the 2022 Senior Lien Bonds are in many respects dependent upon judicial enforcement actions which are often subject to discretion and delay. See APPENDIX B "SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE - Remedies."

LIMITED OBLIGATIONS

THE 2022 SENIOR LIEN BONDS ARE LIMITED OBLIGATIONS OF THE CITY AND DO NOT CONSTITUTE AN INDEBTEDNESS OR A LOAN OF CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF ILLINOIS, THE CITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF ILLINOIS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2022 SENIOR LIEN BONDS. THE 2022 SENIOR LIEN BONDS ARE NOT PAYABLE IN ANY MANNER FROM REVENUES RAISED BY TAXATION. NO PROPERTY OF THE CITY (INCLUDING PROPERTY LOCATED AT O'HARE) IS PLEDGED AS SECURITY FOR THE 2022 SENIOR LIEN BONDS.

The 2022 Senior Lien Bonds are secured on a parity basis with the Outstanding Senior Lien Bonds and all other Senior Lien Obligations. Subject to certain conditions set forth in the Senior Lien Indenture, the City may in the future issue Additional Senior Lien Bonds or incur other Senior Lien Obligations that will be secured on a parity basis with the 2022 Senior Lien Bonds and the Outstanding Senior Lien Bonds. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS-Issuance of Additional Senior Lien Bonds" and "CAPITAL PROGRAMS."

ASSUMPTIONS IN THE REPORT OF THE AIRPORT CONSULTANT

In connection with the offering of the 2022 Senior Lien Bonds described in this Official Statement, the Airport Consultant has prepared the Report of the Airport Consultant, a copy of which is included as APPENDIX E to this Official Statement. The Report of the Airport Consultant contains numerous assumptions as to the utilization of O'Hare and other matters and includes the Projections. Projections and assumptions are inherently subject to significant uncertainties. Inevitably, some assumptions may not be realized and unanticipated events and circumstances may occur. Actual results are likely to differ, perhaps materially, from those projected. Inevitably, some assumptions may not be realized and unanticipated events and circumstances may occur. Accordingly, the Projections contained in Report of the Airline Consultant are not necessarily indicative of future performance, and neither the Airport Consultant nor the City assumes any responsibility for the accuracy of such Projections. In addition, the final maturity date of each Series of the 2022 Senior Lien Bonds extends beyond the period of the Projections. See "INTRODUCTION – Report of the Airport Consultant" and APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT."

The Projections are based, in part, on historic data from sources considered by the Airport Consultant to be reliable, but the accuracy of these data has not been independently verified. The Projections are based on assumptions made by the Airport Consultant concerning future events and circumstances which the Airport Consultant believes are significant to the Projections but which cannot be assured. Therefore, the actual results achieved may vary from the Projections, and such variations could be material.

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain statements relating to future results that are forward-looking statements. When used in this Official Statement, the words "estimate," "plan," "intend," "expect, "forecast," "budget," project" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, bondholders and potential investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material. The City does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. See "INTRODUCTION - Regarding Use of the Official Statement."

LITIGATION

There is no litigation pending or threatened against the City relating to the City's operation of O'Hare, the issuance, sale, or delivery of the 2022 Senior Lien Bonds, the validity or enforceability thereof, or the implementation or construction of the CIP Projects or TAP, other than various legal proceedings (pending or threatened) which may have arisen or may arise out of the ordinary course of business of O'Hare. There are, from time to time, lawsuits that arise out of the various construction contracts entered into in connection with construction projects at O'Hare. The City, however, does not believe that any sums that may be recovered would have a material adverse impact on the financial condition O'Hare.

AIRPORT CONSULTANT

The Report of the Airport Consultant, included as APPENDIX E, provides certain information with respect to O'Hare and its capital programs, evaluates aviation activity at O'Hare and presents the analysis undertaken by the Airport Consultant to demonstrate the ability of the City to comply with the requirements of the Senior Lien Indenture on a pro forma basis for Fiscal Years 2022 through 2032 based on the assumptions set forth therein. The Projections are based, in part, on historic data from sources considered by the Airport Consultant to be reliable, but the accuracy of these data has not been independently verified. The Projections (as defined under "INTRODUCTION-Report of the Airport Consultant") are based on assumptions made by the Airport Consultant concerning future events and circumstances which the Airport Consultant believes are significant to the Projections. The achievement of the results described in the Projections may be affected by fluctuating economic conditions and depends upon the occurrence of other future events which cannot be assured. Therefore, the actual results achieved may vary from the forecasts, and such variations could be material. In addition, the final maturity date of each Series of the 2022 Senior Lien Bonds extends beyond the period of the Projections. See "CERTAIN INVESTMENT CONSIDERATIONS-Forward-Looking Statements."

The Airport Consultant has prepared the Projections contained in the Report of the Airport Consultant and discussed herein and summarized in certain tables herein. The City believes that the underlying assumptions provide a reasonable basis for the Projections, and that the Projections present, to the best of the City's knowledge and belief, the City's expected course of action. However, some of the assumptions upon which the Projections are based may not materialize and unanticipated events and circumstances may occur. The accompanying prospective financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the City's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance reflected in the Projections. Accordingly, these Projections are not fact and should not be viewed as being necessarily indicative of future results. Readers of this Official Statement are cautioned not to place undue reliance on Projections which are contained herein or in the Report of the Airport Consultant.

Neither the City's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein or in the Report of the Airport Consultant, nor have they expressed any opinion or any other form of assurance on such information or its achievability. Such parties assume no responsibility for, and disclaim any association with, the prospective financial information.

TAX MATTERS

Summary of Co-Bond Counsel Opinion. Katten Muchin Rosenman LLP and Neal & Leroy, LLC, Co-Bond Counsel, are of the opinion that under existing law, interest on the 2022 Senior Lien Bonds is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), Co-Bond Counsel are of the opinion that interest on the 2022 Senior Lien Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the 2022A Senior Lien Bonds and the 2022C Senior Lien Bonds constitutes an item of tax preference in computing alternative minimum taxable income for purposes of the individual alternative minimum tax. Interest on the 2022 Senior Lien Bonds is included in the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax (see "Federal Income Tax Consequences – (b) Corporate Owners," below). Co-Bond Counsel expresses no opinion as to the exclusion from gross income for Federal income tax purposes of interest on any 2022A Senior Lien Bond or any 2022C Senior Lien Bond for any period during which such Senior Lien Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of such Senior Lien Bond or a "related person" (as defined in Section 147(a) of the Code).

Exclusion from Gross Income: Requirements. The Code contains certain requirements that must be satisfied from and after the date of issuance of the 2022 Senior Lien Bonds in order to preserve the exclusion from gross income for federal income tax purposes of interest on the 2022 Senior Lien Bonds. These requirements relate to the use and investment of the proceeds of the 2022 Senior Lien Bonds, the payment of certain amounts to the United States, the security and source of payment of the 2022 Senior Lien Bonds and the use of the property financed with the proceeds of the 2022 Senior Lien Bonds. Among these specific requirements are the following:

(a) *Investment Restrictions*. Except during certain "temporary periods," proceeds of the 2022 Senior Lien Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a "minor portion") may generally not be invested in investments having a yield that is materially higher than the yield on the 2022 Senior Lien Bonds.

(b) *Rebate of Permissible Arbitrage Earnings*. Earnings from the investment of the "gross proceeds" of the 2022 Senior Lien Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the 2022 Senior Lien Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term "gross proceeds" includes the original proceeds of the 2022 Senior Lien Bonds, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the 2022 Senior Lien Bonds.

(c) *Restrictions on Ownership and Use*. The Code includes restrictions on the ownership and use of the facilities financed with the proceeds of the 2022 Senior Lien Bonds. Such provisions may restrict future changes in the use of any property financed with the proceeds of the 2022 Senior Lien Bonds.

Covenants to Comply. The City covenants in the Senior Lien Indenture to comply with the requirements of the Code relating to the exclusion from gross income for federal income tax purposes of interest on the 2022 Senior Lien Bonds.

Risk of Non Compliance. In the event that the City fails to comply with the requirements of the Code, interest on the 2022 Senior Lien Bonds may become includable in the gross income of the owners thereof for federal income tax purposes retroactively to the date of issue. In such event, the Senior Lien Indenture does not require acceleration of payment of principal of or interest on the 2022 Senior Lien Bonds or payment of any additional interest or penalties to the owners of the 2022 Senior Lien Bonds.

Federal Income Tax Consequences. Pursuant to Section 103 of the Code, interest on the 2022 Senior Lien Bonds is not includible in the gross income of the owners thereof for federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the 2022 Senior Lien Bonds that may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable federal income tax provisions are described in general terms below. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS CONCERNING THE PARTICULAR FEDERAL INCOME TAX CONSEQUENCES OF THEIR OWNERSHIP OF THE 2022 SENIOR LIEN BONDS.

(a) *Cost of Carry*. Owners of the 2022 Senior Lien Bonds will generally be denied a deduction for otherwise deductible interest on any debt that is treated for federal income tax purposes as incurred or continued to purchase or carry the 2022 Senior Lien Bonds. Financial institutions are denied a deduction for their otherwise allowable interest expense in an amount determined by reference to their adjusted basis in the 2022 Senior Lien Bonds.

(b) *Corporate Owners*. The Inflation Reduction Act of 2022 imposes a corporate alternative minimum tax equal to 15% of the "adjusted financial statement income" of any corporation (other than an S corporation, a regulated investment company and a real estate investment trust) having an average "adjusted financial statement income" exceeding $1,000,000,000 over such corporation's three preceding taxable years. The corporate alternative minimum tax is effective for taxable years beginning after December 31, 2022. Interest on tax-exempt bonds, such as interest on the 2022 Senior Lien Bonds, is included in the calculation of a corporation's "adjusted financial statement income". In addition, interest on the 2022 Senior Lien Bonds is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

(c) *Individual Owners*. Receipt of interest on the 2022 Senior Lien Bonds may increase the amount of social security and railroad retirement benefits included in the gross income of the recipients thereof for federal income tax purposes.

(d) *Certain Blue Cross or Blue Shield Organizations*. Receipt of interest on the 2022 Senior Lien Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

(e) *Property or Casualty Insurance Companies*. Receipt of interest on the 2022 Senior Lien Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

(f) *Foreign Personal Holding Company Income*. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the 2022 Senior Lien Bonds held by such a company is properly allocable to the shareholder.

The 2022 Senior Lien Bonds Purchased at a Premium or at a Discount. The difference (if any) between the initial price at which a substantial amount of each maturity of each Series of the 2022 Senior Lien Bonds is sold to the public (the "Offering Price") and the principal amount payable at maturity of such 2022 Senior Lien Bonds is given special treatment for federal income tax purposes. If the Offering Price is higher than the maturity value of a Bond, the difference between the two is known as "bond premium;" if the Offering Price is lower than the maturity value of a Bond, the difference between the two is known as "original issue discount."

Bond premium and original issue discount are amortized over the term of a 2022 Senior Lien Bond on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight-line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as an offset against interest paid on the 2022 Senior Lien Bonds and is subtracted from the owner's tax basis in the 2022 Senior Lien Bond. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such T2022 Senior Lien Bond for federal income tax purposes, to the same extent and with the same limitations as current interest, and is added to the owner's tax basis in the 2022 Senior Lien Bond. A 2022 Senior Lien Bond's adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon the disposition of the 2022 Senior Lien Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the 2022 Senior Lien Bond).

Owners who purchase 2022 Senior Lien Bonds at a price other than the Offering Price, after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of the 2022 Senior Lien Bonds. In addition, owners of 2022 Senior Lien Bonds should consult their tax advisors with respect to the state and local tax consequences of owning the 2022 Senior Lien Bonds. Under the applicable provisions of state or local income tax law, bond premium and original issue discount may give rise to taxable income at different times and in different amounts than they do for federal income tax purposes.

Change of Law. The opinions of Co-Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings, and other official interpretations of law in existence on the date the 2022 Senior Lien Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the 2022 Senior Lien Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the 2022 Senior Lien Bonds.

Current and future legislative proposals, if enacted into law, administrative actions or court decisions, at either the federal or state level, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subjected to state income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal or state income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Co-Bond Counsel express no opinion.

State and Local Income Tax Consequences

Interest on the 2022 Senior Lien Bonds is not exempt from present Illinois income taxes.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale by the City of the 2022 Senior Lien Bonds are subject to the approving legal opinions of Katten Muchin Rosenman LLP, Chicago, Illinois, and Neal & Leroy, LLC, Chicago, Illinois, who have been retained by the City and are acting as Co-Bond Counsel. Co-Bond Counsel have not been retained or consulted on disclosure matters and have not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the 2022 Senior Lien Bonds and assume no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in their capacity as Co-Bond Counsel, at the request of the City, they have reviewed the information in this Official Statement involving the description of the 2022 Senior Lien Bonds and the Senior Lien Indenture, the security for the 2022 Senior Lien Bonds and the description of the federal tax exemption of interest on the 2022 Senior Lien Bonds. This review did not include any obligation to establish or confirm factual matters set forth herein. The proposed forms of the opinions of Co-Bond Counsel on the 2022 Senior Lien Bonds are included as APPENDIX F.

Certain legal matters will be passed upon for the City by (i) its Corporation Counsel and (ii) in connection with the preparation of this Official Statement, Miller, Canfield, Paddock and Stone, P.L.C., Chicago, Illinois, and Cotillas and Associates, Chicago, Illinois, Co-Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by Mayer Brown LLP, Chicago, Illinois.

UNDERWRITING

A group of underwriters, represented by J.P. Morgan Securities LLC ("J.P. Morgan"), has agreed, jointly and severally, to purchase the 2022 Senior Lien Bonds subject to certain conditions set forth in a Contract of Purchase with the City for the 2022 Senior Lien Bonds. The Contract of Purchase provides that the obligations of the Underwriters to accept delivery of the 2022 Senior Lien Bonds are subject to various conditions of the Contract of Purchase, but the Underwriters will be obligated to purchase all of the 2022 Senior Lien Bonds if any 2022 Senior Lien Bonds are purchased. The Underwriters have agreed to purchase the 2022A Senior Lien Bonds at an aggregate purchase price of $1,138,034,750.68 (reflecting an underwriters' discount of $6,381,714.37 and net original issue premium of $34,361,465.05), the 2022B Senior Lien Bonds at an aggregate purchase price of $149,687,964.05 (reflecting an underwriters' discount of $867,138.05 and net original issue premium of $105,102.10), the 2022C Senior Lien Bonds at an aggregate purchase price of $172,207,620.82 (reflecting an underwriters' discount of $712,462.18 and original issue premium of $8,500,083.00) and the 2022D Senior Lien Bonds at an aggregate purchase price of $369,553,310.54 (reflecting an underwriters' discount of $1,697,129.71 and net original issue premium of $28,170,440.25).

The Underwriters reserve the right to join with dealers and other underwriters in offering the 2022 Senior Lien Bonds to the public. The 2022 Senior Lien Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such 2022 Senior Lien Bonds into investment accounts.

J.P. Morgan has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2022 Senior Lien Bonds from J.P. Morgan at the original issue price less a negotiated portion of the selling concession applicable to any 2022 Senior Lien Bonds that such firm sells.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

PNC Capital Markets LLC ("PNCCM") and its affiliates, including but not limited to PNC Bank, National Association, comprise a full service financial institution engaged in various activities, including securities trading, commercial and investment banking, corporate and investment advisory services, investment management and brokerage activities for a wide range of corporations, municipal and non-profit entities and individuals. PNCCM may engage PNC Investments LLC, to sell the City's securities to retail investors.

Valdés & Moreno Inc. ("V&M") has entered into a formal distribution agreement with Rockfleet Financial Services, Inc. ("Rockfleet"), a woman-owned business enterprise, whereby V&M can potentially distribute municipal securities to retail and institutional investors through Rockfleet. As part of this agreement, V&M will compensate Rockfleet part of the takedown for its selling efforts with respect to the Bonds.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as "CIB," "Wells Fargo Securities" or "WFS") is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, one of the underwriters of the 2022 Senior Lien Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the 2022 Senior Lien Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2022 Senior Lien Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the 2022 Senior Lien Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

A portion of the proceeds of the 2022A Senior Lien Bonds and 2022B Senior Lien Bonds will be used to refund Credit Agreement Notes, including Credit Agreement Notes issued to WFBNA.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the City, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. The Underwriters retained Underwriters' counsel based, in part, on the recommendation of the City.

SECONDARY MARKET DISCLOSURE

The City will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the 2022 Senior Lien Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2 12 (the "Rule") adopted by the SEC under the Securities Exchange Act, as amended (the "Exchange Act"). The MSRB has designated its Electronic Municipal Market Access System, known as EMMA, as the system to be used for continuing disclosures to investors. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below.

A failure by the City to comply with the Undertaking will not constitute a default under the 2022 Senior Lien Bonds, the Senior Lien Indenture or the Bond Ordinance, and beneficial owners of the 2022 Senior Lien Bonds are limited to the remedies described in the Undertaking. See "– Consequences of Failure of the City to Provide Information" under this caption. A failure by the City to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2022 Senior Lien Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2022 Senior Lien Bonds and their market price.

The following is a brief summary of certain provisions of the Undertaking of the City and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, copies of which are available from the City upon request.

ANNUAL FINANCIAL INFORMATION DISCLOSURE

The City covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (as described below) to the MSRB. The City is required to deliver such information so that the MSRB receives the information by the dates specified in the Undertaking.

United Airlines and American Airlines are at present the only Obligated Persons (as defined below) other than the City. United Airlines and American Airlines are each required to file SEC Reports with the

SEC under the Exchange Act. Such reports are available at www.sec.gov/edgar/searchedgar/companysearch.html, but are not incorporated into this Official Statement by reference and do not constitute a part hereof. The City has no responsibility for the accuracy or completeness of any SEC Report filed by United Airlines or American Airlines or by any future Obligated Person. Unless no longer required by the Rule, the City agrees to use its reasonable efforts to cause each Obligated Person other than the City (to the extent that such Obligated Person is not otherwise required to file SEC Reports under the Exchange Act), to file annual information substantially equivalent to that contained in the SEC Reports with the MSRB.

"Annual Financial Information" means (a) with respect to the City, financial and statistical data generally consistent with that contained in this Official Statement under "AIR TRAFFIC ACTIVITY AT O'HARE" (except for information noted as deemed not to be Annual Financial Information under such heading), "O'HARE FINANCIAL INFORMATION-Operating Results" and "OUTSTANDING INDEBTEDNESS AT O'HARE-Airport Obligations-Debt Service Schedule for Outstanding Senior Lien Bonds," and (b) with respect to each Obligated Person other than the City, if such Obligated Person does not file SEC Reports, information substantially equivalent to that contained in the SEC Reports. If any of the City's Annual Financial Information that is published by a third party is no longer publicly available, the City shall include a statement to that effect as part of its Annual Financial Information for the year in which such lack of availability arises.

"Audited Financial Statements" means the audited basic financial statements of O'Hare prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time.

"Obligated Person" means the City and each airline or other entity at any time using O'Hare (i) that is obligated under an Airline Use and Lease Agreement, lease or other agreement having a term of more than one year to pay a portion of the debt service on the Airport Obligations and (ii) has paid amounts equal to at least 10 percent of Revenues at O'Hare for each of the prior two Fiscal Years.

Annual Financial Information exclusive of Audited Financial Statements will be provided to the MSRB not more than 210 days after the last day of the City's Fiscal Year, which currently is December 31. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements will be included and Audited Financial Statements will be filed within 30 days of availability to the City.

Reportable Events Disclosure

The City covenants that it will disseminate in a timely manner, not in excess of ten (10) Business Days, in accordance with the Rule, to the MSRB the disclosure of the occurrence of a Reportable Event (as described below). Certain Reportable Events are required to be disclosed only to the extent that such Reportable Event is material, as materiality is interpreted under the Exchange Act. The "Reportable Events," certain of which may not be applicable to the 2022 Senior Lien Bonds, are:

1. principal and interest payment delinquencies;

2. non payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the securities;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution or sale of property securing repayment of the securities, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar proceedings of an Obligated Person;*

13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

14. appointment of a successor or additional trustee, or the change of the name of a trustee, if material;

15. incurrence of a financial obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Obligated Person, any of which affect Bondholders, if material; and(1)

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Obligated Person, any of which reflect financial difficulties.(1)

Each Signatory Airline has covenanted under the AULA to provide to the City at its request such information as the City may reasonably request to enable the City to comply with the requirements of the federal securities laws and the City's continuing disclosure undertakings. The City has requested American Airlines and United Airlines, as Obligated Persons, to disclose the occurrence of Reportable Events

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* Note that, for purposes of the event identified in item 12, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

(1)The term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

applicable to them. The City's obligations with respect to Reportable Events related to Obligated Persons other than the City are limited to and satisfied by the City's request to Obligated Persons other than the City as described above. The City takes no responsibility for the accuracy or completeness of filings provided by any Obligated Person other than the City.

CONSEQUENCES OF FAILURE OF THE CITY TO PROVIDE INFORMATION

The City shall give notice in a timely manner, not in excess of ten (10) Business Days, to the MSRB of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

In the event of a failure of the City to comply with any provision of the Undertaking, the beneficial owner of any 2022 Senior Lien Bond may seek mandamus or specific performance by court order to cause the City to comply with its obligations under the Undertaking. The Undertaking provides that any court action must be initiated in the Circuit Court of Cook County, Illinois. A default under the Undertaking shall not be deemed a default under any 2022 Senior Lien Bond, the Bond Ordinance or the Senior Lien Indenture, and the sole remedy under the Undertaking in the event of any failure of the City to comply with the Undertaking shall be an action to compel performance.

AMENDMENT; WAIVER

Notwithstanding any other provision of the Undertaking, the City may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) the amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or type of business conducted;

(ii) the Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) the amendment or waiver does not materially impair the interests of the beneficial owners of the 2022 Senior Lien Bonds, as determined by parties unaffiliated with the City (such as the Trustee or co bond counsel), or by approving vote of the beneficial owners of the 2022 Senior Lien Bonds pursuant to the terms of the Senior Lien Indenture at the time of the amendment; or

(b) the amendment or waiver is otherwise permitted by the Rule.

TERMINATION OF UNDERTAKING

The Undertaking shall be terminated if the City shall no longer have any legal liability for any obligation on or relating to repayment of the 2022 Senior Lien Bonds under the Bond Ordinance or the Senior Lien Indenture.

EMMA

All documents submitted to the MSRB through EMMA pursuant to the Undertaking shall be in electronic format and accompanied by identifying information as prescribed by the MSRB, in accordance with the Rule. All documents submitted to the MSRB through EMMA will be word-searchable PDFs, configured to permit documents to be saved, viewed, printed and electronically retransmitted.

ADDITIONAL INFORMATION

Nothing in the Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the City chooses to include any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the City shall have no obligation under the Undertaking to update such other information or include it in any future Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event.

CORRECTIVE ACTION RELATED TO CERTAIN BOND DISCLOSURE REQUIREMENTS

The City failed to comply with certain continuing disclosure undertakings previously entered into by it pursuant to the Rule as described below. Such non-compliance may or may not be material.

On May 18, 2015, S&P downgraded the rating of the City's then-outstanding second lien water revenue bonds from "AA-" to "A." The City timely filed an event notice on EMMA regarding this rating downgrade for all of its then-outstanding second lien water revenue bonds except the Second Lien Water Revenue Bonds, Taxable Project Series 2010B (Build America Bonds – Direct Payment) (the "Series 2010B Bonds") and the Second Lien Water Revenue Bonds, Taxable Project Series 2010C (Qualified Energy Conservation Bonds – Direct Payment) (the "Series 2010C Bonds"). On November 28, 2017, the City filed an event notice on EMMA relating to this rating downgrade with respect to the Series 2010B Bonds and the Series 2010C Bonds.

In July 2015, the City filed on EMMA on a timely basis the audited financial statements for the Water Fund for the year 2014 for all then-outstanding water revenue bonds, except with respect to the Series 2010B Bonds and the Series 2010C Bonds. On July 16, 2015, the City filed on EMMA the 2014 audited financial statements for the Water Fund with respect to the Series 2010B Bonds and the Series 2010C Bonds. On November 30, 2017, the City filed on EMMA a notice regarding its failure to file on a timely basis the 2014 audited financial statements with respect to the Series 2010B Bonds and the Series 2010C Bonds.

The Series 2014C Bonds were secured by a letter of credit by JPMorgan Chase Bank, N.A. (the "*Series 2014C Letter of Credit Bank*"). On May 19, 2015, Fitch upgraded the long-term rating of the Series 2014C Letter of Credit Bank from "A+" to "AA-" and its short-term rating from "Fl" to "Fl+." On September 19, 2014, Moody's Investors Service, Inc. ("*Moody's*") downgraded the long-term letter of credit supported rating of the Series 2014C Bonds from "Aa l" to "Aa2." On May 28, 2015, Moody's upgraded the long-term letter of credit supported rating of the Series 2014C Bonds from "Aa2" to "Aal." Event notices with respect to such rating changes were not filed with EMMA. The City made such filings on July 13, 2018. The Series 2014C Letter of Credit Bank has since been replaced.

In July 2019, the City filed on EMMA on a timely basis the City's 2018 audited financial statements for the General Fund for all then-outstanding general obligation bonds of the City, except with respect to the City's General Obligation Bonds, Library Series 2008D (the "*Series 2008D Bonds*"). On December 17, 2019, those financial statements were filed on EMMA with respect to the Series 2008D Bonds, and the City filed on EMMA a notice regarding its failure to file on a timely basis the 2018 audited financial statements with respect to the Series 2008D Bonds.

On September 14, 2020, the City filed on EMMA a notice regarding its failure to file on a timely basis a certain capital improvements table for the years 2018 and 2019 in connection with the City's Second Lien Wastewater Transmission Revenue Bonds, Project Series 2017A and Refunding Series 2017B. In connection with such notice filing, the City also filed on EMMA such capital improvements table for the years 2018 and 2019 with respect to the Series 2017A and the Series 2017B Bonds.

On September 14, 2020, the City filed on EMMA a notice regarding its failure to file on a timely basis certain capital improvements tables for the years 2016, 2017, 2018 and 2019 in connection with the City's General Obligation Bonds, Project and Refunding Series 2014A and Taxable Series 2014B. In connection with such notice filing, the City also filed on EMMA such capital improvements tables for the years 2016, 2017, 2018 and 2019 with respect to the Series 2014A and the Series 2014B Bonds.

On July 8, 2021, S&P upgraded the rating of the City's Motor Fuel Tax Revenue Refunding Bonds, Series 2013 (Issue of June 2014), including the Riverwalk Transportation Infrastructure Finance and Innovation Act draw-down loan, from "BB+" to "BBB-." On July 27, 2021, the City filed with EMMA an event notice relating to this rating upgrade.

On November 12, 2021, the City filed a notice regarding its failure to file on a timely basis certain Annual Financial Information including certain capital improvements tables for the year 2020 and certain third-party sourced Retirement Fund tables with respect to the Series 2014AB Bonds. In connection with such notice filing, the City also filed on EMMA such capital improvements tables for the years 2020 and 2021 and Tables 4 and 9 of the third-party sourced Retirement Fund tables with respect to the Series 2014AB Bonds.

On August 9, 2022, the City filed on EMMA a notice regarding its failure to file on a timely basis a certain capital improvements table for the years 2020 and 2021 in connection with the City's Second Lien Wastewater Transmission Revenue Bonds, Project Series 2017A and Refunding Series 2017B. In connection with such notice filing, the City also filed on EMMA such capital improvements table for the years 2020 and 2021 with respect to the Series 2017A and the Series 2017B Bonds.

On August 9, 2022, the City filed on EMMA a notice regarding its failure to file on a timely basis certain Annual Financial Information including certain third-party sourced Retirement Fund tables for the year 2021 with respect to the Series 2014AB Bonds and the Series 2021AB Bonds. In connection with such notice filing, the City also filed on EMMA such third-party sourced Retirement Fund tables with respect to the Series 2014AB Bonds and the Series 2021AB Bonds.

FINANCIAL ADVISORS AND INDEPENDENT REGISTERED MUNICIPAL ADVISOR

The City has engaged Frasca & Associates, LLC and Public Alternative Financial Advisors as its co-financial advisors (the "Co-Financial Advisors") in connection with the offering of the 2022 Senior Lien Bonds. The Co-Financial Advisors have provided advice on the plan of financing and structure of the 2022 Senior Lien Bonds and have reviewed certain legal documents, including this Official Statement, with respect to financial matters. The Co-Financial Advisors are not obligated to undertake, and have not undertaken to make, an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Each of the Co-Financial Advisors is a "municipal advisor" as defined in Rule 15Bal-1 of the Securities and Exchange Commission (the "Commission").

The City has retained seven firms (Acacia Financial Group, Martin J. Luby LLC, PFM Financial Advisors LLC, Public Alternative Advisors, LLC, RSI Group, LLC, Sycamore Advisors, LLC and Swap Financial Group LLC) to serve as a pool of registered municipal advisors (the "IRMAs") pursuant to Rule

15Bal-1-(d)(3)(vi) of the Commission to evaluate financing proposals and recommendations in connection with the City's various bond issuance programs and other financing ideas being considered by the City; however, the IRMAs will not advise on the investment of City funds held by the Office of the City Treasurer. The IRMAs' compensation is not dependent on the offering of the 2022 Senior Lien Bonds.

INDEPENDENT AUDITORS

The basic financial statements of the City of Chicago Illinois – Chicago O'Hare International Airport as of and for the years ended December 31, 2021 and 2020, included as APPENDIX D to this Official Statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report appearing herein. Deloitte & Touche LLP has not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor has Deloitte & Touche LLP expressed any opinion or any other form of assurance on such information or its achievability, and Deloitte & Touche LLP assumes no responsibility for, and disclaims association with, the prospective financial information included in this Official Statement.

RATINGS

The 2022 Senior Lien Bonds have been assigned the ratings of "A+" (Stable outlook) by S&P Global Ratings, "A+" (Stable outlook) by Fitch Ratings and "A+" (Stable outlook) by Kroll Bond Rating Agency. Certain information was supplied by the City to each of the rating agencies to be considered in evaluating the 2022 Senior Lien Bonds. The City has not sought a rating of the 2022 Senior Lien Bonds from any other rating agency.

A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. The City has furnished to the rating agencies certain information and materials relating to the 2022 Senior Lien Bonds and O'Hare, including certain information and materials that have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective rating agency. There is no assurance that any rating will continue for any given period of time, or that any rating will not be revised downward or withdrawn entirely by any such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price of the 2022 Senior Lien Bonds.

MISCELLANEOUS

The summaries or descriptions in this Official Statement of provisions in the Senior Lien Indenture and all references to other materials not purporting to be quoted in full are only brief outlines of certain provisions and do not constitute complete statements of such documents or provisions. Reference is made to the complete documents relating to such matter for further information, copies of which will be furnished by the City upon written request delivered to the office of the Chief Financial Officer, 5th Floor, 121 North LaSalle Street, Chicago, Illinois 60602.

AUTHORIZATION

The City has authorized the distribution of this Official Statement.

This Official Statement has been duly executed and delivered by the Chief Financial Officer on behalf of the City.

CITY OF CHICAGO

By: *<u>/s/ Jennie Huang Bennett</u>*
Chief Financial Officer

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APPENDIX A

GLOSSARY OF TERMS

The following are definitions of certain terms used in this Official Statement. This glossary is provided for the convenience of the reader and does not purport to be comprehensive or definitive. Certain capitalized terms used herein are defined elsewhere in this Official Statement. All references herein to terms defined in the Senior Lien Indenture and the Airline Use and Lease Agreements are qualified in their entirety by the definitions set forth in the Senior Lien Indenture and/or the Airline Use and Lease Agreements, as the case may be. Copies of the Senior Lien Indenture and the Airline Use and Lease Agreements are available for review prior to the issuance and delivery of the 2022 Senior Lien Bonds at the offices of the City and thereafter at the offices of the Trustee.

"Accounts" means the special accounts created and established pursuant to the Senior Lien Indenture.

"Activity-Based Terminal Charges" means Terminal Charges calculated under Sections 8.10 and 8.11 of the Airline Use and Lease Agreements.

"Additional TAP Elements" means certain Capital Improvement Projects that have been approved by Airline by execution of the Airline Use and Lease Agreements, subject to the conditions specified Section 10.3 of the Airline Use and Lease Agreements.

"Additional TAP Element Trigger" means the conditions, specified in Exhibit M of the Airline Use and Lease Agreements, that must be met before the City may proceed with the design, construction and equipping of an Additional TAP Element.

"Aeronautical Real Estate" means the parcels and other areas of the Airport where aviation support, cargo, hangar and maintenance activities occur, including all roads and facilities serving such areas and associated air rights.

"Aeronautical Real Estate Revenue" means all revenues collected by the City for the right to use Aeronautical Real Estate.

"Aggregate Debt Service" means, as of any particular date of computation and with respect to a particular Bond Year or other specified 12-month period, an amount of money equal to the aggregate amount required by the provisions of all Supplemental Indentures creating Series of Senior Lien Obligations, all instruments creating Senior Lien Section 208 Obligations and all Qualified Senior Lien Swap Agreements, to be deposited from Revenues in all Dedicated Sub-Funds (including the Common Debt Service Reserve Sub-Fund), accounts and subaccounts created under the Supplemental Indentures in the Bond Year or other specified 12-month period.

"Air Carrier" means a carrier certificated by the Secretary of the U.S. Department of Transportation as a Passenger Carrier under 49 U.S.C. § 41102 or a Cargo Carrier under 49 U.S.C. § 41103.

"Air Service Incentive Program" means the program of air service incentives at the Airport, consistent with applicable federal requirements, which may include rates and charges incentives and marketing support referenced in Section 8.15 of the Airline Use and Lease Agreements.

"Air Transportation Business" means that business operated by Airline at the Airport for the commercial transportation by air of persons, property, mail, parcels and/or cargo.

"Airfield Revenue Requirement" means the Airfield Revenue Requirement calculated in accordance with Section 8.2.1 of the Airline Use and Lease Agreements.

"Airline" means any person actively engaged in the Air Transportation Business at the Airport.

"Airline Airport Affairs Committee" or "AAAC" means the Airline Airport Affairs Committee consisting of a representative designated by each Signatory Airline operating at the Airport.

"Airline Party" means, at any time, any person actively engaged in the Air Transportation Business at the Airport who then has an Airline Use and Lease Agreement in effect with the City, either directly or through a valid assignment.

"Airline Rate-Based Project Costs" means the Project Costs of a Capital Improvement Project that are reasonably allocable to one or more Airline-Supported Cost Centers.

"Airline Rented Space" means any space in the Terminal Complex that is rented by Passenger Carriers on an exclusive, preferential or common use basis, plus any areas in the Terminal Complex that are rented to Aeronautical Service Providers; provided, however, that such leased space shall be at the same rental rate, and subject to the same rate adjustments as space leased to Passenger Carriers.

"Airline-Supported Cost Centers" means the following Cost Centers:

(i) Airfield Cost Center;
(ii) Terminal Cost Center;
(iii) Parking and Ground Transportation Cost Center;
(iv) Fueling System Cost Center;
(v) Aeronautical Real Estate Cost Center; and
(vi) Commercial Real Estate Cost Center.

"Airline Use and Lease Agreements" means the Chicago O'Hare International Airport Airline Use and Lease Agreement approved by an ordinance adopted by the City Council on March 28, 2018, and consisting of multiple substantially similar agreements entered into between the City and various companies engaged in the Air Transportation Business at the Airport, as such agreements may be extended, amended or supplemented from time to time in accordance with their terms.

"Airport" means Chicago O'Hare International Airport, together with any additions thereto, or improvements or enlargements of it, later made, but any land, rights-of-way, or improvements which are now or later owned by or are part of the transportation system operated by the Chicago Transit Authority, or any successor thereto, wherever located within the boundaries of the Airport, are not deemed to be part of the Airport.

"Airport Fees and Charges" means, for any Fiscal Year, all rents, charges and fees payable by all Air Carriers for such Fiscal Year as determined and adjusted pursuant to Article 8 of the Airline Use and Lease Agreements.

"Airport Fund" means the Chicago O'Hare International Airport Fund, an enterprise fund of the City.

"Airport General Fund" means the Airport General Fund created by the Indenture.

"Airport Obligations" means any bonds, notes or other evidences of indebtedness of the City, which bonds, notes or other evidences of indebtedness are payable from Revenues.

"Airport Project" means any capital improvement at or related to the Airport or the acquisition of land or any interest in land beyond the then-current boundaries of the Airport, or any cost or expense paid or incurred in connection with or related to the Airport whether or not of a capital nature and whether or not related to facilities at the Airport, including but not limited to, amounts needed to satisfy any judgment and the cost of any noise mitigation programs and including any "Capital Improvement Project" as defined in the Airline Use and Lease Agreements.

"Airport Project Account" means any Account established for the payment of the costs of an Airport Project including any Account established for the disposition of proceeds of insurance under the Indenture.

"Airport Revenue Bonds" or *"GARBs"* means any bonds, commercial paper notes, credit agreements notes and any other debt obligations of the City, outstanding at any time having a lien on Revenues as provided in the Indenture.

"Annual Audit Report" means the Annual Comprehensive Financial Report of the City for its fiscal year ending December 31. State law requires that all governmental units publish financial statements presented in conformity with generally accepted accounting principles, and audited by a licensed public accountant, within six months of the close of each fiscal year.

"Annual Debt Service" means, as of any particular date of computation and with respect to a particular Bond Year or other specified 12-month period, and Senior Lien Obligations of a particular Series or consisting of a particular Senior Lien Section 208 Obligation or Qualified Senior Lien Swap Agreement, an amount of money equal to the sum of:

(a) all interest payable during that Bond Year or other specified 12-month period on all Senior Lien Obligations of the Series or Senior Lien Section 208 Obligation Outstanding on the date of computation;

(b) all Principal Installments payable during that Bond Year or other specified 12-month period with respect to all Senior Lien Obligations of the Series or Senior Lien Section 208 Obligation Outstanding on the date of computation; and

(c) amounts due and payable during that Bond Year or other specified 12-month period on all Qualified Senior Lien Swap Agreements.

Amounts determined pursuant to clause (a) and (b) above must be calculated on the assumption that Senior Lien Obligations will, after the date of computation, cease to be Outstanding by reason, but only by reason, of the payment when due and application in accordance with the Indenture and the Supplemental Indenture creating that Series or the instrument creating that Senior Lien Section 208 Obligation of Principal Installments payable at or after the date of computation.

"Approved Project" means Previously Approved Projects, TAP elements, Additional TAP Elements and Pre-Approved CIP Projects that have been approved by execution of the Airline Use and Lease Agreements and New Projects submitted for Majority-in-Interest review pursuant to the procedures in Section 10.8 of the Airline Use and Lease Agreements and not disapproved by a Majority-in-Interest.

"Authorized Officer" means (a) the Mayor, the Chief Financial Officer, the City Treasurer, the Commissioner, the City Comptroller or any other official of the City so designated by a Certificate signed

by the Mayor and filed with the Trustee for so long as that designation is in effect and (b) the City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office.

"Bad Debt" means a monetary amount owed to the City that is unlikely to be paid as it is beyond the collectible period as set by City policy as set forth in Section 9.2.3 of the Airline Use and Lease Agreements.

"Balloon Maturities" means, with respect to any Series of Senior Lien Obligations 50% or more of the principal of which matures on the same date or within a Fiscal Year, that portion of such Series which matures on such date or within such Fiscal Year. For purposes of this definition, the principal amount maturing on any date shall be reduced by the amount of such Senior Lien Obligations scheduled to be amortized by prepayment or redemption prior to their stated maturity date. Commercial paper, bond anticipation notes or variable rate demand obligations shall not be Balloon Maturities.

"Base Terminal Rental Rate" means the amount calculated by the City to determine Domestic or International Common Use Gate Requirements.

"Bond Counsel" means a firm of attorneys having expertise in the field of law relating to municipal, state and public agency financing, selected by the City and satisfactory to the Trustee.

"Bond Year" means a 12-month period commencing on January 2 of each calendar year and ending on January 1 of the next succeeding calendar year.

"Business Day" means a day on which banks located in the city in which the principal corporate trust office of the Trustee is located are not required or authorized to remain closed, and are not in fact closed.

"Capital Costs" means all costs related to the acquisition, construction or improvement of Airport assets, including the following:

(a) Debt Service net of pledged PFC revenues, grants and other applicable adjustments;

(b) Required Debt Service Coverage on the gross amount of such Debt Service;

(c) Program fees and other costs of borrowing not included in Debt Service;

(d) Costs of Capital Improvement Projects funded with Pre-Approved Allowances; and

(e) Equipment purchases and small capital outlays, if not otherwise classified as an O&M Expense.

"Certificate" means a written instrument, certificate, statement, request or requisition of any person. In the case of the City, each Certificate shall be executed by an Authorized Officer. Any Certificate and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined must be read and construed so as to form a single instrument. Any Certificate may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants or engineers, respectively, unless the officer signing that Certificate knows, or in the exercise of reasonable care should have known, that the opinion or representation with respect to the matters upon which that Certificate may be based, as aforesaid, is erroneous. The same person, or the same counsel or accountant, as the case may

be, need not certify to all of the matters required to be certified under any provision of the Indenture or any Supplemental Indenture, but different persons, counsel or accountants may certify to different facts, respectively. Every Certificate or opinion of counsel, accountants, engineers or other persons provided for in the Indenture must include:

(a) a statement that the person making that Certificate or opinion or representation has read the pertinent provision of the Indenture or the Supplemental Indenture to which that statement, Certificate, opinion or representation relates;

(b) a brief statement as to nature and scope of the examination or investigation upon which the statements, opinions or representations are based;

(c) a statement that, in the opinion of that person, that person has made such examination or investigation as is necessary to enable that person to express an informed opinion with respect to the subject matter referred to in the instrument to which that person's signature is affixed; and

(d) with respect to any statement relating to compliance with any provision of the Indenture, a statement whether or not, in the opinion of that person, that provision has been complied with.

"Change in Project Scope Requiring MII Review" means a change to the scope of an Approved Project, as specified in Exhibits J, L, M or N of the Airline Use and Lease Agreements or in the proposal submitted for Majority-in-Interest review under Section 10.8.1 of the Airline Use and Lease Agreements, that triggers Majority-in-Interest review pursuant to the procedures in Section 10.8 of the Airline Use and Lease Agreements.

"Chief Financial Officer" means the Chief Financial Officer appointed by the Mayor, or the City Comptroller of the City at any time a vacancy exists in the office of the Chief Financial Officer.

"City" means the City of Chicago, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois.

"City Council" means the City Council of the City, or any succeeding governing or legislative body of the City.

"Code" means the Internal Revenue Code of 1986, as from time to time supplemented and amended. References to the Code and to sections of the Code shall include relevant final, temporary or proposed Regulations as in effect from time to time and, with reference to any Series of Senior Lien Obligations, as applicable to obligations issued on the date of issuance of that Series.

"Commercial Real Estate" means the parcels and other areas of the Airport where commercial non-aeronautical activities such as hotel, office, non-terminal retail, public vehicle fueling and charging stations not otherwise located in facilities included in the Parking and Ground Transportation Cost Center, and other real estate development occur, including all roads, utilities and facilities serving such areas and associated air rights.

"Commercial Real Estate Revenue" means revenues collected by the City for the right to use Commercial Real Estate.

"Commissioner" means the Commissioner of Aviation of the City or any designee of the Commissioner, or any successor or successors to the duties of any such official.

"Common Debt Service Reserve Sub-Fund" means the Common Debt Service Reserve Sub-Fund created by the Indenture.

"Common Reserve Bonds" means Senior Lien Obligations entitled to the benefits of the Common Debt Service Reserve Sub-Fund.

"Common Use Gate Space" means the Gate Space designated by the City in accordance with Article 4 and Article 5 of the Airline Use and Lease Agreements to be used in common by Passenger Carriers operating at the Airport, and shall not be deemed to include any Preferential Use Gate Space. Common Use Gate Space may be separately designated by the City as Domestic Common Use Gate Space and International Common Use Gate Space, as it may be adjusted from time to time, all as shown in Exhibit B of the Airline Use and Lease Agreements as of the Effective Date.

"Common Use Premises" means those areas within the Terminal Complex, including Common Use Gate Space, Common Use Check-in Space, Common Use Baggage Claim Space and Common Use Baggage Make-up Space that are made available by the City to one or more Air Carriers, subject to Section 4.1.5 of the Airline Use and Lease Agreements and as more fully described in the Terminal Complex Space Exhibit of the Airline Use and Lease Agreements. Common Use Premises may be separately designated by the City as Domestic Common Use Premises and International Common Use Premises, as it may be adjusted from time to time, all as shown in Exhibit B of the Airline Use and Lease Agreements as of the Effective Date.

"Completion Bonds" means any Senior Lien Obligations issued in accordance with the Indenture for the purpose of defraying additional costs of one or more Airport Projects financed by Airport Obligations.

"Consolidated Rental Car Facility" or *"CONRAC"* means the portion of the joint use facility, roadways and equipment that constitutes the consolidated rental car facility at the Airport, including those portions of the joint use facility dedicated to rental car operations, the customer service area, and the quick turn-around facility. The CONRAC as of the Effective Date of the Airline Use and Lease Agreements is generally depicted in Exhibit A of the Airline Use and Lease Agreements for illustrative purposes.

"Costs of Issuance" means any item of expense payable or reimbursable, directly or indirectly, by the City and related to the authorization, offering, sale, issuance and delivery of Senior Lien Obligations, including, but not limited to, travel and other expenses of any officer or employee of the City in connection with the authorization, offering, sale, issuance and delivery of the Senior Lien Obligations, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and disbursements, fees and disbursements of any Independent Airport Consultant and any Independent Accountant, fees and disbursements of other consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Senior Lien Obligations, application fees and premiums on municipal bond insurance and credit facility charges and costs and expenses relating to the refunding of Senior Lien Obligations, Junior Lien Obligations or other obligations issued to finance or refinance one or more Airport Projects.

"Cost of Issuance Account" means the account of that name established in the Dedicated Sub-Fund for each Series of the 2022 Senior Lien Bonds as described in the Supplemental Indentures.

"Counsel's Opinion" means a written opinion of Corporation Counsel for the City or other counsel selected by the City. Any Counsel's Opinion may be based, insofar as it relates to factual matters (information with respect to which is in the possession of the City) upon a Certificate or opinion of, or representation by, an officer of the City, unless the counsel knows, or in the exercise of reasonable care should have known, that the Certificate, opinion or representation with respect to the matters upon which the counsel's opinion may be based, as aforesaid, is erroneous.

"CP Indenture" means any trust indenture entered into between the City and a bank or trust company that authorizes and secures CP Notes.

"CP Notes" means Commercial Paper Notes of any series issued to finance or refinance Airport Projects.

"Debt Service" means, collectively, debt service on GARBs and any other debt service on indebtedness payable from Revenues.

"Debt Service Fund" means the Debt Service Fund created by the Indenture.

"Dedicated Sub-Fund" means a sub-fund within the Debt Service Fund including each sub-fund created by a Supplemental Indenture and the Common Debt Service Reserve Sub-Fund created by the Indenture.

"Department of Aviation" or *"CDA"* means the Chicago Department of Aviation or any successor agency thereto.

"Deposit Date" means January 1 and July 1 of each year, commencing January 1, 2023.

"Deposit Requirements" means, with respect to any semi-annual deposit to the Debt Service Fund and any disbursement from the Debt Service Fund pursuant to provisions of the Indenture as described in APPENDIX B – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE," under the headings "INDENTURE FUNDS AND PAYMENT OF DEBT SERVICE," "THE DEPOSITS INTO 2022A SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN", "THE DEPOSITS INTO 2022B SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN," "THE DEPOSITS INTO 2022C SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN" and "THE DEPOSITS INTO 2022D SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN"

"Domestic Common Use Gate Fees" means the Domestic Common Use Gate Fees calculated pursuant to Section 8.10.1 of the Airline Use and Lease Agreements.

"Domestic Common Use Holdroom Space" means the Holdroom Space associated with Domestic Common Use Gate Space.

"DTC" means The Depository Trust Company, and its successor and assigns.

"Event of Default" means an Event of Default under the Indenture.

"Exclusive Use Premises" means any office space, operation space, storage area, VIP Lounge, employee break room, baggage service office or other areas in the Terminal Complex designated for Airline's exclusive use, subject to Section 4.1.2 of the Airline Use and Lease Agreements and as more fully described in the Premises Notice described in Section 4.1 of the Airline Use and Lease Agreements and in the form attached as Exhibit C to the Airline Use and Lease Agreements.

"Executive Working Group" or *"EWG"* means the group of City and Signatory Airline representatives established under Section 10.9 of the Airline Use and Lease Agreements.

"Federal Aviation Administration" or *"FAA"* means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

"Federal Obligation" means any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America.

"Fiduciary" means the Trustee or any Paying Agent or any or all of them, as may be appropriate.

"Fiscal Year" means January 1 through December 31 of any year or such other fiscal year as the City may adopt for the Airport.

"Fitch" means Fitch Ratings Ltd.

"Fixed Terminal Charges" means Terminal Charges calculated under Sections 8.4 through 8.9 of the Airline Use and Lease Agreements.

"Funds" means the special funds created and established pursuant to the Indenture.

"Gate Ramp" means the Apron Area associated with Gate Space.

"Gate Space" means the areas of the Terminal Complex and Apron Areas that consist of Linear Frontage and the associated Holdroom Space and Gate Ramp, as designated in the Premises Notice and Terminal Complex Space Exhibit of the Airline Use and Lease Agreements.

"Government Grants-in-Aid" means those moneys granted to the City by the United States of America or any of its agencies, or the State of Illinois, or any of its political subdivisions or agencies, to pay for all or a portion of the cost of one or more Airport Projects and does not include any payments made for services rendered at the Airport.

"Indenture" means the Master Indenture of Trust securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations, dated as of June 1, 2018, from the City to the Trustee, pursuant to which Senior Lien Obligations are authorized to be issued, as it may from time to time be amended and supplemented by Supplemental Indentures.

"Independent Accountant" means a certified public accountant selected by the City and licensed to practice in the State of Illinois, and who (a) in the case of an individual, is not an officer or employee of the City, (b) is satisfactory to the Trustee and (c) may be the accountant that regularly audits the books of the City or the Airport.

"Independent Airport Consultant" means a consultant selected by the City, with expertise in the administration, financing, planning, maintenance and operations of airports and their facilities, and who, in the case of an individual, is not an officer or employee of the City.

"Interest Income" means any interest on, and any gain realized from the investment of, moneys in any funds created pursuant to the Bond Indenture or of the Airline Use and Lease Agreements.

"Interest Payment Date" means any Payment Date on which interest on any Senior Lien Obligation is payable.

"International Common Use Gate Fees" means the International Common Use Gate Fees calculated pursuant to Section 8.10.2 of the Airline Use and Lease Agreements.

"International Common Use Holdroom Space" means the Holdroom Space associated with International Common Use Gate Space.

"Joint Use Premises" means those areas designated as such in the Premises Notice that are within the Terminal Complex, including Joint Use Baggage Claim Space and Joint Use Baggage Make-up Space as more fully described in the Premises Notices of multiple Passenger Carriers, and as to which such Passenger Carriers have a priority of use over all other Passenger Carriers, subject to Article 5 of the Airline Use and Lease Agreements.

"Junior Lien Obligations" means any bonds, notes or evidences of indebtedness secured by Revenues, other than Senior Lien Obligations, issued by the City as permitted by the Indenture.

"Junior Lien Obligation Debt Service Fund" means the Junior Lien Obligation Debt Service Fund created by the Indenture.

"Kroll" means Kroll Bond Rating Agency, Inc.

"Landing Fee" means the Landing Fee calculated pursuant to Section 8.2 of the Airline Use and Lease Agreements.

"Liens Defeasance Date" means September 12, 2012.

"Long-Term Signatory Airline" means a Signatory Airline that executed the Airline Use and Lease Agreements or a substantially similar agreement with a Term that expires on December 31, 2033 or otherwise qualifies as a Long-Term Signatory Airline pursuant to Section 2.2.3 of the Airline Use and Lease Agreements.

"Maintenance Reserve Fund" means the Maintenance Reserve Fund maintained pursuant to the Indenture.

"Majority-in-Interest" means, for any Fiscal Year:

(i) for a Capital Improvement Project with Airline Rate-Based Project Costs allocated solely to the Airfield Cost Center, the Aeronautical Real Estate Cost Center or the Fueling System Cost Center, Long-Term Signatory Airlines that together accounted for at least seventy percent (70%) of the total Maximum Gross Landed Weight of all Air Carriers during the immediately preceding Fiscal Year;

(ii) for a Capital Improvement Project with Airline Rate-Based Project Costs allocated to the Terminal Cost Center, the Parking and Ground Transportation Cost Center or the Commercial Real Estate Cost Center, Long-Term Signatory Airlines that together paid at least seventy percent (70%) of the total Terminal Charges paid by all Air Carriers during the immediately preceding Fiscal Year; or

(iii) for a Capital Improvement Project with Airline Rate-Based Project Costs allocated to the Airfield Cost Center and the Terminal Cost Center, Long-Term Signatory Airlines that together paid at least seventy percent (70%) of all Airport Fees and Charges paid by all Air Carriers during the immediately preceding Fiscal Year.

For purposes of these calculations, a Long-Term Signatory Airline's activity and payments shall include the activity and payments of each of its Affiliates, but not its Alliance Partners.

"Maximum Gross Landed Weight" or *"MGLW"* means the maximum certificated weight, in thousand pound units, at which each aircraft operated by an Air Carrier is authorized by the FAA to land at the Airport, as certified by the aircraft's manufacturer and recited in the Air Carrier's flight manual governing that aircraft type.

"Monthly Activity Report" means the accurate summary report prepared by Airline describing Airline's operations (and the operations of Airline's Affiliates, if any) at the Airport during the month preceding the month in which the summary is submitted to the City, signed by an authorized representative of Airline certifying the accuracy of the information set forth therein, and submitted by Airline to the City in accordance with Section 8.19.1 of the Airline Use and Lease Agreements.

"Net Aeronautical Real Estate Revenues" means, for each Fiscal Year, the sum of Aeronautical Real Estate Revenues, plus Interest Income allocable to Aeronautical Real Estate, minus Capital Costs allocable to Aeronautical Real Estate, minus Operation and Maintenance Expenses allocable to Aeronautical Real Estate, minus Required Deposits allocable to Aeronautical Real Estate.

The City shall use any Net Aeronautical Real Estate Revenues remaining at the end of each Fiscal Year in the next Fiscal Year according to the following priorities:

(a) An amount equal to certain types of Pre-Approved Allowances allocable to the Airfield Cost Center for the next Fiscal Year to reduce Capital Costs allocable to the Airfield Cost Center; and

(b) Any remainder to reduce Capital Costs allocable to the Terminal Cost Center for the next Fiscal Year.

"Net Commercial Real Estate Revenues" means, for each Fiscal Year, the sum of Commercial Real Estate Revenues, plus Interest Income allocable to Commercial Real Estate, minus Capital Costs allocable to Commercial Real Estate, minus Operation and Maintenance Expenses allocable to Commercial Real Estate, minus Required Deposits allocable to Commercial Real Estate.

The City shall use any Net Commercial Real Estate Revenues remaining at the end of each Fiscal Year in the next Fiscal Year according to the following priorities:

(a) To fund Air Service Incentive Programs subject to the not-to-exceed annual budget for the next Fiscal Year; and

(b) To retain in each Fiscal Year five million dollars ($5,000,000) to be used by the City for interim financing or pay-go funding of Approved Projects and Capital Improvement Projects exempt from Majority-in-Interest Review under the terms of the Airline Use and Lease Agreements.

"New Projects" means certain Capital Improvement Projects that require Majority-in-Interest review, as further described in Section 10.6 of the Airline Use and Lease Agreements.

"O&M Expenses" means the costs incurred by the City in operating and maintaining the Airport's facilities.

"Operation and Maintenance Expense Projection" means, for any Fiscal Year, the then current estimate of Operation and Maintenance Expenses prepared by the City as provided for in the Airline Use

and Lease Agreements and filed with the Trustee and consisting of an initial projection made prior to the first day of the Fiscal Year and a mid-year adjusted projection made in June of the Fiscal Year and in effect as of July 1 of the Fiscal Year and, at the election of the City, one other adjusted projection during such Fiscal Year.

"Operation and Maintenance Expenses" means, for any Fiscal Year, the costs incurred by the City in operating and maintaining the Airport during that Fiscal Year, either directly or indirectly, including, without limitation (but exclusive of those expenses as may be capitalized in connection with an Airport Project):

(i) costs and expenses incurred by the City for employees of the City employed at the Airport, or doing work involving the Airport, including, but not limited to, direct salaries and wages (including overtime pay), together with payments or costs incurred for associated payroll expenses, such as union contributions, cash payments to pension funds, retirement funds or unemployment compensation funds, life, health, accident and unemployment insurance premiums, deposits for self-insurance, vacations and holiday pay, and other fringe benefits;

(ii) costs of materials, supplies, machinery and equipment and other similar expenses;

(iii) costs of maintenance, landscaping, decorating, repairs, renewals and alterations not reimbursed by insurance;

(iv) costs of water, electricity, natural gas, telephone service and all other utilities and services whether furnished by the City or purchased by the City and furnished by independent contractors at or for the Airport;

(v) costs of rentals of real property;

(vi) costs of rentals of equipment or other personal property;

(vii) costs of premiums for insurance, including property damage, public liability, burglary, bonds of employees, workers' compensation, disability, automobile, and all other insurance covering the Airport or its operations;

(viii) the amount of any judgment or settlement arising as a result of the City's ownership, operation and maintenance of the Airport payable by the City during that Fiscal Year, including, without limitation, the amount of any judgment or settlement arising as a result of claims, actions, proceedings or suits alleging a taking of property or interests in property without just compensation, trespass, nuisance, property damage, personal injury or similar claims, actions, proceedings or suits based upon the environmental impacts, including, without limitation, those resulting from the use of the Airport for the landing and taking off of aircraft;

(ix) costs incurred in collecting and attempting to collect any sums due the City in connection with the operation of the Airport;

(x) costs of advertising at or for the Airport;

(xi) compensation paid or credited to persons or firms appointed or engaged, from time to time, to render advice and perform architectural, engineering, construction management, financial, legal, accounting, testing, consulting or other professional services in connection with the Airport;

(xii) any other cost incurred or allocated to the Airport necessary to comply with any valid rule, regulation, policy or order of any Federal, state or local government, agency or court; and

(xiii) all other direct and indirect expenses, whether similar or dissimilar, which arise out of the City's ownership, operation or maintenance of the Airport, including any taxes payable by the City which may be lawfully imposed upon the Airport.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund maintained pursuant to the Airline Use and Lease Agreements.

"Operation and Maintenance Reserve Fund" means the Operation and Maintenance Reserve Fund maintained pursuant to the Airline Use and Lease Agreements.

"Operation and Maintenance Reserve Fund Deposit Requirement" for any Fiscal Year means the amount, if any, required to increase the balance in the Operation and Maintenance Reserve Fund (including amounts receivable from the Operation and Maintenance Fund) to an amount equal to one-fourth of such Fiscal Year's then current Operation and Maintenance Expense Projection as most recently adjusted pursuant to the Airline Use and Lease Agreements.

"Other Available Moneys" means for any Fiscal Year the amount of money determined by the Chief Financial Officer to be transferred by the City for that Fiscal Year from sources other than Revenues to the Revenue Fund.

"Other Terminal Rental Payments" means payments of rent or utility reimbursements received by the City from government agencies and other non-airline tenants of the Terminal Complex that are not Aeronautical Service Providers or Terminal Concessions.

"Outstanding" when used with reference to the Senior Lien Obligations, means, as of any date, all Senior Lien Obligations before or on that date being issued under the Indenture or incurred pursuant to the Indenture except:

(a) Senior Lien Obligations canceled by the Trustee or the Owner of a Senior Lien Section 208 Obligation, as the case may be, at or before that date or delivered before that date to the Trustee or to the City, as the case may be, for cancellation;

(b) Senior Lien Obligations (or portions of Senior Lien Obligations) for the payment or redemption of which there are held in trust and set aside for such payment or redemption (whether at, before or after the maturity or redemption date) moneys or Federal Obligations the principal of and interest on which when due or payable will provide moneys, together with the moneys, if any, deposited with the Trustee at the same time, in an amount sufficient to pay their principal or Redemption Price, as the case may be, with interest to the date of maturity or redemption date, and, if those Senior Lien Obligations are to be redeemed, for which notice of the redemption has been given as provided in the related Supplemental Indenture or provisions satisfactory to the Trustee have been made for giving the notice;

(c) Senior Lien Obligations for the transfer or exchange of, in lieu of or in substitution for which other Senior Lien Obligations have been authenticated and delivered pursuant to the Indenture; and

(d) Senior Lien Obligations deemed to have been paid as provided in the Indenture.

"Parking and Ground Transportation" means all Airport-related (a) public parking, including off-airport parking; (b) employee parking provided by the City; (c) taxi, transportation network and other ground transportation services; and (d) rental car services and facilities, excluding the CONRAC, at the Airport.

"Parking and Ground Transportation Revenue" means all revenues collected by the City for the right to provide Parking and Ground Transportation services and concessions; provided, however, that Parking and Ground Transportation Revenues does not include Customer Facility Charges or any revenues pledged to the repayment of Customer Facility Charge revenue bonds or Transportation Infrastructure and Innovation Action of 1998 (TIFIA) loans used to finance the CONRAC and related improvements.

"Passenger Facility Charge" or *"PFC"* means the passenger facility charge authorized under 49 U.S.C. § 40117 or any predecessor or successor law, and as approved by the FAA from time to time with respect to the Airport.

"Paying Agent" means any bank or trust company designated as a paying agent for a Series and its successor or successors later appointed in the manner provided in the Indenture.

"Payment Date" means any date on which a Principal Installment or interest on any Series of Senior Lien Obligations is payable in accordance with its terms and the terms of the Indenture and the Supplemental Indenture creating the Series or, in the case of Senior Lien Section 208 Obligations or amounts payable under any Qualified Senior Lien Swap Agreement, in accordance with the terms of the instrument creating the Senior Lien Section 208 Obligations or the Qualified Senior Lien Swap Agreement.

"Pre-Approved Allowance" means amounts listed on Exhibit O of the Airline Use and Lease Agreements that the City may spend or encumber on Capital Improvement Projects each Fiscal Year, as approved by Airline by way of its execution of the Airline Use and Lease Agreements. There shall be separate Pre-Approved Allowances for Capital Improvement Projects for the following categories: Taxiway Pavement Rehabilitation, Apron Pavement Repair, Airfield Roadway Repair and Replacement, Vehicle Replacement, Parking Maintenance and Repair, Roadway Pavement Replacement, Terminal Conveyance Replacement and Restroom Refresh and Modernization. There shall also be a separate category for Infrastructure Reliability, which shall not be a recurring expense each Fiscal Year.

"Pre-Approved CIP Projects" means certain Capital Improvement Projects that have been approved by Airline by execution of the Airline Use and Lease Agreements as further described in Section 10.4 and Exhibit N of the Airline Use and Lease Agreements.

"Preferential Use Gate Space" means Gate Space assigned to a Long-Term Signatory Airline as Preferential Use Premises in accordance with Article 5 of the Airline Use and Lease Agreements, as it may be adjusted from time to time, all as shown in Exhibits B and C of the Airline Use and Lease Agreements as of the Effective Date.

"Premises" means any: (a) Exclusive Use Premises, (b) Preferential Use Premises, (c) Joint Use Premises, and (d) Common Use Premises assigned to Airline by the City under the Airline Use and Lease Agreements; provided, however, that in the case of Common Use Premises, such areas will only constitute "Premises" during the period of time for which Airline has the right to use such areas.

"Principal and Interest Account" means the account of that name established in the Dedicated Sub-Fund for each Series of the 2022 Senior Lien Bonds as described in the Supplemental Indentures.

"Principal Installment" means, as of any particular date of computation and with respect to Senior Lien Obligations of a particular Series or consisting of a particular Senior Lien Section 208 Obligation, an amount of money equal to the aggregate of:

(i) the principal amount of Outstanding Senior Lien Obligations of that Series or Senior Lien Section 208 Obligations which mature on a single future date, reduced by the aggregate principal amount of the Outstanding Senior Lien Obligations of that Series which would at or before that future date be retired by reason of the payment when due and the application in accordance with the Indenture and the Supplemental Indenture creating the Series or the instrument creating those Senior Lien Section 208 Obligations of Sinking Fund Payments payable at or before that future date for the retirement of the Outstanding Senior Lien Obligations of that Series, plus

(ii) the amount of any Sinking Fund Payments payable on that future date for the retirement of the Outstanding Senior Lien Obligations of that Series, and that future date is for all purposes of the Indenture, deemed to be the date when the Principal Installment is payable and the date of the Principal Installment.

"Program Fee Account" means the account of that name established in the Dedicated Sub-Fund for each Series of the 2022 Senior Lien Bonds as described in the Supplemental Indentures.

"Qualified Collateral" means:

(a) Federal Obligations;

(b) direct and general obligations of any State of the United States of America or any political subdivision of the State of Illinois which are rated in one of the two highest rating categories by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise; and

(c) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.

"Qualified Credit Instrument" means a letter of credit, surety bond or non-cancellable insurance policy issued by a domestic or foreign bank, insurance company or other financial institution whose debt obligations on the date of issuance thereof are rated in the highest rating category by S&P and Moody's and, if rated by A.M. Best & Company, is rated in the highest rating category by A.M. Best & Company. Any such letter of credit, surety bond or insurance policy shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payment thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the Common Debt Service Reserve Sub-Fund may be used under the Indenture.

"Qualified Credit Provider" means the issuer of a Qualified Credit Instrument.

"Qualified Investments" means:

(a) Federal Obligations;

(b) pre-refunded municipal obligations meeting the following conditions:

(i) the municipal obligations are not subject to redemption prior to maturity, or the trustee therefor has been given irrevocable instructions concerning their calling and redemption and the issuer thereof has covenanted not to redeem such obligations other than as set forth in such instructions;

(ii) the municipal obligations are secured by cash and/or Federal Obligations, which Federal Obligations may be applied only to interest, principal and premium payments of such municipal obligations;

(iii) the principal of and interest on the Federal Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the municipal obligations;

(iv) the Federal Obligations serving as security for the municipal obligations are held by an escrow agent or trustee;

(v) the Federal Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(vi) the municipal obligations are rated in the highest rating category by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(c) deposits in interest-bearing deposits or certificates of deposit or similar arrangements issued by any bank or national banking association, including the Trustee, which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to the amount of such deposits, marked to market monthly, and which Qualified Collateral shall have been deposited in trust by such bank or national banking association with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the City and the Trustee, with another bank, trust company or national banking association for the benefit of the City and the appropriate Fund or Account as collateral security for such deposits;

(d) direct and general obligations of any state of the United States of America or any political subdivision of the State of Illinois which are rated in one of the two highest rating categories by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(e) obligations issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks System, Federal Land Banks, Export Import Bank, Tennessee Valley Authority, Government National Mortgage Association, Farmers Home Administration, United States Postal Service, Fannie Mae, Student Loan Marketing Association, Federal Farm Credit Bureau, Federal Home Loan Mortgage Corporation, Federal Housing Administration, any agency or instrumentality of the United States of America and any corporation controlled and supervised by, and acting as an agency or instrumentality of, the United States of America;

(f) any repurchase agreements collateralized by securities described in clauses (a) or (e) above with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank, if such broker/dealer or bank or parent holding company providing a guaranty has an uninsured, unsecured and unguaranteed rating in one of the three highest rating categories by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise, provided;

(i) a specific written agreement governs the transaction;

(ii) the securities are held by a depository acting solely as agent for the Trustee, and such third party is (x) a Federal Reserve Bank, or (y) a bank which is a member of the Federal Deposit Insurance Corporation and with combined capital, surplus and undivided profits of not less than $25,000,000, and the Trustee shall have received written confirmation from such third party that it holds such securities;

(iii) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 1 C.F.R 306.1 et seq. or 31 C.F.R 350.0 et seq. in such securities is created for the benefit of the Trustee;

(iv) the repurchase agreement has a term of one year or less, or the collateral securities will be valued no less frequently than monthly and will be liquidated if any deficiency in the required collateral percentage is not restored within two business days of such valuation;

(v) the repurchase agreement matures at least 10 days (or other appropriate liquidation period) prior to a Payment Date; and

(vi) the fair market value of the securities in relation to the amount of the repurchase obligations, including principal and interest, is equal to at least 100 percent;

(g) shares of an investment company, organized under the Investment Company Act of 1940, as amended, which invests its assets exclusively in obligations of the type described in clauses (a) to (e);

(h) investment agreements which represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case that has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, in one of the three highest rating categories by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(i) long-term or medium-term corporate debt instruments issued or guaranteed by any corporation that is rated in the highest rating category by any two Rating Agencies without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(j) prime commercial paper of a United States corporation, finance company or banking institution rated in the highest short-term rating category by any two Rating Agencies maintaining a rating on such paper; and

(k) any other type of investment in which the City directs the Trustee in writing to invest, provided that there is delivered to the Trustee a Certificate of an Authorized Officer stating that each Rating Agency has been informed of the proposal to invest in such investment and each Rating Agency has confirmed that such investment will not adversely affect the rating then assigned by such Rating Agency to any Senior Lien Obligations.

"Qualified Senior Lien Swap Agreement" means an agreement between the City and a Swap Provider under which the City agrees to pay the Swap Provider an amount calculated at an agreed-upon rate or index based upon a notional amount and the Swap Provider agrees to pay the City for a specified period of time an amount calculated at an agreed-upon rate or index based upon the notional amount, where (a) each Rating Agency (if the Rating Agency also rates the unsecured obligations of the Swap Provider or its guarantor) has assigned to the unsecured obligations of the Swap Provider or of the party who guarantees the obligation of the Swap Provider to make its payments to the City, as of the date the swap agreement is entered into, a rating that is equal to or higher than the rating then assigned to the Senior Lien Obligations by the Rating Agency (without regard to municipal bond insurance or any other credit facility), and (b) the City has notified each Rating Agency (whether or not a Rating Agency also rates the unsecured obligations of the Swap Provider or its guarantor) in writing, at least 15 days before executing and delivering the swap agreement, of its intention to enter into the swap agreement and has received from each Rating Agency a written indication that the entering into of the swap agreement by the City will not in and of itself cause a reduction or withdrawal by the Rating Agency of its rating on the Senior Lien Obligations.

"Rating Agency" means any rating agency that has an outstanding credit rating assigned to any Senior Lien Obligations.

"Redemption Price" means, with respect to any Series of Senior Lien Obligations, their principal amount plus the applicable premium, if any, payable upon their redemption pursuant to the provisions of the Senior Lien Obligations or the Supplemental Indenture creating the Series of Senior Lien Obligations, or such other redemption price as may be specified in the Senior Lien Obligations or Supplemental Indenture.

"Refunding Bonds" means all Senior Lien Obligations, whether issued in one or more Series, authenticated and delivered on original issuance for the purpose of the refunding of Airport Obligations of any series, and all Senior Lien Obligations thereafter authenticated and delivered in lieu of or in substitution for the Senior Lien Obligations pursuant to the Indenture and the Supplemental Indenture creating the Series of Senior Lien Obligations.

"Registered Owner" or *"Owner"* means the registered owner of any bond constituting a part of a Series of Senior Lien Obligations.

"Regulations" means the Income Tax Regulations (26 CFR Part 1) promulgated under and pursuant to the Code.

"Released Revenues" means Revenues in respect of which the Trustee has received the following:

(a) a request of an Authorized Officer describing those Revenues and requesting that those Revenues be excluded from the pledge and lien of the Indenture on Revenues;

(b) an Independent Airport Consultant's Certificate, based upon reasonable assumptions, to the effect that Revenues, after the Revenues covered by the Authorized Officer's request are excluded for each of the five full Fiscal Years following the Fiscal Year in which such Certificate is delivered, will be sufficient to enable the City to satisfy the coverage covenant set forth in the Indenture in each of those five Fiscal Years;

(c) a Counsel's Opinion to the effect that (i) the conditions set forth in the Indenture to the release of those Revenues have been met and (ii) the exclusion of those Revenues from the pledge and lien of the Indenture will not, in and of itself, cause the interest on any outstanding Senior Lien Obligations to be included in gross income from purposes of federal income taxation; and

(d) written confirmation from each of the Rating Agencies to the effect that the exclusion of those Revenues from the pledge and lien of the Indenture will not cause a withdrawal or reduction in any unenhanced rating then assigned to any Senior Lien Obligations.

Upon the Trustee's receipt of those documents, the Revenues described in the Authorized Officer's request shall be excluded from the pledge and lien of the Indenture, and the Trustee shall take all reasonable steps requested by the Authorized Officer to evidence or confirm the release of that pledge and lien on the Released Revenues.

"Required Deposits" means deposits to establish or replenish (a) any funds or accounts required by the Bond Indenture, including without limitation the Maintenance Reserve Fund, that are not otherwise recovered as Capital Costs; and (b) any funds or accounts specified in Article 7 of the Airline Use and Lease Agreements, including without limitation the Supplemental O&M Reserve Fund.

"Reserve Requirement" means the maximum amount of Principal Installments and interest payable on the Common Reserve Bonds in the current or any succeeding Bond Year, provided, however, that if upon the issuance of a Series of Common Reserve Bonds such amount would require that moneys be paid into the Common Debt Service Reserve Sub-Fund from the proceeds of such Common Reserve Bonds in an amount in excess of the maximum amount permitted under the Code, the Reserve Requirement shall be the sum of (a) the Reserve Requirement immediately preceding the issuance of such Common Reserve Bonds and (b) the maximum amount permitted under the Code to be deposited from the proceeds of such Common Reserve Bonds, as certified by the Chief Financial Officer.

"Revenue Fund" means the Revenue Fund maintained under the Indenture.

"Revenues" means and includes all amounts received or receivable directly or indirectly by the City for the use and operation of, or with respect to, the Airport, including, without limitation: all airline fees and charges (excluding payments described in subsection (i) below); all other rentals, charges and fees for the use of the Airport or for any service rendered by the City in the operation of the Airport; concession revenues; interest payments to the City; interest accruing on, and any profit realized from the investment of, moneys held or credited to all Airport funds and accounts of the City; provided, however, that Revenues does not include:

(i) any amounts derived by the City from Special Facility Financing Arrangements entered into in connection with Special Facilities to the extent those moneys derived are required to pay principal of, premium, if any, and interest on Special Facility Revenue Bonds and all sinking and other reserve fund payments required by the ordinance or resolution authorizing the issuance of the Special Facility Revenue Bonds;

(ii) the proceeds of any passenger facility charge, customer facility charge or similar tax or charge levied by or on behalf of the City, including, but not limited to, any cargo facility charge or security charge;

(iii) the proceeds of any tax levied by or on behalf of the City;

(iv) interest accruing on, and any profit resulting from the investment of, moneys in any fund or account of the Airport that is not available by agreement or otherwise for deposit into the Revenue Fund;

(v) Government Grants-in-Aid;

(vi) insurance proceeds which are not deemed to be revenues in accordance with generally accepted accounting principles;

(vii) the proceeds of any condemnation awards;

(viii) security deposits and the proceeds of the sale of any Airport property; and

(ix) the proceeds of any borrowings by the City.

Unless otherwise provided in a Supplemental Indenture, there shall also be excluded from the term "Revenues" any Released Revenues in respect of which the City has filed with the Trustee the documents contemplated in the definition of the term "Released Revenues."

"S&P" means S&P Global Ratings.

"Security Deposit" means the amount calculated in Section 9.3.1 of the Airline Use and Lease Agreements.

"Senior Lien Obligations" means (a) any of the bonds, notes or evidences of indebtedness issued by the City under and pursuant to Article II of the 2012 Indenture or the Indenture, (b) any Senior Lien Section 208 Obligations and (c) obligations of the City under a Qualified Senior Lien Swap Agreement except to the extent those obligations are subordinated hereunder or under that agreement, and in each case including 2002 Third Lien Obligations issued or incurred prior to the Liens Defeasance Date.

"Senior Lien Section 208 Obligations" mean any obligations incurred by the City to reimburse the issuer or issuers of one or more instruments securing one or more Series of Senior Lien Obligations as described in Section 208 of the Indenture, including any fees or other amounts payable to the issuer of any such instrument, whether those obligations are set forth in one or more reimbursement agreements entered into between the City and the issuer of any such instrument, or in one or more notes or other evidences of indebtedness executed and delivered by the City pursuant thereto, or any combination of them.

"Series" means all of the Senior Lien Obligations authenticated and delivered on original issuance pursuant to a Supplemental Indenture and designated in it as a series, but, unless the context clearly indicates otherwise, does not include Senior Lien Section 208 Obligations or obligations of the City under a Qualified Senior Lien Swap Agreement.

"Shared Equipment and Technology" or *"SET"* means equipment owned and installed by the City for use in passenger processing, including without limitation equipment casework, supporting infrastructure, network wiring, flight information displays ("FIDS"), gate information displays ("GIDS"), the baggage information display system ("BIDS"), boarding gate readers, passenger processing workstations and self-service kiosks (for boarding passes and bag tagging), and other shared use technology (such as a reservation system portal open to all Passenger Carriers at the Airport).

"Short-Term Signatory Airline" means a Signatory Airline that is not a Long-Term Signatory Airline.

"Signatory Airline" means Airline and each other Air Carrier that has executed an Airline Use and Lease Agreement with the City substantially similar to the Airline Use and Lease Agreements. A Signatory Airline may be either a Long-Term Signatory Airline or a Short-Term Signatory Airline.

"Sinking Fund Payment" means as of any particular date of determination and with respect to the outstanding Senior Lien Obligations of any Series or consisting of any Senior Lien Section 208 Obligations, the amount required by the Supplemental Indenture creating the Series or the instrument creating these Senior Lien Section 208 Obligation to be paid in any event by the City on a single future date for the retirement of the Senior Lien Obligations which mature after that future date, but does not include any amount payable by the City by reason only of the maturity of a Senior Lien Obligation.

"Seventy-First Supplemental Indenture" means the Seventy-First Supplemental Indenture dated as of October 1,2022, between the City and the Trustee, which supplements the Indenture.

"Seventy-Fourth Supplemental Indenture" means the Seventy-Fourth Supplemental Indenture dated as of October 1,2022, between the City and the Trustee, which supplements the Indenture.

"Seventy-Second Supplemental Indenture" means the Seventy-Second Supplemental Indenture dated as of October 1,2022, between the City and the Trustee, which supplements the Indenture.

"Seventy-Third Supplemental Indenture" means the Seventy-Third Supplemental Indenture dated as of October 1,2022, between the City and the Trustee, which supplements the Indenture.

"Special Facility" means a building, facility or improvement at the Airport, or portion thereof, that has been or is to be constructed, installed, equipped or acquired with the proceeds of the sale of Special Facility Revenue Bonds or sources other than Revenues.

"Special Facility Financing Arrangement" means any agreement creating or relating to Special Facility Revenue Bonds.

"Special Facility Revenue Bonds" means obligations of the City with respect to which the principal, premium, if any, and interest are payable solely from proceeds of the sale of those obligations and from sources other than Revenues, and for which the City has no taxing obligation.

"Supplemental Indenture" means an indenture supplemental to or amendatory of the 2002 Third Lien Indenture, the 2012 Indenture or the Indenture, executed and delivered by the City and the Trustee in accordance with the Indenture.

"Supplemental O&M Reserve Fund" means the Supplemental O&M Reserve Fund created by the Indenture.

"Supplemental O&M Reserve Fund Deposit Requirement" means, for any Fiscal Year, the amount, if any, required to increase the balance in the Supplemental O&M Reserve Fund to the Supplemental O&M Reserve Fund Requirement for such Fiscal Year.

"Supplemental O&M Reserve Fund Requirement" means, for any Fiscal Year, an amount equal to the applicable percentage for such Fiscal Year, as set forth in the following table, of the amount of the then current Operation and Maintenance Expense Projection for such Fiscal Year:

Fiscal Year	Applicable Percentage
2022	14.4%
2023	18.0%
2024	21.6%
2025 and thereafter	25.0%

"Swap Provider" means any counterparty with which the City enters into a Qualified Senior Lien Swap Agreement.

"Term" means the lease term of the Airline Use and Lease Agreements as further described in Article 2 of the Airline Use and Lease Agreements.

"Terminal Charges" means the charges calculated pursuant to Sections 8.3 through 8.11 of the Airline Use and Lease Agreements.

"Terminal Complex" means the Main Terminal and Terminal 5 of the Airport.

"Terminal Concession Revenue" means revenue collected by the City from Terminal Concessions.

"Terminal Facilities Advisory Committee" or *"TFAC"* means the group that provides advice to the City about the assignment and use of Gate Space and other Terminal Complex facilities as more fully described in Section 5.7 of the Airline Use and Lease Agreements.

"Terminal Rental Rates" means, for any Fiscal Year, the Terminal Rental Rates established for such Fiscal Year pursuant to Section 8.3 of the Airline Use and Lease Agreements.

"Terminal Space Revenue Requirement" means for any Fiscal Year, the Terminal Space Revenue Requirement established for such Fiscal Year pursuant to Section 8.3 of the Airline Use and Lease Agreements.

"Third Lien Revenue Fund" means the Third Lien Revenue Fund created by Section 301 of the 2002 Third Lien Indenture.

"Total Delivered Seats" means the sum of Delivered Arriving Seats and Delivered Departing Seats.

"Total Terminal Revenue Requirement" means for any Fiscal Year, the Total Terminal Revenue Requirement established for such Fiscal Year pursuant to Section 8.3 of the Airline Use and Lease Agreements.

"Transition Date" means June 1, 2018.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of the Indenture.

"Trustee" means U.S. Bank Trust Company, National Association, as trustee under the Indenture, or its successor as the trustee later appointed in the manner provided in the Indenture.

"2022A Senior Lien Bonds" means the Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022A.

"2022B Senior Lien Bonds" means the Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022B.

"2022C Senior Lien Bonds" means the Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022C.

"2022D Senior Lien Bonds" means the Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022D.

"2010 Amendment" means the amendment to the Indenture contained in the Thirty-Seventh Supplemental Indenture providing for the deletion from the Indenture of Section 413.

"2012 Indenture" means the Master Indenture of Trust Securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations dated as of September 1, 2012, between the City and U.S. Bank Trust Company, National Association, as trustee, as amended and supplemented to the Transition Date.

"2002 Third Lien Indenture" means the Master Indenture of Trust Securing Chicago O'Hare International Airport Third Lien Obligations dated as of March 1, 2002, between the City and U.S. Bank Trust Company, National Association as successor trustee to LaSalle Bank National Association, as amended and supplemented to the Liens Defeasance Date.

"2002 Third Lien Obligations" means all "Third Lien Obligations", as defined in the 2002 Third Lien Indenture, that are Outstanding on the Liens Defeasance Date.

"Unrecovered Domestic Common Use Gate Costs" means the portion (if any) of the Domestic Common Use Gate Revenue Requirement calculated pursuant to Section 8.10.1(a) of the Airline Use and Lease Agreements that is not recovered due to the proviso in Section 8.10.1(c) of the Airline Use and Lease Agreements or the monthly cap on Domestic Common Use Gate Fees provided for in Section 8.10.1(d) of the Airline Use and Lease Agreements.

"VIP Lounge" means those Exclusive Use Premises (if any) used by Airline to provide premium services to its passengers.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE

The following is a summary of certain provisions of the Amended and Restated Master Indenture of Trust, as supplemented to date (the "Indenture"), to which reference is made for a complete statement of the provisions and contents of each of such documents. Certain words and terms used in this summary are defined in APPENDIX A-"GLOSSARY OF TERMS."

AUTHORIZATION OF SENIOR LIEN OBLIGATIONS AND BONDS

In order to provide sufficient funds for the financing or refinancing of Airport Projects, Senior Lien Obligations are authorized by the Indenture to be issued from time to time in one or more Series, without limitation as to amount except as may be limited by law or the Indenture, for the purpose of (a) the payment, or the reimbursement for the payment of, the costs of one or more Airport Projects, (b) the refunding of Senior Lien Obligations (including 2002 Third Lien Obligations), or other obligations issued to finance or refinance one or more Airport Projects, including, but not limited to, the refunding of any Special Facility Revenue Bonds and any Junior Lien Obligations, or (c) the funding of any Fund, Account or Dedicated Sub-Fund as specified in the Indenture or the Supplemental Indenture under which any Senior Lien Obligations are issued; including, in each case, payment of Costs of Issuance. Senior Lien Obligations consisting of Senior Lien Section 208 Obligations and Qualified Senior Lien Swap Agreements are also authorized to be incurred from time to time as provided for in the Indenture for the purposes set forth therein.

The City reserves the right in the Indenture to provide one or more irrevocable letters of credit to secure the payment of the principal of, premium, if any, and interest on one or more Series of Senior Lien Obligations, and if the Owners of those Senior Lien Obligations have the right to require their purchase, to secure the payment of the purchase price of those Senior Lien Obligations upon the demand of their Owners through one or more letters of credit or bond purchase agreements. In connection therewith, the City may agree on a method to reimburse the issuer of the letter of credit or provider of a bond purchase agreement and any such obligation of the City may constitute a Senior Lien Obligation.

TRUST ESTATE

Pursuant to the Granting Clauses of the Indenture and in order to secure the payment of the principal of, premium, if any, and interest on all Senior Lien Obligations and to secure the observance and performance by the City of all the covenants expressed or implied in the Indenture and in the Senior Lien Obligations, the City has pledged and assigned to the Trustee the Trust Estate consisting of all right, title and interest in and to the Revenues and any and all other property later pledged and assigned as and for additional security under the Indenture, by the City or by anyone on its behalf or with its written consent, to the Trustee.

The Trust Estate is held for the equal and proportionate benefit, security and protection of the owners of the Senior Lien Obligations without privilege, priority or distinction as to the lien or otherwise of any Senior Lien Obligations over any other Senior Lien Obligations, except as provided in the Indenture.

SOURCE OF PAYMENT; PLEDGE OF REVENUES AND OTHER MONEYS

The Indenture provides that the Senior Lien Obligations are legal, valid and binding limited obligations of the City payable solely from Revenues and certain other moneys and securities held by the Trustee under the provisions of the Indenture and any Supplemental Indenture. The Senior Lien Obligations and the interest thereon do not constitute an indebtedness or a loan of credit of the City within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the City, the State of Illinois or any of its political subdivisions is pledged to the payment of the principal of or interest on the Senior Lien Obligations. The City makes a pledge of the Trust Estate, to the extent set forth in the Granting Clauses of the Indenture, and of all moneys and securities held or set aside or to be held or set aside by the Trustee under the Indenture or any Supplemental Indenture, to secure the payment of the principal and Redemption Price of, and interest on, the Senior Lien Obligations, subject only to the provisions of the Indenture or any Supplemental Indenture requiring or permitting the payment, setting apart or appropriation of such moneys and securities for or to the purposes and on the terms, conditions, priorities and order set forth in or provided under the Indenture or the Supplemental Indenture. Such pledge is valid and binding from the Liens Defeasance Date and continues the prior pledges under the 2002 Third Lien Indenture and the 2012 Indenture. The Revenues so pledged and then or thereafter received by the City and deposited in the Revenue Fund are immediately upon that deposit subject to the lien of the pledge without any further physical delivery or further act; and the lien of the pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City, irrespective of whether the parties have notice of it.

INDENTURE FUNDS AND PAYMENT OF DEBT SERVICE

Creation of Funds and Accounts. The Revenue Fund, the Debt Service Fund and the Junior Lien Obligation Debt Service Fund are trust funds held and administered by the Trustee in accordance with the Indenture. The Common Debt Service Reserve Sub-Fund and each Dedicated Sub-Fund are held by the Trustee as part of the Debt Service Fund.

The City has established and agrees to maintain the Airport Fund, an Operation and Maintenance Fund, an Operation and Maintenance Reserve Fund and a Maintenance Reserve Fund. On the Transition Date the City established and agrees to maintain the Supplemental O&M Reserve Fund and the Airport General Fund.

The Trustee shall, at the written request of the City, establish such additional sub-funds within the Funds and Accounts and subaccounts within any such sub-funds, as shall be specified in such written request, for the purpose of identifying more precisely the sources of payments into and disbursements from the Funds or such sub-funds, Accounts and subaccounts.

Additional sub-funds within the Funds (other than the Junior Lien Obligation Debt Service Fund) and Accounts and subaccounts within such sub-funds may also be created by any Supplemental Indenture; and any such Supplemental Indenture may provide that amounts on deposit in such sub-funds, Accounts and subaccounts shall be held by the Trustee for the sole and exclusive benefit of such Senior Lien Obligations as may be specifically designated in such Supplemental Indenture; provided, however, that income derived from the investment of any moneys on deposit in a debt service reserve fund or account (including the Common Debt Service Reserve Sub-Fund) or pursuant to any such Supplemental Indenture may, upon receipt, be withdrawn from such fund or account by the Trustee and deposited into the Revenue Fund as permitted by the Indenture.

Any moneys and securities held in the Revenue Fund, the Debt Service Fund, the Junior Lien Obligation Debt Service Fund or any sub-fund, Account or subaccount created pursuant to the Indenture shall be held in trust by the Trustee, as provided in the Indenture or such Supplemental Indenture, and shall be applied, used and withdrawn only for the purposes authorized in the Indenture or Supplemental Indenture.

All moneys and securities held by the City in the Operation and Maintenance Fund, the Operation and Maintenance Reserve Fund, the Maintenance Reserve Fund and the Supplemental O&M Reserve Fund shall be accounted for and held separate and apart from all other moneys and securities of the City, shall be applied, used and withdrawn solely for the purposes authorized in the Indenture and, until so applied, used and withdrawn, shall be held in trust by the City for such purposes.

All moneys and securities held by the City in the Airport General Fund may be applied, used and withdrawn by the City for any lawful corporate purpose of the City, free of any lien or security interest in favor of the Trustee and the owners of the Senior Lien Obligations.

Deposit of Revenues. All Revenues shall be collected by the City and promptly deposited to the credit of the Revenue Fund in the name of the Trustee with a depositary or depositaries, each fully qualified under the Indenture to receive the same as deposits of money held by the Trustee, designated by the City and approved by the Trustee, and statements giving the amount of each such deposit and the name of the depositary shall be forwarded promptly to the Trustee by the City and by such depositary. The Trustee shall be accountable only for moneys actually so deposited.

Disbursements from Revenue Fund. The moneys in the Revenue Fund shall be disbursed and applied by the Trustee as required to make the following deposits on the dates and in the amounts provided:

(a) On the tenth day of each month the Trustee shall transfer to the City for deposit into the Operation and Maintenance Fund an amount equal to one-twelfth of the amount provided in the then current Operation and Maintenance Expense Projection for the current Fiscal Year; provided, however, that if the latest projection prepared in accordance with Section 8.16 of the Airline Use and Lease Agreements contains an adjustment of Operation and Maintenance Expenses (exclusive of required deposits in the Operation and Maintenance Reserve Fund, the Maintenance Reserve Fund and the Supplemental O&M Reserve Fund), the amount required to be deposited in the Operation and Maintenance Fund each month of such Fiscal Year shall be increased or decreased as appropriate by an amount equal to the amount of such adjustment multiplied by a fraction the numerator of which is 1 and the denominator of which is the number of monthly deposits to the Operation and Maintenance Fund to be made for the remainder of such Fiscal Year.

(b) On the business day of the Trustee immediately preceding each January 1 and July 1, the Trustee shall make the following deposits in the manner and order of priority set forth:

FIRST, The Trustee shall first deposit into the Debt Service Fund the amount necessary to increase the amount on deposit therein to an amount sufficient to fund the Deposit Requirements corresponding to that January 1 or July 1.

SECOND, The Trustee shall next transfer to the City for deposit into the Operation and Maintenance Reserve Fund an amount equal to one-half of the Operation and Maintenance Reserve Fund Deposit Requirement, if any, for the Fiscal Year which includes such January 1 and July 1; provided, however, that if the latest projection contains an adjustment of Operation and Maintenance Expenses, then the amount required to be deposited in the Operation and Maintenance Reserve Fund with respect to each July 1 shall be increased or decreased as appropriate by an amount equal to the amount of such adjustment.

THIRD, The Trustee shall next transfer to the City for deposit into the Maintenance Reserve Fund an amount equal to the lesser of (i) $1,500,000 and (ii) the amount, if any, required to increase the amount on deposit therein to $3,000,000.

FOURTH, The Trustee shall next deposit into the Junior Lien Obligation Debt Service Fund an amount, if any, equal to the amount required by any resolution or ordinance authorizing the issuance of Junior Lien Obligations to be deposited therein on such date and without priority, one over the other, to any sub-funds or accounts within the Junior Lien Obligation Debt Service Fund, the amount specified by a Certificate filed with the Trustee.

FIFTH, The Trustee shall next transfer to the City for deposit into the Supplemental O&M Reserve Fund an amount equal to one-half of the Supplemental O&M Reserve Fund Deposit Requirement, if any, for the Fiscal Year which includes such January 1 and July 1; provided, however, that if the latest projection contains an adjustment of Operation and Maintenance Expenses, then the amount required to be deposited into the Supplemental O&M Reserve Fund with respect to each July 1 shall be increased or decreased as appropriate by an amount equal to the amount of such adjustment.

SIXTH, The Trustee shall next transfer to the City for deposit into the Airport General Fund any amount remaining in the Revenue Fund unless the City shall have filed with the Trustee a Certificate specifying a lesser amount, in which case the amount specified by the City in the Certificate shall be the amount to be transferred to the City at such time for deposit into the Airport General Fund.

(c) If at the time deposits are required to be made under paragraphs (a) or (b) above, the moneys held in the Revenue Fund are insufficient to make any required deposit, the deposit shall be made up on the next applicable Deposit Date after required deposits into all other Funds enjoying a higher priority shall have been made in full.

(d) The City shall be mandatorily and irrevocably obligated to apply moneys in the Maintenance Reserve Fund to make up any deficiencies in the Debt Service Fund. In the event moneys are so applied from the Maintenance Reserve Fund, the amount applied shall be restored on the next applicable Deposit Date after all other Fund deposits enjoying a higher priority shall have been made in full.

(e) Amounts on deposit in the Debt Service Fund, the Operation and Maintenance Fund, the Operation and Maintenance Reserve Fund, the Maintenance Reserve Fund, the Junior Lien Obligation Debt Service Fund and the Supplemental O&M Reserve Fund in excess of the amount required under the Indenture or under any Supplemental Indenture or under any ordinance or resolution authorizing the issuance of Junior Lien Obligations to be on deposit in such Fund at the end of such Fiscal Year shall be transferred to the Revenue Fund.

Use of Funds. The moneys on deposit in the Funds, except the Airport General Fund, shall be used for the purposes and uses specified as follows:

(a) In addition to the authorized disbursements, the Trustee shall apply moneys in the Revenue Fund to make up any deficiency arising in the Debt Service Fund and the Junior Lien Obligation Debt Service Fund in the order of their priority one over another and in the manner specified above under "Disbursements from Revenue Fund" and, in addition, to make any reimbursement due to any Airline, including any payment to any Airline Party required by the Airline Use and Lease Agreements as in each case directed by a Certificate filed with the Trustee.

(b) The moneys in the Operation and Maintenance Fund shall be used by the City only to pay Operation and Maintenance Expenses and to repay amounts borrowed from the Operation and Maintenance Reserve Fund and the Supplemental O&M Reserve Fund. Loans from the

Operation and Maintenance Reserve Fund to the Operation and Maintenance Fund shall be repaid as soon as funds for such loan repayment are available in the Operation and Maintenance Fund. Loans from the Supplemental O&M Reserve Fund to the Operation and Maintenance Fund shall be repaid as soon as all loans from the Operation and Maintenance Reserve Fund have been repaid and funds for the repayment of loans from the Supplemental O&M Reserve Fund are available in the Operation and Maintenance Fund.

(c) The moneys in the Debt Service Fund shall be used only for the funding of Deposit Requirements.

(d) The moneys in the Operation and Maintenance Reserve Fund and the Supplemental O&M Reserve Fund shall be used by the City only to make loans to the Operation and Maintenance Fund whenever and to the extent moneys in the Operation and Maintenance Fund are insufficient to pay Operation and Maintenance Expenses. Loans to the Operation and Maintenance Fund shall be made first from the Supplemental O&M Reserve Fund to the full extent that moneys are available in the Supplemental O&M Reserve Fund and second from the Operation and Maintenance Reserve Fund.

(e) The moneys in the Maintenance Reserve Fund shall be used by the City only for paying the costs of extraordinary maintenance expenditures, such as costs incurred for major repairs, renewals and replacements at the Airport, whether caused by normal wear and tear or by unusual and extraordinary occurrences including costs of painting, major repairs, renewals and replacements and damage caused by storms or other unusual causes.

(f) The moneys in the Junior Lien Obligation Debt Service Fund shall be transferred by the Trustee to the appropriate trustees or paying agents under the appropriate ordinances or resolutions authorizing the issuance of Junior Lien Obligations for the purpose of paying such amounts as may be required to be paid by such resolutions or ordinances.

Disbursements from Debt Service Fund. The moneys in the Debt Service Fund must be disbursed and applied by the Trustee as required to make the following deposits on the dates and in the amounts provided:

(a) Sub-fund Deposits. On any date required with respect to the Common Debt Service Reserve Sub-Fund, or by the provisions of a Supplemental Indenture creating a Series of Senior Lien Obligations, or by an instrument creating Senior Lien Obligations, the Trustee must segregate within the Debt Service Fund and credit to (i) the Common Debt Service Reserve Sub-Fund, such amounts as may be required to be so credited under the Indenture and (ii) such Dedicated Sub-Funds, accounts and subaccounts as may have been created for the benefit of the Senior Lien Obligations such amounts as may be required to be so credited under the provisions of the Supplemental Indenture or instrument creating Senior Lien Obligations to pay the principal of and interest on the Senior Lien Obligations.

(b) Other Required Deposits. On any date required for any other purpose by the provisions of a Supplemental Indenture or by an instrument creating Senior Lien Obligations, but only if the deposit requirement is set forth in the Certificate filed pursuant to paragraph (c) below, the Trustee must segregate within the Debt Service Fund and credit to such Dedicated Sub-Funds, accounts and subaccounts as are specified in the Supplemental Indenture or instrument creating Senior Lien Obligations the amounts required so to be withdrawn and deposited by the provisions of the Supplemental Indenture or the instrument.

(c) City Certificate. With respect to each Series and with respect to any Senior Lien Section 208 Obligation and any Qualified Senior Lien Swap Agreement, the City shall file with the Trustee (and revise from time to time as required) a Certificate detailing the timing and amount of the "Other Required Deposits" pursuant to paragraph (b) above in order to determine the Deposit Requirements of the Debt Service Fund and the proper disbursement of the moneys held therein, including such revisions as may result from the prepayment, redemption, purchase and remarketing of Senior Lien Obligations and the adjustment of the rate of interest borne by Senior Lien Obligations.

Common Debt Service Reserve Sub-Fund.

(a) The City shall maintain the Common Debt Service Reserve Sub-Fund in an amount equal to the Reserve Requirement, which requirement may be satisfied with (i) one or more Qualified Credit Instruments, (ii) Qualified Investments, or (iii) a combination thereof. Any Qualified Investments held to the credit of the Common Debt Service Reserve Sub-Fund shall not have maturities extending beyond five years (except for any investment agreement, repurchase agreement or forward purchase agreement approved by each issuer of a municipal bond insurance policy insuring payment of any Common Reserve Bonds) and shall be valued in accordance with the Indenture. If on any valuation date, the amount on deposit in the Common Debt Service Reserve Sub-Fund is more than the Reserve Requirement, unless otherwise directed by the City pursuant to paragraph (f) below, the amount of such excess shall be transferred by the Trustee to the Revenue Fund.

(b) If at any time the Common Debt Service Reserve Sub-Fund holds both a Qualified Credit Instrument and Qualified Investments, the Qualified Investments shall be liquidated and the proceeds applied for the purposes for which Common Debt Service Reserve Sub-Fund moneys may be applied prior to any draw being made on the Qualified Credit Instrument. If the Common Debt Service Reserve Sub-Fund holds Qualified Credit Instruments issued by more than one issuer, draws shall be made under such Qualified Credit Instruments on a pro rata basis to the extent of available funds. Amounts deposited in the Common Debt Service Reserve Sub-Fund for the purpose of restoring amounts withdrawn therefrom shall be applied first to reimburse the Qualified Credit Provider and thereby reinstate the Qualified Credit Instrument.

(c) The moneys in the Common Debt Service Reserve Sub-Fund are held for the benefit of all Common Reserve Bonds and are pledged and assigned for that purpose. On the date of initial issuance of any Senior Lien Obligations intended to be Common Reserve Bonds, the City shall provide the Trustee a Certificate to that effect and setting forth the amount of the deposit to be made from bond proceeds to fund the Reserve Requirement.

(d) On the business day of the Trustee immediately preceding each January 1 and July 1, there shall be withdrawn from the Debt Service Fund for deposit into the Common Debt Service Reserve Sub-Fund, the amount, if any, required as of the close of business on such date to restore the amount held in the Common Debt Service Reserve Sub-Fund to the Reserve Requirement. Any amount so required shall constitute a Deposit Requirement to be funded from the Debt Service Fund.

(e) If on any Payment Date for the payment of the Principal Installment of and interest on any Series of Common Reserve Bonds the amount held in the Dedicated Sub-Fund for that Series for the payment of such Principal Installment or interest due and payable on such Payment Date shall be less than the Principal Installment and interest then due and payable, then the Trustee shall withdraw from the Common Debt Service Reserve Sub-Fund and deposit into the Dedicated

Sub-Fund for that Series the amount necessary to cure such deficiency. In the case of multiple deficiencies among Series, such withdrawal shall be made ratably among the various Series having a deficiency, without preference or priority of any kind.

(f) At the direction of the City expressed in a Certificate filed with the Trustee, moneys in the Common Debt Service Reserve Sub-Fund may be withdrawn and deposited in trust to pay or provide for the payment of Senior Lien Obligations pursuant to the defeasance provisions of the Indenture; provided, however, that immediately after such withdrawal the amount of deposit in the Common Debt Service Reserve Sub-Fund equals or exceeds the Reserve Requirement.

Common Reserve Bonds.

All of the 2022 Senior Lien Bonds are Common Reserve Bonds. The Common Debt Service Reserve Sub-Fund will be administered for the equal benefit, protection and security of the Owners of the Common Reserve Bonds and, with respect to the Common Debt Service Reserve Sub-Fund, all outstanding Common Reserve Bonds are on a parity and rank equally without preference, priority or distinction.

Dedicated Sub-Funds for 2022 Senior Lien Bonds.

