



**\$1,567,075,000**  
**CITY OF CHICAGO**

**CHICAGO O'HARE INTERNATIONAL AIRPORT**

**\$513,765,000**  
**General Airport Senior**  
**Lien Revenue**  
**Refunding Bonds**  
**Series 2024C (AMT)**

**\$834,865,000**  
**General Airport Senior**  
**Lien Revenue**  
**Refunding Bonds**  
**Series 2024D (Non-AMT)**

**\$157,445,000**  
**General Airport Senior**  
**Lien Revenue**  
**Bonds**  
**Series 2024E (AMT)**

**\$61,000,000**  
**General Airport Senior**  
**Lien Revenue**  
**Bonds**  
**Series 2024F (Non-AMT)**

**DATED:** Date of Delivery

**RATINGS**

A+ (Stable Outlook) S&P  
 A+ (Stable Outlook) Fitch  
 A+ (Stable Outlook) Kroll

**ISSUANCE**

The Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024C (AMT) (the "2024C Senior Lien Bonds"), the Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024D (Non-AMT) (the "2024D Senior Lien Bonds"), the Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024E (AMT) (the "2024E Senior Lien Bonds") and the Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024F (Non-AMT) (the "2024F Senior Lien Bonds" and together with the 2024C Senior Lien Bonds, the 2024D Senior Lien Bonds, and the 2024E Senior Lien Bonds, the "2024 Senior Lien Bonds") of the City of Chicago (the "City") 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 (as 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"). See "INTRODUCTION."

**TAX EXEMPTION**

In the separate opinions of Katten Muchin Rosenman LLP and Neal & Leroy, LLC ("Co-Bond Counsel"), under existing law, interest on the 2024 Senior Lien Bonds is not includible in the gross income of the owners thereof for federal income tax purposes and, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended, interest on the 2024 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 2024 Senior Lien Bonds and the 2024E Senior Lien Bonds is an item of tax preference for purposes of computing individual alternative minimum taxable income, (ii) interest on the 2024C Senior Lien Bonds and the 2024E 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 2024 Senior Lien Bonds is included in the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. Interest on the 2024 Senior Lien Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS."

**SECURITY**

The 2024 Senior Lien Bonds are limited obligations of 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. Debt service on the 2024E Senior Lien Bonds and 2024F Senior Lien Bonds will also be payable from and secured by a subordinate pledge of PFC Revenues (as defined herein), including moneys to be withdrawn from the PFC Capital Fund (as defined herein). 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 2024 Senior Lien Bonds. See "SECURITY FOR THE 2024 SENIOR LIEN BONDS."

**OPTIONAL REDEMPTION**

Certain maturities of the 2024 Senior Lien Bonds are subject to redemption prior to maturity, at the option of the City, as described herein. See "THE 2024 SENIOR LIEN BONDS – Redemption Provisions."

**PURPOSES**

The City will use the proceeds from the sale of the 2024 Senior Lien Bonds, together with other available funds, to: (i) refund certain Outstanding Senior Lien Bonds and certain outstanding PFC Obligations, (ii) fund the related Reserve Requirements for the 2024 Senior Lien Bonds, and (iii) pay the costs and expenses incidental to the issuance of the 2024 Senior Lien Bonds. See "PLAN OF FINANCE."

**DENOMINATIONS**

Multiples of \$5,000.

**INTEREST PAYMENT DATES**

January 1 and July 1, commencing January 1, 2025.

**PRINCIPAL PAYMENT DATES**

On each January 1 as shown on the inside cover page.

**BOOK-ENTRY ONLY FORM**

The 2024 Senior Lien Bonds will be issuable 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"). See APPENDIX G – "DESCRIPTION OF BOOK-ENTRY ONLY SYSTEM."

**CLOSING/ SETTLEMENT**

On or about October 30, 2024.

**CERTAIN LEGAL MATTERS**

The 2024 Senior Lien Bonds are offered when, as and if issued by the City and accepted by the Underwriters subject to the delivery of the separate approving legal opinions of Co-Bond Counsel. 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 Clark Hill PLC, Chicago, Illinois, Co-Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by Mayer Brown LLP, Chicago, Illinois. See "CERTAIN LEGAL MATTERS."

**J.P. MORGAN**

**JEFFERIES**

**BOFA**  
**SECURITIES**

**BLAYLOCK**  
**VAN, LLC**

**ESTRADA**  
**HINOJOSA**

**LOOP CAPITAL**  
**MARKETS**

**NORTH SOUTH**  
**CAPITAL**

**RAMIREZ &**  
**CO., INC.**

**RICE FINANCIAL**  
**PRODUCTS**  
**COMPANY**

**SIEBERT**  
**WILLIAMS SHANK**  
**& Co., LLC**

**MATURITIES, AMOUNTS, INTEREST RATES, YIELDS, PRICES, AND CUSIP<sup>†</sup> NUMBERS****CITY OF CHICAGO  
CHICAGO O'HARE INTERNATIONAL AIRPORT****\$513,765,000****GENERAL AIRPORT SENIOR LIEN REVENUE REFUNDING BONDS,  
SERIES 2024C (AMT)**

| <u>MATURITY</u><br><u>(JANUARY 1)</u> | <u>AMOUNT</u> | <u>INTEREST</u><br><u>RATE</u> | <u>YIELD</u>       | <u>PRICE</u> | <u>CUSIP<sup>†</sup></u> |
|---------------------------------------|---------------|--------------------------------|--------------------|--------------|--------------------------|
| 2025                                  | \$ 9,105,000  | 5.00%                          | 3.97%              | 100.162      | 1675935H1                |
| 2026                                  | 13,265,000    | 5.00%                          | 3.45%              | 101.756      | 1675935J7                |
| 2027                                  | 52,790,000    | 5.00%                          | 3.25%              | 103.632      | 1675935K4                |
| 2028                                  | 62,090,000    | 5.00%                          | 3.32%              | 105.010      | 1675935L2                |
| 2029                                  | 41,110,000    | 5.00%                          | 3.39%              | 106.206      | 1675935M0                |
| 2030                                  | 38,190,000    | 5.00%                          | 3.49%              | 107.081      | 1675935N8                |
| 2031                                  | 40,100,000    | 5.00%                          | 3.61%              | 107.621      | 1675935P3                |
| 2032                                  | 42,100,000    | 5.00%                          | 3.72%              | 107.985      | 1675935Q1                |
| 2033                                  | 44,205,000    | 5.00%                          | 3.77%              | 108.574      | 1675935R9                |
| 2034                                  | 45,840,000    | 5.00%                          | 3.82%              | 109.050      | 1675935S7                |
| 2035                                  | 17,195,000    | 5.00%                          | 3.88%              | 109.332      | 1675935T5                |
| 2036                                  | 10,590,000    | 5.00%                          | 3.94% <sup>C</sup> | 108.805      | 1675935U2                |
| 2037                                  | 8,620,000     | 5.00%                          | 3.97% <sup>C</sup> | 108.543      | 1675935V0                |
| 2038                                  | 9,055,000     | 5.00%                          | 3.98% <sup>C</sup> | 108.456      | 1675935W8                |
| 2039                                  | 9,505,000     | 5.00%                          | 4.00% <sup>C</sup> | 108.282      | 1675935X6                |
| 2040                                  | 9,980,000     | 5.25%                          | 4.01% <sup>C</sup> | 110.266      | 1675935Y4                |
| 2041                                  | 10,500,000    | 5.25%                          | 4.04% <sup>C</sup> | 110.003      | 1675935Z1                |
| 2042                                  | 11,050,000    | 5.25%                          | 4.09% <sup>C</sup> | 109.566      | 1675936A5                |
| 2043                                  | 11,630,000    | 5.25%                          | 4.10% <sup>C</sup> | 109.478      | 1675936B3                |
| 2044                                  | 12,245,000    | 5.25%                          | 4.13% <sup>C</sup> | 109.217      | 1675936C1                |
| 2045                                  | 12,885,000    | 5.25%                          | 4.18% <sup>C</sup> | 108.784      | 1675936D9                |
| 2046                                  | 1,715,000     | 5.25%                          | 4.27% <sup>C</sup> | 108.009      | 1675936E7                |

<sup>†</sup> 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 FactSet Research Systems Inc. These data are not intended to create a database and do 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 2024 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 2024 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 2024 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 2024 Senior Lien Bonds.

<sup>C</sup> Yield calculated to the January 1, 2035 optional redemption date.

**\$834,865,000**  
**GENERAL AIRPORT SENIOR LIEN REVENUE REFUNDING BONDS,**  
**SERIES 2024D (NON-AMT)**

| MATURITY<br>(JANUARY 1) | AMOUNT        | INTEREST |                    | PRICE   | CUSIP <sup>1</sup> |
|-------------------------|---------------|----------|--------------------|---------|--------------------|
|                         |               | RATE     | YIELD              |         |                    |
| 2025                    | \$ 15,465,000 | 5.00%    | 3.47%              | 100.248 | 1675936F4          |
| 2026                    | 52,430,000    | 5.00%    | 2.93%              | 102.358 | 1675936G2          |
| 2027                    | 52,435,000    | 5.00%    | 2.75%              | 104.703 | 1675936H0          |
| 2028                    | 55,515,000    | 5.00%    | 2.82%              | 106.561 | 1675936J6          |
| 2029                    | 72,660,000    | 5.00%    | 2.87%              | 108.310 | 1675936K3          |
| 2030                    | 113,010,000   | 5.00%    | 2.94%              | 109.808 | 1675936L1          |
| 2031                    | 129,450,000   | 5.00%    | 3.03%              | 111.005 | 1675936M9          |
| 2032                    | 135,930,000   | 5.00%    | 3.14%              | 111.853 | 1675936N7          |
| 2033                    | 85,210,000    | 5.00%    | 3.21%              | 112.769 | 1675936P2          |
| 2034                    | 51,870,000    | 5.00%    | 3.22%              | 114.031 | 1675936Q0          |
| 2035                    | 5,790,000     | 5.00%    | 3.29%              | 114.673 | 1675936R8          |
| 2036                    | 5,250,000     | 5.00%    | 3.33% <sup>C</sup> | 114.301 | 1675936S6          |
| 2037                    | 5,510,000     | 5.00%    | 3.36% <sup>C</sup> | 114.023 | 1675936T4          |
| 2038                    | 5,785,000     | 5.00%    | 3.43% <sup>C</sup> | 113.378 | 1675936U1          |
| 2039                    | 6,080,000     | 5.00%    | 3.45% <sup>C</sup> | 113.194 | 1675936V9          |
| 2040                    | 6,380,000     | 5.00%    | 3.52% <sup>C</sup> | 112.555 | 1675936W7          |
| 2041                    | 6,700,000     | 5.00%    | 3.61% <sup>C</sup> | 111.738 | 1675936X5          |
| 2042                    | 7,030,000     | 5.00%    | 3.69% <sup>C</sup> | 111.019 | 1675936Y3          |
| 2043                    | 7,390,000     | 5.00%    | 3.73% <sup>C</sup> | 110.661 | 1675936Z0          |
| 2044                    | 7,760,000     | 5.00%    | 3.80% <sup>C</sup> | 110.038 | 1675937A4          |
| 2045                    | 7,215,000     | 5.00%    | 3.89% <sup>C</sup> | 109.244 | 1675937B2          |

**\$157,445,000**  
**GENERAL AIRPORT SENIOR LIEN REVENUE BONDS,**  
**SERIES 2024E (AMT)**

| MATURITY<br>(JANUARY 1) | AMOUNT       | INTEREST |       | PRICE   | CUSIP <sup>1</sup> |
|-------------------------|--------------|----------|-------|---------|--------------------|
|                         |              | RATE     | YIELD |         |                    |
| 2025                    | \$ 2,700,000 | 5.00%    | 3.97% | 100.162 | 1675937D8          |
| 2026                    | 19,505,000   | 5.00%    | 3.45% | 101.756 | 1675937E6          |
| 2027                    | 20,490,000   | 5.00%    | 3.25% | 103.632 | 1675937F3          |
| 2028                    | 21,510,000   | 5.00%    | 3.32% | 105.010 | 1675937G1          |
| 2029                    | 22,580,000   | 5.00%    | 3.39% | 106.206 | 1675937H9          |
| 2030                    | 22,415,000   | 5.00%    | 3.49% | 107.081 | 1675937J5          |
| 2031                    | 23,525,000   | 5.00%    | 3.61% | 107.621 | 1675937K2          |
| 2032                    | 24,720,000   | 5.00%    | 3.72% | 107.985 | 1675937L0          |

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<sup>C</sup> Yield calculated to the January 1, 2035 optional redemption date.

**\$61,000,000**  
**GENERAL AIRPORT SENIOR LIEN REVENUE BONDS,**  
**SERIES 2024F (NON-AMT)**

| <u>MATURITY</u><br><u>(JANUARY 1)</u> | <u>AMOUNT</u> | <u>INTEREST</u><br><u>RATE</u> | <u>YIELD</u> | <u>PRICE</u> | <u>CUSIP</u> <sup>†</sup> |
|---------------------------------------|---------------|--------------------------------|--------------|--------------|---------------------------|
| 2025                                  | \$ 985,000    | 5.00%                          | 3.47%        | 100.248      | 1675937M8                 |
| 2026                                  | 7,790,000     | 5.00%                          | 2.93%        | 102.358      | 1675937N6                 |
| 2027                                  | 8,175,000     | 5.00%                          | 2.75%        | 104.703      | 1675937P1                 |
| 2028                                  | 8,580,000     | 5.00%                          | 2.82%        | 106.561      | 1675937Q9                 |
| 2029                                  | 9,010,000     | 5.00%                          | 2.87%        | 108.310      | 1675937R7                 |
| 2030                                  | 8,310,000     | 5.00%                          | 2.94%        | 109.808      | 1675937S5                 |
| 2031                                  | 8,735,000     | 5.00%                          | 3.03%        | 111.005      | 1675937T3                 |
| 2032                                  | 9,415,000     | 5.00%                          | 3.14%        | 111.853      | 1675937U0                 |

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**CITY OF CHICAGO**  
Chicago O'Hare International Airport

**MAYOR**

Brandon Johnson

**CITY TREASURER**

Melissa Conyears-Ervin

**CITY CLERK**

Andrea M. Valencia

**CITY COUNCIL**

**COMMITTEE ON FINANCE**

Pat Dowell, Chairman

**CHIEF FINANCIAL OFFICER**

Jill A. Jaworski

**CITY COMPTROLLER**

Chasse Rehwinkel

**BUDGET DIRECTOR**

Annette Guzman

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**DEPARTMENT OF AVIATION**

Jamie L. Rhee, Commissioner

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Katten Muchin Rosenman LLP

Neal & Leroy, LLC

**CO-DISCLOSURE COUNSEL**

Miller, Canfield, Paddock and Stone, P.L.C.

Clark Hill PLC

**AIRPORT CONSULTANT**

Ricondo & Associates, Inc.

**FINANCIAL ADVISOR**

Frasca & Associates, LLC

## REGARDING THE USE OF THIS OFFICIAL STATEMENT

Certain information contained or incorporated by reference in this Official Statement has been obtained by the City from DTC and other sources that are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of 2024 Senior Lien Bonds pursuant to this Official Statement shall under any circumstances create the implication that there has been no change in the matters referred to in this Official Statement since the date hereof. Prospective purchasers of the 2024 Senior Lien Bonds are expected to conduct their own review and analysis before making an investment decision.

No dealer, broker, salesperson, or any other person has been authorized by the City or the Underwriters to give any information or to make any representation other than as contained or incorporated by reference in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. 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 page hereof, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. 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 2024 Senior Lien Bonds.

**This Official Statement, including the Appendices, contains certain opinions, estimates and forward-looking statements and information, including projections, that are based on the City's beliefs as well as assumptions made by and information currently available to the City. Such opinions, estimates, and forward-looking statements set forth 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, were prepared on a reasonable basis, reflect the best currently available estimates and judgments and present, to the best of the City's knowledge and belief, the expected course of action and the expected future financial performance of the City. 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 such opinions, statements or prospective financial information. See "FORWARD-LOOKING STATEMENTS."**

The prospective financial information set forth in this Official Statement, except for certain information sourced to parties other than the City, is solely the product of the City. Neither the City's independent auditors, nor any other independent auditors, 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.

The 2024 Senior Lien Bonds 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.

References to website addresses presented in this Official Statement are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement. Furthermore, any information obtained from such websites and presented herein or references to such websites not purporting to be quoted in full are qualified in their entirety by reference to the complete contents of the website summarized or described. References to website addresses are current as of the date of this Official Statement. The City is under no obligation to update any website references or references to information contained therein.

The summaries or descriptions contained herein of provisions of the Senior Lien Indenture, the Seventy-Seventh Supplemental Indenture, the Seventy-Eighth Supplemental Indenture, the Seventy-Ninth Supplemental Indenture, the Undertaking (each as hereinafter defined) and the 2024 Senior Lien Bonds, and all references to other materials not purporting to be quoted in full, are qualified in their entirety by reference to the complete provisions of the documents and other materials summarized or described. Copies of these documents may be obtained from the Chief Financial Officer, upon email request to the Chief Financial Officer, at [investor.relations@cityofchicago.org](mailto:investor.relations@cityofchicago.org).

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibility 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.

THE 2024 SENIOR LIEN BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, NOR HAS THE SENIOR LIEN INDENTURE OR THE ORDINANCE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939.

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**OFFICIAL STATEMENT**

**\$1,567,075,000**  
**CITY OF CHICAGO**  
**CHICAGO O’HARE INTERNATIONAL AIRPORT**

|                            |                            |                            |                            |
|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>\$513,765,000</b>       | <b>\$834,865,000</b>       | <b>\$157,445,000</b>       | <b>\$61,000,000</b>        |
| <b>General Airport</b>     | <b>General Airport</b>     | <b>General Airport</b>     | <b>General Airport</b>     |
| <b>Senior Lien Revenue</b> | <b>Senior Lien Revenue</b> | <b>Senior Lien Revenue</b> | <b>Senior Lien Revenue</b> |
| <b>Refunding Bonds</b>     | <b>Refunding Bonds</b>     | <b>Bonds</b>               | <b>Bonds</b>               |
| <b>Series 2024C (AMT)</b>  | <b>Series 2024D</b>        | <b>Series 2024E (AMT)</b>  | <b>Series 2024F</b>        |
|                            | <b>(Non-AMT)</b>           |                            | <b>(Non-AMT)</b>           |

**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 \$513,765,000 aggregate principal amount Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024C (AMT) (the “2024C Senior Lien Bonds”), its \$834,865,000 aggregate principal amount Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024D (Non-AMT) (the “2024D Senior Lien Bonds” and together with the 2024C Senior Lien Bonds, the “2024CD Senior Lien Bonds”), its \$157,445,000 aggregate principal amount the Chicago O’Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024E (AMT) (the “2024E Senior Lien Bonds”) and its \$61,000,000 aggregate principal amount Chicago O’Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024F (Non-AMT) (the “2024F Senior Lien Bonds” and together with the 2024E Senior Lien Bonds, the “2024EF Senior Lien Bonds” and together with the 2024CD Senior Lien Bonds, the “2024 Senior Lien Bonds” and, each individually a “Series”). Certain other capitalized terms used in this Official Statement, unless otherwise defined herein, are defined in APPENDIX A. A summary of certain provisions of the Senior Lien Indenture (as defined herein) is included as APPENDIX B and a summary of certain provisions of the Airline Use and Lease Agreements (as defined herein) is included as APPENDIX C. All references to the 2024 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.

**PURPOSE**

The proceeds from the sale of the 2024CD Senior Lien Bonds and the 2024EF Senior Lien Bonds, together with other available funds, are expected to be used to: (i) refund certain Outstanding Senior Lien Bonds and certain outstanding PFC Obligations, (ii) fund the Reserve Requirement for the 2024EF Senior Lien Bonds, and (iii) pay the costs and expenses incidental to the issuance of the 2024 Senior Lien Bonds. See “PLAN OF FINANCE” and “ESTIMATED SOURCES AND USES OF FUNDS.”

**AUTHORIZATION**

The 2024 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 2024 Senior Lien Bonds will be issued pursuant to an ordinance adopted by the City Council of the City (the “City Council”) on June 12, 2024 (the “2024 O’Hare Financing Ordinance” or the “Ordinance”). Each Series of the 2024 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

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 by (i) the Seventy-Seventh Supplemental Indenture, dated as of October 1, 2024, related to the 2024C Senior Lien Bonds (the “Seventy-Seventh Supplemental Indenture”), (ii) the Seventy-Eighth Supplemental Indenture, dated as of October 1, 2024, related to the 2024D Senior Lien Bonds (the “Seventy-Eighth Supplemental Indenture”), and (iii) the Seventy-Ninth Supplemental Indenture, dated as of October 1, 2024, related to the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds (the “Seventy-Ninth Supplemental Indenture” and together with the Seventy-Seventh Supplemental Indenture and the Seventy-Eighth Supplemental Indenture, the “2024 Supplemental Indentures,” and each, a “2024 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. See “SECURITY FOR THE 2024 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” or the “Airport”) to secure, on a parity basis, (i) the 2024 Senior Lien Bonds, which are described in this Official Statement, (ii) all of the issued 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 2024 SENIOR LIEN BONDS.” The Outstanding Senior Lien Bonds, together with the 2024 Senior Lien Bonds, are collectively referred to herein as the “Senior Lien Bonds.” See “PLAN OF FINANCE.”

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

#### SECURITY FOR THE 2024 SENIOR LIEN BONDS

The 2024 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. See “SECURITY FOR THE 2024 SENIOR LIEN BONDS.”

The Revenues are substantially derived from payments of rentals, fees and charges made pursuant to the Airline Use and Lease Agreements by the “Signatory Airlines” that use O’Hare and are signatories to such Airline Use and Lease Agreements. See “SECURITY FOR THE 2024 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.”

In addition to the Revenues, debt service on the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds is payable from and secured by a pledge of Other Available Moneys (defined below) consisting of a subordinate pledge of all revenues received by the City from the passenger facility charges (“PFCs”) imposed by the City at O’Hare (“PFC Revenues”) as more fully described under the heading “SECURITY FOR THE 2024 SENIOR LIEN BONDS.”

The following sets forth the pledged security under the Senior Lien Indenture and the applicable 2024 Supplemental Indenture for each Series of the 2024 Senior Lien Bonds:

**Series of 2024 Senior Lien Bonds**

Series 2024C Senior Lien Bonds  
Series 2024D Senior Lien Bonds  
Series 2024E Senior Lien Bonds

Series 2024F Senior Lien Bonds

**Pledged Security**

Revenues

Revenues

Revenues and Subordinate Pledge of  
PFC Revenues

Revenues and Subordinate Pledge of  
PFC Revenues

LIMITED OBLIGATIONS

The 2024 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 2024 Senior Lien Bonds. The 2024 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 2024 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, 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 of which are 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 debt service on certain maturities of certain Series of Outstanding Senior Lien Bonds. Certain of the Outstanding Senior Lien Obligations are secured by revenue sources that are separate and apart from Revenues, such as (i) Other Available Moneys consisting of a subordinate pledge on all revenues received by the City from the PFCs imposed by the City at O’Hare, (ii) Other Available Moneys consisting of moneys received by the City from the United States of America and agencies thereof, including the Federal Aviation Administration (the “FAA”) pursuant to a Letter of Intent (each a “Grant Letter of Intent”) and other discretionary grants (the “Grant Receipts”), or (iii) Other Available Moneys consisting of PFC Revenues, which the Senior Lien Indenture permits the City, at its option, to transfer to the Trustee to pay the principal of and interest on certain Outstanding Senior Lien Bonds. 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 incur 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 related to O’Hare.

In particular, the City expects to issue additional Senior Lien Bonds pursuant to the 2024 O’Hare Financing Ordinance, which would utilize the remaining authorization provided under the Ordinance.

Subject to market conditions and other factors, the City expects to issue its Series 2025A and Series 2025B Senior Lien Bonds (the “2025AB Senior Lien Bonds”) to fund additional capital projects at the Airport.

For a discussion of future financings and financing needs for O’Hare, including the potential issuance of the 2025AB Senior Lien Bonds, see “PLAN OF FINANCE” and APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT.”

#### 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 2023, O’Hare ranked second in the world in terms of aircraft operations, and ninth in the world in terms of passengers. According to the Chicago Department of Aviation (the “CDA”), O’Hare had approximately 42.2 million total enplaned passengers in 2019 (the most recent year prior to the impacts of the COVID-19 pandemic on air travel), approximately 34.1 million in 2022, and approximately 36.6 million in 2023. United Airlines and American Airlines each maintains a hub at O’Hare. In 2023, United Airlines (including its regional affiliates) and American Airlines (including its regional affiliates) accounted for 47.7 percent and 29.9 percent, respectively, of the enplaned passengers at O’Hare. For additional information regarding O’Hare, see “CHICAGO O’HARE INTERNATIONAL AIRPORT,” “AIR TRAFFIC ACTIVITY AT O’HARE,” “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 “Capital Programs,” which include the Terminal Area Plan (the “TAP”), the expansion of Terminal 5, a three-gate expansion of Terminal 3 Concourse L, and ongoing capital improvement projects. The Capital Programs, which include 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 Agreements, were 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. The Capital Programs also include new projects that received funding authority under the Airline Use and Lease Agreements provisions but were not included in the original projects, and proposed projects that are anticipated within the projection period.

In March 2018, the City announced approximately \$8.5 billion (in 2018 dollars), with certain provisions for project cost escalation, 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” or “AULA”). The approved projects include three sets of sub-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”). When escalated to the actual and planned project timing, the anticipated total costs of the TAP, the Pre-Approved CIP Projects, and the Pre-Approved Allowances yet to be completed, as well as the new projects that received funding authority and proposed projects anticipated within the projection period, is approximately \$12.0 billion. These projects

and their funding are described herein and in the Report of the Airport Consultant (as defined herein). See “CAPITAL PROGRAMS,” APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS,” and 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 2024 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 an Interstate Compact (the “Compact”) 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 2024 Senior Lien Bonds may not be suitable for all investors. Prospective purchasers of the 2024 Senior Lien Bonds should read this entire Official Statement for details of the 2024 Senior Lien Bonds, the use of the proceeds of the 2024 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 caption “CERTAIN INVESTMENT CONSIDERATIONS.”

#### REPORT OF THE AIRPORT CONSULTANT

The Report of the Airport Consultant, dated August 16, 2024 (the “Original Report of the Airport Consultant”), was prepared by Ricondo & Associates, Inc., the City’s airport consultant (the “Airport Consultant”) in connection with the issuance of the General Airport Senior Lien Revenue Bonds, Series 2024A (the “2024A Senior Lien Bonds”) and the General Airport Senior Lien Revenue Bonds, Series 2024B (the “2024B Senior Lien Bonds”). Such report did not contemplate the issuance of the 2024EF Senior Lien Bonds to refund the Refunded PFC Revenue Bonds. The Airport Consultant has prepared the Letter of the Airport Consultant, dated October 8, 2024 (the “Letter of the Airport Consultant” and together with the Original Report of the Airport Consultant, the “Report of the Airport Consultant”), in connection with the issuance of the 2024 Senior Lien Bonds to reaffirm the findings from the Original Report of the Airport Consultant. The Original Report of the Airport Consultant has not been updated since its dated date to reflect any operational or financial information or development with respect to O’Hare since the dated date of such report. The Report of the Airport Consultant is included as APPENDIX E to this Official Statement. It 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 2024 through 2035 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 dates of the 2024CD Senior Lien Bonds extend beyond the period of the Projections. Projections contained in the Report of the Airport Consultant are based on assumptions set forth therein.

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\*Meigs Field was closed in March 2003.

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.

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

## **PLAN OF FINANCE**

### **GENERAL**

The City expects to use the proceeds from the sale of the 2024 Senior Lien Bonds, together with other available funds to: (i) refund certain Outstanding Senior Lien Bonds (the "Refunded General Airport Revenue Bonds") and certain outstanding PFC Obligations (the "Refunded PFC Revenue Bonds" and together with the Refunded General Airport Revenue Bonds, the "Refunded Bonds," as described in APPENDIX H), (ii) fund the Reserve Requirement for the 2024EF Senior Lien Bonds, and (iii) pay the costs and expenses incidental to the issuance of the 2024 Senior Lien Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Simultaneously with the issuance of the 2024 Senior Lien Bonds, the City will use funds released under the PFC Indenture related to the Passenger Facility Charge Revenue Bonds, Taxable Series 2010C (the "2010C PFC Bonds"), Passenger Facility Charge Revenue Refunding Bonds, Series 2012A (Non-AMT) (the "2012A PFC Bonds"), and Passenger Facility Charge Revenue Refunding Bonds, Series 2012B (AMT) (the "2012B PFC Bonds"), to defease all outstanding 2010C PFC Bonds.

### **REFUNDING PLAN**

The City intends to refund the Refunded Bonds with a portion of the proceeds of the 2024 Senior Lien Bonds. The table in APPENDIX H – "THE REFUNDED BONDS AND THE DEFEASED BONDS" sets forth the series designation, maturities, principal amounts, and interest rates for the Refunded Bonds. All of the Refunded General Airport Revenue Bonds will be redeemed on January 1, 2025, and all of the Refunded PFC Revenue Bonds will be redeemed on December 2, 2024. 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.

A portion of the 2012A PFC Bonds will remain outstanding after the refunding of the Refunded Bonds and the PFC Indenture will not be discharged.

To provide for the refunding and defeasance of the Refunded Bonds, certain proceeds of the 2024 Senior Lien Bonds will be deposited, together with other available funds, in two separate escrow accounts (the "Escrow Accounts"), held under two separate Refunding Escrow Agreements, each to be dated as of October 1, 2024, between the City and the Trustee, as trustee for the Refunded General Airport Revenue Bonds, and between the City and the PFC Trustee (as defined herein), as trustee for the Refunded PFC



Revenue Bonds, as applicable, 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 applicable redemption date.

The accuracy of the mathematical computations regarding the adequacy of the moneys and Federal Obligations deposited and held in the Escrow Accounts to pay the debt service described above on the Refunded Bonds will be verified by the Verifier (as defined herein).

#### 2010C DEFEASANCE PLAN

Simultaneously with the issuance of the 2024 Senior Lien Bonds, the City will use funds released under the PFC Indenture related to the 2010C PFC Bonds, the 2012A PFC Bonds, and the 2012B PFC Bonds to defease the 2010C PFC Bonds.

To provide for the defeasance of the 2010C PFC Bonds, certain funds released under the PFC Indenture will be deposited in an escrow account (the “2010C PFC Escrow Account”), held under an Escrow Agreement, to be dated as of October 1, 2024, between the City and the PFC Trustee, as trustee for the 2010C PFC Bonds, and invested in Federal Obligations or held in cash in amounts sufficient (without reinvestment) to provide for the defeasance of the 2010C PFC Bonds on November 18, 2024.

The accuracy of the mathematical computations regarding the adequacy of the moneys and Federal Obligations deposited and held in the 2010C PFC Escrow Account to pay the debt service described above on the 2010C PFC Bonds will be verified by the Verifier.

#### FUTURE FINANCINGS FOR O’HARE

The City expects to (i) issue additional Airport Obligations, including Senior Lien Bonds, Commercial Paper Notes and Credit Agreement Notes, (ii) issue additional PFC Obligations, CFC Obligations and Special Facility Revenue Bonds and (iii) from time to time, 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 \$9.1 billion in Capital Program project costs over the next ten years, of which, \$962,500,000 was previously funded by the 2024A Senior Lien Bonds and the 2024B Senior Lien Bonds.

The 2024 O’Hare Financing Ordinance authorized the issuance of an aggregate principal amount not to exceed \$3,000,000,000 of additional Airport Obligations. Following the issuance of the 2024A Senior Lien Bonds and the 2024B Senior Lien Bonds on September 10, 2024, there was \$2,013,140,000 of authorization remaining. Following the issuance of the 2024 Senior Lien Bonds, the City will have \$446,065,000 of remaining authority pursuant to the 2024 O’Hare Financing Ordinance. Subject to market conditions and other factors, the City expects to issue the Series 2025AB Senior Lien Bonds in the first quarter of 2025, but such timing could be delayed. The proceeds of the Series 2025AB Senior Lien Bonds are anticipated to finance additional capital projects at the Airport. 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.”

## ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of 2024 Senior Lien Bonds.

| <u>SOURCES OF FUNDS</u>  | <u>2024C<br/>SENIOR<br/>LIEN BONDS</u> | <u>2024D<br/>SENIOR<br/>LIEN BONDS</u> | <u>2024E<br/>SENIOR<br/>LIEN BONDS</u> | <u>2024F<br/>SENIOR<br/>LIEN BONDS</u> | <u>TOTAL</u>              |
|--|--|--|--|--|---------------------------|
| Par Amount   | \$513,765,000.00                       | \$834,865,000.00                       | \$157,445,000.00                       | \$61,000,000.00                        | \$1,567,075,000.00        |
| Premium  | 36,345,987.50                          | 81,566,167.60                          | 8,923,982.80                           | 4,774,557.55                           | 131,610,695.45            |
| Released Senior Lien Funds   | 10,731,295.17                          | 17,019,587.17                          | -                                      | -                                      | 27,750,882.34             |
| Released PFC Funds   | -                                      | -                                      | <u>37,862,017.12</u>                   | <u>14,737,975.00</u>                   | <u>52,599,992.12</u>      |
| <b>Total</b>   | <u>\$560,842,282.67</u>                | <u>\$933,450,754.77</u>                | <u>\$204,230,999.92</u>                | <u>\$80,512,532.55</u>                 | <u>\$1,779,036,569.91</u> |
| <br><b><u>USES OF FUNDS</u></b>                                    |  |  |  |  |                           |
| Deposit to Defeasance Refunded<br>General Airport Revenue Bonds    | \$557,374,550.86                       | \$927,814,038.39                       | \$ -                                   | \$ -                                   | \$1,485,188,589.25        |
| Deposit to Defeasance Refunded<br>PFC Revenue Bonds <sup>(1)</sup> | -                                      | -                                      | 186,536,582.05                         | 73,523,123.35                          | 260,059,705.40            |
| Deposit to 2024EF Consolidated<br>Debt Service Reserve Sub-Fund    | -                                      | -                                      | 16,636,898.28                          | 6,577,455.76                           | 23,214,354.04             |
| Costs of Issuance, including<br>Underwriters' Discount             | <u>3,467,731.81</u>                    | <u>5,636,716.38</u>                    | <u>1,057,519.59</u>                    | <u>411,953.44</u>                      | <u>10,573,921.22</u>      |
| <b>Total</b>   | <u>\$560,842,282.67</u>                | <u>\$933,450,754.77</u>                | <u>\$204,230,999.92</u>                | <u>\$80,512,532.55</u>                 | <u>\$1,779,036,569.91</u> |

<sup>(1)</sup> Does not include the defeased 2010C PFC Bonds.

## THE 2024 SENIOR LIEN BONDS

### GENERAL

The 2024 Senior Lien Bonds will mature on January 1 of the years and in the amounts shown on the inside cover page hereof and will be dated as of their date of delivery. The 2024 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 page hereof. Interest on the 2024 Senior Lien Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2025.

Certain of the 2024 Senior Lien Bonds will be subject to redemption as described below under "Redemption Provisions."

The 2024 Senior Lien Bonds will be issued only as fully registered bonds. The 2024 Senior Lien Bonds will be issued in denominations that are integral multiples of \$5,000. The 2024 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 2024 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 2024 Senior Lien Bonds will not receive or have the right to receive physical delivery of 2024 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 of and interest on the 2024 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 2024 Senior Lien Bonds. As long as DTC or its nominee is the Registered Owner of 2024 Senior Lien Bonds, references herein to Bondholders or Registered Owners of such 2024 Senior Lien Bonds shall mean DTC or its nominee and shall not mean the beneficial owners of such 2024 Senior Lien Bonds.

## REDEMPTION PROVISIONS

### *Optional Redemption Provisions.*

2024C Senior Lien Bonds. The 2024C Senior Lien Bonds maturing on or after January 1, 2036, are subject to redemption at the option of the City on or after January 1, 2035, as a whole or in part at any time, and if in part, in such order of maturity as the City shall determine and within any maturity by lot, at a redemption price equal to the principal amount of each 2024C Senior Lien Bond to be redeemed, plus accrued interest to the date of redemption.

2024D Senior Lien Bonds. The 2024D Senior Lien Bonds maturing on or after January 1, 2036, are subject to redemption at the option of the City on or after January 1, 2035, as a whole or in part at any time, and if in part, in such order of maturity as the City shall determine and within any maturity by lot, at a redemption price equal to the principal amount of each 2024D Senior Lien Bond to be redeemed, plus accrued interest to the date of redemption.

2024EF Senior Lien Bonds. The 2024EF Senior Lien Bonds are not subject to redemption prior to maturity.

*Redemption Procedures.* Notice of redemption of the 2024CD Senior Lien Bonds identifying the 2024CD 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 2024CD 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 2024CD 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 2024CD Senior Lien Bond or any defect therein shall not affect the validity of the proceedings for such redemption of such 2024CD Senior Lien Bond. Whenever the 2024CD Senior Lien Bonds are held in book-entry form, redemption notices will be delivered in accordance with the applicable procedures of DTC, which may include electronic delivery. Any such notice given as described above shall be conclusively presumed to have been duly given, whether or not the Registered Owner of any 2024CD Senior Lien Bond receives the notice.

If a 2024CD Senior Lien Bond is of a denomination larger than \$5,000, all or a portion of such 2024CD Senior Lien Bond (in a denomination of \$5,000 or any integral multiple thereof) may be redeemed, but such 2024CD Senior Lien Bond shall be redeemed only in a principal amount equal to \$5,000 or any integral multiple thereof. Upon surrender of any 2024CD 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 2024CD Senior Lien Bond or 2024CD 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 2024CD Senior Lien Bond surrendered.

*Selection of 2024CD Senior Lien Bonds to be Redeemed.* If less than all of the 2024CD Senior Lien Bonds of the same Series, maturity and interest rate are called for redemption, such 2024CD Senior Lien Bonds (or portions thereof) to be redeemed shall be selected by lot by the Trustee (except at any time when such 2024CD Senior Lien Bonds are held in the DTC book-entry system, in which case selection of such 2024CD 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 2024 SENIOR LIEN BONDS**

### GENERAL

*Overview.* The 2024 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 2024 Senior Lien Bonds. The 2024 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 2024 Senior Lien Bonds.

As described below, the claim of the holders of the Senior Lien Obligations, including holders of the 2024 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 2024 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 2024 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 2024 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 Other Available Moneys pledged to the payment thereof under the Supplemental Indenture securing such Series of Senior Lien bonds.

The 2024CD Senior Lien Bonds will be payable solely from and secured by a pledge of Revenues.

The 2024EF Senior Lien Bonds will be secured by (i) a pledge of Revenues and (ii) a pledge of Other Available Moneys consisting of a subordinate pledge of PFC Revenues, including moneys to be drawn from the PFC Capital Fund (the “2024E and 2024F Pledged PFC Revenues”). The annual amount of the 2024E and 2024F Pledged PFC Revenues may be less than the principal and interest due on the 2024E Senior Lien Bonds and on the 2024F Senior Lien Bonds and, if so, the difference will be paid from Revenues. The application of 2024E and 2024F Pledged PFC Revenues to the payment of principal and interest on the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds will reduce the amount of principal and interest expense otherwise payable from 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” below 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 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 (a) \$75,000 or (b) three times the amount of the diverted revenue; and/or (iii) seeking judicial enforcement for violation of any grant assurance; and/or (iv) assessment of interest on the amount of diverted revenue; and/or (v) 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 (vi) 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 PFC 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 the “PFC Act,” the “PFC Regulations,” the “PFC Approvals” (as such terms are defined below and under the heading “PFC PROGRAM AT O’HARE”) and an Ordinance adopted by the City Council of the City on January 12, 1993 (each such passenger facility charge referred to as a “PFC,” and collectively, the “PFCs”), including any interest earned thereon after such

revenue has been remitted to the City as provided in the PFC Regulations. As of October 1, 2024, the City has authority from the FAA to impose and use PFCs of \$4.50 per eligible enplaned passenger up to an aggregate total of \$6.93 billion to pay for certain Approved Projects (as defined herein). The FAA has approval authority over PFC applications and amendments submitted by the City requesting use of PFCs (the “PFC Approvals”). See “PFC PROGRAM AT O’HARE” herein for a more detailed discussion of O’Hare’s PFC program and the City’s PFC Program Authority.

All PFC Revenues are deposited with the trustee pursuant to a Master Trust Indenture Securing Chicago O’Hare International Airport Passenger Facility Charge Obligations dated as of January 1, 2008, amending and restating the Master Trust Indenture securing Chicago O’Hare International Airport Second Lien Passenger Facility Charge Obligations dated as of May 15, 2001, as supplemented and amended (the “PFC Indenture”), from the City to The Bank of New York Mellon Trust Company, National Association, as successor to BNY Midwest Trust Company, N.A., as trustee (the “PFC Trustee”). See “OUTSTANDING INDEBTEDNESS AT O’HARE—PFC Obligations” for a discussion of outstanding indebtedness of the City payable from and secured by PFC Revenues imposed at O’Hare and APPENDIX D – “AUDITED FINANCIAL STATEMENTS – Statistical Information” for historical collections of PFC Revenues.

As used in this Official Statement, “Airport PFC Obligations” means all bonds, notes or evidences of indebtedness payable from PFC Revenues including any obligation of the City under a Qualified PFC Swap Agreement and any obligation incurred by the City to reimburse the issuers of any letters of credit securing one or more Series of PFC Obligations. “Subordinated PFC Obligations” means all bonds, notes or evidences of indebtedness, so designated and issued by the City payable out of or secured by the pledge of amounts withdrawn from the PFC Revenue Fund, the PFC Bond Fund or the PFC Capital Fund which pledge is junior and subordinate to the pledge for the PFC Obligations. “PFC Obligations” means all bonds, notes or other evidences of indebtedness secured solely by a pledge of PFC Revenues, including PFC Obligations and Subordinated PFC Obligations secured solely by a pledge of PFC Revenues. The PFC Indenture established the PFC Revenue Fund (the “PFC Revenue Fund”), the PFC Bond Fund (the “PFC Bond Fund”) and the PFC Capital Fund (the “PFC Capital Fund”).

The PFC Indenture provides for PFC Revenues to be applied to fund debt service and other required deposits to secure PFC Obligations and Subordinated PFC Obligations prior to funding the PFC Capital Fund. Amounts in the PFC Capital Fund may be used by the City for any lawful purposes as shall be authorized by the FAA and permitted by the PFC Act, the PFC Regulations and the PFC Approvals. See “OUTSTANDING INDEBTEDNESS AT O’HARE – PFC Obligations” for a discussion of outstanding indebtedness of the City payable from and secured by PFC Revenues. See also “-Flow of Funds” below and APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE – Source of Payment; Pledge of Senior Lien Revenues and Other Moneys.”

The pledge of PFC Revenues and moneys in the PFC Capital Fund as the source of the 2024E and 2024F Pledged PFC Revenues is subject to (i) the prior and superior pledge of and lien on the PFC Revenues and the moneys in the PFC Capital Fund as security for the payment of PFC Obligations secured under the PFC Master Indenture; (ii) the payments by the City to fund the costs of certain capital projects at the Chicago/Gary International Airport from PFC Revenues pursuant to the Compact between the City and the City of Gary dated April 15, 1995 Relating to the Establishment of the Chicago Gary Regional Airport Authority (the “Compact”); (iii) the parity pledge of and lien on the PFC Revenues and the moneys in the PFC Capital Fund as security for the payment of the Senior Lien Obligations of the City issued or secured under the (A) Fifty-Seventh Supplemental Indenture, including the outstanding Chicago O’Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2016F, (B) Sixtieth Supplemental Indenture, including the outstanding Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2017B, and (C) Sixty-Eighth Supplemental Indenture, including the outstanding Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds,

Series 2020C, and Chicago O’Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2020E; (iv) the City’s right to issue additional Senior Lien Obligations that are also secured by PFC Revenues, including moneys to be withdrawn from the PFC Capital Fund, on a parity with the Bonds and (v) the City’s right to issue Subordinated PFC Obligations that are secured by a pledge of and lien on the PFC Revenues and the moneys in the PFC Capital Fund that is superior to the pledge and lien created by the Sixtieth Supplemental Indenture. See “OUTSTANDING INDEBTEDNESS AT O’HARE – PFC Obligations” for a discussion of outstanding indebtedness of the City payable from and secured by PFC Revenues. See also “-Flow of Funds” below, “-Certain Provisions of the PFC Indenture,” below and APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE- Source of Payment; Pledge of Senior Lien Revenues and Other Moneys.”

#### 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 – Financial Analysis.”

#### 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, refunding obligations issued to finance Airport Projects and for 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 2024 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 2024 Supplemental Indenture establishes with the Trustee a separate and segregated sub-fund within the Debt Service Fund (the “2024 Senior Lien Dedicated Sub-Funds,” and each, a “2024 Senior Lien Dedicated Sub-Fund”). Each 2024 Senior Lien Dedicated Sub-Fund and each Account established therein are held solely for the benefit of the Registered Owners of the 2024 Senior Lien Bonds issued pursuant to the applicable 2024 Supplemental Indenture. Moneys on deposit in a particular 2024 Senior Lien Dedicated Sub-Fund are not to be used or available for payment of any other Airport Obligations including other 2024 Senior Lien Bonds.

For a general description of the application of Revenues, see “- Payment of Debt Service on the 2024 Senior Lien Bonds” below and APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE – Source of Payment; Pledge of 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.



*Pledge of 2024E and 2024F Pledged PFC Revenues for 2024E Senior Lien Bonds and 2024F Senior Lien Bonds.* The Seventy-Ninth Supplemental Indenture provides that the 2024E and 2024F Pledged PFC Revenues are Other Available Moneys that will be pledged by the City to the payment of the 2024E Senior Lien Bonds and 2024F Senior Lien Bonds.

#### 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 Operation 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.

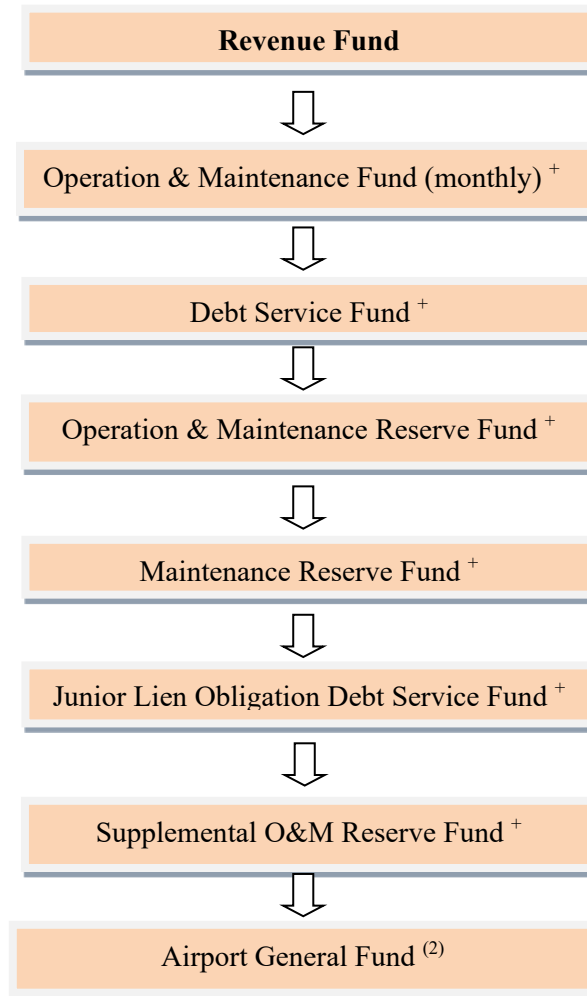
All moneys held by the City in the Airport General Fund may be applied, used and withdrawn by the City for any lawful airport purpose of O'Hare, free from any lien or security interest in favor of the Trustee and the owners of Senior Lien Obligations. See “– O'Hare Revenues Must be Used for Airport Purposes”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

*Purpose and Funding of the 2024E and 2024F Senior Lien Bond PFC Revenue Deposit Account.* The Seventy-Ninth Supplemental Indenture provides that 2024E and 2024F Pledged PFC Revenues in the PFC Capital Fund will be withdrawn therefrom and deposited into the 2024E and 2024F Senior Lien Bond PFC Revenue Deposit Account (a special account within the Revenue Fund) and used to (i) pay the debt service on the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds, (ii) satisfy any deficiency in the 2024EF Consolidated Debt Service Reserve Sub-Fund (as defined herein) and (iii) pay all fees and expenses with respect to the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds. The moneys on deposit in the 2024E and 2024F Senior Lien Bond PFC Revenue Deposit Account are held in trust by the Trustee for the sole and exclusive benefit of the Registered Owners of the 2024E Senior Lien Bonds and 2024F Senior Lien Bonds and will not be used or available for the payment of any other Senior Lien Obligations. See APPENDIX B - “SUMMARY OF CERTAIN PROVISION OF THE SENIOR LIEN INDENTURE — Deposit Into and Application of the 2024E and 2024F Bonds PFC Revenue Deposit Account.”

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

*[The remainder of this page intentionally left blank]*

FLOW OF FUNDS <sup>(1)</sup>



+ Amounts on deposit at Fiscal Year-end in excess of the amount required to be held in the fund under the Senior Lien Indenture or any Supplemental Indenture are transferred to the Revenue Fund.

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

Source: Senior Lien Indenture.

## PAYMENT OF DEBT SERVICE ON THE 2024 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 2024 Supplemental Indenture creating each Series of the 2024 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, and to the 2024E and 2024F Senior Lien Consolidated Debt Service Reserve Dedicated Sub-Fund (the “2024EF Consolidated 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 2024 Senior Lien Bonds will be payable from Revenues allocated to the Dedicated Sub-Fund established for that Series by the applicable 2024 Supplemental Indenture within the Debt Service Fund.

*2024C Senior Lien Bonds.* On January 1 and July 1 of each year, commencing January 1, 2025 (each such date referred to herein as the “Deposit Date”), there will be deposited into the 2024C 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 “2024C Deposit Requirement”):

(a) for deposit into the “2024C Senior Lien Principal and Interest Account,” an amount equal to the aggregate of: (i) for the January 1, 2025 Deposit Date, the Principal Installment due January 1, 2025, and thereafter, one half of the Principal Installment, if any, coming due on the 2024C Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2024C 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 2024C Senior Lien Principal and Interest Account; and

(b) for deposit into the “2024C 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 2024C Senior Lien Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2024C Deposit Requirement, there shall be deposited into the 2024C Senior Lien Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Senior Lien Indenture or the Seventy-Seventh Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2024C Senior Lien Dedicated Sub-Fund and to one or more accounts therein.

*2024D Senior Lien Bonds.* On each Deposit Date of each year, commencing January 1, 2025, there will be deposited into the 2024D 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 “2024D Deposit Requirement”):

(a) for deposit into the “2024D Senior Lien Principal and Interest Account,” an amount equal to the aggregate of: (i) for the January 1, 2025 Deposit Date, the Principal Installment due January 1, 2025, and thereafter, one-half of the Principal Installment, if any, coming due on the 2024D Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2024D 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 2024D Senior Lien Principal and Interest Account; and

(b) for deposit into the “2024D 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 2024D Senior Lien Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2024D Deposit Requirement, there shall be deposited into the 2024D Senior Lien Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Senior Lien Indenture or the Seventy-Eighth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2024D Senior Lien Dedicated Sub-Fund and to one or more accounts therein.

*2024E Senior Lien Bonds.* On each Deposit Date of each year, commencing January 1, 2025, there will be deposited into the 2024E Senior Lien Dedicated Sub-Fund first from amounts on deposit in the 2024E and 2024F Senior Lien Bond PFC Revenue Deposit Account and second 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 “2024E Deposit Requirement”):

(a) for deposit into the “2024E Senior Lien Principal and Interest Account,” an amount equal to the aggregate of: (i) for the January 1, 2025 Deposit Date, the Principal Installment due January 1, 2025, and thereafter, one half of the Principal Installment, if any, coming due on the 2024E Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2024E 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 2024E Senior Lien Principal and Interest Account);

(b) for deposit into the “2024EF Consolidated Debt Service Reserve Sub-Fund,” the amount, if any, required as of the close of business on such Deposit Date to restore the 2024EF Consolidated Debt Service Reserve Sub-Fund to the Reserve Requirement, including the reimbursement of any Qualified Credit Provider; and

(c) for deposit into the “2024E 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 2024E Senior Lien Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2024E Deposit Requirement, there shall be deposited into the 2024E Senior Lien Dedicated Sub-Fund and the 2024EF Consolidated Debt Service Reserve Sub-Fund, any other moneys received by the Trustee under and pursuant to the Senior Lien Indenture or the Seventy-Ninth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are

to be paid into the 2024E Senior Lien Dedicated Sub-Fund and to one or more accounts therein or into the 2024EF Consolidated Debt Service Reserve Sub-Fund.

*2024F Senior Lien Bonds.* On each Deposit Date of each year, commencing January 1, 2025, there will be deposited into the 2024F Senior Lien Dedicated Sub-Fund first from amounts on deposit in the 2024E and 2024F Senior Lien Bond PFC Revenue Deposit Account and second 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 “2024F Deposit Requirement”):

(a) for deposit into the “2024F Senior Lien Principal and Interest Account,” an amount equal to the aggregate of: (i) for the January 1, 2025 Deposit Date, the Principal Installment due January 1, 2025, and thereafter, one half of the Principal Installment, if any, coming due on the 2024F Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2024F 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 2024F Senior Lien Principal and Interest Account);

(b) for deposit into the “2024EF Consolidated Debt Service Reserve Sub-Fund,” the amount, if any, required as of the close of business on such Deposit Date to restore the 2024EF Consolidated Debt Service Reserve Sub-Fund to the Reserve Requirement, including the reimbursement of any Qualified Credit Provider; and

(c) for deposit into the “2024F 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 2024F Senior Lien Bonds during the semi-annual period commencing on such Deposit Date.

In addition to the 2024F Deposit Requirement, there shall be deposited into the 2024F Senior Lien Dedicated Sub-Fund and the 2024EF Consolidated Debt Service Reserve Sub-Fund, any other moneys received by the Trustee under and pursuant to the Senior Lien Indenture or the Seventy-Ninth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2024F Senior Lien Dedicated Sub-Fund and to one or more accounts therein or the 2024EF Consolidated Debt Service Reserve Sub-Fund.

#### DEBT SERVICE RESERVES

The 2024 Senior Lien Bonds other than the 2024E Senior Lien Bonds and 2024F Senior Lien Bonds are Common Reserve Bonds secured by the Common Debt Service Reserve Sub-Fund. The 2024E Senior Lien Bonds and 2024F Senior Lien Bonds are not Common Reserve Bonds and are secured by the 2024EF Consolidated 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 2024 Senior Lien Bonds and the Outstanding Senior Lien Bonds, other than the General Airport Senior Lien Revenue Refunding Bonds, Series 2016C, the General Airport Senior Lien Revenue Bonds, Series 2016F, the General Airport Senior Lien Revenue Refunding Bonds, Series 2017B, the General Airport Senior Lien Revenue Refunding Bonds, Series 2020C, the General Airport Senior Lien Revenue Bonds, Series 2020E, the 2024E Senior Lien Bonds, and the 2024F 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 the Seventy-Seventh and the Seventy-Eighth 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 2024 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 2024 Senior Lien Bonds, the Reserve Requirement for the Common Reserve Bonds is \$690,185,433. Upon issuance of the 2024 Senior Lien Bonds, the new Reserve Requirement for the Common Reserve Bonds and the Common Debt Service Reserve Sub-Fund will be \$663,519,660.45.

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. 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 2024 Senior Lien Bonds any information regarding the financial condition of any Qualified Credit Provider or to take any action in connection therewith.

*2024EF Consolidated Debt Service Reserve Sub-Fund.* In the Seventy-Ninth Supplemental Indenture the City covenants that the City will maintain the 2024EF Consolidated Debt Service Reserve Sub-Fund in an amount equal to the Reserve Requirement with respect to the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds, which requirement may be satisfied with (i) one or more Qualified Reserve Credit Instruments, (ii) Qualified Investments, or (iii) a combination thereof. The Reserve Requirement for the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds will be the lesser of (i) \$23,214,354.04 and (ii) the maximum amount of principal of and interest on the 2024EF Senior Lien Bonds payable in the current or any future Bond Year. Upon issuance of the 2024EF Senior Lien Bonds, the Reserve Requirement for the 2024EF Senior Lien Bonds will be \$23,214,354.04, and will be fully funded with cash and Qualified Investments in satisfaction of the requirements of the Seventy-Ninth Supplemental Indenture.

If on any Payment Date for the payment of the Principal Installment of and interest on any Series of the 2024E Senior Lien Bonds or the 2024F Senior Lien Bonds, the amount held in the Dedicated Sub-Fund for that Series for the payment of Principal Installment and interest shall be less than the Principal Installment and interest then payable, then the Trustee will withdraw from the 2024EF Consolidated 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 deficiencies for both Series, such withdrawal shall be made ratably, without preference or priority of any kind.

#### 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 (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 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 pursuant to 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 2024 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 (a) paid over to the Trustee and deposited in the Revenue Fund, or (b) irrevocably pledged to the payment of debt service on Airport Obligations.

The City may issue Completion Bonds and Refunding 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 – Completion Bonds” and “– Refunding Bonds.”

The Seventy-Ninth Supplemental Indenture provides that the 2024E and 2024F Pledged PFC Revenues pledged to the payment of principal and interest on the 2024E Senior Lien Bonds and 2024F Senior Lien Bonds are subject to the City's right to issue additional PFC Obligations that are secured by the PFC Revenues on a senior lien basis and Senior Lien Obligations or Junior Lien Obligations that are also secured by PFC Revenues on a parity with the 2024E Senior Lien Bonds and 2024F Senior Lien 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 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 further 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 the estimated completion date currently anticipated to be 2034 for the TAP. As part of the expansion, the City is making a series of investments in the terminal core designed to increase capacity, connectivity and the passenger experience with growth to match passenger demand. For a discussion of the 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, 2028 (if the Effective Date is on or before December 31, 2028), or December 31, 2033 (if the Effective Date is between January 1, 2029 and December 31, 2033). Short-Term Signatory Airlines with Airline Use and Lease Agreements expiring on December 31, 2028 have the option to extend the term for a five-year period 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.

The Airline Use and Lease Agreements do not provide airlines with exclusive use gates. Rather, Long-Term Signatory Airlines are given the first right to schedule use of preferential gates. Long-Term Signatory Airlines 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, passenger lounges, and operations space and for preferential gates and check-in space. Common use fees are charged for common use 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 APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS.”

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. 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, together with Other Available Moneys deposited with the Trustee with respect to that Fiscal Year, to achieve 1.25x debt service coverage on its Senior Lien Obligations issued under the Senior Lien Indenture. 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 of the current year’s budgeted O&M expenses. For information on the deposits to the Supplemental O&M Reserve Fund, see APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR LIEN INDENTURE.”

*[The remainder of this page intentionally left blank]*

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

| Major Provisions                         | Airline Use and Lease Agreements   |
|--|--|
| <b>Term</b>                              | 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, 2028 and may extend their terms to 2033 and, prior to January 1, 2028, may elect to transition to Long-Term Signatory Airlines.  |
| <b>Capital Projects</b>                  | Previously Approved Projects were approved under the Prior Use Agreements and approved to continue under the AULA. The TAP 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.   |
| <b>Assignment of Gates</b>               | Preferential Use Gate Space under the AULA 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.   |
| <b>Rate Covenant</b>                     | 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 2024 SENIOR LIEN BONDS – Debt Service Coverage Covenants.”   |
| <b>Majority-in-Interest (MII) Review</b> | No further MII review or approval is needed for the Previously Approved Projects, the TAP, Pre-Approved CIP Projects 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 changing project scope or modifications increasing project costs. The City is authorized to undertake New Projects so long as such New Projects are not disapproved by a Majority-in-Interest. See APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF THE AIRLINE USE AND LEASE AGREEMENTS.” |

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 2024CD 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 2024 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 Sale 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 2024 Supplemental Indentures authorizing each Series of the 2024 Senior Lien Bonds, the Owners of the 2024 Senior Lien Bonds shall be deemed to have consented to the 2010 Amendment by purchasing such 2024 Senior Lien Bonds. Such consent of any Owner may be revoked in writing as provided in the Senior Lien Indenture. Currently, Owners of the required percentage of the Outstanding Senior Lien Obligations have consented to the 2010 Amendment, and the City, at its discretion, 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.

#### REMEDIES

There is no provision for the acceleration of the maturity of the Senior Lien Bonds, including the 2024 Senior Lien Bonds if any default occurs in the performance of any obligation of the City under the Senior Lien Indenture, or if interest on the 2024 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.”

#### CERTAIN PROVISIONS OF THE PFC INDENTURE

*As described in “-General” and “-Pledge of Revenues, PFC Revenues and Grant Receipts” above, debt service on the 2024E Senior Lien Bonds and 2024F Senior Lien Bonds is payable from a subordinate pledge of PFC Revenues as well as from Revenues. The description of the PFC Indenture is included within this Official Statement for the benefit of the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds to the extent they are payable from the 2024E and 2024F Pledged PFC Revenues. While the 2024E Senior Lien Bonds and 2024F Senior Lien Bonds will be payable from the 2024E and 2024F Pledged PFC Revenues, the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds are being issued pursuant to and are secured by the Senior Lien Indenture and not the PFC Indenture.*

*Flow of Funds.* Under the PFC Indenture, PFC Revenues are required to be promptly deposited into the PFC Revenue Fund. The PFC Revenue Fund is held and administered by the City, subject to the

provisions of the PFC Indenture providing that the City is required to transfer all moneys and securities in the PFC Revenue Fund to the PFC Trustee (i) upon an Event of Default (as such term is defined in the PFC Indenture) under the PFC Indenture or (ii) to the extent and for the period of time required by the PFC Act, the PFC Regulations or the PFC Approvals.

*Application of PFC Revenues under the PFC Indenture.* Under the PFC Indenture, the City has covenanted and agreed to pay from the PFC Revenue Fund, not later than the 20th day of each calendar month, the following amounts in the following order of priority:

*First:* to the PFC Trustee for deposit into the PFC Bond Fund the sum required to make all of the sub-fund deposits and other required deposits to be disbursed from the PFC Bond Fund in that calendar month pursuant to a Supplemental Indenture creating a Series of PFC Obligations;

*Second:* to make any payments required for the calendar month with respect to Subordinated PFC Obligations; and

*Third:* all moneys and securities remaining in the PFC Revenue Fund will be transferred by the City (or the PFC Trustee if it then holds such fund pursuant to the PFC Indenture) to the PFC Capital Fund.

The PFC Capital Fund is held and administered by the City, subject to (a) the PFC Indenture providing that the PFC Capital Fund be held and administered by the PFC Trustee upon an Event of Default under the PFC Indenture or (b) to the extent and for the period of time required by the PFC Act, the PFC Regulations or the PFC Approvals. When amounts on deposit in the PFC Revenue Fund are insufficient to make the deposits into the PFC Bond Fund described in the first subparagraph above, amounts on deposit in the PFC Capital Fund shall be used whenever necessary to make such payments. As the City may, from time to time, determine amounts in the PFC Capital Fund may also be used for any lawful purposes as shall be authorized by the FAA and permitted by the PFC Act, the PFC Regulations and the PFC Approvals. See “– *Compliance with Noise Act, PFC Act, PFC Regulations and PFC Approvals,*” below, for a description of certain limitations imposed on the expenditure of funds held in the PFC Capital Fund.

*Issuance of PFC Obligations.* The PFC Indenture provides that in order to provide sufficient funds for the financing or refinancing of Projects (as defined in the PFC Indenture to include Approved Projects as defined herein under “PFC PROGRAM AT O’HARE”), PFC Obligations are authorized to be issued on a parity basis as to the lien on the PFC Revenues with PFC Obligations outstanding from time to time, without limitation as to amount except as may be limited by law and, subject to the satisfaction by the City of certain conditions regarding the issuance of additional PFC Obligations, for the purpose of (a) the payment, or the reimbursement for the payment of, certain costs of Approved Projects, (b) the refunding of any PFC Obligations or other obligations issued to finance or refinance certain costs of Approved Projects, including, without limitation, any revenue bonds or commercial paper notes issued by the City to finance or refinance certain costs of Approved Projects or (c) the funding of any Fund or Account as specified in the PFC Indenture, for the purposes set forth therein. Any PFC Obligations issued pursuant to the authorization described in this paragraph for the purpose of the refunding of PFC Obligations are referred to herein as “Refunding PFC Obligations” and any PFC Obligations issued for any other authorized purpose are referred to herein as “Project PFC Obligations.”

Prior to issuing any Project PFC Obligations and Refunding PFC Obligations, the City is required to satisfy an additional bonds test that is set forth in the PFC Indenture. For a description of additional requirements regarding the use of PFC Revenues under the PFC Indenture, see “– *Plan of Finance Compliance Certificate,*” below.



*Compliance with Noise Act, PFC Act, PFC Regulations and PFC Approvals.* The City covenants in the PFC Indenture that (i) it will comply with all provisions of the PFC Act and the PFC Regulations applicable to the City and all provisions of the PFC Approvals, and that it will not take any action or omit to take any action with respect to the PFC Revenues, the Approved Projects or otherwise if such action or omission would, pursuant to the PFC Regulations, cause the termination of the City’s authority to impose PFCs or prevent the use of the PFC Revenues as contemplated by the PFC Indenture; (ii) it will not impose any noise or access restriction at O’Hare not in compliance with the Noise Act (as defined in “PFC PROGRAM AT O’HARE—Termination of Authority to Impose PFCs”), if the imposition of such restriction may result in the termination or suspension of the City’s authority to impose PFCs at O’Hare prior to the charge expiration date or the date total approved passenger facility charge revenue has been collected; and (iii) all moneys in the PFC Revenue Fund and the PFC Capital Fund will be used in compliance with all provisions of the PFC Act and the PFC Regulations applicable to the City and all provisions of the PFC Approvals.

*Plan of Finance Compliance Certificate.* The City covenants in the PFC Indenture that it will use PFC Revenues to ensure that a Plan of Finance Compliance Certificate can be delivered annually with respect to PFC Obligations. In order to deliver such Certificate, the City must be able to certify that PFC Revenues for which the City has impose and use authority in the PFC Capital Fund, when added to (i) the available moneys held pursuant to the PFC Indenture in the PFC Bond Fund and (ii) projected PFC Revenues based upon any period of 12 consecutive months out of the preceding 18 months at O’Hare, after giving effect to other projected uses of PFC Revenues through the date on which all Outstanding PFC Obligations (including any proposed series of PFC Obligations being issued at the time of delivery of such Certificate) are expected to be paid in full, are equal to or greater than 105 percent of all Aggregate PFC Debt Service (including any proposed series of PFC Obligations being issued at the time of delivery of such Certificate) through the date of such payment. To date, the City has been in compliance with the covenants described within this paragraph.

See “PFC PROGRAM AT O’HARE – Termination of Authority to Impose PFCs” and “CERTAIN INVESTMENT CONSIDERATIONS – Availability of PFC Revenues.”

## **RATINGS**

The 2024 Senior Lien Bonds are rated “A+” (stable outlook) by S&P Global Ratings, “A+” (stable outlook) by Fitch Ratings, and “A+” (stable outlook) by Kroll Bond Rating Agency.

A rating reflects only the view of the rating agency giving such rating. A rating is not a recommendation to buy, sell or hold securities, and may be subject to revision or withdrawal at any time. An explanation of the significance of such rating may be obtained from such organization. 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 if, in the judgment of any rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have adverse consequences for the City or an adverse effect on the price at which the 2024 Senior Lien Bonds may be resold.

## **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. See “– The Air Trade Area” below for a discussion of the Air Trade Area.

Based on data from ACI, for the 12-month period ended December 2023, the Airport ranked second in the U.S. and globally in terms of aircraft operations, and ninth in the world in terms of passengers (fifth in the U.S.). The Airport had approximately 42.2 million total enplaned passengers in 2019 (the most recent year prior to the impacts of the COVID-19 pandemic on air travel), approximately 34.1 million in 2022, and approximately 36.6 million in 2023.

United Airlines and American Airlines each maintain a hub at the Airport. In 2023, United Airlines (including its regional affiliates) and American Airlines (including its regional affiliates) accounted for 47.7 percent and 29.9 percent, respectively, of the enplaned passengers at O’Hare. See “AIR TRAFFIC ACTIVITY AT O’HARE” herein for additional information regarding the airlines serving the Airport.

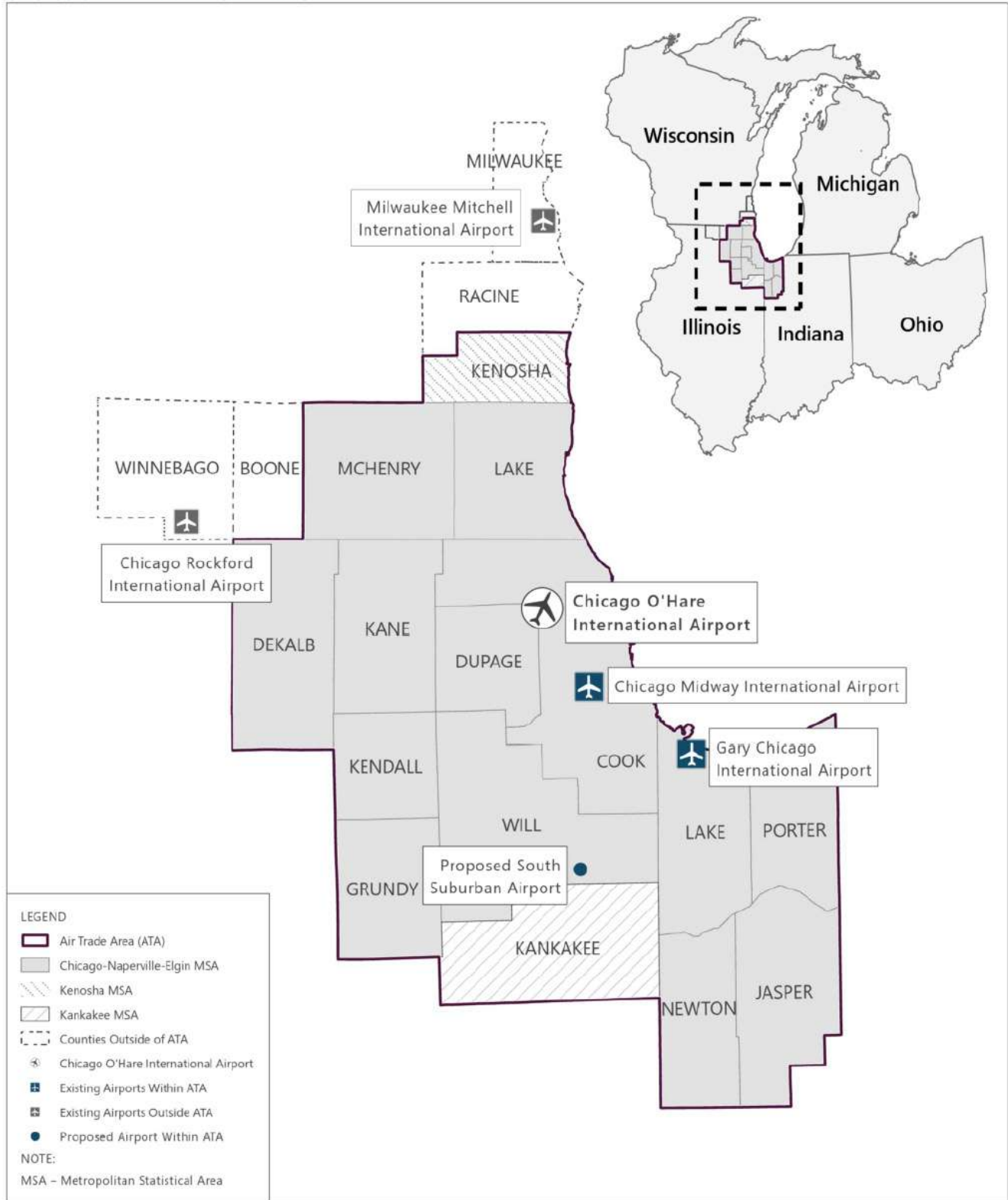
For more complete and detailed information regarding historical and projected air traffic at O’Hare, see “Air Traffic” in APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT.”

#### THE AIR TRADE AREA

The Chicago Region comprises 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” (also referred to herein as the “Air Trade Area”) and include two Metropolitan Statistical Areas (“MSA”) that contain four adjoining major metropolitan areas. The Air Trade Area is depicted on the map on the following page.

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CHICAGO O'HARE INTERNATIONAL AIRPORT



SOURCES: US Census, 2023 (county and state boundaries); US National Atlas Airports, 2018 (airports).



CHICAGO O'HARE INTERNATIONAL AIRPORT  
AIR TRADE AREA

## OTHER COMMERCIAL SERVICE AIRPORTS SERVING THE CHICAGO REGION

*Midway.* In addition to O’Hare, the City owns and the CDA operates Midway. 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. Midway serves as a hub airport for Southwest Airlines. Based on CDA management records, total enplaned passengers at Midway were approximately 10.4 million for 2019, 9.9 million for 2022, and 11.0 million for 2023. In 2023, Midway provided nonstop service to 94 markets (11 of which are international destinations) with a total of 242 average daily scheduled nonstop flights. In 2023, Midway had approximately 6.9 million originating enplanements and approximately 4.1 million connecting enplanements; these enplanements represented approximately 23.7 percent of Chicago originating passenger traffic and approximately 22.1 percent of Chicago connecting passenger traffic, whereas O’Hare’s originating and connecting percentages of Chicago passenger traffic for 2023 were approximately 76.3 percent and 77.9 percent, respectively.

O’Hare and Midway are operated as separate and distinct enterprises for financial purposes and the 2024 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, 2.7 million in 2022, and 3.0 million in 2023. 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 2023, Mitchell had approximately 78 average daily scheduled nonstop flights to 31 markets (all are domestic destinations).

*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 May 16, 2024, President Biden signed the Securing Growth and Robust Leadership in American Aviation Act into law, which legislation reauthorized the FAA through September 30, 2028. 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, 2028. See “CERTAIN INVESTMENT CONSIDERATIONS.”

*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 allocated approximately \$17 million to land acquisition for the site. The Illinois Department of Transportation (“IDOT”) issued a Request for Qualifications on August 16, 2024, which invites prospective entities or groups to submit Statements of Qualifications to design, build, finance, operate and maintain the South Suburban Airport. According to the Request for Qualifications, IDOT intends to use the information gathered during the Request for

Qualifications process to refine its approach to the procurement and project delivery method for the South Suburban Airport. The current procurement schedule outlined in the Request for Qualifications contemplates the receipt of Statements of Qualification on July 24, 2025, a shortlisting of respondents in Fall 2025, and the issuance of a Request for Proposals in Winter 2025.

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 O'Hare Modernization Program ("OMP") completed in 2021, 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 runways are at least 7,500 feet in length, including one 13,000-foot runway and one 10,800-foot runway that each satisfy FAA Aircraft Design Group VI standards for aircraft such as the Airbus A380 and the Boeing 747-8. All runways have electronic and other navigational aids that allow for 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 with 203 gates, depending on aircraft parking positions and configuration. Three terminal buildings, (Terminals 1, 2 and 3) have a total of 172 aircraft gates and serve primarily domestic flights and certain international departures and certain pre-cleared international arrivals. A fourth terminal building, Terminal 5 (formerly known as the International Terminal), with 31 aircraft gates and four hardstand aircraft parking positions, as of August 2024, serves all international departures requiring federal inspection services, certain domestic operations and certain pre-cleared international arrivals. A common transportation system serves Terminals 1, 2, 3, and 5 and the remote long term parking areas and the consolidated rental car facility. 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."

As of June 2024, of the 203 domestic and international gates and related facilities at O'Hare (depending on aircraft parking positions and configurations), 23 are common use gates and 180 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 23 gates are operated on a common use basis in Terminals 3 and 5.

A hotel, an elevated parking structure 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.

Approximately 19,020 public parking spaces are located in various locations throughout the Airport. A 9,300-space parking garage is adjacent to Terminals 1 through 3. The garage contains hourly, daily, reserved, and premier parking areas. Daily parking in the garage is supplemented by adjacent surface lots that provide approximately 2,830 spaces. Construction of a Terminal 5 Garage, anticipated to be

substantially complete in October 2024, will expand Terminal 5 parking capacity from the 950 hourly spaces in Lot D to approximately 2,350 hourly and daily parking spaces (1,700 in the garage and 650 in Lot D), an increase of 1,400 spaces. During the construction of the Terminal 5 Garage, Lot D's parking capacity has been reduced from 950 to 380 spaces. Long-term surface public parking capacity currently consists of approximately 3,890 spaces provided in Lots G and H. The Multi-Modal Facility ("MMF"), which opened in 2018, provides approximately 2,620 public parking spaces (Lot F) on the top two floors of the garage.

With 23 air cargo buildings and nine 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 July 1, 2024 had approximately 1,752 FTE employees (1,479 at O'Hare and 273 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 Capital Programs.

#### 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 July 1, 2024, the City had spent approximately \$585 million on residential and school noise compatibility projects since the establishment of the O'Hare Noise 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 2024 budget was approved by the City Council on November 15, 2023.

## **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 2023, the Airport ranked second in the world in terms of aircraft operations, and ninth in the world in terms of passengers. According to the CDA, the Airport had approximately 42.2 million total enplaned passengers in 2019, approximately 34.1 million (81% of 2019) in 2022, and approximately 36.6 million (87% of 2019) in 2023. In 2023, the 16 Star Alliance member airlines serving O'Hare represented 52.0% of O'Hare's total enplaned passengers, while the nine oneworld alliance member airlines and the nine SkyTeam alliance member airlines serving O'Hare represented 32.9% and 5.4%, respectively, of O'Hare's total enplaned passengers. 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 2024, nonstop service was provided from O'Hare to 236 destinations, 171 domestic airports and 65 foreign airports. By comparison, in 2019 nonstop service was provided from O'Hare to 245 destinations, 180 domestic airports and 65 foreign airports. O'Hare added nonstop international service to: Rome (serviced by ITA Airways) in April 2024; Athens, Winnipeg, and Quebec (serviced by United Airlines) in May 2024; and Venice (serviced by American Airlines) in June 2024.

### **PASSENGER ACTIVITY AT O'HARE**

The table on the following page shows the total enplaned passenger activity for a 10-year period from 2014 through 2023, and for the six-month periods from January 1 through June 30 of 2023 and 2024. Total enplaned passengers at O'Hare reached a record high of approximately 42.2 million total enplaned passengers in 2019.

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As set forth in the following table, O’Hare supports substantial international service. Between 2014 and 2023, the percent of international enplaned passengers ranged from 10.3% to 18.3% of the total enplaned passengers. The percentage of international enplaned passengers of the total enplaned passengers was 16.8% in 2019 and 18.3% in 2023.

**TOTAL ENPLANED PASSENGERS  
CHICAGO O’HARE INTERNATIONAL AIRPORT  
2014-2023**

| YEAR             | DOMESTIC            |               | INTERNATIONAL       |               | TOTAL               |               |
|------------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|                  | ENPLANED PASSENGERS | ANNUAL GROWTH | ENPLANED PASSENGERS | ANNUAL GROWTH | ENPLANED PASSENGERS | ANNUAL GROWTH |
| 2014             | 29,559,975          | N/A           | 5,392,787           | N/A           | 34,952,762          | N/A           |
| 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%         |
| 2022             | 28,459,387          | 17.7%         | 5,636,323           | 103.0%        | 34,095,710          | 26.5%         |
| 2023             | 29,916,091          | 5.1%          | 6,681,679           | 18.5%         | 36,597,770          | 7.3%          |
| 1/1/23-8/31/2023 | 19,750,299          |               | 4,448,447           |               | 24,198,746          |               |
| 1/1/24-8/31/2024 | 21,537,987          |               | 4,880,985           |               | 26,418,972          |               |

**COMPOUND ANNUAL GROWTH RATE**

|           |      |      |      |
|-----------|------|------|------|
| 2014-2019 | 3.5% | 5.6% | 3.9% |
| 2014-2023 | 0.1% | 2.4% | 0.5% |

Source: City of Chicago, Department of Aviation Management Records, August 2024.

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 2014 through 2023. As shown, O’Hare has a strong O&D market with the percent of originating passengers ranging from 49.8% to 60.7% of total enplaned passengers over the 10-year period. The percentage of originating passengers of the total enplaned passengers was 57.1% in 2019 and 60.7% in 2023. See APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT”.

**ORIGINATING AND CONNECTING ENPLANEMENTS  
CHICAGO O’HARE INTERNATIONAL AIRPORT  
2014-2023**

| <b>YEAR</b>                               | <b>TOTAL O&amp;D ENPLANED PASSENGERS</b> | <b>O&amp;D ENPLANED PASSENGER ANNUAL GROWTH</b> | <b>TOTAL CONNECTING ENPLANED PASSENGERS</b> | <b>CONNECTING ENPLANED PASSENGER ANNUAL GROWTH</b> | <b>TOTAL ENPLANED PASSENGERS</b> | <b>TOTAL ENPLANED PASSENGER ANNUAL GROWTH</b> | <b>O&amp;D ENPLANED PASSENGER PERCENTAGE</b> |
|---|--|---|---|--|----------------------------------|---|--|
| 2014                                      | 17,401,694                               | N/A   | 17,551,068                                  | N/A  | 34,952,762                       | N/A   | 49.8%  |
| 2015                                      | 20,201,056                               | 16.1%   | 18,194,849                                  | 3.7%   | 38,395,905                       | 9.9%  | 52.6%  |
| 2016                                      | 21,363,863                               | 5.8%  | 17,508,806                                  | (3.8)%   | 38,872,669                       | 1.2%  | 55.0%  |
| 2017                                      | 22,425,555                               | 5.0%  | 17,390,333                                  | (0.7)%   | 39,815,888                       | 2.4%  | 56.3%  |
| 2018                                      | 23,524,852                               | 4.9%  | 18,038,491                                  | 3.7%   | 41,563,343                       | 4.4%  | 56.6%  |
| 2019                                      | 24,120,611                               | 2.5%  | 18,127,759                                  | 0.5%   | 42,248,370                       | 1.6%  | 57.1%  |
| 2020                                      | 8,274,047                                | (65.7)%   | 7,076,999                                   | (61.0)%  | 15,351,046                       | (63.7)%                                       | 53.9%  |
| 2021                                      | 15,278,947                               | 84.7%   | 11,666,412                                  | 64.8%  | 26,945,359                       | 75.5%   | 56.7%  |
| 2022                                      | 20,488,724                               | 34.1%   | 13,606,986                                  | 16.6%  | 34,095,710                       | 26.5%   | 60.1%  |
| 2023                                      | 22,221,362                               | 8.4%  | 14,376,408                                  | 5.6%   | 36,597,770                       | 7.3%  | 60.7%  |
| <b><u>COMPOUND ANNUAL GROWTH RATE</u></b> |  |   |   |  |                                  |   |  |
| 2014-2019                                 | 6.7%                                     |   | 0.6%  |  | 3.9%                             |   |  |
| 2014-2023                                 | 2.8%                                     |   | (2.2)%                                      |  | 0.5%                             |   |  |

Sources: O’Hare’s Basic Financial Statements; City of Chicago, Department of Aviation Management Records (historical enplaned passengers), August 2024; Ricondo & Associates, Inc., August 2024 (analysis of passenger components).

