ILLINOIS FINANCE AUTHORITY

March 9, 2017
9:30 a.m.

REGULAR MEETING

Michael A. Bilandic Building
160 North LaSalle Street
Suite S-1000
Chicago, Illinois 60601

I.	Call to Order & Roll Call
II.	Approval of Agenda
III.	Chairman's Remarks
IV.	Message from the Executive Director
V.	Consideration of the Minutes
VI.	Presentation and Consideration of Financial Reports
VII.	Monthly Procurement Report
VIII.	Committee Reports
IX.	Presentation and Consideration of the Project Reports and Resolutions
X.	Other Business
XI.	Public Comment
XII.	Adjournment

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds *Final (One-Time Consideration)*						
1	A) Jacob A. Birch	Rogers Township (Ford County)	$287,500	-	-	PE/LK
	B) Kevin Timothy Thole	South Filmore Township (Montgomery County)	$70,000	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			**$357,500**	-	-	

BUSINESS AND INDUSTRY PROJECTS

Tab	Project Name	Location	Amount	*New Jobs (see footnote)	*Const. Jobs (see footnote)	Staff
Freight Transfer Facilities Revenue Bonds *Final*						
2	CenterPoint Joliet Terminal Railroad, LLC	Joliet (Will County)	$150,000,000	5,400	6,200	RF/BF
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$150,000,000**	**5,400**	**6,200**	

EDUCATIONAL, CULTURAL AND NON-HEALTHCARE 501(c)(3) PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
3	BHF Chicago Housing Group B LLC (Better Housing Foundation Icarus Portfolio Project)	Chicago (Cook County)	$55,000,000	4	-	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$55,000,000**	**4**	-	

PROJECT REPORTS AND RESOLUTIONS

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds *Final*						
4	Montgomery Place	Chicago (Cook County)	$40,000,000	N/A	N/A	PL
5	Franciscan Communities, Inc.	Chicago, Lemont, Wheeling (Cook County), Lindenhurst (Lake County), and Homer Glen (Will County), Illinois; Crown Point and West Lafayette, Indiana; and Parma, Ohio	$100,000,000	-	20	PL
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
6	Harrisburg Medical Center	Harrisburg (Saline County)	$20,000,000	25	45	PL
TOTAL HEALTHCARE PROJECTS			**$160,000,000**	25	65	
GRAND TOTAL			**$365,357,500**	**5,429**	**6,265**	

PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
7	Resolution Providing for the Issuance of Not to Exceed $10,000,000 Principal Amount Illinois Finance Authority Midwestern Disaster Area Revenue Refunding Bond (P.O.B. Development, LLC Project) Series 2017; Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters	RF/BF
8	Resolution Approving a First Amendment to Loan Agreement in Connection with the Illinois Finance Authority Revenue Bond (Northern Illinois Conference of the United Methodist Church Project), Series 2017, issued in the Aggregate Principal Amount of $3,400,000, for the Benefit of The Northern Illinois Annual Conference of the United Methodist Church; and Authorizing and Approving Related Matters	RF/BF
9	Resolution to Approve Going Forward with Procurements for Underwriters and other Professionals for the State Revolving Fund (Clean Water Initiative)	DB
10	Resolution Approving Amendments to Contracts Relating to Financial Advisory Services	DB
11	Resolution Authorizing the Executive Director to Enter into a Contract with TotalSource, Inc. and one or more of its Affiliates or other Providers for the Provision of Employee Benefits and Payroll Services	DB
*	**Notes Regarding New Jobs and Construction Jobs Over the Anticipated Development/Build-Out Cycle - CenterPoint Joliet Terminal Railroad, LLC:** 1. Over 10,400 total new jobs are anticipated over the development cycle of the Project, including: (a) 5,400 permanent industrial park and intermodal facility jobs, (b) 3,100 permanent trucking jobs, and (c) 1,900 indirect and induced jobs. 2. 6,200 union construction jobs (200 man hrs./job) are anticipated during the build-out of the overall Project. 3. Total Combined Permanent, Induced, and Construction Jobs estimated to be created over the development cycle of the Project: 16,600+. **Current Jobs:** 1. Presently, there are 5,205 new permanent jobs at CenterPoint Intermodal Center - Joliet including: (a) 2,005 permanent industrial park and intermodal facility jobs, (b) 2,000 permanent trucking jobs, and (c) 1,200 indirect and induced jobs. 2. There are currently 2,500 union construction jobs. 3. Total current jobs (FT): 8,705 (up from 220 jobs as presented in November 2010; 4,175 as presented in September 2012; and 6,825 as presented in October 2015).	

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Date:	March 9, 2017
To:	R. Robert Funderburg, Jr., Chairman Eric Anderberg Gila J. Bronner James J. Fuentes Michael W. Goetz Robert Horne Mayor Arlene A. Juracek Lerry Knox Lyle McCoy George Obernagel Terrence M. O'Brien Roger Poole Beth Smoots John Yonover Bradley A. Zeller
From:	Christopher B. Meister, Executive Director
Subject:	***Message from the Executive Director***

Dear Member of the Authority:

"New Money" Bond Issuance

Fiscal Year 2017 continues to be strong for the Authority's issuance of tax-exempt conduit bonds with over $3.4 billion in volume closed since July 1, 2016. "New Money" issuance (generally new construction or investment as opposed to the refunding of existing debt for interest savings or other reasons) has been particularly strong with just over $995 million between July 1, 2016 and February 28, 2017, the largest dollar issuance volume for this 7-month period since Fiscal Year 2011.

From "True Southern Illinois" to the Southside of Chicago with Impact in between

Our March 2017 agenda and work truly reflects the broad geographic, racial, ethnic and income diversity of Illinois.

We are very pleased to welcome ***Harrisburg Medical Center*** to the Authority. Former Authority Member, Dr. Roger Herrin, was fond of reminding me that "true Southern Illinois" ***ONLY*** includes those counties located south of Interstate 64 – and Saline County where Harrisburg is located is definitely south of Interstate 64. This borrower last issued bonds through one of the Authority's predecessor, the Illinois Development Finance Authority, in 1993. Dr. Herrin recently told me that the Harrisburg Medical Center's predecessor was among the first bonds issued by the Illinois Health Facilities Authority in the 1970s.

One of the many rewarding aspects of working for the Authority is the wide variety of solutions that federally tax-exempt conduit bonds can provide to our state's pressing challenges. The ***BHF Chicago Housing Group B LLC*** project ("***BHF Project***") contributes significantly to addressing one of these challenges: safe, affordable housing for families in neighborhoods on Chicago's Southside. The not-to-exceed $55 million ***BHF Project*** builds on the successful ***Better Housing Foundation Shoreline Portfolio*** model ($13.6 million closed on July 29, 2016). The new *BHF Project* would preserve and improve 516 **affordable** rental units, many suitable for families with children, in 45 separate buildings.

Once the ***BHF Project*** closes, I believe that this will stand as a model as to how conduit tax-exempt bond financing (without tax credits) directly and materially improves the lives of our fellow citizens.

Speaking of models, the ***CenterPoint Joliet Terminal Railroad, LLC*** ("***CenterPoint Project***") is returning to the Authority for its fourth bond issue since 2010. The ***CenterPoint Project*** is an economic engine of national importance that has and will, directly and indirectly, create and retain thousands of jobs. We are proud to continue the Authority's association with this project. We hope that the federal government sees the ***CenterPoint Project***, using federally tax-exempt bonds authorized by the United States Department of Transportation, as a model that can be expanded upon to encourage private sector infrastructure investment and job creation.

In the January and February 2017 messages, we highlighted the senior living projects, ***Montgomery Place*** (Chicago's Hyde Park neighborhood) and ***Franciscan Communities*** (multistate with various locations in Northeastern Illinois). We are pleased to welcome these two important projects to the agenda along with beginning farmer bond projects in Ford County and Montgomery County and resolutions regarding projects in Quincy and Rockford.

Clean Fresh Water – One of Our State's Greatest Assets

We are beginning the procurement process for selecting professionals in connection with the next issue of the joint Illinois Environmental Protection Agency("IEPA")/Authority ***Clean Water Initiative*** (State Revolving Fund; "***CWI/SRF***"). IEPA and the Authority closed the last CWI/SRF project ($500 million; new money and State match; "AAA-rated") in September 2016.

Beyond ***CWI/SRF***, it is a good moment to reflect on the Authority's additional contributions to clean, fresh water in Illinois. Historically, the Authority has issued tax-exempt conduit bonds on behalf of privately-owned, State-regulated water utilities such as ***Illinois American Water*** and ***Aqua Illinois***. Much of the Authority's local government loan portfolio consists of sewer and drinking water projects. Finally, in April 2016, the Authority transferred $4 million in federal Qualified Clean Energy Bond allocation to the ***Metropolitan Water Reclamation District*** ("MWRD"; project closed June 2016).

Dozens of communities across Illinois have benefited from the Authority's water financing efforts, including the City of Chicago and areas served by MWRD. At a March 7, 2017 City Club of Chicago event, the Metropolitan Planning Council ("MPC") hosted a panel discussion regarding its report, "Great Rivers Chicago" (www.greatriverschicago.com) that clearly illustrated the successes and the future of northeast Illinois rivers as an engine for economic growth and quality of life. This website is well worth visiting. Given the Authority's longstanding and effective efforts in the water financing area, Board members and staff can take some satisfaction in our contributions to the past successes and bright future for Illinois waterways outlined in the MPC Great Rivers Chicago report.

Reflecting the Diversity of Illinois

It is not only through its projects that the Authority works to reflect the diversity of our state but also through our business relationships with minority-owned, woman-owned, veteran-owned and other disadvantaged businesses (collectively, "MBE/WBE/VO/DBE") as well. Since the Authority's creation in 2004, this issue has been a priority. Recently, in furtherance of this effort, Member Knox and I met with Karen Riley, Executive Director of the Business Leadership Council (www.businessleadershipcouncil.org), a not-for-profit organization devoted to substantially increasing business opportunities afforded African American business owners and corporate professionals. We expect discussions to continue with the Business Leadership Council and we are open to discussions with other organizations and individuals interested in MBE/WBE/VO/DBE issues or opportunities for our state's diverse population within larger organizations.

Congratulations to Rob Funderburg, Roger Poole, Beth Smoots and Lerry Knox

Please join me in congratulating Chairman Funderburg as well as Members Poole and Smoots on being unanimously confirmed by the Illinois State Senate on February 15, 2017. Please also join me in congratulating Member Knox on his re-appointment to the Authority on March 3, 2017. On behalf of the Authority staff, we thank all Authority Members for their volunteer public service.

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

Respectfully,

____

Christopher B. Meister
Executive Director

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Date: March 9, 2017

To: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

Subject: ***Minutes of the February 9, 2017 Regular Meeting***

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Marzullo Reporting Agency, Inc. (the "**Minutes**") in connection with the regular meeting of the Members of the Illinois Finance Authority (the "**Authority**"), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of February in the year 2017, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the "**Act**").

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting's agenda:

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
Thursday, February 9, 2017
9:30 AM

AGENDA:

I. Call to Order & Roll Call
(page 3, line 1 through page 4, line 12; page 7, lines 5 through 23)
II. Approval of Agenda
(page 4, lines 13 through 23)
III. Chairman's Remarks
(page 4, line 24 through page 5, line 2)
IV. Message from the Executive Director
(page 5, line 3 through page 7, line 4; page 7, line 24 through page 9, line 20)
V. Consideration of the Minutes
(page 9, line 21 through page 10, line 11)
VI. Presentation and Consideration of Financial Reports
(page 10, line 12 through page 16, line 9)
VII. Monthly Procurement Report
(page 16, lines 10 through 23)

VIII. Committee Reports
(page 16, line 24 through page 17, line 12)

IX. Presentation and Consideration of the Project Reports and Resolutions
(page 17, line 12 through page 32, line 21)

X. Other Business
(page 32, line 22 through page 33, line 11)

XI. Public Comment
(page 33, lines 12 through 13)

XII. Adjournment
(page 33, line 13 through page 34, line 3)

The Minutes of the regular meeting of the Authority are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Brad R. Fletcher
Assistant Vice President

Enclosures: 1. Minutes of the February 9 Regular Meeting
2. Voting Record of the February 9, 2017 Regular Meeting

ILLINOIS FINANCE AUTHORITY

REGULAR MEETING

February 9, 2017 at 9:30 a.m.

REPORT OF PROCEEDINGS had at the regular meeting of the Illinois Finance Authority on February 9, 2017 at the hour of 9:30 a.m., pursuant to notice, at 160 North LaSalle Street, Suite S-1000, Chicago, Illinois.

ILLINOIS FINANCE AUTHORITY MEMBERS:
MS. GILA J. BRONNER, Vice Chair

MR. ERIC ANDERBERG
MR. JAMES J. FUENTES
MR. MICHAEL W. GOETZ
MS. ARLENE JURACEK
MR. LYLE MCCOY
MR. GEORGE OBERNAGEL
MS. BETH SMOOTS
MR. BRADLEY ZELLER
MR. ROBERT HORNE (via audio conference) (Added)

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS:
MR. BRAD FLETCHER, Assistant Vice-President
MS. ELIZABETH WEBER, General Counsel
MR. CHRISTOPHER B. MEISTER, Executive Director
MR. RICH FRAMPTON, Vice-President
MS. XIMENA GRANDA, Controller
MS. DENISE BURN, Deputy General Counsel

GUEST:
MR. MATT MULE, ZIEGLER

VICE CHAIR BRONNER: I would like to call the meeting to order. Will the Assistant Secretary, please call the roll.

FLETCHER: The time is 9:30 a.m. and I'll call the roll of Members physically present in the room first. Mr. Anderberg?

ANDERBERG: Here.

FLETCHER: Mr. Fuentes?

FUENTES: Here.

FLETCHER: Mr. Goetz?

GOETZ: Here.

FLETCHER: Ms. Juracek?

JURACEK: Here.

FLETCHER: Mr. McCoy?

MCCOY: Here.

FLETCHER: Mr. Obernagel?

OBERNAGEL: Here.

FLETCHER: Ms. Smoots?

MS. SMOOTS: Here.

FLETCHER: Mr. Zeller?

ZELLER: Here.

FLETCHER: Vice Chair Bronner?

VICE CHAIR BRONNER: Here.

FLETCHER: Ms. Vice Chair, a quorum of

Members physically present in the room has been constituted. At this time, I would like to ask if any Members wish to participate by audio conference?

Hearing none, we may continue.

CHAIR FUNDERBERG: I'll start out. This is Rob Funderberg. I'd like to listen in for the record. The reason is it definitely doesn't fit into any of the categories. So, I'll just listen in for the record.

VICE CHAIR BRONNER: Thank you, Mr. Chairman. Anyone else on the telephone? Is there a motion? Well, there is no need for a motion to approve the request. Great. Thank you.

Does anyone wish to make any additions, edits or corrections to today's agenda?

Hearing none, I would like to request a Motion to Approve the agenda?

MCCOY: So moved.

OBERNAGEL: Second.

VICE CHAIR BRONNER: All those in favor?

(A CHORUS OF AYES)

VICE CHAIR BRONNER: Opposed?

(NO RESPONSE)

VICE CHAIR BRONNER: The ayes have it.

As I'm sitting in for our esteemed

Chairman at this moment, I have no Chairman remarks other than to say we miss you. Executive Director?

MEISTER: Thank you, Miss Bronner. This is Chris Meister. I'm the Executive Director. I've got some things to cover. First of all, please join me in congratulating Mr. Goetz who last month was his 13th anniversary as a Member of the Illinois Finance Authority. I believe that Mr. Goetz is the sole remaining Member who also attended the inaugural meeting of the Illinois Finance Authority in January of 2004.

GOETZ: That's right.

MEISTER: Congratulations.

VICE CHAIR BRONNER: Lucky 13.

MEISTER: Six Granda will be highlighting a couple of these matters in her financial report. But I did want to let the members know that we have over the past couple of months and weeks, we've come to near complete resolution on a couple of longstanding legacy matters. The first -- and this has been mentioned with some regularity since July of 2016. We did distribute over the past several weeks, I believe it's close to $4 million through a trustee to various primarily healthcare borrowers from a longstanding program of the

Illinois Health Facilities Finance Authority, one of our predecessors, known as the 1985 Healthcare Pool.

Since we still have a few loose ends on that, Miss Lenane and I agree that we would not be doing the full presentation of the Board, because we want to tie up a few loose ends. But I did want to let the Board know that that was coming. I think it underscores the reasons for our existence so that we could be a repository of longstanding things from predecessors and then appropriately steward them.

The '85 Pool was a borrowing structure that was put in place before the last Federal Tax Reform. And so it was under the old rules and it continued into the new rules.

Secondly, also, under the category of gifts from the 1980s, at the beginning of this month we received from the City of Chicago approximately $2.4 million of a long ago appropriation to another predecessor of ours, the Development Finance Authority, for something called the Illinois Housing Partnership. And again, given the longevity of this particular program, there are still some loose ends that we are

working out, both on the reporting of the repayment and for possible future uses of this and Six will be

highlighting that. But I didn't want to give the Board Members a preview in the coming months that the staff will be reporting on the Authority's stewardship. Oh, and who joined?

FLETCHER: Mr. Horne, are you participating by audio conference because of employment purposes today?

MR. HORNE: Bob Horne just joined the call. I can't join the meeting today because of employment purposes. I apologize for being late. I dialed into the wrong number.

FLETCHER: Is there a request by this Board to approve his request pursuant to the bylaws and policies of the Authority?

JURACEK: So moved.

MCCOY: Second.

FLETCHER: Second by Mr. McCoy. All those in favor?

(A CHORUS OF AYES)

FLETCHER: Opposed?

(NO RESPONSE)

FLETCHER: The ayes have it. Mr. Horne has been added at 9:38 a.m.

MEISTER: Continuing with the Executive

Director's Report, I did want to make a note for the record for the Members. And I made this point in the previous conduit meeting. Miss Lenane is visiting with a longstanding and important borrower of the Authority at the borrower's request. I'm very grateful to Mr. Frampton and Mr. Fletcher for stepping into her role in the presentation of Montgomery Place and Three Crowns Senior Living. Along the lines of thanking the staff, as the Board Members know, the State regulations on procurement are time consuming and resource intensive. I do want to extend a special note of thanks to our team, because we are currently in the mist of a very time consuming and resource intensive procurement for outside counsel. I want to extend a special note of thanks to Rich Frampton, Six Granda, Pamela Lenane, as well as Denise Burn, Terry Franzen and Elizabeth Weber. We have an office completely filled with paper at this point from various vendors.

Along the lines of procurement, we did meet this week with two new individuals that are going to be our primary contacts with the procurement regulators, the Office of the Chief Procurement Officer for General Services. Victoria Santiago and Nanzi Cantero, they are taking the place of Art Moore, who

our team particularly, Denise Burn had worked particularly well with, but we look forward to continuing a positive relationship.

Next week will be the Governor's budget address. I do want to note for the record that the various over the last week -- the various rating

agencies have either noted concerns or in one case a downgrade of the State's credit. What the implications are for our core business is conduit bond issuers I think is unknown, but it does not look particularly pleasant. But I do want to underscore that.

And on positive news, Mr. Funderberg and Mr. Poole, who is not here today due to some medical reasons were both voted out of the Senate Executive Appointments Committee this week in the Illinois Senate. I'm hoping that their confirmation will be favorably considered and voted on the floor of the Illinois Senate hopefully before the end of the day today. Thank you.

VICE CHAIR BRONNER: Thank you Director Meister. Now to move to Item Number 5, Consideration of the Minutes. Does anyone wish to make any additions, edits or corrections to the minutes from

January 12, 2017? Hearing none, I would like to request a motion to approve the minutes.

FUENTES: So moved.

GOETZ: Second.

VICE CHAIR BRONNER: Moved by Mr. Fuentes and seconded by Mr. Goetz. All those in favor?

(A CHORUS OF AYES)

VICE CHAIR BRONNER: Opposed?

(NO RESPONSE)

VICE CHAIR BRONNER: The ayes have it. Miss

Granda, the presentation of the Financial Report.

GRANDA: Good morning, everyone. I will be presenting the financial statements for period ending January 31, 2017. The financial information provided is estimated and not final. And this is due to the short time between January 31st and the Board book printing and also because I have been involved with the large procurement.

The Authority General Operating Fund is as follows: Our estimated total annual revenue is $3.7 million or $805,000 or 27.8 percent higher than budget. This is primarily due to the higher closing fees.

In January the Authority generated $197,000 in closing fees which is $94,000 lower than the monthly budget of $291,000. Our total annual expenses equal $1.9 million and are $971,000 or 33.6 percent lower than budget.

As mentioned before, this is mostly driven by our vacant budget staff's decision and our reduction on spending on professional services.

In January, the Authority recorded operating expenses of $340,000, which is lower by $72,000 from the budgeted amount of $412,000. In January there was a slight increase in employee related expenses and professional services compared to the previous month. The slight increase due to the Authority's 408 Plan match which begins each calendar year and it is also due to the renewal of memberships,

marketing and some additional legal fees. Even with this slight increase, the Authority is still below budget.

Our estimated total net loss for January stands at $15,000. Our estimated total annual net income is at $2.4 million. Again, a major driver of this positive bottom line continues to be the level of overall spending at 33.6 percent below budget as well

as higher closing and administrative service fees.

If there is a large variance from the estimated January 31st financial information that will be addressed in the next Board meeting.

The Authority continues to maintain a strong balance sheet. Our General Fund has a net position of $56.2 million. Our total assets are at $56.5 million consisting of cash investments and receivables. Our unrestricted cash and investments total $37.7 million. Receivables total $18.6 million of which $60 million is from the former Illinois Rural Bond Bank or the local government program.

In February under this program, the Authority received their semi-annual payment of principal and interest in the amount of $4.3 million.

Under the State of Illinois assigned purchase receivables, the report could be found in your Board book under the Financial Statement Tab, and in January we have received roughly $6,000 in principal payments which brings the balance now to $94,000.

Under the Clean Water Initiative Bond

Series 2016, the bond proceeds disbursed so far is $179.16 million. Our estimated total investment under this program is $324.4 million with maturity dates

through June of 2017.

Our estimated accrued investment income is at $228,000. In February so far we have disbursed an additional $57.9 million of bond proceeds.

In the coming weeks the Authority will schedule an Audit Plus Committee meeting to discuss the financial audit, the report that was released last month and a corrective action plan for the audit finding.

Earlier this week, I did receive a call from RSM, our internal auditors. They are already trying to schedule an entrance conference meeting for the two-year compliance and for the fiscal year 2017 Financial Audit Report. Once the meeting has been scheduled, it will be reported to the Board and this is the beginning of the audit, of the audit season for me.

GOETZ: Is RSM new to us?

GRANDA: Yeah. They did our audit last year. We will have them for five more years.

I would like to take this opportunity to advise of some activities that are coming in February that have already occurred. As Director Meister mentioned, on February 2nd the Authority received a payment in the amount of $2.4 million from the City of

Chicago for a loan payment from the Illinois Housing Partnership Fund that dates back to 1986. The City of Chicago did extensive work, along with Elizabeth Weber, to provide all of the documents under this program. There is still some loose ends as Director Meister mentioned that the Authority is working on. Once there is a resolution, it will be brought up to the Board.

Also in February the Authority anticipates that disbursements for the academic school year 2016-2017 under the Deferred Action for Childhood Arrivals known as DACA Program to Loyola University. Currently, there is some communication with Loyola University in spite of the current federal climate.

Also in February, we anticipate closing fees from Edward Elmhurst Health in the amount of $211,000; Southern Illinois Health Enterprises in the amount of $91,000; Mount Carmel in the amount of $7,000; and Smart Hotels in the amount of roughly about $30,000. Any questions?

MEISTER: One other additional item, as the Members of the Authority knows, we are the issuer of approximately what is outstanding now approximately $36 million in bonds issued by the Illinois Medical District Commission, which is a statutory creation.

These are enhanced with what's known as moral obligations or contingent State tax credit guarantees. And since approximately 2009, we have carried this moral obligation pledge on our balance sheet.

I spoke with the Executive Director of the Illinois Medical District earlier this week and they are still proceeding with their plan to basically defease these bonds and exit the contingent State taxpayer guarantee represented by the moral obligation. It's a four part plan. They basically accomplished the first two legs of this plan. There is some real estate litigation that is holding up the third leg of this plan. But based on conversations that I have had with the Executive Director of the Illinois Medical District Commission and Six have had with the Trustees, the various monthly reserves that are held by the Trustee in connection with this bond issue are currently up to date and in compliance. We will continue to keep the Board updated as the Illinois Medical District Commission moves forward with their plans.

VICE CHAIR BRONNER: Thank you. Thank you Miss Granda. Once again, are there any questions for either Miss Granda or Director Meister?

Hearing none, I would like to request a

motion to accept the Financial Report.

ANDERBERG: So moved.

JURACEK: Second.

VICE CHAIR BRONNER: Thank you. All those in favor?

(A CHORUS OF AYES)

VICE CHAIR BRONNER: Opposed?

(NO RESPONSE)

VICE CHAIR BRONNER: The ayes have it.

Moving on to the agenda, Item Number 7, the monthly Procurement Report.

BURN: Good morning. Since the last Board meeting, there really has not been any change in the highlights in the sense that those include current RFPs. Two remain open for bids, those in connection with an RFP with respect to network consulting and also loan management. One is closed. That is the legal services RFP referred by Director Meister earlier.

We received 35 responses and those responses are now being evaluated by the staff. The remaining items on the Procurement Report are current items, housekeeping, generally smaller items. So the RFP remains our focus. Any questions? Nope.

VICE CHAIR BRONNER: Thank you. Now moving

on to Item 8, Committee Report. The Tax Exempt Conduit Transactions Committee met earlier this morning.

MCCOY: I'm glad to do it.

VICE CHAIR BRONNER: Oh, I'm sorry.

MCCOY: As we started, the Tax Exempt Conduit Transaction Committee met this morning and unanimously recommended for approval each of the tax exempt conduit transactions matters on today's agenda, including Montgomery Place, Three Crowns Park, Mount Carmel High School and Smart Hotels Olympia Chicago LLC.

VICE CHAIR BRONNER: Thank you. Any other Committee Reports? Hearing none, we'll move to Item Number 9, Presentation and Consideration of the Project Reports and Resolutions. I would like to ask for the general consent of the Members to consider the project reports and resolutions collectively and have the subsequent report vote applied to each respective individual project and resolution, unless there are any specific project reports and resolutions that a Member would like to consider separately.

If none, I would like to ask the staff to now present the project reports and resolutions which would be considered collectively? Mr. Frampton?

FRAMPTON: Thank you, Miss Bronner. We'll

begin with Tab 1. Montgomery Place is requesting a preliminary bond resolution for an amount not to exceed $40 million. As presently contemplated and presented on Page 1 of the sources and uses of funds, bond proceeds would be used to currently fund the outstanding balance of the borrower's 2006 A bonds and fund up to approximately $8 million of new capital improvements at the existing project, fund a debt service reserve fund on the fixed rate bonds that are sold into the market and also pay cause of issuance.

A little background on Montgomery Place. They were incorporated under Illinois law as a not-for-profit corporation in 1987. Montgomery Place currently operates an existing continuing retirement community that was constructed new in 1991. It's located in Hyde Park immediately North of the Museum of Science & Industry. Page 5 of the report shows the location of the project.

The configuration of the facility is

currently comprised of 217 units overall and includes 155 independent living units, 22 assisted living units of which eight are memory support units and 40 skilled nursing beds.

The original amount issued back in 2006

was $40,850,000. Since then they have paid down the balance to approximately $30.2 million. And again this new financing will also finance various renovations and upgrades to the existing facilities and common areas.

In terms of structure, that's described on Page 3. Ziegler Securities will be underwriting a $18 million public issue. The public bond will be sold on a non-rated basis. They will be sold pursuant to a waiver of the Authority's standard rating and bond Denomination Policy. Because this project is an existing IFA transaction that involves the restructuring or refunding of an existing IFA Bond series and will result in a positive impact in terms of reducing debt service payments. This refinancing satisfies the requirements for issuing bonds in denominations of less than $100,000.

The second series of bonds will be purchased directly by First Midwest Bank. The First Midwest Bank series will include all of the new money bonds. In terms of the final maturity date, the resolution will have a parameter of not to exceed 40 years.

In terms of the financial performance that is presented on Page 6 of the report, as you'll note in 2015, there was a dip in debt service coverage to below 1.0 times. That is reflected above in the adjusted earnings before interest depreciation and amortization plus net entrance fee line item. The real driver on all of these congregate care facilities with entrance fees, the real drivers of cash flow are net entrance fees.

So in 2015, Montgomery Place actually had two early refunds. Those two early refunds really were the explanation of the $600,000 drop in EBIDA, and also the debt service coverage that was posted in that year. Since that time, Montgomery Place's management. And Board have undertaken strategic steps to improve occupancy and marketing, and as a result, the census is actually up by 15. They still have more work to do to get the occupancy up into the mid 80s, but they are certainly at better than break-even now. And based on a recent EMMA filing for the six months ended 6/30/2016, they posted debt service coverage of 1.36 times and are in compliance with all financial covenants.

So with that, I will stop and take any questions you may have.

VICE CHAIR BRONNER: Any questions? Thank

you. Moving on to Item Number 2. Mr. Fletcher?

FLETCHER: Thank you. Miss Vice Chair, Members, Tab 2 in your Board book is a preliminary bond

resolution on behalf of Three Crowns Park in a not to exceed amount of $45 million. Three Crowns Park is a not-for-profit full service CCRC located in Evanston on a seven acre campus. While non-Secretarian, Three Crowns Park was originally established in the late 1800s with the immediate goal of providing for Swedish laborers who were suffering due to adverse working conditions. More recently, the organization went through a corporate restructuring in early 2000s when a strategic planning initiative resulted in Three Crowns Park serving a broader community with extensive renovation and expansion.

Much of this expansion was financed through IFA. In 2006, through the issuance of approximately $56 million of debt in four subseries. At this time, they're seeking your approval to refund, approximately $35 million of those bonds from 2006 as well as finance approximately $4 million of capital renovations throughout their campus, mostly common areas so on and so forth.

The plan of finance contemplates a

public offering underwritten by Ziegler Capital Markets for the refunded tranche of the transaction. The new money component will be purchased by a bank to be named later when this transaction returns for your final bond resolution approval in the coming months.

Because they are a non-rated entity, the tranche being sold into the capital markets will require a waiver of our standard handbook policy for minimum denominations. In 2006, a feasibility study was conducted to allow for our waiver and this being a refunding, the waiver will continue through so that the bonds could be sold in a minimum of $500,000 denominations despite being non-rated.

Turning to Page 5 in the Confidential Section, you will see there we provided historical financial snapshot. The last three years which shows compounded annual revenue growth of approximately 6.27 percent over the last few fiscal years. Independent living accounts for 42 percent or more of unrestricted revenues.

Furthermore, accounts receivables over the last few fiscal years is down over 50 percent, which is a strong indication of effective management for this private pay only CCRC. There is no Medicaid

or Medicare here.

Finally, with respect to census information, I would like to note from 2015 to 2016 it had an overall increase of eight residents, their CCRC. The primary driver for this was an increase in their independent living apartments which is located in the MacDaniel Courts Building. Is there any questions?

GOETZ: What is their occupancy right now?

FLETCHER: As of December 31st it was 214.

GOETZ: The percentage?

MULE: 88 percent.

FLETCHER: 88 percent. Any other questions?

VICE CHAIR BRONNER: We'll now move to the

resolutions. Item Number 3, Mr. Frampton.

FRAMPTON: Thank you. Please turn to Tab 3 of the Board book. Mount Carmel High School is requesting an amendatory resolution. Mount Carmel High School and Wintrust Bank, the bond purchaser, are requesting approval of amendatory resolution to increase the not to exceed principal amount of an IFA bond issue from August of last year from $22 million to the $26 million. The bond issue was used to refinance approximately $13 million of existing debt. And to also finance approximately $8 million of new

improvements.