The Seventy-First Supplemental Indenture creates and establishes with the Trustee a separate and segregated Dedicated Sub-Fund within the Debt Service Fund with respect to the 2022A Senior Lien Bonds (the "2022A Dedicated Sub-Fund"). Moneys on deposit in the 2022A Dedicated Sub-Fund and in each Account established therein are to be held in trust by the Trustee for the sole and exclusive benefit of the Registered Owners of the 2022A Senior Lien Bonds.

The Seventy-First Supplemental Indenture creates and establishes with the Trustee separate Accounts within the 2022A Dedicated Sub-Fund, designated as follows: (a) the Chicago O'Hare International Airport 2022A Senior Lien Costs of Issuance Account (the "Costs of Issuance Account"); (b) the Chicago O'Hare International Airport 2022A Senior Lien Program Fee Account (the "Program Fee Account"); (c) the Chicago O'Hare International Airport 2022A Senior Lien Capitalized Interest Account; (d) the Chicago O'Hare International Airport 2022A Senior Lien Principal and Interest Account (the "Principal and Interest Account") and (e) the Chicago O'Hare International Airport 2022A Senior Lien Project Account (the "Project Account").

The Seventy-Second Supplemental Indenture creates and establishes with the Trustee a separate and segregated Dedicated Sub-Fund within the Debt Service Fund with respect to the 2022B Senior Lien Bonds (the "2022B Dedicated Sub-Fund"). Moneys on deposit in the 2022B Dedicated Sub-Fund and in each Account established therein are to be held in trust by the Trustee for the sole and exclusive benefit of the Registered Owners of the 2022B Senior Lien Bonds.

The Seventy-Second Supplemental Indenture creates and establishes with the Trustee separate Accounts within the 2022B Dedicated Sub-Fund, designated as follows: (a) the Chicago O'Hare International Airport 2022B Senior Lien Costs of Issuance Account (the "Costs of Issuance Account"); (b) the Chicago O'Hare International Airport 2022B Senior Lien Program Fee Account (the "Program Fee Account") (c) the Chicago O'Hare International Airport 2022B Senior Lien Capitalized Interest Account; (d) the Chicago O'Hare International Airport 2022B Senior Lien Principal and Interest Account (the "Principal and Interest Account") and (e) the Chicago O'Hare International Airport 2022B Senior Lien Project Account (the "Project Account").

The Seventy-Third Supplemental Indenture creates and establishes with the Trustee a separate and segregated Dedicated Sub-Fund within the Debt Service Fund with respect to the 2022C Senior Lien Bonds (the "2022C Dedicated Sub-Fund"). Moneys on deposit in the 2022C Dedicated Sub-Fund and in each Account established therein are to be held in trust by the Trustee for the sole and exclusive benefit of the Registered Owners of the 2022C Senior Lien Bonds.

The Seventy-Third Supplemental Indenture creates and establishes with the Trustee separate Accounts within the 2022C Dedicated Sub-Fund, designated as follows: (a) the Chicago O'Hare International Airport 2022C Senior Lien Costs of Issuance Account (the "Costs of Issuance Account"); (b) the Chicago O'Hare International Airport 2022C Senior Lien Program Fee Account (the "Program Fee Account"); and (c) the Chicago O'Hare International Airport 2022C Senior Lien Principal and Interest Account (the "Principal and Interest Account").

The Seventy-Fourth Supplemental Indenture creates and establishes with the Trustee a separate and segregated Dedicated Sub-Fund within the Debt Service Fund with respect to the 2022D Senior Lien Bonds (the "2022D Dedicated Sub-Fund"). Moneys on deposit in the 2022D Dedicated Sub-Fund and in each Account established therein are to be held in trust by the Trustee for the sole and exclusive benefit of the Registered Owners of the 2022D Senior Lien Bonds.

The Seventy-Fourth Supplemental Indenture creates and establishes with the Trustee separate Accounts within the 2022D Dedicated Sub-Fund, designated as follows: (a) the Chicago O'Hare International Airport 2022D Senior Lien Costs of Issuance Account (the "Costs of Issuance Account"); (b) the Chicago O'Hare International Airport 2022D Senior Lien Program Fee Account (the "Program Fee Account"); and (c) the Chicago O'Hare International Airport 2022D Senior Lien Principal and Interest Account (the "Principal and Interest Account").

DEPOSITS INTO 2022A SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN

On January 1 and July 1 of each year, commencing January 1, 2023 (each such date referred to as the "Deposit Date"), there will be deposited into the 2022A Dedicated Sub-Fund, from amounts on deposit in the Debt Service Fund, an amount equal to the aggregate of the following amounts, which amounts will be calculated by the Trustee on the next preceding December 5 or June 5 (in the case of each January 1 or July 1, respectively) (such aggregate amount with respect to any Deposit Date being referred to as the "2022A Deposit Requirement"):

(a) for deposit into the 2022A Principal and Interest Account, an amount equal to the aggregate of: (i) one-half of the Principal Installment, if any, coming due on the 2022A Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2022A Bonds on the current Deposit Date (reduced, (i) by moneys transferred from the Capitalized Interest Account and (ii) in the case of each January 1 Deposit Date, by investment earnings credited as of the immediately prior calculation date to the Principal and Interest Account); and

(b) for deposit into the Program Fee Account, the amount estimated by the City to be required as of the close of business on such Deposit Date to pay all fees and expenses with respect to the Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2022A Deposit Requirement, there will be deposited into the 2022A Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or the Seventy-First Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2022A Dedicated Sub-Fund and to one or more accounts therein.

Moneys in the Principal and Interest Account shall be used for payment of principal of, premium, if any, and interest due on each Payment Date with respect to the 2022A Bonds (including the optional redemption of 2022A Bonds pursuant to the Seventy-First Supplemental Indenture) and not otherwise provided for, ratably, without preference or priority of any kind.

Moneys in the Costs of Issuance Account shall be used for the payment or reimbursement of Costs of Issuance of the 2022A Bonds as directed in a Certificate filed with the Trustee. If after the payment of all Costs of Issuance, as specified in a Certificate filed with the Trustee, there shall be any balance remaining in the Costs of Issuance Account, such balance shall be transferred to the Program Fee Account.

Moneys in the Program Fee Account shall be used for the payment of fees and expenses with respect to the 2022A Bonds as set forth in a Certificate filed with the Trustee.

Moneys in the Capitalized Interest Account shall be used for transfer to the Principal and Interest Account to pay a portion of the interest of the 2022A Bonds beginning January 1, 2023 through and including July 1, 2025.

DEPOSITS INTO 2022B DEDICATED SUB-FUND AND ACCOUNTS THEREIN

On January 1 and July 1 of each year, commencing January 1, 2023 (each such date referred to herein as the "Deposit Date") there shall be deposited into the 2022B Dedicated Sub-Fund from amounts on deposit in the Debt Service Fund an amount equal to the aggregate of the following amounts, which amounts shall have been calculated by the Trustee on the next preceding December 5 or June 5 (in the case of each January 1 or July 1, respectively) (such aggregate amount with respect to any Deposit Date being referred to herein as the "2022B Deposit Requirement"):

(a) for deposit into the Principal and Interest Account, an amount equal to the aggregate of: (i) one-half of the Principal Installment, if any, coming due on the Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the Bonds on the current Deposit Date (reduced, (i) by moneys transferred from the Capitalized Interest Account and (ii) in the case of each January 1 Deposit Date, by investment earnings credited as of the immediately prior calculation date to the Principal and Interest Account); and

(b) for deposit into the Program Fee Account, the amount estimated by the City to be required as of the close of business on such Deposit Date to pay all fees and expenses with respect to the Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2022B Deposit Requirement, there shall be deposited into the 2022B Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or the Seventy-Second Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2022B Dedicated Sub-Fund and to one or more accounts therein.

Moneys in the Principal and Interest Account shall be used for payment of principal of, premium, if any, and interest due on each Payment Date with respect to the 2022B Bonds (including the optional redemption of 2022B Bonds pursuant to the Seventy-Second Supplemental Indenture) and not otherwise provided for, ratably, without preference or priority of any kind.

Moneys in the Costs of Issuance Account shall be used for the payment or reimbursement of Costs of Issuance of the 2022B Bonds as directed in a Certificate filed with the Trustee. If after the payment of all Costs of Issuance, as specified in a Certificate filed with the Trustee, there shall be any balance remaining in the Costs of Issuance Account, such balance shall be transferred to the Program Fee Account.

Moneys in the Program Fee Account shall be used for the payment of fees and expenses with respect to the 2022B Bonds as set forth in a Certificate filed with the Trustee.

Moneys in the Capitalized Interest Account shall be used for transfer to the Principal and Interest Account to pay a portion of the interest of the 2022B Bonds beginning January 1, 2023 through and including July 1, 2025.

DEPOSITS INTO 2022C SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN

On January 1 and July 1 of each year, commencing January 1, 2023 (each such date referred to as the "Deposit Date"), there will be deposited into the 2022C Dedicated Sub-Fund, from amounts on deposit in the Debt Service Fund, an amount equal to the aggregate of the following amounts, which amounts will be calculated by the Trustee on the next preceding December 5 or June 5 (in the case of each January 1 or July 1, respectively) (such aggregate amount with respect to any Deposit Date being referred to as the "2022C Deposit Requirement"):

(a) for deposit into the 2022C Principal and Interest Account, an amount equal to the aggregate of: (i) for the January 1, 2023 Deposit Date, the Principal Installment due January 1, 2023 and thereafter, one-half of the Principal Installment, if any, coming due on the 2022C Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2022C Bonds on the current Deposit Date (reduced, in the case of each January 1 Deposit Date, by investment earnings credited as of the immediately prior calculation date to the Principal and Interest Account); and

(b) for deposit into the Program Fee Account, the amount estimated by the City to be required as of the close of business on such Deposit Date to pay all fees and expenses with respect to the Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2022C Deposit Requirement, there will be deposited into the 2022C Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or the Seventy-Third Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2022C Dedicated Sub-Fund and to one or more accounts therein.

Moneys in the Principal and Interest Account shall be used for payment of principal of, premium, if any, and interest due on each Payment Date with respect to the 2022C Bonds (including the optional redemption of 2022C Bonds pursuant to the Seventy-Third Supplemental Indenture) and not otherwise provided for, ratably, without preference or priority of any kind.

Moneys in the Costs of Issuance Account shall be used for the payment or reimbursement of Costs of Issuance of the 2022C Bonds as directed in a Certificate filed with the Trustee. If after the payment of all Costs of Issuance, as specified in a Certificate filed with the Trustee, there shall be any balance remaining in the Costs of Issuance Account, such balance shall be transferred to the Program Fee Account.

Moneys in the Program Fee Account shall be used for the payment of fees and expenses with respect to the 2022C Bonds as set forth in a Certificate filed with the Trustee.

DEPOSITS INTO 2022D DEDICATED SUB-FUND AND ACCOUNTS THEREIN

On January 1 and July 1 of each year, commencing January 1, 2023 (each such date referred to herein as the "Deposit Date") there shall be deposited into the 2022D Dedicated Sub-Fund from amounts on deposit in the Debt Service Fund an amount equal to the aggregate of the following amounts, which amounts shall have been calculated by the Trustee on the next preceding December 5 or June 5 (in the case of each January 1 or July 1, respectively)(such aggregate amount with respect to any Deposit Date being referred to herein as the "2022D Deposit Requirement"):

(a) for deposit into the Principal and Interest Account, an amount equal to the aggregate of: (i) for the January 1, 2023 Deposit Date, the Principal Installment due January 1, 2023 and thereafter, one-half of the Principal Installment, if any, coming due on the Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the Bonds on the current Deposit Date (reduced, in the case of each January 1 Deposit Date, by investment earnings credited as of the immediately prior calculation date to the Principal and Interest Account); and

(b) for deposit into the Program Fee Account, the amount estimated by the City to be required as of the close of business on such Deposit Date to pay all fees and expenses with respect to the Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2022D Deposit Requirement, there shall be deposited into the 2022D Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or the Seventy-Fourth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2022D Dedicated Sub-Fund and to one or more accounts therein.

Moneys in the Principal and Interest Account shall be used for payment of principal of, premium, if any, and interest due on each Payment Date with respect to the 2022D Bonds (including the optional redemption of 2022D Bonds pursuant to the Seventy-Fourth Supplemental Indenture) and not otherwise provided for, ratably, without preference or priority of any kind.

Moneys in the Costs of Issuance Account shall be used for the payment or reimbursement of Costs of Issuance of the 2022D Bonds as directed in a Certificate filed with the Trustee. If after the payment of all Costs of Issuance, as specified in a Certificate filed with the Trustee, there shall be any balance remaining in the Costs of Issuance Account, such balance shall be transferred to the Program Fee Account.

Moneys in the Program Fee Account shall be used for the payment of fees and expenses with respect to the 2022D Bonds as set forth in a Certificate filed with the Trustee.

COVERAGE COVENANTS

(a) The City covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account will be at least sufficient:

(i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and

(ii) to provide for the greater of (A) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all Outstanding Senior Lien Obligations, or other outstanding Airport Obligations are issued and secured, and (B) one and twenty five-hundredths times the Aggregate Debt Service for the Bond Year commencing during that

Fiscal Year, and, in each case, such Aggregate Debt Service shall be reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations.

(b) The City further covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys consisting solely of (i) any passenger facility charges deposited with the Trustee for that Fiscal Year, and (ii) any other moneys received by the City in the immediately prior Fiscal Year and deposited with the Trustee no later than the last day of the immediately prior Fiscal Year, will be at least sufficient:

(i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year, and

(ii) to provide for the payment of Aggregate Debt Service for the Bond Year commencing during that Fiscal Year reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during the Bond Year to pay the principal of and interest on Senior Lien Obligations.

(c) If during any Fiscal Year, Revenues and other funds are estimated to produce less than the amount required under paragraph (a) or (b) above, the City will revise its Airport rentals, fees and charges or alter its methods of operation or take other action in such manner as is necessary to produce the amount so required in such Fiscal Year.

(d) Within 90 days after the end of each Fiscal Year, the City will furnish to the Trustee calculations of the coverage required under paragraphs (a) and (b) above certified by the City Comptroller.

(e) If either calculation specified in paragraph (d) above for any Fiscal Year indicates that the City has not satisfied its obligations under paragraph (a) or (b) above, then as soon as practicable, but in any event no later than 45 days after the receipt by the Trustee of such calculation, the City will employ an Independent Airport Consultant to review and analyze the financial status and the administration and operation of the Airport and to submit to the City, within 45 days after employment of the Independent Airport Consultant, a written report on the same, including the action which the Independent Airport Consultant recommends should be taken by the City with respect to the revision of its Airport rentals, fees and charges, alteration of its methods of operation or the taking of other action that is projected to result in producing the amount so required in the then current Fiscal Year or, if less, the maximum amount deemed feasible by the Independent Airport Consultant. Within 60 days following its receipt of the recommendations the City will, after giving due consideration to the recommendations, revise its Airport rentals, fees and charges or alter its methods of operation, which revisions or alterations need not comply with the Independent Airport Consultant's recommendations so long as any revisions or alterations are projected by the City to result in compliance with paragraphs (a) and (b) above. The City will transmit copies of the Independent Airport Consultant's recommendations to the Trustee and to each Owner who has requested the same.

(f) If at any time and as long as the City is in full compliance with the provisions of paragraphs (c), (d) and (e) above, there will be no Event of Default under the Indenture as a consequence of the City's failure to satisfy the covenants contained in paragraphs (a) or (b) above during such period.

(g) If all or any portion of an Outstanding Series of Senior Lien Obligations constitute Balloon Maturities, then for purposes of determining Annual Debt Service each maturity that constitutes a Balloon Maturity will, unless otherwise provided in the Supplemental Indenture pursuant to which such Senior Lien Obligations are authorized* or unless paragraph (h) below then applies to such maturity, be treated as if it were amortized over a term of not more than 30 years and with substantially level annual debt service funding payments commencing not later than the year following the year in which the indebtedness that includes such Balloon Maturity was originally issued and extending not later than 30 years from the date the indebtedness that includes such Balloon Maturity was originally issued; the interest rate used for such computation will be that rate quoted in the Bond Buyer 25 Revenue Bond Index for the last week of the month preceding the date of calculation as published by the Bond Buyer, or if that index is no longer published, another similar index designated by an Authorized Officer, taking into consideration whether such Senior Lien Obligations bear interest which is or is not excluded from gross income for federal income tax purposes.

(h) Any maturity of Senior Lien Obligations that constitutes a Balloon Maturity as described in paragraph (g) above, and for which the stated maturity date occurs within 12 months from the date such calculation of Annual Debt Service is made, will be assumed to become due and payable on the stated maturity date, and paragraph (g) above will not apply thereto, unless there is delivered to the entity making the calculation of Annual Debt Service a Certificate of the City stating (i) that the City intends to refinance such maturity, (ii) the probable terms of such refinancing and (iii) that the debt capacity of the Airport is sufficient to successfully complete such refinancing; upon the receipt of such Certificate, such Balloon Maturity will be assumed to be refinanced in accordance with the probable terms set out in such Certificate and such terms will be used for purposes of calculating Annual Debt Service; provided that such assumption will not result in an interest rate lower than that which would be assumed under paragraph (g) above and will be amortized over a term of not more than 30 years from the expected date of refinancing.

COVENANT AGAINST PLEDGE OF REVENUES

The City covenants not to issue any bonds, notes or other evidences of indebtedness secured by the pledge contained in the Indenture, other than Senior Lien Obligations, and covenants not to create or cause to be created any lien or charge on Revenues, or on any amounts pledged for the benefit of Owners of Senior Lien Obligations under the Indenture, other than the pledge contained in the Indenture; provided, however, that the Indenture does not prevent the City (a) from issuing bonds, notes or other evidences of indebtedness payable out of, or secured by a pledge of, Revenues to be derived on and after the date of the pledge contained in the Indenture is discharged and satisfied as provided therein, or (b) from issuing bonds, notes or other evidences of indebtedness (including bonds, notes or other evidences of indebtedness evidencing loans made by the City to the Airport) which are payable out of, or secured by, the pledge of amounts which may be withdrawn from the Junior Lien Obligation Debt Service Fund so long as the pledge is expressly junior and subordinate to the pledge contained in the Indenture, including, but not limited to, CP Notes without limit as to nature or amount, pursuant to one or more CP Indentures.

INSURANCE

The City shall maintain, or cause to be maintained, insurance with respect to the Airport against such casualties and contingencies and in amounts not less than is reasonably prudent. Such policies of insurance shall name the City and the Trustee as co-insureds as their interests may appear. Without limiting

* Pursuant to the Seventy-Second Supplemental Indenture this provision does not apply to the 2022B Senior Lien Bonds.

the foregoing, the City shall maintain, or cause to be maintained, the following insurance with respect to the Airport:

(a) Insurance against loss or damage under a policy or policies covering such risks as are ordinarily insured against by reasonably prudent operators of airports, including without limiting the generality of the foregoing, fire, lightning, windstorm, hail, floods, explosion, riot, riot attending a strike, civil commotion, damage from aircraft smoke and uniform standard extended coverage with vandalism and malicious mischief endorsements, and all-risk coverage, limited only as may be provided in the standard form, if any, of such endorsements at the time in use in the State of Illinois. Such insurance shall be maintained in an amount not less than the full insurable replacement value of the insured premises. No policy of insurance shall be written such that the proceeds thereof will produce less, by reason of co-insurance provisions or otherwise, than the full insurable replacement value of the insured premises. Full insurable replacement value of any insured premises shall be deemed to equal the actual replacement cost of the premises, and shall be determined from time to time, but not less frequently than once every three years, by an architect, contractor, appraiser or appraisal company or one of the insurers, in any case, selected by the City. In the event that such determination of full insurance replacement value indicates that any premises in the Airport are underinsured, the City shall forthwith secure the necessary additional insurance coverage.

(b) Comprehensive general public liability insurance including blanket contractual liability and personal injury liability (with employee exclusion deleted), and on-premises automobile insurance including owned, non-owned and hired automobiles used and operated by the City, protecting the City against liability for injuries to persons and property arising out of the existence or operation of the Airport in limits as follows: for personal injury and bodily injury, $100,000,000 for each occurrence and $100,000,000 annual aggregate; and for property damage, $100,000,000 for each occurrence and $100,000,000 annual aggregate.

(c) Boiler or pressure vessel explosion insurance with coverage on a replacement cost basis as provided in subsection (a) above for property damage, but any such policy may have a deductible amount not exceeding $10,000. No such policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the first sentence of this subsection (c) by reason of coinsurance provisions or otherwise.

(d) Each policy of insurance maintained by the City shall contain a waiver of subrogation on the part of the insurer in favor of the City and the Signatory Airlines.

(e) If, at any time, the City is obligated under any agreement then in effect between the City and any Airline Party to provide, with respect to premises at the Airport, insurance of the nature and in not less than the amounts described herein, then these provisions shall be subject to the applicable provisions of such other agreement.

USE OF INSURANCE PROCEEDS

(a) If the Airport, or any portion thereof, shall be substantially damaged or destroyed by fire or other casualty, the City shall deposit with the Trustee the net proceeds of any insurance received with respect thereto, and the Trustee shall deposit such net proceeds in a special trust account or, in the case of damage to or destruction of any Airport Project then under construction, in the Airport Project Account relating to such Airport Project. Moneys on deposit in any such special trust account or Airport Project Account shall be disbursed in the same manner, and subject to the same conditions, as provided generally in Supplemental Indentures with respect to disbursements from the Airport Project Accounts.

(b) Any surplus insurance proceeds deposited in any such special trust account or Airport Project Account shall be transferred or withdrawn from such special trust account or Airport Project Account as specified by the City for any one or more of the following purposes: (i) to make transfers to one or more Airport Project Accounts to pay the costs of other Airport Projects, (ii) to make transfers into the Debt Service Fund, or (iii) to redeem Senior Lien Obligations or Junior Lien Obligations.

ANNUAL AUDIT

The City covenants that it will, within 210 days after the close of each Fiscal Year, furnish the Trustee with a copy of an Annual Audit Report, prepared in accordance with generally accepted accounting principles and audited in accordance with generally accepted auditing standards and certified by an independent auditor, covering the operation of the Airport for the Fiscal Year. The Annual Audit Report must contain a calculation based on actual data enabling the independent auditor to verify that the coverage covenants described above have been satisfied with respect to that Fiscal Year.

RESTRICTIONS ON SALE OR TRANSFER OF AIRPORT

(a) The sale, conveyance, mortgage, encumbrance or other disposition, directly or indirectly, of all or substantially all of the Airport or the transfer, directly or indirectly, of control, management or oversight, or any material aspect of control, management or oversight, of the Airport, whether of its properties, interests, operations, expenditures, revenues (including, without limit, Revenues or the proceeds of any passenger facility charge or similar charge) or otherwise (any of the foregoing being referred to for this purpose as a "transfer") will not occur unless and until all of the following conditions will have been met:

(i) such transfer has been approved in writing by the Mayor of the City and by the City Council at a meeting duly called for such purpose;

(ii) evidence has been obtained in writing confirming that such transfer does not adversely affect any rating on Senior Lien Obligations issued by any Rating Agency;

(iii) a certificate has been received from an Independent Airport Consultant, certifying that, in each calendar year during the five-year period commencing after the calendar year in which such transfer occurs, Revenues together with any cash balance held in the Revenue Fund on the first day of such calendar year not then required to be deposited in any fund or account (or subaccount thereof) other than the Revenue Fund, and investment earnings for each such calendar year on moneys held in the funds and accounts held pursuant to the Indenture to the extent that such earnings are not required by the Indenture to be transferred to any Airport Project Account, will equal an amount not less than the amount required to satisfy the coverage covenants described under the caption "Coverage Covenants" above; provided, however, for purposes of the Certificate "one and fifty-hundredths times" will be substituted for "one and ten-hundredths times", "one and fifteen-hundredths times," "one and twenty-hundredths times" and "one and twenty-five hundredths times" in paragraph (a)(ii)(B) under said caption;

(iv) written consent to such transfer has been received from the Owners of all Airport Obligations then Outstanding;

(v) written consent to such transfer has been received from the Trustee;

(vi) written consent to such transfer has been received from each bond insurer and each provider of any letter of credit or surety bond supporting Airport Obligations;

(vii) written consent to such transfer has been received from the Chicago-Gary Authority pursuant to Section 10-20 of the Chicago/Gary Compact between the City and the City of Gary; and

(viii) there has been deposited with the Trustee for the benefit of the Owners of all then outstanding Airport Obligations a letter of credit, surety bond or Qualified Investments in the full amount of the then outstanding Airport Obligations, such letter of credit or surety bond to have a credit rating of not less than either of the two highest rating categories by each Rating Agency; provided, however, that no revenues (including, without limit, Revenues or the proceeds of any passenger facility charge or similar charge) will be pledged, or in any way used, to secure any such letter of credit or surety bond.

(b) For purposes of paragraph (c) under the caption "Events of Default" below, the performance of this covenant will be deemed to be material to the Owners of Senior Lien Obligations.

ADDITIONAL SENIOR LIEN BONDS

Additional Senior Lien Bonds are authorized to be issued under the Indenture upon satisfaction of the conditions precedent in the Indenture which are described in the Official Statement under the caption "SECURITY FOR THE 2022 SENIOR LIEN BONDS."

COMPLETION BONDS

Completion Bonds are authorized by the Indenture to be issued to finance the costs of one or more Airport Projects initially financed in whole or in part by Airport Obligations. In connection with the issuance of Completion Bonds, the City must deliver to the Trustee certificates stating, among other things, (i) that the additional cost of the Airport Projects being financed does not exceed 15 percent of their aggregate cost previously financed by Airport Obligations, (ii) that the revised aggregate cost of those Airport Projects cannot be paid with moneys available and (iii) that the issuance of Completion Bonds is necessary to provide funds to complete the Airport Projects.

REFUNDING BONDS

Refunding Bonds are authorized by the Indenture to be issued for the purpose of the refunding of Airport Obligations. In connection with the issuance of Refunding Bonds under the Indenture, the City must deliver to the Trustee either any certificate described in the Official Statement under the caption "SECURITY FOR THE 2022 SENIOR LIEN BONDS" or a Certificate of the City stating that, giving effect to the refunding, the issuance of the Refunding Bonds will result in (i) a net present value debt service savings to the City, or (ii) a reduction in annual debt service in each Bond Year that debt service is payable on the Airport Obligations to be refunded.

MANAGEMENT OF AIRPORT

The City covenants that in order to assure the efficient management and operation of the Airport and to assure the Owners of the Senior Lien Obligations that the Airport will be economically and efficiently operated on the basis of sound business principles, it will operate and maintain the Airport under the direction of the Commissioner of Aviation. The City will not take, or allow any other person to take, any action which would cause the Administrator of the Federal Aviation Administration, the Department of Transportation, or any successor to the powers and authority of the Administrator, to suspend or revoke the Airport's airport operating certificate issued under the Federal Aviation Act of 1958, or any successor statute. The City will comply with all valid acts, rules, regulations, orders and directives of any governmental, legislative, executive, administrative or judicial body applicable to the Airport, unless the City contests them in good faith, all to the end that the Airport will remain operational at all times.

OPERATION AND MAINTENANCE OF AIRPORT

The City covenants that it will use its best efforts to see that the Airport is at all times operated and maintained in an efficient operating condition; and that such repairs are made to the Airport as are necessary or appropriate in the prudent management of the Airport to ensure its economic and efficient operation at all times. The City covenants to cause all rentals, rates and other charges for the use and operation of the Airport and for certain services rendered by the City in the operation of the Airport to be collected when and as due and covenants to prescribe and enforce rules and regulations for their payment and for the consequences of their nonpayment. The City covenants, out of Revenues, from time to time, duly to pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon the Airport or upon any part of it, or upon the Revenues, when they become due, as well as any lawful claim for labor, materials, or supplies which, if unpaid, might by law become a lien or charge upon the Airport, or which might impair the security of the Senior Lien Obligations.

MAINTENANCE OF POWERS

The City covenants that it will at all times use reasonable efforts to keep the Airport open for landings and takeoffs of aircraft of any type using facilities similar to those at the Airport and to maintain the powers, functions, duties and obligations now reposed in it pursuant to law, and will not at any time voluntarily do, suffer or permit any act or thing the effect of which would be to hinder, delay or imperil either the payment of the indebtedness evidenced by any of the Senior Lien Obligations or the performance or observance of any of the covenants contained in the Indenture.

AIRPORT BUDGET

The City must prepare before the beginning of each Fiscal Year an annual budget for the Airport setting forth for that Fiscal Year in reasonable detail, among other things, estimated Revenues and Operation and Maintenance Expenses. The budget must be prepared in accordance with applicable law and must be made available to the City Council in sufficient time for it to act thereon as required by law.

LEASES AND CONCESSIONS

The City has the right for any term of years to let to any person, firm or corporation, or grant concessions or privileges in, any land of the Airport or any building or structure on the land for any purpose necessary or incidental to the operation of the Airport.

SPECIAL FACILITY REVENUE BONDS

The City reserves the right to issue Special Facility Revenue Bonds, which must be revenue bonds payable solely from rentals or other amounts derived under and pursuant to a Special Facility Financing Arrangement, and may be issued by the City notwithstanding the limitations, restrictions and conditions contained in the Indenture relating to the issuance of Senior Lien Obligations.

SUPPLEMENTAL INDENTURES EFFECTIVE UPON EXECUTION BY THE TRUSTEE

For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council, which, upon the filing with the Trustee of a copy of the ordinance certified by the City Clerk and the execution and delivery of the Supplemental Indenture by the City and the Trustee, is fully effective in accordance with its terms:

(a) to close the Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in the Indenture on, the issuance or incurrence of Senior Lien Obligations or other evidences of indebtedness;

(b) to add to the covenants and agreements of the City in the Indenture other covenants and agreements to be observed by the City which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(c) to add to the limitations and restrictions in the Indenture other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(d) to surrender any right, power or privilege reserved to or conferred upon the City by the terms of the Indenture, but only if the surrender of the right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the City contained in the Indenture;

(e) to create a Series of Senior Lien Obligations and, in connection therewith, to specify and determine the matters and things referred to in the Indenture and also any other matters and things relative to the Senior Lien Obligations which are not contrary to or inconsistent with the Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time before the first issuance of the Senior Lien Obligations;

(f) to confirm, as further assurance, the pledge under the Indenture, and the subjection of additional revenues, properties and collateral to any lien, claim or pledge created or to be created by the Indenture; and

(g) to modify any of the provisions of the Indenture in any respect whatever, but only if (i) the modification is, and is expressed to be, effective only after all Senior Lien Obligations Outstanding at the date of the execution and delivery of the Supplemental Indenture cease to be Outstanding, and (ii) the Supplemental Indenture is specifically referred to in the text of all Senior Lien Obligations issued after the date of the execution and delivery of the Supplemental Indenture and of Senior Lien Obligations issued in exchange therefore or in place of it.

SUPPLEMENTAL INDENTURES EFFECTIVE UPON CONSENT OF TRUSTEE

(a) For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council which, upon (i) the filing with the Trustee of a copy of the ordinance certified by the City Clerk, (ii) the filing with the Trustee and the City of an instrument in writing made by the Trustee consenting thereto and (iii) the execution and delivery of the Supplemental Indenture by the City and the Trustee, is fully effective in accordance with its terms:

(i) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Indenture;

(ii) to insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not contrary to or inconsistent with the Indenture as theretofore in effect; or

(iii) to provide additional duties of the Trustee under the Senior Lien Master Indenture.

(b) Any Supplemental Indenture may also contain one or more of the purposes specified in the immediately preceding caption, and in that event, the consent of the Trustee under this caption is applicable only to those provisions of the Supplemental Indenture as contain one or more of the purposes set forth in paragraph (a) under this caption.

SUPPLEMENTAL INDENTURES EFFECTIVE WITH CONSENT OF OWNERS OF SENIOR LIEN OBLIGATIONS

At any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council, subject to consent by the Owners of Senior Lien Obligations in accordance with and subject to the amendment provisions of the Indenture, which Supplemental Indenture, upon the filing with the Trustee of a copy of the ordinance certified by the City Clerk, upon compliance with the provisions of the Indenture relating to amendments, and upon execution and delivery of the Supplemental Indenture by the City and the Trustee, becomes fully effective in accordance with its terms.

POWERS OF AMENDMENT

(a) Subject to the provisions of paragraph (b) below, any modification or amendment of the Indenture or of any Supplemental Indenture, or of the rights and obligations of the City and of the Owners of the Senior Lien Obligations, in particular, may be made by a Supplemental Indenture, with the written consent given as described under the Indenture:

(i) of the Owners of more than 50 percent in principal amount of the Senior Lien Obligations Outstanding at the time the consent is given;

(ii) in case less than all of the several Series of then Outstanding Series of Senior Lien Obligations are affected by the modification or amendment, of the Owners of more than 50 percent in principal amount of the then Outstanding Senior Lien Obligations of each Series so affected; and

(iii) in case the modification or amendment changes the terms of any Sinking Fund Payment, of the holders of more than 50 percent in principal amount of the then Outstanding Senior Lien Obligations of the particular Series and maturity entitled to the Sinking Fund Payment, but only if permitted under paragraph (b) below.

(b) If the modification or amendment will, by its terms, not take effect so long as any Senior Lien Obligations of any specified like Series and maturity remain Outstanding, the consent of the Owners of those Senior Lien Obligations are not required and those Senior Lien Obligations are not deemed to be Outstanding for the purpose of any calculation of Outstanding Senior Lien Obligations under this caption. No such modification or amendment may permit a change in the terms of redemption or maturity of the principal of any Outstanding Senior Lien Obligation (including any redemption as a result of Sinking Fund Payments) or of any installment of interest on it or a reduction in the principal amount or its Redemption Price or in the rate of interest on it without the consent of the Owner of the Senior Lien Obligation, or may reduce the percentages or otherwise affect the classes of Senior Lien Obligations the consent of the Owners of which is required to effect any such modification or amendment, or may change or modify any of the rights or obligations of any Fiduciary without its written assent to the change or modification. For the purposes of this caption, a Series is deemed to be affected by a modification or amendment of the Indenture if it adversely affects or diminishes the rights of the Owners of Senior Lien Obligations of the Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing powers of amendment Senior Lien Obligations of any particular Series or maturity would be affected by any modification or amendment of the Indenture, and any such determination is binding and conclusive on the City and all Owners of Senior Lien Obligations.

(c) Any consent to the modification or amendment of the Indenture is binding upon the Owner of the Senior Lien Obligation giving the consent and upon any subsequent Owner of that Senior Lien Obligation and of any Senior Lien Obligation issued in exchange for it (whether or not the subsequent Owner of it has notice of the consent) unless the consent is revoked in writing by the Owner of the Senior Lien Obligation giving the consent or a subsequent Owner of it by filing the revocation with the Trustee, before the time when the written statement of the Trustee that the Owners of the required percentages of Senior Lien Obligations have consented to the modification or amendment is filed with the City.

RESIGNATION OF TRUSTEE

The Trustee may at any time resign and be discharged of the duties and obligations created by the Indenture by giving not less than 60 days' written notice to the City and mailing notice of the resignation, specifying the date when the resignation takes effect, to the Owners of the Senior Lien Obligations. The resignation may take effect only upon the appointment of a successor Trustee.

REMOVAL OF TRUSTEE

The Trustee must be removed by the City if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the City, and signed by the Owners of a majority in principal amount of the then Outstanding Senior Lien Obligations or their attorneys-in-fact duly authorized, excluding any Senior Lien Obligations held by or for the account of the City. The City may remove the Trustee at any time, except during the existence of an Event of Default, with or without cause in the sole discretion of the City by filing with the Trustee an instrument signed by an Authorized Officer.

APPOINTMENT OF SUCCESSOR TRUSTEE

(a) In case at any time the Trustee resigns or is removed or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs, the City covenants and agrees that it will thereupon appoint a successor Trustee. The City covenants, within 20 days after the appointment, to cause to be mailed notice of the appointment to the Owners of the Senior Lien Obligations.

(b) If in a proper case no appointment of a successor Trustee is made pursuant to the foregoing provisions of this Section within 45 days after the Trustee has given to the City written notice of its resignation or after a vacancy in the office of the Trustee has occurred by reason of its removal or inability to act, the Trustee or the Owner of any Senior Lien Obligation may apply to any court of competent jurisdiction to appoint a successor Trustee. The court may thereupon, after the notice, if any, as the court may deep proper and prescribe, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of the Indenture in succession to the Trustee must be a bank, trust company or national banking association having the powers of a trust company doing business and having an office in Chicago, Illinois.

EVENTS OF DEFAULT

Each of the following events of default is declared an "Event of Default":

(a) payment of the principal or Redemption Price, if any, of any Senior Lien Obligation is not made when and as it becomes due, whether at maturity or upon call for redemption or otherwise;

(b) payment of any installment of interest on any Senior Lien Obligation is not made when it becomes due;

(c) the City fails or refuses to comply with the provisions of the Indenture, or defaults in the performance or observance of any the covenants, agreements or conditions on its part contained in the Indenture or the Senior Lien Obligations, which materially affects the rights of the Owners of the Senior Lien Obligations and the failure, refusal or default continues for a period of 45 days after written notice of it by the Trustee or the Owners of not less than 25 percent in principal amount of the Outstanding Senior Lien Obligations; provided, however, that in the case of any such default which can be cured by due diligence but which cannot be cured within the 45-day period, the time to cure is extended for such period as may be necessary to remedy the default with all due diligence; or

(d) an event of default occurs and is continuing under the provisions of any Supplemental Indenture.

REMEDIES

(a) Upon the happening and continuance of any Event of Default specified in paragraph (a) or (b) of the immediately preceding caption, the Trustee must proceed, or upon the happening and continuance of any Event of Default specified in paragraph (c) or (d) of the immediately preceding caption, the Trustee may proceed, and upon the written request of the Owners of not less than 25 percent in principal amount of the Outstanding Senior Lien Obligations, must proceed, in its own name, subject to the provisions of the Indenture, to protect and enforce its rights and the rights of the Owners of the Senior Lien Obligations by such of the following remedies or any additional remedies specified in one or more Supplemental Indentures with respect to a particular Series as the Trustee, being advised by counsel, deems most effectual to protect and enforce such rights:

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Owners of the Senior Lien Obligations, including the right to require the City to receive and collect Revenues adequate to carry out the covenants and agreements as to those Revenues and the pledge contained in the Indenture, and to require the City to carry out any other covenant or agreement with the Owners of the Senior Lien Obligations and to perform its duties under the Indenture;

(ii) by bringing suit upon the Senior Lien Obligations;

(iii) by action or suit in equity, require the City to account as if it were the trustee of any express trust for the Owners of the Senior Lien Obligations; or

(iv) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Senior Lien Obligations.

(b) In the enforcement of any rights and remedies under the Indenture, the Trustee is entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City, but only out of moneys pledged as security for the Senior Lien Obligations for principal, Redemption Price, interest or otherwise, under any provision of the Indenture or any Supplemental Indenture or of the Senior Lien Obligations, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Senior Lien Obligations, together with any and all costs and expenses of collection and of all proceedings under the Indenture and under the Senior Lien Obligations without prejudice to any other right or remedy of the Trustee or of the Owners of the Senior Lien Obligations, and to recover and enforce a judgment or decree against the City for any portion of the amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available under the Indenture for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

DIRECTION OF PROCEEDINGS BY OWNERS OF SENIOR LIEN OBLIGATIONS

Anything in the Indenture to the contrary notwithstanding but subject to the limitations set forth therein, the Owners of the majority in principal amount of the Senior Lien Obligations then Outstanding have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee under the Indenture, but the direction must not be otherwise than in accordance with law or the provisions of the Indenture, and the Trustee has the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners of the Senior Lien Obligations not parties to the direction.

DEFEASANCE

(a) If the City pays or causes to be paid to the Owners of all Senior Lien Obligations the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated in them, in the Indenture and the Supplemental Indentures and instruments creating Senior Lien Obligations, then the pledge contained in the Indenture and all other rights granted thereby are discharged and satisfied. In that event, the Trustee must, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence the discharge and satisfaction and the Fiduciaries must pay over or deliver to the City all Accounts, Funds and other moneys or securities held by them pursuant to the Indenture and the Supplemental Indentures which are not required for payment or redemption of Senior Lien Obligations not theretofore surrendered for payment or redemption.

(b) Senior Lien Obligations or interest installments for the payment or redemption of which funds have been set aside and held in trust by Fiduciaries (through deposit by the City of moneys for the payment or redemption or otherwise) are, at the maturity or upon the date upon which the Senior Lien Obligations have been duly called for their redemption, deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this caption. Senior Lien Obligations are, before their maturity or redemption date, deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this caption if (i) in case any of the Senior Lien Obligations are to be redeemed on any date before their maturity, the City has taken all action necessary to call the Senior Lien Obligations for redemption and notice of the redemption has been duly given or provision satisfactory to the Trustee has been made for the giving of such notice, (ii) there have been deposited with the Trustee for that purpose either moneys in an amount which is sufficient, or Federal Obligations the principal of and the interest on which when due (without reinvestment) will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, are sufficient, to pay when due the principal or Redemption Price, if any, and interest due and to become due on the Senior Lien Obligations on and before their redemption date or maturity date, as the case may be, and (iii) if the Senior Lien Obligations are not by their terms subject to redemption within the next succeeding 45 days, the City has given the Trustee, in form satisfactory to it, irrevocable instructions to mail, as soon as practicable, a notice to the Owners of the Senior Lien Obligations that the deposit required by clause (i) above has been made with the Trustee and that the Senior Lien Obligations are deemed to have been paid in accordance with the Indenture, and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of, and accrued interest on, the Senior Lien Obligations.

Neither the Federal Obligations or moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Federal Obligations may be withdrawn or used for any purpose other than, and must be held in trust for, the payment of the principal or Redemption Price, if any, of and interest on the Senior Lien Obligations; but any cash received from the principal or interest payments on the Federal Obligations deposited with the Trustee, if not then needed for the purpose, must, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if any, of, and interest due and to become due on, the Senior Lien Obligations on and before their redemption date or maturity date, as the case may be, and interest earned from those reinvestments must be paid over to the City, as received by the Trustee, free and clear of any trust, assignment, lien or pledge.

(c) No defeasance of a Senior Lien Obligation that is to be paid more than 45 days after the date of the deposit referred to in paragraph (b) (ii) above will be effective until the Trustee has received a verification report signed by an Independent Accountant that the Federal Obligations and moneys to be deposited for such purpose are sufficient to pay the principal and Redemption Price of, and interest on, all bonds with respect to which provision for payment is to be made as described under this caption by virtue of the deposit of such Federal Obligations and moneys.

RIGHTS OF THE BOND INSURER

The issuer of a municipal bond insurance policy with respect to any Senior Lien Obligations is deemed to be the sole Owner of the Senior Lien Obligations for purposes of approving amendments to the Indenture (other than certain amendments that require the consent of each affected Owner or the consent of the Trustee), exercising remedies upon the occurrence of a default under the Indenture, providing specific approvals, consents or waivers or instruments of similar purpose, and to the extent the bond insurer is deemed to be the sole Owner for such purposes, the rights of the Owners of the Senior Lien Obligations will be abrogated.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS

The following is a summary of certain provisions of the Airline Use and Lease Agreements, to which reference is made for a complete statement of their provisions and contents. Certain words and terms used in this summary are defined in the Airline Use and Lease Agreements and have the same meanings in this summary, except as defined otherwise in this Official Statement. Please refer to Appendix A of this Official Statement for the defined terms used in this summary. The Airline Use and Lease Agreements signed by the Airlines are substantially similar except for provisions relating to different categories of use for each Airline and the termination or extension of certain other agreements of each Airline relating to the Airport.

TERM

The Prior Use and Lease Agreements expired, in accordance with their terms, as of May 11, 2018, and the Airline Use and Lease Agreements became effective on May 12, 2018 (with respect to each signatory airline, the applicable effective date of its agreement being the "Effective Date"). For Long-Term Signatory Airlines, the Airline Use and Lease Agreements expire on December 31, 2033. For Short-Term Signatory Airlines, the Airline Use and Lease Agreements expire on December 31, 2023 (if the Effective Date is prior to January 1, 2024), December 31, 2028 (if the Effective Date is between January 1, 2024 and December 31, 2028), or December 31, 2033 (if the Effective Date is between January 1, 2029 and December 31, 2033). Short-Term Signatory Airlines have the option to extend the Term for each of two successive five-year periods through December 31, 2028 and then through December 31, 2033. A Short-Term Signatory Airline has the option to transition to a Long-Term Signatory Airline if it commits to extend its term to December 31, 2033 (electing this option before January 1, 2028).

ASSIGNMENT AND USE OF GATES

The City retains exclusive control and management of the use of all Common Use Gate Space during and after the Term. The City will only lease Preferential Use Gate Space to Long-Term Signatory Airlines. All of an Airline's Preferential Use Gate Space is subject to the applicable accommodation and reallocation provisions in the Airline Use and Lease Agreement that include a potential annual redetermination of Preferential Use Gate Space assignments considering several factors such as each Long-Term Signatory Airline's percentage share of total Scheduled Departures for a particular calendar year. The City will consult with Terminal Facilities Advisory Committee ("TFAC") with respect to the assignments and use of Gate Space and of other Terminal Complex facilities. TFAC is comprised of one representative selected by each of the Long-Term Signatory Airlines, one representative selected by all Short-Term Signatory Airlines offering domestic passenger service, one representative selected by all Short-Term Signatory Airlines offering international service, and Department of Aviation representatives.

OTHER AIRLINE PREMISES

The City grants the Airlines the exclusive right to use specified Exclusive Use Premises. Exclusive Use Premises mainly refers to offices, operation spaces, storage areas, VIP Lounges, employee break rooms, baggage service offices, or other areas in the Terminal Complex designated as exclusive but cannot include any Gate Space. The City also grants the Airlines the right to use Preferential Use Premises, Joint Use Premises, and Common Use Premises. The Airlines may sublease or assign the Premises to their alliance partners and affiliates, but sublease or assignment to other parties requires prior written consent from the City. The City's title to the Premises and the Airport will always remain paramount to the interest of the Airlines in the Premises; the Airlines do not possess the power to encumber the City's title.

CALCULATION OF FEES AND CHARGES

Airline-Supported Cost Centers

For accounting purposes, the Airline Use and Lease Agreements group areas in the Airport into six Airline-Supported Cost Centers, which are specific functional areas within the Airport. These are the Airfield Cost Center, Terminal Cost Center, Parking and Ground Transportation Cost Center, Fueling System Cost Center, Aeronautical Real Estate Cost Center and Commercial Real Estate Center. The purpose of these Airline-Supported Cost Centers is to allow for the calculation of Airport Fees and Charges in a manner that allocates fees among the Airlines based on their usage of the Airport. Net costs to operate, maintain, and improve the Airport are funded through O&M Expenses, Revenues, Required Deposits, and Debt Service on Airport obligations that are allocated among the Signatory Airlines.

Landing Fees

The methodology used to calculate the rates and fees that the City charges the Airlines for their use of the Airport is based on certain revenue requirements. Landing Fees reflect the net costs allocable to an Airline based on its aggregate Maximum Gross Landed Weight during a Fiscal Year. The Landing Fees are calculated by dividing the Airfield Revenue Requirement by the aggregate Maximum Gross Landed Weight. The Airfield Revenue Requirement is the calculation of: the sum of Capital Costs, O&M Expenses, and Required Deposits, less Other Airfield Revenues and Interest Income, plus/minus Bad Debt plus/minus Fueling System Cost Center net losses/revenues less Landing Fee True-ups less Net Aeronautical Real Estate Revenue plus Air Service Incentive Program shortfalls.

Rental Rates

Rental rates for leasing Exclusive Use Space and Preferential Use Space as well as space allotted for baggage claim, check-in, and baggage make-up are calculated on a square footage basis. The Total Terminal Revenue Requirement is the calculation of: the sum of Capital Costs, O&M Expenses, Required Deposits, and Unrecovered Domestic Common Use Gate Costs less Interest Income, Terminal Concession Revenue, and Other Terminal Rental Payments less the balance from the sale of abandoned property plus/minus Bad Debt plus/minus net Parking and Ground Transportation Revenue (or losses) plus/minus Aeronautical Real Estate or Commercial Real Estate net revenue (or losses) plus amounts needed to meet the debt service coverage requirement in the Senior Lien Indenture. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS – Debt Service Coverage Covenants" in the Official Statement. The Terminal Space Revenue Requirement is the calculation of the Total Terminal Revenue Requirement less costs and expenses for City equipment and systems. Rental rates per square footage are bifurcated into two types of Airline Rented Space: Discount Space, which has a Discount Terminal Rental Rate, and Base Space, which has a Base Terminal Rental Rate. To determine the Terminal Rental Rate for a particular leased space, the City will multiply the square footage by the applicable rental rate.

Gate Fees

Airlines also pay Domestic and International Common Use Gate Fees which reflect the number of an Airline's Total Delivered Seats (which is defined as actual delivered seats on an Airline's flights that arrive at and depart from the Airport). To determine Domestic or International Common Use Gate Revenue Requirements, the City will calculate the Base Terminal Rental Rate multiplied by the total square footage of Domestic or International Common Use Holdroom Space plus certain Capital Costs and O&M Expenses.

With certain restrictions, the Domestic and International Common Use Gate Fees are calculated by dividing the applicable revenue requirements by the aggregate forecasted Total Delivered Seats.

Additional common-use related fees include international and domestic check-in fees, baggage make-up fees, and baggage claim fees which are generally based on formulas that reflect Discount Terminal Rental Rates, Base Terminal Rental Rates, Shared Equipment and Technology, O&M Expenses, and Capital Costs, as well as forecasted check-in hours, outbound checked bags, and seats on arriving flights, as applicable.

Debt Service Coverage

For each Fiscal Year, the total of Airport Fees and Charges and other Revenues must always be sufficient to satisfy deposit requirements and Debt Service coverage covenants pursuant to the Senior Lien Indenture. See "SECURITY FOR THE 2022 SENIOR LIEN BONDS - Debt Service Coverage Covenants" in the Official Statement.

Air Service Incentive Program

The City reserves the right to allocate Net Commercial Real Estate Revenues to fund costs of an Air Service Incentive Program, subject to an annual budget. If Net Commercial Real Estate Revenues are insufficient for this purpose during any year, the City may include any deficiency in the calculation of Landing Fees. If an Air Service Incentive Program is implemented, it will be offered to all eligible Air Carriers on a non-discriminatory basis.

BILLING OF FEES AND CHARGES AND SECURITY DEPOSIT

Monthly Airline Payments

The Airlines are obligated to pay the City on a monthly basis without invoice. Not later than the first day of each month, each Airline must pay the City the amount of such Airline's Fixed Terminal Charges, based on the Terminal Rental Rates. Not later than the 20th day of each month, each Airline must remit such Airline's City Landing Fees and Activity-Based Terminal Charges, together with Airline Monthly Activity Reports. Any amount which is not paid within five business days from its due date will bear interest equal to the "US Prime Rate," plus three percent.

Late Payments and Security Deposit

If an Airline makes three late payments of Terminal Charges or Landing Fees within any 12 consecutive month period, it must provide to the City a Security Deposit in the form of a surety bond or letter of credit and in an amount equal to the sum of three months of estimated Terminal Charges and Landing Fees.

Bookkeeping

Additionally, the City and the Airlines must comply with certain record keeping procedures and maintain books, records, and accounts as appropriate.

CAPITAL IMPROVEMENT PROJECTS

Categories of Capital Improvement Projects; New Projects

The costs of Capital Improvement Projects are included in the definition of "Capital Costs" which is defined as follows: (a) Debt Service net of pledged Passenger Facility Charge ("PFC") revenues, grants and other applicable adjustments; (b) Required Debt Service Coverage on the gross amount of such Debt Service; (c) Program fees and other costs of borrowing not included in Debt Service; (d) Costs of Capital Improvement Projects funded with Pre-Approved Allowances; and (e) equipment purchases and small capital outlays, if not otherwise classified as an O&M Expense.

The Airline Use and Lease Agreements include exhibits of various categories of approved Capital Improvement Projects. Included in those exhibits are certain Capital Improvement Projects that were previously approved under the Prior Use and Lease Agreements, which were reconfirmed by the execution of the current Airline Use and Lease Agreements. The following categories are pre-approved projects that are confirmed by the execution of the current Airline Use and Lease Agreements: (a) TAP elements, (b) the Additional TAP Elements, and (c) the Pre-Approved CIP Projects. Pre-Approved Allowances authorize annual expenditures for various repair, rehabilitation, modernization and infrastructure reliability projects. (The City may alter the categories of projects funded annually by the Pre-Approved Allowances, subject to certain restrictions applicable throughout each Fiscal Year.) As detailed in the Report of the Airport Consultant, the estimated Project Costs for the approved Capital Improvement Projects is approximately $8.5 billion. See "CAPITAL PROGRAMS" and APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT" in the Official Statement.

In addition, the Airline Use and Lease Agreements provide authorization for the City to undertake additional Capital Improvement Projects, described as New Projects, so long as they are not disapproved by a Majority-in-Interest. Before proceeding on New Projects the City must submit a Capital Improvement Project proposal to Long-Term Signatory Airlines for Majority-in-Interest review. The proposal must be submitted at least 45 days before incurring Airline Rate-Based Project Costs for such New Project and the chair of the Airline Airport Affairs Committee must be notified that the written proposal has been submitted. The proposal will include information about the project, Change in Project Scope Requiring MII Review (if applicable), anticipated schedule, funding plan, cost centers for which Project Costs will be allocated, and the projected impact on Airport Fees and Charges. A New Project is considered approved if a Majority-in-Interest approves it or the City is not notified within thirty (30) days of delivery of the City's proposal that a Majority-in-Interest has disapproved the proposal. In the event that Majority-in-Interest review is required and obtained for an increase in total Project Costs, the increase in total Project Costs requested is added to the total estimated Project Costs.

The City may also modify Approved Projects without additional Majority-in-Interest review, unless certain restrictions apply, including a significant change in the project scope. The City may proceed with such modifications if they are not disapproved by a Majority-in-Interest. If the City needs to modify a Capital Improvement Project funded with Pre-Approved Allowances, the City may make modifications after consulting with the Executive Working Group (EWG), provided that the project remains within the required categories and limits. The EWG consists of City representatives selected by the City, one representative selected by each Long-Term Signatory Airline, and one representative selected by the Signatory Airlines offering only international passenger service at the Airport that are not Alliance Partners of a Long-Term Signatory Airline.

Majority-in-Interest Review

Pursuant to the Airline Use and Lease Agreements, for Capital Improvement Projects with Airline Rate-Based Project Costs, a Majority-in-Interest represents Long-Term Signatory Airlines that, during the immediately preceding Fiscal Year, (i) accounted for at least 70% of the total Maximum Gross Landed Weight of all Air Carriers; (ii) paid at least 70% of the total Terminal Charges paid by all Air Carriers; or (iii) paid at least 70% of all Airport Fees and Charges paid by all Air Carriers. With the exception of the New Projects, all Capital Projects, which total approximately $8.5 billion in Capital Costs, described above have been approved by the Signatory Airlines as of the execution date of the current Airline Use and Lease Agreements and do not require further Majority-in-Interest review. Additionally, there are certain project criteria that allow Capital Improvement Projects that were not pre-approved or funded with Pre-Approved Allowances to be exempt from Majority-in-Interest review (for example, project with no increased airline rate-based capital costs that have annual O&M expenses of less than $1 million or $5 million cumulatively).

Additional TAP Elements

As the Airport's capacity expands, the City may proceed with Additional TAP Elements, which are designed to accommodate the growth of the terminal area. Additional TAP Elements are projects that do not require additional Majority-in-Interest review. The City may proceed with the design, construction, and equipping of certain Additional TAP Elements which require an Additional TAP Element Trigger (the Completion of Consolidated APM and Utility Tunnel and Installation of APM and the Satellite 3 Concourse), without additional Majority-in-Interest review if the following conditions have been satisfied: (i) Additional TAP Element Trigger(s) specified for the project have been met for any three consecutive years; (ii) no airspace or airfield capacity constraints that would diminish the utility of the Additional TAP Element; (iii) O'Hare Global Terminal and O'Hare Global Concourse are complete and in service; (iv) the City does not plan any modifications of the Additional TAP Elements that would result in a Change in Project Scope Requiring Majority-in-Interest review; and (v) the City provides the Executive Working Group with documentation that the requirements have been satisfied and consults with the Executive Working Group on the estimated timing of the Additional TAP Element. Within 12 months of the substantial completion of the O'Hare Global Terminal and O'Hare Global Concourse, the City is required to meet with the Long-Term Signatory Carriers to decide whether Additional TAP Element Triggers should be revised downward and to discuss the Additional TAP Elements that do not include triggers and determine whether Additional TAP Element Triggers should be adopted or the projects should otherwise proceed. See APPENDIX E - "REPORT OF THE AIRPORT CONSULTANT" in the Official Statement.

Passenger Facility Charges

The City agrees to use all collected PFC funds that are, as of May 12, 2018, not already committed to approved projects, to PFC-eligible projects through applications approved by the Federal Aviation Administration. The City also agrees to use at least $730 million in PFC Revenues to fund TAP Project Costs, including Debt Service and other financing costs.

USES, RIGHTS, AND PRIVILEGES

The Airlines are prohibited from conducting any business at the Airport separate and apart from Air Transportation Business. Areas such as the Terminal Complex, the Gate Space and Gate Ramps, and the Airfield, can only be used as specified in the Airline Use and Lease Agreements.

KEY CHANGES TO THE AIRLINE USE AND LEASE AGREEMENTS

As compared to the Prior Use and Lease Agreements, there are two key changes reflected in the current Airline Use and Lease Agreements:

The Signatory Airlines acknowledge the City's plan to amend the Senior Lien Indenture to increase Debt Service coverage in increments of 0.05 annually, on the Senior Lien Obligations from 1.10x coverage in 2018 to 1.25x coverage by 2021 and subsequent years.

The Airline Use and Lease Agreements provide for the establishment of a supplemental reserve fund for O&M Expenses that will be funded to reach 25 percent of that current year's budgeted O&M Expenses by 2025.

See "SECURITY FOR THE 2022 SENIOR LIEN BONDS – Airline Use and Lease Agreements" in the Official Statement.

APPENDIX D

AUDITED FINANCIAL STATEMENTS

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City of Chicago, Illinois
Chicago O'Hare International Airport

Basic Financial Statements as of and for the Years Ended December 31, 2021 and 2020, Required Supplementary Information, Additional Supplementary Information, Statistical Information, and Independent Auditor's Report

CITY OF CHICAGO, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Lori Lightfoot, Mayor
And Members of the City Council
City of Chicago, Illinois

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Chicago O'Hare International Airport (the "Airport"), an enterprise fund of the City of Chicago, Illinois (the "City"), as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Chicago O'Hare International Airport, as of December 31, 2021 and 2020, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Airport, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the basic financial statements present only Chicago O'Hare International Airport, an enterprise fund of the City, and do not purport to, and do not, present fairly the financial position of the City as of December 31, 2021 and 2020, the changes in its financial position, or, where applicable, its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of Changes in the Net Pension Liability and Related Ratios, and the Schedule of Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport's basic financial statements. The additional supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audits and the reports of other auditors, the Combining and Individual Fund Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the basic financial statements. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

June 29, 2022

The following discussion and analysis of Chicago O'Hare International Airport's (the "Airport" or "O'Hare") financial performance provides an introduction and overview of the Airport's financial activities for the fiscal years ended December 31, 2021 and 2020. Please read this discussion in conjunction with the Airport's basic financial statements and the notes to basic financial statements immediately following this section.

Impact of COVID-19 on O'Hare

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. Many state and local governments in the United States issued "stay at home" or "shelter in place" orders during 2020, which severely restricted movement and limited businesses and activities to essential functions. The COVID-19 pandemic and resulting restrictions have severely disrupted, and continue to disrupt, the economies of the United States and other countries. The outbreak has adversely affected domestic and international travel and travel-related industries. Airports and airlines have been acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdowns and continued restrictions. In response, airlines have reduced flight frequency and aircraft size in an attempt to match capacity to the reduced demand for air travel.

The COVID-19 pandemic has continued to have a material impact on aircraft operations, passenger volumes and revenues at the Airport during 2021. As impacts of the COVID-19 pandemic start to subside, passenger's flight activity has started to recover, positively impacting the Airport's finances.

During 2020, the Airport received $294.4 million of Coronavirus Aid, Relief, and Economic Security ("CARES") Act ("CARES Act"), which excludes approximately $22 million of additional CARES Act funding used to pay the local share of capital projects, which was included in the Airport's Fiscal Year 2020 Airport Improvement Program grant submission. This offsets the need to issue obligations for these projects.

During 2021, the Airport was awarded $60.1 million of Coronavirus Response and Relief Supplemental Appropriations ("CRRSA") Act Funds, $8.8 million of CRRSA Act funds allocated to Concessions Relief; $253.6 million of American Rescue Plan ("ARP") Act funds, and $35.0 million of ARP Act funds allocated to Concessions Relief, which were used to pay operating costs in an amount necessary to offset lost operating revenues, Passenger Facility Charges (PFC) and Customer Facility Charges (CFC), net of cost reductions. This excludes approximately $8.3 million of additional CARES Act funding used to pay the local share of capital projects, which was included in the Airport's Fiscal Year 2021 Airport Improvement Program grant submission. This offsets the need to issue obligations for these projects.

The Airport's goal was to use sufficient CRRSA Act and ARP Act funds to stabilize rates and charges pre-pandemic budget levels and to stabilize terminal and facility rent. Of the $357.5 million awarded, $45.5 million was applied to stabilize 2021 rates and charges ($21.9 million to offset operating expenses and $23.6 million to common use charges), $21.5 million for debt service to mitigate the shortfall in CFCs and $55.0 million for debt service to mitigate the shortfall of PFCs. The remaining amount will be applied to 2022 Rates and Charges, PFCs and CFCs.

The Airport provided financial relief to the airlines in 2021 by implementing additional cost cutting measures of $21.0 million, which in turn reduced the operating reserve requirement by $15.4 million (including $21.9 million of CRRSA Act and ARP Act funds applied to offset operating expenses). The Airport also provided financial relief to rental car companies and concessionaires by allowing the conversion from a minimum annual guarantee rent payment to a percent rent payment and to temporarily close operations. The estimated benefit to concessionaires was $36.3 million and was funded through the use of COVID-19 Relief proceeds; thus, non-airline revenues were not reduced by this action.

FINANCIAL HIGHLIGHTS

2021

Operating revenues for 2021 increased by $239,540 (26.5%) compared to prior year operating revenues due to an increase in terminal use charges and landing fees of $176,091; increases in concessions revenue of $49,227; and an increase in hotel revenues of $14,222, all due to an increase in passenger and flight activity as the Airport started to recover from the impacts of the COVID-19 pandemic on travel.

Operating expenses before depreciation, amortization and loss on capital asset disposals increased by $81,206 (11.7%) compared to 2020, primarily due to the increase in other operating expenses of $29,395 due to increases in cost of utilities, materials and supplies and rental of equipment as activity related to operations and construction increased during 2021, hotel expenses of $4,077 due to the recovery of hotel business from the impact of the COVID-19 pandemic on travel and tourism, Repairs and Maintenance expense, which increased by $25,201 (17.4%) due to contractual increases and additional maintenance of new assets placed into service, such as Runway 9C-27C and the completion of the extension of Runway 9R-27L; and Professional and Engineering Expenses of $8,437 (6.0%) due to ongoing planning efforts related to Airport's $8.5 billion O'Hare 21 Program, which includes the Terminal Area Plan expansion, Terminal 5 expansion, major airfield projects including the completion of the O'Hare Modernization Program, on airport hotel developments and other capital projects:, and an increase in pension expense of $17,029 primarily due to the composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments, offset by a decrease in salary and wages of $2,933 (1.3%) due to retroactive payments from collective bargaining agreements made in 2020.

The Airport's total net position at December 31, 2021, was $1,078,083, which is an increase of $41,793 (4.0%) over total net position at December 31, 2020 primarily due increases in PFC and CFC balances totaling $31,435 as the collection of PFC and CFC balances increased during 2021.

Capital asset additions for 2021 were $776,194, which primarily included additions related to the continuing construction of new runway projects (including the completion of the 9R-27L runway expansion), ongoing work related to the Terminal 5 expansion, terminal improvements and capital maintenance. Completed projects totaling $1,149,522 were transferred from construction in progress to applicable buildings and other facilities capital account.

2020

Operating revenues for 2020 decreased by $347,873 (27.8%) compared to prior year operating revenues due to a decrease in terminal rents and landing fees of $171,408; decreases in concessions revenue of $128,216; and a decrease in hotel revenues of $48,249, all due to reduced passenger and flight activity related to impact of the COVID-19 pandemic on travel and tourism.

Operating expenses before depreciation, amortization and loss on capital asset disposals decreased by $150,859 (17.9%) compared to 2019, primarily due to the decrease in other operating expenses of $31,779 due to reductions in cost of utilities and insurance and hotel expenses of $22,864 due to the impact of the COVID-19 pandemic on travel and tourism. There was a decrease in pension expense of $113,734, primarily due to the composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. These decreases were offset by Repairs and Maintenance expense, which increased by $1,744 (1.2%) due to contractual increases; Salary and wages of $8,786 (4.1%) due to retroactive payments from the new collective bargaining agreements and annual contractual salary increases; and Professional and Engineering Expenses of $6,988 (5.1%) due to ongoing planning efforts related to Airport's $8.5 Billion O'Hare 21 program.

The Airport's total net position at December 31, 2020, was $1,036,290, which is an increase of $285,116 (38.0%) over total net position at December 31, 2019 primarily due to a decrease in Long Term Revenue Bonds Payable due to the issuance of the Series 2020A-E General Airport Senior Lien Revenue Refunding Bonds, which produced savings from refundings of $241,318.

Capital asset additions for 2020 were $901,970, which primarily included additions related to the continuing construction of new runway projects (including the 9R-27L runway expansion), completion of Runway 9C-27C and associated taxiways, ongoing work related to the Terminal 5 expansion, terminal improvements and capital maintenance. Completed projects totaling $297,538 were transferred from construction in progress to applicable buildings and other facilities capital account.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Airport's basic financial statements. The Airport is included in the City of Chicago, Illinois' (the "City") reporting entity as an enterprise fund. The Airport's basic financial statements comprise the basic financial statements and the notes to basic financial statements. In addition to the basic financial statements, this report also presents additional and statistical information after the notes to basic financial statements.

The Statements of Net Position present all of the Airport's assets, deferred outflows, liabilities, and deferred inflows using the accrual basis of accounting. The difference between assets and deferred outflows and liabilities and deferred inflows is reported as Net Position. The increase or decrease in net position may serve as an indicator, over time, whether the Airport's financial position is improving or deteriorating. However, the consideration of other non-financial factors, such as changes within the airline industry, may be necessary in the assessment of overall financial position and health of the Airport.

The Statements of Revenues, Expenses and Changes in Net Position present all current fiscal year revenues and expenses, regardless of when cash is received or paid, and the ensuing change in Net Position.

The Statements of Cash Flows report how cash and cash equivalents were provided and used by the Airport's operating, capital financing, and noncapital financing and investing activities. These statements present the cash received and disbursed, the net increase or decrease in cash and cash equivalents for the year and the cash and cash equivalents balance at year-end.

The Notes to Basic Financial Statements are an integral part of the basic financial statements; accordingly, such disclosures are essential to a full understanding of the information provided in the basic financial statements.

The Required Supplementary Information section presents the schedule of changes in the net pension liability and related ratios and the schedule of contributions.

In addition to the basic financial statements, this report includes the Additional Supplemental Information and Statistical Information. The Additional Supplemental Information section presents the debt service coverage calculations, and the Statistical Information section includes certain information related to the Airport's historical financial and non-financial operating results and capital activities.

The basic financial statements include all of the Airport's funds and all the operations of Hilton O'Hare, which was transferred back to the Airport on January 1, 2019 as the 30-year lease term with HLT O'Hare, Inc. ended on December 31, 2018. The Airport has entered into a 10-year operating lease agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC and food and beverage operations.

FINANCIAL ANALYSIS

Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the Airline Use and Lease Agreement ("AULA"). In 2018, the City Council approved the new AULA for airlines operating at O'Hare, which went into effect as of July 1, 2018 for provisions regarding rates and charges. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned.

At December 31, 2021, the Airport's financial position included total assets and deferred outflows of $13,522,896, total liabilities and deferred inflows of $12,444,813 and net position of $1,078,083.

A comparative condensed summary of the Airport's net position at December 31, 2021 and 2020, and 2019 is as follows (dollars in thousands):

	Net Position		
	2021	2020	2019
Current unrestricted assets	$ 426,072	$ 348,902	$ 464,767
Restricted and other assets—noncurrent	2,736,795	3,417,160	4,201,245
Capital assets—net	10,146,677	9,690,107	9,080,349
Total assets	13,309,544	13,456,169	13,746,361
Deferred outflows	213,352	265,768	320,158
Total assets and deferred outflows	$ 13,522,896	$ 13,721,937	$ 14,066,519
Current unrestricted liabilities	$ 222,731	$ 217,625	$ 384,801
Liabilities payable from restricted assets and noncurrent liabilities	12,148,413	12,330,848	12,671,595
Total liabilities	12,371,144	12,548,473	13,056,396
Deferred inflows	73,669	137,174	258,951
Total liabilities and deferred inflows	$ 12,444,813	$ 12,685,647	$ 13,315,347
Net position:			
Net investment in capital assets	$ 1,301,406	$ 1,437,834	$ 1,362,522
Restricted	1,123,192	1,031,864	898,995
Unrestricted	(1,346,515)	(1,433,408)	(1,510,345)
Total net position	$ 1,078,083	$ 1,036,290	$ 751,172

2021

Current unrestricted assets increased by $77,170 (22.1%) primarily due to an increase in cash and cash equivalents of $27,556 due to timing of payments and investments of $59,138, due to funds received from COVID-19 relief grants that have been set aside to use in future years. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2021 and 2020 was 1.91:1 and 1.60:1, respectively. This increase in the current ratio was primarily due an increase of cash and cash equivalents and investments, combined with a decrease in unearned revenue, as amounts due to the airlines related to 2021 were less than in previous years. Restricted and other assets—Noncurrent decreased by $680,365 (19.9%), which was primarily due to a decrease in the construction funds for capital improvement projects of $637,111 related to the ongoing O'Hare 21 and OMP programs, capitalized interest funds of $30,369 applied to pay for 2021 debt service and debt service interest of $83,554 as the interest due on January 1, 2022 decreased due to the impact of the Series 2020A-E refunding bonds; offset by an increase to the Aeronautical Real Estate Fund and Airport General Fund of $36,405 and $24,637, respectively, two newly established funds in the AULA that capture the revenues from Cargo, Hangar and Maintenance facilities and remaining airport funds, respectively. Net capital assets increased by $456,570 (4.7%) primarily due to ongoing capital activities of the O'Hare 21 Program, including the Terminal 5 expansion, Capital Improvement Program and the completion of Runway 9R-27L, as part of the OMP at the Airport.

The increase in unrestricted current liabilities of $5,106 (2.3%) is mainly related to the increase of Accounts payable and accrued liabilities of $31,553, due to timing differences of payments, advances for terminal and hangar rents of $13,616 related to 2022 advance rent collections as there was an increase in prepaid rents compared to 2020, and Due to Other City Funds of $9,848 for employee benefit and reimbursement costs due to the City Corporate Fund, offset by a decrease of $49,911 of unearned revenue calculated under the residual rate setting making methodology in the AULA as there was a reduction in the amounts due to the airlines for 2020 and 2021.

Liabilities payable from restricted assets and noncurrent liabilities decreased by $182,435 (1.5%) due primarily to the decrease of General Airport Revenue bonds payable through the combination of annual debt service payments and savings realized from the issuance of the Series 2020A-E General Airport Senior Lien Revenue Refunding Bonds. The net pension liability in the amount of $1,569,968 slightly increased by $8,513 (0.5%) compared to 2020 primarily as a result of changes in actuarial assumptions and the increase in allocation of pension costs to the Airport compared to Governmental funds and certain Enterprise funds.

Deferred outflows decreased by $52,416 (19.7%) and deferred inflows decreased by $63,505 (46.3%) during 2021 due to changes in assumptions and the difference between 2021 projected and actual earnings on pension plan investments.

As of December 31, 2021, total net position was $1,078,083, which was an increase of $41,793 (4.0%) from 2020 primarily due to increases in PFC and CFC balances totaling $31,435 as the collection of PFC and CFC balances increased during 2021.

2020

Current unrestricted assets decreased by $115,865 (24.9%) primarily due to a decrease in investments of $171,143, as deferred revenue payments were made to the airlines and thus, less billed revenues were outstanding at December 31, 2020. The Airport's current ratio (current unrestricted assets/current unrestricted liabilities) at December 31, 2020 and 2019 was 1.60:1 and 1.21:1, respectively. This slight increase in the current ratio was primarily due an increase of receivables outstanding, combined with a decrease in deferred revenue, as amounts due to the airlines were settled as required in the AULA. Restricted and other assets—Noncurrent decreased by $784,085 (18.7%), which was primarily due to a decrease in the construction funds for capital improvement projects of $629,345 related to the ongoing O'Hare 21 and OMP programs and capitalized interest funds of $80,366 applied to pay for 2020 debt service; offset by an increase to the Aeronautical Real Estate Fund and Airport General Fund of $21,058 and $43,537, respectively, two newly established funds in the AULA that capture the revenues from Cargo, Hangar and Maintenance facilities and remaining airport funds, respectively. Net capital assets increased by $609,757 (6.7%) primarily due to ongoing capital activities of the O'Hare 21 Program, including the Terminal 5 expansion, Capital Improvement Program and the completion of Runway 9C-27C and ongoing construction of the Runway 9R-27L extension, as part of the OMP at the Airport.

The decrease in unrestricted current liabilities of $167,175 (43.4%) is mainly related to the decrease in billings over amounts earned of $158,876, as deferred revenue is calculated under the residual rate setting making methodology in the AULA.

Liabilities payable from restricted assets and noncurrent liabilities decreased by $340,747 (2.7%) due primarily to the decrease of General Airport Revenue bonds payable through the combination of annual debt service payments and savings realized from the issuance of the Series 2020A-E General Airport Senior Lien Revenue Refunding Bonds. The net pension liability in the amount of $1,561,455 slightly increased by $54,840 (3.6%) compared to 2019 primarily as a result of changes in actuarial assumptions and the increase in allocation of pension costs to the Airport compared to Governmental funds and certain Enterprise funds.

Deferred outflows decreased by $54,390 (17.0%) and deferred inflows decreased by $121,777 (47.0%) during 2020 due to changes in assumptions and the difference between 2020 projected and actual earnings on pension plan investments.

As of December 31, 2020, total net position was $1,036,290, which was an increase of $285,116 (38.0%) from 2019 primarily due to a decrease in non-current liabilities as savings were realized on the Series 2020A-E General Airport Refunding and Revenue Bonds.

A comparative condensed summary of the Airport's changes in net position for the years ended December 31, 2021, 2020, and 2019 is as follows (dollars in thousands):

	Changes in Net Position		
	2021	**2020**	**2019**
Operating revenues:			
Landing fees and terminal charges	$ 815,953	$ 639,862	$ 811,270
Rents, concessions, and other	296,612	247,385	375,601
Hilton O'Hare revenues	32,587	18,365	66,614
Total operating revenues	1,145,152	905,612	1,253,485
Operating expenses:			
Salaries and wages	219,922	222,855	214,069
Pension expense	62,448	45,419	159,153
Repairs and maintenance	170,176	144,975	143,231
Professional and engineering	149,419	140,982	133,994
Other operating expenses	146,732	117,337	149,116
Hilton O'Hare expenses	24,234	20,157	43,021
Depreciation and amortization	314,122	292,212	287,648
Loss on capital asset disposals	4,754	-	37,505
Total operating expenses	1,091,807	983,937	1,167,737
Operating income (Loss)	53,345	(78,325)	85,748
Nonoperating revenues	334,222	547,755	294,202
Nonoperating expenses	(427,313)	(335,596)	(324,370)
Total nonoperating revenues (expenses)	(93,091)	212,159	(30,168)
Income (loss) before capital grants	(39,746)	133,834	55,580
Capital grants	81,539	151,284	77,923
Capital contributions	-	-	68,800
Change in net position	41,793	285,118	202,303
Net position beginning of year	1,036,290	751,172	548,869
Net position end of year	$ 1,078,083	$ 1,036,290	$ 751,172

2021

Landing fees and terminal area use charges for the years 2021 and 2020 were $815,953 and $639,862, respectively. Rents, concessions, and other revenues were $296,612 and $247,385 for the years 2021 and 2020, respectively. The increase in 2021 operating revenues of $239,540 (26.5%) compared to 2020 was primarily due to increase landing fees of $196,660, and other rentals and fueling systems of $30,828 as passenger and flight activity increased as the Airport started to recover from the impact of the COVID-19 pandemic on travel and tourism.

Salaries and wages decreased by $2,933 (1.3%) in 2021 compared to 2020, which was due to contractual wage increases and retroactive payments on the new Collective Bargaining Agreements in 2020. Repairs and maintenance expenses increased by $25,201 (17.4%) due to contractual increases and additional maintenance of new assets placed into service, such as Runway 9C-27C and the completion of the extension of Runway 9R-27L. Professional and engineering costs increased $8,437 (6.0%) due to ongoing planning work for the $8.5 billion O'Hare 21 Program. Other operating expenses increased by $29,395 (25.1%) due to increase in utilities, insurance costs and indirect expenses as the Airport ramped up operations in 2021 compared to 2020 as it recovered from the impact of the COVID-19 pandemic. Other operating expenses are mainly comprised of certain employee costs, insurance premiums, indirect costs, materials and supplies, utilities, vehicle purchases, and the provision for doubtful accounts.

Pension expense was $62,448 in 2021 and $45,419 in 2020, which is an increase of $17,029 as a result of composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. During 2021, the Airport made cash contributions of $14,829 toward the pension plans.

The 2021 nonoperating revenues of $334,222 are comprised of PFCs of $110,689 (an increase of $49,410, or 80.6%), CFCs of $25,059 (an increase of $10,067, or 67.1%), other nonoperating revenue of $21,024 (a decrease of $110,964, or 84.1%) and investment loss of $15,178 (a decrease of $60,232, or 133.7%), all impacted by the increase of passenger traffic as the Airport started to recover from the impact of the COVID-19 pandemic and more passengers purchased tickets and rented cars. Additionally, other nonoperating revenue decreased during 2021, as compared to 2020 due to the Final Settlement of 1983 Airport Use and Lease Agreement (AULA), which was recorded during 2020 in accordance with Section 8.18.4 of the 2018 AULA, which stated once the Final Settlement for 2018, the final year of the 1983 Airport Use and Lease Agreement, was completed, the Airport retained any net credits or debits due to or due from the airlines, which resulted in a $122.7 million credit recorded as non-operating revenues for the Airport. The Airport recognized CRRSA Act and ARP Act grant revenue of $177,450 during 2021 from the Federal Aviation Administration (FAA) to help mitigate losses in revenue and provide relief to concessionaires due to the impact of the COVID-19 pandemic on air travel and tourism.

Nonoperating expenses were $427,313 and $335,596 for the years 2021 and 2020, respectively. The increase of $91,717 (27.3%) from 2020 to 2021 was mainly due to the increase interest expense of $87,961 due to the implementation of GASB 89 in 2021, which removed the requirement to capitalize interest related to construction projects.

Capital grants, comprised mainly of federal grants, decreased from $151,284 in 2020 to $81,539 in 2021, a 46.1% decrease mainly as a result of the timing associated with when capital expenditures became eligible for grant reimbursement from the federal government and a one-time increase in the allotment of Airport Improvement Program (AIP) grant funding from the FAA during 2020.

2020

Landing fees and terminal area use charges for the years 2020 and 2019 were $639,862 and $811,270, respectively. Rents, concessions, and other revenues were $247,385 and $375,601 for the years 2020 and 2019, respectively. The decrease in 2020 operating revenues of $347,873 (27.8%) compared to 2019 was primarily due to decreased landing fees of $5,365 and terminal area use charges of $166,042 as passenger and flight activity was reduced due to the impact of the COVID-19 pandemic on travel and tourism.

Salaries and wages increased by $8,786 (4.1%) in 2020 compared to 2019, which was due to contractual wage increases and retroactive payments on the new Collective Bargaining Agreements. Repairs and maintenance expenses increased by $1,744 (1.2%) due to contractual increases. Professional and engineering costs increased $6,988 (5.2%) due to ongoing planning work for the $8.5 billion O'Hare 21 Program. Other operating expenses decreased by $31,779 (21.3%) due to decreases in utilities, insurance costs and indirect expenses. Other operating expenses are mainly comprised of certain employee costs, insurance premiums, indirect costs, materials and supplies, utilities, vehicle purchases, and the provision for doubtful accounts.

Pension expense was $45,419 in 2020 and $159,153 in 2019, which is a decrease of $113,734 as a result of composition of amounts being amortized from deferred inflows and outflows related to prior assumptions changes and differences between projected and actual earnings on pension plan investments. During 2020, the Airport made cash contributions of $71,044 toward the pension plans.

The 2020 nonoperating revenues of $547,755 are comprised of PFC of $61,279 (a decrease of $110,714, or 64.4%), CFC of $14,992 (a decrease of $25,323, or 62.8%), other nonoperating revenue of $131,988 and investment income of $45,054 (a decrease of $21,048, or 31.8%), all impacted by the reduction of passenger traffic due to the COVID-19 pandemic. The Airport received CARES Act grant revenue of $294,442 from the FAA to help mitigate losses in revenue due to the impact of the COVID-19 pandemic on air travel and tourism.

Nonoperating expenses were $335,596 and $324,370 for the years 2020 and 2019, respectively. The increase of $11,226 (3.5%) from 2019 to 2020 was mainly due to the increase in bond issuance costs of $9,302 for the Series 2020A-E General Airport Refunding and Revenue Bonds and the fact that no bonds were issued in 2019.

Capital grants, comprised mainly of federal grants, increased from $77,923 in 2019 to $151,284 in 2020, a 94.1% increase mainly as a result of the timing associated with when capital expenditures became eligible for grant reimbursement from the federal government and increase in the allotment of AIP grant funding from the FAA.

A comparative summary of the Airport's changes in cash flows for the years ended December 31, 2021, 2020, and 2019 is as follows (dollars in thousands):

	Cash Flows		
	2021	**2020**	**2019**
Cash provided by (used in) activities:			
Operating	$ 378,148	$ 117,793	$ 498,093
Capital and related financing	(1,157,965)	(1,075,881)	(1,135,482)
Noncapital financing	173,660	(4,961)	(2,369)
Investing	257,413	433,940	(1,598,690)
Net change in cash and cash equivalents	(348,744)	(529,109)	(2,238,448)
Cash and cash equivalents:			
Beginning of year	1,194,699	1,723,808	3,962,256
End of year	$ 845,955	$ 1,194,699	$ 1,723,808

2021

As of December 31, 2021, the Airport's cash and cash equivalents of $845,955 decreased by $348,744 compared to $1,194,699 at December 31, 2020 due to expenditures on capital projects offset by current year debt proceeds. Total cash and cash equivalents at December 31, 2021, were comprised of unrestricted and restricted cash and cash equivalents of $206,398 and $639,557, respectively.

2020

As of December 31, 2020, the Airport's cash and cash equivalents of $1,194,699 decreased by $529,109 compared to $1,723,808 at December 31, 2019 due to expenditures on capital projects and current year bond issuances of $1,075,881 that were invested in the current year and operating activities of $117,793 and by investing activities of $433,940. Total cash and cash equivalents at December 31, 2020, were comprised of unrestricted and restricted cash and cash equivalents of $178,842 and $1,015,857, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of 2021 and 2020, the Airport had $10,146,677 and $9,690,107, respectively, invested in net capital assets. During 2021, the Airport had additions of $776,194 related to capital activities. This included construction for HVAC system upgrades, Central Deicing Pad, concourse improvement, Consolidated Rental Car Facility (CONRAC)/Parking, Airport Transit System (ATS) rail, terminal improvements, runway and taxiway improvements.

During 2021, completed projects totaling $1,149,522 were transferred from construction in progress to applicable buildings and other facilities capital accounts. These major completed projects were related to the relocation of airline facilities, Central Deicing Pad, CONRAC/Parking, Fuel Line Relocation, terminal improvements, and runway and taxiway improvements.

The Airport's capital assets at December 31, 2021, 2020, and 2019 are summarized as follows (dollars in thousands):

	Capital Assets at Year-End		
	2021	**2020**	**2019**
Capital assets not depreciated:			
Land	$ 892,998	$ 892,248	$ 892,248
Construction in progress	1,486,485	1,860,563	1,256,131
Total capital assets not depreciated	2,379,483	2,752,811	2,148,379
Capital assets depreciated:			
Buildings and other facilities	12,449,216	11,324,632	11,033,354
Less accumulated depreciation for:			
Buildings and other facilities	(4,682,022)	(4,387,336)	(4,101,384)
Total capital assets depreciated—net	7,767,194	6,937,296	6,931,970
Total property and facilities—net	$ 10,146,677	$ 9,690,107	$ 9,080,349

The Airport's capital activities are funded through Airport revenue bonds, federal and state grants, PFC revenue and CFC revenue. Additional information on the Airport's capital assets is presented in Note 5 of the notes to the basic financial statements.

During 2021, the Airport drew $71.1 million of its revolving line of credit to finance certain capital projects at the O'Hare.

The Airport's outstanding debt at December 31, 2021, 2020, and 2019 is summarized as follows (dollars in thousands):

	Outstanding Debt at Year-End		
	2021	**2020**	**2019**
Revenue bonds, notes and TIFIA Loan	$ 9,486,016	$ 9,609,566	$ 10,047,551
Unamortized—			
Bond premium	569,446	620,589	559,884
Total outstanding debt—net	10,055,462	10,230,155	10,607,435
Current portion	(99,825)	(194,650)	(276,715)
Total long-term revenue bonds and notes payable—net	$ 9,955,637	$ 10,035,505	$ 10,330,720

Additional information on the Airport's long-term debt is presented in Note 4 of the notes to basic financial statements, and the Statistical Information section of this report.

The Airport's revenue bonds at December 31, 2021, had credit ratings with each of the four major rating agencies as follows:

	Moody's Investor Services	Standard & Poor's	Fitch Ratings	Kroll Ratings
Senior Lien General Airport Revenue Bonds	A2	A	A	A+
PFC Revenue Bonds	A2	A	A	NR
CFC Revenue Bonds	Baa1	BBB	NR	NR

At December 31, 2021 and 2020 the Airport believes it was in compliance with the debt covenants as stated within the Master Trust Indentures.

In November 2021, Moody's Investor's Service changed the outlook for the Chicago O'Hare Airport Senior Lien Revenue Bonds and Passenger Facility Charge Revenue Bonds from Negative to Stable. See Subsequent Events in the footnotes for rating changes in 2022.

ECONOMIC FACTORS AND NEXT YEAR RATES AND CHARGES

In 2021, despite the impact of the COVID-19 pandemic on travel and tourism, the Airport was ranked as the second busiest airport in the world, measured in terms of total aircraft operations, fourth in the United States in terms of total passengers, and seventh in the United States in terms of cargo. The Airport had 26.9 million and 15.4 million enplaned passengers in 2021 and 2020, respectively. The strong origin-destination passenger demand and the Airport's central geographical location near the center of the United

States and along the most heavily traveled east/west air routes make the Airport a natural hub location, which has been beneficial as the Airport is recovering from the COVID-19 pandemic.

United Airlines and American Airlines each use the Airport as one of their major hubs. United Airlines (including its regional affiliates) comprised 42.9% of the Airport's enplaned passengers in 2021 and 44.0% of the enplaned passengers in 2020, while American Airlines (including its regional affiliates) comprised 37.8% of the Airport's enplaned passengers in 2021 and 36.7% of the enplaned passengers in 2020.

Based on the Airport's rates and charges for fiscal year 2022, total budgeted Operating and Maintenance Expenses (including Allowable Airline Liaison Office Expenses) are projected at $663,012 and total Capital Costs (including net debt service, coverage requirements, program fees and pre-approved allowances) and fund deposit requirements, are projected at $637,964. Additionally, 2022 nonairline revenues and credits are budgeted at $396,927, including $160,950 related to the application of the CRRSA Act and ARP Act funds either as a reduction to Operating and Maintenance Expenses or to supplement impacts to revenue, which were allocated to the Airport by the FAA, as discussed in the MD&A, resulting in a net airline requirement of $904,049 that will be funded through landing fees, terminal area use charges, common use and joint use charges.

As discussed previously in the MD&A, airports in the United States have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. The outbreak has adversely affected domestic and international travel and travel-related industries. Airlines are reporting unprecedented downturns in passenger volumes and have experienced reduced levels of passenger volumes which, in turn, has resulted in a significant reduction in scheduled service. The Airport expects the CRRSA Act and ARP Act funding to improve its liquidity and strengthen its ability to withstand expected decreases in revenues during Fiscal Year 2022 that it anticipates as a result of the current and ongoing effects of the COVID-19 pandemic.

REQUESTS FOR INFORMATION

This financial report is designed to provide the reader with a general overview of the Airport's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Chicago Department of Finance.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF NET POSITION
AS OF DECEMBER 31, 2021 AND 2020
(Dollars in thousands)

ASSETS	2021	2020
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$ 206,398	$ 178,842
Investments (Note 2)	86,088	26,950
Accounts receivable—net of allowance for doubtful accounts of approximately $15,687 in 2021 and $2,918 in 2020	73,143	86,147
Due from other City funds	56,963	53,531
Prepaid expenses	3,017	3,176
Interest receivable	463	256
Cash and cash equivalents (Note 2)—restricted	622,807	733,888
Prepaid expenses—restricted	6,765	7,333
Total current assets	1,055,644	1,090,123
NONCURRENT ASSETS:		
Cash and cash equivalents (Note 2)—restricted	16,750	281,969
Investments (Note 2)—restricted	1,978,643	2,310,491
Passenger facility charges and other receivables—restricted	20,779	8,190
Interest receivable—restricted	4,117	4,204
Prepaid expenses—restricted	25,077	30,429
Due from other governments—restricted	58,540	37,191
Other assets	3,317	3,465
Property and facilities (Note 5):		
Land	892,998	892,248
Buildings and other facilities	12,449,216	11,324,632
Construction in progress	1,486,485	1,860,563
Total property and facilities	14,828,699	14,077,443
Less accumulated depreciation	(4,682,022)	(4,387,336)
Property and facilities—net	10,146,677	9,690,107
Total noncurrent assets	12,253,900	12,366,046
Total assets	13,309,544	13,456,169
DEFERRED OUTFLOWS (Note 10)	213,352	265,768
TOTAL ASSETS AND DEFERRED OUTFLOWS	$13,522,896	$13,721,937

LIABILITIES	2021	2020
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 114,572	$ 83,020
Due to other City funds	18,660	8,811
Advances for terminal and hangar rent	26,187	12,571
Billings over amounts earned	63,312	113,223
Liabilities payable from restricted assets:		
Accounts payable	284,290	307,145
Current portion of revenue bonds and notes payable (Note 4)	99,825	194,650
Interest payable	223,383	216,783
Advance from Federal	15,310	15,310
Total current liabilities	845,539	951,513
NONCURRENT LIABILITIES:		
Revenue bonds payable—net of premium (Note 4)	9,605,781	9,756,749
Net pension liability (Note 7)	1,569,968	1,561,455
Line of credit payable	71,100	-
TIFIA loan	278,756	278,756
Total noncurrent liabilities	11,525,605	11,596,960
Total liabilities	12,371,144	12,548,473
DEFERRED INFLOWS (Note 10)	73,669	137,174
NET POSITION (Note 1):		
Net investment in capital assets	1,301,406	1,437,834
Restricted net position (Note 1):		
Debt service	16,628	16,129
Capital projects	203,550	183,442
Passenger facility charges	248,910	237,386
Airline use agreement	361,146	333,671
Airport general fund (Note 3)	214,539	187,387
Customer facility charge	42,371	22,460
Other assets*	36,048	51,389
Total restricted net position	1,123,192	1,031,864
Unrestricted Net Position (Deficit)	(1,346,515)	(1,433,408)
Total net position	1,078,083	1,036,290
TOTAL	$13,522,896	$13,721,937

* Other assets includes Aeronautical Estate Fund and Commercial Real Estate Fund

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Dollars in thousands)

	2021	2020
OPERATING REVENUES:		
Landing fees and terminal area use charges	$ 815,953	$ 639,862
Rents, concessions, and other (Note 6)	296,612	247,385
Hilton revenues (Note 1)	32,587	18,365
Total operating revenues	1,145,152	905,612
OPERATING EXPENSES:		
Salaries and wages	219,922	222,855
Pension expense (Note 7)	62,448	45,419
Repairs and maintenance	170,176	144,975
Professional and engineering services	149,419	140,982
Other operating expenses	146,732	117,337
Hilton expenses (Note 1)	24,234	20,157
Total operating expenses before depreciation, amortization and capital asset disposals	772,931	691,725
Depreciation and amortization	314,122	292,212
Loss on capital asset disposal	4,754	-
Total operating expenses	1,091,807	983,937
OPERATING INCOME (LOSS)	53,345	(78,325)
NONOPERATING REVENUES (EXPENSES):		
Passenger facility charge revenue	110,689	61,279
Customer facility charge revenue	25,059	14,992
Passenger facility charge expenses	-	(21)
Other nonoperating revenue	21,024	9,320
Final settlement of 1983 Use and Lease Agreement (Note 1)	-	122,668
Noise mitigation costs	(3,804)	(5,872)
Costs of issuance	-	(9,333)
Investment (loss) income	(15,178)	45,054
Interest expense (Note 4)	(408,331)	(320,370)
Grant revenues (Note 1)	177,450	294,442
Total nonoperating (expenses) revenues	(93,091)	212,159
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(39,746)	133,834
CAPITAL GRANTS	81,539	151,284
CHANGE IN NET POSITION	41,793	285,118
TOTAL NET POSITION—Beginning of year	1,036,290	751,172
TOTAL NET POSITION—End of year	$1,078,083	$1,036,290

See notes to basic financial statements.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Dollars in thousands)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Landing fees and terminal area use charges	$ 789,656	$ 608,549
Rents, concessions, and other	332,205	249,860
Payments to vendors	(401,671)	(396,932)
Payments to employees	(207,999)	(208,837)
Transactions with other City funds—(used in)	(134,043)	(134,847)
Cash flows provided by operating activities	378,148	117,793
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from issuance of bonds	-	1,362,154
Proceeds from line of credit	71,100	-
Payments to line of credit	-	-
Proceeds from O'Hare 2010B Senior Lien Build America Bonds subsidy	18,896	6,294
Payments to refund bonds	-	(1,426,082)
Principal paid on bonds	(194,650)	(276,715)
Bond issuance and other related costs	-	(9,949)
Interest paid on bonds and note	(440,475)	(465,052)
Acquisition and construction of capital assets	(798,301)	(775,201)
Capital grants	60,190	124,626
Proceeds from CARES Act Funds	-	294,442
Customer facility charge revenue	25,059	14,992
Passenger facility charge revenue and other receipts	100,216	74,631
Passenger facility charge expenses	-	(21)
Cash flows (used in) capital and related financing activities	(1,157,965)	(1,075,881)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Proceeds from miscellaneous settlements and agreements	14	911
Proceeds from COVID-19 Relief Funds	177,450	-
Cash paid for noise mitigation program	(3,804)	(5,872)
Cash flows (used in) noncapital financing activities	173,660	(4,961)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sales (purchases) investments—net	237,726	414,386
Investment interest	19,687	19,554
Cash flows provided by investing activities	257,413	433,940
NET CHANGE IN CASH AND CASH EQUIVALENTS	(348,744)	(529,109)
CASH AND CASH EQUIVALENTS—Beginning of year	1,194,699	1,723,808
CASH AND CASH EQUIVALENTS—End of year	$ 845,955	$ 1,194,699

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Dollars in thousands)

	2021	2020
RECONCILIATION TO CASH AND CASH EQUIVALENTS REPORTED ON THE STATEMENTS OF NET ASSETS:		
Unrestricted	$ 206,398	$ 178,842
Restricted:		
Current	622,807	733,888
Noncurrent	16,750	281,969
TOTAL	$ 845,955	$ 1,194,699
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	$ 53,345	$ (78,325)
Adjustments to reconcile:		
Depreciation, amortization and loss on capital asset disposals	318,876	292,212
Pension expense other than contribution	(14,829)	(25,625)
Changes in assets and liabilities:		
Accounts receivable	13,004	(8,110)
Due from other City funds	(3,433)	(7,557)
Prepaid expenses	6,079	(10,295)
Accounts payable	31,552	(9,277)
Due to other City funds	9,849	3,863
Prepaid terminal rent	13,616	(2,885)
Billings over amounts billed	(49,911)	(36,208)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	$ 378,148	$ 117,793

SUPPLEMENTAL DISCLOSURE OF NONCASH ITEMS:
Property additions in 2021 and 2020 of $273,881 and $285,095, respectively, are included in accounts payable.
The fair value adjustments gain (loss) to investments for 2021 and 2020 were $16,503 and $18,300, respectively.

See notes to basic financial statements. (Concluded)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization—Chicago O’Hare International Airport (the “Airport” or “O’Hare”) is operated by the City of Chicago Illinois (the “City”) Department of Aviation. The Airport is included in the City’s reporting entity as an enterprise fund. The City is a member of the Chicago-Gary Regional Airport Authority, which was created in 1995 to address the air transportation needs of the Chicago-Northwest Indiana Region. The Airline Use and Lease Agreement (“AULA”) authorized by City Council that includes the provisions regarding rates and charges became effective on July 1, 2018. The AULA expiration date is December 31, 2033.

The basic financial statements of the Airport includes the Hilton O’Hare hotel. The Airport has entered into a 10-year operating lease agreement with Hilton Management, LLC for hotel operations and Hyde Park Hospitality, LLC for food and beverage operations.

Basis of Accounting and Measurement Focus—The accounting policies of the Airport are based upon accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The accounts of the Airport are reported using the flow of economic resources measurement focus.

The Airport uses the accrual basis of accounting, under which revenues are recognized when earned and expenses are recognized when incurred.

Annual Appropriated Budget—The Airport has a legally adopted annual budget, which is not required to be reported.

Management’s Use of Estimates—The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

Cash, Cash equivalents, and Investments—Cash, cash equivalents, and investments generally are held with the City treasurer as required by the Municipal Code of Chicago (the “Code”). Interest earned on pooled investments is allocated to participating funds based upon their average combined cash and investment balances. Due to contractual agreements or legal restrictions, the cash and investments of certain funds are segregated and earn and receive interest directly.

The Code permits deposits only to City Council-approved depositories, which must be regularly organized state or national banks and federal or state savings and loan associations, located within the City, whose deposits are federally insured.

Investments are limited to those authorized by the Code. Investments authorized by the Code include, but are not limited to, interest-bearing general obligations of the City, the State of Illinois (the “State”), and the U.S. government; U.S. Treasury bills and other non-interest-bearing general obligations of the U.S. government purchased in the open market below face value; commercial paper; domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; and tax anticipation warrants issued by the City (see Note 2). The City is prohibited by ordinance from investing in derivative instruments, as defined, without City Council approval.

The Airport values its investments at fair value or amortized cost as applicable. U.S. government securities and commercial paper purchased at a price other than par with a maturity of less than one year are reported at amortized cost.

Repurchase agreements can be purchased only from banks and certain other institutions authorized to do business in the State. The City Treasurer requires that securities pledged to secure these agreements have a fair value equal to the cost of the repurchase agreements plus accrued interest.

Investments, generally, do not have a maturity in excess of 30 years from the date of purchase. Certain other investment balances are held in accordance with the specific provisions of the applicable bond ordinances.

Cash equivalents include investments with maturities of three months or less when purchased.

Accounts Receivable Allowance—Management has provided an allowance for amounts recorded at year-end, which may be uncollectible.

Due from other Governments—These are receivables due from federal and state agencies, related to grants receivable. These funds are for reimbursement of capital improvements under the Airport Improvement Program.

Transactions with the City—The City’s general fund provides services to the Airport. The amounts allocated to the Airport for these services are treated as operating expenses by the Airport and consist mainly of employee benefits, self-insured risks, and administrative expenses.

Property and Facilities—Property and facilities are recorded at cost or, for donated assets, donated works of art and similar items, and capital assets received in a consortium arrangement at acquisition value. Expenditures greater than $5,000 for the acquisition, construction, or equipping of capital projects, together with related design, architectural, and engineering fees, are capitalized. Expenditures for vehicles and other movable equipment are expensed as incurred. Losses on capital assets disposal are classified as operating expenses as the disposals create operational efficiencies, such as decommissioning cross-field runways to construct parallel runways for simultaneous use of multiple runways.

Depreciation and amortization are provided using the straight-line method and begin in the year following the year of acquisition or completion. Estimated useful lives are as follows:

Runways, aprons, tunnels, taxiways, and paved roads	30 years
Water drainage and sewer system	20–50 years
Refrigeration and heating systems	30 years
Buildings	40 years
Building/land improvements	8–40 years
Electrical system	15–20 years
Other	3–30 years

Deferred Outflows—Deferred outflows represent unamortized loss on bond refundings and differences between estimated and actual investment earnings related to pensions, and changes in actuarial assumptions related to pensions.

Debt—Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include leases, except for contracts reported as financed purchase of the underlying asset, or accounts payable.

Deferred Inflows—Deferred inflows represent the differences between projected and actual actuarial experience and changes in assumptions related to pensions.

Net Position—Net position comprises the net earnings from operating and nonoperating revenues, expenses, and capital grants. Net position is displayed in three components—net investment in capital assets; restricted for debt service, capital projects, PFCs, airline use agreement and airport general fund, CFCs, and other assets; and unrestricted. Net investment in capital assets consists of all capital assets, net of accumulated depreciation, and reduced by outstanding debt, net of debt service reserve and unspent proceeds. Restricted net position consists of net position on which constraints are placed by external parties (such as lenders and grantors), laws, regulations and enabling legislation. Unrestricted net position consists of all other net position not categorized as either of the above.

Employee Benefits—Employee benefits are granted for vacation and sick leave, workers' compensation, and health care. Specified unused vacation leave is accrued and may be carried over for one year. Sick leave is accumulated at the rate of one day for each month worked, up to a maximum of 200 days. Severance of employment terminates all rights to receive compensation for any unused sick leave. Sick leave pay is not accrued. Employee benefit claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities. The Airport maintains insurance from a commercial carrier for workers' compensation claims. Settlements in each of the past two years have been less than insurance coverage maintained.