As shown in the table on the following page, when compared to other U.S. airports, O’Hare served the 5<sup>th</sup> highest number of O&D passengers and served the 5<sup>th</sup> highest number of connecting passengers in 2023. Further, O’Hare is the largest U.S. airport utilizing a fully residual rate-making methodology.

**ENPLANEMENTS ACROSS U.S. LARGE HUB AIRPORTS\***

| CY 2023<br>O&D ENPLANEMENTS |         |              | CY 2023<br>CONNECTING ENPLANEMENTS |         |              | CY 2023<br>TOTAL ENPLANEMENTS |         |              |
|-----------------------------|---------|--------------|------------------------------------|---------|--------------|-------------------------------|---------|--------------|
| RANK                        | AIRPORT | ENPLANEMENTS | RANK                               | AIRPORT | ENPLANEMENTS | RANK                          | AIRPORT | ENPLANEMENTS |
| 1                           | LAX     | 31,041,201   | 1                                  | ATL     | 29,759,724   | 1                             | ATL     | 51,151,643   |
| 2                           | MCO     | 25,655,366   | 2                                  | DFW     | 22,193,300   | 2                             | DFW     | 39,272,988   |
| 3                           | JFK     | 24,392,789   | 3                                  | CLT     | 17,525,536   | 3                             | DEN     | 38,036,723   |
| 4                           | LAS     | 22,680,321   | 4                                  | DEN     | 16,795,502   | 4                             | LAX     | 37,048,406   |
| 5                           | ORD     | 21,815,542   | 5                                  | ORD     | 14,113,857   | 5                             | ORD     | 35,929,399   |
| 6                           | ATL     | 21,391,919   | 6                                  | IAH     | 9,160,879    | 6                             | JFK     | 30,695,200   |
| 7                           | DEN     | 21,241,221   | 7                                  | MIA     | 8,314,181    | 7                             | MCO     | 28,200,966   |
| 8                           | EWR     | 19,629,453   | 8                                  | SEA     | 7,716,048    | 8                             | LAS     | 27,861,831   |
| 9                           | SFO     | 19,206,941   | 9                                  | PHX     | 6,626,637    | 9                             | CLT     | 25,918,632   |
| 10                          | BOS     | 18,581,681   | 10                                 | JFK     | 6,302,411    | 10                            | MIA     | 24,747,127   |

Source: Cirium Diio, August 2024 (US DOT T-100 Database and O&D Survey); Ricondo & Associates, Inc., August 2024 (analysis of passenger components).

Note: Total passengers are based on airline bookings data and may differ from passenger or total passenger estimates based on Sabre Market Intelligence or airport-specific data presented elsewhere herein.

**TOP TEN U.S. AIRPORTS RANKED ON TOTAL SEATS\*  
AS OF JUNE 2024**

| <u>Rank</u> | <u>Airport</u> | <u>Seats</u> |
|-------------|----------------|--------------|
| 1           | ATL            | 5,460,728    |
| 2           | DFW            | 4,598,453    |
| 3           | DEN            | 4,361,349    |
| 4           | ORD            | 4,150,728    |
| 5           | LAX            | 3,981,428    |
| 6           | JFK            | 3,370,378    |
| 7           | CLT            | 3,071,718    |
| 8           | LAS            | 2,915,908    |
| 9           | SEA            | 2,873,932    |
| 10          | MCO            | 2,800,588    |

Source: Sabre Market Intelligence, June 2024; Cirium Diio (published airline schedules), July 2024; Ricondo & Associates, Inc., August 2024.

**TOP TEN U.S. AIRPORTS RANKED ON TOTAL DESTINATIONS SERVED\*  
AS OF JUNE 2024**

| <u>Rank</u> | <u>Airport</u> | <u>Destinations</u> |
|-------------|----------------|---------------------|
| 1           | DFW            | 247                 |
| 2           | ORD            | 238                 |
| 3           | ATL            | 230                 |
| 4           | DEN            | 215                 |
| 5           | CLT            | 186                 |
| 6           | JFK            | 185                 |
| 7           | LAX            | 182                 |
| 8           | EWR            | 174                 |
| 9           | IAH            | 173                 |
| 10          | MIA            | 171                 |

Source: Cirium Diio (published airline schedules), July 2024; Ricondo & Associates, Inc., August 2024.

\* The information and data contained in these tables were 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."

The following table shows service area populations and total enplaned passengers at O’Hare and certain other major Midwestern hub airports.

**POPULATION AND TOTAL ENPLANEMENTS OF MAJOR MIDWESTERN HUB AIRPORTS\***

| <u>City – Airport</u> | <b>2022<br/>Population<br/>(in millions)<sup>(1)</sup></b> | <b>2023<br/>Enplanements<br/>(in millions)</b> |
|-----------------------|--|--|
| Chicago – ORD         | 9.6  | 36.6   |
| Chicago – MDW         | 9.6  | 11.0   |
| Detroit – DTW         | 4.3  | 15.4   |
| Minneapolis – MSP     | 3.7  | 17.0   |

<sup>(1)</sup> Chicago population reflects the Air Trade Area; DTW population reflects Detroit-Warren-Dearborn, MI Metro Area; and MSP population reflects Minneapolis-St. Paul-Bloomington, MN-WI Metro Area.

Source: U.S. Census Bureau, access July 2024; Federal Aviation Administration based on Calendar Year 2023; Ricondo & Associates, Inc., August 2024.

\* The information and data contained in this table were 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 this table 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 2014 through 2023. From 2014 through 2019, the number of aircraft operations increased to 919,704. 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. In 2022 and 2023, total operations increased to 711,561 and 720,582, respectively, from a low of 538,211 in 2020. In both 2019 and 2021, O’Hare ranked number 1 in the U.S. for value of cargo handled. In 2023, O’Hare ranked 13th worldwide and sixth in the U.S. for cargo tonnage handled.

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**TOTAL AIRCRAFT OPERATIONS  
CHICAGO O'HARE INTERNATIONAL AIRPORT  
2014-2023**

| <u>YEAR</u>                               | <u>DOMESTIC</u>              |                                 |                           | <u>INTERNATIONAL</u>          |                                      |                                | <u>TOTAL PASSENGER<br/>AIRLINES</u> | <u>GENERAL<br/>AVIATION <sup>(1)</sup></u> | <u>ALL<br/>CARGO</u> | <u>TOTAL</u> |
|---|------------------------------|---------------------------------|---------------------------|-------------------------------|--------------------------------------|--------------------------------|-------------------------------------|--|----------------------|--------------|
|   | <u>MAJORS/<br/>NATIONALS</u> | <u>REGIONALS/<br/>COMMUTERS</u> | <u>DOMESTIC<br/>TOTAL</u> | <u>U.S. FLAG<br/>CARRIERS</u> | <u>FOREIGN<br/>FLAG<br/>CARRIERS</u> | <u>INTERNATIONAL<br/>TOTAL</u> |                                     |  |                      |              |
| 2014                                      | 274,239                      | 484,066                         | 758,304                   | 34,535                        | 56,316                               | 90,852                         | 849,156                             | 17,344                                     | 15,433               | 881,933      |
| 2015                                      | 315,329                      | 434,237                         | 749,566                   | 35,742                        | 50,301                               | 86,042                         | 835,608                             | 21,828                                     | 17,700               | 875,136      |
| 2016                                      | 329,908                      | 413,010                         | 742,919                   | 37,642                        | 48,024                               | 85,665                         | 828,584                             | 21,119                                     | 17,932               | 867,635      |
| 2017                                      | 334,841                      | 409,702                         | 744,543                   | 40,437                        | 47,509                               | 87,945                         | 832,488                             | 15,412                                     | 19,149               | 867,049      |
| 2018                                      | 342,433                      | 430,632                         | 773,064                   | 42,992                        | 48,058                               | 91,050                         | 864,114                             | 15,581                                     | 24,052               | 903,747      |
| 2019                                      | 354,909                      | 434,590                         | 789,500                   | 41,963                        | 47,861                               | 89,823                         | 879,323                             | 15,970                                     | 24,411               | 919,704      |
| 2020                                      | 172,219                      | 268,778                         | 440,997                   | 18,403                        | 16,371                               | 34,775                         | 475,772                             | 32,037                                     | 30,402               | 538,211      |
| 2021                                      | 245,978                      | 335,328                         | 581,305                   | 25,767                        | 21,935                               | 47,702                         | 629,007                             | 23,442                                     | 31,752               | 684,201      |
| 2022                                      | 307,823                      | 281,351                         | 589,175                   | 35,617                        | 39,149                               | 74,766                         | 663,941                             | 17,036                                     | 30,584               | 711,561      |
| 2023                                      | 346,812                      | 255,193                         | 602,005                   | 36,780                        | 42,474                               | 79,254                         | 681,259                             | 11,722                                     | 27,601               | 720,582      |
| <b><u>COMPOUND ANNUAL GROWTH RATE</u></b> |                              |                                 |                           |                               |                                      |                                |                                     |  |                      |              |
| 2014-2019                                 | 5.3%                         | (2.1)%                          | 0.8%                      | 4.0%                          | (3.2)%                               | (0.2)%                         | 0.7%                                | (1.6)%                                     | 9.6%                 | 0.8%         |
| 2014-2023                                 | 2.6%                         | (6.9)%                          | (2.5)%                    | 0.7%                          | (3.1)%                               | (1.5)%                         | (2.4)%                              | (4.3)%                                     | 6.7%                 | (2.2)%       |

Note: Totals may not add due to rounding.

<sup>(1)</sup> Includes general aviation, helicopter, and other miscellaneous operations.

Source: City of Chicago, Department of Aviation Management Records, August 2024, U.S. Department of Transportation T-100 Database (segmentation of activity), July 2024.

## AIRLINES PROVIDING SERVICE AT O'HARE

As of June 2024, the airlines in the following table provided service at O'Hare during the preceding 12-month period. For more information, see "Air Traffic – Passenger Airlines Serving the Airport" in APPENDIX E – "REPORT OF THE AIRPORT CONSULTANT."

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## AIRLINES SERVING O'HARE (2024)

### SCHEDULED U.S. CARRIERS (22)

Air Wisconsin (American Eagle)  
 Alaska Airlines\*  
 American Airlines\*  
 Cape Air  
 Contour Aviation  
 Delta Air Lines\*  
 Denver Air Connection (Key Lime)  
 Endeavor Air (Delta Connection)  
 Envoy (American Eagle)  
 Frontier Airlines\*\*  
 GoJet Airlines (United Express)  
 Horizon Air (Alaska Airlines)  
 JetBlue Airways\*  
 Mesa Airlines (United Express)  
 Piedmont Airlines (American Eagle)  
 Republic Airways (American Eagle, Delta Connection, United Express)  
 SkyWest Airlines (American Eagle, Delta Connection, United Express)  
 Southern Airways Express  
 Southwest Airlines\*  
 Spirit Airlines\*  
 Sun Country Airlines  
 United Airlines\*

### FOREIGN-FLAG CARRIERS (37)

Aer Lingus\*\*  
 Aeroméxico\*\*  
 Air Canada<sup>(1)</sup>\*  
 Air France<sup>(1)</sup>\*\*  
 Air India\*\*  
 Air New Zealand\*\*  
 Air Serbia\*\*  
 All Nippon Airways\*\*  
 Austrian Airlines\*  
 Avianca Costa Rica\*\*  
 British Airways\*\*  
 Cathay Pacific\*\*  
 Concesionaria Vuela Compania de Aviacion (Volaris)\*\*  
 Copa Airlines\*  
 Emirates\*\*  
 Ethiopian Airlines\*\*  
 Etihad Airways\*\*  
 EVA Air\*\*  
 Finnair<sup>(1)</sup>  
 Iberia  
 Icelandair\*\*  
 ITA Airways\*\*  
 Japan Airlines\*\*  
 Jazz (Air Canada Express)  
 KLM Royal Dutch Airlines\*  
 Korean Air\*\*  
 LOT Polish Airlines\*  
 Lufthansa\*  
 Qatar Airways\*\*  
 Royal Jordanian\*  
 Scandinavian Airlines\*\*  
 SWISS International Air Lines\*  
 TAP Air Portugal\*\*  
 Turkish Airlines\*  
 Viva Aerobús\*\*  
 Volaris El Salvador\*\*  
 West Jet

### ALL-CARGO CARRIERS (34)

ABX Air\*\*  
 Aerologic  
 Aerounion  
 Air China Cargo  
 Air France Cargo\*\*  
 Air Transport International\*\*  
 ANA Cargo\*\*  
 Asiana Cargo\*\*  
 Atlas Air  
 Cargolux  
 Cathay Pacific Cargo\*\*  
 China Airlines Cargo  
 China Cargo Airlines\*\*  
 China Southern Cargo  
 Emirates SkyCargo\*\*  
 Etihad Cargo\*\*  
 EVA Air Cargo\*\*  
 FedEx\*  
 Kalitta Air  
 Korean Air Cargo\*\*  
 LATAM Cargo  
 Lufthansa Cargo\*  
 National Airlines  
 Nippon Cargo Airlines\*\*  
 Polar Air  
 Qantas Freight  
 Qatar Airways Cargo\*\*  
 Silk Way West  
 Sky Lease Cargo  
 Sun Country Airlines (Amazon Air)  
 Suparna Airlines  
 Turkish Airlines Cargo\*  
 United Parcel Service\*  
 Western Global Airlines

Notes: Airlines scheduled during the 12-month period ending June 2024.

\* = Long-term Signatory to an Airline Use and Lease Agreement

\*\* = Short-term Signatory to an Airline Use and Lease Agreement

<sup>(1)</sup> Provides seasonal service at the Airport.

Sources: City of Chicago, Department of Aviation Management Records, August 2024; Cirium Diio (published airline schedules), August 2024

**AIRLINE SHARES OF ENPLANED PASSENGERS  
CHICAGO O'HARE INTERNATIONAL AIRPORT  
(2019-2023)**

| AIRLINE  | <u>2019</u>         |               | <u>2020</u>         |               | <u>2021</u>         |               | <u>2022</u>         |               | <u>2023</u>         |               |
|--|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|  | ENPLANED PASSENGERS | SHARE         | ENPLANED PASSENGERS | SHARE         | ENPLANED PASSENGERS | SHARE         | ENPLANED PASSENGERS | SHARE         | ENPLANED PASSENGERS | SHARE         |
| <b>United Carriers Combined<sup>(1)</sup></b>                | 18,779,363          | 44.4%         | 6,750,478           | 44.0%         | 11,560,483          | 42.9%         | 15,545,768          | 45.6%         | 17,466,874          | 47.7%         |
| <b>American Carriers Combined<sup>(1)</sup></b>              | 14,861,971          | 35.2%         | 5,640,306           | 36.7%         | 10,178,756          | 37.8%         | 11,096,750          | 32.5%         | 10,955,864          | 29.9%         |
| United <sup>(1)</sup>  | 12,915,154          | 30.6%         | 4,055,574           | 26.4%         | 7,387,117           | 27.4%         | 11,568,507          | 33.9%         | 14,123,028          | 38.6%         |
| American <sup>(1)</sup>                                      | 10,153,179          | 24.0%         | 3,651,968           | 23.8%         | 6,581,952           | 24.4%         | 7,932,265           | 23.3%         | 7,746,431           | 21.2%         |
| SkyWest (American Eagle, Delta Connection & United Express)  | 3,316,170           | 7.8%          | 1,376,952           | 9.0%          | 2,374,768           | 8.8%          | 2,660,758           | 7.8%          | 2,796,561           | 7.6%          |
| Envoy Air (American Eagle)                                   | 3,211,822           | 7.6%          | 1,270,603           | 8.3%          | 1,753,714           | 6.5%          | 2,145,486           | 6.3%          | 1,498,407           | 4.1%          |
| Delta Air Lines  | 1,456,569           | 3.4%          | 430,071             | 2.8%          | 677,092             | 2.5%          | 1,129,723           | 3.3%          | 1,331,589           | 3.6%          |
| Spirit   | 1,690,808           | 4.0%          | 852,909             | 5.6%          | 1,099,258           | 4.1%          | 1,323,922           | 3.9%          | 1,262,888           | 3.5%          |
| Air Wisconsin (United Express)                               | 1,522,041           | 3.6%          | 505,815             | 3.3%          | 856,582             | 3.2%          | 1,153,660           | 3.4%          | 1,254,748           | 3.4%          |
| Southwest Airlines   | 0                   | 0.0%          | 0                   | 0.0%          | 604,377             | 2.2%          | 987,235             | 2.9%          | 963,497             | 2.6%          |
| Republic (American Eagle, Delta Connection & United Express) | 878,245             | 2.1%          | 844,126             | 5.5%          | 2,050,516           | 7.6%          | 892,372             | 2.6%          | 706,661             | 1.9%          |
| Alaska   | 486,667             | 1.2%          | 178,214             | 1.2%          | 343,436             | 1.3%          | 436,845             | 1.3%          | 503,586             | 1.4%          |
| GoJet (Delta Connection & United Express)                    | 609,533             | 1.4%          | 466,546             | 3.0%          | 743,699             | 2.8%          | 250,532             | 0.7%          | 312,552             | 0.9%          |
| Lufthansa  | 315,182             | 0.7%          | 80,701              | 0.5%          | 103,664             | 0.4%          | 249,899             | 0.7%          | 269,124             | 0.7%          |
| Frontier   | 615,983             | 1.5%          | 260,186             | 1.7%          | 453,562             | 1.7%          | 266,557             | 0.8%          | 259,091             | 0.7%          |
| Volaris  | 93,473              | 0.2%          | 86,149              | 0.6%          | 147,864             | 0.5%          | 191,570             | 0.6%          | 240,454             | 0.7%          |
| Viva Aerobus   | 1,781               | 0.0%          | 20,141              | 0.1%          | 76,432              | 0.3%          | 146,062             | 0.4%          | 194,266             | 0.5%          |
| Other  | 4,981,763           | 11.8%         | 1,271,091           | 8.3%          | 1,691,326           | 6.3%          | 2,760,317           | 8.1%          | 3,134,887           | 8.6%          |
| <b>Airport Total<sup>(2)</sup></b>                           | <b>42,248,370</b>   | <b>100.0%</b> | <b>15,351,046</b>   | <b>100.0%</b> | <b>26,945,359</b>   | <b>100.0%</b> | <b>34,095,710</b>   | <b>100.0%</b> | <b>36,597,770</b>   | <b>100.0%</b> |

Notes: Excludes general aviation, helicopter, and miscellaneous passengers included in O'Hare's Basic Financial Statements.

<sup>(1)</sup> USDOT Data have been used to determine United and American combined shares. Share totals for United Airlines and American Airlines combined include regional affiliates and are separate from the airport total calculation.

<sup>(2)</sup> Columns may not add to totals shown because of rounding.

Sources: City of Chicago, Department of Aviation, Management Records, August 2024; Ricondo & Associates, Inc., August 2024.

*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](http://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, 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.

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## 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 2019 through 2023. O'Hare's Fiscal Year corresponds with the calendar year. See also APPENDIX D – "AUDITED FINANCIAL STATEMENTS" as of and for the year ended December 31, 2023.

### HISTORICAL OPERATING RESULTS CHICAGO O'HARE INTERNATIONAL AIRPORT<sup>(1)</sup> 2019-2023 (IN THOUSANDS)

| OPERATING REVENUES   | 2019               | 2020             | 2021               | 2022               | 2023               |
|--|--------------------|------------------|--------------------|--------------------|--------------------|
| Landing Fees   | \$ 370,945         | \$365,580        | \$ 562,241         | \$ 511,873         | \$ 597,078         |
| Rental Revenues  |                    |                  |                    |                    |                    |
| Terminal rental and use charges  | 440,325            | 274,283          | 253,713            | 328,470            | 355,507            |
| Other rentals and fueling system fees  | 113,567            | 90,646           | 121,473            | 127,035            | 147,217            |
| Sub-Total Rental Revenues  | <u>553,892</u>     | <u>364,929</u>   | <u>375,186</u>     | <u>455,505</u>     | <u>502,724</u>     |
| Concessions:   |                    |                  |                    |                    |                    |
| Auto parking   | 103,459            | 39,624           | 73,599             | 107,913            | 115,279            |
| Auto rentals   | 32,559             | 28,372           | 27,591             | 19,775             | 24,220             |
| Restaurants  | 61,690             | 28,819           | 34,330             | 50,655             | 56,135             |
| News and gifts   | 25,012             | 23,309           | 12,325             | 21,921             | 27,665             |
| Other  | 99,427             | 48,528           | 54,002             | 86,040             | 96,855             |
| Sub-Total Concessions  | <u>322,147</u>     | <u>168,652</u>   | <u>201,847</u>     | <u>286,304</u>     | <u>320,154</u>     |
| Reimbursements   | 6,501              | 6,451            | 5,878              | 5,751              | 7,795              |
| Total Operating Revenues   | <u>\$1,253,485</u> | <u>\$905,612</u> | <u>\$1,145,152</u> | <u>\$1,259,433</u> | <u>\$1,427,751</u> |
| <br>   |                    |                  |                    |                    |                    |
| OPERATION AND MAINTENANCE EXPENSES   |                    |                  |                    |                    |                    |
| Salaries and Wages   | \$221,763          | \$228,173        | \$213,023          | \$225,303          | \$247,684          |
| Pension Expense  | 159,153            | 45,419           | 62,448             | 163,979            | 162,343            |
| Repairs and Maintenance  | 143,231            | 144,975          | 170,176            | 153,522            | 183,431            |
| Energy   | 42,297             | 35,350           | 35,004             | 34,430             | 46,613             |
| Materials & Supplies   | 14,647             | 7,670            | 13,876             | 16,368             | 16,456             |
| Engineering & Other Professional Services  | 133,994            | 140,982          | 149,419            | 172,740            | 191,464            |
| Other Operating Expenses   | 127,499            | 89,156           | 128,985            | 124,027            | 127,554            |
| Total Operation and Maintenance Expenses<br>Before Depreciation and Amortization | <u>\$842,584</u>   | <u>\$691,725</u> | <u>\$772,931</u>   | <u>\$890,369</u>   | <u>\$975,545</u>   |
| NET OPERATING INCOME BEFORE<br>DEPRECIATION AND AMORTIZATION                     | <u>\$410,901</u>   | <u>\$213,887</u> | <u>\$372,221</u>   | <u>\$369,064</u>   | <u>\$452,206</u>   |

<sup>(1)</sup> Columns may not add to total shown because of rounding.  
Source: O'Hare's Basic Financial Statements.

## DISCUSSION OF FINANCIAL OPERATIONS

The “Historical Operating Results” table on the previous page summarizes O’Hare’s audited financial results for the years 2019 through 2023. 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 \$112.2 million (13.4%) in 2023 compared to 2022, to \$952.6 million, as air travel continued to recover from pandemic-level lows.

Operating expenses before depreciation, amortization and loss on capital asset disposals increased by \$85.2 million (9.6%) in 2023 compared to 2022. Increases were primarily due to increases in salary and wages of \$15.2 million due to contractual increases and the increase in fringe benefit costs, increases in professional and engineering expenses of \$18.7 million (10.8%) due to ongoing planning efforts related to the O’Hare 21 program, an increase in repairs and maintenance of \$29.9 million (19.5%) due to the impact of upgrades to existing infrastructure, and \$20.0 million (15.2%) for other operating maintenance expenses related to concessions relief during 2023 that were not incurred in 2022. These increases were offset by a decrease in pension expense of \$1.6 million (1.0%) 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. Hotel expenses increased by \$3.0 million (8.4%) due to the ongoing recovery of hotel occupancy from the impact of the COVID-19 pandemic on travel and tourism and the completion of the Terminal 5 expansion and upgrades.

Of the \$162.3 million of pension expense for 2023, \$103.8 million is the portion of the City’s pension contribution payable in 2023 to the pension funds and allocable to O’Hare. This portion is included in operating expenses for purposes of calculating debt service coverage.

### COVID-19

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 airports around the country, the airlines and airport 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” and collectively with the CARES Act and CRRSAA, “COVID Relief Grants”), which became law on March 11, 2021, each provided direct aid for airports. O’Hare received a total of \$651.9 million in federal relief from each of these Acts.

The City has applied the federal relief it has received for the following uses:

**APPLICATION OF FEDERAL RELIEF FUNDS**

| <u>USES OF FUNDS</u>          | <u>AMOUNT APPLIED (\$mm)</u> |                       |                       | <u>TOTAL</u>          |
|-------------------------------|------------------------------|-----------------------|-----------------------|-----------------------|
|                               | <u>2020</u>                  | <u>2021</u>           | <u>2022</u>           |                       |
| <b>CARES Act Funding</b>      |                              |                       |                       |                       |
| Airline Rate Base Mitigation  | \$224.2 <sup>(1)</sup>       | --                    | \$10.0                | \$234.2               |
| PFC Revenue Bond Debt Service | 30.2                         | --                    | --                    | 30.2                  |
| CFC Revenue                   | <u>9.5</u>                   | <u>\$20.5</u>         | <u>--</u>             | <u>30.0</u>           |
| <b>Subtotal</b>               | <b>\$263.9</b>               | <b>\$20.5</b>         | <b>\$10.0</b>         | <b>\$294.4</b>        |
| <b>CRRSA Funding</b>          |                              |                       |                       |                       |
| 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            | <u>--</u>                    | <u>8.8</u>            | <u>--</u>             | <u>8.8</u>            |
| <b>Subtotal</b>               | <b>--</b>                    | <b>\$59.4</b>         | <b>\$9.5</b>          | <b>\$68.9</b>         |
| <b>ARP Act Funding</b>        |                              |                       |                       |                       |
| 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            | <u>--</u>                    | <u>--</u>             | <u>35.0</u>           | <u>35.0</u>           |
| <b>Subtotal</b>               | <b>--</b>                    | <b>\$51.0</b>         | <b>\$237.6</b>        | <b>\$288.6</b>        |
| <b>Total</b>                  | <b><u>\$263.9</u></b>        | <b><u>\$130.9</u></b> | <b><u>\$257.1</u></b> | <b><u>\$651.9</u></b> |

Source: City of Chicago, Department of Aviation, August 2024.

<sup>(1)</sup> \$42.9mm of this amount was used to offset the shortfall of PFCs to pay for PFC-supported GARBs.

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## CASH BALANCES

O'Hare's unrestricted cash and investments balances and days cash on hand as of December 31 of the years 2019 through 2023 were as follows:

|                   | <b>UNRESTRICTED<br/>CASH<br/>AND INVESTMENTS<br/>(\$mm)<sup>(1)</sup></b> | <b>OTHER<br/>FUNDS<br/>(\$mm)<sup>(2)</sup></b> | <b>TOTAL<br/>(\$mm)</b> | <b>ANNUAL<br/>O&amp;M<br/>EXPENSES<br/>(\$mm)</b> | <b>DAYS CASH<br/>ON HAND</b> |
|-------------------|---|---|-------------------------|---|------------------------------|
| December 31, 2019 | \$240.4   | \$482.3   | \$722.7                 | \$739.6   | 357                          |
| December 31, 2020 | \$187.4   | \$542.1   | \$729.5                 | \$717.3   | 371                          |
| December 31, 2021 | \$283.2   | \$588.6   | \$871.8                 | \$787.7   | 404                          |
| December 31, 2022 | \$323.3   | \$623.2   | \$946.5                 | \$833.9   | 414                          |
| December 31, 2023 | \$197.2   | \$746.7   | \$943.9                 | \$932.2   | 370                          |

Source: City of Chicago, Comptroller's Office (Unrestricted Cash and Investments, Annual O&M Expenses, Days Cash on Hand); O'Hare's Basic Financial Statements (Other Funds).

<sup>(1)</sup> Net of debt service payments due January 1 already transferred to the debt service funds.

<sup>(2)</sup> Other Funds include the Operation and Maintenance Reserve Fund, Supplemental O&M Reserve Fund, Maintenance Reserve Fund, Airport General Fund, Aeronautical Real Estate Fund, Commercial Real Estate Fund and Pre-Approved Allowances Fund. These funds are recorded as restricted in the Annual Audit Report but 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.

The December 31, 2023 restricted cash and investments balance was comprised of construction funds of \$288.8 million, \$37.8 million of capitalized interest, debt service reserve funds of \$820.6 million, \$498.3 million of debt service funds, \$213.3 million of operation and maintenance reserve, maintenance reserve and supplemental operations and maintenance reserve funds, \$45.6 million of customer facility charge funds, \$255.0 million in the Airport General Fund (including LOI receipts), \$278.5 million in the aeronautical real estate, commercial real estate and pre-approved allowances funds, \$48.4 million in other funds, and \$323.4 million in the passenger facility charge fund.

Restricted cash and investments are recorded in the Annual Audit Report as restricted in accordance with generally accepted accounting principles. The following funds recorded as restricted in the Annual Audit Report 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 \$14.5 million per year. The property coverage was renewed on December 31, 2023, with a limit of \$3.5 billion and includes \$3.5 billion in terrorism coverage, and the liability coverage was renewed May 15, 2024, 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 of the Retirement Funds and their beneficiaries. The Retirement Funds are as follows, listed in order from largest to smallest 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 O’Hare’s portion of the net pension liability to the Retirement Funds, see APPENDIX D – “AUDITED FINANCIAL STATEMENTS – NOTE 7.”

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 employees that provide services 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 PABF and FABF Retirement Funds revenues received commencing in 2023 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, \$1.16 billion in payment year 2022, and \$1.25 billion in payment year 2023. The City expects to contribute the FABF/PABF Actuarial Funding Amount of \$1.53 billion in payment year 2024.

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 contributed the LABF/MEABF Actuarial Funding Amount of \$1.08 billion in payment year 2023 and expects to contribute the LABF/MEABF Actuarial Funding Amount of \$1.28 billion in payment year 2024.

### *2024 Budgeted Contributions*

The City's Fiscal Year 2024 budget included the following contributions to the Retirement Funds in 2024 (as indicated by total annual contribution and Airport proportional share): (i) \$1,127.8 million for MEABF, of which \$66.7 million, or 5.9%, is the Airport's proportional share; (ii) \$149.9 million for LABF, of which \$10.0 million, or 6.6%, is the Airport's proportional share; (iii) \$1,041.5 million for PABF, of which \$15.8 million, or 1.5%, is the Airport's proportionate share; and (iv) \$487.8 million for FABF, of which \$23.6 million, or 4.8%, 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. These 2024 budgeted contributions include the advance pension contribution described below.

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.

### *Pension Funding Policy*

Beginning with the 2023 Budget year, the City published a new debt and pension management policy (the "Pension Funding Policy") that states: "*Starting in fiscal year 2023, the City will annually budget for an advance pension contribution which, in addition to the statutorily required contribution, and in the determination of the CFO, will not increase the total net pension liability of the City's four pension funds based on best efforts projections and information available at the time of budget. This total net pension liability calculation will be based on the GASB 67/68 calculation of net pension liability included annually in the O'Hare's Basic Financial Statements and will include components of said calculation including interest cost derived from unfunded liability, normal cost, administrative costs, employee contributions and market value of the assets of the fund.*" The Pension Funding Policy was carried forward and included in the 2024 City budget.

The first of these advance pension contributions, totaling approximately \$242.0 million, was included in the 2023 Budget adopted by the City Council on November 7, 2022. The second of these contributions, totaling approximately \$306.6 million, was included in the 2024 Budget adopted by the City Council on November 15, 2023 (the "2024 Advance Pension Contribution"). These advanced pension contributions, in addition to preventing an increase in the City's net pension liability, also help avoid market losses due to asset liquidations by the pension funds. In accordance with the Pension Funding Policy, the 2024 Advance Pension Contribution was paid in January 2024. The 2024 Advance Pension Contribution is included in the figures cited above under "2024 Budgeted Contributions." As part of the Pension Funding Policy, the Airport pays its proportionate share of the Advance Pension Contribution. For Budget Year 2024, the Airport's payment was approximately \$16.8 million for all four pension funds.

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2024 ADVANCE PENSION CONTRIBUTION BY RETIREMENT FUND  
(\$ IN MILLIONS)

| Retirement Fund | Amount  |
|-----------------|---------|
| MEABF           | \$178.1 |
| LABF            | 20.3    |
| PABF            | 79.9    |
| FABF            | 28.3    |
| Total:          | \$306.6 |

**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 Credit Agreement Notes (secured by Revenues on a junior lien basis). Certain of the Senior Lien Obligations are secured by revenue sources that 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.* After the issuance of the 2024 Senior Lien Bonds and the refunding of the Refunded Bonds, the City will have outstanding Senior Lien Bonds (including the Third Lien Bonds issued prior to 2012) in the outstanding aggregate principal amount of \$10,348,150,000. The 2024 Senior Lien Bonds are secured on a parity basis with the Outstanding Senior Lien Bonds and all other Senior Lien Obligations.

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**City of Chicago  
Chicago O'Hare International Airport  
Outstanding Senior Lien Bonds**

| <u>Series</u>  | <u>Principal Outstanding<br/>Prior to the Issuance of<br/>the 2024 Senior Lien<br/>Bonds and the Refunding<br/>of the Refunded Bonds</u> | <u>Principal Outstanding After<br/>the Issuance of the 2024<br/>Senior Lien Bonds and the<br/>Refunding of the<br/>Refunded Bonds<sup>(1)</sup></u> | <u>Bonds Reserve<sup>(2)</sup></u> |
|--|--|---|------------------------------------|
| General Airport Third Lien Revenue Bonds, Taxable Series 2010B (Build America Bonds-Direct Payment) <sup>(3)</sup> | \$328,000,000  | \$328,000,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2015A (AMT)  | 395,750,000  | 25,295,000  | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2015B (Non-AMT)  | 859,775,000  | 59,630,000  | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2015C (AMT)  | 178,770,000  | 4,770,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2015D (Non-AMT)  | 119,935,000  | 3,265,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2016A (AMT)  | 21,485,000   | 21,485,000  | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2016B (Non-AMT)  | 274,650,000  | 274,650,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2016C (Non-AMT)  | 408,255,000  | 408,255,000   | Series Specific Reserve Bonds      |
| General Airport Senior Lien Revenue Bonds, Series 2016D (Non-AMT)  | 711,700,000  | 711,700,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2016E (Non-AMT)  | 126,430,000  | 126,430,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2016F (Non-AMT)  | 141,255,000  | 141,255,000   | Series Specific Reserve Bonds      |
| General Airport Senior Lien Revenue Bonds, Series 2016G (AMT)  | 62,895,000   | 62,895,000  | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2017A (Non-AMT)  | 52,560,000   | 52,560,000  | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2017B (Non-AMT)  | 353,570,000  | 353,570,000   | Series Specific Reserve Bonds      |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2017C (Non-AMT)  | 89,155,000   | 89,155,000  | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2017D (AMT)  | 265,685,000  | 265,685,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue and Revenue Refunding Bonds, Series 2018A (AMT)                                | 592,865,000  | 592,865,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2018B (Non-AMT)  | 612,095,000  | 612,095,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2018C (Taxable)  | 800,000,000  | 800,000,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2020A (Non-AMT)  | 494,360,000  | 494,360,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2020B (Non-AMT Private Activity)                       | 121,475,000  | 121,475,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2020C (Non-AMT)  | 59,865,000   | 59,865,000  | Consolidated Reserve Bonds         |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2020D (Taxable)  | 383,215,000  | 383,215,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2020E (Non-AMT)  | 61,955,000   | 61,955,000  | Consolidated Reserve Bonds         |
| General Airport Senior Lien Revenue Bonds, Series 2022A (AMT)  | 1,110,055,000  | 1,110,055,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2022B (Non-AMT)  | 150,450,000  | 150,450,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2022C (AMT)  | 141,370,000  | 141,370,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2022D (Non-AMT)  | 337,910,000  | 337,910,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2024A (AMT)  | 549,985,000  | 549,985,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2024B (Non-AMT)  | 436,875,000  | 436,875,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2024C (AMT)  | -  | 513,765,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Refunding Bonds, Series 2024D (Non-AMT)  | -  | 834,865,000   | Common Reserve Bonds               |
| General Airport Senior Lien Revenue Bonds, Series 2024E (AMT)  | -  | 157,445,000   | Consolidated Reserve Bonds         |
| General Airport Senior Lien Revenue Bonds, Series 2024F (Non-AMT)  | -  | 61,000,000  | Consolidated Reserve Bonds         |
| <b>Total Outstanding Senior Lien Bonds</b>   | <b>\$10,242,345,000</b>  | <b>\$10,348,150,000</b>   |                                    |

<sup>(1)</sup> Reflects the Outstanding Senior Lien Bonds after giving effect to the issuance of the 2024 Senior Lien Bonds and the anticipated refunding of a portion of the 2015A Senior Lien Bonds, the 2015B Senior Lien Bonds, the 2015C Senior Lien Bonds and the 2015D Senior Lien Bonds.

<sup>(2)</sup> Series Specific Reserve Bonds are secured by a series specific reserve requirement. Consolidated Reserve Bonds are secured by a reserve requirement with respect to multiple series and are secured by a specific Consolidated Debt Serve Reserve Sub-Fund. The 2020C Senior Lien Bonds and the 2020E Senior Lien Bonds are secured by a shared Consolidated Debt Serve Reserve Sub-Fund and the 2024EF Senior Lien Bonds are secured by a shared 2024EF Consolidated Debt Serve Reserve Sub-Fund.

<sup>(3)</sup> Senior Lien Bonds.

*Debt Service Schedule for Outstanding Senior Lien Bonds.* The Senior Lien Indenture secures on a parity basis as to Revenues the 2024 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 2024 SENIOR LIEN BONDS – General.” The debt service on the Outstanding Senior Lien Bonds is shown below.

**DEBT SERVICE SCHEDULE FOR SENIOR LIEN BONDS<sup>(1)</sup>**

| BOND YEAR<br>ENDING<br>JANUARY 1 | TOTAL NET DEBT   | TOTAL DEBT                               | TOTAL DEBT                               | TOTAL DEBT                               | TOTAL DEBT                               | TOTAL NET               |
|----------------------------------|--|--|--|--|--|-------------------------|
|                                  | SERVICE ON<br>OUTSTANDING<br>SENIOR LIEN<br>BONDS <sup>(2)(3)(4)(5)(6)</sup> | SERVICE ON<br>2024C SENIOR<br>LIEN BONDS | SERVICE ON<br>2024D SENIOR<br>LIEN BONDS | SERVICE ON<br>2024E SENIOR<br>LIEN BONDS | SERVICE ON<br>2024F SENIOR<br>LIEN BONDS | NET<br>DEBT SERVICE     |
| 2025                             | \$ 663,636,768   | \$ 13,487,386                            | \$ 22,538,162                            | \$ 4,033,909                             | \$ 1,501,806                             | \$ 705,198,030          |
| 2026                             | 564,987,622  | 38,673,013                               | 93,400,000                               | 27,242,250                               | 10,790,750                               | 735,093,634             |
| 2027                             | 545,747,876  | 77,534,763                               | 90,783,500                               | 27,252,000                               | 10,786,250                               | 752,104,389             |
| 2028                             | 546,837,497  | 84,195,263                               | 91,241,750                               | 27,247,500                               | 10,782,500                               | 760,304,509             |
| 2029                             | 554,178,224  | 60,110,763                               | 105,611,000                              | 27,242,000                               | 10,783,500                               | 757,925,486             |
| 2030                             | 527,511,124  | 55,135,263                               | 142,328,000                              | 25,948,000                               | 9,633,000                                | 760,555,386             |
| 2031                             | 527,511,193  | 55,135,763                               | 153,117,500                              | 25,937,250                               | 9,642,500                                | 771,344,205             |
| 2032                             | 527,520,972  | 55,130,763                               | 153,125,000                              | 25,956,000                               | 9,885,750                                | 771,618,484             |
| 2033                             | 551,248,328  | 55,130,763                               | 95,608,500                               | -  | -  | 701,987,590             |
| 2034                             | 651,260,294  | 54,555,513                               | 58,008,000                               | -  | -  | 763,823,806             |
| 2035                             | 751,948,293  | 23,618,513                               | 9,334,500                                | -  | -  | 784,901,306             |
| 2036                             | 653,721,921  | 16,153,763                               | 8,505,000                                | -  | -  | 678,380,683             |
| 2037                             | 657,735,002  | 13,654,263                               | 8,502,500                                | -  | -  | 679,891,765             |
| 2038                             | 657,951,002  | 13,658,263                               | 8,502,000                                | -  | -  | 680,111,264             |
| 2039                             | 656,607,277  | 13,655,513                               | 8,507,750                                | -  | -  | 678,770,539             |
| 2040                             | 542,596,291  | 13,655,263                               | 8,503,750                                | -  | -  | 564,755,303             |
| 2041                             | 484,559,338  | 13,651,313                               | 8,504,750                                | -  | -  | 506,715,400             |
| 2042                             | 404,559,663  | 13,650,063                               | 8,499,750                                | -  | -  | 426,709,475             |
| 2043                             | 404,557,338  | 13,649,938                               | 8,508,250                                | -  | -  | 426,715,525             |
| 2044                             | 404,557,413  | 13,654,363                               | 8,508,750                                | -  | -  | 426,720,525             |
| 2045                             | 404,565,275  | 13,651,500                               | 7,575,750                                | -  | -  | 425,792,525             |
| 2046                             | 404,557,225  | 1,805,038                                | -  | -  | -  | 406,362,263             |
| 2047                             | 426,741,750  | -  | -  | -  | -  | 426,741,750             |
| 2048                             | 426,729,850  | -  | -  | -  | -  | 426,729,850             |
| 2049                             | 613,617,613  | -  | -  | -  | -  | 613,617,613             |
| 2050                             | 426,735,613  | -  | -  | -  | -  | 426,735,613             |
| 2051                             | 426,731,000  | -  | -  | -  | -  | 426,731,000             |
| 2052                             | 426,745,219  | -  | -  | -  | -  | 426,745,219             |
| 2053                             | 417,633,931  | -  | -  | -  | -  | 417,633,931             |
| 2054                             | 460,274,400  | -  | -  | -  | -  | 460,274,400             |
| 2055                             | 417,636,400  | -  | -  | -  | -  | 417,636,400             |
| 2056                             | 235,094,625  | -  | -  | -  | -  | 235,094,625             |
| 2057                             | 77,510,500   | -  | -  | -  | -  | 77,510,500              |
| 2058                             | 77,499,950   | -  | -  | -  | -  | 77,499,950              |
| 2059                             | 77,500,300   | -  | -  | -  | -  | 77,500,300              |
| Total                            | <u>\$16,598,807,081</u>  | <u>\$713,547,036</u>                     | <u>\$1,099,214,162</u>                   | <u>\$190,858,909</u>                     | <u>\$73,806,056</u>                      | <u>\$18,676,233,243</u> |

<sup>(1)</sup> Totals may not add due to rounding.

<sup>(2)</sup> Net of the Refunded Bonds.

<sup>(3)</sup> Debt service is net of capitalized interest as applicable.

<sup>(4)</sup> Debt service each year includes the principal and interest paid from January 2 of the preceding year through January 1 of the stated year.

<sup>(5)</sup> Does not include the Credit Agreement Notes.

<sup>(6)</sup> Does not include any adjustment for federal Build America Bond subsidy payments with respect to the Series 2010B Bonds. Under the Budget Sequestration Provisions of the Budget Control Act of 2011, the subsidy was reduced by 5.7% for the Federal 2021-2030 Fiscal Years.

*[The remainder of this page intentionally left blank]*

*Historical Debt Service Coverage.* The following table shows historical debt service coverage of Senior Lien Bonds for Fiscal Years 2019 through 2023. For a discussion of projected debt service coverage see APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT – General Airport Revenue Bond Debt Service Coverage.”

**CITY OF CHICAGO  
CHICAGO O’HARE INTERNATIONAL AIRPORT  
HISTORICAL DEBT SERVICE COVERAGE (2019–2023) <sup>(1)</sup>  
(\$ IN MILLIONS)**

| Fiscal Year Ended  | <u>2019</u>        | <u>2020</u>        | <u>2021</u>        | <u>2022</u>        | <u>2023</u>        |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total Revenues (A) <sup>(2)</sup>                                      | \$1,241,648        | \$ 980,648         | \$1,089,837        | \$1,259,748        | \$1,431,273        |
| Plus: Other Available Moneys (B) <sup>(3)</sup>                        | <u>112,651</u>     | <u>260,813</u>     | <u>165,358</u>     | <u>167,739</u>     | <u>92,941</u>      |
| TOTAL ANNUAL REVENUES AVAILABLE (C) = (A) + (B)                        | \$1,354,299        | \$1,241,461        | \$1,255,195        | \$1,427,487        | \$1,524,214        |
| Plus: Cash Balance in Revenue Fund on January 1 <sup>st</sup> (D)      | <u>102,451</u>     | <u>109,927</u>     | <u>101,905</u>     | <u>99,421</u>      | <u>112,543</u>     |
| TOTAL REVENUES AVAILABLE FOR COVERAGE COVENANT (E) = (C) + (D)         | <u>\$1,456,750</u> | <u>\$1,351,388</u> | <u>\$1,357,100</u> | <u>\$1,526,908</u> | <u>\$1,636,757</u> |
| Less: O&M Expenses (F) <sup>(4)</sup>                                  | <u>(632,686)</u>   | <u>(556,633)</u>   | <u>(653,137)</u>   | <u>(597,704)</u>   | <u>(742,708)</u>   |
| NET TOTAL ANNUAL REVENUES AVAILABLE FOR DEBT SERVICE (G) = (C) – (F)   | \$ 721,613         | \$ 684,828         | \$ 602,058         | \$ 829,783         | \$ 781,506         |
| NET TOTAL NET REVENUES AVAILABLE FOR COVERAGE COVENANT (H) = (E) – (F) | \$ 824,064         | \$ 794,755         | \$ 703,963         | \$ 929,204         | \$ 894,049         |
| Net Aggregate Debt Service (I) <sup>(5)</sup>                          | \$ 572,278         | \$ 514,327         | \$ 444,062         | \$ 618,718         | \$ 626,855         |
| COVERAGE RATIO UNDER THE SENIOR LIEN INDENTURE (J) = (H) / (I)         | 1.44x              | 1.55x              | 1.59x              | 1.50x              | 1.43x              |
| COVERAGE RATIO EXCLUDING CASH BALANCE (K) = (G) / (I)                  | 1.26x              | 1.33x              | 1.36x              | 1.34x              | 1.25x              |

Source: Chicago Department of Aviation.

<sup>(1)</sup> Debt Service for each year includes the principal and interest paid from January 2 of such year through January 1 of the succeeding year. Totals may not add due to rounding.

<sup>(2)</sup> Revenues has the meaning prescribed in the Senior Lien Indenture, which are presented in the Calculations of Coverage Covenant tables in O’Hare’s Basic Financial Statements and differ from the Total Operating Revenues shown in the Historical Operating Results table under “– Operating Results” herein.

<sup>(3)</sup> Other Available Moneys includes PFC Revenues pledged and applied to Debt Service, LOI receipts pledged and applied to Debt Service, Build America Bond subsidy payments and, for select years, COVID Relief Grants.

<sup>(4)</sup> Represents total requirement for Operation and Maintenance Expenses per the Senior Lien Indenture, which are presented in the Calculations of Coverage Covenant tables in O’Hare’s Basic Financial Statements and differ from the Total Operation and Maintenance Expenses Before Depreciation and Amortization shown in the Historical Operating Results table under “– Operating Results” herein. Operation and Maintenance Expenses have been adjusted to: (1) remove non-cash expenses; (2) remove Operation and Maintenance Expenses related to the Aeronautical Real Estate and Commercial Real Estate cost centers, which are not included in the Senior Lien Indenture; (3) remove select items that are impacted by deferred revenues; and (4) in select years, remove federal COVID-19 relief grants which were applied to Operation and Maintenance Expenses.

<sup>(5)</sup> Represents total requirement for Aggregate Debt Service per the Senior Lien Indenture. Debt Service is net of capitalized interest as applicable.

*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 2024 Senior Lien Bonds and the Outstanding Senior Lien Bonds. See “PLAN OF FINANCE – Future Financing for O’Hare,” “SECURITY FOR THE 2024 SENIOR LIEN BONDS – Issuance of Additional Senior Lien Bonds” and “CAPITAL PROGRAMS.”

*Obligations Subordinate to Senior Lien Bonds.* As described under “SECURITY FOR THE 2024 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.

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 \$400 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 2024 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. There are no Credit Agreement Notes currently outstanding; however, the City may draw on the unused portion of the Credit Agreement Note program prior to the sale and issuance of the 2024 Senior Lien Bonds.

| <u>ISSUE</u>           | <u>SERIES</u> | <u>CREDIT CAPACITY</u> | <u>AMOUNT * OUTSTANDING</u> | <u>FACILITY EXPIRATION</u> | <u>BANK</u>                               |
|------------------------|---------------|------------------------|-----------------------------|----------------------------|---|
| Credit Agreement Notes | 2021          | \$100,000,000          | \$0                         | 12/2/2025                  | Bank of America, N.A.                     |
| Credit Agreement Notes | 2024          | <u>300,000,000</u>     | <u>0</u>                    | 7/22/2027                  | Wells Fargo Bank,<br>National Association |
| Total                  |               | \$400,000,000          | \$0                         |                            |   |

Source: City of Chicago, Department of Finance.

#### PFC OBLIGATIONS

*Outstanding PFC Obligations.* The City has previously issued various series of PFC obligations (“PFC Obligations”) pursuant to the Master Trust Indenture Securing Chicago O’Hare International Airport Passenger Facility Charge Obligations, dated as of January 1, 2008, as supplemented and amended (the “PFC Master Indenture”), and there are currently \$287,470,000 aggregate principal amount of PFC Obligations outstanding under the PFC Master Indenture, \$287,370,000 of which are being refunded by the 2024E Senior Lien Bonds and 2024F Senior Lien Bonds or defeased by funds released under the PFC Indenture related to the 2010C PFC Bonds, the 2012A PFC Bonds, and the 2012B PFC Bonds. PFC Obligations are secured separately from the Senior Lien Bonds, solely by PFC Revenues.

*Issuance of Additional PFC Obligations.* The City may issue, from time to time, additional PFC Obligations under the PFC Master Indenture to fund additional capital projects, as described under “CAPITAL 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

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\* as of October 1, 2024

payment of PFC Obligations. Indebtedness of the type described in the preceding sentence can be issued without limit as to nature or amount. To date, no such indebtedness has been issued.

#### AIRPORT CFC OBLIGATIONS

The City has previously issued and has outstanding \$171,800,000 aggregate principal amount of its Customer Facility Charge Senior Lien Revenue Refunding Bonds, Series 2023 (the “CFC Bonds”) pursuant to an Indenture of Trust, dated as of August 1, 2013, as supplemented and amended (the “CFC Indenture”), which refunded its Customer Facility Charge Senior Lien Revenue Bonds, Series 2013. In addition, the City has entered into a Transportation Infrastructure Finance and Innovation Act of 1998 loan with the USDOT, which is outstanding in the amount of \$286,997,515.40, as of July 1, 2024 (the “TIFIA Loan” and together with the CFC Bonds, the “CFC Obligations”), and constitutes a subordinate bond under the CFC Indenture. The proceeds of the CFC Obligations, together with other moneys, were used to finance or refinance the construction of the MMF, which opened in 2018 and includes public parking and a consolidated rental car facility (“CRCF”), 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 CRCF.

#### 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 Aviation Safety and Capacity Expansion Act of 1990 (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 that 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 its Chicago O’Hare International Airport Second Lien Passenger Facility Charge Revenue Bonds, Series 2001, Chicago O’Hare International Airport Passenger Facility Charge Revenue Refunding Bonds, Series 2008, Chicago O’Hare International Airport Passenger Facility Charge Revenue Bonds, Series 2010 and Chicago O’Hare International Airport Passenger Facility Charge Revenue Refunding Bonds, Series 2011, 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 5-6 of the Original Report of the Airport Consultant and Table A-2 of the Letter of the Airport Consultant in APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT” for a description of PFC Revenues anticipated to be received by the City through 2035. 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. Regardless, the 2024E Senior Lien Revenue Bonds and the 2024F Senior Lien Revenue Bonds are also payable from and secured by a pledge of Revenues. See “SECURITY FOR THE 2024 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.

In the event the FAA were to terminate or reduce the City’s ability to impose PFCs at O’Hare, such action would have the resultant effect of limiting the amount of PFC Revenues available for the payment of the 2024E Senior Lien Bonds, the 2024F Senior Lien Bonds and the other Senior Lien Bonds to the extent such Senior Lien Bonds are payable from PFC Revenues. The 2024E Senior Lien Bonds, the 2024F Senior Lien Bonds and any Senior Lien Bonds payable from PFC Revenues are also payable from and secured by a pledge of Revenues in the event sufficient PFC Revenues are not available for the payment of these bonds. See “SECURITY FOR THE 2024 SENIOR LIEN BONDS.”

### CAPITAL PROGRAMS

#### GENERAL

The City has ongoing capital programs at O’Hare that are collectively referred to herein as the “Capital Programs” and include the TAP, individual capital improvement projects, and pre-approved allowances to support major maintenance and asset replacement. 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 funding for approximately \$8.5 billion (in 2018 dollars) of O’Hare capital projects for approval 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 except for scope or budget changes as described 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 based on the timing of project delivery and the Chicago construction cost index. Ongoing projects approved under the Prior Use Agreements were reconfirmed with the execution of the Airline Use and Lease Agreements. See APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT.” The Capital Programs also include new projects that received funding authority under the Airline Use and Lease Agreements and proposed projects that are anticipated within the projection period. In addition to the Airport's Capital Programs, the City, in accordance with criteria established by the O'Hare Noise 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 Capital Programs.* The City is using a combination of (i) GARBs, (ii) PFC Revenues, and (iii) federal grants to fund a majority of the Capital Programs. Additionally, the City anticipates using approximately \$40.0 million of Pre-Approved Allowances to be recovered through airline rates and charges and approximately \$168.2 million of allowances for infrastructure reliability projects to be financed with GARBs. See APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT” for a more detailed discussion of the \$8.5 billion (2018 unescalated) of Capital Program funding approval in the Airline Use and Lease Agreements.

## TERMINAL AREA PLAN

The TAP was developed to address gate capacity constraints and enhance the processing of passengers and baggage, 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 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. 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 and parking 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; (ix) a three gate expansion to Concourse L; and (x) employee parking and security screening facility on the west side of the Airport (the “Western Employee Parking and Screening Facility”). Upon completion of the TAP, the Airport is anticipated to have a maximum number of 220 gates, depending on the Airport's multiple aircraft ramp system (“MARS”) configurations. 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 2034.



The City works closely with the Long-Term Signatory Airlines through the Executive Working Group (as described below) on design, construction, and financial matters related to the implementation of approved capital projects, including the phasing of major projects such as the TAP. In April 2024, the City submitted a Majority-in-Interest review formally proposing a sequence of work planning to prioritize construction of the Satellite 1 Concourse and the OGT before construction of the Satellite 2 Concourse, while continuing work on aspects of the Satellite 2 Concourse and other TAP elements that are necessary for cost-effective and efficient implementation of the overall TAP. The previous planned order was to complete the Satellite 2 Concourse first, followed by the Satellite 1 Concourse and the OGT. The City's proposal was accepted by the Long-Term Signatory Airlines and the City is working on the implementation of the TAP based on this prioritization. The proposal did not change the TAP elements, the approved TAP budget, or any other provisions of the AULA. The AULA affords the City discretion to alter how it delivers the TAP as the program progresses. See APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT – Terminal Projects.”

The Airline Use and Lease Agreements also contemplate “Additional TAP Elements,” which are planned to accommodate additional growth. Additional TAP Elements include: the 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 to be located next to Terminals 1, 2 and 3, phase two of Terminal 5 landside and parking improvements; phase two of the Western Employee Parking and Screening Facility; and further expansion of the baggage handling system. 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 these Additional TAP Elements.

Currently, the Additional TAP Trigger of annual passenger activity of 101,500,000 applies 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. The City may proceed with the design and construction of the foregoing 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 (i.e., annual passenger activity trigger of 101,500,000) 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 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 Airlines to decide whether Additional TAP 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 increased Terminal 5 gate capacity by 25 percent with ten new gates, passenger amenity space by 75 percent, and premium lounge space by 70 percent. The Terminal 5 expansion also brings the total number of security checkpoint lanes to 13 lanes and improved immigration facilities. The Terminal 5 expansion also included a complete replacement of the Terminal 5 baggage handling system and a new checked baggage inspection system, which was completed in Spring 2024. In October 2022, Delta Air Lines

(“Delta”) relocated to Terminal 5 from its previous location in Terminal 2, allowing Delta and its SkyTeam alliance partners to consolidate operations within the same terminal.

The Terminal 3 Concourse L Three-Gate Expansion further extends 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 taxiway pavement in providing three additional aircraft gate positions, and corresponding terminal functions including passenger holdrooms, passenger amenities, and circulation space. Two of the three gates were completed in February 2024, and the third gate is expected to be completed 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 Pre-Approved CIP Projects 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 establish 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 new projects and modifications to previously approved projects, TAP, Additional TAP Elements, and Pre-Approved CIP Projects that substantially change in project scope or have increased its 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. An additional CMAR was retained in 2023 to support a project to expand and reconfigure Terminal 3 and construct a new outbound baggage room. 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 \$1.768 billion. Approximately \$1 billion 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 O’Hare 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 O’Hare and Midway. The CDA works toward its ESG goals and objectives in the context of a broader ecosystem, inclusive of airlines and other business partners pursuing additional environmental and sustainability initiatives, including the use of sustainable aviation fuel and aircraft energy efficiency, among others.

### **SUSTAINABILITY GOALS**

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

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

Waste Reduction: By 2030, the CDA is targeting to reduce landfill waste per passenger by 25% from a 2017 baseline.

Energy Use and Supply: By 2030, the CDA has set a goal to reduce energy usage per passenger by 30% from a 2010 baseline and by 2025 to procure 100% renewable electricity.

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

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

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

Fleet Improvements: The CDA is optimizing a 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.

#### SUSTAINABILITY INITIATIVES

Sustainable Airport Manual™: The CDA was the first in the nation to develop sustainability 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. 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. A utility meter inventory allows for energy tracking of over 800 electricity meters and over 130 natural gas meters. Energy usage reports are sent to the CDA facilities staff to manage building systems and equipment. As of 2023, compared to a 2010 baseline, the CDA has achieved a reduction of 22.4% in electricity and 13.0% in natural gas use.

Clean Energy: The City has entered into an agreement with a retail electricity supplier for an initial five-year term which is expected to begin supplying 100% clean, renewable energy in 2025. A large percentage of the 100% renewable energy will be sourced 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 near the MMF. Further, to reduce vehicle emissions, the CDA operates alternative fuel vehicles and hybrid fleet vehicles at the Airport. The fleet includes over 40 hybrid sport utility vehicles (“SUVs”), buses, and pickup trucks; over 250 flex-fuel sedans, pickup trucks, police vehicles, and SUVs powered by E85 ethanol; and more than 200 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. The SAM® also requires tenants to recycle, reuse, and manage waste generated at the Airport, including participating in 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. 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 2024. The conference brings together aviation leaders from around the world and serves as a valuable educational experience for 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 was O’Hare’s first LEED® Gold facility.

*Extension and Modernization of the Airport Transit System:* The CDA returned the electric powered Airport Transit System (“ATS”) to service in November 2021 and began 24/7 ATS service in April 2022. The extended system now connects all Airport passenger terminals with the MMF, which houses rental cars, public parking, regional buses, and is adjacent to a commuter railroad station. The ATS not only provides service upgrades through shorter and more reliable journey times for a greater number of Airport users but also was 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 July 2024, the O’Hare Noise Commission’s membership includes 42 communities and 19 school districts represented by mayors, City ward designees, Cook and DuPage County delegates, and school superintendents. The O’Hare Noise Commission and its committees hold more than 30 public meetings annually. Additionally, the O’Hare Residential and School Sound Insulation Programs have resulted in excess of 12,000 homes and 124 schools receiving sound insulation and the installation of 43 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 O'Hare Noise Commission, 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 FAA is finalizing an approach to evaluating noise impacts for the new Fly Quiet Program.

## 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 2024, the CDA workforce was approximately 31% white, 38% African American or Black, 24% Latino, 3% Asian and 4% in another category/unidentified and 72% male, 27% female and 1% identifying as non-binary.

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 ("CCC"), 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 City Council, 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.

*ADA Passenger Advisory Committee:* The CDA instituted an initiative which focuses on the airport passenger experience from an accessibility standpoint. This group meets quarterly and includes representatives from local and national advocacy groups, as well as MOPD and other City departments who discuss different aspects of service at both O'Hare and Midway and different components of accessible air travel.

### *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 O'Hare 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 and CPS.

In 2022, the CDA launched an On-the-Job Training ("OJT") program as a hiring tool for small business contractors and an opportunity pipeline for job seekers. Funded through the federal Workforce Innovation and Opportunity Act, OJT reimburses employers for a portion of the wage costs of hiring and training new employees. Through July 2024, 26 new hires have started working at O'Hare through the program.

In 2023, the CDA launched the Aviation Trades Careers Partnership with CPS, CCC, and local trades unions to engage career counselors, and in turn their students, in design and construction career opportunities at the O'Hare and Midway. Through July 2024, 14 tours of trade union apprenticeship training facilities for career counselors, and six O'Hare airfield tours for CPS and CCC students have taken place.

The CDA has also hosted a number of expos and symposiums regarding hiring and contracting opportunities, contracting initiatives to increase diversity, equity and inclusion, and the certification process for 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 2024 had 93 exhibitors and in excess of 1,100 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 served as a national hub for 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 32%, 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 36.4% for the calendar year ended 2022 and 35.6% for the calendar year ended 2023.

*Target Market Procurement Program:* The Target Market Program provides contracting opportunities for MBEs and WBEs to be exclusive bidders on City contracts, with participation limited to MBEs, WBEs or joint ventures consisting exclusively thereof. Since 2019, the City has awarded \$389 million in Target Market procurements in the areas of information technology support services, security, custodial, landscaping and quality assurance materials testing.

*Small Business Initiative (SBI) and Mid-sized Business Initiative (MBI) Procurement Programs:* SBI and MBI construction procurements provide prime contracting opportunities to small and mid-sized businesses. SBI-I contracts are valued between \$2 and \$10 million and SBI-II contracts valued up to \$2 million. MBI contracts are valued between \$10 and \$20 million, with contracts open only to bidders that meet such business size requirements. Through July 2024, the City has awarded \$18 million in SBI and MBI contracts. Approximately \$45 million in SBI (I and II) contracts and approximately \$7.5 million in MBI contracts have been awarded by CMARs between January, 2019 and July, 2024.

#### 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.
- 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 Capital Programs.

### **CERTAIN INVESTMENT CONSIDERATIONS**

*This entire Official Statement and the following discussion of certain investment considerations should be reviewed by prospective investors before purchasing the 2024 Senior Lien Bonds. The following discussion summarizes some, but not all, of the possible investment considerations that could adversely affect the ability of the City to pay debt service on all or a portion of the 2024 Senior Lien Bonds on a timely basis or in full and could have an adverse effect on the liquidity and/or market value of the 2024 Senior Lien Bonds. There can be no assurance that other investment considerations not discussed herein will not become material in the future.*

#### LIMITED OBLIGATIONS

THE 2024 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 2024 SENIOR LIEN BONDS. THE 2024 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 2024 SENIOR LIEN BONDS.

The 2024 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 2024 Senior Lien Bonds and the Outstanding Senior Lien Bonds. See “SECURITY FOR THE 2024 SENIOR LIEN BONDS – Issuance of Additional Senior Lien Bonds” and “CAPITAL PROGRAMS.”

#### 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. For example, the COVID-19 pandemic materially adversely impacted local, state, national and global economies. 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 O’Hare and its Revenues.

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 over the past decade. 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 2024 Senior Lien Bonds are payable from and secured by a pledge of Revenues and certain Funds and Accounts held under the Senior Lien Indenture. 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) the availability of aircraft and aircraft parts, (ix) levels of air fares, fixed costs and capital requirements, (x) the cost and availability of financing, (xi) the capacity of the national air traffic control system, (xii) national and international disasters and hostilities, (xiii) public health concerns and pandemics, such as the spread of COVID-19, influenza, severe acute respiratory syndrome or other communicable diseases, (xiv) the cost and availability of employees and labor relations within the airline industry, (xv) regulation by the federal government, (xvi) environmental risks, noise abatement concerns and regulation, (xvii) acts of war or terrorism, (xviii) aviation accidents, and (xix) 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. 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). For a discussion of factors that may affect the collection of Revenues, see APPENDIX E – “REPORT OF THE AIRPORT CONSULTANT.”

*Financial Condition of Airlines Serving O’Hare.* The economic condition of the airline industry is volatile, and the industry has undergone significant changes, including major restructuring, bankruptcy, mergers, acquisitions and closures.

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 and other factors 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 47.7 percent of the enplaned passengers at O'Hare in 2023, and American Airlines and its regional affiliates, which accounted for approximately 29.9 percent of the enplaned passengers at O'Hare in 2023), 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.

*Aircraft Shortages.* After retiring numerous aircraft during the COVID-19 pandemic, airlines are struggling to acquire sufficient aircraft to meet growing demand for air service in the United States and abroad. Those challenges are compounded because aircraft manufacturers, including Airbus and Boeing, have experienced delays in producing and delivering aircraft. Additionally, more than 30,000 Boeing employees have been on strike since September 13, 2024. Delays in producing and delivering aircraft result from several factors, including supply-chain disruptions, staffing shortages, strikes or work stoppages and FAA certification and oversight delays. Delays in aircraft delivery may hamper airlines' ability to increase capacity to meet travel demand. If such aircraft-delivery delays persist, airlines could reduce service domestically and internationally, including from O'Hare, and experience difficulties meeting passenger demand.

*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 from a recent high in June 2022, 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. The airline industry continues to evolve as a result of competition and changing demand patterns, and it is possible the airlines serving O'Hare could consolidate operations through acquisition, merger, alliances and code share sales strategies. The City cannot predict the effect, if any, such consolidation would have on airline traffic at O'Hare.

*Industry Workforce Shortages.* Workforce and labor shortages are an aviation industry-wide issue. For example, a shortage in pilots have especially affected smaller regional airlines. There are several causes for such shortage. 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. Additionally, at the onset of the COVID-19 pandemic, airlines were faced with a surplus of personnel resulting from the sudden and dramatic decline in traffic. As a result, airlines offered their employees buyouts and early retirement packages prompting many pilots to take early retirement. 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 continues to return, the major air carriers are anticipated to need additional pilots and are generally able to hire pilots away from regional airlines.

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 number of which are expected to retire in the next decade, and a lack of younger people to replenish their ranks. 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.

General labor staffing shortages, including shortages in air traffic controllers, particularly in the Northeastern United States and Florida, have also affected the airline industry. In recent years, numerous airlines have cancelled thousands of flights attributed to bad weather, staffing shortages, and air traffic control issues, among other things. Given the Airport's position in the national air system, airline cancellations at other airports could have an adverse effect on operations of the Airport, including the collection of Revenues.

*Aircraft Safety.* Concerns about the safety of airline travel and effectiveness of security precautions, particularly in the context of international hostilities, terrorist attacks, increased threat levels and world health concerns may influence passenger travel behavior and airline travel demand.

In March 2019, following the second of two deadly crashes in 2018 and 2019, the FAA grounded all Boeing 737 MAX aircraft. On November 18, 2020, the FAA cleared Boeing's 737 MAX aircraft to fly passengers after such grounding. In July 2024, Boeing agreed to plead guilty to a felony charge of conspiring to defraud the federal government over the two fatal crashes of the 737 Max in 2018 and 2019. As a result, Boeing will be put on probation for three years and will be subject to independent compliance monitoring to ensure that safety measures are in place and followed.

Additionally, in January 2024, the FAA ordered the temporary grounding of Boeing 737-9 MAX aircraft operated by U.S. airlines or in U.S. territories following an incident on Alaska Airlines during which a door plug malfunctioned. On January 24, 2024, the FAA approved an inspection and maintenance process that each Boeing 737-9 MAX aircraft must undergo before being eligible to return to service. In March 2024, the FAA halted production expansion of the Boeing 737 MAX and continued its increased onsite presence at Boeing's facility and Spirit AeroSystems' facility. Future safety issues (or the perception thereof) with respect to aircraft that serve the Airport could result in reduced passenger traffic.

Boeing has had a production slowdown as a result of the issues described above, which has affected its ability to deliver aircraft and fulfill orders in a timely manner, and the FAA has permanently increased their oversight activities. Southwest and United Airlines are the carriers most exposed to Boeing's production issues. In calendar year 2023, Southwest and United Airlines (including its regional affiliates) accounted for 2.6% and 47.7%, respectively, of enplanements at O'Hare. At this time, it is uncertain what the long-term impact will be for airlines and airports.

Aviation industry supply chain issues are also impacting the airline industry, including, but not limited to, engines, airframes and other parts. At this time, it is uncertain when such supply chain issues will resolve.

## WORLDWIDE HEALTH CONCERNS

The COVID-19 pandemic and resulting restrictions on human activities severely disrupted the economies of the United States and other countries. Although air travel volumes have substantially recovered since mid-2020, there can be no assurances that any resurgence of COVID-19 or any other global

health event will not have a material adverse effect on the demand for passenger air travel, both nationally and internationally.

A pandemic, and its dynamic nature leads to uncertainties, including those related to the severity of the disease; the duration of the pandemic; actions that may be taken by governmental authorities to contain the outbreak or to treat its impact; any travel restrictions on the demand for air travel, or on O'Hare revenues and expenses; the impact of the outbreak on the local or global economy or on the airlines serving O'Hare and concessions, or on the airline or travel industry generally; and the efficacy and distribution of vaccines. Due to the evolving nature of a pandemic or other worldwide health-related events, and the response of governments, businesses and individuals to a pandemic or other worldwide health event, the City cannot predict, among other things: (i) the duration or extent of a pandemic or another outbreak; (ii) the scope or duration of restrictions or warnings related to air travel, gatherings or any other activities, and the duration or extent to which the airlines serving O'Hare may reduce or cease operations at O'Hare in response to such restrictions or warnings; (iii) what effect a pandemic or any other outbreak or pandemic-related restrictions or warnings may have on air travel and the resulting impact on O'Hare revenues and expenses; (iv) whether and to what extent a pandemic or another outbreak may disrupt the local, state, national or global economies, manufacturing or supply chain; (v) whether any such disruption may adversely impact construction, the cost, sources of funds, schedule or implementation of the Airport Capital Programs, or other operations; (vi) the extent to which a pandemic or another outbreak, or resulting disruptions to the local state, national or global economies may result in changes in demand for air travel, or may have an impact on the airlines serving O'Hare or concessions, or the airline and travel industry, generally; (vii) whether or to what extent O'Hare may provide deferrals, forbearances, adjustments or other changes to O'Hare's concession agreements or agreements with the Airlines serving O'Hare; or (viii) the duration of the adverse effects of any of the foregoing on the finances and operations of O'Hare, including collections of Revenues.

Future outbreaks, pandemics or other health-related events outside the City's control may reduce demand for air travel, which in turn could cause a decrease in passenger activity at O'Hare and declines in collections of Revenues.

#### 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 2024 Senior Lien Bonds) and the cost to the other airlines of operating at O'Hare.

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, including O’Hare. 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, 2028 (if the Effective Date is on or before December 31, 2028), or December 31, 2033 (if the Effective Date is between January 1, 2029 and December 31, 2033). Short-Term Signatory Airlines with Airline Use and Lease Agreements expiring December 31, 2028 have the option to extend the Term for a five-year period 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 2024 Senior Lien Bonds and the Outstanding Senior Lien Bonds becomes due after such dates. It is not possible to predict whether any Airline Party will be contractually obligated to make payments, including, among other things, for debt service on the 2024 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, enter into new agreements, 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 2024 SENIOR LIEN BONDS – Debt Service 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.

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 contractual counterparty had significant operations or contractual obligations at O’Hare, its bankruptcy, restructuring or liquidation could have a material adverse effect on operations, and thus the Revenues of O’Hare, and could increase the costs of other concessionaires and 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 contractual 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 Capital Programs will not exceed budgeted amounts 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 portions of the Capital Programs 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 Programs 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 2024 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. The City

may be required 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 "CHICAGO O'HARE INTERNATIONAL AIRPORT – 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. 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.

#### 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, 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" above, 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 Programs on a "pay-as-you-go" as well as to secure additional Airport Obligations (such as the 2024EF Senior Lien Bonds) 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 May 16, 2024, President Biden signed the Securing Growth and Robust Leadership in American Aviation Act into law, which legislation reauthorizes the FAA through September 30, 2028. 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, 2028. In the event that the FAA authorization was 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, 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.

Following the events of September 11, 2001, O'Hare has been required to implement enhanced security measures mandated by the FAA 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.

#### 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 2023, Midway had enplanements representing approximately 23.7 percent of Chicago originating passenger traffic and approximately 22.1 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 18.3% of all passenger enplanements in 2023. International air travel may be more easily disrupted by worldwide health concerns, political instability, terrorist activities, 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 – Other Airports in the Region."

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 2024 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 2024 Senior Lien Bonds. The City is the issuer of the 2024 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 2024 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 various international conflicts, 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 on O'Hare's operations and financial condition.

#### 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, other O'Hare tenants, and their Systems Technology providers also face cybersecurity threats that could affect airline and O'Hare tenant 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 or any of their Systems Technology providers may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such cyber event 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 Revenues.

#### 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, 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 2024 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.”

#### ASSUMPTIONS IN THE REPORT OF THE AIRPORT CONSULTANT

In connection with the offering of the 2024 Senior Lien Bonds described in this Official Statement, the Airport Consultant has prepared the Letter of the Airport Consultant, described more fully under “INTRODUCTION – Report of the Airport Consultant.” The Letter of the Airport Consultant includes as an attachment the Original Report of the Airport Consultant prepared in conjunction with the offering of the 2024A Senior Lien Bonds and the 2024B Senior Lien Bonds. A copy of the Letter of the Airport Consultant, which reaffirms the findings of the Original Report of the Airport Consultant, 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 dates of the 2024CD Senior Lien Bonds extend 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.

#### 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 2024 Senior Lien Bonds, the validity or enforceability thereof, or the implementation or construction of the Pre-Approved CIP Projects or the 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.

#### FINANCIAL STATEMENTS

The basic financial statements for O’Hare as of and for the year ended December 31, 2023, included as APPENDIX D to this Official Statement (the “Audit”) have been audited by Deloitte & Touche LLP, an

independent auditor (the “Auditor”), as stated in its report appearing herein. The City has not requested that the Auditor update any information contained in the Audit since the date of the Audit. The Auditor has not been engaged to perform, and has not performed since the date of the Audit, any procedures on the financial statements addressed in the Audit.

### **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 2024 through 2035 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 dates of the 2024CD Senior Lien Bonds extend beyond the period of the Projections. See “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.

### **FINANCIAL ADVISOR**

The City has retained Frasca & Associates, LLC to act as financial advisor (the “Financial Advisors”) in connection with the offering of the 2024 Senior Lien Bonds. The Financial Advisor has provided advice on the plan of financing and structure of the 2024 Senior Lien Bonds and has reviewed certain legal documents, including this Official Statement, with respect to financial matters. The Financial Advisor is not obligated to undertake, and has 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. The Financial Advisor is a “municipal advisor” as defined in Rule 15Ba1-1 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

## UNDERWRITING

A group of underwriters, represented by J.P. Morgan Securities LLC (“J.P. Morgan”), has agreed, jointly and severally, to purchase the 2024 Senior Lien Bonds subject to certain conditions set forth in a Contract of Purchase with the City for the 2024 Senior Lien Bonds. The Contract of Purchase provides that the obligations of the Underwriters to accept delivery of the 2024 Senior Lien Bonds are subject to various conditions of the Contract of Purchase, but the Underwriters will be obligated to purchase all of the 2024 Senior Lien Bonds if any 2024 Senior Lien Bonds are purchased. The Underwriters have agreed to purchase the 2024C Senior Lien Bonds at an aggregate purchase price of \$546,974,413.37 (reflecting an underwriters’ discount of \$3,136,574.13 and original issue premium of \$36,345,987.50), the 2024D Senior Lien Bonds at an aggregate purchase price of \$911,331,443.05 (reflecting an underwriters’ discount of \$5,099,724.55 and original issue premium of \$81,566,167.60), the 2024E Senior Lien Bonds at an aggregate purchase price of \$165,408,045.75 (reflecting an underwriters’ discount of \$960,937.05 and original issue premium of \$8,923,982.80) and the 2024F Senior Lien Bonds at an aggregate purchase price of \$65,402,090.61 (reflecting an underwriters’ discount of \$372,466.94 and original issue premium of \$4,774,557.55).

The Underwriters reserve the right to join with dealers and other underwriters in offering the 2024 Senior Lien Bonds to the public. The 2024 Senior Lien Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell such 2024 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 2024 Senior Lien Bonds from J.P. Morgan at the original issue price less a negotiated portion of the selling concession applicable to any 2024 Senior Lien Bonds that such firm sells.

BofA Securities, Inc., an underwriter of the 2024 Senior Lien Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2024 Senior Lien Bonds.

Blaylock Van, LLC (“BV”), an Underwriter has engaged, in the form of an agreement (the “Municipal Securities Distribution Agreement”), with Crews & Associates, Inc. (“C&A”) for the retail distribution of securities offerings at the original issue prices. According to the Municipal Securities Distribution Agreement by BV and C&A, C&A may purchase securities from BV at the original issue price less a negotiated portion of the selling concession applicable to any of the bonds that such C&A sells.

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.

### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale by the City of the 2024 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 2024 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 2024 Senior Lien Bonds and the Senior Lien Indenture, the security for the 2024 Senior Lien Bonds and the description of the federal tax exemption of interest on the 2024 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 2024 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 Clark Hill PLC, Chicago, Illinois, Co-Disclosure Counsel to the City. Certain legal matters will be passed upon for the Underwriters by Mayer Brown LLP, Chicago, Illinois.

### **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 2024 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, as amended (the "Code"), Co-Bond Counsel are of the opinion that interest on the 2024 Senior Lien Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the 2024C Senior Lien Bonds and the 2024E 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 2024 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 2024C Senior Lien Bond or 2024E Senior Lien Bond for any period during which such 2024C Senior Lien Bond or 2024E 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 2024 Senior Lien Bonds in order to preserve the exclusion from gross income for federal income tax purposes of interest on the 2024 Senior Lien Bonds. These requirements relate to the use and investment of the proceeds of the 2024 Senior Lien Bonds, the payment of certain amounts to the United States, the security and source of payment of the 2024 Senior Lien Bonds and the use of the property financed with the proceeds of the 2024 Senior Lien Bonds. Among these specific requirements are the following:

(a) *Investment Restrictions.* Except during certain “temporary periods,” proceeds of the 2024 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 2024 Senior Lien Bonds.

(b) *Rebate of Permissible Arbitrage Earnings.* Earnings from the investment of the “gross proceeds” of the 2024 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 2024 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 2024 Senior Lien Bonds, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the 2024 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 2024 Senior Lien Bonds. Such provisions may restrict future changes in the use of any property financed with the proceeds of the 2024 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 2024 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 2024 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 2024 Senior Lien Bonds or payment of any additional interest or penalties to the owners of the 2024 Senior Lien Bonds.

*Federal Income Tax Consequences.* Pursuant to Section 103 of the Code, interest on the 2024 Senior Lien Bonds is not includable 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 2024 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 2024 SENIOR LIEN BONDS.

(a) *Cost of Carry.* Owners of the 2024 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 2024 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 2024 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 2024 Senior Lien Bonds, is included in the calculation of a corporation’s “adjusted financial statement income”. In addition, interest on the 2024 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 2024 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 2024 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 2024 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 2024 Senior Lien Bonds held by such a company is properly allocable to the shareholder.

*The 2024 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 2024 Senior Lien Bonds is sold to the public (the “Offering Price”) and the principal amount payable at maturity of such 2024 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 2024 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 2024 Senior Lien Bonds and is subtracted from the owner’s tax basis in the 2024 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 2024 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 2024 Senior Lien Bond. A 2024 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 2024 Senior Lien Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the 2024 Senior Lien Bond).

Owners who purchase 2024 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 2024 Senior Lien Bonds. In addition, owners of 2024 Senior Lien Bonds should consult their tax advisors with respect to the state and local tax consequences of owning the 2024 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 2024 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 2024 Senior Lien Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the 2024 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 2024 Senior Lien Bonds is not exempt from present Illinois income taxes.

### **SECONDARY MARKET DISCLOSURE**

The City will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the 2024 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 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 2024 Senior Lien Bonds, the Senior Lien Indenture or the Ordinance, and beneficial owners of the 2024 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 2024 Senior Lien Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2024 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.

“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.

United Airlines and American Airlines are, at present, the only Obligated Persons other than the City. United Airlines and American Airlines are required to file SEC Reports with the SEC under the Exchange Act. 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 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 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 2024 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<sup>(\*)</sup>
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.<sup>(1)</sup>

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

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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.

<sup>(\*)</sup> 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 the Rule.

Airlines and United Airlines, as Obligated Persons, to disclose the occurrence of Reportable Events 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 2024 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 2024 Senior Lien Bond, the 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 2024 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 2024 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.

#### 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.

## 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 2024 Senior Lien Bonds under the Ordinance or the Senior Lien Indenture.

## 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.

The disclosure in this paragraph and under “Category A Corrective Actions,” “Category B Corrective Actions,” and “Category C Corrective Actions” below is being provided by the City for the sole purpose of assisting the Underwriters in complying with the Rule. The City previously entered into continuing disclosure undertakings, as an “obligated person” under the Rule (the “Undertakings”). In the previous five-year period beginning on October 8, 2019 and ending on October 8, 2024 (the “Compliance Period”), the City has, on several instances during the Compliance Period, failed to comply with certain provisions of the Undertakings, including: (a) failing to file or timely file certain financial information and/or operating data, including, but not limited to, the instances described under “Category A Corrective Actions” below; (b) failing to provide certain required financial information and/or operating data in its filings, including, but not limited to the instances described under “Category B Corrective Actions” below; and (c) failing to file or timely file certain notices, including, but not limited to the instances described under “Category C Corrective Actions” below. “Certain Annual Financial Information” means certain portions of the information defined as “Annual Financial Information” in the applicable continuing disclosure undertaking for the applicable bond issue(s) described below.

### **Category A Corrective Action**

The City failed to file on EMMA on a timely basis Certain Annual Financial Information for the year 2021, with respect to the City’s Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014A and Series 2014B (the “Pilsen Series 2014AB Bonds”). However, the Pilsen Series 2014AB Bonds have since matured. The City filed on EMMA the 2021 annual information for the Pilsen Series 2014AB Bonds on July 29, 2022.

On September 5, 2024, the City filed on EMMA a notice regarding its failure to file on a timely basis Certain Annual Financial Information in connection with the City’s Second Lien Water Revenue Bonds, Project Series 2023A (the “Series 2023A Bonds”). In connection with such notice filing, the City also filed on EMMA the City of Chicago, Illinois Water Fund Basic Financial Statements as of and for the Year Ended December 31, 2023, Required Supplementary Information, Additional Information, Statistical Information, and Independent Auditors’ Report with respect to the Series 2023A Bonds.

On September 5, 2024, the City filed on EMMA a notice regarding its failure to file on a timely basis Certain Annual Financial Information in connection with the City’s Second Lien Wastewater Transmission Revenue Refunding Bonds, Series 2001 (the “Series 2001 Bonds”) and the Wastewater

Transmission Revenue Bonds, Refunding Series 1998A (the “Series 1998A Bonds”). In connection with such notice filing, the City also filed on EMMA City of Chicago, Illinois Sewer Fund Basic Financial Statements as of and for the Year Ended December 31, 2023, Required Supplementary Information, Additional Information, Statistical Information, and Independent Auditors’ Report with respect to the Series 2001 Bonds and Series 1998A Bonds.

