ILLINOIS FINANCE AUTHORITY

SPECIAL MEETING OF THE DIRECT AND

ALTERNATIVE FINANCING COMMITTEE MEMBERS AND THE

TAX-EXEMPT CONDUIT TRANSACTIONS COMMITTEE MEMBERS

March 12, 2019, at 8:30 a.m.

REPORT OF PROCEEDINGS had at the Special Meeting of the Direct and Alternative Financing Committee Members and the Tax-Exempt Conduit Transactions Committee on March 12, 2019, at the hour of 8:30 a.m., pursuant to notice, at 160 North LaSalle Street, Suite S-1000, Chicago, Illinois.

APPEARANCES:

ILLINOIS FINANCE AUTHORITY
DIRECT AND ALTERNATIVE FINANCING COMMITTEE MEMBERS

COMMITTEE VICE CHAIR E. LYLE McCOY
MR. JAMES J. FUENTES
MR. MIKE GOETZ
MS. ARLENE A. JURACEK
MR. BRADLEY R. ZELLER
MR. ERIC R. ANDERBERG, ex officio, non-voting

ILLINOIS FINANCE AUTHORITY
TAX-EXEMPT CONDUIT TRANSACTIONS COMMITTEE MEMBERS

COMMITTEE VICE CHAIR E. LYLE McCOY
MR. MIKE GOETZ
MR. JAMES J. FUENTES
MS. ARLENE A. JURACEK
MR. BRADLEY R. ZELLER
MR. ERIC R. ANDERBERG, ex officio, non-voting

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

MR. CHRISTOPHER B. MEISTER, IFA Executive Director
MR. RICH FRAMPTON, Vice President
MR. BRAD FLETCHER, Assistant Vice President
MR. RYAN OECHSLER, IFA Associate General Counsel
MS. ELIZABETH WEBER, General Counsel and Legal Adviser to the Board
MS. LISA BONNETT, Illinois Finance Authority
MS. KATHY LYDON, IFA Federal Policy Director (via audio conference)
MS. LORRIE KARCHER, Agricultural Program Coordinator (via audio conference)
MS. SARA PERUGINI

GUESTS:

MR. JOHN KIRKWOOD, Faegre Baker Daniels LLP

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CHAIR McCOY: I'd like to call the meeting to order.

Would the Assistant Secretary please call the roll.

OECHSLER: Certainly. The time is 8:30 a.m.

Mr. Fuentes?

FUENTES: Here.

OECHSLER: Mr. Goetz?

GOETZ: Here.

OECHSLER: Ms. Juracek?

JURACEK: Here.

OECHSLER: Mr. McCoy?

CHAIR McCOY: Here.

OECHSLER: And Mr. Zeller?

ZELLER: Here.

OECHSLER: Mr. Anderberg, ex-officio, non-voting?

ANDERBERG: Here.

OECHSLER: Committee Chair McCoy, a quorum of Committee Members has been constituted.

CHAIR McCOY: Thank you.

Moving forward, does anyone wish to make any additions, edits, corrections to the minutes of the February 14, 2018 -- 2019.

OECHSLER: I'm sorry, yes, that's 2019.
CHAIR McCOY: That was a trick, wasn't it? Almost got me.
Hearing none, I would like to request a motion to approve the minutes.
FUENTES: So moved.
GOETZ: Second.
CHAIR McCOY: Thank you.
All those in favor?
(Chorus of ayes.)
CHAIR McCOY: Oppose?
(No response.)
CHAIR McCOY: The ayes have it.
Moving forward to the Presentation and Consideration of New Business, I'd like to ask for the Members to consider each of the New Business items collectively and to have the subsequent recorded vote applied to each respective, individual item, unless there is any specific New Business items that a member would like to consider separately.
(No response.)
CHAIR McCOY: Okay. Given that there is none, can we move forward with the presentation. Ma'am?
LENANE: Yes. Our first item for consideration

is Ferrell Hospital Community Foundation.