The reason this coming back to the Board is that within weeks of this matter closing, Mount Carmel discovered that they were going to have a windfall of new pledges coming in ahead of when they anticipated. Based on their credit agreement with Wintrust, upon collecting those pledges, they were to repay and prepay the bonds. So Mount Carmel, Wintrust and bond counsel went back to the drawing board to see if they could find other projects that would enable Mount Carmel to continue borrowing under the terms that they had originally anticipated. So with this resolution, it really provides wiggle room for Mount Carmel to borrow an additional $4 million of project proceeds. So in the net, they still have a $22 million bond issue instead of an $18 million bond issue. Had all of this been known prior to three weeks earlier, this easily could have been fixed ahead of time. The resolution could have been bumped up to $26 from $22. The TEFRA hearing and documents could have easily been changed, but in any case, this really fixes the situation from the school's perspective.

In terms of IFA and our fees, we will actually be receiving $7,000 which would be the balance

of the fee we would have gotten had we issued $26 million instead of $22. So this is one of those rare situations when it actually is win, win, win.

MEISTER: And just to note, conduit tax exempt finance is where we are the issuer is really a private/public partnership where the decisions and the go and no go and the sizing is being made by private borrowers and private lenders. In this case we were ready with the facts that were presented to us and we have been able to be ready with the revised facts to help the private borrower.

VICE CHAIR BRONNER: Thank you. Item Number 4. Mr. Fletcher?

FLETCHER: Tab Number 4 is a request for a final bond resolution approval by Smart Hotels Olympia Chicago LLC. They are seeking to refund their outstanding 2010 Recovery Zone Facility Bond which some Members of this Board knows is a bond product that is since expired. It was originally a creation of the since American Recovery and Reinvestment Act. They are seeking a refunding of those bonds. The new bond purchaser will be BMO Harris Bank. The original 2010 bonds were purchased by MB Financial and guaranteed by

The University of Chicago.

Background on the Series 2010 bonds. The bond proceeds were used to acquire land and develop a hotel adjacent to The University of Chicago campus on East 52nd Place and Harper Avenue. That hotel today has since been developed. It is known as the Hyatt Place Chicago South University Medical Center.

In terms of -- the original amount was $21.5 million at issuance. It has since been paid down to $19.8 million and we seek your approval.

Is there any questions? Thank you. We are offering a discount on the fee. I don't want to forget that. Because this is a special product, they can no longer issue Recovery Zone Bonds if they want to extend the weighted average maturity. We did offer them a discount as opposed to our regular fee schedule. That discount at this time we estimate to be $29,600. I should note that for the record.

FRAMPTON: And not only that, they may return again in seven years.

FLETCHER: If we're lucky.

VICE CHAIR BRONNER: As to Item Number 5 Approval of Contracts. Deputy General Counsel Burn.

BURN: Yes. This resolution is sought in connection with the Legal Services RFP that was

discussed earlier a couple of times. It provides for pre-approval of the firms that have responded to the RFP and authorization for the Executive Director to enter into contracts with those firms. That pre-approval, of course, is subject to the grading process which is lengthy and ongoing. And also that's with respect to the firms will ultimately be invited to enter into contracts. And the contract procedure and form, et cetera will also be in any other procurement of those legal services will be in accordance with State law and the protocols set forth by the Board process and also just generally in the State process.

GOETZ: How many of the 35 will we actually enter into contract with?

BURN: Not all of the grading is complete. But general speaking, I'm thinking it's going to be 35, because most of them have been through the process before, frankly. And then the few that are additive to the numbers that were there before as far as we can see have obviously complied with the requirements of the RFP, but we're still going through and grading them.

There is a minimal grade provided for in the RFP. So there is a possibility it is not an open season. And also these firms -- basically what we're

doing is creating a pool for issuer counsel, bond counsel and then other general services. Not all of the firms will fit into all three of those categories. Some will be in three. Some will be in two. It will vary, you know. The contract that was entered into will reflect which pool they are actually a part of.

MEISTER: Denise, I think you highlighted that in your answer to the question that it is a competitive process, provided by the statutory exemption.

BURN: Absolutely. All of these responses are in connection with the RFP which is a competitive bid process that is put out there.

GOETZ: They are not competing against each other? They are competing against a score?

BURN: Exactly.

MEISTER: Just for the Board Members' benefit, several years ago the State reformed its procurement process. It's regulatory in nature. It is time and resource intensive. A couple of years after that the General Assembly provided the Authority with a partial exemption from some of the burden of the overall regulatory structure. That sunsets at the end of 2018. This particular legal and then also financial

is subject to the exemption. And the power to approve rests with the Board and not the staff, which is why we're seeking the pre-approval. In March or April we will come back for a ratification.

ZELLER: How long is the contract?

BURN: The contract is for four years. But again these are, obviously it is not associated with any particular project. At the time it really just gives us the ability to go out and actually use those firms, because absent that, you would have to do a separate procurement for every project that came along.

MEISTER: And also what we have learned last year, particularly with a smaller staff size, is that we put it out for four years because the burden of a renewal with all of the disclosure with this many vendors is very resource intensive work for the Authority staff. And so from a resource allocation perspective, I wanted it to go out longer so that we would not be creating artificial bridges for us to cross.

In the meantime, I'll also note for the Board's background, unlike most State entities, because statutorily we are a body politic and corporate, the Attorney General does not represent the Authority,

which is why we're going forward with -- why we have and going forward with retaining our own counsel. That goes back to an Illinois Supreme Court case involving U of I from the 1940s, which is also a body politic and corporate which also retains its own counsel.

VICE CHAIR BRONNER: Just for clarification, are these annual appropriations, are these annual contracts that can be renewed up to four years or is it a four-year contract?

BURN: It's a four-year contract with the possibility of a four-year -- up to a four-year renewal. That renewal could either be on an annual basis. It could be, you know, four years, six months. I mean it's flexible. But there is the possibility of a renewal.

VICE CHAIR BRONNER: It could go up to eight?

Board Minutes 2017-02 (v1).txt

BURN: Again requires us to come back to you. I will say that the valuation process, even though we referred to it in a literary sense, it actually isn't as an evaluation process going on for each of the 35 firms in each of the categories that they select to be considered for. So they are re-evaluating the bond counsel, also, et cetera. So it does tend to be a very robust evaluation process.

MEISTER: And the Authority may cancel these contracts with 30 day notice. I think our experience was last time given the disclosure and paperwork burden that goes along with this, even if a firm receives an award, there is a possibility that the award may not get reduced to a contract. We had at least one fairly well-known firm last time where they were awarded, but for a whole variety of reasons did not get reduced.

BURN: That's a contract procedure and that is the form of the contract is -- this is -- it's stringent.

VICE CHAIR BRONNER: Thank you. Any other questions? All right. Thank you very much.

Then I would like to request a motion to pass and adopt the following project reports and resolutions, Items 1, 2, 3, 4 and 5. Is there such a motion?

MCCOY: So moved.

OBERNAGEL: Second.

VICE CHAIR BRONNER: Moved by Mr. McCoy. Seconded by Mr. Obernagel. I was going to have you

second it anyway, no matter what.
FLETCHER: On the motion and second I will call the roll. Mr. Anderberg?

ANDERBERG: Yes.
FLETCHER: Mr. Fuentes?
FUENTES: Yes.
FLETCHER: Mr. Goetz?
GOETZ: Yes.
FLETCHER: Mr. Horne on the line?
MR. HORNE: Yes.
FLETCHER: Ms. Juracek?
JURACEK: Yes.
FLETCHER: Mr. McCoy?
MCCOY: Yes.
FLETCHER: Mr. Obernagel?
OBERNAGEL: Yes.
FLETCHER: Ms. Smoots?
MS. SMOOTS: Yes.
FLETCHER: Mr. Zeller?
ZELLER: Yes.
ANDERBERG: Vice Chair Bronner?
VICE CHAIR BRONNER: Yes.
FLETCHER: Ms. Vice Chair, the motion carries.
VICE CHAIR BRONNER: Moving on to other business. Is there any other business to come before the Members today? Hearing none, I would like to

request a motion to excuse the absences of Members unable to participate today. Is there such a motion?
ZELLER: So moved.
FUENTES: Second.
VICE CHAIR BRONNER: Moved by Member Zeller and seconded by Fuentes.
All those in favor?
(A CHORUS OF AYES)
VICE CHAIR BRONNER: Opposed?
(NO RESPONSE)
VICE CHAIR BRONNER: The ayes have it.
Is there any public comment to come before the Members today? Hearing none, then the next regularly scheduled meeting will be March 9, 2017. And at this time, I would like to request a motion to adjourn. Is there such a motion?
ZELLER: So moved.
VICE CHAIR BRONNER: Moved by Mr. Zeller.
GOETZ: Second.
VICE CHAIR BRONNER: Second by Mr. Goetz. All those in favor?
(A CHORUS OF AYES)
VICE CHAIR BRONNER: Opposed?
(NO RESPONSE)

VICE CHAIR BRONNER: The ayes have it. The meeting is adjourned.
FLETCHER: The time is 10:15 a.m.
(WHEREUPON the meeting was adjourned at 10:15 a.m.)

35

STATE OF ILLINOIS)
)
COUNTY OF C O O K)

C E R T I F I C A T E

The within and foregoing hearing was taken before GWENDOLYN BEDFORD, Certified Shorthand Reporter in the City of Chicago, County of Cook and State of Illinois, and there were present at the hearing Counsel

as previously set forth.

The undersigned is not interested in the within case, nor of kin or counsel to any of the parties.

IN TESTIMONY WHEREOF, I have hereunto set my hand this 28th day of February, 2017.

____
GWENDOLYN BEDFORD, C.S.R.
No. 084-003700

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF REQUEST TO PARTICIPATE VIA AUDIO CONFERENCE
ADOPTED

February 9, 2017

9 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
NV	Horne (ADDED) (VIA AUDIO CONFERENCE)	E	O'Brien	E	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FEBRUARY 9, 2017 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

February 9, 2017

9 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
NV	Horne (ADDED) (VIA AUDIO CONFERENCE)	E	O'Brien	E	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
JANUARY 12, 2017 MINUTES OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

February 9, 2017

10 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
Y	Horne (ADDED) (VIA AUDIO CONFERENCE)	E	O'Brien	E	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

February 9, 2017

10 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
Y	Horne (ADDED) (VIA AUDIO CONFERENCE)	E	O'Brien	E	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0209-HC01
501(c)(3) REVENUE BOND – MONTGOMERY PLCE
PRELIMINARY
PASSED*

February 9, 2017

10 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
Y	Horne (ADDED) (VIA AUDIO CONFERENCE)	E	O'Brien	E	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 02

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0209-HC02
501(c)(3) REVENUE BOND – THREE CROWNS PARK
PRELIMINARY
PASSED*

February 9, 2017

10 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
Y	Horne (ADDED) (VIA AUDIO CONFERENCE)	E	O'Brien	E	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 03

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0209-AD03
AMENDATORY RESOLUTION INCREASING THE NOT TO EXCEED PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY EDUCATIONAL FACILITY REVENUE BOND, SERIES 2016 (MOUNT CARMEL HIGH SCHOOL PROJECT) FROM $22,000,000 TO $26,000,000, THE PROCEEDS OF WHICH WILL BE LOANED TO MOUNT CARMEL HIGH SCHOOL
ADOPTED*

February 9, 2017

10 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
Y	Horne (ADDED) (VIA AUDIO CONFERENCE)	E	O’Brien	E	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0209-AD04
RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $19,800,000 AGGREGATE PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY RECOVERY ZONE FACILITY BONDS (SMART HOTELS/OLYMPIA CHICAGO, LLC PROJECT), SERIES 2017 ISSUED IN ONE OR MORE SERIES; AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED BOND AND LOAN AGREEMENT, AND APPROVING THE EXECUTION OF CERTAIN OTHER AGREEMENTS; AND RELATED MATTERS
ADOPTED*

February 9, 2017

10 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
Y	Horne (Added) (Via Audio Conference)	E	O'Brien	E	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2017-0209-AD05
RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO CONTRACTS WITH VARIOUS LEGAL FIRMS
ADOPTED*

February 9, 2017

10 YEAS 0 NAYS 0 PRESENT

Y	Anderberg	Y	Juracek	E	Poole
Y	Bronner	E	Knox	Y	Smoots
Y	Fuentes	Y	McCoy	E	Yonover
Y	Goetz	Y	Obernagel	Y	Zeller
Y	Horne (ADDED) (VIA AUDIO CONFERENCE)	E	O'Brien	E	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
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Date: March 9, 2017

To: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
James J. Fuentes
Michael W. Goetz
Robert Horne
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
John Yonover
Bradley A. Zeller

From: Ximena Granda, Controller

Subject: ***Presentation and Consideration of Preliminary Financial Reports as of February 28, 2017****

***All information is preliminary and unaudited.**

Due to the short time between February 28 and the Board book printing, the Authority is unable to provide the final, unaudited preliminary financial reports for the month of February. However, the Authority is able to provide the following financial information for the month of February concerning the Authority's General Operating Fund, which is preliminary and subject to change.

1. **GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME**
   a. **Total Estimated Annual Revenues** equal $**4.1** million and are $**791** thousand or **23.9%** higher than budget due primarily to **higher** closing fees in the month of September. Closing fees year-to-date of $2.9 million are $622 thousand or 26.7% **higher** than budget. Annual fees of $215 thousand are $72 thousand higher than the budgeted amount. Administrative service fees of $198 thousand (which includes the $150,000 July 2016 final exit fee in connection with the now ended 1985 Healthcare Pool financing project) are $161 thousand higher than the budgeted amount. Application fees total $27 thousand and are $8 thousand higher than the budgeted amount. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled $514 thousand (which represents a declining asset since 2014).

   b. In **February**, the Authority generated $**313** thousand in closing fees, higher than the monthly budgeted amount of $291 thousand. Closing fees were received from: ***Edward-Elmhurst Healthcare*** for $211 thousand***; Southern Illinois Healthcare Enterprise, Inc.*** for $90 thousand; Administration fee from Deferred Action for Childhood Arrivals ("DACA") for $7 thousand and various ***Agriculture-relating closings*** for $5 thousand.

   c. **Total Estimated Annual Expenses** of $2.2 million were $1.1 million or 33.8% lower than budget, which was mostly driven by vacant budgeted staff positions and below budget spending on professional services. Year-to-date, employee and professional services expenses total $1.8 million; with each function at 26.2% and 50.4% under budget, respectively. Annual occupancy costs of $118 thousand are 14.0% lower than the budget, while general and administrative costs are $234 thousand for the year, which is 13.5% lower than budget. Total depreciation costs are $13 thousand and 19.9% below budget. Total cash transfers in from the Primary Government Borrowing Fund (set up to track financial activity on behalf of the State of Illinois) to the General Operating Fund are $4.9 million. Total cash transfers out of the General Operating Fund to the Primary Government Borrowing Fund are $108 thousand (represents a transfer to the JRTC janitorial vendor; see Financial Statements and supplementary Information in Board Book)

d. **Estimated February** operating expenses of $256 thousand, which was lower than the monthly budgeted amount of $412 thousand. The decrease is due primarily to employee related expenses and professional services being lower than expected.

e. **Estimated Monthly Net Income** of $133 thousand was driven by lower than expected spending across all categories and higher than expected closing fees.

f. **Estimated Annual Net Income** is $2.5 million. The major driver of the annual positive bottom line continues to be the level of overall spending at 33.8% below budget, as well as higher closing fees, higher administrative service fees and the transfer received from the debt service reserve fund from the Series 1996 Clinic in Altgeld, Inc Project bond issue.

2. GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of $56.3 million. The total assets in the General Fund are $56.7 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $41.8 million (with $20.6 million cash). Notes receivables from the former Illinois Rural Bond Bank local governments total $12.1 million. Participation loans, DACA (pilot medical student loans in exchange for service in medical underserved areas in Illinois) and other loans receivables are at $3.2 million. In February, twelve loans were disbursed for a total of $646 thousand under the DACA program.

3. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The unaudited preliminary February 28, 2017 financial reports will be provided to you on the day of the Board meeting.

4. AUTHORITY AUDITS AND REGULATORY UPDATES

The Entrance Conference Meeting with the Office of The Auditor General and RSM US LLP will be held on Wednesday, April 19, 2017 at 2:00 P.M. at the Authority's office. This will mark the beginning of our one-year financial audit and two-year compliance examination for the period ending June 30, 2017.

Respectfully submitted,

/s/ Ximena Granda
Controller

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2017 AS OF FEBRUARY 28, 2017
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VARIANCE ($)	BUDGET VARIANCE (%)
Operating Revenues:																
Closing Fees	$ 230,038	$ 479,153	$ 745,423	$ 213,750	$ 432,506	$ 337,250	$ 196,519	$ 312,793					$ 2,947,432	$ 2,325,600	$ 621,832	26.7%
Annual Fees	26,604	22,792	30,432	27,938	25,960	26,601	24,191	30,641					215,159	142,919	72,240	50.5%
Administrative Service Fees	161,000	-	-	-	20,000	-	10,000	7,000					198,000	36,667	161,333	440.0%
Application Fees	200	2,000	8,700	3,700	5,600	1,400	1,600	4,100					27,300	19,800	7,500	37.9%
Miscellaneous Fees	94	4,752	-	-	338	-	131	-					5,315	333	4,982	1496.1%
Interest Income-Loans	69,733	68,858	69,694	69,615	69,169	69,203	74,988	22,384					513,644	552,913	(39,269)	-7.1%
Other Revenue	191	191	190	-	9,506	177	-	180					10,435	96,000	(85,565)	-89.1%
Total Operating Revenue:	**$ 487,860**	**$ 577,746**	**$ 854,439**	**$ 315,003**	**$ 563,079**	**$ 434,631**	**$ 307,429**	**$ 377,098**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 3,917,285**	**$ 3,174,232**	**$ 743,053**	**23.4%**
Operating Expenses:																
Employee Related Expense	$ 155,025	$ 147,885	$ 170,978	$ 137,770	$ 138,406	$ 134,906	$ 155,791	$ 154,498					$ 1,195,259	$ 1,620,259	$ (425,000)	-26.2%
Professional Services	45,724	60,685	89,585	75,798	81,641	64,762	143,680	60,834					622,709	1,255,358	(632,649)	-50.4%
Occupancy Costs	14,105	13,292	17,476	11,994	16,652	14,748	15,087	14,626					117,980	137,167	(19,187)	-14.0%
General & Administrative	28,385	29,354	26,935	26,112	25,458	37,602	35,127	24,938					233,911	270,290	(36,379)	-13.5%
Depreciation and Amortization	2,180	2,153	1,504	1,504	1,504	1,504	1,504	1,504					13,357	16,667	(3,310)	-19.9%
Total Operating Expense	**$ 245,419**	**$ 253,369**	**$ 306,478**	**$ 253,178**	**$ 263,661**	**$ 253,522**	**$ 351,189**	**$ 256,400**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,183,216**	**$ 3,299,741**	**$(1,116,525)**	**-33.8%**
Operating Income(Loss)	**$ 242,441**	**$ 324,377**	**$ 547,961**	**$ 61,825**	**$ 299,418**	**$ 181,109**	**$ (43,760)**	**$ 120,698**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,734,069**	**$ (125,509)**	**$ 1,859,578**	**1481.6%**
Nonoperating Revenues (Expenses):																
Miscellaneous Non-Opertg Rev/(Exp)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,000)	$ 1,000	-100.0%
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	6,667	(6,667)	-100.0%
Interest and Investment Income*	15,017	21,911	123,568	15,493	17,776	21,022	23,719	20,000					258,506	209,249	49,257	23.5%
Realized Gain (Loss) on Sale of Invests	(2,890)	(298)	(626)	(105)	(317)	(230)	(1,578)	(7,370)					(13,414)	4,141	(17,555)	-423.9%
Net Appreciation (Depr) in FV of Invests	(14,294)	(20,518)	3,005	(7,744)	(26,990)	2,534	6,609	N/A					(57,398)	(79,625)	22,227	-27.9%
Total Nonoperating Rev (Exp)	**$ (2,167)**	**$ 1,095**	**$ 125,947**	**$ 7,644**	**$ (9,531)**	**$ 23,326**	**$ 28,750**	**$ 12,630**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 187,694**	**$ 139,432**	**$ 48,262**	**34.6%**
Net Income (Loss) Before Transfers	**$ 240,274**	**$ 325,472**	**$ 673,908**	**$ 69,469**	**$ 289,887**	**$ 204,435**	**$ (15,010)**	**$ 133,328**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,921,763**	**$ 13,923**	**$ 1,907,840**	**13702.8%**
Transfers:																
Transfers in from other funds	$ 107,795	$ 1,502,594	$ 3,030,647	$ 6,405	$ 828,836	$ 227,196	$ 8,815	$ 2,850					$ 5,715,138	$ -	5,715,138	0.0%
Transfers out to other funds	(107,795)	(1,502,594)	(3,030,647)	(6,405)	(228,358)	(227,164)	(8,815)	(2,850)					(5,114,628)	-	(5,114,628)	0.0%
Total Transfers In (Out)	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,478**	**$ 32**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 600,510**	**$ -**	**$ 600,510**	**0.0%**
Net Income (Loss)	**$ 240,274**	**$ 325,472**	**$ 673,908**	**$ 69,469**	**$ 890,365**	**$ 204,467**	**$ (15,010)**	**$ 133,328**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,522,273**	**$ 13,923**	**$ 2,508,350**	**18015.9%**

Interest and Investment income for the month of February are estimates
*****Year to Date Net Appreciation (Depr) in FV of Investments are as of January 31, 2017***

ILLINOIS FINANCE AUTHORITY

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
February 28, 2017
(PRELIMINARY AND UNAUDITED)

		GENERAL FUND
Assets and Deferred Outflows:		
Current Assets:		
Unrestricted:		
Cash & cash equivalents	$	20,581,709
Investments		13,241,486
Accounts receivable, Net		79,810
Loans receivables, Net		3,860
Accrued interest receivable		359,850
Bonds and notes receivable		-
Due from other funds		25,619
Due from other local government agencies		-
Prepaid Expenses		96,709
Total Current Unrestricted Assets	**$**	**34,389,043**
Restricted:		
Cash & Cash Equivalents	$	-
Investments		-
Accrued interest receivable		-
Due from other funds		-
Due from primary government		-
Bonds and notes receivable from State component units		-
Loans receivables, Net		-
Total Current Restricted Assets	**$**	**-**
Total Current Assets	**$**	**34,389,043**
Non-current Assets:		
Unrestricted:		
Investments	$	7,965,611
Loans receivables, Net		2,284,141
Bonds and notes receivable		12,069,137
Total Noncurrent Unrestricted Assets	**$**	**22,318,889**
Restricted:		
Cash & Cash Equivalents	$	-
Investments		-
Funds in the custody of the Treasurer		-
Loans receivables, Net		-
Bonds and notes receivable from primary government		-
Bonds and notes receivable from State component units		-
Total Noncurrent Restricted Assets	**$**	**-**
Capital Assets		
Capital Assets	$	802,192
Accumulated Depreciation		(782,789)
Total Capital Assets	**$**	**19,403**
Total Noncurrent Assets	**$**	**22,338,292**
Total Assets	**$**	**56,727,335**
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on debt refunding	$	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$**	**-**
Total Assets & Deferred Inflows of Resources	**$**	**56,727,335**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
February 28, 2017
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND
Liabilities:	
Current Liabilities:	
Payable from unrestricted current assets:	
Accounts payable	$ 15,691
Accrued liabilities	68,406
Due to employees	117,956
Due to primary government	85,001
Other liabilities	-
Unearned revenue, net of accumulated amortization	154,114
Total Current Liabilities Payable from Unrestricted Current Assets	**$ 441,168**
Payable from restricted current assets:	
Accrued interest payable	$ -
Due to other funds	-
Bonds and notes payable from primary government	-
Bonds and notes payable from State component units	-
Current portion of long term debt	-
Other liabilities	-
Total Current Liabilities Payable from Restricted Current Assets	**$ -**
Total Current Liabilties	**$ 441,168**
Noncurrent Liabilities	
Payable from unrestricted noncurrent assets:	
Noncurrent payables	$ 585
Assets	**$ 585**
Payable from restricted noncurrent assets:	
Bonds and notes payable from primary government	$ -
Bonds and notes payable from State component units	-
Noncurrent portion of long term debt	-
Noncurrent loan reserve	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	**$ -**
Total Noncurrent Liabilities	**$ 585**
Total Liabilities	**$ 441,753**
Net Position:	
Net Investment in Capital Assets	$ 19,403
Restricted for Locally Held Agricultural Guarantees	-
Restricted for Public Safety Loans	-
Restricted for Agricultural Guarantees and Rural Development Loans	-
Restricted for Renewable Energy Development	-
Restricted for Credit Enhancement	-
Restricted for Low Income Community Investments	-
Unrestricted	53,743,906
Current Change in Net Position	2,522,273
Total Net Position	**$ 56,285,582**
Total Liabilities & Net Position	**$ 56,727,335**

STATE of ILLINOIS
DETAILED RECEIVABLES SUMMARY (UNAUDITED)
AS OF March 2, 2017

As of November 1, 2015 the Illinois Finance Authority has purchased the following receivables on behalf of the State of Illinois, pursuant to Resolutions 2015-1112-AD11 and 2016-0211-AD07:

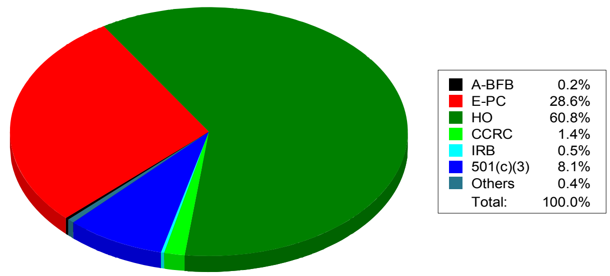
Vendor	Payment dates	Amount
Cosgrove Distributors Inc.	12/21/2015	$9,225.92
	Payment received by IFA	($9,225.92)
	Balance due from Cosgrove Distributors	$0.00
Grayboy Building Maintenance	12/16/2015	$15,790.36
	Payment received by IFA	($15,789.33)
	Balance due from Grayboy Building Maint.	$1.03
M. J. Kellner Co. Inc.	12/28/2015	$1,806,912.20
M. J. Kellner Co. Inc.	3/31/2016	1,929,224.10
	Payment received by IFA	($3,674,162.78)
	Balance due from M.J. Kellner	$61,973.52
Smith Maintenance Company	11/25/2015	$251,665.26
Smith Maintenance Company	12/29/2015	125,832.63
Smith Maintenance Company	2/10/2016	129,811.11
Smith Maintenance Company	3/21/2016	151,826.83
Smith Maintenance Company	4/14/2016	151,826.83
Smith Maintenance Company	5/19/2016	151,826.83
Smith Maintenance Company	6/23/2016	107,795.38
Smith Maintenance Company	7/21/2016	107,795.38
		$1,178,380.25
	Payment received by IFA	(1,178,380.25)
	Balance due from Smith Maintenance	$0.00
Sysco St. Louis LLC	12/16/2015	$32,418.85
	Total State of Illinois Assigned/Purchased Receivables	**$4,971,951.65**
	Total State of Illinois Assigned/Purchased Receivables Payment Received	**$4,877,558.25**
	Balance due from State of Illinois Assigned/Purchased Receivables	**$94,393.40**

Bonds Issued - Fiscal Year Comparison
for the Period Ending February 28, 2017

Fiscal Year 2015

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	4,154,742
4	Education	788,149,000
11	Healthcare - Hospital	1,416,385,000
1	Healthcare - CCRC	39,640,000
2	Industrial Revenue	14,000,000
11	501(c)(3) Not-for-Profit	236,986,075
1	Local Government	12,000,000
45		$ 2,511,314,817

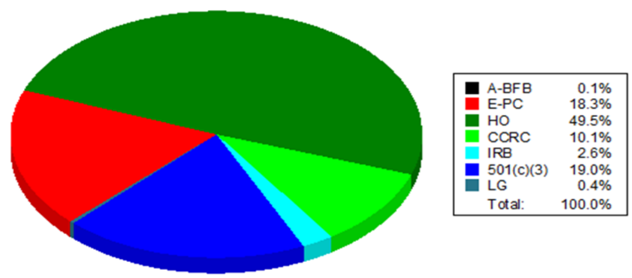
Bonds Issued in Fiscal Year 2015



Fiscal Year 2016

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	3,762,495
10	Education	692,515,000
13	Healthcare - Hospital	1,869,903,000
6	Healthcare - CCRC	381,762,000
1	Industrial Revenue	100,000,000
9	501(c)(3) Not-for-Profit	717,050,000
1	Local Government	14,540,000
54		$3,779,532,495

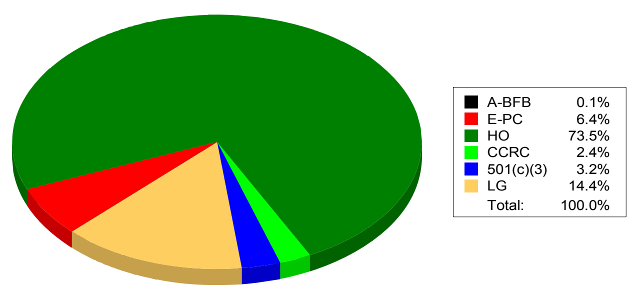
Bonds Issued in Fiscal Year 2016



Fiscal Year 2017

#	Market Sector	Principal Issued
10	Agriculture - Beginner Farmer	1,897,400
4	Education	221,755,000
13	Healthcare - Hospital	2,547,442,000
2	Healthcare - CCRC	84,570,000
5	501(c)(3) Not-for-Profit	110,810,000
1	Local Government	500,000,000
35		$3,466,474,400

Bonds Issued in Fiscal Year 2017



Bond Issuance Analysis

The Authority issued $419,462,500 in conduit debt during the month of February, 2017. This is 81% higher than February, 2016 at $81,320,000. This is also 95% higher than the previous month's issuance at $20,000,000. Total issuance for FY 2017 is $3,466,474,400. This is 40% higher than the same period as of February 28, 2016 at $2,088,359,775. The IFA issued five bonds in February, 2017. These bonds are 12% of the total issuance for the FY 2017.

IFA ILLINOIS FINANCE AUTHORITY

Bonds Issued and Outstanding as of February 28, 2017

Bonds Issued between July 01, 2016 and February 28, 2017

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginning Farmer Bonds	07/01/2016	Variable	1,569,900	0
E-PC	Illinois Wesleyan University	07/13/2016	Fixed at Schedule	56,775,000	56,775,000
501(c)(3)	Better Housing Foundation	07/29/2016	Fixed at Schedule	13,560,000	0
E-PC	Mount Carmel High School	08/01/2016	Variable	22,000,000	13,200,000
HO	The Newman Foundation	08/02/2016	Variable	32,667,000	32,667,000
HO	Presence Health	08/16/2016	Fixed at Schedule	1,000,000,000	1,000,000,000
CCRC	Smith Village	08/17/2016	Variable	32,500,000	32,500,000
501(c)(3)	The Art Institute of Chicago	08/25/2016	Fixed at Schedule	37,250,000	37,250,000
E-PC	DePaul University	09/01/2016	Fixed at Schedule	122,780,000	115,000,000
LG	Clean Water Initiative	09/12/2016	Fixed at Schedule	500,000,000	0
HO	OSF HealthCare System	09/27/2016	Fixed at Schedule	114,375,000	100,710,000
HO	Riverside Medical Center	09/27/2016	Fixed at Schedule	79,545,000	79,545,000
HO	The Moorings of Arlington Heights, LLC	09/30/2016	Fixed at Schedule	69,615,000	0
HO	The University of Chicago Medical Center	11/02/2016	Fixed at Schedule	187,320,000	187,320,000
501(c)(3)	Museum of Contemporary Art Chicago	10/27/2016	Variable	30,000,000	0
HO	The Carle Foundation A&B	11/08/2016	Variable	184,385,000	56,000,000
HO	The Carle Foundation A&B	11/08/2016	Variable	50,000,000	0
HO	Swedish Covenant Hospital Series 2016A	12/12/2016	Fixed at Schedule	107,725,000	49,525,000
HO	Ness HealthCare NFP	11/10/2016	Fixed at Schedule	31,490,000	0
HO	Rehabilitation Institute of Chicago	12/01/2016	Variable	274,055,000	274,055,000
E-PC	Elmhurst College	12/12/2016	Variable	20,200,000	20,000,000
501(c)(3)	Lake Forest Open Lands Association	12/22/2016	Fixed at Schedule	10,000,000	10,000,000
HO	Swedish Covenant Hospital - B&C	12/14/2016	Variable	49,200,000	49,200,000

501(c)(3)	Oak Park Residence Corporation	01/05/2017	Fixed at Schedule	20,000,000	17,000,000
A-BFB	Beginning Farmer Bond	01/01/2017	Variable	327,500	0
HO	Southern Illinois Healthcare Enterprises, Inc.	02/16/2017	Fixed at Schedule	78,890,000	0
CCRC	Covenant Retirement Communities, Inc.	02/01/2017	Variable	52,070,000	52,070,000
HO	Edward-Elmhurst Healthcare	02/14/2017	Fixed at Schedule	288,175,000	288,175,000
		Total Bonds Issued as of February 28, 2017		$ 3,466,474,400	$ 2,470,992,000

Legend: Fixed Rate Bonds as shown
DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond
VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.
Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds Funded between July 01, 2016 and February 28, 2017

Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
07/29/2016	3.25	122,400	40.00	Jasper
09/08/2016	3.00	83,750	45.00	Richland
09/08/2016	3.25	401,000	45.00	Edgar
09/15/2016	3.25	47,500	40.00	Clay
09/15/2016	3.25	47,500	40.00	Clay
11/01/2016	3.25	242,250	99.55	Richland
12/30/2016	3.25	520,000	97.17	Montgomery
12/30/2016	3.25	105,500	40.00	Richland
02/16/2017	3.25	192,500	37.00	Jasper
02/16/2017	3.39	135,000	60.00	Jasper
Total Beginner Farmer Bonds Issued		$ 1,897,400	543.72	

ref: H:\Board Book Reports\Bonds Issued by Fiscal Year-Board Book-Activity Report.rpt

Conduit debt issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the $28.15B cap in Section 845-5(a).