On September 5, 2024, the City filed on EMMA a notice regarding its failure to file on a timely basis Certain Annual Financial Information in connection with the City’s General Obligation Bonds, Taxable Project Series 2017B (the “Series 2017B Bonds”). In connection with such notice filing, the City also filed on EMMA the City’s Annual Comprehensive Financial Report for the Year Ended December 31, 2023 with respect to the Series 2017B Bonds.

### **Category B Corrective Actions**

On September 14, 2020, the City filed on EMMA a notice regarding its failure to file on a timely basis Certain Annual Financial Information including a certain capital improvements table for the year 2019 in connection with the City’s General Obligation Bonds, Project and Refunding Series 2014A and Taxable Project and Refunding Series 2014B (the “Series 2014AB Bonds”). In connection with such notice filing, the City also filed on EMMA such capital improvements tables for the year 2019 with respect to the Series 2014AB 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 (the “Series 2017AB Wastewater Bonds”). In connection with such notice filing, the City also filed on EMMA such capital improvements tables for the years 2018 and 2019 with respect to the Series 2017AB Wastewater Bonds.

On November 12, 2021, the City filed on EMMA 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 certain 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 Certain Annual Financial Information for the year 2021 in connection with the Series 2014AB Bonds and the City’s General Obligation Bonds, Series 2021A and Series 2021B (the “Series 2021 Bonds”). In connection with such notice filing, the City filed on EMMA Tables 1-10 for the year 2021 with respect to the Series 2014AB Bonds and the Series 2021 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 for the year 2021 in connection with the City’s Series 2017AB Wastewater Bonds. In connection with such notice filing, the City also filed on EMMA a table titled “Historical Capital Improvement Program Funding by Source,” including data from 2017 to 2021 with respect to the Series 2017AB Wastewater Bonds.

On July 31, 2024, the City filed on EMMA a notice regarding its failure to file on a timely basis Certain Annual Financial Information in connection with its Chicago O’Hare International Airport Customer Facility Charge Senior Lien Bonds, Series 2013 and its Chicago O’Hare International Airport Customer Facility Charge Senior Lien Refunding Bonds, Series 2023. In connection with such notice filing,



the City also filed on EMMA a table presenting bond debt service and TIFIA loan debt service on a historic only basis from Fiscal Year 2010 to 2023.

### **Category C Corrective Actions**

On July 8, 2021, S&P Global Ratings 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 on EMMA an event notice relating to this rating upgrade.

On December 8, 2021, the City filed a notice of incurrence of a financial obligation (i.e., loans incurred by the City pursuant to each of the RBC Line of Credit Agreement and the Wells Fargo Line of Credit Agreement) pertaining to the City’s General Obligation Bonds, Series 2019A and General Obligation Refunding Bonds, Series 2020A. On December 8, 2021, the City also filed the redacted Wells Fargo Line of Credit Agreement on EMMA. On January 25, 2022, the City filed the redacted RBC Line of Credit Agreement on EMMA.

On April 11, 2023, S&P Global Ratings upgraded the rating on the City’s Second Lien Wastewater Transmission Revenue Bonds to A+ from A and the outlook was stable. On July 29, 2024, the City filed on EMMA an event notice relating to this rating upgrade for the City’s Second Lien Wastewater Transmission Revenue Bonds, Refunding Series 2001 (the “Series 2001 Bonds”) since the Series 2001 Bonds were not previously linked to the original filing related to this rating upgrade.

On October 30, 2023, Fitch Ratings upgraded the rating on the City’s Second Lien Water Revenue Bonds to A+ from A and the outlook was stable. Fitch also assessed the Standalone Credit Profile (SCP) of the City’s water system at ‘a+.’ On July 29, 2024, the City filed on EMMA an event notice relating to this rating upgrade and assessment of the SCP for the City’s Second Lien Water Revenue Bonds Project and Refunding Series 2010A (collectively, the “Series 2010 Bonds”) and the City’s Second Lien Water Revenue Bonds, Project Series 2023A (the “Series 2023A Bonds”) since the Series 2010 Bonds and the Series 2023A Bonds were not previously linked to the original filing related to this rating upgrade and assessment of the SCP.

### **VERIFIER**

Robert Thomas, CPA, LLC (the “Verifier”), upon delivery of the 2024 Senior Lien Bonds, will deliver to the City, Co-Bond Counsel and the Underwriters a report stating that the firm, at the request of the City and the Underwriters, has reviewed the mathematical accuracy of certain computations based on certain assumptions relating to the sufficiency of the principal and interest received from the investment in the Federal Obligations, together with any initial cash deposit, to meet the timely payment of the applicable principal or redemption price of and interest on the Refunded Bonds.

The Verifier will express no opinion on the attainability of any assumptions or the tax-exempt status of the 2024 Senior Lien Bonds. The computations verified by the Verifier are intended in part to support conclusions of the City and Co-Bond Counsel concerning the federal income tax status of the 2024 Senior Lien Bonds.

### **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.

#### **CONSIDERATIONS RELATED TO THIS OFFICIAL STATEMENT**

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the 2024 Senior Lien Bonds, the security for the payment or purchase of the 2024 Senior Lien Bonds and the rights and obligations of the registered owners thereof.

Except as specifically provided herein, references to website addresses presented herein, including the City's website or any other website containing information about the City, are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose including for purposes of Rule 15c2-12 promulgated pursuant to the Exchange Act.

Any statements made in this Official Statement 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 the estimates will be realized. 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 owners of the 2024 Senior Lien Bonds.

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**AUTHORIZATION OF OFFICIAL STATEMENT**

The execution of this Official Statement, and its distribution and use by the Underwriters in connection with the initial public offering, sale and distribution of the 2024 Senior Lien Bonds by the Underwriters, has been duly authorized and approved by the City.

CITY OF CHICAGO

By: /s/ Jill A. Jaworski  
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 2024 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 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.

*“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.

*“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.

“*Costs of Issuance Account*” means the account of that name established in the Dedicated Sub-Fund for each Series of the 2024 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, 2025.

“*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 2024C DEDICATED SUB-FUND AND ACCOUNTS THEREIN,” “THE DEPOSITS INTO 2024D DEDICATED SUB-FUND AND ACCOUNTS THEREIN,” “THE DEPOSITS INTO 2024E SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN,” AND “THE DEPOSITS INTO 2024F 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 Obligation Debt Service Fund”* means the Junior Lien Obligation Debt Service Fund created by the Indenture.

*“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.

*“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 2024 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 2024 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 Debt Service Coverage"* means the amount of debt service coverage required by the Senior Lien Indenture.

*"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.

“*Seventy-Seventh Supplemental Indenture*” means the Seventy-Seventh Supplemental Indenture dated as of October 1, 2024, between the City and the Trustee, which supplements the Indenture.

“*Seventy-Eighth Supplemental Indenture*” means the Seventy-Eighth Supplemental Indenture dated as of October 1, 2024, between the City and the Trustee, which supplements the Indenture.

“*Seventy-Ninth Supplemental Indenture*” means the Seventy-Ninth Supplemental Indenture dated as of October 1, 2024, between the City and the Trustee, which supplements the Indenture.

“*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.

“*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 |
|---------------------|-----------------------|
| 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.

“*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.

*“2024C Senior Lien Bonds”* means the Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024C (AMT).

*“2024D Senior Lien Bonds”* means the Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024D (Non-AMT).

*“2024E Senior Lien Bonds”* means the Chicago O’Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024E (AMT).

*“2024F Senior Lien Bonds”* means the Chicago O’Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024F (Non-AMT).

*“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 depository or depositories, 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 depository shall be forwarded promptly to the Trustee by the City and by such depository. 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.*

The 2024C Senior Lien Bonds and the 2024D 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 2024 Senior Lien Bonds.*

The Seventy-Seventh Supplemental Indenture creates and establishes with the Trustee a separate and segregated Dedicated Sub-Fund within the Debt Service Fund with respect to the 2024C Senior Lien Bonds (the “2024C Dedicated Sub-Fund”). Moneys on deposit in the 2024C 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 2024C Senior Lien Bonds.

The Seventy-Seventh Supplemental Indenture creates and establishes with the Trustee separate Accounts within the 2024C Dedicated Sub-Fund, designated as follows: (a) the Chicago O’Hare International Airport 2024C Senior Lien Costs of Issuance Account (the “Costs of Issuance Account”); (b) the Chicago O’Hare International Airport 2024C Senior Lien Program Fee Account (the “Program Fee Account”); and (c) the Chicago O’Hare International Airport 2024C Senior Lien Principal and Interest Account (the “Principal and Interest Account”).

The Seventy-Eighth Supplemental Indenture creates and establishes with the Trustee a separate and segregated Dedicated Sub-Fund within the Debt Service Fund with respect to the 2024D Senior Lien Bonds (the “2024D Dedicated Sub-Fund”). Moneys on deposit in the 2024D 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 2024D Senior Lien Bonds.

The Seventy-Eighth Supplemental Indenture creates and establishes with the Trustee separate Accounts within the 2024D Dedicated Sub-Fund, designated as follows: (a) the Chicago O’Hare International Airport 2024D Senior Lien Costs of Issuance Account (the “Costs of Issuance Account”); (b) the Chicago O’Hare International Airport 2024D Senior Lien Program Fee Account (the “Program Fee Account”); and (c) the Chicago O’Hare International Airport 2024D Senior Lien Principal and Interest Account (the “Principal and Interest Account”).

The Seventy-Ninth Supplemental Indenture creates and establishes with the Trustee a separate and segregated Dedicated Sub-Fund within the Debt Service Fund with respect to the 2024E Senior Lien Bonds (the “2024E Dedicated Sub-Fund”) and the 2024F Senior Lien Bonds (the “2024F Dedicated Sub-Fund”). Moneys on deposit in the 2024E Dedicated Sub-Fund and 2024F 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 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds, respectively.

The Seventy-Ninth Supplemental Indenture creates and establishes with the Trustee separate Accounts within the 2024E Dedicated Sub-Fund, designated as follows: (a) the Chicago O'Hare International Airport 2024E Senior Lien Costs of Issuance Account (the "Costs of Issuance Account"); (b) the Chicago O'Hare International Airport 2024E Senior Lien Program Fee Account (the "Program Fee Account"); and (c) the Chicago O'Hare International Airport 2024E Senior Lien Principal and Interest Account (the "Principal and Interest Account").

The Seventy-Ninth Supplemental Indenture also creates and establishes with the Trustee separate Accounts within the 2024F Dedicated Sub-Fund, designated as follows: (a) the Chicago O'Hare International Airport 2024F Senior Lien Costs of Issuance Account (the "Costs of Issuance Account"); (b) the Chicago O'Hare International Airport 2024F Senior Lien Program Fee Account (the "Program Fee Account"); and (c) the Chicago O'Hare International Airport 2024F Senior Lien Principal and Interest Account (the "Principal and Interest Account").

The Seventy-Ninth Supplemental Indenture also creates and establishes with the Trustee a separate and segregated account within the Revenue Fund designated as the Chicago O'Hare International Airport 2024E and 2024F Senior Lien Bonds PFC Revenue Deposit Account (the "2024E and 2024F Bonds PFC Revenue Deposit Account") and a separate and segregated dedicated sub-fund in the Debt Service Fund designated as the Chicago O'Hare International Airport 2024E and 2024F Senior Lien Consolidated Debt Service Reserve Dedicated Sub-Fund (the "Consolidated Debt Service Reserve Sub-Fund"). Money in the 2024E and 2024F Bonds PFC Revenue Deposit Account and the Consolidated Debt Service Reserve Sub-Fund are to be held in trust by the Trustees for the sole and exclusive benefit of the Registered Owners of the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds.

#### DEPOSITS INTO 2024C DEDICATED SUB-FUND AND ACCOUNTS THEREIN

On January 1 and July 1 of each year, commencing January 1, 2025 (each such date referred to as the "Deposit Date"), there will be deposited into the 2024C 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 "2024C Deposit Requirement"):

(a) for deposit into the 2024C Principal and Interest Account, an amount equal to the aggregate of: (i) for the January 1, 2025 Deposit Date, the Principal Installment due January 1, 2025, and thereafter, one-half of the Principal Installment, if any, coming due on the 2024C Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest due on the 2024C 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 2024C Deposit Requirement, there will be deposited into the 2024C Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or the Seventy-Seventh Supplemental Indenture, when accompanied by directions from the person depositing

such moneys that such moneys are to be paid into the 2024C 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 2024C Senior Lien Bonds (including the optional redemption of 2024C Senior Lien Bonds pursuant to the Seventy-Seventh 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 2024C Senior Lien 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 2024C Senior Lien Bonds as set forth in a Certificate filed with the Trustee.

#### DEPOSITS INTO 2024D DEDICATED SUB-FUND AND ACCOUNTS THEREIN

On each Deposit Date of each year, commencing January 1, 2025, there shall be deposited into the 2024D 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 “2024D Deposit Requirement”):

(a) for deposit into the Principal and Interest Account, an amount equal to the aggregate of: (i) for the January 1, 2025 Deposit Date, the Principal Installment due January 1, 2025, 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 2024D Deposit Requirement, there shall be deposited into the 2024D Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or the Seventy-Eighth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2024D 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 2024D Senior Lien Bonds (including the optional redemption of 2024D Senior Lien Bonds pursuant to the Seventy-Eighth 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 2024D Senior Lien 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 2024D Senior Lien Bonds as set forth in a Certificate filed with the Trustee.

#### DEPOSIT INTO AND APPLICATION OF THE 2024E AND 2024F BONDS PFC REVENUE DEPOSIT ACCOUNT

(a) On June 20 of each Fiscal Year the City shall withdraw from the PFC Capital Fund and pay to the Trustee for deposit into the PFC Revenue Deposit Account an amount equal to the sum of the 2024E Deposit Requirement and the 2024F Deposit Requirement with respect to the next ensuing July 1 Deposit Date.

(b) On December 20 of each Fiscal Year the City shall withdraw from the PFC Capital Fund and pay to the Trustee for deposit into the PFC Revenue Deposit Account for each Fiscal Year, an amount equal to the greater of (i) the sum of 2024E Deposit Requirement and the 2024F Deposit Requirement with respect to the next ensuing January 1 Deposit Date, and (ii) the amount required so that the aggregate sum withdrawn from the PFC Capital Fund and deposited in the PFC Revenue Deposit Account during the then current Fiscal Year will be not less than one and twenty-five hundredths times the Net Debt Service with respect to the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds for the Bond Year commencing during such Fiscal Year.

(c) Each deposit to the PFC Revenue Deposit Account required by paragraphs (a) or (b) above shall be made on the required date or as soon thereafter as moneys in the PFC Capital Fund are legally available to satisfy such deposit requirement. If the available amount in the PFC Capital Fund is less than the amount needed to meet any deposit requirement, then the City shall deposit the maximum amount then available for withdrawal from the PFC Capital Fund and the City's obligation to make the required deposits to the PFC Revenue Deposit Account shall continue until the applicable 2024E Deposit Requirement and the applicable 2024F Deposit Requirement have been fully satisfied.

(d) Any moneys held in the PFC Revenue Deposit Account shall be withdrawn by the Trustee and paid over to the City free from the lien of the Seventy-Ninth Supplemental Indenture on the earliest date in each Fiscal Year, after January 5 and prior to June 20 of such Fiscal Year, that each prior 2024E Deposit Requirement and the 2024F Deposit Requirement has been fully satisfied.

#### DEPOSITS INTO 2024E SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN

On each Deposit Date of each year, commencing January 1, 2025, there will be deposited into the 2024E Dedicated Sub-Fund, first from amounts of deposit in the PFC Revenue Deposit Account, and second, if needed, 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 2024E Deposit Requirement”):

(a) for deposit into the 2024E Principal and Interest Account, an amount equal to the aggregate of: (i) for the January 1, 2025 Deposit Date, the Principal Installment due January 1, 2025, and thereafter, one-half of the Principal Installment, if any, coming due on the 2024E Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest

due on the 2024E 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 Principal and Interest Account); and

(b) for deposit into the “Consolidated Debt Service Reserve Sub-Fund,” the Series Share Amount, if any, required as of the close of business on such Deposit Date to restore the Consolidated Debt Service Reserve Sub-Fund to the Reserve Requirement, including the reimbursement of any Qualified Credit Provider; and

(c) 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 2024E Deposit Requirement, there will be deposited into the 2024E Dedicated Sub-Fund and the Consolidated Debt Service Reserve Sub-Fund, any other moneys received by the Trustee under and pursuant to the Indenture or the Seventy-Ninth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2024E Dedicated Sub-Fund and to one or more accounts therein or the Consolidated Debt Service Reserve Sub-Fund.

Moneys in the Principal and Interest Account will be used solely for payment of principal of, premium, if any, and interest due on each Payment Date with respect to the 2024E Senior Lien Bonds and not otherwise provided for, ratably, without preference or priority of any kind.

Moneys in the Consolidated Debt Service Reserve Sub-Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds, without preference or priority of any kind, but only if and to the extent moneys are not available for such purpose in the applicable Principal and Interest Account.

Moneys in the Costs of Issuance Account shall be used solely for the payment or reimbursement of Costs of Issuance of the 2024E Senior Lien 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 solely for the payment of fees and expenses with respect to the 2024E Senior Lien Bonds as set forth in a Certificate filed with the Trustee.

#### DEPOSITS INTO 2024F SENIOR LIEN DEDICATED SUB-FUND AND ACCOUNTS THEREIN

On each Deposit Date of each year, commencing January 1, 2025, there will be deposited into the 2024F Dedicated Sub-Fund, first from amounts of deposit in the PFC Revenue Deposit Account, and second, if needed, 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 “2024F Deposit Requirement”):

(a) for deposit into the 2024F Principal and Interest Account, an amount equal to the aggregate of: (i) for the January 1, 2025 Deposit Date, the Principal Installment due January 1, 2025, and thereafter, one-half of the Principal Installment, if any, coming due on the 2024F Senior Lien Bonds on the January 1 next succeeding such date of calculation and (ii) the amount of interest

due on the 2024F 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 Principal and Interest Account); and

(b) for deposit into the “Consolidated Debt Service Reserve Sub-Fund,” the Series Share Amount, if any, required as of the close of business on such Deposit Date to restore the Consolidated Debt Service Reserve Sub-Fund to the Reserve Requirement, including the reimbursement of any Qualified Credit Provider.

(c) 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 2024F Deposit Requirement, there will be deposited into the 2024F Dedicated Sub-Fund and the Consolidated Debt Service Reserve Sub-Fund, any other moneys received by the Trustee under and pursuant to the Indenture or the Seventy-Ninth Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the 2024F Dedicated Sub-Fund and to one or more accounts therein or the Consolidated Debt Service Reserve Sub-Fund.

Moneys in the Principal and Interest Account will be used solely for payment of principal of, premium, if any, and interest due on each Payment Date with respect to the 2024F Senior Lien Bonds and not otherwise provided for, ratably, without preference or priority of any kind.

Moneys in the Consolidated Debt Service Reserve Sub-Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds, without preference or priority of any kind, but only if and to the extent moneys are not available for such purpose in the applicable Principal and Interest Account.

Moneys in the Costs of Issuance Account shall be used solely for the payment or reimbursement of Costs of Issuance of the 2024F Senior Lien 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 solely for the payment of fees and expenses with respect to the 2024F Senior Lien Bonds as set forth in a Certificate filed with the Trustee.

#### CONSOLIDATED DEBT SERVICE RESERVE SUB-FUND

(a) There is created by the City and ordered established with the Trustee a separate and segregated Dedicated Sub-Fund within the Debt Service Fund, such Dedicated Sub-Fund to be designated the “Chicago O’Hare International Airport 2024E and 2024F Senior Lien Bond Consolidated Debt Service Reserve Dedicated Sub-Fund” (hereinafter called the “Consolidated Debt Service Reserve Sub-Fund”). Moneys on deposit in the Consolidated Debt Service Reserve Sub-Fund shall be held in trust by the Trustee for the sole and exclusive benefit of the Registered Owners of the 2024E Senior Lien Bonds and the 2024F Senior Lien Bonds, and shall not be used or available for the payment of any other Senior Lien Obligations.

(b) The City shall maintain the Consolidated Debt Service Reserve Sub-Fund in an amount equal to the Reserve Requirement, which requirement may be satisfied with (i) one or more

Qualified Reserve Credit Instruments, (ii) Qualified Investment, or (iii) a combination thereof. Any Qualified Investments held to the credit of the Consolidated Debt Service Reserve Sub-Fund shall be valued in accordance with Section 307 of the Indenture. If on any valuation date as provided in Section 307 of the Indenture the amount on deposit in the Consolidated Debt Service Reserve Sub-Fund is more than the Reserve Requirement, unless otherwise directed by the City pursuant to paragraph (e) of this Section, the amount of such excess shall be transferred by the Trustee for deposit into the Revenue Fund established under the Indenture.

(c) If at any time the Consolidated Debt Service Reserve Sub-Fund holds both a Qualified Reserve Credit Instrument and Qualified Investments, the Qualified Investments shall be liquidated and the proceeds applied for the purposes for which Consolidated Debt Service Reserve Sub-Fund moneys may be applied under the Seventy-Ninth Supplemental Indenture prior to any draw being made on the Qualified Reserve Credit Instrument. If the Consolidated Debt Service Reserve Sub-Fund hold Qualified Reserve Credit Instruments issued by more than one issuer, draws shall be made under such credit instrument on a pro rata basis to the extent of available funds. Amounts deposited in the 2024E Dedicated Sub-Fund or the 2024F Dedicated Sub-Fund for the purpose of restoring amounts withdrawn from the Consolidated Debt Service Reserve Sub-Fund shall be applied first to reimburse the Qualified Credit Provider and thereby reinstate the Qualified Reserve Credit Instrument and next to make deposits into the Consolidated Debt Service Reserve Sub-Fund.

(d) If on any Payment Date for the payment of the Principal Installment of and interest on any Series of the 2024E Senior Lien Bonds or the 2024F Senior Lien Bonds, the amount held in the Dedicated Sub-Fund for that Series for the payment of Principal Installment and interest shall be less than the Principal Installment and interest then payable, then the Trustee will withdraw from the Consolidated 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 deficiencies for both Series, such withdrawal shall be made ratably, without preference on priority on of any kind.

(e) At the direction of the City expressed in a Certificate filed with the Trustee, moneys in the Consolidated 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 Section 1101 of the Indenture; provided, however, that immediately after such withdrawal the amount on deposit in the Consolidated Debt Service Reserve Sub-Fund equals or exceeds the Reserve Requirement.

## 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

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 2024 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 2024 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 deem 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, 2028 (if the Effective Date is on or before December 31, 2028), or December 31, 2033 (if the Effective Date is between January 1, 2029 and December 31, 2033). Short-Term Signatory Airlines with Airline Use and Lease Agreements expiring on December 31, 2028 have the option to extend the term for a five-year period 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 2024 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 2024 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.)

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. No further MII review or approval is needed for the TAP elements unless a modification to a TAP element (a) is one of a number of changes specifically identified as requiring MII review; or (b) at the time the City receives construction bids, increases the estimated total project costs of the TAP elements in excess of the approved TAP budget, as escalated from January 1, 2018 by the then-current Construction Cost Index for any TAP element that has not reached substantial completion. No further MII review or approval is needed for the Previously Approved Projects or Pre-Approved CIP Projects unless a modification to a project (a) results in a material change to project functionality; or (b) increases the estimated project costs in excess of one hundred and ten percent (110%) of that project’s approved budget, as escalated, at the time the City receives construction bids, from January 1, 2018 by the then-current Construction Cost Index. 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 (such as the annual passenger activity trigger) 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 Airlines to decide whether Additional TAP Triggers should be revised downward and to discuss the Additional TAP Elements that do not include triggers and determine whether Additional TAP 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 PFC Revenues for one or more of certain priorities specified in the Airline Use and Lease Agreements, including using 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.

## **APPENDIX D**

### **AUDITED FINANCIAL STATEMENTS**

This **APPENDIX D** includes by specific reference O'Hare's basic financial statements as of and for the year ended December 31, 2023, and independent auditor's report (the "2023 Audited Financial Statements"), which has been filed and can be obtained from the Municipal Securities Rulemaking Board (MSRB) through its Electronic Municipal Market Access ("EMMA") system. The 2023 Audited Financial Statements have not been updated since the date of the 2023 Audited Financial Statements. The specific URL for this filing is as referenced below and no other items filed on the EMMA website are included by reference as part of this Official Statement.

<https://emma.msrb.org/P21832628-P21403482-P21845410.pdf>

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**APPENDIX E**

**REPORT OF THE AIRPORT CONSULTANT**

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October 8, 2024

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 2024C (AMT), Series 2024D (Non-AMT), Series 2024E (AMT), and Series 2024F (Non-AMT)

Dear Ms. Rhee:

Ricondo & Associates, Inc. (Ricondo) is pleased to present this Letter of the Airport Consultant (2024 Letter) for inclusion as Appendix E in the Official Statement for the City of Chicago, Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024C (the 2024C Bonds); Chicago O'Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024D (the 2024D Bonds); Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024E (the 2024E Bonds); and Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024F (the 2024F Bonds), collectively the 2024CDEF Bonds.

This 2024 Letter serves to reaffirm the findings from Ricondo's Report of the Airport Consultant, dated August 16, 2024 (2024 Report), with consideration for the issuance of the 2024CDEF Bonds. The 2024 Report was prepared in connection with the issuance of the City of Chicago, Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024A (AMT) and Series 2024B (Non-AMT), collectively the 2024AB Bonds.

## **2024CDEF BONDS**

The 2024CDEF Bonds will be issued pursuant to an ordinance adopted by the Chicago City Council on June 12, 2024 (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-Seventh, Seventy-Eighth, and Seventy-Ninth 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.

Ms. Jamie L. Rhee  
Chicago Department of Aviation  
October 8, 2024  
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The 2024CDEF Bonds are refunding existing series of bonds described herein, and payable from Revenues generated from the operation of the Airport (as defined in the Senior Lien Indenture) pledged to the payment thereof and certain other money held by or on behalf of the Trustee. The 2024E Bonds and 2024F Bonds are refunding existing Passenger Facility Charge Revenue Bonds and have a pledge of Passenger Facility Charge (PFC) Revenues generated from the collection of fees imposed on passenger airline tickets in addition to Airport Revenues.

Proceeds of the 2024C and 2024D Bonds, together with other available funds, at the time of this Letter, are anticipated to:

- (i) refund certain Outstanding Senior Lien Bonds,
- (ii) pay the costs and expenses incidental to the issuance of the 2024CD Bonds, and
- (iii) at the City's election, purchase a Bond Insurance Policy.

Proceeds of the 2024E and 2024F Bonds, together with other available funds, at the time of this Letter, are anticipated to:

- (i) refund certain outstanding PFC Obligations,
- (ii) fund a deposit to the Consolidated Series 2024EF debt service reserve fund,
- (iii) pay the costs and expenses incidental to the issuance of the 2024EF Bonds, and
- (iv) at the City's election, purchase a Bond Insurance Policy.

## 2024 Report Financial Analysis Update

The 2024 Report included assumptions and results that remain largely unchanged as of the date of this 2024 Letter. Ricondo is not aware of material changes to the underlying assumptions for the financial analysis included in the 2024 Report with the exception of the use of the 2024EF Bonds to refund certain PFC Revenue Bonds. However, even with the change, the net impact of the updated assumptions summarized below on Cost per Enplaned Passenger (CPE) and Senior Lien General Airport Revenue Bond (GARB) Debt Service Coverage is minimal. Furthermore, the savings from the refunding of certain Outstanding Senior Lien Bonds through the issuance of the Series 2024CD Refunding Bonds is not included in the financial analysis. If the financial analysis were to be adjusted for these savings, it would positively impact CPE and Senior Lien GARB Debt Service Coverage.

A financial projection was completed for purposes of the 2024 Letter which reflects the 2024 Report financial analysis updated with current debt service and PFC revenues associated with the 2024EF Bonds. Specifically, the following assumptions were made for this 2024 Letter relative to the financial projections in the 2024 Report:

- No changes to air traffic activity forecast,
- No changes to projected operating expenses and non-airline revenues,
- No changes to the capital program and funding sources,



- Updated the annual debt service for the 2024AB Bonds to reflect the actual debt service rather than the estimated debt service assumed in the 2024 Report,
- Adjusted PFC Revenue Bond debt service to reflect the existing debt to be refunded with Senior Lien Revenue Bonds,
- Added PFC revenues as pledged revenues associated with the Refunded PFC Revenue Bonds,
- Renamed the anticipated new money "2024EF Bonds" referenced in the 2024 Report as the "2025AB Bonds", the timing of which remains subject to market conditions and other factors,
- Removed 2024AB Bonds from the "Assumed Future GARB Issuances" presented in Table 5-6 of the 2024 Report, and added 2024EF Bonds to the list without providing any project funding, and
- Continue to exclude the anticipated savings from the refunding of certain Outstanding Senior Lien Bonds with the Series 2024CD Refunding Bonds from the financial analysis, in alignment with the 2024 Report.

Based on these changes, the net impact of the changes reflects the following:

- An increase of Senior Lien Revenue Bonds debt service by an amount equal to or less than the PFC Revenue Bonds being refunded,
- A small component of PFC Revenue Bond, Series 2012AB remains,
- No material change in airline requirement and associated CPE, and
- No material change to the Debt Service Coverage Ratio.

**Table 1** shows a comparison of key metrics between the 2024 Report and the 2024 Letter. As shown, the Airline Revenue, CPE, and Senior Lien GARB Debt Service Coverage are nearly the same in the 2024 Report and 2024 Letter.

**Attachment 1** of this 2024 Letter includes additional financial projection tables similar to certain ones of Appendix B of the 2024 Report. Attachment 1 tables include projected PFC Revenue and Senior Lien Revenue Bond Debt Service, Net Signatory Airline Requirement, CPE, and Debt Service Coverage. An additional table demonstrating the PFC Revenue projection calculations is also included in Attachment 1.



Ms. Jamie L. Rhee  
 Chicago Department of Aviation  
 October 8, 2024  
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TABLE 1 AIRLINE REQUIREMENT, COST PER ENPLANED PASSENGER AND SENIOR LIEN COVERAGE – 2024 REPORT AND 2024 LETTER

|   | ESTIMATED <sup>1</sup> | PROJECTED   |             |             |             |             |             |             |             |             |             |             |
|---|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|   | 2024                   | 2025        | 2026        | 2027        | 2028        | 2029        | 2030        | 2031        | 2032        | 2033        | 2034        | 2035        |
| <b>Net Signatory Airline Requirement (in thousands)</b> |                        |             |             |             |             |             |             |             |             |             |             |             |
| 2024 Report   | \$1,170,827            | \$1,239,755 | \$1,287,348 | \$1,354,080 | \$1,419,678 | \$1,533,313 | \$1,552,801 | \$1,582,710 | \$1,811,749 | \$1,923,039 | \$2,038,809 | \$2,185,943 |
| 2024 Letter   | \$1,170,789            | \$1,239,153 | \$1,286,647 | \$1,353,305 | \$1,418,969 | \$1,532,615 | \$1,552,108 | \$1,582,015 | \$1,811,404 | \$1,922,778 | \$2,038,553 | \$2,182,984 |
| <b>Total Airline Cost per Enplaned Passenger</b>        |                        |             |             |             |             |             |             |             |             |             |             |             |
| 2024 Report   | \$28.43                | \$29.08     | \$29.22     | \$29.87     | \$30.45     | \$32.02     | \$31.62     | \$31.49     | \$35.33     | \$36.67     | \$38.04     | \$40.06     |
| 2024 Letter   | \$28.43                | \$29.07     | \$29.21     | \$29.85     | \$30.44     | \$32.01     | \$31.61     | \$31.48     | \$35.32     | \$36.66     | \$38.03     | \$40.01     |
| <b>Senior Lien GARB Debt Service Coverage</b>           |                        |             |             |             |             |             |             |             |             |             |             |             |
| 2024 Report   | 1.51x                  | 1.52x       | 1.46x       | 1.44x       | 1.45x       | 1.44x       | 1.44x       | 1.45x       | 1.43x       | 1.42x       | 1.41x       | 1.40x       |
| 2024 Letter   | 1.50x                  | 1.50x       | 1.45x       | 1.44x       | 1.44x       | 1.43x       | 1.44x       | 1.44x       | 1.44x       | 1.42x       | 1.41x       | 1.40x       |

NOTES:

1 Includes impacts from 1/1/2025 payment of 2024AB and estimated impacts from 1/1/2025 payment of 2024EF Bonds.

SOURCES: Ricondo & Associates, Inc., August 2024 (2024 Report), October2024 (2024 Letter).



Ms. Jamie L. Rhee  
Chicago Department of Aviation  
October 8, 2024  
Page 5

## Confirmation of 2024 Report Findings

The 2024 Report and this 2024 Letter should be read in their entirety for an understanding of the analysis, assumptions, and opinions presented. The 2024 Report included as Appendix E in the Official Statement for the issuance of the 2024AB Bonds is attached to this 2024 Letter for reference as **Attachment 2**.

**On the basis of the updated analysis set forth in this 2024 Letter, Ricondo reaffirms its opinion that the Revenues 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.**

Sincerely,

A handwritten signature in black ink that reads "Ricondo &amp; Associates, Inc." in a cursive script.

RICONDO & ASSOCIATES, INC.

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**ATTACHMENT 1**

Financial Projection Tables



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CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE A-1 ANNUAL DEBT SERVICE REQUIREMENTS

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED         |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
|--|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2024                   | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              | 2031              | 2032                | 2033                | 2034                | 2035                |
| <b>PFC Revenue Bond Debt Service <sup>2,3</sup></b>                    |                        |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| Series 2012AB  | \$ 2                   | \$ 4              | \$ 4              | \$ 4              | \$ 4              | \$ 4              | \$ 4              | \$ 104            | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>General Airport Revenue Bond (GARB) Debt Service <sup>2</sup></b>   |                        |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| Outstanding GARB Debt Service  | \$ 696,033             | \$ 705,051        | \$ 711,438        | \$ 701,699        | \$ 680,175        | \$ 683,759        | \$ 683,750        | \$ 683,757        | \$ 685,008          | \$ 723,557          | \$ 740,098          | \$ 601,844          |
| <b>Series 2024 Bonds <sup>2,4</sup></b>                                |                        |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| Series 2024AB <sup>5</sup>   | \$ 3,759               | \$ 18,686         | \$ 29,293         | \$ 37,526         | \$ 52,374         | \$ 52,374         | \$ 52,374         | \$ 52,374         | \$ 52,374           | \$ 52,374           | \$ 52,374           | \$ 77,509           |
| Series 2024EF  | \$ 5,826               | \$ 38,106         | \$ 38,100         | \$ 38,101         | \$ 38,100         | \$ 35,899         | \$ 35,894         | \$ 36,162         | \$ -                | \$ -                | \$ -                | \$ -                |
| <b>Future Bonds <sup>2</sup></b>                                       |                        |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| Series 2025AB <sup>6</sup>   | \$ -                   | \$ 1,689          | \$ 7,984          | \$ 13,219         | \$ 21,706         | \$ 21,706         | \$ 21,706         | \$ 21,706         | \$ 21,706           | \$ 21,706           | \$ 21,706           | \$ 32,181           |
| Additional Future Bonds (approximately 2025-2030)                      | \$ -                   | \$ 2,332          | \$ 19,500         | \$ 56,310         | \$ 80,499         | \$ 157,172        | \$ 161,910        | \$ 164,577        | \$ 334,654          | \$ 388,994          | \$ 474,447          | \$ 678,287          |
| <b>Total GARB Debt Service</b>   | <b>\$ 705,618</b>      | <b>\$ 765,864</b> | <b>\$ 806,315</b> | <b>\$ 846,856</b> | <b>\$ 872,854</b> | <b>\$ 950,910</b> | <b>\$ 955,634</b> | <b>\$ 958,575</b> | <b>\$ 1,093,741</b> | <b>\$ 1,186,630</b> | <b>\$ 1,288,625</b> | <b>\$ 1,389,821</b> |
| Less: PFCs Pledged to existing GARB Debt Service                       | \$ (32,387)            | \$ (32,385)       | \$ (32,385)       | \$ (32,386)       | \$ (33,162)       | \$ (36,750)       | \$ (36,742)       | \$ (36,748)       | \$ (70,770)         | \$ (77,078)         | \$ (84,523)         | \$ (84,523)         |
| Less: PFCs Applied to existing GARB Debt Service                       | (41,243)               | (41,246)          | (41,243)          | (41,244)          | (41,244)          | (41,243)          | (41,243)          | (41,243)          | (41,242)            | (41,243)            | (41,243)            | (41,246)            |
| Less: PFCs Pledged to Series 2024EF PFC-Backed GARB Debt Service       | (5,826)                | (38,106)          | (38,100)          | (38,101)          | (38,100)          | (35,899)          | (35,894)          | (36,162)          | -                   | -                   | -                   | -                   |
| <b>Total PFCs Pledged or Applied</b>                                   | <b>(79,456)</b>        | <b>(111,737)</b>  | <b>(111,728)</b>  | <b>(111,731)</b>  | <b>(112,506)</b>  | <b>(113,892)</b>  | <b>(113,880)</b>  | <b>(114,152)</b>  | <b>(112,012)</b>    | <b>(118,321)</b>    | <b>(125,766)</b>    | <b>(125,769)</b>    |
| Less: Grant Letter of Intent Pledged to Series 2016E Debt Service      | (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)           | (1,498)           | -                 | -                 | -                 | -                   | -                   | -                   | -                   |
| Less: BAB Subsidy Applied to Debt Service on Series 2010B <sup>7</sup> | (7,331)                | (6,912)           | (6,912)           | (6,912)           | (6,912)           | (6,912)           | (6,912)           | (6,912)           | (6,912)             | (6,912)             | (6,912)             | (6,912)             |
| Other Adjustments <sup>8</sup>   | (8,400)                | (7,659)           | (8,063)           | (8,469)           | (8,729)           | (9,509)           | (9,556)           | (9,586)           | (10,937)            | (11,866)            | (12,886)            | (13,898)            |
| <b>Net GARB Debt Service</b>   | <b>\$ 578,317</b>      | <b>\$ 607,441</b> | <b>\$ 647,497</b> | <b>\$ 697,629</b> | <b>\$ 743,209</b> | <b>\$ 820,597</b> | <b>\$ 825,286</b> | <b>\$ 827,925</b> | <b>\$ 963,880</b>   | <b>\$ 1,049,531</b> | <b>\$ 1,143,061</b> | <b>\$ 1,243,241</b> |

NOTES:

- 1 Includes impacts from 1/1/2025 payment of 2024AB Bonds and estimated impacts from 1/1/2025 payment of 2024EF Bonds.
- 2 Net of capitalized interest.
- 3 Includes estimated refunding impacts from Series 2024EF Bonds.
- 4 Series 2024CD are not included due to the fact that the refunding savings are excluded.
- 5 Outstanding for Series 2024AB.
- 6 Renamed from Series 2024EF in the Report of Airport Consultant for Series 2024AB Bonds. Issuance timing remains subject to market conditions and other factors.
- 7 Reflects Subsidy Payment from United States Treasury for interest paid to GARB, Series 2010B Bonds, which are qualified as Build America Bonds (BABs).
- 8 Adjustment for estimated investment income.

SOURCES: City of Chicago, Department of Aviation, October 2024; Jefferies Group LLC, October 2024; Ricondo & Associates, Inc., October 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE A-2 PFC REVENUE

(Dollars in Thousands for Fiscal Years Ending December 31)

|                                  | ESTIMATED         | PROJECTED         |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | 2024              | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              | 2031              | 2032              | 2033              | 2034              | 2035              |
| Enplaned Passengers <sup>1</sup> | 40,334            | 41,705            | 43,096            | 44,364            | 45,633            | 46,906            | 48,102            | 49,237            | 50,372            | 51,507            | 52,645            | 53,786            |
| Eligibility Ratio <sup>2</sup>   | 87.3%             | 87.3%             | 87.3%             | 87.3%             | 87.3%             | 87.3%             | 87.3%             | 87.3%             | 87.3%             | 87.3%             | 87.3%             | 87.3%             |
| PFC-eligible Enplaned Passengers | 35,212            | 36,409            | 37,622            | 38,730            | 39,838            | 40,949            | 41,993            | 42,984            | 43,974            | 44,966            | 45,959            | 46,955            |
| PFC Level <sup>3</sup>           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           | \$ 4.39           |
| <b>PFC Collections</b>           | <b>\$ 154,580</b> | <b>\$ 159,834</b> | <b>\$ 165,163</b> | <b>\$ 170,024</b> | <b>\$ 174,889</b> | <b>\$ 179,767</b> | <b>\$ 184,350</b> | <b>\$ 188,700</b> | <b>\$ 193,048</b> | <b>\$ 197,399</b> | <b>\$ 201,761</b> | <b>\$ 206,132</b> |

NOTES:

- 1 Enplaned passenger total in 2024 reflects forecast amount, which differs from amount in the City's 1st Half Budget.
- 2 PFC eligibility percentage is based on historical percentages.
- 3 \$4.50 per eligible enplaned passenger less \$0.11 administration fee retained by the airlines.

SOURCES: City of Chicago, Department of Aviation, October 2024; Ricondo & Associates, Inc., October 2024.



## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE A-3 NET SIGNATORY AIRLINE REQUIREMENT

(Dollars in Thousands for Fiscal Years Ending December 31)

|   | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                |
| O&M Expenses <sup>2</sup>   | \$ 871,645             | \$ 944,666          | \$ 1,002,677        | \$ 1,044,847        | \$ 1,087,246        | \$ 1,133,167        | \$ 1,185,047        | \$ 1,236,280        | \$ 1,303,527        | \$ 1,374,295        | \$ 1,432,284        | \$ 1,492,873        |
| Net Debt Service <sup>3</sup>   | 578,317                | 607,441             | 647,497             | 697,629             | 743,209             | 820,597             | 825,286             | 827,925             | 963,880             | 1,049,531           | 1,143,061           | 1,243,241           |
| Other Capital Costs <sup>4</sup>                                      | 63,994                 | 57,727              | 60,894              | 60,959              | 57,369              | 70,980              | 52,145              | 51,678              | 93,890              | 74,329              | 76,655              | 76,506              |
| Fund Deposit Requirement <sup>5</sup>                                 | 66,686                 | 70,616              | 33,549              | 25,706              | 25,902              | 27,747              | 30,816              | 30,587              | 38,692              | 40,555              | 34,275              | 35,689              |
| <b>Total Expenses, Net Debt Service and Fund Deposits<sup>6</sup></b> | <b>\$ 1,580,641</b>    | <b>\$ 1,680,450</b> | <b>\$ 1,744,616</b> | <b>\$ 1,829,141</b> | <b>\$ 1,913,727</b> | <b>\$ 2,052,491</b> | <b>\$ 2,093,293</b> | <b>\$ 2,146,471</b> | <b>\$ 2,399,989</b> | <b>\$ 2,538,710</b> | <b>\$ 2,686,276</b> | <b>\$ 2,848,308</b> |
| <b>Less:</b>  |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Non-Airline Revenue   | \$ (374,655)           | \$ (424,811)        | \$ (432,216)        | \$ (449,498)        | \$ (472,803)        | \$ (490,572)        | \$ (511,684)        | \$ (534,138)        | \$ (558,206)        | \$ (589,351)        | \$ (612,913)        | \$ (637,249)        |
| Non-Signatory Airline Revenue   | (36,850)               | (34,776)            | (36,393)            | (37,964)            | (39,617)            | (41,382)            | (42,076)            | (43,001)            | (43,208)            | (46,013)            | (48,572)            | (41,722)            |
| <b>Total Non-Airline and Non-Signatory Revenue</b>                    | <b>\$ (411,505)</b>    | <b>\$ (459,586)</b> | <b>\$ (468,609)</b> | <b>\$ (487,462)</b> | <b>\$ (512,420)</b> | <b>\$ (531,954)</b> | <b>\$ (553,760)</b> | <b>\$ (577,139)</b> | <b>\$ (601,414)</b> | <b>\$ (635,364)</b> | <b>\$ (661,485)</b> | <b>\$ (678,972)</b> |
| <b>Adjustments:</b>   |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Current year ARE and CRE deficit/(credit)                             | \$ 3,653               | \$ 10,290           | \$ 2,140            | \$ 3,127            | \$ 9,162            | \$ 3,078            | \$ 3,574            | \$ 3,683            | \$ 3,329            | \$ 9,931            | \$ 4,262            | \$ 3,647            |
| Other <sup>7</sup>  | 8,000                  | 8,000               | 8,500               | 8,500               | 8,500               | 9,000               | 9,000               | 9,000               | 9,500               | 9,500               | 9,500               | 10,000              |
| Landing Fee True-Up for Prior Fiscal Years                            | (10,000)               | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Adjustments</b>  | <b>\$ 1,653</b>        | <b>\$ 18,290</b>    | <b>\$ 10,640</b>    | <b>\$ 11,627</b>    | <b>\$ 17,662</b>    | <b>\$ 12,078</b>    | <b>\$ 12,574</b>    | <b>\$ 12,683</b>    | <b>\$ 12,829</b>    | <b>\$ 19,431</b>    | <b>\$ 13,762</b>    | <b>\$ 13,647</b>    |
| <b>Net Signatory Airline Requirement</b>                              | <b>\$ 1,170,789</b>    | <b>\$ 1,239,153</b> | <b>\$ 1,286,647</b> | <b>\$ 1,353,305</b> | <b>\$ 1,418,969</b> | <b>\$ 1,532,615</b> | <b>\$ 1,552,108</b> | <b>\$ 1,582,015</b> | <b>\$ 1,811,404</b> | <b>\$ 1,922,778</b> | <b>\$ 2,038,553</b> | <b>\$ 2,182,984</b> |

## NOTES:

- Includes impacts from 1/1/2025 payment of 2024AB Bonds and estimated impacts from 1/1/2025 payment of 2024EF Bonds.
- 2024 O&M Expenses is net of \$11.5 million federal COVID-19 relief funds applied to O&M Expenses.
- Net of capitalized interest and BAB subsidy. Adjusted for investment income, grant receipts, and PFC credits.
- Includes required debt service coverage, PAYGO pre-approved allowance, and other obligations.
- Includes O&M Reserve Fund, Supplemental O&M Reserve Fund, and Maintenance Reserve Fund.
- Totals may not add due to rounding.
- Includes air service incentive fees and discretionary cash transfer.

SOURCES: City of Chicago, Department of Aviation, October 2024; Ricondo &amp; Associates, Inc., October 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE A-4 AIRLINE COST PER ENPLANED PASSENGER

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     | COMPOUND ANNUAL         |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
|  | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                | GROWTH RATE (2024-2035) |
| Total Airline Revenue                            | \$ 1,207,639           | \$ 1,273,929        | \$ 1,323,039        | \$ 1,391,269        | \$ 1,458,586        | \$ 1,573,997        | \$ 1,594,183        | \$ 1,625,016        | \$ 1,854,611        | \$ 1,968,790        | \$ 2,087,125        | \$ 2,224,707        | 5.7%                    |
| Less: Cargo Landing Fee Revenue                  | (60,951)               | (61,605)            | (64,284)            | (66,833)            | (69,674)            | (72,716)            | (73,751)            | (75,240)            | (75,567)            | (80,439)            | (84,881)            | (72,878)            | 1.6%                    |
| <b>Total Passenger Airline Requirement</b>       | <b>\$ 1,146,688</b>    | <b>\$ 1,212,325</b> | <b>\$ 1,258,755</b> | <b>\$ 1,324,436</b> | <b>\$ 1,388,912</b> | <b>\$ 1,501,282</b> | <b>\$ 1,520,433</b> | <b>\$ 1,549,775</b> | <b>\$ 1,779,044</b> | <b>\$ 1,888,352</b> | <b>\$ 2,002,244</b> | <b>\$ 2,151,829</b> | <b>5.9%</b>             |
| Total Projected Enplaned Passengers <sup>2</sup> | 40,334                 | 41,705              | 43,096              | 44,364              | 45,633              | 46,906              | 48,102              | 49,237              | 50,372              | 51,507              | 52,645              | 53,786              | 2.7%                    |
| Total Airline Cost per Enplaned Passenger        |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| Current Dollars                                  | \$ 28.43               | \$ 29.07            | \$ 29.21            | \$ 29.85            | \$ 30.44            | \$ 32.01            | \$ 31.61            | \$ 31.48            | \$ 35.32            | \$ 36.66            | \$ 38.03            | \$ 40.01            | 3.2%                    |
| 2024 Dollars <sup>3</sup>                        | \$ 28.43               | \$ 28.22            | \$ 27.53            | \$ 27.32            | \$ 27.04            | \$ 27.61            | \$ 26.47            | \$ 25.59            | \$ 27.88            | \$ 24.97            | \$ 25.14            | \$ 25.68            | -0.9%                   |

NOTES:

- 1 Includes impacts from 1/1/2025 payment of 2024AB Bonds and estimated impacts from 1/1/2025 payment of 2024EF Bonds.
- 2 Enplaned passenger total in 2024 reflects forecast amount, which differs from amount in the City's 1st 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, October 2024; Ricondo & Associates, Inc., October 2024.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE A-5 (1 of 2) GARB DEBT SERVICE COVERAGE

(Dollars in Thousands for Fiscal Years Ending December 31)

|   | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                |
| Landing Fee Revenue   | \$ 712,961             | \$ 720,605          | \$ 751,949          | \$ 781,764          | \$ 814,998          | \$ 850,574          | \$ 862,683          | \$ 880,108          | \$ 883,929          | \$ 940,912          | \$ 992,879          | \$ 852,474          |
| Terminal Area Rental and Use Charge Revenue <sup>2</sup>                  | 343,882                | 382,974             | 397,447             | 421,805             | 440,686             | 490,945             | 499,674             | 527,613             | 659,446             | 663,903             | 709,009             | 897,132             |
| Terminal Common Use Fee Revenue   | 147,933                | 167,358             | 167,265             | 175,390             | 192,009             | 221,671             | 220,972             | 206,451             | 300,729             | 353,490             | 375,867             | 462,403             |
| Terminal Baggage Handling Systems Revenue                                 | -                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Fueling System Fee Revenue  | 2,864                  | 2,992               | 6,378               | 12,310              | 10,893              | 10,807              | 10,855              | 10,843              | 10,507              | 10,485              | 9,370               | 12,698              |
| Non-Airline Revenue   | 374,655                | 424,811             | 432,216             | 449,498             | 472,803             | 490,572             | 511,684             | 534,138             | 558,206             | 589,351             | 612,913             | 637,249             |
| Investment Income from Debt Service Reserve Fund                          | 8,400                  | 7,659               | 8,063               | 8,469               | 8,729               | 9,509               | 9,556               | 9,586               | 10,937              | 11,866              | 12,886              | 13,898              |
| Federal Subsidy (BABs) Revenue <sup>3</sup>                               | 7,331                  | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               |
| <b>Total Revenue</b>  | <b>\$ 1,598,025</b>    | <b>\$ 1,713,310</b> | <b>\$ 1,770,231</b> | <b>\$ 1,856,148</b> | <b>\$ 1,947,030</b> | <b>\$ 2,080,991</b> | <b>\$ 2,122,336</b> | <b>\$ 2,175,652</b> | <b>\$ 2,430,667</b> | <b>\$ 2,576,920</b> | <b>\$ 2,719,836</b> | <b>\$ 2,882,766</b> |
| Pledged PFC Revenue <sup>4</sup>  | 38,213                 | 70,491              | 70,485              | 70,487              | 71,263              | 72,650              | 72,636              | 72,910              | 70,770              | 77,078              | 84,523              | 84,523              |
| Applied PFC Revenue <sup>5</sup>  | 41,243                 | 41,246              | 41,243              | 41,244              | 41,244              | 41,243              | 41,243              | 41,243              | 41,242              | 41,243              | 41,243              | 41,246              |
| Federal Funds Pledged to Series 2011B Debt Service                        | -                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Federal Funds Pledged to Series 2016E Grant Receipts-Backed Debt Service  | 30,000                 | 30,000              | 30,000              | 20,000              | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| North Airport Traffic Control Tower (NATCT) Rent Revenue                  | 2,115                  | 2,115               | 2,115               | 2,115               | 1,498               | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Landing Fee True-Up for Prior Fiscal Years                                | 10,000                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Revenue plus Pledged Other Available Moneys and Applied PFCs</b> | <b>\$ 1,719,595</b>    | <b>\$ 1,857,162</b> | <b>\$ 1,914,073</b> | <b>\$ 1,989,994</b> | <b>\$ 2,061,034</b> | <b>\$ 2,194,883</b> | <b>\$ 2,236,215</b> | <b>\$ 2,289,804</b> | <b>\$ 2,542,679</b> | <b>\$ 2,695,241</b> | <b>\$ 2,845,602</b> | <b>\$ 3,008,535</b> |

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE A-5 (2 of 2) GARB DEBT SERVICE COVERAGE

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                |
| <b>COVERAGE CALCULATION</b>  |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Total Revenue plus Pledged Other Available Moneys and Applied PFCs | \$ 1,719,595           | \$ 1,857,162        | \$ 1,914,073        | \$ 1,989,994        | \$ 2,061,034        | \$ 2,194,883        | \$ 2,236,215        | \$ 2,289,804        | \$ 2,542,679        | \$ 2,695,241        | \$ 2,845,602        | \$ 3,008,535        |
| Plus:  |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Prior Period Required Debt Service Coverage                        | 159,754                | 176,404             | 191,466             | 201,579             | 211,714             | 218,214             | 237,728             | 238,908             | 239,644             | 273,435             | 296,658             | 322,156             |
| ARE Revenues Received in Prior Year and Applied as Revenues        | 43,198                 | 52,225              | 54,074              | 55,409              | 57,070              | 64,724              | 66,724              | 68,698              | 70,751              | 72,871              | 81,031              | 83,447              |
| CRE Revenues Received in Prior Year and Applied as Revenues        | 11,949                 | 6,575               | 15,016              | 15,821              | 17,287              | 18,795              | 19,874              | 21,474              | 23,104              | 24,312              | 26,084              | 27,930              |
|  | 214,902                | 235,205             | 260,556             | 272,808             | 286,070             | 301,732             | 324,325             | 329,080             | 333,498             | 370,619             | 403,772             | 433,533             |
| <b>Adjusted Total Revenue</b>                                      | <b>\$ 1,934,497</b>    | <b>\$ 2,092,367</b> | <b>\$ 2,174,629</b> | <b>\$ 2,262,802</b> | <b>\$ 2,347,104</b> | <b>\$ 2,496,615</b> | <b>\$ 2,560,540</b> | <b>\$ 2,618,884</b> | <b>\$ 2,876,178</b> | <b>\$ 3,065,860</b> | <b>\$ 3,249,374</b> | <b>\$ 3,442,068</b> |
| Less:  |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| O&M Expenses   | \$ 871,645             | \$ 944,666          | \$ 1,002,677        | \$ 1,044,847        | \$ 1,087,246        | \$ 1,133,167        | \$ 1,185,047        | \$ 1,236,280        | \$ 1,303,527        | \$ 1,374,295        | \$ 1,432,284        | \$ 1,492,873        |
| Allowable Airline Liaison Office Expenses                          | 1,400                  | 1,470               | 1,544               | 1,621               | 1,702               | 1,787               | 1,876               | 1,970               | 2,068               | 2,172               | 2,280               | 2,394               |
| <b>Net Revenue Available for Senior Lien Coverage</b>              | <b>\$ 1,061,452</b>    | <b>\$ 1,146,231</b> | <b>\$ 1,170,409</b> | <b>\$ 1,216,335</b> | <b>\$ 1,258,156</b> | <b>\$ 1,361,661</b> | <b>\$ 1,373,617</b> | <b>\$ 1,380,634</b> | <b>\$ 1,570,582</b> | <b>\$ 1,689,393</b> | <b>\$ 1,814,809</b> | <b>\$ 1,946,801</b> |
| <b>Senior Lien Debt Service <sup>6</sup></b>                       | <b>\$ 705,618</b>      | <b>\$ 765,864</b>   | <b>\$ 806,315</b>   | <b>\$ 846,856</b>   | <b>\$ 872,854</b>   | <b>\$ 950,910</b>   | <b>\$ 955,634</b>   | <b>\$ 958,575</b>   | <b>\$ 1,093,741</b> | <b>\$ 1,186,630</b> | <b>\$ 1,288,625</b> | <b>\$ 1,389,821</b> |
| <b>Senior Lien GARB Debt Service Coverage</b>                      | <b>1.50x</b>           | <b>1.50x</b>        | <b>1.45x</b>        | <b>1.44x</b>        | <b>1.44x</b>        | <b>1.43x</b>        | <b>1.44x</b>        | <b>1.44x</b>        | <b>1.44x</b>        | <b>1.42x</b>        | <b>1.41x</b>        | <b>1.40x</b>        |
| <b>Other Required Uses of Revenue</b>                              |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| O&M Reserve Fund   | \$ 17,969              | \$ 18,255           | \$ 14,503           | \$ 10,543           | \$ 10,600           | \$ 11,480           | \$ 12,970           | \$ 12,808           | \$ 16,812           | \$ 17,692           | \$ 14,497           | \$ 15,147           |
| Supplemental O&M Reserve Fund <sup>7</sup>                         | 44,317                 | 47,891              | 14,503              | 10,543              | 10,600              | 11,480              | 12,970              | 12,808              | 16,812              | 17,692              | 14,497              | 15,147              |
| 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               | 3,000               |
| <b>Total Other Required Uses of Revenue</b>                        | <b>\$ 65,286</b>       | <b>\$ 69,146</b>    | <b>\$ 32,005</b>    | <b>\$ 24,085</b>    | <b>\$ 24,200</b>    | <b>\$ 25,960</b>    | <b>\$ 28,940</b>    | <b>\$ 28,617</b>    | <b>\$ 36,623</b>    | <b>\$ 38,384</b>    | <b>\$ 31,995</b>    | <b>\$ 33,294</b>    |

## NOTES:

- Includes impacts from 1/1/2025 payment of 2024AB Bonds and estimated impacts from 1/1/2025 payment of 2024EF Bonds.
- Excludes revenues collected through common use charges.
- Reflects Subsidy Payment from United States Treasury for interest paid to GARB, Series 2010B Bonds, which are qualified as Build America Bonds.
- Includes PFC Revenues pledged to pay debt service on all or portions of the Series 2016F, 2017B, 2020C, 2020E, 2024E, and 2024F Bonds.
- Includes non-pledged PFC Revenues assumed to be applied to existing outstanding debt service.
- Net of capitalized interest. Includes debt service on outstanding bonds and actual debt service on the 2024 Bonds and future bonds. Assumes future bonds are issued as Senior Lien debt.
- Reflects the increase of the reserve requirement from 21.6% of annual O&M Expenses in 2024 to 25% in 2025 and thereafter as required by the AULA.

SOURCES: City of Chicago, Department of Aviation, October 2024; Ricondo &amp; Associates, Inc., October 2024.



**ATTACHMENT 2**

2024 Report of the Airport Consultant



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# Report of the Airport Consultant

Chicago O'Hare International Airport

General Airport Senior Lien Revenue Bonds,  
Series 2024A (AMT), Series 2024B (Non-AMT)

Prepared for:

City of Chicago

Prepared by:

RICONDO

Ricondo & Associates, Inc. (Ricondo) prepared this document for the stated purposes as expressly set forth herein and for the sole use of the City of Chicago and its intended recipients. The techniques and methodologies used in preparing this document are consistent with industry practices at the time of preparation, and this Report should be read in its entirety for an understanding of the analysis, 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.

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2024 Report



August 16, 2024

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 2024A (AMT), Series 2024B (Non-AMT)

Dear Ms. Rhee:

Ricondo & Associates, Inc. (Ricondo) is pleased to present this Report of the Airport Consultant (the Report) for inclusion as Appendix E in the Official Statement for the City of Chicago, Chicago O'Hare International Airport, General Airport Senior Lien Revenue Bonds, Series 2024A (AMT) and Series 2024B (Non-AMT) (collectively, the 2024AB Bonds). The 2024AB Bonds will be issued pursuant to an ordinance adopted by the Chicago City Council on June 12, 2024 (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-Fifth and Seventy-Sixth 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 2024AB Bonds are payable from a first lien pledge of the Revenues generated from the operation of the Airport.

Proceeds of the 2024AB Bonds, at the time of this Report, are anticipated to:

- (i) fund portions of the Airport Capital Program, as herein defined;
- (ii) retire certain portions of the City's outstanding Credit Agreement Notes used to fund certain costs of the Airport Capital Program;
- (iii) fund the Reserve Requirement of the Common Debt Service Reserve Sub-Fund for the 2024AB Bonds;
- (iv) fund capitalized interest on a portion of the 2024AB Bonds;
- (v) pay costs and expenses incidental to the issuance of the 2024AB Bonds; and
- (vi) at the City's election, purchase a Bond Insurance Policy.

Unless otherwise defined herein, all capitalized terms in this Report are used as defined in the Official Statements for the 2024AB Bonds or the Senior Lien Indenture.

In addition to the 2024AB 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) 2024 through 2035 (the Projection Period) based on the assumptions regarding the planned issuance of the 2024AB 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 2024AB 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 \$46 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 municipal 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

Ms. Jamie L. Rhee  
Chicago Department of Aviation  
August 16, 2024  
Page 3

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.

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2024 Report

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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 2024A (AMT) and Series 2024B (Non-AMT) (collectively, the 2024AB Bonds).<sup>1</sup>

The 2024AB Bonds will be issued pursuant to the ordinance adopted by the Chicago City Council on June 12, 2024 (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 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 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 to which this report is attached as an appendix and/or the Senior Lien Indenture.

In developing the analyses, Ricondo reviewed key provisions of the Senior Lien Indenture; the terms of the 2024AB 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 2024AB 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] 2024 through FY 2035), which provide the basis for the forecasts of passenger activity and the projections of financial performance presented in this Report.<sup>2</sup>

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 details are included in Chapters 1 through 5 of this Report, which should be read in its entirety.

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<sup>1</sup> 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.

<sup>2</sup> Fiscal Year ending December 31.

## THE 2024AB BONDS

The 2024AB Bonds are being issued to provide funding for portions of the Airport Capital Program, defined herein, approved pursuant to the 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 2024AB Bonds are anticipated to fund approximately \$872.8 million of projects in the Airport Capital Program, including certain projects initially funded with Credit Agreement Notes.

Additionally, proceeds from the 2024AB Bonds are expected to be used to: (i) fund the Reserve Requirement of the Common Debt Service Reserve Sub-Fund for the 2024AB Bonds; (ii) fund capitalized interest on a portion of the 2024AB Bonds; (iii) pay costs and expenses incidental to the issuance of the 2024AB Bonds; and (iv) at the City's election, purchase a Bond Insurance Policy.

Pursuant to the terms of the Senior Lien Indenture, the 2024AB 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.

In addition to the 2024AB Bonds, the City expects to issue additional Senior Lien Bonds pursuant to the Bond Ordinance, which would utilize the remaining authorization provided under the Bond Ordinance, subject to market conditions. The City anticipates issuing Series 2024C and Series 2024D General Airport Senior Lien Revenue Refunding Bonds (collectively, the 2024CD Bonds) following the issuance of the 2024AB Bonds, to refund certain Senior Lien Bonds currently outstanding. Additionally, the City anticipates issuing Series 2024E and Series 2024F General Airport Senior Lien Revenue Bonds (collectively, the 2024EF Bonds) to fund capital projects. The 2024CD and 2024EF bonds are assumed to be issued in 2024 and designated as such, but any issuances and their timing is subject to change at the City's discretion. Additional information on the 2024AB Bonds is provided in Chapter 1 of this report. Assumptions with respect to the 2024CD Bonds, 2024EF Bonds, and other future bonds is provided in Chapter 5 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 203 gates, depending on aircraft parking positions and configurations.<sup>3</sup> Three terminal buildings (Terminals 1, 2, and 3) include 172 gates and serve domestic flights, certain international departures, and international arrivals from destinations that have been precleared by US Customs and Border Protection (US CBP). Terminals 1, 2, and 3 are centrally located within the airfield area. Terminal 5 includes domestic and international terminal facilities and is located in the eastern portion of the terminal area. It has 31 gates and 4 hardstand positions.<sup>4</sup> Terminal 5 serves domestic and international flights, including all international arrivals requiring federal inspection services (FIS). Capital projects to add gates are ongoing and

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<sup>3</sup> 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. The total number of gates is as of June 2024 and denotes the total parking positions as configured at that time. The gate count may increase or decrease based on the use of the Airport's multiple aircraft ramp system (MARS) configurations. A MARS gate has the ability to accommodate different aircraft sizes based on their configuration.

<sup>4</sup> 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.

described in Section 2.2 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 the 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.

## 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 new projects that received funding approval in the AULA, projects approved under previous agreements (with authority carried forward in the AULA), new projects approved subsequent to the AULA and planned projects within the projection period. **Exhibit S-1** shows the Airport's existing facilities and projects that are part of the Airport Capital Program. Additional details are provided in Chapter 2 of this Report.

### **Terminal Area Plan**

The Terminal Area Plan (TAP)<sup>5</sup> was developed to address gate constraints and enhance the processing of passengers and baggage, 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 (Satellite 1 Concourse and Satellite 2 Concourse) will also be built west of the OGT/OGC. The TAP allows the two hubbing airlines, United Airlines (United) and American Airlines (American), 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 the secured area, 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 to provide gate flexibility. The TAP will include connectivity to Terminals 1 and 3. Additional square footage 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 approximately 220 gates, depending on the operational use of Multiple Aircraft Ramp System (MARS). TAP components were approved in an environmental review by the Federal Aviation Administration (FAA) with the Finding of No Significant Impact/Record of Decision in November 2022. TAP design and construction are on-going. Taxiway and apron work, drainage projects, and utility work to support the OGT/OGC, Satellite 1 Concourse, and Satellite 2 Concourse are ongoing. Enabling Satellite 1 Concourse construction work began in 2023, and the start of the Satellite 1 Concourse structure is anticipated in summer 2025. The full program is anticipated to be completed in 2034. The AULA included approximately \$6.1 billion of budget authority for TAP in 2018 dollars and provisions for escalation which are described in more detail in Section 2.2.1.

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<sup>5</sup> The AULA includes funding for "Phase I TAP Elements" and provisions for potential "Additional TAP Elements". For purposes of this report, "TAP" is used to reference the Phase 1 TAP Elements unless otherwise noted.

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SOURCES: Chicago Department of Aviation, June 2024; Chicago O'Hare International Airport, *Future Airport Layout Plan*, December 2022; Nearmap, April 9, 2024 (aerial photography - for visual reference only, may not be to scale) Ricondo & Associates, Inc., June 2024.

EXHIBIT S-1

AIRPORT CAPITAL PROJECTS



Drawing: P:\\_PROJECTS\Chicago\20-01-1199\Financial\ORD\2024 Feasibility Report\CAD\Ex 2-3\_Airport Capital Projects.dwg Layout: EX S-1\_No Headers (2) Plotted: Jul 1, 2024, 06:58PM

A 10-gate expansion of Terminal 5, approved prior to the AULA, was completed in January 2023, and additional projects at Terminal 5 are ongoing as part of the TAP projects approved in the AULA. The ongoing projects include a complete replacement of the Terminal 5 baggage handling system, a new checked baggage inspection system, improvements to landside circulation, and a repurposing of the core to accommodate an anticipated increase in domestic air traffic at the terminal.

The Terminal 3 Concourse L Three-Gate Expansion project is ongoing and includes two gates that opened in 2023 and a third gate that is anticipated to open in 2025.

### ***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 includes the additional approval of approximately \$2.45 billion of project funding (in 2018 dollars). This includes approximately \$1.7 billion of Pre-Approved CIP Projects, \$600 million of Pre-Approved Allowances, and \$168 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 \$504 million of additional projects since the signing of the AULA. For purposes of the financial analysis of this Report, an additional \$572 million of new projects that are anticipated in the projection period are included. The CIP also includes approximately \$748 million of ongoing projects that received funding approval prior to the AULA, and such funding approval is reaffirmed in the AULA.

### ***Airport Capital Program Costs***

A summary of the capital program costs is included on **Exhibit S-2. Table S-1** shows the Airport Capital Program costs assumed in the financial analysis. Costs are escalated based on the historical authorized escalation through May 2024 and assumed future escalation based on the estimated timing of each project and provisions of the AULA. The AULA budget authority and capital project estimates evolve with time due to escalation provisions in the agreement. Section 2.2.1 provides additional information on capital project costs and funding approvals.

The total costs of Airport Capital Program projects anticipated to be undertaken during the Projection Period are approximately \$12.0 billion (in escalated dollars). <sup>6</sup> Table S-1 summarizes the Airport Capital Program financial plan included in the in the financial analysis. The 2024AB Bonds are anticipated to fund approximately \$872.8 million of the Airport Capital Program. The additional funding sources are shown in Table S-1, including existing bonds, future bonds (including the 2024EF Bonds), and grants and other funding sources. The financial analysis in this Report incorporates all of these sources, including estimated future debt associated with the Airport Capital Program. Additional information on the Airport Capital Program is included in Chapters 2.

## **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.<sup>7</sup> This relationship is particularly true for origin and destination (O&D) passenger traffic, which has historically accounted for the majority 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.

<sup>6</sup> Amount does not include costs of closed and substantially complete projects. Certain substantially complete projects have residual funding authority in the project cashflows beyond May 2024. These amounts are estimated at \$89.7 million, a portion of which may or may not be utilized. The financial analysis included in this Report assumes the full authorized amount for these substantially complete projects.

<sup>7</sup> The geographical area served by an airport is commonly referred to as an airport's air trade area.



CHICAGO O'HARE INTERNATIONAL AIRPORT

EXHIBIT S-2 THE CAPITAL PROGRAM COSTS



NOTES:

AULA – Airline Use and Lease Agreement      CIP- Capital Improvement Program      TAP- Terminal Area Plan

1 The AULA provided authority in 2018 unescalated dollars and provides escalation provisions based on the Construction Cost Index (CCI) for the Chicago area. Funding authority and Capital Program estimates will evolve with time due to the AULA provisions. Capital Program costs for purposes of the financial analysis in this Report account for actual escalation through May 2024 and estimated future escalation based on an assumed schedule of projects and an assumed CCI growth (5.0 percent per year).

SOURCES: City of Chicago, O'Hare International Airport Airline Use and Lease Agreement, June 2018; City of Chicago, August 2018; Jefferies Group LLC, August 2024.

TABLE S-1 CAPITAL PROGRAM COST AND FUNDING SOURCES (IN THOUSANDS)

| AULA PROJECT                           | TOTAL PROJECT (ESCALATED) <sup>1</sup> | PREVIOUSLY FUNDED  | 2024AB BONDS     | 2024EF BONDS     | FUTURE BONDS       | GRANTS AND OTHER FUNDING |
|--|--|--------------------|------------------|------------------|--------------------|--------------------------|
| Phase I TAP Elements                   | \$8,373,392                            | \$1,160,873        | \$518,338        | \$190,849        | \$6,503,332        | \$-                      |
| Pre-Approved CIP Projects              | \$1,224,879                            | \$247,731          | \$170,140        | \$120,013        | \$619,679          | \$67,315                 |
| Pre-Approved Allowances <sup>2</sup>   | \$534,437                              | \$2,157            | \$17,473         | \$15,397         | \$99,409           | \$400,000                |
| <b>Subtotal On-Going AULA Projects</b> | <b>\$10,132,707</b>                    | <b>\$1,410,762</b> | <b>\$705,952</b> | <b>\$326,259</b> | <b>\$7,222,420</b> | <b>\$467,315</b>         |
| Previously Approved Projects           | \$744,878                              | \$583,603          | \$62,715         | \$21,913         | \$76,646           | \$-                      |
| New Approvals and Proposed Projects    | \$1,075,917                            | \$170,922          | \$104,087        | \$35,753         | \$453,174          | \$311,980                |
| <b>Total Capital Program</b>           | <b>\$11,953,502</b>                    | <b>\$2,165,287</b> | <b>\$872,755</b> | <b>\$383,925</b> | <b>\$7,752,240</b> | <b>\$779,295</b>         |

NOTES:

AULA – Airline Use and Lease Agreement      CIP – Capital Improvement Program      TAP – Terminal Area Plan

Numbers may not add due to rounding.

1 The AULA provided authority in 2018 unescalated dollars and provides escalation provisions based on the Construction Cost Index (CCI) for the Chicago area. Funding authority and Capital Program estimates will evolve with time due to the AULA provisions. Capital Program costs for purposes of the financial analysis in this Report account for actual escalation through May 2024 and estimated future escalation based on an assumed schedule of projects and an assumed CCI growth (5.0 percent per year).<sup>2</sup> Including Infrastructure Reliability projects.

SOURCES: City of Chicago, O'Hare International Airport Airline Use and Lease Agreement, June 2018; City of Chicago, August 2018; Jefferies Group LLC, August 2024.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

The Airport's Air Trade Area (ATA)<sup>8</sup> 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 historical 2022 and projected 2035 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.

TABLE S-2 PROJECTIONS OF ECONOMIC VARIABLES USED IN PASSENGER DEMAND FORECAST

| VARIABLE                               | 2022         | 2035         | CAGR<br>2022-2035 |
|--|--------------|--------------|-------------------|
| ATA Population                         | 9,553,062    | 9,769,970    | 0.2%              |
| US Population                          | 333,271,411  | 361,600,435  | 0.6%              |
| ATA Total Employment                   | 6,414,028    | 7,289,762    | 1.0%              |
| US Total Employment                    | 212,442,020  | 249,077,315  | 1.2%              |
| ATA Total Personal Income (\$million)  | \$594,665    | \$753,601    | 1.8%              |
| US Total Personal Income (\$million)   | \$18,803,588 | \$25,162,043 | 2.3%              |
| ATA Per Capita Personal Income         | \$62,249     | \$77,134     | 1.7%              |
| US Per Capita Personal Income          | \$56,421     | \$69,585     | 1.6%              |
| ATA Gross Regional Product (\$million) | \$720,235    | \$925,083    | 1.9%              |
| US Gross Domestic Product (\$million)  | \$21,788,014 | \$28,528,044 | 2.1%              |
| ATA Per Capita GRP                     | \$75,393     | \$94,686     | 1.8%              |
| US Per Capita GDP                      | \$65,376     | \$78,894     | 1.5%              |

## NOTES:

ATA – Air Trade Area

CAGR – Compound Annual Growth Rate

GDP – Gross Domestic Product

GRP – Gross Regional Product

All dollar amounts are in 2017 dollars. 2035 data are Woods & Poole Economics, Inc., (Woods & Poole) projections.

2022 is the last year of historical data in the Woods & Poole database and is the basis for Woods & Poole's future projections.

Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

SOURCE: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024.

## 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 and American, the first and second largest airlines globally in terms of scheduled available seat miles in 2024, 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.

<sup>8</sup> For purposes of this Report, the Airport's ATA consists of the Chicago-Naperville-Elgin Metropolitan Statistical Area (MSA), the Kankakee MSA, and the Kenosha MSA. For more information, see Section 3.1 of this Report.

Based on US Department of Transportation (USDOT) survey data, the Chicago market<sup>9</sup> was ranked third in the nation in terms of domestic O&D passengers in 2023, following the Los Angeles<sup>10</sup> and New York markets.<sup>11</sup> Based on airline bookings data, the Airport ranked fifth in the nation in terms of total O&D passengers for the year 2023. 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 the world. In 2023, the Airport ranked second worldwide for scheduled operations, with 681,666 takeoffs and landings, behind Atlanta.

A total of 21 US flag airlines and 37 foreign-flag airlines have scheduled passenger airline service at the Airport during the 12-month period ending December 2024. More than 30 all-cargo airlines provided service at the Airport in 2023. In 2023, United and American, combined with their regional affiliates, accounted for 47.7 percent and 29.9 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 3.9 percent from 2014 to 2019. The CAGR for enplaned passengers for 2014 to 2023 was 0.5 percent. Specific points regarding enplaned passengers are as follows:

- From 2014 to 2019, total enplaned passengers increased from approximately 35.0 million to 42.2 million, which represented a CAGR of 3.9 percent. During the same period, domestic enplaned passengers increased at a CAGR of 3.5 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 2014 and 2019, which represented a CAGR of 5.6 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 61.5 percent to approximately 13.5 million, and international enplaned passengers decreased 74.6 percent to approximately 1.8 million. The impact of the COVID-19 pandemic is presented in more detail in Section 4.4.1.
- 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. In 2022, total enplaned passengers increased 26.5 percent to 34.1 million, followed by a 7.3 percent increase in 2023 to 36.6 million.
- In the first half of 2024, total enplaned passengers increased 9.4 percent compared to the first half of 2023, driven by an 8.1 percent increase in domestic enplaned passengers and a 15.1 percent increase in international enplaned passengers.

Of the passengers served by the Airport, O&D passenger traffic represents approximately 61 percent of total traffic, with connecting passenger traffic representing approximately 39 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;

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<sup>9</sup> Includes Chicago O'Hare International and Chicago Midway International Airports.

<sup>10</sup> Includes Los Angeles International, John Wayne (Orange County), Ontario International, Hollywood Burbank, and Long Beach Airports.

<sup>11</sup> Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

- 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 approximately 3.3 percent from the base year of 2023 through the end of the Projection Period in 2035.

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

| YEAR              | ENPLANED PASSENGERS |               |            |
|-------------------|---------------------|---------------|------------|
|                   | DOMESTIC            | INTERNATIONAL | TOTAL      |
| <b>Historical</b> |                     |               |            |
| 2014              | 29,559,975          | 5,392,787     | 34,952,762 |
| 2015              | 32,877,967          | 5,517,938     | 38,395,905 |
| 2016              | 33,015,851          | 5,856,818     | 38,872,669 |
| 2017              | 33,587,845          | 6,228,043     | 39,815,888 |
| 2018              | 34,598,046          | 6,965,297     | 41,563,343 |
| 2019              | 35,168,714          | 7,079,656     | 42,248,370 |
| 2020              | 13,549,416          | 1,801,630     | 15,351,046 |
| 2021              | 24,169,431          | 2,775,928     | 26,945,359 |
| 2022              | 28,459,387          | 5,636,323     | 34,095,710 |
| 2023              | 29,916,091          | 6,681,679     | 36,597,770 |
| <b>Forecast</b>   |                     |               |            |
| 2024              | 33,153,664          | 7,180,513     | 40,334,177 |
| 2025              | 34,145,522          | 7,559,584     | 41,705,106 |
| 2026              | 35,181,788          | 7,913,816     | 43,095,605 |
| 2027              | 36,189,811          | 8,174,306     | 44,364,117 |
| 2028              | 37,197,769          | 8,435,637     | 45,633,406 |
| 2029              | 38,208,054          | 8,698,287     | 46,906,342 |
| 2030              | 39,220,854          | 8,881,215     | 48,102,069 |
| 2031              | 40,169,495          | 9,067,639     | 49,237,135 |
| 2032              | 41,119,319          | 9,252,278     | 50,371,597 |
| 2033              | 42,071,488          | 9,435,458     | 51,506,946 |
| 2034              | 43,027,558          | 9,617,496     | 52,645,055 |
| 2035              | 43,987,381          | 9,798,367     | 53,785,748 |
| <b>CAGR</b>       |                     |               |            |
| 2014 – 2019       | 3.5%                | 5.6%          | 3.9%       |
| 2014 – 2023       | 0.1%                | 2.4%          | 0.5%       |
| 2023 – 2035       | 3.3%                | 3.2%          | 3.3%       |

## NOTE:

CAGR – Compound Annual Growth Rate

SOURCES: City of Chicago, Department of Aviation, June 2024 (historical); Ricondo & Associates, Inc., June 2024 (forecast).

## FINANCIAL ANALYSIS

The Airport is owned by the City, operated by the 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 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 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 for Long-Term Signatory Airlines.<sup>12</sup>

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 2024AB Bonds, the 2024EF Bonds, and additional future GARBs necessary for funding the Airport Capital Program and Pre-Approved Allowances through the Projection Period. Additional information on the assumptions for future bonds is included in Section 5.7.

Results of the financial analysis are as follows:

- O&M Expenses are projected to increase from \$871.6 million in 2024 to approximately \$1.49 billion in 2035, representing a CAGR of 5.0 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 \$40.0 million of annually approved Pre-Approved Allowances and portions of the remaining \$168.0 million allowance for Infrastructure Reliability allowance, will be expended in each year of 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 with GARBs, as discussed in Chapter 5.
- Non-Airline Revenues are projected to increase from \$374.7 million in 2024 to \$637.3 million in 2035, a CAGR of 4.9 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 Section 5.4.

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<sup>12</sup> The analysis included in this Report assumes the terms of the AULA continue through the Projection Period.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

- Net Debt Service (including estimated debt service on the 2024AB Bonds and projected debt service on the 2024EF Bonds and 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 \$578.3 million in FY 2024; it is projected to increase throughout the Projection Period to approximately \$1.25 billion in 2035. For the purposes of the financial analysis, the January 1, 2025 debt service payment on the 2024AB Bonds is assumed to be collected during the City's 2024 settlement process and does not impact FY 2024 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 \$28.43 in 2024, and it is projected to increase to \$40.06 in 2035 (which equates to approximately \$25.71 in 2024 dollars).

The projected Airport rates and charges and resulting Airport 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 fourth-most-populous metropolitan region in the United States, and the Chicago Market was ranked third in the nation in terms of domestic O&D passengers in calendar year 2023—following the Los Angeles and New York City 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 and important hub for United and American** – The Airport's central location and proximity to heavily traveled east-west airways make it a natural location for airline connecting activities, and it is complementary to airline route networks. The Airport has been a long-time connecting hub for United and American, serving a significant role within their US domestic route networks, an important international gateway for European, Asian, and Canadian passenger traffic, and 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 completed and upcoming approved capital projects designed to provide operational efficiency at the Airport. Although the funding of these projects contributes to increased Airport user fees, these projects support the ability for airlines to increase service and long-term activity growth at the Airport. The recently completed OMP, along with the O'Hare 21 projects, are providing the necessary facilities for efficient airline operations and facilities that support passenger activity and revenue generation. In addition, Airport user fees are not generally a key contributor to an airline's profitability performance in the United States.

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 2024 through 2035. 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.<sup>13</sup>

In addition to Airport Revenues, the financial analysis assumes the City will apply as Other Available Moneys PFC Revenues through the Projection Period equal to the amount of annual debt service on the Series 2016C 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.<sup>14</sup> In addition to Airport Revenues, the City has also pledged as Other Available Moneys Grant Receipts from the 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.<sup>15</sup> 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 2024 through 2035, 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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<sup>13</sup> 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.

<sup>14</sup> 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.