Ferrell Hospital is located in Eldorado, Illinois, and is requesting a one-time Final Bond Resolution in the amount of not to exceed $35 million. Bond proceeds will be used by Ferrell to reimburse themselves for acquiring, renovating, and remodeling their hospital facility located in Eldorado to pay capitalized interest and cost of issuance.

I'm going to just show you this. The Governor was -- it's in your press clips -- was at Ferrell Hospital Friday last week, signing a bill for critical access hospitals for $55 million in funding.

But I also saw what he did, it's not in this article, was he extended the sales tax exemption for not-for-profit hospitals, which was expiring, which means a lot to them.

So Ferrell currently has 192 jobs and it will retain those jobs after construction. There will be 400 new construction jobs for the project. After we informed Ferrell that it would have to comply with the Prevailing Wage Act, they renegotiated its construction contract to do so.

Ferrell is a critical access hospital

with 25 licensed beds. It's a designation given to rural hospitals where there's 25 beds and then the nearest hospital is 35 miles away. They get special reimbursement rates, which are very helpful. Ferrell has over 9 percent share of the market in its primary service area. Medical staff is comprised of 64 physicians representing 12 fields of specialization. It's an acute stroke-ready hospital. Ferrell has not undergone a major renovation in over 40 years and needs modernization in order to continue providing services to the community.

The project will consist of 57,000 square feet of new construction, 25,500 square feet of renovation, and 16,750 square feet of demolition, resulting in total building square footage of 88,000 square feet after the project is completed. The number of beds will remain at 25 because they can't have more than 25 beds to have the critical access designation.

As you can see in the book, in the report, Ferrell offers a wide range of services. It's amazing how many services: Rheumatology, mammography, pain management, gastroenterology. I'm not going to go through all of them, but they're there in the book.

Ferrell entered into an affiliation agreement with Deaconess Regional Healthcare of Illinois, which is a wholly owned subsidiary of Deaconess Health Systems. Under such agreement, the borrower at Ferrell received a financial contribution of $510,000 and a credit facility of $1.25 million in hospital management services.

In addition, Deaconess appoints two members to the borrower's ten-member Board of Directors. This is a bank direct placement and Old National Bank in Evansville, Indiana, will purchase the bond and have a security interest in the gross revenues and the mortgage on the property. Such mortgage will be subordinate to three existing mortgages on the property that the U.S. Department of Agriculture is the mortgagee on in the amount of $1.6 million.

The bonds are expected to remain outstanding for the duration of the construction period, which is approximately 24 months. At the end of the construction period, our bonds will be taken out by a permanent loan, a permanent end loan from the USDA. The bonds will be issued as draw-down bonds and with proceeds available for draw and payment by the bank on a monthly basis.

USDA will be actively involved in, during the construction process, approving requests for funds, inspections, reviewing and monitoring and paying estimates.

Monthly interest on the bonds will be capitalized and will be paid out of the monthly draws on the bonds. So when we get to the Financials, I'll show you.

Anyway, we did have some difficulty because, as you can see, if you look at the Financials, Ferrell does not have -- from what we're used to looking at, does not have -- this is the first critical access hospital we've ever been able to do a financing with, which is good and wish we can do more.

But as you can see from the Financials, they're somewhat -- they're different than what we're used to looking at. It's on page 7 of the Financials.

As you can see, the income is less than what we're used to seeing, but the debt service is high, which is the way it goes. And then 37 --

they don't have a lot of day's cash on hand because they're using their cash to pay bills. And during the construction period -- these projections were made by the financial advisor -- they won't be paying any interest on the loan. They won't be making any payments. The capitalized interest will be paid out of the bond proceeds. So their revenue stays the same with the little dip in 2020. While they're closing portions of the hospital to renovate, they won't have income. And the debt service stays the same because they're not servicing any debt at that time.