Section I (a)

	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 48,260,274	$ 50,157,674		
Education	4,445,960,359	4,399,486,705		
Healthcare	14,405,422,474	15,276,824,706		
Industrial Development [includes Recovery Zone/Midwest Disaster]	777,192,893	754,983,295		
Local Government	315,810,000	790,295,000		
Multifamily/Senior Housing	157,262,660	154,286,120		
501(c)(3) Not-for Profits	1,565,340,114	1,616,540,755		
Exempt Facilities Bonds	149,915,000	149,915,000		
1 Total IFA Principal Outstanding	**$ 21,865,163,774**	**$ 23,192,489,256**		
Illinois Development Finance Authority "IDFA" [b]				
Education	496,388	496,388		
Healthcare	77,000,000	77,000,000		
Industrial Development	205,383,747	196,160,244		
Local Government	263,060,103	222,677,364		
Multifamily/Senior Housing	83,679,117	82,449,117		
501(c)(3) Not-for Profits	607,654,373	551,681,219		
Exempt Facilities Bonds				
Total IDFA Principal Outstanding	**$ 1,237,273,728**	**$ 1,130,464,332**		
Illinois Rural Bond Bank "IRBB" [b]				
Total IRBB Principal Outstanding	**$ -**	**$ -**		
Illinois Health Facilities Authority "IHFA"	**$ 617,984,999**	**$ 305,855,000**		
Illinois Educational Facilities Authority "IEFA"	**$ 537,193,000**	**$ 505,062,000**		
Illinois Farm Development Authority "IFDA" [f]	**$ 13,436,353**	**$ 13,436,353**		
Total Illinois Finance Authority Debt	**$ 24,271,051,854**	**$ 25,147,306,940**	**$ 28,150,000,000**	**$ 3,002,693,060**

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)]

Section I (b)

	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Program Limitations	Remaining Capacity
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools				
*Issued through IFA - Local Government Pools				
Issued through IFA - Illinois Medical District Commission	34,885,000	33,425,000		
Total General Moral Obligations	**$ 34,885,000**	**$ 33,425,000**	**$ 150,000,000**	**$ 116,575,000**

* All the Local Government bonds were defeased as of August 1, 2014.

	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Program Limitations	Remaining Capacity
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ -	$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	-	-		
Issued through IFA [i]	99,938,207	599,928,025		
Total State Component Unit Bonds	**$ 99,938,207**	**$ 599,928,025**		

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwestern Disaster Area Bonds in Illinois. This Federal program expired as of December 31, 2012.

Section I (c)

	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Remaining MDAB Volume Cap
Midwestern Disaster Area Bonds [Flood Relief]	**$ 64,440,918**	**$ 63,945,366**	**N/A**

Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated [h]	City/Counties Ceded Voluntarily to/(by) IFA	Bonds issued as of December 31, 2014	Remaining ARRA Volume Cap for each Program as of December 31, 2014
Recovery Zone Economic Development Bonds**	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	N/A
Recovery Zone Facilities Bonds**	**$ 1,000,457,000**	**$ 204,058,967**	**$ 214,849,804**	N/A
Qualified Energy Conservation Bonds***	**$ 133,846,000**	**$ (17,865,000)**	**$ 82,795,000**	**IFA Cap: $4,755,783 Cities/Counties Cap: $46,295,717**

** Programs expired as of 12/31/2010. There have been no new issues subsequent to the expiration date of these Federal programs.

*** The IFA manages the QECB allocation for the entire State of Illinois. All QECB's to date have been issued by local governments or state universities. The QECB program currently has no set expiration date under Federal law. *IFA's remaining QECB allocation of $4,755,783 has been reserved for use by state universities.*

ILLINOIS FINANCE AUTHORITY
Schedule of Debt [a]

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(b)]

Section II	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Program Limitations	Remaining Capacity
Illinois Power Agency	$ -	$ -	$ 4,000,000,000	$ 4,000,000,000

Illinois Finance Authority Act [20 ILCS 3501 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

Section III	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Program Limitations	Remaining Capacity
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	$ -	$ -	$ 3,000,000,000 [d]	$ 3,000,000,000

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50]

Section IV	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,095,685*	$ 6,824,437	$ 6,791,244	$ 160,000,000	$ 153,208,756	$ 5,772,557
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,917,039*	$ 7,111,930	$ 4,478,907	$ 225,000,000 [e]	$ 220,521,094	$ 3,807,071
Agri Industry Loan Guarantee Program	$ 3,693,098	$ 532,147			452,325
Farm Purchase Guarantee Program	886,805	878,248			746,511
Specialized Livestock Guarantee Program	1,681,563	2,380,880			2,023,748
Young Farmer Loan Guarantee Program	850,464	687,632			584,487
Total State Guarantees	$ 13,936,368	$ 11,270,150	$ 385,000,000	$ 373,729,850	$ 9,579,628

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 825-80 and 825-85

Section V			Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Cash and Investment Balance
155	Fire Truck Revolving Loan Program	Fund # 572	$ 21,265,564	$ 20,057,851	$ 2,799,155 *
22	Ambulance Revolving Loan Program	Fund # 334	$ 247,280	$ 1,672,960	$ 2,554,557 *

Note: Due to deposits in transit, the Fund Balance at the IOC may differ from the IFA General Ledger. In May, 2014 the OSF transferred the Fund Balance to a Locally Held Fund by the IFA.

Issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]

Section VI	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 15,535,000	$ 14,575,000		
Issued through IDFA	110,520,000	103,020,000		
Total Environmental [Large Business]	$ 126,055,000	$ 117,595,000	$ 2,425,000,000	$ 2,307,405,000
Environmental [Small Business]	$ -	$ -	$ 75,000,000	$ 75,000,000
Total Environment Bonds Issued under Act	$ 126,055,000	$ 117,595,000	$ 2,500,000,000	$ 2,382,405,000

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017
Participation Loans			
Business & Industry	23,020,158	422,129	103,881
Agriculture	6,079,859		
Participation Loans excluding Defaults & Allowances	29,100,017	422,129	103,881
Plus: Legacy IDFA Loans in Default		843,173	843,173
Less: Allowance for Doubtful Accounts		960,726	942,574
Total Participation Loans		288,943	4,480
Local Government Direct Loans	1,289,750	103,000	627,638
Rural Bond Bank Local Government Note Receivable		17,179,937	12,069,137 *
FmHA Loans	963,250	185,778	169,396
Renewable Energy [RED Fund]	2,000,000	1,206,055	1,140,765
Total Loans Outstanding	34,353,017	18,963,713	14,011,416

IRBB funds were defeased and transferred into a note receivable with the IFA.

Higher Education Loan Act (110 ILCS 945 or "HELA")

Section VIII	Principal Outstanding June 30, 2016	Principal Outstanding February 28, 2017	Statutory Debt Limitation	Remaining HELA Debt Limitation
Midwestern University Foundation - Student Loan Program Revenue Bonds	$ 15,000,000	$ 15,000,000	$ 200,000,000 [d]	$ 185,000,000

[a] Total subject to change; late month payment data may not be included at issuance of report.
[b] State Component Unit Bonds included in balance.
[c] Does not include Unamortized issuance premium as reported in Audited Financials.
[d] Program Limitation reflects the increase to $3 billion effective 01/01/2010 under P.A. 96-103.
[e] Program Limitation reflects the increase from $75 million to $225 million effective 01/01/2010 under P.A. 96-103.
[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.
[g] Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.
[h] Recovery Zone Facility Revenue Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]
[i] Includes EPA Clean Water Revolving Fund
* Loan, Cash and Investment balances are subject to change as of Feb 28, 2017.

Memorandum

TO: Illinois Finance Authority Board Members

FROM: Pam Lenane

DATE: March 9, 2017

SUBJECT: The 1985 Revolving Fund Pool

In December 2016 and January 2017, the Authority distributed $4,872,307.83 from the 1985 Revolving Fund Pool to the Illinois Healthcare Borrowers listed on Appendix B.

Prior to the enactment of the 1985 Tax Reform Act, The Illinois Health Facilities Authority, one of our Predecessor Authorities, issued a $175 million Revolving Fund Pooled Financing Program to make loans to hospitals and health institutions. These loans were to be short term with a variable rate and some of the funds could be used for non-tax-exempt purposes. Since its's inception 175 loans have been made to Illinois Borrowers.

On consolidation the Illinois Finance Authority ("Authority") took over the administration of the 1985 Pool. The IFA's administration of the Pool demonstrates stewardship of a Predecessor Authority's Program, while using our institutional knowledge and acting within the best interest of our Borrowers over the decades of its existence. While this Program long pre-dates the 4 points in the Strategic Plan, the Authority has demonstrated that it conducted itself consistent with the principles below between 2004 and the final, responsible termination of the Program in February, 2016:

1. Firmly within the Authority statutory public mission.
2. The degree of risk particularly with respect to the end was truly shared with the Borrower (see IFA Financial Reports since July 2016).
3. The Fees were priced consistently with the short term and long term Program burden.
4. This was a Program that only the Authority could have done. There were no real competitors.
5. There were no defaulted loans.

In 2004, the Authority reduced the fees within the structure of the Pool pricing, including the letter of credit fee, the remarketing fee and the Trustee fee, enabling us to lower the fee to the Borrower and to pay the IFA a fee based on the amount of loans outstanding. Over the last 10 years, the Authority has collected approximately $1.2 million in fee income, including a fee of $150,000 for determining the allocation of the "**residual" (**see below**)** left in the Pool after all loans had been paid in full and making a distribution of the **"residual".** (See Exhibit A)

The 1985 Pool **"residual"** monies left in the Pool after all loans had been paid off, of $4,872,307.83, came from investment of the 10% debt service reserve fund and monies waiting in the Pool to be lent out. In accordance with the Bond Indenture the funds were distributed to the Borrowers proportionately. (See Attachment B) in December, 2016 and January, 2017.

Exhibit A

Wells Fargo	
1985 Revolving Pool Fees	
4/28/2005	187,485.00
10/17/2005	150,000.00
10/1/2006	150,000.00
11/7/2007	150,000.00
11/3/2008	150,000.00
10/16/2009	149,550.00
9/29/2010	70,650.00
9/13/2011	37,000.00
12/12/2012	17,150.00
3/6/2015	4,166.67
7/8/2016	150,000.00
Total	1,216,001.67

Advocate Health Care		
	Series 1985C	Bromenn Foundation
		Bromenn Healthcare 1
		Bromenn Healthcare 2
		Bromenn Healthcare 3 (Brokaw Mennonite)
		Bromenn Healthcare 4
		Condell Medical Center
		Condell Memorial Hospital
		Lutheran General Health System 1
		Lutheran General Health System 2
		Medical Center Properties, Inc
		Sherman Health Systems
		Sherman Hospital
		Sherman West Coast
		South Suburban Hospital
	Series 1985D	Augustana Hospital & Health Care Center aka Lutheran General Hospital - Lincoln Park
		Bromenn Healthcare 1
		Bromenn Healthcare 2
		Bromenn Healthcare 3
		Bromenn Foundation
		Condell Medical Center
		Lutheran General Hospital
		Medical Center Properties, Inc.
	Series 1985F	Condell Medical Center
		Illinois Masonic Medical Center 1
		Illinois Masonic Medical Center 2
		Sherman Hospital
American Association of Neurological Surgeons		
	Series 1985C	American Association of Neurological Surgeons
Amita Health Adventist Medical Center		
	Series 1985D	Community memorial General Hospital aka La Grange Memorial Hospital
		Hinsdale Hospital fka Adventist Health System
Ann & Robert H.Lurie Childrens Hospital of Chicago		
	Series 1985C	Park West Realty Corporation 1
		Park West Realty Corporation 2
Aurora Area Blood Center dba Heartland Blood Center		
	Series 1985F	Aurora Area Blood Center
Blessing Hospital		
	Series 1985D	Blessing Hospital
Centegra Health System		
	Series 1985D	Memorial Hospital
		Northern Illinois Medical Center
Chestnut Health System		
	Series 1985C	McLean County Alcohol & Drug Assistance
		McLean County Alcohol & Drug Assistance

Community Workshop & Training Center		
	Series 1985D	Community Workshop & Training Center 1
		Community Workshop & Training Center 2
		Community Workshop & Training Center 3
		Community Workshop & Training Center 4
		Community Workshop & Training Center 5
Edward-Elmhurst Health		
	Series 1985C	Elmhurst Memorial 1
		Elmhurst Memorial 2
		Elmhurst Memorial 3
	Series 1985D	Elmhurst Memorial 1
		Elmhurst Memorial 2
		Elmhurst Memorial 3
		Elmhurst Memorial 4
Elim Christian Services		
	Series 1985D	Elim Christian School 1
		Elim Christian School 2
Family House Inc.		
	Series 1985C	Julep's Family House Inc
Greenville Regional Hospital dba HSHS Holy Family Hospital		
	Series 1985D	Edward A. Utlaut Health Services, Inc 1
		Edward A. Utlaut Health Services, Inc 2
Hancock County Senior Services Association		
	Series 1985D	Hancock County Nursing Home Association
HSHS St. Mary's Hospital		
	Series 1985D	St. Mary's Hospital
Illinois College of Optometry		
	Series 1985C	Illinois College of Optometry 1
		Illinois College of Optometry 2
Illinois Hospital Association		
	Series 1985D	Illinois Hospital Association
Illinois Valley Community Hosptial		
	Series 1985D	Illinois Valley Community Hospital
Katherine Shaw Bethea Hospital		
	Series 1985C	Katherine Shaw Bethea Hospital 1
		Katherine Shaw Bethea Hospital 2
	Series 1985D	Katherine Shaw Bethea Hospital
Kirby Medical Center		
	Series 1985F	John & Mary E. Kirby Hospital
Little Company of Mary Hospital		
	Series 1985C	Little Company of Mary Hospital
	Series 1985D	Little Company of Mary Hospital
Loretto Hospital		
	Series 1985D	Loretto Hospital

Loyola University Health System		
	Series 1985C	Gottlieb Memorial Hospital
		Loyola University of Chicago
	Series 1985D	Gottlieb Memorial Hospital
		Loyola University Medical Center
	Series 1985F	Gottleib Health Resources Inc
		Gottlieb Memorial Hospital
Lutheran Social Services of Illinois		
	Series 1985D	Lutheran Social Services of Illinois
Martha Washington Hospital		
	Series 1985D	Martha Washington Hospital 1
		Martha Washington Hospital 2
Mary Thompson Hospital aka The Womens Treatment Center		
	Series 1985D	Mary Thompson Hospital 1
		Mary Thompson Hospital 2
		Mary Thompson Hospital 3
Maryville Academy		
	Series 1985D	Maryville Academy 1
		Maryville Academy 2
Memorial Hospital		
	Series 1985D	Memorial Hospital
Mercy Health Care Rehabilitation Center		
	Series 1985C	Mercy Health Care Rehabilitation Center
Milestone, Inc		
	Series 1985C	Milestone, Inc
Morris Hospital		
	Series 1985C	Morris Hospital
		Morris Hospital
NorthShore University Health System		
	Series 1985D	Rush North Shore Medical Center
Northwestern Medicine Lake Forest		
	Series 1985C	Lake Forest Hospital
	Series 1985D	Lake Forest Hospital
Northwestern Memorial Hospital		
	Series 1985C	Northwestern Memorial Hospital
	Series 1985D	Community Hospital
	Series 1985F	Northwestern Memorial Hospital
Norwegian American Hospital		
	Series 1985C	Norwegian American Hospital 1
	Series 1985D	Norwegian American Hospital 1
		Norwegian American Hospital 2
Norwood Crossing		
	Series 1985C	Nor-Wood Life Care NFP
	Series 1985D	Norwood Park Home

OSF Healthcare System		
	Series 1985C	OSF Healthcare System, Inc 1
		OSF Healthcare System, Inc 2
	Series 1985D	Kewanee Hospital Association
		OSF Healthcare System 1
		OSF Healthcare System 2
		OSF Healthcare System 3
	Series 1985F	OSF Healthcare System 1
		OSF Healthcare System 2
		OSF Healthcare System 3
Pekin Hospital		
	Series 1985D	Pekin Memorial Hospital
Plymouth Place		
	Series 1985C	Plymouth Place, Inc 1
		Plymouth Place, Inc 2
	Series 1985D	Plymouth Place, Inc
Presence Covenant Medical Center		
	Series 1985C	Mercy Hospital
	Series 1985D	Mercy Hospital (Covenant Med Cntr)
Presence Health Corporation		
	Series 1985C	Covenant Medical Center
		Our Lady of the Ressurection Medical Center
		Resurrection Health Care Corporation
		Ressurection Medical Center
		St. Mary's Hospital
	Series 1985D	St. Anne's Center (ServantCor)
		St. Mary's Hospital 1
		St. Mary's Hospital 2
		St. Mary's Hospital 3
Rehabilitation Institute of Chicago		
	Series 1985C	Rehabilitation Institute of Chicago
Riverside Healthcare		
	Series 1985C	Riverside Senior Living Center
		MRC Foundation, Inc
	Series 1985F	Riverside Medical Center
RML Specialty Hospital		
	Series 1985C	RML Health Providers, Ltd 1
		RML Health Providers, Ltd 2
Ronald McDonald House		
	Series 1985C	Kids at Heart
Rush University Medical Center		
	Series 1985C	Rush University Medical Center - 1990B-2
		Rush University St Luke's medical Center - 1997B
	Series 1985D	Rush University Medical Center - 1989D
		Rush University Medical Center - 1990B-1
	Series 1985F	Rush University Medical Center - 1995A
		Rush University Medical Center - 1997B

Rush-Copley Medical Center		
	Series 1985C	Copley Memorial Hospital 1
	Series 1985D	Copley Memorial Hospital 2
Sarah Bush Lincoln Health Center		
	Series 1985C	Sarah Bush Lincoln Health Center
	Series 1985D	Sarah Bush Lincoln Health Center
Sinai Health System		
	Series 1985C	Charles H & Rachel Schwab Rehab Hospital 1
		Charles H & Rachel Schwab Rehab Hospital 2
		Schwab Rehabilitation Hospital (Charles H & Rachel M)
	Series 1985D	Mt. Sinai Hospital
		Schwab Rehabilitation Center
Smith Village		
	Series 1985D	The Washington & Jane Smith Home
Southern Illinois Healthcare		
	Series 1985C	Southern Illinois Healthcare
	Series 1985D	Southern Illinois Hospital Services
	Series 1985F	Southern Illinois Healthcare Enterprises Inc.
Southwest Hospitals MRS Inc		
	Series 1985C	Southwest Hospitals MRI, Inc
	Series 1985D	Southwest Hospital MRI 1
		Southwest Hospital MRI 2
St. Bernard Hospital		
	Series 1985D	St. Bernard
SwedishAmerican Hospital		
	Series 1985C	Swedish American Hospital Association
Swedish Covenant Hospital		
	Series 1985C	Life Center on the Green Inc 1
		Life Center on the Green Inc 1
		Swedish Covenant Hospital
	Series 1985D	Swedish Covenant Hospital 1
		Swedish Covenant Hospital 2
Symbria		
	Series 1985C	Alliance Health Center aka Health Resources Alliance
	Series 1985D	Alliance for Health aka Health Resources Alliance
T.A.S.C.		
	Series 1985C	T.A.S.C. Incorporated
The University of Chicago Medicine		
	Series 1985D	The University of Chicago Hospitals
Thorek Memorial Hospital		
	Series 1985C	Thorek Hospital and Medical Center
	Series 1985F	Thorek Hospital Medical Center 2004
Thresholds		
	Series 1985C	The Thresholds, Inc

The Visiting Nurses Association of Chicago		
	Series 1985D	The Visiting Nurse Association of Chicago
VHS Westlake Hospital Inc		
	Series 1985F	Westlake Community Hospital
Vista Health System		
	Series 1985C	Victory Memorial Hospital
	Series 1985D	Victory Memorial Hospital 1
		Victory Memorial Hospital 2
		Victory/Saint therese Enterprises, Inc. c/o Victory Memorial Hospital 1
		Victory/Saint therese Enterprises, Inc. c/o Victory Memorial Hospital 2
		Victory/Saint therese Enterprises, Inc. c/o Victory Memorial Hospital 3

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
March 9, 2017

I. CONTRACTS/AMENDMENTS EXECUTED					
A. Illinois Procurement Code-Small Purchases	**Vendor**	**Initial Term**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
	Crane Imaging Solutions, Inc.	02/09/17 - 02/08/20	$2,040	Agreement executed.	Kodak Scanner service and software support.
B. Illinois Procurement Code-Competitive Bids/Proposals	Catalyst Consulting Group, Inc.	04/01/17 - 03/31/20	$108,000	Agreement executed.	Provide personnel as needed to maintain and advise on Agency IT and phone systems.

II. SOLICITATIONS					
A. Illinois Procurement Code-Competitive Bids/Proposals	**Vendor**	**Initial Term**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
	N/A	N/A	N/A	N/A	N/A

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
March 9, 2017

III. EXPIRING CONTRACTS					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
A. Anticipation of Litigation	N/A	N/A	N/A	N/A	N/A
B. Illinois Procurement Code-Pursuant to the Exemption	ADP Total Source, Inc.	05/31/17	$353,578	Proposed Sole Source Procurement	Employee Benefits and Payroll Services.
	Mesirow Insurance Services	06/20/17	$300,000	Join to Master Contract	Insurance Brokerage Services.
	Bank of America-Credit Card	06/30/17	N/A	To renew.	Agency Credit Card services.
	Bank of America-Depository	06/30/17	N/A	To renew.	Bank of America Operating Account.
	Acacia Financial Group	7/15/2017	$175,000	Amendment	Financial advisory services.
	Sycamore Advisors, LLC	7/15/2017	$175,000	Amendment	Financial advisory services.
	HPL & S, Inc.	06/30/17	$5,000	TBD	401A Plan Administrator.
	US Bank National Association	06/30/17	$18,000	Proposed Sole Source Procurement	Local Gov't Paying Agent/Custodian.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
March 9, 2017

III. EXPIRING CONTRACTS (cont'd)					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
A. Illinois Procurement Code-Small Purchases	Kanban	03/31/17	$1,380	Will not be renewed.	Project Tracking.
	MABSCO	03/31/17	$5,000	New contract in process	Service Agency Loan portfolio and Loan Programs.
	Catalyst Consulting Group, Inc.	03/31/17	$49,000	New contract in process	Provide personnel as needed to maintain and advise on Agency IT and phone systems.
	USPS	03/31/17	$348	To renew	PO Box.
	Xerox	04/01/17	$18,008	Replacements in process.	3 Copiers leased - Chicago.
	Xerox	04/01/17	$5,082	Replacement in process.	1 Copier leased - Mt. Vernon.
	Com Microfilm Company, Inc.	04/18/17	$75,000	In process to execute 1 year agreement	Imaging services of archived materials.
	Accounting Principles	04/28/17	$70,000	Replaced by Premier Staffing Services	Temporary Staffing Services.
	Hewlett Packard Enterprise Support	05/04/17	$3,846	To renew	IT Hardware Support.
	MicroTek	05/17/17	$9,500	Project completed. Will not be renewed.	Training Room Rentals.
	Hewlett Packard Enterprise Hardware	05/18/17	$3,878	TBD	MailArchiva Server Hardware.
	GoDaddy	05/30/17	$297	TBD	Standard Multiple Domain SSL Renewal (il-fa.com).
	MX Save	06/12/17	$588	TBD	Disaster Recovery/Mailbag Service.
	GoDaddy	06/13/17	$150	TBD	SSL Certificate for Mobile Device Management.
	ADP/EZLabor	06/30/17	$1,008	TBD	Employee Timesheet Module.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
March 9, 2017

III. EXPIRING CONTRACTS (cont'd)					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
A. Illinois Procurement Code-Small Purchases	CDW Government LLC	06/30/17	$264	TBD	Smart Net.
	Com Microfilm Company, Inc.	06/30/17	$16,948	TBD	Docuware Maintenance.
	Midwest Moving & Storage	06/30/17	$48,840	Vendor replaced. Will not be renewed.	Storage.
	Neopost USA Inc.	06/30/17	$941	TBD	Postage; Meter Rental Services.
	Novanis IT Solutions	06/30/17	$342	TBD	Enterprise Mobility Management.
	Pickens Kane	06/30/17	$30,000	Vendor replaced. Will not be renewed.	Records management services.
	Presidio Networked Solutions	06/30/17	$3,292	TBD	Production Support/subscription for VMware.
	Swift Impressions	06/30/17	$12,000	TBD	Printing Services for the Monthly Board Book.
	The On Time Courier	06/30/17	$5,000	TBD	Messenger Service.
	TRI Industries	06/30/17	$986	Continue with State Master. Expires 2019.	Toner.
	United Parcel Service	06/30/17	$12,000	TBD	Package Delivery.

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD OF DIRECTORS MEETING
March 9, 2017

III. EXPIRING CONTRACTS (cont'd)					
	Vendor	**Expiration Date**	**Estimated Not to Exceed Value**	**Action**	**Services Provided**
A. Illinois Procurement Code-Small Purchases	GoDaddy	8/10/2017	$480	Renewal	Standard Wildcard SSL renewal.
	GoDaddy	8/10/2017	$543	Renewal	Web Hosting Server.
	P.D. Morrison Enterprises	8/23/17	$50,000	TBD	Office Supplies.
	Bloomberg Finance L.P.	9/8/17	$42,000	Renewal	Shared license for 6 users.
	Anchor Staffing	9/28/17	$79,081	Vendor replaced. Will not be renewed.	Temporary staffing services.
	Wellspring Software, Inc.	10/16/2017	$140	Renewal	PrintBoss Software for printing checks.
	Datalock	10/24/2017	$265	Renewal	Mt Vernon shredding.
	Marzullo Reporting Agency, Inc.	10/31/17	$15,000	Renewal	Monthly Board Meeting.
	Network Solutions	12/20/17	$38	Renewal	For site URL.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher and Patrick Evans

Date: March 9, 2017

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $524,200 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $357,500**
- **Calendar Year Summary:** (as of March 9, 2017)
  - Volume Cap Allocation for Beginning Farmer Bonds – Calendar 2017: $10,000,000
  - Volume Cap Committed: $1,727,700
  - Volume Cap Remaining: $8,272,300
  - Average Farm Acreage: 78
  - Number of Farms Financed: 6
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds –** no direct IFA or State funds at risk
  - **New Money Bonds:**
    - IFA conveys tax-exempt, municipal bond status onto the financing
    - Will use dedicated 2017 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
  - The Bank will be secured by the Borrower's assets, as on a commercial loan (typically 1st Mortgage)
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

A. Project Number:	**30384**
Borrower(s):	**Birch, Jacob A.**
Borrower Benefit:	First Time Land Buyer
Town:	Buckingham, IL
IFA Bond Amount:	**$287,500.00**
Use of Funds:	Farmland –61 acres of farmland
Purchase Price:	$496,592 / $8,141 per acre
% IFA Bonds	58% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% Other (Bank)	19% *(Subordinate Financing – secured by 2nd Mortgage)*
% Borrower Equity	23%
Township:	Rogers
Counties/Regions:	Ford / East Central
Lender/Bond Purchase:	Vermilion Valley Bank / Gary Loschen
Legislative Districts:	Congressional: 2
	State Senate: 40
	State House: 79

Principal shall be paid annually in installments determined pursuant to a Twenty-five year amortization schedule calculated at the initial interest rate, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid semi-annually with the first interest payment date to begin six months from the date of closing with the twenty fifth and final payment of all outstanding balances due twenty five years from the first principal date. The note will have a 25-year amortization and maturity.

B. Project Number:	**30385**
Borrower(s):	**Thole, Kevin Timothy**
Borrower Benefit:	First Time Land Buyer
Town:	Mulberry Grove, IL
IFA Bond Amount:	**$70,000.00**
Use of Funds:	Farmland –40 acres of farmland
Purchase Price:	$140,000 ($70,000 acreage only) / $1,750 per acre
% IFA Bonds	50% (Bank Purchased Bond – Bank secured by 1st Mortgage)
% USDA Farm Service Agency (“FSA”)	45% *(Subordinate Financing – secured by 2nd Mortgage)*
% Borrower Equity	5%
Township:	South Filmore
Counties/Regions:	Montgomery / Central
Lender/Bond Purchase:	Bradford National Bank / Robert Tompkins
Legislative Districts:	Congressional: 13
	State Senate: 54
	State House: 107

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin one month from the date of closing. Accrued interest on the unpaid balance hereof shall be paid monthly, with the first interest payment date to begin one month from the date of closing with the 360th and final payment of all outstanding balances due 360 months from the date of closing.

