ILLINOIS FINANCE AUTHORITY

August 12, 2014

AGENDA

COMMITTEE OF THE WHOLE MEETING

9:30 a.m.
IFA Chicago Office
Two Prudential Plaza
180 North Stetson Avenue, Suite 2555
Chicago, Illinois 60601

I. Call to Order & Roll Call
II. Chairman's Remarks
III. Message from the Executive Director
IV. Consideration of the Minutes
V. Presentation and Consideration of the Financial Statements
VI. Monthly Procurement Report
VII. Committee Reports
VIII. Project Reports and Resolutions
IX. Other Business
X. Public Comment
XI. Adjournment

BOARD MEETING

10:30 a.m.
IFA Chicago Office
Two Prudential Plaza
180 North Stetson Avenue, Suite 2555
Chicago, Illinois 60601

I. Call to Order & Roll Call
II. Chairman's Remarks
III. Adoption of the Minutes
IV. Acceptance of the Financial Statements
V. Approval of Project Reports and Resolutions
VI. Other Business
VII. Public Comment
VIII. Adjournment

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds ***Final (One-Time Consideration)***						
1	Gentry Storm	Ash Grove Township (Shelby County)	$485,550	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			**$485,550**	-	-	

EDUCATIONAL, CULTURAL AND NON-HEALTHCARE 501(c)(3) PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds ***Final***						
2	Rogers Park Montessori School	Chicago (Cook County)	$20,000,000	3	25	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$20,000,000**	**3**	**25**	
GRAND TOTAL			**$20,485,550**	**3**	**25**	

RESOLUTIONS

Tab	Action	Staff
Resolutions		
3	Resolution Providing for the Issuance of Not to Exceed $12,200,000 Principal Amount Illinois Finance Authority Revenue Bonds, Series 2014 (Lawrence Hall Youth Services); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters	RF/BF
4	Resolution Providing for the Issuance of Not to Exceed $20,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Dominican University); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters	RF/BF
5	Resolution Authorizing the Amendment of the Amended and Restated Indenture of Trust Between the Illinois Finance Authority and U.S. Bank, National Association, as Trustee Relating to the Authority's Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011; and Related Matters	RF/BF
6	Resolution Authorizing Illinois Finance Authority Development Fund, NFP to Serve as Conduit Lender on New Markets Tax Credit Loan to Fund a Portio of the Method Products Project and to Authorize Illinois Finance Authority Development Fund, NFP to Submit a New Markets Tax Credit Allocation Application to CDFI Fund	RF
7	Resolution Authorizing the Illinois Finance Authority ("IFA") to Enter into an Intergovernmental Agreement with the Metropolitan Pier and Exposition Authority ("MPEA") to Allow Small Contractors Interested in Performing Work on MPEA's Headquarters and Convention Center Hotel and Event Center to Access Working Capital through the IFA's Small Contractor Bridge Program and Amending Certain Requirements of Such Program	SO
8	Resolution Authorizing and Approving Necessary Assistance to the Metro East Police District Commission in Connection with the Fund Jointly Administered by the Illinois Finance Authority and the Metro East Police District Commission	CM

IFA
ILLINOIS FINANCE AUTHORITY

180 North Stetson Ave.
Suite 2555
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

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

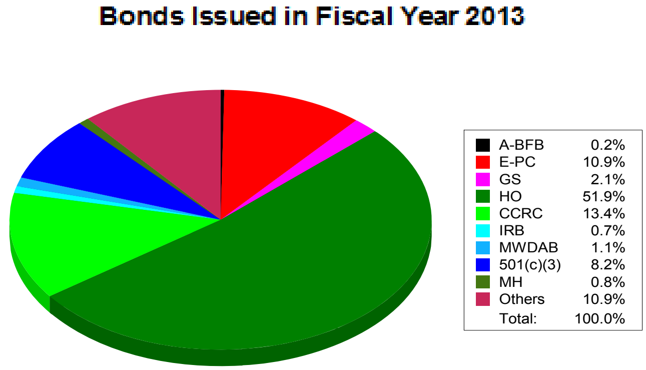
Attachments:

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

Bonds Issued - Fiscal Year Comparison
for the Period Ending July 31, 2014

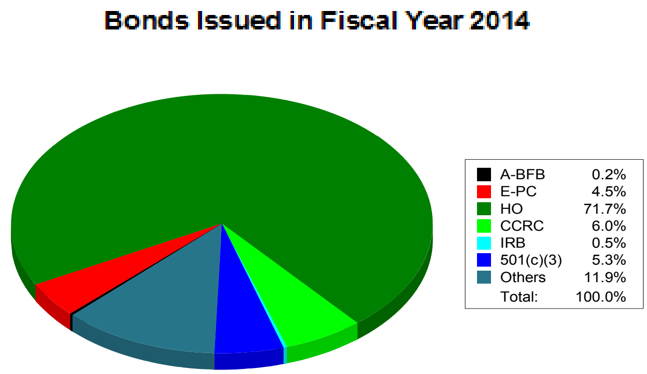
Fiscal Year 2013

#	Market Sector	Principal Issued
14	Agriculture - Beginner Farmer	$ 4,461,655
8	Education	$ 264,865,000
1	Gas Supply	$ 50,000,000
10	Healthcare - Hospital	$ 1,262,625,000
5	Healthcare - CCRC	$ 326,840,068
3	Industrial Revenue	$ 18,112,280
3	Midwest Disaster Area Bonds	$ 25,700,000
11	501(c)(3) Not-for-Profit	$ 198,592,750
1	MultiFamily/Senior Housing	$ 18,630,000
1	Freight Transfer Facilities	$ 75,000,000
2	Local Government	$ 15,025,000
1	Enviromental issued under 20 ILCS 3515/9	$ 10,935,000
60		$ 2,270,786,753



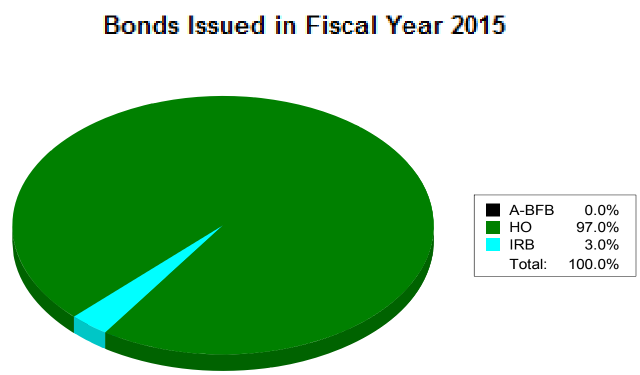
Fiscal Year 2014

#	Market Sector	Principal Issued
21	Agriculture - Beginner Farmer	$ 3,729,751
4	Education	$ 93,895,000
9	Healthcare - Hospital	$ 1,493,795,000
5	Healthcare - CCRC	$ 125,660,000
1	Industrial Revenue	$ 10,000,000
10	501(c)(3) Not-for-Profit	$ 124,952,000
6	Local Government	$ 247,360,000
56		$ 2,099,391,751



Fiscal Year 2015

#	Market Sector	Principal Issued
1	Healthcare - Hospital	$ 127,215,000
1	Industrial Revenue	$ 4,000,000
2		$ 131,215,000



Bonds Issued and Outstanding as of July 31, 2014

Bonds Issued between July 01, 2014 and July 31, 2014

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
HO	Southern Illinois Healthcare	07/01/2014	Variable	$ 127,215,000	$ 51,235,000
IRB	Peddinghaus Corporation	07/11/2014	Variable	$ 4,000,000	
	Total Bonds Issued as of July 31, 2014			$ 131,215,000	$ 51,235,000

Legend: Fixed Rate Bonds as shown
DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond
VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.
Beginner Farmer Bonds interest rates are shown in section below.

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

Conduit debt issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)] which does not constitute an indebtedness or an obligation, either general or moral, or a pledge of the full faith or a loan of the Authority, the State of Illinois or any Political Subdivision of the State within the purview of any constitutional or statutory limitation or provisions with special limited obligations of the Authority secured under provisions of the individual Bond Indentures and Loan Agreements with the exception of the bonds identified below in Section I (b) -- General Purpose Moral Obligation/State Component Parts -- which are subject to the $28.15B cap in Section 845-5(a).