So at closing, a reimbursement note will be signed. This will give us security during the construction period. We're not used to making construction loans as a single loan. I mean, oftentimes we make loan construction bonds but it goes right into the permanent loan. And so in order to protect us from any reputational risk, if there are any problems during construction, the reimbursement notes will be signed by Ferrell Hospital at closing. So if there is a bond default, there will be a mandatory redemption of the bonds that will be funded by the bank, Old National Bank, with the reimbursement note funding a taxable loan by the bank to redeem the bonds in full and convert their transaction to a taxable loan.

You wonder where we're doing all this. The hospital will be saving approximately $240,000 in interest by doing a tax-exempt borrowing as opposed to a taxable borrowing. In issuing the bonds, we are relying also on an underwriting commitment of the bank. The bank is solidly behind this project and the USDA permanent loan. If it were standing alone, there may be a lot of questions, but this makes it good.

And, finally, the interest rate will be fixed. As of February 2019, the rate was 3.88 and we already went over the projected financials.

Does anyone have any questions?

GOETZ: Pam, do you have any idea who the contractor is? You said he had to adjust his numbers because he found out he had to pay the real wage. That's not a good thing.

LENANE: I would like to introduce John Kirkwood from Faegre Baker Daniels. He is the Bond Counsel. And then later today, during the meeting, we're going to have Alisa Coleman, who is the

President of the hospital, is going to call in to say a few words.

GOETZ: Okay.

KIRKWOOD: It's buried in the bond documents here, but I think it's Meister Construction [sic]. They're out of Alabama.

(Unreportable cross-talk.)

KIRKWOOD: It may have been a Freudian slip here, but I will find the name. It's a national contractor. And, interestingly, a number of the trades were already at prevailing wage, so it wasn't a substantial adjustment.

GOETZ: Okay.

KIRKWOOD: But it's a fixed-price contract for about an 18-month period. We've got 24 months baked into the bond transaction to give them extra time in case they run into any trouble.

But the architect and the maximum price construction contract are all in place and we are still awaiting the financing. And as Pam indicated, USDA will take this out at the end of construction completion.

GOETZ: Do you know if they bring in their own crews from Alabama or do they use local people?

KIRKWOOD: I can't respond to that. I don't know. But, you know, Alisa is going to be on the phone. She may have the answers to that.

I'm guessing there are a lot of local trades involved. Okay.

LENANE: At one point my report said that, that there would be -- I don't think we had a number. But they would be using local.

GOETZ: All right.

CHAIR McCOY: Thank you.

With respect to the USDA and the permanent financing, are there any risks that that doesn't happen?

LENANE: There could be. The commitment is subject to the project being lien free, if there is a construction problem and mechanic -- big mechanics lien. But then that would be considered a default under our bonds and the bank would redeem this reimbursable note that we're going to sign and we will be out.

CHAIR McCOY: Okay.

LENANE: And that would be Old National Bank's problem.

CHAIR McCOY: Thank you.

MEISTER: And Pam and Sara led a discussion with the credit folks at Old National and Mr. Kirkwood was also on that phone-in.

We raised that point and went into some detail. And the result was Pam's presentation.

GOETZ: Okay. Thank you.

LENANE: And they're very aware of it. They are Deaconess Health Systems' bank and they're also looking to their relationship with Deaconess in making this loan. And so --and I forgot, Sara is on this with me. I think we introduced Sara at the last meeting.

PERUGINI: Hi.

LENANE: You're going to be here next month on the hot seat.

But Sara has been very helpful in getting this transaction to the Board. And Mr. Kirkwood had been very helpful. He came up with the idea of the reimbursable note to get us over the default, any kinds of default.

As we know, lots of problems can happen during construction and we wouldn't want to be tied up in some long, drawn out construction problem. So if that occurs, we're out.

MEISTER: Thank you.

CHAIR McCOY: Any other questions?

JURACEK: I was happy to see an affiliation with Deaconess because a number that really jumped out at me -- and this has been designated as critical for rural care, but it's only got a 9 percent market share. So 91 percent of the people are going somewhere else for care.

And this whole thing seems tenuous. But as I understand it, we're in it for only two years. Other financiers take over. Deaconess is there and clearly it serves a need. But for 64 physicians and only 9 percent of the market share, I would recommend that Deaconess take a real close look at the operation.