<sup>15</sup> As of July 2024, the City has received \$545.0 million of the \$625.0 million FAA LOI discretionary grant, of which \$45.0 million has been applied to the payment of debt service on the Series 2011B Bonds or Series 2017C Bonds (which refunded the Series 2011B GARBs), \$60 million has been applied to or held for payment of the Series 2016B Bonds, and the remaining \$80 million (anticipated FFY2024—2026 LOI installments) is pledged to the Series 2016E Bonds.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE S-4 GENERAL AIRPORT REVENUE BOND DEBT SERVICE COVERAGE

(For Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2024                   | 2025               | 2026               | 2027               | 2028               | 2029               | 2030               | 2031               | 2032               | 2033               | 2034               | 2035               |
| <b>COVERAGE CALCULATION <sup>1</sup></b>                                       |                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Total Revenue plus Pledged Other Available Moneys and Applied PFCs             | \$1,713,806            | \$1,819,247        | \$1,876,219        | \$1,952,216        | \$2,023,190        | \$2,159,249        | \$2,200,587        | \$2,253,908        | \$2,542,946        | \$2,695,512        | \$2,845,868        | \$3,011,557        |
| Plus: Prior Period Debt Service Coverage and Prior Period ARE and CRE Revenues | 214,902                | 233,756            | 251,067            | 263,336            | 276,616            | 292,268            | 315,411            | 320,168            | 324,519            | 370,681            | 403,839            | 433,600            |
| <b>Adjusted Total Revenue</b>  | <b>\$1,928,708</b>     | <b>\$2,053,003</b> | <b>\$2,127,286</b> | <b>\$2,215,552</b> | <b>\$2,299,806</b> | <b>\$2,451,518</b> | <b>\$2,515,999</b> | <b>\$2,574,076</b> | <b>\$2,867,465</b> | <b>\$3,066,192</b> | <b>\$3,249,707</b> | <b>\$3,445,157</b> |
| Less:  |                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| O&M Expenses   | \$871,645              | \$944,666          | \$1,002,677        | \$1,044,847        | \$1,087,246        | \$1,133,167        | \$1,185,047        | \$1,236,280        | \$1,303,527        | \$1,374,295        | \$1,432,284        | \$1,492,873        |
| Allowable Airline Liaison Office Expenses                                      | 1,400                  | 1,470              | 1,544              | 1,621              | 1,702              | 1,787              | 1,876              | 1,970              | 2,068              | 2,172              | 2,280              | 2,394              |
| <b>Net Revenue Available for Senior Lien Coverage</b>                          | <b>\$1,055,663</b>     | <b>\$1,106,867</b> | <b>\$1,123,066</b> | <b>\$1,169,085</b> | <b>\$1,210,858</b> | <b>\$1,316,564</b> | <b>\$1,329,076</b> | <b>\$1,335,825</b> | <b>\$1,561,869</b> | <b>\$1,689,726</b> | <b>\$1,815,142</b> | <b>\$1,949,890</b> |
| <b>Senior Lien Debt Service <sup>2</sup></b>                                   | <b>\$699,821</b>       | <b>\$727,918</b>   | <b>\$768,445</b>   | <b>\$809,060</b>   | <b>\$835,020</b>   | <b>\$915,277</b>   | <b>\$920,005</b>   | <b>\$922,679</b>   | <b>\$1,094,007</b> | <b>\$1,186,896</b> | <b>\$1,288,891</b> | <b>\$1,392,301</b> |
| <b>Senior Lien GARB Debt Service Coverage</b>                                  | <b>1.51x</b>           | <b>1.52x</b>       | <b>1.46x</b>       | <b>1.44x</b>       | <b>1.45x</b>       | <b>1.44x</b>       | <b>1.44x</b>       | <b>1.45x</b>       | <b>1.43x</b>       | <b>1.42x</b>       | <b>1.41x</b>       | <b>1.40x</b>       |
| <b>Other Required Uses of Revenue</b>  |                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| O&M Reserve Fund   | \$17,969               | \$18,255           | \$14,503           | \$10,543           | \$10,600           | \$11,480           | \$12,970           | \$12,808           | \$16,812           | \$17,692           | \$14,497           | \$15,147           |
| Supplemental O&M Reserve Fund <sup>3</sup>                                     | 44,317                 | 47,891             | 14,503             | 10,543             | 10,600             | 11,480             | 12,970             | 12,808             | 16,812             | 17,692             | 14,497             | 15,147             |
| 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              | 3,000              |
| <b>Total Other Required Uses of Revenue</b>                                    | <b>\$65,286</b>        | <b>\$69,146</b>    | <b>\$32,005</b>    | <b>\$24,085</b>    | <b>\$24,200</b>    | <b>\$25,960</b>    | <b>\$28,940</b>    | <b>\$28,617</b>    | <b>\$36,623</b>    | <b>\$38,384</b>    | <b>\$31,995</b>    | <b>\$33,294</b>    |

## NOTES:

ARE- Aeronautical Real Estate

CRE- Commercial Real Estate

GARB- General Airport Revenue Bond

PFC- Passenger Facility Charge

1 Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.

2 Net of capitalized interest. Includes debt service on outstanding bonds and estimated debt service on the 2024AB Bonds, 2024EF Bonds, and future bonds. Assumes future bonds are issued as Senior Lien debt.

3 Reflects the increase of the reserve requirement from 21.6 percent of annual O&amp;M Expenses in 2024 to 25 percent in 2025 and thereafter as required by the AULA.

SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo &amp; Associates, Inc., August 2024.



## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE S-5 PROJECTED AIRLINE COST PER ENPLANED PASSENGER

(For Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|--|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  | 2024                   | 2025               | 2026               | 2027               | 2028               | 2029               | 2030               | 2031               | 2032               | 2033               | 2034               | 2035               |
| Total Airline Revenue                            | \$1,207,676            | \$1,274,543        | \$1,323,758        | \$1,392,065        | \$1,459,315        | \$1,574,714        | \$1,594,895        | \$1,625,730        | \$1,854,965        | \$1,969,058        | \$2,087,388        | \$2,227,703        |
| Less: Cargo Landing Fee Revenue                  | (60,949)               | (61,625)           | (64,315)           | (66,870)           | (69,709)           | (72,748)           | (73,783)           | (75,273)           | (75,582)           | (80,450)           | (84,893)           | (72,944)           |
| <b>Total Passenger Airline Requirement</b>       | <b>\$1,146,727</b>     | <b>\$1,212,917</b> | <b>\$1,259,443</b> | <b>\$1,325,195</b> | <b>\$1,389,606</b> | <b>\$1,501,966</b> | <b>\$1,521,112</b> | <b>\$1,550,457</b> | <b>\$1,779,383</b> | <b>\$1,888,608</b> | <b>\$2,002,495</b> | <b>\$2,154,759</b> |
| Total Projected Enplaned Passengers <sup>2</sup> | 40,334                 | 41,705             | 43,096             | 44,364             | 45,633             | 46,906             | 48,102             | 49,237             | 50,372             | 51,507             | 52,645             | 53,786             |
| Total Airline Cost per Enplaned Passenger        |                        |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Current Dollars                                  | \$28.43                | \$29.08            | \$29.22            | \$29.87            | \$30.45            | \$32.02            | \$31.62            | \$31.49            | \$35.33            | \$36.67            | \$38.04            | \$40.06            |
| 2024 Dollars <sup>3</sup>                        | \$28.43                | \$28.24            | \$27.55            | \$27.34            | \$27.06            | \$27.62            | \$26.48            | \$25.60            | \$27.89            | \$24.97            | \$25.15            | \$25.71            |

## NOTES:

- 1 Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.
- 2 Enplaned passenger total in 2024 reflects forecast amount, which differs from amount in the City's 1<sup>st</sup> 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, July August; Ricondo &amp; Associates, Inc., August 2024.

# 1. THE 2024AB BONDS

## 1.1 THE 2024AB BONDS

The 2024AB Bonds will be issued pursuant to the ordinance adopted by the Chicago City Council on June 12, 2024 (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 Trust Company, National Association, Chicago, Illinois, as supplemented by the Supplemental Indentures from the City to the Trustee. The Senior Lien Master Indenture, as supplemented by the Seventy-Fifth and Seventy-Sixth 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 to which this report is attached as an appendix and/or the Senior Lien Indenture. The 2024AB Bonds include the 2024A Bonds and 2024B Bonds.

The City expects to use the proceeds from the sale of the 2024AB Bonds to:

- (i) fund portions of the Airport Capital Program, as herein defined;
- (ii) retire certain portions of the City's outstanding Credit Agreement Notes used to fund certain costs of the Airport Capital Program;
- (iii) fund the Reserve Requirement of the Common Debt Service Reserve Sub-Fund for the 2024AB Bonds;
- (iv) fund capitalized interest on a portion of the 2024AB Bonds;
- (v) pay costs and expenses incidental to the issuance of the 2024AB Bonds; and
- (vi) at the City's election, purchase a Bond Insurance Policy.

The 2024AB 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 2024AB Bonds. These preliminary numbers, presented for illustrative purposes, serve as the basis for the debt service on the 2024AB Bonds reflected in the financial analysis herein and are subject to change.

The financial analysis presented herein does not reflect the impact of a refunding of existing Senior Lien Bonds. However, the City may choose to refund existing debt in conjunction with this issuance or one soon thereafter which would have the potential to reduce Senior Lien annual debt service.

## 1.2 THE INDENTURE OF TRUST

### ***Security for the 2024AB Bonds***

Pursuant to the terms of the Senior Lien Indenture, the 2024AB 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 Senior Lien Indenture.

TABLE 1-1 2024AB BONDS ESTIMATED SOURCES AND USES

| 2024AB BONDS   |                          |
|--|--------------------------|
|  | ESTIMATED TOTALS         |
| <b>Sources</b>                                       |                          |
| Par Amount of Bonds                                  | \$1,052.8 million        |
| Net Original Issue Premium                           | \$26.4 million           |
| <b>Total Sources of Funds at Closing</b>             | <b>\$1,079.2 million</b> |
| <b>Uses</b>  |                          |
| Deposit to Project Fund                              | \$365.0 million          |
| Deposit to Repay Credit Agreement Notes <sup>1</sup> | \$595.8 million          |
| Deposit to Capitalized Interest Accounts             | \$79.2 million           |
| Deposit to Common Debt Service Reserve Sub-Fund      | \$30.8 million           |
| Cost of Issuance                                     | \$8.4 million            |
| <b>Total Uses of Funds at Closing</b>                | <b>\$1,079.2 million</b> |

## NOTES:

Numbers may not add due to rounding.

Assumes market rates as of July 2024, plus up to 50 basis points depending on the maturity.

The City may elect to purchase a bond insurance policy in connection with the issuance of the 2024AB Bonds. The anticipated uses summarized above do not include the amount of a Bond Insurance Policy.

<sup>1</sup> Approximately \$89.7 million is associated with past projects or substantially complete projects.

SOURCE: Jefferies, August 2024.

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 FY and any cash balance held in the Revenue Fund on the first day of that FY 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.<sup>16</sup>

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.

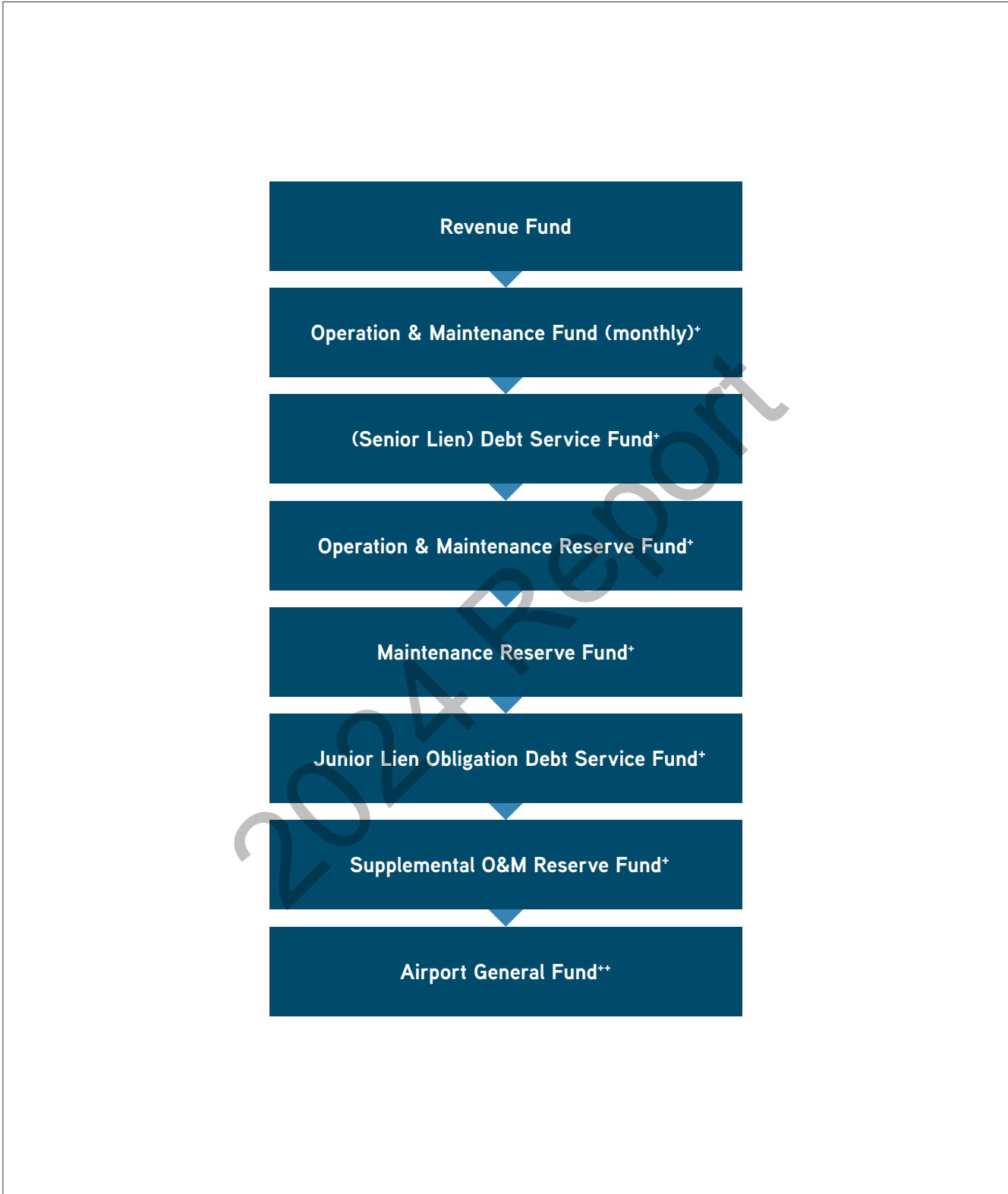
The City may issue Refunding Bonds, either by satisfying the debt service coverage requirement, or by satisfying the applicable requirements in the Senior Lien Indenture.

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.

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<sup>16</sup> 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.

CHICAGO O'HARE INTERNATIONAL AIRPORT



NOTES: O&M – Operation and Maintenance

+ Amounts on deposit at Fiscal Year-end in excess of the amount required to be held in the fund under the Senior Lien Indenture or any Supplemental Indenture are transferred to Revenue Fund.

++ Moneys in the Airport General Fund may be applied, used, and withdrawn by the City for any lawful airport purposes of O'Hare, 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 2024AB Bonds and the 2024EF Bonds, if and when issued.

### 2.1 AIRPORT FACILITIES

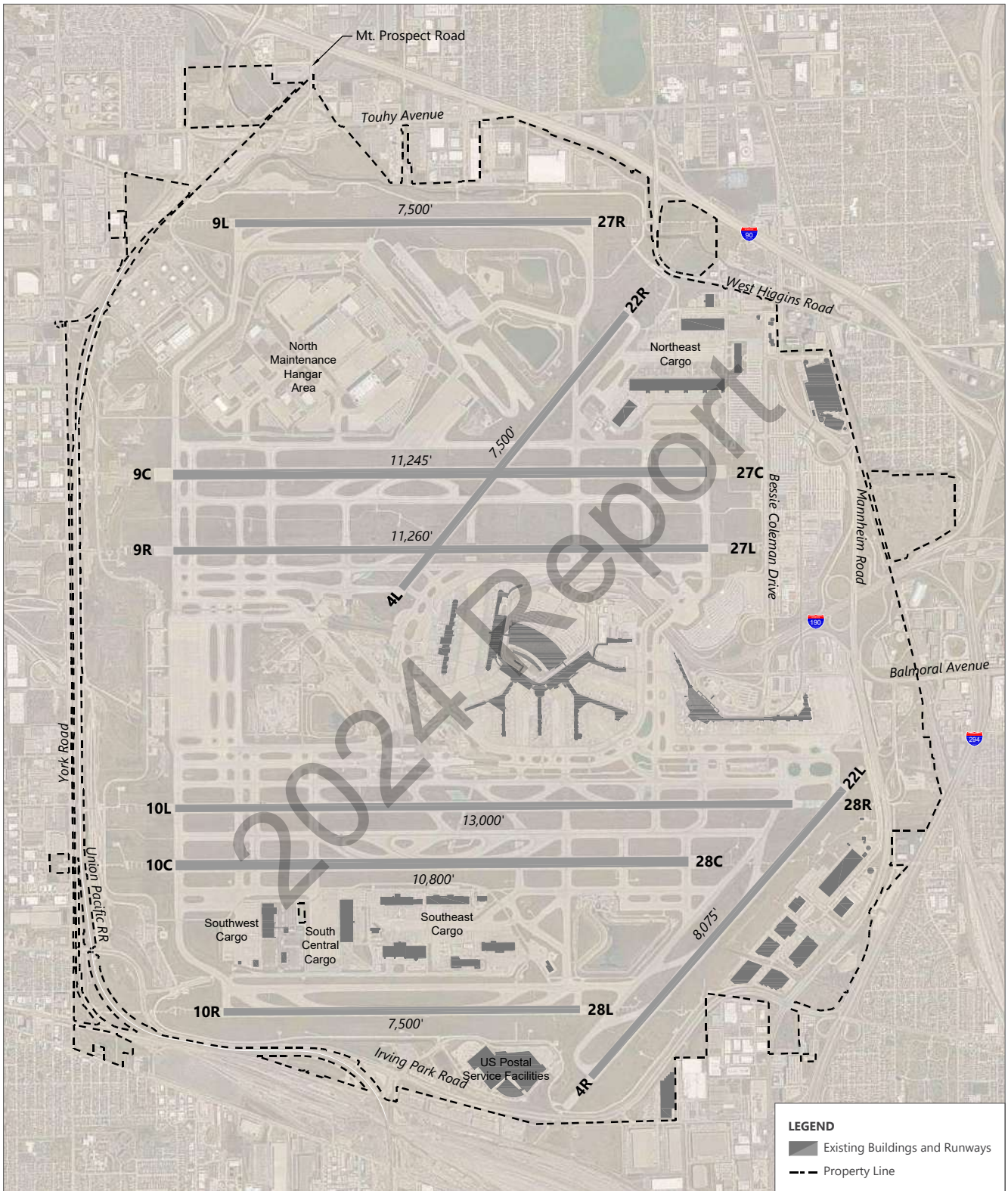
The Airport occupies over 7,200 acres of land 18 miles northwest of downtown Chicago. **Exhibit 2-1** shows the existing Airport layout. Its primary facilities consist of the airfield, terminal area, air cargo and maintenance / Airport support areas, surface access, and parking. These facilities are 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. 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 66 percent when comparing the pre-OMP period of 2000 through 2008 to 2009 through 2023. **Exhibit 2-2** shows the OMP airfield reconfiguration.

CHICAGO O'HARE INTERNATIONAL AIRPORT



SOURCES: Chicago Department of Aviation, June 2024; Chicago O'Hare International Airport, *Future Airport Layout Plan*, December 2022; Nearmap, April 9, 2024 (aerial photography - for visual reference only, may not be to scale) Ricondo & Associates, Inc., June 2024.

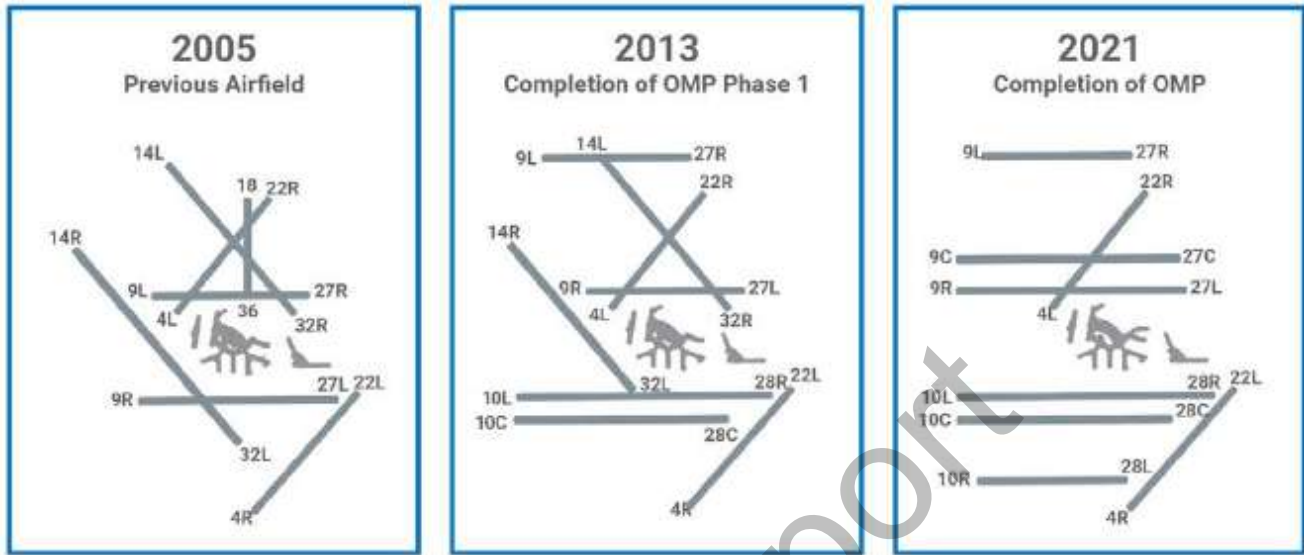
EXHIBIT 2-1

EXISTING AIRPORT LAYOUT



Drawing: P:\\_PROJECTS\Chicago\20-01-1199\Finance\ORD\2024 Feasibility Report\CAD\Ex 2-1\_Existing Airport Layout.dwg Layout: EX 2-1\_No Headers Plotted: Jul 1, 2024, 03:36PM

EXHIBIT 2-2 O'HARE MODERNIZATION PROGRAM AIRFIELD RECONFIGURATION



NOTE:  
 OMP- O'Hare Modernization Program  
 SOURCE: Ricondo & Associates, Inc., August 2024

**2.1.2 TERMINAL AREA**

The airlines serving the Airport operate from four terminal buildings with 203 gates, depending on aircraft parking positions and configurations.<sup>17</sup> The terminals support the Airport's ability to serve as an international gateway and network connecting hub for United Airlines (United) and American Airlines (American). Three terminal buildings, (Terminals 1, 2, and 3) include 172 gates, and serve domestic flights, certain international departures, and certain international arrivals from destinations that have been precleared 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 either a Preferential Use or a Common Use basis. Preferential Use Gate Space is only leased to Long-Term Signatory Airlines.

Terminal 5 (Concourse M) includes international terminal facilities and is located in the eastern portion of the terminal area. It has 31 gates and 4 hardstand positions as of June 2024.<sup>18</sup> Terminal 5 serves all international arrivals requiring federal inspection services (FIS), some US CBP Preclearance international arrivals, and certain domestic departures and arrivals. The Airport Transit System (ATS) provides passengers with transportation, free of charge, between the four terminals and the Multi-Modal Facility (MMF). The MMF includes public parking and a consolidated rental car facility (CRCF).

<sup>17</sup> 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. The total number of gates is as of June 2024 and denotes the total parking positions as configured at that time. The gate count may increase or decrease based on the use of the Airport's multiple aircraft ramp system (MARS) configurations. A MARS gate has the ability to accommodate different aircraft sizes based on their configuration.

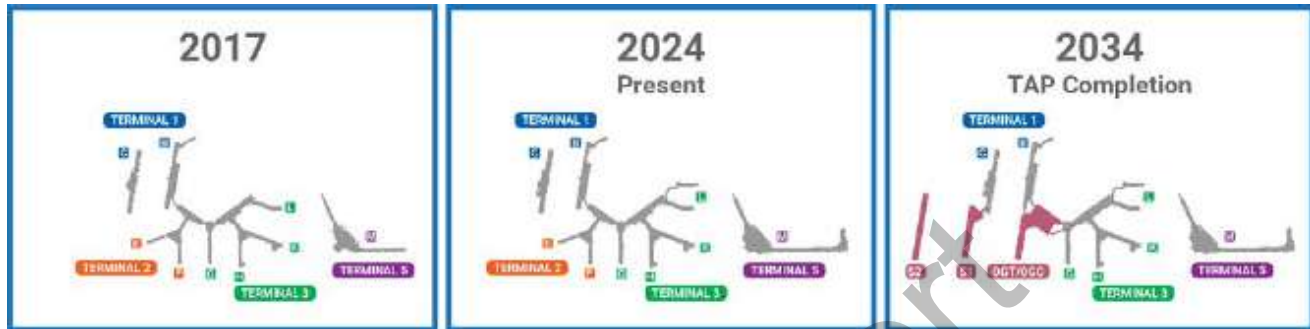
<sup>18</sup> A hardstand is a paved area for parking airplanes that is remote from the terminal building. Hardstands can be used for repairs and overnight parking, as well as for enplaning and deplaning passengers.



## CHICAGO O'HARE INTERNATIONAL AIRPORT

An expansion of Terminal 5 was completed in March 2023, and a larger terminal expansion redevelopment project, the Terminal Area Plan (TAP), is on-going. **Exhibit 2-3** shows the evolution of the terminal area. Information about the terminal capital projects is included in Section 2.2.

## EXHIBIT 2-3 O'HARE TERMINAL DEVELOPMENT



NOTE:

TAP - Terminal Area Plan

SOURCE: Ricondo & Associates, Inc., August 2024

**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 1.4 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, and Star Alliance partner Air Canada. 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. The TAP includes the redevelopment of Terminal 2, which is discussed in Section 2.2.

**Terminal 3** is primarily used by American, American's regional affiliates, Aer Lingus, and international departures of American's oneworld partners British Airways, Japan Airlines, and Iberia. 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 but use Terminal 2 for ticketing and baggage processing. 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, and Concourse L (which includes the Concourse L Extension and the Concourse L Three-Gate Expansion). The Three-Gate Expansion project comprises additional concourse, apron, taxiway space, and three additional aircraft gate positions to Concourse L. Two of the three gates of this expansion opened in March 2024, with the third gate to be completed in 2025 following the demolition of an adjacent communications building and relocation of related infrastructure serving the Airport. The terminal core 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, the Concourse L Extension and Three-Gate Expansion comprise approximately 2.0 million square feet.

Improvements to Terminal 3 were selected for \$90 million in Bipartisan Infrastructure Law (BIL) Airport Terminal Program (ATP) competitive grants (\$50 million in Federal Fiscal Year [FFY] 2023 and \$40 million in FFY 2024). This project, known as "ElevateT3", is currently under construction and is reconfiguring and streamlining passenger security screening checkpoints, expanding passenger circulation and holdroom space, reconfiguring and upgrading the baggage claim area and systems, expanding accessibility for passengers with disabilities, and developing new

commercial space.

**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, Delta Air Lines (Delta), Frontier Airlines (Frontier), Southwest Airlines (Southwest), and Sun Country Airlines (Sun Country) operate at Terminal 5. Delta moved from Terminal 2 to Terminal 5 in October 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 US 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 can 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 TAP, discussed in Section 2.2, will provide an additional FIS checkpoint accessible by Terminals 1, 2, and 3, addressing the current requirement to transfer from Terminal 5 for most connecting passengers. Today, Terminal 5 has approximately 1.2 million square feet of floor area.

Other facilities adjacent to the terminals include a hotel, parking facilities and a heating and refrigeration (H&R) plant. The 10-story hotel, operated by Hilton Hotels Corporation, is located directly across from Terminals 1, 2, and 3, and provides approximately 860 guest rooms, as well as restaurants and meeting facilities. Garage and surface lot parking are available in the terminal area, and are discussed in more detail in Section 2.1.6. The H&R plant, located northeast of Terminal 3, 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. The Chicago, IL port, as defined by the U.S. Census Bureau and inclusive of the Airport, processed approximately \$310.4 billion in shipments in 2023, ranking it as the number two port in the United States in terms of the value of shipments<sup>19</sup>. Since 2017, Chicago, IL consistently ranks in the top three United States ports in terms of the value of shipments,<sup>20</sup> and the Airport consistently ranks in the top 20 of the Airports Council International's Busiest Air Cargo Hub ranking<sup>21</sup>. 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 use 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, which added approximately 135,000 square feet of additional airside cargo facilities, was opened in June 2023.

### 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

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<sup>19</sup> U.S. Census Bureau: Economic Indicators Division USA Trade Online, U.S. Import and Export Merchandise trade statistics (accessed July 22, 2024).

<sup>20</sup> U.S. Census Bureau: Economic Indicators Division USA Trade Online, U.S. Import and Export Merchandise trade statistics (accessed July 22, 2024).

<sup>21</sup> Airports Council International, July 16, 2024, (accessed July 19, 2024).

maintenance and a large aircraft service center. Other Airport support areas surrounding the airfield include an Airport maintenance complex used to store snow removal and other Airport maintenance equipment, one flight kitchen, and miscellaneous ground service equipment facilities, all 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 approximately 2,620 public parking spaces. A bus plaza at the MMF is currently used by off-Airport rental car shuttles, Pace Suburban Bus, on-Airport remote parking shuttles, and regional bus operations, while hotel shuttles and off-Airport parking shuttles operate in the terminal core.

#### 2.1.4.2 AIRPORT TRANSIT SYSTEM

The ATS opened in 1993, providing people mover service between terminals outside of security. 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. For connecting passengers, the ATS is available outside of security for travel between Terminals 1, 2, 3, and 5. A secure airside bus service is also available for transferring passengers between Terminals 5 and Terminals 1 and 3 without the need to exit and re-enter security.

The ATS is available 24-hours. A busing operation is available for use in irregular operations, such as an ATS shutdown, if needed.

#### 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 (Illinois Route 390 (IL 390)), the construction of the O'Hare Western Bypass—new I-490 toll road—along the west side of the Airport that connects I-90 and I-294, and an IL 390/I-490 Interchange. Construction of the EOWA Project began in 2013 and the new Interchange is scheduled to be completed by the end of 2027.<sup>22, 23</sup> 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

<sup>22</sup> 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).

<sup>23</sup> ISTHA, "I-490/IL 390 Interchange Project" <https://www.illinoistollway.com/projects/490/interchange> (accessed August 13, 2024)

of Terminal 2, and the terminal parking garage. The Blue Line provides service to Chicago's "Loop", the circuit of CTA train lines 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 Bus and regional charter buses also serve the Airport providing connections to the surrounding suburbs and greater region.

### 2.1.6 PARKING

Approximately 19,020 public parking spaces are located in various facilities throughout the Airport. A 9,300-space parking garage (Lot A) is adjacent to Terminals 1 through 3. The garage contains Hourly, Daily, Reserved, and Premier parking areas. Daily parking in Lot A is supplemented by adjacent surface Lots B and C that provide approximately 2,830 spaces. Construction of a Terminal 5 parking garage, anticipated to be substantially complete in October 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 has been reduced from 950 to 380 spaces. Long-term surface public parking capacity currently consists of approximately 3,890 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. Economy parking Lot E was closed to the public in 2020 prior to the opening of Runway 9C-27C as it is located in the Runway Protection Zone (RPZ) of Runway 27C.

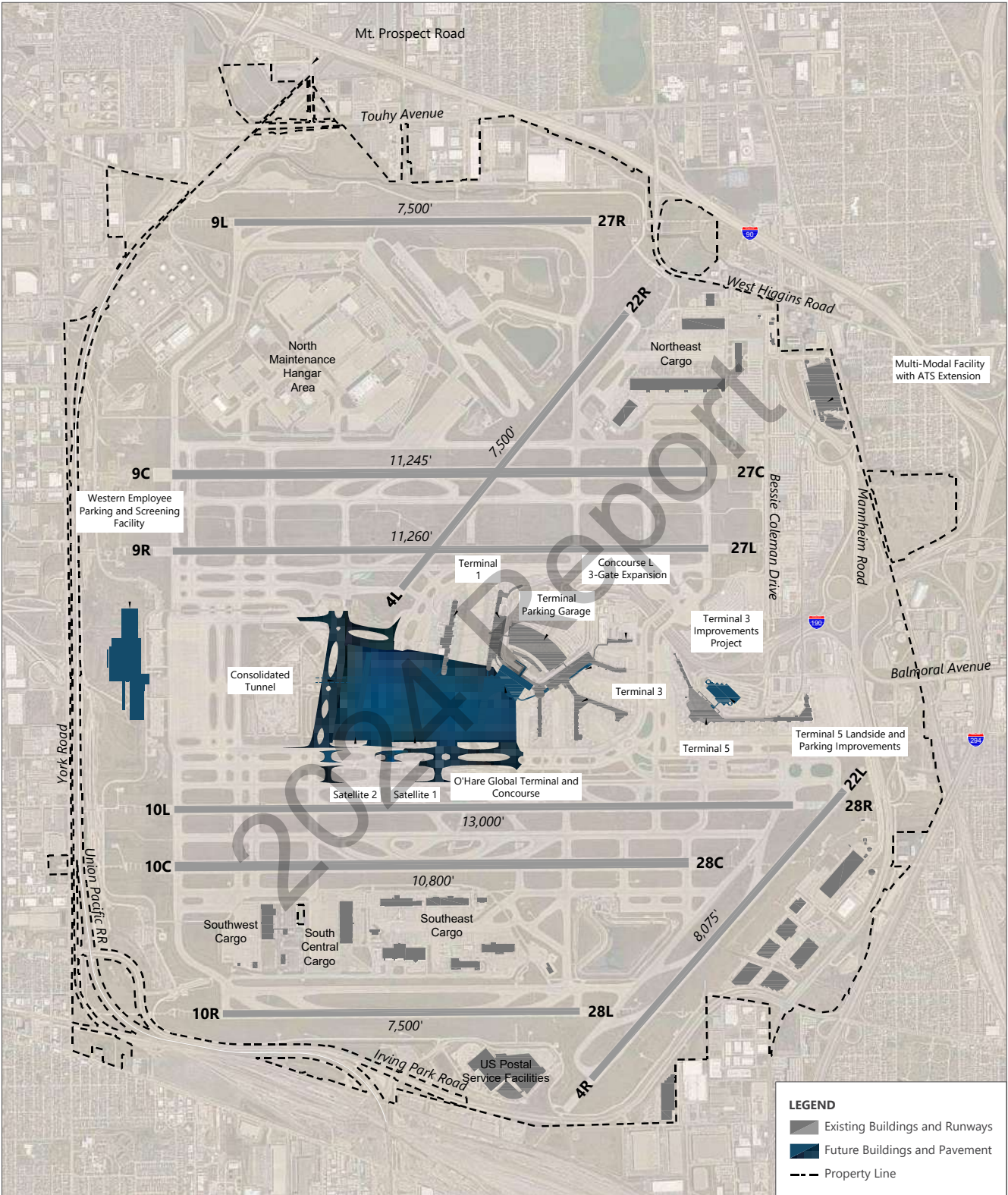
Employee parking consists of approximately 20,000 spaces. The main employee surface parking lots are within the Northwest Maintenance Hangar Area (primarily for American), the Bravo pad accessed from Bessie Coleman Drive (for United employees), and various other locations within the terminal area and 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, and 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 21<sup>st</sup> century. **Exhibit 2-4** shows the Airport capital projects.

CHICAGO O'HARE INTERNATIONAL AIRPORT



SOURCES: Chicago Department of Aviation, June 2024; Chicago O'Hare International Airport, *Future Airport Layout Plan*, December 2022; Nearmap, April 9, 2024 (aerial photography - for visual reference only, may not be to scale) Ricondo & Associates, Inc., June 2024.

EXHIBIT 2-4

AIRPORT CAPITAL PROJECTS



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## 2.2.1 CAPITAL PROJECT COSTS AND FUNDING APPROVAL

As part of the 15-year AULA signed in 2018, approximately \$8.5 billion<sup>24</sup> in new funding authority was provided for capital project costs. The funding approval was in 2018 unescalated dollars with AULA provisions for increasing the project budgets based on the timing of individual projects and published construction cost inflation in the Chicago area. Therefore, the funding authority is able to evolve depending on i) the timing of projects, which is not prescribed in the AULA, and ii) future escalation factors.

The AULA capital project funding authority included 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. The scope and budget information for these projects is defined in AULA exhibits:

- Exhibit L – Phase I TAP Elements: A set of terminal-related projects totaling approximately \$6.1 billion (in 2018 dollars)<sup>25</sup>
- Exhibit N – Pre-Approved CIP Projects: 96 individual capital projects that address airport-wide capital needs, including the remaining OMP runway project, totaling approximately \$1.7 billion (in 2018 dollars).
- Exhibit O – Pre-Approved Allowances: An annual allowance of approximately \$40 million for projects within designated cost centers. Additionally, a \$168 million allowance can be drawn down throughout the term of the AULA on projects to address the reliability of infrastructure such as repairs, upgrades, and replacement of existing airport infrastructure. Exhibit O approvals total approximately \$768 million (in 2018 dollars).

Provisions in the AULA that address the authority to escalate project funding authority apply to projects included in Exhibits L and N. These provisions account for the timing of projects given that cost estimates were developed in 2018 dollars. Additional AULA exhibits related to capital projects include Exhibit J which carries forward authority provided prior to the AULA, and Exhibit M which defines additional TAP elements.

**Table 2-1** shows the capital funding authority for new projects approved in the AULA (in 2018 dollars), additional budget authority the City has received to date for certain AULA projects and estimated completion dates. Estimated completion dates are assumed for cash flow purposes and are subject to change as the program progresses. AULA Exhibit L includes items attributable to all TAP project elements such as soft costs, design and construction contingencies, and management reserve. These have been allocated to project elements in Table 2-1, but the allocation may change as the projects progress. AULA Exhibit O includes Infrastructure Reliability projects, intended for repairs, upgrades, and existing Airport infrastructure, including mechanical, electrical, and plumbing equipment. With regard to contingency, approximately \$630.4 million (2018 dollars) is included in the AULA for TAP. All of the contingency is allocated to project elements for purposes of this Report. However, only \$184.8 million of the AULA contingency has been programmed by the City as of August 2024, leaving approximately \$445.6 million that may be reallocated differently than assumed herein as TAP progresses. No additional approvals are needed to change the allocation of the contingency and other costs currently distributed to TAP project elements.

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<sup>24</sup> Funding approval was in 2018 dollars with allowance for escalation.

<sup>25</sup> 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, Satellite 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.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 2-1 AIRLINE USE AND LEASE AGREEMENT FUNDING APPROVAL SUMMARY

| AULA PROJECT   | PROJECT COMPONENTS   | PROJECT COSTS<br>(2018 DOLLARS UNESCALATED, IN THOUSANDS) |                         |                        | ESTIMATED<br>COMPLETION <sup>1</sup> |
|--|--|---|-------------------------|------------------------|--------------------------------------|
|  |  | AULA<br>APPROVAL  | ADDITIONAL<br>APPROVALS | TOTAL AULA<br>PROJECTS |                                      |
| Phase I TAP Elements<br>(AULA Exhibit L)               | Central Detention Basin Elimination & South<br>Detention Basin Expansion                   | \$223,000   |                         | \$223,000              | 2033                                 |
|  | Satellite 1 Concourse  | \$730,000   |                         | \$730,000              | 2028                                 |
|  | Satellite 2 Concourse  | \$527,000   |                         | \$527,000              | 2034                                 |
|  | Concourse L 3-Gate Expansion   | \$25,063  | \$28,763                | \$53,826               | 2025                                 |
|  | Terminal 5 Landside and Parking Improvements<br>(Parking Garage)                           | \$222,000   |                         | \$222,000              | 2024                                 |
|  | Consolidated APM, Pedestrian, and Utility Tunnel<br>(Phase 1 Segments)                     | \$665,000   |                         | \$665,000              | 2034                                 |
|  | Baggage Handling System (BHS) Equipment  | \$825,000   |                         | \$825,000              | 2034                                 |
|  | Terminal 2 Redevelopment - O'Hare Global<br>Terminal (OGT) & O'Hare Global Concourse (OGC) | \$1,830,000   |                         | \$1,830,000            | 2032                                 |
|  | Terminal 5 Repurposing and Core Expansion<br>Stage 1 (Term. core area Mod. and Exp.)       | \$250,000   |                         | \$250,000              | 2027                                 |
|  | TAP Phase 1 Utilities  | \$493,000   |                         | \$493,000              | 2034                                 |
|  | Western Parking and Screening Facilities   | \$215,000   |                         | \$215,000              | 2027                                 |
|  | Concourse L 5-Gate Buyout  | \$78,000  |                         | \$78,000               | Complete (2018)                      |
|  | <b>Total Exhibit L</b>   |   | <b>\$6,083,063</b>      | <b>\$28,763</b>        | <b>\$6,111,826</b>                   |
| Pre-Approved CIP<br>Projects<br>(AULA Exhibit N)       | Remaining OMP Airfield Projects  | \$334,443   |                         | \$334,443              | 2021                                 |
|  | Capital Improvement Projects   | \$1,352,032   | \$22,572                | \$1,374,604            | On-Going                             |
|  | <b>Total Exhibit N</b>   | <b>\$1,686,475</b>  | <b>\$22,572</b>         | <b>\$1,709,047</b>     |                                      |
| <b>Subtotal Total Airport Capital Program Projects</b> |  | <b>\$7,769,538</b>  | <b>\$51,335</b>         | <b>\$7,820,873</b>     |                                      |
| Pre-Approved<br>Allowances<br>(AULA Exhibit O)         | Pre-Approved Allowances <sup>2</sup>   | \$600,000   |                         | \$600,000              | \$40 million<br>Annually             |
|  | Infrastructure Reliability Allowance <sup>3</sup>  | \$168,157   |                         | \$168,157              | On-Going                             |
| <b>Total AULA Funding Approval</b>                     |  | <b>\$8,536,695</b>  | <b>\$51,335</b>         | <b>\$8,589,030</b>     |                                      |

## NOTES:

AULA – Airline Use and Lease Agreement

APM- Automated People Mover

CIP – Capital Improvement Program

TAP – Terminal Area Plan

OMP – O'Hare Modernization Program

Numbers may not add due to rounding.

1 Estimated completion dates are assumed for cashflow purposes only and are subject to change.

2 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.

3 Excludes costs of projects recategorized as part of Previously Approved Projects (AULA Exhibit J).

SOURCES: City of Chicago, *O'Hare International Airport Airline Use and Lease Agreement*, June 2018; City of Chicago, August 2024.

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**Table 2-2** shows the total Airport Capital Program costs in 2018 dollars and estimated escalated dollars. In addition to the AULA projects, the Airport's Capital Program includes Previously Approved Projects that were approved prior to the AULA, which approval is reaffirmed in the AULA, new projects that received funding authority under the AULA provisions but not included in the original AULA projects, and planned projects that are anticipated within the projection period. Of \$1.1 billion of new and planned projects, approximately \$503.9 million have received AULA approval, which included a Majority-In-Interest (MII) review by the signatory airlines in which they did not disapprove the project.

TABLE 2-2 TOTAL CAPITAL PROGRAM COST (IN THOUSANDS)

| AULA PROJECT                             | PROJECT COSTS            |                                  |
|--|--------------------------|----------------------------------|
|  | 2018 DOLLARS UNESCALATED | ESCALATED DOLLARS <sup>1,2</sup> |
| Phase I TAP Elements                     | \$6,111,826              | \$8,451,392                      |
| Pre-Approved CIP Projects                | \$1,709,047              | \$1,992,149                      |
| Pre-Approved Allowances <sup>3</sup>     | \$768,157                | \$768,157                        |
| <b>Subtotal AULA</b>                     | <b>\$8,589,030</b>       | <b>\$11,211,698</b>              |
| <b>Completed Projects</b>                |                          |                                  |
| Phase I TAP Elements                     | \$(78,000)               | \$(78,000)                       |
| Pre-Approved CIP Projects                | \$(757,250)              | \$(767,270)                      |
| Pre-Approved Allowances                  | \$(233,720)              | \$(233,720)                      |
| <b>Subtotal Total Completed Projects</b> | <b>\$(1,068,971)</b>     | <b>\$(1,078,991)</b>             |
| <b>On-Going 2018 AULA Projects</b>       | <b>\$7,520,059</b>       | <b>\$10,132,707</b>              |
| Previously Approved Projects             | n/a                      | \$744,878                        |
| New Approvals and Proposed Projects      | n/a                      | \$1,075,917                      |
| <b>Total Capital Plan</b>                | <b>n/a</b>               | <b>\$11,953,502</b>              |

## NOTES:

AULA – Airline Use and Lease Agreement

CIP – Capital Improvement Program

TAP – Terminal Area Plan

Numbers may not add due to rounding.

1 The AULA provided authority in 2018 unescalated dollars and provides escalation provisions based on the Construction Cost Index (CCI) for the Chicago area. Funding authority and Capital Program estimates will evolve with time due to the AULA provisions. Capital Program costs for purposes of the financial analysis in this Report account for actual escalation through May 2024 and estimated future escalation based on an assumed schedule of projects and an assumed CCI growth (5.0 percent per year).

2 Includes AULA Provisions for Authorization for Baseline Changes processed to date and adjustments for projects that are projected to be completed under the AULA authorized budget.

3 Includes Infrastructure Reliability projects. Approximately \$600 million is assumed to be funded through rates and charges through the term of the AULA.

SOURCES: City of Chicago, O'Hare International Airport Airline Use and Lease Agreement, June 2018; City of Chicago, August 2024; Jefferies Group LLC, August 2024.

The total costs of Airport Capital Program projects anticipated to be undertaken during the Projection Period are approximately \$12.0 billion (in escalated dollars). <sup>26</sup> It is important to note that unlike many airport capital project funding approvals, which are a fixed amount, the AULA budget authority and capital project estimates evolve with time due to escalation provisions set forth in the AULA. For purposes of this financial analysis, escalated project costs were calculated based on project schedules as of August 2024, the historical Construction Cost Index (CCI) for

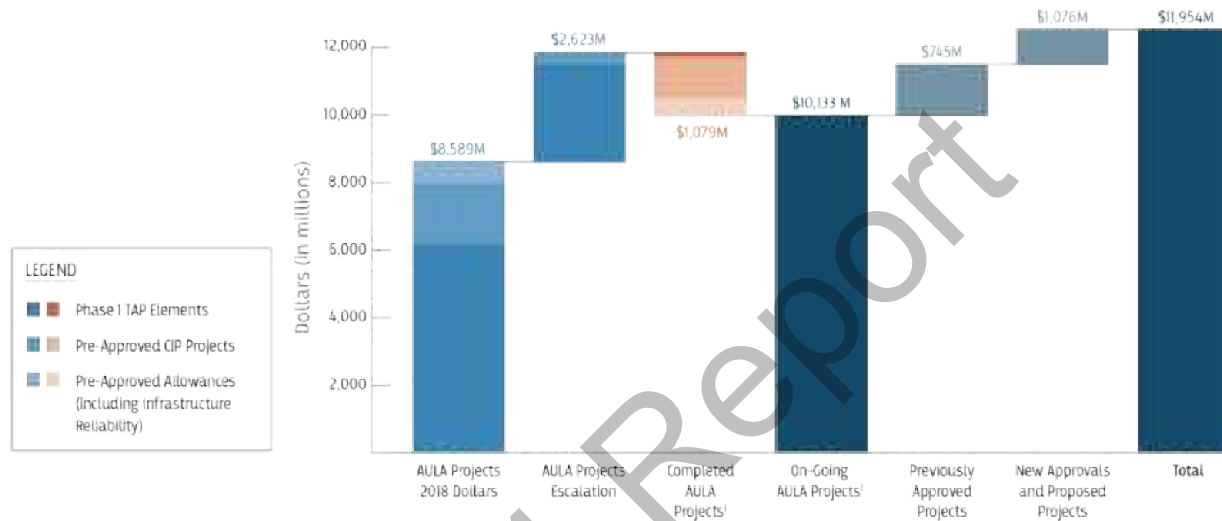
<sup>26</sup> Amount does not include costs of closed and substantially complete projects. Certain substantially complete projects have residual funding authority in the project cashflows beyond May 2024. These amounts are estimated at \$89.7 million, a portion of which may or may not be utilized. The financial analysis included in this Report assumes the full authorized amount for these substantially complete projects.



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the Chicago area published by Engineering News Record through June 2024, and an assumed future escalation assumption of 5.0 percent per year. For all months between January 2019 and May 2024, the growth of the CCI for the Chicago area, compared to the same month in the previous year, ranged from 0.2 percent to 10.5 percent. The escalated amounts shown in Table 2-2 include the application of escalation provisions between 0 and 15 years, depending on the project. A summary of the capital program costs is included on **Exhibit 2-5**.

EXHIBIT 2-5 CAPITAL PROGRAM COSTS



NOTES:

AULA – Airline Use and Lease Agreement

CIP- Capital Improvement Program

TAP- Terminal Area Plan

1 The AULA provided authority in 2018 unescalated dollars and provides escalation provisions based on the Construction Cost Index (CCI) for the Chicago area. Funding authority and Capital Program estimates will evolve with time due to the AULA provisions. Capital Program costs for purposes of the financial analysis in this Report account for actual escalation through May 2024 and estimated future escalation based on an assumed schedule of projects and an assumed CCI growth (5.0 percent per year).

SOURCES: City of Chicago, O'Hare International Airport Airline Use and Lease Agreement, June 2018; City of Chicago, August 2024; Jefferies Group LLC, August 2024.

**Table 2-3** shows the capital costs and funding sources assumed in the financial analysis included in this report. Approximately \$2.2 billion of projects have been funded with existing Senior Lien Bond proceeds. Proceeds from the 2024AB Bonds are assumed to fund approximately \$872.8 million, and the 2024EF Bonds and future Senior Lien Revenue Bond proceeds are assumed to fund approximately \$383.9 million and \$7.75 billion, respectively. The City anticipates approximately \$779.3 million of grants to fund the projects. The financial analysis only includes future grants that are formula-based: FAA Airport Improvement Program (AIP) entitlement grants and the BIL Airport Infrastructure Grants (AIG). The analysis does not assume future discretionary grants, although the City may apply for FAA AIP discretionary grants, BIL ATP grants, or other grant funding that becomes available. Approximately \$40 million of annual pre-approved allowances are funded directly through rates and charges. Additional information on the funding sources in the financial analysis is included in Chapter 5.

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The Airport Capital Program costs included in the financial analysis are for demonstrative purposes only and actual project costs are likely to differ from the costs presented in this report based on inflation, project timing, and other factors. The escalated dollar project amounts used in the financial analysis are described in Chapter 5 of this Report.

TABLE 2-3 CAPITAL PROGRAM FUNDING SOURCES (IN THOUSANDS)

| AULA PROJECT                           | TOTAL PROJECT (ESCALATED) <sup>1</sup> | PREVIOUSLY FUNDED  | 2024AB BONDS     | 2024EF BONDS     | FUTURE BONDS       | GRANTS AND OTHER FUNDING |
|--|--|--------------------|------------------|------------------|--------------------|--------------------------|
| Phase I TAP Elements                   | \$8,373,392                            | \$1,160,873        | \$518,338        | \$190,849        | \$6,503,332        | \$-                      |
| Pre-Approved CIP Projects              | \$1,224,879                            | \$247,731          | \$170,140        | \$120,013        | \$619,679          | \$67,315                 |
| Pre-Approved Allowances <sup>2</sup>   | \$534,437                              | \$2,157            | \$17,473         | \$15,397         | \$99,409           | \$400,000                |
| <b>Subtotal On-Going AULA Projects</b> | <b>\$10,132,707</b>                    | <b>\$1,410,762</b> | <b>\$705,952</b> | <b>\$326,259</b> | <b>\$7,222,420</b> | <b>\$467,315</b>         |
| Previously Approved Projects           | \$744,878                              | \$583,603          | \$62,715         | \$21,913         | \$76,646           | \$-                      |
| Proposed Projects                      | \$1,075,917                            | \$170,922          | \$104,087        | \$35,753         | \$453,174          | \$311,980                |
| <b>Total Capital Program</b>           | <b>\$11,953,502</b>                    | <b>\$2,165,287</b> | <b>\$872,755</b> | <b>\$383,925</b> | <b>\$7,752,240</b> | <b>\$779,295</b>         |

## NOTES:

AULA – Airline Use and Lease Agreement

CIP – Capital Improvement Program

TAP – Terminal Area Plan

Numbers may not add due to rounding.

1 The AULA provided authority in 2018 unescalated dollars and provides escalation provisions based on the Construction Cost Index (CCI) for the Chicago area. Funding authority and Capital Program estimates will evolve with time due to the AULA provisions. Capital Program costs for purposes of the financial analysis in this Report account for actual escalation through May 2024 and estimated future escalation based on an assumed schedule of projects and an assumed CCI growth (5.0 percent per year).

2 Including Infrastructure Reliability projects.

SOURCES: City of Chicago, O'Hare International Airport Airline Use and Lease Agreement, June 2018; City of Chicago, August 2024; Jefferies Group LLC, August 2024.

## 2.2.2 TERMINAL PROJECTS

### 2.2.2.1 TERMINAL 5 EXPANSION

The Terminal 5 Expansion broke ground in March 2019. The first phase of the Terminal 5 Expansion was constructed at a cost of approximately \$1.34 billion and was completed in phases in 2022 and 2023. A second phase of Terminal 5 projects is included in the TAP funding approval included in the AULA. In the second phase, portions of Terminal 5 and its facilities will be redeveloped, including the expansion of landside passenger circulation, the construction of a new passenger bridge from the new parking structure to the terminal over the roadways, and the redevelopment of the core to accommodate additional domestic activity when new FIS facilities become available at the O'Hare Global Terminal (OGT); these will be delivered in phases. At approximately 350,000 square feet, the first phase of the Terminal 5 Expansion increased 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 also brought the total number of TSA security checkpoint lanes to 13 lanes and improved FIS facilities, as well as renovated existing space. The first two permanent gates of the expansion opened in June 2022, three more opened in July 2022, and the remaining five gates became operational in March 2023. Delta moved to Terminal 5 from its previous location in Terminal 2 in October 2022. The move enabled 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 a new checked baggage inspection system, was completed at the end of 2023, increasing bag throughput capacity.

### 2.2.2.2 TERMINAL 3 CONCOURSE L THREE-GATE EXPANSION

The Terminal 3 Concourse L Three-Gate Expansion, once fully operational, 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 taxiway 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 were completed in 2023 with the third gate is expected to be completed in 2025 following the demolition of a communications building and relocation of related infrastructure serving the Airport. The funding for the project was included in AULA Exhibit L and a subsequent airline approval to amend the budget.

### 2.2.2.3 TERMINAL AREA PLAN

The TAP includes the redevelopment of Terminal 2 into the OGT and O'Hare Global Concourse (OGC); the construction of two satellite concourses, Satellite 1 Concourse and Satellite 2 Concourse; 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, with approval needed for certain changes in project scope or budget.

The Airport has a need for updated and 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 expected 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 improve 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 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 approximately 220 gates, depending on gate configuration. The TAP will

include MARS gates, enabling flexible use of the apron to accommodate a broad range of aircraft gauges and allowing 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 Airport 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 began with the completion of the TAP National Environmental Policy Act (NEPA) Environmental Assessment (EA) review with the Finding of No Significant Impact/Record of Decision in November 2022.

**Exhibit 2-6** 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.

#### 2.2.2.4 TERMINAL 2 REDEVELOPMENT – O'HARE GLOBAL TERMINAL AND CONCOURSE

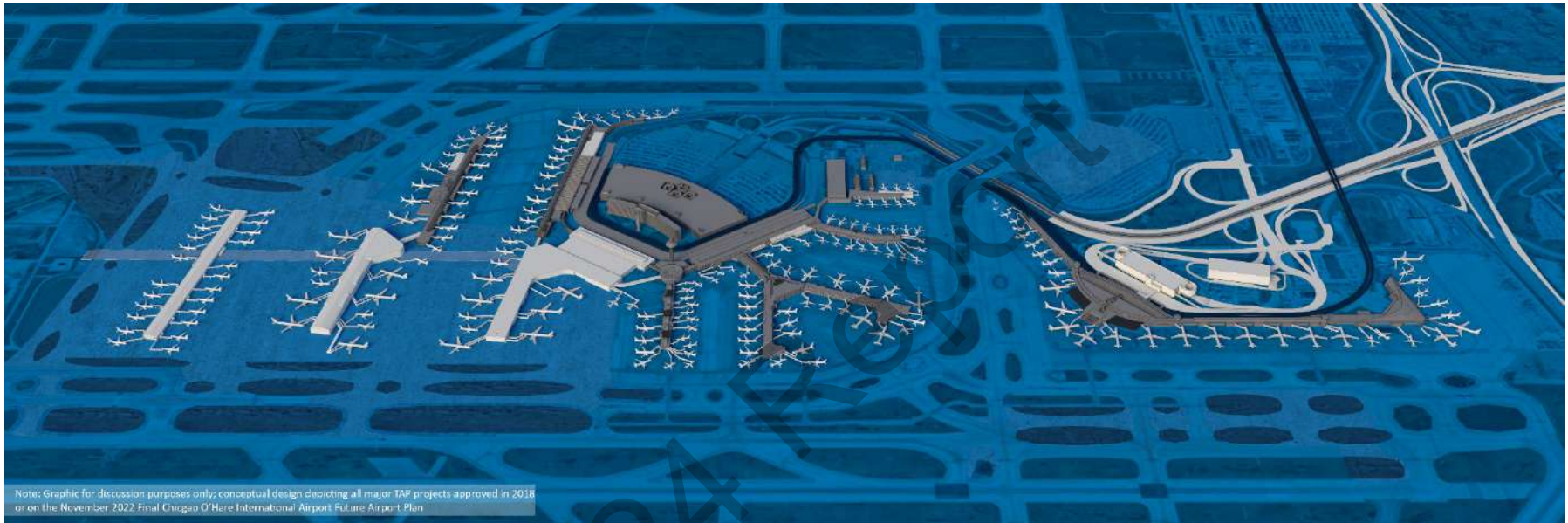
This project includes the redevelopment of existing Terminal 2 with a new multilevel facility expansion, totaling 1,570,000 square feet. The new concourse will extend in the same alignment from the south end of Concourse B. The OGT includes an FIS facility and is designed to serve both domestic and international flights. The project includes the potential 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 main 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 US CBP Preclearance markets out of the main terminal complex, and they operate international arrivals from airports without US CBP Preclearance out of Terminal 5. The current operations require international travelers arriving in Terminal 5 and connecting domestically to travel via the ATS to the main terminal complex and be rescreened through security checkpoints. After the completion of TAP, United and American, and their alliance partners, are anticipated to 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 2032.

In April 2024, the City prioritized the construction of Satellite 1 Concourse and O'Hare Global Terminal before the construction of Satellite 2 Concourse, following ongoing discussions with the Long-Term Signatory Carriers. The City's prioritization was accepted by the Long-Term Signatory Carriers and the financial analysis included in this Report assumes this prioritization. There were no changes to the AULA-approved budget or scope as part of this reprioritization.

#### 2.2.2.5 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 CBP, 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 by the end of 2028.

EXHIBIT 2-6 O'HARE 21 TERMINAL PROJECTS



NOTE:

TAP – Terminal Area Plan

SOURCE: Ricondo and Associates, Inc., April 2024.

#### **2.2.2.6 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 for MARS to accommodate a mix of aircraft sizes including regional jets, narrowbody and widebody aircraft to serve domestic and/or US CBP Preclearance international flights. For the purposes of the financial analysis included in this Report, the Satellite 2 Concourse is assumed to be completed in 2034.

#### **2.2.2.7 CONSOLIDATED AUTOMATED PEOPLE MOVER, PEDESTRIAN, AND UTILITY TUNNEL**

This project includes the construction of a tunnel system from the east end of Terminal 2, through the future Satellite 1 Concourse and Satellite 2 Concourse, to a point beyond the relocated Taxiways A and B, in order to 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 phases through 2034.

#### **2.2.2.8 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 and Satellite 2 Concourse, adjacent to the consolidated tunnel.

#### **2.2.2.9 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 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 substantially complete in October 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 2.2.4.

#### **2.2.2.10 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.

#### **2.2.2.11 TERMINAL AREA PLAN UTILITIES ALLOWANCE**

This project includes installation of site utilities to locations immediately outside the future Satellite 1 Concourse, Satellite 2 Concourse, OGT, and OGC. The costs to extend these systems from the current termination points to and inside the new terminal building are included in the estimates for those project components. Heating will be provided via the existing H&R plant, with supplemental cooling to be provided via the establishment of a midfield cooling facility.

#### **2.2.2.12 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 based upon a demand study to be conducted. For purposes of the financial analysis included in this Report, the western facility is assumed to be completed between 2025-2026.

### 2.2.2.13 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 complex.

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 Concourse Northern Extension
- Concourse G Redevelopment
- Terminal 3 Redevelopment
- Terminal Core Garage Redevelopment and Expansion
- Terminal 5 Landside and Parking Improvements (Phase 2)
- Western Parking and Screening Facility (Phase 2)
- BHS Equipment Expansion

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.

### 2.2.3 ADDITIONAL CAPITAL IMPROVEMENT PROGRAM PROJECTS

CIP projects address the Airport's ongoing maintenance, repair, and capital needs outside the aforementioned programs. The AULA includes the additional approval of approximately \$2.56 billion of project funding (in 2018 dollars). In addition, CDA has received approval for approximately \$503 million of additional projects since the signing of the AULA (in escalated dollars). Approximately \$748 million of projects from prior agreements are ongoing.

Significant projects included in the CIP are taxiway construction, runway rehabilitation, facility renovations, and maintenance of infrastructure and facilities.

### 2.2.4 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. These projects are funded by the respective agency and Airport funds are not used other than for on-Airport elements that relate to these access projects, which are included in the Airport Capital Program.

#### **2.2.4.1 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 between 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. Further information on the Terminal 5 roadway expansion can be found in Section 2.2.2.

#### **2.2.4.2 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 and includes a new, full-access interchange to connect the new I-490 Tollway, also known as the O'Hare Western Bypass, to the IL 390 Tollway and provide access to York Road, Thorndale Avenue, and Irving Park Road, as well as direct access into and out of O'Hare. This project is part of the broader EOWA package of transportation improvements by the ISTHA on the northwest, west, and southwest sides of O'Hare. The EOWA, is expected to relieve congestion and improve connectivity between local businesses, regional highways and major roadways, and on-Airport facilities. 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. As part of the AULA, a western employee parking and screening facility is anticipated to be the first development on a currently undeveloped site at the midpoint of the Airport's western boundary and will be accessed from the I-490 and IL 390 roadways.

2024 Report



## 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 a majority of passenger traffic annually 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 (ATA) (defined in Section 3.1) has an economic base capable of supporting increased airline traffic demand through the Projection Period (ending FY 2035).

### 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 ATA for the Airport refers to the Chicago-Naperville-Elgin Metropolitan Statistical Area (MSA), the Kankakee MSA, and the Kenosha MSA. As presented on **Exhibit 3-1**, the ATA 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

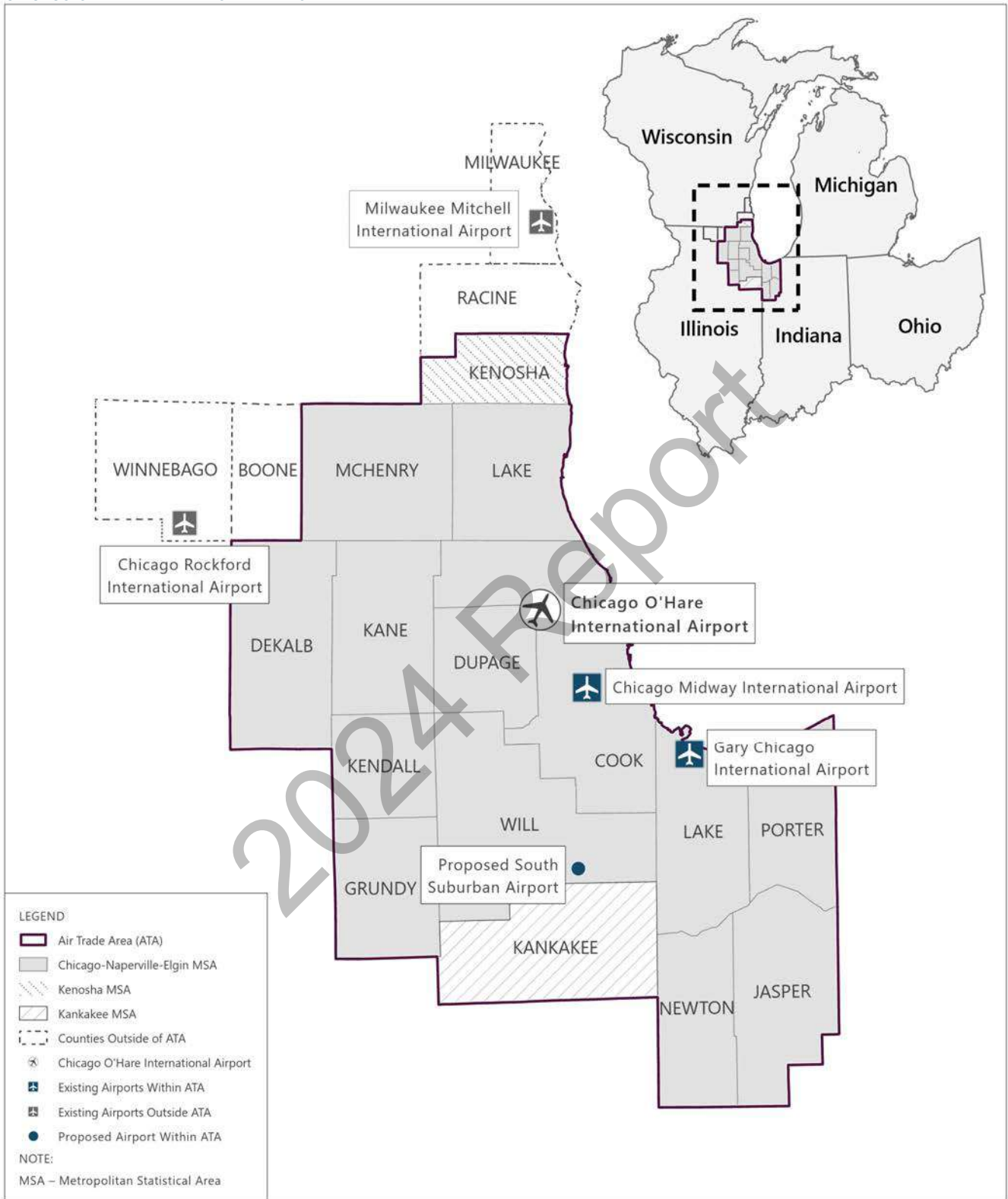
With a population of nearly 9.6 million in 2022, the ATA is the fourth-most-populous metropolitan region in the United States (see **Exhibit 3-2**), and it is a major air transportation market.

Population growth is a key factor regarding demand for airline travel. Data in **Table 3-1** show the ATA's population slightly declined between 2012 and 2022. The ATA's historical rate of population growth between 2002 and 2022 was relatively comparable to that of the Midwest<sup>27</sup> population, but it was lower than that of the United States—a relationship that is expected to prevail through 2035. Similarly, the ATA population projected for the period 2022 through 2035 reflects a compound annual growth rate (CAGR) of 0.2 percent—a rate that is comparable to what is projected for the Midwest (0.2 percent) but lower than what is projected for the United States (0.6 percent). The projected increase of approximately 217,000 new residents in the ATA during this period is expected to generate additional demand for airline service at the Airport.

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<sup>27</sup> The Midwest is defined as Illinois, Indiana, Michigan, Ohio, and Wisconsin.

CHICAGO O'HARE INTERNATIONAL AIRPORT



SOURCES: US Census, 2023 (county and state boundaries); US National Atlas Airports, 2018 (airports).

**EXHIBIT 3-1**



CHICAGO O'HARE INTERNATIONAL AIRPORT  
AIR TRADE AREA

EXHIBIT 3-2 TEN LARGEST METROPOLITAN REGIONS IN THE UNITED STATES (2022)



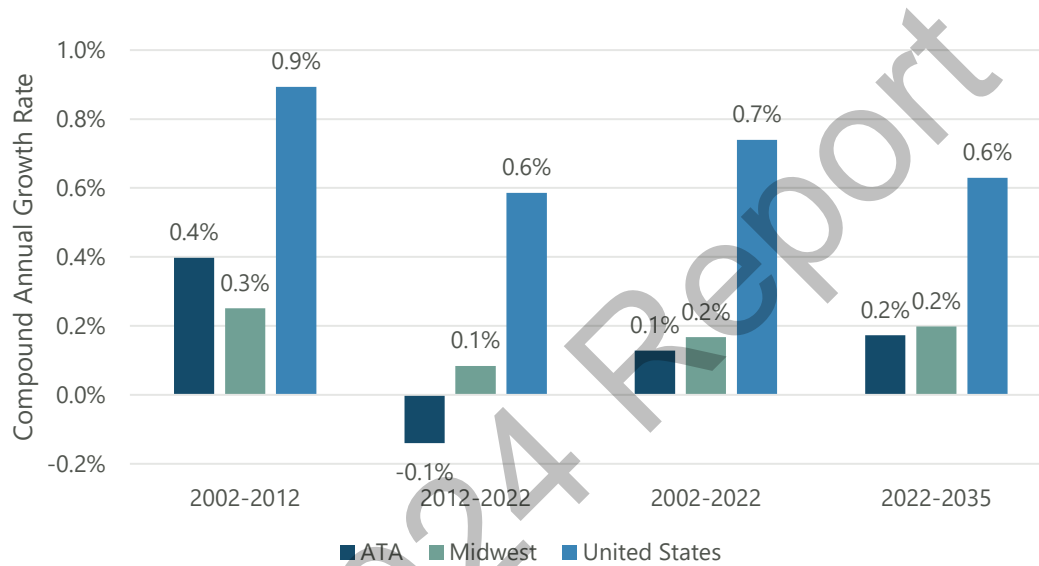
NOTE:

CSA – Combined Statistical Area

SOURCES: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024; Esri Basemap Database, 2010.

TABLE 3-1 HISTORICAL AND PROJECTED POPULATION (2002–2035)

| AREA                                      | HISTORICAL  |             |             | PROJECTED   |
|---|-------------|-------------|-------------|-------------|
|   | 2002        | 2012        | 2022        | 2035        |
| ATA                                       | 9,310,964   | 9,688,008   | 9,553,062   | 9,769,970   |
| Chicago-Naperville-Elgin MSA <sup>1</sup> | 9,052,127   | 9,408,039   | 9,279,427   | 9,488,013   |
| Kankakee MSA <sup>2</sup>                 | 104,932     | 112,707     | 105,998     | 107,292     |
| Kenosha MSA <sup>3</sup>                  | 153,905     | 167,262     | 167,637     | 174,665     |
| Midwest <sup>4</sup>                      | 45,550,284  | 46,707,236  | 47,098,310  | 48,329,304  |
| United States                             | 287,625,148 | 314,371,456 | 333,271,411 | 361,600,435 |



NOTES:

ATA – Air Trade Area

MSA – Metropolitan Statistical Area

2035 data are Woods & Poole Economics, Inc. projections.

2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole’s future projections. Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

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), and Porter (IN).

2 The Kankakee MSA comprises Kankakee County (IL).

3 The Kenosha MSA comprises Kenosha County (WI).

4 The Midwest is defined as Illinois, Indiana, Michigan, Ohio, and Wisconsin.

SOURCE: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024.

### 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 44.5 percent of expenditures on airfares.<sup>28</sup>

<sup>28</sup> US Department of Labor, Bureau of Labor Statistics, "Consumer Expenditure Survey 2022," <https://www.bls.gov/cex/tables.htm> (accessed June 26, 2024).

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**Table 3-2** shows that, in 2022, residents in the ATA aged 35 to 54 accounted for 25.9 percent of the population. Thus, the age group that generates the most expenditures on airfares is represented in the ATA at a higher rate than the population in both the Midwest (24.6 percent) and the United States (25.2 percent).

TABLE 3-2 AGE DISTRIBUTION AND EDUCATIONAL ATTAINMENT (2022)

| AGE DISTRIBUTION   | ATA               | MIDWEST           | UNITED STATES      |
|--|-------------------|-------------------|--------------------|
| <b>Total Population</b>                                    | <b>9,553,062</b>  | <b>47,098,310</b> | <b>333,271,411</b> |
| <i>By Age Group</i>  |                   |                   |                    |
| 19 and Under   | 25.6%             | 24.2%             | 24.3%              |
| 20 to 24 Years   | 6.5%              | 6.9%              | 6.8%               |
| 25 to 34 Years   | 13.7%             | 13.2%             | 13.7%              |
| 35 to 44 Years   | 13.4%             | 12.6%             | 13.1%              |
| 45 to 54 Years   | 12.5%             | 12.0%             | 12.1%              |
| 55 to 64 Years   | 12.4%             | 13.1%             | 12.6%              |
| 65 and Above   | 16.0%             | 18.0%             | 17.3%              |
| <b>Total<sup>1</sup></b>                                   | <b>100.0%</b>     | <b>100.0%</b>     | <b>100.0%</b>      |
| <b>Median Age</b>  | <b>38.6 years</b> | <b>39.0 years</b> | <b>38.4 years</b>  |
| EDUCATIONAL ATTAINMENT                                     | ATA               | MIDWEST           | UNITED STATES      |
| <b>Population 25 Years and Over</b>                        | <b>6,600,529</b>  | <b>32,475,680</b> | <b>229,707,137</b> |
| <i>By Highest Level Achieved</i>                           |                   |                   |                    |
| Less than 9 <sup>th</sup> Grade                            | 5.5%              | 3.3%              | 4.7%               |
| 9 <sup>th</sup> –12 <sup>th</sup> Grade, No Diploma        | 4.8%              | 5.3%              | 5.7%               |
| High School Graduate (includes GED/Alternative Credential) | 23.1%             | 29.0%             | 26.1%              |
| Some College, No Degree                                    | 18.3%             | 19.8%             | 19.1%              |
| Post-Secondary Degree                                      | 48.4%             | 42.6%             | 44.5%              |
| <i>Associate degree</i>                                    | 7.5%              | 9.2%              | 8.8%               |
| <i>Bachelor's Degree</i>                                   | 24.4%             | 20.5%             | 21.6%              |
| <i>Master's Degree or Doctorate</i>                        | 16.6%             | 12.9%             | 14.0%              |
| <b>Total<sup>1</sup></b>                                   | <b>100.0%</b>     | <b>100.0%</b>     | <b>100.0%</b>      |

## NOTES:

ATA – Air Trade Area

GED – General Education Development

1 Sums may not total to 100.0 percent due to rounding.

2 ATA median age does not include Kankakee Metropolitan Statistical Area (MSA) and Kenosha MSA.

SOURCES: Woods & Poole Economics, Inc., *2024 Complete Economic and Demographic Data Source (CEDDS)*, July 2024 (population age group); US Census Bureau, *American Community Survey (ACS)*, July 2024 (educational attainment).

According to Consumer Expenditure Survey data, people with a bachelor's or associate's degree generate a high percentage of expenditures on airline travel. Data indicate that 83.4 percent of airfares are purchased by college graduates, while 8.3 percent are purchased by consumers who have had some college, and 8.3 percent are purchased by consumers who never attended college.<sup>29</sup> As shown in Table 3-2, 48.4 percent of the ATA'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 (42.6 percent) and the United States (44.5 percent). In addition to having a highly educated population, the ATA is also home to approximately 100 colleges and universities. These schools,

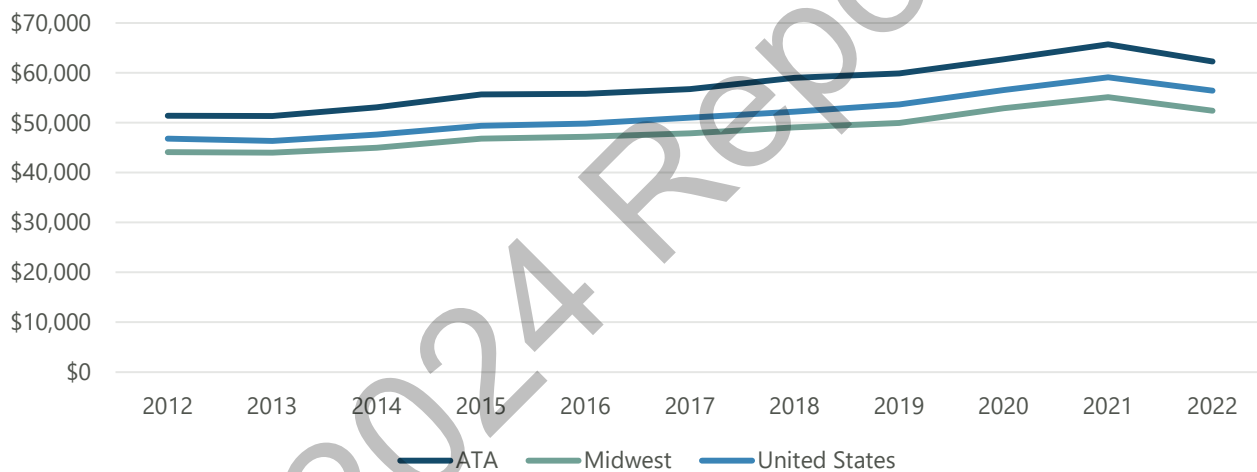
<sup>29</sup> US Department of Labor, Bureau of Labor Statistics, "Consumer Expenditure Survey 2022," <https://www.bls.gov/cex/tables.htm> (accessed June 26, 2024).

which include community colleges and technical schools, have a total enrollment of nearly 500,000 students.<sup>30</sup> 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).<sup>31</sup> 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 2012 through 2022 for the ATA, the Midwest, and the United States. As shown, between 2012 and 2022, PCPI in the ATA was higher than that of the Midwest and the United States. PCPI for the ATA increased at a CAGR of 1.9 percent between 2012 and 2022, which is higher than the rate in the Midwest (1.7 percent) and equal to the rate in the United States (1.9 percent) during the same period.

EXHIBIT 3-3 PER CAPITA PERSONAL INCOME (2012–2022)



| ANNUAL PER CAPITA PERSONAL INCOME GROWTH | ATA  | MIDWEST | UNITED STATES |
|--|------|---------|---------------|
| 2012–2022                                | 1.9% | 1.7%    | 1.9%          |
| 2022–2035 (Projected)                    | 1.7% | 1.5%    | 1.6%          |

NOTES:

ATA – Air Trade Area

Amounts are in 2017 dollars.

2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole’s future projections. Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

2035 data are Woods & Poole Economics, Inc. projections.

SOURCE: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024.

<sup>30</sup> Institute of Education Sciences (IES): National Center for Educational Statistics (NCES), June 2024.

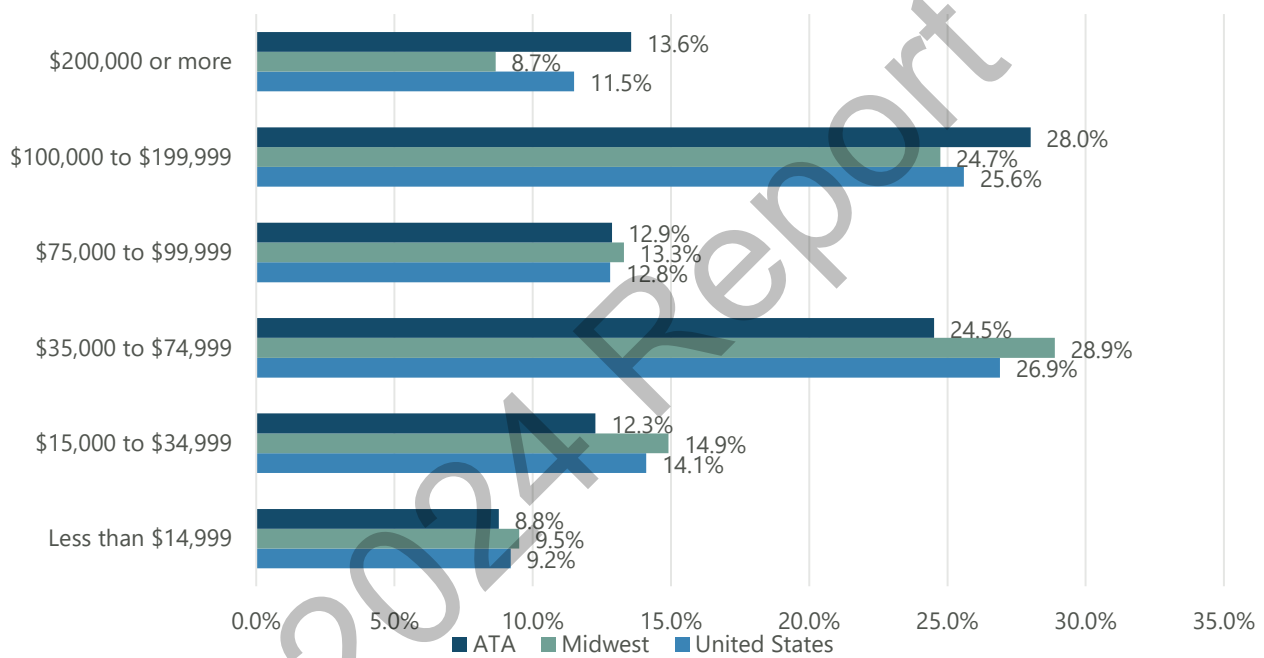
<sup>31</sup> Per capita personal income is the sum of wages and salaries, other labor income, proprietors’ income, rental income, dividend income, personal interest income, and transfer payments, less personal contributions for government social insurance, divided by the region’s population.

Exhibit 3-3 also shows that projected PCPI in the ATA is expected to increase at a CAGR of 1.7 percent, from \$62,249 in 2022 to \$77,134 in 2035. Dollar amounts in this chapter are in 2017 dollars, unless otherwise noted. The projected growth rate for PCPI in the ATA (1.7 percent) is higher than that of the Midwest (1.5 percent) and the United States (1.6 percent) between 2022 and 2035.

### 3.2.4 HOUSEHOLD INCOME

**Exhibit 3-4** shows the distribution of households among the income categories for the ATA, the Midwest, and the United States in 2022. The ATA's median household income of \$82,790 in 2022 was 18.8 percent higher than that of the Midwest (\$69,710)<sup>32</sup> and 10.7 percent higher than that of the United States (\$74,755).<sup>33</sup>

EXHIBIT 3-4 HOUSEHOLD INCOME DISTRIBUTION (2022)



NOTES:

ATA – Air Trade Area

Amounts are in 2017 dollars.

2022 is the latest year with household income distribution data available.

SOURCE: US Census Bureau, *American Community Survey (ACS)*, July 2024.

The percentage of higher-income households (defined as those earning \$100,000 or more annually) within the ATA 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, approximately 65 percent of public transportation expenditure that includes airlines and other mode of transportation are made by households with annual incomes

<sup>32</sup> Actual median household income for the Midwest is unavailable, so a weighted average of median income of the five states defined in this chapter as the Midwest is shown.

<sup>33</sup> Amounts are in 2017 inflation-adjusted dollars.

of \$100,000 or more.<sup>34</sup> With approximately 1,566,000 households earning \$100,000 or more in 2022, the ATA 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 ATA and the Midwest, as well as per capita GDP data for the United States, for 2012 through 2022.<sup>35</sup> The ATA's per capita GRP increased from \$62,823 in 2012 to \$75,393 in 2022. Per capita GRP for the ATA increased at a CAGR of 1.8 percent between 2012 and 2022, which is higher than the CAGR for the Midwest (1.7 percent) and lower than the CAGR for the United States (1.9 percent) during the same period. The CAGRs for the 2012 to 2022 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 4.6 percent decline in the ATA's per capita GRP in 2020 due to the COVID-19 pandemic; the same was true for the Midwest and the nation with 2020 declines of 3.5 percent and 3.0 percent, respectively. However, in 2021 and 2022, the ATA benefited from a GRP recovery of 6.8 percent and 2.5 percent, respectively. As of 2022, GRP/GDP in the ATA, the Midwest, and the nation have grown beyond pre-COVID-19 pandemic 2019 levels.

