



OFFICE OF THE MAYOR
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MAYOR RAHM EMANUEL ANNOUNCES CHICAGO INFRASTRUCTURE TRUST TO INVEST IN TRANSFORMATIVE PROJECTS

First Project, Retrofit Chicago, Will Invest More than \$200 Million in Energy Efficiency for City Properties, Creating more than 2000 Jobs and Saving Taxpayers \$20 Million Annually

Mayor Rahm Emanuel today announced the Chicago Infrastructure Trust, an innovative way to leverage private investment for transformative infrastructure projects to guide the city's renewal of these vital and foundational elements in the 21st century. Mayor Emanuel was joined at the announcement by President Bill Clinton, who has been helping strengthen the country's infrastructure for decades, most recently through the Clinton Foundation's work with large cities like Chicago on energy efficiency initiatives.

"Nothing is more crucial to our long-term competitiveness and job creation than infrastructure," Mayor Emanuel said. "The Chicago Infrastructure Trust will bring additional resources to stimulate public and private investment in our infrastructure, create thousands of jobs for Chicagoans, and ensure that our residents have a world-class quality of life."

Energy efficiency work, through a new program called Retrofit Chicago, will be the first series of investments made by the Trust, pending approval by the City Council. By aggregating energy efficiency projects across the City and its sister agencies and tapping into private investment, the Trust will accelerate retrofit projects that would otherwise not have been possible.

"I have seen first-hand how investments in our infrastructure can modernize our country, get people to work, and improve our economic strength through energy efficiency," said President Clinton. "One of the biggest barriers to this work is the financing. Mayor Emanuel and the city



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of Chicago, through the creation of this infrastructure trust, have taken an important step towards addressing that challenge and embracing these opportunities. I'm especially pleased the trust will begin with a focus on municipal buildings, lighting projects, retrofits, and energy efficiency projects. These are key areas in which my Foundation works; we currently have 250 such projects in 47 cities around the world.”

As the first project of the Trust, the City will work with debt and equity investors to finance \$200-\$225 million in an effort to reduce energy consumption of participating City assets by 20 percent. The City currently spends \$170 million annually on energy consumption. This project will reduce energy costs by more than \$20 million annually, create nearly 2,000 construction jobs, and remove CO2 emissions - the equivalent of taking more than 30,000 cars off the road - from the atmosphere annually. The Trust's leadership on infrastructure at the City level will demonstrate how such projects can be accomplished. The Trust also intends to make infrastructure investments in transportation, education and utilities.

The Chicago Infrastructure Trust will provide advantaged financing, enabling each project to customize a financing structure using taxable or tax-exempt debt, equity investments and other forms of support. Each project will be coordinated with the City and its sister agencies' long-term plan for transformational infrastructure investments. Five financing organizations – Citibank, N.A., Citi Infrastructure Investors, Macquarie Infrastructure and Real Assets Inc., J.P. Morgan Asset Management Infrastructure Investment Group and Ullico – have each agreed to consider the projects that the Trust is undertaking and evaluate them for investment. These investors represent some of the most highly regarded infrastructure investors in the world. Collectively, they have indicated an initial investment capacity in excess of \$1 billion, depending on the specific terms of individual projects. The Trust will leverage private sector resources alongside initial capitalization, bond financings, and grants. Individual projects will repay both the Trust and the private sector investors, depending on how each project is structured.

“Citi is proud to collaborate with the City of Chicago on this exciting public-private partnership,” said Vikram Pandit, CEO of Citi. “We are united in our efforts to spur job growth and support economic development in the United States. Chicago has taken a position as a national leader in addressing the crisis posed by deteriorating public infrastructure. At Citi, we are committed to helping preserve and revitalize Chicago and other cities across the country.”



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“Chicago has, for many years, been at the leading edge of encouraging and attracting capital for infrastructure investment and renewal. The creativity and willingness to consider new forms of investment structures, drawing on the strengths of all stakeholders, is to be commended,” said Jason D Zibarras, Chief Investment Officer, Infrastructure Investments Group, J.P. Morgan Asset Management – Global Real Assets.

“We believe there is a clear and unparalleled role for Labor to play in a successful infrastructure investment program and we applaud the direction Mayor Emanuel has established for this critical initiative,” said Edward M. Smith, CEO of Ullico Inc.

“Macquarie, the largest manager of infrastructure assets in the world, will be pleased to work with Mayor Emanuel and the City on the Chicago Infrastructure Trust. This is an excellent initiative. Macquarie has had a long-standing commitment to Chicago through its management of Thermal Chicago and the Chicago Skyway. We look forward to working with the City to continue to enhance its infrastructure, its environment and create local jobs. The establishment of the Chicago Infrastructure Trust will see Chicago lead the nation in funding of infrastructure development,” said James Hooke, Chief Executive Officer of Macquarie Infrastructure Company.

The Chicago Infrastructure Trust was created in concert with the private sector, non-profit organizations, and union leaders.

"Having world-class infrastructure is essential for Chicago's competitiveness now and in the future," said Jorge Ramirez, President of the Chicago Federation of Labor. "I look forward to working alongside the Mayor as we put people to work revitalizing the crucial infrastructure throughout the City."

The creation of the trust will require City Council approval, and the trust would be subject to City Council oversight. An ordinance creating the trust will be introduced at the March City Council meeting.

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