LENANE: I think that by expanding their array of services by having this new addition and the remodeling, they --

JURACEK: So the intent is to grow market share?

LENANE: Grow market share. The problem is they still only have 25 beds and they're limited. And the reimbursement is -- it's over 100 percent. And customarily reimbursement rates are like that, I think in Illinois 88 percent or 85 percent or 88 percent. So they're actually getting the full cost reimbursement from Medicare and Medicaid on everything they spend. So that's what contributes to the good revenue stream.

But you're correct, the nearest hospitals -- and I don't have that with me, but I can have it --

ZELLNER: They go all to Evansville, right? That's the big metropolitan --

LENANE: 35 miles away.

ZELLNER: That's where the nearest metropolitan area is.

JURACEK: 35 miles in a rural area is nothing. I always laugh, we go 20 miles for lunch.

ZELLER: Everyday drive.

MEISTER: Did you cover the Deaconess relationship with the hospital leadership?

LENANE: Yes, I did. They're covering the management overhead, paying for the management. And they're also -- they made this contribution of $510,000 to the project. And they have a credit facility available to them of $1.25 million.

And Deaconess has several other

affiliated hospitals that -- small hospitals, critical access hospitals, so they're used to that relationship.

So it's like a fever. You know, people will come there, come to the emergency room, get some things solved. If you need immediate care, you need immediate care. You can't drive 35 miles, right? Or maybe you can. I don't know.

CHAIR McCOY: Thank you.

Any other questions for Pam?

(No response.)

CHAIR McCOY: Thank you, Pam.

LENANE: Thank you.

FRAMPTON: Okay. Next moving on to Item 2, which is also found at page 47 of your tax-exempt packet. Item 2 is National-Louis University. This is being presented for one-time consideration, Final Bond Resolution in a not-to-exceed amount of $27 million. Bond proceeds will be used for two principal purposes. The sources and uses table at the bottom of page 1 notes the uses.

First, the 2019 bonds will refund 100 percent of the outstanding balance of National-Louis' Series 1999 bonds. Their 1999 bond principal has been paid down from $42 million to $19.1 million. This will be National-Louis' first tax-exempt financing undertaking since 1999. So they have been very conservative in their use of debt. I'll be talking a little bit more about that later.

In addition to the refunding, National-Louis will also be issuing approximately $7 to $8 million in new money bonds. The proceeds of the new money issue will be used to pay for the build-out of a portion of Floors 1 and 7 in the Gage Building. The Gage Building is a property that National-Louis purchased from Roosevelt University in December for approximately $15 million in cash.

So National-Louis purchased 126,000 square feet located on Floors 1 through 8 of the Gage Building at 18 South Michigan. That cash purchase will not be refinanced through proceeds of this bond issue. The bond proceeds are expected to only be used to finance new build-out and equipping of the project.

National-Louis has a long history. It was originally known as the -- or as the National College of Education from 1930 to 1990. They received a major gift in 1990 and renamed the institution at that time as National-Louis. They have seven campus sites in the Chicago area. They now own three sites in Chicago at 122 South Michigan, which is the old People's Gas headquarters, 18 South Michigan, which is the Gage Building property they just acquired. They also own a small campus located in Wheeling.

Just in terms of things that stand out about National-Louis, for a private institution -- and this is reported at the bottom of page 3 -- their annual undergraduate tuition rate is only $10,260 a year for new in-coming freshman.

One of the focuses of National-Louis is to bring in students from disadvantaged backgrounds. Beginning in 2015, they initiated what they call their Pathways Program. That's described at the bottom of page 4. The Pathways Program is designed to provide supportive services, including counseling and tutoring, to help undergraduate students make it through their four- to six-year education.

Enrollment in Pathways has grown from 85 in 2015 to 1,200 this year. Next academic year, that enrollment is expected to increase to 1,600.

That will comprise 50 percent of their undergraduate enrollment.

