

April 8, 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:

Governor's FY15 Budget Address

On March 26, 2014, Governor Pat Quinn presented his Fiscal Year 2015 budget to the Illinois General Assembly. The Governor's address detailed an honest and responsible budget for the next fiscal year along with a five-year blueprint that will secure the state's finances for the long-term, provide significant tax relief to homeowners and working families and invest like never before in education and early childhood. Because of hard steps taken with historic spending cuts, landmark pension reform and a historic labor contract that secured unprecedented savings for taxpayers, Illinois has cut spending by more than \$5.7 billion. Today the State's discretionary spending is below 2008 levels and the backlog of bills has been reduced by \$5 billion.

The Illinois Finance Authority strongly supports Governor Quinn's "Securing Illinois' Financial Future" budget, as well as his call for comprehensive tax reform that protects children, working families and seniors while preventing radical cuts to critical services. In addition, the Governor ruled out taxing retirement income, instituting a new tax on everyday services that working people rely on and slashing education which inevitably leads to property tax increases.

April 2014 Projects

In the Business and Industry market sector, Ridge Housing Partners, LLC and its affiliates, successors and assigns is requesting approval of a Preliminary Bond Resolution to acquire, rehabilitate and equip a 150-unit Supportive Living Facility at the current Wilson Windsor Apartments located at 915 West Wilson in Chicago. According to the development team, the projected \$20,000,000 project will create an estimated 100 construction jobs during the 12- to 18-month construction of the facility.

In the Healthcare market sector, Memorial Health System is requesting approval of a Final Bond Resolution to modernize Memorial Medical Center in Springfield by expanding its patient tower and operating room, building a new four-story 50,000 gross sq. ft. education and training center for the

use of Memorial Medical Center and the Southern Illinois University School of Medicine, and renovating and equipping Memorial Medical Center's existing energy plant and related infrastructure. This \$140,000,000 project will create approximately 400 construction jobs.

Finally, in the Education market sector, Loyola University of Chicago is requesting reauthorization of its commercial paper program, initially offered in 2008 in an amount not-to-exceed \$95,000,000.

News from Springfield

On April 2, 2014, the Authority appeared before the House Appropriations-Public Safety Committee led by Chair Luis Arroyo, Vice Chair Jay Hoffman, and Minority Spokesperson John Cavaletto. Thanks in large part to the Board's leadership, the Authority was favorably received. However, the fact that the Authority receives no State taxpayer appropriation to support its operations in what is predicted to be a very difficult budget year probably didn't hurt either.

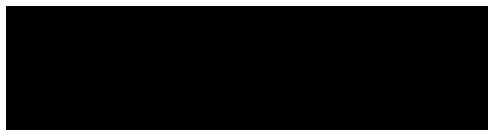
Working with Howard Kenner, the Authority's Springfield representative, we are working on a variety of initiatives to improve our ability to help agriculture, education and infrastructure through financing. Specifically, Item 8 on this month's agenda is a Resolution Supporting House Bill 4634, an Amendment to the Illinois Finance Authority Act Regarding the Transfer of Agriculture Guarantee Funds. Sponsored by Rep. Brandon W. Phelps, HB 4634 provides that the Authority (instead of the State Treasurer) shall be custodian of the Illinois Agricultural Loan Guarantee Fund and the Illinois Farmer and Agribusiness Loan Guarantee Fund to allow for better control measures of the monies, and thus, applicable investment opportunities. We will keep you advised as to how these efforts develop.

The release date for the Fiscal Year 2013 Auditor General Compliance Audit for the Authority has still not been set. As you know, the Fiscal Year 2013 Auditor General Financial Audit was released on January 29, 2014.

Senate Confirmation of Members Lonstein and Vaught

Finally, we are very pleased to announce that the Illinois Senate confirmed Governor Quinn's appointments of Carmen Lonstein and David Vaught on March 20, 2014. On behalf of the Members and the staff of the Authority, 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.

Respectfully,



Christopher B. Meister
Executive Director

Attachments: Bonds Activity Reports; Schedule of Debt