

November 21, 2014

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

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

RE: Message from the Executive Director

Dear Members of the Authority:

A Strong Year-End for Healthcare and Higher Education

This month, we are pleased to present three projects representing healthcare and higher education for your consideration that are scheduled to close before the end of the calendar year. General Operating Revenues generated as a result of these closings will help the Authority as we transition into the second half of our fiscal year.

First, Advocate Health and Hospitals Corporation is requesting approval of a Final Bond Resolution in an amount not to exceed \$365,000,000. A steadfast borrower of the Authority, Advocate now seeks to use bond proceeds to advance refund existing debt and realize savings. Second, Kane County Senior Living (The Reserve of Geneva) is requesting approval of a Final Bond Resolution in an amount not to exceed \$13,500,000. Also a repeat borrower of the Authority, Kane County Senior Living now seeks to use bond proceeds to refund existing debt, fund capital improvements and refurbishments and provide funds for the construction of a 4,500 square foot addition to provide for eight 2-bed assisted living units and 2 additional independent living units. Kane County Senior Living estimates that these capital expenditures will create 10 construction jobs and 9 new, permanent jobs at the residential facility.

Third, North Central College is requesting approval of a Final Bond Resolution in an amount not to exceed \$66,500,000. Preliminarily approved by the Authority at our October 2014 Board meeting, North Central College has decided to issue the Series 2014A Bond and Series 2014B Bond now and return to the Authority by the second quarter of calendar year 2015 to issue the third tranche of bonds. North Central College will use the proceeds from the sale of the Series 2014A Bond and other available funds to refund existing debt and realize savings. Likewise, proceeds from the sale of the Series 2014B Bond and other available funds will be used to refund existing debt and realize savings, but also to construct a new, 229-bed residence hall on campus. According to the Borrower, construction of the residence hall is expected to create 150 construction jobs and 7 new, permanent jobs.

Working with Congress to Modernize Manufacturing Bonds

U.S. Representative Randy Hultgren (R-IL-14) along with Representative Richard Neal (D-MA-01) previously introduced the Modernizing American Manufacturing Bonds Act (“MAMBA”) of 2014,

H.R. 5319, on August 1, 2014. MAMBA will update the decades-old rules concerning industrial revenue development bonds and help struggling small- and mid-sized manufacturers expand their businesses, investment in new capital equipment and, most importantly, hire more workers. The provisions of the federal tax code relating to industrial revenue development bonds have not been updated in nearly thirty years, and the Authority has seen both the number and the dollar volume of industrial development bonds fall accordingly. The Illinois Manufacturers' Association supports MAMBA for this reason. As the 114th United States Congress gets sworn in this coming January, the Authority will actively work closely again with U.S. Representative Hultgren to move MAMBA forward.

The Authority has long been a national leader in the number and dollar volume of industrial revenue development bond issuance as well as having a recognized subject matter expert, Rich Frampton, as an Authority Vice-President. For the past several years, the Authority has worked closely with one of its national organizations, Council of Development Finance Agencies ("CDFA"), to develop and introduce the much-needed MAMBA. Yesterday, in recognition of this cooperative effort, I was proud to accept CDFA's Federal Development Finance Leadership Award at CDFA's 2014 National Development Finance Summit in Scottsdale, AZ. I was humbled by the honor.

Thank You for Your Public Service

Finally, on behalf of the staff of the Authority and residents throughout Illinois, we thank you for your commitment to public service and we look forward to working with you in support of jobs and financing capital expansion projects throughout our great state. Members of this Board continue to provide active and effective stewardship at the Authority during a time of prolonged economic challenges, beginning with the collapse of the financial markets in 2008. During many of your long tenures at the Authority, you have upheld fiscal responsibility by ensuring that this self-funded agency both fulfills its public economic development mission and lives within its means.

Now, as we transition into calendar year 2015, we hope that your passionate commitment to fairness and equity as well as your recognition of our obligation as a public agency to reflect the diversity of Illinois remains strong.

Respectfully,



Christopher B. Meister
Executive Director

Attachments:

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