Employees are eligible to defer a portion of their salaries until future years under the City's deferred compensation plan created in accordance with Internal Revenue Code Section 457. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is administered by third-party administrators who maintain the investment portfolio. The plan's assets have been placed in trust accounts with the plan administrators for the exclusive benefit of participants and their beneficiaries and are not considered assets of the City.

The City is subject to the State of Illinois Unemployment Compensation Act and has elected the reimbursing employer option for providing unemployment insurance benefits for eligible former employees. Under this option, the City reimburses the State for claims paid by the State.

Bond Insurance Costs, and Bond Premiums, and Discounts—Bond insurance costs and bond premiums and discounts are deferred and amortized over the term of the related debt. Other debt issuance costs are expenses in the period incurred.

Capitalized Interest—The Airport prospectively adopted GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89") as of January 1, 2021. Prior to the adoption of GASB 89, interest expense was capitalized during construction of those capital projects that were paid for from the bond proceeds and were being amortized over the depreciable life of the related assets on a straight-line basis. Subsequent to the adoption of GASB 89, interest expense on construction bond proceeds was expensed as incurred.

Capital Grants—The Airport reports capital grants as revenue on the statements of revenues, expenses, and changes in net position. Capital grants are on a reimbursement basis and revenues are recognized when associated capital expenditures become eligible and are spent for grant reimbursement.

Noise Mitigation Costs—Funds expended for the noise mitigation program are recorded as nonoperating expenses in the period they are incurred.

Revenue Recognition—Revenues from landing fees, terminal area use charges, fueling system charges, aeronautical real estate revenue, parking revenue, hotel revenue and concessions are reported as operating revenues. The Airport adheres to the guidelines outlined in the FAA revenue use policy. Landing fees, terminal area use charges, and fueling system charges are assessed to the various airlines throughout each fiscal year based on estimated rates. Such rates are designed to yield collections from airlines adequate to cover certain expenses and required debt service and fund deposits as determined under provisions of the AULA. As noted above, in 2018, the City Council approved the new AULA for airlines operating at O'Hare. Provisions regarding rates and charges became effective on July 1, 2018. The structure of rates and charges was updated to better align costs to airlines based on their preferential versus common use status. Incremental amounts due from the airlines arise when amounts assessed, based on the estimated rates used during the year, are less than actual expenses and required deposits for the year. Such incremental amounts due from airlines are included in amounts to be billed. Incremental amounts due to the airlines arise when amounts assessed, based on the estimated rates used during the year, exceed actual expenses and required deposits for the year. Such incremental amounts due to airlines are included in billings over amounts earned. In addition, the revenues earned by the Hilton O'Hare are included in the financials, as Hilton O'Hare was transferred back to the Airport on January 1, 2019.

Passenger Facility Charge (PFC) Revenue—The Airport imposed PFCs of $4.50 per eligible enplaned passenger for the years ended December 31, 2021 and 2020, respectively. PFCs are available, subject to Federal Aviation Administration regulation and approval, to finance specific eligible capital projects. The City reports PFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

Customer Facility Charge (CFC) Revenue—The Airport imposed a CFC of $8.00 per contract day on each customer for motor vehicle rentals at the Airport for the years ended December 31, 2021 and 2020, respectively. CFCs are available to finance specific eligible capital projects. The City reports CFC revenue as nonoperating revenue and related noncapital expenses as nonoperating expenses in conformity with industry practice.

Grants and Federal Reimbursements—Grants and Federal reimbursements are recorded as revenue in the accounting period in which eligibility requirements have been met to receive reimbursement of federal funds.

The Coronavirus Response and Relief Supplemental Appropriations ("CRRSA") Act Funds and the American Rescue Plan ("ARP") Act funds approved by the United States Congress and signed by the President in 2021, are actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid for airports. The Airport is eligible to receive $60.1 million of CRRSAA Act funds and drew down $60.1 million of cash in 2021, and $8.8 million of CRRSA Act funds allocated to Concessions Relief of which $8.8 million of reimbursement was requested for 2021. The Airport is eligible to receive $253.6 million of ARP Act funds and drew down $61.5 million of cash in 2021, and $35.0 million of ARP Act funds allocated to Concessions Relief during 2021, which will be drawn down during 2022-2024.

Expenses—Salaries and wages, pension expense, repair and maintenance, professional and engineering services, hotel expenses and other expenses that relate to Airport operations are reported as operating expenses. Interest expense, PFC expenses, financing costs, and noise mitigation costs are reported as nonoperating expenses.

Adopted Accounting Standards—

GASB Statement	Impact
GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* (“GASB 89”)	Establishes accounting requirements for interest cost incurred before the end of a construction period. The Airport adopted GASB 89 as of and for the year ended December 31, 2021. There was no material impact to the basic financial statements upon adoption.
GASB Statement No. 92, *Omnibus 2020* (“GASB 92”)	Clarifies multiple financial reporting topics included in multiple GASB statements. The Airport adopted GASB 92 as of and for the year ended December 31, 2021. There was no material impact to the basic financial statements upon adoption.
GASB Statement No. 99, *Omnibus 2022* (“GASB 99”)	Clarifies multiple financial reporting topics included in multiple GASB statements. Certain portions of the statement are effective and implemented for the year ended December 31, 2021, including: extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. There was no material impact to the basic financial statements upon adoption. The remainder of the statement is applicable to the years ended December 31, 2023, and December 31, 2024, as noted below.

Upcoming Accounting Standards—GASB has issued the following pronouncements that may affect the future financial position, results of operations, cash flows, or financial presentation of the Airport upon implementation. Management has not yet evaluated the effect of implementation of these standards.

GASB Accounting Standard	Required Year of Adoption
GASB Statement No. 87, *Leases* ("GASB 87")	2022
GASB Statement No. 91, *Conduit Debt Obligations* ("GASB 91")	2022
GASB Statement No. 93, *Replacement of Interbank Offered Rates* ("GASB 93")	2022
GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* ("GASB 94")	2023
GASB Statement No. 96, *Subscription-based Information Technology Arrangements* ("GASB 96")	2023
GASB Statement No. 97 , *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* ("GASB 97")—Remaining provisions	2022
GASB Statement No. 99, *Omnibus 2022*("GASB 99")—Remaining provisions	2023 & 2024
GASB Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*	2024
GASB Statement No. 101, *Compensated Absences*	2024

2. RESTRICTED AND UNRESTRICTED CASH EQUIVALENTS AND INVESTMENTS

Cash Equivalents and Investments—The Airport had investments as of December 31, 2021, as follows (dollars in thousands):

	Maturities (in Years)				
Investment Type	**Less than 1**	**1–5**	**6–10**	**More than 10**	**Fair Value**
US agencies	$ 1,699	$ 925,408	$ 42,845	$ -	$ 969,952
US treasuries	-	-	-	-	-
Commercial paper	681,107	-	-	-	681,107
Corporate bonds	41,552	238,628	81,153	-	361,333
Municipal bonds	6,538	92,998	23,879	21,020	144,435
Money market funds	671,243	-	-	-	671,243
Subtotal	$ 1,402,139	$ 1,257,034	$ 147,877	$ 21,020	$ 2,828,070

The Airport had investments as of December 31, 2020, as follows (dollars in thousands):

Investment Type	Maturities (in Years) Less than 1	1–5	6–10	More than 10	Fair Value
US agencies	$ 39,946	$ 861,696	$ -	$ -	$ 901,642
US treasuries	-	-	-	-	
Commercial paper	1,531,097	-	-	-	1,531,097
Corporate bonds	2,524	81,383	54,906	39,690	178,503
Municipal bonds	41,640	117,365	-	55,241	214,246
Certificates of deposits and other short term	684,314	-	-	-	684,314
Subtotal	$ 2,299,521	$ 1,060,444	$ 54,906	$ 94,931	$ 3,509,802

US agencies include investments in government-sponsored enterprises, such as Federal National Mortgage Association, Federal Home Loan Banks, and Federal Home Loan Mortgage Corp.

Investments Fair Value Measurements—The City categorizes the fair value measurements of its investments based the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation techniques used to measure fair value.

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets

Level 2—Observable inputs other than quoted market prices, and

Level 3—Unobservable Inputs

The investments measured at fair value as of December 31, 2021 and 2020, were (dollars in thousands):

	2021			2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
US agencies	$ -	$ 968,251	$ -	$ -	$ 896,642	$ -
Commercial paper	-	-	-	-	-	-
Corporate bonds	-	340,926	-	-	178,502	-
Municipal bonds	-	144,436	-	-	205,562	-
Total investments at fair value	$ -	$ 1,453,613	-	$ -	$ 1,280,706	$ -

Investments that are valued through other observable inputs (Level 2), are valued using methods that include, but are not limited to, model processes, benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing.

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than the external investment pools are measured at amortized cost and are not reflected in the table above. The total of these investments at amortized cost for O'Hare are $1.374 billion and $2.229 billion as of December 31, 2021 and 2020, respectively.

Interest Rate Risk—As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy requires that investments generally may not have a maturity date in excess of 30 years from the date of purchase. Certain other investments are held in accordance with the specific provisions of applicable ordinances.

Credit Risk—With regard to credit risk, the Code limits the investments in securities to:

(1) Interest-bearing general obligations of the United States and the State of Illinois;

(2) United States treasury bills and other non-interest-bearing general obligations of the United States or United States government agencies when offered for sale at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;

(3) Tax anticipation warrants, municipal bonds, notes, commercial paper or other instruments representing a debt obligation issued by the City of Chicago;

(4) Commercial paper which: (1) at the time of purchase, is rated in the two highest classifications by at least two accredited ratings agencies; and (2) matures not more than 270 days after the date of purchase;

(5) Reverse repurchase agreement if: (1) the term does not exceed 90 days; and (2) the maturity of the investment acquired with the proceeds of the reverse repurchase agreement does not exceed the expiration date of the reverse repurchase agreement; Reverse repurchase agreements may be transacted with primary dealers and financial institutions, provided that the City has on file a master repurchase agreement;

(6) Certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance; provided that any amount of the deposit in excess of the federal deposit insurance shall be collateralized as noted in Custodial Credit Risk—Cash and Certificates of Deposit below;

(7) Bankers' acceptance of banks whose senior obligations, at the time of purchase, are rated in either the AAA or AA rating categories by at least two accredited ratings agencies;

(8) Tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;

(9) Domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission; provided that such money market mutual funds' portfolios are limited to investments authorized by this section;

(10) Any other suitable investment instrument permitted by state laws governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds;

(11) Except where otherwise restricted or prohibited, a non-interest-bearing savings account, non-interest-bearing checking account or other non-interest-bearing demand account established in a national or state bank, or a federal or state savings and loan association, when, in the determination of the treasurer, the placement of such funds in the non-interest-bearing account is used as compensating balances to offset fees associated with that account that will result in cost savings to the City;

(12) Bonds of companies organized in the United States with assets exceeding $500 million that, at the time of purchase, are rated not less than two ratings above investment grade, or equivalent rating, by at least two accredited ratings agencies;

(13) Debt instruments of international financial institutions, including but not limited to the World Bank and the International Monetary Fund, that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating, or equivalent rating. The maturity of investments authorized in this subsection shall not exceed 10 years. For purposes of this subsection, an “international financial institution” means a financial institution that has been established or chartered by more than one country and the owners or shareholders are generally national governments or other international institutions such as the United Nations;

(14) United States dollar denominated debt instruments of foreign sovereignties that, at the time of purchase, are rated within 4 intermediate credit ratings of the United States sovereign credit rating by at least two accredited ratings agencies, but not less than an A-rating or equivalent rating;

(15) Interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois, of any other state, or of any political subdivision or agency of the State of Illinois or of any other state, whether the interest earned thereon is taxable or tax-exempt under federal law. The bonds shall be registered in the name of the city or held under a custodial agreement at a bank. The bonds shall be rated, at the time of purchase, not less than A-, or equivalent rating, by at least two accredited rating agencies with nationally recognized expertise in rating bonds of states and their political subdivisions;

(16) Bonds registered and regulated by the Securities and Exchange Commission and for which the full faith and credit of the State of Israel is pledged for payment; provided that the bonds have an A-rating or above or equivalent rating by at least two accredited ratings agencies;

(17) Bonds, notes, debentures, or other similar obligations of agencies of the United States.

Total holdings across all funds held by the Airport shall have no less than an overall average rating. The Airport's exposure to credit risk as of December 31, 2021 and 2020, is as follows (dollars in thousands):

Quality Rating	**2021**	**2020**
Moody's/S & P:		
AAA *	$ 1,805,741	$ 1,676,932
AA	178,105	249,399
A	51,951	25,287
A1	626,819	1,526,104
A2	54,288	4,993
BBB	111,166	22,097
Not rated *	-	4,990
Total funds	$ 2,828,070	$ 3,509,802

* The Airport was able to obtain quality ratings for a portion of money market mutual funds as of December 31, 2021 and 2020. The remaining investments that are not rated are primarily composed of money market mutual funds.

Custodial Credit Risk—Cash and Certificates of Deposit—This is the risk that in the event of a bank failure, the City's Deposits may not be returned. The City's Investment Policy states that in order to protect the City public fund deposits, depository institutions are to maintain collateral pledges on City deposits and certificates of deposit during the term of the deposit.

For certificates of deposit of banks or savings and loan associations designated as municipal depositories which are insured by federal deposit insurance, any amount of the deposit in excess of the federal deposit insurance shall be either: (1) fully collateralized at least 100% by: (i) marketable U.S. government securities marked to market at least monthly; (ii) bonds, notes, or other securities constituting the direct and general obligation of any agency or instrumentality of the United States; or (iii) bonds, notes or other securities constituting a direct and general obligation of any county, township, city, village, incorporated town, municipal corporation, or school district, of the State of Illinois or of any other state, or of any political subdivision or agency of the State of Illinois or any other state which are rated in either the AAA or AA rating categories by at least two accredited ratings agencies and maintaining such rating during the term of such investments; (2) secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment; or (3) fully collateralized at least 102% by an irrevocable letter of credit issued in favor of the City of Chicago by the Federal Home Loan Bank, provided that the Federal Home Loan Bank's short-term debt obligations are rated in the highest rating category by at least one accredited ratings agency throughout the term of the certificate of deposit.

The collateral required to secure City funds must be held in safekeeping and pursuant to collateral agreements which would prohibit release or substitution of pledged assets without proper written notification and authorization of the City Treasurer. The final maturity of acceptable collateral pledged shall not exceed 120 months.

The bank balance of cash and certificates of deposit with the City's various municipal depositories was $107.1 million. 96.6 % of the bank balance was either insured or collateralized with securities held by City agents in the City's name. $3.6 million was uncollateralized at December 31, 2021 and thus was subject to custodial credit risk.

Custodial Credit Risk—Investments—For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City has no custodial credit risk exposure because investment securities are insured, registered and held by the City.

The investments reported in the basic financial statements as of December 31, 2021 and 2020, is as follows (dollars in thousands):

	2021	2020
Per Note 2—Investments—airport	$ 2,828,070	$ 3,509,802
Per financial statements:		
Restricted investments	$ 1,978,643	$ 2,310,491
Unrestricted investments	86,088	26,950
Investments classified as cash and cash equivalents on the statements of net position	763,339	1,172,361
	$ 2,828,070	$ 3,509,802

3. RESTRICTED ASSETS

The General Airport Revenue Bond Ordinance ("Bond Ordinance"), the Master Indenture of Trust Securing Chicago-O'Hare International Airport Second Lien Obligations ("Second Lien Indenture"), the Master Indenture of Trust Securing Chicago-O'Hare International Airport Third Lien Obligations ("Third Lien Indenture"), the Use Agreement, and federal regulations contain various limitations and restrictions which, among other things, require the creation and maintenance of separate accounts, certain of which must be held by a trustee and into which required deposits are made by the Airport on a periodic basis to fund construction, debt retirement, operation and maintenance, and contingencies.

Restricted cash, cash equivalents, and investment balances in accordance with the Bond Ordinance, the Second Lien Indenture, and the Third Lien Indenture requirements are as follows (dollars in thousands):

Account	**2021**	**2020**
Construction	$ 553,402	$ 1,190,513
Capitalized interest	34,402	64,771
Debt service reserve	783,130	782,530
Debt service interest	302,430	385,984
Debt service principal	35,310	40,494
Operation and maintenance reserve	133,390	145,268
Maintenance reserve	3,000	3,000
Supplemental operation and maintenance reserve	42,891	41,837
Customer Facility Charge	44,595	32,289
Airport General Fund	219,679	195,042
Aeronautical Real Estate Fund	128,794	92,389
Commercial Real Estate Fund	41,100	38,157
Pre-Approved Allowances Fund	19,722	26,416
Other funds	48,126	58,816
Subtotal—Bond Ordinance, Master Indenture Accounts	2,389,971	3,097,506
Passenger Facility Charge	228,229	228,842
Total	$ 2,618,200	$ 3,326,348

Construction and capitalized interest accounts are restricted for authorized capital improvements and payment of interest costs during construction.

The debt service reserve account is restricted to the payment of debt service in the event that the balance in the debt service account is insufficient.

The debt service principal and interest accounts are restricted to the payment of bond principal and interest.

The operation and maintenance reserve account is restricted to make loans to the operation and maintenance account, as needed, which are to be repaid as funds become available. The maintenance reserve account is restricted to extraordinary maintenance expenditures.

The City has entered into arbitrage agreements under which the City has agreed to comply with certain requirements of the Internal Revenue Code of 1986, as amended, in order to maintain the exclusion of the interest on the bonds from the gross income of the recipients thereof for federal income tax purposes. The rebate account relating to each series of the bonds has been established to account for any liability of the City to make arbitrage rebate payments to the federal government relating to such series of bonds.

The Airport General Fund is restricted and may be used by the Airport for any lawful Airport purpose. Pursuant to section 301 in the O’Hare 2018 Master Indenture, the Special Capital Projects Fund and the Airport Development Fund are discontinued. The monies held in the Special Capital Projects Fund and the Airport Development Fund have been transferred to the Airport General Fund.

Other funds include the federal and state grant funds and the special capital projects fund. The Passenger Facility Charge account is restricted to fund eligible and approved PFC projects.

The Aeronautical Real Estate Fund is restricted and may be used by the Airports for the parcels and other areas of the Airport where aviation support, cargo, hangar and maintenance activities occur, including all roads and facilities serving such areas and associated air rights.

The Commercial Real Estate Fund is restricted and may be used by the Airport for the parcels and other areas of the Airport where commercial non-aeronautical activities such as hotel, office, non-terminal retail, public vehicle fueling and charging stations not otherwise located in facilities included in the Parking and Ground Transportation Cost Center, and other real estate development occur, including all roads, utilities and facilities serving such areas and associated air rights.

The Customer Facility Charge account is restricted to fund eligible and approved CFC projects.

At December 31, 2021 and 2020, the Airport believes it was in compliance with the funding requirements and restrictions as stated in the Bond Ordinance and Master Indenture.

4. LONG-TERM DEBT

Long Term Debt—Long-term debt at December 31, 2021 and 2020, consisted of the following (dollars in thousands):

	2021	2020
Senior lien bonds (formerly third lien):		
$21,000 Series 2004 F third lien revenue refunding bonds issued December 2, 2004, due through 2023; interest at 5.35%	$ 10,680	$ 10,680
$578,000 Series 2010 B third lien revenue bonds issued April 29, 2010, due through 2040; interest at 6.145%–6.845%	328,000	328,000
$295,920 Series 2011 B third lien revenue bonds issued May 5, 2011, due through 2041; interest at 3.00%–6.00%	-	21,925
$336,350 Series 2013 A senior lien revenue refunding bonds issued October 17, 2013, due through 2026; interest at 2.00%–5.00%	116,480	157,040
$165,435 Series 2013 B senior lien revenue refunding bonds issued October 17, 2013 due through 2029; interest at 2.00%–5.25%	119,270	125,535
$98,375 Series 2013 C senior lien revenue bonds issued October 17, 2013 due through 2044; interest at 5.00%–5.50%	88,660	90,695
$297,745 Series 2013 D senior lien revenue bonds issued October 17, 2013 due through 2044; interest at 3.00%–5.25%	267,765	274,025

(Continued)

	2021	2020
$428,640 Series 2015 A senior lien revenue refunding bonds issued October 15, 2015 due through 2037; interest at 2.00%–5.00%	$ 414,400	$ 414,400
$1,191,540 Series 2015 B senior lien revenue refunding bonds issued October 15, 2015 due through 2035; interest at 4.00%–5.00%	971,380	1,022,310
$195,690 Series 2015 C senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 3.625%–5.000%	191,765	195,690
$131,510 Series 2015 D senior lien revenue bonds issued October 15, 2015 due through 2046; interest at 4.000%–5.000%	126,005	128,690
$27,335 Series 2016 A senior lien revenue refunding bonds issued December 5, 2016 due through 2037; interest at 3.00%–5.00%	24,785	25,785
$461,945 Series 2016 B senior lien revenue refunding bonds issued December 5, 2016 due through 2041; interest at 4.00%–5.00%	279,190	281,195
$525,055 Series 2016 C senior lien revenue refunding bonds issued December 5, 2016 due through 2038; interest at 5.00%	464,985	482,125
$739,335 Series 2016 D senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 5.000%–5.250%	729,035	734,310
$156,575 Series 2016 E senior lien revenue bonds issued January 10, 2017 due through 2028; interest at 5.000%–5.250%	156,575	156,575
$156,090 Series 2016 F senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 2.000%–5.250%	148,075	150,175
$65,250 Series 2016 G senior lien revenue bonds issued January 10, 2017 due through 2052; interest at 5.000%–5.250%	64,370	64,820
$55,915 Series 2017 A senior lien revenue refunding bonds issued June 28, 2017 due through 2040; interest at 3.125%–5.000%	55,500	55,915
$356,385 Series 2017 B senior lien revenue refunding bonds issued June 28, 2017 due through 2039; interest at 5.000%	355,025	355,465
$122,120 Series 2017 C senior lien revenue refunding bonds issued June 28, 2017 due through 2041; interest at 4.000%–5.000%	121,455	121,690
$278,075 Series 2017 D senior lien revenue bonds issued June 28, 2017 due through 2052; interest at 5.000%	278,075	278,075
$600,785 Series 2018 A senior lien revenue refunding bonds issued December 12, 2018 due through 2053; interest at 4.000% to 5.000%	595,060	595,715
$612,095 Series 2018 B senior lien revenue bonds issued December 12, 2018 due through 2053; interest at 4.000% to 5.000%	612,095	612,095
$800,000 Series 2018 C senior lien revenue bonds issued December 12, 2018, due through 2054; interest at 4.472%–4.572%	800,000	800,000

(Continued)

	2021	2020
$494,360 Series 2020 A senior lien revenue refunding bonds issued October 7, 2020, due through 2040; interest at 4.000%–5.000%	$ 494,360	$ 494,360
$137,150 Series 2020 B senior lien revenue refunding bonds issued October 7, 2020, due through 2035; interest at 4.000%–5.000%	137,150	137,150
$59,865 Series 2020 C senior lien revenue refunding bonds issued October 7, 2020, due through 2039; interest at 4.000%	59,865	59,865
$465,785 Series 2020 D senior lien revenue refunding bonds issued October 7, 2020, due through 2038; interest at 0.959%–3.006%	465,785	465,785
$61,955 Series 2020 E senior lien revenue refunding bonds issued October 7, 2020, due through 2040; interest at 4.000%–5.000%	61,955	61,955
Subtotal—senior lien bonds	8,537,745	8,702,045
Passenger Facility Charge Revenue Bonds:		
$48,495 Series 2010 C Passenger Facility Charge Revenue Bonds issued May 27, 2010, due through 2031; interest at 5.272%–6.395%	41,290	44,265
$12,190 Series 2011 A Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2032; interest at 5.00%–5.625%	1,520	1,520
$33,815 Series 2011 B Passenger Facility Charge Revenue Refunding Bonds issued May 5, 2011, due through 2033; interest at 5.0%–6.0%	3,170	3,170
$114,855 Series 2012 A Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 3.0%–5.0%	91,145	97,280
$337,240 Series 2012 B Passenger Facility Charge Revenue Refunding Bonds issued September 12, 2012, due through 2032; interest at 2.5%–5.0%	232,865	248,670
Subtotal—Passenger Facility Charge Revenue Bonds	369,990	394,905
Customer Facility Charge Revenue Bonds—$248,750 Series 2013 A Senior Lien CFC Bonds issued August 22, 2013, due through 2043; interest at 3.0%–5.75%	228,425	233,860
Revolving Line of Credit - AMT variable rate at 0.49% at December 31, 2021	71,100	-
TIFIA Loan outstanding at December 31, 2018, due through 2052; interest at 3.86%	278,756	278,756
Total revenue bonds, notes and loan	9,486,016	9,609,566
Unamortized premium	569,446	620,589
	10,055,462	10,230,155
Current portion	(99,825)	(194,650)
Total long-term revenue bonds payable, line of credit payable & TIFIA loan payable	$ 9,955,637	$10,035,505

(Concluded)

Long-term debt during the years ended December 31, 2021 and 2020, changed as follows (dollars in thousands):

2021	Balance January 31	Additions	Reductions	Balance December 31	Due within One Year
Revenue bonds, notes, LOC & loan	$ 9,609,566	$ 71,100	$ (194,650)	$ 9,486,016	$ 99,825
Unamortized premium (discount)	620,589	-	(51,143)	569,446	-
Total long-term debt	$ 10,230,155	$ 71,100	$ (245,793)	$ 10,055,462	$ 99,825

2020	Balance January 31	Additions	Reductions	Balance December 31	Due within One Year
Revenue bonds, notes, LOC & loan	$ 10,047,551	$ 1,219,115	$ (1,657,100)	$ 9,609,566	$ 194,650
Unamortized premium (discount)	559,884	143,039	(82,334)	620,589	-
Total long-term debt	$ 10,607,435	$ 1,362,154	$ (1,739,434)	$ 10,230,155	$ 194,650

Interest expense includes amortization of the deferred loss on bond refunding for 2021 and 2020 of $12.3 million and $11.6 million, respectively, and amortization of $51.1 million of premium, net, and $49.1 million of premium, net, respectively.

Issuance of Debt—In December 2021, the Airport entered into a Revolving Line of Credit Agreement with Bank of America, N.A. that allows the City to draw on the line of credit in an aggregate amount not to exceed $300 million. In December 2021, the Airport drew $71.1 million from its line of credit to finance certain capital projects at O'Hare. As of December 31, 2021, O'Hare had unused line of credit of $228.9 million. The line of credit expires December 4, 2024.

In October 2020, the Airport sold $494.3 million of Chicago O'Hare International Airport Senior Lien Revenue Refunding Bonds, Series 2020 A (Non-AMT) at a premium of $89.8 million. The bonds have interest rates ranging from 4% to 5% and have maturity dates from January 1, 2028, through January 1, 2040. Certain net proceeds of $579.1 million together with $11.5 million transferred from the debt service and debt service reserve accounts were used to fully defease the Series 2005 C General Airport Revenue Bonds, Series 2005 D General Airport Revenue Bonds and Series 2010F General Airport Revenue Bonds ($336.6 million of principal and $1.5 million of interest) and partially defease the Series 2010B General Airport Revenue Bonds ($250.0 million of principal and $5.5 million of interest); and certain net proceeds of $5.0 million were used to pay the cost of issuance. The current refunding resulted in a difference between the acquisition price and the net carrying amount of $3.1 million that will be charged to the operations over 16 to 21 years using the straight-line method. The current refunding decreased the Airport's total debt service by $99.1 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payments) of $71.8 million.

In October 2020, the Airport sold $137.2 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2020 B (Non-AMT Private Activity) at a premium of $33.3 million. The bonds have interest rate ranging from 4% to 5% and have maturity dates from January 1, 2023, through

January 1, 2035. Certain of net proceeds of $169.5 million together with $4.8 transferred from the debt service and debt service reserve accounts were used to fully defease the Series 2010C General Airport Revenue Bonds ($171.4 million of principal and $2.9 million of interest); and certain of net proceeds of $1.0 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of $2.3 million that will be charged to the operations over 16 years using the straight-line method. The current refunding decreased the Airport's total debt service by $51.5 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payments) of $43.0 million.

In October 2020, the Airport sold $59.9 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2020 C (Non-AMT) at a premium of $8.4 million. The bonds have interest rate ranging at 4% and have maturity dates from January 1, 2034, through January 1, 2039. Certain of net proceeds of $67.6 million together with $6.5 transferred from the debt service and debt service reserve accounts were used to fully defease the Series 2011A General Airport Revenue Bonds ($72.1 million of principal and $2.0 million of interest); and certain net proceeds of $0.7 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of $2.2 million that will be charged to the operations over 20 years using the straight-line method. The current refunding decreased the Airport's total debt service by $38.2 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payments) of $25.4 million.

In October 2020, the Airport sold $465.8 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2020 D (Taxable) at a par The bonds have interest rate ranging from 0.959% to 3.006% and mandatory redemption maturity dates from January 1, 2023, through January 1, 2038. Certain of net proceeds of $462.4 million together with $47.0 transferred from the debt service and debt service reserve accounts were used to fully defease the Series 2012A&B General Airport Revenue Bonds ($353.4 million of principal and $24.1 million of interest) and partially defease the Series 2004F, 2013A, 2013B, 2013C, 2013D, 2015B, 2015D and 2016D General Airport Revenue Bonds ($123.6 million of principal and $ 8.3 million of interest); and certain net proceeds of $3.4 million were used to pay the cost of issuance of the bonds. The advance refunding resulted in a difference between the acquisition price and the net carrying amount of $10.0 million that will be charged to the operations over 4 to 19 years using the straight-line method. The advance refunding decreased the Airport's total debt service by $27.9 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payments) of $20.6 million.

In October 2020, the Airport sold $61.9 million of Chicago O'Hare International Airport Senior Lien Revenue Bonds, Series 2020 E (Non-AMT) at a premium of $11.6 million. The bonds have interest rate ranging from 4% to 5% and have maturity dates from January 1, 2030, through January 1, 2040 Certain of net proceeds of $66.2 million together with $11.4 transferred from the debt service, debt service reserve accounts and construction accounts were used to fully defease the Series 2010 A&B Passenger Facility Revenue Bonds ($76.3 million of principal and $1.3 million of interest); certain pf net proceeds of $6.6 million were used to pay the debt service reserve requirement and certain net proceeds of $0.7 million were used to pay the cost of issuance of the bonds. The current refunding resulted in a difference between the acquisition price and the net carrying amount of $0.9 million that will be charged to the operations over 11 to 21 years using the straight-line method. The current refunding decreased the Airport's total debt service by $24.6 million and resulted in an economic gain (difference between the present values of the old debt and the new debt service payments) of $18.5 million.

In August 2013, the City entered into a loan agreement with the United States Department of Transportation under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to fund a portion of Consolidated Rental Car Facility at O'Hare, additions, extensions and improvements to the Airport Transit System (ATS) including the purchase of new ATS vehicles and certain public parking facilities. The loan amount of $288.1 million is subordinate to the O'Hare Customer Facility Charge Senior Lien Revenue Bonds, Series 2013. The interest rate is 3.86% and the final maturity of the loan is January 1, 2052. There were $0 million and $0 million of loan disbursements made to the City in 2021 and 2020, respectively. The outstanding TIFIA loan as of December 31, 2021 and 2020, including, $6.9 million and $6.9 million, respectively, of accrued interest, were $278.8 million and $278.8 million, respectively.

Defeased Bonds—Defeased bonds have been removed from the balance sheet because the related assets have been placed in irrevocable trusts, together with interest earned thereon, will provide amount sufficient for payment of all principal and interest. Defeased bonds at December 31, 2021 are as follows (dollars in thousands):

	Defeased	**Outstanding**
Chicago O'Hare General Airport Revenue Bonds, Series 2004F	$ 7,250	$ -
Chicago O'Hare General Airport Revenue Bonds, Series 2011A	420,155	-
Chicago O'Hare General Airport Revenue Bonds, Series 2011B	121,905	-
Chicago O'Hare General Airport Revenue Bonds, Series 2011C	283,925	-
Chicago O'Hare General Airport Revenue Bonds, Series 2012A	167,435	155,740
Chicago O'Hare General Airport Revenue Bonds, Series 2012B	186,000	174,260
Chicago O'Hare General Airport Revenue Bonds, Series 2013A	32,845	32,845
Chicago O'Hare General Airport Revenue Bonds, Series 2013B	16,305	16,305
Chicago O'Hare General Airport Revenue Bonds, Series 2013C	2,135	2,135
Chicago O'Hare General Airport Revenue Bonds, Series 2013D	6,570	6,570
Chicago O'Hare General Airport Revenue Bonds, Series 2015B	53,490	53,490
Chicago O'Hare General Airport Revenue Bonds, Series 2015D	2,820	2,820
Chicago O'Hare General Airport Revenue Bonds, Series 2016B	2,105	2,105
Total	$ 1,302,940	$ 446,270

Debt Redemption—Following is a schedule of debt service requirements to maturity of the senior lien bonds. For issues with variable rates, interest is imputed at the effective rate as of December 31, 2021, as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2022	$ 67,960	$ 403,268	$ 471,228
2023	220,420	396,911	617,331
2024	258,510	386,566	645,076
2025	269,910	374,877	644,787
2026	277,720	362,615	640,335
2027–2031	1,491,980	1,610,761	3,102,741
2032–2036	1,856,910	1,214,648	3,071,558
2037–2041	1,582,675	781,272	2,363,947
2042–2046	774,190	502,477	1,276,667
2047–2051	1,069,915	283,479	1,353,394
2052–2054	667,555	56,573	724,128
Total	$ 8,537,745	$ 6,373,447	$ 14,911,192

The Airport's senior lien variable-rate bonds may bear interest from time to time at a flexible rate, a daily rate, a weekly rate, and an adjustable long rate or the fixed rate as determined from time to time by the remarketing agent in consultation with the City. The O'Hare 2005 C&D Senior Lien Bonds were in weekly interest rate mode as of December 31, 2020. Irrevocable letters of credit ($244.7 million) provide for the timely payment of principal and interest on the Series 2005 C&D bonds until May 20, 2021, and August 12, 2022. The O'Hare 2005 C&D Senior Lien Bonds were fully refunded on October 7, 2020. At December 31, 2021, there were no outstanding letter of credit advances.

The debt service requirements to maturity of the PFC Revenue Bonds as of December 31, 2021, is as follows (dollars in thousands):

Years Ending December 31	Principal	Interest	Total
2022	$ 26,165	$ 17,649	$ 43,814
2023	27,475	16,292	43,767
2024	28,880	14,855	43,735
2025	30,355	13,340	43,695
2026	31,905	11,742	43,647
2027–2031	183,820	34,068	217,888
2032–2033	41,390	1,231	42,621
Total	$ 369,990	$ 109,177	$ 479,167

The debt service requirements to maturity of the CFC Revenue Bonds as of December 31, 2021, is as follows (dollars in thousands):

Years Ending December 31	**Principal**	**Interest**	**Total**
2022	$ 5,700	$ 12,425	$ 18,125
2023	6,000	12,129	18,129
2024	6,295	11,818	18,113
2025	6,625	11,474	18,099
2026	6,980	11,102	18,082
2027–2031	40,870	49,459	90,329
2032–2036	52,745	37,168	89,913
2037–2041	69,545	19,858	89,403
2042–2043	33,665	1,935	35,600
Total	$ 228,425	$ 167,368	$ 395,793

The debt service requirements to maturity of the TIFIA Loan as of December 31, 2021, is as follows (dollars in thousands):

Years Ending December 31	**Principal**	**Interest**	**Total**
2022	$ -	$ 10,760	$ 10,760
2023	3,708	10,689	14,397
2024	3,819	10,544	14,363
2025	3,931	10,394	14,325
2026	4,098	10,239	14,337
2027–2031	23,026	48,646	71,672
2032–2036	27,847	43,751	71,598
2037–2041	33,646	37,838	71,484
2042–2046	63,723	29,376	93,099
2047–2051	93,940	13,410	107,350
2052	21,018	408	21,426
Total	$ 278,756	$ 226,055	$ 504,811

Debt Covenants—The Master Indenture of Trust securing Chicago O'Hare International Airport General Airport Senior Lien Obligations requires that the City will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O'Hare and for services rendered by the City in the operation of O'Hare in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (a) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (b) one and fifteen-hundredths times

Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations. This requirement was met at December 31, 2020.

The Master Trust Indenture securing Chicago O'Hare International Airport Passenger Facility Charge (PFC) Obligations requires PFC Revenues, as defined, received by the City to be deposited into the PFC Revenue Fund. The City covenants to pay from the PFC Revenue Fund not later than the twentieth day of each calendar month the following amounts in the following order of priority: (1) to the Trustee for deposit in the Bond Fund, the sum required to make all of the Sub-Fund Deposits and Other Required Deposits to be disbursed from the Bond Fund [to meet debt service and debt service reserve requirements] in the calendar month pursuant to the Master Indenture; (2) to make any payments required for the calendar month with respect to Subordinated PFC Obligations; and (3) all moneys and securities remaining in the PFC Revenue Fund shall be transferred by the City (or the Trustee if it then holds the PFC Revenue Fund pursuant to the Master Indenture) to the PFC Capital Fund.

The Indenture of Trust Securing Chicago O'Hare International Airport Customer Facility Charge Senior Lien Revenue Bonds requires that, as long as any Bonds remain Outstanding, in each Fiscal Year, the City shall set the amount of the CFC (when multiplied by the total number of projected Contract Days) plus projected Facility Rent at an annual level sufficient to provide sufficient funds (1) to pay principal of and interest on the Bonds due in such Fiscal Year, (2) to reimburse the Rolling Coverage Fund, the Supplemental Reserve Fund, the Debt Service Reserve Fund and any Subordinate Reserve Fund for any drawings upon such Funds over a period not to exceed twelve months, as determined by the City, (3) to provide funds necessary to pay any "yield reduction payments" or rebate amounts due to the United States under the Indenture for which funds in the Rebate Fund or the CFC Stabilization Fund are not otherwise available, (4) to maintain the balance of the CFC Stabilization Fund in an amount of no less than the CFC Stabilization Fund Minimum Requirement and to reimburse any drawings below the CFC Stabilization Fund Minimum Requirement over a period not to exceed twelve months, as determined by the City, and (5) to maintain the balance of the Operation and Maintenance Fund in an amount of no less than the Operation and Maintenance Fund Requirement and to reimburse any drawings below the Operation and Maintenance Fund Minimum Requirement over a period of not to exceed twelve months, as determined by the City.

During 2021, the Airport received $121.6 million of CRRSA Act and ARP Act Funds, which are available for any airport purpose, including debt service payments. Thus, CRRSA Act and ARP Act Funds have been included in the calculation of the debt service covenant.

5. CHANGES IN CAPITAL ASSETS

Capital assets during the years ended December 31, 2021 and 2020, changed as follows (dollars in thousands):

2021	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	$ 892,248	$ 750	$ -	$ 892,998
Construction in progress	1,860,563	775,444	(1,149,522)	1,486,485
Total capital assets not depreciated	2,752,811	776,194	(1,149,522)	2,379,483
Capital assets depreciated—buildings and other facilities[1]	11,324,632	1,148,773	(24,189)	12,449,216
Less accumulated depreciation for—buildings and other facilities	(4,387,336)	(314,122)	19,436	(4,682,022)
Total capital assets depreciated—net	6,937,296	834,651	(4,753)	7,767,194
Total property and facilities—net	$ 9,690,107	$ 1,610,845	$ (1,154,275)	$ 10,146,677

1 Reference Note 1—Property and Facilities Significant Accounting Policies.

2020	Balance January 1	Additions	Disposals and Transfers	Balance December 31
Capital assets not depreciated:				
Land	$ 892,248	$ -	$ -	$ 892,248
Construction in progress[1]	1,256,131	901,970	(297,538)	1,860,563
Total capital assets not depreciated	2,148,379	901,970	(297,538)	2,752,811
Capital assets depreciated—buildings and other facilities[2]	11,033,354	297,538	(6,260)	11,324,632
Less accumulated depreciation for—buildings and other facilities	(4,101,384)	(292,212)	6,260	(4,387,336)
Total capital assets depreciated—net	6,931,970	5,326	-	6,937,296
Total property and facilities—net	$ 9,080,349	$ 907,296	$ (297,538)	$ 9,690,107

1 CIP additions include capitalized interest of $175,764

2 Reference Note 1—Property and Facilities Significant Accounting Policies.

6. LEASING ARRANGEMENTS WITH TENANTS

Most of the Airport's land, buildings, and terminal space are leased under operating lease agreements with airlines and other tenants. The minimum future rental income on noncancelable operating leases as of December 31, 2021, is as follows (dollars in thousands):

Years Ending December 31	
2022	$ 413,544
2023	387,055
2024	349,768
2025	349,566
2026	349,553
2027–2031	1,732,321
2032–2036	903,835
2037–2041	352,300
2042–2046	340,541
2047–2051	244,030
2052–2056	45,266
Total	$ 5,467,779

Contingent rentals that may be received under certain leases, based on the tenants' revenues or fuel consumption, are not included in minimum future rental income.

Rental income, consisting of all rental and concession revenues, except ramp rentals and automobile parking, amounted to approximately $592.5 million and $474.8 million in 2021 and 2020, respectively. Contingent rentals included in the totals were approximately $61.5 million and $23.0 million for 2021 and 2020, respectively.

7. PENSION PLANS

General Information about the Pension Plan

Plan Description—Eligible O'Hare Fund employees participate in one of four single-employer defined benefit pension plans (Plans). These Plans are: the Municipal Employees' Annuity and Benefit Fund of Chicago (Municipal Employees'); the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers'); the Policemen's Annuity and Benefit Fund of Chicago (Policemen's); and the Firemen's Annuity and Benefit Fund of Chicago (Firemen's). The plans are administered by individual retirement boards of trustees comprised of City officials or their designees and of trustees elected by Plan members. Certain employees of the Chicago Board of Education participate in Municipal Employees' or Laborers'. Each Plan issues a publicly available financial report that includes financial statements and required supplementary information that can be obtained at www.meabf.org, www.labfchicago.org, www.chipabf.org, and www.fabf.org.

Benefits Provided—The Plans provide retirement, disability, and death benefits as established by State of Illinois law. Benefits generally vest after 10 years of credited service. Employees qualify for an unreduced retirement age minimum formula annuity based on a combination of years of service and age of retirement. Employees may also receive a reduced retirement age minimum formula annuity if they do not meet the age and service requirements for the unreduced retirement age annuity. The requirements of age and service are different for employees depending on when they first became members of their respective Plans. For all four Plans, employees who became members before January 1, 2011 are considered Tier 1 Employees. For Policemen's and Firemen's, those employees who became members on or after January 1, 2011 are considered Tier 2 Employees. For Municipal Employees' and Laborers', those employees who became members on or after January 1, 2011 but before July 6, 2017 are considered Tier 2 Employees. For Municipal Employees' and Laborers', those employees who became members on or after July 6, 2017 are considered Tier 3 Employees. Public Act 100-0023 (P.A. 100-0023), which established the requirements for Tier 3 employees, includes a provision for Tier 2 employees to elect to be considered as Tier 3 employees. The annuity is computed by multiplying the final average salary by a percentage ranging from 2.2% to 2.5% per year of credited service. The final average salary is the employee's highest average annual salary for any four consecutive years within the last 10 years of credited service for participants who are Tier 1 Employees and any eight consecutive years within the last 10 years of credited service for participants who are Tier 2 Employees or Tier 3 Employees.

Benefit terms provide for annual adjustments to each employee's retirement allowance subsequent to the employees' retirement date. For Tier 1 Employees, the annual adjustments for Municipal Employees' and Laborers' are 3.0%, compounded, and for Policemen's and the majority of participants in Firemen's 3.0%, simple, for annuitants born before January 1, 1966 and 1.5%, simple, born after January 1, 1966 or later. For Tier 2 Employees and Tier 3 Employees, the annual adjustments are equal to the lesser of 3.0% and 50% of CPI-U of the original benefit.

Employees Covered by Benefit Terms—At December 31, 2021, the following City employees were covered by the benefit terms:

	Municipal Employees'	Laborers'	Policemen's	Firemen's	Total
Inactive employees or beneficiaries currently receiving benefits	25,683	3,568	14,260	5,265	48,776
Inactive employees entitled to but not yet receiving benefits	21,304	1,473	940	154	23,871
Active employees	32,925	2,602	12,126	4,735	52,388
	79,912	7,643	27,326	10,154	125,035

Contributions—For the Municipal Employees' and Laborers' Plans, P.A. 100-0023 was enacted on July 6, 2017. P.A. 100-0023 requires the City to contribute specific amounts to the Municipal Employees' and the Laborers' Plans in the aggregate amounts as follows: in payment year 2019, $392.0 million; in payment year 2020, $481.0 million; in payment year 2021, $571.0 million; in payment year 2022, $660.0 million. Additionally, P.A. 100-0023 requires that the City's contributions are at actuarially determined rates beginning in payment year 2023 and future funding be sufficient to produce a funding level of 90% by the year end of 2058.

For Policemen's and Firemen's, Public Act 99-0506 (P.A. 99-0506) was enacted on May 31, 2016. P.A. 99-0506 requires the City to contribute specific amounts to Policemen's and Firemen's Plans in the aggregate amounts as follows: in payment year 2019, $792.0 million; in payment year 2020, $824.0 million;. Additionally, P.A. 99-0506 requires that the City's contributions are at actuarially determined rates beginning in payment year 2021 and future funding be sufficient to produce a funding level of 90% by the year end of 2055. In 2021, P.A. 101-0673 was enacted, which changed the terms of the automatic benefit increase provisions and eligibility for certain Tier 1 participants for Firemen's.

The City's contributions are budgeted in the same year as the applicable levy year for the property taxes funding the contributions. The City's contributions are then paid to the pension funds in the following year (which is when the levied property taxes are collected and paid to the City by the Cook County Treasurer).

The contribution to all four pension plans from the Airport was $77.1 million and $71.0 million for the years ended December 31, 2021 and 2020, respectively.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021 and 2020, the Airport reported a liability of $1,570.0 million and $1,561.5 million, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021 and 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Changes in Actuarial Assumptions—Changes in the municipal bond rate resulted in an increase in the single discount rate for Firemen and a decrease in the single discount rate for Laborers' and Policemen. See discount rate section below.

The change in the single discount rate and other assumptions decreased the net pension liability by $17.1 million for Firemen and increased in the net pension liability by $1.5 million for Laborers' and $0.6 million for Policemen. These changes are being amortized into expense over a 4-year period for Laborers' and a 6-year period for Policemen and Firemen.

The Airport's proportion of the net pension liability was determined based on the rates of the Airport's salaries within each corresponding pension plan to the total budgeted salaries for 2021 and 2020. At December 31, 2021 and 2020, the Airport's proportion was 6.9% and 7.0%, respectively, of the Municipal Employees' Plan, 7.0% and 7.0% of the Laborer's Plan, 1.7% and 1.7% of the Policemen's Plan and 5.0% and 5.0%, respectively, of the Firemen's Plan.

For the year ended December 31, 2021 and 2020, the Airport recognized pension expense of $62.4 million and $45.4 million, respectively.

At December 31, 2021 and 2020, the reported deferred outflows of resources of $63.3 million and $64.8 million, respectively, and deferred inflows of resources of $56 million and $137.2 million, respectively, related to pensions from the following sources:

Municipal Employees' (dollars in thousands):

	2021		2020	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 12,286	$ -	$ 9,080	$ 2,503
Changes of assumptions	-	-	-	104,632
Net difference between projected and actual earnings on pension plan investments	-	17,957	-	7,154
Total	$ 12,286	$ 17,957	$ 9,080	$ 114,289

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Municipal Employees' pensions will be recognized in pension expense/(benefit) as follows:

Year Ended December 31	
2022	$ 3,373
2023	(4,805)
2024	(897)
2025	(3,342)
2026	-
Total	$ (5,671)

Laborers' (dollars in thousands):

	2021		2020	
	Deferred Outflows of Resources	**Deferred Inflows of Resources**	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 48	$ 2,498	$ 301	$ 1,311
Changes of assumptions	3,333	37	3,482	234
Net difference between projected and actual earnings on pension plan investments	-	7,418	-	6,599
Total	$ 3,381	$ 9,953	$ 3,783	$ 8,144

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Laborers' pensions will be recognized in pension expense/(benefit) as follows:

Year Ended December 31	
2022	$ (523)
2023	(3,183)
2024	(2,084)
2025	(782)
2026	-
Total	$ (6,572)

Policemen's (dollars in thousands):

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,029	$ 3,053	$ 893	$ 4,896
Changes of assumptions	14,623	1,549	18,814	2,275
Net difference between projected and actual earnings on pension plan investments	-	2,286	-	709
Total	$ 21,652	$ 6,888	$ 19,707	$ 7,880

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Policemen's pensions will be recognized in pension expense as follows:

Year Ended December 31	
2022	$ 3,190
2023	2,137
2024	3,778
2025	3,514
2026	1,787
Thereafter	358
Total	$ 14,764

Firemen's (dollars in thousands):

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 10,273	$ 2,590	$ 8,028	$ 3,601
Changes of assumptions	15,718	14,511	24,192	551
Net difference between projected and actual earnings on pension plan investments	-	4,095	-	2,710
Total	$ 25,991	$ 21,196	$ 32,220	$ 6,862

Amounts reported as deferred outflows of resources and deferred inflows of resources related to Firemen's pensions will be recognized in pension expense/(benefit) as follows:

Year Ended December 31	
2022	$ 6,595
2023	1,492
2024	(166)
2025	(727)
2026	(1,123)
Thereafter	(1,276)
Total	$ 4,795

Deferred Outflows Related to Changes in Proportionate Share of Contributions—For the years ended December 31, 2021 and 2020, the Airport reported pension charge/(benefit) of $34.4 million and $45.5 million, respectively, related to changes in its proportionate share of contributions. As of December 31, 2021 and 2020, the Airport Funds reported deferred inflows of $17.7 and $0, and deferred outflows of $30.5 million and $69.2 million, respectively, related to changes in its proportionate share of contributions. This deferred amount will be recognized as pension charge/(benefit) over a period of five years.

Actuarial Assumptions—The total pension liability in the December 31, 2021 and 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

2021	Municipal Employees'	Laborers'	Policemen's	Firemen's
Inflation	2.50 %	2.25 %	2.25 %	2.25 %
Salary increases	3.50%-7.75 % (a)	3.00 % (b)	3.50 % (c)	3.50%-25.00 % (d)
Investment rate of return	7.00 % (e)	7.25 % (e)	6.75 %	6.75 % (e)

2020	Municipal Employees'		Laborers'		Policemen's		Firemen's	
Inflation	2.50 %		2.25 %		2.25 %		2.25 %	
Salary increases	3.50–7.75	(a)	3.00	(b)	3.50	(c)	3.50–25.00	(d)
Investment rate of return	7.00	(e)	7.25	(e)	6.75		6.75	

(a) (1.50%–6.50% for 2020–2022), varying by years of service

(b) Plus a service—based increase in the first 9 years

(c) Plus additional percentage related to service

(d) Varying by years of service

(e) Net of investment expense

Mortality Assumptions

Pension Plan		***Mortality Table Name***	***Mortality Improvement***
Municipal Employees'	*Post Retirement*	*RP-2014 Healthy Annuitant Mortality Table*	*Generational – Scale MP-2016*
	Pre-Retirement	*RP-2014 Employee Mortality Table*	*Generational – Scale MP-2016*
Laborers'	*Post Retirement*	*Pub-2010 Amount-weighted Below-median Income General Healthy Retiree Mortality Tables, Sex Distinct*	*Generational – Scale MP-2020 2-dimensional*
	Pre-Retirement	*Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, Sex Distinct*	*Generational – Scale MP-2020 2-dimensional*
Policemen's	*Post Retirement*	*Pub-2010 Amount-Weighted Safety Healthy Retiree Mortality Table, Sex Distinct*	*Generational – Scale MP-2018*
	Disabled	*Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Table, Sex Distinct*	*Generational – Scale MP-2018*
	Pre-Retirement	*Pub-2010 Amount Weighted Safety Employee Mortality Tables, Sex Distinct*	*Generational – Scale MP-2018*
Firemen's	*Post Retirement*	*RP-2014 Blue Collar Healthy Annuitant Mortality Table, Sex Distinct*	*Generational – Scale MP-2017*
	Disabled	*RP-2014 Blue Collar Healthy Annuitant Mortality Table, Sex Distinct*	*Generational – Scale MP-2017*
	Pre-Retirement	*RP-2014 Blue Collar Employee Mortality Table, Sex Distinct*	*Generational – Scale MP-2017*

The mortality actuarial assumptions used in the December 31, 2021 valuation were adjusted based on the results of actuarial experience study for the following periods:

Municipal Employees'	January 1, 2012–December 31, 2016
Laborers'	January 1, 2017–December 31, 2019
Policemen's	January 1, 2014–December 31, 2018
Firemen's	January 1, 2012–December 31, 2016

The long term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2021 and 2020, are summarized in the following table:

	Target Allocation				Long-Term Expected Real Rate of Return			
2021	**Municipal Employees'**	**Laborers'**	**Policemen's**	**Firemen's**	**Municipal Employees'**	**Laborers'**	**Policemen's**	**Firemen's**
Asset Class:								
Equity	- %	- %	- %	57.0 %	- %	- %	- %	6.70 %
Domestic equity	26.0	-	-	-	7.40	-	-	-
U.S. equity	-	25.0	29.5	-	-	5.30	7.85	-
Non U.S. equity	-	20.0	19.5	-	-	5.30	9.65	-
Global equity	5.0	-	-	-	6.80	-	-	-
Global low volatility equity	-	5.0	-	-	-	4.30	-	-
International equity	17.0	-	-	-	7.40	-	-	-
Fixed income	25.0	20.0	18.0	22.0	2.00	(0.80)	3.62	2.10
Hedge funds	10.0	10.0	7.0	-	5.60	2.80	5.48	-
Infrastructure	2.0	-	-	-	7.00	-	-	-
Private debt	-	3.0	-	-	-	7.10	-	-
Private equity	5.0	4.0	-	-	11.40	8.80	-	-
Private markets	-	-	15.0	-	-	-	11.20	-
Global asset allocation	-	-	-	-	-	-	-	-
Real estate	10.0	10.0	11.0	-	5.80	4.20	5.99	-
Private real assets	-	3.0	-	-	-	4.70	-	-
Other investments	-	-	-	21.0	-	-	-	6.00
Total	100.0 %	100.0 %	100.0 %	100.0 %				

2020	Target Allocation				Long-Term Expected Real Rate of Return			
	Municipal Employees'	Laborers'	Policemen's	Firemen's	Municipal Employees'	Laborers'	Policemen's	Firemen's
Asset Class:								
Equity	- %	- %	- %	60.0 %	- %	- %	- %	6.68 %
Domestic equity	26.0	-	-	-	7.30	-	-	-
U.S. equity	-	25.0	21.0	-	-	5.30	5.68	-
Non U.S. equity	-	20.0	21.0	-	-	5.30	6.85	-
Global equity	5.0	-	-	-	7.50	-	-	-
Global low volatility equity	-	5.0	-	-	-	4.20	-	-
International equity	17.0	-	-	-	7.50	-	-	-
Fixed income	25.0	20.0	22.0	20.0	2.30	(1.20)	1.11	2.19
Hedge funds	10.0	10.0	7.0	-	5.50	2.80	3.30	-
Infrastructure	2.0	-	-	-	7.30	-	-	-
Private debt	-	3.0	-	-	-	7.40	-	-
Private equity	5.0	4.0	-	-	10.80	9.10	-	-
Private markets	-	-	17.0	-	-	-	7.41	-
Global asset allocation	-	-	5.0	-	-	-	3.89	-
Real estate	10.0	10.0	7.0	8.0	6.00	3.40	5.42	5.75
Private real assets	-	3.0	-	-	-	4.90	-	-
Other investments	-	-	-	12.0	-	-	-	4.66
Total	100.0 %	100.0 %	100.0 %	100.0 %				

Discount Rate

Municipal Employees'—The discount rate used to measure the total pension liability as of December 31, 2021 and 2020 was 7.0%, respectively. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Laborers'—A Single Discount Rate of 6.77% and 6.84% was used to measure the total pension liability as of December 31, 2021 and 2020, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 7.25% and 7.25% as of December 31, 2021 and 2020, and a municipal bond rate of 1.84% and 2.00% as of December 31, 2021 and 2020, respectively (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at under the statutory funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2074 (for the 2021 valuation) and the year 2073 (for the 2020 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2074 (for the 2021 valuation) and the year 2073 (for the 2020 valuation), and the municipal bond rate was applied to all benefit payments after that date.

Policemen's—A Single Discount Rate of 6.26% and 6.28% was used to measure the total pension liability as of December 31, 2021 and 2020, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for December 31, 2021 and 2020, respectively, and a municipal bond rate of 1.84% and 2.00% as of December 31, 2021 and 2020, respectively (based on the most recent date available on or before the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions and employer contributions are made in accordance with the statutory requirements. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2077 (for the 2021 valuation) and the year 2076 (for the 2020 valuation). As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2077 (for the 2021 valuation) and the year 2076 (for the 2020 valuation), and the municipal bond rate was applied to all benefit payments after that date.

Firemen's—A Single Discount Rate of 6.75% and 6.30% was used to measure the total pension liability as of December 31, 2021 and 2020, respectively. This Single Discount Rate was based on an expected rate of return on pension plan investments of 6.75% for both December 31, 2021 and 2020, and a municipal bond rate of 2.06% and 2.12% as of December 31, 2021 and 2020, respectively (based on the Bond Buyer 20-Bond Index of general obligation municipal bonds). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 99-0506. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on the assumptions as of December 31, 2021, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members throughout the projection period. As a result, as of December 31, 2021, the long-term expected rate of return on pension plan investments was applied to projected benefits for all periods. Based on the assumptions as of December 31, 2020, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2076, and the respective municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the Airport's Net Pension Liability to Changes in the Discount Rate

Municipal Employees'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2021 and 2020, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2021	1% Decrease	Current Discount Rate	1% Increase
Municipal Employees' discount rate	6.00 %	7.00 %	8.00 %
Municipal Employees' net pension liability	$ 1,130,721	$ 973,686	$ 843,131

Net Pension Liability December 31, 2020	1% Decrease	Current Discount Rate	1% Increase
Municipal Employees' discount rate	6.00 %	7.00 %	8.00 %
Municipal Employees' net pension liability	$ 1,122,183	$ 966,221	$ 836,606

Laborers'—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2021 and 2020, calculated using the discount rate of 6.77% and 6.84%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 % point lower (5.77%) or 1% point higher (7.77%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2021	1% Decrease	Current Discount Rate	1% Increase
Laborers' discount rate	5.77 %	6.77 %	7.77 %
Laborers' net pension liability	$ 134,740	$ 110,542	$ 90,230

Net Pension Liability December 31, 2020	1% Decrease	Current Discount Rate	1% Increase
Laborers' discount rate	5.84 %	6.84 %	7.84 %
Laborers' net pension liability	$ 134,914	$ 111,135	$ 91,184

Policemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2021 and 2020, calculated using the discount rate of 6.26% and 6.28%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.26%) or 1% point higher (7.26%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2021	1% Decrease	Current Discount Rate	1% Increase
Policemen's discount rate	5.26 %	6.26 %	7.26 %
Policemen's net pension liability	$ 242,098	$ 208,124	$ 179,860

Net Pension Liability December 31, 2020	1% Decrease	Current Discount Rate	1% Increase
Policemen's discount rate	5.28 %	6.28 %	7.28 %
Policemen's net pension liability	$ 236,502	$ 203,837	$ 176,640

Firemen's—The following presents the allocated share of the net pension liability to the Airport as of December 31, 2021 and 2020, calculated using the discount rate of 6.75% and 6.30%, respectively, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (5.75%) or 1% point higher (7.75%) than the current rate (dollars in thousands):

Net Pension Liability December 31, 2021	1% Decrease	Current Discount Rate	1% Increase
Firemen's discount rate	5.75 %	6.75 %	7.75 %
Firemen's net pension liability	$ 319,717	$ 277,616	$ 242,381

Net Pension Liability December 31, 2020	1% Decrease	Current Discount Rate	1% Increase
Firemen's discount rate	5.30 %	6.30 %	7.30 %
Firemen's net pension liability	$ 322,268	$ 280,262	$ 245,131

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Pension Plans reports.

8. RELATED-PARTY TRANSACTIONS

Included in operating expenses are reimbursements to the general fund of the City for services provided by other City departments, employee fringe benefits, and certain payments made on behalf of the Airport. Such reimbursements amounted to $139.4 million and $131.1 million in 2021 and 2020, respectively.

9. COMMITMENTS AND CONTINGENCIES

The Airport has certain contingent liabilities resulting from litigation, claims, and commitments incident to its ordinary course of business. Management expects that the final resolution of these contingencies will not have a material adverse effect on the financial position or results of operations of the Airport.

The Airport provides employee health benefits under a self-insurance program, administered by the City. Such claims outstanding, including claims incurred but not reported, are estimated and recorded as liabilities in the basic financial statements.

Uninsured claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Changes in the claims liability amount for the years ended December 31, 2021 and 2020, are as follows (dollars in thousands):

	2021	2020
Beginning balance—January 1	$ 2,396	$ 2,212
Total claims incurred (expenditures)	25,074	24,430
Claims paid	(24,705)	(24,246)
Claims liability—December 31	$ 2,765	$ 2,396

The City's property and liability insurance premiums are approximately $12.5 million per year. The City maintains property and liability insurance coverage for both O'Hare and Midway and allocates the cost of the premiums between the two airports. The property coverage was renewed on December 31, 2021 with a limit of $3.5 billion and includes $3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2022, with a limit of $1 billion and includes $1 billion in war and terrorism liability coverage.

At December 31, 2021 and 2020, the Airport had commitments in the amounts of approximately $300.5 million and $439.6 million, respectively, in connection with contracts entered into for construction projects.

10. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

	2021	2020
Deferred outflows of resources:		
Deferred outflows from pension activities	$ 63,310	$ 64,789
Changes in proportionate share of pension contribution	30,470	69,154
Unamortized deferred bond refunding costs	119,572	131,825
Total deferred outflows of resources	$213,352	$265,768
Deferred Inflows of resources—deferred inflows from pension activities	$ 73,669	$137,174

Refer to Note 7 Pension Plans—Deferred Outflows and Deferred Inflows Related to Pension Activities and to Changes in Proportionate Share of Contributions sections.

11. SUBSEQUENT EVENTS

In November 2021, the President signed the Bipartisan Infrastructure Law (BIL) bill into Law. The BIL provides $25 billion of capital grants for airport infrastructure improvements to address repair and maintenance backlogs, reduce congestion and emissions near ports and airports, and drive electrification and other low-carbon technologies over a period of five years, starting in federal fiscal year 2022, of which $15 billion will be allocated to primary airports, $5 billion will be provided as discretionary funding to primary airports and $5 billion will be provided to secondary and general aviation airports. The Airport will be able to draw on its annual allocated share of funds of $79.2 million starting in the second half of 2022 every year over the next five years. The Airport expects the BIL funding to strengthen its capital funding sources to continue with major capital improvements.

In April 2022, the City of Chicago increased its revolving line of credit agreement with the Bank of America NA at the Chicago O'Hare International Airport from $300 million to $500 million to finance additional capital projects.

In June 2022, Standard & Poor's revised the outlook for the O'Hare Customer Facility Charge Bonds from Stable to positive.

* * * * * *

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS
(Dollars are in thousands)

	2021	2020	2019	2018	2017	2016	2015
MUNICIPAL EMPLOYEES':							
Total pension liability:							
Service cost*	$ 246,066	$ 236,302	$ 228,465	$ 223,528	$ 572,534	$ 619,743	226,816
Interest	1,228,905	1,190,694	1,159,253	1,123,348	915,711	878,369	909,067
Benefit changes	-	-	-	-	-	-	2,140,009
Differences between expected and actual experience	121,988	100,938	16,676	95,540	(177,755)	(127,119)	(109,865)
Assumption changes	-	-	-	-	(7,431,191)	(578,920)	8,711,755
Benefit payments including refunds	(1,010,191)	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Net change in total pension liability	586,768	554,456	451,742	526,218	(7,008,875)	(67,599)	11,051,746
Total pension liability—beginning	17,814,812	17,260,356	16,808,614	16,282,396	23,291,271	23,358,870	12,307,094
Total pension liability—ending (a)	18,401,580	17,814,812	17,260,356	16,808,614	16,282,396	23,291,271	23,358,840
Plan fiduciary net position:							
Contributions—employer	573,198	496,992	418,269	349,574	261,764	149,718	149,225
Contributions—employee	163,411	157,798	146,645	138,400	134,765	130,391	131,428
Net investment income	498,299	335,403	560,940	(204,975)	610,515	281,419	114,025
Benefit payments including refunds of employee contribution	(1,010,191)	(973,478)	(952,652)	(916,198)	(888,174)	(859,672)	(826,036)
Administrative expenses	(6,687)	(7,118)	(6,740)	(6,639)	(6,473)	(7,056)	(6,701)
Other		-	-	-	5,394	-	-
Net change in plan fiduciary net position	218,030	9,597	166,462	(639,838)	117,791	(305,200)	(438,059)
Plan fiduciary net position—beginning	4,090,239	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427	5,179,486
Plan fiduciary net position—ending (b)	4,308,269	4,090,239	4,080,642	3,914,180	4,554,018	4,436,227	4,741,427
NET PENSION LIABILITY—Ending (a)-(b)	$14,093,311	$13,724,573	$13,179,714	$12,894,434	$11,728,378	$18,855,044	$ 18,617,413
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	23.41 %	22.96 %	23.64 %	23.29 %	27.97 %	19.05 %	20.30 %
ALLOCATED COVERED PAYROLL**	$ 138,259	$ 131,080	$ 127,065	$ 119,395	$ 114,809	$ 99,483	$ 95,705
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	704.25 %	737.13 %	731.07 %	743.37 %	695.41 %	1,144.85 %	1,132.81 %
ALLOCATED NET PENSION LIABILITY	$ 973,686	$ 966,221	$ 928,935	$ 887,542	$ 798,400	$ 1,138,937	$ 1,084,148
ALLOCATED PERCENTAGE	6.91 %	7.05 %	7.05 %	6.88 %	6.80 %	6.04 %	5.82 %

* Includes pension plan administrative expense.
** Allocated Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2015.
There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS
(Dollars are in thousands)

	2021	2020	2019	2018	2017	2016	2015
LABORERS':							
Total pension liability:							
Service cost *	$ 40,411	$ 39,216	$ 38,522	$ 40,801	$ 80,232	$ 82,960	$ 38,389
Interest	192,343	191,099	188,347	183,135	154,047	150,166	153,812
Benefit changes	-	-	-	-	150	-	384,033
Differences between expected and actual experience	(31,083)	(18,992)	(8,820)	15,143	(62,178)	(30,428)	(46,085)
Assumption changes	21,870	44,034	32,846	(11,788)	(1,074,754)	(62,905)	1,175,935
Benefit payments including refunds	(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Pension plan administrative expense	(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Net change in total pension liability	47,190	82,685	82,245	63,297	(1,063,538)	(18,970)	1,549,710
Total pension liability—beginning	2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615	*2,162,905*
Total pension liability—ending (a)	2,905,524	2,858,334	2,775,649	2,693,404	2,630,107	3,693,645	3,712,615
Plan fiduciary net position:							
Contributions—employer	84,969	73,744	59,346	47,844	35,457	12,603	12,412
Contributions—employee	17,637	18,064	18,143	17,837	17,411	17,246	16,844
Net investment income	138,105	163,057	184,027	(75,219)	207,981	57,997	(22,318)
Benefit payments including refunds of employee contribution	(172,514)	(169,056)	(164,959)	(160,061)	(157,050)	(154,683)	(152,530)
Administrative expenses	(3,837)	(3,616)	(3,691)	(3,933)	(3,985)	(4,080)	(3,844)
Other	-	-	-	661	-	-	-
Net change in plan fiduciary net position	64,360	82,193	92,866	(172,871)	99,814	(70,917)	(149,436)
Plan fiduciary net position—beginning	1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657	1,388,093
Plan fiduciary net position—ending (b)	1,334,102	1,269,742	1,187,549	1,094,683	1,267,554	1,167,740	1,238,657
NET PENSION LIABILITY—Ending (a)-(b)	$ 1,571,422	$ 1,588,592	$ 1,588,100	$ 1,598,721	$ 1,362,553	$ 2,525,905	$ 2,473,958
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	45.92 %	44.42 %	42.78 %	40.64 %	48.19 %	31.61 %	33.36 %
ALLOCATED COVERED PAYROLL**	$ 14,922	$ 14,495	$ 13,751	$ 13,288	$ 13,172	$ 12,408	$ 12,730
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	740.81 %	766.71 %	750.49 %	755.96 %	653.68 %	1,213.47 %	1,208.15 %
ALLOCATED NET PENSION LIABILITY	$ 110,542	$ 111,135	$ 103,200	$ 100,454	$ 86,106	$ 150,573	$ 153,802
ALLOCATED PERCENTAGE	7.03 %	7.00 %	6.50 %	6.28 %	6.30 %	5.96 %	6.22 %

* Includes pension plan administrative expense.

** Allocated Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Ten year information will be provided prospectively starting with year 2015.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS
(Dollars are in thousands)

	2021	2020	2019	2018	2017	2016	2015
POLICEMEN'S:							
Total pension liability:							
Service cost*	$ 284,707	$ 286,537	$ 240,383	$ 242,998	$ 237,333	$ 220,570	$ 213,585
Interest	963,417	942,623	944,739	931,731	917,720	851,098	832,972
Benefit changes	-	-	24,216	-	-	606,250	-
Differences between expected and actual experience	450,528	61,914	(68,010)	(281,151)	(299,923)	1,801	(105,969)
Assumption changes	37,029	260,021	1,140,418	(259,052)	238,975	112,585	-
Benefit payments including refunds	(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Pension plan administrative expense	(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Net change in total pension liability	845,268	705,138	1,476,344	(141,204)	341,371	1,080,358	259,303
Total pension liability—beginning	15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733	11,773,430
Total pension liability—ending (a)	16,340,008	15,494,740	14,789,602	13,313,258	13,454,462	13,113,091	12,032,733
Plan fiduciary net position:							
Contributions—employer	788,770	739,441	581,936	588,035	494,483	272,428	572,836
Contributions—employee	136,225	113,622	110,792	107,186	103,011	101,476	107,626
Net investment income	370,141	271,891	369,982	(137,977)	412,190	142,699	(5,334)
Benefit payments including refunds of employee contribution	(887,076)	(841,598)	(800,668)	(771,104)	(747,891)	(707,196)	(676,777)
Administrative expenses	(3,337)	(4,359)	(4,734)	(4,626)	(4,843)	(4,750)	(4,508)
Other	91	472	32	1,600	97	1,413	3,092
Net change in plan fiduciary net position	404,814	279,469	257,340	(216,886)	257,047	(193,930)	(3,065)
Adjustment - beginning	(48)	-	(91)	-	-	-	
Plan fiduciary net position—beginning	3,441,898	3,162,429	2,905,180	3,122,066	2,865,019	3,058,949	3,062,014
Plan fiduciary net position—ending (b)	3,846,664	3,441,898	3,162,429	2,905,180	3,122,066	2,865,019	3,058,949
NET PENSION LIABILITY—Ending (a)-(b)	$ 12,493,344	$ 12,052,842	$ 11,627,173	$ 10,408,078	$ 10,332,396	$ 10,248,072	$ 8,973,784
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	23.54 %	22.21 %	21.38 %	21.82 %	23.20 %	21.85 %	25.42 %
ALLOCATED COVERED PAYROLL**	$ 20,962	$ 20,226	$ 21,481	$ 16,965	$ 16,071	$ 15,834	$ 14,540
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL	992.86 %	1,007.78 %	946.08 %	863.51 %	898.15 %	915.39 %	825.85 %
ALLOCATED NET PENSION LIABILITY	$ 208,124	$ 203,837	$ 203,224	$ 146,498	$ 144,344	$ 144,940	$ 120,078
ALLOCATED PERCENTAGE	1.67 %	1.69 %	1.75 %	1.41 %	1.40 %	1.41 %	1.34 %

* Includes pension plan administrative expense

** Allocated Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

Ten year information will be provided prospectively starting with year 2015.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS
(Dollars are in thousands)

	2021	2020	2019	2018	2017	2016	2015
FIREMEN'S:							
Total pension liability:							
Service cost	$ 112,730	$ 109,487	$ 102,141	$ 97,143 *	$ 93,367 *	$ 94,115 *	$ 87,203 *
Interest	429,630	410,128	408,586	410,821	371,622	342,085	338,986
Benefit changes	196,531	-	-	-	-	227,213	-
Differences between expected and actual experience	93,928	174,717	(65,213)	(56,418)	26,954	24,110	(7,981)
Assumption changes	(340,370)	30,468	190,954	382,611	414,219	(74,373)	176,282
Benefit payments including refunds	(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Pension plan administrative expense	-	-	-	(3,285)	(3,172)	(3,217)	(3,149)
Net change in total pension liability	103,775	358,640	290,131	506,210	596,892	323,174	313,324
Total pension liability—beginning	6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084	4,512,760
Total pension liability—ending (a)	7,004,906	6,901,131	6,542,491	6,252,360	5,746,150	5,149,258	4,826,084
Plan fiduciary net position:							
Contributions—employer	367,481	368,423	255,382	249,684	228,453	154,101	236,104
Contributions—employee	52,268	54,414	46,623	45,894	47,364	48,960	46,552
Net investment income	129,513	105,367	161,082	(58,000)	140,570	60,881	7,596
Benefit payments including refunds of employee contribution	(388,674)	(366,160)	(346,337)	(324,662)	(306,098)	(286,759)	(278,017)
Administrative expenses	(3,082)	(2,991)	(3,226)	(3,285)	(3,172)	(3,217)	(3,149)
Other	5	13	507	6	22	(53)	7
Net change in plan fiduciary net position	157,511	159,066	114,031	(90,363)	107,139	(26,087)	9,093
Plan fiduciary net position—beginning	1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101	1,036,008
Plan fiduciary net position—ending (b)	1,466,398	1,308,887	1,149,821	1,035,790	1,126,153	1,019,014	1,045,101
NET PENSION LIABILITY—Ending (a)-(b)	$ 5,538,508	$ 5,592,244	$ 5,392,670	$ 5,216,570	$ 4,619,997	$ 4,130,244	$3,780,983
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	20.93 %	18.97 %	17.57 %	16.57 %	19.60 %	19.79 %	21.66 %
ALLOCATED COVERED PAYROLL*	$ 26,067	$ 25,077	$ 992	$ 23,293	$ 23,419	$ 23,680	$ 22,654
EMPLOYER'S NET PENSION LIABILITY AS A PERCENTAGE OF ALLOCATED COVERED PAYROLL**	1,065.01 %	1,117.63 %	1,179.80 %	1,141.56 %	984.22 %	863.22 %	812.71 %
ALLOCATED NET PENSION LIABILITY	$ 277,616	$ 280,262	$ 271,256	$ 265,904	$ 230,490	$ 204,414	$ 184,109
ALLOCATED PERCENTAGE	5.01 %	5.01 %	5.03 %	5.10 %	4.99 %	4.95 %	4.87 %

* Includes pension plan administrative expense.
** Allocated Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.
Ten year information will be provided prospectively starting with year 2015.
There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.

(Concluded)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
(Dollars are in thousands)

Municipal Employees'

Years Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll*	Contributions as a Percentage of Covered Payroll
2012	$ 690,823	$148,859	$541,964	$1,590,794	9.36 %
2013	820,023	148,197	671,826	1,580,289	9.38
2014	839,039	149,747	689,292	1,602,978	9.34
2015	677,200	149,225	527,975	1,643,481	9.08
2016	961,770	149,718	812,052	1,646,939	9.09
2017	1,005,457	261,764	743,693	1,686,533	15.52
2018	1,049,916	349,574	700,342	1,734,596	20.15
2019	1,117,388	418,269	699,119	1,802,790	23.20
2020	1,167,154	496,992	670,162	1,861,905	26.69
2021	1,218,361	573,198	645,163	2,001,181	28.64

* Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

** The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

Laborers'

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2012	$ 77,566	$ 11,853	$ 65,713	$ 198,790	5.96 %
2013	106,199	11,583	94,616	200,352	5.78
2014	106,019	12,161	93,858	202,673	6.00
2015	79,851	12,412	67,439	204,773	6.06
2016	117,033	12,603	104,430	208,155	6.05
2017	124,226	35,457	88,769	208,442	17.01
2018	129,247	47,844	81,403	211,482	22.62
2019	148,410	59,346	89,064	211,608	28.05
2020	155,794	73,744	82,050	207,195	35.59
2021	155,245	84,969	70,276	212,122	40.06

* The LABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the actuarially determined contribution is equal to the normal cost plus an amount to amortize the unfunded liability using dollar payments and a 30 year open amortization period.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

*** The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
(Dollars are in thousands)

Policemen's:

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2012	$ 431,010	$197,885	$233,125	$1,015,171	19.49 %
2013	474,177	179,521	294,656	1,015,426	17.68
2014	491,651	178,158	313,493	1,074,333	16.58
2015	785,501	575,928	209,573	1,086,608	53.00
2016	785,695	273,840	511,855	1,119,527	24.46
2017	910,938	494,580	416,358	1,150,406	42.99
2018	924,654	589,635	335,019	1,205,324	48.92
2019	933,770	581,968	351,802	1,228,987	47.35
2020	1,037,582	739,913	297,669	1,195,980	61.87
2021	1,047,839	788,770	258,978	1,258,338	62.69

* The PABF Statutory Funding does not conform to Actuarial Standards of Practice; therefore, the 2015 and after, the actuarially determined contribution is equal to the normal cost plus a 30-year dollar amortization of the unfunded actuarial liability. Prior to 2015 the actuarially determined contribution was equal to the "ARC" which was equal to normal cost plus a 30-year open level percent amortization of the unfunded actuarial liability.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

*** The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

Firemen's:

Years Ended December 31	Actuarially Determined Contributions*	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency	Covered Payroll**	Contributions as a Percentage of Covered Payroll
2012	$ 271,506	$ 81,522	$189,984	$ 418,965	19.46 %
2013	294,878	103,669	191,209	416,492	24.89
2014	304,265	107,334	196,931	460,190	23.32
2015	323,545	236,104	87,441	465,232	50.75
2016	333,952	154,101	179,851	478,471	32.21
2017	372,845	228,453	144,392	469,407	48.67
2018	412,220	249,684	162,536	456,969	54.64
2019	442,045	255,382	186,663	457,082	55.87
2020	466,556	368,423	98,133	500,368	73.63
2021	476,498	367,481	109,017	520,047	70.66

* The FABF Statutory Funding does not conform to Actuarial Standards of Practice, therefore, the Actuarially Determined Contribution is equal to the normal cost plus an amount to amortize the unfunded liability using level dollar payments and a 30 year open amortization period. Amounts for fiscal years prior to 2015 were based on the "ARC" which was equal to normal cost plus an amount to amortize the unfunded liability using a 30-year open period level dollar amortization.

** Covered payroll is the amount in force as of the actuarial valuation date and likely differs from actual payroll paid during fiscal year.

*** The schedule of contribution amounts are presented City-wide, as the statutory requirement for contribution is for the City of Chicago and not the individual Enterprise fund.

(Continued)

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SCHEDULE OF CONTRIBUTIONS

Actuarial Methods and Assumptions	**Municipal Employees'**		**Laborers'**	**Policemen's**	**Firemen's**
Actuarial valuation date	12/31/2021	(a)	12/31/2021	12/31/2021	12/31/2021
Actuarial cost method	Entry age normal		Entry age normal	Entry age normal	Entry age normal
Asset valuation method	5-yr. Smoothed Market		5-yr. Smoothed Market	5-yr. Smoothed Market	5-yr. Smoothed Market
Actuarial assumptions:					
Inflation	2.50 %		2.25 %	2.25 %	2.25 %
Salary increases	3.50%–7.75%	(b)	3.00 % (c)	3.50 % (d)	3.50%–25.00% (e)
Investment rate of return	7.00 %	(f)	7.25 % (g)	6.75 %	6.75 % (f)
Retirement age	(h)		(i)	(j)	(k)
Mortality	(l)		(m)	(n)	(o)
Other information	(p)		(q)	(q)	(p)

(a) Actuarially determined contribution amount is determined as of December 31, with appropriate interest to the end of the year.
(b) (1.50%-6.50% for 2020-2022), varying by years of service.
(c) Plus a service-based increase in the first 9 years.
(d) Plus service based increases consistent with bargaining contracts.
(e) Varying by years of service.
(f) Net of investment expense
(g) Net of investment expense, including inflation
(h) For employees first hired prior to January 1, 2011, rates of retirement are based on the recent experience of the Fund
For employees first hired on or after January 1, 2011 and before July 6, 2017, rates of retirement for each age from 62 to 80 were used (effective December 31, 2011).
For employees first hired on or after July 6, 2017, rates of retirement for each age from 60 to 80 were used (effective December 31, 2018).
(i) Post Retirement Mortality: Scaling factors of 109% for males, and 108% for females of the Pub-2010 Amount-weighted Below-median Incon Healthy Retiree Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvem recently released by the SOA. This assumption provides a margin for mortality improvements.
Pre Retirement Mortality: Scaling factors of 111% for males, and 115% for females of the Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality scales recently released by the SOA. This assumption provides a margin for mortality improvements.
(j) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2020 valuation pursuant to an experience study of the period January 1, 2017 through December 31, 2019.
(j) Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2019, actuarial valuation pursuant to an experience study of the period January 1, 2014, through December 31, 2018.
(k) Retirement rates are based on the recent experience of the Fund (effective December 31, 2017).
(l) Post-retirement mortality rates were based on the RP-2014 Healthy Annuitant Mortality Tables, set forward two years for males and one year for females, and projected generationally using scale MP-2016. Pre-retirement mortality rates were based on 120% of the RP-2014 Employee Mortality Tables projected generationally using scale MP-2016.
(m) Post Retirement Mortality: Scaling factors of 109% for males, and 108% for females of the Pub-2010 Amount-weighted Below-median Incon General Healthy Retiree Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality i scales recently released by the SOA. This assumption provides a margin for mortality improvements.
Pre Retirement Mortality: Scaling factors of 111% for males, and 115% for females of the Pub-2010 Amount-weighted Below-median Incom General Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improv recently released by the SOA. This assumption provides a margin for mortality improvements.
(n) Post-Retirement Healthy mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 119% for males and 102% for females, set forward one year for males. Pre-Retirement mortality rates: Sex distinct Pub-2010 Amount-weighted Safety Employee Mortality Tables weighted 100% for males and 100% for females.
Disabled Mortality: Sex distinct Pub-2010 Amount-weighted Safety Healthy Retiree Mortality Tables weighted 129% for males and 112% for females, set forward one year for males. Future mortality improvements are reflected by projecting the base mortality tables forward using the MP-2018 projection scale.
(o) Post-retirement mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 106% for males and 98% for females, and projected generationally using scale MP-2017. Disabled mortality rates were based on the RP-2014 Blue Collar Healthy Annuitant Mortality Tables, scaled by 107% for males and 99% for females, and projected generationally using scale MP-2017. Pre-retirement mortality rates were based on the RP-2014 Blue Collar Employee Mortality, scaled by 92% for males and 100% for females, projected generationally using scale MP-2017.
(p) Other assumptions: Same as those used in the December 31, 2021, actuarial funding valuations.
(q) The actuarial valuation is based on the statutes in effect as of December 31, 2021.

(Concluded)

ADDITIONAL SUPPLEMENTARY INFORMATION

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ADDITIONAL SUPPLEMENTARY INFORMATION
SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
CALCULATIONS OF COVERAGE COVENANT
FOR THE YEAR ENDED DECEMBER 31, 2021
(Dollars in thousands)

	Sec 404 (a)	Sec 404 (b)
REVENUES:		
Total revenues—as defined	$ 1,089,837	$ 1,089,837
Other available moneys (PFC for debt service, BAB Subsidy and CARES Funds)	86,190	86,190
Other available moneys (CARES used as revenues/credit less amount used for Operation & Maint. expenses)	79,168	-
Cash balance in revenue fund on the first day of fiscal year (Note 2)	101,905	-
TOTAL AVAILABLE FOR COVERAGE COVENANT	$ 1,357,100	$ 1,176,027
COVERAGE REQUIREMENTS—Deposits required:		
Operation and maintenance reserve	$ 34,713	
Maintenance reserve	525	
Supplemental O & M Reserve	28,277	
Senior lien debt service fund	357,866	
TOTAL DEPOSITS REQUIREMENTS	$ 421,381	
AGGREGATE SENIOR LIEN DEBT SERVICE	$ 472,941	$ 472,941
LESS AMOUNTS TRANSFERRED FROM CAPITALIZED INTEREST ACCOUNTS	(28,879)	(28,879)
Net aggregate debt service	444,062	$ 444,062
COVENANT REQUIREMENT	1.25	
NET AGGREGATE DEBT SERVICE	$ 555,078	
COVERAGE REQUIREMENT (Greater of total deposit requirements or 125% of net aggregate debt service)	$ 555,078	$ -
OPERATION AND MAINTENANCE EXPENSES—As defined	653,137	654,742
TOTAL REQUIREMENT	$ 1,208,215	$ 1,098,804
TOTAL AVAILABLE FOR COVERAGE COVENANT	$ 1,357,100	$ 1,176,027

See notes to calculations of coverage.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SENIOR LIEN GENERAL AIRPORT REVENUE BONDS
NOTES TO CALCULATIONS OF COVERAGE
FOR THE YEAR ENDED DECEMBER 31, 2021

1. RATE COVENANT

In the Master Indenture of Trust securing Chicago O'Hare International Airport Senior Lien Obligations:

The City covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates, and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and (ii) to provide for the greater of (A) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures and trust agreements pursuant to which all Outstanding Senior Lien Obligations or other outstanding Airport Obligations are issued and secured, and (B) one and twenty-five-hundredths times Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations.

The City further covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys consisting solely of (i) any passenger facility charges deposited with the Trustee for that Fiscal Year, and (ii) any other moneys received by the City in the immediately prior Fiscal Year and deposited with the Trustee no later than the last day of the immediately prior Fiscal Year, will be at least sufficient: (i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year, and (ii) to provide for the payment of Aggregate Debt Service for the Bond Year commencing during that Fiscal Year reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during the Bond Year to pay the principal of and interest on Senior Lien Obligations.

Of the $62.5 million of pension expense for 2021, $77.1 million is the portion of the City's pension contribution payable in 2021 to the pension funds and allocable to O'Hare Airport. The remaining portion of the pension expense (benefit) for 2021, $14.6 million, is recognized on the income statement of O'Hare Airport for 2021 but is not due and payable by the City during 2021; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios. In addition, COVID-19 Relief Funds of $21.9 million were applied to reduce the airline-based operating and maintenance costs in 2021.

2. REVENUE FUND BALANCE

The Revenue Fund balance includes all cash, cash equivalents and investments held in any Airport account which were available to the Revenue Fund to satisfy the coverage requirement under the terms of the Bond Ordinance. This balance also includes airfield credits, ARE and CRE net revenues from prior years that are required to be applied to the 2021 rates and charges in accordance with Section 8 of the 2018 O'Hare Airport Airline Use and Lease Agreement.

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STATISTICAL INFORMATION

STATISTICAL INFORMATION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures and required supplementary information says about the Airport's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the Airport's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Airport's most significant revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Airport's current levels of outstanding debt and the Airport's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airport's financial activities takes place.

Operating Information

These schedules contains data to help the reader understand how the information in the Airport's financial report relates to the services the Airport provides and the activities it performs.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL OPERATING RESULTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(Dollars in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
OPERATING REVENUES:										
Landing fees	$ 189,997	$ 169,323	$ 211,982	$ 253,347	$ 301,285	$ 300,247	$ 336,168	$ 370,945	$ 365,580	$ 562,241
Rental revenues:										
Terminal rental and use charges	246,912	273,611	340,449	292,706	333,939	350,727	373,765	440,325	274,283	253,713
Other rentals and fueling system fees	40,530	44,813	45,330	48,199	52,870	62,905	84,513	113,567	90,646	121,473
Subtotal rental revenues	287,442	318,424	385,779	340,905	386,809	413,632	458,278	553,892	364,929	375,186
Concessions:										
Auto parking	93,557	95,614	97,834	99,210	103,813	106,620	103,975	103,459	39,624	73,599
Auto rentals	25,445	26,274	27,863	29,176	28,436	28,028	29,971	32,559	28,372	27,591
Restaurants	41,330	42,662	45,432	49,366	52,786	54,657	57,972	61,690	28,819	34,330
News and gifts	16,579	18,367	24,086	24,355	25,082	24,354	25,465	25,012	23,309	12,325
Hilton Revenues	-	-	-	-	-	-	-	66,614	18,365	32,587
Other	41,197	40,337	45,082	41,908	43,074	43,762	43,240	32,813	30,163	21,415
Subtotal concessions	218,108	223,254	240,297	244,015	253,191	257,421	260,623	322,147	168,652	201,847
Reimbursements	7,017	6,679	6,466	6,961	6,532	4,879	6,844	6,501	6,451	5,878
Total operating revenues [1]	702,564	717,680	844,524	845,228	947,817	976,179	1,061,913	1,253,485	905,612	1,145,152
OPERATING AND MAINTENANCE EXPENSES:										
Salaries and wages [2]	191,677	192,744	212,576	203,216	208,578	210,649	227,219	221,763	228,173	213,023
Pension expense	-	-	-	339,546	245,491	145,992	145,920	159,153	45,419	62,448
Repairs and maintenance	88,784	85,484	110,928	98,945	104,536	95,310	115,008	143,231	144,975	170,176
Energy	31,775	32,895	34,519	34,090	39,500	34,773	35,027	42,297	35,350	35,004
Materials and supplies	9,797	8,961	10,573	9,876	10,886	6,937	16,284	14,647	7,670	13,876
Engineering and other professional services	74,307	81,070	88,143	83,265	95,608	101,798	111,642	133,994	140,982	149,419
Hilton Expenses	-	-	-	-	-	-	-	43,021	20,157	24,234
Other operating expenses	53,839	24,895	38,268	36,773	46,611	57,035	59,166	84,478	68,999	104,751
Total operating and maintenance expenses before depreciation and amortization [3]	450,179	426,049	495,007	805,710	751,210	652,494	710,266	842,584	691,725	772,931
NET OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION [4]	$ 252,385	$ 291,631	$ 349,517	$ 39,518	$ 196,607	$ 323,685	$ 351,647	$ 410,901	$ 213,887	$ 372,221
FIRST AND SECOND LIEN BONDS—Net revenues for calculating coverage less fund deposit requirements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
AGGREGATE DEBT SERVICE LESS DISBURSEMENTS FROM CAPITALIZED INTEREST ACCOUNTS [5]	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
DEBT SERVICE COVERAGE RATIO [6]	-	-	-	-	-	-	-	-	-	
THIRD LIEN BONDS—Net revenues for calculating coverage per master indenture third lien	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
COVERAGE REQUIRED PER MASTER INDENTURE—Third lien	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
TOTAL AVAILABLE SOURCES FOR CALCULATING COVERAGE PER MASTER INDENTURE—Senior Lien	$ 844,954	$ 853,216	$ 989,929	$ 1,010,311	$ 1,130,225	$ 1,183,777	$ 1,277,670	$ 1,456,750	$ 1,351,388	$ 1,358,971
TOTAL REQUIREMENT PER MASTER INDENTURE—Senior lien [7]	$ 804,237	$ 825,116	$ 985,375	$ 981,095	$ 1,091,007	$ 1,126,312	$ 1,193,799	$ 1,290,806	$ 1,173,826	$ 1,209,820
COVERAGE COVENANT RATIO PER MASTER INDENTURE—Senior Lien	1.05	1.10	1.10	1.10	1.10	1.10	1.10	1.13	1.15	1.12
OPERATION AND MAINTENANCE EXPENSES PER MASTER INDENTURE—Senior Lien [8]	$ 439,309	$ 415,749	$ 484,448	$ 468,426	$ 508,531	$ 506,323	$ 579,040	$ 632,686	$ 556,633	$ 654,742
NET REVENUES AVAILABLE FOR SENIOR LIEN DEBT SERVICE	$ 405,645	$ 437,467	$ 505,481	$ 541,885	$ 621,694	$ 677,454	$ 698,630	$ 824,064	$ 794,755	$ 704,229
AGGREGATE DEBT SERVICE—Senior Lien [8]	$ 331,753	$ 372,152	$ 455,388	$ 466,063	$ 529,524	$ 563,626	$ 558,872	$ 572,278	$ 514,327	$ 444,062
COVERAGE RATIO [8]	1.22	1.18	1.11	1.16	1.17	1.20	1.25	1.44	1.55	1.59

(1) Average annual compound growth rate for 2012–2021 for total operating revenues is 5.6%.
(2) Salaries and wages includes charges for pension, health care and other employee benefits.
(3) Average annual compound growth rate for 2012–2021 for total operating and maintenance expenses before depreciation and amortization is 6.2%.
(4) Amount for 2021 may be reconciled to operating income of $53,345 reported in the 2021 Statements of Revenues, Expenses and Changes in Net Position by deducting depreciation and amortization of $314,122. Amount for prior years may be reconciled through similar calculation.
(5) Represents debt service on first and second lien bonds.
(6) Represents debt service coverage ratio on first and second lien bonds.
(7) Represents Total Requirement for Operation and Maintenance Expenses and Aggregate Debt Service per Senior Lien Master Indenture.
(8) Represents calculations per Section 404(a) of the Senior Lien Master Indenture.

Note: Of the $62.5 million of pension expense for 2021, $77.1 million is the portion of the City's pension contribution payable in 2021 to the pension funds and allocable to O'Hare Airport. The remaining portion of the pension expense for 2021 ($14.6). pursuant to GASB 68 but is not due and payable by the City during 2021; accordingly, that portion is not included in Operating Expenses for purposes of calculation of the debt service coverage ratios.

Source: Chicago O'Hare International Airport Audited Financial Statements and City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

DEBT SERVICE SCHEDULE
(Dollars in thousands)

The following table sets forth aggregate annual debt service for outstanding General Airport Revenue Bonds (GARB), PFC revenue bonds and CFC revenue bonds:

Year Ending December 31	Total Debt Service on Senior Lien Bonds	Total GARB Debt Service	Total PFC Debt Service	Total CFC Debt Service	Total TIFIA Loan Debt Service	Total Debt Service
2022	$ 471,228	$ 471,228	$ 43,814	$ 18,125	$ 10,760	$ 543,927
2023	617,331	617,331	43,767	18,129	14,397	693,624
2024	645,076	645,076	43,735	18,113	14,363	721,287
2025	644,787	644,787	43,695	18,099	14,325	720,906
2026	640,335	640,335	43,647	18,082	14,337	716,401
2027	640,806	640,806	43,714	18,073	14,343	716,936
2028	630,423	630,423	43,670	18,081	14,342	706,516
2029	607,125	607,125	43,625	18,072	14,336	683,158
2030	612,390	612,390	43,468	18,059	14,322	688,239
2031	611,996	611,996	43,411	18,044	14,329	687,780
2032	612,117	612,117	39,356	18,029	14,329	683,831
2033	612,723	612,723	3,265	18,014	14,321	648,323
2034	649,898	649,898	-	17,976	14,333	682,207
2035	666,172	666,172	-	17,955	14,310	698,437
2036	530,649	530,649	-	17,939	14,305	562,893
2037	530,838	530,838	-	17,920	14,293	563,051
2038	529,569	529,569	-	17,902	14,299	561,770
2039	527,584	527,584	-	17,881	14,296	559,761
2040	416,099	416,099	-	17,862	14,310	448,271
2041	359,857	359,857	-	17,838	14,286	391,981
2042	265,437	265,437	-	17,815	14,279	297,531
2043	265,331	265,331	-	17,785	14,290	297,406
2044	266,749	266,749	-	-	21,533	288,282
2045	239,667	239,667	-	-	21,509	261,176
2046	239,483	239,483	-	-	21,488	260,971
2047	217,677	217,677	-	-	21,498	239,175
2048	217,614	217,614	-	-	21,482	239,096
2049	523,694	523,694	-	-	21,470	545,164
2050	197,228	197,228	-	-	21,457	218,685
2051	197,181	197,181	-	-	21,443	218,624
2052	197,146	197,146	-	-	21,426	218,572
2053	117,838	117,838	-	-	-	117,838
2054	409,144	409,144	-	-	-	409,144
	$14,911,192	$14,911,192	$479,167	$395,793	$504,811	$16,290,963

Note: The annual debt service tables in the Official Statements for the above debt were presented with a year ended January 1. The information above is presented with a year ended December 31. The change has been made to facilitate reconciliation to revenue bonds payable at December 31, 2021.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CAPITAL IMPROVEMENT PLAN (CIP), 2022–2026
(Dollars in thousands)

ESTIMATED USES—Five-Year Capital Improvement Program:	
Airfield improvements	$ 746,466
Terminal improvements	1,338,192
Noise mitigation	26,228
Fueling system	116
Parking/roadway projects	189,981
Heating and refrigeration	180,614
Safety and security	25,890
Infrastructure and Land Support	7,000
TOTAL ESTIMATED USES	$ 2,514,487
ESTIMATED SOURCES:	
Federal AIP discretionary grants	$ 19,500
Federal AIP entitlement grants	32,500
Airport Development Funds	92,850
TSA funds	-
Prior airport revenue bond proceeds	426,520
Future Airport obligation proceeds	1,930,104
CFC PayGo	-
CFC Senior Lien Revenue Bonds	-
Other airport funds	13,013
TOTAL ESTIMATED SOURCES	$ 2,514,487

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

OPERATIONS OF THE AIRPORT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

Airport Activity

According to statistics compiled by Airport Council International (ACI), for the 12-month period ended December 31, 2021, the Airport was ranked as the second busiest airport in the world for total aircraft operations. According to the U.S. Department of Transportation, the Airport was fourth in the United States in terms of total passengers, and fifth in the United States in terms of cargo volume. According to Innovata, during 2021, nonstop service was provided from the Airport to 251 destinations, 188 domestic airports and 63 foreign airports.

Chicago O'Hare International Airport Historical Connecting Passengers

Year	Total Enplanements	Total Originating Enplanements [1]	Total Connecting Enplanements [1]	Connecting Enplanements Percentage
2012	33,244,515	16,867,283	16,377,232	49.3 %
2013	33,297,578	17,044,643	16,252,935	48.8
2014	34,952,762	17,115,535	17,837,227	51.0
2015	38,395,905	20,096,191	18,299,714	47.7
2016	38,872,669	20,991,241	17,881,428	46.0
2017	39,815,888	22,429,433	17,386,455	43.7
2018	41,563,343	23,483,289	18,080,054	43.5
2019	42,248,370	23,836,209	18,412,161	43.6
2020[2]	15,351,046	8,550,533	6,800,513	44.3
2021	26,945,359	15,259,775	11,685,584	43.4
	Average Annual Compound Growth Rates			
2012–2021	(2.3)%	(1.1)%	(3.7)%	

[1] Originating enplanements, resulting connecting enplanements and percentages have been recalculated based on updated information.

[2] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANED COMMERCIAL PASSENGERS BY AIRLINE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

	2012		2013		2014		2015		2016		2017		2018		2019		2020		2021	
Airline [1]	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total	Enplanements	% of Total
United Airlines	7,417,697	22.3 %	8,293,334	24.9 %	9,227,495	26.4 %	10,556,509	27.5 %	11,722,663	30.2 %	12,534,578	31.5 %	12,831,523	30.9 %	12,915,154	30.6 %	4,055,574	26.4 %	9,892,279	36.7 %
American Airlines	7,212,437	21.7	7,209,709	21.7	7,064,555	20.2	8,668,309	22.6	9,606,479	24.7	9,763,126	24.5	10,053,968	24.2	10,153,179	24.0	3,651,968	23.8	7,480,403	27.8
Simmons Airlines (dba American Eagle)	3,591,209	10.8	4,022,596	12.1	2,868,392	8.2	2,992,870	7.8	3,494,513	9.0	2,606,809	6.5	2,890,716	7.0	3,211,822	7.6	1,270,603	8.3	1,753,714	6.5
Sky West (dba United Express, Delta, American)	1,276,718	3.8	1,386,813	4.2	1,873,838	5.4	2,363,825	6.2	2,279,699	5.9	3,997,933	10.0	3,781,224	9.1	3,222,470	7.6	430,071	2.8	1,049,239	3.9
Mesa (dba United Express)	524,665	1.6	540,671	1.6	454,299	1.3	2,365	-	-	-	76	-	-	-	-	-	-	-	67,923	0.3
Northwest Airlines	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shuttle America (dba United Express)	1,163,078	3.5	903,682	2.7	816,617	2.3	716,874	1.9	619,873	1.6	23,061	0.1	-	-	-	-	-	-	-	-
Continental Airlines	1,901,333	5.7	697,398	2.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
US Airways	1,024,706	3.1	1,068,630	3.2	1,024,772	2.9	1,025,863	2.7	-	-	-	-	-	-	-	-	-	-	-	-
Go Jet (UA Express, Delta)	743,794	2.2	795,407	2.4	783,363	2.2	867,993	2.3	750,452	1.9	709,925	1.8	694,348	1.7	609,533	1.4	466,546	3.0	743,699	2.8
Delta Airlines	956,245	2.9	716,938	2.1	844,445	2.4	972,132	2.5	906,920	2.3	898,063	2.3	1,080,185	2.6	1,456,569	3.4	430,071	2.8	897,678	3.3
Trans State Air (dba United Express)	208,197	0.6	475,863	1.4	637,489	1.8	279,635	0.7	353,453	0.9	486,191	1.2	361,901	0.9	524,954	1.2	86,554	0.6	-	-
America West														- .0		- .0		-		-
Air Canada	108,637	0.4	80,190	0.2	6,664	-	33,773	0.1	78,189	0.2	206,178	0.5	-	-	-	-	-	-	13,717	0.1
Chautauqua (dba United Express)	236	-	6,086	-	51,553	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Air Wisconsin (dba United Express)	4	-	1	-	2	-	-	-	-	-	106,052	0.3	223,405	0.5	1,552,041	3.7	505,815	3.3	856,582	3.2
Independence Air	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All other [2]	7,115,559	21.4	7,100,260	21.3	9,299,278	26.8	9,915,757	25.7	9,060,428	23.3	8,483,896	21.3	9,646,073	23.2	8,602,648	20.4	4,453,844	29.0	4,190,125	15.6
Total	33,244,515	100.0 %	33,297,578	100.0 %	34,952,762	100.0 %	38,395,905	100.0 %	38,872,669	100.0 %	39,815,888	100.0 %	41,563,343	100.0 %	42,248,370	100.0 %	15,351,046	100.0 %	26,945,359	100.0 %

[1] Each airline listed is a signatory to a 1983 Airport Use Agreement and/or 2018 Airport Use Agreement
[2] Other includes airlines with minimal shares and those no longer operating at the Airport

AIRLINES PROVIDING SERVICE AT THE AIRPORT
As of December 31, 2021, the Airport had scheduled air service by 54 airlines, including 22 domestic airlines, and 32 foreign flag airlines. Passenger service to the Airport is provided by 11 of the 12.
"Group III Carriers," which are defined by the U.S. Department of Transportation, Bureau of Transportation Statistics, Office of Airline Information to include domestic air carriers with annual operating revenues in excess of $1 billion.