Per capita GRP for the ATA is projected to increase from \$75,393 in 2022 to \$94,686 in 2035. This increase represents a CAGR of 1.8 percent for the ATA, which is higher than the Midwest (1.4 percent) and the United States (1.5 percent) over the same period.

#### 3.3.2 EMPLOYMENT TRENDS

Between 2012 and 2023, the ATA, Midwest, and United States labor forces all increased somewhat marginally (0.1 percent, 0.2 percent, and 0.7 percent, respectively). The ATA's civilian labor force declined by 3.1 percent in 2020, greater than the decline in the civilian labor force of the Midwest and the United States in 2020 (by 2.4 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. 2021 saw marginal recovery in the labor force in the ATA and the United States, whereas the labor force in the Midwest decreased marginally. Labor force levels of the ATA, the Midwest, and the United States were slowly recovering in 2022 and 2023, but neither the ATA nor the Midwest have reached or exceeded 2019 labor force levels as of 2023; the labor force in the United States reached its 2019 level by 2022 and in 2023 was approximately 4.0 percent higher than its pre-COVID-19 pandemic level.

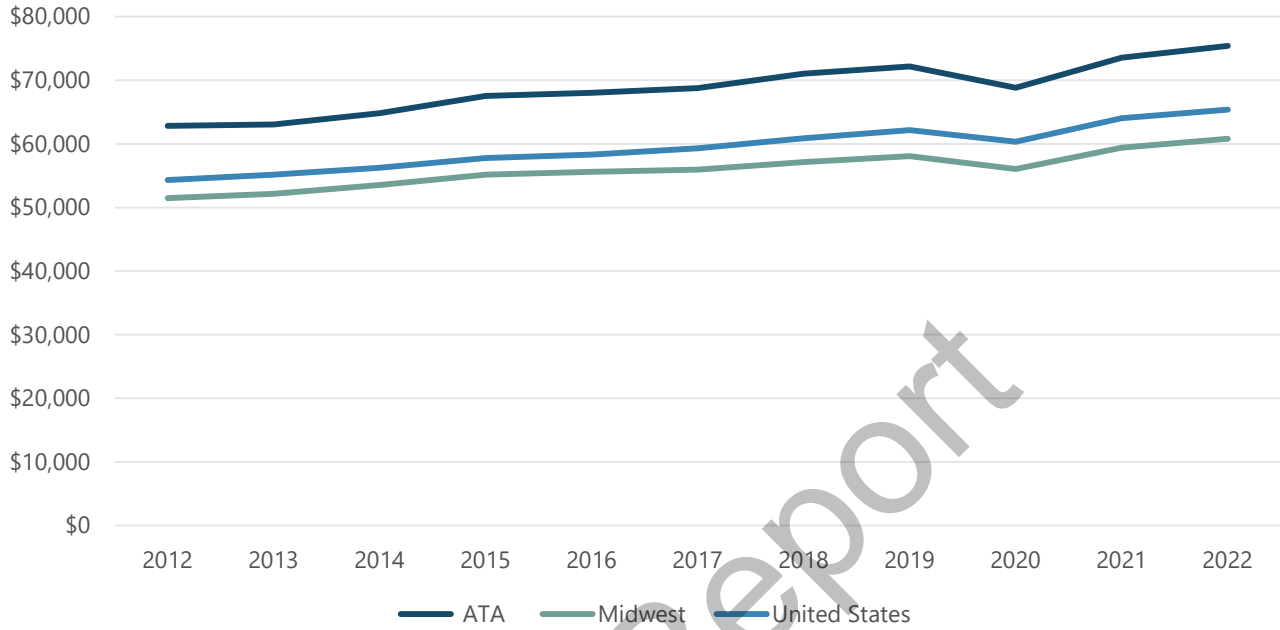
**Exhibit 3-6** shows that the annual unemployment rate in the ATA was higher than that of the Midwest and the United States in all years from 2012 through April 2024.

<sup>34</sup> US Department of Labor, Bureau of Labor Statistics, "Consumer Expenditure Survey 2022," <https://www.bls.gov/cex/tables.htm> (accessed June 26, 2024).

<sup>35</sup> Amounts are in 2017 dollars.



EXHIBIT 3-5 PER CAPITA GROSS DOMESTIC/REGIONAL PRODUCTS (2012–2022)



| ANNUAL PER CAPITA GDP/GRP GROWTH | ATA  | MIDWEST | UNITED STATES |
|----------------------------------|------|---------|---------------|
| 2012–2022                        | 1.8% | 1.7%    | 1.9%          |
| 2022–2035 (Projected)            | 1.8% | 1.4%    | 1.5%          |

NOTES:

ATA – Air Trade Area

GDP – Gross Domestic Product

GRP – Gross Regional Product

Amounts are in 2017 dollars.

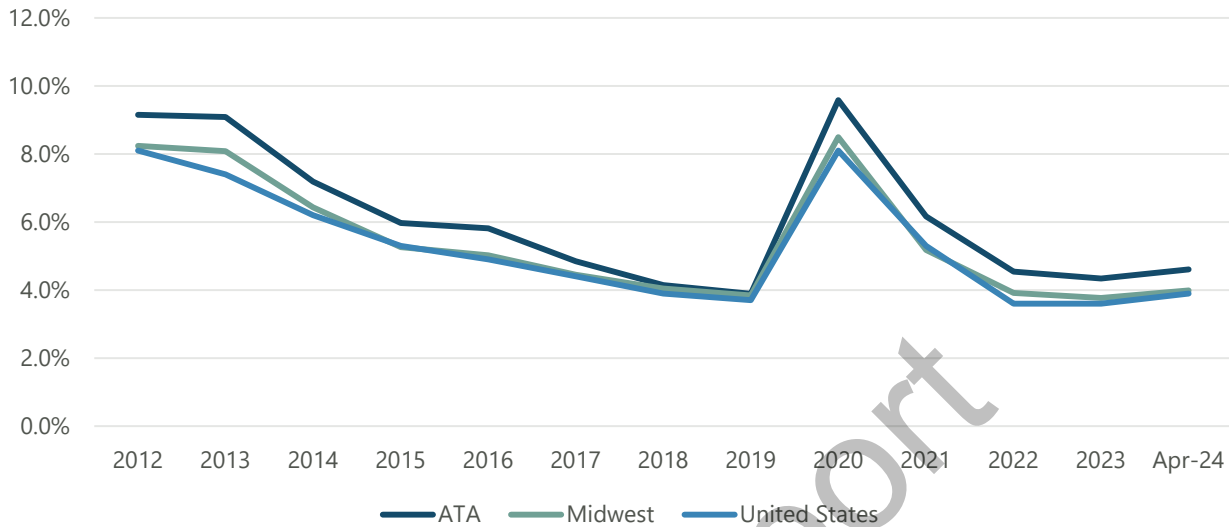
2035 data are Woods & Poole Economics, Inc. projections.

2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole’s future projections.

Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

SOURCE: Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024.

EXHIBIT 3-6 UNEMPLOYMENT RATE (2012 – APRIL 2024)



NOTES:

ATA – Air Trade Area

Monthly data are seasonally adjusted and preliminary. Monthly ATA unemployment rate does not include Kenosha MSA data because it is unavailable.

SOURCE: US Department of Labor, Bureau of Labor Statistics, June 2024.

The unemployment rates in the ATA, 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. By 2023, the unemployment rate in the ATA had fallen to 4.4 percent; this was higher than the 3.8 percent unemployment rate in the Midwest and the 3.6 percent rate in the United States. As of April 2024, the ATA’s seasonally adjusted unemployment rate is 4.6 percent<sup>36</sup>; this is higher than the 4.0 percent and 3.9 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 20<sup>th</sup> largest economy in the world.<sup>37</sup> The economy is large and diversified, with strong global transit links,<sup>38</sup> and a low cost of living relative to other large US cities (i.e., New York City, Los Angeles, Honolulu, Miami, and Boston).<sup>39</sup> 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 ATA. WBC reports on both Chicago’s innovation and economic resilience. According to WBC, approximately 500 startups raised growth capital in 2023, and it characterizes the area as one of the most diversified startup

<sup>36</sup> ATA monthly seasonally adjusted unemployment rate does not include Kenosha MSA data because it is unavailable.

<sup>37</sup> The World Bank, "GDP (current US\$)," [https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?year\\_high\\_desc=true](https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?year_high_desc=true) (accessed June 12, 2024); Oxford Economics, "Oxford Economics Global Cities Index 2024," May 30, 2024, <https://www.oxfordeconomics.com/global-cities-index/> (accessed June 25, 2024).

<sup>38</sup> Newmark, "Why Chicago Magazine Volume 1," [https://www.nmrk.com/storage-nmrk/uploads/documents/WHY-CHICAGO-MAGAZINE\\_FINAL\\_WEB-1.pdf](https://www.nmrk.com/storage-nmrk/uploads/documents/WHY-CHICAGO-MAGAZINE_FINAL_WEB-1.pdf) (accessed June 21, 2024).

<sup>39</sup> Mercer, LLC, "Cost of Living City Ranking 2024," <https://www.mercer.com/insights/total-rewards/talent-mobility-insights/cost-of-living/#full-ranking> (accessed June 21, 2024).

ecosystems in the United States.<sup>40</sup> WBC reports that Chicago area companies received over \$4.7 billion of growth capital investment<sup>41</sup> in 2023, which is less compared to 2022, but comparable to pre-COVID-19 pandemic levels of annual investment, and aligned with global and national economic trends.<sup>42</sup> WBC also states that 163 businesses relocated, expanded, or entered the market with locations within the ATA in 2023.<sup>43</sup> On the basis of employment levels, the ATA's transportation and warehousing, healthcare and social assistance, real estate, rental, and leasing, and professional and business services industries have fully recovered from the COVID-19 pandemic, while arts and entertainment, utilities, accommodation and food services, and manufacturing industries are not yet fully recovered.<sup>44</sup>

In 2023, Chicago was named "Top Metro for Corporate Investment/Relocation" by *Site Selection* magazine for the eleventh year in a row.<sup>45</sup> According to Choose Chicago, the official destination marketing organization for the City, the number of business visitors to the Chicago metropolitan area increased from 4.1 million in COVID-19 pandemic-affected 2020 to 13.2 million in 2021 (latest data available); indicating a recovery from the COVID-19 pandemic and a slight increase over the pre-COVID-19 volume of business visitors in 2019 (12.8 million).<sup>46</sup>

According to the Global Cities Index 2024 by Oxford Economics, Chicago ranks 8<sup>th</sup> out of 1,000 cities in the category "Economics", which is an index of GDP size, growth, and per person, employment growth, economic stability, and economic diversity.<sup>47</sup> Additionally, and according to the same study, Chicago ranks 46<sup>th</sup> out of the same 1,000 cities in terms of "Human Capital", which is an index of educational attainment, number of universities, number of corporate headquarters, population growth, age profile, and foreign-born population.<sup>48</sup>

Recent ATA business developments include: the Chan Zuckerberg Initiative (CZI) Biohub Chicago<sup>49</sup>, a \$275 million, 28,000 square foot biomedical research hub in Fulton Market, a neighborhood immediately west of the central business district, that will unite researchers from major area universities with the goal of developing bio innovations; the Xchange Grand Crossing<sup>50</sup>, a \$20 million tech-workforce and training center to be located in Chicago's South Side; and DHL's<sup>51</sup> first LEED-certified building in the US, to be located in Melrose Park and serve as one of the logistic company's largest distribution centers (352,000 square feet in size).

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<sup>40</sup> World Business Chicago, "Year in review 2023," [https://worldbusinesschicago.com/app/uploads/2024/02/Year-in-Review-2023\\_-Chicago-Business-Bulletin.pdf](https://worldbusinesschicago.com/app/uploads/2024/02/Year-in-Review-2023_-Chicago-Business-Bulletin.pdf) (accessed June 21, 2024).

<sup>41</sup> World Business Chicago defines investment as venture capital, private equity for growth, and corporate venture capital.

<sup>42</sup> World Business Chicago, "Year in review 2023," [https://worldbusinesschicago.com/app/uploads/2024/02/Year-in-Review-2023\\_-Chicago-Business-Bulletin.pdf](https://worldbusinesschicago.com/app/uploads/2024/02/Year-in-Review-2023_-Chicago-Business-Bulletin.pdf) (accessed June 21, 2024).

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>45</sup> Site Selection Magazine, "Hungry for More: Chicagoland Claims No. 1 Spot for 11th Year in a Row", March 2024, <https://siteselection.com/issues/2024/mar/2023-top-metros-tier-1-hungry-for-more.cfm> (accessed June 10, 2024).

<sup>46</sup> Choose Chicago Research & Analysis, *Chicago Tourism Performance*, May 2024.

<sup>47</sup> Oxford Economics, "Oxford Economics Global Cities Index 2024," May 30, 2024, <https://www.oxfordeconomics.com/global-cities-index/> (accessed June 26, 2024).

<sup>48</sup> Ibid.

<sup>49</sup> Illinois Department of Commerce & Economic Opportunity, "Gov. Pritzker Announces Launch of Chan Zuckerberg Biohub Chicago," October 5, 2023)

<sup>50</sup> Urbanize Chicago, "Xchange Chicago to open tech training center in late 2024," January 11, 2024, <https://chicago.urbanize.city/post/xchange-chicago-open-tech-training-center-late-2024> (accessed June 26, 2024).

<sup>51</sup> Connect CRE, "DHL Opens Chicago Silver LEED-Certified Distribution Center," August 14, 2023, <https://www.connectcre.com/stories/dhl-opens-chicago-silver-leed-certified-distribution-center/> (accessed June 26, 2024).

Foreign direct investment (FDI) in 2023 in the ATA was strong, with 150 foreign investors making direct investments in businesses within the Chicago metropolitan area.<sup>52</sup> According to *fDi Magazine*, Chicago has attracted a significant number of data center FDI projects in recent years, as businesses increase their demand for data centers.<sup>53</sup> One large FDI project in the ATA is Kyushu Electric Power, a \$173.2 million Japanese real estate investment.<sup>54</sup>

The Airport is an important economic contributor to the regional economy. Illinois Economic Policy Institute estimates that O'Hare 21 is projected to create approximately 95,000 full-time equivalent jobs and is anticipated to contribute \$18.4 billion to the regional economy.<sup>55,56</sup> This estimate includes the approximately one-third of O'Hare 21 projects that have been completed as of May 2024 and the adjacent I-190 Corridor Improvements project, which is the reconstruction and construction of auxiliary lanes and additional ramps to improve traffic flow to and from O'Hare.<sup>57</sup>

The CTA has completed a \$492 million investment in modernizing the CTA Blue Line.<sup>58</sup> In early 2024, the CTA received a \$111 million grant from the US Department of Transportation (USDOT) to replace over 10,000 feet of Blue Line track between the Kedzie and Pulaski stations. This project aims to improve transportation connections, especially for disadvantaged communities, and is part of a larger initiative to rebuild the Forest Park Branch of the Blue Line.<sup>59</sup> In addition, the Red-Purple Modernization Program is a \$2.1 billion project to rebuild a near 11-mile section of track including the replacement of four stations in some of Chicago's densest neighborhoods. When the Red-Purple Modernization Program Phase 1 is completed, anticipated in 2025, it will increase capacity, accessibility, and reliability along the CTA Red Line and Purple Line Express routes.<sup>60,61</sup> Investments in the Blue, Red, and Purple lines are anticipated to improve Chicago's connectivity through public transportation, including transportation to the Airport.

### 3.3.4 TRADE BY AIR

The ATA's extensive access to overseas markets gives businesses in the region the ability to operate internationally. Many of the ATA'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 2023, total trade activity (total imports and exports) between the Chicago

<sup>52</sup> World Business Chicago, "Year in Review 2023," [https://worldbusinesschicago.com/app/uploads/2024/02/Year-in-Review-2023\\_-Chicago-Business-Bulletin.pdf](https://worldbusinesschicago.com/app/uploads/2024/02/Year-in-Review-2023_-Chicago-Business-Bulletin.pdf) (accessed June 26, 2024)

<sup>53</sup> fDi Intelligence, "The US Report 2024," <https://www.fdiintelligence.com/content/video/the-us-report-2024-83866> (accessed June 26, 2024).

<sup>54</sup> Ibid.

<sup>55</sup> Economic activity is the value of final goods and services produced and consumed in a given time period in a region.

<sup>56</sup> Illinois Economic Policy Institute, "Cleared for Takeoff, The Economic Impacts of Completing the O'Hare 21 Modernization program," May 2024, <https://illinoisupdate.com/wp-content/uploads/2024/05/ilepi-economic-impact-of-ohare-21-program-final.pdf> (accessed June 26, 2024).

<sup>57</sup> Ibid.

<sup>58</sup> Chicago Transit Authority, "Your New Blue," <https://www.transitchicago.com/yournewblue/> (accessed June 24, 2024).

<sup>59</sup> Chicago Transit Authority, "CTA Receives \$111 Million In Federal Funding to Advance Forest Park Branch Rebuild Project," <https://www.transitchicago.com/cta-receives-111-million-in-federal-funding-to-advance-forest-park-branch-rebuild-project/> (accessed June 24, 2024).

<sup>60</sup> Chicago Transit Authority, "Red Ahead-Red & Purple Modernization Program," [https://www.transitchicago.com/assets/1/6/Timeline\\_v3\\_graphic.pdf](https://www.transitchicago.com/assets/1/6/Timeline_v3_graphic.pdf) (accessed June 24, 2024).

<sup>61</sup> Stantec, "Chicago Transit Authority - Red and Purple Line Modernization Program," <https://www.stantec.com/en/projects/united-states-projects/c/cta-red-purple-line-modernization> (accessed June 24, 2024).

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Customs District<sup>62</sup> and the rest of the world was valued at \$336.0 billion. In 2023, more than \$272.6 billion in trade through the Chicago Customs District was conveyed by air. This represents over 81 percent of all trade through the Chicago Customs District and approximately 70 percent of the Midwest's value of total trade by air (see **Table 3-3**). The ATA'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. Top imports by air in the Chicago Customs District consisted of smartphones, medicines, crude oil, immunological products, and smaller portable digital data processing machines. Top exports by air in the Chicago Customs District consisted of medicines and immunological products as well as civilian aircraft parts, polypeptide protein/glycoprotein hormones and medical instruments.<sup>63</sup> Japan, China, and Germany were the Chicago Customs District's top trade-by-air partners.<sup>64</sup>

TABLE 3-3 TOTAL TRADE BY CONVEYANCE (2023)

| CUSTOMS DISTRICT     | (\$BILLIONS)                      |                             |                               |
|----------------------|-----------------------------------|-----------------------------|-------------------------------|
|                      | VALUE OF TOTAL TRADE <sup>1</sup> | VALUE OF TOTAL TRADE BY AIR | PERCENT OF TOTAL TRADE BY AIR |
| Chicago              | \$336.0                           | \$272.6                     | 81.1%                         |
| Midwest <sup>2</sup> | \$769.3                           | \$392.0                     | 51.0%                         |
| United States        | \$5,098.2                         | \$1,399.6                   | 27.5%                         |

## 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: USA Trade Online, June 2024.

### 3.3.5 MAJOR EMPLOYERS AND FORTUNE 500 HEADQUARTERS

**Table 3-4** lists the 25 largest employers in the ATA.<sup>65</sup> 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 ATA.

Major employers in the ATA represent a wide range of industries: health care (Advocate Health Care, Northwestern Memorial HealthCare); 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 (AbbVie Inc.); and retail (Amazon.com, Inc., Walgreens Boots Alliance, Inc., Walmart Inc.).

<sup>62</sup> 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 June 10, 2024). The Chicago Customs District consists of nine ports in Illinois and one port in Indiana.

<sup>63</sup> World Business Chicago, "Chicago Business Bulletin: Year in Review 2023," [https://worldbusinesschicago.com/app/uploads/2024/02/Year-in-Review-2023\\_-Chicago-Business-Bulletin.pdf](https://worldbusinesschicago.com/app/uploads/2024/02/Year-in-Review-2023_-Chicago-Business-Bulletin.pdf) (accessed June 10, 2024).

<sup>64</sup> Ibid.

<sup>65</sup> The list in Table 3-4 includes employers in Cook, DuPage, Kane, Lake (Ill.), Lake (Ind.), McHenry, and Will Counties. These seven counties comprised approximately 92 percent of total employment in the ATA in 2022.

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TABLE 3-4 LARGEST EMPLOYERS IN THE AIR TRADE AREA (2024)

| COMPANY <sup>1</sup>                                 | NUMBER OF FULL-TIME LOCAL EMPLOYEES | INDUSTRY                     |
|--|-------------------------------------|------------------------------|
| U.S. Government                                      | 52,315                              | Government                   |
| Chicago Public Schools                               | 43,286                              | Education                    |
| City of Chicago                                      | 30,918                              | Government                   |
| Amazon.com Inc. (#2) <sup>2</sup>                    | 30,100                              | Tech and telecom             |
| Advocate Health Care                                 | 28,070                              | Health care                  |
| Northwestern Memorial HealthCare                     | 25,386                              | Health care                  |
| University of Chicago <sup>3</sup>                   | 22,395                              | Education                    |
| Endeavor Health                                      | 20,251                              | Health care                  |
| Cook County  | 19,797                              | Government                   |
| Walmart Inc. (#1)                                    | 17,400                              | Retail                       |
| United Airlines Holdings Inc. (#83)                  | 16,937                              | Logistics and transportation |
| Walgreens Boots Alliance Inc. (#28)                  | 16,486                              | Health care                  |
| JPMorgan Chase & Co. (#12)                           | 15,382                              | Financial services           |
| Health Care Service Corp.                            | 14,800                              | Insurance                    |
| Rush University System for Health                    | 14,360                              | Health care                  |
| State of Illinois                                    | 14,067                              | Government                   |
| Northwestern University                              | 11,777                              | Education                    |
| Jewel-Osco   | 11,589                              | Retail                       |
| University of Illinois Chicago                       | 10,778                              | Education                    |
| Ascension Illinois                                   | 10,415                              | Health care                  |
| American Airlines Group Inc. (#86)                   | 10,000                              | Logistics and transportation |
| Chicago Transit Authority                            | 9,808                               | Logistics and transportation |
| AbbVie Inc. (#77)                                    | 9,000                               | Health care                  |
| Employco USA Inc.                                    | 8,405                               | Business services            |
| Ann & Robert H. Lurie Children's Hospital of Chicago | 7,880                               | Health care                  |

## NOTES:

(#) indicates 2024 Fortune 500 ranking.

1 Represents employers with the most full-time employees in Cook, DuPage, Kane, Lake (Ill.), Lake (Ind.), McHenry and Will counties.

2 Includes estimated distribution center employment figures from MWPVL International and Whole Foods employees.

3 Includes employees of University of Chicago Medicine.

SOURCES: Crain's Chicago Business, "Largest Employers (2024)," February 2024; Fortune, "Fortune 500 (2024)," <https://fortune.com/fortune500/2024/search> (accessed June 21, 2024).

Each year *Fortune* magazine ranks the top 500 US public companies in terms of annual revenue. According to the 2024 rankings, the ATA 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 2024 Fortune 500 companies with headquarters in the ATA. Corporations headquartered in the ATA include Walgreens Boots Alliance, Inc. (ranked 28<sup>th</sup> among the Fortune 500), Archer-Daniels-Midland Company (ranked 43<sup>rd</sup>), Allstate Corporation (ranked 73<sup>rd</sup>), AbbVie (ranked 77<sup>th</sup>), and United Airlines Holdings (ranked 83<sup>rd</sup>). In 2024, the ATA's 30 Fortune 500 headquarters represent 94 percent of the 32 Fortune 500 headquarters in Illinois and 33 percent of the 91 Fortune 500 headquarters in the Midwest.<sup>66</sup>

<sup>66</sup> The Midwest is defined as the states of Illinois, Indiana, Michigan, Ohio, and Wisconsin.

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TABLE 3-5 FORTUNE 500 COMPANIES WITH HEADQUARTERS IN THE AIR TRADE AREA (2024)

| COMPANY <sup>1</sup>                   | FORTUNE 500 RANKING | INDUSTRY                                   |
|--|---------------------|--|
| Walgreens Boots Alliance, Inc.         | 28                  | Pharmacy, Health Care and Retail           |
| Archer-Daniels-Midland Company (ADM)   | 43                  | Food Production                            |
| Allstate Corporation                   | 73                  | Property and Casualty Insurance            |
| AbbVie                                 | 77                  | Health Care                                |
| United Airlines Holdings, Inc.         | 83                  | Airline                                    |
| Abbott Laboratories                    | 108                 | Medical Products and Equipment             |
| Mondelez International, Inc.           | 115                 | Consumer Food Products                     |
| US Foods Holding Corp.                 | 119                 | Food and Grocery Wholesaler                |
| Kraft Heinz Company                    | 156                 | Consumer Food Products                     |
| McDonald's Corporation                 | 182                 | Fast-food Restaurants                      |
| Exelon Corporation                     | 187                 | Electric and Gas Utilities                 |
| CDW Corporation                        | 189                 | Information Technology Services            |
| Jones Lang LaSalle Incorporated        | 193                 | Real Estate                                |
| Discover Financial Services            | 194                 | Commercial Bank                            |
| GE HealthCare Technologies             | 206                 | Medical Products and Equipment             |
| W.W. Grainger, Inc.                    | 248                 | Industrial Supplies                        |
| Illinois Tool Works Inc.               | 253                 | Industrial Machinery                       |
| Baxter International Inc.              | 270                 | Medical Products and Equipment             |
| Kellanova                              | 272                 | Food Consumer Products                     |
| LKQ                                    | 305                 | Auto Parts                                 |
| Conagra Brands, Inc.                   | 336                 | Consumer Food Products                     |
| Northern Trust Corporation             | 342                 | Superregional Banks                        |
| Molson Coors Beverage Company          | 352                 | Beverages                                  |
| Ulta Beauty, Inc.                      | 360                 | Cosmetics                                  |
| Arthur J. Gallagher & Co.              | 391                 | Financial Services                         |
| Motorola Solutions, Inc.               | 395                 | Network and Other Communications Equipment |
| Dover Corporation                      | 448                 | Industrial Machinery                       |
| Ingredion Incorporated                 | 459                 | Food Production                            |
| Packaging Corporation of America       | 471                 | Packaging and Containers                   |
| Old Republic International Corporation | 491                 | Property and Casualty Insurance            |

## NOTE:

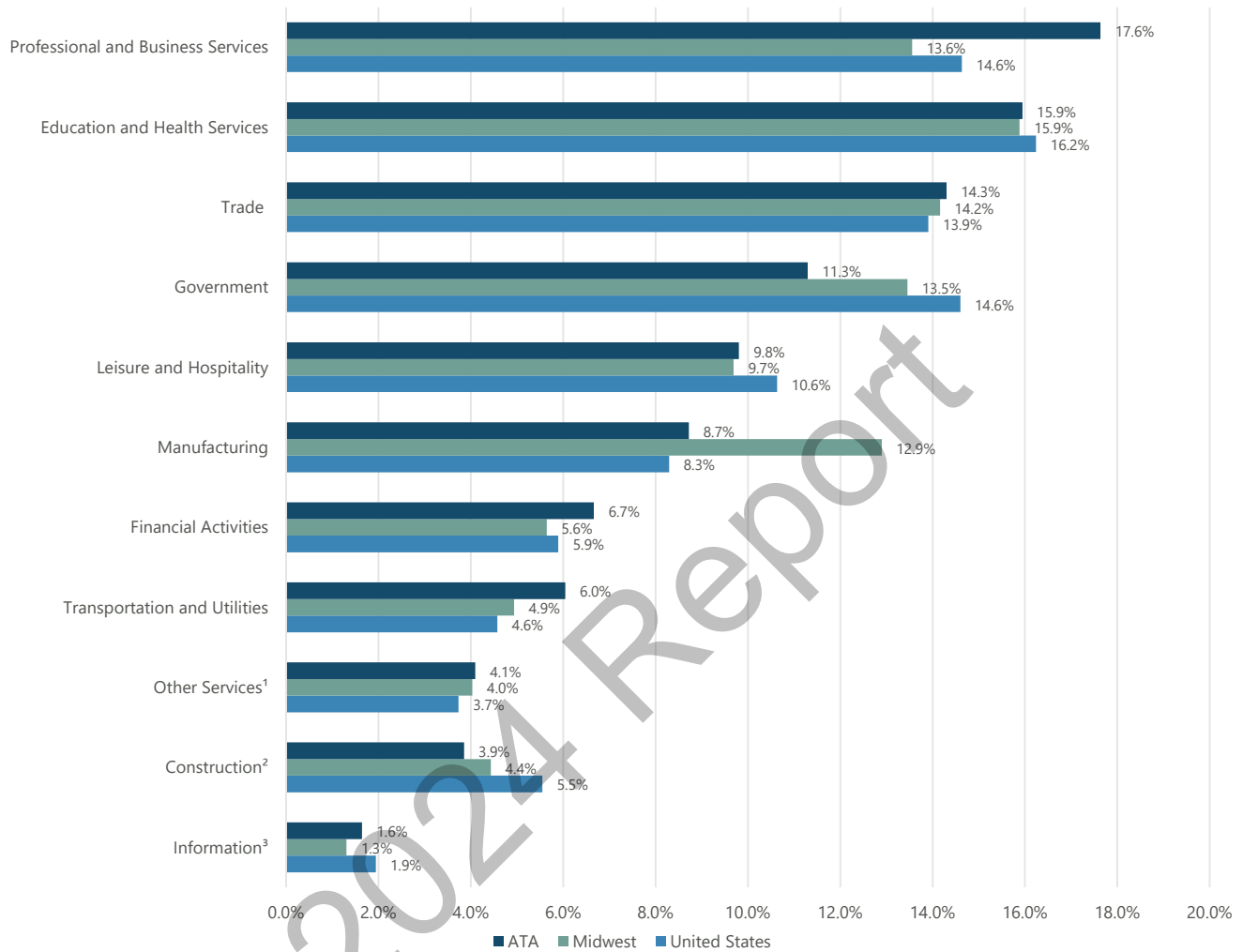
<sup>1</sup> Represents Fortune 500 employers with headquarters in the 15-county Air Trade Area.

SOURCE: Fortune, "Fortune 500 (2024)," <https://fortune.com/ranking/fortune500/2024/search/> (accessed June 11, 2024).

### 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 ATA's economy. This exhibit compares employment by industry in the ATA to data for the Midwest and the United States in 2023.

EXHIBIT 3-7 JOBS BY MAJOR INDUSTRY SECTORS (2023)



|                       | ATA       | MIDWEST    | UNITED STATES |
|-----------------------|-----------|------------|---------------|
| 2022 Jobs             | 6,414,028 | 29,223,399 | 212,442,020   |
| 2035 Jobs (Projected) | 7,289,762 | 32,095,603 | 249,077,315   |
| CAGR 2022–2035        | 1.0%      | 0.7%       | 1.2%          |

NOTES:

ATA – Air Trade Area

CAGR – Compound Annual Growth Rate

Jobs by sector analysis does not include Kenosha MSA in ATA because employment by sector data is not available for Kenosha MSA.

Numbers may not sum due to rounding.

2035 data are Woods & Poole Economics, Inc. projections.

2022 is the last year of historical data in the Woods & Poole Economics, Inc. (Woods & Poole) database and is the basis for Woods & Poole's future projections.

Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources. Employment by industry sector percentages are available and shown for 2023.

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., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024; US Department of Labor, Bureau of Labor Statistics, June 2024.



The ATA had greater percentages of total employment in the professional and business services, trade, financial activities, other services, and transportation/utilities sectors compared with the Midwest and the United States in 2023. Government and construction jobs in the ATA accounted for lower shares of total employment in 2023 compared with the Midwest and the United States. The percentage of education and health services jobs in the ATA was identical with the Midwest but lower than the United States in 2023. The percentage of manufacturing jobs in the ATA was lower compared with that of the Midwest but higher compared with that of the United States in 2023. The percentage of information and leisure and hospitality jobs in the ATA was higher compared with that of the Midwest but lower compared with that of the United States in 2023.

Data on Exhibit 3-7 indicate the ATA 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 ATA, the Midwest, and the United States for 2022 and the projected number of jobs in 2035. The ATA had a lower projected CAGR (1.0 percent) than the United States (1.2 percent) for the period from 2022 to 2035, but higher than the Midwest (0.7 percent).

### 3.3.7 AIR TRADE AREA TOURISM INDUSTRY

Visitation to the Chicago metropolitan area reached a peak of approximately 61.6 million people in 2019.<sup>67</sup> With the COVID-19 pandemic, visitation dropped to 16.5 million people in 2020.<sup>68</sup> By 2023, visitation levels had reached 52.0 million people.<sup>69</sup> In 2023, the Chicago metropolitan area's visitors generated an estimated \$19.2 billion in direct spending and \$2.6 billion in total tax revenue, both exceeding relative 2019 levels.<sup>70</sup> 2023 ended with hotel occupancy at 65 percent, the highest since the start of the COVID-19 pandemic (2019 hotel occupancy rates were 74 percent). Hotel revenue first exceeded its 2019 level in 2023.<sup>71</sup>

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 ATA include football, basketball, hockey, baseball, and soccer. The region's wide array of cultural choices and entertainment options are 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 seventh straight year in 2023.<sup>72</sup> 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 2023, *U.S. News & World Report* rated Chicago the third best weekend getaway in the Midwest, and ranked the city in the top-10 best cities

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<sup>67</sup> Choose Chicago Research & Analysis, *Chicago Tourism Performance*, May 2024.

<sup>68</sup> Ibid.

<sup>69</sup> Ibid.

<sup>70</sup> Choose Chicago, *Annual Report 2023*, <https://indd.adobe.com/view/8dc4f747-4a98-4475-b9b2-6f873a0a78ef> (accessed June 12, 2024).

<sup>71</sup> Ibid.

<sup>72</sup> Condé Nast Traveler, "The Best Big Cities in The U.S.: Readers' Choice Awards," <https://www.cntraveler.com/gallery/best-cities-us> (accessed June 11, 2024).

to visit in the United States.<sup>73</sup>

### 3.3.7.1 CONVENTION FACILITIES, TOURISM MARKETING, AND SPECIAL EVENTS

Chicago ranked second only to Las Vegas in a 2023 ranking by the Wall Street Journal of the best convention centers in the US.<sup>74</sup> Containing 2.6 million square feet of exhibit space, McCormick Place is the ATA's primary meeting and exhibition venue, and it is the largest convention center in North America.<sup>75</sup> With four separate buildings connected by concourses and sky bridges, McCormick Place is designed to be flexible in accommodating a range of events, and can host two conventions simultaneously. McCormick Place sees about three million visitors annually.<sup>76</sup> 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.<sup>77</sup> In addition to McCormick Place, there are smaller convention centers in the ATA, including in Rosemont, Schaumburg, and Tinley Park, all of which have resumed convention activity at full pre-COVID-19 capacity.

According to data reported by Choose Chicago, Chicago has more than 160 hotels and 45,000 rooms in its central business district and had an occupancy rate of nearly 74.2 percent in 2019. The City 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 from the previous 5-year period. Although the supply of hotel rooms and consumer demand both dropped significantly in 2020, with many hotels closing temporarily and potential visitors staying at home due to the start of the COVID-19 pandemic, hotel room supply reached pre-COVID-19 levels in 2022, and demand was at approximately 92 percent of its 2019 level in 2023, when occupancy was approximately 65.2 percent.<sup>78</sup>

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. In 2024, the NASCAR Grant Park 165 street-race was held in Chicago in July and the Democratic National Convention will be held in Chicago in August.

### 3.3.7.2 OVERSEAS VISITORS

**Table 3-6** shows that nearly 1.1 million travelers from overseas (excluding Canada and Mexico) selected Chicago as their destination city in 2022 (latest data available). Chicago was the 8<sup>th</sup> most popular US destination for overseas travelers in 2022, ranking ahead of other major cities such as Seattle, Houston, Atlanta, Tampa, and Dallas.<sup>79</sup> While this data is not yet available for 2023, a similar data point, measuring Chicago as a port of entry to international visitors, indicates that 2023 international visits were approximately 81.6 percent of pre-pandemic levels.<sup>80</sup>

<sup>73</sup> U.S. News & World Report, "Chicago Travel Guide," [https://travel.usnews.com/Chicago\\_IL](https://travel.usnews.com/Chicago_IL) (accessed June 11, 2024).

<sup>74</sup> Steinberg, Ethan and Kevin McAllister, Wall Street Journal, "The Best Convention Centers in the US," September 14, 2023, <https://www.wsj.com/business/hospitality/best-convention-centers-united-states-13867b35> (accessed June 19, 2024).

<sup>75</sup> McCormick Place, <https://www.mccormickplace.com> (accessed June 11, 2024).

<sup>76</sup> McCormick Place, <https://www.mccormickplace.com/about> (accessed June 19, 2024).

<sup>77</sup> 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-xzww3g3xcbf4rpuh7ergypgriu-story.html> (accessed June 19, 2024).

<sup>78</sup> Choose Chicago Research & Analysis, *2023 Hotel Performance*, May 2024.

<sup>79</sup> Department of Commerce, International Trade Administration, Overseas visitors to US Cities-MSAs, <https://www.trade.gov/data-visualization/us-states-cities-visited-overseas-travelers> (accessed June 11, 2024).

<sup>80</sup> Department of Commerce, International Trade Administration, Port of Entry to US Data, <https://www.trade.gov/data-visualization/adisi-94-visitor-arrivals-monitor-cor> (accessed June 11, 2024).

TABLE 3-6 TOP DESTINATION CITIES FOR OVERSEAS VISITORS (2022)

| RANK | DESTINATION CITY <sup>1</sup> | OVERSEAS VISITORS <sup>2</sup> |
|------|-------------------------------|--------------------------------|
| 1    | New York City                 | 6,992,000                      |
| 2    | Miami                         | 4,086,000                      |
| 3    | Orlando                       | 2,920,000                      |
| 4    | Los Angeles                   | 2,750,000                      |
| 5    | San Francisco                 | 1,739,000                      |
| 6    | Las Vegas                     | 1,660,000                      |
| 7    | Washington, DC                | 1,167,000                      |
| 8    | Chicago                       | 1,061,000                      |
| 9    | Boston                        | 738,000                        |
| 10   | Honolulu                      | 711,000                        |
| 11   | Fort Lauderdale               | 675,000                        |
| 12   | Houston                       | 596,000                        |
| 13   | San Diego                     | 558,000                        |
| 14   | Dallas                        | 453,000                        |
| 15   | Seattle                       | 412,000                        |
| 16   | Flagstaff                     | 400,000                        |
| 17   | Santa Ana                     | 395,000                        |
| 18   | Atlanta                       | 362,000                        |
| 19   | Tampa                         | 340,000                        |
| 20   | Philadelphia                  | 326,000                        |

## NOTES:

1 Cities listed include the entire local metropolitan statistical area.

2 Excluding visitors from Canada and Mexico.

SOURCE: US Department of Commerce, International Trade Administration, Office of Tourism Industries, June 2024.

### 3.4 ECONOMIC OUTLOOK

#### 3.4.1 SHORT-TERM ECONOMIC OUTLOOK

The Congressional Budget Office (CBO) economic outlook released in June 2024 projects a 2.6 percent year-over-year increase in real GDP for 2024, which is similar to the real GDP growth in 2023 (2.5 percent). The real GDP growth rate is projected to decrease to 2.1 percent in 2025, and then fall to 1.8 percent by 2026.<sup>81</sup> Real GDP growth projected by CBO is similar to that projected by the International Monetary Fund (IMF). The IMF economic outlook released in July 2024 projects a 2.6 percent year-over-year increase in real US GDP for 2024. 2025 is then projected to see slower year-over-year US GDP growth of 1.9 percent.<sup>82</sup> The CBO projects the national unemployment rate to rise to 4.4 percent by the end of 2027.<sup>83</sup>

#### 3.4.2 LONG-TERM ECONOMIC OUTLOOK

**Table 3-7** presents selected 2022 and 2035 economic figures for the ATA and the United States, including population, employment, personal income, PCPI, GRP and GDP, and per capita GRP and GDP. Population and employment in the ATA are projected to grow at CAGRs of 0.2 percent and 1.0 percent, respectively. Total personal income is projected to grow at a CAGR of 1.8 percent, and PCPI in the ATA is projected to grow at a CAGR of 1.7

<sup>81</sup> Congressional Budget Office, *The Budget and Economic Outlook: 2024 to 2034*, June 2024.

<sup>82</sup> International Monetary Fund, *World Economic Outlook Update: The Global Economy in a Sticky Spot*, July 2024.

<sup>83</sup> Congressional Budget Office, *The Budget and Economic Outlook: 2024 to 2034*, June 2024.

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percent. GRP and per capita GRP are projected to grow at CAGRs of 1.9 percent and 1.8 percent, respectively. Growth expectations for these variables in the ATA are generally in line with those of the United States. Overall, growth expectations for the ATA indicate its ongoing capacity to continue to generate demand for air travel services during the Projection Period.

TABLE 3-7 PROJECTED SELECT ECONOMIC VARIABLES (2022–2035)

| VARIABLE   | 2022         | 2035         | CAGR 2022–2035 |
|--|--------------|--------------|----------------|
| ATA Population                                   | 9,553,062    | 9,769,970    | 0.2%           |
| United States Population                         | 333,271,411  | 361,600,435  | 0.6%           |
| ATA Total Employment                             | 6,414,028    | 7,289,762    | 1.0%           |
| United States Total Employment                   | 212,442,020  | 249,077,315  | 1.2%           |
| ATA Total Personal Income (\$million)            | \$594,665    | \$753,601    | 1.8%           |
| United States Total Personal Income (\$million)  | \$18,803,588 | \$25,162,043 | 2.3%           |
| ATA Per Capita Personal Income                   | \$62,249     | \$77,134     | 1.7%           |
| United States Per Capita Personal Income         | \$56,421     | \$69,585     | 1.6%           |
| ATA Gross Regional Product (\$million)           | \$720,235    | \$925,083    | 1.9%           |
| United States Gross Domestic Product (\$million) | \$21,788,014 | \$28,528,044 | 2.1%           |
| ATA Per Capita Gross Regional Product            | \$75,393     | \$94,686     | 1.8%           |
| United States Per Capita Gross Domestic Product  | \$65,376     | \$78,894     | 1.5%           |

## NOTES:

ATA – Air Trade Area

CAGR – Compound Annual Growth Rate

Dollar amounts are in 2017 dollars.

2035 data are Woods &amp; Poole Economics, Inc. (Woods &amp; Poole) projections.

2022 is the last year of historical data in the Woods &amp; Poole database and is the basis for Woods &amp; Poole's future projections.

Therefore, it is the last year of historical data displayed in this table. More recent data may be available from other sources.

SOURCE: Woods &amp; Poole Economics Inc., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024.

### 3.4.3 CONCLUSIONS

The data cited in this chapter support the conclusion that the ATA can support increased airline traffic demand through the Projection Period (ending in 2035).

The ATA population was 9,553,062 in 2022, and it is projected to increase to 9,769,970 by 2035. This represents a 0.2 percent CAGR for the ATA, a net increase of nearly 217,000 residents over the Projection Period.

PCPI in the ATA was higher than in the United States between 2012 and 2022. The ATA's PCPI in 2022 (\$62,249) was 10.3 percent higher than PCPI in the United States (\$56,421). PCPI in the ATA is projected to increase at a CAGR of 1.7 percent between 2022 and 2035.<sup>84</sup>

Per Capita GRP in the ATA was higher than in the United States between 2012 and 2022. Between 2012 and 2022, the ATA's per capita GRP grew at a CAGR of approximately 1.8 percent; this is lower than growth in the United States (1.9 percent) during the same period. Per capita GRP in the ATA is projected to increase at a CAGR of 1.8 percent between 2022 and 2035, higher than projected growth in the United States (1.5 percent) during the same period.

The ATA has a large and diverse economy with strong global transit links, which favorably impacts future airline traffic demand.

<sup>84</sup> Amounts are in 2017 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 ATA represents a high-ranking O&D market. Based on USDOT survey data, the Chicago market<sup>85</sup> was ranked third in the nation in terms of domestic O&D passengers in 2023, following Los Angeles<sup>86</sup> and New York.<sup>87</sup>

The Airport ranked fifth in the United States in terms of total O&D passengers in 2023, having ranked between third and sixth in prior years. **Table 4-1** presents the top 20 US airports ranked by total enplaned O&D passengers for 2019 through 2023, 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 Airport's pattern of recovery is similar to Los Angeles International Airport (LAX) and John F. Kennedy International Airport (JFK), both of which accommodate similar composition of O&D passengers as the Airport. 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 also one of the highest-ranking airports in the US for connecting passengers. **Exhibit 4-1** presents the O&D and connecting passengers for the top 10 US airports in terms of total enplaned passengers in 2023.

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).<sup>88</sup>

### 4.2 PASSENGER AIRLINES SERVING THE AIRPORT

Passenger service is provided at the Airport by 11 of the nation's 13 major passenger airlines.<sup>89</sup> 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.<sup>90</sup>

Based on published airline schedules for CY 2024, 21 US-flag airlines provide scheduled passenger service at the Airport and 37 foreign-flag airlines provide scheduled and nonscheduled passenger service. **Table 4-2** lists the airlines servicing the Airport during the 12 months ending December 2024.

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<sup>85</sup> Includes Chicago O'Hare International and Chicago Midway International Airports.

<sup>86</sup> Includes Los Angeles International, John Wayne (Orange County), Ontario International, Hollywood Burbank, and Long Beach Airports.

<sup>87</sup> Includes John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.

<sup>88</sup> Based on 2023 US DOT T-100 data.

<sup>89</sup> 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, 2024, based on their total revenues for the 12 months ending December 2023.

<sup>90</sup> Allegiant Air and Hawaiian Airlines are the major US passenger airlines that currently do not serve the Airport.

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TABLE 4-1 TOP 20 US AIRPORTS RANKED ON TOTAL ENPLANED ORIGIN AND DESTINATION PASSENGERS (IN MILLIONS)

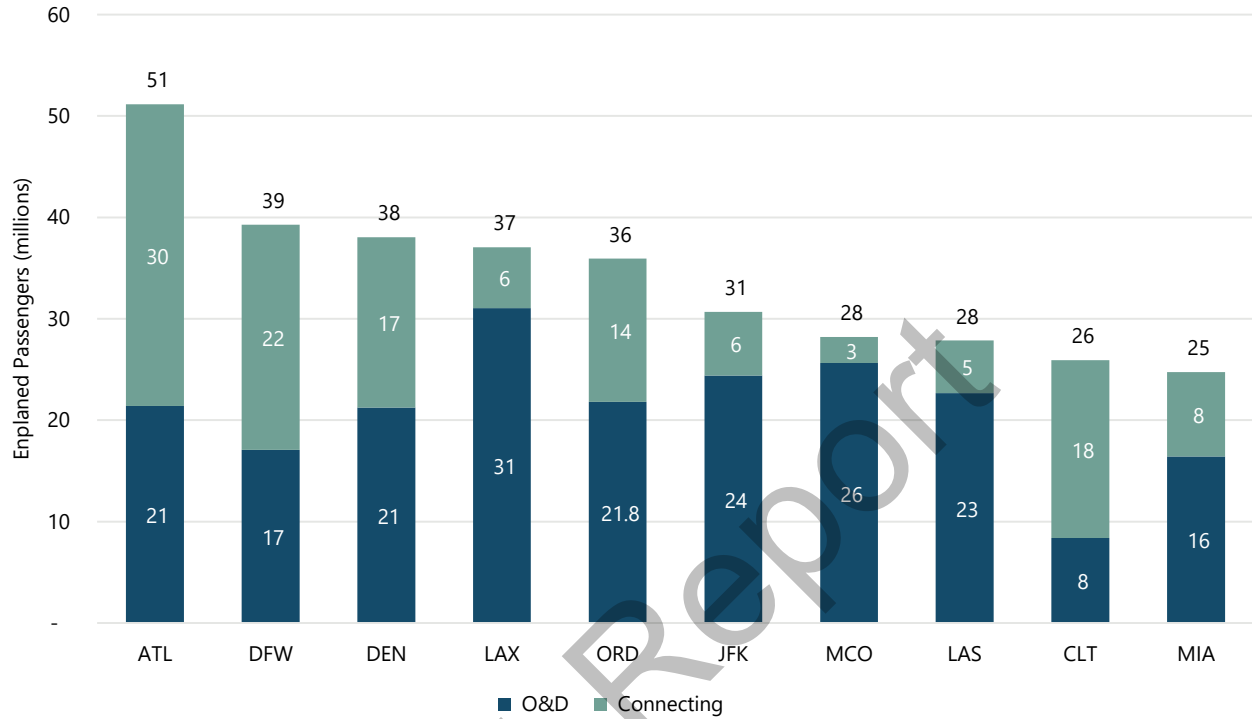
| CITY AND AIRPORT            | 2019     |             | 2020     |            | 2021     |             | 2022     |             | 2023     |             |
|-----------------------------|----------|-------------|----------|------------|----------|-------------|----------|-------------|----------|-------------|
|                             | RANK     | PASSENGERS  | RANK     | PASSENGERS | RANK     | PASSENGERS  | RANK     | PASSENGERS  | RANK     | PASSENGERS  |
| Los Angeles, CA (LAX)       | 1        | 34.4        | 1        | 11.7       | 1        | 20.3        | 1        | 27.1        | 1        | 30.7        |
| Orlando, FL (MCO)           | 4        | 23.3        | 2        | 9.9        | 2        | 18.4        | 2        | 23.0        | 2        | 24.6        |
| New York, NY (JFK)          | 2        | 26.2        | 9        | 7.2        | 7        | 13.4        | 4        | 21.1        | 3        | 24.0        |
| Las Vegas, NV (LAS)         | 5        | 21.8        | 4        | 9.1        | 4        | 16.7        | 3        | 21.4        | 4        | 22.6        |
| <b>Chicago, IL (ORD)</b>    | <b>3</b> | <b>23.3</b> | <b>6</b> | <b>8.0</b> | <b>6</b> | <b>15.2</b> | <b>5</b> | <b>19.9</b> | <b>5</b> | <b>21.7</b> |
| Atlanta, GA (ATL)           | 8        | 19.8        | 5        | 8.4        | 5        | 15.4        | 7        | 18.6        | 6        | 20.6        |
| Denver, CO (DEN)            | 6        | 21.7        | 3        | 9.7        | 3        | 16.8        | 6        | 19.8        | 7        | 20.4        |
| Newark, NJ (EWR)            | 10       | 18.7        | 11       | 6.7        | 9        | 12.5        | 8        | 16.9        | 8        | 19.3        |
| San Francisco, CA (SFO)     | 7        | 21.6        | 14       | 5.8        | 15       | 9.7         | 9        | 16.4        | 9        | 18.9        |
| Boston, MA (BOS)            | 9        | 19.4        | 15       | 5.7        | 14       | 10.6        | 10       | 16.3        | 10       | 18.5        |
| Phoenix, AZ (PHX)           | 14       | 15.1        | 7        | 7.4        | 8        | 13.2        | 11       | 15.8        | 11       | 17.4        |
| Seattle, WA (SEA)           | 11       | 17.3        | 13       | 6.1        | 13       | 11.5        | 14       | 14.8        | 12       | 17.0        |
| Dallas/Fort Worth, TX (DFW) | 12       | 15.7        | 10       | 7.0        | 10       | 12.4        | 13       | 15.0        | 13       | 16.9        |
| Miami, FL (MIA)             | 15       | 14.6        | 12       | 6.1        | 11       | 12.2        | 12       | 15.7        | 14       | 16.4        |
| Fort Lauderdale, FL (FLL)   | 13       | 15.4        | 8        | 7.2        | 12       | 12.1        | 15       | 13.8        | 15       | 15.3        |
| New York, NY (LGA)          | 16       | 14.1        | 20       | 3.9        | 20       | 7.4         | 16       | 12.5        | 16       | 14.1        |
| Houston, TX (IAH)           | 19       | 11.3        | 17       | 4.6        | 16       | 9.1         | 17       | 11.4        | 17       | 12.9        |
| San Diego, CA (SAN)         | 17       | 12.0        | 19       | 4.5        | 19       | 7.6         | 18       | 10.7        | 18       | 11.7        |
| Tampa, FL (TPA)             | 20       | 10.5        | 16       | 4.8        | 17       | 8.6         | 19       | 10.3        | 19       | 11.2        |
| Minneapolis, MN (MSP)       | 18       | 11.7        | 18       | 4.5        | 18       | 8.0         | 20       | 10.1        | 20       | 11.1        |

## 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: Sabre Market Intelligence, June 2024.

EXHIBIT 4-1 O&D AND CONNECTING PASSENGERS AT TOP 10 US AIRPORTS IN 2023



NOTE:

O&D and connecting passengers based on US DOT databases and may differ from O&D and connecting passenger estimate presented elsewhere in this report.

SOURCE: Cirium Diio, July 2024 (US DOT T-100 Database and O&D Survey).

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-2 AIRLINES PROVIDING PASSENGER SERVICE

| SCHEDULED US AIRLINES (21)  | FOREIGN-FLAG AIRLINES (37)    |
|---|-------------------------------|
| Air Wisconsin (American Eagle)                                      | Aer Lingus                    |
| Alaska Airlines   | Aeromexico                    |
| American Airlines   | Air Canada                    |
| Cape Air  | Air France                    |
| Contour Aviation  | Air India                     |
| Delta Air Lines   | Air New Zealand               |
| Denver Air Connection   | Air Serbia                    |
| Endeavor Air (Delta Connection)                                     | All Nippon Airways            |
| Envoy Air (American Eagle)  | Austrian Airlines             |
| Frontier Airlines   | Avianca Costa Rica            |
| GoJet Airlines (United Express)                                     | British Airways               |
| Horizon Air (Alaska)  | Cathay Pacific                |
| JetBlue Airways   | Copa Airlines                 |
| Piedmont Airlines (American Eagle)                                  | Emirates                      |
| Republic Airline (American Eagle, Delta Connection, United Express) | Ethiopian Airlines            |
| SkyWest Airlines (American Eagle, Delta Connection, United Express) | Etihad Airways                |
| Southern Airways Express  | EVA Air                       |
| Southwest Airlines  | Finnair                       |
| Spirit Airlines   | Iberia                        |
| Sun Country Airlines  | Icelandair                    |
| United Airlines   | ITA Airways                   |
|   | Japan Airlines                |
|   | Jazz (Air Canada Express)     |
|   | KLM Royal Dutch Airlines      |
|   | Korean Air                    |
|   | LOT Polish Airlines           |
|   | Lufthansa                     |
|   | Qatar Airways                 |
|   | Royal Jordanian               |
|   | Scandinavian Airlines         |
|   | Swiss International Air Lines |
|   | TAP Air Portugal              |
|   | Turkish Airlines              |
|   | VivaAerobus                   |
|   | Volaris                       |
|   | Volaris El Salvador           |
|   | WestJet                       |

## NOTE:

Presents airlines scheduled for a 12-month period ending December 2024.

SOURCES: City of Chicago, Department of Aviation, Management Records, August 2024; Cirium Diio, August 2024 (published airline schedules).



**Table 4-3** presents the scheduled US-flag airlines that have served the Airport since 2014. 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 2014. Southwest, Denver Air, and Horizon Air began service at the Airport in 2021. Southern Airways Express began service at the Airport in 2022.

**Table 4-4** presents the foreign-flag airlines that have served the Airport since at least 2014. As shown, 25 of the 37 foreign-flag airlines currently serving the Airport have operated at the Airport each year since at least 2014. In addition, two new foreign-flag airlines have begun service to the Airport since 2022 (Air Serbia and Volaris El Salvador in 2023). Four of the foreign-flag airlines no longer serving the airport, Air Berlin, Interjet, WOW Air, and Swoop, 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, inclusive of enplaned and deplaned passengers. For purposes of this Report, passenger activity is reported as enplaned passengers.

#### 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 0.5 percent from 2014 to 2023.

- From 2014 to 2019, total enplaned passengers increased from approximately 35.0 million to 42.2 million, which represented a CAGR of 3.9 percent. During the same period, domestic enplaned passengers increased at a CAGR of 3.5 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 2014 and 2019, which represented a CAGR of 5.6 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 61.5 percent to approximately 13.5 million, and international enplaned passengers decreased 74.6 percent to approximately 1.8 million. The impact of the COVID-19 pandemic is presented in more detail in Section 4.4.1.
- 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. In 2022 total enplaned passengers increased 26.5 percent to 34.1 million, followed by a 7.3 percent increase in 2023 to 36.6 million.
- Between January and June of 2024, total enplaned passengers increased 8.4 percent compared to January through June of 2023, driven by an 8.1 percent increase in domestic enplaned passengers and a 9.7 percent increase in international enplaned passengers.

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TABLE 4-3 SCHEDULED US-FLAG AIRLINE BASE

| AIRLINE                                   | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      | 2024 <sup>1</sup> |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------|
| Air Wisconsin                             | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| Alaska Airlines <sup>2</sup>              | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| American Airlines <sup>3</sup>            | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| Delta Air Lines                           | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| Endeavor Air                              | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| Envoy Air <sup>4</sup>                    | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| Frontier Airlines                         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| GoJet Airlines                            | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| JetBlue Airways                           | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| Republic Airways                          | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| SkyWest Airlines                          | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| Spirit Airlines                           | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| United Airlines                           | •         | •         | •         | •         | •         | •         | •         | •         | •         | •         | •                 |
| Cape Air                                  |           |           |           |           | •         | •         | •         | •         | •         | •         | •                 |
| Sun Country Airlines                      |           |           |           |           |           | •         | •         | •         | •         | •         | •                 |
| Piedmont Airlines                         |           |           |           |           |           |           | •         | •         | •         | •         | •                 |
| Denver Air Connection                     |           |           |           |           |           |           |           | •         | •         | •         | •                 |
| Southwest Airlines                        |           |           |           |           |           |           |           | •         | •         | •         | •                 |
| Horizon Air                               |           |           |           |           |           |           |           | •         | •         | •         | •                 |
| Southern Airways Express                  |           |           |           |           |           |           |           |           | •         | •         | •                 |
| Contour Aviation                          |           |           |           |           |           |           |           |           |           | •         | •                 |
| Mesa Airlines                             | •         | •         |           |           |           |           |           | •         | •         |           |                   |
| Air Choice One                            | •         | •         | •         | •         | •         | •         | •         | •         | •         |           |                   |
| PSA Airlines                              |           |           | •         | •         | •         | •         | •         | •         |           |           |                   |
| ExpressJet                                | •         | •         | •         | •         | •         | •         | •         |           |           |           |                   |
| Trans States Airlines                     | •         | •         | •         | •         | •         | •         | •         |           |           |           |                   |
| Compass Airlines                          | •         | •         | •         | •         |           |           |           |           |           |           |                   |
| Shuttle America                           | •         | •         | •         | •         |           |           |           |           |           |           |                   |
| Aerodynamics                              |           |           | •         |           |           |           |           |           |           |           |                   |
| Chautauqua Airlines                       | •         |           |           |           |           |           |           |           |           |           |                   |
| <b>Total Airlines Serving the Airport</b> | <b>20</b> | <b>19</b> | <b>20</b> | <b>19</b> | <b>18</b> | <b>19</b> | <b>20</b> | <b>22</b> | <b>22</b> | <b>21</b> | <b>21</b>         |

NOTES:

- 1 Refers to scheduled service during CY 2024, as of June 2024.
  - 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 American Eagle was rebranded as Envoy Air in April 2014.
- SOURCE: Cirium Diio, August 2024 (published airline schedules).

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TABLE 4-4 (1 OF 2) SCHEDULED FOREIGN-FLAG AIRLINE BASE

| AIRLINE                       | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 <sup>1</sup> |
|-------------------------------|------|------|------|------|------|------|------|------|------|------|-------------------|
| Aer Lingus                    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Aeroméxico                    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Air Canada                    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Air France                    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Air India                     | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| All Nippon Airways            | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Austrian Airlines             | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| British Airways               | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Cathay Pacific                | •    | •    | •    | •    | •    | •    | •    |      |      | •    | •                 |
| Copa Airlines                 | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Emirates                      | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Etihad Airways                | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Iberia                        | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Japan Airlines                | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Jazz                          | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| KLM Royal Dutch Airlines      | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Korean Air                    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| LOT Polish Airlines           | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Lufthansa                     | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Qatar Airways                 | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Royal Jordanian               | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Scandinavian Airlines         | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Swiss International Air Lines | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Turkish Airlines              | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Volaris                       | •    | •    | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Finnair                       |      | •    | •    | •    | •    | •    |      | •    | •    | •    | •                 |
| EVA Air                       |      |      | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Icelandair                    |      |      | •    | •    | •    | •    | •    | •    | •    | •    | •                 |
| Ethiopian Airlines            |      |      |      |      | •    | •    | •    | •    | •    | •    | •                 |

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TABLE 4-4 (2 OF 2) SCHEDULED FOREIGN-FLAG AIRLINE BASE

| AIRLINE                                   | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      | 2024 <sup>1</sup> |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------------|
| Viva Aerobus                              |           |           |           |           | •         | •         | •         | •         | •         | •         | •                 |
| TAP Air Portugal                          |           |           |           |           |           | •         | •         | •         | •         | •         | •                 |
| Air New Zealand <sup>2</sup>              |           |           |           |           | •         | •         | •         |           | •         | •         | •                 |
| Air Serbia                                |           |           |           |           |           |           |           |           |           | •         | •                 |
| Volaris El Salvador                       |           |           |           |           |           |           |           |           |           | •         | •                 |
| Alitalia/ITA Airways <sup>3</sup>         | •         | •         | •         | •         | •         | •         |           |           |           |           | •                 |
| Avianca <sup>4</sup>                      | •         | •         | •         | •         | •         | •         |           |           |           | •         | •                 |
| WestJet <sup>5</sup>                      | •         | •         | •         | •         | •         |           |           |           | •         | •         | •                 |
| Flair Airlines                            |           |           |           |           |           |           |           |           | •         |           |                   |
| Swoop                                     |           |           |           |           |           |           |           |           | •         |           |                   |
| China Eastern Airlines                    |           |           | •         | •         | •         | •         | •         |           |           |           |                   |
| Interjet                                  |           |           | •         | •         | •         | •         | •         |           |           |           |                   |
| Hainan Airlines                           | •         | •         | •         | •         | •         | •         | •         |           |           |           |                   |
| Norwegian Air Shuttle                     |           |           |           |           | •         | •         |           |           |           |           |                   |
| WOW Air                                   |           |           |           | •         | •         | •         |           |           |           |           |                   |
| Asiana Airlines                           | •         | •         | •         | •         | •         | •         |           |           |           |           |                   |
| Cayman Airways                            | •         | •         | •         | •         | •         | •         |           |           |           |           |                   |
| BahamasAir                                |           |           | •         | •         | •         | •         |           |           |           |           |                   |
| Virgin Atlantic                           | •         | •         | •         |           |           |           |           |           |           |           |                   |
| Air Berlin                                | •         | •         | •         | •         |           |           |           |           |           |           |                   |
| <b>Total Airlines Serving the Airport</b> | <b>33</b> | <b>34</b> | <b>39</b> | <b>39</b> | <b>42</b> | <b>42</b> | <b>34</b> | <b>30</b> | <b>34</b> | <b>36</b> | <b>37</b>         |

## NOTES:

1 Refers to scheduled service during CY 2024, as of June 2024.

2 Air New Zealand paused service in March 2024 due to challenges with the availability of serviceable Rolls-Royce Trent 1000 engines, and flights are planned to resume in late 2025.

3 Alitalia ceased operations in October 2021. ITA Airways is the successor to Alitalia.

4 Includes Avianca, Avianca Costa Rica, Avianca Peru, and Avianca El Salvador.

5 Includes WestJet Encore.

SOURCE: Cirium Diiio, August 2024 (published airline schedules).

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-5 HISTORICAL ENPLANED PASSENGERS

| YEAR        | DOMESTIC            |               | INTERNATIONAL       |               | TOTAL               |               |
|-------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|             | ENPLANED PASSENGERS | ANNUAL GROWTH | ENPLANED PASSENGERS | ANNUAL GROWTH | ENPLANED PASSENGERS | ANNUAL GROWTH |
| 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%         |
| 2022        | 28,459,387          | 17.7%         | 5,636,323           | 103.0%        | 34,095,710          | 26.5%         |
| 2023        | 29,916,091          | 5.1%          | 6,681,679           | 18.5%         | 36,597,770          | 7.3%          |
| <b>CAGR</b> |                     |               |                     |               |                     |               |
| 2014 – 2019 | 3.5%                |               | 5.6%                |               | 3.9%                |               |
| 2014 – 2023 | 0.1%                |               | 2.4%                |               | 0.5%                |               |

NOTE:

CAGR – Compound Annual Growth Rate

SOURCE: City of Chicago, Department of Aviation, Management Records, June 2024.

**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 6.7 percent between 2014 and 2019 compared to a CAGR of 0.6 percent for connecting passengers, resulting in a 7.3-point increase in the percentage of O&D passengers from 49.8 percent in 2014 to 57.1 percent in 2019. The O&D share of total passengers decreased in 2020 and 2021 on a significant decrease in total passengers. In 2022 and 2023, O&D share of total passengers increased to 60.1 percent and 60.7 percent, respectively, resulting in a 10.9-point increase in the share of O&D passengers between 2014 and 2023. This increase in O&D passenger share is consistent with trends at other large connecting hubs and is due in part to the growth of Low-Cost and ULCCs that primarily accommodate O&D passengers.

The percentage distribution of resident and visitor O&D passengers was generally consistent between 2014 and 2019, with visitors representing approximately 44 percent of visitors. The decrease in visitor share of total O&D passengers that 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. Visitor share increased in 2022 and 2023, reaching 42.9 percent of total O&D passengers in 2023, marginally lower than the 43.5 percent share in 2019.

#### 4.3.2 ENPLANED PASSENGERS BY AIRLINE

**Table 4-7** presents total enplaned passengers by airline at the Airport for 2019 through 2023. United's share (inclusive of regional affiliates) of total Airport enplaned passengers increased from 44.4 percent in 2019 to 47.7 percent in 2023. American's share (inclusive of regional affiliates) of total Airport enplaned passengers decreased from 35.2 percent in 2019 to 29.9 percent in 2023. The decrease in American's share of passengers is due in part to its evolving network strategy, which is discussed in more detail in Section 4.4.8.2. Another significant change in passenger share is Southwest, which launched service at the Airport in 2021 and represented 2.6 percent of total enplaned passengers in 2023. Mexico based airlines Volaris and Viva Aerobus combined share of total enplaned passengers increased from 0.2 percent in 2019 to 1.2 percent in 2023. **Exhibit 4-2** compares the total enplaned passenger share of the airline segments at the Airport in 2019 and 2023.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-6 HISTORICAL CONNECTING AND ORIGIN AND DESTINATION ENPLANED PASSENGERS

| YEAR        | ENPLANED PASSENGERS |                             |            |                      |              |                                 |             |                                |
|-------------|---------------------|-----------------------------|------------|----------------------|--------------|---------------------------------|-------------|--------------------------------|
|             | 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 |
| 2014        | 17,551,068          | 50.2%                       | 17,401,694 | 49.8%                | 9,879,525    | 56.8%                           | 7,522,169   | 43.2%                          |
| 2015        | 18,194,849          | 47.4%                       | 20,201,056 | 52.6%                | 11,460,371   | 56.7%                           | 8,740,685   | 43.3%                          |
| 2016        | 17,508,806          | 45.0%                       | 21,363,863 | 55.0%                | 12,069,594   | 56.5%                           | 9,294,268   | 43.5%                          |
| 2017        | 17,390,333          | 43.7%                       | 22,425,555 | 56.3%                | 12,662,952   | 56.5%                           | 9,762,603   | 43.5%                          |
| 2018        | 18,038,491          | 43.4%                       | 23,524,852 | 56.6%                | 13,220,967   | 56.2%                           | 10,303,885  | 43.8%                          |
| 2019        | 18,127,759          | 42.9%                       | 24,120,611 | 57.1%                | 13,627,700   | 56.5%                           | 10,492,911  | 43.5%                          |
| 2020        | 7,076,999           | 46.1%                       | 8,274,047  | 53.9%                | 4,989,658    | 60.3%                           | 3,284,389   | 39.7%                          |
| 2021        | 11,666,412          | 43.3%                       | 15,278,947 | 56.7%                | 9,022,730    | 59.1%                           | 6,256,217   | 40.9%                          |
| 2022        | 13,606,986          | 39.9%                       | 20,488,724 | 60.1%                | 11,767,932   | 57.4%                           | 8,720,791   | 42.6%                          |
| 2023        | 14,376,408          | 39.3%                       | 22,221,362 | 60.7%                | 12,688,398   | 57.1%                           | 9,532,964   | 42.9%                          |
| <b>CAGR</b> |                     |                             |            |                      |              |                                 |             |                                |
| 2014 – 2019 | 0.6%                |                             | 6.7%       |                      | 6.6%         |                                 | 6.9%        |                                |
| 2014 – 2023 | -2.2%               |                             | 2.8%       |                      | 2.8%         |                                 | 2.7%        |                                |

## NOTES:

CAGR – Compound Annual Growth Rate

O&amp;D – Origin and Destination

Segmentation of O&amp;D passengers based on US Department of Transportation databases and will not tie to O&amp;D passengers presented in Table 4-1, which is based on airline bookings data.

SOURCES: City of Chicago, Department of Aviation, Management Records, June 2024 (total passengers); US Department of Transportation, O&amp;D Survey, June 2024; US Department of Transportation, T-100, June 2024 (segmentation of passengers).

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-7 HISTORICAL TOTAL ENPLANED PASSENGERS BY AIRLINE

| AIRLINE   | 2019                |               | 2020                |               | 2021                |               | 2022                |               | 2023                |               |
|---|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|   | ENPLANED PASSENGERS | SHARE         | ENPLANED PASSENGERS | SHARE         | ENPLANED PASSENGERS | SHARE         | ENPLANED PASSENGERS | SHARE         | ENPLANED PASSENGERS | SHARE         |
| United Airlines Combined <sup>1</sup>                                     | 18,779,363          | 44.4%         | 6,750,478           | 44.0%         | 11,560,483          | 42.9%         | 15,545,768          | 45.6%         | 17,466,874          | 47.7%         |
| American Airlines Combined <sup>1</sup>                                   | 14,861,971          | 35.2%         | 5,640,306           | 36.7%         | 10,178,756          | 37.8%         | 11,096,750          | 32.5%         | 10,955,864          | 29.9%         |
| 1 United Airlines   | 12,915,154          | 30.6%         | 4,055,574           | 26.4%         | 7,387,117           | 27.4%         | 11,568,507          | 33.9%         | 14,123,028          | 38.6%         |
| 2 American Airlines   | 10,153,179          | 24.0%         | 3,651,968           | 23.8%         | 6,581,952           | 24.4%         | 7,932,265           | 23.3%         | 7,746,431           | 21.2%         |
| 3 SkyWest Airlines (American Eagle, Delta Connection, and United Express) | 3,316,170           | 7.8%          | 1,376,952           | 9.0%          | 2,374,768           | 8.8%          | 2,660,758           | 7.8%          | 2,796,561           | 7.6%          |
| 4 Envoy Air (American Eagle)  | 3,211,822           | 7.6%          | 1,270,603           | 8.3%          | 1,753,714           | 6.5%          | 2,145,486           | 6.3%          | 1,498,407           | 4.1%          |
| 5 Delta Air Lines   | 1,456,569           | 3.4%          | 430,071             | 2.8%          | 677,092             | 2.5%          | 1,129,723           | 3.3%          | 1,331,589           | 3.6%          |
| 6 Spirit Airlines   | 1,690,808           | 4.0%          | 852,909             | 5.6%          | 1,099,258           | 4.1%          | 1,323,922           | 3.9%          | 1,262,888           | 3.5%          |
| 7 Air Wisconsin (United Express)  | 1,522,041           | 3.6%          | 505,815             | 3.3%          | 856,582             | 3.2%          | 1,153,660           | 3.4%          | 1,254,748           | 3.4%          |
| 8 Southwest Airlines  | 0                   | 0.0%          | 0                   | 0.0%          | 604,377             | 2.2%          | 987,235             | 2.9%          | 963,497             | 2.6%          |
| 9 Republic Airways (American Eagle, Delta Connection, and United Express) | 878,245             | 2.1%          | 844,126             | 5.5%          | 2,050,516           | 7.6%          | 892,372             | 2.6%          | 706,661             | 1.9%          |
| 10 Alaska Airlines  | 486,667             | 1.2%          | 178,214             | 1.2%          | 343,436             | 1.3%          | 436,845             | 1.3%          | 503,586             | 1.4%          |
| 11 GoJet Airlines (Delta Connection and United Express)                   | 609,533             | 1.4%          | 466,546             | 3.0%          | 743,699             | 2.8%          | 250,532             | 0.7%          | 312,552             | 0.9%          |
| 12 Lufthansa  | 315,182             | 0.7%          | 80,701              | 0.5%          | 103,664             | 0.4%          | 249,899             | 0.7%          | 269,124             | 0.7%          |
| 13 Frontier Airlines  | 615,983             | 1.5%          | 260,186             | 1.7%          | 453,562             | 1.7%          | 266,557             | 0.8%          | 259,091             | 0.7%          |
| 14 Volaris  | 93,473              | 0.2%          | 86,149              | 0.6%          | 147,864             | 0.5%          | 191,570             | 0.6%          | 240,454             | 0.7%          |
| 15 Viva Aerobus   | 1,781               | 0.0%          | 20,141              | 0.1%          | 76,432              | 0.3%          | 146,062             | 0.4%          | 194,266             | 0.5%          |
| Other   | 4,981,763           | 11.8%         | 1,271,091           | 8.3%          | 1,691,326           | 6.3%          | 2,760,317           | 8.1%          | 3,134,887           | 8.6%          |
| <b>Airport Total</b>  | <b>42,248,370</b>   | <b>100.0%</b> | <b>15,351,046</b>   | <b>100.0%</b> | <b>26,945,359</b>   | <b>100.0%</b> | <b>34,095,710</b>   | <b>100.0%</b> | <b>36,597,770</b>   | <b>100.0%</b> |

## NOTES:

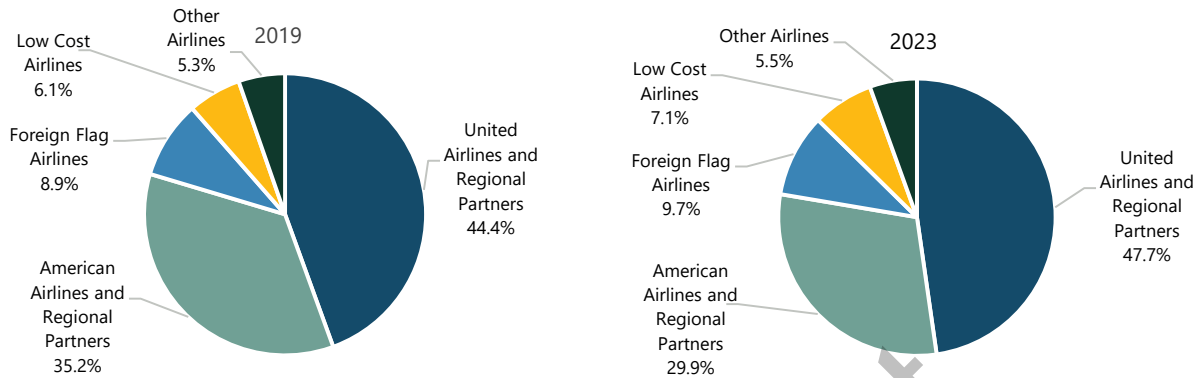
Columns may not add to totals shown because of rounding.

1 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, June 2024.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

## EXHIBIT 4-2 SHARE OF TOTAL ENPLANED PASSENGERS



## NOTE:

Share totals for United Airlines and American Airlines combined include regional affiliates.

SOURCE: City of Chicago, Department of Aviation, Management Records, June 2024.

### 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 4, 2023, as measured by the number of total O&D passengers. In 2024, all top 50 domestic O&D markets had at least seven or more weekly nonstop flights to/from the Airport. As also shown in **Table 4-8**, airlines provide nonstop service to all of the Airport's top 50 domestic O&D markets.

- Forty-nine of the top 50 markets are served by 2 or more airlines.
- Fourteen markets are served by 3 airlines, seven markets are served by 4 airlines, and five markets are served by 5 airlines. **Exhibit 4-3** illustrates the domestic markets served nonstop from the Airport in the year ending December 2024.
- In 2024, airlines scheduled 901 average daily departures from the Airport to 179 nonstop destinations in the United States. **Exhibit 4-4** illustrates the international markets served nonstop from the Airport in the year ending December 2024.
- In 2024, airlines scheduled 116 average daily departures from the Airport to 73 nonstop international destinations.

### 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 2014 and 2023. Passenger airline operations increased from 849,156 in 2014 to 879,323 in 2019, which represented a CAGR of 0.7 percent, significantly lower than the 3.9 percent CAGR for enplaned passengers during the same period. An increase in the average seats per departure from 97 in 2014 to 113 in 2019, as well as a marginal increase in the average load factor from 85.1 percent to 85.3 percent, enabled airlines to carry more passengers per operation. Passenger airline operations, average seats per departure, and average load factor decreased in 2020. There were sequential year-over-year increases in all three metrics in 2021 and 2022 in line with year-over-year growth in enplaned passengers. In 2023, average seats per departure increased to 127, as airlines continued to decrease their utilization of 50-seat regional aircraft and increase the average seat size of the mainline aircraft by incorporating larger narrowbody aircraft like the Airbus A321NEO and Boeing 737 MAX 9.



## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-8 (1 OF 2) AIRLINE SERVICE TO THE AIRPORT'S TOP DOMESTIC ORIGIN AND DESTINATION PASSENGER MARKETS – YEAR ENDING FOURTH QUARTER 2023

| RANK | MARKET                      | TOTAL O&D PASSENGERS <sup>1</sup> | WEEKLY NONSTOP DEPARTURES | NUMBER OF AIRLINES <sup>2</sup> | AIRLINES <sup>3</sup> |
|------|-----------------------------|-----------------------------------|---------------------------|---------------------------------|-----------------------|
| 1    | New York City <sup>4</sup>  | 3,122,562                         | 341                       | 5                               | AA, B6, DL, NK, UA    |
| 2    | Los Angeles <sup>5</sup>    | 2,106,079                         | 172                       | 3                               | AA, NK, UA            |
| 3    | Orlando                     | 1,383,875                         | 103                       | 5                               | AA, F9, NK, UA, WN    |
| 4    | Washington, DC <sup>6</sup> | 1,318,927                         | 207                       | 3                               | AA, UA, WN            |
| 5    | Dallas <sup>7</sup>         | 1,222,770                         | 139                       | 4                               | AA, NK, UA, WN        |
| 6    | San Francisco <sup>8</sup>  | 1,189,385                         | 94                        | 3                               | AA, AS, UA            |
| 7    | Phoenix                     | 1,140,449                         | 111                       | 5                               | AA, F9, NK, UA, WN    |
| 8    | Boston                      | 1,097,145                         | 117                       | 4                               | AA, B6, DL, UA        |
| 9    | Atlanta                     | 1,070,411                         | 117                       | 5                               | AA, DL, F9, NK, UA    |
| 10   | Denver                      | 1,063,047                         | 121                       | 3                               | AA, UA, WN            |
| 11   | Las Vegas                   | 1,038,453                         | 103                       | 5                               | AA, F9, NK, UA, WN    |
| 12   | Seattle                     | 833,567                           | 94                        | 4                               | AA, AS, DL, UA        |
| 13   | Miami                       | 790,881                           | 78                        | 3                               | AA, NK, UA            |
| 14   | Houston <sup>9</sup>        | 789,281                           | 85                        | 3                               | AA, NK, UA            |
| 15   | Tampa                       | 745,441                           | 58                        | 4                               | AA, NK, UA, WN        |
| 16   | Fort Lauderdale             | 743,638                           | 51                        | 4                               | AA, NK, UA, WN        |
| 17   | Philadelphia                | 647,248                           | 77                        | 2                               | AA, UA                |
| 18   | Fort Myers                  | 621,470                           | 51                        | 4                               | AA, NK, UA, WN        |
| 19   | Minneapolis/St. Paul        | 575,671                           | 106                       | 4                               | AA, DL, SY, UA        |
| 20   | San Diego                   | 503,075                           | 50                        | 2                               | AA, UA                |
| 21   | Austin                      | 486,957                           | 63                        | 3                               | AA, UA, WN            |
| 22   | Charlotte                   | 478,053                           | 83                        | 3                               | AA, NK, UA            |
| 23   | Nashville                   | 414,931                           | 91                        | 3                               | AA, UA, WN            |
| 24   | Raleigh/Durham              | 348,370                           | 48                        | 2                               | AA, UA                |
| 25   | Portland, OR                | 332,737                           | 40                        | 3                               | AA, AS, UA            |
| 26   | Salt Lake City              | 330,284                           | 53                        | 3                               | AA, DL, UA            |
| 27   | San Juan                    | 302,704                           | 17                        | 3                               | AA, NK, UA            |
| 28   | New Orleans                 | 280,111                           | 30                        | 3                               | AA, NK, UA            |
| 29   | Detroit                     | 264,687                           | 94                        | 3                               | AA, DL, UA            |
| 30   | Cleveland                   | 245,765                           | 65                        | 2                               | AA, UA                |
| 31   | San Antonio                 | 214,574                           | 26                        | 2                               | AA, UA                |
| 32   | Kansas City                 | 208,446                           | 55                        | 2                               | AA, UA                |
| 33   | Jacksonville                | 196,164                           | 28                        | 2                               | AA, UA                |
| 34   | Pittsburgh                  | 194,751                           | 53                        | 2                               | AA, UA                |
| 35   | Hartford                    | 189,916                           | 35                        | 2                               | AA, UA                |

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-8 (2 OF 2) AIRLINE SERVICE TO THE AIRPORT'S TOP DOMESTIC ORIGIN AND DESTINATION PASSENGER MARKETS – YEAR ENDING FOURTH QUARTER 2023

| RANK | MARKET             | TOTAL O&D PASSENGERS <sup>1</sup> | WEEKLY NONSTOP DEPARTURES | NUMBER OF AIRLINES <sup>2</sup> | AIRLINES <sup>3</sup> |
|------|--------------------|-----------------------------------|---------------------------|---------------------------------|-----------------------|
| 36   | Columbus           | 186,917                           | 61                        | 2                               | AA, UA                |
| 37   | Sacramento         | 173,024                           | 21                        | 2                               | AA, UA                |
| 38   | Honolulu           | 166,407                           | 7                         | 1                               | UA                    |
| 39   | Charleston, SC     | 164,073                           | 24                        | 2                               | AA, UA                |
| 40   | Palm Beach         | 158,013                           | 13                        | 2                               | AA, UA                |
| 41   | Cincinnati         | 139,958                           | 55                        | 2                               | AA, UA                |
| 42   | St. Louis          | 135,539                           | 73                        | 2                               | AA, UA                |
| 43   | Richmond           | 128,607                           | 35                        | 2                               | AA, UA                |
| 44   | Memphis            | 127,985                           | 39                        | 2                               | AA, UA                |
| 45   | Savannah           | 123,165                           | 21                        | 2                               | AA, UA                |
| 46   | Tucson             | 121,430                           | 15                        | 2                               | AA, UA                |
| 47   | Sarasota/Bradenton | 119,759                           | 12                        | 2                               | AA, UA                |
| 48   | Palm Springs       | 117,006                           | 10                        | 2                               | AA, UA                |
| 49   | Norfolk            | 114,739                           | 22                        | 2                               | AA, UA                |
| 50   | White Plains       | 107,645                           | 29                        | 2                               | AA, UA                |

## NOTES:

O&amp;D- Origin and Destination

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 John F. Kennedy International, Newark Liberty International, and LaGuardia Airports.

