

June 10, 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:

As Fiscal Year 2014 draws to a close, I want to highlight three exciting Authority projects.

Sterling Lumber Company and SLC-Phoenix, LLC

The Authority is proud to have helped this third-generation family business that builds temporary wood platforms and crane matting used at building and highway construction sites with a \$10 million federally tax-exempt industrial revenue bond that was a direct purchase by First Midwest Bank, N.A. Sterling Lumber Company and SLC-Phoenix, LLC (“Sterling Lumber”) will use bond proceeds to purchase, renovate, and equip a vacant industrial building, with room to accommodate future growth. Sterling Lumbers’ new project is located within a State-designated Enterprise Zone in economically challenged Phoenix, Illinois. This project is expected to help retain Sterling Lumber’s current 112 jobs and is estimated to create another 50 permanent jobs at this Cook County facility.

On June 4, 2014, Crain’s Chicago Business celebrated Sterling Lumber as one of its “Fast Fifty – Chicago’s fastest growing companies.” In early 2012, Sterling Lumber, led by President Carter Sterling, and his three brothers, Cooper, Christian and Carson, increased the company’s competitiveness by integrating lighter weight woods into their product offerings. The addition of lighter products has enabled Sterling Lumber to expand their markets into areas of oil and natural gas development such as the Baaken shale formation in North Dakota. *Crain’s Chicago Business*, 39-Sterling Lumber Co., by S.A. Swanson, June 2, 2014 (p. 31). The Authority is happy to have assisted this fast-growing and innovative Illinois company.

Centegra Health System

Tomorrow, Centegra, a non-profit health system whose origins date to 1914, will close on a series of bonds totaling over \$190 million. Centegra will use a portion of the bond proceeds to construct and equip Centegra Hospital – Huntley, an approximately 384,000-square foot, 128-bed acute care hospital facility located in the far northwest Chicago community of Huntley. Preparation for groundbreaking commenced in February 2014 and it is anticipated that the first patient will be

treated in late summer 2016. The Centegra construction project is anticipated to create up to 800 construction jobs and over 1,000 permanent jobs.

Southern Illinois Healthcare

On today's agenda, you will consider a final resolution not-to-exceed \$135 million on behalf of Southern Illinois Healthcare, a non-profit healthcare system with hospitals located in Carbondale, Herrin and Murphysboro. With roots in Southern Illinois dating to the 1930's, Southern Illinois Healthcare has over 2,700 full-time equivalent jobs. The bond proceeds are expected to fund the construction of a new cancer center in Carbondale, a four-story addition to Memorial Hospital of Carbondale that will include expanded surgical and intensive care facilities, an energy center adjacent to the hospital, expand outpatient facilities at St. Joseph Hospital in Murphysboro, and to fund capital improvements across Southern Illinois Healthcare's facilities, including Herrin Hospital. The Southern Illinois Healthcare projects funded by the bond issue are estimated to create over 50 full-time equivalent permanent jobs and over 600 full-time equivalent construction jobs.

Reaching out across Illinois

In recent weeks, Authority Vice President Rich Frampton has spoken at DCEO-hosted economic development forums in Rockford, the Quad Cities, Dixon, and most recently in Harrisburg, Ullin, and Mt. Vernon. At the end of April, Authority Member David Vaught and I also partnered with DCEO at events in Flora and Carmi. In the very near future, we expect to announce an expanded Authority presence in the Agricultural sector.

Watching Developing Regulatory Environment

Last week, Authority Vice President and Acting General Counsel, Pam Lenane, on behalf of the National Association of Health and Education Facilities Finance Authorities (NAHEFFA), attended a Municipal Securities Rulemaking Board (MSRB) Industry Roundtable in Washington, D.C. to discuss critical issues such as municipal advisor regulation, the Security and Exchange Commission's (SEC) Municipalities Continuing Disclosure Cooperation (MCDC) Initiative and continuing disclosure regarding bank direct-purchases of municipal bonds.

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 May 30 30, 2014
- Attachment 2 – Bonds Issued and Outstanding as of May 30, 2014
- Attachment 3 – Schedule of Debt as of May 30, 2014