United Airlines and American Airlines (including their commuter affiliates) together accounted for approximately 80.7% of the enplaned commercial passengers at the Airport in 2021.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PASSENGER TRAFFIC
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

Year	Total Domestic Passengers	Percent of Total Passengers	Total International Passengers	Percent of Total Passengers	Total Passengers	Annual Percent Change
2012	56,857,637	85.1 %	9,977,294	14.9 %	66,834,931	10.0 %
2013	56,728,189	84.8	10,181,394	15.2	66,909,583	0.1
2014	59,321,544	84.7	10,753,660	15.3	70,075,204	4.7
2015	65,943,490	85.7	11,006,014	14.3	76,949,504	9.8
2016	66,210,437	84.9	11,750,192	15.1	77,960,629	1.3
2017	67,362,667	84.4	12,465,516	15.6	79,828,183	2.4
2018	69,298,241	83.2	13,947,231	16.8	83,245,472	4.3
2019	70,450,326	83.2	14,198,789	16.8	84,649,115	1.7
2020[(1)]	27,227,540	88.3	3,619,262	11.7	30,846,802	(63.6)
2021	48,410,636	89.6	5,614,148	10.4	54,024,784	75.1
	Average Annual Compound Growth Rates					
2012–2021	(1.8)%		(6.2)%		(2.3)%	

[(1)] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL TOTAL ORIGIN AND DESTINATION (O&D) ENPLANEMENTS
CHICAGO REGION AIRPORTS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

	Chicago O'Hare International Airport		Chicago Midway International Airport		
Year	Total O&D Enplanements [1]	Percent of Total Chicago	Total O&D Enplanements [1]	Percent of Total Chicago	Total O&D Enplanements
2012	16,867,283	73.7 %	6,045,841	26.3 %	22,364,651
2013	17,044,643	72.4	6,505,206	27.6	23,549,849
2014	17,115,535	72.6	6,446,497	27.4	23,562,032
2015	20,096,191	75.0	6,682,549	25.0	26,778,740
2016	20,991,241	74.5	7,181,858	25.5	28,173,099
2017	22,429,433	75.1	7,446,996	24.9	29,876,429
2018	23,483,289	76.5	7,197,512	23.5	30,680,801
2019	23,836,209	77.4	6,944,982	22.6	30,781,191
2020[2]	8,550,533	74.6	2,912,068	25.4	11,462,601
2021	15,259,775	75.1	5,054,877	24.9	20,314,652
	Average Annual Compound Growth Rates				
2012–2021	(1.1)%		(2.0)%		(1.1)%

[1] Originating enplanements, resulting connecting enplanements and percentages have been recalculated based on updated information.

[2] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

ENPLANEMENT SUMMARY
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

	Total O'Hare Enplanements				
Year	**Total Domestic Air Carrier Enplanements**	**Percent of Total O'Hare**	**Total International Enplanements**	**Percent of Total O'Hare**	**Total[(1)] Enplanements**
2012	28,288,427	85.1 %	4,956,088	14.9 %	33,244,515
2013	28,195,077	84.7	5,102,501	15.3	33,297,578
2014	29,559,975	84.6	5,392,787	15.4	34,952,762
2015	32,877,967	85.6	5,517,938	14.4	38,395,905
2016	33,015,851	84.9	5,856,818	15.1	38,872,669
2017	33,587,845	84.4	6,228,043	15.6	39,815,888
2018	35,598,046	83.2	6,965,297	16.8	41,563,343
2019	35,168,714	83.2	7,079,656	16.8	42,248,370
2020[(2)]	13,549,416	88.3	1,801,630	11.7	15,351,046
2021	24,169,431	89.7	2,775,928	10.3	26,945,359
	Average Annual Compound Growth Rates				
2012–2021	(1.7)%		(6.2)%		(2.3)%

(1) Total Enplanements equals Total Domestic Air Carrier Enplanements plus Total Domestic Commuter Enplanements plus Total International Enplanements.

(2) Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

AIRCRAFT OPERATIONS
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

	Annual Aircraft Operations					
Year	Domestic Air Carrier	International Air Carrier	Total Air Carrier	All-Cargo	General Aviation	Total
2012	783,371	66,992	850,363	16,887	10,858	878,108
2013	784,681	71,858	856,539	16,326	10,422	883,287
2014	779,708	76,258	855,966	15,433	10,534	881,933
2015	775,091	70,729	845,820	17,698	11,618	875,136
2016	762,664	75,395	838,059	17,932	11,644	867,635
2017	759,810	77,524	837,334	19,083	10,632	867,049
2018	785,629	83,628	869,257	24,052	10,438	903,747
2019	785,618	99,545	885,163	24,411	10,130	919,704
2020[(1)]	460,757	41,966	502,723	30,402	5,086	538,211
2021	584,907	59,458	644,365	31,752	8,084	684,201
	Average Annual Compound Growth Rates					
2012–2021	(3.2)%	(1.3)%	(3.0)%	7.3 %	(3.2)%	(2.7)%

[(1)] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET AIRLINE REQUIREMENT AND COST PER ENPLANED PASSENGER
FOR THE YEAR ENDED DECEMBER 31, 2021
(Dollars in thousands)

Calculation of cost per enplaned passenger:	
Operating and maintenance expenses [1]	$ 653,137
Net debt service [1]	353,674
Debt service coverage requirement [2]	8,540
Fund deposits [3]	63,515
Total airport expenses [1]	1,078,866
Less:	
Non-airline revenue [1]	(189,795)
COVID-19 Relief Funds applied to Revenue and shortfall of PFCs	(23,610)
ARE and CRE Net Revenues applied to 2020 Rates and Charges	(44,148)
Airfield Credit from 2018 and 2019 Final Accounting	(20,406)
Other	1,212
Net airline requirement [4]	802,119
Enplaned passengers	26,945,359
Cost per enplaned passenger	$ 29.77

[1] This analysis excludes the Airport General Fund, CFC Fund and PFC Fund.

[2] Incremental adjustment required which provides 1.25x coverage on aggregate debt service.

[3] Deposits to the Operations and Maintenance Reserve, Supplemental Operations and Maintenance Reserve, Maintenance Reserve.

[4] Revenue required to be collected from all Airline Parties under the ORD Airport Use Agreement.

Source: City of Chicago Comptroller's Office and Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL PFC REVENUES
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(Dollars in thousands)

Year	Total Enplanements	PFC Enplanements [1]	PFC Revenues (Net of Airline Collection Fees) [2]	PFC Interest Income	Total PFC Revenues
2012	33,244,515	28,067,538	123,215	1,575	124,790
2013	33,297,578	29,516,583	129,578	1,527	131,105
2014	34,952,762	31,962,719	140,316	1,275	141,591
2015	38,395,905	32,425,502	142,348	918	143,266
2016	38,872,669	34,993,891	153,623	941	154,564
2017	39,815,888	34,753,751	152,569	1,306	153,875
2018	41,563,343	37,088,975	162,871	3,230	166,101
2019	42,248,370	41,138,976	180,600	5,193	185,793
2020[3]	15,351,046	15,713,735	68,983	3,922	72,905
2021[3]	26,945,359	22,507,518	98,808	1,750	100,558

[1] Historical collection information reflects an actual percentage of eligible PFC enplanements of 83.5% in 2021.

[2] Actual amounts above are recorded on a cash basis but are reported in the Airport's audited financial statements on an accrual basis. The cash basis PFC audit for 2021 has not yet been issued.

[3] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Comptroller's Office and Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

PASSENGER FACILITY CHARGE (PFC) DEBT SERVICE COVERAGE
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(Dollars in thousands)

Bond Year Ended	PFC Revenues	PFC Bonds Debt Service	Coverage by PFC Revenues [1]
January 1, 2013	$ 124,790	$ 66,163	1.89
January 1, 2014	131,105	70,860	1.85
January 1, 2015	141,591	65,307	2.17
January 1, 2016	143,266	66,791	2.14
January 1, 2017	154,564	66,425	2.33
January 1, 2018	153,875	66,425	2.32
January 1, 2019	166,101	50,358	3.30
January 1, 2020	185,793	48,293	3.85
January 1, 2021[2]	72,905	47,661	1.53
January 1, 2022[2]	100,558	44,471	2.26

[1] Actual amounts above are recorded on a cash basis and includes interest earnings.
[2] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: City of Chicago Comptroller's Office and Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

NET POSITION BY COMPONENT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(Dollars in thousands)

	2012	2013*	2014	2015	2016**	2017	2018	2019	2020	2021
Net position:										
Net investment in capital assets	$ 517,619	$ 582,175	$ 644,430	$ 707,991	$ 1,001,744	$ 1,117,543	$ 1,243,830	$ 1,362,522	$ 1,437,834	$ 1,301,406
Restricted	605,488	709,665	780,514	828,216	679,180	623,642	700,023	898,995	1,031,864	1,123,192
Unrestricted (deficit)	31,511	35,559	35,140	(1,061,607)	(1,298,327)	(1,325,243)	(1,394,984)	(1,510,345)	(1,433,408)	(1,346,515)
Total net position	$1,154,618	$1,327,399	$1,460,084	$ 474,600	$ 382,597	$ 415,942	$ 548,869	$ 751,172	$ 1,036,290	$ 1,078,083

* Amounts were restated due to the implementation of GASB 65.
** Amounts were restated due to the implementation of GASB 68.

Source: Chicago O'Hare International Airport Audited Financial Statements and City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

CHANGE IN NET POSITION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(Dollars in thousands)

	2012	2013*	2014	2015	2016**	2017	2018	2019	2020[1]	2021
TOTAL OPERATING REVENUES	$ 702,564	$ 717,680	$ 844,524	$ 845,228	$ 947,816	$ 976,179	$1,061,913	$1,253,485	$ 905,612	$1,145,152
OPERATING EXPENSES:										
Salaries and wages	163,542	162,233	182,984	191,842	204,136	205,957	222,550	214,069	222,855	219,922
Pension expense	-	-	-	339,546	245,491	145,992	145,920	159,153	45,419	62,448
Repairs and maintenance	88,784	85,484	110,928	98,945	104,536	95,310	115,008	143,231	144,975	170,176
Professional and engineering services	74,307	81,070	88,143	83,265	95,608	101,798	111,642	133,994	140,982	149,419
Other operating expenses	123,546	97,262	112,952	92,112	101,439	103,437	115,146	149,116	117,337	146,732
Hilton expenses	-	-	-	-	-	-	-	43,021	20,157	24,234
Depreciation and amortization	216,762	196,352	218,211	231,670	254,689	262,331	259,467	287,648	292,212	314,122
Loss on capital asset disposal	21,601	205	-	3,320	-	18,711	22,218	37,505	-	4,754
Total operating expenses	688,542	622,606	713,218	1,040,700	1,005,899	933,536	991,951	1,167,737	983,937	1,091,807
OPERATING (LOSS) INCOME	14,022	95,074	131,306	(195,472)	(58,083)	42,643	69,962	85,748	(78,325)	53,345
NONOPERATING REVENUES (EXPENSES):										
Passenger facility charge revenue	126,631	127,235	136,351	147,697	154,044	158,175	163,263	171,993	61,279	110,689
Customer facility charges	34,069	34,898	36,284	39,204	39,930	39,094	38,837	40,315	14,992	25,059
Passenger facility charge expenses	(6,150)	(9,159)	(4,630)	(2,341)	(2,410)	(6,359)	(42)	(2,495)	(21)	-
Other nonoperating revenues	19,565	27,071	30,845	18,315	15,553	26,860	19,267	15,792	9,320	21,024
Final settlement of 1983 AULA	-	-	-	-	-	-	-	-	122,668	-
Noise mitigation	-	(19,639)	(15,892)	(8,998)	(2,310)	(16,445)	(6,097)	(2,475)	(5,872)	(3,804)
Cost of issuance	-	(8,008)	(154)	(11,441)	(5,912)	(12,193)	(14,192)	(31)	(9,333)	-
Investment income	21,612	(7,699)	29,838	19,328	12,640	32,771	36,707	66,102	45,054	(15,178)
Interest expense	(266,734)	(270,528)	(300,295)	(319,373)	(316,119)	(313,202)	(305,798)	(319,369)	(320,370)	(408,331)
Grant revenues	-	-	-	-	-	-	-	-	294,442	177,450
Total nonoperating revenue (expenses)	(71,007)	(125,829)	(87,653)	(117,609)	(104,584)	(91,299)	(68,055)	(30,168)	212,159	(93,091)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(56,985)	(30,755)	43,653	(313,081)	(162,667)	(48,656)	1,907	55,580	133,834	(39,746)
CAPITAL GRANTS	73,538	203,536	89,032	76,689	70,664	82,001	131,020	77,923	151,284	81,539
CAPITAL CONTRIBUTIONS	-	-	-	-	-	-	-	68,800	-	-
CHANGE IN NET POSITION	$ 16,553	$ 172,781	$ 132,685	$ (236,392)	$ (92,003)	$ 33,345	$ 132,927	$ 202,303	$ 285,118	$ 41,793

* Amounts were restated due to the implementation of GASB 65.
** Amounts were restated due to the implementation of GASB 68.
[1] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

Source: Chicago O'Hare International Airport Audited Financial Statements and City of Chicago Comptroller's Office.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

LONG-TERM DEBT
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021
(Dollars in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020[1]	2021
First lien bonds	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Second lien bonds	-	-	-	-	-	-	-	-	-	-
Third lien bonds	-	-	-	-	-	-	-	-	-	-
Senior lien bonds	6,355,245	6,696,365	6,563,780	6,586,490	6,404,030	7,564,355	9,296,015	9,034,660	8,702,045	8,537,745
Commercial paper notes	50,616	20,000	51,026	-	-	102,239	-	-	-	-
Passenger facility	-	-	-	-	-	-	-	-	-	-
Passenger facility charge revenue bonds	726,700	700,090	663,780	631,245	595,630	558,635	519,790	495,070	394,905	369,990
Customer facility	-	-	-	-	-	-	-	-	-	-
Customer facility charge revenue bonds	-	248,750	248,750	248,750	248,750	248,750	244,025	239,065	233,860	228,425
Revolving line of credit-AMT										71,100
Revolving line of credit	-	-	-	-	12,098	12,098	-	-	-	-
TIFIA Loan	-	-	-	-	-	159,803	258,150	278,756	278,756	278,756
Total revenue bonds and notes	7,132,561	7,665,205	7,527,336	7,466,485	7,260,508	8,645,880	10,317,980	10,047,551	9,609,566	9,486,016
Unamortized premium	200,381	224,056	199,169	374,179	453,456	607,459	610,467	559,884	620,589	569,446
Total revenue bonds payable, net of unamortized premium (discount)	$ 7,332,942	$ 7,889,261	$ 7,726,505	$ 7,840,664	$ 7,713,964	$ 9,253,339	$10,928,447	$10,607,435	$10,230,155	$10,055,462
Enplanements	33,244,515	33,297,578	34,952,762	38,395,905	38,872,669	39,815,888	41,563,343	42,248,370	15,351,046	26,945,359
Debt per enplanement	$ 215	$ 230	$ 215	$ 194	$ 187	$ 217	$ 248	$ 238	$ 626	$ 352

[1] Reduction in Enplanements due to the impact of the COVID-19 pandemic on air travel.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

FULL-TIME EQUIVALENT CHICAGO O'HARE AIRPORT EMPLOYEES BY FUNCTION
FOR EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration (pre-2009 executive directions)	119	110	-	-	-	-	-	-	-	-
Capital development	35	34	18	18	20	61	67	70	79	65
Financial administration	-	-	35	36	38	44	44	46	42	43
Human resources management	-	-	-	-	-	-	-	-	-	-
Capital finance management	-	-	-	-	-	-	-	-	-	-
Contract administration	-	-	12	12	13	12	12	14	15	15
Business information services	-	-	-	-	-	-	-	-	-	-
Business communication	-	-	-	-	-	-	-	-	-	-
Commercial development and concessions	4	3	13	13	13	18	17	17	18	17
Administration	-	-	47	46	46	43	43	48	67	60
Airfield operations	305	305	306	306	346	461	463	488	512	506
Landside operations	12	22	239	240	237	225	223	212	218	207
Security management	236	236	361	306	305	317	345	338	424	421
Facility management	500	504	311	324	322	345	323	349	349	338
Safety management	7	7	-	-	-	-	-	-	-	-
Total	1,218	1,221	1,342	1,301	1,340	1,526	1,537	1,582	1,724	1,672

Source: City of Chicago's Program and Budget Summary.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATISTICAL DATA
PRINCIPAL EMPLOYERS (NONGOVERNMENT)
CURRENT YEAR AND TEN YEARS AGO (NOTE AT THE END OF THIS PAGE)

	2021 (1)			2012 (3)		
Employer	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Amazon.Com Inc	27,050	1	2.17 %	-	-	-
Advocate Aurora Health	25,906	2	2.08	-	-	-
Northwestern Memorial Healthcare	24,053	3	1.93	-	-	-
University of Chicago	20,781	4	1.67	-	-	-
Walmart Inc.	18,500	5	1.48	-	-	-
Walgreens Boots Alliance Inc.	16,817	6	1.35	2,789	10	0.26 %
JPMorgan Chase & Co. (4)	14,583	7	1.17	8,168	1	0.76
United Continental Holdings Inc. (5)	13,171	8	1.06	7,521	2	0.70
Amita Health	13,051	9	1.05	-	-	
Jewel-Osco (6)	10,892	10	0.87	4,572	5	0.43
Accenture LLP	-	-	-	5,590	3	0.52
Northern Trust	-	-	-	5,448	4	0.51
Ford Motor Company	-	-	-	4,187	6	0.39
Bank of America NT & SA (7)	-	-	-	3,811	7	0.36
ABM Janitorial Midwest, INC.	-	-	-	3,398	8	0.32
American Airlines	-	-	-	3,076	9	0.29

NOTES:

(1) Source: Reprinted with permission from the February 22, 2022 issue of Crain's Chicago Business.

(2) Source: Bureau of Labor Statistics data used in calculation of Total City Employment.

(3) Source: City of Chicago, Department of Revenue, Employer's Expense Tax Returns.
Prior to 2014, the source for information was the City of Chicago, Bureau of Revenue Tax–Division report which is no longer available.

(4) United Continental Holdings Inc. formerly known as United Airlines.

(5) JP Morgan & Co. formerly known as J.P. Morgan Chase.

(6) Jewel-Osco formerly known as Jewel Food Stores, Inc.

(7) Bank of America NT & SA formerly known as Bank of America NT.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

STATISTICAL DATA
POPULATION AND INCOME STATISTICS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

Year	Population (1)	Median Age (2)	Number of Households (2)	City Employment	Unemployment Rate (3)	Per Capita Income (4)	Total Income
2012	2,695,598	33.0	1,054,488	1,144,896	8.9 %	$48,305	$130,210,861,390
2013	2,695,598	33.5	1,062,029	1,153,725	8.3	49,071	132,275,689,458
2014	2,695,598	33.9	1,031,672	1,264,234	5.7	50,690	136,639,862,620
2015	2,695,598	34.2	1,053,229	1,273,733	5.7	53,886	145,254,993,828
2016	2,695,598	34.4	1,053,986	1,282,117	5.4	55,621	149,931,856,358
2017	2,695,598	34.6	1,047,695	1,289,325	4.7	58,315	157,193,797,370
2018	2,695,598	34.9	1,077,886	1,288,755	4.0	61,089	164,671,386,222
2019	2,695,598	35.2	1,080,345	1,286,484	3.2	65,306	176,038,722,988
2020	2,695,598	34.8	1,081,143	1,165,441	8.2	67,671	182,413,812,258
2021	2,746,388	N/A (5)	N/A (5)	1,247,060	4.1	N/A (5)	N/A (5)

Notes:

(1) Source: U.S. Census Bureau.

(2) Source: U.S. Census Bureau- american Community Survey data estimates. Data not available in 2021.
Due to Covid-19 protocols the U.S. Census Bureau - American Community Survey (ACS) 1-year data for Median Age and Number of Households are not available for 2020. The reported values above are from the ACS 5-year data.

(3) Source: Bureau of Labor Statistics 2021, Unemployment rate for Chicago-Naperville-Illinois Metropolitan Area.

(4) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income for Chicago-Naperville-Illinois Metropolitan Area.

(5) N/A means not available at time of publication.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

SUMMARY—2021 TERMINAL RENTALS, FEES AND CHARGES
ANNUALIZED RATES

AIRFIELD AND TERMINAL RATES

DESCRIPTION:	
Landing fee (rate/1,000 lbs.)	$ 10.579
Base rent/sq.ft.	161.00
Discount rent/sq.ft.	120.75

TERMINAL COMMON USE CHARGES

DESCRIPTION:	
Imputed Domestic Common Use Gate Fee per delivered seat	$ 1.16
Domestic Common Use Baggage Make-Up Fee per outbound checked bag	2.26
Common Use Baggage Claim Fee per arriving domestic seat (incl pre-cleared)	0.46
Domestic Common Use Check-in Fee per check-in hour	12.52
International Common Use Gate Fee per departing seat and arriving international seat without FIS User	2.52
International Common Use Baggage Make-Up Fee per outbound checked bag	3.29
International Common Use Check-In Fee per check-in hour	26.26
Federal Inspection Services (FIS) Facility Fee	16.39

Source: City of Chicago Department of Aviation.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

AIRPORT MARKET SHARE OF RENTAL CAR BRANDS OPERATING ON-AIRPORT

	Brand(s)	2021 Airport Market
Corporate Entity [1] :		
On-airport		
Enterprise Holdings, Inc.	Enterprise Rent-A-Car [1]	33.19
		33.19
Avis Budget Group, Inc.	Avis (Incl. ZIPCAR)	30.14
	Payless-Avis Budget	1.58
	Budget Rent-A-Car	-
		31.72
Hertz Global Holdings, Inc.	Hertz Rent A Car	26.46
	DTG dba Dollar/Thrifty	-
		26.46
Fox Rent a Car		3.80
Sixt Rent A Car LLC		4.65
Off-airport:		
Routes Car Rental USA Inc		0.18
Total		100.00

[1] Alamo and National are reported jointly.

Sources: City of Chicago Department of Aviation

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL VISITING O&D ENPLANED PASSENGERS
EACH OF THE TEN YEARS ENDED DECEMBER 31, 2012–2021

Year	Total Enplaned Passengers	Total O & D Enplaned Passengers [1]	Total O & D Percentage of Total	Resident O & D Enplaned Passengers	Resident Percentage of Total O & D	Visiting O & D Enplaned Passengers [1]	Visitor Percentage of Total O & D
2012	33,231,201	16,318,810	49.1 %	9,108,439	55.8 %	7,210,371	44.2 %
2013	33,284,788	17,038,092	51.2	9,541,332	56.0	7,496,761	44.0
2014	34,952,762	17,115,535	49.0	9,534,351	55.7	7,491,276	43.8
2015	38,395,905	19,469,276	50.7	10,902,795	56.0	8,566,481	44.0
2016	38,872,669	20,991,241	54.0	11,545,183	55.0	9,446,059	45.0
2017	39,815,888	22,429,433	56.3	12,380,081	55.2	10,049,352	44.8
2018	41,563,343	23,480,691	56.5	12,397,298	52.8	11,083,393	47.2
2019	42,248,870	23,836,209	56.6	13,159,926	55.2	10,676,283	44.8
2020	15,351,046	8,550,533	55.7	4,856,703	56.8	3,693,830	43.2
2021 [2]	26,945,359	17,444,606	64.7	10,300,884	59.0	7,143,722	41.0

(1) Certain estimations were used by Ricondo & Associates to derive visiting O & D enplaned passengers, as data for foreign flag carriers were not available.

(2) The O & D percent share is calculated for the four quarters ending with the fourth quarter of 2021 and 2020 O & D and connecting enplanements are based upon that share. Includes GA, Military and Misc.

Source: City of Chicago, Department of Aviation Management Records (historical total, resident, and visitor O & D enplaned passengers), June 2022.
US Department of Transportation (historical total, resident, and visitor O & D enplaned passengers) June 2022.

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL CFC COLLECTIONS ON SITE AIRPORT RENTAL CAR COMPANIES
(Dollars in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
January	$ 2,043,472	$ 2,021,728	$ 2,095,216	$ 2,058,208	$ 2,160,680	$ 2,063,208	$ 2,170,560	$ 2,165,344	$ 2,106,352	$ 801,040
February	2,119,752	2,023,816	2,037,496	1,975,312	2,096,296	2,072,496	2,170,704	2,138,949	2,060,648	802,304
March	2,492,960	2,380,208	2,365,224	2,411,096	2,528,296	2,551,656	2,711,416	2,629,384	1,405,448	1,124,792
First quarter total	6,656,184	6,425,752	6,497,936	6,444,616	6,785,272	6,687,360	7,052,680	6,933,677	5,572,448	2,728,136
Annual percent change	14.4 %	(3.5)%	1.1 %	(0.8)%	5.3 %	(1.4)%	5.5 %	(1.7)%	(19.6)%	(51.0)%
April	2,584,776	2,532,288	2,663,448	2,833,576	2,978,640	2,721,344	2,939,824	2,984,248	303,616	1,340,640
May	3,135,048	3,161,456	3,403,440	3,457,424	3,554,312	3,337,584	3,579,464	3,740,304	429,152	1,776,464
June	3,286,280	3,335,392	3,575,576	3,512,048	3,554,312	3,672,320	3,733,568	3,916,008	696,008	2,094,120
Second quarter total	9,006,104	9,029,136	9,642,464	9,803,048	10,087,264	9,731,248	10,252,856	10,640,560	1,428,776	5,211,224
Annual percent change	3.6 %	0.3 %	6.8 %	1.7 %	2.9 %	(3.5)%	5.4 %	3.8 %	(86.6)%	264.7 %
July	3,379,960	3,362,504	3,579,976	3,920,712	3,999,848	3,855,952	4,119,976	4,364,512	952,600	2,611,376
August	3,586,248	3,764,952	3,579,976	3,979,920	4,078,696	4,019,608	4,211,240	4,522,104	1,078,760	2,672,832
September	3,245,784	3,496,664	3,579,976	3,756,256	3,771,264	3,569,744	3,671,400	3,911,672	1,093,664	2,408,840
Third quarter total	10,211,992	10,624,120	10,739,928	11,656,888	11,849,808	11,445,304	12,002,616	12,798,288	3,125,024	7,693,048
Annual percent change	(0.2)%	4.0 %	4.2 %	5.3 %	1.7 %	(3.4)%	4.9 %	6.6 %	(75.6)%	146.2 %
October	3,309,960	3,456,280	3,612,656	3,815,136	3,684,456	3,534,248	3,645,920	3,829,296	1,157,616	2,545,016
November	2,703,392	2,798,264	2,891,736	2,937,088	2,939,008	2,905,032	2,997,032	3,000,800	887,928	2,221,288
December	2,180,840	2,564,448	2,572,952	2,478,696	2,419,432	2,441,312	2,592,224	2,781,152	776,856	1,938,680
Fourth quarter total	8,194,192	8,818,992	9,077,344	9,230,920	9,042,896	8,880,592	9,235,176	9,611,248	2,822,400	6,704,984
Annual total	$34,068,472	$34,898,000	$35,957,672	$37,135,472	$37,765,240	$36,744,504	$38,543,328	$39,983,773	$12,948,648	$22,337,392
Annual Percent Change	(0.2)%	4.0 %	4.2 %	5.3 %	1.7 %	(2.7)%	4.9 %	3.7 %	(67.6)%	72.5 %
Year to date total (through May)	$12,376,008	$12,119,496	$12,564,824	$12,735,616	$13,318,224	$12,746,288	$13,571,968	$13,658,229	$ 6,305,216	$ 5,845,240
Annual percentage change	9.4 %	(2.1)%	3.7 %	1.4 %	4.6 %	(4.3)%	6.5 %	0.6 %	(53.8)%	(7.3)%

Source: City of Chicago Comptroller's Office

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

HISTORICAL CFC COLLECTIONS ON AND OFF SITE AIRPORT RENTAL CAR COMPANIES
(Dollars in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
January	$ 2,043,472	$ 2,021,728	$ 2,095,216	$ 2,190,072	$ 2,366,544	$ 2,179,944	$ 2,195,136	$ 2,193,032	$ 2,358,816	$ 946,688
February	2,119,752	2,023,816	2,037,496	2,091,544	2,287,024	2,168,312	2,200,168	2,165,325	2,329,552	947,648
March	2,492,960	2,380,208	2,365,224	2,531,080	2,692,120	2,717,168	2,731,144	2,652,600	1,569,744	1,298,920
First quarter total	6,656,184	6,425,752	6,497,936	6,812,696	7,345,688	7,065,424	7,126,448	7,010,957	6,258,112	3,193,256
Annual percent change	14.4 %	(3.5)%	1.1 %	4.8 %	7.8 %	(3.8)%	0.9 %	(1.6)%	(10.7)%	(49.0)%
April	2,584,776	2,532,288	2,663,448	2,962,240	3,143,320	2,929,808	2,960,600	3,012,680	373,848	1,537,080
May	3,135,048	3,161,456	3,403,440	3,623,328	3,741,768	3,551,752	3,602,744	3,768,256	520,320	2,009,176
June	3,286,280	3,335,392	3,575,576	3,691,640	3,780,904	3,862,184	3,757,056	3,947,280	825,216	2,351,000
Second quarter total	9,006,104	9,029,136	9,642,464	10,277,208	10,665,992	10,343,744	10,320,400	10,728,216	1,719,384	5,897,256
Annual percent change	3.6 %	0.3 %	6.8 %	6.6 %	3.8 %	(3.0)%	(0.2)%	4.0 %	(84.0)%	243.0 %
July	3,379,960	3,362,504	3,579,976	4,127,848	4,185,472	4,051,040	4,149,976	4,391,640	1,120,216	2,903,160
August	3,586,248	3,764,952	3,948,912	4,188,848	4,289,320	4,260,320	4,244,320	4,551,608	1,321,240	2,970,720
September	3,245,784	3,496,664	3,537,496	3,934,624	3,947,136	3,838,864	3,695,336	3,939,360	1,274,824	2,646,952
Third quarter total	10,211,992	10,624,120	11,066,384	12,251,320	12,421,928	12,150,224	12,089,632	12,882,608	3,716,280	8,520,832
Annual percent change	(0.2)%	4.0 %	4.2 %	10.7 %	1.4 %	(2.2)%	(0.5)%	6.6 %	(71.2)%	129.3 %
October	3,309,960	3,456,280	3,612,656	4,012,344	3,868,232	3,818,288	3,667,592	3,856,736	1,330,576	2,791,232
November	2,703,392	2,798,264	2,891,736	3,144,944	3,094,176	3,131,064	3,018,440	3,026,960	1,054,232	2,460,776
December	2,180,840	2,564,448	2,572,952	2,705,784	2,533,912	2,585,976	2,614,808	2,809,896	913,656	2,194,992
Fourth quarter total	8,194,192	8,818,992	9,077,344	9,863,072	9,496,320	9,535,328	9,300,840	9,693,592	3,298,464	7,447,000
Annual total	$34,068,472	$34,898,000	$36,284,128	$39,204,296	$39,929,928	$39,094,720	$38,837,320	$40,315,373	$14,992,240	$25,058,344
Annual Percent Change										
Year to date total (through May)	$12,376,008	$12,119,496	$12,564,824	$13,398,264	$14,230,776	$13,546,984	$13,689,792	$13,791,893	$ 7,152,280	$ 6,739,512
Annual percentage change	9.4 %	(2.1)%	3.7 %	6.6 %	6.2 %	(4.8)%	1.1 %	0.7 %	(48.1)%	(5.8)%

Source: City of Chicago Comptroller's Office

CITY OF CHICAGO, ILLINOIS
CHICAGO O'HARE INTERNATIONAL AIRPORT

RACS AND OFF-AIRPORT AND RELATED BRANDS OPERATING AT THE AIRPORT

RAC Legal Entity	Rental Car Brands	Legal Organization	Current Status of Brand(s) at Airport
Enterprise Leasing Company of Chicago LLC	Enterprise Rent-A-Car Alamo Rent-A-Car National Car Rental	Delaware limited liability company and subsidiary of Enterprise Holdings, Inc	Existing On-Airport
The Hertz Corporation	Hertz Rent-A-Car Dollar Rent-A-Car Thrifty Car Rental	Delaware limited liability company and subsidiary of Hertz Global Holdings, Inc (NYSE: HTZ)	Existing On-Airport
Avis Budget Car Rental, LLC	Avis Car Rental Budget Rent-A-Car Payless Car Rental	Delaware limited liability company and subsidiary of Avis Budget Group, Inc (NASDAQ: CAR)	Existing On-Airport
Advantage Opco, LLC(1)	Advantage Rent-A-Car	Delaware limited liability company	Existing On-Airport
Silvercar Inc(1)	Silvercar	Privately held business corporation in Delaware	Existing Off-Airport
Routes Car Rental USA, Inc.	Routes	Delaware limited liability company	Existing Off-Airport
EZ Rent A Car, Inc.(1)	EZ-RAC	Privately held business corporation in Florida	Existing On-Airport
Fox Rent A Car, Inc.	Fox Rent-A-Car	Delaware limited liability company	Existing On-Airport
Sixt Rent A Car, LLC	Sixt Rent-A-Car	Delaware limited liability company	Existing On-Airport

(1) As of June 30, 2021, Advantage, E-Z Rent a Car and Silvercar ceased operations at the Airport

Source: City of Chicago Department of Aviation

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APPENDIX E

REPORT OF THE AIRPORT CONSULTANT

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August 18, 2022 APPENDIX E

Report of the Airport Consultant

Chicago O'Hare International Airport

General Airport Senior Lien Revenue and Revenue Refunding Bonds, Series 2022A (AMT), Series 2022B (Non-AMT), Series 2022C (AMT), and Series 2022D (Non-AMT)

Prepared for:

City of Chicago

Prepared by:

RICONDO

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August 18, 2022

Ms. Jamie L. Rhee
Commissioner
Chicago Department of Aviation
10510 West Zemke Road
Chicago, Illinois 60666

RE: City of Chicago, Chicago O'Hare International Airport
General Airport Senior Lien Revenue Bonds, Series 2022A (AMT)
General Airport Senior Lien Revenue Bonds, Series 2022B (Non-AMT)
General Airport Senior Lien Revenue Refunding Bonds, Series 2022C (AMT)
General Airport Senior Lien Revenue Refunding Bonds, Series 2022D (Non-AMT)

Dear Ms. Rhee:

Ricondo & Associates, Inc. (Ricondo) is pleased to present this Report of the Airport Consultant (Report) for inclusion as Appendix E in the Official Statements for the 2022 Bonds, defined herein and described in detail in this Report. The 2022 Bonds will be issued pursuant to the ordinances adopted by the Chicago City Council on March 28, 2018, and on October 27, 2021 (the Bond Ordinance), and the Master Indenture of Trust securing Chicago O'Hare International Airport (the Airport) General Airport Revenue Senior Lien Obligations dated as of June 1, 2018 (the Senior Lien Master Indenture), between the City of Chicago (the City) and U.S. Bank Trust Company, National Association, Chicago, Illinois (the Trustee), as supplemented by the Supplemental Indentures from the City to the Trustee. The Senior Lien Master Indenture, as supplemented by the Seventy-First through Seventy-Fourth Supplemental Indentures, and as it may be amended and supplemented from time to time in accordance with its terms, is herein referred to as the Senior Lien Indenture.

The 2022 Bonds will be secured under the Senior Lien Indenture by a lien on and pledge of all Revenues and will be payable from amounts that may be withdrawn from the Debt Service Fund created under the Senior Lien Indenture, as described in the Report.

The City will use the proceeds from the sale of the 2022 Bonds to:

(i) fund portions of the Airport Capital Program, as herein defined;
(ii) refund certain outstanding Airport Obligations to generate debt service savings;
(iii) retire certain portions of the City's outstanding Credit Agreement Notes used to fund certain costs of the Airport Capital Program;
(iv) fund the Reserve Requirement of the Common Debt Service Reserve Sub-Fund for the 2022 Bonds;
(v) fund capitalized interest on a portion of the 2022 Bonds;
(vi) at the City's election, purchase a Bond Insurance Policy; and

(vii) pay costs and expenses incidental to the issuance of the 2022 Bonds.

Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statements for the 2022 Bonds and / or the Senior Lien Indenture.

In addition to the 2022 Bonds, the financial analysis presented in Chapter 5 of this Report also includes debt service on future bonds assumed to be issued to fully fund the Airport Capital Program described herein.

This Report presents the analysis undertaken by Ricondo to demonstrate the ability of the City to comply with the requirements of the Senior Lien Indenture for Fiscal Years (FYs) 2022 through 2032 (the Projection Period) based on the assumptions regarding the planned issuance of the 2022 Bonds established by the City through consultation with its financial advisors, underwriters, and the financing team. In developing its analysis, Ricondo reviewed historical trends and formulated projections based on the assumptions put forth in this Report, which have been reviewed by the City, regarding the ability of the Air Trade Area (as defined herein) to generate demand for airline service at the Airport, the amount of airline service and passenger activity at the Airport, and the generation of Revenues and Other Available Moneys at the Airport through the Projection Period.

The Report is organized as follows:

- Summary of Findings
- Chapter 1: The 2022 Bonds
- Chapter 2: The Airport Facilities and Capital Programs
- Chapter 3: Demographic and Economic Analysis
- Chapter 4: Air Traffic
- Chapter 5: Financial Analysis

On the basis of the analysis set forth in this Report, Ricondo is of the opinion that the Revenues and Other Available Moneys generated each year of the Projection Period are expected to be sufficient to comply with the Rate Covenant established in the Senior Lien Indenture, and that the resulting projected airline costs should remain reasonable. Although summary information is provided, a complete understanding of the justification for our conclusion cannot be attained without reading the Report in its entirety.

Founded in 1989, Ricondo is a full-service aviation consulting firm providing airport physical and financial planning services to airport owners and operators, airlines, and federal and state agencies. Ricondo has prepared Reports of the Airport Consultant in support of over $41 billion of airport-related revenue bonds since 1996. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934. Ricondo is not acting as a municipal advisor and has not been engaged by the City to provide advice with respect to the structure, timing, terms, or other similar matters concerning the issuance of municipal securities. The assumptions regarding such matters included in this Report were provided by the

City or the City's financial advisors or underwriters, or, with the City's approval, were derived from general, publicly available data approved by the City. Ricondo owes no fiduciary duty to the City. Ricondo recommends that the City discuss the information and analysis contained in this Report with internal and external advisors and experts that the City deems appropriate before taking any action. Any opinions, assumptions, views, or information contained herein are not intended to be, and do not constitute, "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934.

The techniques and methodologies used by Ricondo in preparing this Report are consistent with industry practices for similar studies in connection with airport revenue bond sales. While Ricondo believes the approach and assumptions used in this Report are reasonable, some assumptions regarding future trends and events detailed in this Report, including, but not limited to, the implementation schedule, the forecast of passenger activity, and the projections of financial performance, may not materialize. Therefore, actual performance will likely differ from the projections and forecasts set forth in this Report, and the variations may be material. In developing our analyses, Ricondo used information from various sources, including the City, the underwriters, the financial advisors, federal and local governmental agencies, and independent private providers of economic and aviation industry data, as identified in the notes accompanying the related tables and exhibits in this Report. Ricondo believes these sources to be reliable but has not audited the data and does not warrant their accuracy. The analysis presented is based on conditions known as of the date of this letter. Ricondo has no obligation to update this Report on an ongoing basis.

Sincerely,

Ricondo & Associates, Inc.

RICONDO & ASSOCIATES, INC.

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SUMMARY OF FINDINGS

The City of Chicago (the City) engaged Ricondo & Associates, Inc. (Ricondo) to prepare this Report of the Airport Consultant (the Report) to provide an independent assessment of the City's ability to meet its obligations regarding the issuance of the Chicago O'Hare International Airport (O'Hare or the Airport) General Airport Senior Lien Revenue Bonds, Series 2022A (AMT) (the 2022A Bonds); Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022B (Non-AMT) (the 2022B Bonds); the Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022C (AMT) (the 2022C Bonds); and the Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022D (Non-AMT) (the 2022D Bonds) (which are, collectively, the 2022 Bonds). [1]

The 2022 Bonds will be issued pursuant to the ordinances adopted by the Chicago City Council on March 28, 2018, and October 27, 2021 (the Bond Ordinance), and the Master Indenture of Trust securing Chicago O'Hare International Airport Senior Lien Obligations dated as of June 1, 2018 (the Senior Lien Master Indenture), between the City and U.S. Bank National Trust Company, Association, Chicago, Illinois (the Trustee), as supplemented by the Supplemental Indentures from the City to the Trustee. The Senior Lien Master Indenture, as supplemented by the Supplemental Indentures, and as it may be amended and supplemented from time to time in accordance with its terms, is herein referred to as the Senior Lien Indenture.

Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement for the 2022 Bonds and/or the Senior Lien Indenture.

In developing the analyses, Ricondo reviewed key provisions of the Senior Lien Indenture; the terms of the 2022 Bonds, as provided by the City's financial advisor; the Airport's outstanding financial obligations; the capacity of the Airport's existing and planned facilities to accommodate current and forecast demand; projects included in the Airport Capital Program (as defined herein); and proposed funding sources, including the potential for additional borrowing beyond the 2022 Bonds.

To develop the pro forma analysis of the Airport's financial performance, Ricondo reviewed key provisions of the agreements that establish the business arrangements between the City and its various Airport tenants, including but not limited to the commercial airlines serving the Airport. Airport Revenues are in large measure driven by passenger demand for air service from the Airport, which is a function of national and local economic conditions, as well as the ability and willingness of the commercial airlines to supply service at a level commensurate with this demand. Thus, Ricondo reviewed the historical relationships between economic activity and demand for air service, the airlines' provision of air service, and the financial performance of the Airport. Based on this historical review, Ricondo developed assumptions regarding these factors and relationships through the Projection Period (Fiscal Year [FY] 2022 through FY 2032), which provide the basis for the forecasts of passenger activity and the projections of

[1] Ricondo prepared this Report for the stated purposes as expressly set forth herein and for the sole use of the City and its intended recipients. The techniques and methodologies used in preparing this Report are consistent with industry practices at the time of preparation, and this Report should be read in its entirety for an understanding of the analyses, assumptions, and opinions presented. Ricondo is not registered as a municipal advisor under Section 15B of the Securities Exchange Act of 1934 and does not provide financial advisory services within the meaning of such Act.

financial performance presented in this Report.[2]

On the basis of the analyses set forth in this Report, Ricondo is of the opinion that the Revenues, and in some cases Other Available Moneys, generated each year of the Projection Period are expected to be sufficient to comply with the Rate Covenants established in the Senior Lien Indenture and that the resulting projected airline costs should remain reasonable. The following sections summarize Ricondo's assumptions, projections, and findings. Additional detail is included in Chapters 1 through 5 of this Report, which should be read in its entirety.

THE 2022 BONDS

The 2022 Bonds are being issued to provide funding for portions of the Airport Capital Program, defined herein, approved through the execution of an Airline Use and Lease Agreement (AULA) between the City and the airlines serving the Airport (Signatory Airlines), which went into effect May 12, 2018, following the expiration of the previous 35-year agreement. The 2022 Bonds are anticipated to fund approximately $1.2 billion of projects in the Airport Capital Program, including certain projects initially funded with Credit Agreement Notes and certain projects initially funded with Airport General Fund monies.

Additionally, proceeds from the 2022 Bonds will be used to: (i) fund portions of the Airport Capital Program, as herein defined; (ii) refund certain outstanding Airport Obligations to generate debt service savings; (iii) retire certain portions of the City's outstanding Credit Agreement Notes used to fund certain costs of the Airport Capital Program; (iv) fund the Reserve Requirement of the Common Debt Service Reserve Sub-Fund requirements for the 2022 Bonds; (v) fund capitalized interest on a portion of the 2022 Bonds; (vi) at the City's election, purchase a Bond Insurance Policy; and (vii) pay costs and expenses incidental to the issuance of the 2022 Bonds.

Pursuant to the terms of the Senior Lien Indenture, the 2022 Bonds will be secured by a first lien pledge of Revenues (meaning, generally, all amounts received or receivable, directly or indirectly, by the City for the use and operation of the Airport) on a parity basis with the City's Outstanding Senior Lien Bonds and such other Senior Lien Obligations, as may be outstanding from time to time, and will be paid from amounts that may be withdrawn from the Debt Service Fund created under the Senior Lien Indenture. Revenues are defined in the Official Statement.

Additional information on the 2022 Bonds is provided in Chapter 1 of this Report.

THE AIRPORT FACILITIES AND CAPITAL PROGRAM

The Airport is the largest commercial-service airport serving Chicago and the surrounding region. The airlines serving the Airport operate from four terminal buildings with a maximum number of 198 gates, depending on aircraft parking positions and configurations.[3] Three terminal buildings (Terminals 1, 2, and 3) include a maximum number of 174 gates and serve domestic flights, certain international departures, and international arrivals from destinations that have been pre-cleared by US Customs and Border Protection (US CBP). Terminals 1, 2, and 3 are centrally located within the airfield area. Terminal 5 includes international terminal facilities and is located in the eastern portion of the terminal area. It has maximum number of 24 gates and 6 hardstand positions. Terminal 5 serves domestic and international flights, including all international arrivals requiring federal inspection services

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[2] Fiscal Year ending December 30.

[3] A gate is an active aircraft parking position that is accessed through the terminal building, either through a passenger loading bridge or through other means, and is customarily used for the purpose of boarding and/or deplaning passengers. Maximum number of gates count is as of June 2022 and denotes the total narrowbody aircraft parking positions in the Airport's multiple aircraft ramp system (MARS) configurations.

(FIS). Capital projects to add gates are ongoing and described in additional detail in this Report.

The airfield contains eight runways and a network of supporting taxiways, aprons, ramps, and a pad that supports the deicing of aircraft. The O'Hare Modernization Program (OMP) reconfigured the airfield from sets of converging parallel runways in three main directional orientations (northeast/southwest, east/west, and northwest/southeast) to six parallel runways in the east/west direction and two crosswind runways in the northeast/southwest direction. This reconfiguration involved construction of four runways, two runway extensions, and associated taxiways. Construction began in 2005 with the first runway opening in 2009, and the OMP was completed in December 2021 with the final runway extension.

THE AIRPORT CAPITAL PROGRAM

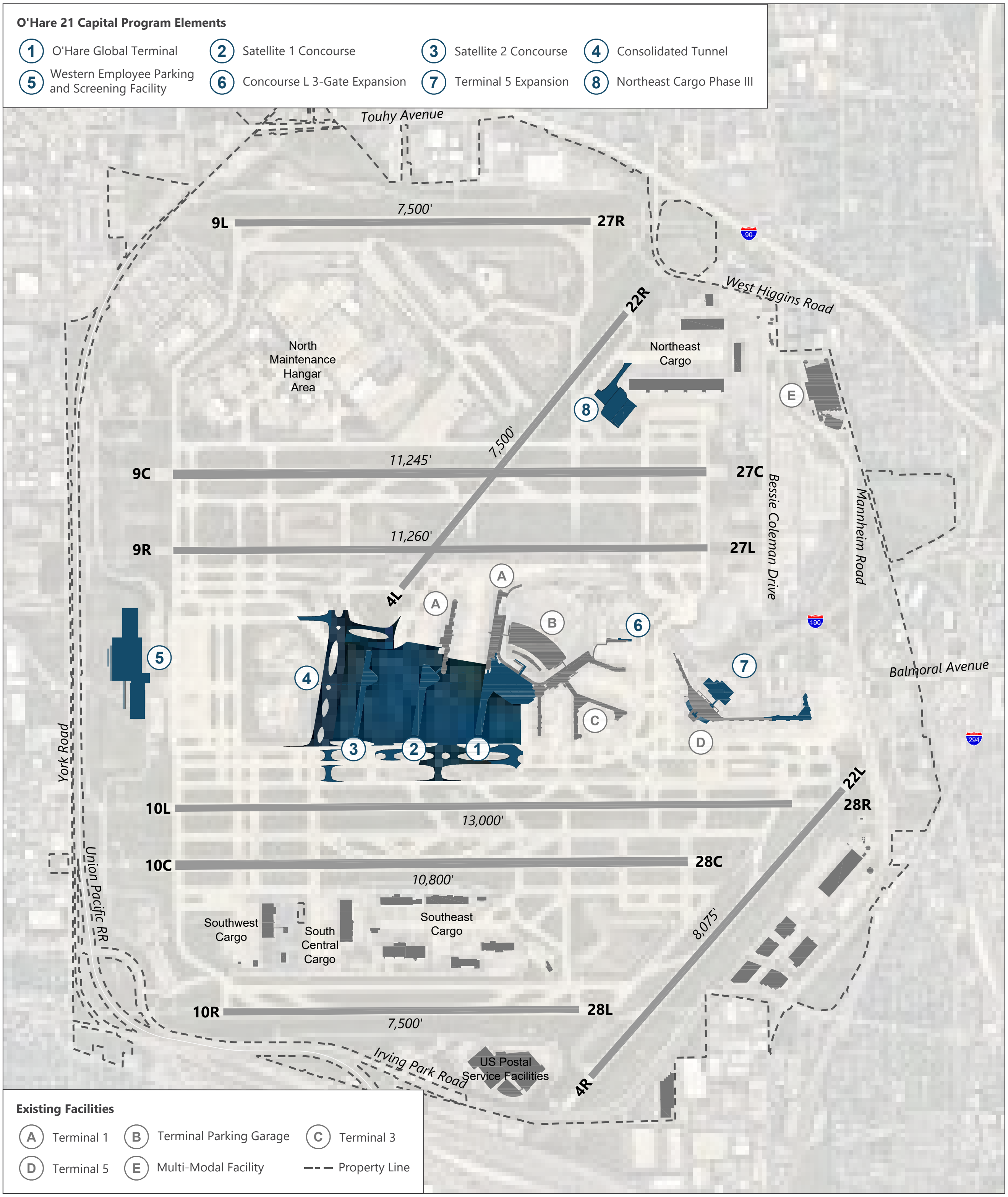
The Airport Capital Program was developed under O'Hare 21, a City initiative to improve the Airport's connectivity, efficiency, and ability to accommodate future demand, as well as ensure the success of the Airport into the 21st century. The program includes projects that received funding approval under previous Airport use agreements as well as the projects approved in the AULA. **Exhibit S-1** shows the Airport, including projects that are part of the Airport Capital Program. Additional details are provided in Chapter 2 of this Report.

Terminal 5 Expansion

The Terminal 5 Expansion broke ground in March 2019. At approximately 350,000 square feet, the first phase of the Terminal 5 Expansion will increase Terminal 5 gate capacity by 25 percent through the construction of 10 new gates, passenger amenity space by 75 percent, and premium lounge space by 70 percent; it will also bring the total number of security checkpoint lanes to 13 lanes and improve immigration facilities, as well as renovate existing space. These improvements are expected to be completed in phases in 2022 and 2023. The first two permanent gates of the expansion opened in June 2022 and an additional three opened in July 2022. A complete replacement of the Terminal 5 baggage handling system and a new checked baggage inspection system, which is intended to increase bag throughput capacity, is expected to be complete by the end of 2023.

Terminal Area Plan

The Terminal Area Plan (TAP) was developed to address gate constraints and processing issues, improve the passenger experience, efficiently accommodate demand, and modernize existing terminals and their functional and commercial spaces. The TAP includes the redevelopment of Terminal 2 into a new fully integrated O'Hare Global Terminal (OGT) and O'Hare Global Concourse (OGC) to serve international and domestic passengers. Two Satellite concourses will also be built west of the OGT/OGC. The TAP allows the two hubbing airlines, and their alliance partners, to integrate domestic and international terminal operations within a connected facility for improved processing and the ability for passengers to transfer from international flights without leaving security, which is currently required for most international arrivals connecting to domestic flights. These investments are anticipated to increase the ability to accommodate international arriving flights by providing international processing facilities and provide gate flexibility. The TAP will include connectivity to Terminals 1 and 3. Additional square footages in the concourses is anticipated to provide more space for concessions, departure lounges and public amenities, and upgraded security screening. Upon completion of the TAP, the Airport is anticipated to have a maximum number of 220 gates, depending on the configuration. The TAP is currently under environmental review, with approvals anticipated in 2022. For purposes of this Report, the TAP is assumed to be completed in 2032.



NOTE: Terminal 5 Expansion under construction.
SOURCES: City of Chicago, Department of Aviation, July 2022; Chicago O'Hare International Airport, *Airport Layout Plan,* September 2005; Nearmap, October 1, 2021 (aerial photography - for visual reference only, may not be to scale) Ricondo & Associates, Inc., July 2022.

NORTH 0 2,400 ft

EXHIBIT S-1

AIRPORT CAPITAL PROJECTS

Drawing: P:_projects\Chicago\20-01-1199\finance\ORD\2022 Feasibility Reports\GARB\CAD\Archive\Ex S-1 & 2-2_Airport Capital Projects.dwgLayout: S-1 The Airport and Capatical Projects Plotted: Jul 19, 2022, 03:04PM

Terminal 3 Concourse L Three-Gate Expansion

The Terminal 3 Concourse L Three-Gate Expansion will extend the existing Concourse L within Terminal 3 to provide approximately 11,000 square feet of additional concourse space and approximately 112,000 square feet of apron and taxilane pavement. The project will provide three additional aircraft gate positions and corresponding terminal functions, including passenger holdrooms, passenger amenities, and circulation space. Two of the three gates are anticipated to be complete in 2023 with the third gate opening in 2025 following the demolition of a communications building and relocation of related infrastructure serving the Airport.

Airport Capital Improvement Program Projects

Capital Improvement Program (CIP) projects address the Airport's ongoing maintenance, repair, and capital needs outside of the aforementioned programs. The AULA included the additional approval of approximately $2.56 billion of project funding (in 2018 dollars). This includes approximately $1.6 billion of Pre-Approved CIP Projects, $600.0 million of Pre-Approved Allowances, and $168.0 million for infrastructure reliability projects, such as repairs and replacement of existing assets. In addition, the Chicago Department of Aviation (CDA) has received approval for approximately $63.6 million of additional projects since the signing of the AULA. Additional projects are in the planning and design stage and subject to future airline review under the terms of the AULA. For purposes of the financial analysis of this Report, those projects are estimated to be approximately $650 million. Overall, the CDA has more than 250 approved projects and, of those, 130 are active or upcoming CIP projects at O'Hare.

Airport Capital Program Included in the Financial Analysis

Table S-1 summarizes the Airport Capital Program by component included in the financial analysis in this Report. Project costs shown in the table are escalated based on the assumed timing of each project and the 3 percent inflation rate assumed in this Report. The Airport Capital Program costs included in the financial analysis are for demonstrative purposes and actual project costs are likely to differ from the costs presented here as timing and cost estimates continue to be refined. The AULA includes different requirements for additional airline review and approval depending on the categorization of projects. The table below includes current working cost estimates with certain exceptions described in more detail in Chapter 2.

TABLE S-1 AIRPORT CAPITAL PROGRAM SUMMARY

	PROJECT COSTS (ESCALATED PROJECT COSTS, IN THOUSANDS)				PROJECT FUNDING (IN THOUSANDS)		
PROGRAM COMPONENT	PROJECTS FROM PREVIOUS AGREEMENTS	2018 AULA PROJECTS	ADDITIONAL PROJECTS	TOTAL AIRPORT CAPITAL PROGRAM	EXISTING BONDS AND OTHER FUNDING	SERIES 2022 BONDS	FUTURE BONDS
Terminal 5 Expansion	$391,670	$943,480	$-	$1,335,150	$503,394	$545,641	$286,115
Terminal Area Plan	$-	$7,030,506	$84,000	$7,114,506	$255,901	$177,920	$6,680,685
Terminal 3 Concourse L-Three-Gate Expansion	$-	$58,301	$-	$58,301	$2,106	$23,086	$33,108
Terminal 3 Concourse L Five-Gate Buyout	$-	$78,000	$-	$78,000	$78,000	$-	$-
CIP Projects	$873,922	$1,703,805	$939,505	$3,517,232	$1,258,396	$389,272	$1,869,563
Total	**$1,265,592**	**$9,814,091**	**$1,023,505**	**$12,103,189**	**$2,097,797**	**$1,135,920**	**$8,869,472**

NOTES:
Totals may not add due to rounding.
These amounts do not include costs associated with the Pre-Approved Allowances for Infrastructure Reliability projects included in Exhibit O of the AULA.
AULA – Airline Use and Lease Agreement
SOURCE: City of Chicago, Department of Aviation, August 2022; J. P. Morgan, August, 2022 (escalation).

The total costs of Airport Capital Program projects anticipated to be undertaken during the Projection Period is approximately $12.1 billion (in escalated dollars), which includes the terminal project elements of Terminal 5 ($1.3 billion), the TAP ($7.1 billion), the Terminal 3 Concourse L – Three-Gate Expansion ($58 million), the Concourse L – Five-Gate Buyout ($78 million), and CIP Projects ($3.5 billion). For purposes of this Report, the total amount of Airport Capital Program funding assumed to be provided through the issuance of the 2022 Bonds and future bonds totals approximately $10.1 billion. The 2022 Bonds and future bonds are anticipated to fund approximately $23.1 million and $120.0 million in Infrastructure Reliability projects, respectively, not included in the totals presented in Table S-1. The financial analysis included in this Report also includes the future debt associated with the Airport Capital Program. Debt service on previously issued bonds, the 2022 Bonds, and future bonds needed to complete the funding of the Airport Capital Program is discussed in Chapter 5. Financial impacts of the projects to O&M Expenses, Non-Airline Revenues, and changes in terminal space are assumed in the financial analysis.

DEMOGRAPHIC AND ECONOMIC ANALYSIS

The demand for air transportation is, to a degree, dependent upon the demographic and economic characteristics of an airport's air trade area (ATA).[4] This relationship is particularly true for origin and destination (O&D) passenger traffic, which has historically accounted for approximately 50 and 60 percent of passenger traffic at the Airport since 2011. The major portion of demand for air transportation at the Airport, therefore, is influenced more by the local characteristics of the area served by the Airport than by individual airline decisions regarding service patterns in support of connecting activity.

The Airport's ATA has a large, diverse economic base that supports business and leisure travel. Projected economic variables indicate the ATA will remain a destination that attracts both business and tourist visitors, positively affecting the demand for future inbound airline travel. Projected ATA economic variables further support the continued growth of local outbound passengers.

Table S-2 presents selected 2020 and 2032 economic figures for the ATA and for the United States, as projected by Woods & Poole Economics, Inc.

Additional information on the demographic and economic characteristics of the ATA is provided in Chapter 3.

[4] The geographical area served by an airport is commonly referred to as an airport's air trade area. For purposes of this Report, the Airport's Air Trade Area consists of the Chicago-Naperville-Elgin Metropolitan Statistical Area (MSA) and the Kankakee MSA. For more information, see Section 3.1 of this Report.

TABLE S-2 PROJECTIONS OF ECONOMIC VARIABLES USED IN PASSENGER DEMAND FORECAST (2020–2032)

VARIABLE	2020	2032	CAGR 2020-2032
ATA Population	9,708,841	9,867,955	0.1%
US Population	331,501,094	356,413,906	0.6%
ATA Total Employment	5,805,915	7,055,167	1.6%
US Total Employment	190,776,766	237,417,578	1.8%
ATA Total Personal Income ($billion)	$641	$785	1.7%
US Total Personal Income ($billion)	$19,594	$24,992	2.0%
ATA Per Capita Personal Income	$66,045	$79,577	1.6%
US Per Capita Personal Income	$59,108	$70,120	1.4%
ATA Gross Regional Product ($billion)	$699	$896	2.1%
US Gross Domestic Product ($billion)	$20,746	$27,224	2.3%
ATA Per Capita GRP	$72,010	$90,763	1.9%
US Per Capita GDP	$62,582	$76,382	1.7%

NOTES:
All dollar amounts are in 2020 dollars. 2032 data are Woods & Poole Economics, Inc., projections.
ATA – Air Trade Area
CAGR – Compound Annual Growth Rate
GDP – Gross Domestic Product
GRP – Gross Regional Product
ATA – Air Trade Area
CAGR – Compound Annual Growth Rate
SOURCE: Woods & Poole Economics, Inc., *2022 Complete Economic and Demographic Data Source (CEDDS)*, June 2022.

AIR TRAFFIC

Chicago's location along the heavily traveled east/west air routes and its large population base make it a natural location for airline hubbing operations. United Airlines (United) and American Airlines (American), two of the world's largest airlines in terms of revenue passenger miles, operate major connecting hub facilities at the Airport. The City is also served by Chicago Midway International Airport, one of the busiest airports in Southwest Airlines' network. Together, the two airports provide a complementary three-hub airport system for the area's O&D passenger base. Based on US Department of Transportation (USDOT) survey data, the Chicago market[5] was ranked fourth in the nation in terms of domestic O&D passengers for the year 2019, the most recent year prior to the impacts of the COVID-19 pandemic. The New York,[6] Los Angeles,[7] and San Francisco[8] markets were first, second, and third, respectively. In 2021, the Chicago market ranked fifth, following New York, Los Angeles, Miami[9], and Orlando[10]. Given its proximity to the center of the United States, its facilities to accommodate domestic and international passengers, and its status as one of the few major "dual hub" airports in the United States, the Airport is a key component of the national air transportation system. The Airport consistently ranks as one of the busiest airports in

[5] Includes Chicago O'Hare International and Chicago Midway International Airports.

[6] Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.

[7] Includes Los Angeles International, John Wayne (Orange County), Ontario International, Hollywood Burbank Hope, and Long Beach Airports.

[8] Includes San Francisco International, Oakland International, and Norman Y. Mineta San Jose International Airports.

[9] Includes Miami International and Fort Lauderdale-Hollywood International Airports.

[10] Includes Orlando International and Orlando Sanford International Airports.

the world. In 2021, the Chicago market ranked sixth globally, behind Moscow. In 2019, the Airport ranked first worldwide for operations, with 919,704 takeoffs and landings; it ranked sixth worldwide and third in the United States for total passengers, with approximately 84.6 million total passengers served; and it ranked in the top 20 airports worldwide for total cargo, with approximately 1.8 million enplaned and deplaned metric tonnes.

In the 12 months ending August 2022, a total of 21 US flag airlines, 34 foreign-flag airlines, and 33 all-cargo airlines provided service at the Airport. In 2021, United and American, combined with their affiliates, accounted for 42.9 percent and 37.8 percent, respectively, of enplaned passengers at the Airport. Other significant US airlines serving the Airport include Alaska Airlines, Delta Air Lines, Frontier Airlines, JetBlue Airways, Spirit Airlines, and Southwest Airlines.

Enplaned passengers at the Airport increased at a compound annual growth rate (CAGR) of 3.5 percent from 2012 to 2019. The CAGR for enplaned passengers for 2012 to 2021 was -2.3 percent. Specific points regarding enplaned passengers are as follows:

- In 2019, the Airport set a record for enplaned passengers with approximately 42.2 million. Total enplaned passengers at the Airport increased 1.6 percent from the prior year, with domestic enplaned passengers increasing by 1.7 percent to approximately 35.2 million and international enplaned passengers increasing by 1.6 percent to approximately 7.1 million.
- In 2020, total enplaned passengers decreased 63.7 percent as airlines reduced flying due to the COVID-19 pandemic's impact on demand. Domestic enplaned passengers decreased 61.7 percent to approximately 13.5 million and international enplaned passengers decreased 73.7 percent to approximately 1.9 million.
- In 2021, total enplaned passengers increased 75.5 percent to 26.9 million during the recovery from the low point experienced in 2020. Domestic enplaned passengers increased 77.4 percent to approximately 23.9 million and international enplaned passengers increased 62.1 percent to approximately 3.0 million.

Of the passengers served by the Airport, O&D passenger traffic comprises approximately 57 percent of total traffic, with connecting passenger traffic comprising approximately 43 percent of total traffic at the Airport.

Forecasts of aviation demand (i.e., enplaned passengers, aircraft operations, and landed weight) were developed considering the following:

- historical activity at the Airport and across the industry;
- recent trends and projections of local and national socioeconomic factors; and
- anticipated use of the Airport by American, United, and other airlines.

Passenger activity is forecast to grow at a CAGR of 5.4 percent from the base year of 2021 through the end of the Projection Period in 2032.

Additional information on air traffic is provided in Chapter 4 of this Report. **Table S-3** summarizes historical and forecast enplaned passengers at the Airport through the Projection Period.

TABLE S-3 HISTORICAL AND FORECAST ENPLANED PASSENGERS

(In Thousands)

FISCAL YEAR	DOMESTIC	INTERNATIONAL	TOTAL	O&D PERCENT
Historical				
2012	28,275	4,956	33,231	50.2%
2013	28,182	5,103	33,285	50.1%
2014	29,547	5,393	34,940	49.9%
2015	32,864	5,518	38,381	52.7%
2016	33,001	5,857	38,858	55.0%
2017	33,575	6,228	39,803	56.4%
2018	34,585	6,965	41,550	56.7%
2019	35,156	7,080	42,236	57.2%
2020	13,543	1,802	15,345	54.1%
2021	24,159	2,776	26,935	57.1%
Forecast				
2022	28,129	5,045	33,173	57.1%
2023	30,968	5,928	36,895	57.1%
2024	33,718	6,550	40,269	57.1%
2025	35,537	6,772	42,309	57.1%
2026	36,149	6,947	43,096	57.1%
2027	36,762	7,122	43,885	57.1%
2028	37,374	7,299	44,673	57.1%
2029	37,988	7,476	45,464	57.1%
2030	38,601	7,655	46,255	57.1%
3031	39,214	7,834	47,047	57.1%
2032	39,826	8,013	47,839	57.1%
CAGR				
2012 – 2019	3.2%	5.2%	3.5%	
2012 – 2021	-1.7%	-6.2%	-2.3%	
2021 – 2032	4.6%	10.1%	5.4%	

NOTES:
Excludes general aviation, helicopter, and miscellaneous passengers included in the City of Chicago's Airport Activity Statistics.
Totals may not add due to rounding.
CAGR – Compound Annual Growth Rate
O&D – Origin and Destination
SOURCES: City of Chicago, Department of Aviation, August 2022 (historical); Ricondo & Associates, Inc., August 2022 (forecast).

FINANCIAL ANALYSIS

The Airport is owned by the City, operated by the Chicago Department of Aviation (CDA), and is accounted for as a self-supporting enterprise fund of the City on a FY basis. The City's FY ends December 31. The City maintains the books, records, and accounts of the Airport in accordance with generally accepted accounting principles and as required by the provisions of the AULA and the Senior Lien Indenture. Neither City nor State of Illinois tax revenues are pledged to the payment of Net Debt Service or to fund the cost of operations at the Airport.

The AULA is a 15-year agreement that formalizes the rights and responsibilities of the airline tenants of the Airport that are signatory to the agreement (the Signatory Airlines) and the City. It sets forth the City's main financial and operational arrangement with the Signatory Airlines and provides, among other things, contractual support of the Signatory Airlines for General Airport Revenue Bonds (GARBs) and certain other obligations issued to fund the Airport Capital Program. The AULA reflects a multiyear negotiation between the CDA and the airlines operating at the Airport, and it includes funding approval for capital projects at the Airport. Under the AULA, terminal rental rates and airline landing fees are established using a residual rate-setting methodology, whereby airline rates and charges are calculated to recover any net remaining costs for each Cost-Revenue Center. The AULA has an expiration date of December 31, 2033.

Based on the financial analysis in Chapter 5 of this Report, Ricondo is of the opinion that the Net Revenues Available for Senior Lien Coverage generated by the Airport in each year of the Projection Period are expected to be sufficient to comply with the Additional Bonds Tests and the Rate Covenants established in the Senior Lien Indenture.

The GARB debt service included in the financial analysis reflects debt service on outstanding GARBs, the 2022 Bonds, the effect of the refunding of the Series 2013A, Series 2013B, Series 2013C, and Series 2013D Bonds, and future GARBs necessary for funding the Airport Capital Program and Pre-Approved Allowances through the Projection Period.

Results of the financial analysis are as follows:

- O&M Expenses are projected to increase from $661.5 million in 2022 to approximately $1,280.0 million in 2032, representing a CAGR of 6.8 percent. This increase is based on the type of expenses anticipated, the fulfillment of certain assumed City pension contributions (described in Section 5.2.2), expectations of future inflation rates (assumed to average 3.0 percent annually through the Projection Period, though rates of inflation may fluctuate from year to year), and projected incremental increases to O&M Expenses associated with the completion of Airport Capital Program projects (described in Section 5.2.3).
- For purposes of this Report, it is assumed that an average of $50.0 million, $40.0 million of annually approved Pre-Approved Allowances and $10.0 million for Infrastructure Reliability projects, will be expended in each year of the Projection Period. Of the $768.2 million of total Pre-Approved Allowances and Infrastructure Reliability projects, a total of $455.3 million is assumed during the Projection Period. Project costs for Pre-Approved Allowances are assumed to be recovered directly in the calculation of airline rates and Infrastructure Reliability projects are assumed to be financed, as discussed in Chapter 5. The 2022 Bonds and future bonds are anticipated to fund approximately $23.1 million and $120.0 million in Infrastructure Reliability projects, respectively.
- Non-Airline Revenues are projected to increase from $286.1 million in 2022 to $545.3 million in 2032, a CAGR of 6.7 percent. Non-Airline Revenues include revenues from landside concessions, which includes automobile parking and automobile rentals; terminal concessions, which includes restaurant, news and gift, and duty free;

and revenues derived from Aeronautical Real Estate and Commercial Real Estate Cost Centers developed under the AULA. These revenues are discussed in Sections 5.4.6 and 5.4.7.

- Net Debt Service (including estimated debt service on the 2022 Bonds and projected debt service on future bonds necessary to complete the Airport Capital Program), net of capitalized interest, Passenger Facility Charge (PFC) Revenues, and Grant Receipts used to pay debt service, is budgeted to be approximately $514.7 million in FY 2022; it is projected to increase throughout the Projection Period to approximately $1.2 billion in 2032. For the purposes of the financial analysis, the January 1, 2023 debt service payment on the 2022 Bonds is assumed to be collected during the City's 2022 settlement process and does not impact FY 2022 airline rates.
- The airline cost per enplaned passenger (CPE) at the Airport, a metric calculated to estimate the impact of the rates and charges to the airlines, is estimated to be approximately $27.72 in 2022, and it is projected to increase to $41.04 in 2032 (which equates to approximately $30.54 in 2022 dollars).

The projected Airport rates and charges and resulting Airline Revenues are found to be reasonable based on the expectation that these fees will not deter forecast demand for air traffic at the Airport as airlines continue to deploy capacity to airports based on available resources. The projected Airport Revenues in this analysis are deemed to be reasonable based on the following combination of factors:

- **Large population and strong economic base** – The Airport is located in the third-most-populous metropolitan region in the United States and was ranked fifth in the nation in terms of domestic O&D passengers in calendar year 2021—following the New York, Los Angeles, and San Francisco markets. The Airport's ATA has a large, diverse economic base that supports business and leisure travel. Projected economic variables indicate the ATA will remain a destination that attracts both business and tourist visitors, positively affecting the demand for future inbound airline travel. Projected ATA economic variables further support the continued growth of local outbound passengers.
- **Attractive geographical location** – The Airport's central location and proximity to heavily traveled east-west airways make it a natural location for airline hub activities, and it is complementary to airline route networks.
- **Important hub for United and American** – The Airport is a major connecting hub for United and American within their US domestic route networks, and it is an important international gateway for European, Asian, and Canadian passenger traffic, providing strong connectivity to flights of international alliance partners. The Airport is also an increasingly important airport within the route networks of several US low-cost carriers.
- **Increases in debt are associated with capital projects that allow for growth** – Airport user fees during the Projection Period are calculated to recover debt service and operating costs partially attributable to significant capital projects designed to provide operational efficiency at the Airport, which supports the ability for airlines to increase service. Although the funding of these projects is anticipated to result in increased Airport user fees, these projects support forecast long-term growth at the Airport. Generally, Airport user fees are not a key contributor to an airline's profitability in the United States.

Additionally, increases in airline costs are associated with the Airport Capital Program agreed upon under the AULA, which is designed to allow for growth.

In summary, Airport user fees, although increasing over the Projection Period, are one of many factors that airlines consider when evaluating air service and when allocating capacity resources. The projected growth of the population and economic base, along with the geographical location and established role of the Airport in airlines' route networks, support the reasonableness of projected Airport user fees.

Table S-4 presents the Debt Service coverage ratio projected for Senior Lien Bonds from 2022 through 2032. As contained in the Senior Lien Indenture:

> The City covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in an Fund or Account, will be at least sufficient... to provide for… one and twenty five-hundredths times (1.25x) the Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, and, in each case, such Aggregate Debt Service shall be reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal and interest on Senior Lien Bonds or Senior Lien Obligations.[11]

In addition to Airport Revenues, the City has applied as Other Available Moneys PFC Revenues through the Projection Period equal to the amount of annual debt service on the Series 2016C and Series 2020A Bonds, plus any required coverage on all those bonds. The City intends to continue this application of PFC Revenues through maturity of the bonds. The City has pledged PFC Revenues, including those in the PFC Capital Fund, through maturity to the Series 2016F, Series 2017B, Series 2020C, and Series 2020E Bonds.[12] In addition to Airport Revenues, the City has also pledged as Other Available Moneys Grant Receipts from the Federal Aviation Administration (FAA) Letter of Intent (LOI) grants and other FAA discretionary grants to the debt service on the Series 2011B Bonds. It is assumed in the financial analysis that Grant Receipts from the FAA LOI grants will be pledged as Other Available Moneys to pay debt service on the Series 2016E Bonds through the Projection Period. The Debt Service coverage ratio is projected to meet the minimum requirement pursuant to the Senior Lien Indenture in each year of the Projection Period.

Table S-5 presents the projected CPE from 2022 through 2032, which reflects the estimated debt service, the project costs assumed to be recovered through airline rates and charges, and the operational impacts to expenses and revenues associated with the completion of the Airport Capital Program. The aforementioned assumptions on projected costs, along with the forecast passenger activity, provide the basis for Ricondo's opinion that costs at the Airport remain reasonable through the Projection Period.

Additional information on the financial analysis is provided in Chapter 5 of this Report.

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[11] The Senior Lien Indenture was amended in 2018 to include an increase of the coverage requirement from 1.10x in 2018 to 1.25x in 2021, implemented in 0.05x increments in 2019, 2020, and 2021.

[12] PFC Revenues are pledged to the Series 2016F, 2017B, 2020C, and 2020E Bonds in the amount of annual debt service and 1.10x coverage on the bonds, the coverage requirement at the time of the bond issuance. Airlines Revenues, which are also pledged to these bonds, are available to serve as additional coverage.

TABLE S-4 GENERAL AIRPORT REVENUE BOND DEBT SERVICE COVERAGE

(For Fiscal Years Ending December 31)

	PROJECTED										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
COVERAGE CALCULATION [1]											
Total Revenue plus Pledged Other Available Moneys and Applied PFCs	$1,387,234	$1,608,095	$1,698,546	$1,746,020	$1,816,510	$1,951,076	$2,188,319	$2,319,742	$2,481,301	$2,675,587	$2,788,621
Federal COVID-19 Relief Funds Cash Reimbursement [2]	67,045	-	-	-	-	-	-	-	-	-	-
Plus: Prior Period Debt Service Coverage and Prior Period ARE and CRE Revenues	158,250	210,795	221,367	239,724	245,224	257,252	278,843	328,311	358,782	383,928	417,104
Adjusted Total Revenue	**$1,612,530**	**$1,818,890**	**$1,919,914**	**$1,985,744**	**$2,061,735**	**$2,208,329**	**$2,467,162**	**$2,648,053**	**$2,840,083**	**$3,059,514**	**$3,205,726**
Less:											
O&M Expenses	$661,512	$807,087	$863,552	$914,970	$966,072	$1,012,435	$1,058,187	$1,099,712	$1,166,414	$1,233,275	$1,280,031
Allowable Airline Liaison Office Expenses	1,500	1,575	1,654	1,736	1,823	1,914	2,010	2,111	2,216	2,327	2,443
Net Revenue Available for Senior Lien Coverage	**$949,518**	**$1,010,228**	**$1,054,708**	**$1,069,038**	**$1,093,839**	**$1,193,980**	**$1,406,964**	**$1,546,231**	**$1,671,453**	**$1,823,912**	**$1,923,252**
Senior Lien Debt Service [3]	**$621,386**	**$640,798**	**$697,923**	**$707,007**	**$748,756**	**$829,630**	**$993,406**	**$1,103,770**	**$1,191,211**	**$1,310,366**	**$1,395,069**
Senior Lien GARB Debt Service Coverage	**1.53x**	**1.58x**	**1.51x**	**1.51x**	**1.46x**	**1.44x**	**1.42x**	**1.40x**	**1.40x**	**1.39x**	**1.38x**
Other Required Uses of Revenue											
O&M Reserve Fund	$190	$36,394	$14,116	$12,855	$12,775	$11,591	$11,438	$10,381	$16,675	$16,715	$11,689
Supplemental O&M Reserve Fund [4]	23,897	50,018	41,251	42,215	12,775	11,591	11,438	10,381	16,675	16,715	11,689
Maintenance Reserve Fund	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Other Required Uses of Revenue	**$27,087**	**$89,412**	**$58,368**	**$58,070**	**$28,551**	**$26,181**	**$25,876**	**$23,762**	**$36,351**	**$36,431**	**$26,378**

NOTES:
1 Coverage calculation makes adjustments for certain O&M Expenses, Revenues, and other reserve funds and therefore is not directly comparable to the coverage calculation in the financial statements.
2 Represents federal COVID-19 relief funds available in cash balances to be applied as Other Available Moneys for the purposes of calculating Senior Lien GARB Debt Service Coverage.
3 Net of capitalized interest. Includes debt service on outstanding bonds and estimated debt service on the 2022 Bonds and future bonds. Assumes future bonds are issued as Senior Lien debt.
4 Reflects the increase of the reserve requirement from 3.2 percent of annual O&M Expenses in 2020 to 25% in 2025 and thereafter as required by the AULA.
SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE S-5 PROJECTED AIRLINE COST PER ENPLANED PASSENGER

(For Fiscal Years Ending December 31)

	PROJECTED										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Total Airline Revenue	$969,448	$1,127,075	$1,102,564	$1,131,173	$1,190,176	$1,321,302	$1,554,834	$1,668,958	$1,807,565	$1,977,685	$2,037,818
Less: Cargo Landing Fee Revenue	(49,841)	(56,058)	(59,547)	(60,002)	(61,763)	(65,461)	(68,347)	(72,238)	(72,876)	(74,081)	(74,423)
Total Passenger Airline Requirement	**$919,606**	**$1,071,017**	**$1,043,017**	**$1,071,171**	**$1,128,413**	**$1,255,841**	**$1,486,487**	**$1,596,720**	**$1,734,689**	**$1,903,604**	**$1,963,395**
Total Projected Enplaned Passengers [1]	33,173	36,895	40,269	42,309	43,096	43,885	44,673	45,464	46,255	47,047	47,839
Total Airline Cost per Enplaned Passenger											
Current Dollars	$27.72	$29.03	$25.90	$25.32	$26.18	$28.62	$33.27	$35.12	$37.50	$40.46	$41.04
2022 Dollars [1]	$27.72	$28.18	$24.41	$23.17	$23.26	$24.69	$27.87	$28.56	$29.60	$31.01	$30.54

NOTES:

1 Enplaned passenger total in 2022 reflects forecast amount, which differs from amount in the City's 2nd Half Budget.

2 Inflation rate assumed at 3.0 percent, though rates may vary across the Projection Period.

SOURCES: City of Chicago, Department of Aviation, July August; Ricondo & Associates, Inc., August 2022.

1. THE 2022 BONDS

1.1 THE 2022 BONDS

The 2022 Bonds will be issued pursuant to the ordinances adopted by the Chicago City Council on March 28, 2018 and on October 27, 2021 (the Bond Ordinance), and the Master Indenture of Trust securing Chicago O'Hare International Airport (O'Hare or the Airport) General Airport Revenue Senior Lien Obligations, dated as of June 1, 2018 (the Senior Lien Master Indenture), between the City of Chicago (the City) and U.S. Bank National Association Trust Company, Chicago, Illinois, as supplemented by the Supplemental Indentures from the City to the Trustee. The Senior Lien Master Indenture, as supplemented by the Seventy-First through Seventy-Fourth Supplemental Indentures, and as it may be amended and supplemented from time to time in accordance with its terms, is herein referred to as the Senior Lien Indenture.

Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statement for the 2022 Bonds and/or the Senior Lien Indenture. The 2022 Bonds include the 2022A Bonds, 2022B Bonds, 2022C Bonds, and 2022D Bonds.

The City will use the proceeds from the sale of the 2022 Bonds to:

- (i) fund portions of the Airport Capital Program, as herein defined;
- (ii) refund certain outstanding Airport Obligations to generate debt service savings;
- (iii) retire certain portions of the City's outstanding Credit Agreement Notes used to fund certain costs of the Airport Capital Program;
- (iv) fund the Reserve Requirement of the Common Debt Service Reserve Sub-Fund for the 2022 Bonds;
- (v) fund capitalized interest on a portion of the 2022 Bonds;
- (vi) at the City's election, purchase a Bond Insurance Policy; and
- (vii) pay costs and expenses incidental to the issuance of the 2022 Bonds.

The 2022 Bonds are payable from Revenues (as defined in the Senior Lien Indenture) pledged to the payment thereof under the Senior Lien Indenture and certain other moneys held by or on behalf of the Trustee.

Table 1-1 presents the estimated uses of the proceeds of the 2022 Bonds. These preliminary numbers, presented for illustrative purposes, serve as the basis for the debt service on the 2022 Bonds reflected in the financial analysis herein and are subject to change.

The financial analysis presented herein reflects the impact of the refunding of the Series 2013A, Series 2013B, Series 2013C, and Series 2013D Bonds anticipated to occur with the issuance of the 2022C and 2022D Bonds.

1.2 THE INDENTURE OF TRUST

Security for the 2022 Bonds

Pursuant to the terms of the Senior Lien Indenture, the 2022 Bonds will be secured by a first lien pledge of Revenues (meaning, generally, all amounts received or receivable, directly or indirectly, by the City for the use and operation of the Airport), on a parity basis with the City's Outstanding Senior Lien Bonds and such other Senior Lien Obligations as may be outstanding from time to time, and will be paid from amounts that may be withdrawn from the Debt Service Fund created under the Senior Lien Indenture. Revenues are defined in the Official Statement.

TABLE 1-1 2022 BONDS ESTIMATED SOURCES AND USES

	2022 BONDS ESTIMATED TOTALS
Sources	
Par Amount of Bonds	$1,768 million
Net Original Issue Premium	$69.3 million
Total Sources of Funds at Closing	**$1,837 million**
Uses	
Deposit to Project Fund	$311.5 million
Deposit to Repay Credit Agreement Notes	$600.0 million
Deposit to Reimburse Airport General Fund	$247.5 million
Deposit to Defease Refunded Bonds	$541.7 million
Deposit to Capitalized Interest Accounts	$71.2 million
Deposit to Common Debt Service Reserve Sub-Fund	$47.6 million
Cost of Issuance	$17.7 million
Total Uses of Funds at Closing	**$1,837 million**

NOTE:
Assumes market rates as of August 16, 2022, plus up to 30 basis points depending on the maturity.
The City may elect to purchase a bond insurance policy in connection with the issuance of the 2022 Bonds. The anticipated uses summarized above do not include the amount of a Bond Insurance Policy.
SOURCES: J. P. Morgan, August 2022.

Under the Senior Lien Indenture, the City has covenanted to establish rentals, rates, and charges for the use and operation of the Airport so that Revenues, together with certain other moneys deposited with the Trustee, are sufficient to pay the Operation and Maintenance (O&M) Expenses at the Airport and to satisfy the debt service coverage covenants contained in the Senior Lien Indenture.

Debt Service Coverage Covenants

The City covenants in the Senior Lien Indenture to fix and establish, and to revise from time to time whenever necessary, the rentals, rates, and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year (FY), together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in any Fund or Account, will be at least sufficient:

(i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and

(ii) to provide for the greater of (A) the sum of the amounts needed to make the deposits required to be made pursuant to all resolutions, ordinances, indentures, and trust agreements pursuant to which all Outstanding Senior Lien Obligations or other Outstanding Airport Obligations are issued and secured, and (B) one and twenty five-hundredths times the Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, and, in each case, such Aggregate Debt Service shall be reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal of and interest on Senior Lien Obligations.[13]

The City further covenants in the Senior Lien Indenture to fix and establish, and revise from time to time whenever necessary, the rentals, rates, and other charges for the use and operation of the Airport and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys consisting solely of: (a) any Passenger Facility Charge (PFC) revenues deposited with the Trustee for that Fiscal Year; and (b) any other moneys received by the City in the immediately prior Fiscal Year and deposited with the Trustee no later than the last day of the immediately prior Fiscal Year, will be at least sufficient:

(i) to provide for the payment of Operation and Maintenance Expenses for the Fiscal Year; and

(ii) to provide for the payment of Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during the Bond Year to pay the principal of and interest on Senior Lien Obligations.

Flow of Funds

Airport Revenues and expenses are accounted for as a separate enterprise fund of the City, subject to the provisions of the Senior Lien Indenture and the Airline Use and Lease Agreement (AULA) between the City and the airlines, described in Chapter 5 of this Report. **Exhibit 1-1** illustrates the Flow of Funds identified in the Senior Lien Indenture. Additional information regarding the Flow of Funds, including the flow of PFC Revenues, is described under "Flow of Funds" in the Senior Lien Indenture.

Additional Bonds

Additional Senior Lien Bonds, except in the case of Refunding Bonds and Completion Bonds (both as defined in the Senior Lien Indenture), may be issued only upon the satisfaction of certain conditions, as described in the Senior Lien Indenture.

The City may issue Refunding Bonds, either by satisfying the debt service coverage requirement, or by satisfying the applicable requirements in the Senior Lien Indenture.

The City may issue Completion Bonds provided (i) that the additional cost of the Airport Projects being financed does not exceed 15.0 percent of their aggregate cost previously financed by Airport Obligations, (ii) that the revised aggregate cost of those Airport Projects cannot be paid with moneys available and (iii) that the issuance of Completion Bonds is necessary to provide funds to complete the Airport Projects.

[13] The Senior Lien Indenture was amended in 2018 to include an increase of the coverage requirement from 1.10x in 2018 to 1.25x in 2021, implemented in 0.05x increments in 2019, 2020, and 2021.

Revenue Fund

↓

Operation & Maintenance Fund (monthly)[+]

↓

(Senior Lien) Debt Service Fund[+]

↓

Operation & Maintenance Reserve Fund[+]

↓

Maintenance Reserve Fund[+]

↓

Junior Lien Obligation Debt Service Fund

↓

Supplemental O&M Reserve Fund

↓

Airport General Fund[++]

NOTES: O&M – OPERATION AND MAINTENANCE
+ Balance at year end transferred to Revenue Fund.
++ Moneys in the Airport General Fund may be applied, used, and withdrawn by the City for any lawful corporate purpose of the City, free from any lien or security interest in favor of the Trustee and the owners of the Senior Lien Obligations.
SOURCE: Senior Lien Indenture, as defined herein.

EXHIBIT 1-1

FLOW OF FUNDS

2. THE AIRPORT FACILITIES AND CAPITAL PROGRAMS

The Airport is the largest commercial-service airport in Chicago and the surrounding region. This chapter summarizes the existing Airport facilities and ongoing capital development programs, which include the projects anticipated to be funded with proceeds from the 2022 Bonds.

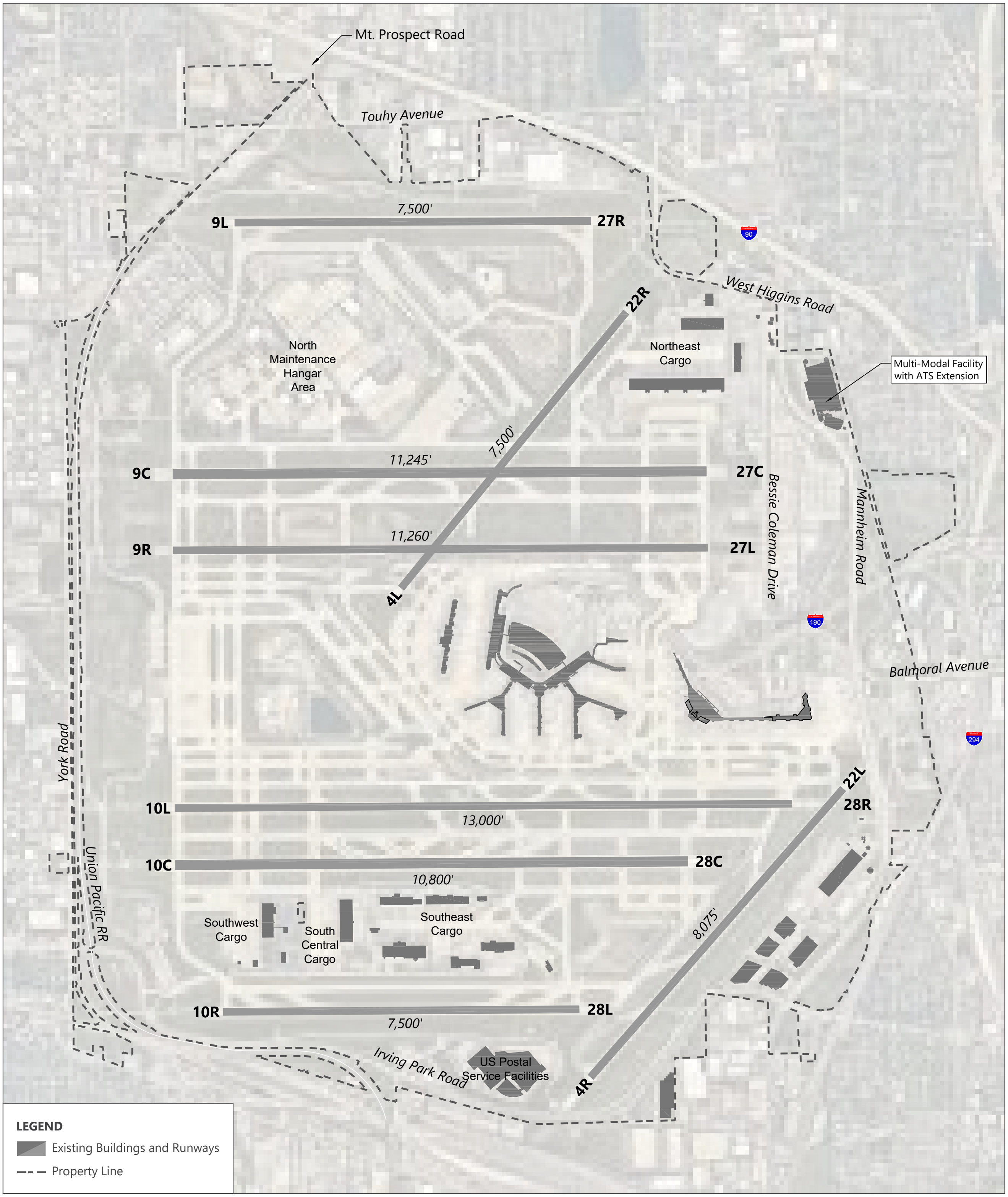
2.1 AIRPORT FACILITIES

The Airport occupies over 7,200 acres of land 18 miles northwest of downtown Chicago. **Exhibit 2-1** shows the existing Airport layout. Its primary facilities consist of the airfield, terminal area, air cargo and maintenance / Airport support areas, surface access, and parking. These facilities are described in the following subsections.

2.1.1 AIRFIELD

The airfield contains eight active runways, the most of any commercial airport globally. A network of taxiways, aprons, and aircraft holding areas supports the existing runways. All runways have electronic and other navigational aids that permit aircraft to land in most weather conditions. All runways are equal to or greater than 7,500 feet in length, including one 13,000-foot runway and a 10,800-foot runway that meet Airplane Design Group (ADG) VI standards for aircraft, such as the Airbus A380 and the Boeing 747-8.

The O'Hare Modernization Program (OMP) reconfigured the airfield from sets of converging parallel runways in three main directional orientations (northeast/southwest, east/west, and northwest/southeast) to six parallel runways in the east/west direction and two crosswind runways in the northeast/southwest direction. This reconfiguration involved construction of four runways, two runway extensions, and associated taxiways. Construction began in 2005 with the first runway opening in 2009, and the OMP was completed in December 2021 with the final runway extension. The OMP airfield projects provide the capability to operate triple independent simultaneous approaches in poor weather conditions and the potential for quadruple independent simultaneous approaches in clear weather. The OMP airfield projects have enabled a reduction in National Airspace System (NAS) system impact delays attributable to O'Hare by 65 percent when comparing the pre-OMP period of 2003 through 2008 to 2009 through 2021. **Exhibit 2-2** shows the OMP airfield reconfiguration.



NOTE: Terminal 5 Expansion under construction.
SOURCES: City of Chicago, Department of Aviation, July 2022; Chicago O'Hare International Airport, *Airport Layout Plan,* September 2005; Nearmap, October 1, 2021 (aerial photography - for visual reference only, may not be to scale) Ricondo & Associates, Inc., July 2022.

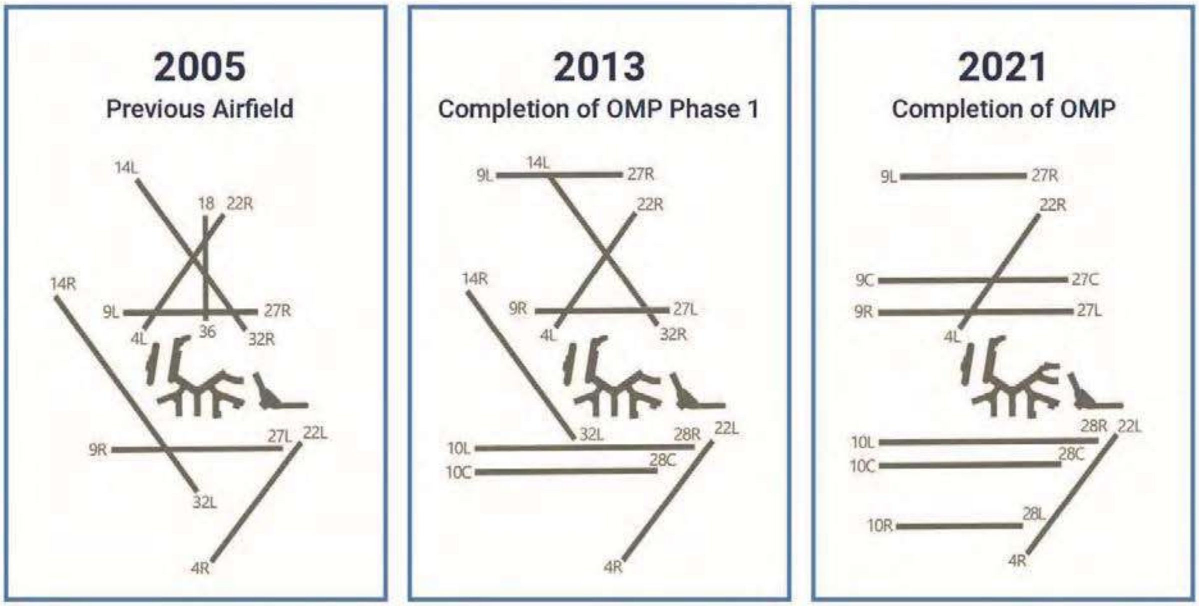
NORTH 0 2,400 ft

EXHIBIT 2-1

EXISTING AIRPORT LAYOUT

Drawing: P:_projects\Chicago\20-01-1199\finance\ORD\2022 Feasibility Reports\GARB\CAD\Ex 2-1_Existing Airport Layout.dwgLayout: GARB_Ex 2-1 Plotted: Jul 14, 2022, 01:23PM

EXHIBIT 2-2 O'HARE MODERNIZATION PROGRAM AIRFIELD RECONFIGURATION



SOURCE: Ricondo and Associates, Inc., August2022

2.1.2 TERMINAL AREA

The airlines serving the Airport operate from four terminal buildings with a maximum number of 198 gates, depending on aircraft parking positions and configurations.[14] The terminals support the Airport's ability to serve as an international gateway and network connecting hubs for United Airlines (United) and American Airlines (American). Three terminal buildings, (Terminals 1, 2, and 3) include a total of 174 gates, and serve domestic flights, certain international departures, and certain international arrivals from destinations that have been pre-cleared by US Customs and Border Protection (US CBP). The domestic terminal complex is centrally located within the airfield area and includes Terminal 1 (Concourses B and C), Terminal 2 (Concourses E and F), and Terminal 3 (Concourses G, H, K, and L). Gates are leased by the airlines on Preferential Use and Common Use bases; Preferential Use Gate Space is only leased to Long-Term Signatory Airlines. The Airport Transit System (ATS) provides passengers with transportation, free of charge, among the four terminals and the Multi-Modal Facility (MMF) which includes public parking and a consolidated rental car facility (CRCF).

Terminal 5 (Concourse M) includes international terminal facilities and is located in the eastern portion of the terminal area. It has a maximum number of 24 gates and 6 hardstand positions, as of June 2022.[15] Terminal 5 serves

[14] A gate is an active aircraft parking position that is accessed through the terminal building, either through a passenger loading bridge or through other means and is customarily used for the purpose of boarding and/or deplaning passengers. Maximum number of gates count is as of June 2022 and denotes the total narrowbody aircraft parking positions in the Airport's MARS configurations.

[15] A hardstand is a paved area for parking airplanes that is remote from the terminal building. Hardstands can be used for repairs and overnight parking, as well as for enplaning and deplaning passengers.

all international arrivals requiring federal inspection services (FIS), some pre-cleared international arrivals, and certain domestic departures and arrivals. An expansion of Terminal 5 is under construction, with improvements expected to be completed in phases in 2022 and 2023; the first two gates of the expansion opened in June 2022 and three additional gates opened in July 2022. Information about the expansion project is included in Section 2.3.1.

Terminal 1 is used for domestic arrivals and all departures (domestic and international) by United and international departures by Star Alliance partners All Nippon Airways and Lufthansa. The terminal opened in 1987 and comprises a total of 1,400,000 million square feet. It houses the United terminal complex, including ticketing and baggage areas and two concourses, Concourses B and C, which are connected by an underground passenger tunnel.

Terminal 2 is primarily used by United, predominantly on flights operated by United's regional affiliates, Star Alliance partner Air Canada, as well as Delta Air Lines (Delta). Alaska Airlines (Alaska) and JetBlue Airways (JetBlue) also use Terminal 2 for ticketing and baggage processing but utilize Terminal 3 gates. Completed in 1962, Terminal 2 is approximately 800,000 square feet and consists of a main terminal building and Concourses E and F that extend to the southwest.

Terminal 3 is primarily used by American and its regional affiliates, as well as by American's oneworld partners, Japan Airlines and Iberia, for departures only. Cape Air, Denver Air Connection, and Spirit Airlines (Spirit) also operate out of Terminal 3, along with Alaska and JetBlue who only utilize Terminal 3 gates. Terminal 3 consists of a main terminal building, and three distinct concourses that extend from the main terminal building: Concourse G, Concourses H and K, Concourse L, and the future Concourse L Three-Gate Expansion. The extension project comprises additional concourse, apron, and taxilane space and three additional aircraft gate positions. Two of the three gates in the extension are anticipated to open initially, with the third gate to open following the demolition of a communications building and relocation of related infrastructure serving the Airport. The terminal and Concourses H and K were completed in 1962. Concourse L was completed in 1985, and the Concourse L Extension, was completed in May 2018. Concourses G, H, K, L, and L Extension comprise approximately 2,000,000 square feet.

Terminal 5 consists of a main terminal building and Concourse M. It opened in 1993 and is the newest among the four terminals at the Airport. Most foreign-flag air carriers operate from Terminal 5 (arrivals and departures). Currently, Southwest Airlines (Southwest), Sun Country Airlines (Sun Country), and Frontier Airlines (Frontier) operate at Terminal 5. Delta is anticipated to move from Terminal 2 to Terminal 5 by the end of 2022 in conjunction with the expansion. Terminal 5 is the only terminal at the Airport with a US CBP FIS facility. Therefore, international flights originating from airports that do not have CBP Preclearance arrive at Terminal 5. Passengers arriving at Terminal 5 and transferring to a departing flight in the domestic terminal complex (Terminal 1, 2, or 3) access Terminal 1, 2, or 3 via the ATS. Passengers are able to recheck baggage prior to exiting the Terminal 5 FIS, however, the passengers are required to be rescreened at the domestic terminals' Transportation Security Administration (TSA) security checkpoints in order to enter the secured domestic terminal airside facilities. The Terminal Area Plan (TAP) capital project, discussed in Section 2.3, will provide an additional FIS accessible by Terminals 1, 2, and 3, addressing the current requirement to transfer from Terminal 5 for most connecting passengers. Today, Terminal 5 and Concourse M total to approximately 1,200,000 million square feet of floor area.

Also located within the terminal area are a hotel, a parking garage, two surface parking lots, and the Airport heating and refrigeration plant. The 10-story hotel, operated by Hilton Hotels Corporation and located directly across from Terminals 1, 2, and 3, provides approximately 860 guest rooms, as well as restaurants and meeting facilities. The 6-story parking garage adjacent to the domestic terminals contains approximately 9,300 spaces for public parking, supplemented by two adjacent surface that provides approximately 2,830 spaces. The heating and refrigeration plant, located northeast of the domestic terminals, provides heating and air conditioning for all terminal buildings.