5 Includes Los Angeles International, John Wayne (Orange County), Ontario International, Hollywood Burbank, and Long Beach Airports.

6 Includes Washington Dulles International, Ronald Reagan Washington National, and Baltimore/Washington International Thurgood Marshall Airports.

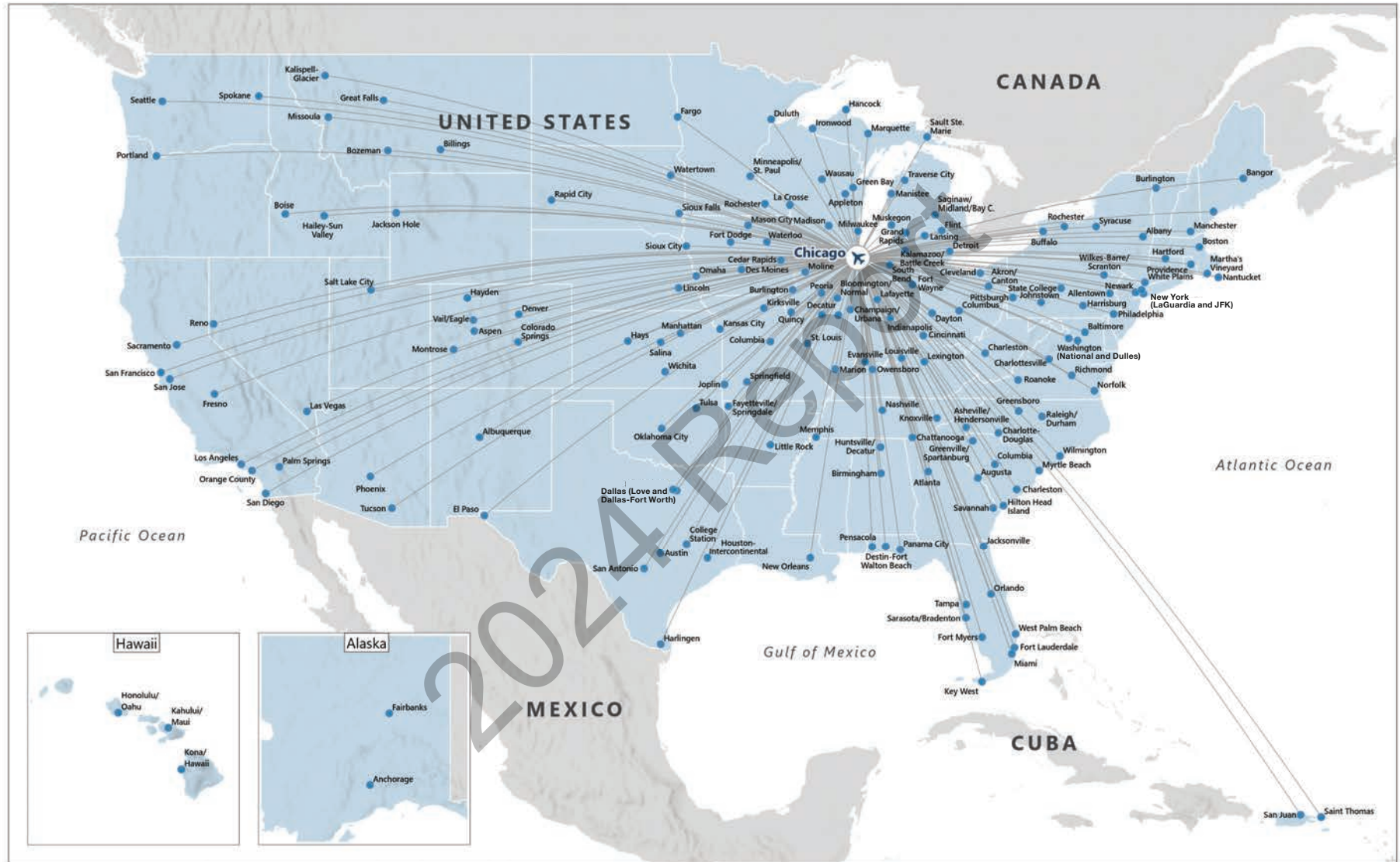
7 Includes Dallas Fort Worth International Airport and Dallas Love Field.

8 Includes San Francisco International, Oakland International, and Norman Y. Mineta San Jose International Airports.

9 Includes George Bush Intercontinental (Houston) and William P. Hobby (Houston) Airports.

SOURCES: Cirium Diio, June 2024 (US Department of Transportation, DB1B Survey, June 2024; US Department of Transportation, T-100).

CHICAGO O'HARE INTERNATIONAL AIRPORT



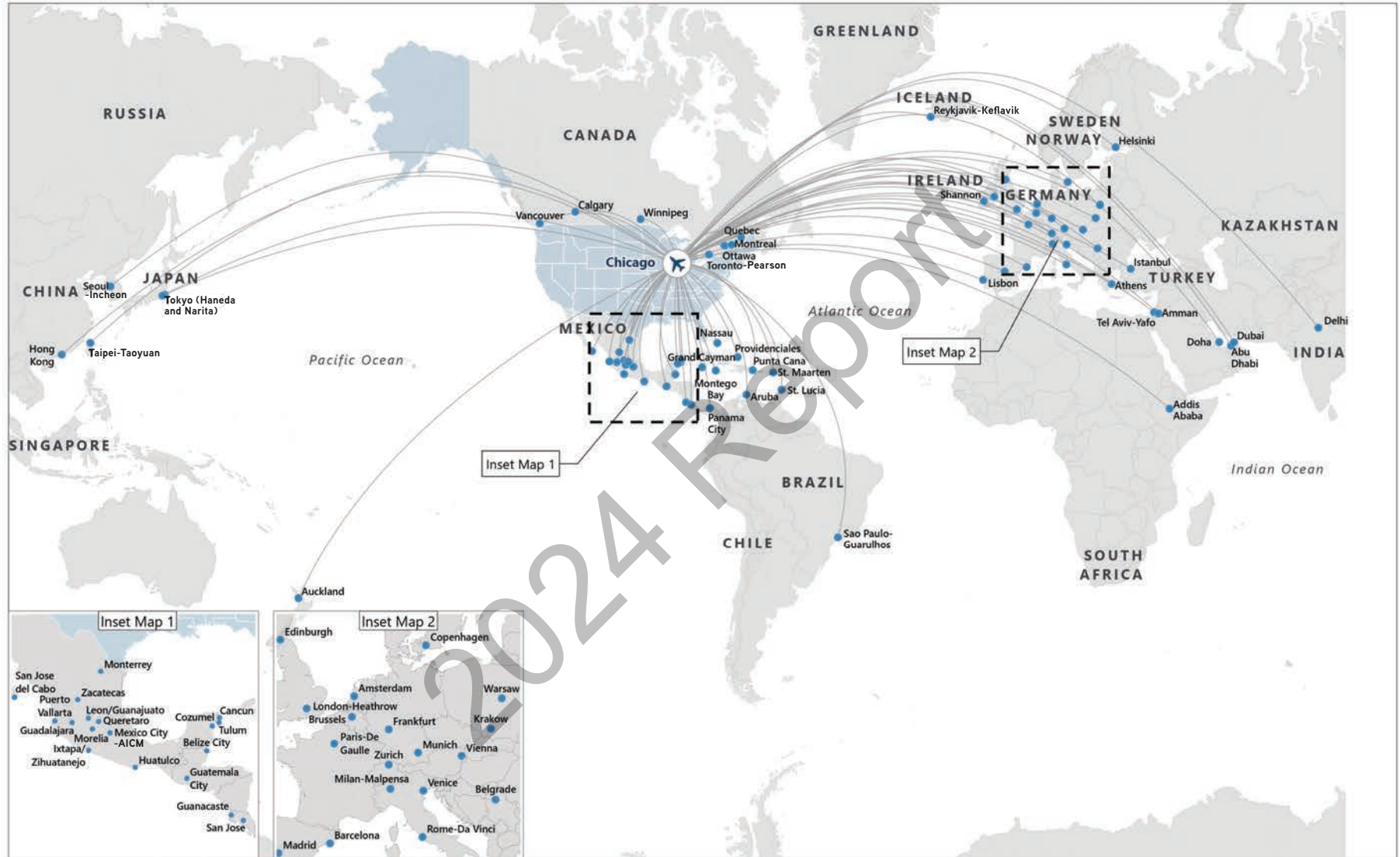
SOURCES: Esri, USGS, April, 2024 (basemap); Esri, 2023 (continent boundary, airport, lakes); US Census Bureau, 2023 (state boundary); Cirium Dii, August 2024 (published airline schedules); Ricondo & Associates, Inc., August 2024 (routes).

**EXHIBIT 4-3**



**CHICAGO O'HARE INTERNATIONAL AIRPORT  
NONSTOP DOMESTIC MARKETS**

CHICAGO O'HARE INTERNATIONAL AIRPORT



SOURCES: Esri, USGS, April, 2024 (basemap); Esri, 2023 (continent boundary, airport, lakes); US Census Bureau, 2023 (state boundary); Cirium Diiio, August 2024 (published airline schedules); Ricondo & Associates, Inc., August 2024 (routes).

EXHIBIT 4-4



CHICAGO O'HARE INTERNATIONAL AIRPORT  
INTERNATIONAL DESTINATIONS SERVED

## CHICAGO O'HARE INTERNATIONAL AIRPORT

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 |
|-------------|------------------------------|-----------------------------|---------------------|-----------------------------|----------------------|------------------|
| 2014        | 849,156                      | 97                          | 85.1%               | 17,344                      | 15,433               | 881,933          |
| 2015        | 835,608                      | 104                         | 88.1%               | 21,828                      | 17,700               | 875,136          |
| 2016        | 828,584                      | 109                         | 86.0%               | 21,119                      | 17,932               | 867,635          |
| 2017        | 832,488                      | 112                         | 85.1%               | 15,412                      | 19,149               | 867,049          |
| 2018        | 864,114                      | 112                         | 85.8%               | 15,581                      | 24,052               | 903,747          |
| 2019        | 879,323                      | 113                         | 85.3%               | 15,970                      | 24,411               | 919,704          |
| 2020        | 475,772                      | 104                         | 62.2%               | 32,037                      | 30,402               | 538,211          |
| 2021        | 629,007                      | 110                         | 78.2%               | 23,442                      | 31,752               | 684,201          |
| 2022        | 663,941                      | 121                         | 84.7%               | 17,036                      | 30,584               | 711,561          |
| 2023        | 681,259                      | 127                         | 84.6%               | 11,722                      | 27,601               | 720,582          |
| <b>CAGR</b> |                              |                             |                     |                             |                      |                  |
| 2014 – 2019 | 0.7%                         | 3.1%                        | 0.1%                | -1.6%                       | 9.6%                 | 0.8%             |
| 2014 – 2023 | -2.4%                        | 3.1%                        | -0.1%               | -4.3%                       | 6.7%                 | -2.2%            |

## NOTES:

CAGR – Compound Annual Growth Rate

General aviation includes general aviation, helicopter, and other miscellaneous operations.

SOURCES: City of Chicago, Department of Aviation, Management Records, August 2024.

All-cargo operations increased from 15,433 in 2014 to 24,411 in 2019, which represented a CAGR of 9.6 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. Global supply chain issues and container ship congestion at US ports also drove an increase in demand for air cargo during this period. Air cargo operations peaked in 2021 at 31,752 and then decreased to 30,584 in 2022 and 27,601 in 2023, resulting in a 6.7 percent CAGR for all-cargo operations between 2014 and 2023.

#### 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 2014 and 2023 passenger airline landed weight increased at a CAGR of 0.4 percent, and all-cargo airline landed weight increased at a CAGR of 3.9 percent.

TABLE 4-10 HISTORICAL LANDED WEIGHT (1,000-POUND UNITS)

| YEAR        | PASSENGER AIRLINES | ALL-CARGO | TOTAL      |
|-------------|--------------------|-----------|------------|
| 2014        | 44,095,348         | 4,490,079 | 48,585,427 |
| 2015        | 45,867,833         | 5,272,433 | 51,140,266 |
| 2016        | 49,177,197         | 3,230,256 | 52,407,453 |
| 2017        | 50,462,544         | 4,026,096 | 54,488,640 |
| 2018        | 50,658,992         | 5,652,663 | 56,311,655 |
| 2019        | 51,775,213         | 5,695,889 | 57,471,102 |
| 2020        | 28,698,546         | 6,717,732 | 35,416,278 |
| 2021        | 39,712,122         | 7,146,579 | 46,858,701 |
| 2022        | 43,627,768         | 6,753,341 | 50,381,109 |
| 2023        | 45,590,089         | 6,311,743 | 52,097,415 |
| <b>CAGR</b> |                    |           |            |
| 2014 – 2019 | 3.3%               | 4.9%      | 3.4%       |
| 2014 – 2023 | 0.4%               | 3.9%      | 0.8%       |

NOTE:

CAGR – Compound Annual Growth Rate

SOURCE: City of Chicago, Department of Aviation, Management Records, August 2024.

## 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

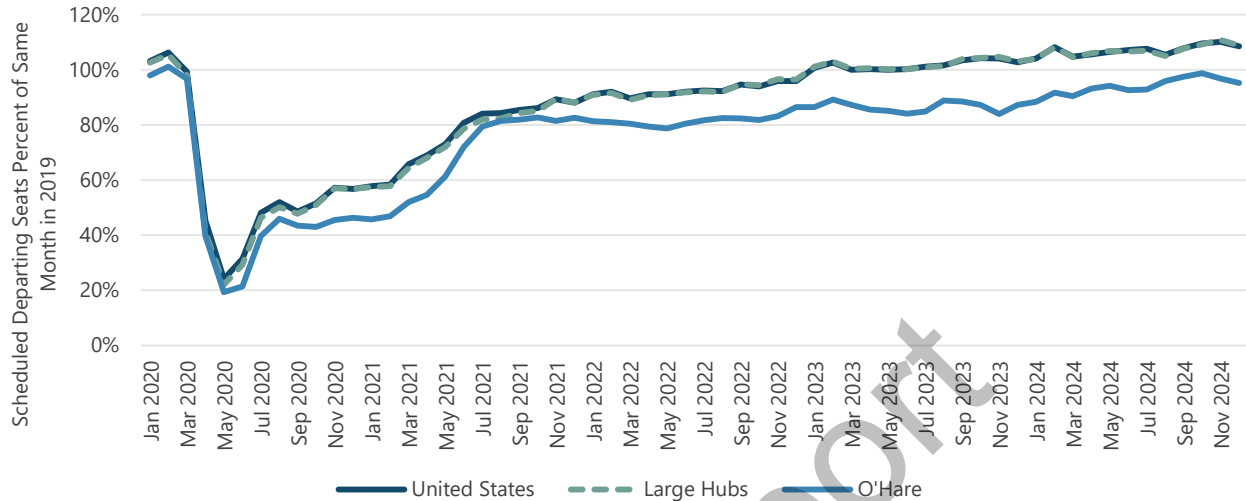
The outbreak and spread of the COVID-19 pandemic resulted in a severe contraction in demand for air travel that was driven by fear of illness, as well as government-imposed travel restrictions and quarantine requirements. The impact to air travel began in East Asia in December 2019 and rapidly accelerated 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 December 2021, scheduled departing seats represented 88 percent of December 2019 scheduled departing seats for all US airports compared to 83 percent for the Airport. The restoration of scheduled capacity continued through 2022 and 2023, despite periodic interruptions in demand that coincided with spikes in COVID-19 infections related to the Delta and Omicron variants of the virus. In December 2023, scheduled departing seats from all US airports represented 103 percent of December 2019 compared to 87 percent for the Airport. In December 2024, scheduled departing seats from all US airports represented 108 percent of December 2019 compared to 95 percent for the Airport.

**Exhibit 4-5** depicts the Airport's seat capacity recovery relative to the average for all US airports.

CHICAGO O'HARE INTERNATIONAL AIRPORT

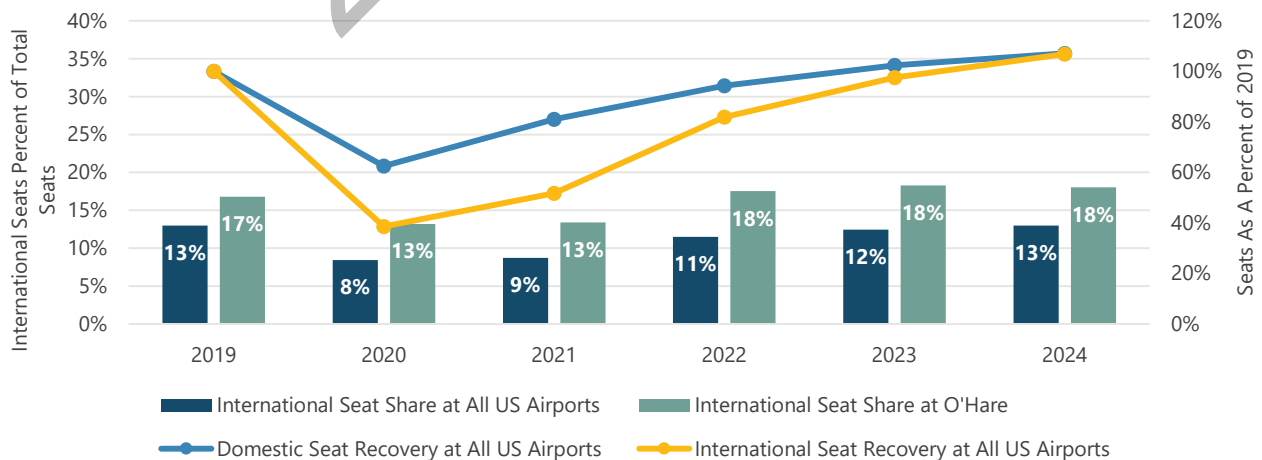
EXHIBIT 4-5 SEAT CAPACITY RECOVERY – THE UNITED STATES, LARGE HUBS, AND ORD



SOURCE: Innovata (published airline schedules), August 2024.

The slower pace of the restoration of capacity at the Airport compared to the national average is due in part to the Airport’s exposure to segments of demand that have taken longer to recover from the impacts of the COVID-19 pandemic. As an international gateway, with scheduled service to 76 international destinations in 46 countries in 2019, the Airport was impacted by international travel restrictions that slowed the recovery in overseas travel. **Exhibit 4-6** presents a comparison of international scheduled seats as a percentage of total scheduled seats for the Airport to the national average. International seat share has been consistently higher at the Airport than the average for all US airports while the recovery of international seat capacity lagged domestic seat recovery through 2023.

EXHIBIT 4-6 INTERNATIONAL SEAT SHARE AND RECOVERY

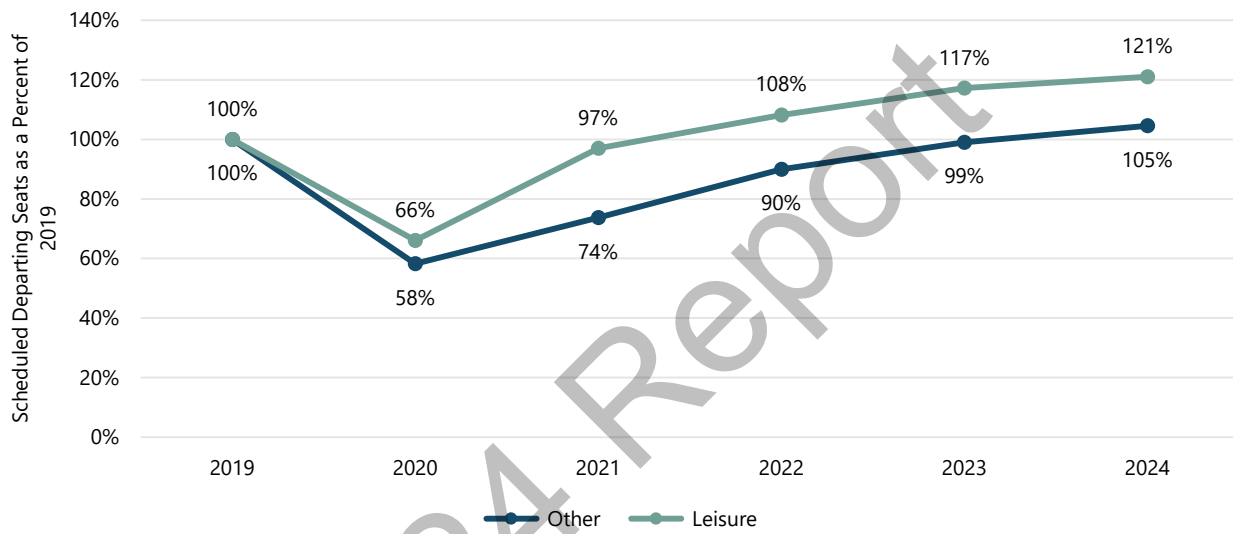


SOURCE: Innovata (published airline schedules), August 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

During the COVID-19 pandemic, there was a decrease in business travel as well as a shift in travel toward destinations with sun and leisure activities, which more easily accommodate socially distanced activities than large urban areas. **Exhibit 4-7** presents the annual scheduled departing seat capacity between all US airports and leisure and non-leisure markets through 2024 as a percentage of 2019 scheduled seat capacity. Leisure markets include all destinations in Hawaii, Florida, the Caribbean, Mexico beaches, and Las Vegas. The scheduled seat capacity recovery for leisure markets has consistently outpaced the recovery for other markets, reaching 121 percent of 2019 in 2024 compared to 105 percent of 2019 in 2024 for other markets.

EXHIBIT 4-7 LEISURE MARKET CAPACITY RECOVERY



NOTE:

Leisure markets include all destinations in Hawaii, Florida, the Caribbean, Mexico beaches, and Las Vegas.

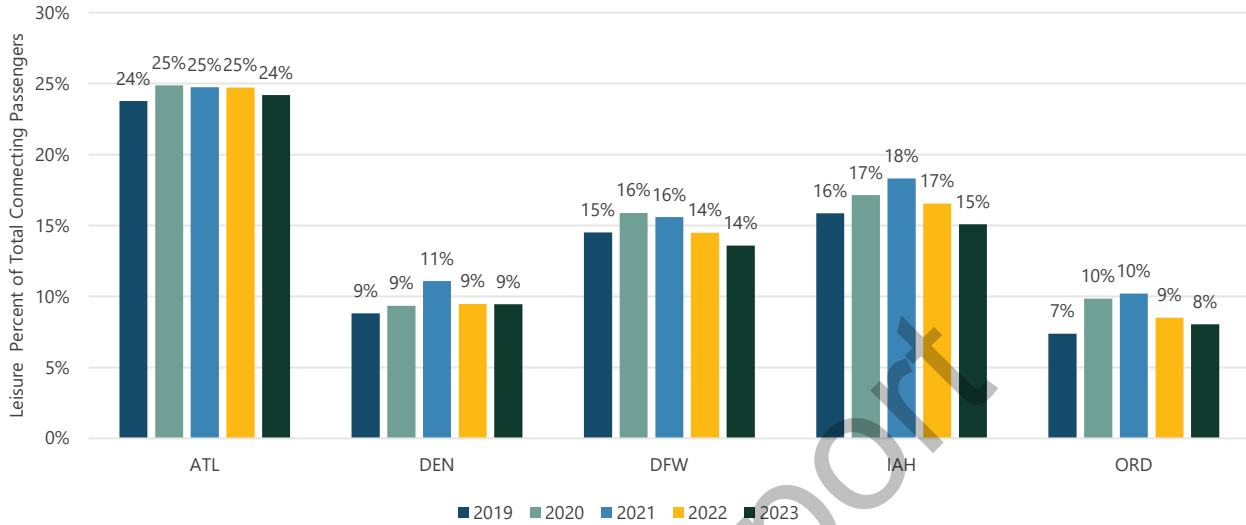
SOURCE: Innovata (published airline schedules), August 2024.

The Airport is a hub for both United and American and accommodates passengers using the airport as a connect point between two other points on domestic and international itineraries. While the Airport is well-positioned geographically to support connectivity across many regions, several of its peer mid-continent hub airports are located in closer proximity to leisure markets in Mexico, Florida, and the Caribbean. **Exhibit 4-8** compares the percent of total connecting passengers that are traveling to and from leisure destinations from 2019 through 2023 for the Airport and four peer mid-continent hubs: Hartsfield-Jackson Atlanta International Airport (ATL), Denver International Airport (DEN), Dallas Fort Worth International Airport (DFW), and George Bush Intercontinental Airport in Houston (IAH). The percentage of connecting passengers that are traveling to and from leisure destinations has consistently remained lower for the Airport than for ATL, DFW, and IAH and is similar to DEN.

The route network strategies of United and American, discussed in more detail in Section 4.4.8, have also influenced the pace of the capacity recovery at the Airport compared to the national average.



EXHIBIT 4-8 LEISURE PASSENGER SHARE OF TOTAL CONNECTING PASSENGERS



NOTES:

ATL - Hartsfield-Jackson Atlanta International Airport; DEN - Denver International Airport; DFW - Dallas Fort Worth International Airport; IAH - George Bush Intercontinental Airport (Houston); ORD - Chicago O'Hare International Airport  
 Leisure markets include all destinations in Hawaii, Florida, the Caribbean, Mexico beaches, and Las Vegas.  
 SOURCE: Cirium Diio (published airline schedules), August 2024.

4.4.1.1 AIRLINE FINANCIAL PERFORMANCE

The COVID-19 pandemic 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, which lessened in 2021. In 2022, North American airlines returned to profitability, while airlines throughout the rest of the world are estimated to have returned to profitability in 2023.<sup>91</sup> **Exhibit 4-9** shows the airline profitability for North America and for the rest of the world from 2019 to 2024.

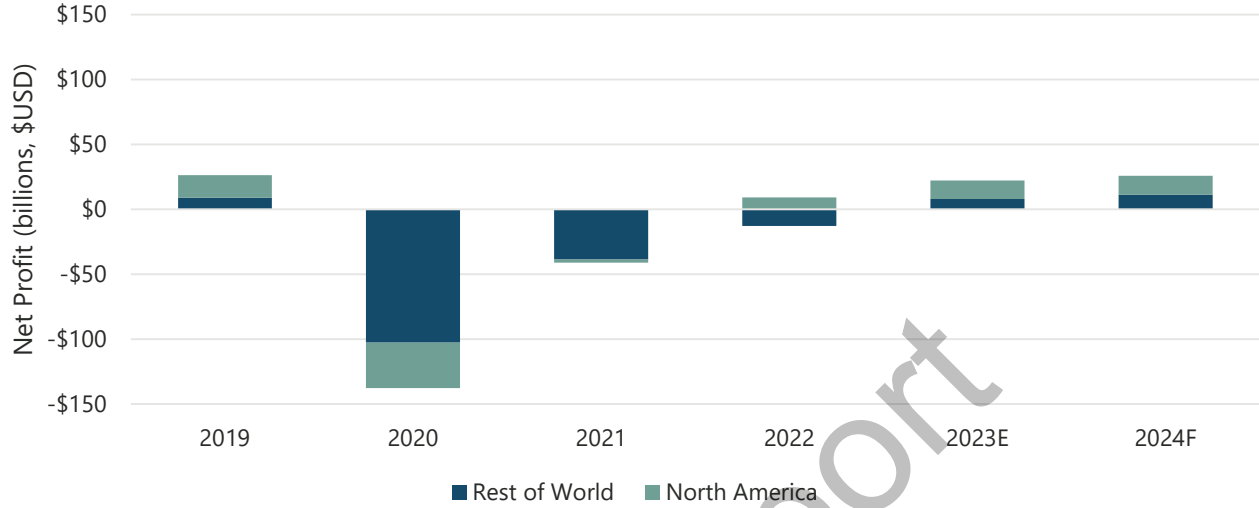
4.4.2 COST OF AVIATION FUEL

As of the third quarter of 2023, jet fuel accounted for 20.8 percent of total airline operating costs, second only to labor, according to Airlines for America.<sup>92</sup> The average price of jet fuel peaked in June 2022 at \$4.04 per gallon, having grown steadily since April 2020, which represented the lowest price observed during the historical period. Fluctuating fuel costs affect airline profitability, which could lead to air service changes as airlines adjust capacity and pricing to address changes in the cost of fuel. **Exhibit 4-10** shows the monthly averages for jet fuel and crude oil prices from March 2014 through May 2024.

<sup>91</sup> International Air Transport Association, *Global Outlook for Air Transport – December 2023 – Data Tables*, <https://www.iata.org/en/iata-repository/publications/economic-reports/industry-statistics-fact-sheet-december-2023/> (accessed May 9, 2024).

<sup>92</sup> Airlines for America, *Passenger Airline Cost Index (PACI)*, <http://airlines.org/dataset/a4a-quarterly-passenger-airline-cost-index-u-s-passenger-airlines/> (accessed May 9, 2024).

EXHIBIT 4-9 HISTORICAL AND PROJECTED NET PROFIT OF COMMERCIAL AIRLINES (2016–2024)



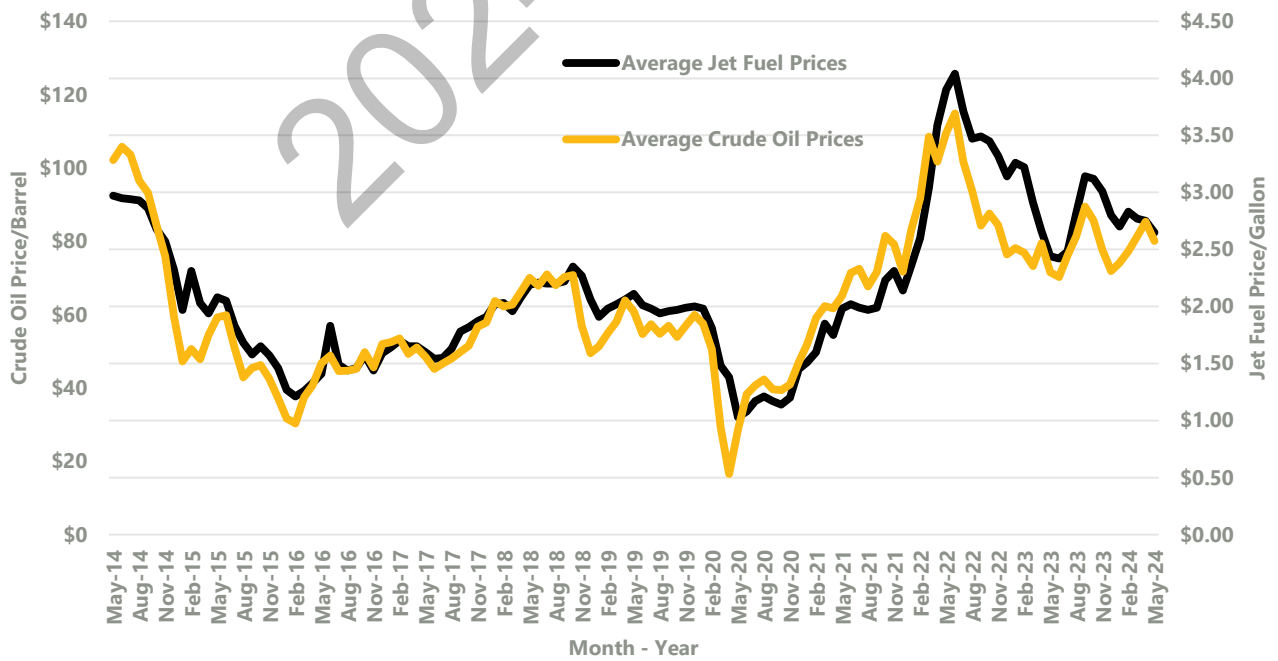
NOTES:

2023E – Estimated

2024F – Forecast

SOURCE: International Air Transport Association, *Global Outlook for Air Transport – December 2023 - Data Tables*, June 2024.

EXHIBIT 4-10 HISTORICAL MONTHLY AVERAGES OF JET FUEL AND CRUDE OIL PRICES



SOURCE: US Bureau of Transportation Statistics, May 2024; US Energy Information Administration, June 2024.

### 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 Table 3-7, national GDP is expected to increase at a CAGR of 2.1 percent between 2022 and 2035, 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.

In December 2023, Alaska announced its intention to acquire Hawaiian Airlines, subject to regulatory approval. 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 THREAT OF TERRORISM AND INTERNATIONAL CONFLICTS

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.

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, which began in February 2022, is still ongoing. Additionally, an escalation of conflict between Israel and Hamas, which began in October 2023, remains an evolving situation. Further developments in these conflicts could exacerbate geopolitical and economic uncertainty and potentially impact demand for travel to certain regions.

### 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 National Airspace System (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.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

**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 Southwest's system, when measured by both seat capacity and operations. Southwest, Delta, Frontier, and Volaris serve both Midway and O'Hare. In 2023, 44 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 4-11** presents enplaned passengers for the Airport and Midway between 2014 and 2023. The Airport's weighted average share of total enplaned passengers between 2014 and 2023 was 77.9 percent, compared to 22.1 percent for Midway. The Airport's share of total enplaned passengers in 2023 was 76.9 percent, marginally higher than its share of 76.7 percent in 2014. **Table 4-12** presents the total enplaned O&D passengers for the Airport and Midway between 2014 and 2023. The Airport's weighted average share of total enplaned O&D passengers between 2014 and 2023 was 75.5 percent, compared to 24.5 percent for Midway. The Airport's share of total enplaned O&D passengers increased from 72.3 percent in 2014 to 76.3 percent in 2023.

TABLE 4-11 HISTORICAL ENPLANED PASSENGERS AT CHICAGO O'HARE AND CHICAGO MIDWAY INTERNATIONAL AIRPORTS

| YEAR                    | O'HARE              |               |       | MIDWAY              |               |       | TOTAL               |               |  |
|-------------------------|---------------------|---------------|-------|---------------------|---------------|-------|---------------------|---------------|--|
|                         | ENPLANED PASSENGERS | ANNUAL GROWTH | SHARE | ENPLANED PASSENGERS | ANNUAL GROWTH | SHARE | ENPLANED PASSENGERS | ANNUAL GROWTH |  |
| 2014                    | 34,952,762          | 5.0%          | 76.7% | 10,607,996          | 3.4%          | 23.3% | 45,560,758          | 4.6%          |  |
| 2015                    | 38,395,905          | 9.9%          | 77.5% | 11,118,223          | 4.8%          | 22.5% | 49,514,128          | 8.7%          |  |
| 2016                    | 38,872,669          | 1.2%          | 77.4% | 11,345,748          | 2.0%          | 22.6% | 50,218,417          | 1.4%          |  |
| 2017                    | 39,815,888          | 2.4%          | 78.0% | 11,232,272          | -1.0%         | 22.0% | 51,048,160          | 1.7%          |  |
| 2018                    | 42,563,343          | 6.9%          | 79.4% | 11,022,224          | -1.9%         | 20.6% | 53,585,567          | 5.0%          |  |
| 2019                    | 42,248,370          | -0.7%         | 80.2% | 10,417,815          | -5.5%         | 19.8% | 52,666,185          | -1.7%         |  |
| 2020                    | 15,351,046          | -63.7%        | 77.5% | 4,445,906           | -57.3%        | 22.5% | 19,796,952          | -62.4%        |  |
| 2021                    | 26,945,359          | 75.5%         | 77.3% | 7,924,344           | 78.2%         | 22.7% | 34,869,703          | 76.1%         |  |
| 2022                    | 34,095,710          | 26.5%         | 77.4% | 9,946,882           | 25.5%         | 22.6% | 44,042,592          | 26.3%         |  |
| 2023                    | 36,597,770          | 7.3%          | 76.9% | 10,987,775          | 10.5%         | 23.1% | 47,585,545          | 8.0%          |  |
| <b>Weighted Average</b> |                     |               |       |                     |               |       |                     |               |  |
| 2014 – 2023             |                     |               | 77.9% |                     |               |       | 22.1%               |               |  |
| <b>CAGR</b>             |                     |               |       |                     |               |       |                     |               |  |
| 2014 – 2019             |                     | 3.9%          |       |                     |               | -0.4% | 2.9%                |               |  |
| 2014 – 2023             |                     | 0.5%          |       |                     |               | 0.4%  | 0.5%                |               |  |

NOTE:

CAGR – Compound Annual Growth Rate

SOURCE: City of Chicago, Department of Aviation, Management Records, June 2024.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-12 HISTORICAL ENPLANED ORIGIN AND DESTINATION PASSENGERS AT CHICAGO O'HARE AND CHICAGO MIDWAY INTERNATIONAL AIRPORTS

| YEAR                    | O'HARE                  |               |       | MIDWAY                  |               |       | TOTAL                   |               |  |
|-------------------------|-------------------------|---------------|-------|-------------------------|---------------|-------|-------------------------|---------------|--|
|                         | ENPLANED O&D PASSENGERS | ANNUAL GROWTH | SHARE | ENPLANED O&D PASSENGERS | ANNUAL GROWTH | SHARE | ENPLANED O&D PASSENGERS | ANNUAL GROWTH |  |
| 2014                    | 17,401,694              | 4.6%          | 72.3% | 6,653,253               | 0.7%          | 27.7% | 24,054,947              | 3.5%          |  |
| 2015                    | 20,201,056              | 16.1%         | 74.2% | 7,006,263               | 5.3%          | 25.8% | 27,207,319              | 13.1%         |  |
| 2016                    | 21,363,863              | 5.8%          | 74.4% | 7,341,967               | 4.8%          | 25.6% | 28,705,830              | 5.5%          |  |
| 2017                    | 22,425,555              | 5.0%          | 75.1% | 7,452,026               | 1.5%          | 24.9% | 29,877,580              | 4.1%          |  |
| 2018                    | 24,097,893              | 7.5%          | 77.0% | 7,193,414               | -3.5%         | 23.0% | 31,291,307              | 4.7%          |  |
| 2019                    | 24,120,611              | 0.1%          | 77.5% | 7,017,031               | -2.5%         | 22.5% | 31,137,643              | -0.5%         |  |
| 2020                    | 8,274,047               | -65.7%        | 74.9% | 2,766,402               | -60.6%        | 25.1% | 11,040,450              | -64.5%        |  |
| 2021                    | 15,278,947              | 84.7%         | 75.1% | 5,054,541               | 82.7%         | 24.9% | 20,333,488              | 84.2%         |  |
| 2022                    | 20,488,724              | 34.1%         | 76.6% | 6,261,605               | 23.9%         | 23.4% | 26,750,329              | 31.6%         |  |
| 2023                    | 22,221,362              | 8.4%          | 76.3% | 6,920,290               | 10.5%         | 23.7% | 29,141,652              | 8.9%          |  |
| <b>Weighted Average</b> |                         |               |       |                         |               |       |                         |               |  |
| 2014 – 2023             |                         |               | 75.5% |                         |               |       | 24.5%                   |               |  |
| <b>CAGR</b>             |                         |               |       |                         |               |       |                         |               |  |
| 2014 – 2019             |                         | 6.7%          |       |                         |               | 1.1%  | 5.3%                    |               |  |
| 2014 – 2023             |                         | 2.8%          |       |                         |               | 0.4%  | 2.2%                    |               |  |

## NOTES:

CAGR – Compound Annual Growth Rate

O&amp;D- Origin and Destination

O&amp;D passengers are based on US Department of Transportation databases and will not tie to O&amp;D passengers presented in Table 4-1, which is based on airline bookings data.

SOURCES: City of Chicago, Department of Aviation, Management Records, June 2024 (total passengers); US Department of Transportation, O&amp;D Survey, June 2024; US Department of Transportation, T-100, June 2024 (segmentation of passengers).

**Milwaukee Mitchell** is the nearest medium- or large-hub commercial service airport outside Chicago. This medium-hub airport<sup>93</sup> 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), 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 ATA (see Exhibit 3-1 in Chapter 3). As of the date of this Report, 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.

<sup>93</sup> Medium-hub airports enplane at least 0.25 percent but less than 1.00 percent of total nationwide enplaned passengers.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

**Chicago Rockford International Airport** (Rockford), which is owned and operated by Greater Rockford Airport Authority, is located approximately 63 miles west of the Airport in Winnebago County, Illinois. Commercial service at Rockford is predominately air cargo. It is currently served by one passenger airline, Allegiant Air, with approximately one to four flights per day.

Plans to build an additional airport in the Chicago Region have been discussed for many years. The Illinois Department of Transportation (IDOT) has proposed the **South Suburban Airport** (SSA) project at a site near Peotone, Illinois, in Will County, approximately 35 miles south of the City's central business district. Land acquisition of the site has occurred since 2001. Certain State of Illinois legislation may be applicable for aiding the SSA development. In 2013, the Public-Private Agreements for the South Suburban Airport Act (620 ILCS 75) became law, which allowed the possible use of a public-private partnership approach for the delivery of the project. In 2023, the Illinois General Assembly amended 620 ILCS 75 to add language concerning "domestic and global freight cargo transfer shipment" to the Legislative Findings. Additionally, "Cargo-oriented development" was added to the definitions and the Illinois Department of Transportation was required to "commence the prequalification process within 6 months" of the amendment (January 1, 2024).

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.

#### 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 December 2024, United and American are the first and second largest airlines globally measured by available seat miles (ASMs).

##### 4.4.8.1 UNITED AIRLINES

As presented in **Table 4-13**, United operates its largest hub at the Airport based on average daily scheduled departures and destinations served for the 12-month period ending December 2024. The Airport ranks second 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 45.9 percent of total enplaned passengers.

TABLE 4-13 UNITED AIRLINES AVERAGE DAILY DEPARTURES, DEPARTING SEATS, AND DESTINATIONS BY HUB FOR THE YEAR ENDING DECEMBER 2024

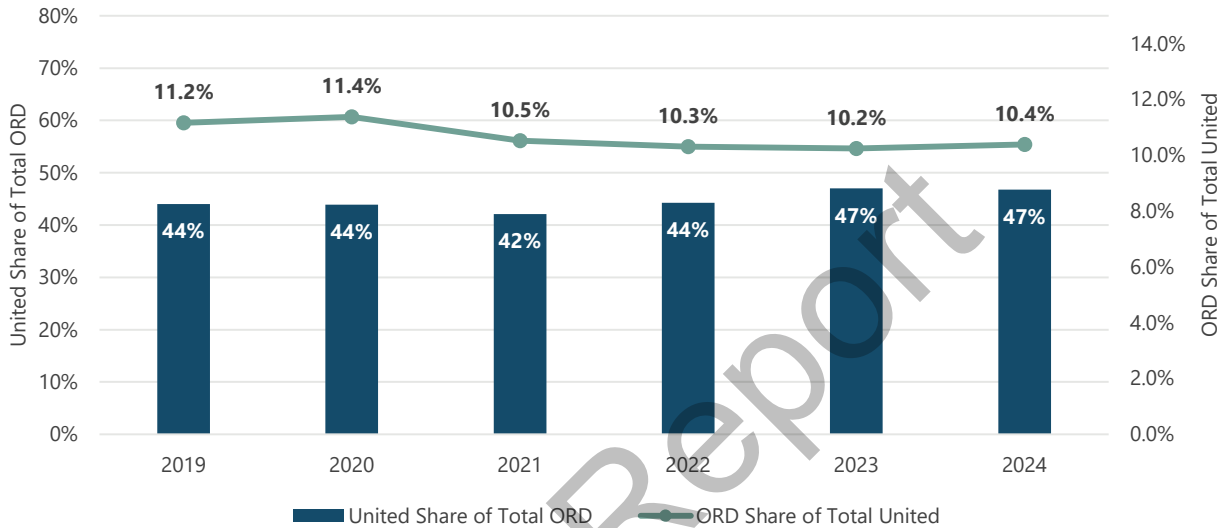
| HUB                                    | AVERAGE DAILY DEPARTURES |             | AVERAGE DAILY DEPARTING SEATS |             | DESTINATIONS SERVED |             |
|--|--------------------------|-------------|-------------------------------|-------------|---------------------|-------------|
|  | DEPARTURES               | HUB RANKING | SEATS                         | HUB RANKING | DESTINATIONS        | HUB RANKING |
| O'Hare International (Chicago)         | 483                      | 1           | 60,538                        | 2           | 192                 | 1           |
| Denver International                   | 474                      | 2           | 61,452                        | 1           | 184                 | 2           |
| George Bush Intercontinental (Houston) | 453                      | 3           | 56,608                        | 3           | 170                 | 3           |
| Newark Liberty International           | 378                      | 4           | 54,220                        | 4           | 163                 | 4           |
| San Francisco International            | 234                      | 5           | 40,014                        | 5           | 112                 | 6           |
| Washington Dulles International        | 227                      | 6           | 28,962                        | 6           | 118                 | 5           |
| Los Angeles International              | 117                      | 7           | 19,878                        | 7           | 67                  | 7           |

SOURCE: Cirium Diio, August 2024 (published airline schedules).

CHICAGO O'HARE INTERNATIONAL AIRPORT

As presented on **Exhibit 4-11**, United's share of total ORD scheduled seat capacity has increased from 44 percent in 2019 to 47 percent in 2024, which is due in large part to share shift from American. During the same period, the Airport's share of United's total systemwide scheduled seat capacity has decreased from 11.2 percent in 2019 to 10.4 percent in 2024.

EXHIBIT 4-11 UNITED SHARE OF ORD CAPACITY AND ORD SHARE OF TOTAL UNITED CAPACITY



NOTE:  
 ORD- Chicago O'Hare International Airport  
 SOURCE: Cirium Diio, August 2024 (published airline schedules).

**Table 4-14** presents the change in scheduled departing seats and destinations served between 2019 and 2024 for each of United's hubs. United has grown at DEN, EWR, and IAD, while capacity has not meaningfully changed at IAH, LAX or ORD. United's departing seat capacity at SFO is four percent lower than it was in 2019.

TABLE 4-14 UNITED HUB CAPACITY AND SERVICE CHANGES

| HUB | SCHEDULED DEPARTING SEATS |            |           |          | DESTINATIONS SERVED |      |        |          |
|-----|---------------------------|------------|-----------|----------|---------------------|------|--------|----------|
|     | 2019                      | 2024       | CHANGE    | % CHANGE | 2019                | 2024 | CHANGE | % CHANGE |
| DEN | 17,642,922                | 22,491,256 | 4,848,334 | 27%      | 173                 | 184  | 11     | 6%       |
| ORD | 22,227,898                | 22,157,027 | -70,871   | 0%       | 208                 | 192  | -16    | -8%      |
| IAH | 20,339,283                | 20,718,543 | 379,260   | 2%       | 175                 | 170  | -5     | -3%      |
| EWR | 18,209,382                | 19,844,500 | 1,635,118 | 9%       | 163                 | 163  | 0      | 0%       |
| SFO | 15,319,136                | 14,644,967 | -674,169  | -4%      | 116                 | 112  | -4     | -3%      |
| IAD | 9,478,808                 | 10,600,057 | 1,121,249 | 12%      | 122                 | 118  | -4     | -3%      |
| LAX | 7,271,297                 | 7,275,464  | 4,167     | 0%       | 66                  | 67   | 1      | 2%       |

NOTES:  
 DEN- Denver International Airport; EWR- Newark Liberty International Airport; IAD- Dulles International Airport (Washington; D.C.); IAH- George Bush Intercontinental Airport (Houston); LAX- Los Angeles International Airport; ORD- Chicago O'Hare International Airport; SFO- San Francisco International Airport  
 SOURCE: Cirium Diio, August 2024 (published airline schedules).

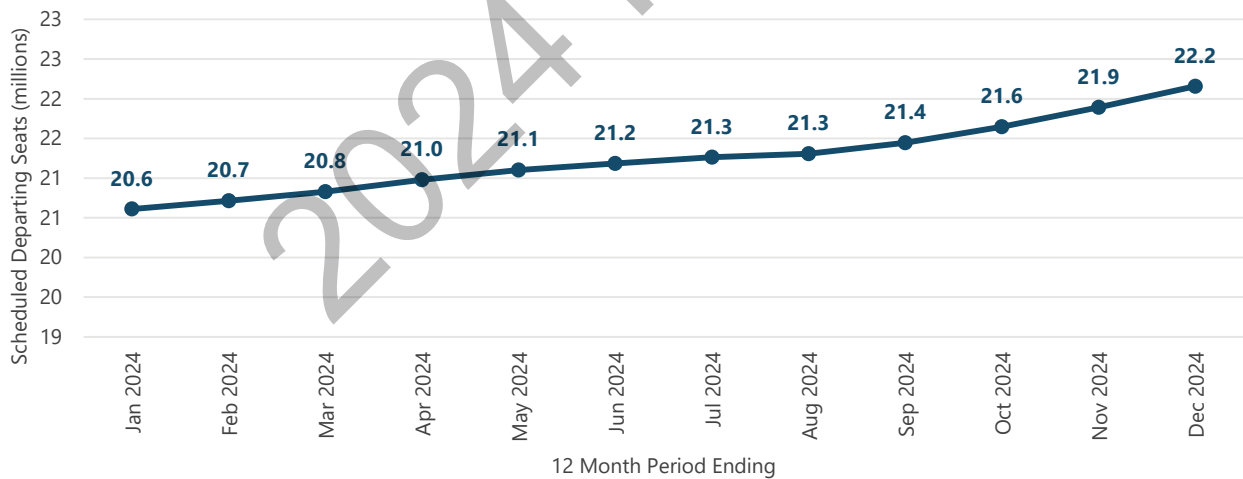
CHICAGO O'HARE INTERNATIONAL AIRPORT

The number of total destinations that United serves from ORD decreased by 16 between 2019 and 2024, which consists of discontinued service to 36 destinations and new service to 20 destinations. Of the discontinued destinations, most were smaller markets that were served with 50-seat regional jets, which US airlines have been retiring from their fleets. Eight of the 20 new destinations are transatlantic routes.

United's capacity changes across its other hubs are reflective of additional factors:

- United's growth at DEN coincides with growth of the Denver metro area, where the population increased 2.7 percent between 2019 and 2023 compared to 1.4 percent for the total US.<sup>94</sup> As a connecting hub, DEN serves as a gateway to the Mountain West region of the United States, where domestic O&D passengers have increased 5.9 percent between 2019 and 2023.
- United has grown capacity at its hubs at EWR and IAD, which are United's first and second largest transatlantic gateways, in line with growth in demand for travel to Europe.
- SFO is United's principal transpacific gateway. The decrease in capacity at that hub is reflective of the slower recovery in demand for travel to and from Asia as compared to other regions.
- United's hub at the Airport is a critical component of the airline's route network, ranking first among all hubs in terms of departures and destinations served. While the post-COVID-19 restoration of capacity lags some of United's other hubs, capacity growth at the Airport is shown to accelerate over the course of 2024, as shown on **Exhibit 4-12**.

EXHIBIT 4-12 UNITED SCHEDULED DEPARTING SEATS AT THE AIRPORT



SOURCE: Cirium Diio, August 2024 (published airline schedules).

<sup>94</sup> Woods & Poole Economics, Inc., 2024 Complete Economic and Demographic Data Source (CEDDS), July 2024.



## CHICAGO O'HARE INTERNATIONAL AIRPORT

## 4.4.8.2 AMERICAN AIRLINES

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 December 2024. The Airport ranks fourth in terms of average daily scheduled departing seats. The Airport is tied with Miami International Airport (MIA) based on destinations served in the year ending December 2024, ranking third. Based on enplaned passengers, American, inclusive of its regional partners, was the second-largest airline operator at the Airport with 29.9 percent of total enplaned passengers at the Airport in 2023.

TABLE 4-15 AMERICAN AIRLINES AVERAGE DAILY DEPARTURES, DEPARTING SEATS, AND DESTINATIONS BY HUB FOR THE YEAR ENDING DECEMBER 2024

| HUB                                      | AVERAGE DAILY DEPARTURES |             | AVERAGE DAILY DEPARTING SEATS |             | DESTINATIONS SERVED |             |
|--|--------------------------|-------------|-------------------------------|-------------|---------------------|-------------|
|  | DEPARTURES               | HUB RANKING | SEATS                         | HUB RANKING | DESTINATIONS        | HUB RANKING |
| Dallas Fort Worth International          | 828                      | 1           | 115,428                       | 1           | 246                 | 1           |
| Charlotte Douglas International          | 659                      | 2           | 85,757                        | 2           | 178                 | 2           |
| O'Hare International (Chicago)           | 356                      | 3           | 39,064                        | 4           | 160                 | 3           |
| Miami International                      | 337                      | 4           | 53,540                        | 3           | 160                 | 3           |
| Philadelphia International               | 262                      | 5           | 32,471                        | 6           | 118                 | 5           |
| Phoenix Sky Harbor International         | 252                      | 6           | 34,186                        | 5           | 104                 | 6           |
| Ronald Reagan Washington National        | 244                      | 7           | 23,531                        | 7           | 93                  | 7           |
| Los Angeles International                | 122                      | 8           | 18,931                        | 8           | 58                  | 9           |
| LaGuardia (New York)                     | 120                      | 9           | 13,016                        | 9           | 60                  | 8           |
| John F. Kennedy International (New York) | 90                       | 10          | 12,990                        | 10          | 52                  | 10          |

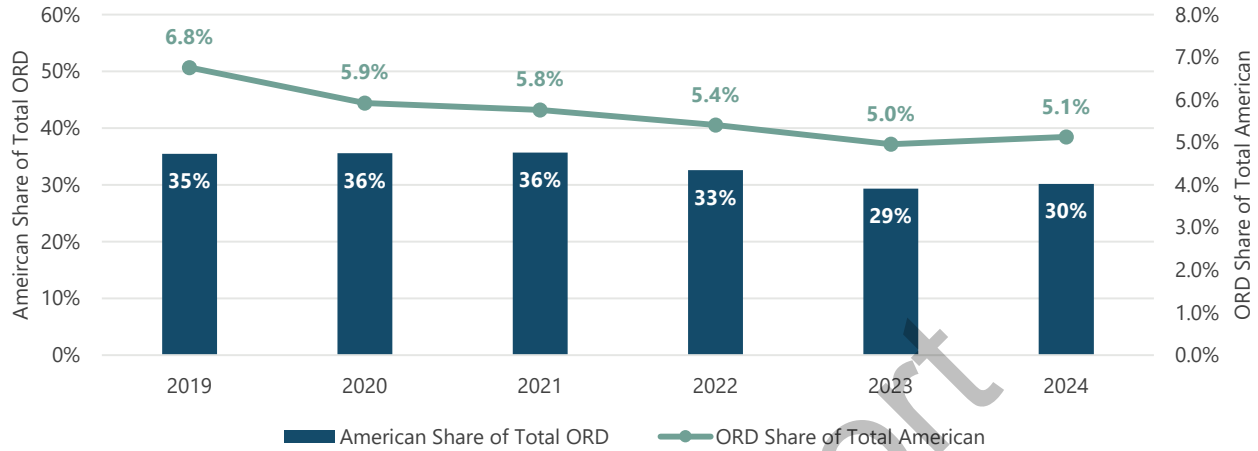
SOURCE: Cirium Diio, August 2024 (published airline schedules).

As presented on **Exhibit 4-13**, American's presence at the Airport has decreased since 2019. American's share of the Airport's total scheduled departing seat capacity has decreased from 35 percent in 2019 to 30 percent in 2024. During the same period, the Airport's share of American's total systemwide scheduled seat capacity has decreased from 6.8 percent in 2019 to 5.1 percent in 2024.

American's reduced presence at the Airport is reflective of a broader shift in capacity across American's network in recent years. **Table 4-16** presents the change in scheduled departing seats and destinations served between 2019 and 2024 for each of American's hubs. American has grown at DFW, Charlotte Douglas International Airport (CLT), MIA, DCA, and JFK while reducing capacity and service at ORD, PHL and LAX. Between 2019 and 2024, American's reduction in departing seats at the Airport is greater than at any other hub though the decrease is greater on a percentage basis at LAX.

CHICAGO O'HARE INTERNATIONAL AIRPORT

EXHIBIT 4-13 AMERICAN SHARE OF ORD CAPACITY AND ORD SHARE OF TOTAL AMERICAN CAPACITY



NOTE:  
 ORD- Chicago O'Hare International Airport  
 SOURCE: Cirium Diio, August 2024 (published airline schedules).

TABLE 4-16 AMERICAN HUB CAPACITY AND SERVICE CHANGES

| HUB | SCHEDULED DEPARTING SEATS |            |            |          | DESTINATIONS SERVED |      |        |          |
|-----|---------------------------|------------|------------|----------|---------------------|------|--------|----------|
|     | 2019                      | 2024       | CHANGE     | % CHANGE | 2019                | 2024 | CHANGE | % CHANGE |
| DFW | 37,319,089                | 42,246,647 | 4,927,558  | 13%      | 245                 | 246  | 1      | 0%       |
| CLT | 26,639,274                | 31,386,916 | 4,747,642  | 18%      | 173                 | 178  | 5      | 3%       |
| MIA | 17,006,413                | 19,595,548 | 2,589,135  | 15%      | 143                 | 160  | 17     | 12%      |
| ORD | 17,910,312                | 14,297,428 | -3,612,884 | -20%     | 172                 | 160  | -12    | -7%      |
| PHX | 12,172,873                | 12,511,951 | 339,078    | 3%       | 104                 | 104  | 0      | 0%       |
| PHL | 13,655,176                | 11,884,334 | -1,770,842 | -13%     | 138                 | 118  | -20    | -14%     |
| DCA | 7,496,034                 | 8,612,340  | 1,116,306  | 15%      | 80                  | 93   | 13     | 16%      |
| LAX | 9,988,011                 | 6,928,653  | -3,059,358 | -31%     | 78                  | 58   | -20    | -26%     |
| LGA | 5,329,233                 | 4,763,878  | -565,355   | -11%     | 55                  | 60   | 5      | 9%       |
| JFK | 3,863,465                 | 4,754,325  | 890,860    | 23%      | 50                  | 52   | 2      | 4%       |

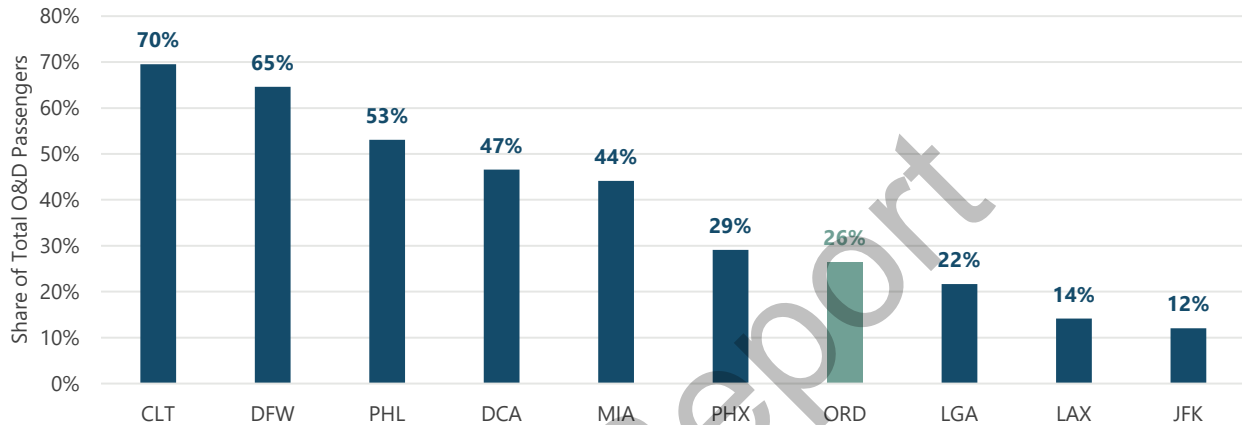
NOTES:  
 DFW- Dallas Fort Worth International Airport; CLT- Charlotte Douglas International Airport; MIA- Miami International Airport; DCA- Ronald Reagan Washington National Airport; JFK- John F. Kennedy International Airport (Queens, New York); PHX- Phoenix Sky Harbor International Airport; LGA- LaGuardia Airport (Queens, New York); PHL- Philadelphia International Airport; LAX- Los Angeles International Airport  
 SOURCE: Cirium Diio, August 2024 (published airline schedules).

An analysis of American’s evolving network strategy identifies key market considerations driving the shift in capacity across its hubs. American has grown in hubs where it has a dominant presence, especially DFW and CLT. **Exhibit 4-14** presents American’s share of total O&D passengers in 2023. American captures 70 percent of total O&D passengers at CLT and 65 percent of total O&D passengers at DFW compared to just 26 percent at ORD and 14 percent at LAX. American has a dominant presence at DFW and CLT where there are no other hub airlines. At the

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Airport, American is competing with United, which has a larger share of total passengers and total O&D passengers. American is also competing in the broader Chicago market with Southwest, which has a large focus city operation at Midway in addition to service at the Airport. LAX is a very competitive market where American, Delta, and United, as well as Alaska and Southwest, all have a meaningful presence and no airline has a dominant share of O&D passengers.

EXHIBIT 4-14 AMERICAN 2023 SHARE OF TOTAL O&amp;D PASSENGERS BY HUB



## NOTES:

CLT – Charlotte Douglas International Airport; DFW – Dallas–Fort Worth International Airport; PHL – Philadelphia International Airport; DCA – Ronald Reagan Washington National Airport; MIA – Miami International Airport; PHX – Phoenix Sky Harbor International Airport; ORD – Chicago O'Hare International Airport; LGA – LaGuardia Airport; LAX – Los Angeles International Airport; JFK – John F. Kennedy International Airport

O&D – Origin and Destination

SOURCE: Sabre Market Intelligence, August 2024.

A second characteristic of American's recent hub strategy is to focus growth in markets with high population growth. **Table 4-17** presents historical and forecast future population changes in the metro areas where American has hubs and the ranking of each metro area's growth for the historical and forecast periods. The Dallas / Fort Worth and Charlotte metro areas ranked first and second for historical growth between 2014 and 2023 and second and third for forecast growth between 2023 and 2025. Chicago ranks eighth for historical growth and ninth for forecast growth for the same time period.

Additional factors that are specific to certain hubs have also influenced American's recent hub strategy:

- American has grown at MIA in line with increased demand for leisure travel in South Florida and the Caribbean.
- American has increased capacity at DCA through increased aircraft size in conjunction with the opening of a new concourse that supports larger regional aircraft operations.
- American's recent growth at JFK was supported by its alliance with JetBlue, which ended in June 2023 after a successful US Department of Justice challenge.
- American retired its fleet of A330s, 757s, and 767s at the onset of the COVID-19 pandemic that were used for long-haul international routes. Delayed delivery of new long-haul aircraft has constrained capacity growth that slowed the restoration of service at international gateways like ORD, PHL, and LAX.

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TABLE 4-17 AMERICAN HUB METRO AREA POPULATION CHANGE

| METRO AREA          | 2014 TO 2023 ACTUAL GROWTH |      | 2023 TO 2025 FORECAST GROWTH |      |
|---------------------|----------------------------|------|------------------------------|------|
|                     | CAGR                       | RANK | CAGR                         | RANK |
| Dallas / Fort Worth | 1.8%                       | 1    | 1.4%                         | 2    |
| Charlotte           | 1.7%                       | 2    | 1.3%                         | 3    |
| Phoenix             | 1.6%                       | 3    | 1.4%                         | 1    |
| Washington DC       | 0.7%                       | 4    | 0.9%                         | 4    |
| Miami               | 0.6%                       | 5    | 0.9%                         | 5    |
| Philadelphia        | 0.3%                       | 6    | 0.3%                         | 7    |
| New York City       | 0.0%                       | 7    | 0.2%                         | 8    |
| Chicago             | -0.2%                      | 8    | 0.2%                         | 9    |
| Los Angeles         | -0.2%                      | 9    | 0.3%                         | 6    |

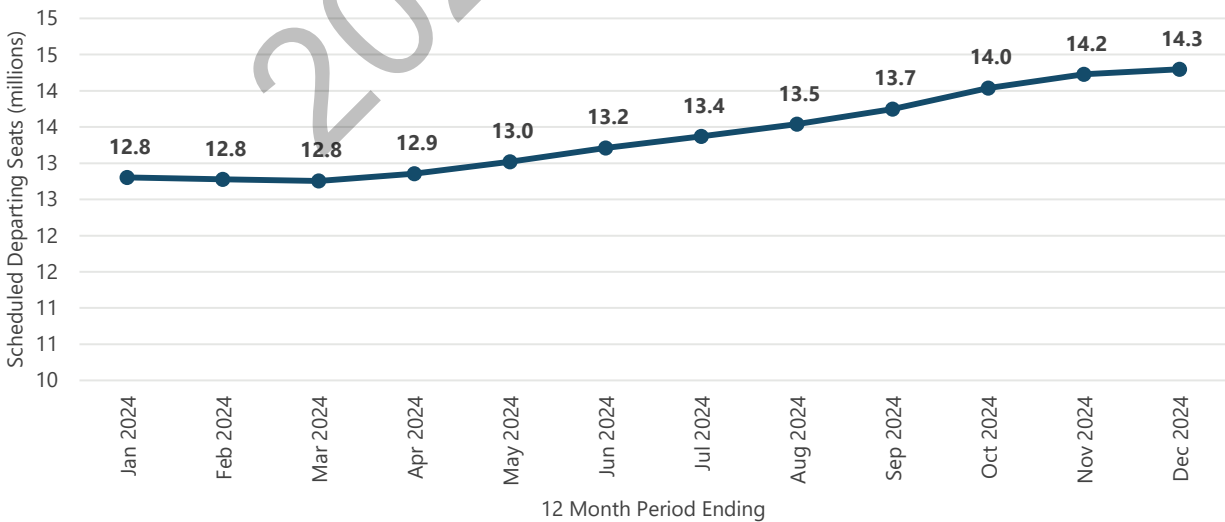
NOTE:

CAGR – Compound Annual Growth Rate.

SOURCE: Woods & Pool Economics, Inc, August 2023.

American’s reduced presence at the Airport reflects its recent hub strategy, which is in turn reflective of current market conditions. American is focused on bolstering its presence in markets where it has structural advantages and specific circumstances support growth opportunities. It is expected that American’s hub strategy will continue to evolve as its fleet grows with the delivery of new aircraft, enabling more balanced allocation of capacity across its route network. As shown on **Exhibit 4-15**, the restoration of American’s capacity at the Airport is accelerating during 2024.

EXHIBIT 4-15 AMERICAN SCHEDULED DEPARTING SEATS AT THE AIRPORT



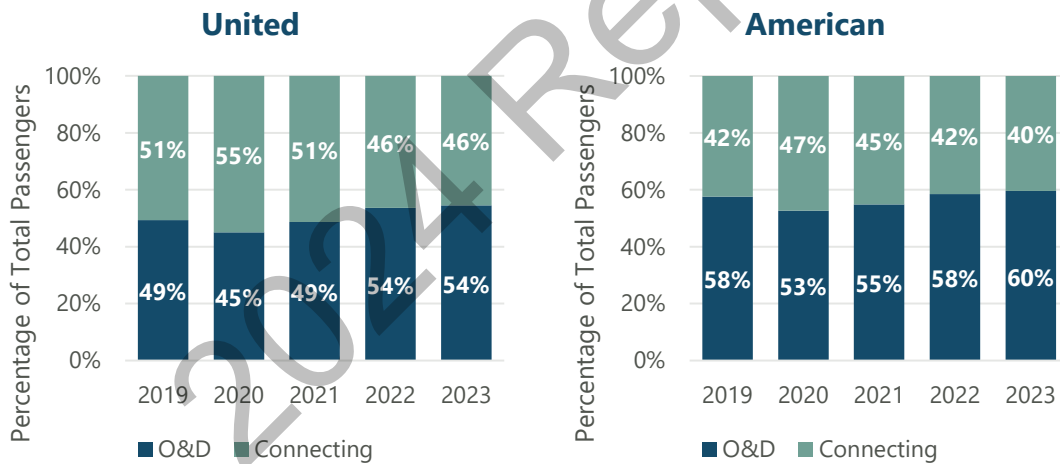
SOURCE: Cirium Diio, August 2024 (published airline schedules).

**4.4.8.3 HUB AIRLINE PASSENGER SEGMENTATION**

**Exhibit 4-16** presents the percentage distribution of O&D and connecting passengers for United and American at the Airport from 2019 through 2023. The connecting share of total passengers increased for United and American in 2020 as both airlines used their mid-continent hubs to link destinations across their networks after suspending service on many routes at the onset of the COVID-19 pandemic. Connecting passenger share decreased for both airlines from 2021 through 2023 due in part to a decrease in service to smaller markets as airlines reduced the size of their fleets of regional aircraft with 50 or fewer seats. United's percentage of connecting passengers at the Airport in 2023 was 46 percent compared to 51 percent in 2019. American's percentage of connecting passengers at the Airport in 2023 was 40 percent compared to 42 percent in 2019.

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. Both airlines schedule flights around arrival and departure banks that enable connectivity. The Airport is expected to remain a critical connecting hub for United and American, while continuing to serve a large local O&D market. Neither hub airline has another nearby connecting hub that can play the same role as the Airport in their route networks.

**EXHIBIT 4-16 UNITED AND AMERICAN O&D AND CONNECTING PASSENGERS AT ORD**



NOTE:  
 O&D – Origin and Destination  
 SOURCE: Cirium Diio, August 2024 (US DOT O&D Survey and T-100 Database).

**4.4.8.4 HUB AIRLINE ALLIANCE PARTNERS**

Both United and American are founding members of two global airline alliances, Star Alliance and oneworld, respectively. Alliance cooperation includes codeshare operations, whereby two airlines market the same flight to facilitate connectivity across their networks, as well as reciprocal loyalty program benefits for their customers. A total of 16 Star Alliance member airlines, including United, serve the Airport<sup>95</sup>. In 2023, Star Alliance member airlines represented 52.0 percent of total enplaned passengers at the Airport. Two other airline partners of United, which are not members of Star Alliance, also serve the Airport. A total of nine oneworld member airlines, including

<sup>95</sup> Scandinavian Airlines will no longer be a Star Alliance member after August 31, 2024 and will join SkyTeam on September 1, 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

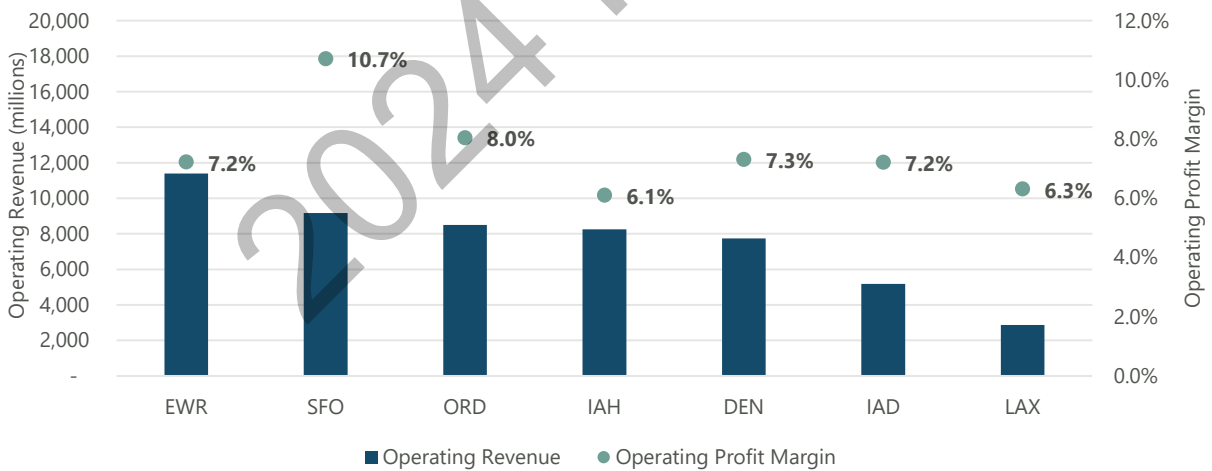
American, serve the Airport. In 2023, oneworld member airlines represented 32.9 percent of total enplaned passengers at the Airport. Three other airline partners of American, which are not members of oneworld, also serve the Airport. The hub airlines' alliances generate additional connectivity at the Airport while their market presence supports nonstop service from their alliance partners.

**4.4.8.5 HUB AIRLINE PROFITABILITY**

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.

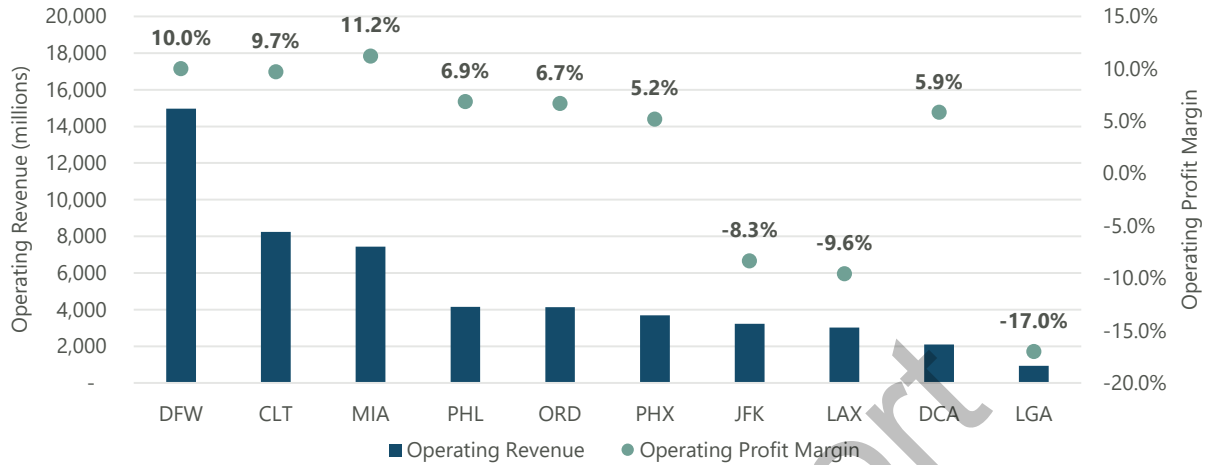
**Exhibit 4-17** and **Exhibit 4-18** present the estimated operating revenues and operating profit margins of each of United's and American's hubs in 2023. The Airport was estimated to be United's third largest hub in terms of operating revenue and generated an 8.0 percent operating profit margin. The Airport was estimated to be American's fifth largest hub in terms of operating revenue and generated a 6.7 percent operating profit margin.

EXHIBIT 4-17 ESTIMATE OF UNITED AIRLINES PROFITABILITY BY HUB (FULL YEAR 2023)



NOTES: EWR – Newark Liberty International Airport; SFO – San Francisco International Airport; ORD – Chicago O'Hare International Airport; IAH – George Bush Intercontinental Airport; DEN – Denver International Airport; IAD – Washington Dulles International Airport; LAX – Los Angeles International Airport  
 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, July 2024; U.S. Department of Transportation, T-100, July 2024; U.S. Department of Transportation, Form 41, July 2024; Ricondo & Associates, Inc., July 2024 (based on the analysis and assumptions described in this Report).

EXHIBIT 4-18 ESTIMATE OF AMERICAN AIRLINES PROFITABILITY BY HUB (FULL YEAR 2023)

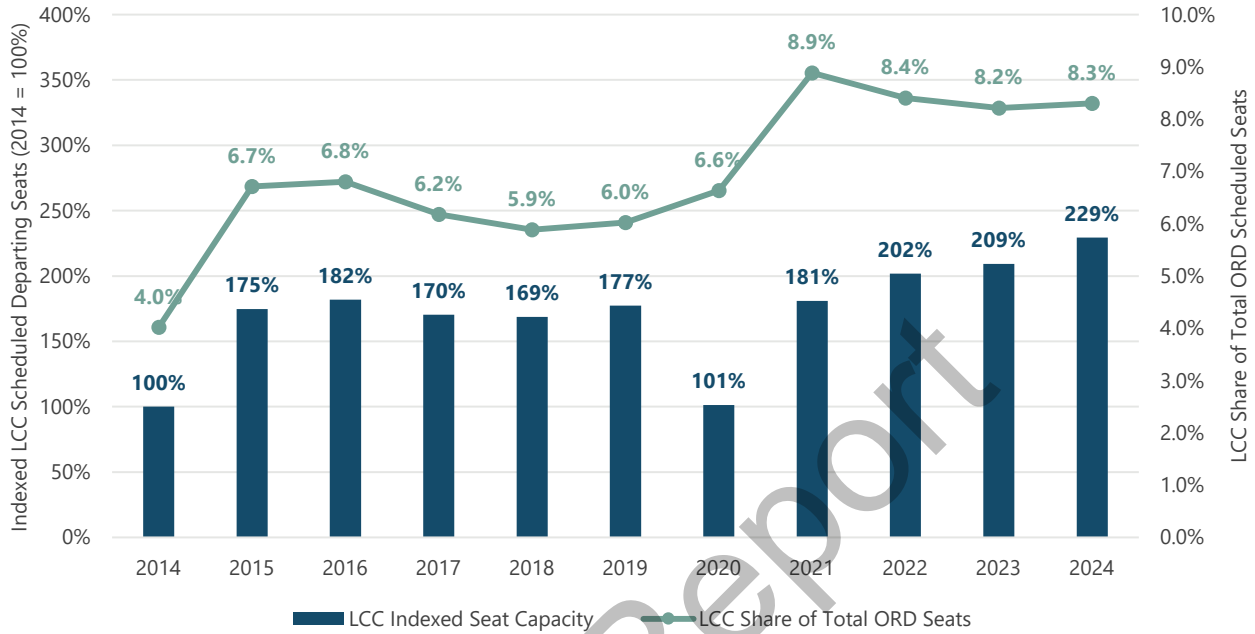


NOTES: DFW – Dallas–Fort Worth International Airport; CLT – Charlotte Douglas International Airport; MIA – Miami International Airport; PHL – Philadelphia International Airport; ORD – Chicago O’Hare International Airport; PHX – Phoenix Sky Harbor International Airport; JFK – John F. Kennedy International Airport; LAX – Los Angeles International Airport; DCA – Ronald Reagan Washington National Airport; LGA – LaGuardia Airport  
 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, July 2024; U.S. Department of Transportation, T-100, July 2024; U.S. Department of Transportation, Form 41, July 2024; Ricondo & Associates, Inc., July 2024 (based on the analysis and assumptions described in this 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, a single class of service, and increased seat density compared to full-service airlines. Five LCCs serve the Airport: Frontier, JetBlue, Southwest, Spirit, and Sun Country, with Southwest having launched service from ORD in February 2021. **Exhibit 4-19** presents the indexed scheduled departing seats for the consolidated LCCs and the share that LCCs represented of total Airport scheduled departing seats for 2014 through 2024. The consolidated scheduled departing seats for the LCC’s in 2024 represent 229 percent of 2014 scheduled departing seats. LCC share of total Airport scheduled departing seats increased from 4.0 percent in 2014 to a peak of 8.9 percent in 2021, when American and United reduced capacity by a greater margin than LCCs as they had more exposure to long-haul international and business markets that were more negatively impacted the COVID-19 pandemic. In 2024, LCC share of total Airport scheduled departing seats was 8.3 percent, more than double LCC share in 2014.

EXHIBIT 4-19 INDEXED LOW-COST CARRIER SCHEDULED DEPARTING SEATS



NOTES:

LCC- Low-cost carriers

ORD- Chicago O'Hare International Airport

Low-cost carriers include JetBlue Airways, Frontier Airlines, Southwest Airlines, Spirit Airlines, and Sun Country Airlines

SOURCE: Cirium Diio, August 2024 (published airline schedules).

## 4.5 ACTIVITY FORECAST

Forecasts of Airport activity were developed for FY 2024 through FY 2035. The assumptions, techniques, and results of the forecast process are described in the following subsections.

### 4.5.1 SHORT-TERM FORECAST METHODOLOGY

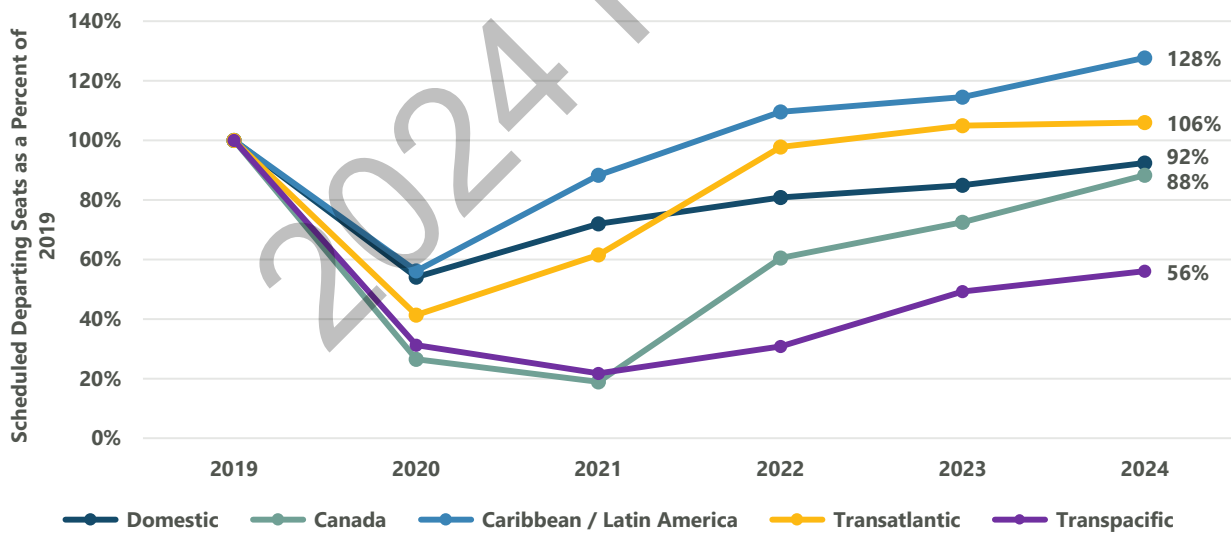
The short-term passenger forecast was based on qualitative and quantitative factors, including published airline schedules, historical data, and assumptions based on industry trends, to forecast passenger activity for 2024 and 2025. The short-term forecast incorporates actual reported activity through June 2024, with published airline schedules used to estimate the period from July 2024 to December 2024. Departing seat capacity was forecast by airline and region by month from January 2025 through December 2025. Estimated load factors, also specific to the airline, region, and month, were applied to the departing seat forecast to derive the enplaned passengers forecast. The assumptions used to develop the short-term forecast were based on recent trends and account for seasonality of demand.



