

August 12, 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:

Welcoming the Best and the Brightest While Investing in Helping the Medically Underserved

August 4, 2014 was an important day for the Illinois Finance Authority and Loyola University of Chicago's Stritch School of Medicine ("Loyola Stritch"), but more important for seven incoming medical students born in other countries who had received federal Deferred Action for Childhood Arrivals ("DACA") status. Nearly two years ago, Loyola Stritch became the first U.S. medical school to amend its admission policy to include applicants with DACA status. Recognizing that Illinois contains many medically underserved communities, Chairman Bill Brandt saw an opportunity for the Authority to create a program to benefit both Illinois residents and students with DACA status.

After collaborating with Loyola Stritch's Dean, Dr. Linda Brubaker, and exploring interest among other Illinois medical schools, the Authority developed a pilot program to overcome financial barriers for qualified DACA status applicants. In short, the Authority developed a program that enabled the seven incoming members of the Loyola Stritch medical school access to the student loan support needed to make their dreams of a career in medicine attainable.

But there's an even greater benefit for the people of Illinois. In exchange for each year that a loan is received, a qualified DACA status medical student will provide one year of service in a medically underserved community in Illinois after becoming a doctor. The Authority hopes that it will be able to work with the General Assembly to expand the program to all Illinois medical and dental schools. Governor Pat Quinn and U.S. Senator Dick Durbin enthusiastically joined Dr. Brubaker in supporting the Authority's pilot program and welcoming the seven DACA status students to their first day of medical school at Loyola Stritch.

Working with Congress to Modernize Manufacturing Bonds

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

H.R. 5319, on August 1, 2014. MAMBA will update the decades-old rules concerning industrial revenue 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 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.

In Illinois alone, manufacturing employs nearly 600,000 workers and contributes the largest single share of the Gross Domestic Product. However, the provisions of the federal tax code relating to industrial revenue 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.

If enacted into federal law, MAMBA will do four important things to modernize manufacturing bonds:

- Increases the manufacturing bond limitation to \$30 million (up from \$10 million) so that twenty-first century American manufacturing will no longer be limited by rules from the 1980’s;
- Gives the high-tech manufacturing sector access to manufacturing bonds by expanding the definition of “manufacturing facility”;
- Reduces financing complexity by removing the “functionally related and subordinate facility” restriction now present in federal law; and
- Helps manufacturers better plan for long-term expansion by increasing the six-year capital expenditure limit to \$40 million from \$20 million.

An Authority borrower that has used industrial development bonds, Bison Gear & Engineering Corporation, is an innovative, dynamic, family-owned company that competes in the global marketplace. In support of MAMBA, Bison Gear’s Chairman, Ronald D. Bullock said:

“Since 1987, we have increased our sales volume more than ten-fold, expanded our product lines, and added research and development capabilities to our high tech manufacturing operation in St. Charles, Illinois. We used Manufacturing Bonds to efficiently access low-cost capital to upgrade our facilities. Unfortunately, this important tool has not been updated since the mid-1980s - about the same time that we bought Bison Gear. . . . This legislation modernizes traditional industrial development revenue bonds to reflect the needs of American manufacturing in the 21st century. If enacted into federal law, MAMBA would enable Bison Gear to continue to expand our US manufacturing, research and development, and engineering facilities as well as collaborate more effectively at our St. Charles, Illinois, location with our global customers.”

The Authority joins CDFA, the Illinois Manufacturers’ Association, and Bison Gear Chairman Ron Bullock, in thanking Congressman Hultgren and Congressman Neal for introducing this important piece of federal legislation that, if enacted into law, will help bring good

manufacturing jobs back to America's shores and help expand today's manufacturing renaissance in Illinois and across our nation. We hope that other members of the U.S. House, including Ways and Means Committee members, will see the economic value of MAMBA and sign-on to H.R.5319 as co-sponsors.

A New Home for the Authority's Chicago Office

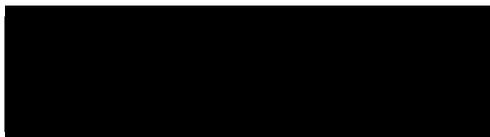
Beginning on ***September 2, 2014***, the Authority will move to temporary shared quarters with the Illinois Commerce Commission in the State of Illinois Bilandic Building at ***160 North LaSalle Street, Suite C-800, Chicago, Illinois 60601***. Mail will be received at ***P.O. Box 641187, Chicago, IL 60601*** effective as of September 2, 2014. Email addresses with the "@il-fa.com" suffix and telephone numbers for Authority staff, including the main office number, 312-651-1300, will remain the same.

New Date for September 2014 Meeting: September 16, 2014

In order to avoid unforeseen difficulties connected with the move, the September 2014 Authority meeting will be moved back one week from Tuesday, September 9, 2014, to Tuesday, ***September 16, 2014***, at 9:30 a.m. (Committee of the Whole) and 10:30 a.m. (Board Meeting). As soon as a location for these meetings is confirmed, information will be posted on the Authority's website: "www.il-fa.com".

I look forward to continuing to work with you in financing capital expansion projects that support jobs throughout Illinois.

Respectfully,



Christopher B. Meister
Executive Director

Attachments:

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