2.1.3 AIR CARGO AREAS

The Airport is a major center for air cargo shipments, processing approximately $305 billion in shipments value and ranking as the number one port airport in the United States in terms of the value of shipments in 2021.[16],[17] The Airport consistently ranks in the top 5 among airports in the United States in terms of the value of shipments[18] and in the top 20 of the Airports Council International's Busiest Air Cargo Hub ranking[19]. The Airport has approximately 2 million square feet of airside cargo facilities, with space for 40 jumbo freighters (including the B747-8F) on four separate ramps, with another 2 million square feet of cargo facilities landside. The four ramps are the following: the Southwest Cargo Ramp, leased and used exclusively by FedEx; the South-Central Cargo Ramp, leased by United, which allows multiple carriers to used its facilities; the Southeast Cargo Ramp, leased by multiple operators and used by multiple airlines; and the Northeast Cargo Ramp, operated by Aeroterm, a third-party developer, with multiple cargo carriers using the facilities. Aeroterm delivered the first two phases of the multi-user development cargo complex in 2016, with 820,000-and 240,000-square-foot facilities, respectively. The third phase of this development, adding approximately 125,000 square feet of additional airside cargo facilities, is scheduled to open by the end of 2022.

2.1.4 MAINTENANCE AND AIRPORT SUPPORT AREAS

Nine aircraft maintenance facilities in the northwest corner of existing Airport property (the North Maintenance Hangar Area) are leased by airlines, along with three additional buildings used for airline ground equipment maintenance and a large aircraft service center. In addition to the North Maintenance Hangar Area, other Airport support areas surround the airfield: an Airport maintenance complex, which is used to store snow removal and other Airport maintenance equipment, one flight kitchen, and miscellaneous ground service equipment facilities are located within the Airport support area on the southeast side of the Airport.

2.1.4.1 MULTI-MODAL FACILITY

The MMF opened in 2018 and consolidates rental car operations and shuttle bus operations in one centralized location. The 2.5-million-square-foot, five-story facility includes the CRCF that houses all Airport rental car operations, public parking, and an ATS station. A public parking surface lot is adjacent to the facility. The MMF is located between Mannheim Road, Zemke Boulevard, and the Metra commuter rail North Central Service line in the northeastern quadrant of the Airport. The CRCF provides over 4,300 rental car parking spaces on Levels 1 through 3 of the structure, a rental car Customer Service Center, and an ATS station. All rental car functions that were in the Airport terminals transferred to the MMF when the facility opened in 2018 and no rental car facilities remain in the terminals. Levels 4 and 5 of the structure include over 2,600 public parking spaces. A bus plaza is currently used by off-Airport rental car shuttles and Pace Suburban Buses. On-Airport remote parking shuttles, off-Airport parking shuttles, regional bus operations, and all other shuttles, which currently operate in the terminal core, are anticipated to relocate to the MMF Bus Plaza.

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[16] U.S. Census Bureau: Economic Indicators Division USA Trade Online, U.S. Import and Export Merchandise trade statistics (accessed May 24, 2022).

[17] Forbes, "*Surprises: O'Hare Is Nation's Top 'Port,' Canada Is Top Trade Partner For 2021*", https://www.forbes.com/sites/kenroberts/2022/02/08/surprises-ohare-is-nations-top-port-canada-is-top-trade-partner-for-2021/?sh=54caf7dd29bd (accessed May 24, 2022)

[18] U.S. Census Bureau: Economic Indicators Division USA Trade Online, U.S. Import and Export Merchandise trade statistics (accessed May 24, 2022).

[19] Airports Council International, May 19, 2020, (accessed July 18, 2022).

2.1.4.2 AIRPORT TRANSIT SYSTEM

The ATS opened in 1993, providing people mover service between terminals. An extension of the system to the MMF, modernization of the ATS operating system, a new vehicle fleet, and an ATS maintenance and storage facility were part of the MMF capital project.

During the construction of the extension, the system ceased operations in January 2019, resumed part-time operation in November 2021, and began 24-hour service on April 18, 2022. While the ATS was originally planned to open in conjunction with the MMF, delays occurred that were associated with the complexity of the system, difficulties resolving issues arising from on-track testing, and impacts of the COVID-19 pandemic. Buses replaced ATS service between the MMF and the terminals while the ATS was closed and prior to the ATS operating on a full-time schedule. A busing operation remains available for use, if needed. For purposes of the financial analysis, costs related to potential intermediate busing operations are assumed through 2022 as the City continues to work with the contractor to complete testing related to system reliability.

2.1.5 SURFACE ACCESS

Access to the passenger terminal complex is provided via Interstate 190 (I-190) from the east side of the Airport. This roadway may be accessed from Interstate 90 (I-90) or Mannheim Road, which borders the Airport to the east. Other roadways that surround Airport property include Interstate 294 (I-294) to the east, West Higgins Road and Touhy Avenue to the north, York Road to the west, and Irving Park Road to the south.

The Elgin–O'Hare Western Access (EOWA) Project, a major Illinois State Toll Highway Authority (ISTHA) capital project currently underway, includes an extension of the Elgin–O'Hare Expressway and the creation of a Western Bypass along the west side of the Airport that connects I-90 and I-294. Construction of the EOWA Project began in 2013 and is expected to be completed in 2026.[20] Once complete, EOWA will provide new access to the west side of the Airport via York Road and the south side of the Airport via Taft Avenue. The passenger terminal complex is also accessible via public transit. Terminals 1, 2, and 3 are connected via underground walkways to the Chicago Transit Authority (CTA) O'Hare Blue Line Station, located in the lower level of Terminal 2, and parking garage. The Blue Line provides service to Chicago's "Loop", the circuit of CTA train lines in surrounding the downtown business district that form the hub of the CTA train system.

Metra, the rail agency offering commuter train service throughout the Chicagoland area, offers weekday service connecting downtown Chicago's Union Station to the north central suburbs, terminating at Antioch, IL via the North Central Service train line. The O'Hare Transfer Station, a stop on the North Central Service line is located adjacent to the Airport, and accessible via a sidewalk to the MMF.

Pace Suburban Buses and regional charter buses also serve the Airport providing connections to the surrounding suburbs and greater region.

In 2018, the City initiated a procurement for an express transportation system to provide service between the downtown business district and the Airport. The project was put on hold before the award of a contract. At that time, no Airport Revenues were planned as funding sources for the project.

[20] ISTHA, "Elgin O'Hare Western Access Project, Local Advisory Committee Meeting, April 14, 2022" https://www.illinoistollway.com/documents/20184/101637/20220414+EOWA+Meeting+Presentation.pdf/810187ec-fd6c-c31c-f2a5-489be1ff4d2d?version=1.0&t=1650559192048&download=true (accessed July 18, 2022).

2.1.6 PARKING

Approximately 18,910 public parking spaces are located in various facilities throughout the Airport.[21] A 9,300-space parking garage (Lot A) is adjacent to Terminals 1 through 3. The garage contains Hourly, Daily, Reserved, and Valet parking areas. Daily parking in the Lot A is supplemented by adjacent surface Lots B and C that provide approximately 2,830 spaces. Construction of a Terminal 5 Garage, anticipated to be completed in early 2024, will expand Terminal 5 parking capacity from Lot D's 950 Hourly spaces to approximately 2,350 Hourly and Daily parking spaces (1,700 in the garage and 650 in surface Lot D), an increase of 1,400 spaces. During the construction of the Terminal 5 Garage, Lot D's parking capacity will be reduced from 950 to 400 spaces. Long-term surface public parking capacity currently consists of approximately 3,760 spaces provided in Lots G and H. The MMF, which opened in 2018, provides approximately 2,620 Economy public parking spaces (Lot F) on the top two floors of the garage. Lot E was closed to the public in 2020 prior to the opening of the Runway 9C-27C as it is located in the Runway Protection Zone (RPZ) of Runway 27C. Employee parking consists of approximately 20,000 spaces. The main employee surface parking lots are within the Northwest Maintenance Hangar Area (primarily for American), the Bravo pad accessed from Bessie Coleman Drive (for United employees), and various other locations within the terminal area and in the Airport support area along Mannheim Road.

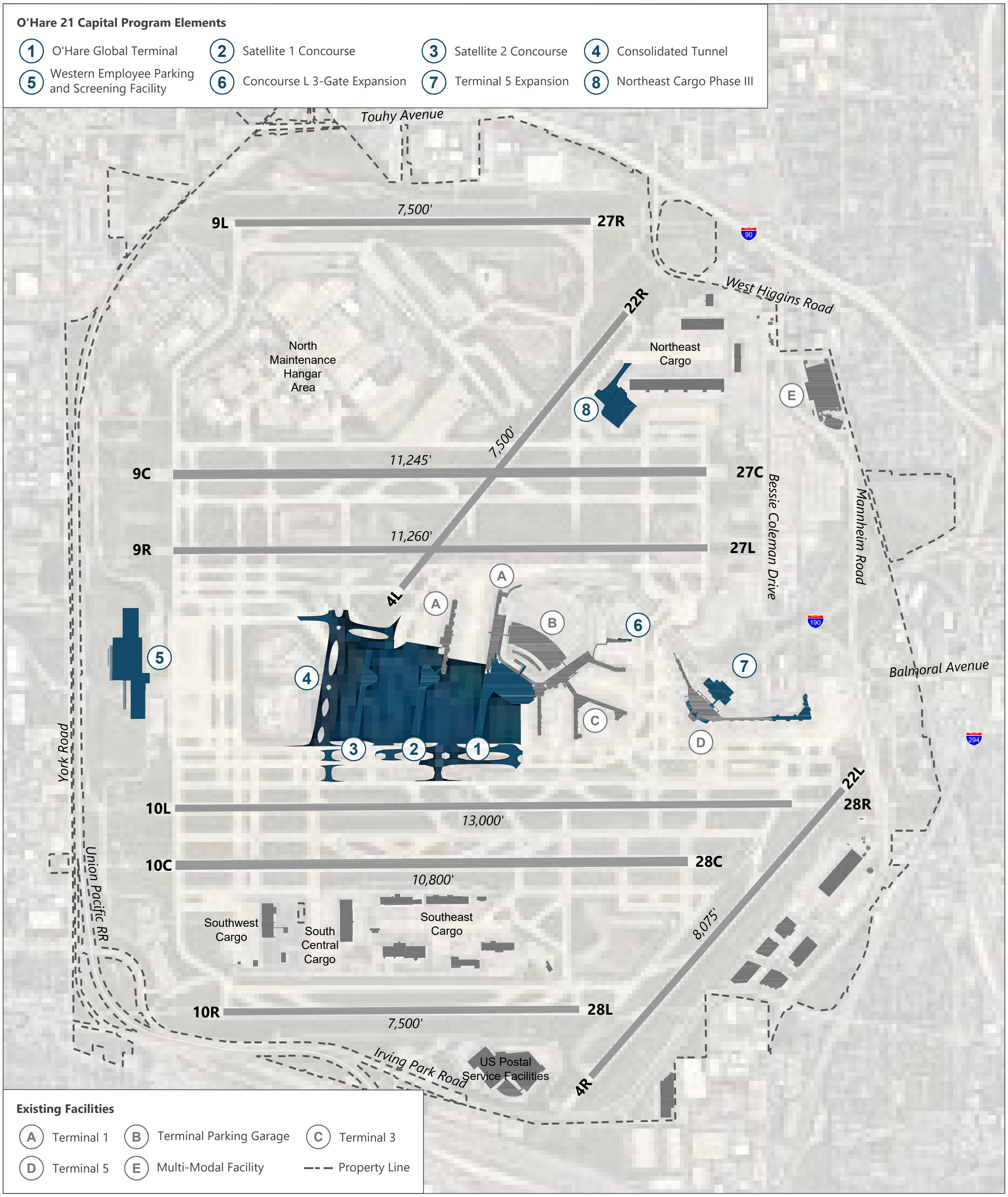
The City also operates two surface lots with approximately 3,000 total spaces where employees and contractors can purchase monthly parking passes. This is in addition to parking areas with approximately 20,000 spaces available for employee and contractor parking elsewhere on the Airport that are leased directly by Airport tenants.

A cell phone lot with 260 spaces is located on Bessie Coleman Drive; it is available free of charge for people waiting to pick up arriving passengers. A 325-space Transportation Network Provider (TNP) Lot is located north of Balmoral Avenue, east of Mannheim Road, and south of I-190, for staging rideshare vehicles. The Commercial Vehicle Holding Area (CVHA), located west of Bessie Coleman Drive and north of I-190, accommodates 450 City taxis and 225 limousines. The suburban taxi staging lot, located west of the intersection of Higgins Road and Mannheim Road, provides approximately 200 spaces for suburban taxis.

2.2 OVERVIEW OF CAPITAL DEVELOPMENT PROGRAMS

The City has been undertaking major capital initiatives at the Airport, including airfield and facility development and projects that address the Airport's ongoing capital needs. The Airport Capital Program is part of O'Hare 21, the City's program designed to support the Airport into the 21st century. **Exhibit 2-3** shows the airport capital projects.

[21] Parking spots may be temporarily reduced due to ongoing Terminal 5 construction or parking garage renovation work at the domestic terminals.



NOTE: Terminal 5 Expansion under construction.
SOURCES: City of Chicago, Department of Aviation, July 2022; Chicago O'Hare International Airport, *Airport Layout Plan,* September 2005; Nearmap, October 1, 2021 (aerial photography - for visual reference only, may not be to scale) Ricondo & Associates, Inc., July 2022.

NORTH 0 2,400 ft

EXHIBIT 2-3

AIRPORT CAPITAL PROJECTS

Drawing: P:_projects\Chicago\20-01-1199\finance\ORD\2022 Feasibility Reports\GARB\CAD\Archive\Ex S-1 & 2-2_Airport Capital Projects.dwgLayout: GARB_Ex 2-3_8.5x11P Plotted: Jul 19, 2022, 03:02PM

2.2.1 FUNDING APPROVAL FOR CAPITAL PROJECTS UNDER THE AIRLINE USE AND LEASE AGREEMENT

As part of the 15-year AULA signed in 2018, approximately $8.5 billion[22] in funding authority is provided for new capital project costs. The funding approval included, as defined in the AULA, the Phase I TAP Elements, Pre-Approved Capital Improvement Program (CIP) Projects, and other Pre-Approved Allowances for major maintenance and infrastructure reliability projects to be undertaken over the term of the AULA.[23]

Table 2-1 summarizes the project approval received in the AULA. The AULA includes funding approval for capital projects in 2018 dollars, with provisions to account for project cost escalation.

Escalated project costs are described in more detail in Section 2.3.6. For the purposes of this financial analysis, escalated project costs were calculated based on current project schedules, the historical Construction Cost Index for the Chicago area published by Engineering News Record through June 2022, which was applied on a monthly basis for future cash flows.

TABLE 2-1 AIRLINE USE AND LEASE AGREEMENT FUNDING APPROVAL SUMMARY

AULA PROJECT	AULA EXHIBIT	PROJECT COSTS 2018 DOLLARS
Phase I TAP Elements (including the TAP, portions of Terminal 5, and the Concourse L Three-Gate Expansion, and other projects)	Exhibit L	$6.1 billion
Pre-Approved CIP Projects	Exhibit N	$1.7 billion
Subtotal Total Airport Capital Program Projects		$7.8 billion
Pre-Approved Allowances (including Infrastructure Reliability)[1]	Exhibit O	$768.0 million
Total AULA Funding Approval		**$8.5 billion**

NOTES: Includes project costs approved in the AULA. Does not include costs for projects approved prior to the AULA, such as the initial Terminal 5 Expansion costs.
AULA – Airline Use and Lease Agreement
CIP – Capital Improvement Program
TAP – Terminal Area Plan
Project costs reflected in Chapter 5 are escalated for the purposes of financial projection.
1 Includes $40 million per year of Pre-Approved Allowances 2019 through 2033 (15 years) and $168 million of Infrastructure Reliability.
SOURCES: City of Chicago, *O'Hare International Airport Airline Use and Lease Agreement*, June 2018.

2.3 O'HARE 21

O'Hare 21 is the City's capital program to developed to improve the Airport's connectivity, efficiency, and accommodate future demand, and ensure the success of the Airport into the 21st century. The investments in the Airport through the O'Hare 21 capital program will address aging facilities by replacing O'Hare's oldest terminal that is at the end of its useful life, improve efficiency through new international processing facilities co-located with carrier operations and a new baggage handling system, improve the passenger experience by providing upgraded,

[22] Funding approval was in 2018 dollars with allowance for escalation.

[23] For purposes of this Report, "TAP" will be used to describe portions of the "Phase 1 TAP Elements" identified in the AULA, which generally include the O'Hare Global Terminal and Concourse, Satellites Concourses 1 and 2, and related projects. These projects received funding authority in the AULA. Additional TAP elements identified in the AULA may be completed in future phases.

modern terminal facilities and enhanced amenities and commercial offering, and efficiently accommodate demand by providing sufficient terminal space and gates to accommodate forecast demand.

2.3.1 TERMINAL 5 EXPANSION

The Terminal 5 Expansion broke ground in March 2019. The first phase of the Terminal 5 Expansion will be constructed at a cost of approximately $1.34 billion. A second phase of Terminal 5 projects is included in the TAP; portions of Terminal 5 and its facilities will be repurposed to accommodate additional domestic activity when new FIS facilities become available at Terminal 2. At approximately 350,000 square feet, the first phase of the Terminal 5 Expansion will increase Terminal 5 gate capacity by 25 percent with 10 new gates, passenger amenity space by 75 percent, and premium lounge space by 70 percent; it will also bring the total number of security checkpoint lanes to 13 lanes and improve immigration facilities, as well as renovate existing space. These improvements are expected to be completed in phases in 2022 and 2023. The first two permanent gates of the expansion opened in June 2022, three more opened in July 2022, and the completion of the new gates is anticipated by the end of 2022. Upon completion of the new gates, Delta will relocate to Terminal 5 from its existing location in Terminal 2. The move enables Delta and its SkyTeam alliance partners to consolidate operations within the same terminal. A complete replacement to the Terminal 5 baggage handling system (BHS), which also includes new checked baggage inspection system, is intended to increase bag throughput capacity and is expected to be complete by the end of 2023.

2.3.2 TERMINAL 3 CONCOURSE L THREE-GATE EXPANSION

The Terminal 3 Concourse L Three-Gate Expansion will further extend the existing Concourse L Extension within Terminal 3 to provide approximately 11,000 square feet of additional concourse space and approximately 112,000 square feet of apron and taxilane pavement. The project will provide three additional aircraft gate positions and corresponding terminal functions, including passenger holdrooms, passenger amenities, and circulation space. Two of the three gates are anticipated to be completed in 2023 with the third gate to open in 2025 following the demolition of a communications building and relocation of related infrastructure serving the Airport.

2.3.3 TERMINAL AREA PLAN

The TAP includes construction of the O'Hare Global Terminal (OGT) and O'Hare Global Concourse (OGC); two satellite concourses, Satellite 1 and Satellite 2; and related terminal projects described in this section. Additionally, it includes a US CBP FIS facility connected by sterile corridors to gates on the OGC and Satellite 1 Concourse, permitting the arrival of international flights to the domestic terminal complex. The TAP projects have received airline funding approval under the AULA and additional airline review and approval is needed for changes in project scope or budget

The Airport has a need for new terminal facilities because of the age and operational constraints of the existing terminal facilities and the need for increased gate flexibility. The OMP increased airfield capacity and supported the removal of historical operational flight caps by reducing delay and increasing operational efficiency. Further, the completion of the OMP supported terminal expansion to the west of the existing terminals through the reconfiguration of runways and taxiways A and B. The TAP is anticipated to retain operational efficiencies gained by the OMP, reduce the time an aircraft waits for a gate, increase gate frontage, provide added gate flexibility, and address long-term terminal needs with the modernization of terminal facilities. It will address passenger convenience and experience, increase airport revenue opportunities, and enhance the ability to accommodate airline partnerships and provide added domestic-international gate connectivity.

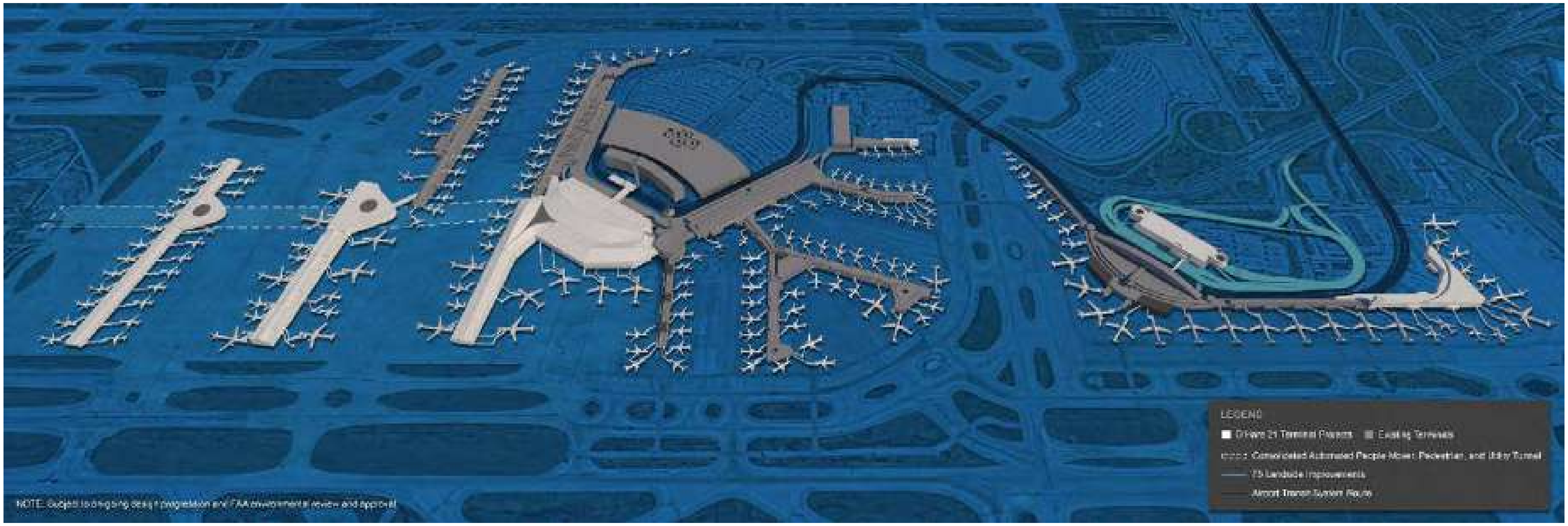
Additionally, continued industry changes have created the following pressures and inefficiencies on the Airport's existing terminal infrastructure and airline operations:

- The increasing aircraft size and numbers of seats per flight impacts the capacity of holdrooms and apron parking positions.
- The increasing size of security screening checkpoints impacts the utilization and functionality of available terminal space.
- Growing inter-airline cooperation through the creation of airline alliances and joint ventures impacts the demand for efficient connections between domestic and international flights.
- The increasing number of international flights impacts the utilization of the FIS, ATS, and domestic terminal complex security screening checkpoints.
- The scheduling of flights by the hub airlines to arrive and depart within a narrow window of time impacts the number of gates required and the Airport facilities needed to accommodate increased passenger volumes during peak times.

Time windows for many international flights are further limited due to constraints at other airports. Upon completion of the TAP, the Airport is expected to have a maximum number of 220 gates depending on the configuration. The TAP will include aircraft stands that will feature a multiple aircraft ramp system (MARS), enabling flexible use of the apron to accommodate a broad range of aircraft gauges and allow dynamic changes to gate sizes throughout the day. The construction of the TAP is anticipated to enable the optimization of existing terminals for smaller aircraft that better fit the existing space available on the apron and within the terminal facilities. The TAP will also increase the functional space available for check-in, bag check, security screening, baggage handling and screening, baggage claim, airline and tenant support, concessions, and airline passenger clubs/lounges. It will also increase landside curbside and close-in parking capacity; and improve roadway access. The completion of the TAP is expected to result in an increase of linear gate frontage from approximately 24,770 feet in 2018 (at the time of AULA execution) to approximately 30,990 feet, an increase of 25.1 percent. Construction of initial elements is anticipated to begin upon completion of the TAP National Environmental Policy Act (NEPA) Environmental Assessment (EA), which is anticipated at the end of 2022.

Exhibit 2-4 shows the anticipated configuration of the Airport's terminal facilities after the completion of the O'Hare 21 Terminal Projects, including the major project elements comprising the TAP. The following subsections describe the TAP.

EXHIBIT 2-4 O'HARE 21 TERMINAL PROJECTS



SOURCE: Ricondo and Associates, Inc., August 2022.

2.3.3.1 TERMINAL 2 REDEVELOPMENT – O'HARE GLOBAL TERMINAL AND CONCOURSE

This project includes the redevelopment of existing Terminal 2 with a new multilevel facility expansion, totaling 1,900,000 square feet. The new concourse will extend in the same alignment from the south end of Concourse B. The OGT includes an FIS facility and is designed to serve both domestic flights and international arrivals from origins without CBP Preclearance, as well as departures to and arrivals from domestic and international Precleared markets. The project is anticipated to consolidate United, American, and their respective alliance partner operations into facilities connected to the OGT, significantly reducing the number of passengers required to connect between the domestic terminal complex and Terminal 5. American and United, and their alliance partners, currently operate domestic departures and arrivals, international departures, and international arrivals from some international Precleared markets out of the domestic terminal complex, and they operate international arrivals from airports without CBP Preclearance out of Terminal 5, causing international travelers arriving in Terminal 5 and connecting domestically to travel via the ATS to the domestic terminal complex and be rescreened through security checkpoints. After the TAP, United and American, and their alliance partners, will all operate out of the OGT, satellite concourses, and adjacent facilities in Terminal 1 and Terminal 3. Terminal 5 will then serve other domestic and international airlines. For purposes of the financial analysis included in this Report, the Terminal 2 redevelopment is assumed to be completed in phases from 2030-2032.

2.3.3.2 SATELLITE 1 CONCOURSE

This project includes the construction of a new multilevel concourse, totaling 700,000 square feet, to be built to the south of existing Concourse C and to the west of the OGT, including a two-level, 65-foot-long connecting walkway between Concourse C and the Satellite 1 Concourse. All gates on the Satellite 1 concourse will be capable of accommodating international arriving flights requiring clearance by US Customs and Border Protection, and the gates will be configured to accommodate a mix of aircraft sizes including regional jets, narrowbody, and widebody aircraft. For purposes of the financial analysis included in this Report, the Satellite 1 Concourse is assumed to be completed in 2027.

2.3.3.3 SATELLITE 2 CONCOURSE

This project includes the construction of a new multilevel concourse, totaling 530,000 square feet, to be built to the west of the new Satellite 1 Concourse. Gates on the Satellite 2 concourse will be configured to accommodate a mix of aircraft sizes including regional jets and narrowbody aircraft. For purposes of the financial analysis included in this Report, the Satellite 2 Concourse is assumed to be completed in 2026.

2.3.3.4 CONSOLIDATED AUTOMATED PEOPLE MOVER, PEDESTRIAN, AND UTILITY TUNNEL

This project includes the construction of a tunnel system from the east end of Terminal 3, through future Satellite 1 Concourse and Satellite 2 Concourse, to a point beyond the relocated Taxiways A and B, which will convey passengers (sterile and nonsterile), baggage, utilities, bag carts, and ground service equipment between the OGT and the satellite concourses. Tunnel construction will provide sufficient width to enable the installation of a future automated people mover (APM). For purposes of the financial analysis included in this Report, the tunnel is assumed to be completed in in phases from 2027-2032.

2.3.3.5 BAGGAGE HANDLING SYSTEM EQUIPMENT

This project includes the construction of BHS equipment and related infrastructure (other than shell space build-out) within the future OGT and OGC, Satellite 1 Concourse, Satellite 2 Concourse, and it will be adjacent to the consolidated tunnel.

2.3.3.6 TERMINAL 5 LANDSIDE IMPROVEMENTS

This project includes the curbside and roadway expansion of the upper-level roadway adjacent to Terminal 5, a bridge connecting the future parking garage to Terminal 5 and widening of the inbound terminal roadway. The Terminal 5 upper-level curbside expansion is integrated into the plans of the 1,700-space Terminal 5 Garage construction, which is anticipated to be completed in early 2024. The Terminal 5 roadway expansion is being coordinated with and integrated into the plans of the Illinois Department of Transportation (IDOT) I-190 Corridor Improvements. Further information on the IDOT I-190 Corridor Improvements can be found in **Section 2.3.5.1**.

2.3.3.7 TERMINAL 5 REPURPOSING

This project includes additional reconfiguration of Terminal 5 facilities, beyond the Terminal 5 Expansion project included in the Airport CIP, to accommodate increased domestic passengers and flows. For purposes of the financial analysis included in this Report, the Terminal 5 interior reconfiguration is assumed to be completed in 2028.

2.3.3.8 TERMINAL AREA PLAN UTILITIES ALLOWANCE

This project includes installation of site utilities to locations immediately outside the future Satellite 1 Concourse, Satellite 2 Concourse, and OGT and OGC. The costs to extend these systems from the termination points to and inside the building are included in the estimates for those project components.

2.3.3.9 WESTERN EMPLOYEE PARKING AND SCREENING FACILITY ALLOWANCE

This project includes the construction of an employee parking and security screening facility on the western side of the Airport, with the number of parking spaces to be confirmed following a future demand study. For purposes of the financial analysis included in this Report, the western facility is assumed to be completed between 2025-2026.

2.3.3.10 ADDITIONAL TAP ELEMENTS

Additional TAP Elements have been approved in the AULA to be implemented based on triggers specified for each project. Triggers are conditions that must be met before the City may proceed with the design, construction, and equipping of an Additional TAP Element. The projects are planned to accommodate the growth of the Airport's terminal area.

The Additional TAP Elements include the following components:

- Completion of Consolidated APM and Utility Tunnel and Installation of APM
- Satellite 3 Concourse
- Satellite 4 Concourse
- Terminal 1 / Concourses B and C Redevelopment
- Satellite 1 Northern Extension
- Concourse G Redevelopment
- Terminal 3 Redevelopment
- Garage at the Terminal Core
- Terminal 5 Landside and Parking Improvements (Phase 2)
- Western Parking and Screening Facility (Phase 2)
- BHS Equipment Expansion

Per the AULA, the City may proceed with the design and construction of each Additional TAP Element that includes an Additional TAP Element Trigger (e.g., Completion of Consolidated APM and Utility Tunnel and Installation of APM and Satellite 3 Concourse) without further review by the Majority-in-Interest, if all the following conditions are met:

1. the Additional TAP Element Trigger(s) (e.g., greater than 101,500,000 annual passengers) specified for the project has been met for any three consecutive years;
2. there are no airspace or airfield capacity constraints that would diminish the utility of the Additional TAP Element;
3. the OGT and OGC are complete and in service;
4. the City does not plan any modifications of the Additional TAP Elements that would result in a Change in Project Scope Requiring Majority-in-Interest Review; and
5. the City provides the Executive Working Group with documentation that the previous conditions have been met and consults with the group on the estimated timing of the Additional TAP Element.

Within 12 months of substantial completion of the OGT and OGC, the AULA states the City will meet with the Long-Term Signatory Carriers to determine whether the Additional TAP Element Triggers for the Additional TAP Elements (i.e., the 101,500,000 annual passengers for Completion of Consolidated APM and Utility Tunnel and Installation of APM and Satellite 3 Concourse) should be revised downward, and whether Additional TAP Elements that do not have defined triggers in the AULA (i.e., Satellite 4 Concourse, Terminal 1 / Concourses B and C Redevelopment, Satellite 1 Northern Extension, Concourse G Redevelopment, Terminal 3 Redevelopment, Garage at the Terminal Core, Terminal 5 Landside and Parking Improvements – Phase 2, Western Parking and Screening Facility – Phase 2, and BHS Equipment Expansion) should adopt triggers or otherwise proceed.

The passenger activity triggers for the construction of the Additional TAP Elements are not anticipated to occur within the Projection Period. Therefore, the financial analysis included in Chapter 5 of this Report does not include the Additional TAP Elements.

2.3.4 ADDITIONAL CAPITAL IMPROVEMENT PROGRAM PROJECTS

CIP projects address the Airport's ongoing maintenance, repair, and capital needs outside the aforementioned programs. The AULA included the additional approval of approximately $2.56 billion of project funding (in 2018 dollars). This includes approximately $1.7 billion of Pre-Approved CIP Projects, $600.0 million of Pre-Approved Allowances, and $168.0 million for infrastructure reliability projects, such as repairs and replacement of existing assets. In addition, the Chicago Department of Aviation (CDA) has received approval for approximately $63.6 million of additional projects since the signing of the AULA. Overall, the CDA has more than 250 approved projects and, of those, 130 are active or upcoming CIP projects at O'Hare. Construction on AULA projects, which had previous NEPA approval, began in 2020.

In addition, the City has identified two sites for potential hotel development. A proposed Terminal 5 Hotel project would construct a new multilevel building on the northwest side of the Airport. A proposed hotel and mixed-use development project adjacent to the MMF would include construction of a new multilevel building complex west of the MMF. It would use approximately 180,000 square feet of land and include a hotel and shell space for mixed-use development, a surface parking lot, access roadway pavement, and detention basins.

2.3.5 AIRPORT ACCESS

The CDA works with the IDOT and ISTHA on the planning, design, and construction phasing of surface transportation projects in the vicinity of O'Hare, including IDOT's I-190 project and ISTHA's Interstate 490 (I-490) project. As part of the AULA, a western facility is anticipated to be the first development on the Airport's western boundary and will interface with the western access roadway system being constructed by the ISTHA.

2.3.5.1 ILLINOIS DEPARTMENT OF TRANSPORTATION INTERSTATE 190 CORRIDOR IMPROVEMENTS

The IDOT I-190 Corridor Improvements will increase I-190 capacity to and from O'Hare, redesign and modernize interchanges, and replace aging pavement. This expansion program includes coordination among the CDA, IDOT, Chicago Department of Transportation (CDOT), CTA, ISTHA, and Chicago Department of Water Management (CDWM), among others. The Terminal 5 roadway expansion is being coordinated with and integrated into the plans of the IDOT I-190 Corridor Improvements.

2.3.5.2 ILLINOIS STATE TOLL HIGHWAY AUTHORITY INTERSTATE 490 / ILLINOIS ROUTE 390 INTERCHANGE PROJECT

The ISTHA's I-490 / Illinois Route 390 (IL 390) Interchange Project will provide western connections and enhanced access via future I-490 for businesses and communities to O'Hare. A new, full-access interchange will connect the new I-490 Tollway to the IL 390 Tollway and provide access to York Road, and Irving Park Road, as well as direct access into and out of O'Hare. This Project is part of a broader package of transportation improvements by the ISTHA on the northwest, west, and southwest sides of O'Hare, called the EOWA Project, that will relieve congestion and improve connectivity between local businesses, regional highways and major roadways, and on-Airport facilities.

2.3.6 AIRPORT CAPITAL PROGRAM PROJECTS INCLUDED IN THE FINANCIAL ANALYSIS

Table 2-2 summarizes the Airport Capital Program by component included in the financial analysis in this Report.

The AULA allows for increased project cost based on the reported construction cost index for the Chicago area without additional airline review and approval. Airline review and approval is required for most new projects and increases to costs on approved projects, depending on the threshold and project.

For purposes of the Report, the current working estimate is used for project costs. Escalated project costs were calculated based on current project schedules, the historical Construction Cost Index for the Chicago area published by Engineering News Record through June 2022, which was applied on a monthly basis to projected future cash flows. This Report assumes that known projects requiring amended or additional approvals will be approved at a future date. Major elements of capital projects requiring amended or additional approvals include a heating and refrigeration plant, a grade separated service roadway, and a taxiway project. Additional cost is anticipated for two TAP elements, the baggage handling system and consolidated tunnel. The City is in the process of refining those elements and additional project budget is anticipated to be needed. Approximately $9.1 billion of $12.1 billion of project costs included in this Report have received airline approval and represent current working estimates of projects. The remaining $3.0 billion is approved capital subject to the application of index-based budget increases or projects subject to amended or additional airline approval.

The Airport Capital Program costs included in the financial analysis are for demonstrative purposes and actual project costs are likely to differ from the costs presented here based on inflation, project timing, and other factors. The escalated dollar project amounts are used in the financial analysis described in Chapter 5 of this Report.

TABLE 2-2 AIRPORT CAPITAL PROGRAM SUMMARY

	PROJECT COSTS (ESCALATED PROJECT COSTS, IN THOUSANDS)				PROJECT FUNDING (IN THOUSANDS)		
PROGRAM COMPONENT	PROJECTS FROM PREVIOUS AGREEMENTS	2018 AULA PROJECTS	ADDITIONAL PROJECTS	TOTAL AIRPORT CAPITAL PROGRAM	EXISTING BONDS AND OTHER FUNDING	SERIES 2022 BONDS	FUTURE BONDS
Terminal 5 Expansion	$391,670	$943,480	$-	$1,335,150	$503,394	$545,641	$286,115
Terminal Area Plan	$-	$7,030,506	$84,000	$7,114,506	$255,901	$177,920	$6,680,685
Terminal 3 Concourse L-Three-Gate Expansion	$-	$58,301	$-	$58,301	$2,106	$23,086	$33,108
Terminal 3 Concourse L Five-Gate Buyout	$-	$78,000	$-	$78,000	$78,000	$-	$-
CIP Projects	$873,922	$1,703,805	$939,505	$3,517,232	$1,258,396	$389,272	$1,869,563
Total	**$1,265,592**	**$9,814,091**	**$1,023,505**	**$12,103,189**	**$2,097,797**	**$1,135,920**	**$8,869,472**

NOTES:
Totals may not add due to rounding.
These amounts do not include costs associated with the Pre-Approved Allowances for Infrastructure Reliability projects included in Exhibit O of the AULA.
AULA – Airline Use and Lease Agreement
SOURCES: City of Chicago, Department of Aviation, August 2022; J. P. Morgan, August 2022 (escalation).

2.4 SOURCES AND USES OF FUNDS FOR THE AIRPORT CAPITAL PROGRAM

Debt service on previously issued bonds, the 2022 Bonds, and future bonds needed to complete the funding of the Airport Capital Program is discussed in Chapter 5 and is reflected in the financial projections included therein; incremental O&M Expenses and revenues resulting from the completion of the Airport Capital Program are also discussed.

Existing bond proceeds and grant revenues have funded approximately $2.1 billion of the Airport Capital Program. Proceeds from the 2022 Bonds are assumed to fund approximately $1.2 billion of Airport Capital Program project costs, and future General Airport Revenue Bond (GARB) proceeds are assumed to fund approximately $9.0 billion of Airport Capital Program project costs. The 2022 Bonds and future bonds are anticipated to fund approximately $23.1 million and $120.0 million in Infrastructure Reliability projects, respectively, not included in the totals presented in Table 2-2.

Approximately $730 million of PFC revenue is assumed to be used for future debt service associated with the TAP. Funds from the Bipartisan Infrastructure Law (BIL), which are also described in Chapter 5, have not been assumed in the financial analysis. Based on current activity, the City may receive between $300 million and $400 million of formula-based funding over the five-year period of BIL awarded funds. Additional discretionary funding from the BIL Terminal Grant Program may also be available but is not assumed in the financial analysis. Additional PFC and FAA Airport Improvement Program funds may be available and applied toward capital projects. Additional information on the funding sources in the financial analysis is included in Chapter 5.

3. DEMOGRAPHIC AND ECONOMIC ANALYSIS

The demand for air transportation at an airport is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area surrounding the airport. This relationship is particularly true for origin and destination (O&D) passenger traffic, which has accounted for between approximately 50 and 60 percent of passenger traffic at the Airport since 2011. The major portion of demand for air transportation at the Airport, therefore, is influenced more by the local characteristics of the area served by the Airport than by individual airline decisions regarding service patterns in support of connecting activity. This chapter presents data indicating that the Airport's Air Trade Area has an economic base capable of supporting increased airline traffic demand through the Projection Period (ending FY 2032).

3.1 THE AIR TRADE AREA

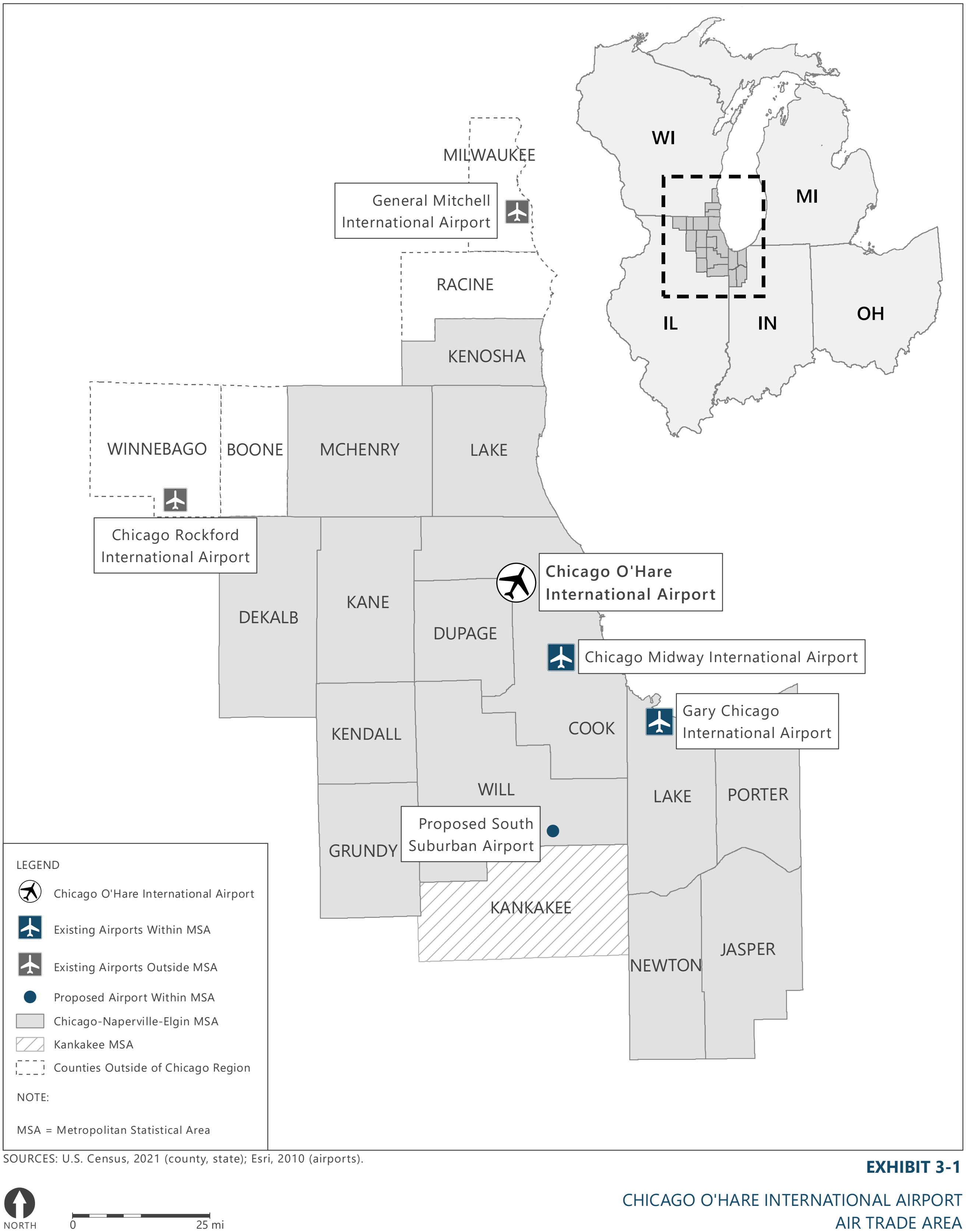
The geographical area served by an airport is commonly referred to as its "air trade area." The borders of an airport's air trade area are influenced by such factors as the location of other metropolitan areas and their associated facilities. The demand for air transportation is dependent upon the demographic and economic characteristics of an airport's air trade area. For purposes of this Report, the Air Trade Area for the Airport refers to the Chicago-Naperville-Elgin Metropolitan Statistical Area (MSA) and the Kankakee MSA. As presented on **Exhibit 3-1**, the Air Trade Area comprises 15 counties: Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, McHenry, and Will Counties in Illinois; Jasper, Lake, Newton, and Porter Counties in Indiana; and Kenosha County in Wisconsin.

3.2 DEMOGRAPHIC ANALYSIS

3.2.1 POPULATION

With a population of over 9.7 million in 2020, the Air Trade Area is the fourth-most-populous metropolitan region in the United States (see **Exhibit 3-2**), and it is a major air transportation market.

Population growth is a key factor regarding demand for airline travel. Data in **Table 3-1** show the Air Trade Area's population remained constant between 2010 and 2020. The Air Trade Area's historical rate of population growth between 2000 and 2020 was relatively comparable to that of the Midwest population, but it was somewhat lower than that of the United States—a relationship that is expected to prevail through 2032. Similarly, the Air Trade Area population projected for the period 2020 through 2032 reflects a compound annual growth rate (CAGR) of 0.14 percent—a rate that is comparable to what is projected for the Midwest (0.18 percent) but somewhat lower than what is projected for the United States (0.61 percent). The projected increase of approximately 159,000 new residents in the Air Trade Area during this period is expected to generate additional demand for airline service at the Airport.



SOURCES: U.S. Census, 2021 (county, state); Esri, 2010 (airports).

EXHIBIT 3-1

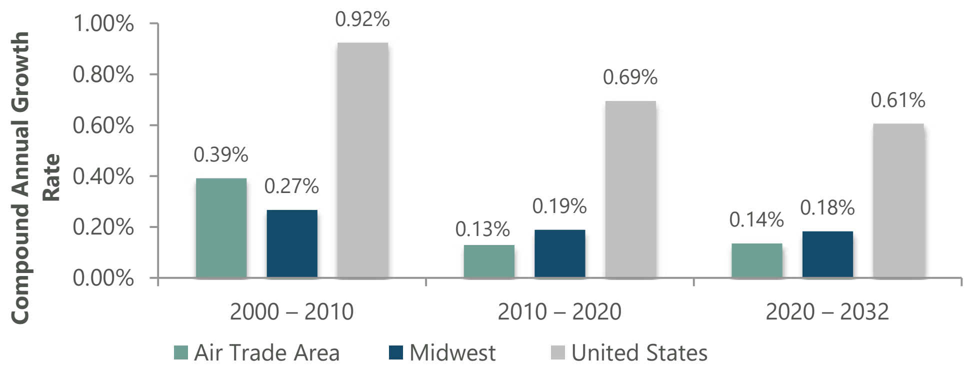
CHICAGO O'HARE INTERNATIONAL AIRPORT
AIR TRADE AREA

EXHIBIT 3-2 TEN LARGEST METROPOLITAN REGIONS IN THE UNITED STATES (2020)

NOTE:
CSA – Combined Statistical Area
SOURCES: Woods & Poole Economics, Inc., *2022 Complete Economic and Demographic Data Source (CEDDS)*, June 2022; Esri Basemap Database, 2010.

TABLE 3-1 HISTORICAL AND PROJECTED POPULATION (2000–2032)

	HISTORICAL			PROJECTED
AREA	2000	2010	2020	2032
Air Trade Area	9,217,076	9,584,081	9,708,841	9,867,955
Chicago-Naperville-Elgin MSA [1]	9,113,234	9,470,661	9,601,605	9,759,320
Kankakee MSA [2]	103,842	113,420	107,236	108,635
Midwest [3]	45,216,020	46,438,684	47,321,463	48,372,941
United States	282,162,375	309,327,094	331,501,094	356,413,906



NOTES:
MSA – Metropolitan Statistical Area
2032 data are Woods & Poole Economics, Inc. projections.
1 The Chicago-Naperville-Elgin MSA comprises the following counties: Cook (IL), DeKalb (IL), DuPage (IL), Grundy (IL), Kane (IL), Kendall (IL), Lake (IL), McHenry (IL), Will (IL), Jasper (IN), Lake (IN), Newton (IN), Porter (IN), and Kenosha (WI).
2 The Kankakee MSA comprises Kankakee County (IL).
3 The Midwest is defined as Illinois, Indiana, Michigan, Ohio, and Wisconsin.
SOURCE: Woods & Poole Economics, Inc., *2022 Complete Economic and Demographic Data Source (CEDDS)*, June 2022.

3.2.2 AGE DISTRIBUTION AND EDUCATION

Demand for airline travel varies by age group, and this is a factor influencing O&D passenger activity at the Airport. According to Consumer Expenditure Survey data from the US Department of Labor, Bureau of Labor Statistics, in the United States, persons between the ages of 35 and 54 account for 44.0 percent of expenditures on airfares.[24]

Table 3-2 shows that, in 2020, residents in the Air Trade Area aged 35 to 54 accounted for 26.1 percent of the population. Thus, the age group that generates the most expenditures on airfares is represented in the Air Trade Area at a higher rate than the population in both the Midwest (24.5 percent) and the United States (25.1 percent).

[24] New Strategist Press, *Who's Buying for Travel*, 12th ed. Ithaca, NY: New Strategist Press, 2018. Data in *Who's Buying for Travel* are based on the US Department of Labor, Bureau of Labor Statistics' Consumer Expenditure Survey, an ongoing nationwide survey of household spending.

TABLE 3-2 AGE DISTRIBUTION AND EDUCATIONAL ATTAINMENT (2020)

AGE DISTRIBUTION	AIR TRADE AREA	MIDWEST	UNITED STATES
Total Population	**9,708,841**	**47,321,463**	**331,501,094**
By Age Group			
19 and Under	24.8%	24.6%	24.7%
20 to 24 Years	6.4%	6.6%	6.6%
25 to 34 Years	14.4%	13.4%	14.0%
35 to 44 Years	13.4%	12.3%	12.8%
45 to 54 Years	12.7%	12.2%	12.3%
55 to 64 Years	12.8%	13.5%	12.9%
65 and Above	15.6%	17.4%	16.9%
Total[1]	**100.0%**	**100.0%**	**100.0%**
Median Age	**38.0 years**[2]	**38.8 years**	**38.1 years**
EDUCATIONAL ATTAINMENT	AIR TRADE AREA	MIDWEST	UNITED STATES
Population 25 Years and Over	**6,683,214**	**32,568,010**	**228,035,369**
By Highest Level Achieved			
Less than 9th Grade	5.1%	3.3%	3.7%
9th–12th Grade, No Diploma	5.5%	6.0%	5.7%
High School Graduate (includes GED/Alternative Credential)	24.1%	30.0%	28.6%
Some College, No Degree	18.9%	20.6%	15.8%
Post-Secondary Degree	46.4%	40.1%	46.2%
Associate degree	*7.3%*	*9.0%*	*11.0%*
Bachelor's Degree	*23.6%*	*19.3%*	*24.3%*
Master's Degree or Doctorate	*15.5%*	*11.8%*	*10.9%*
Total[1]	**100.0%**	**100.0%**	**100.0%**

NOTES:
GED – General Education Development
1 Sums may not total to 100.0 percent due to rounding.
2 Air Trade Area median age does not include Kankakee Metropolitan Statistical Area (MSA).
SOURCES: Woods & Poole Economics, Inc., *2022 Complete Economic and Demographic Data Source (CEDDS)*, June 2022; US Census Bureau, *American Community Survey (ACS)*, January 2022 (MSAs, states, and United States).

According to Consumer Expenditure Survey data, persons with a college degree generate a high percentage of expenditures on airline travel. Data indicate that 74.0 percent of airfares are purchased by college graduates, while 18.0 percent are purchased by consumers who have had some college, and 8.0 percent are purchased by consumers who never attended college.[25] As shown in Table 3-2, 46.4 percent of the Air Trade Area's population over the age of 25 has a post-secondary degree (associate, bachelor's, master's, or doctorate)—a higher percentage than the populations of both the Midwest (40.1 percent) and the United States (46.2 percent). In addition to having a highly educated population, the Air Trade Area is also home to approximately 100 colleges and universities. These schools,

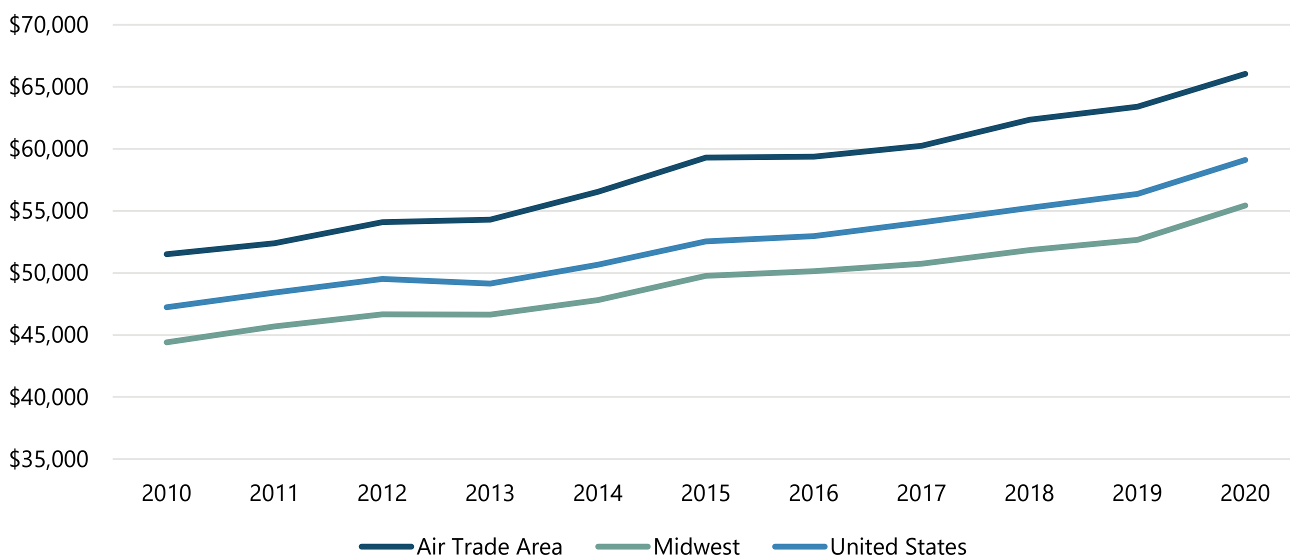
[25] New Strategist Press, *Who's Buying for Travel*, 12th ed. Ithaca, NY: New Strategist Press, 2018.

which include community colleges and technical schools, have a total enrollment of approximately 696,000 students.[26] These educational institutions generate demand for airline service through academic meetings and conferences, visiting professorships, study abroad programs, and individual student and faculty travel.

3.2.3 PER CAPITA PERSONAL INCOME

Another indicator of a region's demand for airline travel is per capita personal income (PCPI).[27] PCPI indicates the relative affluence of a region's residents, as well as their ability to afford airline travel. It can also be an indicator of an area's attractiveness to business and leisure travelers. Regions with higher PCPI often have stronger business connections to the rest of the nation, as well as a more developed market for tourism. **Exhibit 3-3** presents historical PCPI for 2010 through 2020 for the Air Trade Area, the Midwest, and the United States. As shown, between 2010 and 2020, PCPI in the Air Trade Area was higher than that of the Midwest and the United States. PCPI for the Air Trade Area increased at a CAGR of 2.5 percent between 2010 and 2020, which is higher than the rate in both the Midwest (2.2 percent) and the United States (2.3 percent) during the same period.

EXHIBIT 3-3 PER CAPITA PERSONAL INCOME (2010–2020)



ANNUAL PER CAPITA PERSONAL INCOME GROWTH	AIR TRADE AREA	MIDWEST	UNITED STATES
2010–2020	2.5%	2.2%	2.3%
2020–2032 (Projected)	1.6%	1.3%	1.4%

NOTES:
Amounts are in 2020 dollars.
2032 data are Woods & Poole Economics, Inc. projections.
SOURCE: Woods & Poole Economics, Inc., *2022 Complete Economic and Demographic Data Source (CEDDS)*, June 2022.

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[26] Institute of Education Sciences (IES): National Center for Educational Statistics (NCES), January 2022.

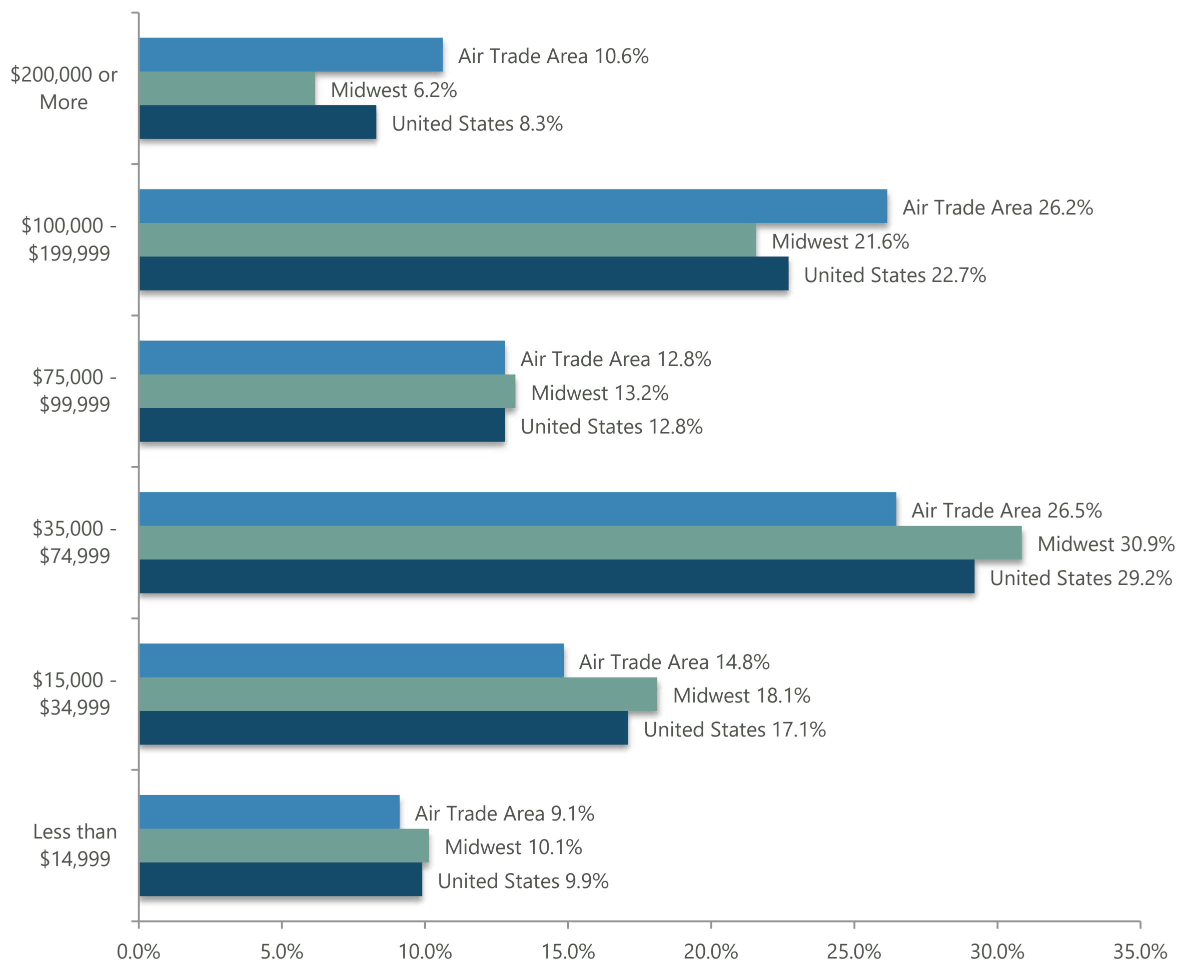
[27] Per capita personal income is the sum of wages and salaries, other labor income, proprietors' income, rental income, dividend income, personal interest income, and transfer payments, less personal contributions for government social insurance, divided by the region's population.

Exhibit 3-3 also shows that projected PCPI in the Air Trade Area is expected to increase at a CAGR of 1.6 percent, from $66,045 in 2020 to $79,577 in 2032. Dollar amounts in this chapter are in 2020 dollars, unless otherwise noted. The projected growth rate for PCPI in the Air Trade Area (1.6 percent) is higher than that of the Midwest (1.3 percent) and the United States (1.4 percent) between 2020 and 2032.

3.2.4 HOUSEHOLD INCOME

Exhibit 3-4 shows the distribution of households among the income categories for the Air Trade Area, the Midwest, and the United States in 2020. The Air Trade Area's median household income of $74,450 in 2020 was 20.6 percent higher than that of the Midwest ($61,749) and 14.5 percent higher than that of the United States ($64,994).[28]

EXHIBIT 3-4 HOUSEHOLD INCOME DISTRIBUTION (2020)



NOTES:
Amounts are in 2020 dollars.
2020 is the latest year with household income distribution data available.
SOURCE: US Census Bureau, *American Community Survey (ACS)*, June 2022 (metropolitan statistical areas, states, and United States).

[28] Amounts are in 2020 dollars.

The percentage of higher-income households (defined as those earning $100,000 or more annually) within the Air Trade Area is another key indicator of potential demand for airline travel. According to Consumer Expenditure Survey data from the US Department of Labor, Bureau of Labor Statistics, 55 percent of airfare expenditures are made by households with annual incomes of $100,000 or more.[29] With approximately 1,341,000 households earning $100,000 or more in 2019, the Air Trade Area is among the wealthiest markets in the United States.

3.3 ECONOMIC ANALYSIS

3.3.1 PER CAPITA GROSS DOMESTIC/REGIONAL PRODUCT

Per capita gross domestic product (GDP; US-level data) and per capita gross regional product (GRP; state- and county-level data) are measures of the market value of all final goods and services produced within a defined geographic area, divided by the total population of the area. These indicators are broad measures of the economic health of an area and, consequently, of the area's potential demand for airline travel.

Exhibit 3-5 presents historical per capita GRP data for the Air Trade Area and the Midwest, as well as per capita GDP data for the United States, for 2010 through 2020.[30] The Air Trade Area's per capita GRP increased from $63,831 in 2010 to $72,010 in 2020. Per capita GRP for the Air Trade Area increased at a CAGR of 1.2 percent between 2010 and 2020, which is slightly higher than the CAGRs for the Midwest (1.1 percent) and for the United States (1.1 percent) during the same period. The CAGRs for the 2010 to 2020 period were impacted by the COVID-19 pandemic. COVID-19 was first identified in December 2019 and was declared a pandemic by the World Health Organization in March 2020. As seen on Exhibit 3-5, there was a 4.8 percent decline in the Air Trade Area's per capita GRP in 2020 due to the COVID-19 pandemic.

Per capita GRP for the Air Trade Area is projected to increase from $72,010 in 2020 to $90,763in 2032. This increase represents a CAGR of 1.9 percent for the Air Trade Area, which is slightly higher than the Midwest (1.7 percent) and the United States (1.7 percent) over the same period. The projected CAGRs are slightly higher than the historical CAGRs because of the decline in per capita GRP in 2020 due to the COVID-19 pandemic, resulting in a lower historical 2010 to 2020 CAGR. Because per capita GRP is expected to recover from the COVID-19 pandemic and resume a stable growth pattern, the CAGR for projected per capita GRP from 2020 to 2032 is higher.

3.3.2 EMPLOYMENT TRENDS

Between 2010 and 2020, the Air Trade Area labor force decreased by approximately 0.1 percent—a similar drop as the rate of the Midwest (-0.1 percent). The United States experienced marginal labor force growth (0.4 percent) during the same period. The Air Trade Area's civilian labor force declined by 2.8 percent in CY 2020, higher than the decline in the civilian labor force of the Midwest and the United States in CY 2020 (by 2.3 percent and 1.7 percent, respectively), as workers left the labor force due to childcare duties, fear of getting COVID-19 in the workplace, and other reasons related to the COVID-19 pandemic. Calendar year 2021 saw marginal recovery in the labor force in the Air Trade Area, the Midwest, and the United States. This recovery trend continued through May 2022; however, the labor market tightened as the recovery in the labor force did not always keep pace with the demand for labor in certain sectors.

Exhibit 3-6 shows that the annual unemployment rate in the Air Trade Area was higher than that of the Midwest and the United States in all years from 2010 through May 2022.

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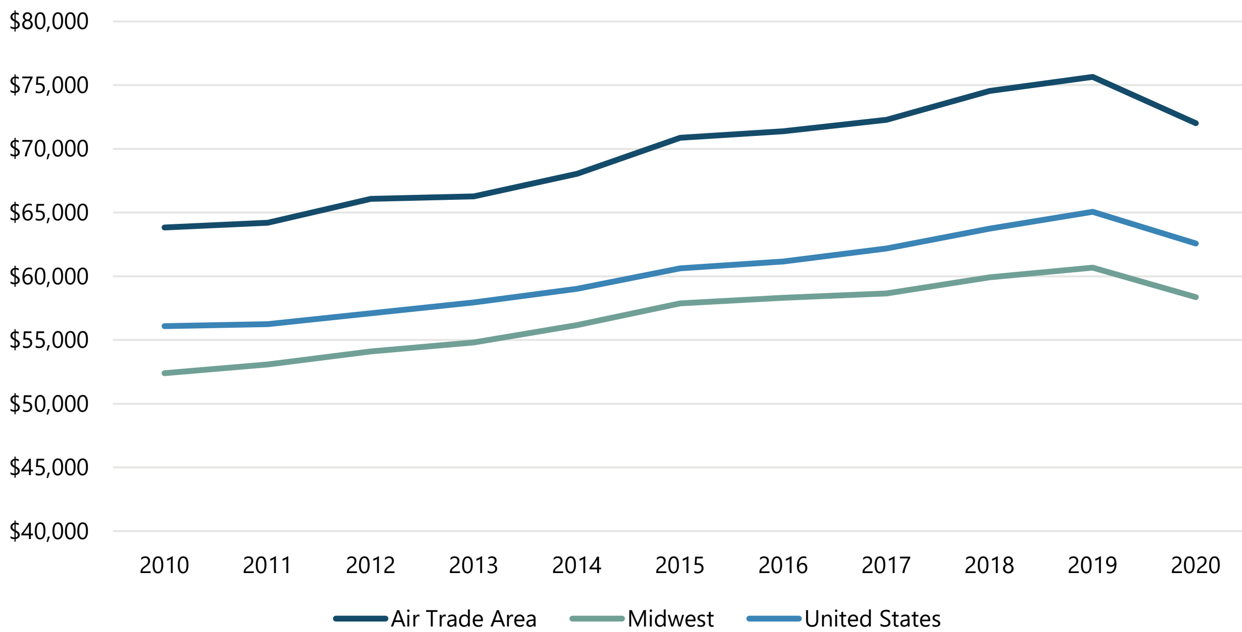
[29] New Strategist Press, *Who's Buying for Travel*, 12th ed. Ithaca, NY: New Strategist Press, 2018.

[30] Amounts are in 2020 dollars.

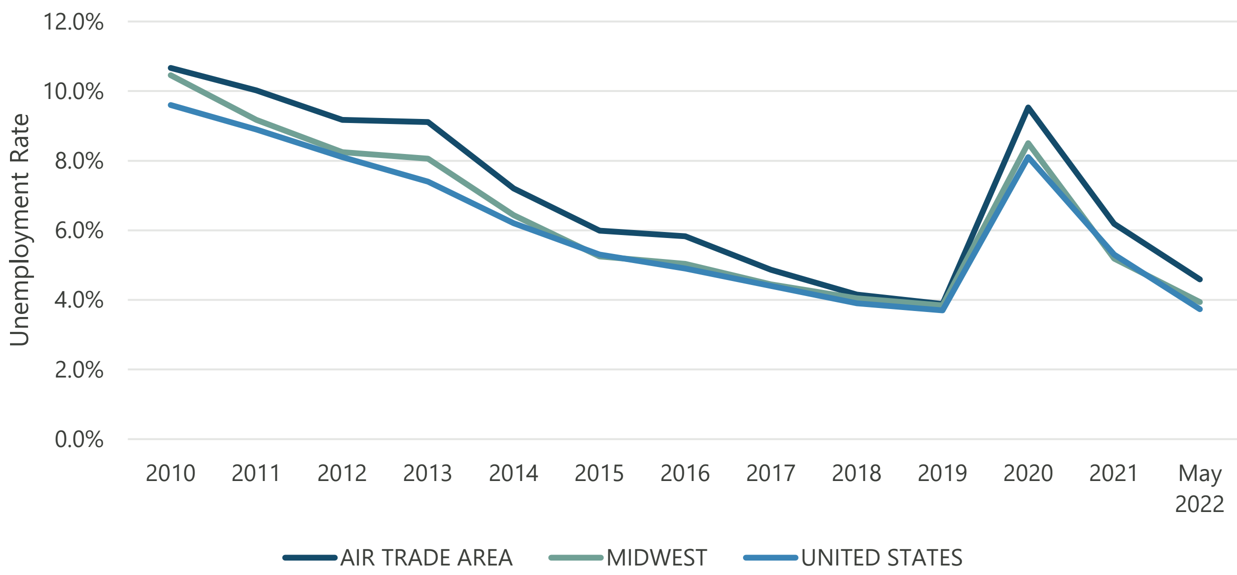
EXHIBIT 3-5 PER CAPITA GROSS DOMESTIC/REGIONAL PRODUCTS (2010–2020)



ANNUAL PER CAPITA GDP/GRP GROWTH	AIR TRADE AREA	MIDWEST	UNITED STATES
2010–2020	1.2%	1.1%	1.1%
2020–2032 (Projected)	1.9%	1.7%	1.7%

NOTES:
Amounts are in 2020 dollars.
2032 data are Woods & Poole Economics, Inc. projections.
GDP – Gross Domestic Product
GRP – Gross Regional Product
SOURCE: Woods & Poole Economics, Inc., *2022 Complete Economic and Demographic Data Source (CEDDS)*, June 2022.

EXHIBIT 3-6 UNEMPLOYMENT RATE (2010 – MAY 2022)



NOTES:
May 2022 data are preliminary.
The population figures are not seasonally adjusted.
SOURCE: US Department of Labor, Bureau of Labor Statistics, August 2022.

The unemployment rates in the Air Trade Area, the Midwest and the United States increased dramatically in 2020 due to the COVID-19 pandemic. The unemployment rate subsequently started to decline as the economy began to recover. In calendar year 2021, the unemployment rate in the Air Trade Area was 6.2 percent; this was higher than the 5.2 percent unemployment rate in the Midwest and the 5.3 percent rate in the United States. By May 2022, the Air Trade Area's unemployment rate declined further to 4.6 percent; this was still higher than the 3.9 percent and 3.7 percent unemployment rates in the Midwest and United States, respectively.

3.3.3 BUSINESS CLIMATE

The Chicago metropolitan area is the largest inland region in the United States with a global reach; if it were measured as a country, it would be the 21st largest economy in the world.[31] The economy is large and diversified, with strong global transit links, and a low cost of living relative to other large US cities.[32] World Business Chicago (WBC), a nonprofit economic development partnership, works with companies and economic development partners to attract, retain, and create new businesses in the Air Trade Area. WBC reports on both Chicago's innovation and economic resilience. WBC reports about 400 startups launching in the area annually and characterizes the area as one of the most diversified economies in the United States. WBC cites 173 businesses that relocated, expanded, or entered the market with locations within the City of Chicago in 2021, and 114 similar actions occurred through June of 2022. WBC also reports that Chicago technology companies received over $9.7 billion of investment[33] in 2021,

[31] The World Bank, "GDP (current US$)," https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?year_high_desc=true (accessed January 24, 2022).

[32] Oxford Economics, *Metro Economic Forecast – Chicago*, December 2021.

[33] World Business Chicago defines investment as venture capital, private equity for growth, and corporate venture capital

including $7.0 billion of venture capital which was more than double of what was raised in 2020. [34] Given the Air Trade Area's highly diversified economy, WBC is strategically focusing on four high-growth areas in order to spur both full economic recovery from the COVID-19 pandemic and continued growth, including manufacturing; transportation, distribution, and logistics; healthcare and life sciences; and food and agriculture.[35]

In 2021 Chicago was named "Top Metro for Corporate Investment/Relocation" by *Site Selection* magazine for the eighth year in a row.[36] According to Choose Chicago, the official destination marketing organization for the City, the number of business visitors to the Chicago metropolitan area increased from 11.8 million in 2016 to 12.8 million in 2019 (latest pre–COVID-19 pandemic year available).[37] In 2021 *fDi Magazine* named Chicago in the top five cities in its biennial Americas Cities of the Future list. In addition, Chicago ranked second in the Americas in the human capital and lifestyle category. The *fDi Magazine* ranking highlights the more than 100 projects that the city attracted in 2020, as well as the European and Asian companies that grew their presence in Chicago in 2020.[38] These include opening or expansion of office space, retail businesses, manufacturing, and research facilities. Recent Chicago-related decisions include the Kellogg Company announcing Chicago as the global headquarters of its $11.4 billion snack division, the relocation of 250 of Kimberly-Clark Corporation's employees, the opening of a Discover Financial Services call center in Chicago's southside, and Google announcing it will buy and occupy the Thompson Center, a 1.2 million-square-foot State of Illinois building located in the loop. The Boeing Company, Caterpillar Inc., and the hedge fund Citadel recently announced the move of their headquarters from the Air Trade Area to other locations, although most or a significant number of employees will remain. Chicago is well-positioned to establish partnerships with companies abroad as it is the home of 80 consulates and honorary consulates. It also has 100 international/ethnic chambers of commerce and international trade-based organizations and more than 1,800 foreign-based companies representing over $140 billion in foreign direct investment. According to the 2020 IBM Global Locations Trend report, for the eighth year in a row Chicago was the top North American metro and ranked sixth globally in foreign direct investment projects.[39]

The Airport, in itself, is an important economic contributor to the regional economy. By the completion of the Airport's Capital Program, O'Hare 21, the Airport is projected to create more than 600,000 full-time equivalent jobs and is anticipated to contribute $65 billion to the regional economy.[40,41]

The region is also nearing completion of a $492 million investment in modernizing the CTA Blue Line. In addition, the Red-Purple Modernization Program is a $2.1 billion project to rebuild a nearly 10-mile section of track in some of Chicago's densest neighborhoods. At the time of projected completion of Phase 1 in 2024, this project will

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[34] World Business Chicago, "Chicago's Business Climate," http://www.worldbusinesschicago.com/business-climate (accessed January 24, 2022).

[35] Ibid.

[36] World Business Chicago, "Chicago Named Top Corporate Metro Eight Years in a Row," http://www.worldbusinesschicago.com/topmetro2020/#:~:text=Lightfoot%20today%20announced%20that%20for,metro%20area%20in%20the%20country (accessed January 24, 2022).

[37] Choose Chicago Research & Analysis, *Chicago Tourism Performance*, September 21, 2021.

[38] fDi Intelligence, "Americas Cities of the Future 2021/2022 – FDI Strategy," https://www.fdiintelligence.com/article/79913 (accessed January 24, 2022).

[39] World Business Chicago, "Chicago #1 City in North America for Foreign Direct Investment," http://www.worldbusinesschicago.com/chicago-1-city-in-north-america-for-foreign-direct-investment (accessed January 24, 2022).

[40] Regional GDP is the value of final goods and services produced and consumed in a given time period in a region; represented in 2017 dollars.

[41] Chicago Department of Aviation, "O'Hare Economic Benefits Assessment Regional Summary," March 20, 2018.

increase capacity, accessibility, and reliability along the CTA Red Line and Purple Line Express routes.[42]

3.3.4 TRADE BY AIR

The Air Trade Area's extensive access to overseas markets gives businesses in the region the ability to operate internationally. Many of the Air Trade Area's major employers depend on offshore plants and suppliers for manufacturing and assembly, as well as for raw materials. This expanding international business activity generates demand for international airline travel and for air freight services. In 2021, total trade activity (total imports and exports) between the Chicago Customs District[43] and the rest of the world was valued at $343.7 billion. In 2021, more than $247.5 billion in trade through the Chicago Customs District was conveyed by air. This represents over 72 percent of all trade through the Chicago Customs District and more than 64 percent of the Midwest's value of total trade by air (see **Table 3-3**). The Air Trade Area's high rate of trade by air reflects the prevalence of the just-in-time inventory management of high-value goods (especially in the pharmaceuticals, electronics, and industrial components sectors), as well as an expanding global network of suppliers and manufacturers.

TABLE 3-3 TOTAL TRADE BY CONVEYANCE (2021)

	($BILLIONS)		
CUSTOMS DISTRICT	VALUE OF TOTAL TRADE [1]	VALUE OF TOTAL TRADE BY AIR	PERCENT OF TOTAL TRADE BY AIR
Chicago	$343.7	$247.5	72.0%
Midwest [2]	$779.4	$385.1	49.4%
United States	$4,586.8	$1,357.0	29.6%

NOTES:
1 Total Trade = Total Imports and Exports
2 Data for the Midwest are an aggregation of the Chicago, Cleveland, Detroit, and Milwaukee Customs Districts.
SOURCE: WISERTrade, May 2022 (data from US Department of Commerce, Bureau of the Census, Foreign Trade Division).

3.3.5 MAJOR EMPLOYERS AND FORTUNE 500 HEADQUARTERS

Table 3-4 lists the 25 largest employers in the Air Trade Area.[44] In addition to providing an important source of local employment, the private sector employers, which comprise over half of the list in Table 3-4, depend on airline passenger and freight services for the continued health and expansion of their enterprises. The Airport's proximity to both Chicago's downtown business areas and large companies in the northern and western suburbs makes it an important resource for employers in the Air Trade Area.

Major employers in the Air Trade Area represent a wide range of industries: health care (Advocate Aurora Health, Northwestern Medicine); airline companies (United Airlines Holdings, Inc., American Airlines Group Inc.); higher education (University of Chicago; Northwestern University, University of Illinois Chicago); financial services (JPMorgan Chase & Co.); pharmaceuticals (Abbott Laboratories); telecommunications (AT&T); and retail (Amazon.com, Inc., Walgreens Boots Alliance, Inc., Walmart Inc.).

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[42] Chicago Transit Authority, "About the Red & Purple Modernization Program," https://www.transitchicago.com/rpm/about/ (accessed January 24, 2022).

[43] US Census Bureau, Foreign Trade Statistics, *Schedule D – District/Port List (by District Code)*, http://www.census.gov/foreign-trade/schedules/d/dist.txt (accessed January 24, 2022). The Chicago Customs District consists of eight ports in Illinois and one port in Indiana.

[44] The list in Table 3-4 includes employers in Cook, DuPage, Kane, Lake, McHenry, and Will Counties. These six counties comprised more than 90 percent of total employment in the Air Trade Area in 2021.

TABLE 3-4 LARGEST EMPLOYERS IN THE AIR TRADE AREA (2022)

COMPANY[1]	NUMBER OF FULL-TIME LOCAL EMPLOYEES	INDUSTRY
US Government	52,316	Government
Chicago Public Schools	40,119	Education
City of Chicago	31,020	Government
Amazon.com Inc. (#2)	27,050	Tech and Telecom
Advocate Aurora Health	25,906	Health Care
Northwestern Medicine	24,053	Health Care
Cook County	22,074	Government
University of Chicago	20,781	Education
Walmart Inc. (#1)	18,500	Retail
Walgreens Boots Alliance Inc. (#18)	16,817	Retail
JPMorgan Chase & Co. (#24)	14,583	Financial Services
United Airlines Holdings Inc. (#146)	13,171	Logistics and Transportation
AMITA Health	13,051	Health Care
State of Illinois	12,243	Government
Jewel-Osco	10,892	Retail
Rush University Medical Center	10,502	Health Care
University of Illinois Chicago	10,394	Education
American Airlines Group Inc. (#114)	10,000	Logistics and Transportation
NorthShore University HealthSystem	9,848	Health Care
Northwestern University	9,638	Education
Abbott Laboratories (#86)	9,476	Health Care
AbbVie Inc. (#63)	9,451	Health Care
AT&T Inc. (#13)	9,191	Tech and Telecom
Chicago Transit Authority	9,057	Logistics and Transportation
Loyola Medicine	8,615	Health Care

NOTES:
1 Represents employers with the most full-time employees in Cook, DuPage, Kane, Lake, McHenry, and Will Counties.
2 (#) indicates 2022 Fortune 500 ranking.
SOURCES: Crain's Chicago Business, "Largest Employers (2022)," https://www.chicagobusiness.com/businessdata/46/largest-employers (accessed June 21, 2022); Fortune, "Fortune 500 (2022)," https://fortune.com/fortune500/2022/search (accessed March 4, 2022).

Each year *Fortune* magazine ranks the top 500 US public companies in terms of annual revenue. According to the 2022 rankings, the Air Trade Area has the second-highest number of Fortune 500 company headquarters in the nation, after the New York City metropolitan area. **Table 3-5** lists the 2022 Fortune 500 companies with headquarters in the Air Trade Area. Corporations headquartered in the Air Trade Area include Walgreens Boots Alliance, Inc. (ranked 18th among the Fortune 500), Archer-Daniels-Midland Company (ranked 38th), Boeing Company (ranked 60th),[45] AbbVie (ranked 63rd), Allstate Corporation (ranked 66th), Caterpillar Inc. (ranked 73rd),[46] Abbott Laboratories (ranked 86th), and Exelon Corporation (ranked 99th). In 2022, the Air Trade Area's 35 Fortune 500 headquarters represent 95 percent of the 37 Fortune 500 headquarters in Illinois and 36 percent of the 97 Fortune 500 headquarters in the Midwest.[47]

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[45] Boeing announced on May 5, 2022, that it is planning to relocate its global headquarters from Chicago to Arlington, Virginia. However, the company will maintain a significant employment presence in the Air Trade Area.

[46] Caterpillar announced on June 14, 2022, that it will relocate its headquarters from Deerfield to Irving, Texas later in 2022. However, this will only affect up to 230 jobs at the Deerfield office, and most of Caterpillar's Illinois employees will remain.

[47] The Midwest is defined as the states of Illinois, Indiana, Michigan, Ohio, and Wisconsin.

TABLE 3-5 FORTUNE 500 COMPANIES IN THE AIR TRADE AREA (2022)

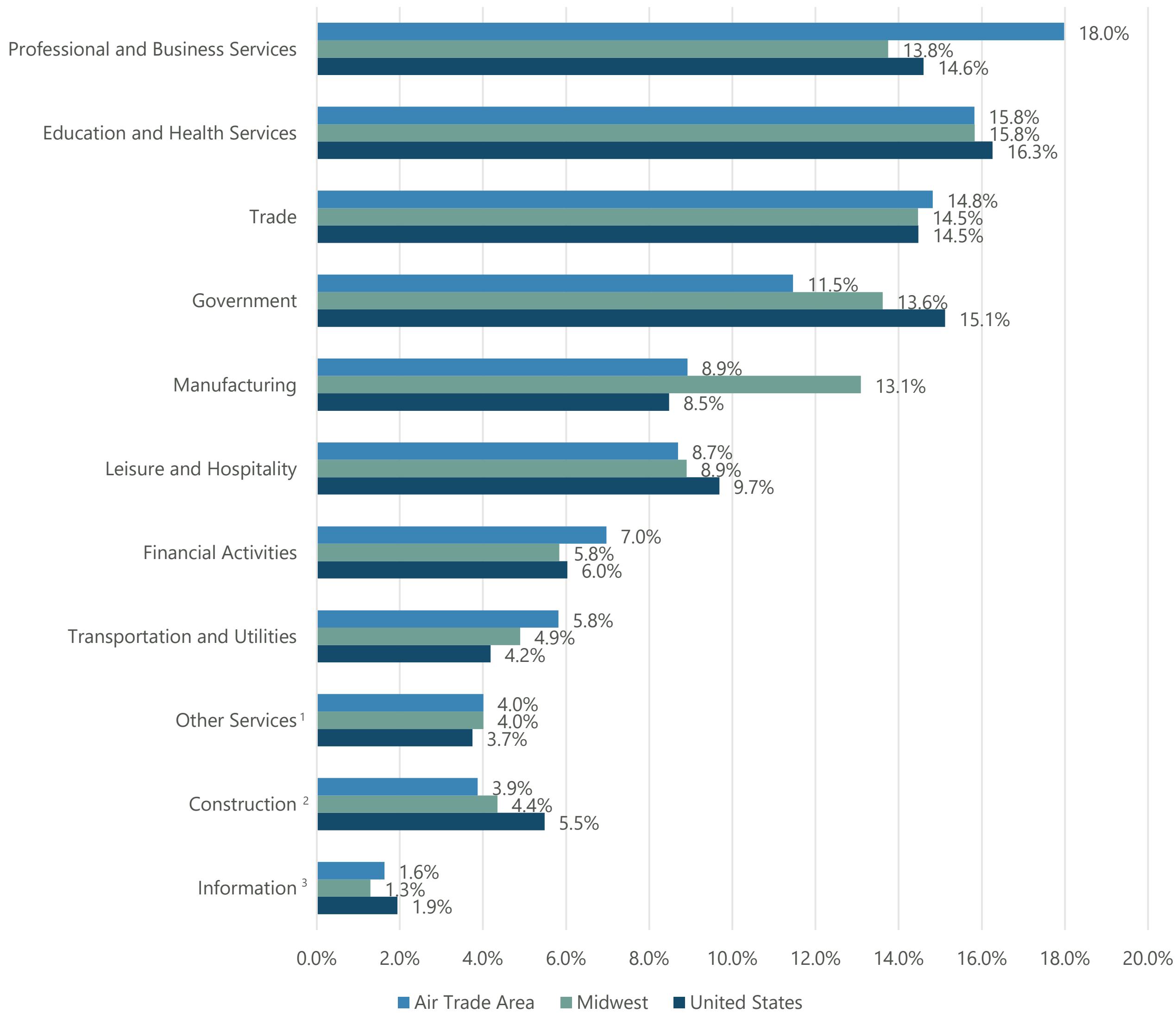
COMPANY[1]	FORTUNE 500 RANKING	INDUSTRY
Walgreens Boots Alliance, Inc.	18	Pharmacy, Health Care and Retail
Archer-Daniels-Midland Company (ADM)	38	Food Production
Boeing Company[2]	60	Aerospace and Defense
AbbVie	63	Health Care
Allstate Corporation	66	Property and Casualty Insurance
Caterpillar Inc.[3]	73	Construction and Farm Machinery
Abbott Laboratories	86	Medical Products and Equipment
Exelon Corporation	99	Electric and Gas Utilities
US Foods Holding Corp.	117	Food and Grocery Wholesaler
Mondelez International, Inc.	121	Consumer Food Products
Kraft Heinz Company	139	Consumer Food Products
United Airlines Holdings, Inc.	146	Airline
McDonald's Corporation	152	Fast-food Restaurants
CDW Corporation	166	Information Technology Services
Jones Lang LaSalle Incorporated	185	Real Estate
Tenneco	202	Motor Vehicles and Parts
Illinois Tool Works Inc.	252	Industrial Machinery
Discover Financial Services	281	Commercial Bank
LKQ	283	Auto Parts
W.W. Grainger, Inc.	284	Industrial Supplies
Baxter International Inc.	292	Medical Products and Equipment
Conagra Brands, Inc.	331	Consumer Food Products
Molson Coors Beverage Company	352	Beverages
Univar Solutions Inc.	369	Chemicals
Old Republic International Corporation	376	Property and Casualty Insurance
Ulta Beauty, Inc.	402	Cosmetics
Arthur J. Gallagher & Co.	422	Financial Services
Motorola Solutions, Inc.	423	Network and Other Communications Equipment
Dover Corporation	433	Industrial Machinery
Packaging Corporation of America	441	Packaging and Containers
Fortune Brands Home & Security	444	Home Equipment and Furnishings
Camping World Holdings, Inc.	475	Automotive Retailing and Services
Ingredion Incorporated	476	Food Production
CF Industries Holdings, Inc.	492	Chemicals
Northern Trust Corporation	493	Superregional Banks

NOTES:
1 Represents Fortune 500 employers with headquarters in the 15-county Air Trade Area.
2 Boeing announced on May 5, 2022, that it is planning to relocate its global headquarters from Chicago to Arlington, Virginia. However, it will maintain a significant employment presence in the Air Trade Area.
3 Caterpillar announced on June 14, 2022, that it will relocate its headquarters from Deerfield to Irving, Texas later in 2022. However, this will only affect up to 230 jobs at the Deerfield office and most of Caterpillar's Illinois employees will remain.
SOURCE: Fortune, "Fortune 500 (2022)," https://fortune.com/fortune500/2022/search (accessed May 23, 2022).

3.3.6 MAJOR INDUSTRY SECTORS

Exhibit 3-7 presents data for nonagricultural employment by major industry sector, which indicates the sources of jobs in the Air Trade Area's economy. This exhibit compares employment by industry in the Air Trade Area to data for the Midwest and the United States in 2021.

EXHIBIT 3-7 JOBS BY MAJOR INDUSTRY SECTORS (2021)



	AIR TRADE AREA	MIDWEST	UNITED STATES
2019 Jobs	6,191,977	28,335,356	201,644,203
2020 Jobs	5,805,915	26,683,051	190,776,766
2032 Jobs (Projected)	7,055,167	31,438,961	237,417,578
CAGR 2019–2032	1.0%	0.8%	1.3%
CAGR 2020–2032	1.6%	1.4%	1.8%

NOTES:
Numbers may not sum due to rounding.
2032 data are Woods & Poole Economics, Inc. projections.
CAGR – Compound Annual Growth Rate
1 The nonagricultural employment for the services sector includes outsourcing from the manufacturing sector.
2 Includes mining and logging employment.
3 The information sector includes communications, publishing, motion picture and sound recording, and online services.
SOURCES: Woods & Poole Economics Inc., *2022 Complete Economic and Demographic Data Source (CEDDS)*, June 2022; US Department of Labor, Bureau of Labor Statistics, June 2022.

The Air Trade Area had greater percentages of employment in the professional and business services, trade, financial, and transportation/utilities sectors compared with the Midwest and the United States in 2021. Government, leisure and hospitality, and construction jobs in the Air Trade Area accounted for lower shares of employment in 2021 compared with the Midwest and the United States. The percentage of education and health services jobs in the Air Trade Area was identical with the Midwest but lower than the United States in 2021. The percentage of other services jobs in the Air Trade Area was identical with the Midwest but higher than the United States in 2021. The percentage of manufacturing jobs in the Air Trade Area was lower compared with that of the Midwest but higher compared with that of the United States in 2021. The percentage of information jobs in the Air Trade Area was higher compared with that of the Midwest but lower compared with that of the United States in 2021.

Data on Exhibit 3-7 indicate the Air Trade Area has a diversified employment base that is expected to provide the region with a stable foundation to withstand periodic downturns in the business cycle.

Exhibit 3-7 also shows the number of jobs in the Air Trade Area, the Midwest, and the United States for 2019 and 2020. In addition, it shows the projected number of jobs in 2032. The Air Trade Area lost a slightly greater proportion of its jobs than the Midwest and the United States between 2019 and 2020 due to the COVID-19 pandemic. The Air Trade Area had a slightly lower projected CAGR than the United States for the period from 2019 to 2032 as well as between 2020 and 2032, once the COVID-19 pandemic began. In both cases, regardless of the base year, the projected CAGR of the Air Trade Area is higher than that of the Midwest. Due to the net loss of jobs at the start of the COVID-19 pandemic in 2020, the projected CAGRs for the Air Trade Area, the Midwest and the United States are greater from 2020 to 2032 than the projected CAGRs that were determined before the start of the COVID-19 pandemic in 2019.

3.3.7 AIR TRADE AREA TOURISM INDUSTRY

Approximately 60.8 million people traveled to the Chicago metropolitan area in 2019, representing a 4.3 percent increase over the visitor level in 2018 (58.3 million).[48] The Chicago metropolitan area is one of only three US cities that receive more than 60.0 million visitors annually.[49] Between 2014 and 2019, the number of visitors to the Chicago metropolitan area increased by 21.6 percent.[50] In 2019 the Chicago metropolitan area's visitors generated an estimated $16.5 billion in direct spending and $1.1 billion in total tax revenue.[51] While there was a large decline in annual visitors in 2020 (16.3 million), visitorship is expected to rebound as the effects of the COVID-19 pandemic wane. Data from the Chicago Loop Alliance show that 2021 ended with hotel occupancy at 70 percent of 2019 levels,

[48] Choose Chicago Research & Analysis, *Chicago Tourism Performance*, September 21, 2021.

[49] Visit Orlando, "Travel to Orlando," https://visitorlando.widen.net/s/hrmrzsb5dq/vo-2021-orlando-visitor-volume-2020 (accessed January 20, 2022); Office of the New York State Comptroller, *The Tourism Industry in New York City: Reigniting the Return*, https://www.osc.state.ny.us/files/reports/osdc/pdf/report-2-2022.pdf (accessed January 20, 2022). The two other cities were Orlando (76 million) and New York (67 million).

[50] Choose Chicago, *Annual Report 2018*, https://www.choosechicago.com/uploads/2019/06/Choose_Chicago_2018_Annual_Report_416_5cbf4289-4213-44e4-b622-174500953a00.pdf (accessed January 20, 2022).

[51] Choose Chicago, *Annual Report 2019*, https://indd.adobe.com/view/8075d811-944e-469f-a44e-42651d5136ef (accessed January 20, 2022).

the highest since the start of the COVID-19 pandemic.[52] Hotel revenue, a good proxy for visitorship, is expected to be nearly recovered to 2019 levels in 2023.[53]

Chicago and its surrounding region host a variety of cultural institutions, including art museums, science museums, performing arts facilities (symphony, opera, theater), and comedy venues. Other visitor attractions include two zoos (Lincoln Park and Brookfield), an aquarium, architecture attractions, and Millennium Park. Major professional sports teams based in the Air Trade Area include football, basketball, hockey, baseball, and soccer. The region's wide array of cultural choices and entertainment options is an important factor supporting repeat visitation. The ability to see attractions or undertake activities that were missed on a previous visit is a factor in a visitor's intent to return to a travel destination.

Numerous travel magazines, such as *Travel + Leisure*, *Condé Nast Traveler*, *Lonely Planet*, *Time Out*, and *Bon Appétit*, regularly name Chicago a top travel destination. *Condé Nast Traveler* named Chicago the top big city to visit for the fifth straight year in 2021.[54] Chicago and its surrounding region have also been cited as a top location for commerce, sporting events, and cultural attractions by *Forbes*, *Business Traveler*, *Site Selection*, *U.S. News & World Report*, *Fodor's Travel*, *Bicycling, Michelin Guide*, WalkScore.com, and TripAdvisor.com. In 2021, *U.S. News & World Report* rated Chicago the number-one best weekend getaway in the Midwest and ranked the city in the top-20 best places to visit in the United States.[55]

3.3.7.1 CONVENTION FACILITIES, TOURISM MARKETING, AND SPECIAL EVENTS

Chicago ranks in the top three destinations in the United States for conventions.[56] Containing 2.6 million square feet of exhibit space, McCormick Place is the Air Trade Area's primary meeting and exhibition venue, and it is the largest convention center in North America.[57] With four separate buildings connected by concourses and sky bridges, McCormick Place is designed to be flexible in accommodating a range of events, and it can host two conventions simultaneously. McCormick Place sees about 3 million visitors annually.[58] The Chicago Auto Show, which returned to its full pre–COVID-19 capacity in 2022, is one of the largest conventions McCormick Place hosts on an annual basis, and it regularly surpasses 30,000 daily attendees on a typical weekend day.[59] In addition to McCormick Place, there are smaller convention centers in the Air Trade Area, including in Rosemont, Schaumburg, and Tinley Park, all of which resumed their convention activity at their full pre–COVID-19 capacity.

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[52] Chicago Loop Alliance, *January 2022 by the Numbers*, https://loopchicago.com/assets/January-2022-By-the-Numbers-v2.pdf (accessed March 25, 2022).

[53] CBS Chicago, "Downtown Hotels Rebounding from Pandemic, But Still Lagging Behind Rest of The U.S.," https://www.cbsnews.com/chicago/news/chicago-downtown-loop-hotel-occupancy-recovery-pandemic (accessed March 25, 2022).

[54] Condé Nast Traveler, "The Best Big Cities in The U.S.: Readers' Choice Awards," https://www.cntraveler.com/gallery/best-cities-us (accessed January 20, 2022).

[55] U.S. News & World Report, "Chicago Travel Guide," https://travel.usnews.com/Chicago_IL (accessed January 25, 2022).

[56] Chicago Business Journal, "Chicago Holding Steady at No. 3 Convention Destination in New Report," https://www.bizjournals.com/chicago/news/2019/07/16/chicago-holding-steady-at-no-3-convention.html (accessed January 21, 2022).

[57] McCormick Place, https://www.mccormickplace.com (accessed January 21, 2022).

[58] McCormick Place, https://www.mccormickplace.com/about (accessed February 21, 2022).

[59] Channick, Robert, "Chicago Auto Show Opens as City Tourism Begins Long Road to Recovery," *Chicago Tribune*, https://www.chicagotribune.com/business/ct-biz-chicago-auto-show-summer-edition-mccormick-place-20210714-xzwu3g3xcbf4rpuh7ergypgriu-story.html (accessed February 17, 2022).

According to data reported by Choose Chicago, Chicago has more than 140 hotels and 45,000 rooms in its central business district and had an occupancy rate of nearly 75 percent in 2019. The city as a whole added 37 new hotels and more than 8,100 rooms in the 5 years leading up to the start of the COVID-19 pandemic—a 22 percent increase. The supply of hotel rooms as well as consumer demand, dropped drastically in 2020, but these are expected to return post–COVID-19. [60] In its 3-year financial plan, the Metropolitan Pier and Exposition Authority, owner of McCormick Place and several other venues and hotels, projects combined hotel and convention center venues recovering to pre–COVID-19 levels in 2023.[61] The CEO of the American Hotel and Lodging Association expects the combined recovery of business and leisure travel to occur in late 2023 or early 2024.[62]

Choose Chicago is undertaking a national and international marketing effort. A new media campaign, "Tourism & Hospitality Forward," launched in 2020; it focuses on accelerating and spurring Chicago's tourism industry as the area embarks on its post–COVID-19 pandemic economic recovery. Within the recovery campaign there is a four-part pledge, which includes commitments to socially responsible planning, dedicated and strategic engagement, authentic and inclusive excellence, and unparalleled Chicago advocacy.[63]

In addition, Chicago hosts national events, such as the James Beard Foundation Awards, an internationally renowned culinary award that moved its venue to Chicago in 2015 after 25 years in New York. Chicago will continue to be the event's host city through 2027. Mayor Lori Lightfoot and the Chicago Department of Cultural Affairs and Special Events (DCASE) have announced 2022 as the "Year of Chicago Dance," a first of its kind in the United States, and a yearlong celebration that will include dozens of events throughout the city, ranging from social dancing to professional performances.[64]

3.3.7.2 OVERSEAS VISITORS

Table 3-6 shows that nearly 1.5 million travelers from overseas (excluding Canada and Mexico) selected Chicago as their destination city in 2019, the most recent year prior to the implementation of travel restrictions due to the COVID-19 pandemic. Chicago was the 10th most popular US destination for overseas travelers in 2019, ranking ahead of other major cities such as Seattle, Houston, Atlanta, Tampa, and Dallas. While there was a large decline in annual overseas visitors in 2020 (179,000), international visitorship is expected to rebound as the effects of the COVID-19 pandemic wane. While this recovery trend will continue, as of June 2022 the Russian invasion of Ukraine is a developing situation, and this along with economic sanctions may continue to exacerbate supply chain disruptions, as well as hamper near-term travel, both business and leisure, and domestic and international.

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[60] Choose Chicago Research & Analysis, *Chicago Tourism Performance*, September 21, 2021.

[61] Channick, Robert, "After Two Years of Empty Show Floors and Hotel Rooms, McCormick Place Gears up for the Return of Conventions to Chicago," *Chicago Tribune*, https://www.chicagotribune.com/business/ct-biz-mccormick-place-conventions-return-20220316-7j3ullv6gnc73j4n4wzwf3zjb4-story.html (accessed March 25, 2022).

[62] CBS Chicago, "Downtown Hotels Rebounding from Pandemic, But Still Lagging Behind Rest of the U.S.," https://www.cbsnews.com/chicago/news/chicago-downtown-loop-hotel-occupancy-recovery-pandemic (accessed March 25, 2022).

[63] Choose Chicago, "Choose Chicago Announces Tourism & Hospitality Forward to Responsibly Welcome Visitors Back to Chicago," https://www.choosechicago.com/press-media/press-releases/choose-chicago-announces-tourism-hospitality-forward-to-responsibly-welcome-visitors-back-to-chicago (accessed January 25, 2022).

[64] Di Nunzio, Miriam, "Year of Chicago Dance to Be Celebrated Across the City in 2022," *Chicago Sun-Times*, https://chicago.suntimes.com/2022/1/21/22893784/year-of-chicago-dance-2022-chicago-citywide-celebration (accessed January 25, 2022).

TABLE 3-6 TOP DESTINATION CITIES FOR OVERSEAS VISITORS (2019)

RANK	DESTINATION CITY	OVERSEAS VISITORS [1]
1	New York City	10,287,000
2	Miami	5,212,000
3	Los Angeles	4,644,000
4	Orlando	4,416,000
5	San Francisco	3,310,000
6	Las Vegas	2,988,000
7	Honolulu	2,749,000
8	Washington, DC	1,907,000
9	Boston	1,567,000
10	Chicago	1,491,000
11	Fort Lauderdale	981,000
12	San Diego	879,000
13	Seattle	846,000
14	Houston	828,000
15	Flagstaff	730,000
16	Atlanta	729,000
17	Philadelphia	701,000
18	Anaheim	631,000
19	Tampa	612,000
20	Dallas	610,000

NOTE:
1 Excluding visitors from Canada and Mexico.
SOURCE: US Department of Commerce, International Trade Administration, Office of Tourism Industries, January 2022.

3.4 ECONOMIC OUTLOOK

3.4.1 SHORT-TERM ECONOMIC OUTLOOK

With respect to the national economy, the Congressional Budget Office (CBO) outlook released in May 2022 projects a 3.8 percent year-over-year increase in real GDP for 2022. This would be a decline from real GDP growth in 2021, which was 5.7 percent.[65] The real GDP growth rate is projected to decrease to 2.8 percent in 2023 and then stabilize, increasing at a CAGR of 1.6 percent between 2024 and 2032 (latest year of CBO outlook available).[66] The International Monetary Fund (IMF) outlook released in April 2022 projects a 3.7 percent year-over-year increase in real US GDP for 2022; 2023 is then projected to see year-over-year US GDP growth of 2.3 percent.[67] The CBO projects the national unemployment rate to fall to 3.5 percent in 2023 before a gradual rise and then stabilization at 4.5 percent in 2028 through 2032.[68]

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[65] Bureau of Economic Analysis, *Gross Domestic Product (Third Estimate), Corporate Profits, and GDP by Industry, Fourth Quarter and Year 2021*, March 2022.

[66] Congressional Budget Office, *The Budget and Economic Outlook: 2022 to 2032*, May 2022.

[67] International Monetary Fund, *World Economic Outlook: War Sets Back the Global Recovery*, April 2022.

[68] Congressional Budget Office, *The Budget and Economic Outlook: 2022 to 2032*, May 2022.