Moving on to page 5, NLU's enrollment has increased from 7,300 last year to 8,600 this year; 1,100 of those students reflect new in-coming transfers from Kendall College.

National-Louis acquired Kendall College from Laureate. Laureate is a private company whose stock is publicly traded on the New York Stock Exchange. The predecessor to Laureate was Sylvan Learning Centers. Laureate still owns four undergraduate universities located across the U.S.

They decided the Kendall model -- Kendall, which is well known for its culinary and hospitality management programs, didn't fit in with their focus. And NLU purchased it in August.

So NLU has posted really remarkable enrollment growth. You will see that reflected in the Financials, the presentation of which begins on page 8 of the report. Just in terms of their financial performance, the 2019 forecast income reflects their 17 percent growth over the past year.

If you also look at their balance sheet, you will see under Other Noncurrent Assets that the balance dropped from June 30, 2018, to June 30, 2019. That reflects cash that they expended in connection with the Gage Building acquisition. You will also see day's cash went down. But it really doesn't -- the use of cash really reflects Kendall's conservative debt management practices. And the fact that in connection with all this growth they're only assuming an additional $7 million to $8 million of debt speaks well to National-Louis' conservative debt management practices.

And, additionally, compared to 1999 when they had $42 million of debt outstanding, they're going only to have approximately $26 million outstanding after this project proceeds.

Debt service coverages are strong. They will continue to be strong. And, in fact, 2018 operating cash flows would have been more than sufficient to absorb the new debt associated with the $7 to $8 million to be issued in 2019. So all those have very positive factors.

In addition to that, PNC Bank will be purchasing the 2019 bonds. There will be a direct obligation of National-Louis. This transaction structure bank purchase deal is very safe from the --

from the Authority's perspective. So there are all kinds of positives in connection with this financing.

We will have a guest at the 9:30 session, Mr. Dick Sterrett, who is the University's Chicago Campus Manager, will be addressing the Board briefly.

With that, I will conclude my remarks. And does any Committee Member have any questions or comments?

JURACEK: So turn on 180 degrees and put on my happy hat here. My older son is a proud holder of a bachelor's degree from Kendall College. It's made a huge difference in his life. And when we found that Laureate was on the ropes and we're very concerned about the go-forward value of his degree, we gave a sigh of relief to see it's National-Louis University.

It's a credible entity and it brings long-term value. And I think this whole thing with the movement of Kendall to Michigan Avenue is awesome. There are so many Kendall graduates who have helped put Chicago on the culinary map of the world. So this is not only good for National-Louis and Kendall, but really for Chicago's preeminence, you know, in the culinary arts. He happens to be working in Dubuque, Iowa, but that's okay.

GOETZ: He's working.

JURACEK: He's working, exactly.

So this is a terrific thing. Kendall is a real powerhouse in the culinary world.

FRAMPTON: And a portion of the proceeds will be building out kitchen space, et cetera.

JURACEK: I've been to the North Branch Campus at Kendall, so I know the extent of what they'll need to build out.

FRAMPTON: That plan is that lease will terminate in December and Kendall will be moving into the Gage Building in January.

CHAIR McCOY: I have a daughter who is in it now, so I'll be lunching there on Thursday.

Question, when you read that article -- and I don't know how it all gets baked in -- but Laureate talks about putting in $14 million, up to $14 million for exactly what's happening here. Is that going in or have they contributed anything?

FRAMPTON: That likely went towards the Gage Building purchase. I don't have an audit to verify that, but I believe that's how --

CHAIR McCOY: It's just in there. It states that they were putting 14 million towards.

FRAMPTON: And that's not reflected in the forecast. So all the numbers that you see in the forecast are National-Louis on their own, no external cash injection.

CHAIR McCOY: Okay. Great. Any other comments?

(No response.)

CHAIR McCOY: Thanks, Rich.

FRAMPTON: Thank you.

CHAIR McCOY: Lorrie? Lorrie, are you on the line?

