

September 16, 2014

TO: William A. Brandt, Jr., Chairman
Gila J. Bronner
James J. Fuentes
Norman M. Gold
Lerry Knox
Edward H. Leonard, Sr.
Carmen Lonstein
Terrence M. O'Brien

Michael W. Goetz, Vice-Chairman
Heather D. Parish
Mayor Barrett F. Pedersen
Roger Poole
Mordecai Tessler
David Vaught
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

Welcome to the Michael A. Bilandic Building

The Illinois Finance Authority is now firmly established in its new offices at the Michael A. Bilandic Building, a State of Illinois facility. We are grateful to our temporary hosts, Illinois Commerce Commission Chairman Doug Scott and Illinois Commerce Commission Executive Director Jonathan Feipel. As a result of this temporary relocation, U.S.P.S. mail will be received at ***P.O. Box 641187, Chicago, IL 60664*** until the Authority moves into permanent office space on another floor within the Michael A. Bilandic Building by the end of calendar year 2014. Email addresses with the “@il-fa.com” suffix and telephone numbers for Authority’s Chicago-based staff, including the main office number, 312-651-1300, remain the same.

Investing in Chicago’s West Side and Working to Modernize IRBs

The Authority is proud to once again help Freedman Seating Company, a family business originally founded over 120 years ago, with a \$10 million federally tax-exempt industrial revenue bond being directly purchased by Well Fargo Bank, N.A. Freedman Seating Company and related affiliates will use bond proceeds to finance or refinance costs of acquisition, renovation, construction and equipping of its existing seating manufacturing facilities, and related manufacturing equipment, located at West Augusta Boulevard and North Kilbourn Avenue on Chicago’s West Side. Additionally, bond proceeds will refund all of the Authority’s Series 2012 Industrial Revenue and Refunding Bonds issued on behalf of Freedman Seating Company. Freedman Seating Company is the largest employer in the 37th Ward of the City of Chicago, an economically challenged area of the city.

Across Illinois, manufacturing employs nearly 600,000 workers and contributes the largest single share of the Gross Domestic Product. However, the provisions of the federal tax code relating to industrial revenue bonds have not been updated in nearly thirty years, and the Authority has seen both the number of projects and dollar volume of industrial revenue bonds fall accordingly.

U.S. Representative Randy Hultgren (R-IL-14) along with Representative Richard Neal (D-MA-01) introduced the Modernizing American Manufacturing Bonds Act (“MAMBA”) of 2014, H.R. 5319, on August 1, 2014. MAMBA will update the decades-old rules concerning industrial revenue bonds and facilitate continued growth for small- and mid-sized manufacturers such as Freedman Seating Company seeking to expand their businesses, invest in new capital equipment and, most importantly, hire more workers.

If enacted into federal law, MAMBA would increase the manufacturing bond limitation to \$30 million (up from \$10 million) so that twenty-first century American manufacturing will no longer be limited by rules from the 1980’s, among other changes. Changes such as this to industrial revenue bonds would enable Freedman Seating Company to more effectively compete with foreign competition based in Europe, Asia, or South America and bring back production that was previously sourced offshore.

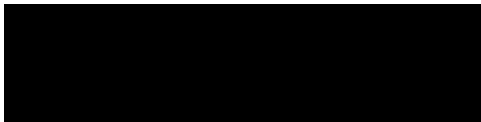
Healthcare in Starved Rock Country

The Authority is likewise excited to present for Preliminary Bond Resolution approval this month a \$23 million financing for IV Healthcorp, Inc. The Borrower’s principal operating unit is Illinois Valley Community Hospital (“IVCH”), a 56-bed hospital that provides a wide range of inpatient, outpatient and emergency services in LaSalle County. IVCH’s portfolio of healthcare services includes all the standard services expected of a hospital including general surgery, emergency medicine, and radiology. It is anticipated that a syndicate of banks, including Midland States Bank, First State Bank, LaSalle State Bank and Peru Federal Savings Bank will participate in the refunding of the Authority’s Series 2009 Bonds issued on behalf of IVCH.

IVCH and its predecessors, St. Mary’s Hospital & Peoples Hospital, have provided healthcare services to the LaSalle County market area since 1887. Located 50 miles northeast of Peoria and 90 miles southwest of Chicago, IVCH’s primary service area encompasses western LaSalle County, eastern Bureau County, and northeastern Putnam County, IL.

I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our great state.

Respectfully,



Christopher B. Meister
Executive Director

Attachments:

- Attachment 1 – Bonds Issued – Fiscal Year Comparison for the Period Ending August 31, 2014
- Attachment 2 – Bonds Issued and Outstanding as of August 31, 2014
- Attachment 3 – Schedule of Debt as of August 31, 2014