As of the date of this Report (August 2022), the Russian invasion of Ukraine is a developing situation. While the economic outlooks cited in this Report consider the Russian invasion's current and future impact on the national and local economy, the Russian invasion is likely to further exacerbate existing economic uncertainty, which could impact both travel and commerce—not only at a global level, but also within the United States.[69] As a result of the invasion, sanctions have been imposed on Russia, which creates regulatory barriers that can hinder economic growth.

3.4.2 LONG-TERM ECONOMIC OUTLOOK

Table 3-7 presents selected 2020 and 2032 economic figures for the Air Trade Area and the United States, including population, employment, personal income, PCPI, GRP and GDP, and per capita GRP and GDP. Population and employment in the Air Trade Area are projected to grow at CAGRs of 0.1 percent and 1.6 percent, respectively. Total personal income and PCPI in the Air Trade Area are projected to grow at CAGRs of 1.7 percent and 1.6 percent, respectively. GRP and per capita GRP are projected to grow at CAGRs of 2.1 percent and 1.9 percent, respectively. Growth expectations for these variables in the Air Trade Area are generally in line with those of the United States. Overall, growth expectations for the Air Trade Area indicate the ongoing capacity of the Air Trade Area to continue to generate demand for air travel services during the Projection Period.

TABLE 3-7 PROJECTED SELECT ECONOMIC VARIABLES (2020–2032)

VARIABLE	2020	2032	CAGR 2020–2032
Air Trade Area Population	9,708,841	9,867,955	0.1%
United States Population	331,501,094	356,413,906	0.6%
Air Trade Area Total Employment	5,805,915	7,055,167	1.6%
United States Total Employment	190,776,766	237,417,578	1.8%
Air Trade Area Total Personal Income ($billion)	$641	$785	1.7%
United States Total Personal Income ($billion)	$19,594	$24,992	2.0%
Air Trade Area Per Capita Personal Income	$66,045	$79,577	1.6%
United States Per Capita Personal Income	$59,108	$70,120	1.4%
Air Trade Area Gross Regional Product ($billion)	$699	$896	2.1%
United States Gross Domestic Product ($billion)	$20,746	$27,224	2.3%
Air Trade Area Per Capita Gross Regional Product	$72,010	$90,763	1.9%
United States Per Capita Gross Domestic Product	$62,582	$76,382	1.7%

NOTES:
CAGR – Compound Annual Growth Rate
Dollar amounts are in 2020 dollars.
2032 data are Woods & Poole Economics, Inc. projections.
SOURCE: Woods & Poole Economics Inc., *2022 Complete Economic and Demographic Data Source (CEDDS)*, June 2022.

Multiple sources of national and local economic data were reviewed for purposes of informing the projections included in this Report, given the close correlation between the economic activity, and Airport passenger activity. Woods & Poole Economics, Inc.'s forecasts, the CBO's 10-year economic outlook (released May 2022), and an Oxford Economics forecast (as of December 2021) were reviewed and compared. While differences exist between the various sources in the absolute numbers and projected CAGRs of some variables, Ricondo found that variables that

[69] Prior to the Russian invasion, the December 2021 consumer price index (CPI) showed that US inflation reached 7 percent for the 2021 calendar year, the highest rate in nearly 40 years.

closely correlate to air traffic activity were broadly consistent among the three sources. Woods & Poole Economics, Inc., forecasts were used for the purposes of forecasting passenger activity.

3.4.3 CONCLUSIONS

The data cited in this chapter support the conclusion that the Air Trade Area can support increased airline traffic demand through the Projection Period (ending in 2032).

The Air Trade Area population was 9,708,841 in CY 2020, and it is projected to increase to 9,867,955 by CY 2032. This represents a 0.1 percent CAGR for the Air Trade Area, a net increase of more than 150,000 residents over the Projection Period.

United States GDP is projected to increase at a CAGR of 2.3 percent between CY 2020 and CY 2032. Per capita GRP for the Air Trade Area is projected to increase at a CAGR of 1.9 percent, which is slightly higher than the Midwest (1.7 percent) and the United States (1.7 percent) between CY 2020 and CY 2032.

PCPI in the Air Trade Area was higher than in the United States between CY 2010 and CY 2020. The Air Trade Area's PCPI in CY 2020 ($66,045) was 11.7 percent higher than PCPI in the United States ($59,108). PCPI in the Air Trade Area is projected to increase at a CAGR of 1.6 percent between CY 2020 and CY 2032.[70]

Between CY 2010 and CY 2020, the Air Trade Area's per capita GRP grew at a CAGR of approximately 1.2 percent; this is slightly higher than growth in the United States during the same period. Per capita GRP in the Air Trade Area is projected to increase at a CAGR of 1.9 percent between CY 2020 and CY 2032.

The Air Trade Area has a large and diverse economy with strong global transit links, which favorably impacts future airline traffic demand.

[70] Amounts are in 2020 dollars.

4. AIR TRAFFIC

This chapter describes the airlines serving the Airport, historical Airport activity, factors affecting aviation demand, and forecast Airport activity.

4.1 NATIONAL PERSPECTIVE OF THE AIRPORT

The Air Trade Area represents a high-ranking O&D market. Based on US Department of Transportation (USDOT) survey data, the Chicago market[71] was ranked fifth in the nation in terms of domestic O&D passengers in CY 2020—following the Los Angeles,[72] New York,[73] Orlando,[74] and Denver[75] markets. The air traffic in 2020 reflected the impacts of the COVID-19 pandemic. In 2019, the Chicago market ranked fourth following New York, Los Angeles, and San Francisco,[76] which is generally reflective of historical trends.

The Airport ranked fifth in the United States in terms of total O&D passengers in 2021, having ranked third in prior years. **Table 4-1** presents the top 20 US airports ranked by total enplaned O&D passengers for CYs 2017 through 2021, based on airline bookings data. The change in ranking is due, in part, to the impact of the COVID-19 pandemic on travel patterns. Demand for domestic leisure travel, including markets such as Orlando and Las Vegas, has recovered faster than demand for business travel and long-haul international travel, segments that have historically represented a large component of the Airport's O&D passengers. The impacts of the COVID-19 pandemic on activity at the Airport are discussed in more detail in Section 4.4.1.

The Airport is a key component of the national air transportation system due to its location, facilities to accommodate domestic and international passengers, and status as the largest midcontinent international airport. The Airport is a major connecting hub for American and United, as well as the largest major "dual hub" airport in the United States (measured by enplaned passengers).[77]

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[71] Includes Chicago O'Hare International and Chicago Midway International Airports.

[72] Includes Los Angeles International, John Wayne (Orange County), Ontario International, Hollywood Burbank, and Long Beach Airports.

[73] Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.

[74] Includes Orlando International and Orlando Sanford International Airports.

[75] Includes Denver International Airport.

[76] Includes San Francisco International, Oakland International, and Norman Y. Mineta San Jose International Airports.

[77] Based on 2020 US DOT T-100 data.

TABLE 4-1 TOP 20 US AIRPORTS RANKED ON TOTAL ENPLANED ORIGIN AND DESTINATION PASSENGERS (IN MILLIONS)

	2017		2018		2019		2020		2021	
CITY AND AIRPORT	RANK	PASSENGERS	RANK	PASSENGERS	RANK	PASSENGERS	RANK	PASSENGERS	RANK	PASSENGERS
Los Angeles, CA (LAX)	1	31.2	1	32.7	1	33.2	1	12.2	1	19.7
Orlando, FL (MCO)	5	20.3	4	21.5	4	22.7	2	10.0	2	18.1
Denver, CO (DEN)	7	17.9	7	19.2	7	20.9	4	9.8	3	16.7
Las Vegas, NV (LAS)	4	20.5	5	21.2	5	22.1	3	9.9	4	16.3
Chicago, IL (ORD)	**3**	**21.4**	**3**	**22.5**	**3**	**23.6**	**6**	**8.6**	**5**	**15.1**
Atlanta, GA (ATL)	8	17.4	8	18.5	8	19.3	5	8.6	6	14.6
New York, NY (JFK)	2	23.4	2	24.2	2	24.5	7	7.7	7	13.0
Phoenix, AZ (PHX)	12	13.8	12	14.5	13	15.4	8	7.4	8	12.3
Newark, NJ (EWR)	10	16.6	10	17.9	10	18.5	12	6.8	9	12.1
Fort Lauderdale, FL (FLL)	15	13.5	15	14.3	14	14.8	9	7.1	10	11.9
Seattle, WA (SEA)	11	15.9	11	17.0	11	17.7	10	6.8	11	11.7
Dallas/Fort Worth, TX (DFW)	14	13.6	13	14.5	12	15.4	11	6.8	12	11.7
Miami, FL (MIA)	16	13.1	16	13.0	16	13.4	15	5.7	13	11.1
Boston, MA (BOS)	9	17.2	9	18.5	9	18.9	14	6.3	14	10.3
San Francisco, CA (SFO)	6	19.7	6	20.9	6	21.2	13	6.4	15	9.3
Houston, TX (IAH)	19	9.5	19	10.1	19	10.8	20	4.4	16	8.5
Tampa, FL (TPA)	20	9.2	20	10.0	20	10.5	17	4.9	17	8.4
Minneapolis, MN (MSP)	17	10.6	18	11.2	17	11.9	16	5.0	18	8.0
New York, NY (LGA)	13	13.7	14	14.3	15	14.4	19	4.4	19	7.7
San Diego, CA (SAN)	18	10.2	17	11.2	18	11.7	18	4.7	20	7.3

NOTE:
Total origin and destination (O&D) passengers are based on airline bookings data and may differ from O&D passenger or total passenger estimates based on US Department of Transportation or airport-specific data presented elsewhere in this Report.
SOURCE: OAG, Traffic Analyzer, February 2022 (Marketing Information Data Transfer [MIDT] bookings data).

4.2 PASSENGER AIRLINES SERVING THE AIRPORT

Passenger service is provided at the Airport by 11 of the nation's 13 major passenger airlines.[78] In addition to American and United, these airlines are Alaska, Delta, Envoy Air (Envoy), Frontier, JetBlue, Republic Airways (Republic), SkyWest Airlines (SkyWest), Southwest, and Spirit.[79, 80]

Based on published airline schedules through 2022, 21 US-flag airlines provide scheduled passenger service at the Airport and 34 foreign-flag airlines provide scheduled and nonscheduled passenger service. **Table 4-2** lists the airlines servicing the Airport during the 12 months ending August 2022.

Table 4-3 presents the scheduled US-flag airlines that have served the Airport since 2012. The Airport has had the benefit of a large and growing airline base during the years shown, which has helped promote competitive pricing and scheduling diversity in the Airport's major domestic markets. As shown, 14 out of 21 scheduled US-flag airlines currently serving the Airport have operated at the Airport each year since 2012. Southwest, Denver Air, and Horizon Air began service at the Airport in 2021.

Table 4-4 presents the foreign-flag airlines that have served the Airport since at least 2012. As shown, 21 of the 31 foreign-flag airlines currently serving the Airport have operated at the Airport each year since at least 2012. In addition, three new foreign-flag airlines have begun service to the Airport since 2018 (Ethiopian Airlines and Viva Aerobús in 2018 and TAP Air Portugal in 2019). In 2022, El Al (Israel's national airline) and Flair Airlines (Canadian low-cost airline) announced they would commence service at the Airport in April and May, respectively. In addition, Air New Zealand is scheduled to resume service at the Airport in October 2022, after suspending operations in March 2020 due to the COVID-19 pandemic. Three of the foreign-flag airlines no longer serving the airport, Air Berlin, Interjet, and WOW Air, have suspended all operations.

4.3 HISTORICAL AIRPORT ACTIVITY

The following subsections review the Airport's historical passenger activity and air service. The Airport's passenger activity is typically reported as enplaned passengers or total passengers. For purposes of this Report, enplaned passengers and passengers are used throughout, except when referencing deplaned passengers. The demand for rental cars is included in the subset of deplaned passengers visiting the Air Trade Area. Because the enplaned and deplaned passengers are balanced at the Airport, volumes and trends presented related to enplaned passengers also apply to deplaned passengers.

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[78] As defined by the US DOT, a major US passenger airline has more than $1 billion in gross operating revenues during any CY (the largest group of US passenger airlines in terms of their total revenues). The current group of major US passenger airlines attained "major" status effective January 1, 2021, based on their total revenues for the 12 months ending December 2020.

[79] Allegiant Air and Hawaiian Airlines are the major US passenger airlines that currently do not serve the Airport.

[80] On July 28, 2022, JetBlue and Spirit announced their intention to merge no later than the first half of 2024, pending government and shareholder approval. JetBlue and Spirit will continue to operate as independent airlines until after the transaction closes. Sprit has terminated its prior merger agreement with Frontier that was announced in February 2022.

TABLE 4-2 AIRLINES PROVIDING PASSENGER SERVICE

SCHEDULED US AIRLINES (21)	FOREIGN-FLAG AIRLINES (34)
Air Choice One	Aer Lingus
Air Wisconsin (United Express)	Aeroméxico
Alaska Airlines	Air Canada
American Airlines	Air France
Cape Air	Air India
Delta Air Lines	All Nippon Airways
Denver Air Connection	Austrian Airlines
Endeavor Air (Delta Connection)	British Airways
Envoy Air (American Eagle)	Cathay Pacific
Frontier Airlines	Copa Airlines
GoJet Airlines (United Express)	Emirates
Horizon Air (Alaska)	Ethiopian Airlines
JetBlue Airways	Etihad Airways
Mesa Airlines (United Express)	EVA Air
Piedmont Airlines (American Eagle)	Finnair
Republic Airways (American Eagle, Delta Connection, and United Express)	Flair Airlines
SkyWest Airlines (Alaska SkyWest, American Eagle, Delta Connection, and United Express)	Iberia
Southwest Airlines	Icelandair
Spirit Airlines	Japan Airlines
Sun Country Airlines	Jazz (Air Canada Express)
United Airlines	KLM Royal Dutch Airlines
	Korean Air
	LOT Polish Airlines
	Lufthansa
	Qatar Airways
	Royal Jordanian
	Scandinavian Airlines
	Swiss International Air Lines
	Swoop
	TAP Air Portugal
	Turkish Airlines
	Viva Aerobús
	Volaris
	WestJet

NOTES:
Presents airlines scheduled for a 12-month period ending August 2022.
In the 12-month period ending August 2022, 33 all-cargo airlines were scheduled to serve the Airport.
SOURCES: City of Chicago, Department of Aviation, Management Records, January 2022; Innovata, August 2022 (published airline schedules).

TABLE 4-3 SCHEDULED US-FLAG AIRLINE BASE

AIRLINE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 [1]
Air Choice One	●	●	●	●	●	●	●	●	●	●	●
Air Wisconsin	●	●	●	●	●	●	●	●	●	●	●
Alaska Airlines [2]	●	●	●	●	●	●	●	●	●	●	●
American Airlines [3]	●	●	●	●	●	●	●	●	●	●	●
Delta Air Lines	●	●	●	●	●	●	●	●	●	●	●
Endeavor Air [4]	●	●	●	●	●	●	●	●	●	●	●
Envoy Air [5]	●	●	●	●	●	●	●	●	●	●	●
GoJet Airlines	●	●	●	●	●	●	●	●	●	●	●
JetBlue Airways	●	●	●	●	●	●	●	●	●	●	●
Mesa Airlines	●	●	●	●	●	●	●	●	●	●	●
Republic Airways	●	●	●	●	●	●	●	●	●	●	●
SkyWest Airlines	●	●	●	●	●	●	●	●	●	●	●
Spirit Airlines	●	●	●	●	●	●	●	●	●	●	●
United Airlines	●	●	●	●	●	●	●	●	●	●	●
Frontier Airlines			●	●	●	●	●	●	●	●	●
Cape Air							●	●	●	●	●
Sun Country Airlines [6]								●	●	●	●
Piedmont Airlines									●	●	●
Denver Air Connection										●	●
Southwest Airlines										●	●
Horizon Air										●	●
PSA Airlines					●	●	●	●	●	●	
ExpressJet	●	●	●	●	●	●	●	●	●		
Trans States Airlines	●	●	●	●	●	●	●	●	●		
Compass Airlines [6]	●	●	●	●	●	●					
Shuttle America	●	●	●	●	●	●					
Aerodynamics					●						
Chautauqua Airlines	●	●	●								
Comair Limited [6]	●										
Mesaba Airlines	●										
Total Airlines Serving the Airport	**21**	**19**	**20**	**19**	**21**	**20**	**19**	**20**	**21**	**22**	**21**

NOTES:
1 Refers to scheduled service through August 2022, as of May 2022.
2 In December 2016, Alaska Airlines and Virgin America merged. The Federal Aviation Administration (FAA) granted a single-operating certificate on January 11, 2018.
3 In December 2013, American Airlines and US Airways merged. The FAA granted a single-operating certificate on April 8, 2015.
4 Pinnacle Airlines was rebranded as Endeavor Air on August 1, 2013.
5 American Eagle was rebranded as Envoy Air in April 2014.
6 Provides seasonal service.
SOURCES: City of Chicago, Department of Aviation, Management Records, January 2022; US Department of Transportation, T-100, January 2022; Innovata, August 2022 (published airline schedules).

TABLE 4-4 (1 OF 2) SCHEDULED FOREIGN-FLAG AIRLINE BASE

AIRLINE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 [1]
Aer Lingus	●	●	●	●	●	●	●	●	●	●	●
Aeroméxico	●	●	●	●	●	●	●	●	●	●	●
Air Canada	●	●	●	●	●	●	●	●	●	●	●
Air France [2]	●	●	●	●	●	●	●	●	●	●	●
Air India	●	●	●	●	●	●	●	●	●	●	●
All Nippon Airways – ANA	●	●	●	●	●	●	●	●	●	●	●
British Airways	●	●	●	●	●	●	●	●	●	●	●
Cathay Pacific	●	●	●	●	●	●	●	●	●	●	●
Copa Airlines	●	●	●	●	●	●	●	●	●	●	●
Etihad Airways	●	●	●	●	●	●	●	●	●	●	●
Iberia	●	●	●	●	●	●	●	●	●	●	●
Japan Airlines	●	●	●	●	●	●	●	●	●	●	●
Jazz [3]	●	●	●	●	●	●	●	●	●	●	●
KLM Royal Dutch Airlines	●	●	●	●	●	●	●	●	●	●	●
Korean Air	●	●	●	●	●	●	●	●	●	●	●
LOT Polish Airlines	●	●	●	●	●	●	●	●	●	●	●
Lufthansa	●	●	●	●	●	●	●	●	●	●	●
Royal Jordanian	●	●	●	●	●	●	●	●	●	●	●
Scandinavian Airlines	●	●	●	●	●	●	●	●	●	●	●
Swiss International Air Lines	●	●	●	●	●	●	●	●	●	●	●
Turkish Airlines	●	●	●	●	●	●	●	●	●	●	●
Austrian Airlines		●	●	●	●	●	●	●	●	●	●
Qatar Airways		●	●	●	●	●	●	●	●	●	●
Volaris		●	●	●	●	●	●	●	●	●	●
Emirates			●	●	●	●	●	●	●	●	●
Finnair				●	●	●	●	●		●	●
EVA Air					●	●	●	●	●	●	●
Icelandair					●	●	●	●	●	●	●
Ethiopian Airlines							●	●	●	●	●

TABLE 4-4 (2 OF 2) SCHEDULED FOREIGN-FLAG AIRLINE BASE

AIRLINE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 [1]
Viva Aerobús							●	●	●	●	●
TAP Air Portugal								●	●	●	●
Flair Airlines											●
Swoop											●
WestJet [2]	●	●	●	●	●	●	●				●
China Eastern Airlines					●	●	●	●	●	●	
Interjet					●	●	●	●	●		
Hainan Airlines		●	●	●	●	●	●	●	●		
Air New Zealand							●	●	●		
Norwegian Air Shuttle							●	●			
WOW Air						●	●	●			
Alitalia/Air One [2]	●	●	●	●	●	●	●	●			
Asiana Airlines	●	●	●	●	●	●	●	●			
Avianca [4]	●	●	●	●	●	●	●	●			
Cayman Airways [2]	●	●	●	●	●	●	●	●			
BahamasAir					●		●				
Virgin Atlantic [2]	●	●	●	●	●	●					
Air Berlin			●	●	●	●					
Pakistan International Airlines	●										
Total Airlines Serving the Airport	**28**	**31**	**33**	**34**	**39**	**39**	**42**	**41**	**34**	**32**	**34**

NOTES:
1 Refers to scheduled service through August 2022, as of May 2022.
2 Provides seasonal service.
3 Sky Regional Airlines was rebranded as Jazz in March 2021.
4 Avianca Airlines merged with TACA and LACSA on May 21, 2013.
SOURCES: City of Chicago, Department of Aviation, Management Records, January 2022; US Department of Transportation, T-100, January 2022; Innovata, August 2022 (published airline schedules).

4.3.1 TOTAL ENPLANED PASSENGERS

Table 4-5 presents historical data on domestic, international, and total enplaned passengers at the Airport. As shown, the CAGR for total enplaned passengers at the Airport was -2.3 percent from 2012 to 2021.

- From 2012 to 2019, total enplaned passengers increased from approximately 33.2 million to a record 42.2 million, which represented a CAGR of 3.5 percent. During the same period, domestic enplaned passengers increased at a CAGR of 3.2 percent, reflecting growth of hub airlines American and United. Ultra-low-cost-carriers (ULCCs) Spirit and Frontier, which initiated service from the Airport in 2014, also contributed to growth in domestic enplaned passengers during this period. International enplaned passengers increased every year between 2012 and 2019, which represented a CAGR of 5.2 percent.
- In 2020, total enplaned passengers decreased 63.7 percent as airlines reduced flying due to the COVID-19 pandemic's impact on travel and demand. Domestic enplaned passengers decreased 61.7 percent to approximately 13.5 million, and international enplaned passengers decreased 73.7 percent to approximately 1.9 million.
- In 2021 total enplaned passengers increased 75.5 percent to 26.9 million during the recovery in demand from the low point experienced in 2020. Domestic enplaned passengers increased 78.4 percent to 24.2 million, and international enplaned passengers increased 54.1 percent to 2.8 million.

TABLE 4-5 HISTORICAL ENPLANED PASSENGERS

	DOMESTIC		INTERNATIONAL		TOTAL	
YEAR	ENPLANED PASSENGERS	ANNUAL GROWTH	ENPLANED PASSENGERS	ANNUAL GROWTH	ENPLANED PASSENGERS	ANNUAL GROWTH
2012	28,275,113	-0.1%	4,956,088	1.1%	33,231,201	0.1%
2013	28,182,287	-0.3%	5,102,501	3.0%	33,284,788	0.2%
2014	29,546,907	4.8%	5,392,787	5.7%	34,939,694	5.0%
2015	32,863,551	11.2%	5,517,938	2.3%	38,381,489	9.9%
2016	33,001,262	0.4%	5,856,818	6.1%	38,858,080	1.2%
2017	33,574,645	1.7%	6,228,043	6.3%	39,802,688	2.4%
2018	34,585,086	3.0%	6,965,297	11.8%	41,550,383	4.4%
2019	35,156,031	1.7%	7,079,656	1.6%	42,235,687	1.6%
2020	13,543,324	-61.5%	1,801,630	-74.6%	15,344,954	-63.7%
2021	24,159,421	78.4%	2,775,928	54.1%	26,935,349	75.5%
CAGR						
2012 – 2019	3.2%		5.2%		3.5%	
2012 – 2021	-1.7%		-6.2%		-2.3%	

NOTES:
Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.
CAGR – Compound Annual Growth Rate
SOURCE: City of Chicago, Department of Aviation, Management Records, August 2022.

Table 4-6 presents historical data on connecting, total O&D, resident O&D, and visitor O&D enplaned passengers at the Airport. As shown, total O&D passengers grew at a CAGR of 5.4 percent between 2012 and 2019 compared to a CAGR of 1.3 percent for connecting passengers, resulting in a 7-point increase in the percentage of O&D passengers from 50.2 percent in 2012 to 57.2 percent in 2019. The percentage distribution of resident and visitor O&D passengers was generally consistent between 2012 and 2019 at approximately 44.0 percent visitors. The decrease in visitor share of total O&D passengers that has occurred during the COVID-19 pandemic is reflective of the decrease in business travel, as well as the shift in leisure travel toward destinations with sun and leisure activities, which more easily accommodate socially distanced activities than large urban areas. In 2021, the connecting share of total enplaned passengers decreased approximately 2.5 percentage points to 43.4 percent, roughly in line with the 2019 share of connecting passengers. The visitor share of total O&D passengers increased to 41.0 percent compared to 39.7 percent in 2020.

4.3.2 ENPLANED PASSENGERS BY AIRLINE

Table 4-7 presents total enplaned passengers by airline at the Airport for 2017 through 2021. United's share (combined total) of total Airport enplaned passengers decreased from 46.2 percent in 2017 to 42.9 percent in 2021. American's share (combined total) of total Airport enplaned passengers increased from 35.1 percent in 2017 to 37.8 percent in 2021. The share shift from United to American is due in part to United's higher level of exposure to international markets, which were more negatively impacted than domestic markets by the decrease in demand for air travel related to the COVID-19 pandemic, as discussed in section 4.4.1.1. **Exhibit 4-1** compares the total enplaned passenger share of the airline segments at the Airport.

4.3.3 AIR SERVICE

An important characteristic of airport activity is the distribution of an airport's O&D markets, which is a function of air travel demand and available services and facilities. **Table 4-8** presents data on the Airport's top 50 domestic O&D markets in year-ending Quarter 3, 2021 (most recent data available), as measured by the number of total O&D passengers. Given the Airport's central location in the United States, the domestic O&D markets are predominately medium-haul (between 601 and 1,800 miles) markets (only 5 of the Airport's top 50 O&D domestic markets are long-haul markets: Anchorage, Honolulu, Kahului/Maui, San Francisco, and San Juan); 34 of the top 50 domestic O&D markets for the Airport are medium-haul markets. In March 2022, all top 50 domestic O&D markets had at least five or more weekly nonstop flights to/from the Airport. The Airport's top 50 domestic O&D markets had an average stage length (i.e., passenger trip distance) of 1,094 miles, compared to an average stage length of 1,168 miles nationwide. The average stage length for the Airport has historically been relatively equal to that for the nation, reflecting the Airport's central US location and the strong demand for service to East Coast markets, such as New York/Newark, Washington, DC, Orlando, and Boston, as well as to West Coast markets, such as Los Angeles, Phoenix, and Las Vegas.

TABLE 4-6 HISTORICAL CONNECTING AND ORIGIN AND DESTINATION ENPLANED PASSENGERS

	ENPLANED PASSENGERS							
YEAR	CONNECTING	CONNECTING PERCENT OF TOTAL	O&D	O&D PERCENT OF TOTAL	RESIDENT O&D	RESIDENT O&D SHARE OF TOTAL O&D	VISITOR O&D	VISITOR O&D SHARE OF TOTAL O&D
2012	16,552,395	49.8%	16,678,806	50.2%	9,331,282	55.9%	7,347,524	44.1%
2013	16,614,681	49.9%	16,670,107	50.1%	9,369,676	56.2%	7,300,431	43.8%
2014	17,507,265	50.1%	17,432,429	49.9%	9,896,974	56.8%	7,535,455	43.2%
2015	18,151,037	47.3%	20,230,452	52.7%	11,477,048	56.7%	8,753,404	43.3%
2016	17,469,320	45.0%	21,388,760	55.0%	12,083,660	56.5%	9,305,100	43.5%
2017	17,362,888	43.6%	22,439,800	56.4%	12,670,996	56.5%	9,768,804	43.5%
2018	18,007,572	43.3%	23,542,811	56.7%	13,241,849	56.2%	10,300,962	43.8%
2019	18,093,707	42.8%	24,141,980	57.2%	13,633,949	56.5%	10,508,031	43.5%
2020	7,039,580	45.9%	8,305,374	54.1%	5,008,264	60.3%	3,297,110	39.7%
2021	11,681,243	43.4%	15,254,106	56.6%	9,005,406	59.0%	6,248,700	41.0%
CAGR								
2012 – 2019	1.3%		5.4%		5.6%		5.2%	
2012 – 2021	-3.8%		-1.0%		-0.4%		-1.8%	

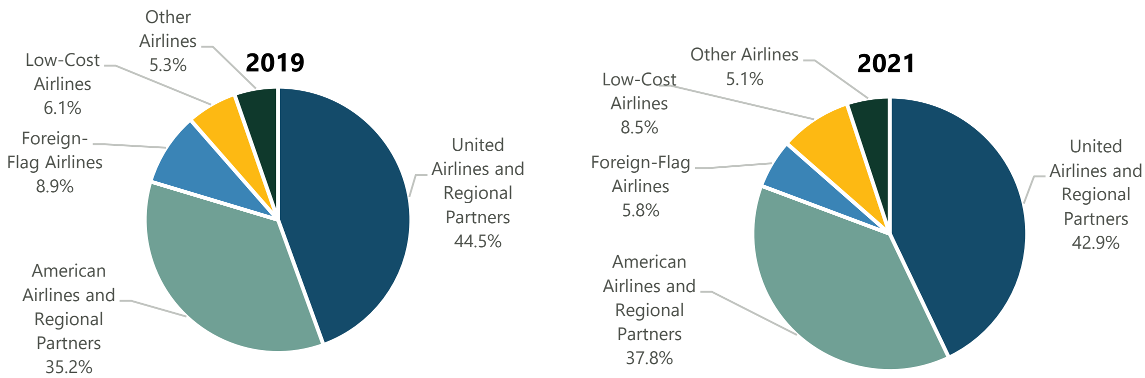
NOTES:
CAGR – Compound Annual Growth Rate
O&D – Origin and Destination
Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.
O&D passengers are based on US Department of Transportation databases and will not tie to O&D passengers presented in Table 4-1, which is based on airline bookings data.
SOURCES: City of Chicago, Department of Aviation, Management Records, June 2022 (total passengers); US Department of Transportation, O&D Survey, August 2022; US Department of Transportation, T-100, August 2022 (segmentation of passengers).

TABLE 4-7 HISTORICAL TOTAL ENPLANED PASSENGERS BY AIRLINE

		2017		2018		2019		2020		2021	
	AIRLINE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE	ENPLANED PASSENGERS	SHARE
	United Airlines Combined	18,391,755	46.2%	18,789,732	45.2%	18,779,363	44.5%	6,750,478	44.0%	11,560,483	42.9%
	American Airlines Combined	13,951,139	35.1%	14,598,806	35.1%	14,861,971	35.2%	5,640,306	36.8%	10,178,756	37.8%
1	United Airlines	12,534,578	31.5%	12,831,523	30.9%	12,915,154	30.6%	4,055,574	26.4%	7,387,117	27.4%
2	American Airlines	9,763,126	24.5%	10,053,968	24.2%	10,153,179	24.0%	3,651,968	23.8%	6,581,952	24.4%
3	SkyWest Airlines (American Eagle, Delta Connection, and United Express)	3,997,933	10.0%	3,781,224	9.1%	3,316,170	7.9%	1,376,952	9.0%	2,374,768	8.8%
4	Republic Airways (American Eagle, Delta Connection, and United Express)	1,110,964	2.8%	1,120,294	2.7%	878,245	2.1%	844,126	5.5%	2,050,516	7.6%
5	Envoy Air (American Eagle)	2,606,809	6.5%	2,890,716	7.0%	3,211,822	7.6%	1,270,603	8.3%	1,753,714	6.5%
6	Spirit Airlines	1,463,450	3.7%	1,627,243	3.9%	1,690,808	4.0%	852,909	5.6%	1,099,258	4.1%
7	Air Wisconsin (United Express)	106,052	0.3%	1,450,998	3.5%	1,522,041	3.6%	505,815	3.3%	856,582	3.2%
8	GoJet Airlines (Delta Connection and United Express)	709,925	1.8%	694,348	1.7%	609,533	1.4%	466,546	3.0%	743,699	2.8%
9	Delta Air Lines	898,063	2.3%	1,080,185	2.6%	1,456,569	3.4%	430,071	2.8%	677,092	2.5%
10	Southwest Airlines	0	0.0%	0	0.0%	0	0.0%	0	0.0%	604,377	2.2%
11	Frontier Airlines	692,996	1.7%	580,110	1.4%	615,983	1.5%	260,186	1.7%	453,562	1.7%
12	Alaska Airlines	317,065	0.8%	479,545	1.2%	486,667	1.2%	178,214	1.2%	343,436	1.3%
13	Piedmont Airlines (American Eagle)	0	0.0%	0	0.0%	0	0.0%	6,194	0.0%	201,177	0.7%
14	Volaris	77,002	0.2%	69,853	0.2%	93,473	0.2%	86,149	0.6%	147,864	0.5%
15	Turkish Airlines	109,362	0.3%	118,131	0.3%	118,133	0.3%	68,198	0.4%	130,593	0.5%
	Other	5,415,363	13.6%	4,772,245	11.5%	5,167,910	12.2%	1,291,449	8.4%	1,529,642	5.7%
	Airport Total	**39,802,688**	**100.0%**	**41,550,383**	**100.0%**	**42,235,687**	**100.0%**	**15,344,954**	**100.0%**	**26,935,349**	**100.0%**

NOTES:
Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.
Share totals for United Airlines and American Airlines combined include regional affiliates and are separate from the total calculation.
Columns may not add to totals shown because of rounding.
SOURCE: City of Chicago, Department of Aviation, Management Records, August 2022.

EXHIBIT 4-1 SHARE OF TOTAL ENPLANED PASSENGERS



NOTES:
Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.
Share totals for United Airlines and American Airlines combined include regional affiliates and are separate from the total calculation.
SOURCE: City of Chicago, Department of Aviation, Management Records, August 2022.

TABLE 4-8 (1 OF 2) AIRLINE SERVICE TO THE AIRPORT'S TOP DOMESTIC ORIGIN AND DESTINATION PASSENGER MARKETS – YEAR ENDING QUARTER 3, 2021

RANK	MARKET	TOTAL O&D PASSENGERS [1]	WEEKLY NONSTOP DEPARTURES	NUMBER OF AIRLINES [2]	AIRLINES [3]
1	Los Angeles [4]	1,352,749	172	3	AA, NK, UA
2	New York City [5]	1,184,177	387	4	AA, B6, DL, UA
3	Orlando	996,787	111	5	AA, F9, NK, UA, WN
4	Phoenix	966,367	128	5	AA, F9, NK, UA, WN
5	Las Vegas	892,744	95	5	AA, F9, NK, UA, WN
6	Denver	869,626	125	4	AA, F9, UA, WN
7	Dallas [6]	837,795	143	4	AA, NK, UA, WN
8	Fort Lauderdale	777,056	79	5	AA, B6, NK, UA, WN
9	Atlanta	684,766	103	4	AA, DL, NK, UA
10	Miami	682,562	82	3	AA, NK, UA
11	Tampa	653,028	80	4	AA, NK, UA, WN
12	Fort Myers	647,639	81	4	AA, NK, UA, WN
13	Houston [7]	578,030	86	3	AA, NK, UA
14	San Francisco [8]	576,520	83	3	AA, AS, UA
15	Washington, DC [9]	552,303	214	3	AA, UA, WN
16	Boston	486,969	115	4	AA, B6, DL, UA
17	Seattle	448,883	79	4	AA, AS, DL, UA
18	San Diego	386,866	44	2	AA, UA
19	Philadelphia	340,005	78	2	AA, UA
20	Minneapolis/St. Paul	304,830	93	3	AA, DL, UA
21	Charlotte	265,270	84	2	AA, UA
22	Austin	249,897	68	3	AA, UA, WN
23	San Juan	247,429	23	3	AA, F9, UA
24	Portland, OR	234,575	21	2	AA, UA
25	Nashville	229,131	84	3	AA, UA, WN
26	Salt Lake City	218,739	62	3	AA, DL, UA
27	New Orleans	214,817	38	3	AA, NK, UA
28	Raleigh/Durham	170,439	48	2	AA, UA
29	Honolulu/Oahu	126,386	7	1	UA
30	Detroit	123,739	97	3	AA, DL, UA
31	Myrtle Beach	123,674	5	1	NK
32	Palm Beach	122,816	22	2	AA, UA
33	Kansas City	119,538	53	2	AA, UA
34	Jacksonville	119,160	29	2	AA, UA
35	Sarasota/Bradenton	112,593	21	2	AA, UA

TABLE 4-8 (2 OF 2) AIRLINE SERVICE TO THE AIRPORT'S TOP DOMESTIC ORIGIN AND DESTINATION PASSENGER MARKETS – YEAR ENDING QUARTER 3, 2021

RANK	MARKET	TOTAL O&D PASSENGERS [1]	WEEKLY NONSTOP DEPARTURES	NUMBER OF AIRLINES [2]	AIRLINES [3]
36	Cleveland	110,331	55	2	AA, UA
37	Charleston	108,671	21	2	AA, UA
38	San Antonio	104,780	28	2	AA, UA
39	Sacramento	99,397	13	1	UA
40	Savannah	95,461	14	1	UA
41	Pittsburgh	91,476	56	2	AA, UA
42	Columbus	88,840	63	2	AA, UA
43	Norfolk	88,097	21	2	AA, UA
44	Memphis	85,810	35	2	AA, UA
45	Hartford	82,623	36	2	AA, UA
46	St. Louis	80,204	60	2	AA, UA
47	Cincinnati	72,028	51	2	AA, UA
48	Kahului/Maui	69,877	7	1	UA
49	Anchorage [10]	68,843	7	1	UA
50	Richmond	68,109	39	2	AA, UA

NOTES:
1 Represents passengers traveling in both directions.
2 Regional affiliates are counted as part of their mainline carrier.
3 AA – American Airlines; AS – Alaska Airlines; B6 – JetBlue Airways; DL – Delta Air Lines; F9 – Frontier Airlines; NK – Spirit Airlines; UA – United Airlines; WN – Southwest Airlines
4 Includes Los Angeles International, John Wayne (Orange County), Ontario International, Hollywood Burbank, and Long Beach Airports.
5 Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.
6 Includes Dallas Fort Worth International Airport and Dallas Love Field.
7 Includes George Bush Intercontinental (Houston) and William P. Hobby (Houston) Airports.
8 Includes San Francisco International, Oakland International, and Norman Y. Mineta San Jose International Airports.
9 Includes Washington Dulles International, Ronald Reagan Washington National, and Baltimore/Washington International Thurgood Marshall Airports.
10 United Airlines is scheduled to begin daily service to/from Anchorage starting March 27, 2022. The weekly departures are excluded from the total.
SOURCES: US Department of Transportation, DB1B Survey, August 2022; US Department of Transportation, T-100, August 2022.

As also shown in Table 4-8, each of the Airport's top 50 domestic O&D markets is provided with nonstop service. During the week of March 7, 2022, and March 13, 2022, the Los Angeles market, the Airport's top-ranked domestic O&D market, was provided with 172 weekly nonstop flights from the Airport.[81] Other domestic markets with significant nonstop service from the Airport include New York City and Washington, DC (387 and 214 weekly nonstop flights, respectively), Los Angeles (172 weekly nonstop flights), Dallas (143 weekly nonstop flights), and Phoenix (128 weekly nonstop flights). **Exhibit 4-2** illustrates the domestic markets served nonstop from the Airport. In July 2022, an average of 851 scheduled domestic daily departures served 178 nonstop destinations. **Exhibit 4-3** illustrates the international markets served nonstop from the Airport. In July 2022, an average of 124 scheduled international daily departures served 64 nonstop destinations.

[81] The Los Angeles market is served by Los Angeles International, John Wayne (Orange County), Ontario International, Hollywood Burbank, and Long Beach Airports.

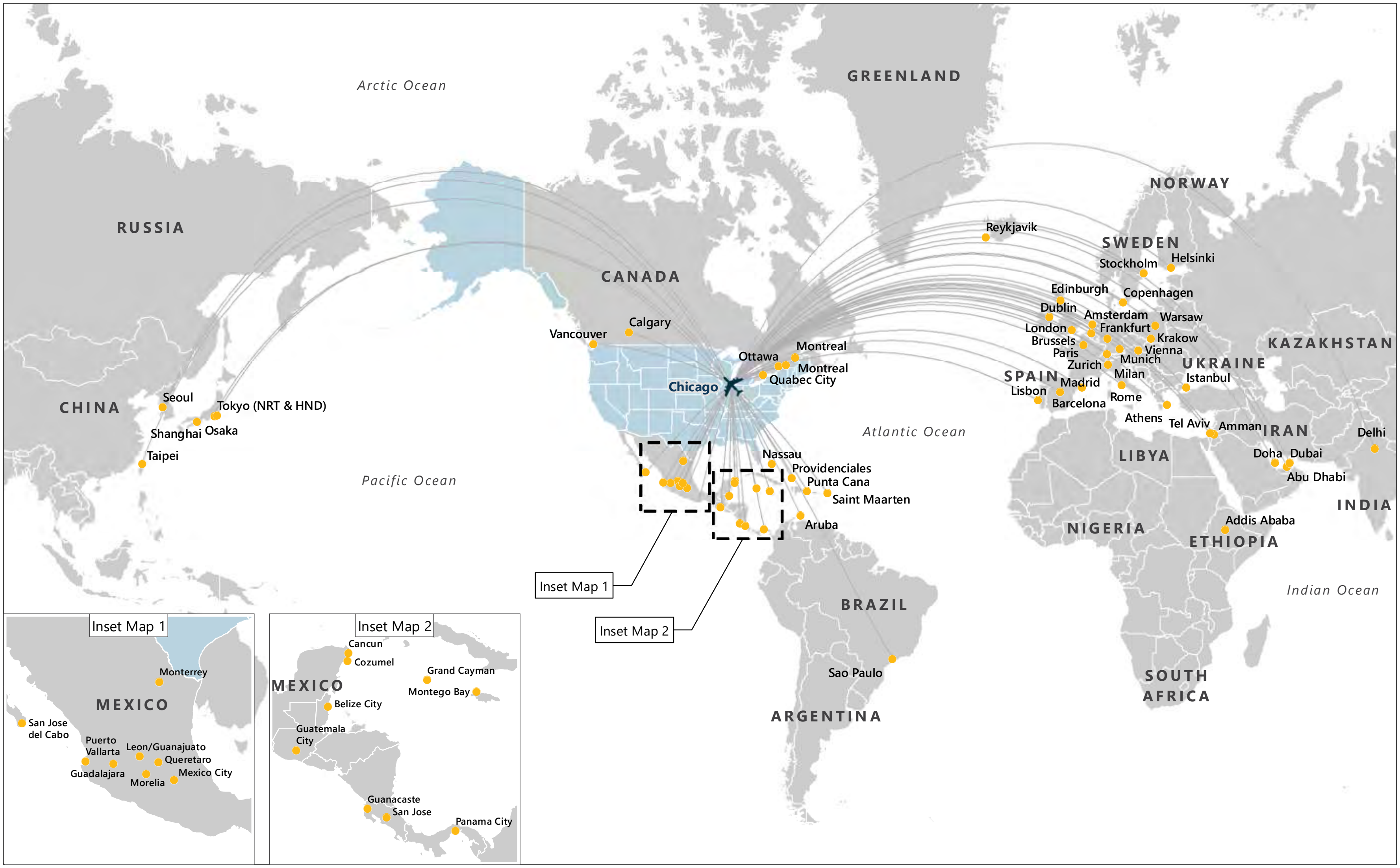
SOURCES: ESRI 2010 Data, 2010 (continent boundary); US Census, 2021 (state boundary); Cirium, Diio Mi Schedule Dynamic Table Report, July 2022 (airline schedule data); OpenFlights.org, July 2022 (routes and airports).

NORTH

0 500 mi

EXHIBIT 4-2

CHICAGO O'HARE INTERNATIONAL AIRPORT
NONSTOP DOMESTIC MARKETS



SOURCES: ESRI 2010 Data, 2010 (continent boundary); US Census, 2021 (state boundary); Cirium, Diio Mi Schedule Dynamic Table Report, July 2022 (airline schedule data); OpenFlights.org, July 2022 (routes and airports).

NORTH 0 1,300 mi

EXHIBIT 4-3

CHICAGO O'HARE INTERNATIONAL AIRPORT
NONSTOP INTERNATIONAL MARKETS

Of the top 50 O&D markets, 44 are served nonstop by 2 or more airlines, and 24 are served by 3 or more airlines. Southwest initiated service to the Airport in February 2021 and currently serves 11 destinations nonstop, all of which are among the Airport's top 50 domestic passenger markets. JetBlue and Spirit, which announced in July 2022 that they intend to merge no later than the first half of 2024, serve 2 and 8 of the top 10 domestic O&D markets, respectively. However, Fort Lauderdale is the only market served by both JetBlue and Spirit, along with three other airlines.

4.3.4 AIRCRAFT OPERATIONS

Table 4-9 presents passenger airline aircraft operations, average seats per departure, and load factor, as well as general aviation and all-cargo aircraft operations, between 2012 and 2021. Passenger airline operations increased from 840,128 in 2012 to 879,323 in 2019, which represented a CAGR of 0.7 percent, significantly lower than the 3.5 percent CAGR for enplaned passengers during the same period. An increase in the average seats per departure from 95 in 2012 to 113 in 2019, as well as an increase in the average load factor from 81.3 percent to 82.9 percent, enabled airlines to carry more passengers per operation. Passenger airline operations, average seats per departure, and average load factor decreased in 2020 because of the COVID-19 pandemic. In 2021 there was an increase in all three metrics in line with year-over-year growth in enplaned passengers.

All-cargo operations increased from 16,877 in 2012 to 24,411 in 2019, which represented a CAGR of 5.4 percent. All-cargo operations increased during the COVID-19 pandemic to 30,402 in 2020 and 31,752 in 2021, as a decrease in passenger airline operations reduced belly cargo capacity and shifted some cargo activity to all-cargo airlines. Recent global supply chain issues and container ship congestion at US ports have also driven an increase in demand for air cargo, resulting in a 7.3 percent CAGR for all-cargo operations between 2012 and 2021, compared to -3.2 percent for passenger airline operations during the same period.

TABLE 4-9 HISTORICAL AIRCRAFT OPERATIONS

YEAR	PASSENGER AIRLINE OPERATIONS	AVERAGE SEATS PER DEPARTURE	AVERAGE LOAD FACTOR	GENERAL AVIATION OPERATIONS	ALL-CARGO OPERATIONS	TOTAL OPERATIONS
Historical						
2012	840,128	95	81.3%	21,103	16,877	878,108
2013	844,187	95	81.6%	22,774	16,326	883,287
2014	849,156	98	82.6%	17,344	15,433	881,933
2015	835,608	105	83.7%	21,828	17,700	875,136
2016	828,584	110	83.5%	21,119	17,932	867,635
2017	832,488	113	82.8%	15,412	19,149	867,049
2018	864,114	113	82.7%	15,581	24,052	903,747
2019	879,323	113	82.9%	15,970	24,411	919,704
2020	475,772	106	59.5%	32,037	30,402	538,211
2021	629,007	111	75.6%	23,442	31,752	684,201
CAGR						
2012 – 2019	0.7%	2.5%	0.3%	-3.9%	5.4%	0.7%
2012 – 2021	-3.2%	1.7%	-0.8%	1.2%	7.3%	-2.7%

NOTES:
General aviation includes general aviation, helicopter, and other miscellaneous operations.
CAGR – Compound Annual Growth Rate
SOURCE: City of Chicago, Department of Aviation, Management Records, August 2022.

4.3.5 LANDED WEIGHT

Table 4-10 presents the landed weight in 1,000-pound units for passenger airlines and all-cargo airlines. Between 2012 and 2019 passenger airline landed weight increased at a CAGR of 2.8 percent, and all-cargo airline landed weight increased at a CAGR of 3.7 percent.

TABLE 4-10 HISTORICAL LANDED WEIGHT (1,000-POUND UNITS)

YEAR	PASSENGER AIRLINES	ALL-CARGO	TOTAL	ANNUAL GROWTH
Historical				
2012	42,712,863	4,426,307	47,139,170	-2.4%
2013	42,545,672	4,378,157	46,923,829	-0.5%
2014	44,095,348	4,490,079	48,585,427	3.5%
2015	45,867,833	5,272,433	51,140,266	5.3%
2016	49,177,197	3,230,256	52,407,453	2.5%
2017	50,462,544	4,026,096	54,488,640	4.0%
2018	50,658,992	5,652,663	56,311,655	3.3%
2019	51,775,213	5,695,889	57,471,102	2.1%
2020	28,698,546	6,717,732	35,416,278	-38.4%
2021	39,712,122	7,146,579	46,858,701	32.3%
CAGR				
2012 – 2019	2.8%	3.7%	2.9%	
2012 – 2021	-0.8%	5.5%	-0.1%	

NOTE:
CAGR – Compound Annual Growth Rate
SOURCE: City of Chicago, Department of Aviation, Management Records, August 2022.

4.4 FACTORS AFFECTING AVIATION DEMAND AT THE AIRPORT

This section discusses the qualitative factors that may influence future aviation activity at the Airport. These factors were considered, either directly or indirectly, in developing the aviation activity forecasts for the Airport.

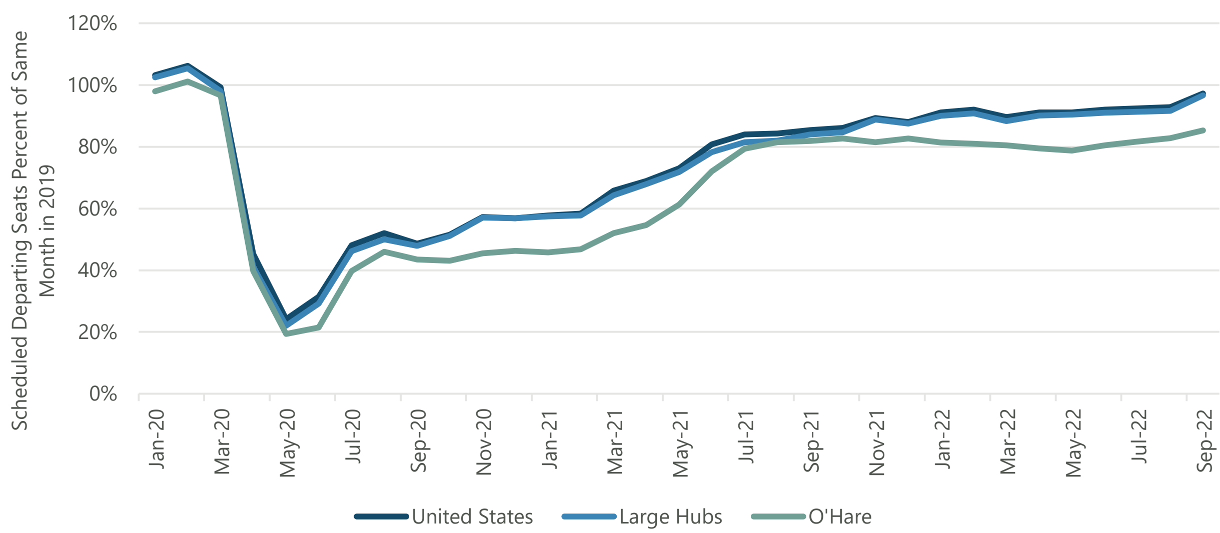
4.4.1 IMPACT OF THE COVID-19 PANDEMIC

The outbreak and spread of the COVID-19 pandemic have resulted in a severe contraction in demand for air travel that was driven by fear of illness, as well as government-imposed travel restrictions and quarantine requirements. The impact to air travel began in East Asia in December 2019 and rapidly accelerated to other regions of the world in March and April 2020. Airlines responded to the change in demand by parking aircraft and reducing capacity across their networks. Several large international foreign-flag airlines suspended all operations for a period in March and April 2020. By May 2020, which represented the low point in terms of passenger airline capacity offered, scheduled departing seats decreased to 24 percent of May 2019 capacity for all US airports and 19 percent of May 2019 capacity at the Airport. A modest recovery in airline capacity occurred over the second half of 2020. By December 2020 departing seat capacity for all US airports had increased to 57 percent of December 2019 departing seat capacity and 46 percent of December 2019 departing seat capacity at the Airport.

Airlines accelerated the restoration of capacity in the second quarter of 2021 as COVID-19 vaccines became widely available in the United States and demand for air travel increased. In June 2021 scheduled departing seats represented 81 percent of June 2019 scheduled departing seats for all US airports. For the Airport, June 2021 scheduled departing seats represented 72 percent of June 2019 scheduled departing seats. The restoration of scheduled capacity increased through the first half of 2022, despite interruptions in demand recovery that coincided with spikes in COVID-19 infections related to the Delta and Omicron variants of the virus. June 2022 scheduled departing seats represent 96 percent of June 2019 scheduled departing seats for all US airports and 83 percent for O'Hare.

Exhibit 4-4 depicts the Airport's seat capacity recovery relative to the average for all US airports and Federal Aviation Administration (FAA) large-hub airports.

EXHIBIT 4-4 SEAT CAPACITY RECOVERY – THE UNITED STATES, LARGE HUBS, AND ORD



SOURCE: Innovata (published airline schedules), August 2022.

4.4.1.1 THE AIRPORT AND HUB AIRPORT TRAFFIC PATTERNS

Table 4-11 presents the top ten US airports ranked on total O&D passengers for the four quarters ending Q2 2022. The ranking is also presented for the same airports for the four quarter periods ending Q4 2019 through Q1 2022. The Airport ranked fourth for the period ending Q4 2019, falling to seventh in the period ending Q1 2021 as airports that accommodated a larger share of domestic as well as leisure travelers, such as DEN, LAS, ATL, and Phoenix Sky Harbor International Airport (PHX), moved up in the rankings. For the period ending Q2 2021 the Airport's ranking improved to sixth. It has continued to improve, ranking fifth for the period ending Q2 2022. John F. Kennedy International Airport (JFK) and Newark Liberty International Airport (EWR), which also have a large share of long-haul international and non-leisure O&D passengers, have experienced a similar trajectory, falling in the rankings through the period ending Q1 2021 but moving back up in the rankings in recent periods. DEN, ATL, and PHX have fallen in the rankings in recent periods after initially moving up. Los Angeles International Airport (LAX) has maintained its first-place ranking with the exception of the four-quarter period ending Q1 2021 when it ranked second to DEN. The rankings for Orlando International Airport (MCO), Harry Reid International Airport in Las Vegas (LAS). And Miami International Airport (MIA), improved in 2020 and have not meaningfully changed in more recent periods.

TABLE 4-11 TOP TEN US AIRPORTS RANKED ON TOTAL O&D PASSENGERS

AIRPORT	FOUR QUARTER PERIOD ENDING											% CHANGE SINCE PREVIOUS PERIOD	
	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	2022-Q1	2022-Q2
LAX	1	1	1	1	1	2	1	1	1	1	1	13.9%	2.9%
MCO	3	3	3	2	2	3	2	2	2	2	2	11.8%	0.5%
LAS	5	5	6	4	4	4	4	4	4	3	3	12.5%	2.2%
DEN	6	6	5	3	3	1	3	3	3	4	4	8.6%	0.0%
ORD	**4**	**4**	**4**	**6**	**6**	**7**	**6**	**6**	**5**	**5**	**5**	**11.7%**	**3.8%**
JFK	2	2	2	5	8	13	12	9	7	7	6	17.1%	8.1%
ATL	8	8	8	7	5	5	5	5	6	6	7	9.3%	0.3%
EWR	10	10	10	9	11	10	11	11	9	9	8	12.7%	6.3%
PHX	14	14	14	10	7	6	7	7	8	8	9	11.0%	-1.0%
MIA	15	15	15	15	13	11	10	12	12	10	10	15.2%	1.4%

SOURCE: Sabre Market Intelligence, July 2022 (Marketing Information Data Transfer [MIDT] bookings data)

Table 4-12 presents the top ten US airports ranked on connecting passengers for the four quarters ending Q2 2022. The ranking is also presented for the same airports for the four quarter periods ending Q4 2019 through Q1 2022. The Airport ranked third for the period ending Q4 2019, falling to fifth for the four-quarter period ending Q1 2021 through the four-quarter period ending Q1 2022. Charlotte Douglas International Airport (CLT) and DEN moved up in the rankings as both airports were geographically well-positioned to accommodate connecting domestic passenger itineraries as airlines suspended many nonstop routes during this period due to the impacts of the COVID-19 pandemic. The Airport's ranking has improved to fourth place for the four-quarter period ending Q2 2022, moving ahead of DEN, as increased capacity levels and strengthening demand have supported an increase in connecting passenger activity.

TABLE 4-12 TOP TEN US AIRPORTS RANKED ON CONNECTING PASSENGERS

AIRPORT	FOUR QUARTER PERIOD ENDING											% CHANGE SINCE PREVIOUS PERIOD	
	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	2022-Q1	2022-Q2
ATL	1	1	1	1	1	2	2	1	1	1	1	13.6%	-0.2%
DFW	2	2	2	2	2	1	1	2	2	2	2	7.0%	-1.7%
CLT	4	4	3	3	3	3	3	3	3	3	3	4.2%	-5.9%
ORD	**3**	**3**	**4**	**4**	**4**	**5**	**5**	**5**	**5**	**5**	**4**	**11.8%**	**1.4%**
DEN	5	5	5	5	5	4	4	4	4	4	5	8.3%	-1.2%
IAH	6	6	6	6	6	6	6	6	6	6	6	12.0%	1.3%
MIA	12	12	12	12	10	9	9	9	9	7	7	21.3%	8.1%
SEA	9	9	8	7	7	7	7	7	8	8	8	10.7%	-2.5%
PHX	11	11	11	9	8	8	8	8	7	9	9	10.3%	-4.3%
MSP	10	10	10	11	11	11	11	11	11	10	10	12.7%	2.5%

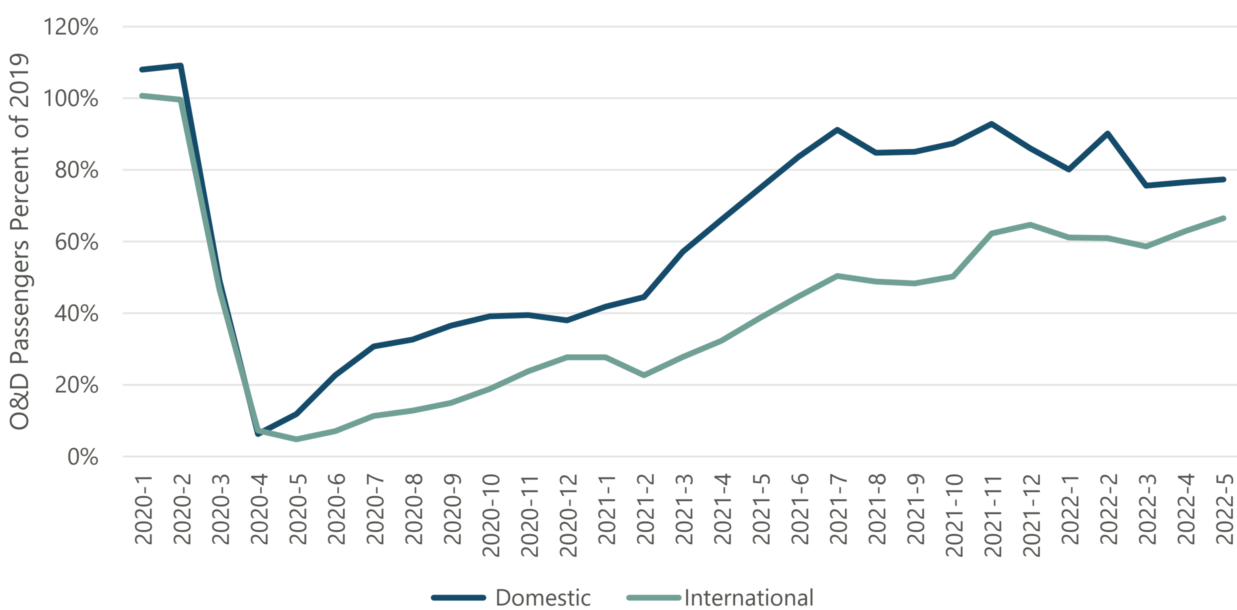
SOURCE: Sabre Market Intelligence, July 2022 (Marketing Information Data Transfer [MIDT] bookings data)

The slower rate of recovery for the Airport relative to the average for other large hubs is impacted in large part to the segments of traffic that the Airport has historically accommodated. The segmentation of traffic for US airports and midcontinent hubs that serve as a comparison for the Airport are included in the following sections.

Domestic and International Traffic

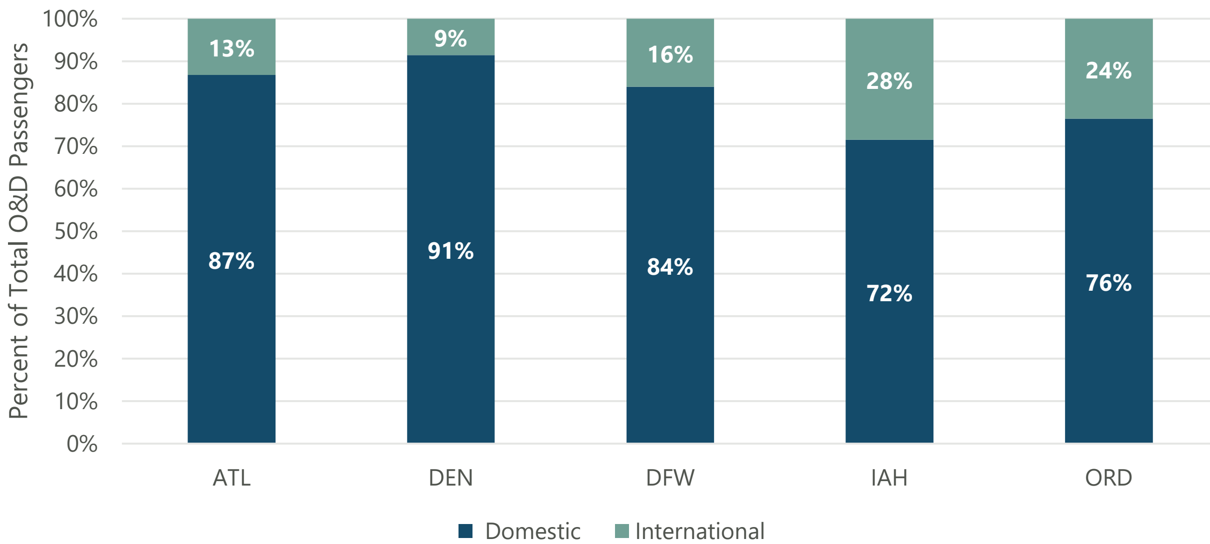
Exhibit 4-5 presents the domestic and international O&D passengers for all US airports by month from January 2020 through May 2022 indexed to the same month of 2019. Domestic O&D passengers have remained above international O&D passengers as a percentage of 2019 during this period, with the gap narrowing in 2022. As of May 2022, domestic O&D passengers represented approximately 77 percent of May 2019 domestic O&D passengers while international O&D passengers represented approximately 66 percent of May 2019 international O&D passengers. **Exhibit 4-6** presents the percentage breakdown of domestic and international O&D passengers in 2019 for the Airport and four peer midcontinent hub airports: Hartsfield-Jackson Atlanta International Airport (ATL), Denver International Airport (DEN), Dallas Fort Worth International Airport (DFW), and George Bush Intercontinental Airport in Houston (IAH). With international O&D passengers representing approximately 24 percent of total O&D passengers in 2019, ORD had more exposure to demand for international travel than ATL, DEN, and DFW. The Airport's percentage of international O&D passengers is marginally lower than IAH's percentage of 28 percent.

EXHIBIT 4-5 DOMESTIC AND INTERNATIONAL O&D PASSENGERS AS A PERCENT OF 2019 FOR ALL US AIRPORTS



SOURCE: Sabre Market Intelligence, July 2022 (Marketing Information Data Transfer [MIDT] bookings data).

EXHIBIT 4-6 PERCENTAGE DISTRIBUTION OF 2019 DOMESTIC AND INTERNATIONAL O&D PASSENGERS AT ORD AND PEER MIDCONTINENT HUB AIRPORTS

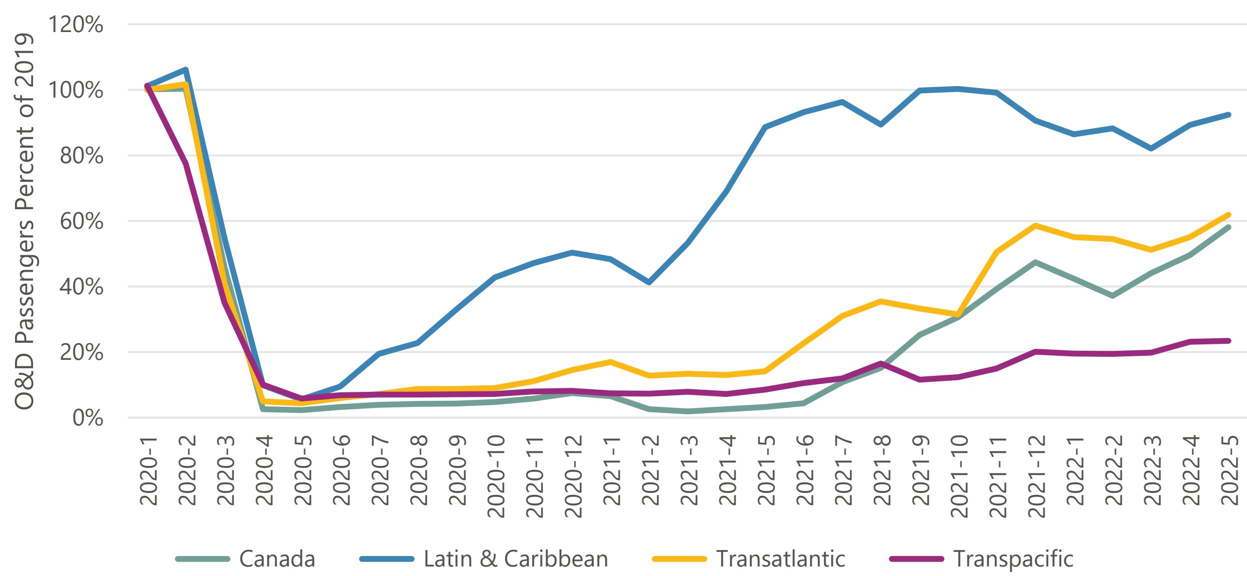


SOURCE: Sabre Market Intelligence, July 2022 (Marketing Information Data Transfer [MIDT] bookings data).

O&D and Connecting Traffic

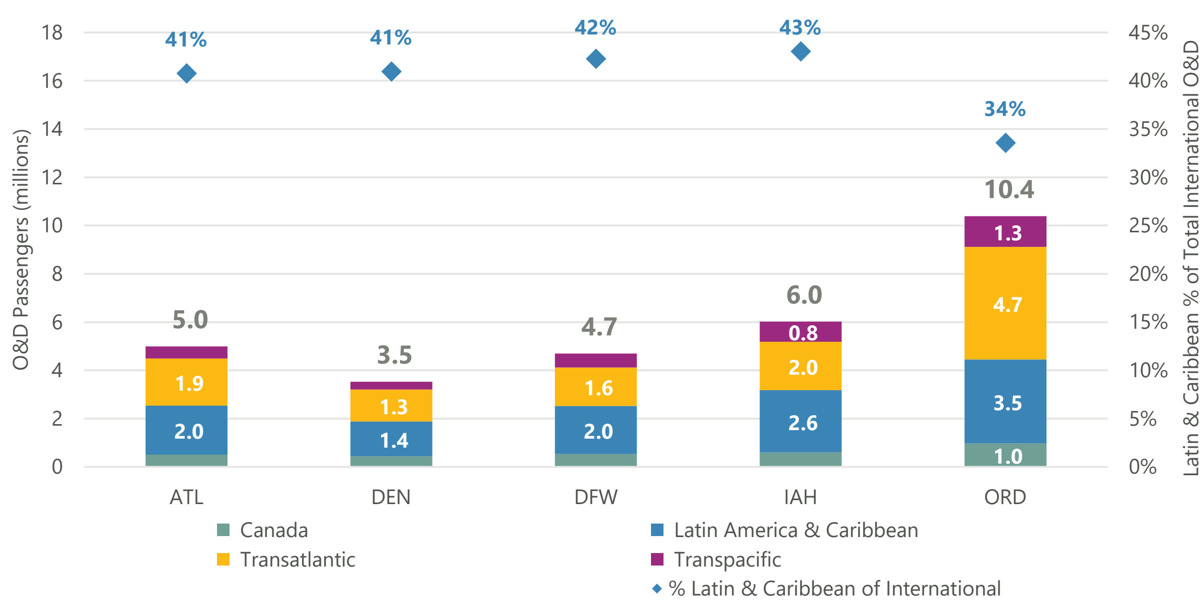
Exhibit 4-7 presents the international O&D passengers by region for all US airports by month from January 2020 through May 2022 indexed to the same month of 2019. The Latin and Caribbean region, which represents many leisure destinations as well as visiting friends and family (VFR) markets, has outperformed all other international regions, remaining above 80 percent of 2019 passenger levels since May 2021. Transatlantic and Canada passenger volumes have accelerated in 2022 with the lifting of many transborder travel restrictions. As of May 2022, O&D passengers travelling between the US and these regions represented approximately 60 percent of 2019 levels. Passengers traveling between the US and the transpacific region had only recovered to 23 percent of 2019 levels as of May 2022. **Exhibit 4-8** presents the volume of international 2019 O&D passengers at ORD and its peer midcontinent hub airports broken out by international region. ORD served more O&D passengers in 2019 than its peer midcontinent hub airports to the regions that have been slower to recover. Passengers traveling to and from Latin America, the strongest performing international region in 2020 and 2021, represented 34 percent of ORD's total international O&D passengers in 2019 compared to between 41 percent and 43 percent at ORD's peer midcontinent hub airports.

EXHIBIT 4-7 INTERNATIONAL O&D PASSENGERS BY REGION AS A PERCENT OF 2019 FOR ALL US AIRPORTS



SOURCE: Sabre Market Intelligence, July 2022 (Marketing Information Data Transfer [MIDT] bookings data).

EXHIBIT 4-8 PERCENTAGE DISTRIBUTION OF 2019 DOMESTIC AND INTERNATIONAL O&D PASSENGERS BY REGION AT ORD AND PEER MIDCONTINENT HUB AIRPORTS

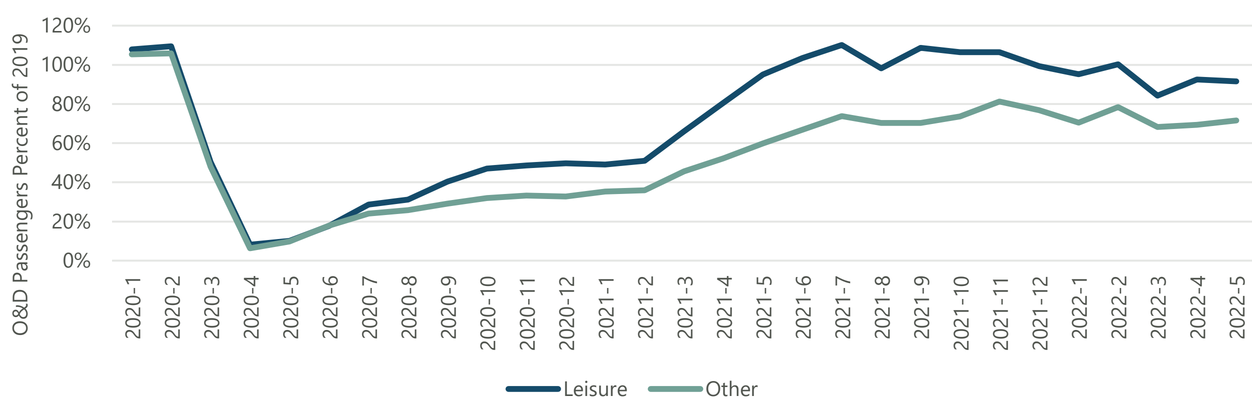


SOURCE: Sabre Market Intelligence, July 2022 (Marketing Information Data Transfer [MIDT] bookings data).

Leisure Market Traffic

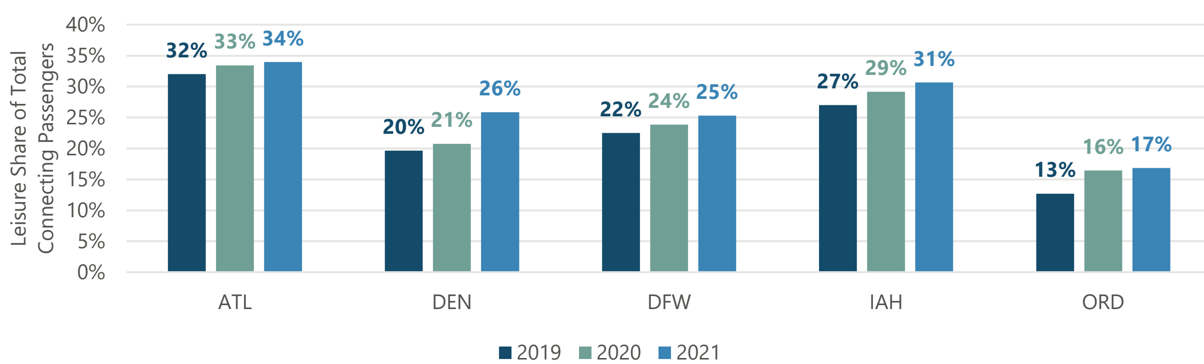
ORD and its peer midcontinent hub airports accommodate a diverse set of O&D markets through connecting itineraries, with some differences in the nature of the connecting traffic due to each airport's geographic position. **Exhibit 4-9** presents leisure and non-leisure passengers all US airports by month from January 2020 through May 2022 indexed to the same month of 2019.[82] Demand for travel to leisure destinations has recovered faster than demand to non-leisure destinations, with leisure passengers exceeding 2019 levels during most of the summer and fall of 2021. **Exhibit 4-10** presents the percentage of total connecting passengers that are traveling to and from leisure destinations at ORD and its peer midcontinent hub airports in 2019, 2020, and 2021. While the percentage of leisure O&D passengers has increased at all five airports, ORD has the lowest share of leisure passengers as a percentage of total connecting passengers among its peer midcontinent hub airports.

EXHIBIT 4-9 LEISURE AND NON-LEISURE PASSENGERS AS A PERCENT OF 2019 FOR ALL US AIRPORTS



SOURCE: Sabre Market Intelligence, July 2022 (Marketing Information Data Tapes [MIDT] bookings data).

EXHIBIT 4-10 LEISURE SHARE OF CONNECTING PASSENGERS AT ORD AND PEER MIDCONTINENT HUB AIRPORTS



SOURCE: Sabre Market Intelligence, July 2022 (Marketing Information Data Tapes [MIDT] bookings data).

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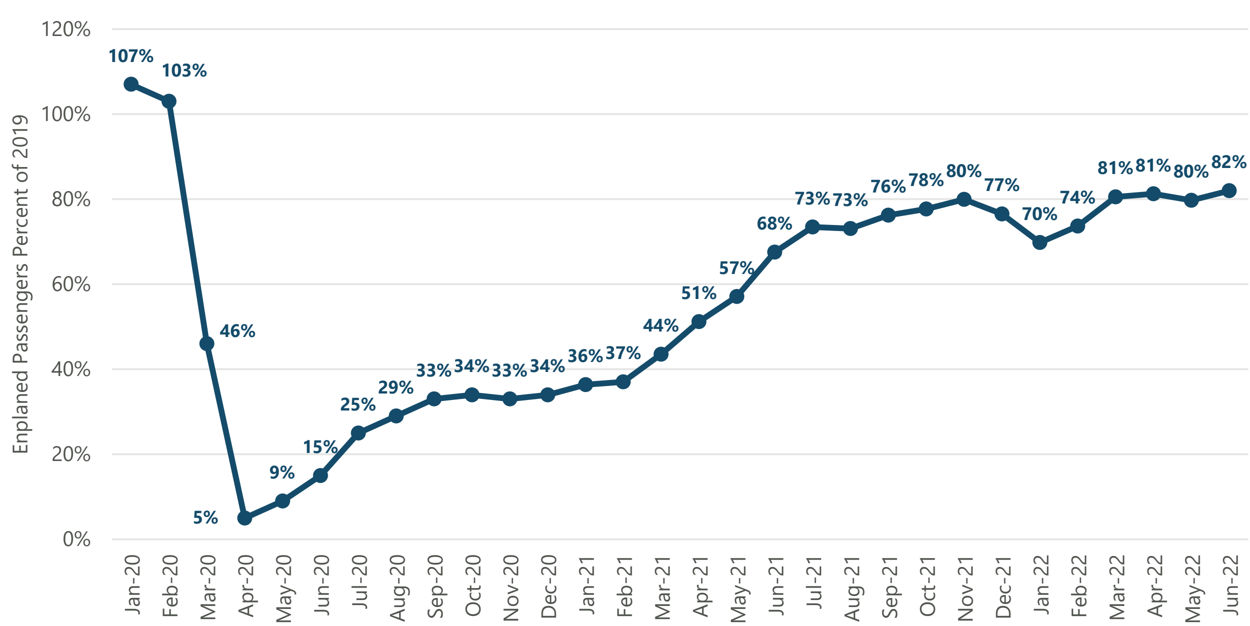
[82] Leisure markets include destinations in Hawaii, Las Vegas, Florida as well as Mexico beaches and the Caribbean.

While the Airport has historically served a larger share of passengers traveling to markets that have been slower to recover from the impacts of the COVID-19 pandemic than its peer midcontinent hub airports, demand for travel to long-haul international as well as non-leisure destinations is accelerating. The gap between the recovery for domestic and international as well as between leisure and non-leisure is narrowing and the Airport's passenger levels as a percentage of 2019 continue to increase. As presented in **Exhibit 4-11**, the Airport's enplaned passengers as a percentage of 2019 have generally increased on a month over month basis since May 2020, reaching 82 percent in June 2022. The decrease in passengers as a percentage of 2019 that occurred in later 2021 and early 2022 coincided with a spike in COVID-19 infections related to the Delta and Omicron variants of the COVID-19 virus.

EXHIBIT 4-11 ORD ENPLANED PASSENGERS AS A PERCENT OF 2019

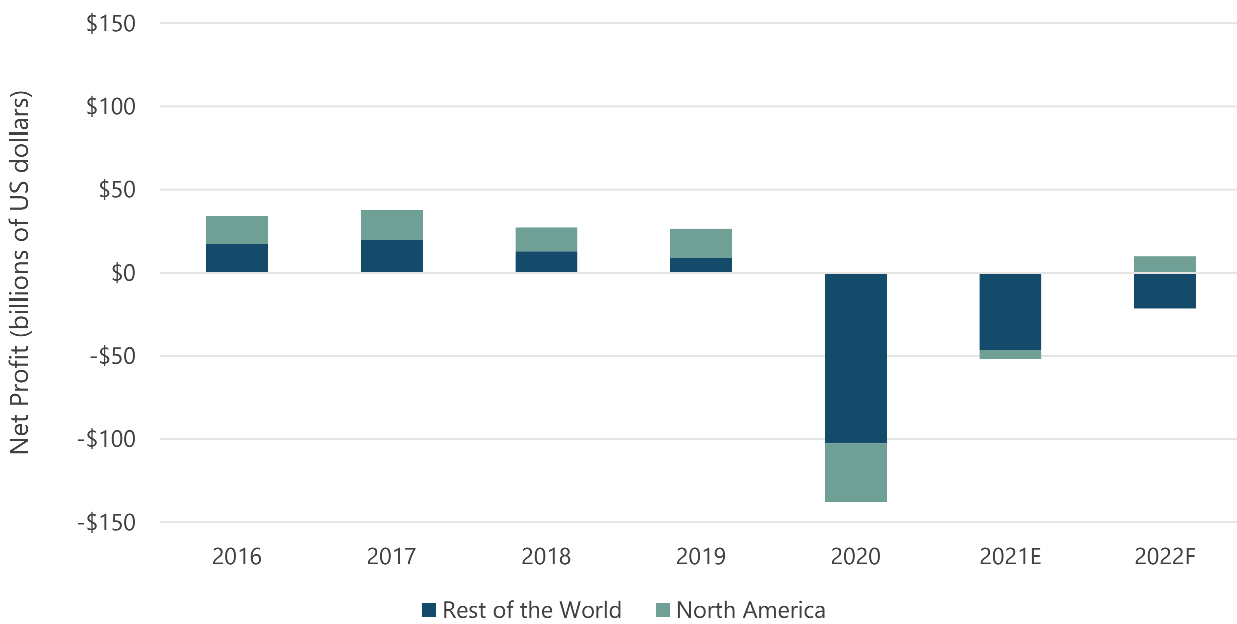


SOURCE: City of Chicago, Department of Aviation, Management Records, August 2022

4.4.1.2 AIRLINE FINANCIAL PERFORMANCE

The COVID-19 pandemic has resulted in a drastic decrease in revenues and steep financial losses for most airlines. Per the International Air Transport Association (IATA), airlines globally experienced an operating loss of $137.7 billion in 2020 and were projected to lose an additional $52.3 billion in 2021. In 2022, US airlines are projected to record a marginal profit, while airlines throughout the rest of the world are expected to lose another $21.5 billion. **Exhibit 4-12** shows the airline profitability for North America and for the rest of the world from 2016 to 2022 (as projected).

EXHIBIT 4-12 HISTORICAL AND PROJECTED NET PROFIT OF COMMERCIAL AIRLINES (2016–2022)



NOTE:
2021E – Estimated; 2022F – Forecast
SOURCE: International Air Transport Association, *Airline Industry Economic Performance Data Tables*, October 2021.

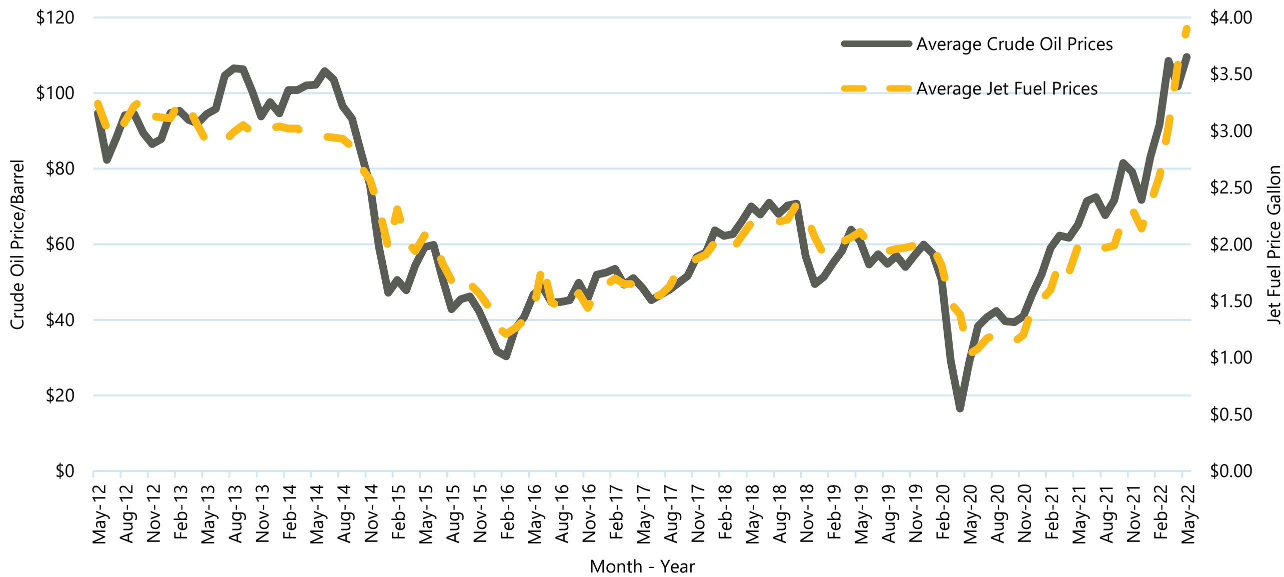
4.4.2 COST OF AVIATION FUEL

As of the second quarter of 2021, jet fuel accounted for 15.1 percent of total airline operating costs, second only to labor, according to Airlines for America.[83]

In May 2022, the average price of jet fuel was $3.90 per gallon, having increased steadily since April 2020. **Exhibit 4-13** shows the monthly averages for jet fuel and crude oil prices from April 2012 through May 2022. Fluctuating fuel costs will continue to affect airline profitability. This could lead to changes in air service as airlines adjust capacity and pricing to address increases or decreases in the cost of fuel.

[83] Airlines for America, "A4A Passenger Airline Cost Index (PACI)," https://www.airlines.org/dataset/a4a-quarterly-passenger-airline-cost-index-u-s-passenger-airlines/ (accessed December 2021; Quarter 2, 2021).

EXHIBIT 4-13 HISTORICAL MONTHLY AVERAGES OF JET FUEL AND CRUDE OIL PRICES



SOURCE: US Bureau of Transportation Statistics, US Energy Information Administration, August 2022.

4.4.3 NATIONAL ECONOMY

Historically, trends in airline travel have been closely correlated with national economic trends, most notably changes in GDP. Chapter 3 of this Report presents an analysis of the general economic trends, both national and local, that may influence demand for air service over time. As noted in the conclusion to Chapter 3, national GDP is expected to increase at a CAGR of 2.3 percent between 2020 and 2032, which should support generally increasing demand for air service over the Projection Period. Actual economic activity may differ from this projection, especially on a year-to-year basis. Demand for air service may be impacted by changes in economic performance.

4.4.4 MERGERS AND ACQUISITIONS

US airlines have merged or acquired competitors to achieve operational and commercial synergies and to improve their financial performance. A wave of consolidation began in 2005 when America West Airlines merged with US Airways, retaining the US Airways brand for the consolidated airline. In 2009, Delta acquired Northwest Airlines. In 2010, United acquired Continental Airlines. In 2011, Southwest acquired AirTran Airways. In 2013, US Airways and American merged, with the consolidated airline retaining the American brand. The most recent consolidation occurred in 2016 when Alaska acquired Virgin America. The two airlines completed their integration in 2018. On July 28, 2022, JetBlue and Spirit announced their intention to merge no later than the first half of 2024, pending government and shareholder approval. JetBlue and Spirit will continue to operate as independent airlines until after the transaction closes. Sprit has terminated its prior merger agreement with Frontier that was announced in February 2022. Consolidation across the industry has resulted in the realignment of several airline route networks as airlines have sought efficiencies in their service. Further consolidation of the US airline industry could affect the amount of capacity offered at the Airport and could alter the competitive landscape.

4.4.5 INTERNATIONAL CONFLICTS AND THREAT OF TERRORISM

Since September 11, 2001, the recurrence of terrorism incidents against either domestic or world aviation has remained a risk to achieving forecast levels of activity. Tighter security measures have restored the public's confidence in the integrity of the US and global aviation security systems. However, any terrorist incident targeting aviation could have an immediate and significant impact on the demand for air travel.

Additionally, geopolitical issues may affect aviation activity during the Projection Period. Potential governmental or regional instability in certain countries or locations may affect access to, or demand for, aviation service in these places. At the time of this Report, the Russian invasion of Ukraine is a developing situation that could exacerbate geopolitical and economic uncertainty and potentially impact demand for travel to certain regions. The conflict has resulted in the closure of airspace over Russia and Ukraine to most airlines. Restrictions on Russian airlines have resulted in the suspension of nearly all service between Russia and other countries. These restrictions have limited airlines' ability to operate certain nonstop routes that would otherwise overfly Russia or Ukraine. As an international gateway, the Airport provides service to nearly all major regions of the world. Future geopolitical instability may have an impact on international aviation service demand at the Airport.

4.4.6 CAPACITY OF THE NATIONAL AIRSPACE SYSTEM

One of the FAA's concerns is how increased delays at busy airports impact the efficiency of the NAS. In its report *Airport Capacity Needs in the National Airspace System* (January 2015), the FAA stated the need to address delays that remain at key airports since its 2007 assessment, as well as to implement NextGen airspace system improvements. The report emphasized the need to continue to invest in system improvements with airfield enhancements and NextGen capabilities.

4.4.7 OTHER AIRPORTS IN THE REGION

Two other commercial service airports are in the area: Chicago Midway International Airport (Midway) and Milwaukee Mitchell International Airport (Milwaukee Mitchell). In addition, Gary/Chicago International Airport (Gary/Chicago) and the proposed South Suburban Airport are focused on future air service development. These regional airports and their relationship to the Airport are described in this section.

Midway, classified as a large-hub commercial service airport, is located 15 miles south of the Airport. The City owns both the Airport and Midway, and the CDA operates both airports. Midway is a hub for Southwest and serves as the second-largest airport in its system, when measured by both seat capacity and operations. Southwest, Delta, Frontier, and Volaris serve both Midway and O'Hare. In the 12 months ending Quarter 3, 2021, 43 of Midway's top 50 domestic O&D markets, all of which are served nonstop from Midway, were included in O'Hare's top 50 domestic O&D markets. International service from Midway includes flights to Canada, Mexico, and the Caribbean. Long-haul international markets cannot be served from Midway due to its runway lengths.

Table 4-13 presents enplaned passengers for the Airport and Midway between 2012 and 2021. The Airport's weighted average share of total enplaned passengers between 2012 and 2021 was 78.0 percent, compared to 22.0 percent for Midway. The Airport's share of total enplaned passengers in 2021 was 77.5 percent, the same share it had in 2012. **Table 4-14** presents the total enplaned O&D passengers for the Airport and Midway between 2012 and 2021. The Airport's weighted average share of total enplaned O&D passengers between 2012 and 2021 was 74.7 percent, compared to 25.3 percent for Midway. The Airport's share of total enplaned O&D passengers increased from 72.3 percent in 2012 to 75.4 percent in 2021.

TABLE 4-13 HISTORICAL ENPLANED PASSENGERS AT CHICAGO O'HARE AND CHICAGO MIDWAY INTERNATIONAL AIRPORTS

	O'HARE			MIDWAY			TOTAL	
YEAR	ENPLANED PASSENGERS	ANNUAL GROWTH	SHARE	ENPLANED PASSENGERS	ANNUAL GROWTH	SHARE	ENPLANED PASSENGERS	ANNUAL GROWTH
2012	33,231,201	0.1%	77.5%	9,671,619	3.4%	22.5%	42,902,820	0.8%
2013	33,284,788	0.2%	76.6%	10,155,389	5.0%	23.4%	43,440,177	1.3%
2014	34,939,694	5.0%	76.9%	10,497,727	3.4%	23.1%	45,437,421	4.6%
2015	38,381,489	9.9%	77.7%	11,003,697	4.8%	22.3%	49,385,186	8.7%
2016	38,858,080	1.2%	77.6%	11,232,443	2.1%	22.4%	50,090,523	1.4%
2017	39,802,688	2.4%	78.2%	11,117,333	-1.0%	21.8%	50,920,021	1.7%
2018	41,550,383	4.4%	79.2%	10,907,110	-1.9%	20.8%	52,457,493	3.0%
2019	42,235,687	1.6%	80.4%	10,301,223	-5.6%	19.6%	52,536,910	0.2%
2020	15,344,954	-63.7%	77.8%	4,383,769	-57.4%	22.2%	19,728,723	-62.4%
2021	26,935,349	75.5%	77.5%	7,819,543	78.4%	22.5%	34,754,892	76.2%
Weighted Average								
2012 – 2021			78.0%			22.0%		
CAGR								
2012 – 2019	3.5%			0.9%			2.9%	
2012 – 2021	-2.3%			-2.3%			-2.3%	

NOTES:
Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.
CAGR – Compound Annual Growth Rate
SOURCE: City of Chicago, Department of Aviation, Management Records, May 2022.

TABLE 4-14 HISTORICAL ENPLANED ORIGIN AND DESTINATION PASSENGERS AT CHICAGO O'HARE AND CHICAGO MIDWAY INTERNATIONAL AIRPORTS

	O'HARE			MIDWAY			TOTAL	
YEAR	ENPLANED O&D PASSENGERS	ANNUAL GROWTH	SHARE	ENPLANED O&D PASSENGERS	ANNUAL GROWTH	SHARE	ENPLANED O&D PASSENGERS	ANNUAL GROWTH
2012	16,678,806		72.3%	6,396,131		27.7%	23,074,937	
2013	16,670,107	-0.1%	71.8%	6,540,183	2.3%	28.2%	23,210,290	0.6%
2014	17,432,429	4.6%	72.6%	6,586,245	0.7%	27.4%	24,018,674	3.5%
2015	20,230,452	16.1%	74.5%	6,940,050	5.4%	25.5%	27,170,502	13.1%
2016	21,388,760	5.7%	74.6%	7,274,580	4.8%	25.4%	28,663,340	5.5%
2017	22,439,800	4.9%	75.2%	7,385,261	1.5%	24.8%	29,825,061	4.1%
2018	23,542,811	4.9%	76.8%	7,126,645	-3.5%	23.2%	30,669,456	2.8%
2019	24,141,980	2.5%	77.7%	6,948,676	-2.5%	22.3%	31,090,656	1.4%
2020	8,305,374	-65.6%	75.3%	2,729,376	-60.7%	24.7%	11,034,750	-64.5%
2021	15,254,106	83.7%	75.4%	4,988,025	82.8%	24.6%	20,242,131	83.4%
Weighted Average								
2012 – 2021			74.7%			25.3%		
CAGR								
2012 – 2017	5.4%			1.2%			4.4%	
2012 – 2021	-1.0%			-2.7%			-1.4%	

NOTES: CAGR – Compound Annual Growth Rate

Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.

O&D passengers are based on US Department of Transportation databases and will not tie to O&D passengers presented in Table 4-1, which is based on airline bookings data.

SOURCES: City of Chicago, Department of Aviation, Management Records, August 2022 (total passengers); US Department of Transportation, O&D Survey, August 2022; US Department of Transportation, T-100, August 2022 (segmentation of passengers).

Milwaukee Mitchell is the nearest medium- or large-hub commercial service airport outside Chicago. This medium-hub airport[84] is located approximately 70 miles north of the Airport near Milwaukee, Wisconsin. This airport serves the commercial air service needs of Milwaukee, southeast Wisconsin, and portions of northern Illinois. Although Milwaukee Mitchell is near the Airport (overlapping catchment areas include three counties in the northern Chicago region, which represent approximately 12 percent of the population in the region), the higher frequency of nonstop service to key markets from the Airport diverts a portion of potential traffic from the Milwaukee Mitchell catchment area to the Airport.

Gary/Chicago, which is owned by the City of Gary, Indiana, and operated by the Gary/Chicago International Airport Authority, is also located in the Air Trade Area (see Exhibit 3-1 in Chapter 3). Currently, no scheduled passenger airline service is offered at this airport. In January 2014, the Gary/Chicago International Airport Authority entered into a Public-Private Partnership with AFCO/AvPorts to further develop airport property and to increase the economic impact of the airport.

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[84] Medium-hub airports enplane at least 0.25 percent but less than 1.00 percent of total nationwide enplaned passengers.

4.4.8 HUB AIRLINES

Both American and United use the Airport as a major connecting hub in their respective networks. Based on published airline schedules for the 12-month period ending June 2022, American and United are the first and second largest airlines globally measured by available seat miles (ASMs). As presented in **Table 4-15**, American operates its third-largest hub at the Airport based on average daily scheduled departures for the 12-month period ending June 2022. The Airport ranks fourth in terms of average daily scheduled departing seats. Based on enplaned passengers, American, inclusive of its regional partners, was the second-largest airline operator at the Airport with 37.8 percent of total enplaned passengers at the Airport in 2021. As presented in **Table 4-16**, United operates is largest hub at the Airport based on average daily scheduled departures for the 12-month period ending June 2022. The Airport ranks third in terms of average daily scheduled departing seats. United, inclusive of its regional partners, was the largest airline operator at the Airport in 2021 with 42.9 percent of total enplaned passengers.

TABLE 4-15 AMERICAN AIRLINES AVERAGE DAILY DEPARTURES AND DEPARTING SEATS BY HUB FOR THE YEAR ENDING JUNE 2022

	AVERAGE DAILY DEPARTURES		AVERAGE DAILY DEPARTING SEATS	
HUB	DEPARTURES	HUB RANKING	SEATS	HUB RANKING
DFW	762	1	99,369	1
CLT	586	2	68,970	2
ORD	**358**	**3**	**38,605**	**4**
MIA	311	4	49,539	3
PHL	241	5	26,440	6
PHX	225	6	30,163	5
DCA	218	7	20,954	7
LAX	127	8	19,197	8
LGA	118	9	12,979	9
JFK	85	10	12,697	10

SOURCE: Innovata (published airline schedules), July 2022

TABLE 4-16 UNITED AIRLINES AVERAGE DAILY DEPARTURES AND DEPARTING SEATS BY HUB FOR THE YEAR ENDING JUNE 2022

	AVERAGE DAILY DEPARTURES		AVERAGE DAILY DEPARTING SEATS	
HUB	DEPARTURES	HUB RANKING	SEATS	HUB RANKING
ORD	**453**	**1**	**47,993**	**3**
DEN	432	2	48,716	2
IAH	425	3	48,891	1
EWR	336	4	45,187	4
IAD	217	5	23,526	6
SFO	188	6	27,432	5
LAX	108	7	16,352	7

SOURCE: Innovata (published airline schedules), July 2022

The Airport has played a critical and strategic role in the route networks of both United and American, providing access to the large and diverse Chicago O&D market, as well as a geographic location that enables connectivity across the airlines' vast domestic and international route networks. The Airport is expected to remain a critical connecting hub for United and American, while continuing to serve a large local O&D market during and after the recovery. Both hub airlines continue to schedule flights around arrival and departure banks that enable connectivity. This connectivity has been especially critical during the COVID-19 pandemic as airlines have reduced nonstop service on many routes network wide and are more reliant on midcontinent connecting hubs to link destinations across their networks. Neither hub airline has another nearby connecting hub that can play the same role as the Airport in their route networks. **Table 4-17** presents the number of destinations served from each of American's hubs in June 2019 through June 2022, as well as the ranking of each hub in terms of destinations served. O'Hare has consistently ranked third out of American's 10 hubs. **Table 4-18** presents the same information for each of United's hubs. O'Hare has consistently ranked first among United's seven hubs in terms of destinations served. While the number of destinations served from the Airport by each hub airline has decreased marginally during the COVID-19 pandemic, both airlines continue to operate large connecting hubs with service to a substantial number of destinations.

TABLE 4-17 AMERICAN AIRLINES DESTINATIONS SERVED BY HUB

	DESTINATIONS SERVED				HUB RANKING			
AMERICAN AIRLINES HUB	JUNE 2019	JUNE 2020	JUNE 2021	JUNE 2022	JUNE 2019	JUNE 2020	JUNE 2021	JUNE 2022
Dallas Fort Worth International	234	198	239	239	1	1	1	1
Charlotte Douglas International	167	135	174	168	2	2	2	2
Chicago O'Hare International	**156**	**107**	**148**	**144**	**3**	**3**	**3**	**3**
Miami International	129	61	121	136	5	6	4	4
Philadelphia International	130	75	105	108	4	4	5	5
Phoenix Sky Harbor International	88	66	95	90	6	5	6	6
Ronald Reagan Washington National	77	51	79	82	7	7	7	7
John F. Kennedy International	39	5	33	48	10	10	9	8
Los Angeles International	69	14	52	47	8	8	8	9
LaGuardia	49	7	32	41	9	9	10	10

SOURCE: Innovata, July 2022 (published airline schedules).

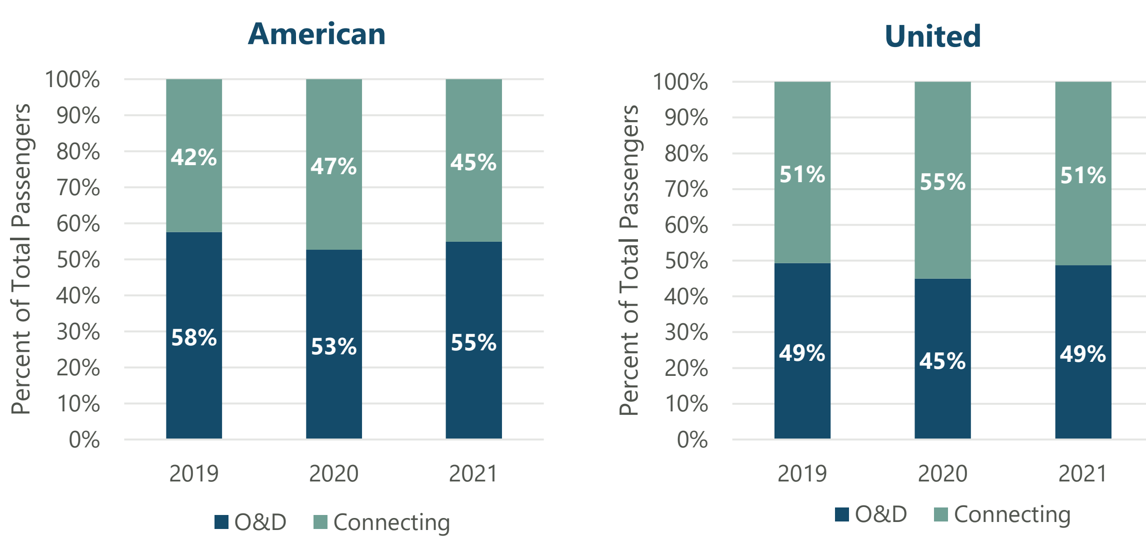
TABLE 4-18 UNITED AIRLINES DESTINATIONS SERVED BY HUB

UNITED AIRLINES HUB	DESTINATIONS SERVED				HUB RANKING			
	JUNE 2019	JUNE 2020	JUNE 2021	JUNE 2022	JUNE 2019	JUNE 2020	JUNE 2021	JUNE 2022
Chicago O'Hare International	**193**	**100**	**182**	**186**	**1**	**1**	**1**	**1**
Denver International	163	94	170	175	3	2	2	2
George Bush Intercontinental (Houston)	167	80	156	157	2	3	3	3
Newark Liberty International	149	34	104	144	4	6	5	4
Washington Dulles International	108	59	109	105	5	4	4	5
San Francisco International	103	37	67	87	6	5	6	6
Los Angeles International	56	8	54	58	7	7	7	7

SOURCE: Innovata, July 2022 (published airline schedules).

Exhibit 4-14 presents the percentage distribution of O&D and connecting passengers for American and United at the Airport in 2019, 2020, and 2021. American's percentage of connecting passengers at its ORD hub increased from 42 percent in 2019 to 47 percent in 2020. The connecting percentage decreased marginally to 45 percent in 2021. United's passenger trends at its ORD hub were similar during this period, with the connecting percentage increasing from 51 percent in 2019 to 55 percent in 2020 and then returning to 51 percent in 2021.