ILLINOIS FINANCE AUTHORITY

CONDUIT

March 9, 2017

$150,000,000 (Not-to-exceed amount – New Money Bonds)
CenterPoint Joliet Terminal Railroad, LLC
(CenterPoint Intermodal Center – Joliet Project)

REQUEST	**Purpose:** Finance the acquisition of land, and construction and equipping of various capital improvements thereon at CenterPoint Intermodal Center in Joliet, Illinois, a rail-to-truck and truck-to-rail Intermodal facility generally located south and east of the Des Plaines River, east of the Burlington Northern Santa Fe Railway, north of Noel Road, and west of both Illinois 53 and the Union Pacific Railroad, and located within the corporate boundaries of the City of Joliet. **Project Description:** Finances construction, equipment, and bond issuance costs and provides permanent financing for CenterPoint Intermodal Center – Joliet. **Program**: Surface Freight Transfer Facilities Revenue Bonds [Special U.S. Department of Transportation ("**US DOT**") Private Activity Bond Program authorized under the 2005 Federal Transportation Act ("**SAFETEA-LU**").] **Volume Cap:** *No State of Illinois or IFA Private Activity Bond Volume Cap will be required.* CenterPoint Properties has applied for and received an allocation from the US DOT to use approximately $300 million of additional Freight Transfer Facilities Revenue Bonds to develop and build-out qualified freight transfer facilities as allowed by law. CenterPoint has selected IFA to serve as the conduit issuer to issue bonds to finance this project with the US DOT allocation. CenterPoint reserves the right to apply for additional Private Activity Volume Cap up to the Confirming Resolution amount approved by the IFA Board (see Sources & Uses of Funds table below). **Extraordinary Conditions:** None
BOARD ACTIONS	Final Bond Resolution requested to issue up to $150.0 million of New Money Bonds. Prior Board Actions in connection with the development and build-out of this project include the following: (i) IFA Final Bond Resolution (2016-01-14BI02) approved January 14, 2016, (ii) IFA Resolution to Confirm and Restate August 7, 2007 Preliminary Bond Resolution (2015-1008-BI02) approved October 8, 2015, (iii) IFA Final Bond Resolution (2012-0911-BI04) approved September 11, 2012, (iv) IFA Final Bond Resolution (2010-11-04) approved November 10, 2010, and (v) IFA Preliminary Bond Resolution (07-08-23) approved August 7, 2007 are reported on p. 3 of this report.
MATERIAL CHANGES	This is the first time this particular tranche has been presented to the IFA Board. This will be the fourth series of Bonds issued in connection with the ongoing multi-year build-out of the CenterPoint Intermodal Center – Joliet.
JOBS DATA *(SEE P. 4 FOR ADDITIONAL DETAILS;* *16,600+ JOBS OVER DEVELOPMENT CYCLE)*	8,705 Current FT jobs; comprised of the following • 3,500 Union Construction Jobs • 2,005 Permanent Industrial Pk./Intermodal Facility Jobs • 2,000 Permanent Trucking Jobs • 1,200 Indirect/Induced Jobs N/A Jobs Retained 16,600+ Jobs over Project Development Cycle, comprised of: • 6,200 Union Construction Jobs • 5,400 Permanent Industrial Park and Intermodal Facility Jobs • 3,100 Permanent Trucking Jobs • 1,900 Indirect/Induced Jobs 1,250 Construction Jobs to Date (i.e., 2,000 man hrs. / job)
BORROWER	● Type of entity: Special Purpose Entity (LLC) to own and develop the subject project for lease or resale to prospective tenants and/or purchasers as allowed under SAFETEA-LU
DESCRIPTION	● Location: Joliet, Illinois (Will County) ● When was it established? Borrower was formed in 2007 as a special purpose entity to own and develop the subject intermodal rail/truck and truck/rail facility in Joliet ● What does the entity do? Real estate development company ● Who does the entity serve? Prospective tenants/users of Joliet Intermodal Center ● What will new project facilitate? Improved transportation and logistics efficiencies via truck and rail (initially via the Union Pacific Railroad and BNSF Railroad).
CREDIT INDICATORS	● The Bonds will be privately placed to a syndicate of Banks (i.e., bank direct purchase structure) that finance CenterPoint Properties' Line of Credit (and CenterPoint's other credit facilities).
PROPOSED STRUCTURE	The proposed Bonds will be Multi-Modal Bonds that will initially be privately placed by SunTrust Robinson Humphrey to a syndicate of Banks (i.e., bank direct purchases) led by SunTrust Bank. The purchasers (i.e., Banks, which are by definition "Accredited Investors") will be entirely responsible for structuring and securing their allocated ownership interest in the proposed Bond issue. Interest Rates: preliminary estimated range of 2.00% to 5.00%, depending on maturity Maturity: Not-to-exceed 40 years from the date of issuance (parameter). The anticipated final maturity date is estimated as December 1, 2043 (preliminary; subject to change).
SOURCES & USES - ESTIMATED	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES & USES - ESTIMATED

Sources:		Uses:	
IFA Series 2010 Bonds:	$ 150,000,000	Project Costs for Reimbursement:	$ 455,000,000
IFA Series 2012 Bonds:	75,000,000	Future Project Costs	804,720,000
IFA Series 2016 Bonds	100,000,000	Costs of Issuance - Series 2010	815,000
IFA Series 2017 Bonds	130,000,000	Costs of Issuance - Series 2012	190,000
Future IFA Bonds (per October 2015 Confirming Resolution)	682,000,000	Costs of Issuance - Series 2016	190,000
Equity/Match:	124,105,000	Costs of Issuance - Series 2017	190,000
Total:	**$ 1,261,105,000**	**Total:**	**$ 1,261,105,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2017

Project: CenterPoint Joliet Terminal Railroad, LLC (CenterPoint Intermodal Center – Joliet Project)

STATISTICS

IFA Project:	12321	Amount:	$150,000,000 (not-to-exceed amount)
Type:	Surface Freight Transfer Facilities Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Joliet	County/ Region:	Will/Northeast

BOARD ACTION

Final Bond Resolution for Series 2016 Bonds	
Conduit Freight Transfer Facilities Revenue Bonds (Tax-Exempt)	Credit Review Committee recommends approval
No IFA funds at risk	No extraordinary conditions

Note: CenterPoint has obtained (i) the requisite Private Activity Bond allocation directly from the US DOT, and (ii) a commitment from US DOT for transportation grant funds under Title 23 (highway improvements for I-55/Arsenal Road interchange and other highway improvements in the general area of the Project) through the Illinois Department of Transportation, thereby satisfying both US DOT requirements to issue tax-exempt bonds for the Project.

PURPOSE

The overall project involves the acquisition of land, construction of rail improvements, and the construction of all or a portion of an estimated 15 million SF to 20 million SF of related warehousing and distribution facilities (up to 1.5 million SF each) and related infrastructure located generally on an approximately 4,000-acre site (including approximately 940 acres for two intermodal rail yards) located west of the Union Pacific mainline (Chicago-Springfield-St. Louis line), north of Noel Road and south and east of the Des Plaines River, within the limits of the City of Joliet in Will County.

Certain portions of these intermodal and logistics park facilities are intended to qualify for federally tax-exempt Freight Transfer Facility Revenue Bonds and Highway Infrastructure Facilities Revenue Bonds under a surface transportation finance initiative approved in late 2005 and implemented in early 2006 by the U.S. Department of Transportation.

IFA CONTRIBUTION

Although the subject Bonds will be issued on a tax-exempt basis for a for-profit entity, Freight Transfer Facility Revenue Bonds and Highway Infrastructure Facilities Revenue Bonds will not require any State of Illinois or IFA Volume Cap. Instead, authorization requests for Tax-Exempt Freight Transfer Facility Revenue Bonds are allocated directly to each project by the US DOT, subject to an initial $15 billion national limitation over the life of the program pursuant to 2005's SAFETEA-LU Act. CenterPoint previously obtained a direct allocation which was used to finance the Prior Bonds ($325 million to date) and of which approximately $300 million remains available, with such allocation provided by the U.S. Department of Transportation to enable tax-exempt bonds to be issued to finance eligible costs relating to development of the CenterPoint Intermodal Center – Joliet project.

CenterPoint has selected IFA to serve as the conduit issuer for its Joliet Intermodal facility project. As conduit issuer, IFA will convey tax-exempt municipal bond status on debt issued (and purchased by CenterPoint's commercial banking syndicate) to permanently finance qualified improvements located at the Project site.

VOTING RECORDS (presented in reverse chronological order)

Final Bond Resolution – authorized issuance of Series 2016 Bonds: IFA Resolution 2016-0114-BI02 approved January 14, 2016 (authorized the issuance of up to $100.0 million of Bonds in one or more series): Ayes: 11; Nays: 0; Abstentions: 0; Absent: 4 (Fuentes, Horne, O'Brien, Yonover)

IFA Resolution 2015-1008-BI02 approved October 8, 2015 to Confirm and Restate the August 7, 2007 Preliminary Bond Resolution:

- Ayes: 12; Nays: 0; Present: 0; Excused Absences: 3 (Horne; O'Brien; Tessler)

Prior Final Bond Resolutions (from 2010 and 2012):

- IFA Resolution No. 2012-0911-BI04 approved September 11, 2012 (authorized (i) issuance of up to $80.0 million of IFA Bonds in one or more series and (ii) execution of a First Supplemental Trust Indenture for the IFA Series 2010 Bonds): Ayes: 9; Nays: 0; Abstentions: 1 (Gold); Absent: 2 (Fuentes, Leonard); Vacancies: 3

- IFA Resolution No. 2010-11-04 approved November 9, 2010 (authorized the issuance of up to $200.0 million of Bonds in one or more series): Ayes: 10; Nays: 0; Abstentions: 1 (Gold); Absent: 4 (Bronner, DeNard, Fuentes, Herrin); Vacancies: 0

Preliminary Bond Resolution No. 07-08-23 approved August 7, 2007 (i.e., "Reimbursement Resolution" or "Inducement Resolution"):

- Ayes: 10; Nays: 0; Abstentions: 0 Absent: 4 (Boyles; Fuentes; Herrin; Rivera); Vacancies: 1

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Ser. 2010 Bonds	$150,000,000	Uses:	Reimbursement of Prior Costs	$455,000,000
	IFA Ser. 2012 Bonds	75,000,000		Future Project Costs	804,720,000
	IFA Ser. 2016 Bonds	100,000,000		Issuance Costs – Series 2010	815,000
	IFA Ser. 2017 Bonds	130,000,000		Issuance Costs – Series 2012	190,000
	Future IFA Bonds	682,000,000		Issuance Costs – Series 2016	190,000
	Equity	124,105,000		Issuance Costs – Series 2017	190,000
	Total	**$1,261,105,000**		**Total**	**$1,261,105,000**

Comment: These amounts represent not-to-exceed amounts for the anticipated multi-year, multi-series issuance of tax-exempt bonds associated with build-out of this project as contemplated by CenterPoint.

Although CenterPoint has 5 years to expend bond proceeds under the US DOT bond program, CenterPoint has determined it is generally most advantageous to issue bonds primarily to reimburse expenditures following completed project build-outs every one to two years (nevertheless, a limited portion of bond proceeds may be allocated to finance subsequent construction).

Related Title 23 Assistance: In addition to the improvements described above, federal "Title 23" funds have been used to finance certain bridge improvements in the south and southeast corner of the Project site and various improvements to I-55 (to the west of the Project), in both cases so as to improve access to the Project and accommodate the increased traffic resulting from the Project.

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JOBS

Current Employment:	8,705 (Full-Time) comprised of: • 3,500 Union Construction Jobs • 2,005 Permanent Industrial and Intermodal Facility Jobs • 2,000 Permanent Trucking Jobs • 1,200 Indirect and Induced Jobs	Total Jobs Forecast Over Project Development Cycle:	16,600+ comprised of: • 6,200 Union Construction Jobs (through completion) • 5,400 Permanent Industrial and Intermodal Facility Jobs • 3,100 Permanent Trucking Jobs • 1,900 Indirect and Induced Jobs
Jobs Retained:	Not applicable	Construction Jobs to date *(supplemental info.)*	1,250 Union Construction Jobs to date (based on 2,000 man hrs. / job)

Current Jobs – Notes on CenterPoint's reported employment as successive phases of IFA Bonds have been issued:

CenterPoint currently reports a total of 8,705 new and construction jobs (based on the breakdown reported above). In comparison, CenterPoint reported 220 FT jobs as of November 2010 (at the time of approval of the first Final Bond Resolution), 4,175 FT jobs as of September 2012 (at the time of approval of the Resolution authorizing issuance of the second tranche of IFA Bonds), and 6,825 FT jobs as of October 2015 (at the time of approval of the Resolution authorizing issuance of the third tranche of IFA Bonds).

FINANCING SUMMARY

CenterPoint intends to issue bonds in multiple series over time (i.e., tranches), as dictated by demand/build-out over the anticipated remaining 5 to 10 year development period. CenterPoint anticipates that each tranche will be financed according to the following proposed terms:

Structure:	Multi-Modal Bonds that will be underwritten (and privately placed in a Bank-held Mode at the time of initial sale) by SunTrust Robinson Humphrey. The Multi-Modal Bonds will initially bear interest in a Bank Rate, in which the Bonds will be purchased by SunTrust Bank, as Agent, in a private placement for a syndicate of financial institutions for an initial anticipated term of 5 years. Bond payments will be amortized over 40 years. The Bonds will be subject to extension and an interest rate reset periodically (or as amended) until maturity while in Bank Purchase Mode, consistent with a bank commercial loan structure.
Bank Security/Collateral:	The purchasing Banks are Accredited Investors and are solely responsible for assuring their financing commitment (i.e., bond purchase) is adequately collateralized.
Credit Ratings:	Not applicable since the Bonds will be purchased directly by the Banks as a direct investment. The LLC is a non-rated entity.
Collateral:	Confidential – to be negotiated and finalized directly with the Banks that purchase participation interests in these Bonds.
Proposed Interest Rate Mode:	Initial 5 year fixed rate with reset and extension provisions every 5 years until the final maturity date.
Estimated Interest Rate:	Could range from 2.00% fixed to 5.00% fixed, depending on maturity (as negotiated with the members of the banking syndicate).
Amortization:	Approximately 40 years (dependent on useful-life calculation)
Final Maturity Date:	Resolution Parameter: not-to-exceed 40 years (anticipated final maturity date is December 1, 2043; preliminary subject to change)
Anticipated Closing Date:	March or April 2017

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be issued in one or more Series and used by CenterPoint Joliet Terminal Railroad, LLC (together with any successors, affiliates, and assigns, the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds to (a) finance, refinance or reimburse the Borrower for all or a portion of the costs of the acquisition, construction, equipping, and development of a state-of-the-art intermodal logistics center and inland port for the transfer of freight from truck to rail or rail to truck (including temporary storage facilities directly related to such transfers) on a site of approximately 4,000 acres within the boundaries of the City of Joliet, in Will County, Illinois, located along railroad mainlines of two Class I common carrier railroads owned by two Class I railroads and being developed in conjunction with Title 23, United States Code, funding for (i) the construction and construction engineering of the bridge on Manhattan Road over Jackson Creek and (ii) current and future projects involving State highway reconstruction and capacity work on I-55 to provide adequate roadway infrastructure and direct access support to the west of the Project, together with such other related improvements related thereto (collectively, the "**Project**"), (b) pay certain interest expense in connection with the Project, and (c) pay all or a portion of the costs of issuance of the Bond

Estimated project costs relating to the overall build-out of the CenterPoint Joliet Terminal Railroad, LLC project are as follows:

Land Acquisition:	$238,000,000
New Construction:	986,720,000
Equipment:	35,000,000
Total	**$1,259,720,000**

BUSINESS SUMMARY

Description: **CenterPoint Joliet Terminal Railroad, LLC** (together with any successors, affiliates, and assigns, the **"Borrower**") is an Illinois Limited Liability Company formed on April 11, 2007 as a special purpose entity to own and develop the subject freight intermodal facility and logistics park in the City of Joliet, Will County.

The sole Member of the Borrower is **CenterPoint Properties Trust ("CPT")**, a private Maryland Real Estate Investment Trust. CPT is 99% beneficially owned by **CalEast Global Logistics LLC ("CalEast"),** a leading investor in logistics warehouse and related real estate.

CalEast Global Logistics LLC is owned by the **California Public Employees Retirement System ("CalPERS")** and **GIP Co-Investor LLC**, an affiliate of GI Partners (see Economic Disclosure Statement on page 9).

Background on CenterPoint Properties Trust: CPT was originally formed in 1984 as Capital and Regional Properties Corporation. CPT became a publicly traded REIT in 1993 after consolidating with FCLS Investors Group, a Chicago-based industrial development company with 30 years of local development experience.

In March 2006, after over 12 years as a public company, CPT was purchased and taken private by CalEast Global Logistics, LLC. CalEast is a leading investor in logistics warehouse and related real estate and is a joint venture of CalPERS and GI Partners.

CalPERS is the nation's largest pension fund, with approximately $307 billion in assets. Established in 2001, GI Partners is a leading private investment firm focused on investments in asset-backed businesses and properties in North America and Western Europe with approximately $12.0 billion of capital under management. The firm is active in a number of key sectors, including asset-backed IT services, specialty healthcare and education, leisure, commercial real estate, hospitality, retail, and financial services.

CPT's mission is focused on the development, ownership, and active management of industrial real estate and related rail, road, and port infrastructure.

CPT is one of the largest owners, managers, and developers of industrial real estate in metropolitan Chicago. Along with its affiliates, CPT owns and manages more than 56 million SF of industrial/warehousing space. CPT has an additional 3,200 acres of land available for future development, of which 2,200 acres is located in the Chicago metropolitan area.

Aside from its intermodal facilities under development in Joliet and Elwood, CPT has an extensive track record of developing successful industrial and warehousing projects in Illinois and SE Wisconsin, including the Ford Chicago Manufacturing Campus (Chicago), International Produce Market (Chicago), O'Hare Express Center and O'Hare Express North (Chicago), California Avenue Business Center (Chicago), McCook Business Center I and II (McCook), BNSF Logistics Park Chicago (Elwood), DuPage National Technology Park (West Chicago), and several other business parks located in Illinois, SE Wisconsin, NW Indiana, Missouri, Georgia, Texas, California, Washington, and New Jersey.

Chicago's Role as a Logistics Center for the Central U.S.: Intermodal facilities provide for the efficient, direct transfer of goods between ship, rail, or truck. Essentially, intermodal logistics parks are "inland ports" that allow customers to seamlessly ship goods long-haul from the U.S. coasts inland by rail for distribution by truck. Additionally, industrial land adjacent to intermodal facilities allows warehouse/light manufacturing customers to perform bulk breakdown operations, and/or to repackage or assemble products before final delivery by truck to regional warehouses and/or stores.

The Chicago Metropolitan Area has emerged as the largest inland port/freight transfer center in the United States. Currently, the Chicago area supports 1.4 billion SF of industrial property, making the Chicago region one of the largest and most diverse industrial property markets in the U.S.

The Chicago area is also an ideal location for the development of intermodal facilities – it is the only location in the US where all six of the North American Class I railroads intersect. The Class I railroads serving the Chicago area include: (1) Burlington Northern Santa Fe, (2) Canadian National/Soo Line, (3) Canadian Pacific, (4) CSX, (5) Norfolk Southern, and (6) the Union Pacific.

According to CenterPoint, improved productivity/logistics in the Chicago area is important since approximately 60% of freight traveling inland from the coasts either stops in Chicago, or travels through Chicago to other markets. Although it takes only two days for freight to be shipped from the coasts, it can take four days for this rail traffic to move through the City of Chicago.

Development of intermodal facilities around the outer suburbs of Chicago will help reduce rail bottlenecks, reduce truck traffic in the City of Chicago as well as create a more efficient supply chain for goods traveling inland from the coasts.

Development of intermodal facilities in the Chicago metropolitan area will expand the region's effective rail capacity and help maintain the Chicago area's status as the key inland rail hub in the Central U.S.

US DOT Freight Transfer Project Allocations: The U.S. Department of Transportation has sole discretion in determining which surface transportation (i.e., private highways, intermodal facilities, and international bridges) receive a portion of US DOT's national $15 Billion allocation of bond issuance authority over the life of this pilot programs initiated under the 2005 Transportation Bill (i.e., "SAFETEA-LU"). Additionally, all qualifying projects must receive either Title 23 Highway Funds or Title 49 Railroad Grant Funds from US DOT (through IDOT). The CenterPoint Intermodal Center – Joliet project has been supported by Title 23 Highway Funds that have funded various improvements (including, most notably, reconfiguration of the I-55/Arsenal Rd. interchange located west of the Project Site and construction and related engineering work for the Manhattan Road bridge over Jackson Creek).

Rationale for the Joliet Intermodal Facility:

The CenterPoint Intermodal Center - Joliet Project is an approximately 4,000-acre state-of-the-art intermodal logistics center and inland port. The logistics center creates a closed campus environment by co-locating distribution centers, an intermodal facility, container storage yards, and export facilities all in one campus. This provides significant logistics and supply chain advantages to companies that locate at the campus. At full build-out, development within the park will include an 835-acre Class I railroad intermodal facility, 450 acres of onsite container/equipment management and approximately 15 to 20 million square feet of industrial facilities. The project will provide critical transportation capacity for the region and distribution efficiencies for customers, while meeting local community, County and State interests through the creation of approximately 16,600 jobs and millions in new tax revenues.

The subject property site is located approximately:

- 2 miles east of I-55 and the I-55/Arsenal Road interchange;
- 2 miles south of I-80;
- 2 miles west of Illinois Hwy. 53;
- 16 miles west of I-57; and
- Approximately 2 miles north of the CenterPoint Intermodal Center – Elwood.

The CenterPoint Intermodal Center – Joliet has been planned to accommodate goods shipped via both the Union Pacific and BNSF (from the West Coast and Southwest) and, possibly, the Norfolk Southern Railroad from the southeast.

Public benefits of the CenterPoint Intermodal Center – Joliet project include:

1. The Project will help absorb the unmet demand for new Midwestern rail-served warehouse/distribution centers, intermodal, and trans-load facilities due to (a) massive increases in the volume of containerized import shipments (b) the increased importance of efficient logistics in transporting products to final destinations.
2. Tax-Exempt Bond Financing will facilitate a lower cost of occupancy that will attract prospective industrial park tenants to Illinois rather than to Indiana or Missouri.
3. Project-related roadway and interchange improvements to the I-55/Arsenal Road interchange, Arsenal Road (the primary access road serving both CenterPoint's existing Elwood intermodal facility and CenterPoint's Joliet intermodal facility), Illinois Hwy 53, and access from the north from connecting roads to I-80, and other surrounding roads will provide superior truck access to the project(s) and encourage peripheral users to locate nearby.
4. The CenterPoint Intermodal Center – Joliet Project will generate property tax revenue for the City of Joliet and local taxing jurisdictions, and income tax revenue for the State of Illinois.

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Development Timetable: Key events in CPT's development and financing timetable for the CenterPoint Intermodal Center – Joliet project have included the following:

Completed/Ongoing Activities:

- 2006: Land acquisition for the project began
- Early 2007 (and ongoing): Initial discussions with US DOT and IDOT regarding Title 23/Title 49 Funding
- January 2007: Engineering work commenced by TranSystems Corporation of Kansas City, MO and Cowhey Gundmundson Leder of Itasca, IL
- **August 2007: Illinois Finance Authority Board of Directors approves a Preliminary Bond Resolution for CenterPoint's Joliet Intermodal Facility (not-to-exceed amount: $1.34 billion)**
- **September 2007: Submitted application for the US DOT Private Activity Bond Allocation to the Secretary of the U.S. Department of Transportation**
- June 2008: Public water and sewer utility construction commenced
- July 29, 2008: Rezoning to allow for special use as an Intermodal Facility: Agreement made and entered into with City of Joliet
- August 2008: Site topsoil stripping and grading work commenced on Intermodal Facility.
- Fall of 2008: Construction of the Intermodal facility began
- December 30,2008: Completed annexation agreement with the City of Joliet (Document Number R2008-150216)
- December 2008: Mass Grading and Drainage work completed
- July 2009: USACE Wetland Impact and Fill permits completed
- September 2009: Public water and sewer extensions complete
- **August 2010: Intermodal facility open for business and UPRR operations commence**
- September 2010: UPRR began first phase of trailer parking expansion project on site
- **October 2010: Completed first building in the park, a 217,000 square foot building for the Stepan Company**
- December 2010: Completed construction of a 12 acre grain transload facility for The De Long Co.
- **December 2010: Finalized issuance of $150 million IFA Series 2010 Bonds to provide permanent financing for the initial phase of completed intermodal/warehousing facilities**
- August 2011: Completed an 18 acre container storage facility for Mediterranean Shipping Co.
- November 2011: Completed a 36 acre container storage facility for APL
- November 2011: Completed construction of Home Depot's build to suit, a 657,000 square foot building
- **September 2012: Finalized issuance of $75 million IFA Series 2012 Bonds to provide permanent financing for the second phase of completed intermodal/warehousing facilities at CenterPoint Intermodal Center - Joliet**
- December 2012: Completed an 8 acre container storage facility for Central States Trucking
- June 2013: Completed construction of phase II of The Home Depot Joliet campus, a 1.6 million square foot building
- March 2014: Completed construction of a 485,000 square foot joint-venture speculative facility, recently leased to International Transload Logistics
- June 2014: Completed construction of a 12.8 acre container yard, partially leased to Bridge Terminal Transport Services
- August 2014: Completed construction of a 400,000 square foot warehouse facility for Neovia Logistics
- October 2015: Completed a 14.4 acre grain transfer facility for Saturn Agriculture and an 8.0 acre trucking facility for California MultiModal
- **October 2015: Illinois Finance Authority Board of Directors approved a Resolution Confirming and Restating the Preliminary Bond Resolution for CenterPoint's Joliet Intermodal Facility (not-to-exceed amount: $1.34 billion) approved in August 2007**
- **January 2016: Finalized issuance of $100 million IFA Series 2016 Bonds to provide permanent financing for the third phase of completed intermodal/warehousing facilities at CenterPoint Intermodal Center – Joliet**
- March 2016: Completed construction of a 1.1 million square foot building for Saddle Creek Logistics Services
- June 2016: Started construction of a 122,000 square foot warehouse facility for CMI Logistics, expected to be completed in April 2017

- December 2016: Completed construction of a 19.2 acre container storage facility for ConGlobal
- December 2016: Completed construction of a 1.4 million square foot building for an Undisclosed Food Manufacturer

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ECONOMIC DISCLOSURE STATEMENT

Applicant:	CenterPoint Joliet Terminal Railroad, LLC (Contact: Mr. Rick Mathews, VP, Legal, CenterPoint Properties Trust, 1808 Swift Drive, Oak Brook, IL 60523-1501; (T) 630-586-8126; (F) 630-586-8010; e-mail: RMathews@CenterPoint.com)
Alternate Contact:	Mr. Michael Kraft, CenterPoint Properties Trust, Chief Financial Officer; 1808 Swift Drive, Oak Brook, IL 60523-1501; (T) 630-586-8102; (F) 630-586-8010; e-mail: MKraft@CenterPoint.com
Web site:	www.CenterPoint.com (CenterPoint Properties)
Project name:	CenterPoint Intermodal Center – Joliet
Location:	21703 W. Millsdale Road, Joliet, IL 60421-9647
Organization:	CenterPoint Joliet Terminal Railroad, LLC is an Illinois limited liability company that is 100%-owned by CenterPoint Properties Trust, a Maryland Real Estate Investment Trust.
Ownership:	CenterPoint Properties Trust is in turn owned by CalEast Global Logistics, LLC, 65 East State Street, Suite 1750, Columbus, OH 43215; (T): 614-460-4444; web site: www.caleast.com

- CalEast Global Logistics LLC is a joint venture between the California Public Employees Retirement System and GI Partners. Additional information on the joint venture members follows below:
  - California Public Employees Retirement System (d/b/a "CalPERS"): 100%
    400 Q Street, Room 1820
    Lincoln Plaza East
    Sacramento, CA 95814
    Web site: www.calpers.ca.gov
  - GI Partners
    2180 Sand Hill Road, Suite 210
    Menlo Park, CA 94025
    Web site: www.gipartners.com

PROFESSIONAL & FINANCIAL

General Counsel:	Latham & Watkins LLP	Chicago, IL	Robert Buday
Borrower's Auditor:	PricewaterhouseCooper LLP	Chicago, IL	
Bond Counsel:	Perkins Coie LLP	Chicago, IL	Bruce Bonjour, Christine Biebel
Placement Agent: (Privately Placed initially to a banking syndicate)	SunTrust – Tax-Exempt Finance	Atlanta, GA	Hank Harris
Bank:	SunTrust – National REIT Banking Group	Vienna, VA	Nancy Richards
	SunTrust – Commercial Real Estate Syndications	Atlanta, GA	Ricardo Simon
Bond Purchasers through syndication:	Regions Bank – RE Corporate Banking	Birmingham, AL	Ronald Chambers
	PNC Real Estate	Chicago, IL	John Murphy
	BB&T	Winston-Salem, NC	Ahaz Armstrong
	US Bank	Chicago, IL	Curt Steiner
	Bank of America, N.A.	Chicago, IL	Sarah Hudson
Bank Counsel:	Dentons	Chicago, IL	Steve Davidson

Trustee/Fiscal Agent:	US Bank	Chicago, IL	Patricia Trlak
Trustee's Counsel	Nixon Peabody LLP	Chicago, IL	Julie Seymour
Rating Agencies:	Not applicable since the Bonds will be privately placed with commercial banks (i.e., purchased by Accredited Investors)		
Architectural/Engineering:	TranSystems Corporation	Kansas City, MO	
General Contractors:	Ragnar Benson Construction, LLC FCL Builders, LLC	Park Ridge, IL Itasca, IL	
IFA Counsel:	Kutak Rock LLP	Chicago, IL	Kevin Barney
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago, IL	Courtney Tobin, Diana Hamilton

LEGISLATIVE DISTRICTS

Congressional:	11, 16
State Senate:	43
State House:	86

CenterPoint Intermodal Center - Joliet/Elwood

North America's Largest Inland Port

Current CenterPoint Intermodal Center - Joliet/Elwood Tenants

01 Cargill
02 BNSF Container Yard
03 Georgia Pacific
04 DSC Logistics
05 NFI
06 Resource Management Companies
07 Clearwater Paper
08 Partners Warehouse
09 Spec Building +/- 237,200 SF
10 Walmart
11 Samsung
12 IKEA
13 Cypress McKesson
14 Bissell
15 Stepan Company
16 The Home Depot
17 Undisclosed Food Manufacturer
18 CMI Logistics
19 Neovia Logistics
20 Saddle Creek Logistics Services
21 California Multimodal (CMI)
22 The DeLong Company
23 APL
24 Mediterranean Shipping Company
25 Spec CY +/- 7.2 Acres
26 ConGlobal
27 ITL
28 RoadOne Intermodal Logisitcs
29 XPO Logistics
30 ITL
31 Saturn Agriculture
32 Acres Truck Parking
33 The DeLong Company
34 Central States Trucking
35 ContainerPort Group
36 Adrian Carriers
37 Gertsen Interstate System
38 Prairie Material
39 Gavilon Grain
40 LaFarge
41 Cargill
42 ARC Terminals
43 Vulcan
44 Joliet Spec Building +/- 752,640 SF
45 U.S. Army T.E.M.F.

Available Land
Available Container Yard / Tranload Use
Existing Distribution Warehouse
Occupied Container Yard / Transload Use

CONDUIT

March 9, 2017	**$55,000,000 (not-to-exceed amount)** **BHF Chicago Housing Group B LLC (Better Housing Foundation Icarus Portfolio)**

REQUEST	**Purpose**: Bond proceeds will be used by **Better Housing Foundation**, an Ohio 501(c)(3) corporation (the "**Sole Member**"), as the sole member of **BHF Chicago Housing Group B LLC**, an Illinois limited liability company (the "**Borrower**"), to: (i) pay a portion of the costs of acquisition, rehabilitation, and equipping of 45 multifamily affordable residential rental properties with approximately 516 residential housing units (at the addresses identified on p. 15 of this report and collectively, the "**Project**"), (ii) fund one or more debt service reserve funds for the benefit of the Series 2017 Bonds, and (iii) pay a portion of the costs of issuance relating to the Series 2017 Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**"). The $55,000,000 not-to-exceed amount authorized under the Bond Resolution excludes original issue discount or premium, if any. **Program**: Conduit 501(c)(3) Revenue Bonds **Volume Cap Not Required:** This financing will not require Volume Cap due to the 100% 501(c)(3) ownership status of the Sole Member of the limited liability company that will be purchasing the subject 45-property portfolio. The Bonds will be issued to also satisfy the low- and moderate-income tenant requirements specified under Section 142(d) of the Internal Revenue Code of 1986, as amended. Additionally, each of the 45 properties will be subject to Land Use Restriction Agreements that will require that the 45 properties comply with applicable tenant income restrictions and limit rental rates until the later of (i) a minimum of 15 years following the date of closing or (ii) until the IFA Series 2017 Bonds are paid in full. Additionally, a minimum of 75% of the units must be allocated for lease to income qualified low- and moderate income individuals and families earning less than 80% of the area median gross income (adjusted for family size) pursuant to the Better Housing Foundation's corporate mission. **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution (One-time consideration)
MATERIAL CHANGES	None. This is the first time this Project has been considered by the IFA Board of Directors.
JOB DATA	11 Current jobs — 4 New jobs projected N/A Retained jobs — 0 Construction jobs projected
DESCRIPTION	● Project Locations: 45-property multifamily housing portfolio in Chicago (Cook County), Illinois. (Please see p. 15 for the addresses of the 45 Projects.) ● Type of entity: **BHF Chicago Housing Group B LLC** is an Illinois limited liability company and is a single purpose legal entity formed to acquire, rehab, equip and own the subject 45-property, 516-residential unit multifamily portfolio, on behalf of their sole Member (i.e., the Better Housing Foundation). ● Better Housing Foundation, a nonprofit organization incorporated under Ohio law and established in 2015, will engage (through its legal affiliates) Integrus Realty Group LLC (Chicago, IL) to manage the subject 45-property, 516-unit residential unit affordable multifamily rental portfolio. Integrus Realty Group LLC is a for-profit management company engaged by the Borrower to undertake contractual pre-acquisition work and related pre-acquisition due diligence, including third-party reports, and will be responsible for managing the Project. Integrus' principal owners and senior management manage 300 properties with 675 affordable housing units in the City of Chicago (including properties located near the subject 45-property portfolio). ● In addition to the 501(c)(3) ownership, all properties will be subject to a Land Use Restriction Agreement that will require that the subject projects are maintained as affordable housing properties for the greater of (i) a minimum of 15 years or (ii) the date on which the IFA Bonds (or any subsequent Refunding Bonds) are repaid in full. The Foundation's mission requires that a minimum of 75% of units be allocated to qualified low- and moderate income tenants earning less than 80% of the area median gross income (adjusted for family size) and consistent with HUD income limits. ● It is anticipated that cash equity will be used to finance the acquisition of the 20 commercial unit spaces that are located in four of the 45 properties.