KARCHER: Item 3 is a one-time Final Bond Resolution. It's requesting the approval for a Beginning Farmer Bond for Luke F. and Amanda C. Zwilling who are purchasing 20 acres of farmland located in Richland County in a not-to-exceed amount of $65,000. The Peoples State Bank of Newton is the purchasing bank for the transaction and that's the Beginning Farmer Bonds for March.

Does anyone have any questions?

(No response.)

CHAIR McCOY: Thanks, Lorrie.

KARCHER: Thank you.

CHAIR McCOY: Rich, back to you.

FRAMPTON: Okay. Moving on next to tab 4, which is also page 60 in the tax-exempt packet. We have a Preliminary Bond Resolution. So the Preliminary Bond Resolution is just to establish tax reimbursement under the Internal Revenue Code. So upon approval today, all capital expenditures relating to the project that were incurred up to 60 days prior to today can be ultimately refinanced or reimbursed at the time the bond is issued.

So today's bond resolution is strictly for that purpose. The borrower will return -- it's expected now, next month in April, for consideration of a final bond resolution.

Just running through the project, again, this is a Preliminary Bond Resolution. The borrower is Provident Group - UICU Properties, LLC. The Provident Resources Group, Inc., is a 501(c)(3) corporation. They will own the project.

This project is being developed pursuant to an RFP by the University of Illinois System under which they requested proposals for the development of academic facilities pursuant to a public-private partnership development structure.

Typically, these deals are structured with a series of leases. In this particular case, the University of Illinois System will be entering into a 40-year ground lease with the borrower, which is Provident Group - UIUC Properties, which is a special purpose entity formed just to own the two facilities that will be constructed with bond proceeds.

Provident, along with the developer that has also been selected as part of a joint proposal, which is Vermilion Enterprises -- Vermilion Enterprises is the developer for the project.

But Provident and Vermilion will develop, finance, and own the project and lease the two projects upon completion back to the University of Illinois System under a 40-year ground lease. Upon termination of the ground lease after 40 years or whenever the bonds are paid off, the facilities will then be conveyed back to the University. So ownership will transfer whenever the bonds are paid off.

This project, pursuant to the RFP and the proposals, will finance two projects. One is called the Campus Instructional Facility. The Campus Instructional Facility -- I'll pass a rendering of that project around -- the Campus Instructional Facility will be a 124,000-square-foot academic building at the College of Engineering at the University of Illinois. It will be located for those of you who are familiar with the campus at the southeast corner of Springfield and Wright Street. The Campus Instructional Facility will help the College of Engineering attain their 5 to 10 percent enrollment growth goal over the next decade. So that's the first facility to be financed with the project.

The second is a facility called the Feed Technology Center. That will be located in unincorporated Champaign County on the south farms. There is a map showing the locations of both of the facilities on page 12 of your report. The Feed Technology Center will be replacing a feed mill facility that was constructed in 1927. The new Feed Technology Center will continue to enable the University's College of Agricultural, Consumer, and Environmental Sciences College or the College of ACES to continue and upgrade their programs in human and animal nutrition science.

And in addition to that, the relocation of the Feed Technology Center will enable the University to demolish the existing feed mill and redevelop it as an expansion to their existing Technology Park.

So there are two benefits in connection with the Feed Technology Center: Expansion of the Technology Park as well as modernizing their feed tech facilities.

Just in terms of the structure of the bond issue, the underwriter for the bonds will be RBC Capital Markets. The expected maturity of the bonds will be 32 years. Payments on the bonds will begin after the two-year construction period is completed. The bonds are expected to be investment-grade rated. They'll be sold at a fixed rate. And payments are expected to be level debt service over the 30-year debt amortization period. Security on the bonds will include a leasehold mortgage, a collateral assignment of rents and leases, a security agreement and an assignment of contract documents.

One of the most important statements in the report is on page 4 in all bold. I'm just going to read it. "As contemplated, the University will fund its repayment of the Series 2019 bonds from legally available non-appropriated funds. The University will covenant in the facility leases to include in each annual operating budget an amount of legally available non-appropriated funds, which will be sufficient to make the installment payments under the facility's subleases when due each year." So that will be the basis under which the rating agencies assign ratings to the project.