EXHIBIT 4-14 AMERICAN AND UNITED O&D AND CONNECTING PASSENGERS AT ORD

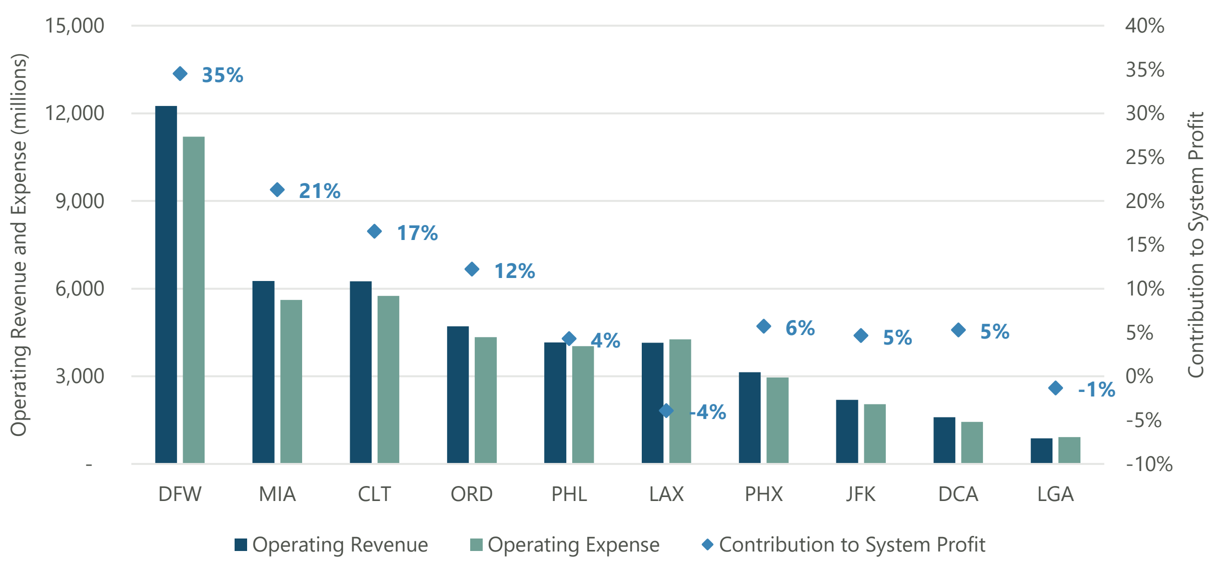


NOTE: O&D – Origin and Destination
SOURCES: US Department of Transportation, O&D Survey, August 2022; US Department of Transportation, T-100, August 2022.

Ricondo analyzes publicly available sources of financial and operational data and applies commonly used allocation methodologies in the airline industry to derive estimates of the operating profits of each of United's and American's hubs. Ticket revenue was identified through USDOT O&D data accessed at the individual itinerary level and prorated to flight segments using a distance-based proration methodology. Non-ticket revenue was allocated using drivers that include revenue passenger miles and cargo volumes. Cost allocation drivers included block hours, departures, revenue passenger miles, available seat mile, and ticket revenue. To represent the economic impact of the mix of fleet types operating across the hubs, aircraft-type allocation rates were used where reporting is available at that level of detail. While Ricondo has applied commonly used approaches to the alignment of costs and revenues with activity-based allocation drivers, the estimates of hub profitability may differ from those of airlines that employ many different methodologies using detailed internal data sources.

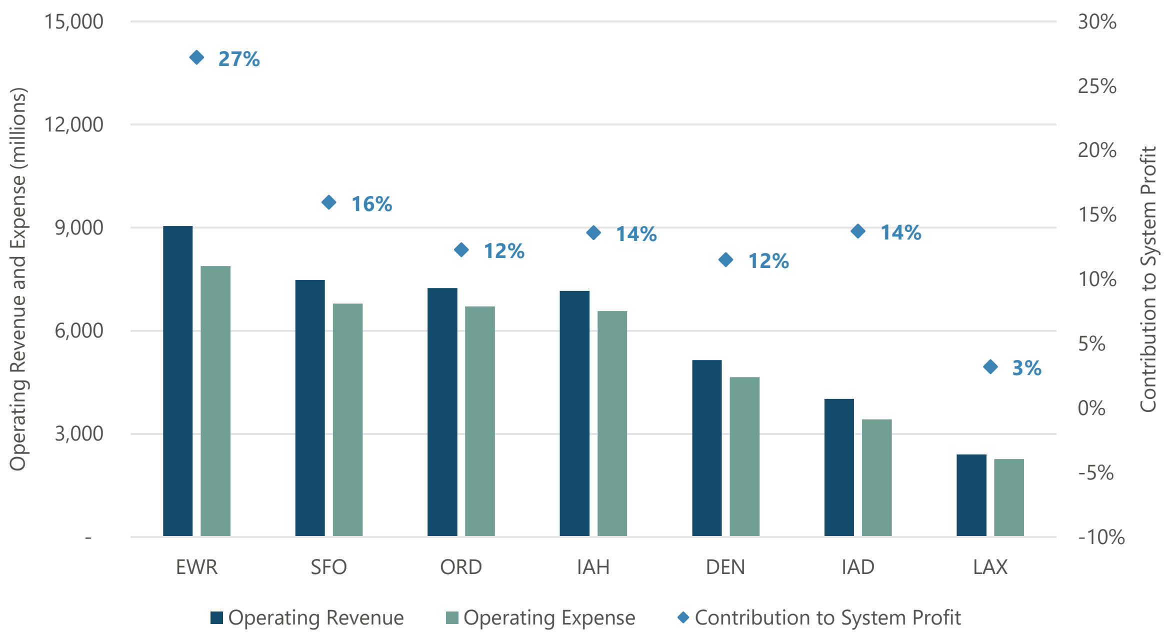
Exhibit 4-15 and **Exhibit 4-16** present the estimated operating revenues and expenses, and operating profit margins, of each of American's and United's hubs in 2019, the most recent year prior to the impact of COVID-19. The Airport was estimated to be American's fourth largest hub in terms of operating revenue and generated a 7.9 percent operating profit margin. The Airport was estimated to be United's third largest hub in terms of operating revenue and generated a 7.3 percent operating profit margin. Airline financial performance deteriorated substantially during 2020 and 2021 due to the impacts of the COVID-19 pandemic, with both American and United reporting financial losses systemwide. Ricondo estimates that both airlines were unprofitable at all hubs during this period. American and United stated on their first quarter 2022 earnings calls that they expect to return to profitability in the second quarter of 2022. Both airlines have maintained all pre-COVID-19 pandemic hubs and the general strategic roles of each hub in their respective route networks have not meaningfully changed.

EXHIBIT 4-15 ESTIMATE OF AMERICAN AIRLINES PROFITABILITY BY HUB (FULL YEAR 2019)



NOTE:
The percentage contribution to system profit does not add to 100 percent due to exclusion of non-hub markets.
SOURCES: U.S. Department of Transportation, O&D Survey, August 2022 U.S. Department of Transportation, T-100, August 2022; U.S. Department of Transportation, Form 41, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions described in the Report).

EXHIBIT 4-16 ESTIMATE OF UNITED AIRLINES PROFITABILITY BY HUB (FULL YEAR 2019)

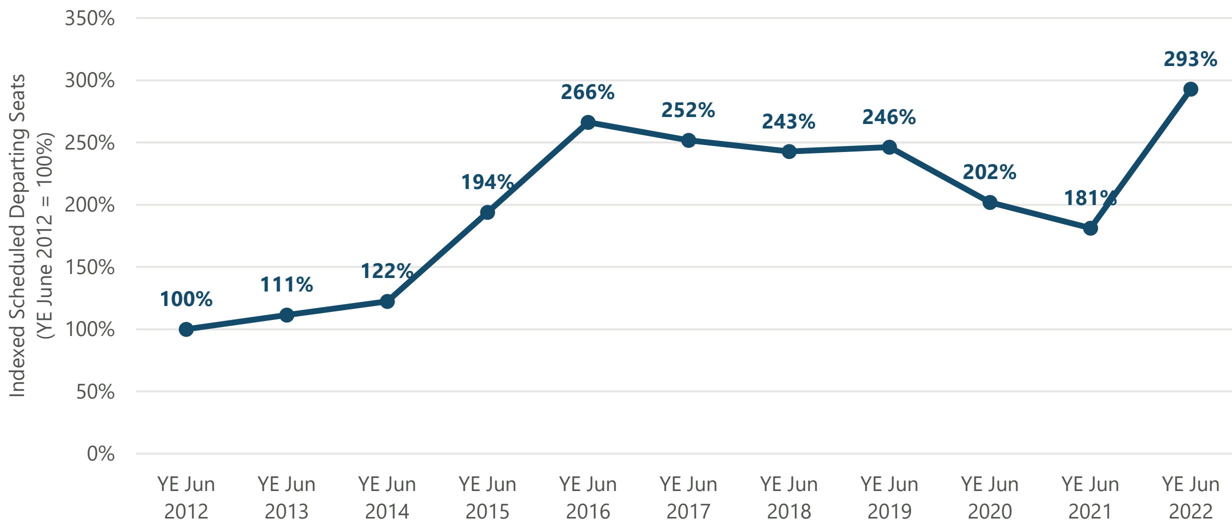


NOTE:
The percentage contribution to system profit does not add to 100 percent due to exclusion of non-hub markets.
SOURCES: U.S. Department of Transportation, O&D Survey, August 2022; U.S. Department of Transportation, T-100, August 2022 U.S. Department of Transportation, Form 41, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions described in the Report).

4.4.9 LOW-COST CARRIERS

The Airport is an increasingly important airport within the route networks of most US low-cost carriers (LCCs). LCCs are airlines that primarily operate point to point service and maintain a lower cost structure relative to the primary legacy airlines. Lower costs are achieved through a combination of factors that may include simplified fleet strategy and a single class of service. Five LCCs serve the Airport: Frontier, JetBlue, Southwest, Spirit, and Sun Country, with Southwest having launched service from ORD in February 2021. **Exhibit 4-17** presents the indexed scheduled departing seats for the consolidate LCCs from the year ending June 2012 through the year ending June 2022. The consolidated scheduled departing seats for the LCC nearly tripled during this period, with year ending June 2022 LCC scheduled departing seats representing 293 percent of year ending June 2012 scheduled departing seats.

EXHIBIT 4-17 INDEXED LOW-COST CARRIER SCHEDULED DEPARTING SEATS



NOTE:
Low-cost carriers include JetBlue Airways, Frontier Airlines, Southwest Airlines, Spirit Airlines, and Sun Country Airlines
SOURCE: Innovata (published airline schedules), July 2022.

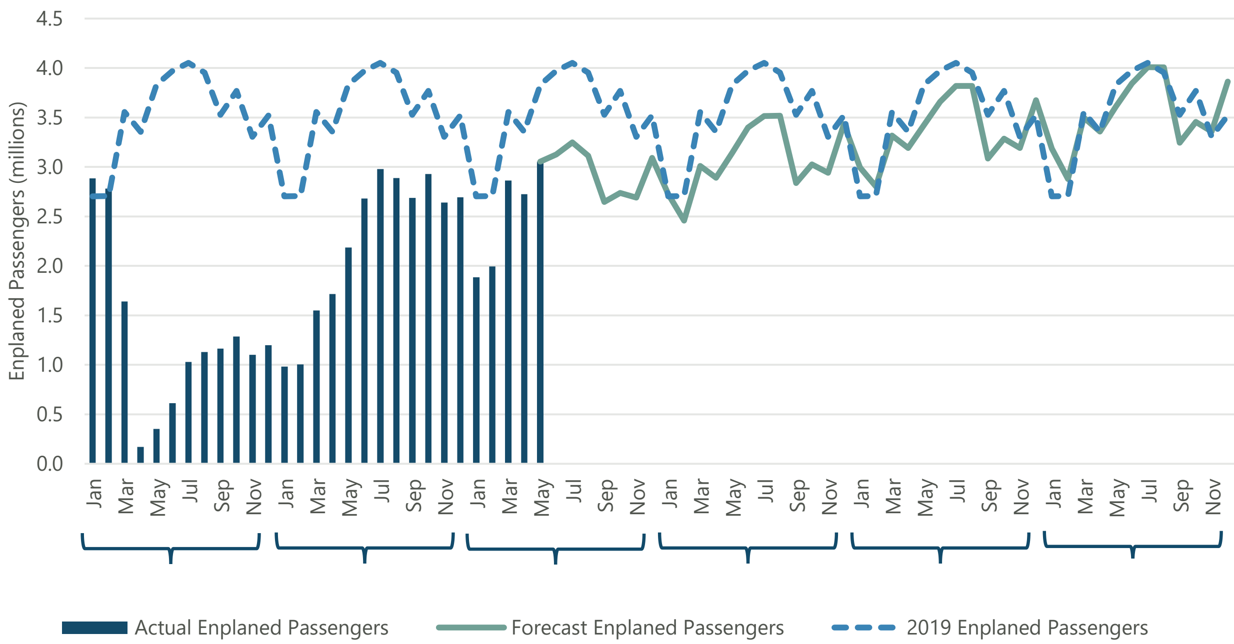
4.5 ACTIVITY FORECAST

Forecasts of Airport activity were developed for FY 2022 through FY 2032. The assumptions, techniques, and results of the forecast process are described in the following subsections.

4.5.1 COVID-19 PANDEMIC RECOVERY PERIOD FORECAST METHODOLOGY

The COVID-19 pandemic has severely disrupted patterns of demand and aviation activity globally, nationally, and at the Airport. Socioeconomic variables that have been traditionally used to model demand for air travel, such as economic output, employment, and personal income, are not as useful for predicting future aviation activity due to travel restrictions, fear of illness, labor shortages, and other factors that have emerged since the onset of the COVID-19 pandemic. While traditional drivers of demand are expected to influence travel patterns in the long-term, an approach was used to forecast activity in the short-term using the demonstrated recovery of demand since the onset of the COVID-19 pandemic, as well as assumptions regarding airline seat capacity and load factors for 2022 through 2025. The activity forecast for this period was modeled on estimates of departing seat capacity and passenger activity by airline and region, recognizing demand will recover differently by region due to the variable effect of COVID-19 and its associated impacts. Gradual increases in departing seats and passengers represent the recovery in demand, considering different rates of recovery by region and market segment, as well as seasonal demand patterns. **Exhibit 4-18** presents the actual and forecast monthly enplaned passengers from January 2020 through November 2025 compared to the 2019 monthly enplaned passengers to demonstrate the trajectory of the forecast recovery to 2019 levels of activity.

EXHIBIT 4-18 MONTHLY ENPLANED PASSENGER RECOVERY FORECAST

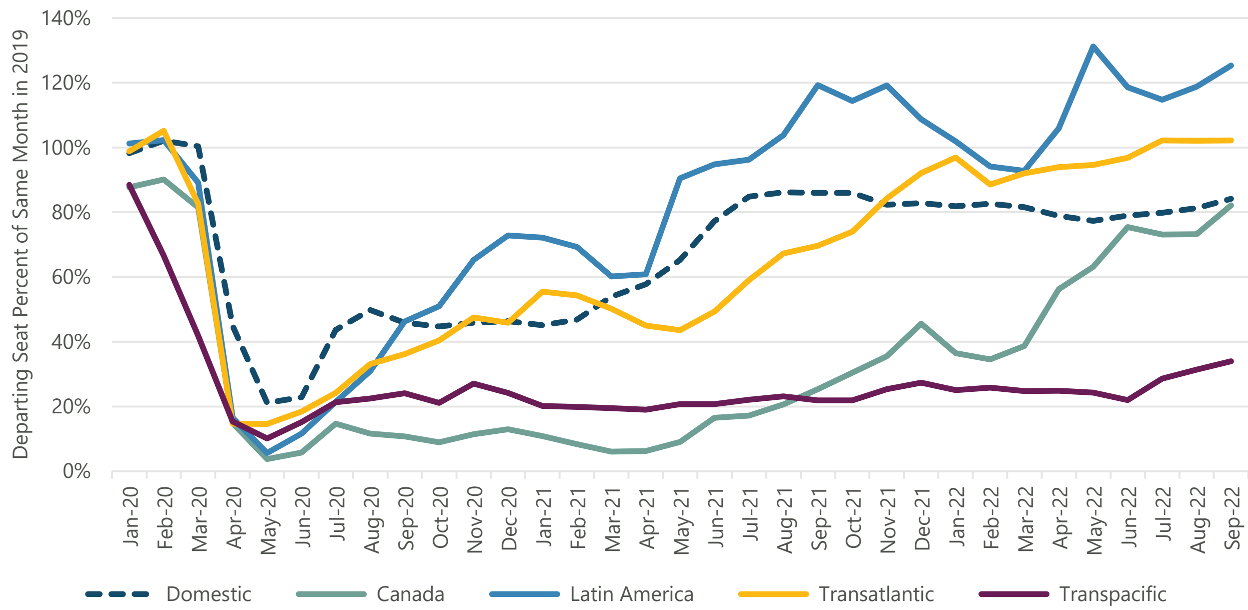


SOURCES: City of Chicago, Department of Aviation, August 2022 (actual passengers); Ricondo & Associates, Inc., August 2022 (forecast passengers).

The following factors were also considered in the development of the recovery period forecast:

- While the widespread deployment of effective vaccines to inhibit COVID-19 infection and treatments for illness have mitigated the severity of the COVID-19 pandemic, new variants of the COVID-19 virus may emerge, and the full duration of the global pandemic and resulting impact on air travel remain unknown. It is assumed that the emergence of any new variants of the COVID-19 virus would not result in a severe reduction in air service as experienced at the onset of the pandemic.
- Transborder travel restrictions have impacted demand for international travel resulting in an uneven recovery across different regions. **Exhibit 4-19** presents the monthly scheduled departing seats by region from the Airport as a percentage of the same month in 2019. Latin America has led all regions in terms of capacity recovery since September 2020, with capacity exceeding 2019 levels in the second half of 2021 and through most of 2022. Transatlantic capacity recovery accelerated in the second half of 2021 and marginally exceeds 2019 levels beginning in July 2022. Scheduled departing seats to destinations in Canada have in 2022 with the lifting of some transborder travel restrictions. The recovery in transpacific destinations significantly lags other regions, with scheduled departing seats representing less than a third of 2019 levels through most of 2022. The timeline for lifting all international travel restrictions is unknown, and the United States and other countries may impose new restrictions (or reinstate restrictions that have been lifted) if new surges of COVID-19 infection emerge. It is assumed a progressive reduction in travel restrictions will occur, or the efficiency and availability of approaches to meet requirements will advance.

EXHIBIT 4-19 ORD INDEXED SCHEDULED DEPARTING SEATS



SOURCE: Innovata (published airline schedules), July 2022.

- Airlines have retired certain aircraft types from their operating fleets since the onset of the pandemic, which in some cases represented an accelerated timeline for retiring older aircraft. Changes in fleet mix and average aircraft size could change the number of operations required to accommodate passenger demand.
- Supply-side factors, including slower than anticipated delivery of new aircraft, as well as labor shortages, may limit airlines' ability to quickly restore capacity as demand returns.
- A prolonged contraction of demand for air travel increases the likelihood of structural changes to the airline industry. These structural changes may include airline bankruptcies and failures, consolidations, and hub closures or other network changes. These types of changes are not assumed in the forecast.

4.5.2 LONG-TERM FORECAST METHODOLOGY

As the influence of the COVID-19 pandemic on passenger demand diminishes, it is expected that the traditional relationships between demand and socioeconomics will drive long-term passenger growth. Longer-term O&D passenger activity was forecast using socioeconomic regression analysis techniques that identified predictive statistical relationships between historical O&D passenger volumes and independent socioeconomic variables (such as GRP, employment, and personal income) over a 20-year period ending in 2019. Activity that occurred in 2020 and 2021 was not incorporated into the socioeconomic regression analysis, as activity during this period was heavily influenced by factors that were specific to the COVID-19 pandemic that are not expected to influence demand for air travel in the long-term.

Domestic and international O&D passengers were independently forecast for the total airport system, inclusive of both O'Hare and Midway, using US and Air Trade Area economic factors. The allocation of domestic and international O&D passengers between the two airports was based on each airport's share of O&D passengers in 2019, a period that reflected unconstrained conditions.

Table 4-19 summarizes the output of the socioeconomic regression analysis.

TABLE 4-19 SOCIOECONOMIC REGRESSION ANALYSIS OUTPUTS

SOCIOECONOMIC VARIABLE	IMPLIED FY 2019 – FY 2032 O&D PASSENGER CAGR
ATA Gross Regional Product	2.3%
ATA Total Employment	2.2%
ATA Personal Income	2.3%
United States Gross Regional Product	2.0%
United States Total Employment	1.9%
United States Personal Income	2.0%
Average	**2.1%**

NOTES:
ATA – Air Trade Area
CAGR – Compound Annual Growth Rate
FY – Fiscal Year
O&D – Origin and Destination
SOURCES: Woods & Poole Economics, Inc., January 2022; Moody's Analytics, Inc., January 2022; US Department of Transportation, O&D Survey, August 2022; Ricondo & Associates, Inc., August 2022 (analysis).

The combined O'Hare and Midway connecting passengers were modeled as a percentage of total airport system O&D passengers and then allocated to each airport. The year-over-year growth rates, inclusive of total O&D and connecting passengers, established using the long-term forecast methodology were applied to the forecast passenger activity in 2025, as established in the short-term recovery forecast, to derive the forecast of enplaned passengers through 2032.

4.5.3 OTHER ASSUMPTIONS INCORPORATED INTO ACTIVITY FORECASTS

The following assumptions were also incorporated into the passenger forecast:

- For these analyses, and as with the FAA's assumptions for its nationwide forecasts, it is assumed that no terrorist incidents that materially impact US air traffic demand during the Projection Period will occur.
- Economic disturbances will occur in the Projection Period causing year-to-year traffic variations; however, a long-term increase in nationwide traffic is expected to occur.
- It is assumed no major "Acts of God" that may disrupt the national and/or global airspace system will occur during the Projection Period that negatively impact aviation demand.
- It is assumed that factors affecting the aviation demand, such as those identified in Section 4.4, do not have a significant impact over the Projection Period.

4.5.4 FORECAST OF PASSENGER DEMAND

Table 4-20 presents the forecast of domestic and international enplaned passengers. Total enplaned passengers are forecast to increase from 26.9 million in 2021 to 47.8 million in 2032, which represents a CAGR of 5.4 percent. The 2019 to 2032 CAGR is 1.0 percent. Domestic enplaned passengers are forecast to increase from 24.2 million in

2021 to 39.8 million in 2032, which represents a CAGR of 4.6 percent. International enplaned passengers are forecast to increase from 2.8 million in 2021 to 8.0 million in 2032, which represents a CAGR of 10.1 percent. The faster rate of growth for international passengers from 2021 to 2032 is reflective of the slower pace of recovery in international passenger demand through the end of 2021. The 2019 to 2032 CAGR for both domestic and international passengers is 1.0 percent.

TABLE 4-20 DOMESTIC AND INTERNATIONAL ENPLANED PASSENGER FORECAST

YEAR	ENPLANED PASSENGERS			TOTAL PERCENT OF 2019
	DOMESTIC	INTERNATIONAL	TOTAL	
2019 Actual	35,156,031	7,079,656	42,235,687	
2020 Actual	13,543,324	1,801,630	15,344,954	36.3%
2021 Actual	24,159,421	2,775,928	26,935,349	63.8%
2022	28,128,689	5,044,705	33,173,394	78.5%
2023	30,967,532	5,927,832	36,895,364	87.3%
2024	33,718,253	6,550,496	40,268,748	95.3%
2025	35,536,860	6,772,121	42,308,981	100.1%
2026	36,149,479	6,946,840	43,096,319	102.0%
2027	36,762,133	7,122,436	43,884,569	103.9%
2028	37,374,491	7,298,861	44,673,351	105.7%
2029	37,987,733	7,476,287	45,464,020	107.6%
2030	38,600,898	7,654,554	46,255,453	109.5%
2031	39,213,817	7,833,572	47,047,390	111.4%
2032	39,825,934	8,013,260	47,839,195	113.2%
CAGR				
2019 – 2032	1.0%	1.0%	1.0%	
2021 – 2032	4.6%	10.1%	5.4%	

NOTES:
CAGR – Compound Annual Growth Rate
Enplaned passengers exclude general aviation, helicopter, and miscellaneous passengers.
Total numbers of enplaned passengers are rounded to the next whole number.
SOURCES: City of Chicago, Department of Aviation, August 2022 (actual passengers); Ricondo & Associates, Inc., August 2022 (forecast passengers).

4.5.5 AIRCRAFT OPERATIONS AND LANDED WEIGHT FORECAST

Table 4-21 presents the forecast of passenger aircraft operations, average seats per departure, and load factor, as well as general aviation operations and all-cargo operations. The forecast of passenger airline operations was based on the forecast of enplaned passengers and estimates of future average seats per departure and load factor. The average seats per departure assumptions were informed by the published airline schedules through August 2022, as well as the current and expected future fleet mix of airlines serving the Airport. Average seats per departure are expected to increase from 111 in 2021 to 122 in 2032 as airlines retire smaller regional aircraft of 50 seats or fewer and replace them with larger regional aircraft with 70 seats or more. Airlines are also expected to take delivery of larger narrowbody mainline aircraft, including the 737 MAX 10 and A321, which are larger than many of the current narrowbody aircraft that airlines serving the Airport currently operate. Average load factor is expected to increase from 75.6 percent in 2021 to 83.0 percent in 2032. The increase in load factor is driven in the short-term by the recovery to pre-pandemic levels of demand for air travel. In the longer-term the growth is driven by expected improvements in the processes and tools that airlines use to manage seat inventory more efficiently. Growth in average seats per departure and higher load factors will enable airlines to accommodate more passengers per passenger aircraft operation.

TABLE 4-21 OPERATIONS FORECAST

YEAR	PASSENGER AIRLINE OPERATIONS	AVERAGE SEATS PER DEPARTURE	AVERAGE LOAD FACTOR	GENERAL AVIATION OPERATIONS	ALL-CARGO OPERATIONS	TOTAL OPERATIONS
2019 Actual	879,323	113	82.9%	15,970	24,411	919,704
2020 Actual	475,772	106	59.5%	32,037	30,402	538,211
2021 Actual	629,007	111	75.6%	23,442	31,752	684,201
2022	687,796	121	79.7%	24,553	32,333	744,682
2023	768,314	123	78.8%	25,414	32,891	826,618
2024	824,952	124	78.8%	25,759	33,414	884,125
2025	895,227	119	79.6%	25,919	34,671	955,817
2026	903,579	119	80.0%	25,997	35,891	965,467
2027	910,573	120	80.5%	26,075	37,066	973,714
2028	917,387	120	81.0%	26,154	38,248	981,790
2029	924,053	121	81.5%	26,234	39,458	989,745
2030	930,553	121	82.0%	26,314	40,688	997,555
2031	936,885	122	82.5%	26,394	41,899	1,005,178
2032	943,040	122	83.0%	26,475	43,162	1,012,678
CAGR						
2019 – 2032	0.5%	0.6%	0.0%	4.0%	4.5%	0.7%
2021 – 2032	3.8%	0.9%	0.9%	1.1%	2.8%	3.6%

NOTE:
CAGR – Compound Annual Growth Rate
SOURCES: City of Chicago, Department of Aviation, August 2022 (actual operations); US Department of Transportation, T-100, August 2022 (historical seats per departure and load factor); Ricondo & Associates, Inc., August 2022 (forecast operations, seats per departure, and load factor).

The general aviation operations forecast was based on the year-over-year change in total US general aviation operations per the 2021 FAA Aerospace Forecast. General aviation operations are forecast to increase from 23,442 in 2021 to 26,475 in 2032, which represents a CAGR of 1.1 percent. The all-cargo operations forecast was based on the year-over-year change in total US cargo revenue ton miles (RTMs) per the 2021 FAA Aerospace Forecast and assumed that RTMs per operation do not change during the Projection Period. All-cargo operations are forecast to increase from 31,752 in 2021 to 43,162 in 2032, which represents a CAGR of 2.8 percent. Total operations are forecast to increase from 684,201 in 2021 to 1,012,678 in 2032, which represents a CAGR of 3.6 percent.

Table 4-22 presents the forecast of passenger and all-cargo landed weight. Passenger landed weight is forecast to increase by a CAGR of 4.7 percent between 2021 and 2032. All-cargo landed weight is forecast to increase by a CAGR of 2.8 percent between 2021 and 2032.

TABLE 4-22 LANDED WEIGHT FORECAST

YEAR	PASSENGER AIRLINES	ALL-CARGO	TOTAL	ANNUAL GROWTH
2019 Actual	51,775,213	5,695,889	57,471,102	N/A
2020 Actual	28,698,546	6,717,732	35,416,278	-38.4%
2021 Actual	39,712,122	7,146,579	46,858,701	32.3%
2022	47,377,872	7,277,434	54,655,306	16.6%
2023	53,757,241	7,402,836	61,160,077	11.9%
2024	58,381,514	7,520,551	65,902,065	7.8%
2025	60,437,323	7,803,490	68,240,813	3.5%
2026	61,258,047	8,078,114	69,336,161	1.6%
2027	61,991,039	8,342,596	70,333,635	1.4%
2028	62,715,728	8,608,710	71,324,439	1.4%
2029	63,434,158	8,880,998	72,315,156	1.4%
2030	64,144,886	9,157,898	73,302,784	1.4%
2031	64,847,694	9,430,326	74,278,020	1.3%
2032	65,541,854	9,714,720	75,256,574	1.3%
CAGR				
2019 – 2032	1.8%	4.2%	2.1%	
2021 – 2032	4.7%	2.8%	4.4%	

NOTES:
CAGR – Compound Annual Growth Rate
N/A – Not Applicable
SOURCES: City of Chicago, Department of Aviation, August 2022 (actual landed weight); Ricondo & Associates, Inc., August 2022 (forecast landed weight).

5. FINANCIAL ANALYSIS

Chapter 5 presents the financial framework of the Airport, and it describes the cost and other financial implications following the issuance of the 2022 Bonds and the future bonds necessary to complete the funding of the Airport Capital Program (described in Chapter 2) anticipated during the Projection Period and to reimburse costs previously incurred by the City through the reimbursement of the Credit Agreement Notes and reimbursements for certain projects initially funded with Airport General Fund monies. This chapter presents the following: Financial Framework; O&M Expenses; Non-Signatory Airline and Non-Airline Revenues; Other Available Revenues, including PFC Revenue and Grant Receipts, and other federal funds; Net Debt Service; the Net Signatory Airline Requirement; and the calculation of the Signatory Airlines Airport Rates and Charges. The reasonableness of Airport Revenues derived from Signatory Airlines Airport Rates and Charges, including cost per enplaned passenger and GARB Debt Service coverage, are also discussed.

5.1 FINANCIAL FRAMEWORK

The Airport is owned by the City and operated by the CDA; it is accounted for as a self-supporting enterprise fund of the City on a FY basis. The City's FY ends December 31. The City maintains the books, records, and accounts of the Airport in accordance with generally accepted accounting principles, and as required by the provisions of the AULA and the Senior Lien Indenture. Neither City nor State of Illinois tax revenues are pledged to the payment of Debt Service or to fund the cost of operations at the Airport.

5.1.1 AIRLINE USE AND LEASE AGREEMENT

The AULA went into effect May 12, 2018, following the expiration of the previous 35-year use agreement. The AULA is a 15-year agreement that formalizes the rights and responsibilities of the airline tenants of the Airport that are signatory to the agreement (the Signatory Airlines) and the CDA. It sets forth the City's main financial and operational arrangement with the Signatory Airlines and provides, among other elements, contractual support of the Signatory Airlines for GARBs and certain other obligations issued to fund the Airport Capital Program. The AULA reflects a multiyear negotiation between the CDA and the airlines operating at the Airport and includes funding approval for various capital projects at the Airport. The AULA has an expiration date of December 31, 2033 for Long-Term Signatory Airlines.

The AULA is designed to expand and elevate the Airport into a global gateway. The AULA will launch the largest capital expansion of the Airport's history, with construction and implementation scheduled to occur through 2028 for the TAP. As part of the expansion, the City is making a series of investments in terminals and the core Airport design to increase capacity, connectivity, and growth to match passenger demand.

The Signatory Airlines comprise the Long-Term Signatory Airlines, which have executed the AULA with a 15-year term that expires on December 31, 2033, and the Short-Term Signatory Airlines, which have executed the AULA with a 5-year term that expires December 31, 2023. Long-Term Signatory Airlines have the right to participate in the Majority-in-Interest approval process and be eligible to receive assignments of Preferential Use Gate Space, Preferential Use Check-in Space, Preferential Use Baggage Claim Space, or Preferential Use Baggage Makeup Space; Short-Term Signatory Airlines do not retain such rights. Non-Signatory airlines must sign operating agreements to operate at the Airport and have a separate month-to-month lease of space.

The AULA does not provide airlines with exclusive-use gates. Rather, Long-Term Signatories are given the first right to schedule use of preferential gates. Long-Term Signatories can earn additional preferential gates by increasing flight activity. Reallocation of the preferential gates could occur on a yearly basis beginning in 2021. This annual process has not been triggered by the City or any Long-Term Signatory Airline per Article 5.4.1 of the AULA. During extended windows without scheduled use, the City can allocate such preferential gates for use by another airline. Common-use gates are available for any airline.

The AULA permitted the City to increase debt service coverage on its Senior Lien Obligations issued under the Senior Lien Indenture in .05 increments annually from 1.10x in 2018 to 1.25x by 2021. To enhance the CDA's cash position, the AULA also added a Supplemental O&M Expense Reserve. As presented in **Table 5-1**, this reserve will be funded over time, beginning in 2019 at 3.6 percent and increasing annually thereafter, until reaching 25.0 percent of the following year's projected O&M Expenses by 2025.

TABLE 5-1 OPERATION AND MAINTENANCE EXPENSE RESERVES

FISCAL YEAR	O&M RESERVE FUND PERCENTAGE	SUPPLEMENTAL O&M RESERVE FUND PERCENTAGE	TOTAL O&M RESERVE FUNDS PERCENTAGE
2018	25.0%	0.0%	25.0%
2019	25.0%	3.6%	28.6%
2020	25.0%	7.2%	32.2%
2021	25.0%	10.8%	35.8%
2022	25.0%	14.4%	39.4%
2023	25.0%	18.0%	43.0%
2024	25.0%	21.6%	46.6%
2025+ [1]	25.0%	25.0%	50.0%

NOTES:
O&M – Operation and Maintenance
1 Percentages remain the same from 2025 and beyond.
SOURCE: City of Chicago, Department of Aviation, August 2022

As of July 26 2022, the City has executed the AULA with the 46 Signatory Airlines at the Airport as shown in **Table 5-2**.

In the aggregate, the current Signatory Airlines, including their regional affiliates, accounted for approximately 99.2 percent of the total landed weight at the Airport in 2021. Non-Signatory Airlines, the airlines that are not signatory to the AULA or a regional affiliate to one of the Signatory Airlines, accounted for the remaining 0.8 percent of landed weight at the Airport in 2021.

Comparatively, the current Signatory Airlines, including their regional affiliates, accounted for approximately 99.4 percent of the total enplaned passengers at the Airport in 2021

The financial projections presented herein reflect the rate-setting methodology set forth in the AULA for the entirety of the Projection Period, as well as assume the current Signatory Airlines as of July 26, 2022 will remain signatory to the AULA and no new airlines will become signatory to the AULA.

TABLE 5-2 LONG-TERM AND SHORT-TERM SIGNATORY CARRIER LIST

LONG-TERM SIGNATORIES (18)	SHORT-TERM SIGNATORIES (27)
Air Canada	ABX Cargo
Alaska Airlines	Aer Lingus
American Airlines	Aeroméxico
Austrian Airlines	Air Choice One
Copa Airlines	Air France
Delta Air Lines	Air India
FedEx	Air New Zealand
JetBlue Airways	Air Transport International
KLM Royal Dutch Airlines	All Nippon Airways
LOT Polish Airlines	Asiana
Lufthansa	British Airways
Royal Jordanian	Cathay Pacific
Southwest Airlines	China Eastern
Spirit Airlines	Emirates
Swiss International Air Lines	Ethiopian Airlines
Turkish Airlines	Etihad Airways
United Airlines	Frontier Airlines
UPS	EVA
	Hainan
	Icelandair
	Japan Airlines
	Korean Air
	Nippon Cargo
	Qatar Airways
	Scandinavian Airlines
	TAP Air Portugal
	Volaris

SOURCE: City of Chicago, Department of Aviation, August 2022.

5.1.2 AIRLINE FEES AND CHARGES

Under the AULA, terminal rental rates and airline landing fees are established using a residual airport rate-setting methodology[85] whereby airline rates and charges are calculated to recover any net remaining costs for each Airline-Supported Cost Center (Cost Center). To allocate the net cost of operating, maintaining, improving, and expanding the Airport among the Signatory Airlines, various physical and functional areas of the Airport are separated into Cost Centers for the purposes of accounting for O&M Expenses, revenues, required fund deposits, and debt service on Airport Obligations. An allocable share of the net deficit generated in the Terminal Area, Airfield Area, and Fueling System Cost Centers is paid by the Airline Parties as part of their Airport Fees and Charges for the use of the Airport. The AULA provides that the aggregate of Airport Fees and Charges paid by the Airline Parties must be sufficient to pay the net cost of operating, maintaining, and developing the Airport (excluding the CRCF Area), including the satisfaction of debt service coverage, deposit, and payment requirements of the Senior Lien Indenture. Airlines or other users of the Airport that are not signatories to the AULA are assessed Airport fees and charges enacted by City ordinances.

[85] A modified rate-setting methodology is in effect for portions of the Airfield Area to avoid "private business use" under Federal tax regulations.

Six Cost Centers in the Airport's financial structure are included in the residual rate-setting calculation and in the adjustment of Airport Fees and Charges:

- **Airfield Area**: The Airfield Area includes the aircraft parking areas, runways, taxiways, approach and runway protection zones, infield areas, navigational aids, and other facilities related to aircraft taxiing, landing, and takeoff.
- **Terminal Area**: The Terminal Area includes the terminal buildings and the heating and refrigeration plant.
- **Fueling System**: The Fueling System includes the tank farm and all facilities that are part of the Airport's hydrant fueling system.
- **Parking and Ground Transportation Area**: The Parking and Ground Transportation Area includes the public parking facilities, including off-Airport parking; employee parking provided by the City; taxi, TNP, and other ground transportation services; and rental car services and facilities, excluding the CRCF.
- **Aeronautical Real Estate (ARE) Area**: The Aeronautical Real estate Area includes aviation support, cargo, hangar and maintenance facilities, including all roads, and facilities serving such areas and associated air rights.
- **Commercial Real Estate (CRE) Area**: The Commercial Real Estate Area includes hotel, office, non-terminal retail, public vehicle fueling and charging stations (not otherwise located in facilities included in the Parking and Ground Transportation Cost Center), and other real estate development, including all roads, utilities, and facilities serving such areas and associated air rights.

The CRCF Area includes those portions of the Multimodal Facility dedicated to rental car operations, the customer service area, and the quick-turnaround facility. As described in Chapter 2, O&M Expenses of the CRCF Area are paid for using Customer Facility Charge (CFC) Revenues and Facility Rent, which are not included in the calculation of Signatory Airline Airport Fees and Charges or pledged to pay debt service on bonds not backed by CFC Revenues, including the 2022 Bonds. Therefore, CFC Revenues and Facility Rent generated at the Airport, and expenses generated within the designated CRCF Area, are excluded from the financial projections in this Report.

5.2 OPERATION AND MAINTENANCE EXPENSES

O&M Expenses include expenses associated with operating and maintaining the Airport, including the airfield, terminal, and landside facilities.

5.2.1 HISTORICAL OPERATION AND MAINTENANCE EXPENSES

O&M Expenses for 2017 through 2021, as presented each year in the City's Annual Comprehensive Financial Report (ACFR) for the years ending December 31, which excludes expenses in the Land Support Cost Center[86] and excludes any expenses associated with certain discretionary funds[87] (i.e., PFC Capital Fund), are presented in **Table 5-3**.

[86] The Land Support Area was a cost center under the previous airline use and lease agreement that included certain vacant land and air rights and facilities, such as air cargo, hangar, flight kitchen, and freight forwarding facilities, which are now part of the aeronautical real estate area. Land Support Area revenues and expenses were not included in the calculation of Airline Parties' Airport Fees and Charges or pledged to pay debt service on bonds.

[87] City of Chicago, Annual Comprehensive Financial Reports, https://www.cityofchicago.org/city/en/depts/fin/supp_info/comprehensive_annualfinancialstatements.html (accessed July, 2022).

TABLE 5-3 HISTORICAL OPERATION AND MAINTENANCE EXPENSES (2017–2021)

	2017	2018	2019	2020	2021	COMPOUND ANNUAL GROWTH RATE
Total O&M Expenses (thousands)	$545,202	$611,046	$739,831	$717,306	$787,583	9.6%
O&M Expenses Annual Growth Rate		12.1%	21.1%	-3.0%	9.8%	
Enplaned Passengers (thousands)	39,803	41,550	42,236	15,345	26,935	-9.3%
Enplaned Passengers Growth Rate		4.4%	1.6%	-63.7%	75.5%	
Total O&M Expenses per Enplaned Passenger	$13.70	$14.71	$17.52	$46.75	$29.24	20.9%

NOTES:
Dollars in thousands for FYs ending December 31.
O&M – Operation and Maintenance
SOURCES: City of Chicago Comptroller's Office, August, 2022; City of Chicago, Department of Aviation, August, 2022.

As shown, O&M Expenses increased from $545.2 million in 2017 to $787.6 million in 2021, reflecting a CAGR of 9.6 percent. This increase in O&M Expenses can partially be attributed to increases in professional and engineering costs and allocable City pension expenses, as well other operating expenses. Between 2017 and 2021, professional and engineering costs increased at a CAGR of 8.0 percent, and other operating expenses increased at a CAGR of 0.8 percent. The Airport's contribution of its allocable share of City pension expenses, described in the following section, has contributed to increasing salaries and wages expenses. The expenses shown in Table 5-2 reflect only expenses due and payable in each year (i.e., the cash contribution, reflected in the Airport's rates and charges), and they do not reflect certain expenses that are not payable in that year, but recorded pursuant to Governmental Accounting Standards Board (GASB) 68, as reflected in the City's Airport ACFR.

The Airport's O&M Expenses per enplaned passenger from 2017 to 2021 increased at a CAGR of 20.9 percent, from $13.70 in 2017 to $29.24 in 2021, which is attributable to the decrease in passenger activity resulting from the COVID-19 pandemic as well as an increase in pension costs allocable to the Airport from $38.7 million in 2017 to $77.1 million in 2021.

5.2.2 CITY PENSION OBLIGATIONS

Pension fund obligations of the Airport are limited to the share of City employee salaries allocated to the Airport; these City employees include both those working directly at the Airport and those working in other City departments that support Airport operations, such as Purchasing, Finance, and Corporation Counsel. Federal regulations prevent Airport Revenues from being used to fund pension costs for any employees not working directly at or allocated to the Airport.

The following four pension funds affect Airport expenses:

- Policemen's Annuity and Benefit Fund of Chicago (PABF)
- Firemen's Annuity and Benefit Fund of Chicago (FABF)
- Municipal Employees' Annuity and Benefit Fund of Chicago (MEABF)
- Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (LABF)

The City's pension expenses have increased over time, resulting in an actual cash contribution from the Airport to City pensions of approximately $77.1 million, which is reflected in the Airport rates and charges in 2021. The 2022

Airport rates and charges budget includes a pension expense of approximately $107.5 million, which is the budgeted amount of the 2022 cash contribution. The pension expense included in the Airport's rates and charges differs from that reported in its financial statements, as only the amount payable for the FY is included in Airport rates and charges. Pension expenses reported in the financial statements may differ as these are based on expense recognition standards promulgated by the GASB.

Due to financial reporting requirements pursuant to GASB Statement 68, the Airport's 2021 ACFR reflects the total pension liability of approximately $1.570 billion. GASB Statement 68 requires the Airport's pension liability to be reported as the portion of the present value of the total pension liability, defined as the projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.[88]

Pursuant to Illinois Public Act 96-1495, as modified by Illinois Public Act 99-506 (combined, the FABF/PABF Funding Legislation), beginning in FY 2021, the City must contribute to FABF and PABF annually the amount necessary to achieve a Funded Ratio of 90 percent by the end of FY 2055. In payment years 2018 through 2020, the City contributed $727 million, $792 million, and $824 million in FABF/PABF Funding, respectively. In payment year 2021 the City began contributing FABF/PABF Actuarial Funding Amounts. The City contributed the FABF/PABF Actuarial Funding Amount of $1.11 billion in payment year 2021. In payment year 2022, the City will contribute the FABF/PABF Actuarial Funding Amount of $1.16 billion.

Pursuant to Illinois Public Act 100-23 (P.A. 100-23), beginning in FY 2018, the City must contribute to LABF and MEABF annually the amount necessary to achieve a Funded Ratio of 90 percent by the end of FY 2058. In payment years 2018 through 2022, the City contributed $302 million, $392 million, $481 million, $571 million, and $660 million in LABF/MEABF Funding, respectively. The City will contribute the LABF/MEABF Actuarial Funding Amount of $1.08 billion in payment year 2023.

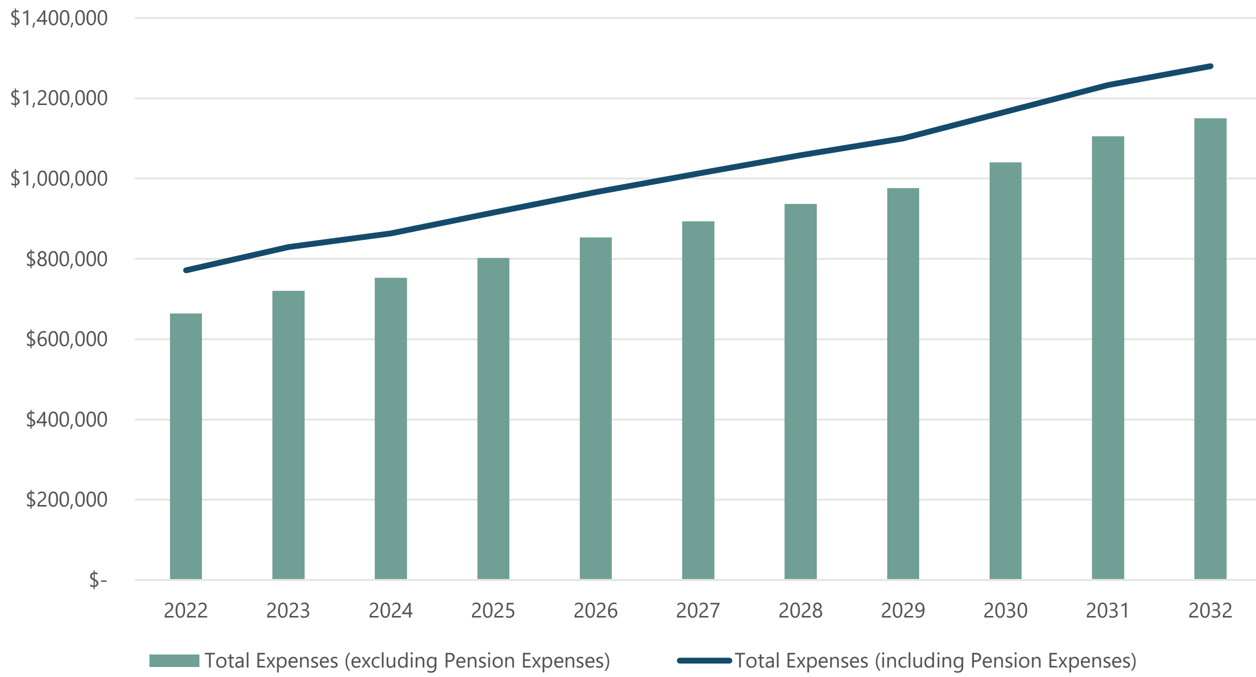
The City's FY 2022 budget includes the following recommended contributions to the Retirement Funds (as indicated by total annual contribution and O'Hare proportional share): (i) $960.0 million for MEABF, of which $65.7 million, or 6.8 percent, is O'Hare's proportional share; (ii) $116.6 million for LABF, of which $7.9 million, or 6.8 percent, is O'Hare's proportional share; and (iii) $1.20 billion for FABF and PABF, of which $33.8 million, or 2.8 percent, is O'Hare's proportional share. The 2023 payment year is the first time that the contribution to all four pension funds of the City will be calculated on an actuarially-determined basis.

Assuming the current allocation percentage of this requirement to the Airport, pension expenses are estimated to increase at a CAGR of 1.9 percent, from approximately $107.5 million budgeted in 2022 to approximately $130.0 million in 2032, should the City be required to make such beneficiary payments in addition to its required contributions.

Exhibit 5-1 illustrates the impact of the estimated pension contributions over baseline growth assumptions on projected total expenses through the Projection Period. The projected personnel expenses presented in this Report include the increased pension contributions shown on Exhibit 5-1.

[88] Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27, § Statement No. 68.

EXHIBIT 5-1 PROJECTED IMPACT OF ESTIMATED PENSION CONTRIBUTIONS OVER BASELINE GROWTH



NOTES: Dollars are in thousands for Fiscal Years ending December 31.
O&M – Operation and Maintenance
SOURCE: City of Chicago, Department of Aviation, August 2022.

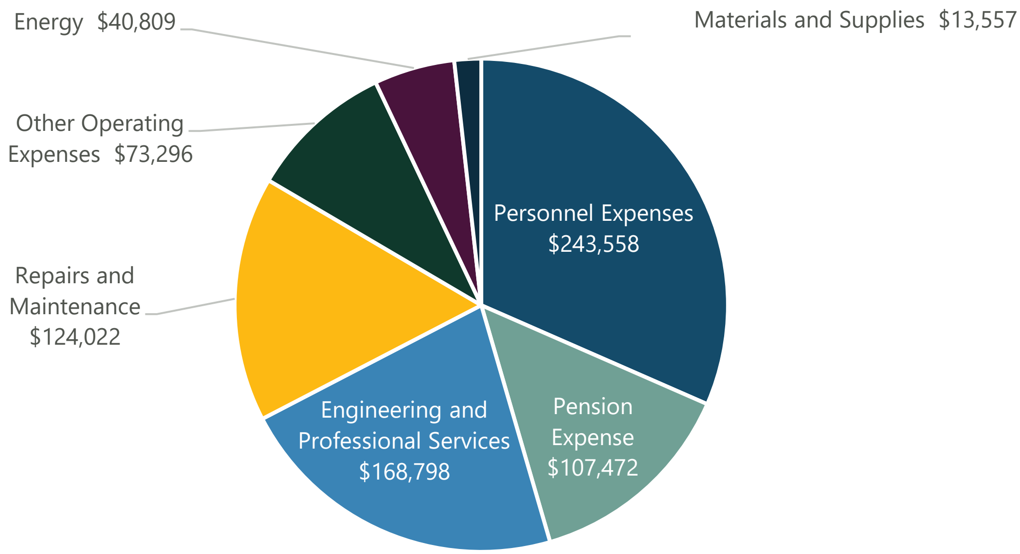
5.2.3 BUDGETED OPERATION AND MAINTENANCE EXPENSES AND GROWTH ASSUMPTIONS

5.2.3.1 ACTUAL OPERATION AND MAINTENANCE EXPENSES VERSUS BUDGET

The CDA sets a budget for airline rates and charges annually using the rate-setting methodology set forth in the AULA, which is based on the budgeted O&M Expenses, estimated Non-Airline Revenues, required fund deposits, and debt service on Airport Obligations. As shown in Table A-1 of **Appendix A**, between 2017 and 2021, actual O&M Expenses for the Airport have been greater than the budgeted amount in four of the last five years, averaging 9.8 percent above budget. The Airport's 2022 Second-Half Airline Rates and Charges Budget, effective July 2022, serves as the base from which O&M Expenses are projected.

Exhibit 5-2 presents the 2022 budgeted O&M Expenses by cost category.

EXHIBIT 5-2 2022 OPERATION AND MAINTENANCE EXPENSES BY COST CATEGORY (IN THOUSANDS)



NOTES:
Excludes the Consolidated Rental Car Facility Area expenses
Engineering and Professional Services total includes CATCo expenses.
SOURCE: City of Chicago, Department of Aviation, August 2022.

5.2.3.2 OPERATION AND MAINTENANCE EXPENSE CATEGORIES

O&M Expenses are grouped into the following categories:

Personnel

Personnel expenses include compensation for City staff working at the Airport, pension obligations, and an allocation of personnel costs from other City departments that support Airport operations, such as Purchasing, Finance, and Corporation Counsel. Personnel expenses are projected to increase at a CAGR of 4.0 percent through the Projection Period, attributable primarily to increases in staffing, salary increases, escalating insurance premiums, and other benefits increases. When the assumed personnel expenses related to additional pension obligations and future capital projects are incorporated, personnel expenses are projected to increase at a CAGR of 4.7 percent from 2022 through 2032.

Repairs and Maintenance

Repairs and maintenance expenses at the Airport include the cost of outside contractors that provide ramp repair, taxiway painting, outside janitorial services for terminals, heating and air conditioning, trash removal, escalator/elevator maintenance, and miscellaneous repairs. Repairs and maintenance expenses are projected to increase at a base annual rate of growth of 4.5 percent from 2022 through 2032, primarily reflecting inflation and additional costs associated with maintaining the existing facilities. After the assumed additional repairs and maintenance expenses associated with the completion of the new facilities as part of the Airport Capital Program are incorporated, repairs and maintenance expenses are projected to increase at a CAGR of 5.7 percent through 2032.

Energy

Energy costs include gas, water, electricity, and fuel oil that are required to operate the Airport. Energy costs are projected to increase at a base annual rate of growth of 4.0 percent. After the assumed additional energy expenses related to the completed facilities as part of the Airport Capital Program are incorporated, energy expenses are projected to increase at a CAGR of 5.2 percent through 2032.

Materials and Supplies

Materials and supplies expenses include costs associated with the purchase of deicing fluid, office supplies, cleaning supplies, keys and locks, and other general maintenance supplies for the Airport. Materials and supplies expenses are projected to increase annually at a base annual rate of growth of 2.5 percent. After the assumed additional material and supply expenses related to the new facilities completed as part of the Airport Capital Program are incorporated, expenses for materials and supplies are projected to increase at a CAGR of 3.6 percent from 2022 through 2032.

Engineering and Professional Services

Engineering and professional services expenses include fees for specialized engineering, legal, and other technical services. Expenses related to the Chicago Airlines Terminal Consortium (CATCo) are also included in this category. CATCo expenses are projected to increase annually at a CAGR of 6.0 percent through 2032, primarily because of increases in billing rates and additional services required for completion of the Airport Capital Program that are not included in project budgets. The assumed additional engineering and professional services expenses are projected to increase at a CAGR of 5.7 percent from 2022 through 2032.

Other Operating Expenses

Other operating expenses include equipment and property rentals, insurance, miscellaneous expenses (e.g., administrative expenses, telephone and bad debt expenses), machinery, and vehicles and equipment. Equipment and property rental expenses include expenses related to the rental of heavy equipment and the contracting of equipment operators; the rental of unarmed security systems; the operation of the ATS; the operation of shuttle bus services; the rental of office equipment; and the lease of a warehouse. Other operating expenses are projected to increase at a CAGR of 5.7 percent from 2022 through 2032, primarily reflecting inflation, the need to replace various equipment, and additional expenses associated with completed capital projects.

5.2.4 OPERATION AND MAINTENANCE EXPENSES RELATED TO THE AIRPORT CAPITAL PROGRAM

In addition to the baseline growth of existing O&M Expenses, additional incremental O&M Expenses related to the completion of certain Airport capital projects that are expected to be incurred are included in the O&M Expense projections. These incremental O&M Expenses are associated with the Airport Capital Program described in Chapter 2. Incremental O&M Expenses above the baseline projections are assumed to be $19.9 million in 2023 and increase throughout the Projection Period to approximately $125.8 million in 2032. From 2022 through 2032, approximately 87.5 percent of the total projected incremental O&M Expenses will be allocated to the Terminal Cost Center while the remaining expenses will be allocated to other Cost Centers based on the type of expense.

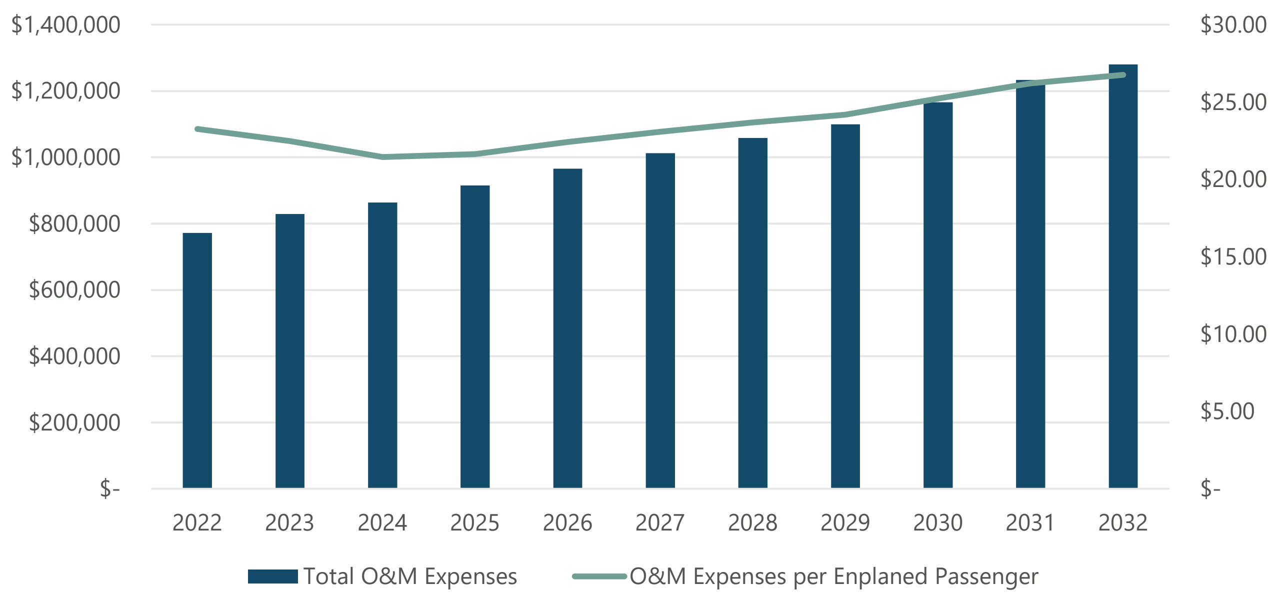
5.2.5 OPERATION AND MAINTENANCE EXPENSE PROJECTIONS

O&M Expense projections are based on the type of expense, expectations of future inflation (assumed to be 3.0 percent annually through the Projection Period), and incremental O&M Expenses related to the completion of

Airport Capital Program projects. O&M Expenses for the CRCF are assumed to be fully covered by rental car operators through CFC collections and Facility Rent.

Exhibit 5-3 presents the projected O&M Expenses.

EXHIBIT 5-3 PROJECTED OPERATION AND MAINTENANCE EXPENSES



NOTES: Dollars are in thousands for Fiscal Years ending December 31.
Amounts do not include CRCF expenses.
O&M – Operation and Maintenance
SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions in the Report).

As shown on Exhibit 5-3, total O&M Expenses, excluding CRCF Area expenses, are projected to increase from approximately $771.5 million in 2022 to approximately $1.280 billion in 2032, reflecting a CAGR of 5.2 percent.

See Table B-1 in **Appendix B** for projected O&M Expense detail.

5.3 PRE-APPROVED ALLOWANCES

The AULA provides for Pre-Approved Allowances, which allow the City to implement, fund, and finance major maintenance projects not included in budgeted O&M Expenses. Funding expenditures will be limited to the annual amount of $40.0 million, plus any unspent transfers from previous years, as provided for in and subject to the terms of the AULA. Project costs for Pre-Approved Allowances are assumed not to be financed; rather, they are to be recovered directly in the calculation of airline rates and charges. In 2022 and 2023, expenditures for Pre-Approved Allowances are anticipated to total $50.0 million and $45.3 million, respectively. For purposes this financial analysis, it is assumed that $40.0 million, will be expended in each year from 2024 through 2032, totaling $360.0 million.

The Pre-Approved Allowances also include Infrastructure Reliability projects, intended for repairs, upgrades, and existing Airport infrastructure, including mechanical, electrical, and plumbing equipment. The allowance does not have an annual budget; however, the total allowance for the term of the 15-year AULA is approximately $168.2

million. The 2022 Bonds and future bonds are anticipated to fund approximately $23.1 million and $120.0 million in Infrastructure Reliability projects, respectively.

5.4 NON-AIRLINE REVENUES

Non-Airline Revenues consist of those Revenues generated at the Airport from sources other than those derived through Airline Fees and Charges (e.g., automobile parking, rental cars, restaurants, and news and gifts).

A majority of the Airport's Non-Airline Revenues are generated from concessions, which includes automobile parking revenues. **Table 5-4** presents concession revenues at the Airport from 2017 through 2021. As shown, concession revenues were approximately $257.4 million in 2017, and they increased to approximately $322.1 million in 2019. The decrease from 2019 to 2020 reflects the COVID-19 pandemic's effect on air travel. Parking revenues, which represent the Airport's largest Non-Airline Revenue source, decreased from $106.6 million in 2017 to $73.6 million in 2021, reflecting a CAGR of -8.8 percent.

TABLE 5-4 HISTORICAL CONCESSION REVENUES (2017–2021)

	2017	2018	2019	2020	2021	2021 AS PERCENT OF 2019	COMPOUND ANNUAL GROWTH RATE
Concession Revenues							
Automobile Parking	$106,620	$103,975	$103,459	$39,624	$73,599	71.1%	-8.8%
Automobile Rentals	28,028	29,971	32,559	28,372	$27,591	84.7%	-0.4%
Restaurants [1]	54,657	57,972	61,690	28,819	$34,330	55.6%	-11.0%
News and Gifts [1]	24,354	25,465	25,012	23,309	$12,325	49.3%	-15.7%
Hilton Revenues	-	-	66,614	18,365	$32,587	48.9%	100.0%
Other	43,762	43,240	32,813	30,163	$21,415	65.3%	-16.4%
Total Concession Revenues	**$257,421**	**$260,623**	**$322,147**	**$168,652**	**$201,847**	**62.7%**	**-5.9%**
Total Concession Revenues Annual Growth Rate		1.2%	23.6%	-47.6%	19.7%		-
Enplaned Passengers	39,802,688	41,550,383	42,235,687	15,344,954	26,932,951	63.8%	-9.3%
Annual Percent Change in Enplaned Passengers		4.4%	1.6%	-63.7%	75.5%		-
Concession Revenues per Enplaned Passenger	$6.47	$6.27	$7.63	$10.99	$7.49		3.8%

NOTES: Dollars in thousands for Fiscal Years ending December 31.
1 Includes International Terminal Concession Revenues.
SOURCE: City of Chicago, Department of Aviation, August 2022.

The Airport's concession revenues per enplaned passenger have increased from 2017 to 2021 by 3.8 percent, though amounts in 2020 and 2021 reflect the impact of the COVID-19 pandemic on passenger activity and the number of available concessions at the Airport.

Non-Airline Revenues include revenues from the CATCo and revenues from landside concessions, including automobile parking, automobile rentals, and concessions generated in the Terminal Area. These revenues are discussed in the following subsections.

5.4.1 CHICAGO AIRLINES TERMINAL CONSORTIUM

The City has an agreement with CATCo for work related to City-owned aeronautical operations, equipment and systems, and facilities leased at the Airport. CATCo was formed in 1990 as a Member Airline Not-for-Profit Corporation. CATCo provides the operation of Consortium equipment located in the Airport. Through the cooperative efforts of its contractors, CATCo operates and maintains the Terminal 5 baggage sortation system, inbound baggage claim system, passenger loading bridges, aircraft preconditioned air system, 400 hertz (Hz) ground power, hydrant fueling system, common-use computer terminals (vMUSE), flight and baggage information display systems, potable water cabinets, and triturator facility. CATCo also manages vendor services for checkpoint security support, skycap and passenger assistance, and gate allocation assignment activities. CATCo pays rent on certain leased Airport facilities, as well as reimburses the City for certain energy costs.

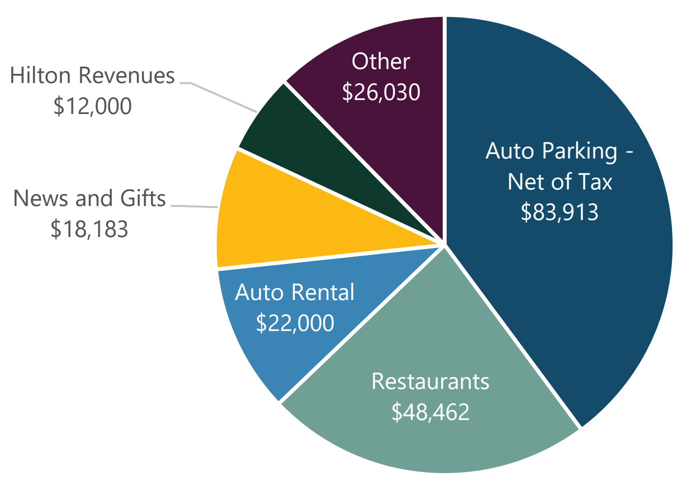
5.4.2 CONCESSIONS

Concession revenues include those derived from the concessionaires in the terminal, such as restaurants and news and gift shops, and the Airport's landside operations, such as automobile parking, automobile rentals, and bus service.

As shown in Table A-2 of Appendix A, between 2017 and 2021, actual concession revenues generated at the Airport. The Airport's 2022 Second-Half Airline Rates and Charges Budget serves as the base from which concession revenues are projected.

Exhibit 5-4 presents the breakdown of budgeted 2022 concession revenues.

EXHIBIT 5-4 2022 CONCESSION REVENUES BY CATEGORY (IN THOUSANDS)



NOTE: Other includes General Aviation Rentals, Land Rent paid by rental cars, and Concessions Terminal Rentals as well as public pay phone revenue and rental revenues from specialty shops.
SOURCE: City of Chicago, Department of Aviation, August 2022.

The revenues generated by automobile parking, automobile rentals, and the concessions in the terminal buildings (i.e., restaurants, news and gift outlets, and duty free), which together account for approximately82 percent of concession revenues in the Airport's 2022 budget, are discussed in the following subsections.

5.4.3 AUTOMOBILE PARKING REVENUES

The City has a management agreement with Standard Parking Corporation, a provider of parking facility management services. Under the agreement, Standard Parking Corporation provides personnel to operate and maintain the parking facilities at the Airport; it provides cashier services and ground transportation. Under the existing parking contract with the City, Standard Parking Corporation receives a fixed management fee adjusted annually by a pre-agreed-upon contract rate and submits daily, monthly, and annual accountings to the CDA. Budgeted parking revenues net of City taxes for 2022 are $83.9 million, or 42.3 percent of concession revenues.

Parking revenues at the Airport are a function of on-Airport parking demand and the availability of parking spaces demanded. Several factors influence on-Airport parking demand: the variety of parking products offered (e.g., terminal garage, midmarket surface spaces, and economy spaces); off-Airport parking competition; availability of alternative transportation, such as the CTA train and taxis, as well as the impact of TNPs, such as Uber and Lyft; and the cost and convenience associated with each of these facilities and alternatives.

Terminal Parking Garage

The Airport currently offers hourly and daily parking in the approximately 9,300-space Terminal Parking Garage, with a maximum weekday rate of $74.00 per day in the hourly (Level 1) parking and $40.00 per day for the daily spaces on Levels 2 and 6, as well as outdoor surface spaces in Lots B and C. The hourly spaces are designed for short-term parking of less than 3 hours; while the CDA does not recommend parkers use these spaces for overnight stays, there are no restrictions on how long a parker may stay in the space. The Airport also provides valet service with a maximum daily weekday rate of $61.00 per day. During peak hours, holiday travel, and inclement weather, the Terminal Parking Garage approaches maximum capacity but with limited closures.

Other On-Airport Parking

The MMF, which opened on October 31, 2018, provides over 2,620 public parking spaces in Lot F located on the top two floors of the garage. The Lot F maximum daily parking rate is $22.00. Additional long-term surface public parking capacity currently consists of approximately 5,220 spaces provided in Lots E, G, and H. Lot E is only available for employee parking. Surface Lot G is directly west of the MMF across Bessie Coleman Drive; it has a maximum daily weekday rate of $15.00 per day. Surface Lot H has a maximum daily rate of $15.00.

Additional on-Airport parking is provided in Lot D, including approximately 400 spaces primarily used by passengers using Terminal 5.

Off-Airport Parking Alternatives

Off-Airport parking competitors serving the Airport, such as Park N Jet Valet and WallyPark, provide parking facilities and a shuttle service to and from the Airport; their rates are typically competitive with the on-Airport economy lot.

Factors Influencing Parking Demand

Alternative transportation options include the CTA Blue Line train that provides direct access to a station located in the terminal and connectivity between downtown Chicago and other CTA train lines. Prior to the COVID-19 pandemic, the CTA reported ridership on the Blue Line was increasing steadily over the past few years. Airport parking revenues grew over this period, and CTA ridership is not anticipated to materially impact parking revenues over the Projection Period.

Taxis provide service to and from the Airport, with each departure trip requiring a tax stamp from which the Metropolitan Pier and Exposition Authority (MPEA) receives a fixed fee. Taxi service, as a well-established alternative, factors into the current level of on-Airport parking demand. The demand for taxi services is not anticipated to result in a material incremental long-term effect on parking revenues.

TNPs were authorized to operate at the Airport in 2013. Tracking of TNPs began in 2014. Since then, year-over-year shifts have occurred in commercial ground transportation modes. As the use of TNPs increased, the use of taxis and livery vehicles decreased most significantly, followed by on-Airport parking and rental car use. The most significant shift occurred between 2015 and 2019 when TNPs grew as a percent of ground transportation transactions from 0.9 percent to 35.4 percent. During this same period, parking decreased from 38.9 percent to 29.6 percent. Since 2019, parking has increased to 33.3 percent. This increase may be in part due to passenger profile or behavior changes during the COVID-19 pandemic, but even prior to 2020, the rate of change appeared to stabilize.

Further shifts in Airport access during the Projection Period may occur; however, due to the uncertainty of future changes to ground transportation transactions and associated transportation fee structures, revenue projections developed for the financial analysis included in this Report assume no incremental impact on parking and car rental demand from TNPs during the Projection Period.

As Airport passengers are forecast to increase over the Projection Period, as discussed in Chapter 4, it is assumed that on-Airport parking demand will also increase at a rate consistent with the increase in enplaned passengers. Increased on-Airport parking demand over the Projection Period could create parking capacity issues at the Airport. To accommodate future demand, the Airport constructed the MMF that opened in 2018 and consolidates rental car operations and shuttle bus operations in one centralized location. An additional parking garage adjacent to Terminal 5, on the site of existing Lot D, is also under construction and anticipated to accommodate growth in originating passenger traffic expected from the move of domestic operations to Terminal 5. For purposes of the financial projections herein, no specific revenue increases associated with these projects have been assumed.

An increase in parking rates at the Airport requires approval by the City Council, and while currently there are no proposed rate increases under City Council review, the CDA may elect to seek approval from City Council for parking rate increases on existing facilities and to set parking rates on new facilities opened during the Projection Period. Parking rate increases would likely result in increases in parking revenues for the Airport. The last parking rate increase was implemented on January 1, 2020.

Parking revenues are projected to increase at a CAGR of 5.6 percent from 2022 through 2032, reflecting a combination of increases in the number of O&D passengers and assumed periodic parking rate increases, based on historical parking rate increases at the Airport to account for inflation (1.5 percent, or half the rate of inflation, every year). From September 2013 to July 2022, parking rates at the Airport for the Terminal Parking Garage have increased from $60.00 per day to $77.00 per day.

5.4.4 OTHER CONCESSION REVENUES

Automobile Rentals

Currently, 11 rental car brands, representing 5 rental car companies, operate on-Airport from the MMF: Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Payless, Sixt, and Thrifty. Routes Car Rental currently serves the Airport as an off-Airport rental car operator. The Routes Car Rental facilities are currently located at sites remote from the terminals and are served by shuttle buses from the MMF. Avis Budget Group, Inc., operates the Avis, Budget, and Payless brands; Enterprise Holdings, Inc., operates the Alamo, Enterprise, and National brands; and The Hertz Corporation operates the Hertz, Dollar, and Thrifty brands. Fox, Routes, and Sixt operate as independent brands.

A CRCF Lease and License Concession Agreement, executed in 2013 by the on-Airport rental car companies that operate from the MMF, established a Minimum Annual Guarantee Fee and Concession Fee, which will be the greater of the Minimum Annual Guarantee Fee, or 10.0 percent of annual gross revenues, as defined in the agreement. At the end of each agreement year, an annual reconciliation will be computed for underpayment/overpayment. Budgeted automobile rental revenues for 2022 are $22.0 million, or 11.1 percent of concession revenues. Automobile rental revenues are projected to increase at a CAGR of 4.8 percent from 2022 through 2032, which reflects a forecast of demand for rental cars as measured by rental car transaction days.

Restaurants

Concessionaires operate approximately 130 restaurants / food and beverage outlets in the terminal buildings at the Airport. These outlets include a mixture of national and local Chicago brands. The terms of the agreements for these concessionaires generally range from 5 years to 10 years; however, in Terminal 5, Westfield Group operates the concessions (including restaurants, news and gifts, and duty-free shops) under a 20-year concession agreement effective September 1, 2011. The City receives from the concessionaires a percentage of gross sales against minimum annual guarantees that are adjusted annually based on the previous year's sales.

The budgeted terminal restaurant revenues for 2022 are $48.5 million, or 24.4 percent of concession revenues. Terminal restaurant revenues are projected to increase at a CAGR of 7.5 percent through 2032, which is a combination of increases in the number of enplaned passengers and increases based on anticipated new concessionaire offerings during the Projection Period, including those associated with the TAP.

News and Gifts

Hudson Group operates approximately 30 news and gift outlets in the terminals. The City receives a percentage of gross sales against minimum annual guarantees that are adjusted annually based on the previous year's sales. The budgeted terminal news and gifts revenues for 2022 are $22.5 million, or 11.3 percent of concession revenues. News and gifts revenues are projected to increase at a CAGR of 5.4 percent from 2022 through 2032, which is a combination of increases in the number of enplaned passengers plus half the rate of inflation as well as additional revenues projected to result from additional outlets and offerings to be made available through the completion of the TAP.

Duty-Free

Duty-free concessions in Terminal 5 include a 10,000-square-foot flagship duty-free store, through which all departing travelers must pass after clearing the TSA security screening checkpoint. Duty-free revenue is budgeted to be $3.4 million in 2022 and is projected to increase at a CAGR of 12.9 percent from 2022 through 2032, which is a combination of increases in the number of international enplaned passengers plus half the rate of inflation as well as additional revenues projected to result from additional outlets and offerings to be made available through the completion of the TAP.

Display Advertising

Display advertising revenue is budgeted to be $11.2 million in 2022, and it is projected to increase with inflation and impacts associated with the completion of the TAP at a CAGR of 8.5 percent from 2022 through 2032.

Other Concessions

Other concessions include revenues from bus service, retail gift shops, currency exchange/ATMs, wireless service, telecommunications, and miscellaneous. Other concession revenues are budgeted to be $7.1 million in 2022 and are projected to remain constant from 2022 through 2032

5.4.5 REIMBURSEMENTS AND OTHER NON-AIRLINE REVENUE

Reimbursements primarily relate to utilities. Many of the buildings on Airport property are separately metered for utilities; however, the CDA pays the utility companies directly. The CDA then bills each tenant for individual metered usage at regular scheduled rates that are no higher than the rates paid by the CDA itself. Other revenue items included in this line item are CATCo energy reimbursement (CATCo's energy payments to the City) and interest income. These revenue items are not affected by increases or decreases in aviation activity; increases are based on inflation. Reimbursements also include interest income. Reimbursements are projected to increase at a CAGR of 6.9 percent from 2022 through 2032, primarily related to utilities costs projected to increase as the Airport Capital Program is completed.

CRCF Area expenses are paid by rental car companies operating at the Airport through CFC Revenues and Facility Rent.

5.4.6 COMMERCIAL REAL ESTATE REVENUES

Beginning in 2019, the City began operation of the on-Airport Hilton hotel, which resulted in additional revenues than what were previously received. Hotel revenues are budgeted to be $12.0 million in 2022 and are projected to recover to 88.2 percent of 2019 revenues in 2023, which is in line with the recovery in enplaned passengers forecast in 2023. Revenues are projected to increase by inflation and the annual changes in enplaned passengers thereafter. The City is currently evaluating and developing a funding plan for certain hotel-related projects, which are expected to generate additional revenues. However, due to the uncertainty of those project scopes, funding plans, and timing, this Report assumes no additional revenues related to the completion of those development projects. Commercial Real Estate Revenues are further discussed in Section 5.9.3.

For purposes of this financial analysis, CRE Revenues, which are comprised entirely of hotel revenues, are projected to increase to $20.1 million in 2023 and then with inflation thereafter, resulting in a CAGR of 10.9 percent from 2022 through 2032.

5.4.7 AERONAUTICAL REAL ESTATE REVENUES

Revenues from the ARE Cost Center, further discussed in Section 5.9.4, include those resulting from real estate leases that support aeronautical functions. These revenues are budgeted to be $49.0 million in 2022 and are projected to increase at a CAGR of 5.1 percent from 2022 through 2032. Projected ARE revenues include incremental $6.0 million increases in revenue every five years, beginning in FY 2023, due to additional hangar revenue the City will receive from a hangar used by American and United.

5.4.8 INCREMENTAL NON-AIRLINE REVENUES RELATED TO THE AIRPORT CAPITAL PROGRAM

For the purposes of this financial analysis, it is assumed that the average spend per passenger on terminal concessions will increase upon the opening of certain components of the TAP, resulting in incremental restaurant, news and gifts, and duty-free revenue increases during the Projection Period, reflected in the projected Non-Airline Revenues.

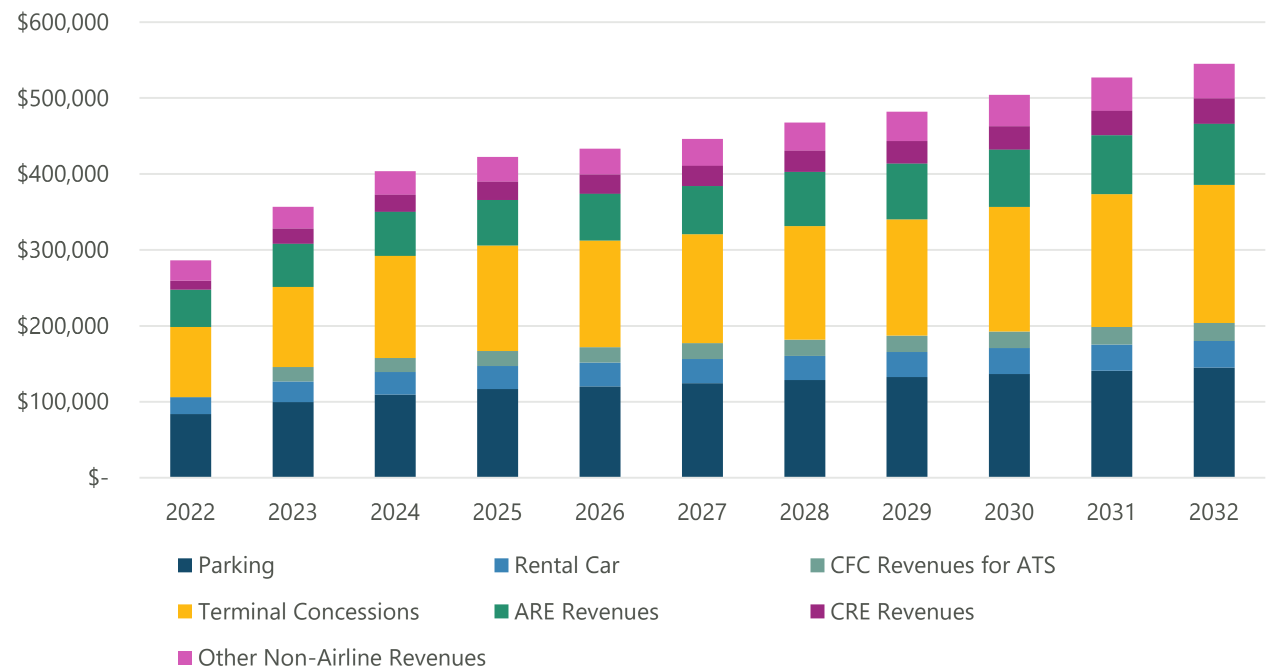
Potential hotel-related projects, as well as parking projects that may result in new parking products and/or pricing structures, are also likely to result in incremental increases in Non-Airline Revenues. However, these incremental revenues are not included in this financial analysis due to current uncertainties associated with the details of those projects.

Non-Airline Revenues, shown on **Exhibit 5-5**, are projected based on a review of historical trends, forecast activity levels, inflation, and the completion of the TAP. Non-Airline Revenues are projected to increase at a CAGR of 6.7 percent from 2022 through 2032.

See Table B-2 in Appendix B for projected Non-Airline Revenue detail.

EXHIBIT 5-5 PROJECTED NON-AIRLINE REVENUES

(Dollars in Thousands for Fiscal Years Ending December 31)



SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions described in the Report).

5.5 NON-SIGNATORY AIRLINE REVENUES

Non-Signatory Airline Revenues are assumed to be comprised of landing fees paid by Non-Signatory Airlines. Non-Signatory Airlines pay the same landing fee as Signatory Airlines do. In 2021, Signatory Airlines and their regional affiliates accounted for approximately 95.5 percent of the total landed weight at the Airport in 2021. For the purposes of this financial analysis, it is assumed Non-Signatory Airlines account for 5.0 percent of landed weight at the Airport through the Projection Period.

5.6 OTHER AVAILABLE REVENUE

5.6.1 PASSENGER FACILITY CHARGE REVENUE

The City has FAA approval to impose a PFC at the Airport and to use PFC Revenue for approved Airport projects, including OMP Airfield Projects.

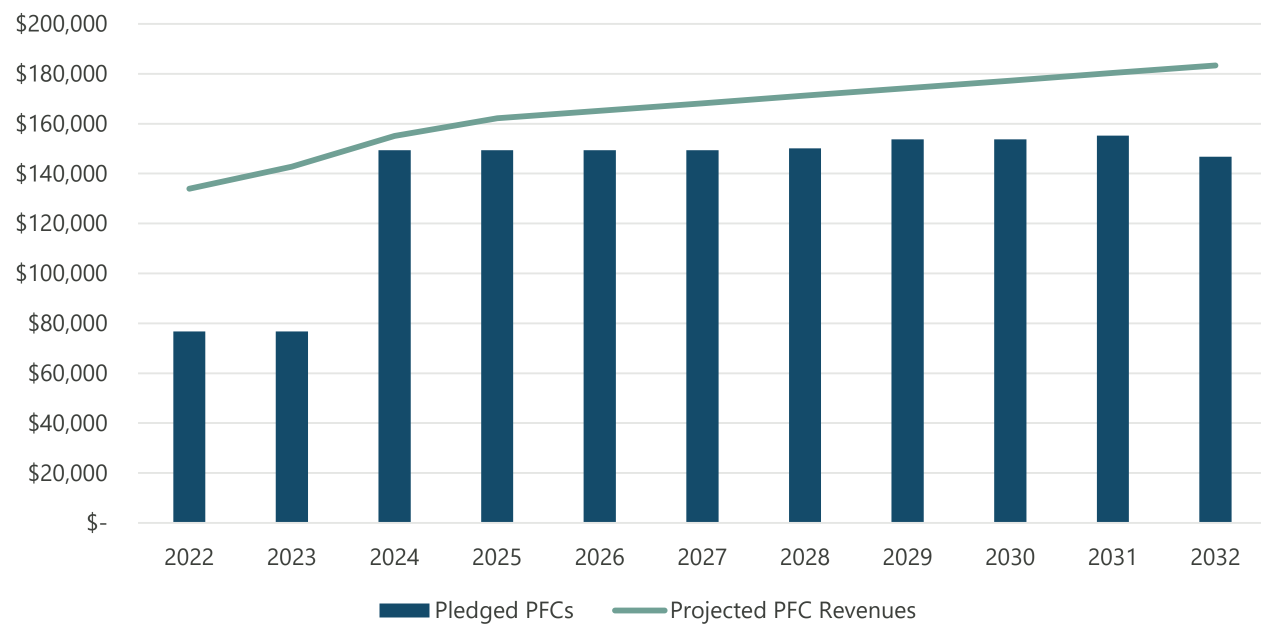
- The following are highlights of the PFC program:
- The City collects a $4.50 PFC per eligible enplaned passenger less an $0.11 airline processing charge. No increase in the PFC collection level was assumed in the projections. No decrease in the PFC collection level is required based on current PFC approvals.
- The City has approved authority from the FAA to impose a PFC and use PFC Revenues for all project costs funded with PFC Revenues for the OMP and the Terminal 5 Expansion project. PFC authority for the TAP has yet to be sought by the City, but it is anticipated that all required PFC approvals will be in place prior to the City expending any PFC Revenues on the TAP.
- As of June 30, 2022, the City has received authority to impose a PFC and use $6.9 billion of PFC Revenues at the Airport, along with an estimated charge expiration date of July 1, 2041. As of June 30, 2022, PFC Revenues received by the City for use at the Airport, including investment earnings, totaled approximately $3.6 billion.
- In 2021, PFC Revenues totaled approximately $98.8 million, reflecting PFCs paid by approximately 83.5 percent of enplaned passengers at the Airport.
- The estimated balances in the City's PFC Revenue Fund and PFC Capital Fund as of June 30, 2022, were approximately $4.1 million and $224.1 million, respectively.
- Table B-3 in Appendix B presents projected debt service on PFC Revenue Bonds. Debt service on outstanding PFC Revenue Bonds is anticipated to be approximately $44.4 million in 2022; it is anticipated to increase to $45.8 million in 2031, the highest in the Projection Period.
- The Series 2016F, Series 2017B, Series 2020C, and Series 2020E Bonds are not only secured by a pledge of Revenues but are also payable through maturity from and secured by a pledge of available PFC Revenues, including those in the PFC Capital Fund.
- The City may pay the debt service on the Series 2016C, Series 2017D, and Series 2020A Bonds through the application of PFC Revenues, including those in the PFC Capital Fund. The City anticipates applying $41.2 million in PFC Revenues to pay debt service on the 2016C Bonds in 2022 and, in its sole discretion, plans to continue to use PFC Revenues to pay debt service on the Series 2016C Bonds, or on any bonds refunding those bonds. The City is under no obligation to use PFC Revenues. Therefore, the financial analysis in this Report assumes PFC Revenues will be applied to pay debt service on the 2016C, or on any bonds refunding those bonds, from 2023 through the end of the Projection Period.
- The City received PFC authority from the FAA to use PFCs on the Terminal 5 Expansion project funded with proceeds from the Series 2017D Bonds. The City may elect to apply PFC Revenue to offset portions of the debt service on the Series 2017D Bonds; however, there is no pledge of PFC Revenues to the Series 2017D Bonds, and the financial analysis in this Report does not assume the City will apply PFC Revenues to pay debt service on the Series 2017D Bonds.
- Under the AULA, the City agreed to use $730.0 million in PFC Revenues over the term of the AULA to fund project costs associated with the TAP, including financing costs. The financial analysis in this Report assumes the City will apply approximately $72.7 million in PFC Revenues, including those in the PFC Capital Fund, annually

to pay debt service on future bonds from 2024 through the end of the Projection Period, totaling $654.0 million. The remaining $76.0 million of the $730.0 million of PFC Revenues agreed upon in the AULA are assumed to be applied to pay debt service beyond the Projection Period, but before the expiration of the AULA.

Projected PFC Revenues, as shown on **Exhibit 5-6** are expected to be sufficient to cover all PFC Revenue Bond debt service and the PFC Revenues pledged to pay PFC-backed GARB debt service at the current PFC collection level of $4.50 per PFC-eligible enplaned passenger. If PFC Revenues generated in a given year are insufficient to fully pay PFC-backed GARB debt service in that year, then the City may elect to use existing PFC Revenues in the PFC Capital Fund, if available, instead of using Airport Revenues to pay the shortfall.

EXHIBIT 5-6 PROJECTED PASSENGER FACILITY CHARGE REVENUE

(Dollars in Thousands for Fiscal Years Ending December 31)



NOTE:
The City of Chicago has pledged Passenger Facility Charge Revenues through maturity to the Series 2016F, Series 2017B, Series 2020C, and Series 2020E Bonds and assumed that PFC Revenues equal to the amount of annual debt service on these bonds will be pledged as Other Available Moneys through the Projection Period.
SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions described in the Report).

5.6.2 FEDERAL AVIATION ADMINISTRATION AIRPORT IMPROVEMENT PROGRAM GRANTS AND OTHER FEDERAL FUNDING

The City receives federal funding in various forms which is typically obligated for capital project costs, although recent COVID-19 relief funding was available for broader use. The City receives annual FAA Airport Improvement Program (AIP) funding in the form of passenger and cargo entitlement grants and discretionary grants for AIP-eligible capital projects. Funding from the TSA, other transaction agreements, or other federal sources is occasionally available. In addition, the following subsections describe recent funding made available for specific purposes.

Federal Aviation Administration Airport Improvement Program Letter of Intent Funding

On November 21, 2005, the FAA issued a Letter of Intent (LOI) (AGL-06-01) to the City for $300.0 million in discretionary grants for OMP Phase 1 over a 15-year period from Federal FYs (FFYs) 2006 through 2020.

- A total of $160.0 million of the OMP Phase 1 LOI discretionary grant is pledged to the payment of debt service on the Series 2011B Bonds, with the other $140.0 million used on a pay-as-you-go basis.
- The City has received the full $300.0 million Phase 1 LOI discretionary grant, of which $205.0 million has been applied to date to the payment of debt service on the Series 2011B Bonds.

On April 21, 2010, the FAA issued an LOI (AGL-10-01) to the City for $410.0 million in discretionary grants for OMP Phase 2A and the remaining OMP Airfield Projects. The FAA approved a series of amendments to increase the amount and to revise the timing of the LOI grant, which resulted in an increase of the total grant amount from $410.0 million to $625.0 million.

- Of the $625.0 million LOI discretionary grant, $45.0 million is pledged to the payment of debt service on the 2011B Bonds, $140.0 million is pledged to the Series 2016E Bonds, $235.0 million has been used to fund OMP Phase 2A on a pay-as-you-go basis, and the remaining $205.0 million is to be used to fund the remaining OMP Airfield Projects.
- As of July 2022, the City has received $515.0 million of the $625.0 million LOI discretionary grant, of which $45.0 million has been applied to the payment of debt service on the Series 2011B Bonds, $235.0 million has been used to reimburse the City for prior expenditures on OMP Phase 2A projects, and $90.0 million has been used to reimburse the City for prior expenditures on remaining OMP Airfield Projects

All future LOI grant installments anticipated to be received by the City are assumed to be made available by the FAA and paid to the City in accordance with the schedule shown in Table B-4 in Appendix B.

COVID-19 Relief Funding

In response to the COVID-19 pandemic, three Acts provided funding to mitigate the economic impacts of the pandemic:

- Coronavirus Aid, Relief, and Economic Security (CARES) Act – Enacted in March 2020, it provided funding for airports for use on any lawful airport purpose, including operating expenses.
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) – Enacted in December 2020, it provided funding to prevent, prepare for, and respond to the COVID-19 pandemic. It included funding for airports and eligible concessioners and provided an increase of the current year's AIP grants to a 100 percent share.
- American Rescue Plan Act of 2021 (ARPA) – Enacted in March 2021, it provided funding for airport operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. It included a concession relief program and an increase of the current year's AIP grants to a 100.0 percent share.

Table 5-5 shows how the City applied the COVID-19 relief funding to address the financial impacts of reduced activity at the Airport.

TABLE 5-5 APPLICATION OF FEDERAL RELIEF

	2020	2021	FUTURE	TOTAL
CARES Act Funding				
Airline Rate Base Mitigation	$224.2 [1]	$-	$10.0	$234.2
PFC Revenue Bond Debt Service	$30.2	$-	$-	$30.2
CFC Revenue Shortfall	$9.5	$20.5	$-	$30.0
Subtotal	**$263.9**	**$20.5**	**$10.0**	**$294.4**
CRRSA Act Funding				
Airline Rate Base Mitigation	$-	$37.6	$-	$37.6
PFC Revenue Bond Debt Service	$-	$12.0	$-	$12.0
CFC Revenue Shortfall	$-	$1.0	$9.5	$10.5
Concessions Relief	$-	$8.8	$-	$8.8
Subtotal	**$-**	**$59.4**	**$9.5**	**$68.9**
ARP Act Funding				
Airline Rate Base Mitigation	$-	$8.0	$168.6	$176.6
PFC Revenue Bond Debt Service	$-	$43.0	$15.0	$58.0
CFC Revenue Shortfall	$-	$-	$19.0	$19.0
Concessions Relief	$-	$-	$35.0	
Subtotal	**$-**	**$51.0**	**$237.6**	**$288.6**
Total	**$263.9**	**$130.9**	**$257.1**	**$651.9**

NOTES:
ARP – American Rescue Plan
CARES – Coronavirus Aid, Relief, and Economic Security
CFC – Customer Facility Charge
CRRSA – Coronavirus Response and Relief Supplemental Appropriations
PFC – Passenger Facility Charge
1 $42.9 million of this amount was used to offset the shortfall of PFCs to pay for PFC double-barreled bonds.
SOURCES: City of Chicago, Department of Aviation, August 2022.

Bipartisan Infrastructure Law Funding

The BIL was signed into law in November 2021. It includes funding for infrastructure, including $15 billion for airport-related projects. The funding is distributed from FFY 2022 through FFY 2026 and distributed through a combination of formula-based funding and discretionary grants. The funding can be used for airport-related projects as defined under the existing AIP and PFC criteria, which include projects like runways, taxiways, safety and sustainability projects, terminals, airport-transit connections, and roadway projects. In FFY 2022, $2.89 billion in Airport Infrastructure Grant Funding was made available to US airports, of which $73.7 million, or 2.6 percent, was available to O'Hare.

An additional $5.0 billion in grant awards are provided as part of the Airport Terminal Program (ATP) established by the BIL. Funding will be awarded through a competitive application process in each year from FFY 2022 through FFY 2026, with no more than 55.0 percent of the annual available monies, roughly $1.0 billion, being awarded to large-hub airports. Among the priorities the FAA will consider in awarding ATP grants are increasing airport capacity, improving accessibility, and encouraging airline competition. Any amounts that may potentially be awarded to the Airport have not been included in this financial analysis.

5.7 DEBT SERVICE

Projected annual Net Debt Service, net of capitalized interest, PFC Revenues, Grant Receipts, and other Federal funds used to pay debt service on all currently outstanding GARBs and projected future GARBs, is discussed in this section. Projected debt service is provided in Table B-5 in Appendix B.

Previously issued GARBs have been used in part to fund prior capital projects at the Airport, such as OMP Airfield Projects and previous CIP projects, including a portion of the MMF.

5.7.1 OUTSTANDING GENERAL AIRPORT REVENUE BOND DEBT SERVICE

Outstanding GARB debt service totals approximately $621.4 million in 2022. Outstanding GARB debt service on bonds issued prior to the issuance of the 2022 Bonds and after the refunding of the Series 2013A, Series 2013B, Series 2013C, and Series 2013D Bonds is projected to remain relatively stable, increasing from $567.4 million in FY 2023 to $593.8 million in FY 2032.

5.7.2 2022 BOND DEBT SERVICE

Proceeds from the 2022 Bonds are anticipated to be used, in part, to fund approximately $1.2 billion of the Airport Capital Program, including through the refunding of the outstanding Credit Agreement Notes the City previously used for certain costs of the Airport Capital Program and costs associated with Pre-Approved Infrastructure Reliability Projects. Additionally, the 2022 Bonds are anticipated to be used to refund the City's outstanding Series 2013A, Series 2013B, Series 2013C, and Series 2013D Bonds. The financial analysis includes the impacts of this refunding.

The 2022 Bonds are assumed to have a maturities of up to 35 years, and for purposes of this Report, interest on the 2022 Bonds is assumed at the current market interest rate as of August 16, 2022 plus up to 30 basis points depending on bond maturity.

Total net debt service payable on the 2022 Bonds is projected to be approximately $16.8 million in FY 2022, of which $3.3 million is associated with the new money 2022A and 2022B Bonds, and then increase through the Projection Period to approximately $91.3 million in 2032. For the purposes of this financial analysis, the January 1, 2023 debt service payment on the 2022 Bonds is assumed to be collected during the City's 2022 settlement process and does not impact FY 2022 airline rates. Beginning in 2023, the projected airline rates and charges reflect the impact of the issuance of the 2022 Bonds.

5.7.3 NET DEBT SERVICE ON FUTURE GARBS

This financial analysis includes Net Debt Service on future GARBs to be issued to fund the Airport Capital Program described in Chapter 2 of this Report. Future bonds are anticipated to fund an additional $9.0 billion of Airport Capital Program project costs, including approximately $120.0 million in Infrastructure Reliability Projects, through the Projection Period.

Table 5-6 lists the year and amounts of assumed future GARB issuances to fully fund the Airport Capital Program.

Future GARBs are each assumed to have a term of 35 years, and for purposes of this Report, interest on future GARBs is assumed at 6 percent.

TABLE 5-6 ASSUMED FUTURE GENERAL AIRPORT REVENUE BOND ISSUANCES

FUTURE GARB ISSUANCE	ASSUMED PROJECT FUNDING
Series 2023	$1,004 million
Series 2024	$1,306 million
Series 2025	$1,706 million
Series 2026	$1,378 million
Series 2027	$1,095 million
Series 2028	$1,448 million
Series 2029	$1,053 million

NOTE:
GARB – General Airport Revenue Bond
SOURCES: City of Chicago, Department of Aviation, August 2022; J. P. Morgan, August 2022.

Table B-5 in Appendix B shows the estimated Net Debt Service, net of capitalized interest, on the additional GARBs projected to be required to fund the Airport Capital Program within the Projection Period.

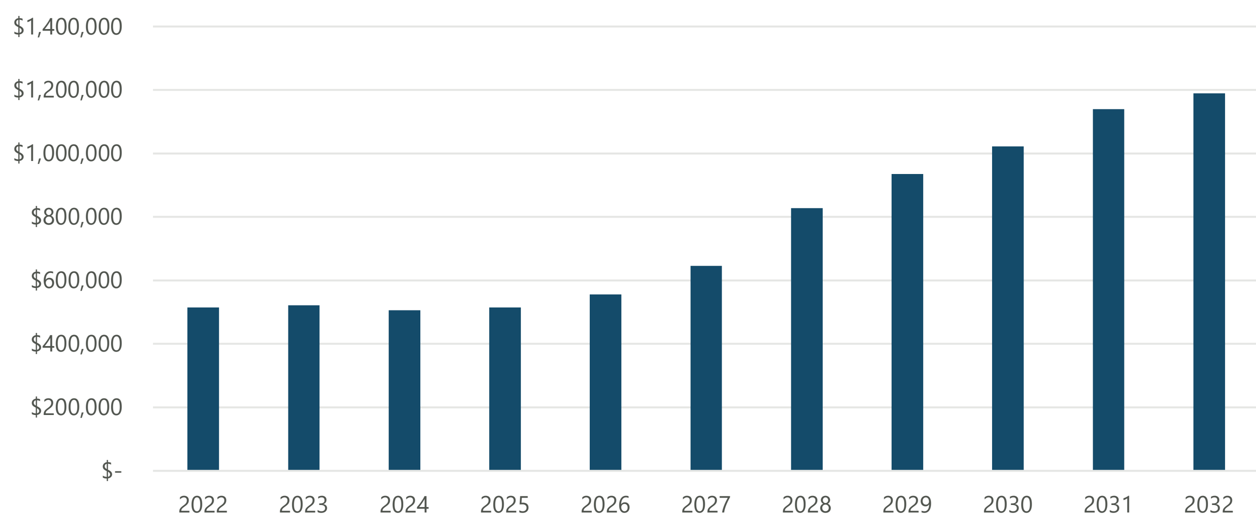
Net Debt Service

Net Debt Service in the financial analysis reflects existing and future Net Debt Service, net of capitalized interest, PFC Revenues, Grant Receipts, and other Federal funds used to pay debt service, and they are adjusted to reflect debt service coverage requirements, investment income, and program fees. In addition to pledged PFCs, additional PFCs are assumed to be applied to pay debt service on the Series 2016C Bonds on a non-pledged basis of approximately $41.2 million in 2022. This Report also assumes PFCs in the amount of approximately $72.7 million will be applied on a non-pledged basis beginning in 2024 and continuing each year through 2032 per the terms of the AULA.

As shown on **Exhibit 5-7**, Net Debt Service is budgeted to be approximately $514.7 million in 2022, and it is projected to increase to approximately $1.190 billion in 2032.

EXHIBIT 5-7 PROJECTED NET DEBT SERVICE

(Dollars in Thousands for Fiscal Years Ending December 31)



SOURCES: City of Chicago, Department of Aviation, August 2022; J. P. Morgan, August 2022.

5.8 NET SIGNATORY AIRLINE REQUIREMENT

The Airport is expected to generate sufficient Revenues to pay O&M Expenses, Net GARB Debt Service, and annual required deposits to the O&M Reserve Fund, the Supplemental O&M Reserve Fund, and the Maintenance Reserve Fund.