CREDIT INDICATORS	● The plan of finance contemplates Bonds to be sold in two series, each of which would be investment grade rated. Each series of Bonds would bear a fixed rate of interest and would be sold based on an anticipated investment grade rating assigned by **S&P Global Ratings** (“**S&P**”). ● The **Senior Tax-Exempt Series 2017A Bonds are expected to receive a rating of at least ‘A-’ (S&P) while the Subordinate Tax-Exempt Series 2017B Bonds are expected to receive a rating of at least ‘BBB+’ (S&P)** based on forecasts prepared by the financing team**.** S&P will be evaluating the portfolio as a “stand alone project financing”. The commercial space will be funded with equity and will not be debt financed (although commercial space revenues will be pledged to service debt on the Series 2017 Bonds).
SECURITY	● The Bonds will be secured by a First Mortgage on the subject properties (Project) and a collateral assignment of Rents and Leases. *Also see the headings titled “Security – Senior Series 2017A…” (see p. 4)* and “*Security – Subordinate Series 2017B Tax Exempt Bonds” (see p. 5).*
MATURITY	● Bonds will mature no later than 40 years from the issuance date (35-year term is currently anticipated)

SOURCES AND USES (SUBJECT TO CHANGE)

Sources:		**Uses:**	
Senior Series 2017A Bonds	$49,100,000	Acquisition – 45 Projects	$43,800,000
Series 2017A (Discount)	(1,060,000)	Rehabilitation	661,700
Subordinate Series 2017B Bonds	2,465,000	Third Party Reports & Other Pre-Acquisition Costs	1,600,000
Equity	900,000	Escrowed Expenses – Ins., Taxes	170,000
		Debt Service Reserve Fund	1,535,000
		Administrative & Legal	2,463,300
		Costs of Issuance	1,175,000
Total	**$51,405,000**	**Total**	**$51,405,000**

RECOMMENDATION AND CONDITIONS

Credit Review Committee recommends approval subject to the following standard condition:

- The minimum required debt rating on any IFA Series 2017A Bonds (including any Subordinate Series 2017B Bonds) that will be sold on a retail basis (i.e., in $5,000 denominations) will be ‘BBB-’, consistent with IFA Bond Program Handbook requirements. Otherwise, any non-rated or sub-investment grade bonds (i.e., Bonds rated less than ‘BBB-’ by S&P (in this case)) shall be issued and sold in minimum denominations of $100,000 and satisfy investor letter requirements specified in the IFA Bond Program Handbook (and may either be underwritten or privately placed).

REPORT CONTENTS

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2017

Project: BHF Chicago Housing Group B LLC

STATISTICS

Project Number:	12386	Amount:	$55,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

Final Bond Resolution (one-time consideration)
Conduit 501(c)(3) Revenue Bonds No IFA funds at risk
Credit Review Committee recommends approval subject to the standard condition noted in the "Recommendations and Conditions" section presented on p. 2 (see second heading up from the bottom of the page).

VOTING RECORD

This is the first time this Project has been considered by the IFA Board of Directors.

PURPOSE

Bond proceeds will be used by **Better Housing Foundation**, an Ohio 501(c)(3) corporation (the "**Sole Member**"), as the sole member of **BHF Chicago Housing Group B LLC**, an Illinois limited liability company (the "**Borrower**"), to: (i) pay a portion of the costs of acquisition, rehabilitation, and equipping of 45 multifamily affordable residential rental properties with approximately 516 residential housing units (as described and identified on p. 15 of this report and collectively, the "**Project**"), (ii) fund one or more debt service reserve funds for the benefit of the Series 2017 Bonds, and (iii) pay a portion of the costs of issuance relating to the Series 2017 Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bond paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS (SUBJECT TO CHANGE)

Sources:		**Uses:**	
Senior Series 2017A Bonds	$49,100,000	Acquisition – 45 Projects	$43,800,000
Series 2017A (Discount)	(1,060,000)	Rehabilitation	661,700
Subordinate Series 2017B Bonds	2,465,000	Third Party Reports & Other Pre-Acquisition Costs	1,600,000
Equity	900,000	Escrowed Expenses – Ins., Taxes	170,000
		Debt Service Reserve Fund	1,535,000
		Administrative & Legal	2,463,300
		Costs of Issuance	1,175,000
Total	**$51,405,000**	**Total**	**$51,405,000**

JOBS

Current employment:	11	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	0

FINANCING SUMMARY – SUMMARY OF STRUCTURE – BASIS OF RATING

Structure: The plan of finance contemplates the public issuance of an amount not-to-exceed $55.0 million of tax-exempt debt to be issued in multiple series that would be underwritten by Stifel Nicolaus & Company, Incorporated. Fixed Rate Bonds would be sold based on the Projects' assigned ratings (see discussions of Security for the Senior Bonds and for the Subordinate Series of Bonds below; also see the discussion presented under the heading of "Ratings" presented below). The anticipated issuance amount based on sizing estimates was approximately $51.56MM as of 2/22/2017.

Security – Senior Series 2017A Tax-Exempt Bonds (the "Bonds"):

<u>Trust Estate:</u> The Bonds are secured by the Trust Estate created in the Trust Indenture, which includes all right, title and interest to (a) the Note, the Mortgages, the Land Use Restriction Agreements, and the Loan Agreement (other than the Unassigned Rights of the Authority) – *each of these items is discussed further below;* (b) all funds, money and securities held by the Trustee under the terms from the Indenture (except with respect to the Rebate Fund), (c) any and all other rights and interests in property conveyed, mortgaged, pledged, assigned, or transferred as and for additional security for the Bonds, and (d) all proceeds of the foregoing.

<u>The Note:</u> The Borrower will be obligated under the Loan Agreement to make payments, when due, on the Bonds as well as certain other fees and expenses in connection with the Bonds. As evidence of their obligations to make the Loan Payments with respect to the Bonds, the Borrower will execute and deliver to the Trustee a promissory note (the "Note").

<u>Mortgages:</u> As further security, the Bonds will be secured by a First Mortgage on each of the 45 properties and a collateral assignment of Rents and Leases (for all residential and commercial units across the 45 properties). The Mortgages will grant a first lien on and first security interest in the Borrower's interest in the Projects.

Furthermore, the Mortgages will secure the Senior Bonds and the Subordinate Bonds in that order of priority.

Bond Payments will be derived solely from operation of the Projects and the various funds and accounts held by the Bond Trustee under the Trust Indenture: *<u>This financing is being rated and evaluated by Standard & Poor's as a stand-alone project financing</u>.* Again, the Borrower's obligation to make scheduled payments on the Bonds will be derived from the operation and maintenance of the Project (consisting of the 45 subject properties) and of monies held in various Funds and Accounts established under the Indenture.

Please refer to the Flow of Funds Chart presented on p. 6 for a depiction of how Project Revenues would be applied to pay debt service on the Senior Bonds and Subordinate Bonds (if any), respectively (and also relative to Project Operating Expenses). Also, see the discussion that follows below under the caption "Ratings" – these discussions demonstrate the basis for S&P's ratings award: essentially, the Senior Bondholders and Subordinate Bondholders are to be paid before Project Operating Expenses are paid. (Additionally, to the extent necessary, the Debt Service Reserve Fund for each series of bonds must also be replenished before any Operating Expenses are paid.)

<u>Rate Covenant:</u> Additionally, the Borrower has agreed in the Loan Agreement to use its best efforts to fix, charge, and collect rents, fees, and charges in connection with the operation and maintenance of the Projects such that for each fiscal year the Debt Service Coverage Ratio will not be less than the applicable Coverage Test of (i) not less than 1.30 to 1.00 on all outstanding Senior Bonds and (ii) not less than 1.10 to 1.00 on all Outstanding Senior and Subordinate Bonds (i.e., all IFA Series 2017 Bonds issued for this project combined).

- In the event that the Borrower is unable to satisfy the applicable Coverage Test requirements, the Borrower will be required to engage an external management consultant with expertise in matters relating to owning and operating multifamily residential rental housing properties to make recommendations with respect to the operations of the Projects and the sufficiency of rates, fees, and charges imposed by the Borrower in order to improve the applicable Debt Service Coverage Ratios to satisfy the applicable Coverage Tests.
- **Note:** *as provided for in the bond documents and disclosed in the Preliminary Official Statement, failure to satisfy the Rate Covenant will not constitute an Event of Default with respect to the Bonds.* Additionally, the ability of the Borrower to increase Project rents may be limited by the applicable Land Use Restriction Agreements for these properties.

Security – Subordinate Series 2017B Tax-Exempt Bonds: The **Subordinate Series 2017B Bonds** (the "**Subordinate Bonds**") will be secured by the same security as the **Senior Series 2017A Bonds** (the "**Senior Bonds"**), *but are subordinate in all respects to the Senior Bonds.*

- ***Note:*** A payment default on the Subordinate Bonds alone *does not* constitute an Event of Default on the IFA Series 2017 Bonds while the Series 2017 Senior Bonds remain outstanding. *In other words, as long as the Senior Bonds remain outstanding a failure to pay principal or interest on the Subordinate Series 2017B Bonds will not constitute an Event of Default (on its own) as long as the Senior Bonds remain outstanding.*

Ratings: The Borrower and the Underwriter (Stifel Nicolaus & Company, Incorporated) anticipate that S&P Global Ratings ("S&P") will assign a debt rating (or ratings) to these Bonds mid-April 2017, with a closing in late April. Again, Stifel Nicolaus & Company, Incorporated presently anticipates a rating of 'A-' on the Senior Series 2017A and the Underwriter anticipates a rating of 'BBB+' on the Subordinate Series 2017B Bonds that may be issued (preliminary; subject to change).

Note: The Borrower and Underwriter are also aware that any Bonds that are either rated sub-investment grade (i.e., below 'BBB-' (S&P)) must be sold in minimum denominations of $100,000 pursuant to IFA Bond Program Handbook requirements. (Also please see Recommendation and Conditions on p. 2.)

The Key Structuring Element Supporting the S&P Debt Rating is the Flow of Project Revenues Described Below Under Which Bondholders Are Paid First, Before Operating Expenses: The key structuring element underlying the S&P rating on this and prior multifamily transactions that have been assigned investment grade ratings under this structure is the priority of payment on both the Senior and Subordinate Bonds relative to operating expenses (see description and chart that follows immediately below on p. 6).

Description of How Project Revenues (i.e., "Revenue Fund") are Applied to Bond Payments and then, Operating Expenses *(as also depicted in the chart at the bottom of this page):*

Accounts Related to the Senior Bonds *(i.e., Tax-Exempt Series 2017A):*

1. To pay interest on the Senior Bonds.
2. To pay principal on the Senior Bonds.
3. To replenish the Debt Service Reserve Fund Account for the Senior Bonds, as necessary, to restore the amount on deposit therein to the Debt Service Reserve Requirement applicable to the Senior Bonds.

Accounts Related to the Subordinate Bonds (*Tax-Exempt Series 2017B*):

4. To pay interest on the Subordinate Bonds.
5. To pay principal on the Subordinate Bonds.
6. To replenish the Debt Service Reserve Fund Account for the Subordinate Bonds, as necessary, to restore the amount on deposit therein to the Debt Service Reserve Requirement applicable to the Subordinate Bonds.

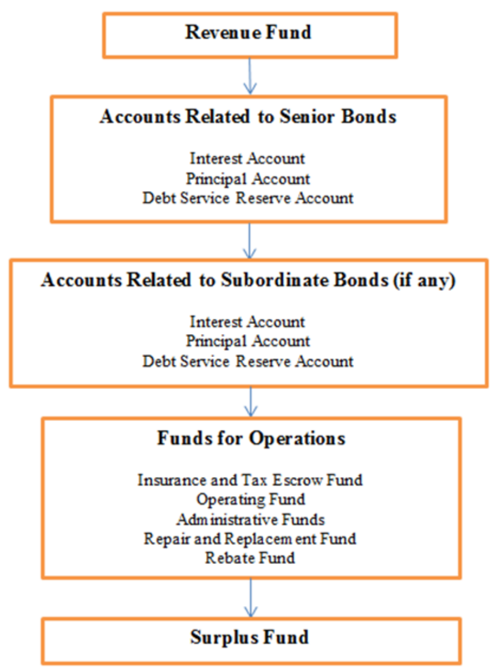
Funds for Operations:

7. Insurance and Tax Escrow Fund (for required insurance and any applicable annual real estate taxes) as provided for in the Annual Budget.
8. Operating Fund (e.g., Administrative, Payroll, Utilities, etc. – specified in Annual Budget)
9. Administration Fund: (e.g., Bond Trustee's Fees/Expenses; the Dissemination Agent's Fee; the (annual) Rating Agency Fees)
10. Repair and Replacement Fund, as necessary to satisfy the Replacement Reserve Requirement (as specified in the Trust Indenture)
11. Rebate Fund: to the extent that any deposits are required to pay for arbitrage rebate as required pursuant to the Tax Agreement

Surplus Fund:

12. Surplus Fund: any remaining amounts after the uses set forth in items #1 through #11 above shall be allocated to the Surplus Fund (which is available for distribution to the Borrower after Annual Evaluation of (a) satisfying Debt Service Coverage Test, (b) confirming "No Event of Default has occurred", and (c) confirming that both the Debt Service Reserve (Fund) Requirement and the Repair and Replacement Fund have been fully funded).

Chart 1: Depicts the Flow of Project Revenues ("Revenue Fund") that Supports the Underlying Project Debt Rating for the Senior Bonds and Subordinate Bonds (from Trust Indenture):



Maturity:	Not later than 2057 (i.e., 40 years from issuance date; maximum parameter). Final maturities to be determined subject to assignment of S&P's ratings. Anticipated final maturity date is in 35 years.
Estimated Interest Rate:	The Borrower and its financing team will determine interest rate modes and the mix of Senior Tax-Exempt and Subordinate Tax-Exempt Bonds after evaluating market conditions and prospective transaction sizing in advance of pricing. It is anticipated that a combination of serial and term bonds may be issued, with each featuring a fixed interest rate to each maturity date. The estimated all-in true interest cost on the debt issued in connection with this proposed transaction (and reflecting the proposed underlying ratings and bond terms) is estimated at between 4.85% and 5.25% (which reflects an all-in tax-exempt blended interest rate for both series).
Estimated Closing Date:	Late March or April 2017 (timing will be subject to assignment of ratings by S&P Global Ratings)
Rationale / Project Impact:	Creation of new, land-use restricted affordable housing units (with improvements) at 45 properties on 516 residential units for a minimum of 15 years or until the IFA Bonds are paid in full (whichever is later). Each of the 45 Projects will be subject to its own Land Use Restriction Agreement that will be in effect for a minimum of 15 years (i.e., 2032) after the date of closing of the proposed IFA Series 2017 Bonds. The maximum term of each Land Use Restriction Agreements associated with the IFA Series 2017 Bonds will coincide with the final maturity date of the IFA Series 2017 Bonds (unless any IFA Tax-Exempt Bonds (or Tax-Exempt Refunding Bonds) are paid in full prior to the final maturity date). *(Also see "Land Use Restriction Agreements" – pp. 13-14.) These Land Use Restriction Agreements will assure that these properties are subject to more stringent limitations as a result of Better Housing Foundation's ownership (associated with BHF's 501(c)(3) not-for-profit corporation status).* According to the Borrower, 42 of the 45 Projects are already HUD Voucher-eligible. The remaining 3 properties will be renovated to assure that HUD standards for HUD Voucher-eligible properties are satisfied. The bond documents associated with the financing will require that all properties and units will be subject to inspection a minimum of once each five years to maintain eligibility for HUD Housing Choice Voucher tenants.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will assist **Better Housing Foundation**, an Ohio nonprofit corporation (the "**Sole Member**"), as the sole member of **BHF Chicago Housing Group B LLC**, an Illinois limited liability company (the "**Borrower**"), in providing a portion of the funds necessary to acquire, rehabilitate and equip 45 multifamily affordable residential rental properties (identified on p. 15 of this report and collectively, the "**Project**"), with approximately 516 residential housing units, to provide for reimbursement of pre-acquisition due diligence, escrow payments, and other related pre-development costs, and if deemed necessary or desirable, to pay a portion of the interest on the Series 2017 Bonds, establish one or more debt service reserve funds for the benefit of the Series 2017 Bonds, and pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds, all as permitted by the Illinois Finance Authority Act (collectively, the "**Financing Purposes**").

The proposed acquisition costs of the 45 underlying Projects are reported below:

Acquisition – 24 Properties – Icarus Portfolio	$15,500,000
Acquisition – 21 Properties – WPD Portfolio	29,650,000
Total Acquisition Cost – 45 Properties:	**$43,800,000**

BUSINESS SUMMARY

The Borrower: **BHF Chicago Housing Group B LLC** is an Illinois limited liability company (the "**Borrower**").

The sole member of the Borrower is Better Housing Foundation, an Ohio nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and exempt from federal income taxation under Section 501(a) of the Code (the "**Sole Member**"). Additional information regarding the Sole Member is provided below (*pp. 8-9*) under the caption the "Sole Member".

Ownership of the Projects by the Borrower: BHF Chicago Housing Group B LLC will be acquiring 45 properties with approximately 516 residential units in Chicago. Four of the 45 properties are mixed-use buildings that contain 20 commercial spaces overall. All space attributable to the 20 commercial spaces will be financed with borrower equity and will not be financed with proceeds of the proposed IFA Series 2017 Bonds (100% of the proceeds of which will be tax-exempt). *A site map of the 45 Projects is presented on p. 17.*

The Borrower does not currently own any assets. The subject properties will be the only assets owned by the Borrower subsequent to closing of the proposed IFA Series 2017 Bonds. The asset or assets of the Borrower will be the underlying properties owned by it. The Borrower does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the ownership of the proposed Projects (i.e., 45 Projects totaling 516 residential units and including 20 commercial spaces that are located in four of the 45 properties).

The Sole Member: The Sole Member of the acquiring entity/obligor (BHF Chicago Housing Group B LLC), is the Better Housing Foundation ("BHF"), an Ohio-based 501(c)(3) nonprofit corporation incorporated in 2015 and based in Amlin, Ohio.

The Sole Member has a 100% membership interest in the Borrower. The Sole Member is organized and operated exclusively for charitable purposes, and was not and is not organized nor controlled, directly or indirectly, by private interests.

The Sole Member received its 501(c)(3) letter of determination dated April 23, 2015 for its tax-exempt status effective April 15, 2015.

The Sole Member is governed by a Board of Directors, which currently consists of five members – as described below. According to the draft Preliminary Official Statement, each has the following experience managing and working with other affordable housing and other not-for-profit organizations:

- ***Jason Cook, President***. Mr. Cook has been a board member of the Sole Member since its inception in 2015. He is also the president of JPC Charities, a 501(c)(3) not-for-profit corporation based in Rocky River, Ohio that owns hundreds of units of affordable housing. Mr. Cook is involved in oversight of acquiring, rehabilitating and managing the organization's multifamily housing projects.
- ***Thomas Kern, Secretary***. Mr. Kern is an attorney at Benesch, Friedlander, Coplan and Aronoff, LLP in Columbus, Ohio. Mr. Kern has a specific interest in providing high quality, low income housing. According to the Appendix A of the draft Preliminary Official Statement, Mr. Kern has diverse experience in serving on various nonprofit boards.
- ***Tracy Hughey, Treasurer***. Ms. Hughey is the Director of Operations for an Ohio-based long term care provider that operates over 20 long term care facilities in Ohio. Ms. Hughey is an experienced leader in the nonprofit community, leading initiatives ranging from education to affordable housing and community development. Ms. Hughey is

committed to fulfilling the charitable mission of the Foundation -- providing quality, affordable housing to low income families.

- ***Douglas J. Antonio, Member.*** Mr. Antonio is an experienced real estate attorney with extensive experience financing real estate projects structured with various federal, state, and local programs. Mr. Antonio has advised clients that have financed projects using tax-exempt housing bonds, low income housing tax credits, and New Markets Tax Credits. Mr. Antonio is an attorney at Sugar Felsenthal Grais & Hammer LLP in Chicago, Illinois.
- ***Max S. Dayan, Member.*** Mr. Dayan currently serves as the Director of Development for the Libenu Foundation of Skokie, Illinois, a non-profit providing supervised group housing serving Jewish adults with developmental disabilities in the Chicago area. Mr. Dayan has been working with the special needs community since 2009, beginning as a direct service provider before becoming a Qualified Intellectual and Developmental Disabilities Professional ("QIDP") for Clearbrook of Arlington Heights, Illinois in 2013. Clearbrook is a leading service provider to the developmentally disabled.

Notes:

- Mr. Antonio and Mr. Dayan are local, Chicago-area Directors and were recently-appointed to the BHF Board (neither had yet been confirmed to serve as Members at the time the IFA Series 2016 Bonds for the BHF Lindran Properties, LLC/Shoreline Properties Portfolio was originally considered in April 2016).

- Mr. Cook, Mr. Kern, and Ms. Hughey also serve as officers for JPC Charities, a separate and distinct 501(c)(3) nonprofit corporation that is also engaged in owning and operating affordable rental housing projects. JPC Charities currently owns and operates 12 affordable multifamily and senior properties with 3,924 residential units located in Columbus, GA, Indianapolis, IN, Manchester, NH, Pittsburgh, PA, and Philadelphia, PA.

As further detailed under the section "Property Manager" (see p. 11), the 45 Projects will be managed by **Integrus Realty Group LLC**, an Illinois limited liability company (the "**Manager**"). Affiliates of Integrus will also be engaged to perform certain Pre-Acquisition Due Diligence, Negotiation, and Financing (e.g., **Desak Development Corp.**) (see pp. 10-11 and the Economic Disclosure Statement section (p. 14)).

Projects Owned by Affiliates of the Sole Member (Better Housing Foundation): A special purpose affiliate of the Better Housing Foundation was created (i.e., Lindran Properties, LLC, an Illinois limited liability company) to acquire and rehabilitate the initial projects in July 2016 upon closing of the $13,560,000 IFA Series 2016 Bonds (Better Housing Foundation – Shoreline Portfolio Project). The Series 2016 Bonds financed the acquisition of 13 properties totaling 362 units of affordable rental housing (and which also included $540,000 of Taxable Bond financing that financed 19 units of ground floor commercial space located at certain of the Shoreline properties).

S&P assigned ratings of 'BBB' and 'BBB-', respectively, to the Senior 2016A and Subordinate Series 2004C Bonds issued to finance the residential portions of the Shoreline Portfolio Project. Subsequent to the 7/29/2016 issuance date of the Series 2016 Bonds, there have been no material event or financial statement filings posted on the MSRB's EMMA website. (Note: because the fiscal year end of the underlying Borrower is December 31, the first annual audit report (which will only report a stub period from 7/29/2016 to 12/31/2016) will not be due or posted on the MSRB's emma.msrb.org website until late March or April 2017.) All scheduled payments to date have been paid as scheduled through 2/1/2017. No other information has been posted by the Sole Member for disclosure on the MSRB's EMMA website.

Consultants Engaged by the Borrower:

The Borrower (on behalf of the Better Housing Foundation) and Sole Member currently have no employees and, as a result, have engaged (and are continuing to use) an external, third-party consulting firm to manage comprehensive pre-development due diligence in connection with the financing, acquisition, and rehabilitation of the Projects, ultimately on behalf of the Better Housing Foundation.

Additional information regarding these external consulting agreements is presented below. All of this information was adapted from information presented in the draft Preliminary Official Statement and Appendix A (and remains subject to subsequent revision prior to being finalized).

Please note that the consulting companies engaged by the Borrower (on behalf of the Sole Member) and including the Acquisition Consultant and the Property Manager (as reported below on pp. 10-11) are affiliated entities under common ownership and management control.

The Acquisition Consultant:

Pursuant to the terms of an Acquisition Services Agreement (the "Acquisition Consulting Agreement"), **Desak Development Corp.,** an Illinois corporation (the "**Acquisition Consultant**"), of Chicago, Illinois, will manage and supervise all aspects relating to the planning, acquisition and financing of the Projects for and on behalf of the Borrower.

According to the draft Appendix A to the Preliminary Official Statement, the Acquisition Consultant was previously engaged as a consultant by the Sole Member on behalf of the Sole Member's Lindran Properties affiliate in connection with its acquisition of the Shoreline Portfolio in July 2016 (which was financed with approximately $13.56 million of IFA Bonds) pursuant to an agreement. The Consultant's President (L. Mark DeAngelis) currently assists other affordable housing operators throughout the United States. Mr. DeAngelis has served as either general contractor or construction manager and has also managed leasing, as well as the repair and maintenance of acquired or managed properties.

These pre-acquisition activities have included the following: identifying prospective projects for acquisition, negotiating purchase prices and executing purchase contracts and payment of related legal expenses and pre-acquisition due diligence expenses, funding escrow deposits on behalf of the Borrower (and Sole Member) pursuant to a Reimbursement Agreement with the Sole Member. More specifically, under this Acquisition Consulting Agreement, Desak has been responsible for engaging appraisers, environmental consultants, property condition inspectors, and other professionals to undertake pre-acquisition due diligence of the Projects as necessary. Additionally, Desak is responsible for obtaining financing for the acquisition and necessary rehabilitation of the Projects.

Integrus Realty Service, LLC (an affiliate of Desak with common managing shareholders/members) has been engaged to serve as the Property Manager (post-acquisition) and to perform certain corporate administrative and asset management services to the Borrower. The Acquisition Consultant and its affiliated entities (including Integrus) currently employ over 30 staff members in Chicago, Illinois.

In consideration for specified services, the Borrower has agreed to pay the Acquisition Consultant $1,600,000 for costs incurred in connection with pre-acquisition due diligence and other reasonable pre-acquisition expenses upon closing of the IFA Series 2017 Bonds (see Third Party Reports and Other Pre-Acquisition Costs, which included upfront escrow payments made in connection with the execution and delivery of purchase contracts that will be assumed by the Borrower at closing).

The Property Manager:

The Projects will be managed by **Integrus Realty Group LLC**, an Illinois limited liability company established in 2015 and based in Chicago, Illinois ("**Integrus**" or the "**Manager**"). The Manager currently manages a total of approximately 300 properties totaling 675 units. The properties are located primarily in south side and west side neighborhoods in Chicago. The key personnel of the Manager include (i) Mr. L. Mark DeAngelis, who is also the president of Desak Development Corp. (which is the Acquisition Consultant for the Borrower and (ii) Ms. Karoline Esho, Lead Property Manager.

Mr. DeAngelis has extensive experience managing properties with HUD project-based vouchers as well as properties that lease to HUD Housing Choice Voucher tenants.

According to Appendix A of the draft Preliminary Official Statement, Ms. Esho has worked in property management and development for over 10 years. She has managed 100+ units of residential and commercial real estate, including helping to stabilize troubled assets in receivership. Ms. Esho also has managed construction projects, having successfully project-managed various types of residential renovation projects, including the comprehensive renovation of a previously distressed project, consisting of 72 units in twelve separate buildings.

Pursuant to a Management Agreement with the Borrower, the Manager will be engaged to undertake marketing, leasing, rent collection, lease enforcement, maintenance and repairs, the provision of utilities and services, and obtaining insurance for the Projects.

Additional services will include, among other duties: providing asset management oversight, reviewing financial and operating information relating to the Projects (including periodic financial statements, operating reports, and capital and operating budgets), meeting with the Borrower to review the performance of the Projects, monitoring compliance with the Borrower's financial and operating covenants, and assisting the Borrower with continuing disclosure obligations in connection with the IFA Series 2017 Bonds.

Under the Management Agreement, the Manager will be paid a monthly fee. The initial monthly Management Fee will equal approximately 4.50% of effective gross income for the Projects (i.e., portfolio).

Summary Characteristics of the 45 Portfolio Projects:

<u>The 45-property portfolio to be purchased with the IFA Series 2017 Bonds is comprised of 516 residential units.</u> The addresses of the 45 properties are identified on p. 15 of this report (along with ownership disclosure on the respective sellers of the properties).

<u>The 45 properties have between 3 and 62 residential units each.</u>

<u>Because the acquisition is being underwritten as a portfolio, the number of residential units per building is reported below:</u>

- 37 of the 45 buildings have between 6 and 16 residential units.
- 5 of the 45 buildings have more than 18 residential units (i.e., residential unit counts of 18, 19, 24, 47, and 62 respectively)
- 3 of the 45 buildings have fewer than 6 residential units (i.e., residential unit counts of 3, 4, and 5 units, respectively)
- 5 of the 45 buildings are mixed-use properties that contain a total of 31 residential rental apartments and 20 commercial spaces.

Description of Unit Mixes and rents across the 45-building portfolio:

- Efficiency/1 Bath: 8 units
- 1 Bedroom/1 Bath: 68 units
- 2 Bedrooms/1 Bath: 240 units
- 2 Bedrooms/2 Baths: 34 units
- 3 Bedrooms/1 Bath: 109 units
- 4 Bedrooms/1 Bath: 16 units
- 4 Bedrooms/2 Baths: 12 units
- 5 Bedrooms/2 Baths: 4 units
- 6 Bedrooms/3 Baths: 2 units

Commercial Spaces: Although there are also 20 commercial spaces, the space allocable to the 20 commercial spaces will be financed with equity. Although cash flow from the commercial spaces will not be included as revenue in S&P Global's rating assessment, the rental cash flows will be pledged to secure the Series 2017A and Series 2017B Bonds (just as with the residential unit cash flows).

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Historic Occupancy Rates: The Borrower reported that the weighted average occupancy rate for the 45 property portfolio was 95.3% as of 3/1/2017. The draft of Appendix A to the Preliminary Official Statement reports the weighted average occupancy rates for calendar years 2016 and 2015 were approximately 94.9% and 93.8%, respectively.

Marketing Priority to HUD Voucher Recipients/ Tenants: According to the Borrower, over 70% of the units are supported by Housing Choice Vouchers ("HCV"), with 42 of 45 buildings have had units that have passed HCV inspections and already meet U.S. Department of Housing and Urban Development ("HUD") Housing Quality Standards ("HQS").

The remaining three properties will also likely have HCV tenants as units are turned based on Integrus' experience marketing and leasing to HUD Housing Choice Voucher recipients for the Shoreline portfolio.

Prior Rehabilitation to the 45 Properties: According to the Borrower (and various pre-acquisition due diligence reports), from 2010 through 2016, the Sellers undertook aggregate capital expenditures of approximately $1.83 million for improvements at the 45 properties (for an average of $3,352 over the 516 residential units). According to the Borrower, many of these improvements were undertaken in 2015 and 2016.