Additional factors were also considered in the development airline and regional specific assumptions in the short-term forecast:

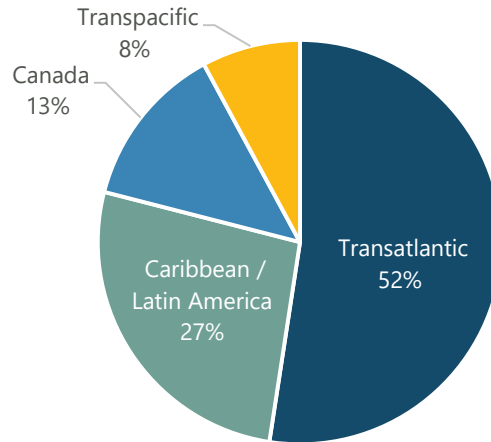
- While demand has largely recovered from the impacts of the COVID-19 pandemic, recovery patterns have been uneven across different regions. **Exhibit 4-20** presents the annual scheduled departing seats by region from the Airport as a percentage of 2019 scheduled departing seats. Latin America has led all regions in terms of seat capacity recovery, with 2024 scheduled departing seats representing 128 percent of 2019 scheduled seats. Transatlantic seat capacity also exceeds 2019 levels at 106 percent of 2019. Both of these regions have popular leisure destinations where demand for travel has been particularly strong. Departing seats to destinations in the US and Canada still remain below 2019 levels but continue to increase. The recovery in transpacific seat capacity significantly lags behind other regions, with 2024 scheduled departing seats representing approximately 56 percent of 2019 levels. The slower recovery of transpacific seat capacity is due in part to stricter and longer travel restrictions during the COVID-19 pandemic, ongoing geopolitical tensions between China and the US, and slowing consumer spending inside China that has dampened outbound tourism from China. **Exhibit 4-21** presents the percentage distribution of scheduled international departing seats by region. Transatlantic routes represent the 52 percent of total international scheduled departing seats, followed by the Caribbean and Latin America at 27 percent, Canada at 13 percent, and Transpacific at 8 percent.
- Supply-side factors, including labor shortages and delayed delivery of new aircraft, have constrained airline capacity to grow capacity in line with demand.

EXHIBIT 4-20 ORD INDEXED SCHEDULED DEPARTING SEATS BY REGION



SOURCE: Cirium Diio (published airline schedules), August 2024.

## EXHIBIT 4-21 ORD 2024 SCHEDULED INTERNATIONAL SEATS BY REGION



SOURCE: Cirium Diio (published airline schedules), August 2024.

#### 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 between 2020 and 2023 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. Independent analyses of domestic and international O&D passengers were developed to derive year-over-year growth rates for each segment of demand. **Table 4-18** summarizes the output of the socioeconomic regression analyses.

Connecting passengers were modeled as a percentage of O&D passengers. The forecast assumes that connecting passenger share will increase, in line with recent guidance from hub airlines American and United to increase connectivity across their networks.<sup>96, 97</sup> Connecting passengers as a percent of O&D passengers are forecast to increase from 64.7 percent in 2023 to 75.2 percent in 2030, consistent with the connecting percentage of O&D passengers in 2019, and remain at that level through 2035. 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 2035.

<sup>96</sup> "American is focused on bringing larger, dual-class regional aircraft into its fleet, which will continue to drive connectivity from smaller markets to the rest of the airline's global network." AA Press release <https://news.aa.com/news/news-details/2024/American-Airlines-places-orders-for-Airbus-Boeing-and-Embraer-aircraft-FLT-03/default.aspx>

<sup>97</sup> "We are focused on building connectivity in our core non-coastal hubs in 2024 with both new mainline jets and with enhanced RJ capabilities." Andrew Nocella, UA Q1 2024 earnings call, April 17, 2024

TABLE 4-18 SOCIOECONOMIC REGRESSION ANALYSIS OUTPUTS

| SOCIOECONOMIC VARIABLE                         | IMPLIED 2023 – 2035 O&D PASSENGER CAGR |
|--|--|
| <b>Domestic O&amp;D Passengers</b>             |  |
| ATA Gross Regional Product                     | 2.6%                                   |
| ATA Earnings                                   | 2.5%                                   |
| ATA Total Employment                           | 2.4%                                   |
| ATA Personal Income                            | 2.4%                                   |
| ATA Per Capita Personal Income                 | 2.3%                                   |
| United States Total Earnings                   | 2.5%                                   |
| United States Total Employment                 | 2.3%                                   |
| United States Per Capita Personal Income       | 2.3%                                   |
| <b>Domestic O&amp;D Passenger Average</b>      | <b>2.4%</b>                            |
| <b>International O&amp;D Passengers</b>        |  |
| ATA Gross Regional Product                     | 3.0%                                   |
| ATA Earnings                                   | 2.8%                                   |
| ATA Per Capita Personal Income                 | 2.6%                                   |
| United States Total Earnings                   | 2.9%                                   |
| United States Total Employment                 | 2.6%                                   |
| <b>International O&amp;D Passenger Average</b> | <b>2.8%</b>                            |

## NOTES:

ATA – Air Trade Area

CAGR – Compound Annual Growth Rate

O&amp;D – Origin and Destination

SOURCES: Woods &amp; Poole Economics, Inc., June 2023 Ricondo &amp; Associates, Inc., June 2024 (analysis).

### 4.5.3 OTHER ASSUMPTIONS INCORPORATED INTO ACTIVITY FORECASTS

The following assumptions were also incorporated into the passenger forecast:

- Airlines will continue their trend of upgauging to larger average aircraft sizes that can accommodate more passengers per operation at the Airport, resulting in operations growing at a slower rate than enplaned passengers.
- International O&D passenger demand growth will be accommodated through a combination of passengers utilizing domestic flight segments to access other major international gateways in the US (such as SFO or MIA), as well as new international nonstop flying.
- It is assumed that current ongoing constraints resulting from delayed delivery of new aircraft and labor shortages will ease over time, with lessening impact in the longer-term portion of the Projection Period.
- While COVID-19 is no longer considered a global health emergency, new variants of the COVID-19 virus may emerge. It is assumed that the emergence of any new variants of the virus would not result in a severe reduction in air service as experienced at the onset of the pandemic.

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#### 4.5.4 FORECAST OF PASSENGER DEMAND

**Table 4-19** presents historical and forecast of domestic and international enplaned passengers. Total enplaned passengers are forecast to increase from 36.6 million in 2023 to 53.8 million in 2035, which represents a CAGR of 3.3 percent. Domestic enplaned passengers are forecast to increase from 29.9 million in 2023 to 44.0 million in 2035, which represents a CAGR of 3.3 percent. International enplaned passengers are forecast to increase from 6.7 million in 2023 to 9.8 million in 2035, which represents a CAGR of 3.2 percent.

TABLE 4-19 DOMESTIC AND INTERNATIONAL ENPLANED PASSENGER FORECAST

| YEAR              | ENPLANED PASSENGERS |               |            | ANNUAL GROWTH |
|-------------------|---------------------|---------------|------------|---------------|
|                   | DOMESTIC            | INTERNATIONAL | TOTAL      |               |
| <b>Historical</b> |                     |               |            |               |
| 2014              | 29,559,975          | 5,392,787     | 34,952,762 | 5.0%          |
| 2015              | 32,877,967          | 5,517,938     | 38,395,905 | 9.9%          |
| 2016              | 33,015,851          | 5,856,818     | 38,872,669 | 1.2%          |
| 2017              | 33,587,845          | 6,228,043     | 39,815,888 | 2.4%          |
| 2018              | 35,598,046          | 6,965,297     | 42,563,343 | 4.4%          |
| 2019              | 35,168,714          | 7,079,656     | 42,248,370 | 1.6%          |
| 2020              | 13,549,416          | 1,801,630     | 15,351,046 | -63.7%        |
| 2021              | 24,169,431          | 2,775,928     | 26,945,359 | 75.5%         |
| 2022              | 28,459,387          | 5,636,323     | 34,095,710 | 26.5%         |
| 2023              | 29,916,091          | 6,681,679     | 36,597,770 | 7.3%          |
| <b>Forecast</b>   |                     |               |            |               |
| 2024              | 33,153,664          | 7,180,513     | 40,334,177 | 10.2%         |
| 2025              | 34,145,522          | 7,559,584     | 41,705,106 | 3.4%          |
| 2026              | 35,181,788          | 7,913,816     | 43,095,605 | 3.3%          |
| 2027              | 36,189,811          | 8,174,306     | 44,364,117 | 2.9%          |
| 2028              | 37,197,769          | 8,435,637     | 45,633,406 | 2.9%          |
| 2029              | 38,208,054          | 8,698,287     | 46,906,342 | 2.8%          |
| 2030              | 39,220,854          | 8,881,215     | 48,102,069 | 2.5%          |
| 2031              | 40,169,495          | 9,067,639     | 49,237,135 | 2.4%          |
| 2032              | 41,119,319          | 9,252,278     | 50,371,597 | 2.3%          |
| 2033              | 42,071,488          | 9,435,458     | 51,506,946 | 2.3%          |
| 2034              | 43,027,558          | 9,617,496     | 52,645,055 | 2.2%          |
| 2035              | 43,987,381          | 9,798,367     | 53,785,748 | 2.2%          |
| <b>CAGR</b>       |                     |               |            |               |
| 2014 – 2019       | 3.5%                | 5.6%          | 3.9%       |               |
| 2014 – 2023       | 0.1%                | 2.4%          | 0.5%       |               |
| 2023 – 2035       | 3.3%                | 3.2%          | 3.3%       |               |

## NOTE:

CAGR – Compound Annual Growth Rate

SOURCES: City of Chicago, Department of Aviation, June 2024 (historical passengers); Ricondo & Associates, Inc., June 2024 (forecast passengers).

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**Table 4-20** presents historical and forecast of O&D and connecting enplaned passengers. O&D enplaned passengers are forecast to increase from 22.2 million in 2023 to 30.7 million in 2035, which represents a CAGR of 2.7 percent. Connecting enplaned passengers are forecast to increase from 14.4 million in 2023 to 23.1 million in 2035, which represents a CAGR of 4.0 percent. The connecting passenger percent of O&D passengers is forecast to gradually increase from 64.7 percent in 2023 to 75.2 percent by 2030, in line with the distribution of O&D and connecting passengers in 2019, and remain at that level through 2035.

TABLE 4-20 O&amp;D AND CONNECTING ENPLANED PASSENGER FORECAST

| YEAR              | ENPLANED PASSENGERS |            |                           |
|-------------------|---------------------|------------|---------------------------|
|                   | O&D                 | CONNECTING | CONNECTING PERCENT OF O&D |
| <b>Historical</b> |                     |            |                           |
| 2014              | 17,401,694          | 17,551,068 | 100.9%                    |
| 2015              | 20,201,056          | 18,194,849 | 90.1%                     |
| 2016              | 21,363,863          | 17,508,806 | 82.0%                     |
| 2017              | 22,425,555          | 17,390,333 | 77.5%                     |
| 2018              | 23,524,852          | 18,038,491 | 76.6%                     |
| 2019              | 24,120,611          | 18,127,759 | 75.2%                     |
| 2020              | 8,274,047           | 7,076,999  | 85.5%                     |
| 2021              | 15,278,947          | 11,666,412 | 76.4%                     |
| 2022              | 20,488,724          | 13,606,986 | 66.4%                     |
| 2023              | 22,221,362          | 14,376,408 | 64.7%                     |
| <b>Forecast</b>   |                     |            |                           |
| 2024              | 23,763,510          | 16,570,667 | 69.7%                     |
| 2025              | 24,183,866          | 17,521,240 | 72.5%                     |
| 2026              | 24,846,108          | 18,249,497 | 73.5%                     |
| 2027              | 25,503,930          | 18,860,187 | 74.0%                     |
| 2028              | 26,158,426          | 19,474,980 | 74.5%                     |
| 2029              | 26,811,266          | 20,095,076 | 75.0%                     |
| 2030              | 27,462,629          | 20,639,440 | 75.2%                     |
| 2031              | 28,110,665          | 21,126,469 | 75.2%                     |
| 2032              | 28,758,358          | 21,613,240 | 75.2%                     |
| 2033              | 29,406,555          | 22,100,390 | 75.2%                     |
| 2034              | 30,056,329          | 22,588,726 | 75.2%                     |
| 2035              | 30,707,578          | 23,078,169 | 75.2%                     |
| <b>CAGR</b>       |                     |            |                           |
| 2014 – 2019       | 6.7%                | 0.6%       |                           |
| 2014 – 2023       | 2.8%                | -2.2%      |                           |
| 2023 – 2035       | 2.7%                | 4.0%       |                           |

## NOTES:

CAGR – Compound Annual Growth Rate

O&amp;D- Origin and Destination

SOURCES: City of Chicago, Department of Aviation, June 2024 (historical total passengers); Cirium Diio, June 2024 (US DOT O&D Survey and T-100 database, segmentation of historical passengers); Ricondo & Associates, Inc., June 2024 (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 published airline schedules through December 2024, as well as the current and expected future fleet mix of airlines serving the Airport. Average seats per departure are expected to increase from 127 in 2023 to 138 in 2035 as airlines retire smaller regional aircraft of 50 or fewer seats 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 9 and A321NEO, which are larger than many of the current narrowbody aircraft currently operated by airlines serving the Airport. Average load factor is expected to increase from 84.6 percent in 2023 to 85.7 percent in 2035. The increase in load factor reflects 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.

The general aviation operations forecast was based on the year-over-year change in total US general aviation operations per the 2023 FAA Aerospace Forecast. General aviation operations are forecast to increase from 11,722 in 2023 to 13,022 in 2035, which represents a CAGR of 0.9 percent. The all-cargo operations forecast was based on the year-over-year change in total US cargo revenue ton miles (RTMs) per the 2023 FAA Aerospace Forecast and assumed that RTMs per operation do not change during the Projection Period. All-cargo operations are forecast to increase from 27,601 in 2023 to 40,847 in 2035, which represents a CAGR of 3.3 percent. Total operations are forecast to increase from 720,582 in 2023 to 965,986 in 2035, which represents a CAGR of 2.5 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 3.1 percent between 2023 and 2035. All-cargo landed weight is forecast to increase by a CAGR of 3.3 percent between 2023 and 2035.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-21 OPERATIONS FORECAST

| YEAR              | PASSENGER AIRLINE OPERATIONS | AVERAGE SEATS PER DEPARTURE | AVERAGE LOAD FACTOR | GENERAL AVIATION OPERATIONS | ALL-CARGO OPERATIONS | TOTAL OPERATIONS |
|-------------------|------------------------------|-----------------------------|---------------------|-----------------------------|----------------------|------------------|
| <b>Historical</b> |                              |                             |                     |                             |                      |                  |
| 2014              | 849,156                      | 97                          | 85.1%               | 17,344                      | 15,433               | 881,933          |
| 2015              | 835,608                      | 104                         | 88.1%               | 21,828                      | 17,700               | 875,136          |
| 2016              | 828,584                      | 109                         | 86.0%               | 21,119                      | 17,932               | 867,635          |
| 2017              | 832,488                      | 112                         | 85.1%               | 15,412                      | 19,149               | 867,049          |
| 2018              | 864,114                      | 112                         | 85.8%               | 15,581                      | 24,052               | 903,747          |
| 2019              | 879,323                      | 113                         | 85.3%               | 15,970                      | 24,411               | 919,704          |
| 2020              | 475,772                      | 104                         | 62.2%               | 32,037                      | 30,402               | 538,211          |
| 2021              | 629,007                      | 110                         | 78.2%               | 23,442                      | 31,752               | 684,201          |
| 2022              | 663,941                      | 121                         | 84.7%               | 17,036                      | 30,584               | 711,561          |
| 2023              | 681,259                      | 127                         | 84.6%               | 11,722                      | 27,601               | 720,582          |
| <b>Forecast</b>   |                              |                             |                     |                             |                      |                  |
| 2024              | 744,196                      | 128                         | 85.0%               | 12,174                      | 28,456               | 784,827          |
| 2025              | 771,700                      | 128                         | 84.7%               | 12,467                      | 29,323               | 813,490          |
| 2026              | 790,293                      | 129                         | 84.8%               | 12,629                      | 30,516               | 833,438          |
| 2027              | 806,325                      | 130                         | 84.9%               | 12,706                      | 31,744               | 850,775          |
| 2028              | 822,073                      | 131                         | 85.0%               | 12,745                      | 32,940               | 867,758          |
| 2029              | 837,597                      | 132                         | 85.1%               | 12,784                      | 34,105               | 884,485          |
| 2030              | 851,468                      | 133                         | 85.2%               | 12,823                      | 35,183               | 899,474          |
| 2031              | 864,020                      | 134                         | 85.3%               | 12,862                      | 36,254               | 913,137          |
| 2032              | 876,332                      | 135                         | 85.4%               | 12,902                      | 37,360               | 926,593          |
| 2033              | 888,433                      | 136                         | 85.5%               | 12,942                      | 38,499               | 939,874          |
| 2034              | 900,361                      | 137                         | 85.6%               | 12,982                      | 39,672               | 953,015          |
| 2035              | 912,117                      | 138                         | 85.7%               | 13,022                      | 40,847               | 965,986          |
| <b>CAGR</b>       |                              |                             |                     |                             |                      |                  |
| 2014 – 2019       | 0.7%                         | 3.1%                        | 0.1%                | -1.6%                       | 9.6%                 | 0.8%             |
| 2014 – 2023       | -2.4%                        | 3.1%                        | -0.1%               | -4.3%                       | 6.7%                 | -2.2%            |
| 2023 – 2035       | 2.5%                         | 0.7%                        | 0.1%                | 0.9%                        | 3.3%                 | 2.5%             |

## NOTE:

CAGR – Compound Annual Growth Rate

SOURCES: City of Chicago, Department of Aviation, June 2024 (historical operations); Cirium Diio, June 2024, (US Department of Transportation, T-100, historical seats per departure and load factor); Ricondo &amp; Associates, Inc., June 2024 (forecast operations, seats per departure, and load factor).

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 4-22 LANDED WEIGHT FORECAST

| YEAR        | PASSENGER AIRLINES | ALL-CARGO | TOTAL      |
|-------------|--------------------|-----------|------------|
| Historical  |                    |           |            |
| 2014        | 44,095,348         | 4,490,079 | 48,585,427 |
| 2015        | 45,867,833         | 5,272,433 | 51,140,266 |
| 2016        | 49,177,197         | 3,230,256 | 52,407,453 |
| 2017        | 50,462,544         | 4,026,096 | 54,488,640 |
| 2018        | 50,658,992         | 5,652,663 | 56,311,655 |
| 2019        | 51,775,213         | 5,695,889 | 57,471,102 |
| 2020        | 28,698,546         | 6,717,732 | 35,416,278 |
| 2021        | 39,712,122         | 7,146,579 | 46,858,701 |
| 2022        | 43,627,768         | 6,753,341 | 50,381,109 |
| 2023        | 45,590,089         | 6,311,743 | 52,097,415 |
| Forecast    |                    |           |            |
| 2024        | 50,037,421         | 6,507,326 | 56,544,747 |
| 2025        | 51,878,844         | 6,705,583 | 58,584,427 |
| 2026        | 53,545,361         | 6,978,229 | 60,523,590 |
| 2027        | 55,056,567         | 7,259,163 | 62,315,731 |
| 2028        | 56,565,182         | 7,532,566 | 64,097,747 |
| 2029        | 58,074,767         | 7,799,062 | 65,873,830 |
| 2030        | 59,485,332         | 8,045,478 | 67,530,810 |
| 2031        | 60,817,661         | 8,290,576 | 69,108,237 |
| 2032        | 62,146,128         | 8,543,335 | 70,689,463 |
| 2033        | 63,472,580         | 8,803,860 | 72,276,440 |
| 2034        | 64,799,332         | 9,072,023 | 73,871,355 |
| 2035        | 66,126,167         | 9,340,759 | 75,466,926 |
| CAGR        |                    |           |            |
| 2014 – 2019 | 3.3%               | 4.9%      | 3.4%       |
| 2014 – 2023 | 0.4%               | 3.9%      | 0.7%       |
| 2023 – 2035 | 3.1%               | 3.3%      | 3.2%       |

## NOTE:

CAGR – Compound Annual Growth Rate

SOURCES: City of Chicago, Department of Aviation, June 2024 (historical landed weight); Ricondo &amp; Associates, Inc., June 2024 (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 2024AB Bonds and the future bonds (including the 2024EF 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. This chapter presents the following: Financial Framework; O&M Expenses; Non-Airline Revenues and Non-Signatory Airline; 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 General Airport Revenue Bond (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 which 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 City. 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, as described in more detail in **Section 2.2**, 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 was designed to further expand and elevate the Airport into the global gateway it is today. The AULA launched the largest capital expansion of the Airport's history, with construction and implementation scheduled to continue through 2034 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 are comprised of 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 expired December 31, 2023, or that expire December 31, 2028, depending on when such AULA was executed. Long-Term Signatory Airlines have the right to participate in the Majority-in-Interest 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.

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The AULA does not provide airlines with exclusive-use gates. Rather, Long-Term Signatory Airlines are given the first right to schedule use of preferential gates. Long-Term Signatory Airlines can earn additional preferential gates by increasing flight activity. Reallocation of the preferential gates has been possible on a yearly basis since 2021. This annual process, which must be triggered by the City or any Long-Term Signatory Airline per Article 5.4.1 of the AULA, has not occurred to date. 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 permits the City to increase debt service coverage on its Senior Lien Obligations issued under the Senior Lien Indenture from 1.10x in 2018 to 1.25x in 2020 and thereafter.

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 is being 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+ <sup>1</sup> | 25.0%                       | 25.0%                                    | 50.0%                              |

## NOTES:

O&M – Operation and Maintenance

<sup>1</sup> Percentages remain the same from 2025 and beyond.

SOURCE: City of Chicago, Department of Aviation, August 2022.

As of August 15 2024, the City has executed the AULA with the 48 Signatory Airlines at the Airport that are still in business as shown in **Table 5-2**.

In the aggregate, the current Signatory Airlines, including their regional affiliates, accounted for approximately 92.0 percent of the total landed weight at the Airport in 2023. Non-Signatory Airlines, which are the airlines that are not signatory to the AULA or not a regional affiliate to one of the Signatory Airlines, accounted for the remaining 8.0 percent of landed weight at the Airport in 2023.

Comparatively, the current Signatory Airlines, including their regional affiliates, accounted for approximately 99.5 percent of the total enplaned passengers at the Airport in 2023.

The financial projections presented herein reflect the rate-setting methodology set forth in the AULA for the entirety of the Projection Period. The analysis also assumes the Signatory Airlines as of August 15, 2024 will remain signatory to the AULA and no new airlines will become signatory to the AULA. These assumptions are for purposes of the financial analysis and are subject to change during or after the term of the AULA, which is through December 31, 2033 for Long-Term Signatory Airlines.

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TABLE 5-2 LONG-TERM AND SHORT-TERM SIGNATORY AIRLINES

| LONG-TERM SIGNATORIES (18)    | SHORT-TERM SIGNATORIES (30)         |
|-------------------------------|-------------------------------------|
| Air Canada                    | ABX Air                             |
| Alaska Airlines               | Aer Lingus                          |
| American Airlines             | Aeromexico                          |
| Austrian Airlines             | Air France                          |
| Copa Airlines                 | Air India                           |
| Delta Air Lines               | Air Serbia                          |
| FedEx                         | Air New Zealand                     |
| JetBlue Airways               | Air Transport International         |
| KLM Royal Dutch Airlines      | All Nippon Airways                  |
| LOT Polish Airlines           | Asiana Airlines                     |
| Lufthansa                     | Avianca Costa Rica                  |
| Royal Jordanian               | British Airways                     |
| Southwest Airlines            | Cathay Pacific                      |
| Spirit Airlines               | China Eastern Airlines <sup>1</sup> |
| Swiss International Air Lines | Emirates                            |
| Turkish Airlines              | Ethiopian Airlines                  |
| United Airlines               | Etihad Airways                      |
| United Parcel Service         | Frontier Airlines                   |
|                               | EVA Air                             |
|                               | Icelandair                          |
|                               | ITA Airways                         |
|                               | Japan Airlines                      |
|                               | Korean Air                          |
|                               | Nippon Cargo Airlines               |
|                               | Qatar Airways                       |
|                               | Scandinavian Airlines               |
|                               | TAP Air Portugal                    |
|                               | Viva Aerobus                        |
|                               | Volaris                             |
|                               | Volaris El Salvador                 |

## NOTE:

<sup>1</sup> Did not serve O'Hare for a 12-month period ending December 2024. Signatory status applies to China Cargo Airlines, which did serve the Airport in 2024.

SOURCE: City of Chicago, Department of Aviation, August 2024.

### 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<sup>98</sup> 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

<sup>98</sup> A modified rate-setting methodology is in effect for portions of the Airfield Area to avoid "private business use" under federal tax regulations.

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.

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 H&R 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 MMF dedicated to rental car operations, the customer service area, and the quick-turnaround facility. 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 2024AB 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 2018 through 2022, as presented each year in the Airport's Independent Auditor's Report for the years ending December 31, which excludes expenses in the Land Support Cost Center<sup>99</sup> and excludes any expenses associated with certain discretionary funds<sup>100</sup> (i.e., PFC Capital Fund), are presented in **Table 5-3**.

TABLE 5-3 HISTORICAL OPERATION AND MAINTENANCE EXPENSES (2018–2022)

|   | 2018      | 2019      | 2020      | 2021      | 2022      | COMPOUND ANNUAL GROWTH RATE (2018-2022) |
|---|-----------|-----------|-----------|-----------|-----------|---|
| Total O&M Expenses (thousands)            | \$566,118 | \$622,115 | \$560,590 | \$662,575 | \$612,544 | 2.0%                                    |
| O&M Expenses Annual Growth Rate           | 3.8%      | 9.9%      | -9.9%     | 18.2%     | -7.6%     |   |
| Enplaned Passengers (thousands)           | 41,563    | 42,248    | 15,351    | 26,945    | 34,096    | -4.8%                                   |
| Enplaned Passengers Growth Rate           | 4.4%      | 1.6%      | -63.7%    | 75.5%     | 26.5%     |   |
| Total O&M Expenses per Enplaned Passenger | \$13.62   | \$14.73   | \$36.52   | \$24.59   | \$17.97   | 7.2%                                    |

NOTES:

Dollars in thousands for FYs ending December 31.

O&M – Operation and Maintenance

SOURCES: City of Chicago, Department of Aviation, August, 2024.

As shown in Table 5-3, O&M Expenses increased from \$566.1 million in 2018 to \$612.5 million in 2022, reflecting a CAGR of 2.0 percent. This increase in O&M Expenses can partially be attributed to increases in personnel expenses and professional and engineering costs and allocable City pension expenses. Between 2018 and 2022, personnel expenses increased at a CAGR of 6.1 percent, and professional and engineering costs increased at a CAGR of 9.3 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 5-3 reflect only expenses due and payable in each year (i.e., the cash contribution, reflected in the Airport's rates and charges), and do not reflect certain expenses that are not payable in that year.

The Airport's O&M Expenses per enplaned passenger from 2018 to 2022 increased at a CAGR of 7.2 percent, from \$13.62 in 2018 to \$17.97 in 2022, which is attributable, in part, to the decrease in passenger activity resulting from the COVID-19 pandemic.

## 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

<sup>99</sup> 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.

<sup>100</sup> City of Chicago, Annual Comprehensive Financial Reports, [https://www.cityofchicago.org/city/en/depts/fin/supp\\_info/comprehensive\\_annualfinancialstatements.html](https://www.cityofchicago.org/city/en/depts/fin/supp_info/comprehensive_annualfinancialstatements.html) (accessed July, 2022).

that support Airport operations, such as Procurement, 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 \$103.8 million in 2023, which reflected the portion of the City's pension cash contribution paid in 2023 to the pension funds allocable to the Airport.

The pension cash contribution included in the Airport's rates and charges differs from amounts 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. 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 GASB Statement 68 which 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.<sup>101</sup> For purposes of calculating rates and charges, the City uses the cash contribution payments, and the financial analysis of this Report also assumes annual cash contribution payments.

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.

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 specified in P.A. 100-23 for FYs 2018 through 2022 and, thereafter, the amount necessary to achieve a Funded Ratio of 90 percent by the end of FY 2058. The 2023 payment year was the first time that the contributions to all four pension funds of the City were calculated on an actuarially-determined basis.

The City's FY 2024 budget includes the following recommended contributions to the Retirement Funds (as indicated by total annual contribution and O'Hare proportional share): (i) \$1.1 billion for MEABF, of which \$66.7 million, or 5.9 percent, is O'Hare's proportional share; (ii) \$149.9 million for LABF, of which \$10.0 million, or 6.6 percent, is O'Hare's proportional share; (iii) \$1.0 billion for PABF, of which \$15.8 million, or 1.5 percent, is O'Hare's proportional share; and (iv) \$487.8 million for FABF, of which \$23.6 million, or 4.8 percent, is O'Hare's proportional share for a total O'Hare proportional share of approximately \$116.1 million. These contributions include budgeted actuarially-determined cash contributions and advance pension contributions greater than the statutorily required amount for 2023 and 2024, reflecting the City's 2022 debt and pension funding policy.

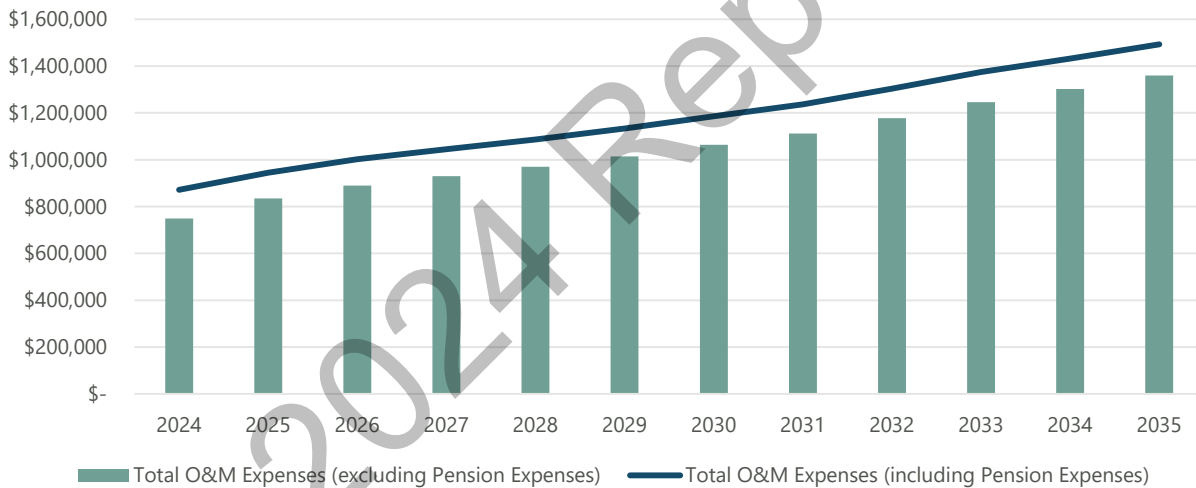
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<sup>101</sup> Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27, § Statement No. 68.

For purposes of projected rates and charges calculations, the Airport pension contribution is assumed to increase from approximately \$122.0 million in 2024 to approximately \$133.2 million in 2035 based on the City's projection of estimated actuarially-determined statutorily required contributions. These pension amounts reflect actuarial estimates of future statutorily required contributions and do not include advance pension contributions, which the City may elect to make. The City made an advance contribution of approximately \$242 million in 2023, of which \$15.3 million was allocated to the Airport. The City made a further advance contribution of approximately \$306 million in 2024, of which \$16.8 million was allocated to the Airport. The City has indicated an intention to continue advance payments.

**Exhibit 5-1** illustrates the impact of the estimated pension contributions, as provided by the City, over baseline growth assumptions on projected total O&M Expenses, excluding pension contributions, through the Projection Period. The projected personnel expenses presented in this Report include the pension contributions shown on Exhibit 5-1.

**EXHIBIT 5-1 PROJECTED IMPACT OF ESTIMATED PENSION CONTRIBUTIONS OVER BASELINE O&M EXPENSES GROWTH**



**NOTES:**

Dollars are in thousands for Fiscal Years ending December 31.

Pension amounts reflect actuarial estimates of future statutorily required contributions. Amounts do not include advance pension contributions, which the City may elect to make. The City made advance contributions in 2023 and 2024 and has indicated an intention to continue advance payments.

Total O&M Expenses in 2024 is net of \$11.5 million federal COVID-19 relief funds applied to offset O&M Expenses.

SOURCE: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024 (based on the analysis and assumptions in this Report).

### 5.2.3 BUDGETED OPERATION AND MAINTENANCE EXPENSES AND GROWTH ASSUMPTIONS

#### 5.2.3.1 ACTUAL OPERATION AND MAINTENANCE EXPENSES VERSUS BUDGET

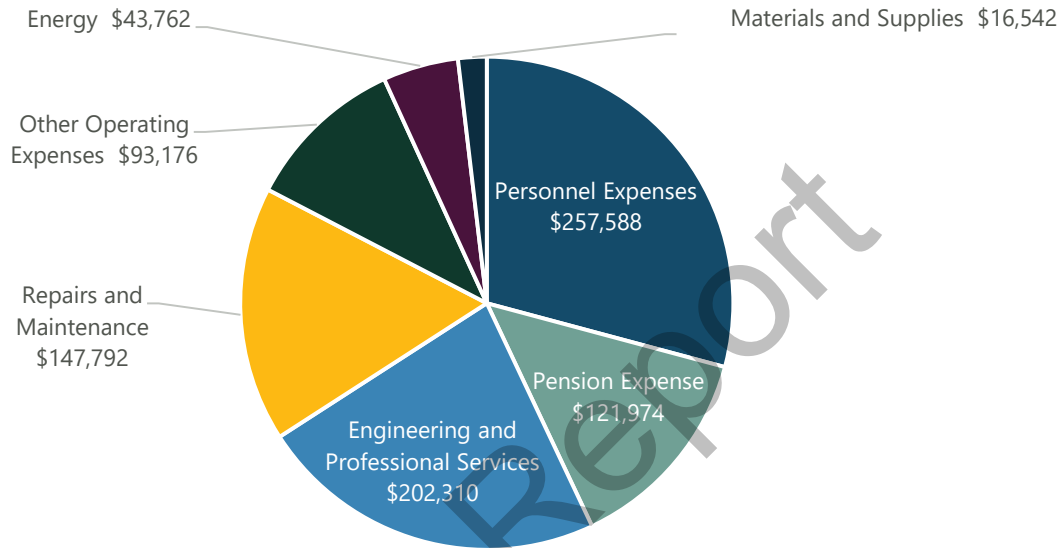
The CDA sets a budget for airline rates and charges annually using the rate-setting methodology set forth in the AULA, which is based on the budgeted O&M Expenses, estimated Non-Airline Revenues, required fund deposits, and debt service on Airport Obligations. As shown in Table A-1 of **Appendix A**, between 2018 and 2022, actual O&M Expenses for the Airport have been less than the budgeted amount in four of the five years, averaging 4.9

## CHICAGO O'HARE INTERNATIONAL AIRPORT

percent below budget. The Airport's 2024 Airline Rates and Charges Budget, effective January 2024, serves as the base from which O&M Expenses are projected.

**Exhibit 5-2** presents the 2024 budgeted O&M Expenses by cost category.

## EXHIBIT 5-2 2024 OPERATION AND MAINTENANCE EXPENSES BY COST CATEGORY (IN THOUSANDS)



## NOTES:

Excludes the Consolidated Rental Car Facility Area expenses  
 Engineering and Professional Services total includes Chicago Airlines Terminal Consortium expenses.  
 The \$11.5 million of federal COVID-19 relief funds applied to offset O&M Expenses is not shown.  
 SOURCE: City of Chicago, Department of Aviation, August 2024.

## 5.2.3.2 OPERATION AND MAINTENANCE EXPENSE CATEGORIES

O&M Expenses are grouped into the categories detailed in this section. Projected O&M Expenses include on-going baseline growth based on historical trends and known expenses, and incremental impacts of the planned capital program:

**Personnel**

Personnel expenses include compensation for City staff working at the Airport and an allocation of personnel costs from other City departments that support Airport operations, such as Procurement, Finance, and Corporation Counsel. Personnel expenses are projected to increase at a CAGR of 3.3 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 4.3 percent from 2024 through 2035.



### ***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 2024 through 2035, 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 5.5 percent through 2035.

### ***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 5.0 percent through 2035.

### ***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 3.4 percent from 2024 through 2035.

### ***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 5.0 percent through 2035, 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 5.5 percent from 2024 through 2035.

### ***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 5.4 percent from 2024 through 2035, 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 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 \$28.0 million in 2025 and increase throughout the Projection Period to approximately \$122.7 million in 2035. From 2025 through 2035, approximately 90.0 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

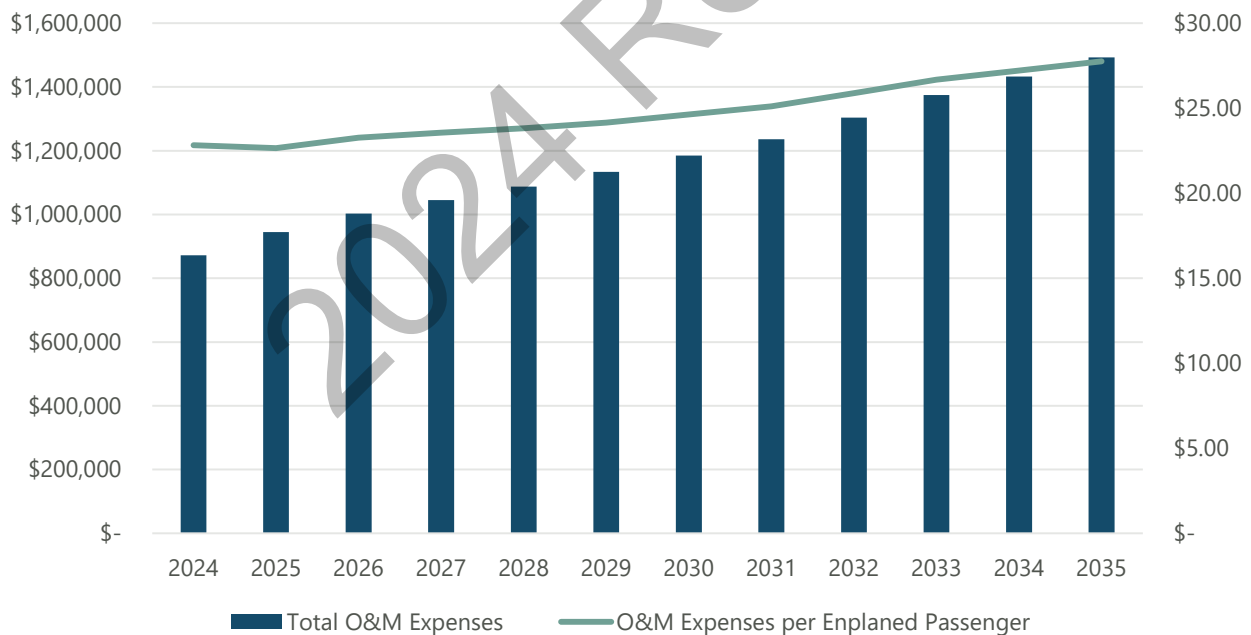
O&M Expense projections are based on the type of expense, expectations of future inflation (assumed to be 3.0 percent annually through the Projection Period), and incremental O&M Expenses related to the completion of Airport Capital Program projects. O&M Expenses for the CRCF are assumed to be fully covered by rental car operators through CFC collections and Facility Rent.

**Exhibit 5-3** presents the projected O&M Expenses.

As shown on Exhibit 5-3, total O&M Expenses, excluding CRCF Area expenses, are projected to increase from approximately \$871.6 million in 2024 to approximately \$1.49 billion in 2035, reflecting a CAGR of 5.0 percent.

See Table B-1 in **Appendix B** for projected O&M Expense detail.

EXHIBIT 5-3 PROJECTED OPERATION AND MAINTENANCE EXPENSES



NOTES:

O&M – Operation and Maintenance

Dollars are in thousands for Fiscal Years ending December 31.

Amounts do not include Consolidated Rental Car Facility expenses.

Total O&M Expenses in 2024 is net of \$11.5 million federal COVID-19 relief funds applied to offset O&M Expenses.

SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024 (based on the analysis and assumptions in this Report).

### 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, excluding Infrastructure Reliability projects, are assumed not to be financed; rather, they are to be recovered directly in the calculation of airline rates and charges. In 2024, expenditures for Pre-Approved Allowances is anticipated to total \$40.0. For the purposes of this financial analysis, it is assumed that \$40 million will be expended in each year from 2025 through 2035, totaling \$440.0 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 2024AB Bonds, 2024EF Bonds, and future bonds are anticipated to fund approximately \$13.8 million of Pre-Approved Allowances including Infrastructure Reliability projects.

### 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 2018 through 2022 as presented each year in the Airport's Independent Auditor's Report for the years ending December 31. As shown, concession revenues were approximately \$261.5 million in 2018. The decrease from 2019 to 2020 reflects the COVID-19 pandemic's effect on air travel. Concession revenues rebounded in 2021 and 2022 alongside the recovery of air travel demand. In 2022, total concession revenues nearly reached 96.7% of 2019 levels, with concession revenues per enplaned passenger surpassing those of 2019.

The Airport's concession revenues per enplaned passenger have increased from 2019 to 2022 by 19.8 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 concessions, including automobile parking, automobile rentals, and concessions generated in the Terminal Area, and rentals from CATCo and other leased areas at the Airport. These revenues are discussed in the following subsections.

#### 5.4.1 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, and automobile rentals.

As shown in Table A-2 of Appendix A, actual concession revenues generated at the Airport surpassed the budget concession revenues in all years between 2018 and 2022. The Airport's 2024 First-Half Airline Rates and Charges Budget serves as the base from which concession revenues are projected.

**Exhibit 5-4** presents the breakdown of budgeted 2024 concession revenues. Revenues from the Hilton Hotel, as further detailed in Section 5.4.2, are categorized within the budget under concession revenues but identified as Commercial Real Estate Revenues which have specific AULA terms that address the timing and incorporation of this revenue into rates and charges.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 5-4 HISTORICAL CONCESSION REVENUES (2018–2022)

|  | 2018             | 2019             | 2020             | 2021             | 2022             | 2022 AS PERCENT OF 2019 | COMPOUND ANNUAL GROWTH RATE |
|--|------------------|------------------|------------------|------------------|------------------|-------------------------|-----------------------------|
| <b>Concession Revenues (thousands)</b>       |                  |                  |                  |                  |                  |                         |                             |
| Automobile Parking                           | \$103,975        | \$103,459        | \$39,625         | \$73,599         | \$107,913        | 104.3%                  | 0.9%                        |
| Automobile Rentals                           | \$29,971         | \$32,559         | \$28,372         | \$27,591         | \$32,086         | 98.5%                   | 1.7%                        |
| Restaurants                                  | \$57,972         | \$61,690         | \$19,824         | \$30,395         | \$51,866         | 84.1%                   | -2.7%                       |
| News and Gifts                               | \$19,206         | \$18,518         | \$6,869          | \$8,423          | \$19,236         | 103.9%                  | 0.0%                        |
| Retail Gift Shops                            | \$6,259          | \$6,493          | \$1,946          | \$2,389          | \$4,157          | 64.0%                   | -9.7%                       |
| Hilton Revenues <sup>1</sup>                 | \$8,335          | \$23,048         | \$(4,650)        | \$8,354          | \$20,187         | 87.6%                   | 24.8%                       |
| Other  | \$35,749         | \$33,352         | \$54,269         | \$27,750         | \$34,333         | 102.9%                  | -1.0%                       |
| <b>Total Concession Revenues</b>             | <b>\$261,466</b> | <b>\$279,120</b> | <b>\$146,256</b> | <b>\$178,499</b> | <b>\$269,778</b> | <b>96.7%</b>            | <b>0.8%</b>                 |
| Total Concession Revenues Annual Growth Rate | 29.0%            | 6.8%             | -47.6%           | 22.0%            | 51.1%            |                         |                             |
| <b>Enplaned Passengers (thousands)</b>       |                  |                  |                  |                  |                  |                         |                             |
| Enplaned Passengers                          | 41,563           | 42,248           | 15,351           | 26,945           | 34,096           | 80.7%                   | -4.8%                       |
| Annual Percent Change in Enplaned Passengers | 4.4%             | 1.6%             | -63.7%           | 75.5%            | 26.5%            |                         |                             |
| Concession Revenues per Enplaned Passenger   | \$6.29           | \$6.61           | \$9.53           | \$6.62           | \$7.91           | 119.8%                  | 5.9%                        |

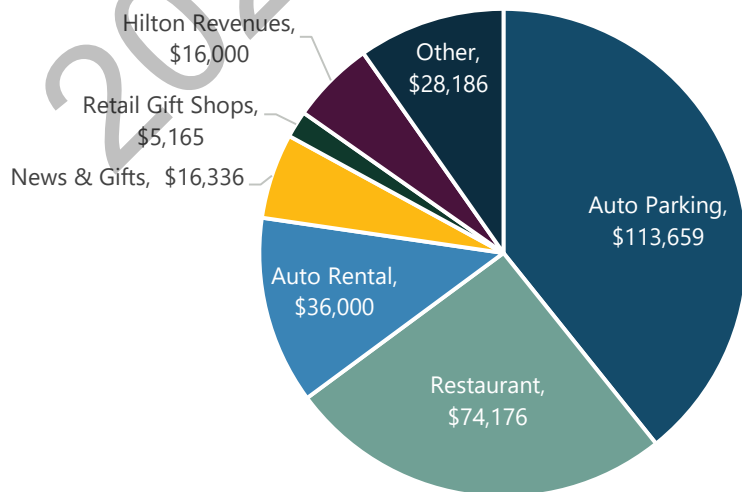
NOTES:

Dollars in thousands for Fiscal Years ending December 31.

1 Hilton Revenues are factored into the rate calculation process for the following year.

SOURCE: City of Chicago, Department of Aviation, August 2024.

EXHIBIT 5-4 2024 CONCESSION REVENUES BY CATEGORY (IN THOUSANDS)



Total Concession Revenues: \$289,522

Total Concession Revenues Excluding Hilton: \$273,522

NOTE:

The 'Other' category includes Duty Free, Display Advertising, Automated Retail, Wireless, and other miscellaneous concession revenues.

SOURCE: City of Chicago, Department of Aviation, August 2024.

The revenues generated by automobile parking, automobile rentals, and the concessions in the terminal buildings (i.e., restaurants, news and gift outlets, retail gift shops, and duty free), which together account for approximately 90.3 percent of the Airport's 2024 budgeted concession revenues, excluding Hilton revenues, are discussed in the following subsections.

#### **5.4.1.1 AUTOMOBILE PARKING REVENUES**

The City has a management agreement with SP+ 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 2024 are \$113.7 million, or 41.6 percent of concession revenues excluding Hilton 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 \$77.00 per day in the hourly parking (Level 1) and \$42.00 per day for the daily spaces on Levels 2 and 6, as well as approximately 2,830 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 in October 2018, provides 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 3,890 spaces provided in Lots G and H. 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.

Surface Lot D, located adjacent to Terminal 5, currently offers 380 parking spaces due to the ongoing construction of a Terminal 5 parking garage. With its partial opening in August 2024, the new Terminal 5 Parking Garage offers 258 additional parking spaces on Level 1. Once fully operational in October 2024, it will significantly enhance the parking capacity at Terminal 5, providing an approximate total 2,350 spaces through a combination of garage and adjacent surface lot. Lot E was closed to the public in 2020 prior to the opening of Runway 9C-27C as it is located in the RPZ of Runway 27C.

##### ***Off-Airport Parking Alternatives***

Off-Airport parking competitors serving the Airport, such as Park N Jet Valet and PreFlight Airport Parking, 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 passenger entries at the O'Hare Station of the Blue Line was increasing steadily between 2010 and 2019<sup>102</sup>. 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 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. During the COVID-19 pandemic, the utilization of parking increased to 33.3 percent in 2021, which may be attributed to changes in passenger profiles or behaviors. Concurrently, usage of TNP decreased to 33.3 percent. In 2022, there was a shift as parking usage decreased to 30.7 percent, while TNP usage rose to 36.8 percent, resuming the trend observed before the COVID-19 pandemic.

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 consolidated 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 be substantially complete in October 2024, which will accommodate growth in originating passenger traffic associated with the move of domestic operations to Terminal 5. For purposes of the financial projections herein, \$5 million of incremental parking revenue is assumed in 2025, the first full year of Terminal 5 garage operations.

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.

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<sup>102</sup> Chicago Transit Authority, "CTA - Ridership - 'L' Station Entries - Monthly Day-Type Averages & Totals," [https://data.cityofchicago.org/Transportation/CTA-Ridership-L-Station-Entries-Monthly-Day-Type-A/t2rn-p8d7/about\\_data](https://data.cityofchicago.org/Transportation/CTA-Ridership-L-Station-Entries-Monthly-Day-Type-A/t2rn-p8d7/about_data) (accessed July 31, 2024).

Parking revenues are projected to increase at a CAGR of 4.8 percent from 2024 through 2035, 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).

#### 5.4.1.2 AUTOMOBILE RENTALS

Currently, 11 rental car brands, representing five rental car companies, operate on-Airport from the MMF: Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Payless, Sixt, and Thrifty. Routes Car Rental and ACE Rent a Car currently serve the Airport as off-Airport rental car operators. The Routes Car Rental and ACE Rent a Car 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. ACE, 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, establishes a Minimum Annual Guarantee Fee and Concession Fee, which is 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 is computed for underpayment/overpayment. Budgeted automobile rental revenues for 2024 are \$36.0 million, or 13.2 percent of concession revenues, excluding Hilton revenues. Automobile rental revenues are projected to increase at a CAGR of 2.1 percent from 2024 through 2035, which reflects a forecast of demand for rental cars as measured by rental car transaction days.

#### 5.4.1.3 TERMINAL AND OTHER CONCESSIONS

##### ***Restaurants***

Concessionaires operate approximately 142 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 five years to ten years; however, in Terminal 5, Westfield Group operates a majority of 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 2024 are approximately \$74.2 million, or 27.1 percent of concession revenues excluding Hilton, revenues. Terminal restaurant revenues are projected to increase at a CAGR of 5.5 percent through 2035, 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***

Approximately 36 news and gift outlets are operating in the terminals, of which 33 are operated by Hudson Group. 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 2024 are approximately \$16.3 million, or 6.0 percent of concession revenues, excluding Hilton revenues. News and gifts revenues are projected to increase at a CAGR of 3.9 percent from 2024 through 2035, 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.

### ***Retail Gift Shops***

Approximately 38 retail gift shops are located within the terminals, focusing on specialty retail, including luxury clothing stores, bookstores, luggage store, and more. The budgeted retail gift shops revenues for 2024 are approximately \$5.2 million, or 1.9 percent of concessions revenues, excluding Hilton revenues. Retail gift shops revenues are projected to increase at a CAGR of 7.6 percent from 2024 through 2035, which is due to a combination of increases in the number of enplaned passengers plus half the rates of inflation, adjusted for impacts from additional outlets and offerings assumed to be made available through the completion of 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 approximately \$1.6 million in 2024 and is projected to increase at a CAGR of 16.8 percent from 2024 through 2035, 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 revenues encompass income generated from providing electronic displays and interactive screens that enable advertising companies to deliver targeted promotional content throughout the Airport. This revenue is budgeted to be approximately \$17.3 million in 2024, and it is projected to increase with inflation and impacts associated with the completion of the TAP at a CAGR of 6.0 percent from 2024 through 2035.

### ***Other Concessions***

Other concessions include revenues from automated retail, bus service, currency exchange/ATMs, wireless service, telecommunications, and other miscellaneous categories. Other concession revenues are budgeted to be approximately \$9.3 million in 2024. Concession revenues are expected to remain constant throughout the Projection Period.

## **5.4.2 HOTEL/COMMERCIAL REAL ESTATE REVENUES**

Beginning in 2019, the City became responsible for the on-Airport Hilton hotel, which resulted in additional revenues than what were previously received. Hotel revenues are budgeted to be \$16.0 million in 2024.

The City is 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. Hotel revenues are accounted for within concession revenues; however, the Hilton hotel, being part of the CRE Area, has its revenues specifically categorized as Commercial Real Estate Revenues. CRE Revenues are further discussed in Section 5.9.3.

For purposes of this financial analysis, hotel revenues, which exclusively constitute CRE Revenues, are projected to increase to \$41.4 million in 2035, resulting in a CAGR of 9.0 percent from 2024 through 2035.

## **5.4.3 RENTALS**

### ***Chicago Airlines Terminal Consortium rentals***

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, 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. CATCo rental revenues are budgeted at \$2.6 million in 2024.

#### **Other rentals**

Other rentals include revenues collected from hangar leases, land leased to companies that operate at the airport, space rented by concessionaries in terminals, and certain use of ramps and hardstands. Other rental revenues are budgeted at \$13.1 million in 2024.

### **5.4.4 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 such as cargo facilities leases, maintenance, and hangar facilities. These revenues are budgeted to be \$58.1 million in 2024 and are projected to increase at a CAGR of 4.5 percent from 2024 through 2035. Projected ARE revenues include incremental \$6.0 million increases in revenue every five years, which began in FY 2023, due to additional hangar revenue the City will receive from a hangar used by American and United.

### **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 6.4 percent from 2024 through 2035, 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 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.

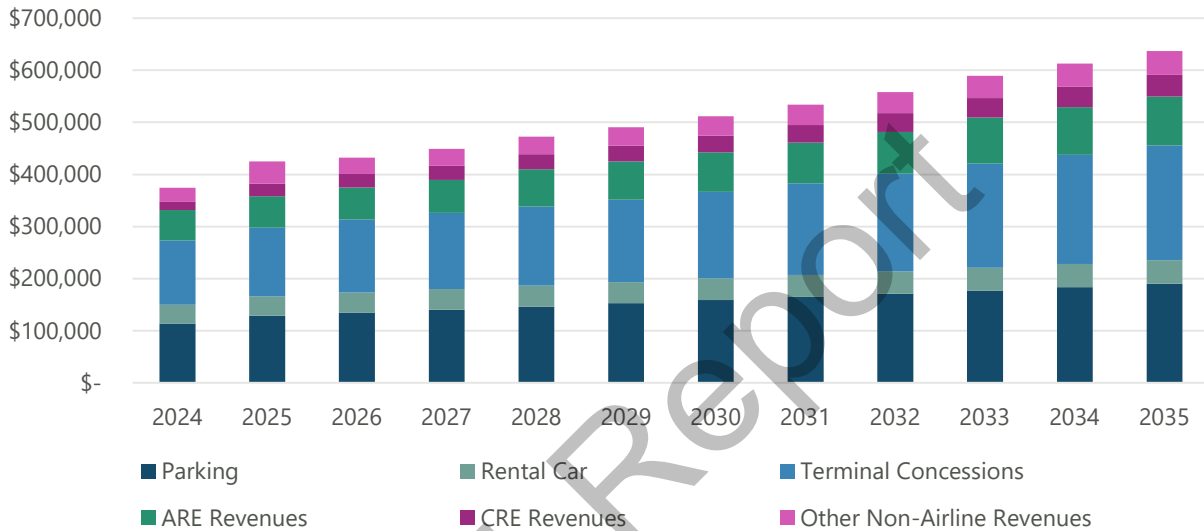
Potential hotel-related projects, as well as parking projects that may result in new parking products and/or pricing structures, are also likely to result in incremental increases in Non-Airline Revenues. However, these incremental revenues are not included in this financial analysis due to current uncertainties 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 5.0 percent from 2024 through 2035.

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)



NOTES:

ARE- Aeronautical Real Estate

CRE- Commercial Real Estate

SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024 (based on the analysis and assumptions described in this 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 2023, Signatory Airlines and their regional affiliates accounted for approximately 92.0 percent of the total landed weight at the Airport. For 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.

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.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

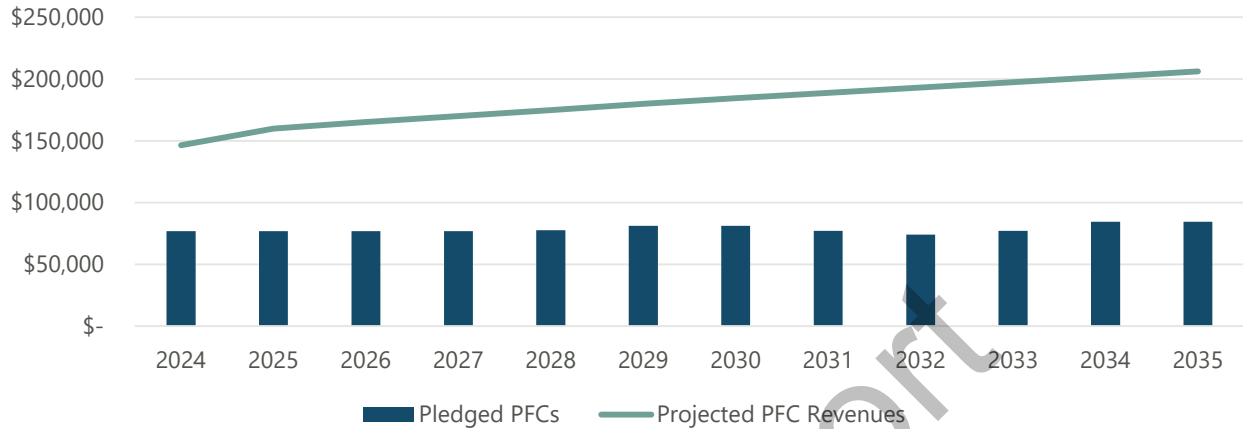
- The City has approved authority from the FAA to impose a PFC and use PFC Revenues for all project costs funded with PFC Revenues. These include projects such as the OMP, the residential sound insulation program projects, and other miscellaneous capital projects. PFC authority for other on-going or future capital projects will require PFC approvals be in place prior to the City expending any PFC Revenues.
- As of June 30, 2024, 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, 2024, PFC Revenues received by the City for use at the Airport, including investment earnings, totaled approximately \$3.8 billion.
- In 2023, PFC Revenues totaled approximately \$143.1 million, reflecting PFCs paid by approximately 89.1 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, 2024, were approximately \$4.5 million and \$356.2 million, respectively.
- The City has three series of outstanding PFC Revenue Bonds that are secured by a pledge of PFC Revenues: Series 2010ABC, Series 2011AB, and Series 2012AB. Debt service on these outstanding PFC Revenue Bonds is anticipated to be approximately \$44.5 million in 2024; it is anticipated to stabilize at around \$44.5 million annually until 2030, decrease to \$40.3 million in 2031, and conclude with a final payment of \$3.4 million in 2032.
- The Series 2016F, Series 2017B, Series 2020C, and Series 2020E Senior Lien Airport Revenue Bonds (the PFC-Backed GARBs) 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. Table B-3 and Table B-5 in Appendix B present projected debt service on PFC Revenue Bonds and PFC-Backed GARBs.
- The City may pay the debt service on the Series 2016C and a portion of the Series 2020A Bonds through the application of PFC Revenues, including those in the PFC Capital Fund. The City is applying \$41.2 million in PFC Revenues to pay debt service on the 2016C Bonds in 2024 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 to pay debt service on the 2016C Bonds. The financial analysis in this Report assumes PFC Revenues will be applied to pay debt service on the 2016C Bonds, or on any bonds refunding those bonds, from 2024 through the end of the Projection Period. Use of PFC Revenues to pay Series 2020A Bonds is not assumed.
- Under the AULA, the City agreed to a set of priorities of the use PFC revenue. PFC Revenues can be used for already committed projects approved by the FAA and the following priorities as determined by the City (without regard to order):
  - Projects with estimated total project costs of \$5.0 million or less;
  - The Airport People Mover connecting OGT and satellite concourses;
  - \$730.0 million over the term of the AULA to fund project costs associated with the TAP debt service; and
  - Retain for future use on PFC-eligible projects.

The financial analysis in this Report does not assume a future use of PFC revenue within the terms of the AULA during the Projection Period. However, the City may elect to use PFC revenue as described within the AULA priorities.

Projected PFC Revenues, as shown on **Exhibit 5-6**, are expected to be sufficient to cover all PFC Revenue Bond debt service and the debt service for GARBs with a pledge of PFC Revenues 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 AND PLEDGED PASSENGER FACILITY CHARGE REVENUE

(Dollars in Thousands for Fiscal Years Ending December 31)



NOTES:

PFC- Passenger Facility Charge

Debt includes PFC Revenue Bonds, Series 2010ABC, 2011AB, and 2012AB. The City has pledged PFC Revenues through maturity to the GARBs, Series 2016F, Series 2017B, Series 2020C, and Series 2020E Bonds are 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 2024; Ricondo & Associates, Inc., August 2024 (based on the analysis and assumptions described in this 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 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 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) (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.

On April 21, 2010, the FAA issued an LOI to the City for \$410.0 million, later increased to \$625 million (LOI AGL-10-01), in discretionary grants for OMP Phase 2A and the remaining OMP Airfield Projects over a 16-year period from FFYs 2011 through 2026.

The City used portions of these grants on a pay-as-you-go basis for OMP projects; \$140 million for OMP Phase 1, and \$440.0 million for OMP Phase 2A and remaining OMP Airfield Projects. The remaining LOI amounts are pledged as Grant Receipts to the payment of debt service on certain bonds as described in this section and shown in Table B-4 in Appendix B.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

- A total of \$160.0 million of the OMP Phase 1 LOI discretionary grant was pledged to the payment of debt service on the Series 2011B Bonds. The City has received the full \$160.0 million and has applied the Grant Receipts towards the payment of debt service on the Series 2011B Bonds or on the Series 2017C Bonds (which refunded Series 2011B Bonds in 2017). The remaining 2017C debt service is paid for with Airport Revenues.
- The City has pledged, received, and applied \$45.0 million of the LOI AGL-10-01 discretionary grant to the payment of debt service on the 2011B Bonds or the Series 2017C Bonds, as applicable. Additionally, \$140.0 million has been pledged to the payment of debt service on the Series 2016E Bonds. As of July 2024, \$60 million has been applied to or held for payment of debt service on the Series 2016E Bonds, and the remaining \$80 million, anticipated to be received in FFY 2024 through FFY 2026, is pledged to the payment of debt service on the Series 2016E Bonds. The remaining 2016E debt service not paid with Grant Receipts is anticipated to be paid for with Airport Revenues.

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 FFY 2021 AIP grants to a 100 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.

### **Bipartisan Infrastructure Law Funding**

The BIL was signed into law in November 2021 and included \$20 billion in new funding for airports available FFY 2022 through FFY 2026 via two separate grant programs: \$15 billion available through formula-based, entitlement AIG and \$5 billion available through competitive, discretionary Airport Terminal Program (ATP) grants. The BIL 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. Among the priorities the FAA will consider in awarding ATP grants are increasing airport capacity, improving accessibility, and encouraging airline competition.

O'Hare has been allocated \$216.7 million in BIL Airport Improvement Grants (AIG) entitlement grants for FFYs 2022-2024. O'Hare's ElevateT3 project was selected for competitive ATP awards in FFY 2023 and FFY 2024, at \$50 million and \$40 million, respectively. Any future ATP awards to the Airport have not been assumed in this financial analysis.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE 5-5 APPLICATION OF FEDERAL RELIEF

|                               | 2020                 | 2021           | 2022-2023      | TOTAL          |
|-------------------------------|----------------------|----------------|----------------|----------------|
| <b>CARES Act Funding</b>      |                      |                |                |                |
| Airline Rate Base Mitigation  | \$224.2 <sup>1</sup> | \$-            | \$10.0         | \$234.2        |
| PFC Revenue Bond Debt Service | \$30.2               | \$-            | \$-            | \$30.2         |
| CFC Revenue Shortfall         | \$9.5                | \$20.5         | \$-            | \$30.0         |
| <b>Subtotal</b>               | <b>\$263.9</b>       | <b>\$20.5</b>  | <b>\$10.0</b>  | <b>\$294.4</b> |
| <b>CRRSA Act Funding</b>      |                      |                |                |                |
| 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          |
| <b>Subtotal</b>               | <b>\$-</b>           | <b>\$59.4</b>  | <b>\$9.5</b>   | <b>\$68.9</b>  |
| <b>ARP Act Funding</b>        |                      |                |                |                |
| 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         | \$35.0         |
| <b>Subtotal</b>               | <b>\$-</b>           | <b>\$51.0</b>  | <b>\$237.6</b> | <b>\$288.6</b> |
| <b>Total</b>                  | <b>\$263.9</b>       | <b>\$130.9</b> | <b>\$257.1</b> | <b>\$651.9</b> |

## 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

<sup>1</sup> \$42.9 million of this amount was used to offset the shortfall of PFCs to pay for PFC-supported bonds.

SOURCES: City of Chicago, Department of Aviation, August 2024.

## 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 outstanding GARBs as of July 2024 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 \$696.0 million in 2024. Outstanding GARB debt service on bonds issued prior to the issuance of the 2024AB Bonds is projected to increase to \$711.4 million in 2026, decrease to \$680.2 million in 2028, increase again to \$740.1 million in FY 2034, and then decrease to \$601.8 million in FY 2035.

Proceeds from the 2024AB Bonds are anticipated to be used, in part, to fund approximately \$872.8 million of the Airport Capital Program, including through the refunding of the outstanding Credit Agreement Notes the City previously issued for certain costs of the Airport Capital Program and costs associated with Infrastructure Reliability Projects.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

The 2024AB Bonds are assumed to have a maturity of up to 35 years, and for purposes of this Report, interest on the 2024AB Bonds is assumed at the current market interest rate as of July 2024 plus up to 50 basis points depending on bond maturity.

Total net debt service payable on the 2024AB Bonds is projected to be approximately \$3.8 million in FY 2024, \$18.8 million in FY 2025, and then increase through the Projection Period to approximately \$80.0 million in 2035. For the purposes of this financial analysis, the January 1, 2025 debt service payment on the 2024AB Bonds is assumed to be collected during the City's 2024 settlement process which reconciles expenses and revenues, and does not impact FY 2024 airline rates. Beginning in 2025, the projected airline rates and charges reflect the impact of the issuance of the 2024AB Bonds.

### 5.7.2 NET DEBT SERVICE ON FUTURE GARBS

In addition to the 2024AB Bonds, the City expects to issue additional Senior Lien Bonds pursuant to the Bond Ordinance, which would utilize the remaining authorization provided under the Bond Ordinance. Subject to market conditions, the City anticipates issuing Series 2024C and Series 2024D General Airport Senior Lien Revenue Refunding Bonds (collectively, the 2024CD Bonds) following the issuance of the 2024AB Bonds to refund certain Senior Lien Bonds currently outstanding. The City plans to issue the 2024CD bonds for savings on existing debt service. The 2024CD Bonds are not included in the financial analysis. However, if issued, it is assumed it would decrease aggregate debt service from what is included in this financial analysis.

Additionally, the City anticipates issuing Series 2024E and Series 2024F General Airport Senior Lien Revenue Bonds (collectively, the 2024EF Bonds) to fund capital projects. Estimated debt service for the 2024EF Bonds is included in the financial analysis. The 2024CD and 2024EF bonds are assumed to be issued in 2024 and designated as such but timing and series names are subject to change.

Future bonds, in addition to the 2024EF Bonds, are anticipated throughout the Projection Period and included in the financial analysis. The future bonds are assumed to fund an additional \$7.75 billion of Airport Capital Program project costs.

**Table 5-6** lists the year and amounts of assumed future GARB issuances to fully fund the Airport Capital Program.

TABLE 5-6 ASSUMED FUTURE GENERAL AIRPORT REVENUE BOND ISSUANCES

| FUTURE GARB ISSUANCE <sup>1,2</sup> | ASSUMED PROJECT FUNDING      |
|-------------------------------------|------------------------------|
| Series 2024AB                       | \$962.5 million <sup>3</sup> |
| Series 2024EF                       | \$383.9 million              |
| 2025 Proceeds                       | \$1,172.8 million            |
| 2026 Proceeds                       | \$1,180.0 million            |
| 2027 Proceeds                       | \$1,233.7 million            |
| 2028 Proceeds                       | \$1,364.8 million            |
| 2029 Proceeds                       | \$1,686.2 million            |
| 2030 Proceeds                       | \$1,114.8 million            |

NOTES:

GARB – General Airport Revenue Bond

Numbers may not add due to rounding

1 Series 2024CD Refunding Bonds are not included in the financial analysis

2 Future GARB proceeds assumed for project cash flows included in the financial analysis. Actual issuances are subject to change.

3 Includes \$89.7 million of substantially complete projects.

SOURCES: City of Chicago, Department of Aviation, August 2024; Jefferies Group LLC, August 2024.

The 2024EF Bonds are assumed to have a term of 35 years, with interest rate assumed at the current market interest rate as of July 2024 plus up to 50 basis points depending on bond maturity. 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 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.

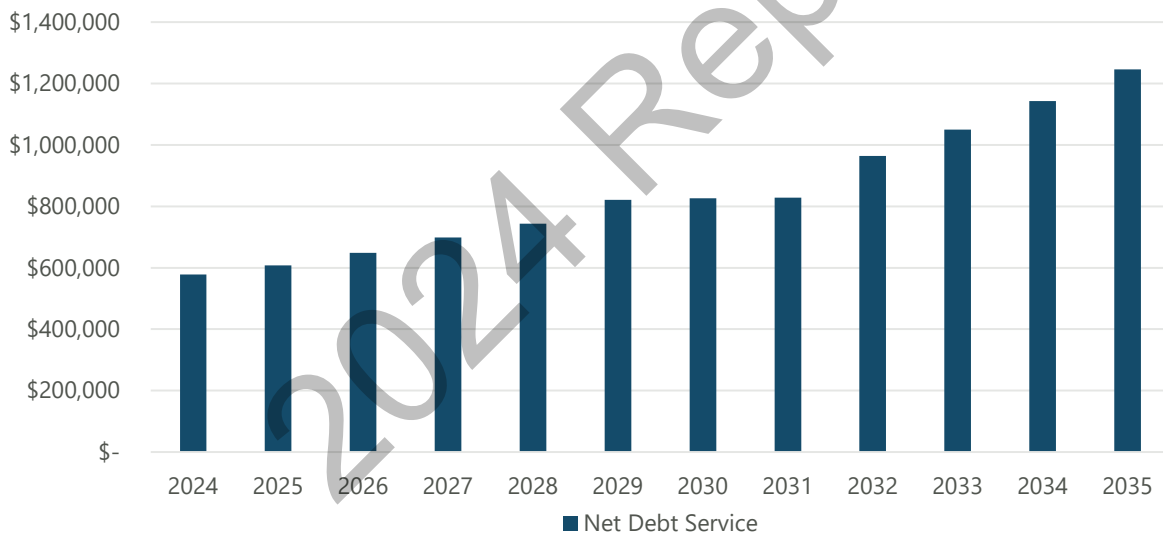
**Net Debt Service**

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. 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 2024.

As shown on **Exhibit 5-7**, Net Debt Service is budgeted to be approximately \$578.3 million in 2024, and it is projected to increase to approximately \$1.25 billion in 2035.

**EXHIBIT 5-7 PROJECTED NET DEBT SERVICE**

(Dollars in Thousands for Fiscal Years Ending December 31)



NOTE:

GARB- General Airport Revenue Bond

SOURCES: City of Chicago, Department of Aviation, August 2024; Jefferies Group LLC, August 2024.

**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.



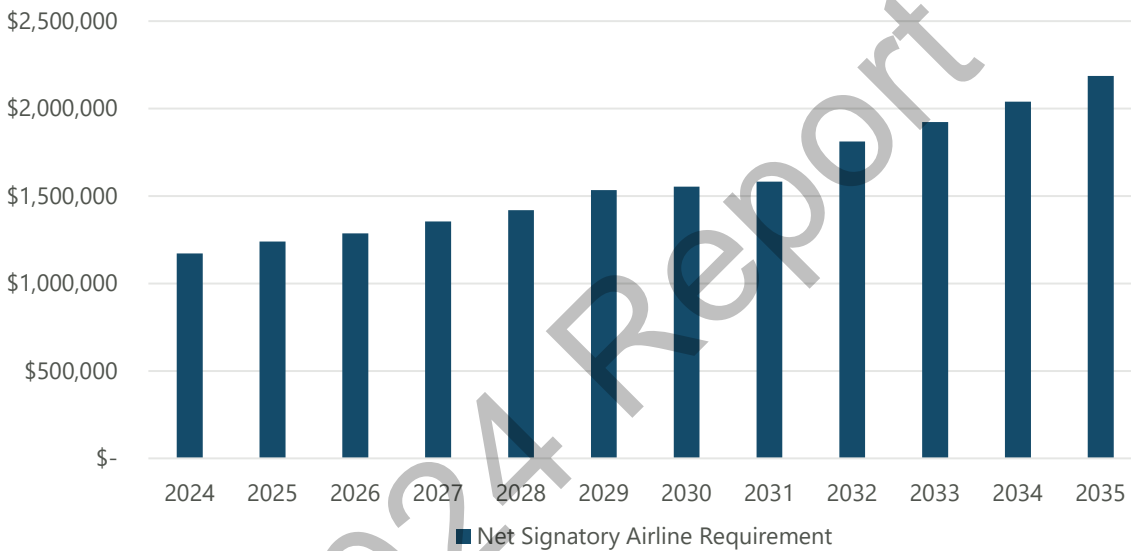
## CHICAGO O'HARE INTERNATIONAL AIRPORT

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 Appendix B presents the Net Signatory Airline Requirement through the Projection Period. The Net Signatory Airline Requirement is projected to increase from \$1.17 billion in 2024 to \$2.19 billion in 2035, 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 2024; Ricondo & Associates, Inc., August 2024 (based on the analysis and assumptions in this 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 2024 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,<sup>103</sup> fund deposit requirements, and allowable airline liaison office expenses,<sup>104</sup> 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 CDA Commissioner.

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.

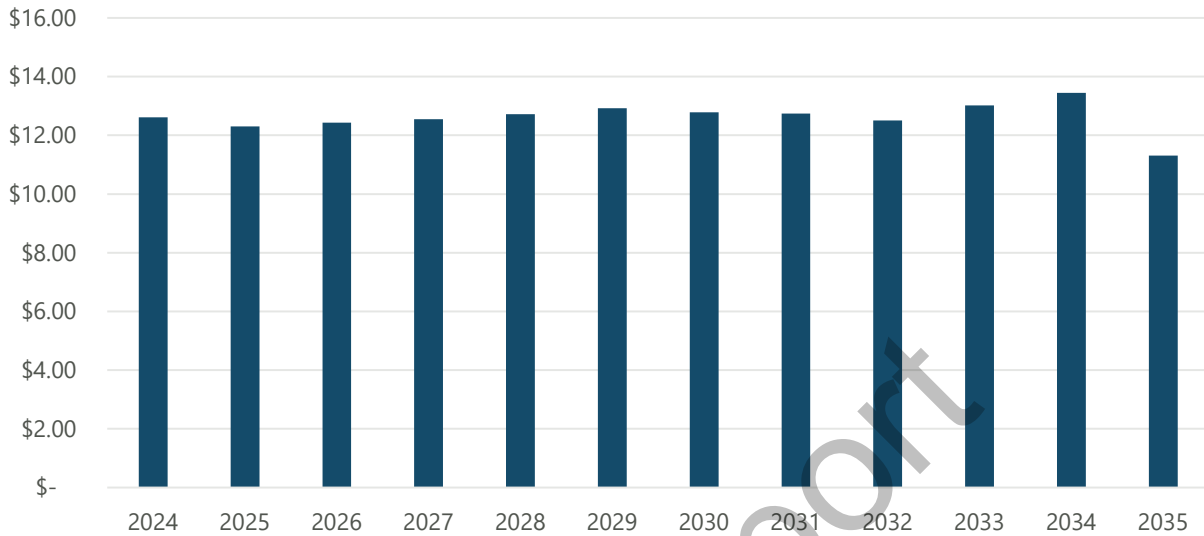
**Exhibit 5-9** presents the Projected Landing Fees at the Airport during the Projection Period.

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<sup>103</sup> Capital costs under the AULA allocable to each cost center include debt service net of pledged or applied PFC Revenues, federal funds, Build America Bond (BAB) subsidies, debt service coverage requirements, program fees and other costs, Pre-Approved Allowances, as defined in the AULA, and Equipment Purchases and Small Capital Outlay, as defined in the AULA.

<sup>104</sup> According to the AULA, "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 PROJECTED LANDING FEES (PER 1,000 POUNDS LANDED WEIGHT)



SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024 (based on the analysis and assumptions in this 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 Commercial 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<sup>105</sup> (with budgetary restrictions); (b) to retain in each FY \$5.0 million to be used for the City for interim

<sup>105</sup> 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<sup>106</sup> and Exempt Projects,<sup>107</sup> 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<sup>108</sup> 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,<sup>109</sup> 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.

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

<sup>106</sup> 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."

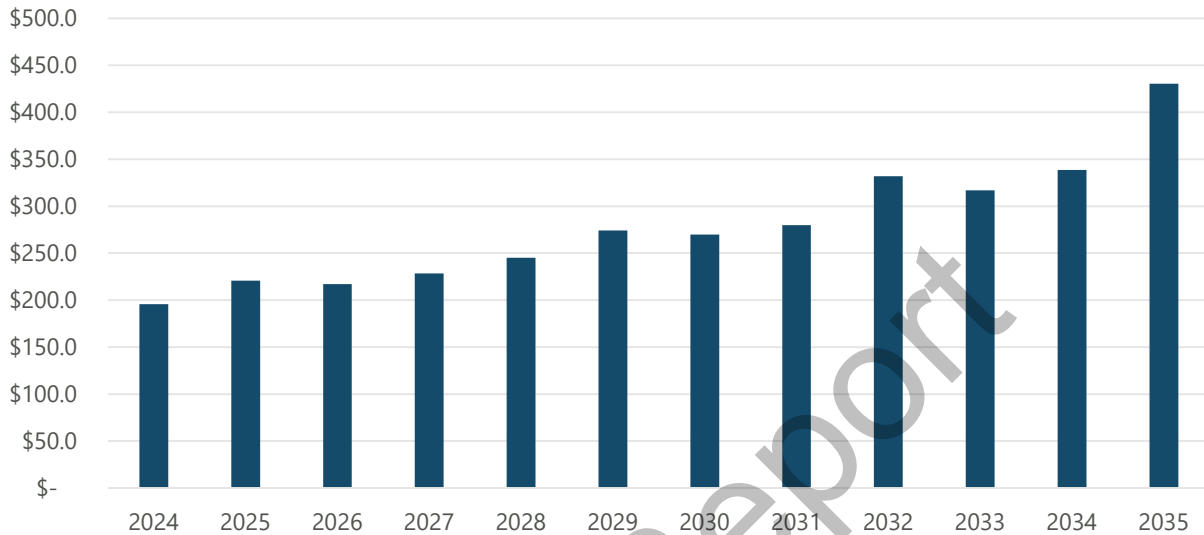
<sup>107</sup> According to the AULA, "A Capital Improvement Project that is not an Approved Project or funded with Pre-Approved Allowances but meets any one or more of the conditions set forth [in the AULA] shall be exempt from Majority-in-Interest review ('Exempt Project')."

<sup>108</sup> 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.

<sup>109</sup> 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."

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.

EXHIBIT 5-10 PROJECTED TERMINAL RENTAL RATE (PER SQUARE FOOT)



SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024 (based on the analysis and assumptions in this Report).

### 5.9.6 FUELING SYSTEM AREA

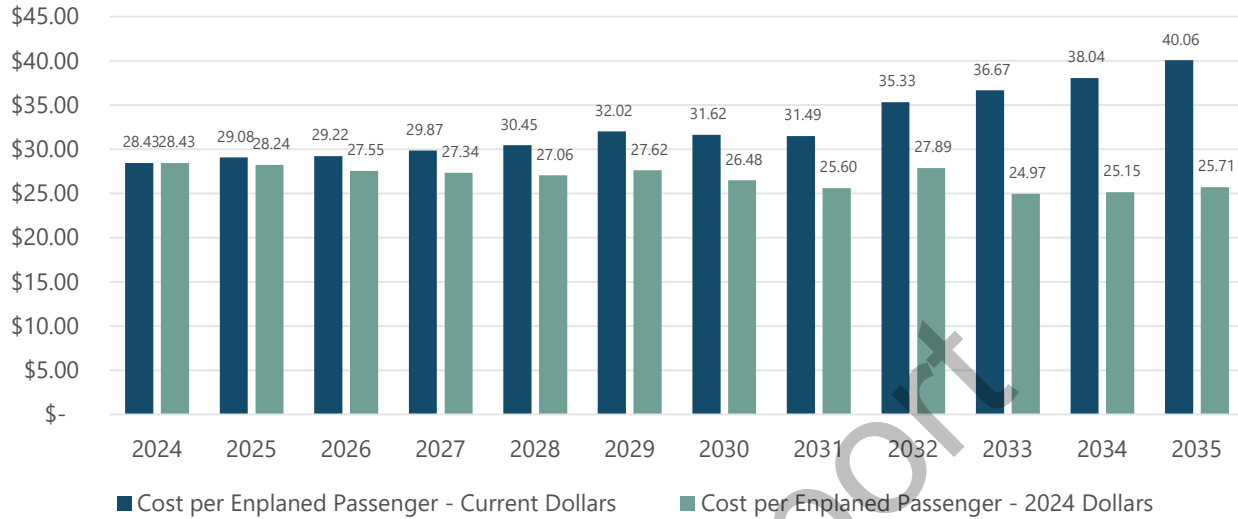
The net cost of the Fueling System consists of the portions of O&M Expenses and capital costs allocated to the Fueling System less any reimbursements, which is then divided by the total gallons of fuel distributed from the Fueling System and charged to airlines based on the number of gallons used by 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 \$28.43 in 2024 to \$40.06 in 2035, which equates to \$25.71 in 2024 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.

EXHIBIT 5-11 PROJECTED AIRLINE COST PER ENPLANED PASSENGER (IN 2024 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 2024 reflects the forecast amount presented in Section 4.5.

SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024 (based on the analysis and assumptions in this Report).

Table B-10 of Appendix B presents the calculation of the airline cost per enplaned passenger from 2024 through 2035.

The projected Airport user fees included in the CPE 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 fourth-most-populous metropolitan region in the United States, and the Chicago market was ranked third in the nation in terms of domestic O&D passengers in CY 2023—following the Los Angeles and New York City 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 and important hub for United and American** – The Airport’s central location and proximity to heavily traveled east-west airways make it a natural location for airline connecting activities, and it is complementary to airline route networks. The Airport has been a long-time connecting hub for United and American, serving a significant role within their US domestic route networks, an important international gateway for European, Asian, and Canadian passenger traffic, and 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 past and upcoming approved capital projects designed to provide operational efficiency at the Airport. Although the funding of these projects contributes to increased Airport user fees, these projects support the ability for airlines to increase service and for long-term activity growth at the Airport. The recently completed OMP, along with the O'Hare 21 projects, are providing the necessary facilities for efficient airline operations and facilities and support passenger activity and revenue generation. In addition, Airport user fees are not generally a key contributor to an airline's profitability performance in the United States.

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 7.2 percent of system-wide total airline operating costs, according to the airline industry group Airlines for America,<sup>110</sup> 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 2024 through 2035. 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 PFC 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 these 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 2024 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. The financial analysis in this Report assumes PFC Revenues will be applied

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<sup>110</sup> In the first quarter of 2024, 2.0 percent of passenger airline operating expenses went to landing fees and 5.2 percent went to non-aircraft rents and ownership, according to data collected by Airlines for America.

to pay debt service on the 2016C Bonds, or on any bonds refunding those bonds, from 2025 through the end of the Projection Period.

In addition to Airport Revenues, the City has also pledged as Other Available Moneys Grant Receipts from the FAA LOI grants to the debt service on the Series 2016E Bonds. The Debt Service coverage ratio is 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.