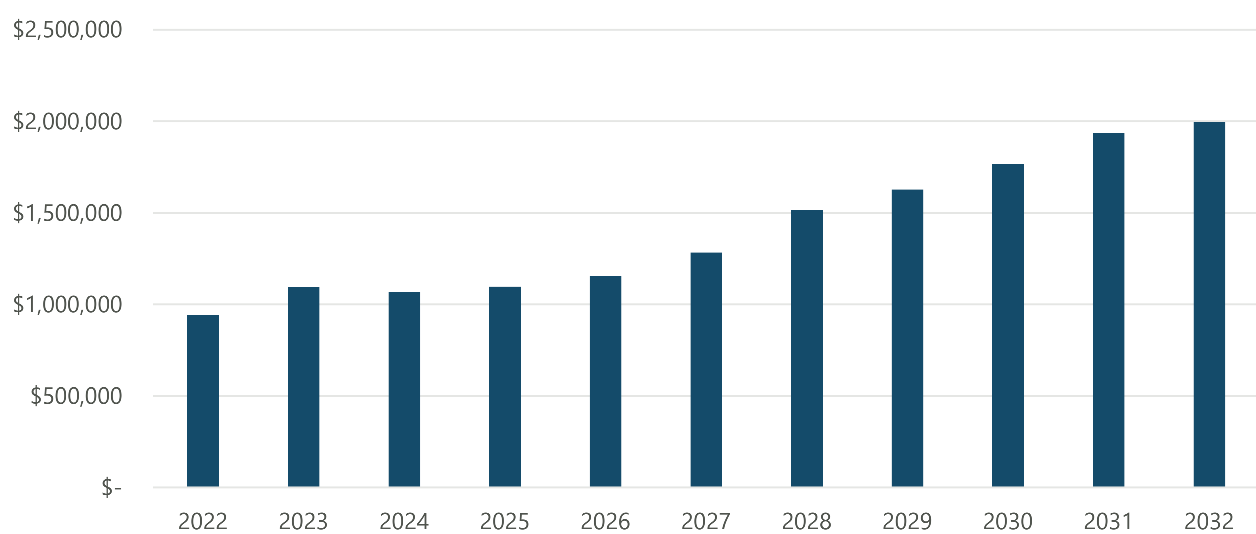
The annual fund deposit requirements to the O&M Reserve Fund, the Supplemental O&M Reserve Fund, and the Maintenance Reserve Fund and for allowable Airline Liaison Office expenses are presented in Table B-6 of Appendix B. This table also presents the allocation by cost center of the total fund deposit requirements.

The Net Signatory Airline Requirement constitutes the total amount that must be paid by the Airline Parties under the AULA through Landing Fees, Terminal Area Rentals, Terminal Area Use Charges (including Common Use Gate Fees, Common Use Baggage Fees, Common Use Check-in Fees, and FIS Facility Fees), and Fueling System Fees during the year.

Table B-7 of the Appendix B presents the Net Signatory Airline Requirement through the Projection Period. The Net Signatory Airline Requirement is projected to increase from $940.3 million in 2022 to $1.994 billion in 2032, as shown on **Exhibit 5-8**.

EXHIBIT 5-8 PROJECTED NET SIGNATORY AIRLINE REQUIREMENT

(Dollars in Thousands for Fiscal Years Ending December 31)



SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions in the Report).

5.9 CALCULATION OF AIRLINE PARTIES' AIRPORT FEES AND CHARGES

Under the AULA, the Airfield Area, the Terminal Area, and the Fueling System each generate rentals, fees, or charges payable by the Signatory Airlines. The Airport Fees and Charges presented in this section for 2022 and the financial projections for the Projection Period reflect the rate-setting methodology in the AULA.

A summary of airline fees, rentals, and charges is presented on Table B-8 of Appendix B.

Applicable Non-Airline Revenues (i.e., rentals, concession revenues, and reimbursements), as well as the following costs, are allocated to each cost center to calculate applicable rates used to generate such fees, rentals, and charges:

- **O&M Expenses**: Includes the O&M Expenses (direct and allocated indirect) attributable to the cost center.
- **Net Debt Service**: Includes the portion of debt service, net of capitalized interest, and debt service coverage attributable to the cost center. The debt service amounts included in the calculation of airline rates and charges also reflect certain adjustments required to be made to actual debt service under the AULA for calculating Airport Fees and Charges.
- **Fund Deposit Requirements:** Includes the allocated portions of the amounts required to be deposited to the funds previously described. The fund deposit requirements include:
  - O&M Reserve Fund (25.0 percent of O&M Expenses)
  - Maintenance Reserve Fund ($3.0 million annually)
  - Supplemental O&M Reserve Fund (increasing to 25.0 percent of O&M Expenses by 2025, as presented in Table 5-1)

Table B-9 in Appendix B presents the airline revenue resulting from the previously described rentals, fees, and charges and includes Non-Signatory Airline revenues. Based on the residual nature of the rate-setting methodology under the AULA, the total Airline Revenue presented in Table B-9 differs from the Net Signatory Airline Requirement presented in Table B-7 by the amount of Non-Signatory Airline revenues in each year.

5.9.1 AIRFIELD AREA

Generally, Landing Fees are calculated by first determining the net cost of the Airfield Area, which consists of portions of the following: sum of O&M Expenses, capital costs,[89] fund deposit requirements, and allowable airline liaison office expenses,[90] minus the sum of projected Other Airfield Revenues (including revenues from general aviation operations and remain-overnight and hardstand fees, if any), interest income, bad debt, or bad debt recovery, net loss of the Fueling System Cost Center, Net Aeronautical Real Estate Revenue (if any) applied to reduce Capital Costs allocable to the Airfield, and any shortfall in the Air Service Incentive Program. The Net Cost of the Airfield Area is allocated among Signatory and Non-Signatory Airlines based on the approved maximum landed weight of all aircraft. Each Signatory Airline and Non-Signatory Airline pays Landing Fees based on the ratio of its total approved maximum landed weight to the total approved maximum landed weight of all Signatory Airlines and Non-Signatory Airlines. The landed weight of aircraft landed by certain classes of Non-Signatory Airlines may be increased by Non-Signatory Airline premium factors to be determined by the City's Commissioner of Aviation.

To avoid "private business use" of the Airfield Area under federal tax law, certain modifications to the rate-setting methodology have been in effect since November 2005. The purpose and effect of these modifications are to cause the Airline Fees and Charges paid by the Signatory Airlines relating to their use of the Airfield Area to be computed without regard to deficits or surpluses relating to the use of the Airfield Area by entities other than the Signatory Airlines.

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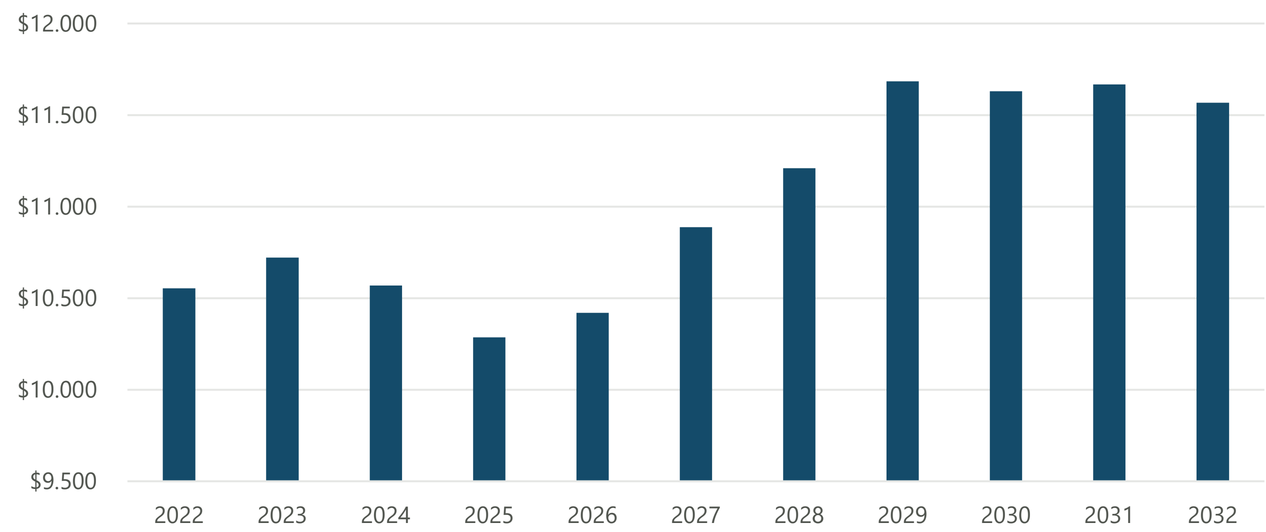
[89] Capital costs under the Agreement allocable to each cost center include debt service net of pledged or applied PFC Revenues, Federal funds, Build America Bond (BAB) subsidy, debt service coverage requirement, program fees and other costs, Pre-Approved Allowances, as defined in the Agreement, and Equipment Purchases and Small Capital Outlay, as defined in the Agreement.

[90] According to the Agreement, "Allowable airline liaison office expenses means expenses of the Airline Liaison Office that are not Project Costs and have been approved for recovery through Landing Fees by Long-Term Signatory Airlines that together accounted for at least fifty percent (50%) of the total Maximum Gross Landed Weight of all Air Carriers during the immediately preceding Fiscal Year."

Exhibit 5-9 presents the Projected Landing Fees at the Airport during the Projection Period.

EXHIBIT 5-9 PROJECTED LANDING FEES (PER 1,000 POUNDS LANDED WEIGHT)



SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions in the Report).

5.9.2 PARKING AND GROUND TRANSPORTATION AREA

O&M Expenses, capital costs, and fund deposit requirements allocated to the Parking and Ground Transportation Area are offset by Non-Airline Revenues and reimbursements attributable to the Parking and Ground Transportation Area to arrive at the amount of Net Parking and Ground Transportation Revenue remaining at the end of each FY, which is then allocated to the Terminal Area to offset the Terminal Area costs. The Non-Airline Revenues attributable to the Parking and Ground Transportation Area include all revenues collected by the City for the right to provide Parking and Ground Transportation services and concessions at the Airport, except CFCs or any Revenues pledged to the repayment of CFC Revenue bonds or Transportation Infrastructure Finance and Innovation Act loans used to finance the MMF.

5.9.3 COMMERCIAL REAL ESTATE AREA

Commercial Real Estate Revenue includes all revenues collected by the City for the right to use Commercial Real Estate, which primarily consists of Airport hotel revenues. Commercial Real Estate Revenue and any reimbursements offset the O&M Expenses, capital costs, and fund deposit requirements allocated to the Aeronautical Real Estate Area to arrive at the amount of Net Commercial Real Estate Revenue remaining at the end of each FY. Net Commercial Real Estate Revenue is allocated according to the following priorities: (a) to fund Air Service Incentive Programs[91] (with budgetary restrictions); (b) to retain in each FY $5.0 million to be used for the City for interim

[91] Under the AULA, "In order to enhance and attract new air service to the Airport, the City reserves the right to adopt and implement a program of air service incentives at the Airport, consistent with applicable Federal requirements, which may include rates and charges incentives and marketing support ('Air Service Incentive Program'). The Air Service Incentive Program, if implemented, shall be offered to all eligible Air Carriers on a non-discriminatory basis."

financing or pay-go funding of Approved Projects[92] and Exempt Projects,[93] as defined in the AULA; and (c) to use the remainder (if any) to reduce capital costs allocable to the Terminal Area in the next FY.

5.9.4 AERONAUTICAL REAL ESTATE AREA

Aeronautical Real Estate Revenue includes all revenues collected by the City for the right to use Aeronautical Real Estate, which includes the parcels and other areas of the Airport where aviation support, cargo, hangar, and maintenance activities occur. O&M Expenses, capital costs, and fund deposit requirements allocated to the Aeronautical Real Estate Area are deducted from Aeronautical Real Estate Revenue and any reimbursements to arrive at the amount of Net Aeronautical Real Estate Revenue remaining at the end of each FY. Net Aeronautical Revenue is allocated according to the following priorities: (a) an amount equal to the Pre-Approved Allowances[94] allocable to the Airfield Area for the next FY to reduce capital costs allocated to the Airfield Area; and (b) the remainder (if any) to reduce capital costs allocable to the Terminal Area in the next FY.

5.9.5 TERMINAL AREA

O&M Expenses, capital costs, and fund deposit requirements allocated to the Terminal Area are added to Unrecovered Domestic Common Use Gate Costs,[95] if any, and offset by the following to arrive at the Total Terminal Revenue Requirement: interest income; Non-Airline Revenues attributable to the Terminal Area, including Terminal Concession Revenue and Other Terminal Rental Payments; any remaining balance from the sale of abandoned property; bad debt or bad debt recovery allocable to the Terminal Area; net revenue or loss of Parking and Ground Transportation Area; net Aeronautical Real Estate Revenues; and net Commercial Real Estate Revenues.

The Terminal Space Revenue Requirement is calculated by subtracting from the Total Terminal Revenue Requirement the capital costs and O&M Expenses allocable to City-owned baggage makeup and claim systems, FIS equipment, and other City Equipment. The Terminal Area net deficit is paid by the Airline Parties in the form of the Terminal Rental Rate, which is calculated per each square foot of preferential-use leased space.

Exhibit 5-10 presents the projected terminal rental rates at the Airport during the Projection Period.

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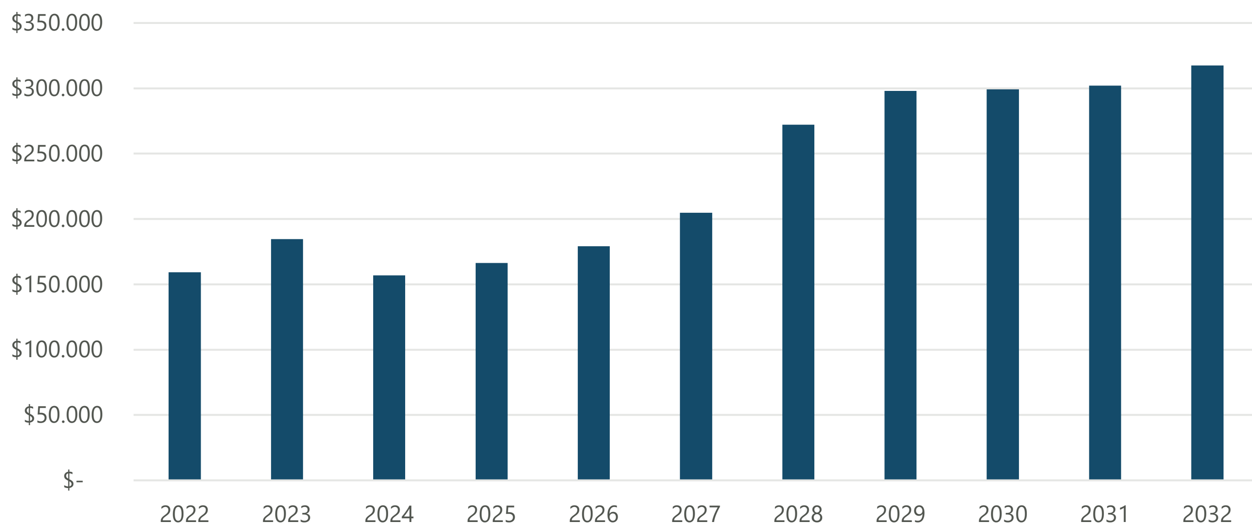
[92] According to the AULA, "Approved Projects means Previously Approved Projects, TAP Elements, Additional TAP Elements and Pre-Approved CIP Projects that have been approved by execution of this Agreement and New Projects submitted for Majority-in-Interest review pursuant to the procedures in Section 10.8 and not disapproved by a Majority-in-Interest."

[93] According to the AULA, "A Capital Improvement Project that is not an Approved Project or funded with Pre-Approved Allowances but meets any one or more of the conditions set forth [in the AULA] shall be exempt from Majority-in-Interest review ('Exempt Project')."

[94] According to the AULA, "Pre-Approved Allowance means amounts listed on Exhibit O of the AULA that the City may spend or encumber on Capital Improvement Projects each Fiscal Year, as approved by Airline." There are separate Pre-Approved Allowances for Capital Improvement Projects for the following categories: Taxiway Pavement Rehabilitation, Apron Pavement Repair, Airfield Roadway Repair and Replacement, Vehicle Replacement, Parking Maintenance and Repair, Roadway Pavement Replacement, Terminal Conveyance Replacement and Restroom Refresh and Modernization, and Infrastructure Reliability.

[95] According to the AULA, "Unrecovered Domestic Common Use Gate Costs means the portion (if any) of the Domestic Common Use Gate Revenue Requirement that is not recovered due to the proviso in Section 8.10.1(c) [of the AULA] or the monthly cap on Domestic Common Use Gate Fees."

EXHIBIT 5-10 PROJECTED TERMINAL RENTAL RATE (PER SQUARE FOOT)



SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions in the Report).

Charges for common-use facilities include common-use gate fees (domestic common-use gate fee, international common-use gate fee), common-use check-in fees (domestic common-use check-in fee and international common-use check-in fee), baggage fees (domestic common-use baggage makeup fee, international common-use baggage makeup fee, common-use baggage claim fee), and FIS facility fee. These fees are determined by using the base terminal rental rate to calculate space costs for baggage makeup and claim, check-in, gate, and FIS facilities, to which costs associated with the functions of the respective areas are added, determining the respective fees for common-use gate per delivered seat, common-use check-in per common-use check-in hour, common-use baggage makeup per outbound checked bag, common-use baggage claim per arriving seat, and FIS facilities fee per FIS user.

5.9.6 FUELING SYSTEM AREA

The net cost of the Fueling System consists of the portions of O&M Expenses and capital costs allocated to the Fueling System less any reimbursements, which is then divided by the total gallons of fuel distributed from the Fueling System and charged to airlines based on the number of gallons used by each airline.

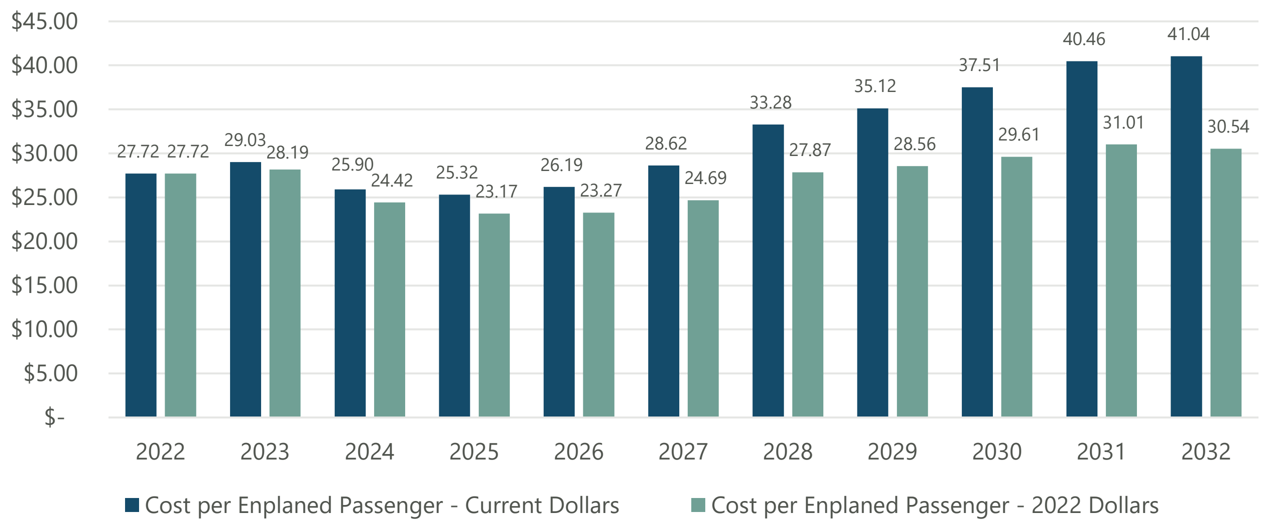
5.10 REASONABLENESS OF AIRPORT USER FEES

A general test for the reasonableness of airport user fees is to compare projected airline costs in a manner that accounts for airline activity. One approach is to measure Signatory Airline Revenues generated from airline rates and charges on an airline cost-per-enplaned-passenger basis. By comparing this metric on a year-over-year basis and by comparing it to airlines' revenue and estimated costs allocated to the Airport, the reasonableness of Airport user fees can be determined. The airline CPE is calculated by dividing the Total Airline Requirement by the number of enplaned passengers at the Airport.

Exhibit 5-11 shows the projected airline CPE at the Airport. As shown, the CPE is projected to increase from $27.72 in 2022 to $41.04 in 2032, which equates to $30.54 in 2022 dollars, assuming 3.0 percent inflation, though the inflation rate in certain years may vary. Increases in airline CPE are primarily attributable increases in O&M Expenses and Net Debt Service related to the completion of the Airport Capital Program.

Table B-10 of Appendix B presents the calculation of the airline cost per enplaned passenger from 2022 through 2032.

EXHIBIT 5-11 PROJECTED AIRLINE COST PER ENPLANED PASSENGER (IN DOLLARS)



NOTES: Assumes an inflation rate of 3.0 percent, though annual variations may occur.
For the purposes of this financial analysis, the enplaned passenger total in 2022 reflects the forecast amount presented in Chapter 4.
SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022 (based on the analysis and assumptions in the Report).

The projected Airport user fees shown on Exhibit 5-11 were determined to be reasonable based on the expectation that these fees will not deter forecast demand for air traffic at the Airport as airlines continue to deploy capacity to airports based on available resources. The projected Airport user fees in this analysis are deemed to be reasonable based on the following combination of factors:

- **Large population and strong economic base** – The Airport is located in the third-most-populous metropolitan region in the United States and was ranked fifth in the nation in terms of domestic O&D passengers in CY 2021—following the New York, Los Angeles, and San Francisco markets. The Airport's Air Trade Area has a large, diverse economic base that supports business and leisure travel. Projected economic variables indicate the ATA will remain a destination that attracts both business and tourist visitors, positively affecting the demand for future inbound airline travel. Projected Air Trade Area economic variables further support the continued growth of local outbound passengers.
- **Attractive geographical location** – The Airport's central location and proximity to heavily traveled east–west airways make it a natural location for airline hub activities, and it is complementary to airline route networks.
- **Important hub for United and American** – The Airport is a major connecting hub for United and American within their US domestic route networks, and it is an important international gateway for European, Asian, and Canadian passenger traffic, providing strong connectivity to flights of international alliance partners. The Airport

is also an increasingly important airport within the route networks of several US LCCs. Generally, airport user fees are not a key contributor to an airline's profitability in the United States.

- **Increases in debt are associated with capital projects that allow for growth** – Airport user fees during the Projection Period are calculated to recover debt service and operating costs partially attributable to significant capital projects designed to accommodate demand at the Airport, which supports the ability for airlines to increase service. Although the funding of these projects is anticipated to result in increased Airport user fees, these projects support forecast long-term growth at the Airport.

In summary, Airport user fees, although increasing over the Projection Period, are one of many factors that airlines consider when evaluating air service. Airport user fees were up to 8.3 percent of system-wide total airline operating costs, according to the airline industry group Airlines for America,[96] and they are one of many factors airlines consider when allocating capacity resources. The projected growth of the population and economic base, along with the geographical location and established role of the Airport in the airlines' route network, support the reasonableness of projected Airport user fees.

5.11 GENERAL AIRPORT REVENUE BOND DEBT SERVICE COVERAGE

Table B-11 in Appendix B presents the Debt Service coverage ratios projected for GARBs from 2022 through 2032. As contained in the Senior Lien Indenture:

> The City covenants that it will fix and establish, and revise from time to time whenever necessary, the rentals, rates and other charges for the use and operation of O'Hare and for services rendered by the City in the operation of it in order that Revenues in each Fiscal Year, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal year, and any cash balance held in the Revenue Fund on the first day of that Fiscal Year not then required to be deposited in a Fund or Account, will be at least sufficient...to provide for... one and twenty five-hundredths times (1.25x) the Aggregate Debt Service for the Bond Year commencing during that Fiscal Year, and, in each case, such Aggregate Debt Service shall be reduced by any proceeds of Airport Obligations held by the Trustee for disbursement during that Bond Year to pay principal and interest on Senior Lien Bonds or Senior Lien Obligations.

In addition to Airport Revenues, the City also pledged as Other Available Moneys Passenger Facility Charge Revenues, including those in the PFC Capital Fund, equal to the amount of annual debt service through their respective maturities on the Series 2016F, Series 2017B, Series 2020C, and Series 2020E Bonds, plus any required coverage on all those bonds. The financial analysis assumes that PFC Revenues equal to the amount of annual debt service on these bonds will be pledged as Other Available Moneys through the Projection Period.

In addition, the City may pay the debt service on the Series 2016C, Series 2017D, and Series 2020A Bonds through the application of PFC Revenues, including those in the PFC Capital Fund. The City anticipates applying $41.2 million in PFC Revenues to pay debt service on the 2016C Bonds in 2022 and, in its sole discretion, plans to continue to use PFC Revenues to pay debt service on the Series 2016C Bonds, or on any bonds refunding those bonds. The City is under no obligation to use PFC Revenues. Therefore, the financial analysis in this Report assumes PFC Revenues will

[96] In the fourth quarter of 2021, 2.5 percent of passenger airline operating expenses went to landing fees and 5.8 percent went to non-aircraft rents and ownership, according to data collected by Airlines for America.

be applied to pay debt service on the 2016C, or on any bonds refunding those bonds, from 2023 through the end of the Projection Period.

Under the AULA, the City agreed to use $730 million in PFC Revenues over the term of the AULA to fund project costs associated with the TAP, including financing costs. The financial analysis in this Report assumes the City will apply approximately $72.7 million in PFC revenues annually to pay debt service on future bonds from 2024 through the end of the Projection Period, totaling $654.0 million. The remaining $76.0 million of the $730 million of PFC Revenues agreed upon in the AULA are assumed to be applied to pay debt service beyond the Projection Period, but before the expiration of the AULA.

In addition to Airport Revenues, the City has also pledged as Other Available Moneys Grant Receipt from the Federal FAA LOI grants and other FAA discretionary grants to the debt service on the Series 2011B Bonds.[97] It is assumed in the financial analysis that Grant Receipts from the FAA LOI grants will be pledged as Other Available Moneys to pay debt service on the Series 2016E Bonds through the Projection Period. The Debt Service coverage ratio of projected to meet the minimum requirement pursuant to the Senior Lien Master Indenture in each year of the Projection Period.

5.12 ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS

The methodologies used in preparing this financial analysis are consistent with industry practices for similar studies in connection with airport revenue bond sales. While Ricondo believes the approach and assumptions are reasonable, some assumptions regarding future trends and events presented in this Report, including the implementation schedule and enplaned passenger forecasts, may not materialize. Therefore, achievement of the forecasts and projections presented in this Report is dependent upon the occurrence of future events, which cannot be assured, and the variations may be material.

[97] The Series 2017C GARBs refunded the Series 2011B GARBs. It is assumed in the financial analysis that 2020 OMP Phase 2A Grant Receipt from the FAA LOI grant will be pledged as Other Available Moneys to pay the 2021 debt service on the Series 2017C Bonds.

APPENDIX A

Historical Budgeted versus Actual Operating Results

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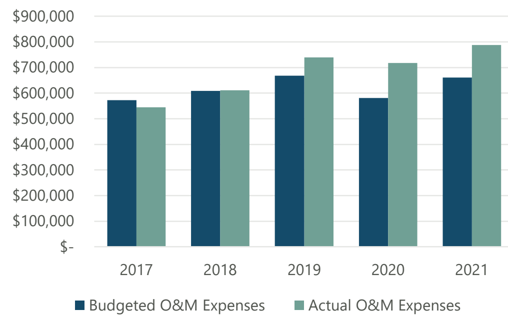
TABLE A-1 OPERATION AND MAINTENANCE EXPENSES - ACTUAL VS. BUDGET (2017-2021)

(Dollars in Thousands for Fiscal Years Ending December 31)

	2017	2018	2019	2020	2021	COMPOUND ANNUAL GROWTH RATE (2017-2021)
BUDGET:						
Budgeted O&M Expenses [1]	$ 572,743	$ 608,485	$ 668,548	$ 581,073	$ 660,750	3.6%
ACTUAL:						
Actual O&M Expenses [1]	$ 545,202	$ 611,046	$ 739,831	$ 717,306	$ 787,583	9.6%
Actual (below) / above Budget	-4.8%	0.4%	10.7%	23.4%	19.2%	

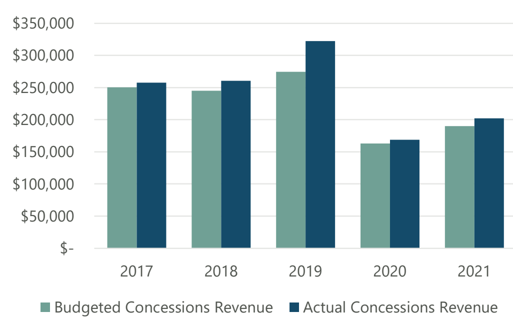


NOTE:
Does not include Land Support, Emergency Reserve Fund, or PFC Capital Fund.
SOURCES: City of Chicago, Comptroller's Office and Department of Aviation, August 2022.

TABLE A-2 CONCESSION REVENUE - ACTUAL VS. BUDGET (2017-2021)

(Dollars in Thousands for Fiscal Years Ending December 31)

	2017	2018	2019	2020	2021	COMPOUND ANNUAL GROWTH RATE (2017-2021)
BUDGET:						
Auto Parking	$ 107,671	$ 104,184	$ 101,402	$ 45,434	$ 50,171	-17.4%
Auto Rental	27,006	27,006	27,006	12,825	9,308	-23.4%
Restaurants	51,794	53,451	59,020	28,627	26,266	-15.6%
News and Gifts	24,553	17,470	19,738	8,887	11,383	-17.5%
Hilton Revenues	-	-	24,500	-	4,100	0.0%
Other	39,332	42,854	42,892	67,185	88,567	22.5%
Budgeted Concessions Revenue	**$ 250,356**	**$ 244,966**	**$ 274,558**	**$ 162,958**	**$ 189,795**	**-6.7%**
ACTUAL:						
Auto Parking	$ 106,620	$ 103,975	$ 103,459	$ 39,624	$ 73,599	-8.8%
Auto Rental	28,028	29,971	32,559	28,372	27,591	-0.4%
Restaurants	54,657	57,972	61,690	28,819	34,330	-11.0%
News and Gifts	24,354	25,465	25,012	23,309	12,325	-15.7%
Hilton Revenues	-	-	66,614	18,365	32,587	100.0%
Other	43,762	43,240	32,813	30,163	21,415	-16.4%
Actual Concessions Revenue	**$ 257,421**	**$ 260,623**	**$ 322,147**	**$ 168,652**	**$ 201,847**	**-5.9%**
Actual variance from budget	**2.8%**	**6.4%**	**17.3%**	**3.5%**	**6.4%**	



NOTES:
1 Includes percentage of gross receipts of six rental car companies operating under agreements at the Airport.
2 Includes rentals and fees from other concessions such as other space rentals, bus service, public pay phones, other specialty shops, display advertising, hotel, and duty free.
SOURCES: City of Chicago, Comptroller's Office and Department of Aviation, August 2022.

APPENDIX B

Financial Projection Tables

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TABLE B-1 OPERATION AND MAINTENANCE EXPENSES

(Dollars in Thousands for Fiscal Years Ending December 31)

	BUDGET [1]	PROJECTED										COMPOUND ANNUAL
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	GROWTH RATE (2022-2032)
By Line Item												
Personnel Expenses [2]	$ 351,030	$ 372,524	$ 386,366	$ 407,901	$ 427,890	$ 448,949	$ 467,332	$ 483,572	$ 511,143	$ 538,416	$ 556,261	4.7%
Repairs & Maintenance [3]	124,022	134,137	140,311	149,430	158,930	166,547	174,808	182,376	194,389	206,532	215,201	5.7%
Energy [4]	40,809	43,930	45,729	48,467	51,302	53,504	55,889	58,030	61,556	65,089	67,496	5.2%
Materials & Supplies [5]	13,557	14,388	14,756	15,414	16,081	16,529	17,017	17,414	18,205	18,972	19,390	3.6%
Engineering & Professional Services [6]	135,991	147,090	153,852	163,851	174,268	182,620	191,679	199,977	213,150	226,465	235,970	5.7%
CATCo Expenses [7]	32,807	37,729	39,615	41,596	43,675	45,859	48,152	50,560	53,088	55,742	58,529	6.0%
Other Operating Expenses [8]	73,296	79,289	82,923	88,311	93,926	98,428	103,310	107,783	114,882	122,059	127,182	5.7%
Total O&M Expenses [9]	**$ 771,512**	**$ 829,087**	**$ 863,552**	**$ 914,970**	**$ 966,072**	**$ 1,012,435**	**$ 1,058,187**	**$ 1,099,712**	**$ 1,166,414**	**$ 1,233,275**	**$ 1,280,031**	**5.2%**
Federal COVID-19 Relief Funds Applied to O&M Expenses [10]	(110,000)	(22,000)	-	-	-	-	-	-	-	-	-	-100.0%
Total O&M Expenses Net of Federal Aid [11]	**$ 661,512**	**$ 807,087**	**$ 863,552**	**$ 914,970**	**$ 966,072**	**$ 1,012,435**	**$ 1,058,187**	**$ 1,099,712**	**$ 1,166,414**	**$ 1,233,275**	**$ 1,280,031**	**6.8%**
By Cost Center												
Airfield	$ 251,774	$ 300,250	$ 316,438	$ 327,827	$ 338,933	$ 354,118	$ 368,152	$ 382,887	$ 397,410	$ 411,991	$ 428,224	5.5%
Terminal	323,170	393,196	430,391	462,820	497,803	524,333	551,606	573,621	621,475	669,196	694,419	7.9%
Aeronautical Real Estate	4,238	5,151	5,324	5,516	5,703	5,955	6,190	6,442	6,675	6,922	7,204	5.4%
Commercial Real Estate	1,683	2,045	2,114	2,190	2,265	2,365	2,458	2,558	2,651	2,749	2,861	5.4%
Parking and Ground Transportation	80,646	106,446	109,285	116,618	121,369	125,664	129,781	134,204	138,202	142,418	147,322	6.2%
Total O&M Expenses [11]	**$ 661,512**	**$ 807,087**	**$ 863,552**	**$ 914,970**	**$ 966,072**	**$ 1,012,435**	**$ 1,058,187**	**$ 1,099,712**	**$ 1,166,414**	**$ 1,233,275**	**$ 1,280,031**	**6.8%**
Percent Annual Change [12]		22.0%	7.0%	6.0%	5.6%	4.8%	4.5%	3.9%	6.1%	5.7%	3.8%	

NOTES:

1 CDA 2022 2nd Half Budget.

2 Includes all Airport staff plus an allocation of personnel costs from other City departments, which support Airport operations such as Purchasing, Finance and Corporation Counsel, plus associated pension expenses.

3 Includes Equipment maintenance contracts, snow removal equipment rentals, painting, glass replacement, office fixtures, furnishings and other repair contracts.

4 Includes gas, water, electricity and fuel oil required to operate the Airport.

5 Includes disposal equipment, cleaning supplies, airfield deicing chemicals and other items used in daily Airport operations and maintenance.

6 Includes fees for specialized engineering, legal, and other techincal services.

7 Includes Chicago Airlines Terminal Consortium (CATCo) and SmartCarte for FIS expenses.

8 Includes equipment and property rental, insurance, miscellaneous, machinery, and vehicles and equipment.

9 Annual O&M growth is affected by pension contributions and incremental expenses associated with Airport Capital Program facilities. Totals may not add due to rounding.

10 Federal COVID-19 relief funds applied to reduce O&M Expenses.

11 Total O&M Expenses are net of application of federal COVID-19 relief funds. Totals may not add due to rounding.

12 Annual O&M growth is affected by pension contributions as well as by the incremental expenses associated with additional Airport capital projects.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE B-2 NON-AIRLINE REVENUE

(Dollars in Thousands for Fiscal Years Ending December 31)

	BUDGET [1]	PROJECTED										COMPOUND ANNUAL
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	GROWTH RATE (2022-2032)
NON-AIRLINE REVENUE												
Real Estate and Rentals												
Aeronautical Real Estate (ARE) Revenues	$ 49,000	$ 56,470	$ 58,164	$ 59,909	$ 61,706	$ 63,557	$ 71,464	$ 73,608	$ 75,816	$ 78,091	$ 80,434	5.1%
Commercial Real Estate (CRE) Revenues	12,000	20,134	22,579	24,400	25,587	26,822	28,109	29,450	30,846	32,299	33,812	10.9%
Other Rentals [2]	14,781	15,817	16,292	16,781	17,208	17,856	18,734	19,296	20,557	21,877	22,533	4.3%
Real Estate and Rental Revenue	**$ 75,781**	**$ 92,422**	**$ 97,035**	**$ 101,090**	**$ 104,500**	**$ 108,236**	**$ 118,307**	**$ 122,353**	**$ 127,219**	**$ 132,267**	**$ 136,779**	**6.1%**
Concessions												
Automobile Parking - Net of Tax	$ 83,913	$ 99,250	$ 109,489	$ 116,480	$ 120,317	$ 124,244	$ 128,261	$ 132,374	$ 136,581	$ 140,885	$ 145,284	5.6%
Automobile Rental [3]	22,000	27,591	29,328	30,731	31,345	31,972	32,580	33,199	33,830	34,472	35,127	4.8%
Restaurants	48,462	53,899	71,439	74,260	75,541	77,348	80,654	82,584	89,276	96,295	99,971	7.5%
News & Gifts	22,525	25,052	30,170	31,167	30,644	30,321	31,597	32,426	34,438	36,542	38,027	5.4%
Duty Free	3,377	3,755	7,531	7,140	7,357	8,205	8,736	9,003	9,940	10,925	11,404	12.9%
Advertising	11,187	16,318	18,077	19,278	19,932	20,601	21,285	21,987	23,041	24,138	25,281	8.5%
Other Concessions [4]	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	7,124	0.0%
Total Concessions Revenue	**$ 198,588**	**$ 232,990**	**$ 273,158**	**$ 286,180**	**$ 292,260**	**$ 299,815**	**$ 310,237**	**$ 318,697**	**$ 334,229**	**$ 350,381**	**$ 362,219**	**6.2%**
Reimbursements [5]	11,762	12,871	14,343	15,553	16,637	17,465	18,361	19,423	20,558	21,763	22,866	6.9%
CFC Revenues for ATS	-	18,671	19,145	19,631	20,130	20,641	21,166	21,703	22,254	22,820	23,399	100.0%
TOTAL NON-AIRLINE REVENUE [6]	**$ 286,131**	**$ 356,954**	**$ 403,681**	**$ 422,454**	**$ 433,528**	**$ 446,157**	**$ 468,070**	**$ 482,177**	**$ 504,261**	**$ 527,231**	**$ 545,263**	**6.7%**
Percent Annual Change		24.8%	13.1%	4.7%	2.6%	2.9%	4.9%	3.0%	4.6%	4.6%	3.4%	

NOTES:

1 CDA 2022 2nd Half Budget.

2 Includes General Aviation Rentals, Land Rent paid by rental cars, and Concessions Terminal Rentals.

3 Includes percentage of gross receipts of the eight rental car companies operating under agreements at the Airport.

4 Includes rentals and fees from other concessions such as other space rentals, bus service, and other specialty shops.

5 Includes interest income and reimbursements such as those for utilities, TSA, common area maintenance.

6 Totals may not add due to rounding.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE B-3 ANNUAL PFC BOND DEBT SERVICE REQUIREMENTS

(Dollars in Thousands for Fiscal Years Ending December 31)

	BUDGET	PROJECTED									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
PFC Bond Debt Service [1]											
Series 2010C	$ 5,595	$ 5,585	$ 5,581	$ 5,571	$ 5,559	$ 5,549	$ 5,539	$ 5,528	$ 5,517	$ 5,506	$ -
Series 2011AB	276	276	276	276	276	276	276	276	276	1,796	3,360
Series 2012AB	38,510	38,512	38,514	38,512	38,513	38,511	38,505	38,508	38,504	38,506	-
Total PFC Bond Debt Service	**$ 44,380**	**$ 44,373**	**$ 44,371**	**$ 44,359**	**$ 44,348**	**$ 44,335**	**$ 44,320**	**$ 44,312**	**$ 44,296**	**$ 45,808**	**$ 3,360**

NOTE:

1 Net of capitalized interest.

SOURCES: City of Chicago, Department of Aviation, August 2022.

TABLE B-4 LOI GRANT SCHEDULES AND USES

FEDERAL FY	LOI GRANT RECEIPTS			USES OF LOI GRANT RECEIPTS					
	OMP PHASE 1 (AGL-06-01)	OMP PHASE 2A AND 2B (AGL-10-01)	TOTAL	PLEDGED TO 2011B BONDS [1, 2]	PLEDGED TO 2016E BONDS [1]	PAY-AS-YOU-GO (OMP PHASE 1)	PAY-AS-YOU-GO (OMP PHASE 2A)	PAY-AS-YOU-GO (OMP PHASE 2B)	TOTAL
GRANTS RECEIVED									
2006	$ 20,000,000		$ 20,000,000			$ 20,000,000			$ 20,000,000
2007	$ 20,000,000		$ 20,000,000			$ 20,000,000			$ 20,000,000
2008	$ 20,000,000		$ 20,000,000			$ 20,000,000			$ 20,000,000
2009	$ 20,000,000		$ 20,000,000			$ 20,000,000			$ 20,000,000
2010	$ 20,000,000		$ 20,000,000			$ 20,000,000			$ 20,000,000
2011	$ 20,000,000	$ 50,000,000	$ 70,000,000			$ 20,000,000	$ 50,000,000		$ 70,000,000
2012	$ 20,000,000	$ 70,000,000	$ 90,000,000			$ 20,000,000	$ 70,000,000		$ 90,000,000
2013	$ 20,000,000	$ 65,000,000	$ 85,000,000	$ 20,000,000			$ 65,000,000		$ 85,000,000
2014	$ 20,000,000	$ 45,000,000	$ 65,000,000	$ 20,000,000			$ 45,000,000		$ 65,000,000
2015	$ 20,000,000	$ 30,000,000	$ 50,000,000	$ 45,000,000			$ 5,000,000		$ 50,000,000
2016	$ 20,000,000	$ 25,000,000	$ 45,000,000	$ 40,000,000				$ 5,000,000	$ 45,000,000
2017	$ 20,000,000	$ 40,000,000	$ 60,000,000	$ 20,000,000				$ 40,000,000	$ 60,000,000
2018	$ 20,000,000	$ 45,000,000	$ 65,000,000	$ 20,000,000				$ 45,000,000	$ 65,000,000
2019	$ 20,000,000	$ 45,000,000	$ 65,000,000	$ 20,000,000				$ 45,000,000	$ 65,000,000
2020	$ 20,000,000	$ 45,000,000	$ 65,000,000	$ 20,000,000				$ 45,000,000	$ 65,000,000
2021		$ 25,000,000	$ 25,000,000					$ 25,000,000	$ 25,000,000
2022		$ 30,000,000	$ 30,000,000		$ 30,000,000				$ 30,000,000
Total Received	**$ 300,000,000**	**$ 515,000,000**	**$ 815,000,000**	**$ 205,000,000**	**$ 30,000,000**	**$ 140,000,000**	**$ 235,000,000**	**$ 205,000,000**	**$ 815,000,000**
FUTURE GRANTS									
2023		$ 30,000,000	$ 30,000,000		$ 30,000,000				$ 30,000,000
2024		$ 30,000,000	$ 30,000,000		$ 30,000,000				$ 30,000,000
2025		$ 30,000,000	$ 30,000,000		$ 30,000,000				$ 30,000,000
2026		$ 20,000,000	$ 20,000,000		$ 20,000,000				$ 20,000,000
Total Future	**$ -**	**$ 110,000,000**	**$ 110,000,000**	**$ -**	**$ 110,000,000**	**$ -**	**$ -**	**$ -**	**$ 110,000,000**
TOTAL	**$ 300,000,000**	**$ 625,000,000**	**$ 925,000,000**	**$ 205,000,000**	**$ 140,000,000**	**$ 140,000,000**	**$ 235,000,000**	**$ 205,000,000**	**$ 925,000,000**

NOTES:

1 Pledged LOI Grant Receipts are pledged to Series 2011B and Series 2016E Bonds. The Series 2011B Bonds were refunded by the Series 2017C Bonds. LOI Grant Receipts are applied to debt service in the year after receipt.

2 Pledge comprised of $160 million from AGL-06-01 and $45 million from AGL-10-01.

SOURCES: City of Chicago, Department of Aviation, August 2022.

TABLE B-5 ANNUAL GARB DEBT SERVICE REQUIREMENTS

(Dollars in Thousands for Fiscal Years Ending December 31)

	BUDGET[1]	PROJECTED									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
General Airport Revenue Bond (GARB) Debt Service											
Outstanding GARB Debt Service[2, 3]	$ 621,386	$ 567,406	$ 574,534	$ 569,739	$ 606,149	$ 593,415	$ 559,757	$ 592,103	$ 592,084	$ 592,576	$ 593,825
Series 2022 Bonds											
Series 2022 Bonds (estimated)[3, 4]	$ -	$ 73,467	$ 123,518	$ 137,423	$ 105,809	$ 111,401	$ 124,392	$ 92,430	$ 92,381	$ 92,334	$ 91,282
Future GARB Debt Service											
Total Future GARB Debt Service[3]	$ -	$ -	$ -	$ -	$ 36,963	$ 124,987	$ 309,438	$ 419,403	$ 506,912	$ 625,622	$ 710,125
Total GARB Debt Service	**$ 621,386**	**$ 640,873**	**$ 698,052**	**$ 707,163**	**$ 748,920**	**$ 829,803**	**$ 993,587**	**$ 1,103,936**	**$ 1,191,377**	**$ 1,310,532**	**$ 1,395,232**
Less: PFCs Pledged to existing GARB Debt Service	$ (32,384)	$ (32,387)	$ (32,387)	$ (32,385)	$ (32,385)	$ (32,386)	$ (33,162)	$ (36,750)	$ (36,742)	$ (36,748)	$ (70,770)
Less: PFCs Applied to existing GARB Debt Service	(41,245)	(41,245)	(41,243)	(41,246)	(41,243)	(41,244)	(41,244)	(41,243)	(41,243)	(41,243)	(41,242)
Less: PFCs Pledged to Future PFC-Backed GARB Debt Service	-	-	(72,665)	(72,665)	(72,665)	(72,665)	(72,665)	(72,665)	(72,665)	(72,665)	(72,665)
Less: Federal Funds Pledged to Series 2011B Debt Service	(20,000)	-	-	-	-	-	-	-	-	-	-
Less: Federal Funds Pledged to Series 2016E Debt Service	-	(30,000)	(30,000)	(30,000)	(30,000)	(20,000)	-	-	-	-	-
Less: North Airport Traffic Control Tower (NATCT) Rent Revenue	(2,115)	(2,115)	(2,115)	(2,115)	(2,115)	(2,115)	(1,498)	-	-	-	-
Less: BAB Subsidy Applied to Debt Service on Series 2010B[5]	(6,912)	(6,912)	(6,912)	(6,912)	(6,912)	(6,912)	(6,912)	(6,912)	(6,912)	(6,912)	(6,912)
Other Adjustments[6]	(4,000)	(6,409)	(6,981)	(7,072)	(7,489)	(8,298)	(9,936)	(11,039)	(11,914)	(13,105)	(13,952)
Net GARB Debt Service	**$ 514,731**	**$ 521,806**	**$ 505,750**	**$ 514,768**	**$ 556,111**	**$ 646,183**	**$ 828,171**	**$ 935,326**	**$ 1,021,901**	**$ 1,139,860**	**$ 1,189,690**

NOTES:

1 CDA 2022 2nd Half Budget.

2 Includes the estimated impact of the refunding of the Series 2013A, Series 2013B, Series 2013C, and Series 2013D Bonds through the issuance of the 2022C and 2022D Bonds for rates and charges years 2023 and forward.

3 Net of capitalized interest.

4 The January 1, 2023 debt service payment on the 2022 Bonds is assumed to be collected during the City's 2022 settlement process and is not shown above.

5 Reflects Subsidy Payment from United States Treasury for interest paid to GARB, Series 2010B Bonds, which are qualified as Build America Bonds (BABs).

6 Adjustment for estimated investment income.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE B-6 FUND DEPOSIT REQUIREMENTS

(Dollars in Thousands for Fiscal Years Ending December 31)

	BUDGET [1]	PROJECTED									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Fund Deposit Requirements:											
O&M Reserve Fund [2]	$ 190	$ 36,394	$ 14,116	$ 12,855	$ 12,775	$ 11,591	$ 11,438	$ 10,381	$ 16,675	$ 16,715	$ 11,689
Supplemental O&M Reserve Fund [3]	23,897	50,018	41,251	42,215	12,775	11,591	11,438	10,381	16,675	16,715	11,689
Maintenance Reserve Fund [4]	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
TOTAL FUND DEPOSIT REQUIREMENTS	**$ 27,087**	**$ 89,412**	**$ 58,368**	**$ 58,070**	**$ 28,551**	**$ 26,181**	**$ 25,876**	**$ 23,762**	**$ 36,351**	**$ 36,431**	**$ 26,378**
Total Fund Deposits by Cost / Revenue Center:											
Airfield Area	$ 12,060	$ 31,025	$ 19,452	$ 17,528	$ 6,606	$ 8,642	$ 8,061	$ 8,412	$ 8,284	$ 8,293	$ 9,120
Terminal Area	11,320	43,207	32,983	32,365	19,037	14,819	15,201	12,572	25,525	25,488	14,239
Fueling System	-	-	-	-	-	-	-	-	-	-	-
Aeronautical Real Estate	303	564	285	295	111	144	135	143	134	140	158
Commercial Real Estate	127	224	113	117	44	57	54	57	53	56	63
Parking and Ground Transportation	3,278	14,393	5,535	7,764	2,752	2,520	2,427	2,577	2,354	2,454	2,797
TOTAL FUND DEPOSIT REQUIREMENTS	**$ 27,087**	**$ 89,412**	**$ 58,368**	**$ 58,070**	**$ 28,551**	**$ 26,181**	**$ 25,876**	**$ 23,762**	**$ 36,351**	**$ 36,431**	**$ 26,378**

NOTE:

1 CDA 2022 2nd Half Budget.

2 O&M Reserve Fund Requirement equal to 25.0 percent of O&M Expenses.

3 Supplemental O&M Reserve Fund Requirement equal to 14.4 percent of O&M Expenses in 2022 and increasing in each year to 25.0 percent of O&M Expenses in 2025 and remaining at 25.0 percent for each year thereafter.

4 Maintenance Reserve Fund deposit equal to $3.0 million annually.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE B-7 NET SIGNATORY AIRLINE REQUIREMENT

(Dollars in Thousands for Fiscal Years Ending December 31)

	BUDGET [1]	PROJECTED									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
O&M Expenses	$ 661,512	$ 807,087	$ 863,552	$ 914,970	$ 966,072	$ 1,012,435	$ 1,058,187	$ 1,099,712	$ 1,166,414	$ 1,233,275	$ 1,280,031
Net Debt Service [2]	514,731	521,806	505,750	514,768	556,111	646,183	828,171	935,326	1,021,901	1,139,860	1,189,690
Other Capital Costs [3]	96,146	55,522	64,988	53,014	61,220	71,046	91,817	78,504	72,824	80,800	72,234
Fund Deposit Requirement [4]	28,587	90,987	60,021	59,806	30,374	28,096	27,887	25,873	38,567	38,758	28,821
Total Expenses, Net Debt Service and Fund Deposits [5]	**$ 1,300,976**	**$ 1,475,402**	**$ 1,494,312**	**$ 1,542,559**	**$ 1,613,777**	**$ 1,757,759**	**$ 2,006,061**	**$ 2,139,415**	**$ 2,299,706**	**$ 2,492,692**	**$ 2,570,776**
Less:											
Non-Airline Revenue	$ (286,131)	$ (356,954)	$ (403,681)	$ (422,454)	$ (433,528)	$ (446,157)	$ (468,070)	$ (482,177)	$ (504,261)	$ (527,231)	$ (545,263)
Non-Signatory Airline Revenue	(29,150)	(32,786)	(34,828)	(35,094)	(36,123)	(38,286)	(39,974)	(42,250)	(42,624)	(43,328)	(43,528)
Total Non-Airline and Non-Signatory Revenue	**$ (315,281)**	**$ (389,740)**	**$ (438,509)**	**$ (457,548)**	**$ (469,651)**	**$ (484,443)**	**$ (508,045)**	**$ (524,427)**	**$ (546,885)**	**$ (570,559)**	**$ (588,792)**
Adjustments:											
Current year ARE and CRE deficit/(credit)	$ 5,603	$ 5,718	$ 4,075	$ 3,229	$ 1,591	$ 1,372	$ 8,524	$ 2,881	$ 3,285	$ 3,388	$ 2,966
Other [6]	-	8,000	8,000	8,000	8,500	8,500	8,500	9,000	9,000	9,000	9,500
Federal COVID-19 Relief Funds Application [7]	(41,000)	-	-	-	-	-	-	-	-	-	-
Landing Fee True-Up for Prior Fiscal Years	(10,000)	(5,000)	-	-	-	-	-	-	-	-	-
Total Adjustments	**$ (45,397)**	**$ 8,718**	**$ 12,075**	**$ 11,229**	**$ 10,091**	**$ 9,872**	**$ 17,024**	**$ 11,881**	**$ 12,285**	**$ 12,388**	**$ 12,466**
Net Signatory Airline Requirement	**$ 940,297**	**$ 1,094,380**	**$ 1,067,877**	**$ 1,096,239**	**$ 1,154,217**	**$ 1,283,188**	**$ 1,515,041**	**$ 1,626,869**	**$ 1,765,106**	**$ 1,934,521**	**$ 1,994,450**

NOTES:

1 CDA 2022 2nd Half Budget.

2 Net of capitalized interest and BAB subsidy. Adjusted for investment income, grant receipts, and PFC credits.

3 Includes required debt service coverage, paygo pre-approved allowance, and other obligations.

4 Includes O&M Reserve Fund, Supplemental O&M Reserve Fund, and Maintenance Reserve Fund.

5 Totals may not add due to rounding.

6 Includes air service incentive fees and discretionary cash transfer.

7 Includes Federal COVID-19 Relief Funds applied to the Airfield and Terminal.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE B-8 AIRLINE FEES, RENTALS AND CHARGES

(For Fiscal Years Ending December 31)

	BUDGET [1]	PROJECTION										COMPOUND ANNUAL
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	GROWTH RATE (2022-2032)
Landing Fee Rate: [2]												
Signatory Airline	$ 10.55	$ 10.72	$ 10.57	$ 10.29	$ 10.42	$ 10.89	$ 11.21	$ 11.68	$ 11.63	$ 11.67	$ 11.57	0.9%
Non-Signatory Airline	$ 10.55	$ 10.72	$ 10.57	$ 10.29	$ 10.42	$ 10.89	$ 11.21	$ 11.68	$ 11.63	$ 11.67	$ 11.57	0.9%
Terminal Area:												
Base Space Rate [3]	$ 159.35	$ 184.58	$ 156.74	$ 166.24	$ 179.14	$ 204.88	$ 272.14	$ 298.06	$ 299.22	$ 302.09	$ 317.52	7.1%
Common Use Fees: [4]												
Domestic Common Use Gate Fee [5]	$ 1.15	$ 1.37	$ 1.88	$ 1.49	$ 1.57	$ 1.73	$ 2.16	$ 2.30	$ 2.29	$ 2.29	$ 2.37	7.5%
Int'l Common Use Gate Fee [6]	$ 2.49	$ 2.72	$ 3.16	$ 3.28	$ 3.41	$ 3.69	$ 4.46	$ 4.71	$ 4.67	$ 2.16	$ 2.22	-1.2%
Domestic Common Use Baggage Make-up Fee [7]	$ 2.20	$ 5.96	$ 6.86	$ 5.43	$ 5.70	$ 7.08	$ 9.08	$ 9.68	$ 17.40	$ 20.66	$ 21.35	25.5%
Int'l Common Use Baggage Make-up Fee [8]	$ 3.21	$ 6.68	$ 4.84	$ 5.01	$ 5.20	$ 5.57	$ 6.53	$ 6.87	$ 6.85	$ 9.57	$ 9.83	11.8%
Common Use Baggage Claim Fee [9]	$ 0.43	$ 1.16	$ 0.99	$ 0.84	$ 0.88	$ 0.97	$ 1.19	$ 1.27	$ 1.82	$ 2.79	$ 2.89	20.9%
Domestic Common Use Check-in Fee [10]	$ 12.04	$ 16.92	$ 26.87	$ 21.12	$ 22.05	$ 24.25	$ 30.47	$ 32.46	$ 32.01	$ 8.38	$ 8.49	-3.4%
Int'l Common Use Check-in Fee [10]	$ 23.72	$ 24.29	$ 16.85	$ 16.97	$ 17.26	$ 18.23	$ 21.35	$ 22.19	$ 21.73	$ 22.79	$ 23.10	-0.3%
FIS Facility Fee [11]	$ 14.60	$ 12.60	$ 10.42	$ 11.30	$ 11.80	$ 14.85	$ 19.42	$ 20.66	$ 29.61	$ 37.64	$ 38.67	10.2%
Fueling System:												
Average Cost Per Gallon (excluding fuel)	$ 0.00228	$ 0.00158	$ 0.00214	$ 0.00164	$ 0.00233	$ 0.00212	$ 0.00183	$ 0.00119	$ 0.00131	$ 0.00128	$ 0.00103	-7.6%

NOTES:

1 CDA 2022 2nd Half Budget.

2 Per thousand pounds.

3 Per square foot.

4 Includes $10.0 million in Federal COVID-19 relief funds applied as revenues to offset Common Use Fees in FY 2022.

5 Per delivered seat.

6 Per delivered departing and delivered arriving international common use seat without FIS user.

7 Per domestic outbound checked bag.

8 Per international outbound checked bag.

9 Per delivered arriving domestic seat.

10 Per hour, per check-in position.

11 Per FIS user.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE B-9 AIRLINE REVENUE

(Dollars in Thousands for Fiscal Years Ending December 31)

	BUDGET [1]	PROJECTED										COMPOUND ANNUAL
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	GROWTH RATE (2022-2032)
Landing Fee Revenue:												
Landing Fee Revenue	$ 583,010	$ 655,730	$ 696,555	$ 701,877	$ 722,469	$ 765,729	$ 799,487	$ 845,002	$ 852,471	$ 866,565	$ 870,566	4.1%
TOTAL LANDING FEE REVENUE	**$ 583,010**	**$ 655,730**	**$ 696,555**	**$ 701,877**	**$ 722,469**	**$ 765,729**	**$ 799,487**	**$ 845,002**	**$ 852,471**	**$ 866,565**	**$ 870,566**	**4.1%**
Terminal Area Rental and Use Charge Revenue:												
Terminal Rentals	$ 282,578	$ 333,042	$ 276,353	$ 293,054	$ 321,254	$ 378,227	$ 526,080	$ 575,977	$ 617,390	$ 705,100	$ 741,121	10.1%
TOTAL TERMINAL RENTAL AND USE CHARGE REVENUE	**$ 282,578**	**$ 333,042**	**$ 276,353**	**$ 293,054**	**$ 321,254**	**$ 378,227**	**$ 526,080**	**$ 575,977**	**$ 617,390**	**$ 705,100**	**$ 741,121**	**10.1%**
Terminal Baggage Handling Systems Revenue:												
Signatory Airline	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	0.0%
TOTAL TERMINAL BAGGAGE HANDLING SYSTEMS REVENUE	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Fueling System Fee Revenue:												
Signatory Airline	$ 2,439	$ 1,871	$ 2,727	$ 2,164	$ 3,135	$ 2,899	$ 2,553	$ 1,695	$ 1,887	$ 1,886	$ 1,544	-4.5%
TOTAL FUELING SYSTEM FEE REVENUE	**$ 2,439**	**$ 1,871**	**$ 2,727**	**$ 2,164**	**$ 3,135**	**$ 2,899**	**$ 2,553**	**$ 1,695**	**$ 1,887**	**$ 1,886**	**$ 1,544**	**-4.5%**
Common Use Fee Revenue												
TOTAL COMMON USE FEE REVENUE	**$ 101,421**	**$ 136,523**	**$ 127,070**	**$ 134,239**	**$ 143,482**	**$ 174,620**	**$ 226,895**	**$ 246,445**	**$ 335,981**	**$ 404,297**	**$ 424,748**	**15.4%**
TOTAL AIRLINE REVENUE	**$ 969,448**	**$ 1,127,166**	**$ 1,102,705**	**$ 1,131,333**	**$ 1,190,340**	**$ 1,321,475**	**$ 1,555,015**	**$ 1,669,119**	**$ 1,807,729**	**$ 1,977,849**	**$ 2,037,979**	**7.7%**

NOTE:

1 CDA 2022 2nd Half Budget.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE B-10 AIRLINE COST PER ENPLANED PASSENGER

(Dollars in Thousands for Fiscal Years Ending December 31)

	PROJECTED											COMPOUND ANNUAL
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	GROWTH RATE (2022-2032)
Total Airline Revenue	$ 969,448	$ 1,127,166	$ 1,102,705	$ 1,131,333	$ 1,190,340	$ 1,321,475	$ 1,555,015	$ 1,669,119	$ 1,807,729	$ 1,977,849	$ 2,037,979	7.7%
Less: Cargo Landing Fee Revenue	(49,841)	(56,058)	(59,548)	(60,003)	(61,764)	(65,462)	(68,348)	(72,239)	(72,878)	(74,083)	(74,425)	4.1%
Total Passenger Airline Requirement	**$ 919,606**	**$ 1,071,108**	**$ 1,043,157**	**$ 1,071,330**	**$ 1,128,576**	**$ 1,256,013**	**$ 1,486,667**	**$ 1,596,879**	**$ 1,734,851**	**$ 1,903,766**	**$ 1,963,554**	**7.9%**
Total Projected Enplaned Passengers [2]	33,173	36,895	40,269	42,309	43,096	43,885	44,673	45,464	46,255	47,047	47,839	3.7%
Total Airline Cost per Enplaned Passenger												
Current Dollars	$ 27.72	$ 29.03	$ 25.90	$ 25.32	$ 26.19	$ 28.62	$ 33.28	$ 35.12	$ 37.51	$ 40.46	$ 41.04	4.0%
2022 Dollars [3]	$ 27.72	$ 28.19	$ 24.42	$ 23.17	$ 23.27	$ 24.69	$ 27.87	$ 28.56	$ 29.61	$ 31.01	$ 30.54	1.0%

NOTES:

1 CDA 2022 2nd Half Budget.

2 Enplaned passenger total in 2022 reflects forecast amount, which differs from amount in the City's 2nd Half Budget.

3 Inflation rate assumed at 3.0 percent, though rates may vary across the Projection Period.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

TABLE B-11 (1 of 2) GARB DEBT SERVICE COVERAGE

(Dollars in Thousands for Fiscal Years Ending December 31)

	PROJECTED [1]										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Landing Fee Revenue	$ 583,010	$ 655,730	$ 696,555	$ 701,877	$ 722,469	$ 765,729	$ 799,487	$ 845,002	$ 852,471	$ 866,565	$ 870,566
Terminal Area Rental and Use Charge Revenue [2]	282,578	333,042	276,353	293,054	321,254	378,227	526,080	575,977	617,390	705,100	741,121
Terminal Common Use Fee Revenue	101,421	136,523	127,070	134,239	143,482	174,620	226,895	246,445	335,981	404,297	424,748
Terminal Baggage Handling Systems Revenue	-	-	-	-	-	-	-	-	-	-	-
Fueling System Fee Revenue	2,439	1,871	2,727	2,164	3,135	2,899	2,553	1,695	1,887	1,886	1,544
Non-Airline Revenue	286,131	356,954	403,681	422,454	433,528	446,157	468,070	482,177	504,261	527,231	545,263
Investment Income from Debt Service Reserve Fund	4,000	6,409	6,981	7,072	7,489	8,298	9,936	11,039	11,914	13,105	13,952
Federal Subsidy (BABs) Revenue [3]	6,912	6,912	6,912	6,912	6,912	6,912	6,912	6,912	6,912	6,912	6,912
Total Revenue	**$ 1,266,490**	**$ 1,497,441**	**$ 1,520,279**	**$ 1,567,771**	**$ 1,638,269**	**$ 1,782,842**	**$ 2,039,933**	**$ 2,169,247**	**$ 2,330,816**	**$ 2,525,097**	**$ 2,604,106**
Pledged PFC Revenue [4]	32,384	32,387	32,387	32,385	32,385	32,386	33,162	36,750	36,742	36,748	70,770
Applied PFC Revenue [5]	41,245	41,245	113,908	113,911	113,908	113,909	113,909	113,908	113,908	113,908	113,907
Federal Funds Pledged to Series 2011B Debt Service	20,000	-	-	-	-	-	-	-	-	-	-
Federal Funds Pledged to Series 2016E Grant Receipts-Backed Debt Service	-	30,000	30,000	30,000	30,000	20,000	-	-	-	-	-
North Airport Traffic Control Tower (NATCT) Rent Revenue	2,115	2,115	2,115	2,115	2,115	2,115	1,498	-	-	-	-
Landing Fee True-Up for Prior Fiscal Years	10,000	5,000	-	-	-	-	-	-	-	-	-
Federal COVID-19 Relief Monies Deposited To Revenue Fund [6, 7]	15,000	-	-	-	-	-	-	-	-	-	-
Total Revenue plus Pledged Other Available Moneys and Applied PFCs	**$ 1,387,234**	**$ 1,608,187**	**$ 1,698,688**	**$ 1,746,182**	**$ 1,816,677**	**$ 1,951,252**	**$ 2,188,502**	**$ 2,319,905**	**$ 2,481,467**	**$ 2,675,753**	**$ 2,788,784**

TABLE B-11 (2 of 2) GARB DEBT SERVICE COVERAGE

(Dollars in Thousands for Fiscal Years Ending December 31)

	PROJECTED [1]										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
COVERAGE CALCULATION											
Total Revenue plus Pledged Other Available Moneys and Applied PFCs	$ 1,387,234	$ 1,608,187	$ 1,698,688	$ 1,746,182	$ 1,816,677	$ 1,951,252	$ 2,188,502	$ 2,319,905	$ 2,481,467	$ 2,675,753	$ 2,788,784
Plus:											
Anticipated Federal COVID-19 Relief Funds Cash Reimbursements Net of Funds Applied as Revenues [7]	67,045	-	-	-	-	-	-	-	-	-	-
Prior Period Required Debt Service Coverage	112,200	155,347	160,218	174,513	176,791	187,230	207,451	248,397	275,984	297,844	327,633
ARE Revenues Received in Prior Year and Applied as Revenues	45,204	44,458	50,424	51,985	53,454	54,649	55,690	63,417	65,443	67,416	69,446
CRE Revenues Received in Prior Year and Applied as Revenues	846	10,990	10,742	13,256	15,016	15,411	15,743	16,539	17,394	18,706	20,064
Adjusted Total Revenue	**$ 1,612,530**	**$ 1,818,982**	**$ 1,920,073**	**$ 1,985,936**	**$ 2,061,938**	**$ 2,208,543**	**$ 2,467,386**	**$ 2,648,259**	**$ 2,840,288**	**$ 3,059,719**	**$ 3,205,927**
Less:											
O&M Expenses	$ 661,512	$ 807,087	$ 863,552	$ 914,970	$ 966,072	$ 1,012,435	$ 1,058,187	$ 1,099,712	$ 1,166,414	$ 1,233,275	$ 1,280,031
Allowable Airline Liaison Office Expenses	1,500	1,575	1,654	1,736	1,823	1,914	2,010	2,111	2,216	2,327	2,443
Net Revenue Available for Senior Lien Coverage	**$ 949,518**	**$ 1,010,320**	**$ 1,054,867**	**$ 1,069,230**	**$ 1,094,043**	**$ 1,194,193**	**$ 1,407,188**	**$ 1,546,436**	**$ 1,671,658**	**$ 1,824,117**	**$ 1,923,453**
Senior Lien Debt Service [8]	**$ 621,386**	**$ 640,873**	**$ 698,052**	**$ 707,163**	**$ 748,920**	**$ 829,803**	**$ 993,587**	**$ 1,103,936**	**$ 1,191,377**	**$ 1,310,532**	**$ 1,395,232**
Senior Lien GARB Debt Service Coverage [9]	**1.53x**	**1.58x**	**1.51x**	**1.51x**	**1.46x**	**1.44x**	**1.42x**	**1.40x**	**1.40x**	**1.39x**	**1.38x**
Other Required Uses of Revenue											
O&M Reserve Fund	$ 190	$ 36,394	$ 14,116	$ 12,855	$ 12,775	$ 11,591	$ 11,438	$ 10,381	$ 16,675	$ 16,715	$ 11,689
Supplemental O&M Reserve Fund [10]	23,897	50,018	41,251	42,215	12,775	11,591	11,438	10,381	16,675	16,715	11,689
Maintenance Reserve Fund	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Other Required Uses of Revenue	**$ 27,087**	**$ 89,412**	**$ 58,368**	**$ 58,070**	**$ 28,551**	**$ 26,181**	**$ 25,876**	**$ 23,762**	**$ 36,351**	**$ 36,431**	**$ 26,378**

NOTES:

1 Coverage calculation makes adjustments for certain O&M Expenses, Revenues, and other reserve funds and therefore is not directly comparable to the coverage calculation in the financial statements.

2 Excludes revenues collected through common use charges.

3 Reflects Subsidy Payment from United States Treasury for interest paid to GARB, Series 2010B Bonds, which are qualified as Build America Bonds.

4 Includes PFC Revenues applied to pay debt service on portions of the Series 2016 and Series 2020 Bonds.

5 Includes non-pledged PFC Revenues assumed to be applied to existing outstanding debt service and debt service on future bonds pursuant to a letter agreement with the airlines.

6 Represents federal COVID-19 relief funds deposited into Revenue Fund as of August 15, 2022.

7 Represents federal COVID-19 relief funds available in cash balances to be applied as Other Available Moneys for the purposes of calculating Senior Lien GARB Debt Service Coverage.

8 Net of capitalized interest. Includes debt service on outstanding bonds and estimated debt service on the 2022 Bonds and future bonds. Assumes future bonds are issued as Senior Lien debt.

9 Coverage calculation makes adjustments for certain O&M Expenses, Revenues, and other reserve funds and therefore is not directly comparable to the coverage calculation in the financial statements.

10 Reflects the increase of the reserve requirement from 14.4% of annual O&M Expenses in 2022 to 25% in 2025 and thereafter as required by the AULA.

SOURCES: City of Chicago, Department of Aviation, August 2022; Ricondo & Associates, Inc., August 2022.

APPENDIX F

PROPOSED FORMS OF OPINIONS OF CO-BOND COUNSEL FOR THE 2022 SENIOR LIEN BONDS

October 4, 2022

City of Chicago
City Hall
Chicago, Illinois

We have examined a record of proceedings relating to the issuance of $1,110,055,000 aggregate principal amount of Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022A (the "Bonds") of the City of Chicago, a municipal corporation and a home rule unit of local government of the State of Illinois (the "City"). The Bonds are limited obligations of the City issued pursuant to the authority of Article VII, Section 6(a) of the Illinois Constitution of 1970 and by virtue of an ordinance adopted by the City Council of the City on March 28, 2018, (the "2018 O'Hare Financing Ordinance") and an ordinance adopted by said City Council on October 27, 2021 (the "2021 Omnibus Borrowing Ordinance").The Bonds are authorized by the City for the primary purpose of providing funds to finance the cost of certain capital projects at Chicago O'Hare International Airport (the "Airport").

The Bonds are being issued pursuant to a Master Indenture of Trust Securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations, dated as of June 1, 2018 (the "Indenture"), between the City and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee"), and a Seventy-First Supplemental Indenture Securing Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022A, dated as of October 1, 2022 (the "Seventy-First Supplemental Indenture"). The Bonds are Senior Lien Obligations authorized under the Indenture and are payable solely from and secured by a pledge of Revenues of the Airport as, and to the extent, provided in the Indenture and the Seventy-First Supplemental Indenture. Terms used herein that are defined in the Indenture and the Seventy-First Supplemental Indenture shall have the meanings set forth therein unless otherwise defined herein.

Under the terms of the Indenture, the City has previously issued Senior Lien Obligations that are presently outstanding and the City may hereafter authorize and issue additional Senior Lien Obligations as permitted by the Indenture. Senior Lien Obligations are entitled to the benefit and security of the Indenture, including the pledge of Revenues and other funds maintained for the benefit of the Senior Lien Obligations.

The Bonds are issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. The Bonds are dated October 4, 2022 and bear interest from their date payable on January 1, 2023, and semi-annually thereafter on each January 1 and July 1 until paid. The Bonds mature on January 1 in each of the following years in the respective principal amounts set opposite such years, and the Bonds maturing in each such year bear interest at the respective rates of interest per annum set opposite such principal amounts in the following table:

Year	Principal Amount	Interest Rate
2025	$ 3,800,000	5.000%
2026	840,000	5.000
2028	400,000	5.000
2029	2,410,000	5.000
2030	430,000	5.000
2031	465,000	5.000
2042	16,550,000	5.000
2045	78,585,000	5.250
2048	142,170,000	4.500
2048	51,015,000	5.000
2053	100,830,000	4.625
2053	146,210,000	5.250
2053	250,000,000	5.500
2055	150,795,000	5.000
2055	165,555,000	5.500

The Bonds maturing in the year 2048 and bearing interest at 4.50% and in the year 2053, are subject to redemption, at the option of the City, on or after January 1, 2031, as a whole or in part at any time, and if in part, from such Bonds as the City shall determine and by lot for such Bonds of the same maturity and interest rate, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

The Bonds maturing in the year 2048 and bearing interest at 5.00% and in the years 2042, 2045 and 2055 are subject to redemption, at the option of the City, on or after January 1, 2032, as a whole or in part at any time, and if in part, from such Bonds as the City shall determine and by lot for such Bonds of the same maturity and interest rate, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

The Bonds maturing on January 1, 2045 are subject to mandatory redemption, in part and by lot, by the application of Sinking Fund Payments as provided in the Seventy-First Supplemental Indenture, on January 1 of the years 2043 and 2044, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds maturing on January 1, 2048, are subject to mandatory redemption, in part and by lot for such Bonds bearing interest at the same rate, by the application of Sinking Fund Payments as provided in the Seventy-First Supplemental Indenture, on January 1 of the years 2046 and 2047, at a redemption price equal to the principal amount thereof to be redeemed.

The Bonds maturing on January 1, 2053, are subject to mandatory redemption, in part and by lot for such Bonds bearing interest at the same rate, by the application of Sinking Fund Payments as provided in the Seventy-First Supplemental Indenture, on January 1 of the years 2050 to 2052, both inclusive, at a redemption price equal to the principal amount thereof to be redeemed.

In connection with the issuance of the Bonds we have examined the following: (a) the Constitution of the State of Illinois, and such laws as we deemed pertinent to this opinion; (b) a certified copy of the 2018 O'Hare Financing Ordinance; (c) a certified copy of the 2021 Omnibus Borrowing Ordinance; (d) executed counterparts of the Indenture and the Seventy-First Supplemental Indenture; and (e) such other documents and related matters of law as we have deemed necessary in order to render this opinion.

Based upon our examination of the foregoing, we are of the opinion that:

1. The City is a municipal corporation duly existing under the laws of the State of Illinois and is a home rule unit of local government within the meaning of Section 6(a) of Article VII of the 1970 Illinois Constitution. The City has all requisite power and authority under the Constitution and the laws of the State of Illinois, the 2018 O'Hare Financing Ordinance and the 2021 Omnibus Borrowing Ordinance (i) to enter into the Indenture and the Seventy-First Supplemental Indenture with the Trustee and to issue the Bonds thereunder, and (ii) to improve, maintain and operate the Airport and to charge and collect rents, fees and other charges for the use and services of the Airport and to perform all of its obligations under the Indenture and the Seventy-First Supplemental Indenture in those respects.

2. The 2018 O'Hare Financing Ordinance and the 2021 Omnibus Borrowing Ordinance are in full force and effect and are valid and binding upon the City in accordance with their terms. The Indenture and the Seventy-First Supplemental Indenture have been duly authorized, executed and delivered by the City, constitute valid and binding obligations of the City and are legally enforceable in accordance with their terms.

3. The Bonds have been duly authorized and issued, are the legal, valid and binding limited obligations of the City, are entitled to the benefits and security of the Indenture and the Seventy-First Supplemental Indenture, and are enforceable in accordance with their terms.

4. The Bonds are payable solely from the Revenues deposited in the 2022A Dedicated Sub-Fund maintained by the Trustee under the Seventy-First Supplemental Indenture, the Common Debt Service Reserve Sub-Fund on a parity with other Common Reserve Bonds and certain other amounts as provided in the Indenture and the Seventy-First Supplemental Indenture. The Bonds and the interest thereon are limited obligations of the City and do not constitute an indebtedness of the City within the meaning of any state constitutional or statutory limitation or give rise to a charge against its general credit or taxing powers. Neither the faith and credit nor the taxing power of the State of Illinois, the City or any political subdivision of the State of Illinois is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

5. The Indenture and the Seventy-First Supplemental Indenture create the valid and binding assignments and pledges which they purport to create of the amounts assigned and pledged to the Trustee under the Indenture and the Seventy-First Supplemental Indenture.

6. Under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We express no opinion as to the exclusion from gross income for Federal income tax purposes of interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person" (as defined in Section 147(a) of the Code). Furthermore, you are advised that interest on the Bonds constitutes an item of tax preference in computing alternative minimum taxable income for purposes of the individual alternative minimum tax. You are also advised that interest on the Bonds is included in computing the adjusted financial statement

income of those corporations subject to the corporate alternative minimum tax. Interest on the Bonds is not exempt from present Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exemption from Federal income taxes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States of America, the security and source of payment of the Bonds and the use and tax ownership of the property financed with the proceeds of the Bonds. The City has covenanted in the Indenture to comply with these requirements.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Bonds, the Indenture and the Seventy-First Supplemental Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully yours,

LG/hf

October 4, 2022

City of Chicago
City Hall
Chicago, Illinois

We have examined a record of proceedings relating to the issuance of $150,450,000 aggregate principal amount of Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022B (the "Bonds") of the City of Chicago, a municipal corporation and a home rule unit of local government of the State of Illinois (the "City"). The Bonds are limited obligations of the City issued pursuant to the authority of Article VII, Section 6(a) of the Illinois Constitution of 1970 and by virtue of an ordinance adopted by the City Council of the City on October 27, 2021 (the "2021 Omnibus Borrowing Ordinance").

The Bonds are authorized by the City for the primary purpose of providing funds to finance the cost of certain capital projects at Chicago O'Hare International Airport (the "Airport").

The Bonds are being issued pursuant to a Master Indenture of Trust Securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations, dated as of June 1, 2018 (the "Indenture"), between the City and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee"), and a Seventy-Second Supplemental Indenture Securing Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022B, dated as of October 1, 2022 (the "Seventy-Second Supplemental Indenture"). The Bonds are Senior Lien Obligations authorized under the Indenture and are payable solely from and secured by a pledge of Revenues of the Airport as, and to the extent, provided in the Indenture and the Seventy-Second Supplemental Indenture. Terms used herein that are defined in the Indenture and the Seventy-Second Supplemental Indenture shall have the meanings set forth therein unless otherwise defined herein.

Under the terms of the Indenture, the City has previously issued Senior Lien Obligations that are presently outstanding and the City may hereafter authorize and issue additional Senior Lien Obligations as permitted by the Indenture. Senior Lien Obligations are entitled to the benefit and security of the Indenture, including the pledge of Revenues and other funds maintained for the benefit of the Senior Lien Obligations.

The Bonds are issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. The Bonds are dated October 4, 2022 and bear interest from their date payable on January 1, 2023, and semi-annually thereafter on each January 1 and July 1 until paid. The Bonds mature on January 1, 2056 in the respective principal amounts set forth in the following table, and the Bonds bear interest at the respective rates of interest per annum set opposite such principal amounts:

Principal Amount	Interest Rate
$101,410,000	4.50%
49,040,000	5.25

The Bonds are subject to redemption, at the option of the City, on or after January 1, 2031, as a whole or in part at any time, and if in part, from such Bonds as the City shall determine and by lot for Bonds bearing interest at the same rate, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

In connection with the issuance of the Bonds we have examined the following: (a) the Constitution of the State of Illinois, and such laws as we deemed pertinent to this opinion; (b) a certified copy of the 2021 Omnibus Borrowing Ordinance; (c) executed counterparts of the Indenture and the Seventy-Second Supplemental Indenture; and (d) such other documents and related matters of law as we have deemed necessary in order to render this opinion.

Based upon our examination of the foregoing, we are of the opinion that:

1. The City is a municipal corporation duly existing under the laws of the State of Illinois and is a home rule unit of local government within the meaning of Section 6(a) of Article VII of the 1970 Illinois Constitution. The City has all requisite power and authority under the Constitution and the laws of the State of Illinois and the 2021 Omnibus Borrowing Ordinance (i) to enter into the Indenture and the Seventy-Second Supplemental Indenture with the Trustee and to issue the Bonds thereunder, and (ii) to improve, maintain and operate the Airport and to charge and collect rents, fees and other charges for the use and services of the Airport and to perform all of its obligations under the Indenture and the Seventy-Second Supplemental Indenture in those respects.

2. The 2021 Omnibus Borrowing Ordinance is in full force and effect and is valid and binding upon the City in accordance with its terms. The Indenture and the Seventy-Second Supplemental Indenture have been duly authorized, executed and delivered by the City, constitute valid and binding obligations of the City and are legally enforceable in accordance with their terms.

3. The Bonds have been duly authorized and issued, are the legal, valid and binding limited obligations of the City, are entitled to the benefits and security of the Indenture and the Seventy-Second Supplemental Indenture, and are enforceable in accordance with their terms.

4. The Bonds are payable solely from the Revenues deposited in the 2022B Dedicated Sub-Fund maintained by the Trustee under the Seventy-Second Supplemental Indenture, the Common Debt Service Reserve Sub-Fund on a parity with other Common Reserve Bonds and certain other amounts as provided in the Indenture and the Seventy-Second Supplemental Indenture. The Bonds and the interest thereon are limited obligations of the City and do not constitute an indebtedness of the City within the meaning of any state constitutional or statutory limitation or give rise to a charge against its general credit or taxing powers. Neither the faith and credit nor the taxing power of the State of Illinois, the City or any political subdivision of the State of Illinois is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

5. The Indenture and the Seventy-Second Supplemental Indenture create the valid and binding assignments and pledges which they purport to create of the amounts assigned and pledged to the Trustee under the Indenture and the Seventy-Second Supplemental Indenture.

6. Under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. In addition, interest on the Bonds does not constitute an item of tax preference in computing alternative minimum taxable income for purposes of the individual alternative minimum tax. You are advised, however, that interest on the Bonds is included in computing adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. Interest on the Bonds is not exempt from present Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exemption from Federal income taxes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States of America, the security and source of payment of the Bonds and the use and tax ownership of the property financed with the proceeds of the Bonds. The City has covenanted in the Indenture to comply with these requirements.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Bonds, the Indenture and the Seventy-Second Supplemental Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully yours,

LG/hf

October 4, 2022

City of Chicago
City Hall
Chicago, Illinois

We have examined a record of proceedings relating to the issuance of $164,420,000 aggregate principal amount of Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022C (the "Bonds") of the City of Chicago, a municipal corporation and a home rule unit of local government of the State of Illinois (the "City"). The Bonds are limited obligations of the City issued pursuant to the authority of Article VII, Section 6(a) of the Illinois Constitution of 1970 and by virtue of an ordinance adopted by the City Council of the City on October 27, 2021 (the "2021 Omnibus Borrowing Ordinance").

The Bonds are authorized by the City for the primary purpose of refunding bonds (the "Prior Bonds") previously issued for the purpose of providing funds to finance the cost of certain capital projects at Chicago O'Hare International Airport (the "Airport").

The Bonds are being issued pursuant to a Master Indenture of Trust Securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations, dated as of June 1, 2018 (the "Indenture"), between the City and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee"), and a Seventy-Third Supplemental Indenture Securing Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022C, dated as of October 1, 2022 (the "Seventy-Third Supplemental Indenture"). The Bonds are Senior Lien Obligations authorized under the Indenture and are payable solely from and secured by a pledge of Revenues of the Airport as, and to the extent, provided in the Indenture and the Seventy-Third Supplemental Indenture. Terms used herein that are defined in the Indenture and the Seventy-Third Supplemental Indenture shall have the meanings set forth therein unless otherwise defined herein.

Under the terms of the Indenture, the City has previously issued Senior Lien Obligations that are presently outstanding and the City may hereafter authorize and issue additional Senior Lien Obligations as permitted by the Indenture. Senior Lien Obligations are entitled to the benefit and security of the Indenture, including the pledge of Revenues and other funds maintained for the benefit of the Senior Lien Obligations.

The Bonds are issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. The Bonds are dated October 4, 2022 and bear interest from their date at the rate of five percent (5.00%) per annum, payable on January 1, 2023, and semi-annually thereafter on each January 1 and July 1 until paid. The Bonds mature on January 1 in each of the following years in the respective principal amounts set opposite such years in the following table:

Year	Principal Amount
2023	$ 2,390,000
2024	20,660,000
2025	25,060,000
2026	34,645,000
2027	2,900,000
2028	3,050,000
2029	3,200,000
2030	3,360,000
2031	3,530,000
2032	3,705,000
2033	3,890,000
2034	4,085,000
2035	4,290,000
2036	4,500,000
2037	4,730,000
2038	4,965,000
2039	5,215,000
2040	5,470,000
2041	5,745,000
2042	6,035,000
2043	6,340,000
2044	6,655,000

The Bonds maturing on or after January 1, 2033 are subject to redemption, at the option of the City, on or after January 1, 2032, as a whole or in part at any time, and if in part, from such maturities as the City shall determine and by lot for Bonds of the same maturity, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

In connection with the issuance of the Bonds we have examined the following: (a) the Constitution of the State of Illinois, and such laws as we deemed pertinent to this opinion; (b) a certified copy of the 2021 Omnibus Borrowing Ordinance; (c) executed counterparts of the Indenture and the Seventy-Third Supplemental Indenture; and (d) such other documents and related matters of law as we have deemed necessary in order to render this opinion.

Based upon our examination of the foregoing, we are of the opinion that:

1. The City is a municipal corporation duly existing under the laws of the State of Illinois and is a home rule unit of local government within the meaning of Section 6(a) of Article VII of the 1970 Illinois Constitution. The City has all requisite power and authority under the Constitution and the laws of the State of Illinois and the 2021 Omnibus Borrowing Ordinance (i) to enter into the Indenture and the Seventy-Third Supplemental Indenture with the Trustee and to issue the Bonds thereunder, and (ii) to improve, maintain and operate the Airport and to charge and collect rents, fees and other charges for the use and services of the Airport and to perform all of its obligations under the Indenture and the Seventy-Third Supplemental Indenture in those respects.

2. The 2021 Omnibus Borrowing Ordinance is in full force and effect and is valid and binding upon the City in accordance with its terms. The Indenture and the Seventy-Third

Supplemental Indenture have been duly authorized, executed and delivered by the City, constitute valid and binding obligations of the City and are legally enforceable in accordance with their terms.

3. The Bonds have been duly authorized and issued, are the legal, valid and binding limited obligations of the City, are entitled to the benefits and security of the Indenture and the Seventy-Third Supplemental Indenture, and are enforceable in accordance with their terms.

4. The Bonds are payable solely from the Revenues deposited in the 2022C Dedicated Sub-Fund maintained by the Trustee under the Seventy-Third Supplemental Indenture, the Common Debt Service Reserve Sub-Fund on a parity with other Common Reserve Bonds and certain other amounts as provided in the Indenture and the Seventy-Third Supplemental Indenture. The Bonds and the interest thereon are limited obligations of the City and do not constitute an indebtedness of the City within the meaning of any state constitutional or statutory limitation or give rise to a charge against its general credit or taxing powers. Neither the faith and credit nor the taxing power of the State of Illinois, the City or any political subdivision of the State of Illinois is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

5. The Indenture and the Seventy-Third Supplemental Indenture create the valid and binding assignments and pledges which they purport to create of the amounts assigned and pledged to the Trustee under the Indenture and the Seventy-Third Supplemental Indenture.

6. Under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. We express no opinion as to the exclusion from gross income for Federal income tax purposes of interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person" (as defined in Section 147(a) of the Code). Furthermore, you are advised that interest on the Bonds constitutes an item of tax preference in computing alternative minimum taxable income for purposes of the individual alternative minimum tax. You are also advised that interest on the Bonds is included in computing the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. Interest on the Bonds is not exempt from present Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exemption from Federal income taxes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States of America, the security and source of payment of the Bonds and the use and tax ownership of the property financed with the proceeds of the Prior Bonds and the Bonds. The City has covenanted in the Indenture to comply with these requirements.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Bonds, the Indenture and the Seventy-Third Supplemental Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully yours,

LG/hf

October 4, 2022

City of Chicago
City Hall
Chicago, Illinois

We have examined a record of proceedings relating to the issuance of $343,080,000 aggregate principal amount of Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022D (the "Bonds") of the City of Chicago, a municipal corporation and a home rule unit of local government of the State of Illinois (the "City"). The Bonds are limited obligations of the City issued pursuant to the authority of Article VII, Section 6(a) of the Illinois Constitution of 1970 and by virtue of an ordinance adopted by the City Council of the City on October 27, 2021 (the "2021 Omnibus Borrowing Ordinance").

The Bonds are authorized by the City for the primary purpose of refunding bonds (the "Prior Bonds") previously issued for the purpose of providing funds to finance the cost of certain capital projects at Chicago O'Hare International Airport (the "Airport").

The Bonds are being issued pursuant to a Master Indenture of Trust Securing Chicago O'Hare International Airport General Airport Revenue Senior Lien Obligations, dated as of June 1, 2018 (the "Indenture"), between the City and U.S. Bank Trust Company, National Association, as Trustee (the "Trustee"), and a Seventy-Fourth Supplemental Indenture Securing Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2022D, dated as of October 1, 2022 (the "Seventy-Fourth Supplemental Indenture"). The Bonds are Senior Lien Obligations authorized under the Indenture and are payable solely from and secured by a pledge of Revenues of the Airport as, and to the extent, provided in the Indenture and the Seventy-Fourth Supplemental Indenture. Terms used herein that are defined in the Indenture and the Seventy-Fourth Supplemental Indenture shall have the meanings set forth therein unless otherwise defined herein.

Under the terms of the Indenture, the City has previously issued Senior Lien Obligations that are presently outstanding and the City may hereafter authorize and issue additional Senior Lien Obligations as permitted by the Indenture. Senior Lien Obligations are entitled to the benefit and security of the Indenture, including the pledge of Revenues and other funds maintained for the benefit of the Senior Lien Obligations.

The Bonds are issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof. The Bonds are dated October 4, 2022 and bear interest from their date payable on January 1, 2023, and semi-annually thereafter on each January 1 and July 1 until paid. The Bonds mature on January 1 in each of the following years in the respective principal amounts set opposite such years, and the Bonds maturing in each such year bear interest at the respective rates of interest per annum set opposite such principal amounts in the following table:

Year	Principal Amount	Interest Rate
2023	$ 5,170,000	5.00%
2025	20,455,000	5.00
2026	21,095,000	5.00
2027	20,095,000	5.00
2028	23,690,000	5.00
2029	35,020,000	5.00
2030	10,110,000	5.00
2031	10,610,000	5.00
2032	11,145,000	5.00
2033	11,705,000	5.00
2034	12,285,000	5.00
2035	12,905,000	5.00
2036	13,545,000	5.00
2037	14,220,000	5.00
2038	14,935,000	5.00
2039	15,680,000	5.00
2040	16,465,000	5.00
2041	17,285,000	5.00
2042	18,150,000	4.00
2043	18,880,000	4.00
2044	19,635,000	4.00

The Bonds maturing on or after January 1, 2033 are subject to redemption, at the option of the City, on or after January 1, 2032, as a whole or in part at any time, and if in part, from such maturities as the City shall determine and by lot for Bonds of the same maturity, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the date of redemption.

In connection with the issuance of the Bonds we have examined the following: (a) the Constitution of the State of Illinois, and such laws as we deemed pertinent to this opinion; (b) a certified copy of 2021 Omnibus Borrowing Ordinance; (c) executed counterparts of the Indenture and the Seventy-Fourth Supplemental Indenture; and (d) such other documents and related matters of law as we have deemed necessary in order to render this opinion.

Based upon our examination of the foregoing, we are of the opinion that:

1. The City is a municipal corporation duly existing under the laws of the State of Illinois and is a home rule unit of local government within the meaning of Section 6(a) of Article VII of the 1970 Illinois Constitution. The City has all requisite power and authority under the Constitution and the laws of the State of Illinois and the 2021 Omnibus Borrowing Ordinance (i) to enter into the Indenture and the Seventy-Fourth Supplemental Indenture with the Trustee and to issue the Bonds thereunder, and (ii) to improve, maintain and operate the Airport and to charge and collect rents, fees and other charges for the use and services of the Airport and to perform all of its obligations under the Indenture and the Seventy-Fourth Supplemental Indenture in those respects.

2. The 2021 Omnibus Borrowing Ordinance is in full force and effect and is valid and binding upon the City in accordance with its terms. The Indenture and the Seventy-Fourth Supplemental Indenture have been duly authorized, executed and delivered by the City, constitute valid and binding obligations of the City and are legally enforceable in accordance with their terms.

3. The Bonds have been duly authorized and issued, are the legal, valid and binding limited obligations of the City, are entitled to the benefits and security of the Indenture and the Seventy-Fourth Supplemental Indenture, and are enforceable in accordance with their terms.

4. The Bonds are payable solely from the Revenues deposited in the 2022D Dedicated Sub-Fund maintained by the Trustee under the Seventy-Fourth Supplemental Indenture, the Common Debt Service Reserve Sub-Fund on a parity with other Common Reserve Bonds and certain other amounts as provided in the Indenture and the Seventy-Fourth Supplemental Indenture. The Bonds and the interest thereon are limited obligations of the City and do not constitute an indebtedness of the City within the meaning of any state constitutional or statutory limitation or give rise to a charge against its general credit or taxing powers. Neither the faith and credit nor the taxing power of the State of Illinois, the City or any political subdivision of the State of Illinois is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

5. The Indenture and the Seventy-Fourth Supplemental Indenture create the valid and binding assignments and pledges which they purport to create of the amounts assigned and pledged to the Trustee under the Indenture and the Seventy-Fourth Supplemental Indenture.

6. Under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the requirements of the Internal Revenue Code of 1986 (the "Code"), we are of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. In addition, interest on the Bonds does not constitute an item of tax preference in computing alternative minimum taxable income for purposes of the individual alternative minimum tax. You are advised, however, that interest on the Bonds is included in computing adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. Interest on the Bonds is not exempt from present Illinois income taxes.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exemption from Federal income taxes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States of America, the security and source of payment of the Bonds and the use and tax ownership of the property financed with the proceeds of the Prior Bonds and the Bonds. The City has covenanted in the Indenture to comply with these requirements.

In rendering the foregoing opinion, we advise you that the enforceability (but not the validity or binding effect) of the Bonds, the Indenture and the Seventy-Fourth Supplemental Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought, either in an action at law or in equity.

Respectfully yours,

LG/hf

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APPENDIX G

DESCRIPTION OF BOOK-ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

General. The following information has been furnished by DTC for use in this Official Statement and neither the City nor any Underwriter takes any responsibility for its accuracy or completeness.

DTC will act as securities depository for the 2022 Senior Lien Bonds. The 2022 Senior Lien Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2022 Senior Lien Bond certificate will be issued for each maturity of each Series of the 2022 Senior Lien Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2022 Senior Lien Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Senior Lien Bonds on DTC's records. The ownership interest of each actual purchaser of each 2022 Senior Lien Bond (*"Beneficial Owner"*) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2022 Senior Lien Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2022 Senior Lien Bonds, except in the event that use of the book entry system for the 2022 Senior Lien Bonds is discontinued.

To facilitate subsequent transfers, all 2022 Senior Lien Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2022 Senior Lien Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2022 Senior Lien Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022 Senior Lien Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2022 Senior Lien Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2022 Senior Lien Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2022 Senior Lien Bond documents. For example, Beneficial Owners of the 2022 Senior Lien Bonds may wish to ascertain that the nominee holding the 2022 Senior Lien Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2022 Senior Lien Bonds of a Series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2022 Senior Lien Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2022 Senior Lien Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2022 Senior Lien Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the 2022 Senior Lien Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2022 Senior Lien Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the 2022 Senior Lien Bonds are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the 2022 Senior Lien Bonds will be printed and delivered to DTC.

The City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the 2022 Senior Lien Bonds, (ii) the delivery to any Participant or any other person, other than an owner, of any notice with respect to the 2022 Senior Lien Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than an owner, of any amount with respect to principal of or interest on the 2022 Senior Lien Bonds.

So long as Cede & Co., as nominee for DTC (or other nominee of DTC), is the Bondholder of record of the 2022 Senior Lien Bonds, beneficial ownership interests in the 2022 Senior Lien Bonds may be transferred only through a Direct Participant or Indirect Participant and recorded on the book-entry system operated by DTC. In the event the book-entry-only system is discontinued, 2022 Senior Lien Bond certificates will be delivered to the Beneficial Owners as described in the CFC Indenture. Thereafter, the 2022 Senior Lien Bonds, upon surrender thereof at the designated corporate trust operations office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the holder thereof or such holder's duly authorized attorney, may be exchanged for an equal aggregate principal amount of 2022 Senior Lien Bonds of the same maturity and of any Authorized Denominations.

In all cases in which the privilege of exchanging or transferring 2022 Senior Lien Bonds is exercised, the City shall execute and the Trustee shall authenticate and deliver the 2022 Senior Lien Bonds in accordance with the provisions of the CFC Indenture. For every such exchange or transfer of 2022 Senior Lien Bonds, the City or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer but may impose no other charge therefor. Neither the City nor the Trustee shall be required to make any such exchange or transfer of 2022 Senior Lien Bonds during the 15 days next preceding an Interest Payment Date or, in the case of any proposed redemption, during the 15 days next preceding the first publication or mailing of notice of redemption.

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APPENDIX H

BONDS TO BE REFUNDED

SENIOR LIEN BONDS

Series	Maturity	Interest Rate	Redemption Date	Par Amount ($)	CUSIP
		SERIES 2013A			
2013A	01/01/2024	5.000%	01/01/2023	$28,165,000	167593 MM1
2013A	01/01/2025	5.000%	01/01/2023	22,425,000	167593 MN9
2013A	01/01/2026	5.000%	01/01/2023	31,885,000	167593 MP4
		SERIES 2013B			
2013B	01/01/2024	5.000%	01/01/2023	18,490,000	167593 NA6
2013B	01/01/2025	5.000%	01/01/2023	19,430,000	167593 NB4
2013B	01/01/2026	5.000%	01/01/2023	12,695,000	167593 NC2
2013B	01/01/2027	5.000%	01/01/2023	11,275,000	167593 ND0
2013B	01/01/2028	5.250%	01/01/2023	14,430,000	167593 NE8
2013B	01/01/2029	5.250%	01/01/2023	25,330,000	167593 NF5
		SERIES 2013C			
2013C	01/01/2024	5.000%	01/01/2023	2,355,000	167593 NN8
2013C	01/01/2025	5.000%	01/01/2023	2,475,000	167593 NP3
2013C	01/01/2026	5.000%	01/01/2023	2,595,000	167593 NQ1
2013C	01/01/2027	5.250%	01/01/2023	2,725,000	167593 NR9
2013C	01/01/2028	5.250%	01/01/2023	2,870,000	167593 NS7
2013C	01/01/2029	5.250%	01/01/2023	3,020,000	167593 NT5
2013C	01/01/2030	5.000%	01/01/2023	3,180,000	167593 NU2
2013C	01/01/2031	5.000%	01/01/2023	3,340,000	167593 NV0
2013C	01/01/2032†	5.500%	01/01/2023	3,505,000	167593 NW8
2013C	01/01/2033†	5.500%	01/01/2023	3,700,000	167593 NW8
2013C	01/01/2034†	5.500%	01/01/2023	3,900,000	167593 NW8
2013C	01/01/2035†	5.375%	01/01/2023	4,115,000	167593 NX6
2013C	01/01/2036†	5.375%	01/01/2023	4,335,000	167593 NX6
2013C	01/01/2037†	5.375%	01/01/2023	4,570,000	167593 NX6
2013C	01/01/2038†	5.375%	01/01/2023	4,815,000	167593 NX6
2013C	01/01/2039†	5.375%	01/01/2023	5,075,000	167593 NX6
2013C	01/01/2040†	5.500%	01/01/2023	5,345,000	167593 NY4
2013C	01/01/2041†	5.500%	01/01/2023	5,640,000	167593 NY4
2013C	01/01/2042†	5.500%	01/01/2023	5,950,000	167593 NY4
2013C	01/01/2043†	5.500%	01/01/2023	6,280,000	167593 NY4
2013C	01/01/2044†	5.500%	01/01/2023	6,625,000	167593 NY4
		SERIES 2013D			
2013D	01/01/2024	5.000%	01/01/2023	6,740,000	167593 PF3
2013D	01/01/2024	3.625%	01/01/2023	500,000	167593 PX4
2013D	01/01/2025	5.000%	01/01/2023	7,595,000	167593 PG1
2013D	01/01/2026	5.000%	01/01/2023	7,975,000	167593 PH9
2013D	01/01/2027	5.000%	01/01/2023	8,375,000	167593 PJ5
2013D	01/01/2028	5.250%	01/01/2023	8,790,000	167593 PK2
2013D	01/01/2029	5.250%	01/01/2023	9,255,000	167593 PL0

† Sinking Fund Payment.

SENIOR LIEN BONDS

Series	Maturity	Interest Rate	Redemption Date	Par Amount ($)	CUSIP
2013D	01/01/2030	5.250%	01/01/2023	5,290,000	167593 PY2
2013D	01/01/2030	4.500%	01/01/2023	4,450,000	167593 PM8
2013D	01/01/2031	5.250%	01/01/2023	10,215,000	167593 PN6
2013D	01/01/2032	5.250%	01/01/2023	10,755,000	167593 PP1
2013D	01/01/2033	5.250%	01/01/2023	11,320,000	167593 PQ9
2013D	01/01/2034	5.250%	01/01/2023	11,910,000	167593 PR7
2013D	01/01/2035†	5.000%	01/01/2023	12,540,000	167593 PS5
2013D	01/01/2036†	5.000%	01/01/2023	13,165,000	167593 PS5
2013D	01/01/2037†	5.000%	01/01/2023	13,820,000	167593 PS5
2013D	01/01/2038†	5.000%	01/01/2023	14,515,000	167593 PS5
2013D	01/01/2039†	5.000%	01/01/2023	15,240,000	167593 PS5
2013D	01/01/2040†	5.000%	01/01/2023	16,000,000	167593 PT3
2013D	01/01/2041†	5.000%	01/01/2023	16,800,000	167593 PT3
2013D	01/01/2042†	5.000%	01/01/2023	17,640,000	167593 PT3
2013D	01/01/2043†	5.000%	01/01/2023	18,525,000	167593 PT3
2013D	01/01/2044†	5.000%	01/01/2023	19,450,000	167593 PT3

† Sinking Fund Payment.

APPENDIX I

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: $ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

CITY OF CHICAGO • Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2022A (AMT) and Series 2022B (Non-AMT) and General Airport Senior Lien Revenue Refunding Bonds, Series 2022C (AMT) and Series 2022D (Non-AMT)

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