In terms of the general contractor and architect, those are reported on page 9. The Campus Instructional Facility will involve Pepper Construction and Skidmore, Owings & Merrill as the general contractor and architect.

In contrast, the Feed Technology Center is a special purpose facility. ASI Industrial, Billings, Montana, who was engaged by Kansas State University to construct their feed mill, will be the specialty design build company engaged for that specific project.

When this returns to the Board in April, the tax analysis will be complete. At that time it's possible and maybe even likely that there will be a taxable series of bonds to cover nonqualified costs.

In addition to that -- so at that point, there will also be more specific sizing of the bonds. Just in terms of enabling you to undertake your conflict of interest checks, on page 10, there's a list of board trustees for Provident Resources Group, which will be the owner of the project. And on page 11, the project developers, Vermilion Campbell Development, LLC, and Vermilion Capital Development FTC, LLC, the ownership of those entities -- ownership and management is reported on page 11 of the report.

At the 9:30 meeting, Matt Havey, a Managing Director at Vermilion, will be representing the project and will be available to answer any questions you may have.

So with that, I'll conclude my remarks and would ask: Does any Committee Member have any questions or comments?

CHAIR McCOY: Thanks, Rich.

GOETZ: I think it's great.

CHAIR McCOY: Yeah. Thank you. Well done.

FRAMPTON: Thanks.

CHAIR McCOY: Brad.

FLETCHER: Last on the agenda is Item 5 in your Board books.

This is an amendment of Shedd Aquarium's Series 2015 Bond we previously issued. The Series 2015 Bond is purchased by a wholly-owned subsidiary of JPMorgan. It's currently bearing a fixed interest rate to maturity of June 1st, 2027.

In 2018 pursuant to a Continuing Covenants Agreement between the purchaser and a borrower, Shedd Aquarium started paying a statutory tax rate change fee due to federal tax law changes. So accordingly, because they started paying the statutory tax rate change fee, we are being asked for our consent to increase the actual interest rate while the statutory tax rate fee is eliminated, the net effect of which will be an overall lower payment to the purchaser, which is DNT Asset Trust, again a wholly-owned subsidiary of JPMorgan.

For this amendment, we are charging the fee that is located on page 7 of the report in the Confidential Section. I should also note that consistent with current best practices, they are getting an interest rate for 0 percent for LIBOR.

So any questions?

(No response.)

CHAIR McCOY: I think we are good. Thank you.

Moving forward then, I would like to request a motion to recommend for approval of the following New Business Items: Items 1, 2, 3, 4 and 5. Is there such a motion?

GOETZ: So moved.

JURACEK: Second.

CHAIR McCOY: Thank you.

Will the Assistant Secretary please call the roll?

OECHSLER: On the motion and second I will call the roll.

Mr. Fuentes?

FUENTES: Yes.

OECHSLER: Mr. Goetz?

GOETZ: Yes.

OECHSLER: Ms. Juracek?

JURACEK: Yes.

OECHSLER: Mr. McCoy?

CHAIR McCOY: Yes.

OECHSLER: And Mr. Zeller?

ZELLER: Yes.

OECHSLER: Committee Chair McCoy, the motion carries.

CHAIR McCOY: Thank you very much.

Moving on to Other Business, is there any other business to come before the Committee?

(No response.)

CHAIR McCOY: Public Comment, is there any Public Comment?

(No response.)

CHAIR McCOY: Hearing none, I would like to request a motion for adjournment.

Is there such a motion?

GOETZ: So moved.

JURACEK: Second.

CHAIR McCOY: Thank you.

All in favor?

(Chorus of ayes.)

CHAIR McCOY: Opposed?

(No response.)

CHAIR McCOY: Ayes have it. Thank you.

OECHSLER: The time is 9:11 a.m.

(Whereupon the above matter was adjourned.)