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**APPENDIX A**

Historical Budgeted versus Actual  
Operating Results

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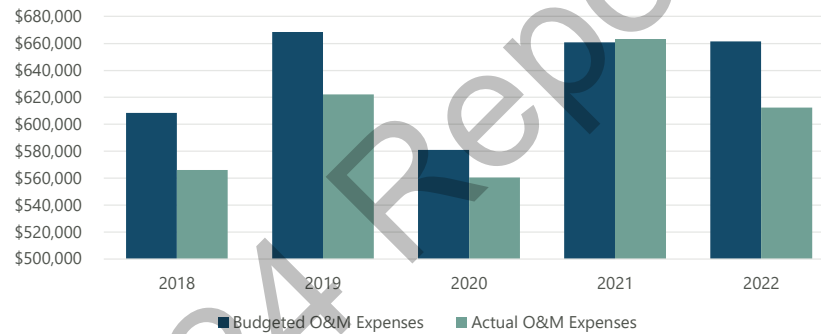
2024 Report

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE A-1 OPERATION AND MAINTENANCE EXPENSES - ACTUAL VS. BUDGET (2018-2022)

(Dollars in Thousands for Fiscal Years Ending December 31)

|                               | 2018       | 2019       | 2020       | 2021       | 2022       | COMPOUND ANNUAL GROWTH RATE (2018-2022) |
|-------------------------------|------------|------------|------------|------------|------------|---|
| <b>BUDGET:</b>                |            |            |            |            |            |   |
| Budgeted O&M Expenses         | \$ 608,485 | \$ 668,548 | \$ 581,073 | \$ 660,750 | \$ 661,512 | 2.1%                                    |
| <b>ACTUAL:</b>                |            |            |            |            |            |   |
| Actual O&M Expenses           | \$ 566,118 | \$ 622,115 | \$ 560,590 | \$ 662,575 | \$ 612,544 | 2.0%                                    |
| Actual (below) / above Budget | -7.0%      | -6.9%      | -3.5%      | 0.3%       | -7.4%      |   |



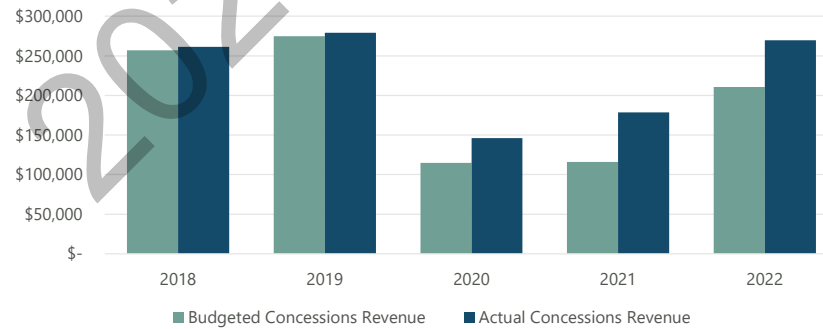
NOTE:  
 O&M - Operation and Maintenance  
 Does not include Land Support, Emergency Reserve Fund, or PFC Capital Fund.  
 SOURCES: Chicago Department of Aviation, August 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE A-2 CONCESSION REVENUE - ACTUAL VS. BUDGET (2018-2022)

(Dollars in Thousands for Fiscal Years Ending December 31)

|                                     | 2018              | 2019              | 2020              | 2021              | 2022              | COMPOUND ANNUAL GROWTH RATE (2018-2022) |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---|
| <b>BUDGET:</b>                      |                   |                   |                   |                   |                   |   |
| Auto Parking                        | \$ 104,184        | \$ 101,402        | \$ 45,434         | \$ 50,171         | \$ 83,913         | -5.3%                                   |
| Auto Rental                         | 27,006            | 27,006            | 12,825            | 9,308             | 22,000            | -5.0%                                   |
| Restaurant                          | 56,731            | 59,020            | 28,627            | 26,266            | 48,462            | -3.9%                                   |
| News & Gifts                        | 19,386            | 19,738            | 8,887             | 11,383            | 18,183            | -1.6%                                   |
| Retail Gift Shops                   | 6,972             | 6,900             | 3,309             | 3,878             | 4,342             | -11.2%                                  |
| Hilton Revenues                     | 7,840             | 24,500            | -                 | 4,100             | 12,000            | 11.2%                                   |
| Other <sup>1</sup>                  | 34,928            | 35,992            | 15,916            | 10,807            | 21,688            | -11.2%                                  |
| <b>Budgeted Concessions Revenue</b> | <b>\$ 257,047</b> | <b>\$ 274,558</b> | <b>\$ 114,998</b> | <b>\$ 115,913</b> | <b>\$ 210,588</b> | <b>-4.9%</b>                            |
| <b>ACTUAL:</b>                      |                   |                   |                   |                   |                   |   |
| Auto Parking                        | \$ 103,975        | \$ 103,459        | \$ 39,625         | \$ 73,599         | \$ 107,913        | 0.9%                                    |
| Auto Rental <sup>2</sup>            | 29,971            | 32,559            | 28,372            | 27,591            | 32,086            | 1.7%                                    |
| Restaurant                          | 57,972            | 61,690            | 19,824            | 30,395            | 51,866            | -2.7%                                   |
| News & Gifts                        | 19,206            | 18,518            | 6,869             | 8,423             | 19,236            | 0.0%                                    |
| Retail Gift Shops                   | 6,259             | 6,493             | 1,946             | 2,389             | 4,157             | -9.7%                                   |
| Hilton Revenues                     | 8,335             | 23,048            | (4,650)           | 8,354             | 20,187            | 24.8%                                   |
| Other <sup>1</sup>                  | 35,749            | 33,352            | 54,269            | 27,750            | 34,333            | -1.0%                                   |
| <b>Actual Concessions Revenue</b>   | <b>\$ 261,466</b> | <b>\$ 279,120</b> | <b>\$ 146,256</b> | <b>\$ 178,499</b> | <b>\$ 269,778</b> | <b>0.8%</b>                             |
| Actual variance from budget         | 1.7%              | 1.7%              | 27.2%             | 54.0%             | 28.1%             |   |



NOTES:

- 1 Includes revenues collected from other concessions such as duty free, digital advertising, and automated retail.
- 2 2020 Actual Auto Rental Revenues include Coronavirus Aid, Relief, and Economic Security Act Funds reimbursements. 2021 Actual Auto Rental Revenues include Coronavirus Response and Relief Supplemental Appropriations Act Funds reimbursements.

SOURCES: Chicago Department of Aviation, August 2024.



**APPENDIX B**

Financial Projection Tables

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2024 Report

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-1 OPERATION AND MAINTENANCE EXPENSES

(Dollars in Thousands for Fiscal Years Ending December 31)

| By Line Item  | BUDGET <sup>1</sup> | PROJECTED         |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     | COMPOUND ANNUAL GROWTH RATE (2024-2035) |
|---|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---|
|   | 2024                | 2025              | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                |   |
| Personnel Expenses <sup>2</sup>                                     | \$ 379,562          | \$ 398,013        | \$ 420,501          | \$ 436,196          | \$ 451,820          | \$ 468,762          | \$ 488,065          | \$ 506,834          | \$ 532,201          | \$ 558,818          | \$ 579,744          | \$ 601,579          | 4.3%                                    |
| Repairs & Maintenance <sup>3</sup>                                  | 147,792             | 161,139           | 171,796             | 179,754             | 187,786             | 196,504             | 206,359             | 216,151             | 228,964             | 242,487             | 253,684             | 265,395             | 5.5%                                    |
| Energy <sup>4</sup>   | 43,762              | 47,498            | 50,397              | 52,479              | 54,562              | 56,822              | 59,386              | 61,906              | 65,262              | 68,786              | 71,618              | 74,565              | 5.0%                                    |
| Materials & Supplies <sup>5</sup>                                   | 16,542              | 17,617            | 18,422              | 18,907              | 19,373              | 19,885              | 20,482              | 21,044              | 21,865              | 22,713              | 23,307              | 23,916              | 3.4%                                    |
| Engineering & Professional Services <sup>6</sup>                    | 159,416             | 173,750           | 185,241             | 193,822             | 202,483             | 211,883             | 222,509             | 233,068             | 246,883             | 261,465             | 273,538             | 286,166             | 5.5%                                    |
| CATCo Expenses <sup>7</sup>   | 42,894              | 45,039            | 47,291              | 49,656              | 52,138              | 54,745              | 57,483              | 60,357              | 63,375              | 66,543              | 69,871              | 73,364              | 5.0%                                    |
| Other Operating Expenses <sup>8</sup>                               | 93,176              | 101,332           | 108,034             | 113,039             | 118,089             | 123,572             | 129,769             | 135,927             | 143,984             | 152,488             | 159,529             | 166,894             | 5.4%                                    |
| Estimated Approved Majority-In-Interest Projects O&M Impact         | -                   | 278               | 994                 | 994                 | 994                 | 994                 | 994                 | 994                 | 994                 | 994                 | 994                 | 994                 | n/a                                     |
| <b>Total O&amp;M Expenses <sup>9</sup></b>                          | <b>\$ 883,145</b>   | <b>\$ 944,666</b> | <b>\$ 1,002,677</b> | <b>\$ 1,044,847</b> | <b>\$ 1,087,246</b> | <b>\$ 1,133,167</b> | <b>\$ 1,185,047</b> | <b>\$ 1,236,280</b> | <b>\$ 1,303,527</b> | <b>\$ 1,374,295</b> | <b>\$ 1,432,284</b> | <b>\$ 1,492,873</b> | <b>4.9%</b>                             |
| Federal COVID-19 Relief Funds Applied to O&M Expenses <sup>10</sup> | (11,500)            | -                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | 0.0%                                    |
| <b>Total O&amp;M Expenses Net of Federal Aid <sup>11</sup></b>      | <b>\$ 871,645</b>   | <b>\$ 944,666</b> | <b>\$ 1,002,677</b> | <b>\$ 1,044,847</b> | <b>\$ 1,087,246</b> | <b>\$ 1,133,167</b> | <b>\$ 1,185,047</b> | <b>\$ 1,236,280</b> | <b>\$ 1,303,527</b> | <b>\$ 1,374,295</b> | <b>\$ 1,432,284</b> | <b>\$ 1,492,873</b> | <b>5.0%</b>                             |
| <b>By Cost Center</b>   |                     |                   |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |   |
| Airfield  | \$ 334,080          | \$ 343,802        | \$ 356,941          | \$ 371,173          | \$ 386,036          | \$ 401,468          | \$ 417,361          | \$ 433,921          | \$ 450,754          | \$ 468,324          | \$ 487,150          | \$ 506,794          | 3.9%                                    |
| Terminal  | 429,520             | 483,510           | 522,758             | 545,774             | 568,142             | 593,298             | 623,840             | 652,777             | 697,574             | 744,917             | 777,587             | 811,757             | 6.0%                                    |
| Aeronautical Real Estate  | 4,615               | 4,927             | 5,102               | 5,307               | 5,521               | 5,743               | 5,969               | 6,207               | 6,440               | 6,683               | 6,953               | 7,234               | 4.2%                                    |
| Commercial Real Estate  | 1,902               | 1,961             | 2,031               | 2,112               | 2,197               | 2,286               | 2,376               | 2,470               | 2,563               | 2,660               | 2,767               | 2,879               | 3.8%                                    |
| Parking and Ground Transportation                                   | 101,528             | 110,466           | 115,845             | 120,480             | 125,350             | 130,372             | 135,501             | 140,906             | 146,196             | 151,711             | 157,827             | 164,209             | 4.5%                                    |
| <b>Total O&amp;M Expenses <sup>11</sup></b>                         | <b>\$ 871,645</b>   | <b>\$ 944,666</b> | <b>\$ 1,002,677</b> | <b>\$ 1,044,847</b> | <b>\$ 1,087,246</b> | <b>\$ 1,133,167</b> | <b>\$ 1,185,047</b> | <b>\$ 1,236,280</b> | <b>\$ 1,303,527</b> | <b>\$ 1,374,295</b> | <b>\$ 1,432,284</b> | <b>\$ 1,492,873</b> | <b>5.0%</b>                             |
| Percent Annual Change <sup>12</sup>                                 | 9.0%                | 8.4%              | 6.1%                | 4.2%                | 4.1%                | 4.2%                | 4.6%                | 4.3%                | 5.4%                | 5.4%                | 4.2%                | 4.2%                |   |

NOTES:

- 1 Chicago Department of Aviation 2024 1st 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 technical 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 2024; Ricondo & Associates, Inc., August 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-2 NON-AIRLINE REVENUE

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | BUDGET <sup>1</sup> | PROJECTED         |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   | COMPOUND ANNUAL         |  |
|--|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|--|
|  | 2024                | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              | 2031              | 2032              | 2033              | 2034              | 2035              | GROWTH RATE (2024-2035) |  |
| <b>NON-AIRLINE REVENUE</b>                   |                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                         |  |
| <b>Real Estate and Rentals</b>               |                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                         |  |
| Aeronautical Real Estate (ARE) Revenues      | \$ 58,100           | \$ 59,843         | \$ 61,638         | \$ 63,487         | \$ 71,392         | \$ 73,534         | \$ 75,740         | \$ 78,012         | \$ 80,352         | \$ 88,763         | \$ 91,426         | \$ 94,169         | 4.5%                    |  |
| Commercial Real Estate (CRE) Revenues        | 16,000              | 24,071            | 25,596            | 27,117            | 28,706            | 30,368            | 32,054            | 33,772            | 35,563            | 37,431            | 39,381            | 41,416            | 9.0%                    |  |
| Other Rentals <sup>2</sup>                   | 15,708              | 16,179            | 16,588            | 17,218            | 18,075            | 18,617            | 19,857            | 21,154            | 21,788            | 22,442            | 23,115            | 23,809            | 3.9%                    |  |
| <b>Real Estate and Rental Revenue</b>        | <b>\$ 89,808</b>    | <b>\$ 100,093</b> | <b>\$ 103,822</b> | <b>\$ 107,822</b> | <b>\$ 118,174</b> | <b>\$ 122,520</b> | <b>\$ 127,650</b> | <b>\$ 132,937</b> | <b>\$ 137,703</b> | <b>\$ 148,636</b> | <b>\$ 153,922</b> | <b>\$ 159,393</b> | <b>5.4%</b>             |  |
| <b>Concessions</b>                           |                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                         |  |
| Automobile Parking - Net of Tax              | \$ 113,659          | \$ 128,597        | \$ 134,661        | \$ 140,503        | \$ 146,486        | \$ 152,624        | \$ 158,665        | \$ 164,655        | \$ 170,783        | \$ 177,056        | \$ 183,484        | \$ 190,070        | 4.8%                    |  |
| Automobile Rental <sup>3</sup>               | 36,000              | 37,722            | 38,476            | 39,245            | 39,991            | 40,751            | 41,525            | 42,314            | 43,118            | 43,894            | 44,684            | 45,489            | 2.1%                    |  |
| Restaurants                                  | 74,176              | 75,564            | 81,375            | 85,026            | 88,771            | 92,616            | 97,826            | 104,170           | 111,941           | 120,187           | 126,528           | 133,148           | 5.5%                    |  |
| News & Gifts                                 | 16,336              | 15,440            | 16,760            | 17,512            | 17,735            | 18,121            | 19,141            | 20,180            | 21,265            | 22,396            | 23,578            | 24,811            | 3.9%                    |  |
| Retail Gift Shops                            | 5,165               | 6,355             | 6,924             | 7,235             | 7,553             | 7,880             | 8,324             | 8,951             | 9,710             | 10,421            | 10,971            | 11,545            | 7.6%                    |  |
| Duty Free                                    | 1,568               | 5,138             | 5,139             | 5,436             | 5,769             | 6,117             | 6,452             | 6,802             | 7,376             | 7,770             | 8,182             | 8,613             | 16.8%                   |  |
| Advertising                                  | 17,298              | 20,013            | 20,990            | 21,932            | 22,898            | 23,890            | 25,233            | 26,604            | 28,033            | 29,525            | 31,083            | 32,709            | 6.0%                    |  |
| Other Concessions <sup>4</sup>               | 9,321               | 9,321             | 9,321             | 9,321             | 9,321             | 9,321             | 9,321             | 9,321             | 9,321             | 9,321             | 9,321             | 9,321             | 0.0%                    |  |
| <b>Total Concessions Revenue</b>             | <b>\$ 273,522</b>   | <b>\$ 298,150</b> | <b>\$ 313,644</b> | <b>\$ 326,210</b> | <b>\$ 338,524</b> | <b>\$ 351,319</b> | <b>\$ 366,487</b> | <b>\$ 382,997</b> | <b>\$ 401,546</b> | <b>\$ 420,571</b> | <b>\$ 437,831</b> | <b>\$ 455,705</b> | <b>4.7%</b>             |  |
| Reimbursements <sup>5</sup>                  | 11,326              | 26,524            | 14,655            | 15,372            | 16,011            | 16,639            | 17,458            | 18,115            | 18,867            | 20,145            | 21,160            | 22,151            | 6.3%                    |  |
| <b>TOTAL NON-AIRLINE REVENUE<sup>6</sup></b> | <b>\$ 374,655</b>   | <b>\$ 424,767</b> | <b>\$ 432,121</b> | <b>\$ 449,404</b> | <b>\$ 472,709</b> | <b>\$ 490,478</b> | <b>\$ 511,595</b> | <b>\$ 534,049</b> | <b>\$ 558,117</b> | <b>\$ 589,352</b> | <b>\$ 612,914</b> | <b>\$ 637,250</b> | <b>4.9%</b>             |  |
| Percent Annual Change                        | 6.5%                | 13.4%             | 1.7%              | 4.0%              | 5.2%              | 3.8%              | 4.3%              | 4.4%              | 4.5%              | 5.6%              | 4.0%              | 4.0%              |                         |  |

NOTES:

- 1 Chicago Department of Aviation 2024 1st Half Budget.
- 2 Includes General Aviation Rentals, Chicago Airlines Terminal Consortium 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 2024; Ricondo & Associates, Inc., August 2024.



CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-3 ANNUAL PFC BOND DEBT SERVICE REQUIREMENTS

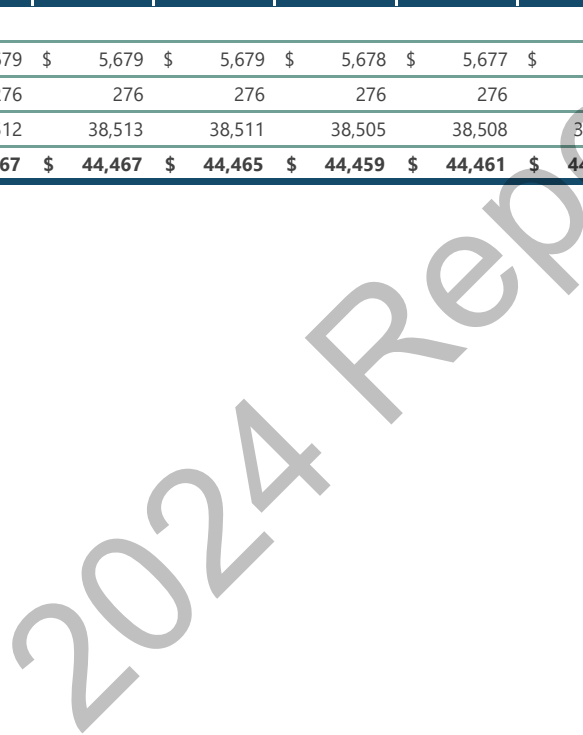
(Dollars in Thousands for Fiscal Years Ending December 31)

|  | BUDGET <sup>1</sup> | PROJECTED        |                  |                  |                  |                  |                  |                  |                 |             |             |             |
|--|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-------------|-------------|-------------|
|  | 2024                | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032            | 2033        | 2034        | 2035        |
| <b>PFC Bond Debt Service<sup>2</sup></b> |                     |                  |                  |                  |                  |                  |                  |                  |                 |             |             |             |
| Series 2010C                             | \$ 5,683            | \$ 5,679         | \$ 5,679         | \$ 5,679         | \$ 5,678         | \$ 5,677         | \$ 5,676         | \$ -             | \$ -            | \$ -        | \$ -        | \$ -        |
| Series 2011AB                            | 276                 | 276              | 276              | 276              | 276              | 276              | 276              | 1,796            | 3,360           | -           | -           | -           |
| Series 2012AB                            | 38,514              | 38,512           | 38,513           | 38,511           | 38,505           | 38,508           | 38,504           | 38,506           | -               | -           | -           | -           |
| <b>Total PFC Bond Debt Service</b>       | <b>\$ 44,472</b>    | <b>\$ 44,467</b> | <b>\$ 44,467</b> | <b>\$ 44,465</b> | <b>\$ 44,459</b> | <b>\$ 44,461</b> | <b>\$ 44,456</b> | <b>\$ 40,302</b> | <b>\$ 3,360</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> |

NOTES:

- 1 Chicago Department of Aviation 2024 1st Half Budget.
- 2 Net of capitalized interest.

SOURCES: City of Chicago, Department of Aviation, August 2024.



CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-4 LOI GRANT SCHEDULES AND USES

| FEDERAL FY             | LOI GRANT RECEIPTS         |                                    |                       | USES OF LOI GRANT RECEIPTS               |  |                                |                                 |                                 |                       |
|------------------------|----------------------------|------------------------------------|-----------------------|--|--|--------------------------------|---------------------------------|---------------------------------|-----------------------|
|                        | OMP PHASE 1<br>(AGL-06-01) | OMP PHASE 2A<br>AND 2B (AGL-10-01) | TOTAL                 | PLEGDED TO<br>2011B BONDS <sup>1,2</sup> | PLEGDED TO<br>2016E BONDS <sup>1</sup> | PAY-AS-YOU-GO<br>(OMP PHASE 1) | PAY-AS-YOU-GO<br>(OMP PHASE 2A) | PAY-AS-YOU-GO<br>(OMP PHASE 2B) | TOTAL                 |
| <b>GRANTS RECEIVED</b> |                            |                                    |                       |  |  |                                |                                 |                                 |                       |
| 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         |
| 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         |
| <b>Total Received</b>  | <b>\$ 300,000,000</b>      | <b>\$ 575,000,000</b>              | <b>\$ 875,000,000</b> | <b>\$ 205,000,000</b>                    | <b>\$ 90,000,000</b>                   | <b>\$ 140,000,000</b>          | <b>\$ 235,000,000</b>           | <b>\$ 205,000,000</b>           | <b>\$ 875,000,000</b> |
| <b>FUTURE GRANTS</b>   |                            |                                    |                       |  |  |                                |                                 |                                 |                       |
| 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         |
| <b>Total Future</b>    | <b>\$ -</b>                | <b>\$ 50,000,000</b>               | <b>\$ 50,000,000</b>  | <b>\$ -</b>                              | <b>\$ 50,000,000</b>                   | <b>\$ -</b>                    | <b>\$ -</b>                     | <b>\$ -</b>                     | <b>\$ 50,000,000</b>  |
| <b>TOTAL</b>           | <b>\$ 300,000,000</b>      | <b>\$ 625,000,000</b>              | <b>\$ 925,000,000</b> | <b>\$ 205,000,000</b>                    | <b>\$ 140,000,000</b>                  | <b>\$ 140,000,000</b>          | <b>\$ 235,000,000</b>           | <b>\$ 205,000,000</b>           | <b>\$ 925,000,000</b> |

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 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-5 ANNUAL GARB DEBT SERVICE REQUIREMENTS

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED         |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
|--|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2024                   | 2025              | 2026              | 2027              | 2028              | 2029              | 2030              | 2031              | 2032                | 2033                | 2034                | 2035                |
| <b>General Airport Revenue Bond (GARB) Debt Service<sup>2</sup></b>    |                        |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| Outstanding GARB Debt Service  | \$ 696,033             | \$ 705,051        | \$ 711,438        | \$ 701,699        | \$ 680,175        | \$ 683,759        | \$ 683,750        | \$ 683,757        | \$ 685,008          | \$ 723,557          | \$ 740,098          | \$ 601,844          |
| <b>Series 2024AB Bonds<sup>2</sup></b>                                 |                        |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| Series 2024AB  | \$ 3,788               | \$ 18,847         | \$ 29,523         | \$ 37,831         | \$ 52,640         | \$ 52,640         | \$ 52,640         | \$ 52,640         | \$ 52,640           | \$ 52,640           | \$ 52,640           | \$ 79,990           |
| <b>Future Bonds<sup>2</sup></b>  |                        |                   |                   |                   |                   |                   |                   |                   |                     |                     |                     |                     |
| Series 2024EF  | \$ -                   | \$ 1,689          | \$ 7,984          | \$ 13,219         | \$ 21,706         | \$ 21,706         | \$ 21,706         | \$ 21,706         | \$ 21,706           | \$ 21,706           | \$ 21,706           | \$ 32,181           |
| Additional Future Bonds (approximately 2025-2030)                      | \$ -                   | \$ 2,332          | \$ 19,500         | \$ 56,310         | \$ 80,499         | \$ 157,172        | \$ 161,910        | \$ 164,577        | \$ 334,654          | \$ 388,994          | \$ 474,447          | \$ 678,287          |
| <b>Total GARB Debt Service</b>   | <b>\$ 699,821</b>      | <b>\$ 727,918</b> | <b>\$ 768,445</b> | <b>\$ 809,060</b> | <b>\$ 835,020</b> | <b>\$ 915,277</b> | <b>\$ 920,005</b> | <b>\$ 922,679</b> | <b>\$ 1,094,007</b> | <b>\$ 1,186,896</b> | <b>\$ 1,288,891</b> | <b>\$ 1,392,301</b> |
| Less: PFCs Pledged to existing GARB Debt Service                       | \$ (32,387)            | \$ (32,385)       | \$ (32,385)       | \$ (32,386)       | \$ (33,162)       | \$ (36,750)       | \$ (36,742)       | \$ (36,748)       | \$ (70,770)         | \$ (77,078)         | \$ (84,523)         | \$ (84,523)         |
| Less: PFCs Applied to existing GARB Debt Service                       | (41,243)               | (41,246)          | (41,243)          | (41,244)          | (41,244)          | (41,243)          | (41,243)          | (41,243)          | (41,242)            | (41,243)            | (41,243)            | (41,246)            |
| Less: PFCs Pledged to Future PFC-Backed GARB Debt Service              | -                      | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                   | -                   | -                   | -                   |
| Less: Federal Funds Pledged to Series 2011B Debt Service               | -                      | -                 | -                 | -                 | -                 | -                 | -                 | -                 | -                   | -                   | -                   | -                   |
| Less: Federal Funds Pledged to Series 2016E Debt Service               | (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)           | (1,498)           | -                 | -                 | -                 | -                   | -                   | -                   | -                   |
| Less: BAB Subsidy Applied to Debt Service on Series 2010B <sup>3</sup> | (7,331)                | (6,912)           | (6,912)           | (6,912)           | (6,912)           | (6,912)           | (6,912)           | (6,912)           | (6,912)             | (6,912)             | (6,912)             | (6,912)             |
| Other Adjustments <sup>4</sup>   | (8,400)                | (7,279)           | (7,684)           | (8,091)           | (8,350)           | (9,153)           | (9,200)           | (9,227)           | (10,940)            | (11,869)            | (12,889)            | (13,923)            |
| <b>Net GARB Debt Service</b>   | <b>\$ 578,346</b>      | <b>\$ 607,981</b> | <b>\$ 648,106</b> | <b>\$ 698,312</b> | <b>\$ 743,854</b> | <b>\$ 821,219</b> | <b>\$ 825,908</b> | <b>\$ 828,550</b> | <b>\$ 964,143</b>   | <b>\$ 1,049,794</b> | <b>\$ 1,143,324</b> | <b>\$ 1,245,697</b> |

NOTES:

- 1 Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.
- 2 Net of capitalized interest.
- 3 Reflects Subsidy Payment from United States Treasury for interest paid to GARB, Series 2010B Bonds, which are qualified as Build America Bonds (BABs).
- 4 Adjustment for estimated investment income.

SOURCES: City of Chicago, Department of Aviation, August 2024; Jefferies Group LLC, August 2024; Ricondo & Associates, Inc., August 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-6 FUND DEPOSIT REQUIREMENTS

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  | 2024                   | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032             | 2033             | 2034             | 2035             |
| <b>Fund Deposit Requirements:</b>                    |                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| O&M Reserve Fund <sup>2</sup>                        | \$ 17,969              | \$ 18,255        | \$ 14,503        | \$ 10,543        | \$ 10,600        | \$ 11,480        | \$ 12,970        | \$ 12,808        | \$ 16,812        | \$ 17,692        | \$ 14,497        | \$ 15,147        |
| Supplemental O&M Reserve Fund <sup>3</sup>           | 44,317                 | 47,891           | 14,503           | 10,543           | 10,600           | 11,480           | 12,970           | 12,808           | 16,812           | 17,692           | 14,497           | 15,147           |
| Maintenance Reserve Fund <sup>4</sup>                | 3,000                  | 3,000            | 3,000            | 3,000            | 3,000            | 3,000            | 3,000            | 3,000            | 3,000            | 3,000            | 3,000            | 3,000            |
| <b>TOTAL FUND DEPOSIT REQUIREMENTS</b>               | <b>\$ 65,286</b>       | <b>\$ 69,146</b> | <b>\$ 32,005</b> | <b>\$ 24,085</b> | <b>\$ 24,200</b> | <b>\$ 25,960</b> | <b>\$ 28,940</b> | <b>\$ 28,617</b> | <b>\$ 36,623</b> | <b>\$ 38,384</b> | <b>\$ 31,995</b> | <b>\$ 33,294</b> |
| <b>Total Fund Deposits by Cost / Revenue Center:</b> |                        |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Airfield Area  | \$ 26,503              | \$ 17,312        | \$ 7,637         | \$ 8,182         | \$ 8,496         | \$ 8,779         | \$ 9,003         | \$ 9,333         | \$ 9,454         | \$ 9,807         | \$ 10,434        | \$ 10,840        |
| Terminal Area  | 30,886                 | 43,134           | 21,188           | 13,075           | 12,752           | 14,149           | 16,850           | 16,053           | 24,004           | 25,298           | 17,964           | 18,716           |
| Fueling System                                       | -                      | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Aeronautical Real Estate                             | 296                    | 328              | 103              | 117              | 123              | 126              | 128              | 134              | 131              | 136              | 149              | 155              |
| Commercial Real Estate                               | 148                    | 100              | 41               | 47               | 49               | 50               | 51               | 53               | 52               | 54               | 59               | 62               |
| Parking and Ground Transportation                    | 7,453                  | 8,272            | 3,036            | 2,664            | 2,781            | 2,856            | 2,908            | 3,044            | 2,982            | 3,089            | 3,389            | 3,521            |
| <b>TOTAL FUND DEPOSIT REQUIREMENTS</b>               | <b>\$ 65,286</b>       | <b>\$ 69,146</b> | <b>\$ 32,005</b> | <b>\$ 24,085</b> | <b>\$ 24,200</b> | <b>\$ 25,960</b> | <b>\$ 28,940</b> | <b>\$ 28,617</b> | <b>\$ 36,623</b> | <b>\$ 38,384</b> | <b>\$ 31,995</b> | <b>\$ 33,294</b> |

NOTES:

- 1 Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.
- 2 O&M Reserve Fund Requirement equal to 25.0 percent of O&M Expenses.
- 3 Supplemental O&M Reserve Fund Requirement equal to 21.6 percent of O&M Expenses in 2024 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 2024; Ricondo & Associates, Inc., August 2024.

## CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-7 NET SIGNATORY AIRLINE REQUIREMENT

(Dollars in Thousands for Fiscal Years Ending December 31)

|   | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                |
| O&M Expenses <sup>2</sup>   | \$ 871,645             | \$ 944,666          | \$ 1,002,677        | \$ 1,044,847        | \$ 1,087,246        | \$ 1,133,167        | \$ 1,185,047        | \$ 1,236,280        | \$ 1,303,527        | \$ 1,374,295        | \$ 1,432,284        | \$ 1,492,873        |
| Net Debt Service <sup>3</sup>   | 578,346                | 607,981             | 648,106             | 698,312             | 743,854             | 821,219             | 825,908             | 828,550             | 964,143             | 1,049,794           | 1,143,324           | 1,245,697           |
| Other Capital Costs <sup>4</sup>                                      | 64,001                 | 57,760              | 60,911              | 60,978              | 57,360              | 70,980              | 52,145              | 51,678              | 93,890              | 74,329              | 76,655              | 77,060              |
| Fund Deposit Requirement <sup>5</sup>                                 | 66,686                 | 70,616              | 33,549              | 25,706              | 25,902              | 27,747              | 30,816              | 30,587              | 38,692              | 40,555              | 34,275              | 35,689              |
| <b>Total Expenses, Net Debt Service and Fund Deposits<sup>6</sup></b> | <b>\$ 1,580,678</b>    | <b>\$ 1,681,022</b> | <b>\$ 1,745,243</b> | <b>\$ 1,829,842</b> | <b>\$ 1,914,361</b> | <b>\$ 2,053,113</b> | <b>\$ 2,093,915</b> | <b>\$ 2,147,096</b> | <b>\$ 2,400,252</b> | <b>\$ 2,538,973</b> | <b>\$ 2,686,539</b> | <b>\$ 2,851,318</b> |
| <b>Less:</b>  |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Non-Airline Revenue   | \$ (374,655)           | \$ (424,767)        | \$ (432,121)        | \$ (449,404)        | \$ (472,709)        | \$ (490,478)        | \$ (511,595)        | \$ (534,049)        | \$ (558,117)        | \$ (589,352)        | \$ (612,914)        | \$ (637,250)        |
| Non-Signatory Airline Revenue   | (36,849)               | (34,788)            | (36,411)            | (37,985)            | (39,637)            | (41,401)            | (42,094)            | (43,019)            | (43,216)            | (46,019)            | (48,579)            | (41,761)            |
| <b>Total Non-Airline and Non-Signatory Revenue</b>                    | <b>\$ (411,504)</b>    | <b>\$ (459,555)</b> | <b>\$ (468,532)</b> | <b>\$ (487,389)</b> | <b>\$ (512,345)</b> | <b>\$ (531,878)</b> | <b>\$ (553,689)</b> | <b>\$ (577,069)</b> | <b>\$ (601,333)</b> | <b>\$ (635,371)</b> | <b>\$ (661,492)</b> | <b>\$ (679,010)</b> |
| <b>Adjustments:</b>   |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Current year ARE and CRE deficit/(credit)                             | \$ 3,653               | \$ 10,288           | \$ 2,137            | \$ 3,127            | \$ 9,162            | \$ 3,078            | \$ 3,575            | \$ 3,683            | \$ 3,329            | \$ 9,936            | \$ 4,262            | \$ 3,635            |
| Other <sup>7</sup>  | 8,000                  | 8,000               | 8,500               | 8,500               | 8,500               | 9,000               | 9,000               | 9,000               | 9,500               | 9,500               | 9,500               | 10,000              |
| Landing Fee True-Up for Prior Fiscal Years                            | (10,000)               | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Adjustments</b>  | <b>\$ 1,653</b>        | <b>\$ 18,288</b>    | <b>\$ 10,637</b>    | <b>\$ 11,627</b>    | <b>\$ 17,662</b>    | <b>\$ 12,078</b>    | <b>\$ 12,575</b>    | <b>\$ 12,683</b>    | <b>\$ 12,829</b>    | <b>\$ 19,436</b>    | <b>\$ 13,762</b>    | <b>\$ 13,635</b>    |
| <b>Net Signatory Airline Requirement</b>                              | <b>\$ 1,170,827</b>    | <b>\$ 1,239,755</b> | <b>\$ 1,287,348</b> | <b>\$ 1,354,080</b> | <b>\$ 1,419,678</b> | <b>\$ 1,533,313</b> | <b>\$ 1,552,801</b> | <b>\$ 1,582,710</b> | <b>\$ 1,811,749</b> | <b>\$ 1,923,039</b> | <b>\$ 2,038,809</b> | <b>\$ 2,185,943</b> |

## NOTES:

- 1 Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.
- 2 2024 O&M Expenses is net of \$11.5 million federal COVID-19 relief funds applied to O&M Expenses.
- 3 Net of capitalized interest and BAB subsidy. Adjusted for investment income, grant receipts, and PFC credits.
- 4 Includes required debt service coverage, paygo pre-approved allowance, and other obligations.
- 5 Includes O&M Reserve Fund, Supplemental O&M Reserve Fund, and Maintenance Reserve Fund.
- 6 Totals may not add due to rounding.
- 7 Includes air service incentive fees and discretionary cash transfer.

SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo &amp; Associates, Inc., August 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-8 AIRLINE FEES, RENTALS AND CHARGES

(For Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED  |            |            |            |            |            |            |            |            |            |            | COMPOUND ANNUAL GROWTH RATE (2024-2035) |        |
|--|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---|--------|
|  | 2024                   | 2025       | 2026       | 2027       | 2028       | 2029       | 2030       | 2031       | 2032       | 2033       | 2034       | 2035       |   |        |
| <b>Landing Fee Rate:</b> <sup>2</sup>                |                        |            |            |            |            |            |            |            |            |            |            |            |   |        |
| Signatory Airline                                    | \$ 12.61               | \$ 12.30   | \$ 12.43   | \$ 12.55   | \$ 12.72   | \$ 12.92   | \$ 12.78   | \$ 12.74   | \$ 12.51   | \$ 13.02   | \$ 13.44   | \$ 11.31   |   | -1.0%  |
| Non-Signatory Airline                                | \$ 12.61               | \$ 12.30   | \$ 12.43   | \$ 12.55   | \$ 12.72   | \$ 12.92   | \$ 12.78   | \$ 12.74   | \$ 12.51   | \$ 13.02   | \$ 13.44   | \$ 11.31   |   | -1.0%  |
| <b>Terminal Area:</b>                                |                        |            |            |            |            |            |            |            |            |            |            |            |   |        |
| Base Space Rate <sup>3</sup>                         | \$ 195.86              | \$ 220.71  | \$ 217.05  | \$ 228.43  | \$ 245.29  | \$ 274.23  | \$ 270.01  | \$ 279.94  | \$ 331.98  | \$ 317.03  | \$ 338.69  | \$ 430.28  |   | 7.4%   |
| <b>Common Use Fees:</b> <sup>4</sup>                 |                        |            |            |            |            |            |            |            |            |            |            |            |   |        |
| Domestic Common Use Gate Fee <sup>5</sup>            | \$ 1.49                | \$ 1.90    | \$ 1.83    | \$ 1.86    | \$ 1.93    | \$ 2.07    | \$ 2.01    | \$ 0.41    | \$ 0.41    | \$ 0.41    | \$ 0.42    | \$ 0.43    |   | -10.7% |
| Int'l Common Use Gate Fee <sup>6</sup>               | \$ 4.85                | \$ 4.23    | \$ 4.03    | \$ 4.09    | \$ 4.23    | \$ 4.51    | \$ 4.41    | \$ 3.47    | \$ 3.86    | \$ 3.72    | \$ 3.87    | \$ 4.54    |   | -0.6%  |
| Domestic Common Use Baggage Make-up Fee <sup>7</sup> | \$ 4.57                | \$ 6.41    | \$ 6.23    | \$ 6.32    | \$ 6.85    | \$ 8.06    | \$ 7.86    | \$ 5.90    | \$ 14.13   | \$ 20.69   | \$ 21.49   | \$ 25.96   |   | 17.1%  |
| Int'l Common Use Baggage Make-up Fee <sup>8</sup>    | \$ 6.24                | \$ 9.03    | \$ 8.79    | \$ 8.84    | \$ 9.05    | \$ 9.34    | \$ 9.19    | \$ 10.46   | \$ 11.44   | \$ 11.03   | \$ 11.38   | \$ 13.11   |   | 7.0%   |
| Common Use Baggage Claim Fee <sup>9</sup>            | \$ 1.48                | \$ 1.20    | \$ 1.17    | \$ 1.19    | \$ 1.23    | \$ 1.31    | \$ 1.28    | \$ 1.67    | \$ 2.43    | \$ 2.83    | \$ 2.95    | \$ 3.56    |   | 8.3%   |
| Domestic Common Use Check-in Fee <sup>10</sup>       | \$ 15.07               | \$ 32.13   | \$ 30.87   | \$ 31.55   | \$ 32.82   | \$ 35.38   | \$ 34.28   | \$ 10.40   | \$ 11.36   | \$ 11.10   | \$ 11.51   | \$ 13.10   |   | -1.3%  |
| Int'l Common Use Check-in Fee <sup>10</sup>          | \$ 24.03               | \$ 18.36   | \$ 17.70   | \$ 18.01   | \$ 18.57   | \$ 19.64   | \$ 19.42   | \$ 20.95   | \$ 23.29   | \$ 22.56   | \$ 23.49   | \$ 27.42   |   | 1.2%   |
| FIS Facility Fee <sup>11</sup>                       | \$ 13.20               | \$ 14.19   | \$ 13.46   | \$ 13.70   | \$ 14.82   | \$ 17.16   | \$ 16.69   | \$ 16.27   | \$ 23.71   | \$ 27.25   | \$ 28.51   | \$ 34.97   |   | 9.3%   |
| <b>Fueling System:</b>                               |                        |            |            |            |            |            |            |            |            |            |            |            |   |        |
| Average Cost Per Gallon (excluding fuel)             | \$ 0.00262             | \$ 0.00264 | \$ 0.00545 | \$ 0.01021 | \$ 0.00879 | \$ 0.00848 | \$ 0.00831 | \$ 0.00811 | \$ 0.00768 | \$ 0.00750 | \$ 0.00655 | \$ 0.00874 |   | 11.6%  |

NOTES:

- 1 Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.
- 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 domestic arriving seat.
- 10 Per hour, per check-in position.
- 11 Per FIS user.

SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-9 AIRLINE REVENUE

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     | COMPOUND ANNUAL         |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
|  | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                | GROWTH RATE (2024-2035) |
| <b>Landing Fee Revenue:</b>                            |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| Landing Fee Revenue                                    | \$ 712,943             | \$ 720,849          | \$ 752,315          | \$ 782,199          | \$ 815,406          | \$ 850,955          | \$ 863,060          | \$ 880,487          | \$ 884,099          | \$ 941,045          | \$ 993,012          | \$ 853,251          | 1.6%                    |
| <b>TOTAL LANDING FEE REVENUE</b>                       | <b>\$ 712,943</b>      | <b>\$ 720,849</b>   | <b>\$ 752,315</b>   | <b>\$ 782,199</b>   | <b>\$ 815,406</b>   | <b>\$ 850,955</b>   | <b>\$ 863,060</b>   | <b>\$ 880,487</b>   | <b>\$ 884,099</b>   | <b>\$ 941,045</b>   | <b>\$ 993,012</b>   | <b>\$ 853,251</b>   | <b>1.6%</b>             |
| <b>Terminal Area Rental and Use Charge Revenue:</b>    |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| Terminal Rentals                                       | \$ 343,924             | \$ 383,253          | \$ 397,714          | \$ 422,078          | \$ 440,924          | \$ 491,190          | \$ 499,920          | \$ 527,869          | \$ 659,580          | \$ 663,997          | \$ 709,099          | \$ 898,622          | 9.1%                    |
| <b>TOTAL TERMINAL RENTAL AND USE CHARGE REVENUE</b>    | <b>\$ 343,924</b>      | <b>\$ 383,253</b>   | <b>\$ 397,714</b>   | <b>\$ 422,078</b>   | <b>\$ 440,924</b>   | <b>\$ 491,190</b>   | <b>\$ 499,920</b>   | <b>\$ 527,869</b>   | <b>\$ 659,580</b>   | <b>\$ 663,997</b>   | <b>\$ 709,099</b>   | <b>\$ 898,622</b>   | <b>9.1%</b>             |
| <b>Terminal Baggage Handling Systems Revenue:</b>      |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| Signatory Airline                                      | \$ -                   | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | \$ -                | 0.0%                    |
| <b>TOTAL TERMINAL BAGGAGE HANDLING SYSTEMS REVENUE</b> | <b>\$ -</b>            | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>0.0%</b>             |
| <b>Fueling System Fee Revenue:</b>                     |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| Signatory Airline                                      | \$ 2,863               | \$ 2,992            | \$ 6,382            | \$ 12,315           | \$ 10,898           | \$ 10,811           | \$ 10,860           | \$ 10,848           | \$ 10,506           | \$ 10,485           | \$ 9,369            | \$ 12,759           | 14.5%                   |
| <b>TOTAL FUELING SYSTEM FEE REVENUE</b>                | <b>\$ 2,863</b>        | <b>\$ 2,992</b>     | <b>\$ 6,382</b>     | <b>\$ 12,315</b>    | <b>\$ 10,898</b>    | <b>\$ 10,811</b>    | <b>\$ 10,860</b>    | <b>\$ 10,848</b>    | <b>\$ 10,506</b>    | <b>\$ 10,485</b>    | <b>\$ 9,369</b>     | <b>\$ 12,759</b>    | <b>14.5%</b>            |
| <b>Common Use Fee Revenue</b>                          |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| <b>TOTAL COMMON USE FEE REVENUE</b>                    | <b>\$ 147,946</b>      | <b>\$ 167,449</b>   | <b>\$ 167,348</b>   | <b>\$ 175,474</b>   | <b>\$ 192,087</b>   | <b>\$ 221,757</b>   | <b>\$ 221,055</b>   | <b>\$ 206,526</b>   | <b>\$ 300,779</b>   | <b>\$ 353,532</b>   | <b>\$ 375,908</b>   | <b>\$ 463,071</b>   | <b>10.9%</b>            |
| <b>TOTAL AIRLINE REVENUE</b>                           | <b>\$ 1,207,676</b>    | <b>\$ 1,274,543</b> | <b>\$ 1,323,758</b> | <b>\$ 1,392,065</b> | <b>\$ 1,459,315</b> | <b>\$ 1,574,714</b> | <b>\$ 1,594,895</b> | <b>\$ 1,625,730</b> | <b>\$ 1,854,965</b> | <b>\$ 1,969,058</b> | <b>\$ 2,087,388</b> | <b>\$ 2,227,703</b> | <b>5.7%</b>             |

NOTE:

<sup>1</sup> Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.

SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024.

CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-10 AIRLINE COST PER ENPLANED PASSENGER

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     | COMPOUND ANNUAL         |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|
|  | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                | GROWTH RATE (2024-2035) |
| Total Airline Revenue                            | \$ 1,207,676           | \$ 1,274,543        | \$ 1,323,758        | \$ 1,392,065        | \$ 1,459,315        | \$ 1,574,714        | \$ 1,594,895        | \$ 1,625,730        | \$ 1,854,965        | \$ 1,969,058        | \$ 2,087,388        | \$ 2,227,703        | 5.7%                    |
| Less: Cargo Landing Fee Revenue                  | (60,949)               | (61,625)            | (64,315)            | (66,870)            | (69,709)            | (72,748)            | (73,783)            | (75,273)            | (75,582)            | (80,450)            | (84,893)            | (72,944)            | 1.6%                    |
| <b>Total Passenger Airline Requirement</b>       | <b>\$ 1,146,727</b>    | <b>\$ 1,212,917</b> | <b>\$ 1,259,443</b> | <b>\$ 1,325,195</b> | <b>\$ 1,389,606</b> | <b>\$ 1,501,966</b> | <b>\$ 1,521,112</b> | <b>\$ 1,550,457</b> | <b>\$ 1,779,383</b> | <b>\$ 1,888,608</b> | <b>\$ 2,002,495</b> | <b>\$ 2,154,759</b> | <b>5.9%</b>             |
| Total Projected Enplaned Passengers <sup>2</sup> | 40,334                 | 41,705              | 43,096              | 44,364              | 45,633              | 46,906              | 48,102              | 49,237              | 50,372              | 51,507              | 52,645              | 53,786              | 2.7%                    |
| Total Airline Cost per Enplaned Passenger        |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                         |
| Current Dollars                                  | \$ 28.43               | \$ 29.08            | \$ 29.22            | \$ 29.87            | \$ 30.45            | \$ 32.02            | \$ 31.62            | \$ 31.49            | \$ 35.33            | \$ 36.67            | \$ 38.04            | \$ 40.06            | 3.2%                    |
| 2024 Dollars <sup>3</sup>                        | \$ 28.43               | \$ 28.24            | \$ 27.55            | \$ 27.34            | \$ 27.06            | \$ 27.62            | \$ 26.48            | \$ 25.60            | \$ 27.89            | \$ 24.97            | \$ 25.15            | \$ 25.71            | -0.9%                   |

NOTES:

- 1 Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.
- 2 Enplaned passenger total in 2024 reflects forecast amount, which differs from amount in the City's 1st 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 2024; Ricondo & Associates, Inc., August 2024.



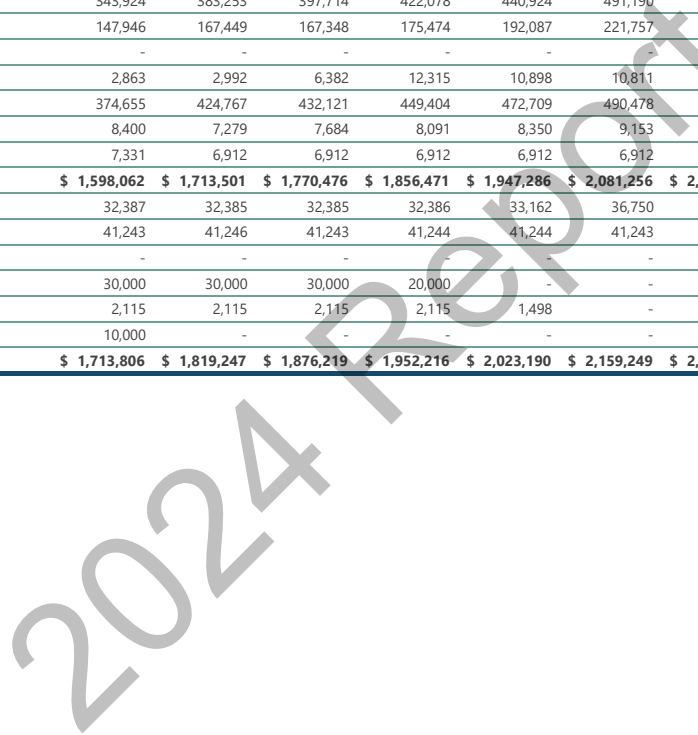


CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-11 (1 of 2) GARB DEBT SERVICE COVERAGE

(Dollars in Thousands for Fiscal Years Ending December 31)

|   | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|---|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                |
| Landing Fee Revenue   | \$ 712,943             | \$ 720,849          | \$ 752,315          | \$ 782,199          | \$ 815,406          | \$ 850,955          | \$ 863,060          | \$ 880,487          | \$ 884,099          | \$ 941,045          | \$ 993,012          | \$ 853,251          |
| Terminal Area Rental and Use Charge Revenue <sup>2</sup>                  | 343,924                | 383,253             | 397,714             | 422,078             | 440,924             | 491,190             | 499,920             | 527,869             | 659,580             | 663,997             | 709,099             | 898,622             |
| Terminal Common Use Fee Revenue   | 147,946                | 167,449             | 167,348             | 175,474             | 192,087             | 221,757             | 221,055             | 206,526             | 300,779             | 353,532             | 375,908             | 463,071             |
| Terminal Baggage Handling Systems Revenue                                 | -                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Fueling System Fee Revenue  | 2,863                  | 2,992               | 6,382               | 12,315              | 10,898              | 10,811              | 10,860              | 10,848              | 10,506              | 10,485              | 9,369               | 12,759              |
| Non-Airline Revenue   | 374,655                | 424,767             | 432,121             | 449,404             | 472,709             | 490,478             | 511,595             | 534,049             | 558,117             | 589,352             | 612,914             | 637,250             |
| Investment Income from Debt Service Reserve Fund                          | 8,400                  | 7,279               | 7,684               | 8,091               | 8,350               | 9,153               | 9,200               | 9,227               | 10,940              | 11,869              | 12,889              | 13,923              |
| Federal Subsidy (BABs) Revenue <sup>3</sup>                               | 7,331                  | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               | 6,912               |
| <b>Total Revenue</b>  | <b>\$ 1,598,062</b>    | <b>\$ 1,713,501</b> | <b>\$ 1,770,476</b> | <b>\$ 1,856,471</b> | <b>\$ 1,947,286</b> | <b>\$ 2,081,256</b> | <b>\$ 2,122,602</b> | <b>\$ 2,175,918</b> | <b>\$ 2,430,933</b> | <b>\$ 2,577,190</b> | <b>\$ 2,720,102</b> | <b>\$ 2,885,788</b> |
| Pledged PFC Revenue <sup>4</sup>  | 32,387                 | 32,385              | 32,385              | 32,386              | 33,162              | 36,750              | 36,742              | 36,748              | 70,770              | 77,078              | 84,523              | 84,523              |
| Applied PFC Revenue <sup>5</sup>  | 41,243                 | 41,246              | 41,243              | 41,244              | 41,244              | 41,243              | 41,243              | 41,243              | 41,242              | 41,243              | 41,243              | 41,246              |
| Federal Funds Pledged to Series 2011B Debt Service                        | -                      | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Federal Funds Pledged to Series 2016E Grant Receipts-Backed Debt Service  | 30,000                 | 30,000              | 30,000              | 20,000              | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| North Airport Traffic Control Tower (NATCT) Rent Revenue                  | 2,115                  | 2,115               | 2,115               | 2,115               | 1,498               | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| Landing Fee True-Up for Prior Fiscal Years                                | 10,000                 | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   | -                   |
| <b>Total Revenue plus Pledged Other Available Moneys and Applied PFCs</b> | <b>\$ 1,713,806</b>    | <b>\$ 1,819,247</b> | <b>\$ 1,876,219</b> | <b>\$ 1,952,216</b> | <b>\$ 2,023,190</b> | <b>\$ 2,159,249</b> | <b>\$ 2,200,587</b> | <b>\$ 2,253,908</b> | <b>\$ 2,542,946</b> | <b>\$ 2,695,512</b> | <b>\$ 2,845,868</b> | <b>\$ 3,011,557</b> |



CHICAGO O'HARE INTERNATIONAL AIRPORT

TABLE B-11 (2 of 2) GARB DEBT SERVICE COVERAGE

(Dollars in Thousands for Fiscal Years Ending December 31)

|  | ESTIMATED <sup>1</sup> | PROJECTED           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2024                   | 2025                | 2026                | 2027                | 2028                | 2029                | 2030                | 2031                | 2032                | 2033                | 2034                | 2035                |
| <b>COVERAGE CALCULATION</b>  |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Total Revenue plus Pledged Other Available Moneys and Applied PFCs | \$ 1,713,806           | \$ 1,819,247        | \$ 1,876,219        | \$ 1,952,216        | \$ 2,023,190        | \$ 2,159,249        | \$ 2,200,587        | \$ 2,253,908        | \$ 2,542,946        | \$ 2,695,512        | \$ 2,845,868        | \$ 3,011,557        |
| Plus:  |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Prior Period Required Debt Service Coverage                        | 159,754                | 174,955             | 181,979             | 192,111             | 202,265             | 208,755             | 228,819             | 230,001             | 230,670             | 273,502             | 296,724             | 322,223             |
| ARE Revenues Received in Prior Year and Applied as Revenues        | 43,198                 | 52,225              | 54,073              | 55,405              | 57,066              | 64,720              | 66,720              | 68,695              | 70,747              | 72,868              | 81,031              | 83,448              |
| CRE Revenues Received in Prior Year and Applied as Revenues        | 11,949                 | 6,575               | 15,015              | 15,819              | 17,285              | 18,794              | 19,872              | 21,472              | 23,102              | 24,311              | 26,084              | 27,930              |
|  | 214,902                | 233,756             | 251,067             | 263,336             | 276,616             | 292,268             | 315,411             | 320,168             | 324,519             | 370,681             | 403,839             | 433,600             |
| <b>Adjusted Total Revenue</b>                                      | <b>\$ 1,928,708</b>    | <b>\$ 2,053,003</b> | <b>\$ 2,127,286</b> | <b>\$ 2,215,552</b> | <b>\$ 2,299,806</b> | <b>\$ 2,451,518</b> | <b>\$ 2,515,999</b> | <b>\$ 2,574,076</b> | <b>\$ 2,867,465</b> | <b>\$ 3,066,192</b> | <b>\$ 3,249,707</b> | <b>\$ 3,445,157</b> |
| Less:  |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| O&M Expenses   | \$ 871,645             | \$ 944,666          | \$ 1,002,677        | \$ 1,044,847        | \$ 1,087,246        | \$ 1,133,167        | \$ 1,185,047        | \$ 1,236,280        | \$ 1,303,527        | \$ 1,374,295        | \$ 1,432,284        | \$ 1,492,873        |
| Allowable Airline Liaison Office Expenses                          | 1,400                  | 1,470               | 1,544               | 1,621               | 1,702               | 1,787               | 1,876               | 1,970               | 2,068               | 2,172               | 2,280               | 2,394               |
| <b>Net Revenue Available for Senior Lien Coverage</b>              | <b>\$ 1,055,663</b>    | <b>\$ 1,106,867</b> | <b>\$ 1,123,066</b> | <b>\$ 1,169,085</b> | <b>\$ 1,210,858</b> | <b>\$ 1,316,564</b> | <b>\$ 1,329,076</b> | <b>\$ 1,335,825</b> | <b>\$ 1,561,869</b> | <b>\$ 1,689,726</b> | <b>\$ 1,815,142</b> | <b>\$ 1,949,890</b> |
| <b>Senior Lien Debt Service<sup>6</sup></b>                        | <b>\$ 699,821</b>      | <b>\$ 727,918</b>   | <b>\$ 768,445</b>   | <b>\$ 809,060</b>   | <b>\$ 835,020</b>   | <b>\$ 915,277</b>   | <b>\$ 920,005</b>   | <b>\$ 922,679</b>   | <b>\$ 1,094,007</b> | <b>\$ 1,186,896</b> | <b>\$ 1,288,891</b> | <b>\$ 1,392,301</b> |
| <b>Senior Lien GARB Debt Service Coverage</b>                      | <b>1.51x</b>           | <b>1.52x</b>        | <b>1.46x</b>        | <b>1.44x</b>        | <b>1.45x</b>        | <b>1.44x</b>        | <b>1.44x</b>        | <b>1.45x</b>        | <b>1.43x</b>        | <b>1.42x</b>        | <b>1.41x</b>        | <b>1.40x</b>        |
| <b>Other Required Uses of Revenue</b>                              |                        |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| O&M Reserve Fund   | \$ 17,969              | \$ 18,255           | \$ 14,503           | \$ 10,543           | \$ 10,600           | \$ 11,480           | \$ 12,970           | \$ 12,808           | \$ 16,812           | \$ 17,692           | \$ 14,497           | \$ 15,147           |
| Supplemental O&M Reserve Fund <sup>7</sup>                         | 44,317                 | 47,891              | 14,503              | 10,543              | 10,600              | 11,480              | 12,970              | 12,808              | 16,812              | 17,692              | 14,497              | 15,147              |
| 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               | 3,000               |
| <b>Total Other Required Uses of Revenue</b>                        | <b>\$ 65,286</b>       | <b>\$ 69,146</b>    | <b>\$ 32,005</b>    | <b>\$ 24,085</b>    | <b>\$ 24,200</b>    | <b>\$ 25,960</b>    | <b>\$ 28,940</b>    | <b>\$ 28,617</b>    | <b>\$ 36,623</b>    | <b>\$ 38,384</b>    | <b>\$ 31,995</b>    | <b>\$ 33,294</b>    |

NOTES:

- 1 Includes estimated impacts from 1/1/2025 payment of Series 2024AB Bonds.
- 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 2016F, 2017B, 2020C, and 2020E 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 Net of capitalized interest. Includes debt service on outstanding bonds and estimated debt service on the 2024 Bonds and future bonds. Assumes future bonds are issued as Senior Lien debt.
- 7 Reflects the increase of the reserve requirement from 21.6% of annual O&M Expenses in 2024 to 25% in 2025 and thereafter as required by the AULA.

SOURCES: City of Chicago, Department of Aviation, August 2024; Ricondo & Associates, Inc., August 2024.

## APPENDIX F

### PROPOSED FORMS OF OPINIONS OF CO-BOND COUNSEL

October 30, 2024

City of Chicago  
City Hall  
Chicago, Illinois

We have examined a record of proceedings relating to the issuance of \$513,765,000 aggregate principal amount of Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024C (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 June 12, 2024 (the “2024 O’Hare Financing 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-Seventh Supplemental Indenture Securing Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024C, dated as of October 1, 2024 (the “Seventy-Seventh 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-Seventh Supplemental Indenture. Terms used herein that are defined in the Indenture and the Seventy-Seventh 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 30, 2024 and bear interest from their date payable on January 1, 2025, 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:

| <u>Year</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-------------|-------------------------|----------------------|
| 2025        | \$ 9,105,000            | 5.00%                |
| 2026        | 13,265,000              | 5.00                 |
| 2027        | 52,790,000              | 5.00                 |
| 2028        | 62,090,000              | 5.00                 |
| 2029        | 41,110,000              | 5.00                 |
| 2030        | 38,190,000              | 5.00                 |
| 2031        | 40,100,000              | 5.00                 |
| 2032        | 42,100,000              | 5.00                 |
| 2033        | 44,205,000              | 5.00                 |
| 2034        | 45,840,000              | 5.00                 |
| 2035        | 17,195,000              | 5.00                 |
| 2036        | 10,590,000              | 5.00                 |
| 2037        | 8,620,000               | 5.00                 |
| 2038        | 9,055,000               | 5.00                 |
| 2039        | 9,505,000               | 5.00                 |
| 2040        | 9,980,000               | 5.25                 |
| 2041        | 10,500,000              | 5.25                 |
| 2042        | 11,050,000              | 5.25                 |
| 2043        | 11,630,000              | 5.25                 |
| 2044        | 12,245,000              | 5.25                 |
| 2045        | 12,885,000              | 5.25                 |
| 2046        | 1,715,000               | 5.25                 |

The Bonds maturing on and after January 1, 2036 are subject to redemption, at the option of the City, on or after January 1, 2035, as a whole or in part at any time, and if in part, in such principal amounts and 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 2024 O'Hare Financing Ordinance; (c) executed counterparts of the Indenture and the Seventy-Seventh 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 2024 O'Hare Financing Ordinance (i) to enter into the Indenture and the Seventy-Seventh 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-Seventh Supplemental Indenture in those respects.

2. The 2024 O'Hare Financing 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-Seventh

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-Seventh Supplemental Indenture, and are enforceable in accordance with their terms.

4. The Bonds are payable solely from the Revenues deposited in the 2024C Dedicated Sub-Fund maintained by the Trustee under the Seventy-Seventh 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-Seventh 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-Seventh 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-Seventh 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-Seventh 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,

October 30, 2024

City of Chicago  
City Hall  
Chicago, Illinois

We have examined a record of proceedings relating to the issuance of \$834,865,000 aggregate principal amount of Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024D (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 June 12, 2024 (the “2024 O’Hare Financing 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-Eighth Supplemental Indenture Securing Chicago O’Hare International Airport General Airport Senior Lien Revenue Refunding Bonds, Series 2024D, dated as of October 1, 2024 (the “Seventy-Eighth 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-Eighth Supplemental Indenture. Terms used herein that are defined in the Indenture and the Seventy-Eighth 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 30, 2024 and bear interest from their date at the rate of five percent (5.00%) per annum, payable on January 1, 2025, 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:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2025        | \$ 15,465,000           |
| 2026        | 52,430,000              |
| 2027        | 52,435,000              |
| 2028        | 55,515,000              |
| 2029        | 72,660,000              |
| 2030        | 113,010,000             |
| 2031        | 129,450,000             |
| 2032        | 135,930,000             |
| 2033        | 85,210,000              |
| 2034        | 51,870,000              |
| 2035        | 5,790,000               |
| 2036        | 5,250,000               |
| 2037        | 5,510,000               |
| 2038        | 5,785,000               |
| 2039        | 6,080,000               |
| 2040        | 6,380,000               |
| 2041        | 6,700,000               |
| 2042        | 7,030,000               |
| 2043        | 7,390,000               |
| 2044        | 7,760,000               |
| 2045        | 7,215,000               |

The Bonds maturing on and after January 1, 2036 are subject to redemption, at the option of the City, on or after January 1, 2035, as a whole or in part at any time, and if in part, in such principal amounts and 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 2024 O'Hare Financing Ordinance; (c) executed counterparts of the Indenture and the Seventy-Eighth 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 2024 O'Hare Financing Ordinance (i) to enter into the Indenture and the Seventy-Eighth 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-Eighth Supplemental Indenture in those respects.

2. The 2024 O'Hare Financing 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-Eighth 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-Eighth Supplemental Indenture, and are enforceable in accordance with their terms.

4. The Bonds are payable solely from the Revenues deposited in the 2024D Dedicated Sub-Fund maintained by the Trustee under the Seventy-Eighth 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-Eighth 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-Eighth 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-Eighth 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 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-Eighth 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,



October 30, 2024

City of Chicago  
City Hall  
Chicago, Illinois

We have examined a record of proceedings relating to the issuance of \$157,445,000 aggregate principal amount of Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024E (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 June 12, 2024 (the "2024 O'Hare Financing Ordinance").

The Bonds are authorized by the City for the primary purpose of refunding passenger facility charge revenue 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-Ninth Supplemental Indenture Securing Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024E and General Airport Senior Lien Revenue Bonds, Series 2024F, dated as of October 1, 2024 (the "Seventy-Ninth 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 and Pledged Other Available Moneys as, and to the extent, provided in the Indenture and the Seventy-Ninth Supplemental Indenture. The Pledged Other Available Moneys consist of passenger facility charges imposed by the City at the Airport that may be withdrawn from the PFC Capital Fund. Terms used herein that are defined in the Indenture and the Seventy-Ninth Supplemental Indenture shall have the meanings set forth therein unless otherwise defined herein.

Concurrently with the issuance of the Bonds, the City has issued \$61,000,000 aggregate principal amount of Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024F (the "2024F Bonds") under the Seventy-Ninth Supplemental Indenture.

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 30, 2024 and bear interest from their date at the rate of five percent (5.00%) per annum, payable on January 1, 2025, and semi-annually thereafter on each January 1 and July 1 until paid. The Bonds mature (without option of prior redemption) on January 1 in each of the following years in the respective principal amounts set opposite such years in the following table:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2025        | \$ 2,700,000            |
| 2026        | 19,505,000              |
| 2027        | 20,490,000              |
| 2028        | 21,510,000              |
| 2029        | 22,580,000              |
| 2030        | 22,415,000              |
| 2031        | 23,525,000              |
| 2032        | 24,720,000              |

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 2024 O'Hare Financing Ordinance, (c) executed counterparts of the Indenture and the Seventy-Ninth 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 2024 O'Hare Financing Ordinance (i) to enter into the Indenture and the Seventy-Ninth 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-Ninth Supplemental Indenture in those respects.
  
2. The 2024 O'Hare Financing 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-Ninth 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-Ninth Supplemental Indenture, and are enforceable in accordance with their terms.
  
4. The Bonds are payable solely from the Revenues deposited in the 2024E Dedicated Sub-Fund, Pledged Other Available Moneys deposited in the 2024E and 2024F PFC Revenue Deposit Account and funds held in the Consolidated Debt Service Reserve Sub-Fund, each maintained by the Trustee under the Seventy-Ninth Supplemental Indenture and certain other amounts as provided in the Indenture and the Seventy-Ninth Supplemental Indenture. The 2024E and 2024F PFC Revenue Deposit Account and the Consolidated Debt Service Reserve Sub-Fund are maintained for the equal and ratable benefit of the Bonds and the 2024F Bonds. 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-Ninth 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-Ninth 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-Ninth 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,

October 30, 2024

City of Chicago  
City Hall  
Chicago, Illinois

We have examined a record of proceedings relating to the issuance of \$61,000,000 aggregate principal amount of Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024F (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 June 12, 2024 (the "2024 O'Hare Financing Ordinance").

The Bonds are authorized by the City for the primary purpose of refunding passenger facility charge revenue 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-Ninth Supplemental Indenture Securing Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024E and General Airport Senior Lien Revenue Bonds, Series 2024F, dated as of October 1, 2024 (the "Seventy-Ninth 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 and Pledged Other Available Moneys as, and to the extent, provided in the Indenture and the Seventy-Ninth Supplemental Indenture. The Pledged Other Available Moneys consist of passenger facility charges imposed by the City at the Airport that may be withdrawn from the PFC Capital Fund. Terms used herein that are defined in the Indenture and the Seventy-Ninth Supplemental Indenture shall have the meanings set forth therein unless otherwise defined herein.

Concurrently with the issuance of the Bonds, the City has issued \$157,445,000 aggregate principal amount of Chicago O'Hare International Airport General Airport Senior Lien Revenue Bonds, Series 2024E (the "2024E Bonds") under the Seventy-Ninth Supplemental Indenture.

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 30, 2024 and bear interest from their date at the rate of five percent (5.00%) per annum, payable on January 1, 2025, and semi-annually thereafter on each January 1 and July 1 until paid. The Bonds mature (without option of prior redemption) on January 1 in each of the following years in the respective principal amounts set opposite such years in the following table:

| <u>Year</u> | <u>Principal Amount</u> |
|-------------|-------------------------|
| 2025        | \$ 985,000              |
| 2026        | 7,790,000               |
| 2027        | 8,175,000               |
| 2028        | 8,580,000               |
| 2029        | 9,010,000               |
| 2030        | 8,310,000               |
| 2031        | 8,735,000               |
| 2032        | 9,415,000               |

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 2024 O'Hare Financing Ordinance, (c) executed counterparts of the Indenture and the Seventy-Ninth 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 2024 O'Hare Financing Ordinance (i) to enter into the Indenture and the Seventy-Ninth 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-Ninth Supplemental Indenture in those respects.

2. The 2024 O'Hare Financing 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-Ninth 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-Ninth Supplemental Indenture, and are enforceable in accordance with their terms.

4. The Bonds are payable solely from the Revenues deposited in the 2024F Dedicated Sub-Fund, Pledged Other Available Moneys deposited in the 2024E and 2024F PFC Revenue Deposit Account and funds held in the Consolidated Debt Service Reserve Sub-Fund, each maintained by the Trustee under the Seventy-Ninth Supplemental Indenture, and certain other amounts as provided in the Indenture and the Seventy-Ninth Supplemental Indenture. The 2024E and 2024F PFC Revenue Deposit Account and the Consolidated Debt Service Reserve Sub-Fund are maintained for the equal and ratable benefit of the Bonds and the 2024E Bonds. 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-Ninth 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-Ninth 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 for purposes of computing alternative minimum taxable income. You are advised, however, 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-Ninth 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,

## 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 2024 Senior Lien Bonds. The 2024 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 2024 Senior Lien Bond certificate will be issued for each maturity of each Series of the 2024 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](http://www.dtcc.com).

Purchases of 2024 Senior Lien Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Senior Lien Bonds on DTC's records. The ownership interest of each actual purchaser of each 2024 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 2024 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 2024 Senior Lien Bonds, except in the event that use of the book entry system for the 2024 Senior Lien Bonds is discontinued.

To facilitate subsequent transfers, all 2024 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 2024 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 2024 Senior Lien Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2024 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 2024 Senior Lien Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2024 Senior Lien Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2024 Senior Lien Bond documents. For example, Beneficial Owners of the 2024 Senior Lien Bonds may wish to ascertain that the nominee holding the 2024 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 2024 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 2024 Senior Lien Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 Senior Lien Bonds, (ii) the delivery to any Participant or any other person, other than an owner, of any notice with respect to the 2024 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 2024 Senior Lien Bonds.

So long as Cede & Co., as nominee for DTC (or other nominee of DTC), is the Bondholder of record of the 2024 Senior Lien Bonds, beneficial ownership interests in the 2024 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, 2024 Senior Lien Bond certificates will be delivered to the Beneficial Owners as described in the CFC Indenture. Thereafter, the 2024 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 2024 Senior Lien Bonds of the same maturity and of any Authorized Denominations.

In all cases in which the privilege of exchanging or transferring 2024 Senior Lien Bonds is exercised, the City shall execute and the Trustee shall authenticate and deliver the 2024 Senior Lien Bonds in accordance with the provisions of the CFC Indenture. For every such exchange or transfer of 2024 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 2024 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

THE REFUNDED BONDS AND THE DEFEASED BONDS

THE DEFEASED BONDS

PASSENGER FACILITY CHARGE REVENUE BONDS  
TAXABLE SERIES 2010C <sup>+</sup>

| <u>Maturity Date</u><br><u>(Jan. 1)</u> | <u>Interest Rate</u> | <u>Par Amount</u>   | <u>CUSIP</u> | <u>Defeasance</u><br><u>Date</u> |
|---|----------------------|---------------------|--------------|----------------------------------|
| 2025                                    | 6.022%               | \$3,715,000         | 167593AG7    | 11/18/2024                       |
| 2026                                    | 6.122%               | 3,935,000           | 167593AH5    | 11/18/2024                       |
| 2027                                    | 6.222%               | 4,175,000           | 167593AJ1    | 11/18/2024                       |
| 2028                                    | 6.322%               | 4,435,000           | 167593AK8    | 11/18/2024                       |
| 2031 <sup>**</sup>                      | 6.395%               | <u>15,065,000</u>   | 167593AL6    | 11/18/2024                       |
| <b>Total</b>                            |                      | <b>\$31,325,000</b> |              |                                  |

THE REFUNDED BONDS

PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS  
SERIES 2011A (NON-AMT)

| <u>Maturity Date</u><br><u>(Jan. 1)</u> | <u>Interest Rate</u> | <u>Par Amount</u>  | <u>CUSIP</u> | <u>Redemption</u><br><u>Date</u> |
|---|----------------------|--------------------|--------------|----------------------------------|
| 2032                                    | 5.625%               | <u>\$1,520,000</u> | 167593FD9    | 12/2/2024                        |
| <b>Total</b>                            |                      | <b>\$1,520,000</b> |              |                                  |

PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS  
SERIES 2011B (AMT)

| <u>Maturity Date</u><br><u>(Jan. 1)</u> | <u>Interest Rate</u> | <u>Par Amount</u>  | <u>CUSIP</u> | <u>Redemption</u><br><u>Date</u> |
|---|----------------------|--------------------|--------------|----------------------------------|
| 2033                                    | 6.000%               | <u>\$3,170,000</u> | 167593FG2    | 12/2/2024                        |
| <b>Total</b>                            |                      | <b>\$3,170,000</b> |              |                                  |

<sup>+</sup> To be defeased with funds on hand.

<sup>\*\*</sup> Term Bond.

**PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS  
SERIES 2012A (NON-AMT)**

| <b>Maturity Date<br/>(Jan. 1)</b> | <b>Interest Rate</b> | <b>Par Amount</b>   | <b>CUSIP</b> | <b>Redemption<br/>Date</b> |
|-----------------------------------|----------------------|---------------------|--------------|----------------------------|
| 2025                              | 5.000%               | \$7,435,000         | 167593JS2    | 12/2/2024                  |
| 2026                              | 5.000%               | 7,805,000           | 167593JT0    | 12/2/2024                  |
| 2027                              | 3.500%               | 630,000             | 167593JU7    | 12/2/2024                  |
| 2027                              | 5.000%               | 7,560,000           | 167593KD3    | 12/2/2024                  |
| 2028                              | 5.000%               | 8,590,000           | 167593JW3    | 12/2/2024                  |
| 2029                              | 5.000%               | 9,020,000           | 167593JX1    | 12/2/2024                  |
| 2030                              | 5.000%               | 9,470,000           | 167593JY9    | 12/2/2024                  |
| 2031                              | 5.000%               | 9,950,000           | 167593JZ6    | 12/2/2024                  |
| 2032 <sup>+</sup>                 | 3.875%               | 2,445,000           | 167593JV5    | 12/2/2024                  |
| 2032                              | 5.000%               | <u>7,895,000</u>    | 167593KE1    | 12/2/2024                  |
| <b>Total</b>                      |                      | <b>\$70,800,000</b> |              |                            |

**PASSENGER FACILITY CHARGE REVENUE REFUNDING BONDS  
SERIES 2012B (AMT)**

| <b>Maturity Date<br/>(Jan. 1)</b> | <b>Interest Rate</b> | <b>Par Amount</b>    | <b>CUSIP</b> | <b>Redemption<br/>Date</b> |
|-----------------------------------|----------------------|----------------------|--------------|----------------------------|
| 2025                              | 5.000%               | \$19,205,000         | 167593KT8    | 12/2/2024                  |
| 2026                              | 5.000%               | 20,165,000           | 167593KU5    | 12/2/2024                  |
| 2027                              | 4.000%               | 21,180,000           | 167593KV3    | 12/2/2024                  |
| 2029 <sup>**</sup>                | 4.000%               | 44,925,000           | 167593KX9    | 12/2/2024                  |
| 2030                              | 5.000%               | 23,820,000           | 167593KY7    | 12/2/2024                  |
| 2031                              | 5.000%               | 25,000,000           | 167593KZ4    | 12/2/2024                  |
| 2032                              | 5.000%               | <u>26,260,000</u>    | 167593KW1    | 12/2/2024                  |
| <b>Total</b>                      |                      | <b>\$180,555,000</b> |              |                            |

<sup>+</sup> Partial maturity.

<sup>\*\*</sup> Term Bond.

**GENERAL AIRPORT SENIOR LIEN REVENUE REFUNDING BONDS  
SERIES 2015A (AMT)**

| <b>Maturity Date</b>   |                             |                          |                     | <b>Redemption</b>  |
|------------------------|-----------------------------|--------------------------|---------------------|--------------------|
| <b><u>(Jan. 1)</u></b> | <b><u>Interest Rate</u></b> | <b><u>Par Amount</u></b> | <b><u>CUSIP</u></b> | <b><u>Date</u></b> |
| 2026                   | 5.000%                      | \$18,585,000             | 167593QG0           | 1/1/2025           |
| 2027                   | 5.000%                      | 56,720,000               | 167593QH8           | 1/1/2025           |
| 2028                   | 5.000%                      | 56,850,000               | 167593QJ4           | 1/1/2025           |
| 2029                   | 5.000%                      | 39,635,000               | 167593QK1           | 1/1/2025           |
| 2030                   | 5.000%                      | 31,695,000               | 167593QL9           | 1/1/2025           |
| 2031                   | 5.000%                      | 33,285,000               | 167593QM7           | 1/1/2025           |
| 2032                   | 5.000%                      | 34,945,000               | 167593QN5           | 1/1/2025           |
| 2033                   | 5.000%                      | 36,695,000               | 167593QP0           | 1/1/2025           |
| 2034                   | 5.000%                      | 43,125,000               | 167593QQ8           | 1/1/2025           |
| 2035                   | 5.000%                      | 15,605,000               | 167593QT2           | 1/1/2025           |
| 2036                   | 4.125%                      | <u>3,315,000</u>         | 167593QR6           | 1/1/2025           |
| <b>Total</b>           |                             | <b>\$370,455,000</b>     |                     |                    |

**GENERAL AIRPORT SENIOR LIEN REVENUE REFUNDING BONDS  
SERIES 2015B (NON-AMT)**

| <b>Maturity Date</b>   |                             |                          |                     | <b>Redemption</b>  |
|------------------------|-----------------------------|--------------------------|---------------------|--------------------|
| <b><u>(Jan. 1)</u></b> | <b><u>Interest Rate</u></b> | <b><u>Par Amount</u></b> | <b><u>CUSIP</u></b> | <b><u>Date</u></b> |
| 2026                   | 5.000%                      | \$59,485,000             | 167593RC8           | 1/1/2025           |
| 2027                   | 5.000%                      | 61,490,000               | 167593RD6           | 1/1/2025           |
| 2028                   | 5.000%                      | 64,675,000               | 167593RE4           | 1/1/2025           |
| 2029                   | 5.000%                      | 73,945,000               | 167593RF1           | 1/1/2025           |
| 2030                   | 5.000%                      | 117,815,000              | 167593RG9           | 1/1/2025           |
| 2031                   | 5.000%                      | 123,695,000              | 167593RH7           | 1/1/2025           |
| 2032                   | 5.000%                      | 129,880,000              | 167593RJ3           | 1/1/2025           |
| 2033                   | 5.000%                      | 113,895,000              | 167593RK0           | 1/1/2025           |
| 2034                   | 5.000%                      | 53,530,000               | 167593RL8           | 1/1/2025           |
| 2035                   | 5.000%                      | <u>1,735,000</u>         | 167593RM6           | 1/1/2025           |
| <b>Total</b>           |                             | <b>\$800,145,000</b>     |                     |                    |

**GENERAL AIRPORT SENIOR LIEN REVENUE BONDS  
SERIES 2015C (AMT)**

| <b>Maturity Date<br/>(Jan. 1)</b> | <b>Interest Rate</b> | <b>Par Amount</b>    | <b>CUSIP</b> | <b>Redemption<br/>Date</b> |
|-----------------------------------|----------------------|----------------------|--------------|----------------------------|
| 2026                              | 5.000%               | \$4,945,000          | 167593RT1    | 1/1/2025                   |
| 2027                              | 5.000%               | 5,190,000            | 167593RU8    | 1/1/2025                   |
| 2028                              | 5.000%               | 5,450,000            | 167593RV6    | 1/1/2025                   |
| 2029                              | 5.000%               | 5,725,000            | 167593RW4    | 1/1/2025                   |
| 2030                              | 5.000%               | 6,010,000            | 167593RX2    | 1/1/2025                   |
| 2031                              | 5.000%               | 6,310,000            | 167593RY0    | 1/1/2025                   |
| 2032                              | 5.000%               | 6,625,000            | 167593RZ7    | 1/1/2025                   |
| 2033                              | 5.000%               | 6,955,000            | 167593SA1    | 1/1/2025                   |
| 2034                              | 5.000%               | 7,305,000            | 167593SB9    | 1/1/2025                   |
| 2035                              | 5.000%               | 7,670,000            | 167593SC7    | 1/1/2025                   |
| 2040 **                           | 4.375%               | 43,955,000           | 167593SD5    | 1/1/2025                   |
| 2046 **                           | 5.000%               | <u>67,860,000</u>    | 167593SE3    | 1/1/2025                   |
| <b>Total</b>                      |                      | <b>\$174,000,000</b> |              |                            |

**GENERAL AIRPORT SENIOR LIEN REVENUE BONDS  
SERIES 2015D (NON-AMT)**

| <b>Maturity Date<br/>(Jan. 1)</b> | <b>Interest Rate</b> | <b>Par Amount</b>    | <b>CUSIP</b> | <b>Redemption<br/>Date</b> |
|-----------------------------------|----------------------|----------------------|--------------|----------------------------|
| 2026                              | 5.000%               | \$3,425,000          | 167593SL7    | 1/1/2025                   |
| 2027                              | 5.000%               | 3,595,000            | 167593SM5    | 1/1/2025                   |
| 2028                              | 5.000%               | 3,775,000            | 167593SN3    | 1/1/2025                   |
| 2029                              | 5.000%               | 3,965,000            | 167593SP8    | 1/1/2025                   |
| 2030                              | 5.000%               | 4,165,000            | 167593SQ6    | 1/1/2025                   |
| 2031                              | 5.000%               | 4,370,000            | 167593SR4    | 1/1/2025                   |
| 2032                              | 4.000%               | 4,590,000            | 167593SS2    | 1/1/2025                   |
| 2035 **                           | 4.000%               | 14,905,000           | 167593ST0    | 1/1/2025                   |
| 2040 **                           | 4.125%               | 29,165,000           | 167593SU7    | 1/1/2025                   |
| 2046 **                           | 5.000%               | <u>44,715,000</u>    | 167593SV5    | 1/1/2025                   |
| <b>Total</b>                      |                      | <b>\$116,670,000</b> |              |                            |

\*\* Term Bond.