The amount and scope of the recent Seller improvements varied significantly over the 45 building portfolio: Unit improvements to kitchens (appliance, cabinet/countertop, and floor replacement) and bathrooms (vanity and fixture replacement) were nearly universal. Common area improvements including parking lot resurfacing and hallway improvements were also undertaken at many buildings. Certain buildings required more substantial improvements including: roof repairs or replacement, tuckpointing or spot tuckpointing, plumbing repairs, electrical service replacement, boiler replacement, and furnace replacement. Many units also received new in-unit washers/dryers.

These expenditures by the Sellers will be presented in summary form on a property-by-property basis in the final version Appendix A to the Official Statement.

Additionally, pursuant to the Series 2017 Bond Documents, all 45 properties will be subject to inspection for compliance with HUD Housing Quality Standards a minimum of every five years.

Summary of Property Condition & Improvements to be Bond Financed: **ICG, Inc.** of Baltimore, MD prepared a Property Condition Assessment report for each of the Projects with dates of inspection occurring from November 14, 2016 through November 17, 2016. Based on the summaries of the Property Condition Reports, the 45 properties have maintained high occupancy rates (composite average occupancy rate of approximately 95.3% as of 3/1/2017) and are generally in good repair according to the Property Condition Reports that will be summarized in Appendix A to the Preliminary Official Statement.

As noted previously on p. 7 (see "Rationale / Project Impact" heading), 42 of the 45 buildings have HUD Housing Choice Voucher tenants and already meet HUD Housing Quality Standards.

The Property Condition Reports on the 45 properties have identified a total of approximately $661,700 of improvements of which (i) approximately $201,300 has been allocated to "Critical Repairs" at the 45 properties (or an average of $390/residential unit) while (ii) approximately $459,400 has been allocated to long-term improvements at the 45 properties (an average of $890/residential unit). All necessary repairs will be expedited so that the most important (i.e., "Critical Repairs") will be completed within 90 days of closing on the acquisition. The Borrower anticipates that specified "Non-Critical Repairs" will be completed within one year of closing.

Additionally, the Borrower is budgeting (i.e., $300 per unit-per year) of Repair & Replacement Reserve Expenses to properly reflect ongoing investments necessary to maintain the 45 properties.

Note: **S&P Global will be undertaking site visits to the 45 properties as well as reviewing the property due diligence reports (i.e., appraisals; property condition assessments; and environmental reports), as well as the evaluating the adequacy of the proposed $300 per unit-per year Repair and Replacement Reserve, the Pro Forma Project Forecast, project budgets, and all related financial information provided by the Borrower (and Sellers).**

Results of Phase I Environmental Audit Reports: The Borrower obtained an independent Phase I Environmental Site Assessment prepared by **ICG, Inc.** of Baltimore, MD, for each of the 45 buildings (the "Environmental Assessments"). The Environmental Assessments were conducted utilizing the generally accepted Phase I industry standard using the American Society for Testing and Materials Standard Practice E-1527-13.

As summarized in Appendix A to the Draft Preliminary Official Statement, the Phase I Environmental Reports on each property did not identify the need for any additional (i.e., remedial action at the 45 subject properties.

Land Use Restriction Agreements – Will Assure Use of the 45 Properties as Affordable Residential Rental Housing Projects

Project Regulation – Affordable Housing: Land Use Restriction Agreements: Each of the 45 properties will be subject to a Land Use Restriction Agreement under which the Borrower (and any successor as Owner) will be obligated (pursuant to Section 142(d) of the Internal Revenue Code of 1986 and during the Qualified Project Period (i.e., a minimum of 15 years from the closing date or the date on which the Series 2017 Bonds or any Refunding Bonds are repaid in full) at least 40% of the completed units be occupied by families or individuals whose adjusted income does not exceed 60% (adjusted for family size) of the median gross income for the area.

The Tax Agreement further imposes requirements relating to the 501(c)(3) tax-exempt treatment of the Sole Member, including the requirement that 75% of the units in the Projects be rented to persons whose income does not exceed 80% (adjusted for family size) of the area median gross income. *Accordingly, upon acquisition by the Borrower, these properties must maintain a higher percentage of below-median-income units than specified in standard HUD income restrictions.*

ECONOMIC DISCLOSURE STATEMENT

Borrower – Sole Member: BHF Chicago Housing Group B LLC, c/o Mr. Jason Cook, President, Better Housing Foundation, 6932 Rings Rd., #234, Amlin, OH, 43002, Tel.: 440.552.0872

Alternate Contact – Counsel to Sole Member: Ms. Meredith Rosenbeck, Esq., Rosenbeck Law, LLC, 5701 Tynecastle Loop, Dublin, OH 43016; Tel: 614. 546.8042; Email: mrosenbecklaw@yahoo.com

Alternate Contact – Acquis. Consultant: Mr. L. Mark DeAngelis, Acquisition Consultant, c/o Desak Development Corp., 2539 W. Peterson Ave., Chicago, IL 60659; 312.307.2138

Site Locations: The 45 site locations are identified below, along with Seller Disclosures on each property (p. 15).

Project name: Illinois Finance Authority, 501(c)(3) Revenue Bonds (Better Housing Foundation Icarus Portfolio Project), Series 2017A-B

Management of the Sole Member and Borrower: The **Borrower** (**BHF Chicago Housing Group B LLC**) is an Illinois limited liability company. The Sole Member of the Borrower is Better Housing Foundation, Amlin, Ohio, a 501(c)(3) corporation incorporated under Ohio law as a nonprofit corporation and governed by a five-member board, which currently consists of the following Members:

- Mr. Jason Cook, President (Rocky River, Ohio)
- Mr. Thomas Kern, Secretary (Columbus, Ohio)
- Ms. Tracy Hughey, Treasurer (Columbus, Ohio)
- Mr. Douglas J. Antonio, Member (Chicago, Illinois)
- Mr. Max Dayan, Member (Skokie, Illinois)

Note: The plan of finance does not provide for 4% Low Income Housing Tax Credits to generate equity for this financing. As with the IFA Series 2016 Bonds issued to finance acquisition of the Shoreline Portfolio, the Borrower and financing team anticipate that S&P will assign an investment grade rating on the Bonds based on the underlying financial and management characteristics of the Project. The Better Housing Foundation's BHF Chicago Housing Group B LLC affiliate, a special purpose entity formed specifically to own to acquire and own the Project, will own 100% of the Projects upon closing of the proposed IFA Series 2017 Bonds.

Consultant to Borrower/ Sole Member: Desak Development Corp., 2539 W. Peterson Ave., Chicago, IL 60659
Contact: Mr. L. Mark DeAngelis, President; Tel.: 773.728.4000

Property Manager – Post-Closing: Integrus Realty Services, LLC, an Illinois limited liability company, 2539 W. Peterson Ave., Chicago, IL 60659
Contact: Ms. Karoline Esho, Lead Property Manager; Tel: 773.728.4000

Seller Disclosure - Listing of the Current Owners (i.e., Sellers) of the 45 Buildings in Chicago, Illinois (*also see below and p. 16 for seller contact information*).

Icarus/WPD Portfolio - Seller Disclosure Report		
Property Number	**Project Location / Zip Code (Chicago, IL)**	**Contact Information - Selling Entity (Current Owner)**
1	1524 E. 73rd Street (60619)	**Icarus Investment Group LLC ("Icarus")**, a Wyoming limited liability company, 200 E. 42nd St., 20th Floor, New York, NY 20017
2	6901 S. Prairie Avenue (60637)	**WPD Management LLC ("WPD")**, an Illinois limited liability company, 239 E. 51st St., Chicago, IL 60615
3	7600 S. Stewart Avenue (60620)	WPD
4	7640 S. Stewart Avenue (60620)	WPD
5	7556 S. Eggleston Avenue (60620)	WPD
6	7655 S. Lowe Avenue (60620)	WPD
7	5156 S. Indiana Avenue (60615)	Icarus
8	5226 S. Michigan Avenue (60615)	Icarus
9	4238 S. Indiana Avenue (60653)	Icarus
10	4326 S. Michigan Avenue (60653)	Icarus
11	5118 S. Indiana Avenue (60615)	WPD
12	5119 S. Prairie Avenue (60615)	WPD
13	8143 S. Ellis Avenue (60619)	Icarus
14	8251 S. Drexel Avenue (60619)	Icarus
15	8229 S. Langley Avenue (60619)	Icarus
16	7511 S. Yale Avenue (60620)	WPD
17	139 W. Marquette Road (60621)	WPD
18	721 W. 71st Street (60621)	WPD
19	435 E. 71st Street (60619)	WPD
20	614 E. 71st Street (60619)	WPD
21	301 E. 75th Street (60619)	WPD
22	6857 S. King Drive (60619)	WPD
23	6820 S. Cornell Avenue (60649)	Icarus
24	7018 S. Clyde Avenue (60649)	Icarus
25	2666 E. 78th Street (60649)	Icarus
26	8030 S. Yates Blvd. (60617)	Icarus
27	6948 S. Oglesby Avenue (60649)	WPD
28	5720 S. Michigan Avenue (60637)	Icarus
29	5606 S. Michigan Avenue (60637)	Icarus
30	5832 S. Michigan Avenue (60637)	Icarus
31	5910 S. King Drive (60637)	Icarus
32	226 E. 55th Place (60637)	Icarus
33	6207 S. King Drive (60637)	Icarus
34	5700 S. Calumet Avenue (60637)	WPD
35	5600 S. Michigan Avenue (60637)	WPD
36	5701 S. Calumet Avenue (60637)	WPD
37	6123 S. Prairie Avenue (60637)	WPD
38	1431 E. 66th Street (60637)	Icarus
39	6605 S. Kimbark Avenue (60637)	Icarus
40	1421 E. 67th Place (60637)	Icarus
41	6427 S. Drexel Avenue (60637)	Icarus
42	6611 S. Ellis Avenue (60637)	Icarus
43	6540 S. Ellis Avenue (60637)	Icarus
44	6656-58 S. Woodlawn Avenue (60637)	WPD
45	6603 S. Rhodes Avenue (60637)	WPD

Contact Info.
For Sellers: **Seller 1 – Affiliates under the common control of Icarus Investment Group, LLC, a Wyoming limited liability company**. Contact: Mr. David Pezzola, Managing Member (CEO), c/o Icarus Investment Group, LLC, 200 E. 42nd Street, 20th Floor, New York, NY 10017. No other members hold a 7.5% or greater ownership interest in Seller 1.

Seller 2 – Affiliates under the common control of WPD Management LLC, an Illinois limited liability company. Contact: Mr. Kevin Nugent, Manager (Member), c/o WPD Management

LLC, 239 E. 51st Street, Chicago, IL 60615. (Managers: Mr. Kevin J. Nugent and Mr. Eric W. Green). No other members hold a 7.5% or greater ownership interest in Seller 2.

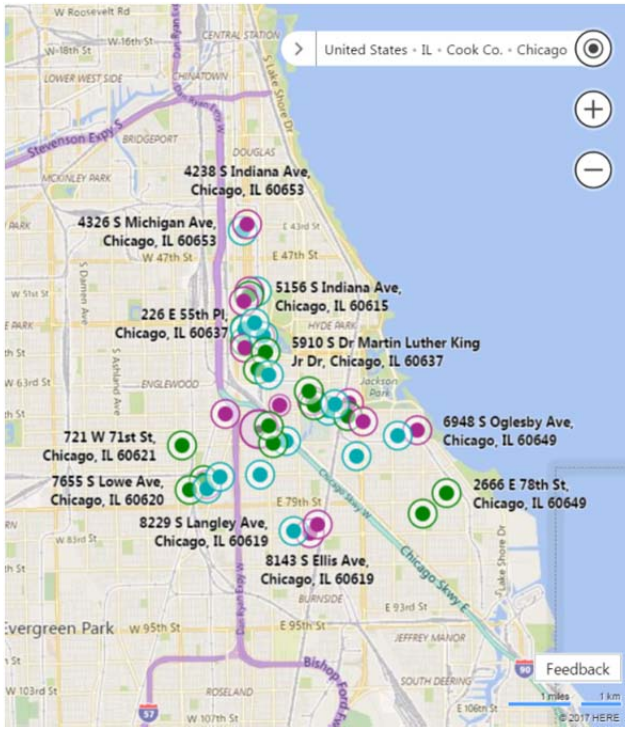
PROFESSIONAL & FINANCIAL

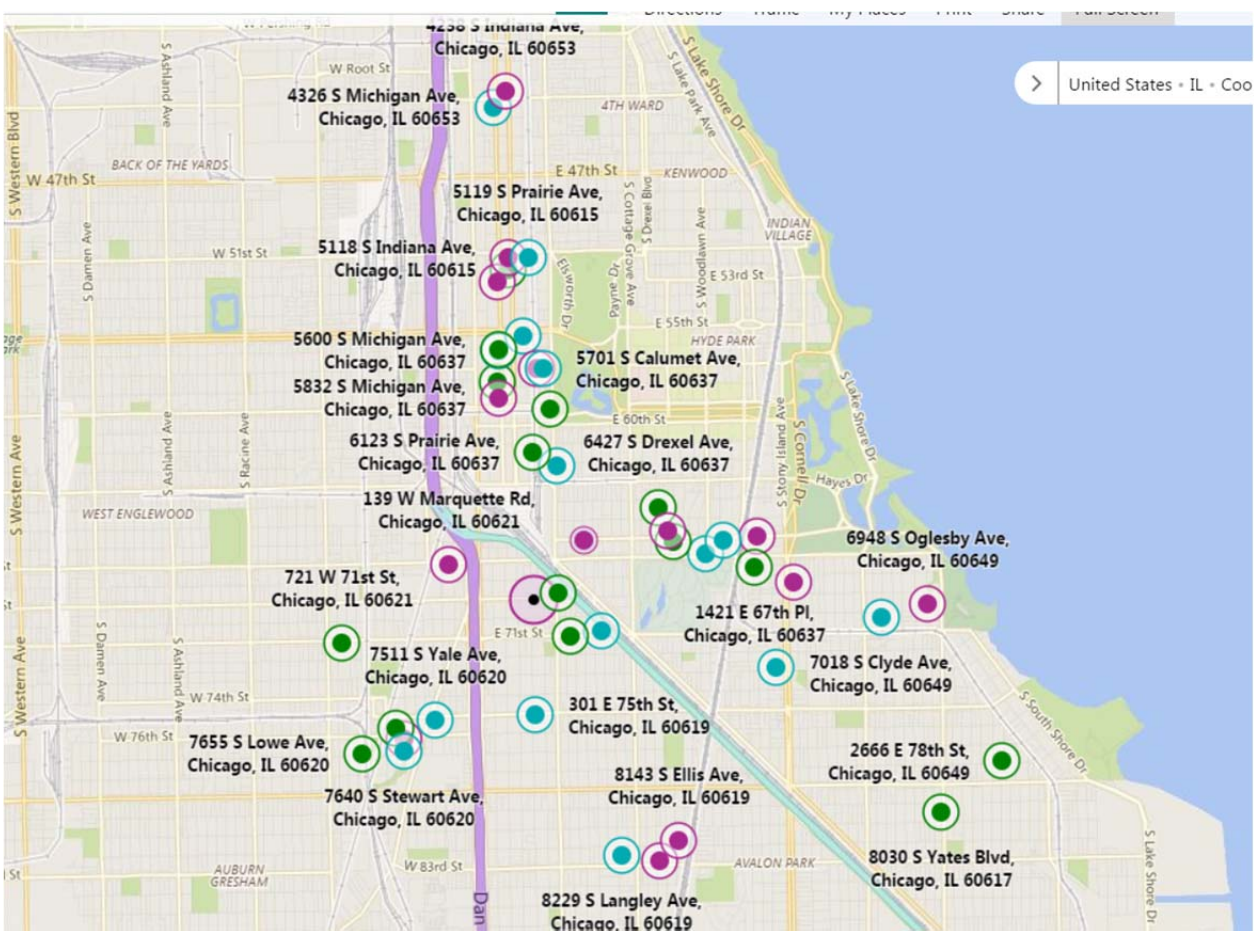
Sole Member:	Better Housing Foundation	Amlin, OH	Jason Cook, President
Sole Member's Counsel:	Rosenbeck Law LLP	Dublin, OH	Meredith Rosenbeck
Borrower's Counsel - Local:	Chuhak & Tecson P.C.	Chicago, IL	Adam Moreland
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Tom Smith
Underwriter:	Stifel Nicolaus & Co., Inc.	Atlanta, GA	Cody Wilson
Underwriter's Counsel:	Butler Snow LLP	Atlanta, GA	David Williams
Bond Trustee:	Wilmington Trust	Dallas, TX	Cam Lindsey
Trustee's Counsel:	Ballard Spahr LLP	Atlanta, GA	Han Choi, Stephanie Kim
Bond Rating:	S&P Global Ratings (Structured Finance Group)	Chicago, IL	
Dissemination Agent:	Disclosure Advisors LLC	Columbus, OH	Paul Rutter
Acquisition Consultant:	Desak Development Corp.	Chicago, IL	L. Mark DeAngelis
Property Manager:	Integrus Realty Group LLC	Chicago, IL	Karoline Esho
Seller's Counsel (to Icarus Investment Group, LLC)	Baugh Dalton, LLC	Chicago, IL	Raya Bogard
Seller's Counsel (to WPD Management, LLC)	Robbins, Salomon & Patt, Ltd.	Chicago, IL	David Resnick
Auditor to the Borrower and Sole Member:	To be determined		
Architect:	Not applicable		
General Contractor:	To be managed and supervised by the Property Manager (Integrus Realty Group LLC)		
Appraiser:	BBG, Inc.	Chicago, IL	Ken Konrath, MAI David Cardo
Property Condition Report:	ICG, Inc.	Baltimore, MD	Michael Pickering Sherry Anderson
Environmental Site Assessment:	ICG, Inc.	Baltimore, MD	Michael Pickering Sherry Anderson
IFA Counsel:	Charity & Associates, P.C.	Chicago, IL	Tim Hinchman
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional:	Multiple
State Senate:	Multiple
State House:	Multiple

General and Local Area Site Maps of the 45 Acquisition Projects





CONDUIT

ILLINOIS FINANCE AUTHORITY

March 9, 2017

$40,000,000
Montgomery Place

REQUEST	**Purpose:** Bond proceeds will be used by **Montgomery Place** (the "**Borrower**") to (i) currently refund the Series 2006A Bonds, (ii) fund a debt service reserve fund, and (iii) pay costs of issuance associated with the transaction. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: Waiver of the $100,000 bond denomination requirement pursuant to Section K2(c) of the Bond Program Handbook (bonds are being refunded and sold in denominations of less than $100,000 for savings).
BOARD ACTIONS	Final Bond Resolution. Voting Record - February 9, 2017 – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstain; 5 Absent (Knox, Poole, Yonover, O'Brien, Funderburg); 0 Vacancies.
MATERIAL CHANGES	Elimination of new money portion of financing.
JOB DATA	120 Current jobs 0 New jobs projected N/A Retained jobs 0 Construction jobs projected
DESCRIPTION	Illinois Location: Cook County (Chicago – Hyde Park neighborhood) ● Montgomery Place was incorporated as an Illinois not-for-profit corporation in 1987. Montgomery Place opened a continuing care retirement community (the "**Community**") for senior adults in the historic Hyde Park neighborhood of Chicago in October 1991. Prior to its opening, The Church Home ("**The Home**"), an affiliate of Montgomery Place and an agency of Episcopal Charities and Community Services in the Episcopal Diocese of Chicago, operated a small life care retirement and nursing home in Hyde Park from 1888 until September 1987. ● The Community presently consists of 155 independent living units, 14 assisted living beds, 8 memory support units, and 40 skilled nursing beds that offer long-term and rehabilitative care. The common areas of the Community include a dining room, a pre-dining room waiting area, a living room, a cultural and meeting center, an exercise gym with a wave resistance pool, a library, a multi-purpose activity room, a craft/woodworking room, a game room, a chapel, private gardens, storage space, residential laundry, and underground parking. The total square footage of the building is approximately 232,000. ● The campus overlooks Lake Michigan immediately north of the Museum of Science and Industry and just east of The University of Chicago. The first floor of the building contains administrative spaces and common areas. The second and third floors currently house the nursing facility. The upper floors house the independent living units – most with beautiful views of the lake.
SECURITY/MATURITY	● Security: The 2017 bondholders will have a gross revenue pledge of Montgomery Place under a Master Trust Indenture and a mortgage on the property. ● Maturity: No later than 2057 (40 years).
CREDIT INDICATORS	● The underwritten Bonds will not be rated. (Montgomery Place is not a rated entity.)
STRUCTURE	● Montgomery Place contemplates the issuance of tax-exempt fixed rate bonds to be sold in a public underwriting by Ziegler.
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		**Uses**:	
IFA Bonds	$30,635,000	Payoff of Existing Debt	$31,742,331
Existing Debt Service Reserve Fund (Series 2006)	2,443,000	New Debt Service Reserve Fund (Series 2017)	2,080,875
Equity Contribution	185,555	Cost of Issuance	802,248
Series 2006 Principal Fund	632,500		
Series 2006 Interest Fund	729,399		
Total	**$34,625,454**	**Total**	**$34,625,454**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
February 9, 2017

Project: Montgomery Place

STATISTICS

Project Number:	12379	Amount:	$40,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Locations:	Chicago	County/ Region:	Cook/Northeast

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Revenue Bonds
Credit Review Committee recommends approval

No IFA funds at risk

Extraordinary Condition: Waiver of the $100,000 bond denomination requirement pursuant to Section K2(c) of the Bond Program Handbook (bonds are being refunded and sold in denominations of less than $100,000 for savings).

VOTING RECORD

Final Bond Resolution
Voting Record - February 9, 2017 – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstains; 5 Absents (Knox, Poole, Yonover, O'Brien, Funderburg); 0 Vacancies

PURPOSE

Bond proceeds will be used by **Montgomery Place** (the "**Borrower**") to (i) currently refund the Series 2006A Bonds, (ii) fund a debt service reserve fund, and (iii) pay costs of issuance associated with the transaction.

IFA PROGRAM AND CONTRIBUTION

Federal income tax-exempt status on bond interest.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses**:	
IFA Bonds	$30,635,000	Payoff of Existing Debt	$31,742,331
Existing Debt Service Reserve Fund (Series 2006)	2,443,000	New Debt Service Reserve Fund (Series 2017)	2,080,875
Equity Contribution	185,555	Cost of Issuance	802,248
Series 2006 Principal Fund	632,500		
Series 2006 Interest Fund	729,399		
Total	**$34,625,454**	**Total**	**$34,625,454**

JOBS

Current employment:	120	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	0

FINANCING SUMMARY

Security:	The 2017 bondholders will have a gross revenue pledge of Montgomery Place under a Master Trust Indenture and a mortgage on the property.
Structure:	Montgomery Place contemplates the issuance of tax-exempt bonds to be sold in a public underwriting by Ziegler.
Interest Rate:	To be determined at pricing based on market conditions.
Underlying Ratings:	The bonds will not be rated.
Maturity:	Not later than 2057 (40 years).
Estimated Closing Date:	April 15, 2017

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **Montgomery Place** (the "**Borrower**") to (i) currently refund the Series 2006A Bonds, (ii) fund a debt service reserve fund, and (iii) pay costs of issuance associated with the transaction.

BUSINESS SUMMARY

Montgomery Place was incorporated as an Illinois not-for-profit corporation in 1987. Montgomery Place opened a new continuing care retirement community (the "**Community**") for senior adults in the historic Hyde Park neighborhood of Chicago in October 1991. Prior to its opening, The Church Home ("**The Home**"), an affiliate of Montgomery Place and an agency of Episcopal Charities and Community Services in the Episcopal Diocese of Chicago, operated a small life care retirement and nursing home in Hyde Park from 1888 until September 1987.

The Community presently consists of 155 independent living units, 14 assisted living beds, 8 memory support units, and 40 skilled nursing beds that offer long-term and rehabilitative care. The common areas of the Community include a dining room, a pre-dining room waiting area, a living room, a cultural and meeting center, an exercise gym with a wave resistance pool, a library, a multi-purpose activity room, a craft/woodworking room, a game room, a chapel, private gardens, storage space, residential laundry, and underground parking. The total square footage of the building is approximately 232,000.

The campus overlooks Lake Michigan immediately north of the Museum of Science and Industry and just east of The University of Chicago. The first floor of the building contains administrative spaces and common areas. The second and third floors currently house the nursing facility. The upper floors house the independent living units – most with beautiful views of the lake.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Montgomery Place
Site Address:	5550 South Shore Drive Chicago, IL 60637 (773) 966-0159
Contact:	Deborah Hart, CEO Fred Saviano, CFO
Website:	www.montgomeryplace.org
Project name:	Montgomery Place

Organization: 501(c)(3) Not-for-Profit Corporation

State: Illinois

Board of Directors:

Name	Board Position	Occupation/Profession	Year Term Expires
Michael M. McGarry	Chair	President Hyde Park Bank	2019
Dr. Constance Bonbrest	Vice Chair	Retired	2018
John Juroe	Treasurer	Investment Advisor	2018
Susan Levy	Secretary	Retired	2017
Susanne Dutcher	Member	Retired	2019
Deborah C. Franczek	Member	Retired	2017
Margo Brooks-Pugh	Member	V. P. of Development/Pres. of Foundation Jackson Park Hospital	2018
Evan Freund	Member	Retired	2017
Gregory L. Gleason	Member	IT services	2019
Douglas R. Hoffman	Member	Attorney	2019
Helen M. Johnson	Member	Retired	2019
Dr. Cynthia Lindner	Member	Professor	2017
Dr. Bryon Rosner	Member	Medical Physician	2017
John Segal	Member	Investment Advisor	2019
Scott R. Williamson	Member	Governmental Investigator	2019
Rev. Nancy R. Meyer	Ex-Officio Member	Retired	

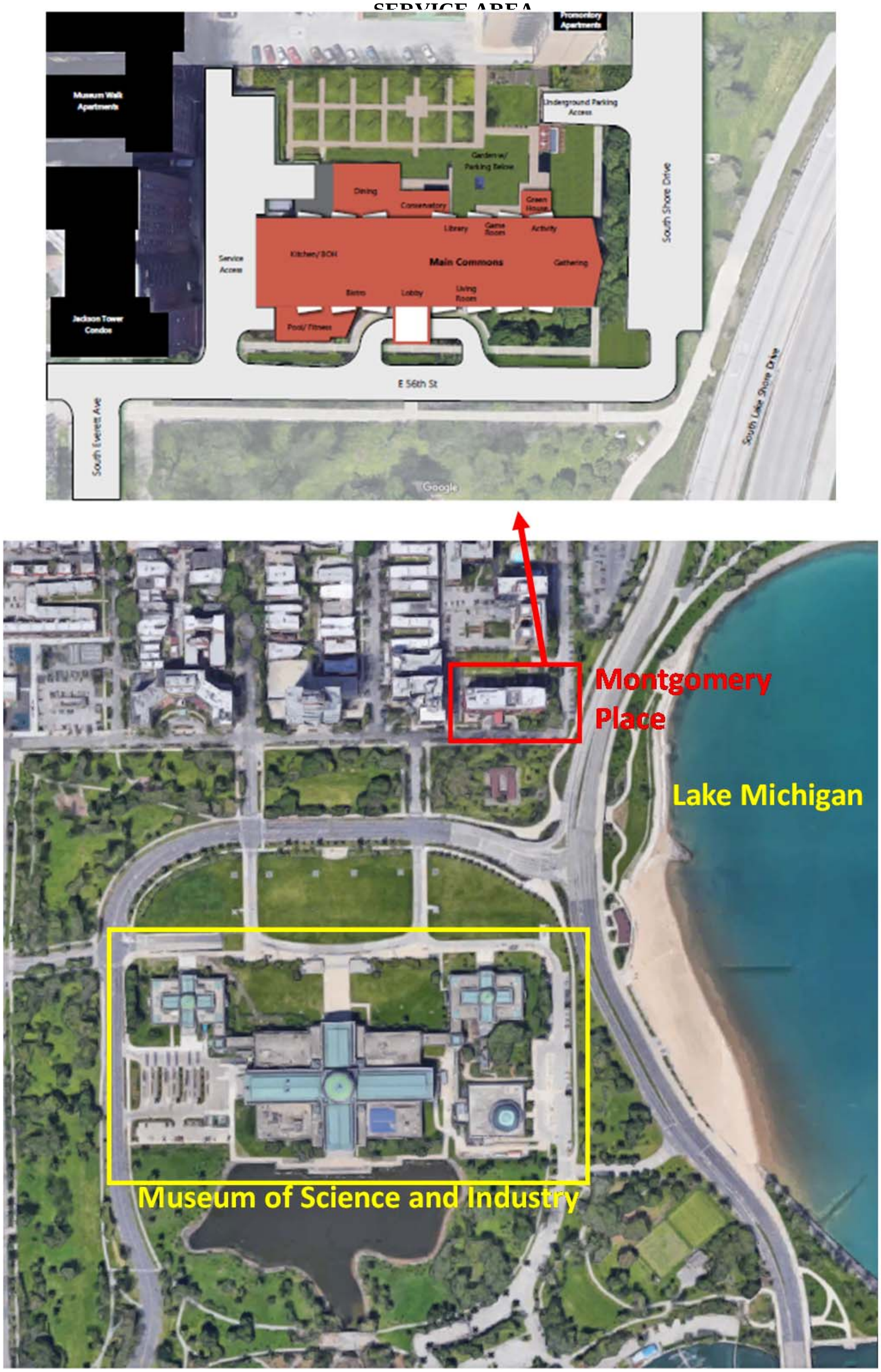
PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Goelz Hoffman
Bond Counsel:	Chapman and Cutler LLP	Chicago	John Bibby
Underwriter:	Ziegler	Chicago	Steve Johnson
Placement Agent	Ziegler	Chicago	Steve Johnson
Underwriter's Counsel:	Dentons	Chicago	Kathryn Ashton
Issuer's Counsel:	Greenberg Traurig LLP	Chicago	Thomas Smith
Issuer's Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional: 2
State Senate: 13
State House: 25

SERVICE AREA



IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

March 9, 2017

$100,000,000
Franciscan Communities, Inc.

REQUEST	**Purpose**: Bond proceeds will be used by **Franciscan Communities, Inc.,** ("**the Franciscan**", "**FC**", or "the **Borrower**") to: (i) finance, refinance or reimburse the Borrower or University Place, Inc. ("**University Place**") for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of the senior living facilities owned and operated by the Borrower or University Place, as follows: (a) the costs of renovating the skilled nursing facility at The Village at Victory Lakes, Wheeling, Illinois, renovating portions of the assisted living facility at St. Joseph Village, Chicago and renovating portions of Franciscan Village, Lemont, Illinois; (b) projects in the State of Indiana consisting of the reimbursement and/or funding for capital improvements at St. Anthony Home, Crown Point, Indiana and at University Place, West Lafayette, Indiana; and (c) a project in the State of Ohio consisting of the construction and equipping of an 11,000 square foot addition to Mount Alverna Village, Parma, Ohio; (ii) refund all or a portion of the (a) Illinois Finance Authority ("IFA") Series 2004B Revenue Bonds (or "IFA Series 2004B Bonds"), (b) the IFA Series 2007A Bonds, (c) the IFA Series 2013B Bonds, (d) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004C and D (for the Mount Alverna Project); (iii) pay certain working capital expenditures of the Borrower, if deemed necessary or desirable by the Borrower; (iv) fund one or more debt service reserve funds for the benefit of the Series 2017A Bonds if deemed necessary or desirable by the Borrower; (v) pay a portion of the interest accruing on the Series 2017 Bonds, if deemed necessary or desirable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds. **Program**: Conduit 501(c)(3) Revenue Bonds (Multi-State) **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution. Voting Record – January 12, 2017 – Preliminary Bond Resolution – 13 Yeas; 0 Nays; 0 Abstain; 1 Absent (Yonover); 1 Not Voting (Anderberg); 0 Vacancies.
MATERIAL CHANGES	None.
JOB DATA	1,799 Current jobs — 0 New jobs projected N/A Retained jobs — 20 Construction jobs projected
DESCRIPTION	● Franciscan's locations are in Cook, Will, and Lake Counties. ● Upon completion of the financing, the Obligated Group will operate eight senior care communities in three states with an aggregate of 1,951 total units, including 479 entrance fee independent living units, 260 rental independent living units, 339 assisted living units, 68 memory care units, and 805 nursing/sheltered units. The new money projects will be at certain of the Obligated Group's eight senior care communities that are located in the three states.
SECURITY/MATURITY	● Security: The 2017 bondholders will have a gross revenue pledge of the Franciscan under a Master Trust Indenture and a mortgage or leasehold mortgage on all properties in the Franciscan Obligated Group., which is pari passu or in parity. ● Bonds will mature no later than 2057 (40 years).
CREDIT INDICATORS	● The underwritten Bonds will be rated. Franciscan expects a rating of 'BBB-' by Fitch. ● The bank direct purchase Bonds will not be rated.
STRUCTURE	● The Franciscan contemplates the issuance of tax-exempt fixed rate investment grade bonds to be sold in a public underwriting by BB&T Capital Markets. ● The Plan of Finance also contemplates a bank direct purchase by banks to be selected by the Franciscan.

