



Date: April 13, 2021

To: William Hobert, Chair
Peter Amaro
Drew L. Beres
James J. Fuentes
Mayor Arlene A. Juracek
Roxanne Nava
George Obernagel

Roger Poole
José Restituyo
Eduardo Tobon
Randal Wexler
Jeffrey Wright
Bradley A. Zeller

From: Chris Meister, Executive Director

Subject: ***Message from the Executive Director***

Dear Member of the Authority:

The Carle Foundation: A Major Contributor to Quality of Life in East Central Illinois

The Carle Foundation (“Carle”) is a high-impact, positive contributor to quality of life, community health, and employment in a 32-county region in Eastern, Central, and Southern Illinois. Dating to 1918 and based in Urbana, Carle provides a broad spectrum of inpatient and outpatient healthcare services and continuing care retirement community services to a large and predominantly rural service area. Carle has over 9,000 employees (full time equivalent) in its hospitals and facilities in Illinois. Carle is currently administering Covid-19 vaccination shots. Importantly, for our state’s global competitive position, Carle, in partnership with the University of Illinois System, houses the world’s first engineering-based medical school.

With a not-to-exceed amount of \$750 million, the proposed Carle bond issue is anticipated to be among the largest federally tax-exempt conduit bond (“conduit bond”) financings closed by the Authority in the current fiscal year. A substantial percentage of the proposed financing, over \$330 million, is allocated for “new money” purposes. New money purposes include the costs of acquiring, constructing, renovating, remodeling or equipping a variety of physical locations. Carle estimates that the new money bond proceeds may create up to 2,600 construction jobs in the Carle service areas. The communities that will benefit from the investments provided by the anticipated bond proceeds include Danville, Bloomington, Fairbury, Normal, Pontiac, Eureka, El Paso, Roanoke, Hoopeston, and Olney.

The Authority is proud to welcome Carle to our April agenda. We look forward to working with Carle and its team on a successful and high-impact bond transaction.

The American Jobs Plan – the Federal Infrastructure Proposal

Through issuance of conduit bonds, the Authority delivers an economic benefit to qualified borrowers and projects through the federal tax code. Accordingly, we pay close attention to proposed changes to federal law and policy. In 2005 and 2009, the Authority was able to harness changes in federal law to benefit Illinois borrowers. As you may have read, the federal ***American Jobs Plan*** is ambitious in both scale and scope. The potential role of conduit bonds within the American Jobs Plan, at the time of this writing, has not yet been detailed. Given our experience and our record, we believe that



conduit bonds can – and should – play an essential role in converting the ambitions of the American Jobs Plan into real jobs, real domestic investment and real economic opportunity. As these plans are considered by Congress, we will provide you with a preliminary assessment of various conduit bond proposals that may be included as part of the American Jobs Plan.

As noted in the *Resolution Expressing Support for Use of Authority Locally-Held Funds to Advance the Authority's Climate Process of the Transformation Initiative* adopted at the March 2021 Authority Meeting, with respect to electric vehicles and associated infrastructure, Governor Pritzker has set forth an ambitious goal, for Illinois to **“become the best state in the country for electric vehicle producers and consumers.”** In connection with the Authority’s advocacy on the American Jobs Plan, the Council of Development Finance Agencies (“CDFA”) specifically has asked for a new category of conduit bonds for Electric Vehicle Charging Station Infrastructure.

Green and sustainable infrastructure, a priority of the Authority since February 2020, is woven throughout the American Jobs Plan. The Authority is well-positioned to take advantage of the opportunities that may be provided by the implementation of the American Jobs Plan in these areas.

An Industrial Revenue Bond: Regal Industrial Corporation and Regal Midwest Realty Group LLC

In the context of the federal infrastructure proposal, the proposed industrial revenue bond project by ***Regal Industrial Corporation and Regal Midwest Realty Group LLC*** (“Regal”) is particularly compelling. Based in Donora, Pennsylvania, Regal has three current production facilities in Pennsylvania and New Jersey. Regal applies anti-corrosive and protective industrial coatings on a variety of industrial structural steel products such as liquid storage tanks for oil as well as public infrastructure such as coatings for water storage tanks and bridge trusses. Regal considers its expertise in applying zinc, aluminum, and zinc-aluminum coatings used in bridge, marine (underwater), and industrial structures as its distinguishing specialty.

If completed (there are competing options for financing), this conduit bond financing would result in the acquisition, rehabilitation and equipping, by an out-of-state company, of a manufacturing facility in unincorporated Tazewell County, near Pekin, and the restoration of this now vacant facility to productive use.

As longer tenured Authority Members may recall, industrial revenue bonds, as recently as 2007, were a material and significant component of the Authority’s conduit bond issuance volume. Sadly, despite work by the Authority and others, Congress has not updated the tax provisions relating to industrial revenue bonds since the 1980s. Among many other potential benefits, the American Jobs Plan could be a vehicle to revive industrial revenue bonds as an effective tool to support jobs and investment in American manufacturing.

Beginning Farmer Bonds

The Authority is pleased to assist two beginning farmers with the purchase of approximately 80 acres of farmland in Iroquois County and the purchase of approximately 20 acres of farmland in Ford County. Beginning Farmer Bonds could also potentially benefit from federal legislation connected to the American Jobs Plan.



Shirley Ryan AbilityLab, formerly Rehabilitation Institute of Chicago (“AbilityLab”), Amendment

The Authority will consider a Resolution authorizing and approving amendments to the Bond Trust Indentures relating to the Illinois Finance Authority Variable Rate Revenue Refunding Bonds for the *AbilityLab*.

Natural Gas Municipal Loan Program

In a special meeting held on February 25, 2021, the Authority approved this program at the request of Governor Pritzker in response to spiking natural gas costs suffered by certain Illinois communities as a result of the mid-February freeze in Texas. As of this morning, the Authority will have closed loans totaling just under \$8 million to 14 hard-pressed Illinois communities. The Natural Gas Municipal Loan Program loans are funded with the Authority’s locally held funds, built over time with retained earnings.

Congratulations to Member Jeffrey Wright

On March 23, 2021, the Illinois Senate confirmed Jeffrey Wright as a Member of the Authority.

Thank you and Best Wishes, Mike Goetz

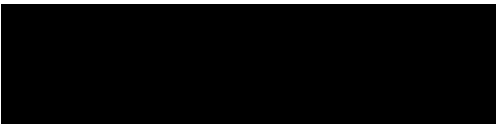
On March 18, 2021, Mike Goetz submitted his resignation as a Member of the Authority to Governor JB Pritzker. As a longtime member of the Labor Movement, Mike told me that he is grateful for the opportunity to have played a role in the creation or retention of thousands of family-supporting jobs for women and men in Illinois through over 1,000 individual projects totaling an approximate principal amount of \$48 billion during his 17-year tenure with the Authority. Mike attended the very first meeting of the Authority following its creation in January 2004. We, the Members and staff of the Authority, are grateful to Mike for his long volunteer service, his commitment to the working women and men of Illinois, his sound judgment and good humor.

We wish Mike and his family all the best as he embarks on his next chapter.

Authority Organizational Positions and Member Vacancies

With the departures of Mike Goetz and Terry O’Brien, the Authority currently has 13 Members with 2 vacancies. Upon reflection, Chair Hobert thought it best to leave both the Vice Chair and the Audit Plus Committee Chair positions vacant for the time being in order to provide both the Governor ample time to consider appointments and the State Senate with ample time to consider pending confirmations.

Respectfully,



Christopher B. Meister
Executive Director