SOURCES AND USES	**Sources**:		**Uses**:	
	IFA Bonds	$94,000,000	Refund Existing Debt	$79,000,000
	Existing Trustee Funds on Hand	4,800,000	Project Fund	15,000,000
			DSRF	3,000,000
			Cost of Issuance	1,800,000
	Total	**$ 98,800,000**	**Total**	**$ 98,800,000**
RECOMMENDATION	Credit Review Committee recommends approval.			

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ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2017

Project: Franciscan Communities, Inc.

STATISTICS

Project Number:	12378	Amount:	$100,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Locations:	Chicago, Lindenhurst, Lemont, Wheeling, Homer Glen; Crown Point and West Lafayette, Indiana; and Parma, Ohio	Counties / Region:	Cook/Will/Lake Counties/Northeast Region

BOARD ACTION

Final Bond Resolution
Conduit 501(c)(3) Revenue Bonds (Multi-State)
Credit Review Committee recommends approval.

No IFA funds at risk
No extraordinary conditions

VOTING RECORD

Final Bond Resolution
Voting Record – January 12, 2017 – Preliminary Bond Resolution – 13 Yeas; 0 Nays; 0 Abstain; 1 Absent (Yonover); 1 Not Voting (Anderberg); 0 Vacancies.

PURPOSE

Bond proceeds will be used by **Franciscan Communities, Inc.,** ("**the Franciscan**", "**FC**", or "the **Borrower**") to: (i) finance, refinance or reimburse the Borrower or University Place, Inc. ("**University Place**") for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of the senior living facilities owned and operated by the Borrower or University Place, as follows: (a) the costs of renovating the skilled nursing facility at The Village at Victory Lakes, Wheeling, Illinois, renovating portions of the assisted living facility at St. Joseph Village, Chicago and renovating portions of Franciscan Village, Lemont, Illinois; (b) projects in the State of Indiana consisting of the reimbursement and/or funding for capital improvements at St. Anthony Home, Crown Point, Indiana and at University Place, West Lafayette, Indiana; and (c) a project in the State of Ohio consisting of the construction and equipping of an 11,000 square foot addition to Mount Alverna Village, Parma, Ohio; (ii) refund all or a portion of the (a) Illinois Finance Authority Revenue Bonds ("IFA") 2004B bonds, (b) the IFA Series 2007A Bonds, (c) the IFA Series 2013B Bonds, (d) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004C and D (for the Mount Alverna Project); (iii) pay certain working capital expenditures of the Borrower, if deemed necessary or desirable by the Borrower; (iv) fund one or more debt service reserve funds for the benefit of the Series 2017A Bonds if deemed necessary or desirable by the Borrower; (v) pay a portion of the interest accruing on the Series 2017 Bonds, if deemed necessary or desirable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable missions. IFA's issuance will convey federal tax-exempt status on interest paid to bondholders, thereby reducing a borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses**:	
IFA Bonds	$94,000,000	Refund Existing Debt	$79,000,000
Existing Trustee Funds on Hand	4,800,000	Project Fund	15,000,000
		DSRF	3,000,000
		Cost of Issuance	1,800,000
Total	**$ 98,800,000**	**Total**	**$ 98,800,000**

JOBS

Current employment:	1,799	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	20

FINANCING SUMMARY

Security: The 2017 bondholders will have a gross revenue pledge of the Franciscan under a Master Trust Indenture and a mortgage or leasehold mortgage on all properties in the Franciscan Obligated Group.

Credit Enhancement: None

Structure: The Franciscan contemplates the issuance of approximately $42 million of tax-exempt fixed rate investment grade bonds to be sold in a public underwriting by BB&T Capital Markets.

The Plan of Finance also contemplates a bank direct purchase by banks to be selected the Franciscan.

Interest Rate: Fixed Rate and Variable Rate

Underlying Ratings: The underwritten Bonds will be rated while the bank purchased Bonds will not be rated. Franciscan expects a rating of ‘BBB-’ by Fitch on any Bonds sold publicly.

Maturity: Not later than 2057 (40 years).

Estimated Closing Date: April 2017

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **Franciscan Communities, Inc.,** (“**the Franciscan**”, “**FC**”, or “the **Borrower**”) to: (i) finance, refinance or reimburse the Borrower or University Place, Inc. (“**University Place**”) for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of the senior living facilities owned and operated by the Borrower or University Place, as follows: (a) the costs of renovating the skilled nursing facility at The Village at Victory Lakes, Wheeling, Illinois, renovating portions of the assisted living facility at St. Joseph Village, Chicago and renovating portions of Franciscan Village, Lemont, Illinois; (b) projects in the State of Indiana consisting of the reimbursement and/or funding for capital improvements at St. Anthony Home, Crown Point, Indiana and at University Place, West Lafayette, Indiana; and (c) a project in the State of Ohio consisting of the construction and equipping of an 11,000 square foot addition to Mount Alverna Village, Parma, Ohio; (ii) refund all or a portion of the (a) Illinois Finance Authority Revenue Bonds (“IFA”) 2004B bonds, (b) the IFA Series 2007A Bonds, (c) the IFA Series 2013B Bonds, (d) County of Cuyahoga, Ohio Health Care Facilities Revenue Bonds, Series 2004C and D (for the Mount Alverna Project); (iii) pay certain working capital expenditures of the Borrower, if deemed necessary or desirable by the Borrower; (iv) fund one or more debt service reserve funds for the benefit of the Series 2017A Bonds if deemed necessary or desirable by the Borrower; (v) pay a portion of the interest accruing on the Series 2017 Bonds, if deemed necessary or desirable by the Borrower; and (vi) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds.

BUSINESS SUMMARY

Background: The **Franciscan Sisters of Chicago Service Corporation** (“**FSCSC**”) is the sole corporate member of the Franciscan (i.e., the Borrower). FSCSC is sponsored by and is a senior care ministry of the Franciscan Sisters of Chicago (“**FSC**”). Through its various ministries, FSC has provided community-based housing and healthcare services to seniors for over 115 years. The vision of FSCSC is to become the optimal means which frees all those served to experience the fullness of their lives. All financial obligations of Franciscan associated with the proposed debt issuance (and all other expenses) have been, and will continue to be, the sole obligations of the Obligated Group.

Discussion: The Borrower and University Place currently operate eight facilities, including five facilities in the greater Chicago area, two facilities in Indiana, and one facility in Ohio. Collectively, the Borrower and University Place and the communities they operate are also referred to herein as the “Franciscan Obligated Group.” Both the Borrower and University Place are Indiana 501(c)(3) corporations.

The facilities operated by the Obligated Group will include an aggregate of 1,948 total units, including 476 entrance fee independent living units, 257 rental independent living units, 407 assisted living/memory care units, and 808 nursing/sheltered units.

Proceeds of the Series 2017 Bonds will primarily be used refund the Series 2004B, C & D Bonds, the Series 2007A Bonds, the Series 2013B Bonds, and to fund new money projects for certain of the Obligated Group facilities. The Obligated Group is not currently in default on any bonds and has not missed a payment date relative to any bonds in the immediately preceding three years, and, to the best of Borrower’s knowledge, has never defaulted on a payment on any of the Borrower bond issues.

Historical Operating Revenues are reported below.

Total Operating Revenues ($000s):

	For the Years Ended June 30,				
	2013	**2014**	**2015**	**2016**	**Fiscal Quarter Ended September 30, 2016**
Obligated Group	$117,728	$119,670	$121,576	$123,221	$30,689

ECONOMIC DISCLOSURE STATEMENT

Applicant: Franciscan Communities, Inc.

Site Address: Franciscan Communities, Inc.
11500 Theresa Drive
Lemont, Illinois 60439
(331) 318-5200

Contact: Ronald Tinsley, Chief Financial Officer

Website: www.franciscanministries.org

Project name: Franciscan Communities, Inc.

Organization: 501(c)(3) Indiana Not-For-Profit Corporation

State: Illinois, Indiana, and Ohio

Ownership/Fiscal 2016-17 Board Members (501(c)(3)):

NAME & TITLE	LENGTH OF SERVICE	OCCUPATION/PLACE OF RESIDENCE	COMMITTEE MEMBERSHIP
Sr. M. Francis Clare Radke Chairperson	Ex-Officio Director	Chairperson Lemont, IL	Executive Executive Compensation
Jill Krueger	Nine years with an approved one-year extension through April 2013	President/Chief Executive Officer Health Resources Alliance, Inc. Naperville, IL	Audit and Finance (Chair) Investment Sub-Committee
Lawrence Leaman	Five years	Retired Huron, OH	Executive Compensation
Sandra Singer	Five years	Professor of Psychology Purdue University Schererville, IN	Board Development
Annette Shoemaker Vice Chairperson	Four years	Director Evangelical Lutheran Church Foundation Chicago, IL	Executive Committee Audit and Finance Investment Sub-Committee (Chair)
Judy Amiano President/Chief Executive Officer	Ex-Officio Director	President/Chief Executive Officer of FSCSC Bourbonnais, IL	Executive Audit and Finance Investment Sub-Committee Executive Compensation Quality Improvement/Risk Management

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Nixon Peabody LLP	Chicago	James Broeking
Auditor:	Plante Moran	Elgin	Ed Slack
Bond Counsel	Chapman and Cutler LLP	Chicago	John Bibby & Latrice Phillips
Underwriter(s):	BB&T Capital Markets	Chicago	Brendan Malone
Underwriters' Counsel:	Dinsmore and Shohl LLP	Columbus, OH	Glendon Pratt
IFA Counsel:	Burke, Burns & Pinelli Ltd	Chicago	Steve Welcome
IFA's Financial Advisor:	Sycamore Advisors, LLC	Chicago	Courtney Tobin, Diana Hamilton

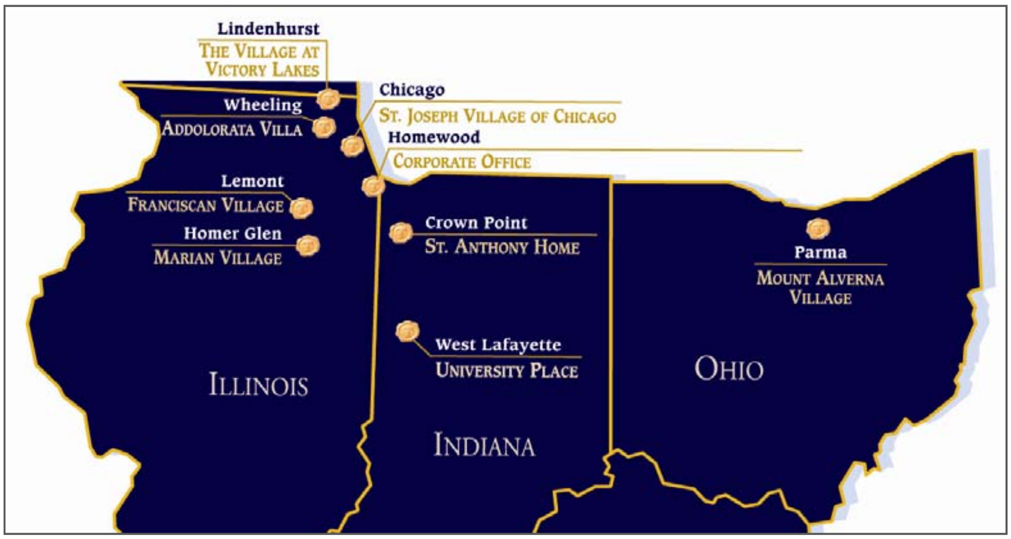
LEGISLATIVE DISTRICTS

Congressional: 2, 3, 4, 10
State Senate: 15, 20, 29, 32, 41
State House: 29, 39, 57, 64, 82

SERVICE AREA

Franciscan is presently comprised of eight senior care communities providing independent living, assisted living, and nursing services in continuum of care campuses in the states of Illinois, Indiana, and Ohio. The communities that comprise Franciscan presently include: Addolorata Villa located in Wheeling, Illinois; Franciscan Village located in Lemont, Illinois; Marian Village located in Homer Glen, Illinois; St. Joseph Village of Chicago located in Chicago, Illinois; The Village at Victory Lakes located in Lindenhurst, Illinois; St. Anthony Home located in Crown Point, Indiana; University Place located in West Lafayette, Indiana; and Mount Alverna Village located in Parma, Ohio. Franciscan, an Indiana not-for-profit corporation, is currently the sole member of the Franciscan Obligated Group.

A map detailing the locations of the corporate office of FSCSC (previously Homewood, now Lemont) and each facility within the Obligated Group is presented below.



ILLINOIS FINANCE AUTHORITY

CONDUIT

March 9, 2017

$20,000,000
Harrisburg Medical Center

REQUEST	**Purpose**: The Bond proceeds will be used by **Harrisburg Medical Center** ("**Harrisburg**" or the "**Borrower**") to: (i) refinance certain taxable indebtedness the proceeds of which were used to finance or refinance eligible tax-exempt cost for the construction, renovation, remodeling and equipping of certain health care facilities of the Borrower (the "Taxable Loan Refinancing"), (ii) finance, refinance or reimburse the Borrower for its prior payment of all or a portion of certain costs of acquiring, constructing, remodeling, renovating, improving, furnishing and equipping the Borrower's 77-bed general medical and surgical hospital facility known as Harrisburg Medical Center (the "**Hospital Facility**"), including but not limited to the relocation and renovation of the Hospital Facility's emergency department, modernization of the existing emergency department space for surgical and recovery suites, and construction of additional surgical suites, a cardiac rehabilitation suite, a hospital registration space, and parking lot, (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower, (iv) provide working capital, if deemed necessary or advisable by the Borrower, (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower, and (vi) pay certain related expenses incurred in connection with the issuance of the Bonds and the Taxable Loan Refinancing. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution *(One-time consideration).*
MATERIAL CHANGES	None.
JOB DATA	509 Current jobs — 25 New jobs projected 509 Retained jobs — 45 Construction jobs projected
DESCRIPTION	Illinois Locations: Saline County ● The Borrower is an Illinois not for profit corporation, exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Borrower operates a hospital facility in Harrisburg, Illinois that is licensed for 77 beds with 46 short-term acute care and 31 psychiatric beds currently in service. The Borrower provides inpatient, psychiatric outpatient and emergency care for residents in Southern Illinois.
SECURITY/MATURITY	● The Borrower will grant a security interest in its gross receivables and a mortgage lien on and security interest in certain of its real and personal property to secure the payments on the Bonds. ● The Bonds will mature no later than thirty (30) years from the date the Bonds are issued.
STRUCTURE	● The Borrower contemplates the issuance of approximately $20 million of tax-exempt bonds that will be purchased by Peoples National Bank.

SOURCES AND USES

Sources:		**Uses**:	
Series A	$10,100,000	Refinance Taxable Debt	$9,050,000
Series B	9,900,000		
		Project Expenses	10,560,000
		Cost of Issuance	390,000
Total	**$20,000,000**	**Total**	**$20,000,000**

RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 9, 2017

Project: Harrisburg Medical Center

STATISTICS

Project Number:	12387	Amount:	$20,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Location:	Harrisburg	County/Region:	Saline/Southern

BOARD ACTION

Final Bond Resolution	No IFA funds at risk
Conduit 501(c)(3) Revenue Bonds	No extraordinary conditions
Credit Review Committee recommends approval	

PURPOSE

The Bond proceeds will be used by **Harrisburg Medical Center** ("**Harrisburg**" or the "**Borrower**") to: (i) refinance certain taxable indebtedness the proceeds of which were used to finance or refinance eligible tax-exempt cost for the construction, renovation, remodeling and equipping of certain health care facilities of the Borrower (the "Taxable Loan Refinancing"), (ii) finance, refinance or reimburse the Borrower for its prior payment of all or a portion of certain costs of acquiring, constructing, remodeling, renovating, improving, furnishing and equipping the Borrower's 77-bed general medical and surgical hospital facility known as Harrisburg Medical Center (the "Hospital Facility"), including but not limited to the relocation and renovation of the Hospital Facility's emergency department, modernization of the existing emergency department space for surgical and recovery suites, and construction of additional surgical suites, a cardiac rehabilitation suite, a hospital registration space, and parking lot, (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower, (iv) provide working capital, if deemed necessary or advisable by the Borrower, (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower, and (vi) pay certain related expenses incurred in connection with the issuance of the Bonds and the Taxable Loan Refinancing.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable missions. IFA's issuance will convey federal tax-exempt status on interest paid to bondholders, thereby reducing a borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses**:	
Series A	$10,100,000	Refinance Taxable Debt	$9,050,000
Series B	9,900,000		
		Project Expenses	10,560,000
		Cost of Issuance	390,000
Total	**$20,000,000**	**Total**	**$20,000,000**

JOBS

Current employment:	509	Projected new jobs:	25
Jobs retained:	509	Construction jobs:	45

FINANCING SUMMARY

Security:	The Bonds will be secured by a security interest in the Borrower's gross receivables and a mortgage lien on and security interest in certain of the Borrower's real and personal property.
Credit Enhancement:	None.
Structure:	The Borrower contemplates the issuance of no more than $20 million of tax-exempt variable rate bonds to be directly purchased by Peoples National Bank.
Interest Rate:	The Bonds will initially be issued at a fixed rate of interest for the first ten years. Thereafter, the interest rate will be reset every ten years.
Underlying Ratings:	The Bonds will not be rated.
Maturity:	No later than 2047 (30 years).
Estimated Closing Date:	March 14, 2017

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

The Bond proceeds will be used by **Harrisburg Medical Center** ("**Harrisburg**" or the "**Borrower**") to: (i) refinance certain taxable indebtedness the proceeds of which were used to finance or refinance eligible tax-exempt cost for the construction, renovation, remodeling and equipping of certain health care facilities of the Borrower (the "Taxable Loan Refinancing"), (ii) finance, refinance or reimburse the Borrower for its prior payment of all or a portion of certain costs of acquiring, constructing, remodeling, renovating, improving, furnishing and equipping the Borrower's 77-bed general medical and surgical hospital facility known as Harrisburg Medical Center (the "**Hospital Facility**"), including but not limited to the relocation and renovation of the Hospital Facility's emergency department, modernization of the existing emergency department space for surgical and recovery suites, and construction of additional surgical suites, a cardiac rehabilitation suite, a hospital registration space, and parking lot, (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower, (iv) provide working capital, if deemed necessary or advisable by the Borrower, (v) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower, and (vi) pay certain related expenses incurred in connection with the issuance of the Bonds and the Taxable Loan Refinancing.

BUSINESS SUMMARY

Background: The Borrower is an Illinois not for profit corporation, exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The Borrower operates a hospital facility in Harrisburg, Illinois that is licensed for 77 beds with 46 short-term acute care and 31 psychiatric beds currently in service. The Borrower provides inpatient, psychiatric outpatient and emergency care for residents in Southern Illinois.

Discussion: The Borrower will use the Bond proceeds in part to refinance indebtedness, the proceeds of which were used to finance construction and renovation of the Borrower's Hospital Facility and two primary care clinics. The remainder of the Bond proceeds will be used to construct and renovate the Borrower's hospital facility and reimburse the Borrower for paid-in project costs. By relocating and renovating of the Hospital Facility's emergency department, modernizing the existing emergency department space for surgical and recovery suites, and constructing additional surgical suites, a cardiac rehabilitation suite, a hospital registration space, and parking lot, the hospital will be well-positioned to serve the Harrisburg and surrounding communities into the future.

Rationale: The Hospital Emergency Department (ED) was built in 1995 and was designed to handle 6,000 visits per year. Today the Hospital's ED provides 13,000 emergency care encounters to Southern Illinois residents annually. Relocating and updating the ED will allow the Hospital to provide more efficient and faster care in emergency situation to residents of the community. Surgical procedures are currently provided in two surgical suites and a small treatment room. The demand by patients and surgeons for time on the Hospital's surgery schedule is greater than is available. By adding a surgical suite, the Hospital will be able to better serve the community. More availability for surgeons will allow patients to receive services nearby rather than traveling to hospitals located more than 45 minutes from Harrisburg. An addition of a surgical suite requires additional recovery rooms; those recovery suites will be built in the space vacated by the current ED.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Harrisburg Hospital
Site Address:	Harrisburg Medical Center 100 Dr. Warren Tuttle Drive, Harrisburg, IL 62946 (618) 253-7671
Contact:	Rodney D. Smith, President and CEO June Hayes, Chief Financial Officer
Website:	www.harrisburgmc.com
Project name:	Harrisburg Medical Center
Organization:	501(c)(3) Not-For-Profit Corporation
State:	Illinois
Board Members:	Rodney D. Smith, President & CEO David Disney, Chairman Benna Daugherty Tom Davis David Edmister Mary Sue Ewing Joan Harper Steve Ledbetter Dennis Murphy Harold Wilson Kolby Smith-Peters Michael Tison Mike Williams

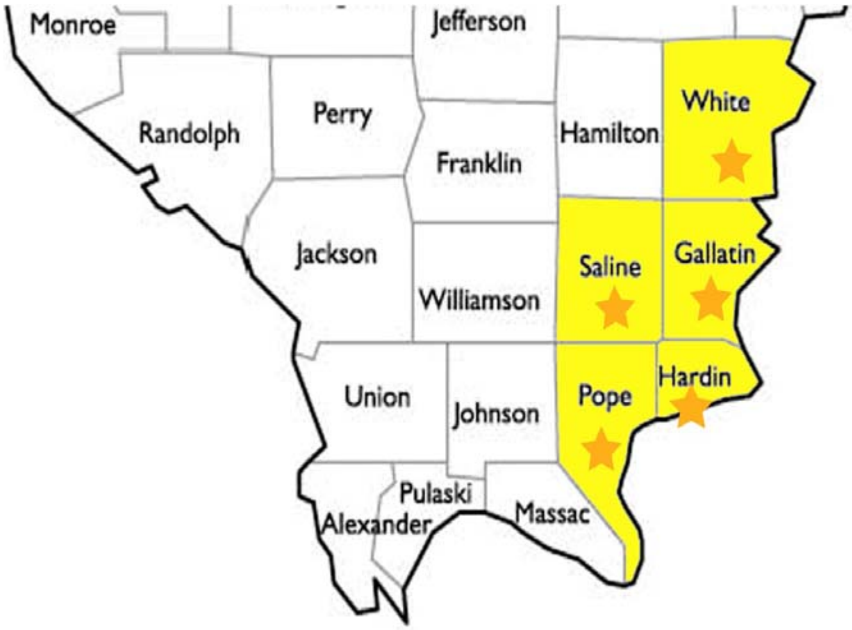
PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Chapman and Cutler LLP	Chicago	Katherine Gale, Megan Rudd, David Kates
Auditor:	Kerber, Eck & Braeckel LLP	Carbondale	
Bond Counsel	Nixon Peabody LLP	Chicago	Jim Broeking
Placement Agent:	Lancaster Pollard	Chicago	Brett Murphy, Steve Kennedy
IFA Counsel:	Nixon Peabody LLP	Chicago	Jim Broeking
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago	Courtney Tobin, Diana Hamilton

LEGISLATIVE DISTRICTS

Congressional:	15
State Senate:	59
State House:	118

SERVICE AREA [UPDATE]



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ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: March 9, 2017

Re: Resolution Providing for the Issuance of Not to Exceed $10,000,000 Principal Amount Illinois Finance Authority Midwestern Disaster Area Revenue Refunding Bond (P.O.B. Development, LLC Project) Series 2017; Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters
IFA Series 2012 File Number: I-MDAB-TE-CD-8534
IFA Series 2017 File Number: 12384

Request:

P.O.B. Development, LLC, a Missouri limited liability company (the "**Borrower**" or "**Company**"), and **Midwest BankCentre** (the "**Bond Purchaser**") are requesting approval of a Final Bond Resolution to authorize the issuance of a Midwestern Disaster Area Revenue Refunding Bond (P.O.B. Development, LLC Project) Series 2017 (the "**Series 2017 Bond**") to effectuate the refunding of the Illinois Finance Authority Midwestern Disaster Area Revenue Bond, Series 2012 (P.O.B. Development, LLC Project) (the "**Prior Bond**"). P.O.B. Development, LLC was created for the special purpose of developing and owning a 60,000 square foot, 3-story medical office building at 925 Broadway Avenue in Quincy (Adams County), IL 62301 adjacent to two existing medical office buildings on the Blessing Hospital campus.

The Prior Bond is presently held by Enterprise Bank & Trust in St. Charles, Missouri pursuant to a Resolution adopted by the Authority on March 3, 2012. As proposed, the Prior Bond will be refunded in whole by the issuance of the Series 2017 Bond and held as an investment by Midwest BankCentre, which will become the Borrower's new relationship bank.

The original par amount of the Prior Bond was approximately $11,066,000. The outstanding par amount of the Prior Bond was $9,993,698.26 as of March 1, 2017.

Midwestern Disaster Area Revenue Bonds ("**MDABs**") were a federal program that enabled tax-exempt bonds to be issued to finance certain types of privately-owned projects that would generate jobs and economic development activity in 18 federally designated counties in Illinois that suffered damage in mid-2008 from floods and other storm damage. MDABs were a provision of the federal Heartland Disaster Tax Relief Act of 2008 (Public Law 100-344; 122 Stat. 3918) (the "MDAB Act") that enabled issuance of tax-exempt bonds for certain privately-owned projects located in certain designated counties throughout the Midwest until 12/31/2012.

The MDAB Act provided approximately $1.515 billion of MDAB bond issuance authority for use through 12/31/2012. The Prior Bond financing used an allocation of the Midwestern Disaster Area Revenue Bond program provided for under the MDAB Act. Illinois Governor Pat Quinn designated the Illinois Finance Authority as the Issuer (and Allocating Entity) of MDABs for industrial and commercial projects.

While since expired, the proposed current refunding will not require an additional or new MDAB allocation, consistent with the Internal Revenue Code of 1986, as amended (the "Code), which generally provides that current refundings are not subject to volume cap as long as the principal amount of the refunding bond is not greater than the outstanding principal amount of the refunded bond.

Impact:

Approval of this resolution will (i) authorize the issuance of a not to exceed $10,000,000 principal amount Illinois Finance Authority Midwestern Disaster Area Revenue Refunding Bond (P.O.B. Development, LLC Project) Series 2017, and (ii) authorize the execution and delivery of a Bond and Loan Agreement, a Tax

Exemption Certificate and Agreement and related documents;. As the Series 2017 Bond will be issued solely as a refunding bond, bond counsel (Chapman & Cutler LLP) has determined that a new public hearing on the project (i.e., a "**TEFRA Hearing**" as defined under the Code) will not be necessary. Nevertheless, bond counsel has determined that this transaction will be considered a refunding for tax law purposes. IFA's estimated administrative fee will be $10,000.

Background:

On May 15, 2012, the Authority loaned proceeds of the Prior Bond to the Borrower for the purpose of financing the cost of the construction of a building or buildings and related improvements (the "**Project**"), all constituting a professional, medical office building complex and located in the City of Quincy, Adams County, Illinois, which Project constituted an "industrial project," within the meaning of the Act, to pay interest on the Prior Bond during the construction of the Project and to pay certain costs of issuing the Prior Bond (collectively, the "Financing Purposes".)

The Borrower leases the Project to Blessing Hospital. As a result, Blessing Hospital is considered a principal user of the Project for tax purposes.

All payments relating to the Prior Bond are current as of 3/1/2017 and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Armstrong Teasdale LLP	St. Louis, MO	Daniel R. Wofsey
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Andrea Bacon Sharone Levy
Bond Purchaser:	Midwest BankCentre	St. Louis, MO	
Bank Counsel:	Carmody MacDonald P.C.	St. Louis, MO	Josh J. Reinert
IFA Counsel:	Hart Southworth & Witsman	Springfield, IL	Sam Witsman
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden

RESOLUTION NO. 2017-0309-AD__

A RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $10,000,000 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY MIDWESTERN DISASTER AREA REVENUE REFUNDING BOND (P.O.B. DEVELOPMENT, LLC PROJECT) SERIES 2017; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority (the "*Authority*"), a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois, including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.* (said Act as from time to time amended, being herein referred to as the "*Act*"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance the cost of "industrial projects" (as such term is defined in the Act), including the refunding of any outstanding bonds previously issued for such purpose; and

WHEREAS, on May 15, 2012, the Authority issued $11,066,000 in principal amount (of which $10,000,000 remains outstanding) of its Midwestern Disaster Area Revenue Bond, Series 2012 (P.O.B. Development, LLC Project) (the "*Prior Bonds*") for the purpose of financing the cost of the construction of a building or buildings and related improvements (the "*Project*"), all constituting a professional, medical office building complex and located in the City of Quincy, Adams County, Illinois, which Project constituted an "industrial project," within the meaning of the Act, to pay interest on the Prior Bonds during the construction of the Project and to pay certain costs of issuing the Prior Bonds, all as permitted by the Act; and

WHEREAS, the proceeds from the sale of the Prior Bonds were loaned to P.O.B. Development, LLC, a limited liability company duly organized and validly existing under the laws of the State of Missouri (the "*Borrower*") pursuant to the terms of a Loan Agreement dated as of March 1, 2012, between the Authority and the Borrower; and

WHEREAS, the Borrower has requested that the Authority issue its Midwestern Disaster Area Revenue Refunding Bond (P.O.B. Development, LLC Project) Series 2017, in a principal amount not to exceed $10,000,000 (the "*Bond*") and loan the proceeds from the sale thereof to the Borrower pursuant to a Bond and Loan Agreement (the "*Bond and Loan Agreement*") among the Authority, the Borrower and Midwest BankCentre (the "*Purchaser*"), pursuant to which the Purchaser will purchase the Bond from the Authority; and

WHEREAS, the Borrower will apply the proceeds from the sale of the Bond and other available funds (the "*Refunding Proceeds*") to the current refunding of all of the Prior Bonds (the "*Financing Purpose*"); and

WHEREAS, the Bond and the obligation to pay principal and interest thereon are special, limited obligations of the Authority, payable solely out of the revenues and income derived from the Bond and Loan Agreement; the Bond and the obligation to pay interest thereon shall not be deemed to constitute an indebtedness, a general or moral obligation, or a pledge of the full faith and credit of the Authority, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision or a charge against the general credit or taxing powers, if any, of any of them; and neither the Purchaser nor any future owner of the Bond shall have the right to compel any exercise of the taxing power, if any, of the Authority, the State of Illinois or any political subdivision thereof to pay any principal or purchase price of or interest on the Bond; and

WHEREAS, in connection with the refunding of the Prior Bonds, the Authority, the Borrower and U.S. Bank National Association, Chicago, Illinois, as bond trustee for the Prior Bonds and escrow agent (the "*Escrow Agent*"), may execute an Escrow Deposit Agreement (the "*Escrow Agreement*"), providing for the current refunding and redemption of the Prior Bonds and allowing for the Escrow Agent to hold the Refunding Proceeds pending payment of the Prior Bonds; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to issue the Bond and loan the proceeds from the sale thereof to the Borrower pursuant to the Bond and Loan Agreement in order to carry out the Financing Purpose; and

WHEREAS, in connection with the issuance of the Bond, it is now necessary and proper to authorize (i) the execution and delivery of the Bond and Loan Agreement, the Escrow Agreement (if necessary) and a Tax Exemption Certificate and Agreement between the Authority and the Borrower (the "*Tax Agreement*" and together with the Bond and Loan Agreement and the Escrow Agreement if determined to be necessary as provided herein, the "*Authority Documents*"), and (ii) the execution and delivery or approval of the execution and delivery of Other Documents (as hereinafter defined); and

WHEREAS, the Authority has caused to be prepared and presented to its members a form of the Bond and Loan Agreement, including the form of the Bond attached thereto as *Exhibit A*;

NOW, THEREFORE, Be It Resolved by the Members of the Illinois Finance Authority as follows:

Section 1. Recitals. That the foregoing recitals are incorporated in and made a part of this Resolution by this reference.

Section 2. Approval of Financing. That issuance of the Bond and the use of the proceeds from the sale thereof to carry out the Financing Purpose in accordance with the terms of the Bond and Loan Agreement is hereby authorized and approved and is in furtherance of the public purposes set forth in the Act.

Section 3. Bond. That, to provide funds to carry out the Financing Purpose, the Authority hereby authorizes and approves the issuance of the Bond in a principal amount not to exceed $10,000,000, to be designated the "Midwestern Disaster Area Revenue Bond (P.O.B. Development, LLC Project) Series 2017"; that the form of Bond now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Bond and Loan Agreement be, and the same hereby is, approved; that the Bond shall be issued only as a fully registered bond without coupons, that the Bond shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairperson, Vice Chairperson or Executive Director to be impressed or imprinted thereon, the official seal of the Authority or a facsimile thereof shall be impressed or imprinted thereon and the Bond shall be attested with the manual or facsimile signature of its Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis; that the Chairperson, Vice Chairperson, Executive Director, or any other officer of the Authority shall cause the Bond, as so executed and attested, to be delivered to the Purchaser, as bond registrar under the Bond and Loan Agreement, for authentication; and that when the Bond is executed on behalf of the Authority in the manner contemplated by the Bond and Loan Agreement and this Resolution, it shall represent the approved form of the Bond; *provided* that the Bond shall bear interest at a rate established from time to time pursuant to the Bond and Loan Agreement not to exceed 15% (with an initial fixed rate of interest not to exceed 3.50%), shall mature not later than March 1, 2038, and shall be privately placed with the Purchaser.

The Authority hereby authorizes each of the Chairperson, Vice Chairperson, Executive Director, any Assistant Executive Director of the Authority, or any person duly appointed by the Members of the Authority to serve in such offices on an acting or an interim basis (each, an "*Authorized Officer*") to make a final determination as to the principal amount, initial interest rate, maturity, uses of proceeds, principal payment and mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions (if any), optional or mandatory tender provisions and the purchase price and uses of the proceeds from the sale of the Bond. The execution by an Authorized Officer of the Bond and Loan Agreement shall constitute such Authorized Officer's approval and the Authority's approval of the final terms and provisions of the Bond.

The Bond, including the interest, shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights (as defined in the Bond and Loan Agreement)). The Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (a) the proceeds from the sale of the Bond, (b) the income and revenues derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned

Rights), (c) other amounts available under the Bond and Loan Agreement and (d) moneys arising out of the investment or reinvestment of such proceeds, income, revenues or receipts.

Section 4. *Bond and Loan Agreement.* That the Authority is hereby authorized to enter into the Bond and Loan Agreement with the Borrower and the Purchaser; that the form, terms and provisions of the Bond and Loan Agreement be, and they hereby are, in all respects approved; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to the Bond and Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Bond and Loan Agreement to be delivered to the Borrower, such Bond and Loan Agreement (as executed) to provide for the loan of the proceeds from the sale of the Bond to the Borrower and the use of such proceeds to carry out the Financing Purpose in the manner and with the effect therein provided; that the Bond and Loan Agreement shall be in substantially the same form now before the Authority or with such changes as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions from the form of the Bond and Loan Agreement now before the Authority; that when the Bond and Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the Bond and Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Bond and Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Bond and Loan Agreement as executed; and that the Bond and Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Bond and Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 5. *Tax Agreement.* That the Authority is hereby authorized to enter into the Tax Agreement with the Borrower in the form to be approved by bond counsel and an Authorized Officer, with the approval of the Authority's special counsel, the execution thereof to constitute conclusive evidence of such approval by the Authority; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement as so approved; that when the Tax Agreement is executed and delivered on behalf of the Authority as herein provided, the Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of the Tax Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Tax Agreement as executed.

Section 6. *Escrow Agreement.* That the Authority is hereby authorized to enter into the Escrow Agreement if it is determined by an Authorized Officer and bond counsel that the Escrow Agreement is necessary to effect the refunding and redemption of the

Prior Bonds, in the form to be approved by bond counsel and an Authorized Officer, with the approval of the Authority's special counsel; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Escrow Agreement as so approved; that when the Escrow Agreement is executed and delivered on behalf of the Authority as herein provided, the Escrow Agreement will be binding on the Authority; and that from and after the execution and delivery of the Escrow Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Escrow Agreement as executed.

Section 7. Other Documents. That the Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to (a) execute and deliver such documents, certificates and undertakings of the Authority, (b) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the Borrower or the Purchaser (the documents described in clauses (a) and (b) of this Section 7 being referred to collectively as the "*Other Documents*"), and (c) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution and the issuance and sale of the Bond and/or the execution, delivery and performance of the Authority Documents and the Other Documents, all as authorized by this Resolution; and that all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 8. Private Placement; Investment Letter; Restrictions on Transfers. That the Authority hereby authorizes the issuance and sale of the Bond to the Purchaser on a private placement basis pursuant to the Bond and Loan Agreement; that the Purchaser shall deliver an investment letter to the Authority (in substantially the form attached to the Bond and Loan Agreement as *Exhibit D*, with such revisions as may be approved by the Authority consistent with the Authority's Bond Program Handbook) stating, among other things, that the Purchaser is either an institutional "accredited investor" within the meaning of Regulation D, Section 501 through 506 or a "qualified institutional buyer" within the meaning of Rule 144A, under the Securities Act of 1933, as amended; and that the Bond and Loan Agreement shall contain such restrictions, as the Authority shall reasonably determine are necessary or advisable, on the transfer of the Bond by the Purchaser or by any accredited investor or qualified institutional buyer to which the Purchaser transfers the Bond.

Section 9. Conditions to Effectiveness. That the approvals granted by the Authority pursuant to this Resolution are subject to the Authority Documents and any other document required to carry out and comply with this Resolution being in full conformance with the requirements of the Authority (including the Authority's current Bond Program Handbook), except as expressly approved by the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer's execution and delivery of such documents.

Section 10. *Other Acts*. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 11. *Severability*. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 12. *No Conflict*. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 13. *Effective Date*. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: March 9, 2017

Re: Resolution Approving a First Amendment to Loan Agreement in Connection with the Illinois Finance Authority Revenue Bond (Northern Illinois Conference of the United Methodist Church Project), Series 2017, issued in the Aggregate Principal Amount of $3,400,000, for the Benefit of The Northern Illinois Annual Conference of the United Methodist Church; and Authorizing and Approving Related Matters
IFA Series 2007 File Number: N-NP-TE-CD-6253 or 11680

Request:

The Northern Illinois Annual Conference of the United Methodist Church, an Illinois not-for-profit corporation (the "**Church")** and **Northwest Bank of Rockford** (the "**Bond Purchaser**") are requesting approval of a Resolution to authorize execution and delivery of a First Amendment to the Loan Agreement in connection with the Illinois Finance Authority Revenue Bond (Northern Illinois Conference of the United Methodist Church Project), Series 2007 (the "**Series 2007 Bond**").

Proceeds of the Series 2007 Bond were lent to the Church finance the costs of (i) constructing an approximately 26,210 square foot multi-purpose community center, including a gym, located on 20 acres of land owned by the Church, which is commonly known as 8301 Mitchell Road, Machesney Park, Winnebago County, Illinois (the "**Property**"), (ii) purchasing and installing fixtures, equipment and furniture on the Property, and (iii) constructing a parking area on the Property (collectively, the "**Project**").

Initially, the Church operated the multi-purpose community center as defined in the Loan Agreement. However, as of October 28, 2016, the Church sold the Project to **Easter Seals Metropolitan Chicago, Inc.**, an Illinois not-for-profit corporation ("**Easter Seals**" or the "**Assignee**"). Easter Seals began utilizing the multi-purpose community center as a school for children with disabilities and special needs.

Impact:

While there will be no impact on the outstanding Series 2007 Bond, approval of this Resolution will enable the Church to be released from all obligations under the existing bond documents and assign them to Easter Seals.

Background:

All payments relating to the IFA Series 2007 Bond, initially issued in the aggregate principal amount of $3,400,000, are current and have been paid as scheduled. The principal amount of the Series 2007 Bond outstanding as of 3/1/2017 was $2,509,640.12. The Series 2007 Bond will continue to be held by Northwest Bank of Rockford. The interest rate borne on the Series 2007 Bond is reset every five years (e.g., February 20, 2022) through the maturity date of March 31, 2032.

PROFESSIONAL & FINANCIAL

Bond Counsel:	McGuireWoods LLP	New York, NY	John Semeniak
Bond Purchaser:	Northwest Bank of Rockford	Rockford, IL	

RESOLUTION 2017-____________

RESOLUTION APPROVING A FIRST AMENDMENT TO LOAN AGREEMENT IN CONNECTION WITH THE ILLINOIS FINANCE AUTHORITY REVENUE BOND (NORTHERN ILLINOIS CONFERENCE OF THE UNITED METHODIST CHURCH PROJECT), SERIES 2007, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $3,400,000, FOR THE BENEFIT OF THE NORTHERN ILLINOIS ANNUAL CONFERENCE OF THE UNITED METHODIST CHURCH; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the *"Authority"*), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.,* as supplemented and amended (the *"Act"*), is authorized under the Act to issue its revenue bonds for the purpose of financing and refinancing industrial projects in the State of Illinois (the *"State"*); and

WHEREAS, on February 27, 2007, the Authority issued its Revenue Bond (Northern Illinois Conference of the United Methodist Church Project), Series 2007, in the aggregate principal amount of $3,400,000 (the *"Bond"*), and loaned the proceeds thereof to The Northern Illinois Annual Conference of the United Methodist Church (the *"Church"*) pursuant to the Loan Agreement, dated as of February 1, 2007 (the *"Original Loan Agreement"*), between the Authority and the Church, for the purpose of financing the costs of (i) constructing an approximately 26,210 square foot multi-purpose community center, including a gym, located on 20 acres of land owned by the Church, which is commonly known as 8301 Mitchell Road, Machesney Park, Winnebago County, Illinois (the *"Property"*), (ii) purchasing and installing fixtures, equipment and furniture on the Property, and (iii) constructing a parking area on the Property (collectively, the *"Project"* and, together with the Property, the "*Premises*"); and

WHEREAS, pursuant to the Purchase and Sale Agreement, dated as of October 28, 2016, as amended by the Amendment to Purchase and Sale Agreement, dated as of November 30, 2016 (collectively, the *"Sale Agreement"*), each between the Church, as seller, and Easter Seals Metropolitan Chicago, Inc., as purchaser (*"Easter Seals"*), the Church has agreed to sell the Project to Easter Seals; and

WHEREAS, in connection with the sale of the Premises and pursuant to a First Amendment to Loan Agreement (the *"First Amendment to Loan Agreement"*), by and among the Authority, Easter Seals and the Church, and consented to by the Northwest Bank of Rockford, Easter Seals proposes to (i) assume from the Church all of the Church's rights and obligations under, and interest in, the Original Loan Agreement and the other documents delivered in connection with the Bond, as more particularly described in <u>Exhibit A</u> attached to the First Amendment to Loan Agreement (collectively with the Original Loan Agreement, the *"Bond Documents"*), (ii) amend the use of the Project to be primarily a school for children with disabilities and special needs, all in furtherance of Easter Seals' mission and (iii) make certain other modifications as noted in the First Amendment to Loan Agreement; and

WHEREAS, a draft of the First Amendment to Loan Agreement has been previously provided to and is on file with the Authority.

NOW, THEREFORE, BE IT RESOLVED by the members of the Illinois Finance Authority as follows:

Section 1. Authorization of the First Amendment to Loan Agreement and Related Documents. The Authority does hereby approve the sale of the Premises by the Church to Easter Seals, the assumption by Easter Seals from the Church of all of the Church's rights and obligations under, and interest in, the Bond Documents and the execution and delivery of the First Amendment to Loan Agreement by the Authority's Chairperson, Vice Chairperson, Executive Director, General Counsel or any Assistant Executive Director (each an *"Authorized Officer"*). The Secretary or any Assistant Secretary of the Authority are each hereby authorized to attest and to affix the official seal of the Authority to the First Amendment to Loan Agreement. The Amendment shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by an Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of the First Amendment to Loan Agreement. The execution by an Authorized Officer of any other documents required in connection with the First Amendment to Loan Agreement shall be conclusive evidence of the approval of the final terms, provisions, form, content and substance of such other documents executed and delivered in connection therewith, which shall thereupon become binding upon the Authority.

Section 2. Authorization and Ratification of Subsequent Acts. The members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept and deliver any additional documents or instruments as may be necessary to carry out and comply with the provisions of this Resolution and the First Amendment to Loan Agreement, and all of the acts and doings of the members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 3. Severability. The provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 4. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. *Effective Date*. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this __ day of _________________, 2017.

ILLINOIS FINANCE AUTHORITY

By_____________________________________
Executive Director

ATTEST:

____
Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Denise Burn

Date: March 9, 2017

Re: Resolution to Approve Going Forward with Procurements for Underwriters and other Professionals for the State Revolving Fund (Clean Water Initiative)

The Authority issues revenue bonds in connection with the Illinois Environmental Protection Agency's ("IEPA") for the State Revolving Fund/Clean Water Initiative ("SRF/CWI") pursuant to a Memorandum of Agreement with the IEPA as amended. The Authority last issued SRF/CWI bonds in August 2016 and November 2013. Copies of the cover page of the Official Statement for each of these bond issues are attached.

This resolution seeks approval to proceed with various procurements for one or more underwriters and other professionals in connection with the SRF/CWI, including, without limitation, to the extent deemed necessary or desirable by the Executive Director or his designee, a trustee, bond counsel, issuer's counsel, lending or banking services, rating agencies, financial printer, provider of network and roadshow services and other professionals under the Procurement Code, including the Authority's exemption.

The Board last addressed a resolution of this type for the August, 2016 bond issue at its July 11, 2016 meeting.

Procurement of legal counsel, including an approved list of bond counsel in connection with the State Revolving Fund (Clean Water Initiative), is being addressed through the process authorized by the Authority on February 9, 2017 through the "Resolution Authorizing the Executive Director to Enter into Contracts with Various Legal Firms."

Financial advisory services in connection with both the Authority's operational needs in general and its needs in connection with the State Revolving Fund (Clean Water Initiative) are addressed elsewhere in the March 9, 2017 agenda through the "Resolution Approving Amendments to Contracts Relating to Financial Advisory Services."

New Issue – Book-Entry Only | **Ratings:** *Fitch: AAA (Stable Outlook)*
S&P: AAA (Stable Outlook)

In the opinion of Katten Muchin Rosenman LLP, Bond Counsel, under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Series 2016 Bonds will not be includable in gross income for federal income tax purposes. Interest on the Series 2016 Bonds is not required to be included as an item of tax preference for purposes of computing individual or corporate "alternative minimum taxable income". However, interest on the Series 2016 Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Series 2016 Bonds is not exempt from Illinois income taxes. See "Tax Exemption" herein.

$500,000,000
ILLINOIS FINANCE AUTHORITY
State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds,
Series 2016

Dated: Date of Delivery | **Principal Due:** January 1 and July 1, as shown on inside cover

The State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2016 (the "*Series 2016 Bonds*"), are being issued under a Master Trust Agreement dated as of November 1, 2013 (the "*Master Trust Agreement*") between the Authority and Amalgamated Bank of Chicago, an Illinois State banking corporation, as master trustee (the "*Master Trustee*"), as heretofore supplemented, and as further supplemented by the Second Supplemental Master Trust Agreement dated as of September 1, 2016 (the "*Second Supplemental Master Trust Agreement*"), between the Authority and the Master Trustee. All Bonds issued under the Master Trust Agreement, including the Series 2016 Bonds, are limited obligations of the Illinois Finance Authority (the "*Authority*"), payable solely from (i) the payments, revenues and receipts derived from the Pledged Agreements (as defined herein) (but excluding payments of Loan Support Fees), and (ii) any other funds held by the Master Trustee under the Master Trust Agreement. The Series 2016 Bonds are being issued on a parity with the outstanding Series 2013 Bonds (as defined herein). Additional Indebtedness (as defined herein) may be issued pursuant to the Master Trust Agreement. See "Security and Source of Payment for the Series 2016 Bonds—Pledged Agreements".

Proceeds from the sale of the Series 2016 Bonds will be used (i) to fund loans (including a portion of the State Match Portion described herein) made by the Illinois Environmental Protection Agency ("*IEPA*") to units of local government in the State of Illinois (the "*State*") to finance eligible wastewater treatment and sanitary sewerage facilities and drinking water facilities and (ii) to pay costs of issuance, all as more fully described herein. See "Plan of Finance" herein.

The Series 2016 Bonds will be issued only as fully registered book-entry bonds in denominations of $5,000 or any integral multiple thereof and, when issued, will be registered under a global book-entry system in the name of Cede & Co., as the nominee of The Depository Trust Company ("*DTC*"), New York, New York. See Appendix F—"Book-Entry Only System" herein. Interest on the Series 2016 Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2017. The Series 2016 Bonds are subject to extraordinary mandatory and optional redemption prior to maturity, as described herein.

The Series 2016 Bonds are limited obligations of the Authority. The principal of and premium, if any, and the interest thereon are payable solely from revenues pledged under the Master Trust Agreement, and funds available under the Master Trust Agreement. The Series 2016 Bonds do not constitute an indebtedness of the Authority, IEPA, the State or any political subdivision thereof, within the purview of any constitutional provision or statutory limitation. The Authority is obligated to pay the principal of and interest on the Series 2016 Bonds only from the revenues pledged pursuant to the Master Trust Agreement. Neither the faith and credit nor the taxing powers, if any, of the Authority, IEPA, the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the Series 2016 Bonds. The Authority has no taxing power.

The Series 2016 Bonds are offered when, as and if issued, and subject to the approving legal opinion of Katten Muchin Rosenman LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by its counsel, Schiff Hardin LLP, Chicago, Illinois; for the Underwriters by their co-counsels, Chapman and Cutler LLP, Chicago, Illinois and Pugh, Jones & Johnson, P.C., Chicago, Illinois; and for IEPA by its Chief Legal Counsel. It is expected that the Series 2016 Bonds will be issued and available for delivery through DTC on or about September 12, 2016.

BofA Merrill Lynch | **Citigroup**

Jefferies | **...pital Markets**
Piper Jaffray | **... & Co., L.L.C.**

August 30, 2016

NEW ISSUE – Book-Entry Only

Ratings: *S&P: AAA*
Fitch: AAA

In the opinion of Katten Muchin Rosenman LLP, Bond Counsel, under existing law, if there is continuing compliance with certain requirements of the Internal Revenue Code of 1986, interest on the Series 2013 Bonds will not be includable in gross income for federal income tax purposes. Interest on the Series 2013 Bonds is not required to be included as an item of tax preference for purposes of computing individual or corporate "alternative minimum taxable income". However, interest on the Series 2013 Bonds is includable in corporate earnings and profits and therefore must be taken into account when computing corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax. Interest on the Series 2013 Bonds is not exempt from Illinois income taxes. See "TAX EXEMPTION" herein.

$141,700,000
ILLINOIS FINANCE AUTHORITY
State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013

Dated: Date of Delivery

Principal Due: January 1 and July 1, as shown on inside cover

The State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2013 (the "Series 2013 Bonds") are limited obligations of the Illinois Finance Authority (the "Authority"), payable solely from (i) the payments, revenues and receipts derived from the Pledged Agreements (as defined herein) (but excluding Loan Support Payments), and (ii) any other funds held by Amalgamated Bank of Chicago, an Illinois State banking corporation, as master trustee (the "Master Trustee"), under the Master Trust Agreement dated as of November 1, 2013 (the "Master Trust Agreement") between the Authority and the Master Trustee, as supplemented by the First Supplemental Master Trust Agreement dated as of November 1, 2013 (the "First Supplemental Master Trust Agreement"), between the Authority and the Master Trustee. The Series 2013 Bonds, when issued, will be the only series of bonds secured under the Master Trust Agreement. Additional Indebtedness (as defined herein) may be issued pursuant to the Master Trust Agreement. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2013 BONDS – Pledged Agreements."

Proceeds from the sale of the Series 2013 Bonds will be used (i) to fund loans made by the Illinois Environmental Protection Agency ("IEPA") to units of local government in the State of Illinois (the "State") to finance eligible wastewater treatment and sanitary sewerage facilities and drinking water facilities, (ii) to refund outstanding bonds of the Authority for the benefit of IEPA's clean water and drinking water programs, and (iii) to pay costs of issuance, all as more fully described herein. See "PLAN OF FINANCE" herein for a description of the refunding plan.

The Series 2013 Bonds will be issued only as fully registered book-entry bonds in denominations of $5,000 or any integral multiple thereof and, when issued, will be registered under a global book-entry system in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"), New York, New York. See APPENDIX G — "BOOK-ENTRY ONLY SYSTEM" herein. Interest on the Series 2013 Bonds is payable on January 1 and July 1 of each year, commencing July 1, 2014. The Series 2013 Bonds are subject to extraordinary mandatory redemption prior to maturity, as described herein.

The Series 2013 Bonds are limited obligations of the Authority. The principal of and premium, if any and the interest thereon is payable solely from revenues pledged under the Master Trust Agreement, and funds available under the Master Trust Agreement. The Series 2013 Bonds do not constitute an indebtedness of the Authority, IEPA, the State or any political subdivision thereof, within the purview of any constitutional provision or statutory limitation. The Authority is obligated to pay the principal of and interest on the Series 2013 Bonds only from the revenues pledged pursuant to the Master Trust Agreement. Neither the faith and credit nor the taxing powers, if any, of the Authority, IEPA, the State or any political subdivision thereof is pledged to the payment of the principal of and interest on the Series 2013 Bonds. The Authority has no taxing power.

The Series 2013 Bonds are offered when, as and if issued, and subject to the approving legal opinion of Katten Muchin Rosenman LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Authority by its counsel, Mayer Brown LLP, Chicago, Illinois; for the Underwriters by their co-counsels, Foley & Lardner LLP, Chicago, Illinois and Pugh, Jones & Johnson, P.C., Chicago, Illinois; and for IEPA by its Chief Legal Counsel. It is expected that the Series 2013 Bonds will be issued and available for delivery through DTC on or about December 5, 2013.

Loop Capita … **& Co., Inc.**

November 20, 20

RESOLUTION 2017-0309-____

RESOLUTION TO APPROVE GOING FORWARD WITH PROCUREMENTS FOR UNDERWRITERS AND OTHER PROFESSIONALS FOR THE STATE REVOLVING FUND

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act (20 ILCS 3501/801-1 *et seq.*) (the "Act"); and

WHEREAS, on July 15, 2013, by Public Act 098-0090 (the "Act"), the Illinois State General Assembly amended the Illinois Procurement Code (30 ILCS 500/1-1 *et seq.*) (the "Code") by excluding certain contracts to be entered into by the Authority from the Code, including those for legal, financial and other professional services; and

WHEREAS, the Authority wishes to approve procurement of underwriters and other professionals to assist with financings under the State Revolving Loan Program; and

NOW, THEREFORE, Be It Resolved by the Members of the Illinois Finance Authority, as follows:

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Approval to Procure And/Or Select One or More Professionals to Assist with Financings under the State Revolving Loan Program. Consistent with the Code (including the Authority's exemption thereunder), the Executive Director or his designee is authorized to take all actions, reasonable and necessary, to procure and/or select one or more underwriters and other professionals, including, without limitation, to the extent deemed necessary or desirable by the Executive Director or his designee, a trustee, bond counsel, issuer's counsel, lending or banking services, rating agencies, financial printer, provider of network and roadshow services and other professionals under the Code (including the exemption), the procurement policy of the Authority and the Act for the State of Illinois Clean Water Initiative State Revolving Fund (SRF) jointly administered by the Authority and the Illinois Environmental Protection Agency (IEPA), to assist in the structuring of future SRF bond issues.

Section 3. Confidentiality Inherent in Procurement Process. The Authority recognizes the need for confidentiality inherent in the Procurement Process under the Code. Accordingly, the Authority anticipates that once the terms and conditions become public consistent with the Code, then the Authority anticipates placing these procurements on an upcoming agenda for public consideration and discussion.

Section 4. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with Procurements set forth in Sections 2 of this Resolution.

Section 5. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 6. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

Section 7. Conflicts. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. Immediate Effect. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 9th day of March, 2017.

ILLINOIS FINANCE AUTHORITY

By____________________________
Executive Director

ATTEST:

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Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Denise S. Burn

Date: March 9, 2017

Re: Resolution Approving Amendments to Contracts Relating to Financial Advisory Services

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Pursuant to the Authority's limited exemption from the Illinois Procurement Code with respect to legal, financial and other professional and artistic services (30 ILCS 500/1-10(b)), and in accordance with the Procurement Policy promulgated by the Members of the Authority in connection therewith, on April 23, 2014, the Illinois Finance Authority (the "Authority") published a Request for Proposals on the Authority's website and on the Illinois Procurement Bulletin requesting proposals from financial advisory firms with the experience, capability and expertise to provide financial advisory services to the Authority. The Authority's goal was to produce, through a competitive solicitation process, an "Approved Financial Advisor List" for various financial advisory assignments.

Pursuant to Resolution No. 2014-0513-AD10 approved by the Members of the Authority on May 13, 2014, the Authority approved financial advisory contracts (collectively, the "Financial Advisory Contracts") with two firms: Acacia Financial Group, Inc. and Sycamore Advisors, LLC. Each of the Financial Advisory Contracts was for an initial two year term with the Authority's option for a one year renewal.

Pursuant to Resolution No. 2016-0714-AD12 approved by the Members of the Authority on July 14, 2016, the Authority approved the renewal of each of the Financial Advisory Contracts for the period commencing on July 16, 2016 and ending on July 15, 2017, on which date the contracts expire. The Executive Director recommends that each of the Financial Advisory Contracts be amended to provide for an extended remaining term thereunder commencing on the date of execution of such amendments and ending on March 1, 2018.

RESOLUTION NO. 2017-0309-__

RESOLUTION APPROVING AMENDMENTS TO CONTRACTS RELATING TO FINANCIAL ADVISORY SERVICES

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act (20 ILCS 3501/801-1 *et seq.*) (the " Act"); and

WHEREAS, under the Act, the Authority has the power to enter into certain contracts; and

WHEREAS, pursuant to the Authority's limited exemption from the Illinois Procurement Code with respect to legal, financial and other professional and artistic services (30 ILCS 500/1-10(b)), and in accordance with the Procurement Policy promulgated by the Members of the Authority in connection therewith, pursuant to a competitive solicitation process, the Authority approved and entered into contracts with each of Acacia Financial Group, Inc. and Sycamore Advisors, LLC for the provision of financial advisory services (collectively, the "Financial Advisory Contracts") for an initial two year term, with the option for the Authority to renew for an additional one year term; and

WHEREAS, on July 14, 2016. each of the Financial Advisory Contracts was renewed for a one year term commencing July 16, 2016 and ending on July 15, 2017, at a maximum amount of $175,000 payable thereunder during such renewal period, subject to increase as permitted by applicable procurement regulations; and

WHEREAS, the Authority now desires to enter into amendments to each of the Financial Advisory Contracts (collectively, the "Amendments") to provide for an extended term thereunder commencing on the date of execution of such Amendments and ending on March 1, 2018, at a maximum amount of $225,000 payable thereunder for such extended term, subject to increase as permitted by applicable procurement regulations;

NOW, THEREFORE, Be It Resolved by the members of the Illinois Finance Authority, as follows:

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Approval of Amendments to Financial Advisory Contracts. The Authority hereby approves and confirms the terms and provisions of the respective Amendments and the Financial Advisory Contracts, as amended thereby, and hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to execute and deliver each of the Amendments and to take or cause to be taken any and all actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as are necessary or desirable, in the determination of the Executive Director, to secure the services provided thereunder and under the Financial Advisory Contracts, as amended thereby.

Section 3. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 4. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

Section 5. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 6. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 9th day of March, 2017 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By ____
Executive Director

ATTEST:

____
Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Denise S. Burn

Date: March 9, 2017

Re: Resolution Authorizing the Executive Director to Enter into a Contract with TotalSource, Inc. and one or more of its Affiliates or other Providers for the Provision of Employee Benefits and Payroll Services

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Since 2004, the Authority has been a party to a series of contracts with ADP TotalSource, Inc. and certain of its affiliates (collectively, "TotalSource") to provide employee payroll, employee tax, employee health insurance and other employee benefits to the Authority's employees.

From time to time as necessary during such period, the Authority has worked with both the Chief Procurement Office ("CPO") and TotalSource to continue the Authority's contractual relationship with TotalSource in accordance with procurement methodologies permitted by the Procurement Code ("Code"). The current TotalSource contract, which expires on May 31, 2017, was entered into as an emergency procurement that was approved following a 2016 public hearing. In preparation for the 2016 public hearing, the Authority also independently tested the market for employee health insurance through a third-party insurance broker.

To ensure the continuation of the various employee benefit coverages beyond the current May 31, 2017 termination date, once again the Authority intends to have Alliant/Mesirow independently test the market for employee health insurance and, simultaneously, will explore with the CPO procurement methodologies with respect thereto that are permitted under the Code.

This resolution seeks approval for the course of actions discussed above and for the Executive Director to enter into contracts with one or more potential vendors.

RESOLUTION NO. 2017-0309-AD__

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO A CONTRACT WITH ADP TOTAL SOURCE, INC. AND ONE OR MORE OF ITS AFFILIATES OR OTHER PROVIDERS FOR THE PROVISION OF EMPLOYEE BENEFITS AND PAYROLL SERVICES

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by, and exists under, the Illinois Finance Authority Act (20 ILCS 3501/801-1 *et seq.*) (the " Act"); and

WHEREAS, under the Act, the Authority has the power to enter into certain contracts; and

WHEREAS, on June 1, 2016, in accordance with the provisions of the Procurement Code, the Authority entered into a contract with TotalSource, Inc./ADP TotalSource MI VII, LLC (collectively, "TotalSource") for the provision of employee benefits and payroll services for a one year period ending on May 31, 2017; and

WHEREAS, it is critical to ensure that employee benefits and payroll services for the Authority's employees remain available to ensure, among other things, the Authority's compliance with federal and state law; and

WHEREAS, consistent with past practices, the Authority intends to test the current market with the insurance broker presently extending similar services to the State, with respect to pricing and other information on various employee benefit arrangements, including medical, dental, vision, disability (other short term and long term) and life insurance plans, together with and flexible spending accounts, offered by other providers; and

WHEREAS, the Members of the Authority desire to delegate to the Executive Director the authority to determine the employee benefit plan or plans that are in the best interests of the Authority, taking into consideration factors such as the most cost effective price, the desire to maintain equitable or better benefit options and the need to minimize any disruption in benefits and related services to the Authority's employees and their respective dependents; and

WHEREAS, the Members of the Authority further desire to delegate to the Executive Director the authority to enter into such contractual arrangements as shall be necessary or desirable to effectuate such employee benefit plan or plans, as applicable, in a manner consistent with one or more procurement methodologies permitted under the Procurement Code;

NOW, THEREFORE, Be It Resolved by the members of the Illinois Finance Authority, as follows:

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Delegation to the Executive Director. Authority is hereby delegated to the Executive Director of the Authority to determine the plan or plans for the provision of employee benefits and payroll services which he deems necessary and proper and in the best interests of the Authority. In addition, the Authority hereby delegates to the Executive Director of the Authority the power to execute and deliver any and all such agreements, instruments, certificates and other documents as are necessary or desirable, in the determination of the Executive Director, to secure the services provided thereunder.

Section 3. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 4. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

Section 5. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 6. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 9th day of March, 2017, by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By ____
Executive Director

ATTEST:

____
Assistant Secretary