Section I (a)

	Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 53,777,601	$ 53,852,601		
Education	4,273,376,072	4,215,290,600		
Healthcare	13,684,111,707	13,761,560,010		
Industrial Development [includes Recovery Zone/Midwest Disaster]	733,436,300	726,298,297		
Local Government	378,900,000	367,520,000		
Multifamily/Senior Housing	171,092,146	171,023,073		
501(c)(3) Not-for Profits	1,398,141,362	1,392,652,674		
Exempt Facilities Bonds	299,970,000	249,970,000		
Total IFA Principal Outstanding	**$ 20,992,805,188**	**$ 20,938,167,255**		
Illinois Development Finance Authority "IDFA" [b]				
Education	12,126,388	496,388		
Healthcare	169,440,000	169,440,000		
Industrial Development	327,803,336	327,346,315		
Local Government	316,907,002	316,907,002		
Multifamily/Senior Housing	84,772,869	84,616,970		
501(c)(3) Not-for Profits	782,801,078	763,647,332		
Exempt Facilities Bonds	75,000,000	75,000,000		
Total IDFA Principal Outstanding	**$ 1,768,850,673**	**$ 1,737,454,006**		
Illinois Rural Bond Bank "IRBB" [b]				
Bond Bank Revenue Bonds	10,985,000	10,985,000		
Total IRBB Principal Outstanding	**$ 10,985,000**	**$ 10,985,000**		
Illinois Health Facilities Authority "IHFA"	**$ 936,755,000**	**$ 930,795,000**		
Illinois Educational Facilities Authority "IEFA"	**$ 690,152,000**	**$ 657,691,000**		
Illinois Farm Development Authority "IFDA" [f]	**$ 21,609,864**	**$ 21,609,864**		
Total Illinois Finance Authority Debt	**$ 24,421,157,725**	**$ 24,296,702,125**	**$ 28,150,000,000**	**$ 3,853,297,875**

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(a)]

Section I (b)

	Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014	Program Limitations	Remaining Capacity
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
** Issued through IRBB - Local Government Pools	$ 10,985,000	$ 10,985,000		
**Issued through IFA - Local Government Pools	21,370,000	21,370,000		
Issued through IFA - Illinois Medical District Commission	37,600,000	37,600,000		
Total General Moral Obligations	**$ 69,955,000**	**$ 69,955,000**	**$ 150,000,000**	**$ 80,045,000**
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ -	$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	-	-		
Issued through IFA [i]	148,237,655	148,237,655		
Total State Component Unit Bonds	**$ 148,237,655**	**$ 148,237,655**		

**Local Government Pools defeasance occurred on June 30, 2014. Actual payments will be on August 1, 2014.

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwest Disaster Area Bonds in Illinois, February 11, 2010.

Section I (c)

	Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014	Program Limitations	Remaining Capacity
Midwest Disaster Bonds [Flood Relief]	**$ 66,044,684**	**$ 65,996,072**	**$ -**	**$ 41,530,000**

Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated [h]	City/Counties Ceded Voluntarily to IFA	Bonds issued as of January 31, 2013	Available "Ceded" Volume Cap
Recovery Zone Economic Development Bonds;	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	**$ 4,040,000**
Recovery Zone Facilities Bonds	**$ 1,000,457,000**	**$ 205,382,916**	**$ 214,849,804**	**$ (9,466,888)**
Qualified Energy Conservation Bonds	**$ 133,846,000**	**$ -**	**$ 44,370,000**	**$ -**

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

Issued under the Illinois Finance Authority Act [20 ILCS 3501/845-5(b)]

Section II	Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014	Program Limitations	Remaining Capacity
Illinois Power Agency	**$ -**	**$ -**	**$ 4,000,000,000**	**$ 4,000,000,000**

Illinois Finance Authority Act [20 ILCS 3501 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

Section III	Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014	Program Limitations	Remaining Capacity
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	**$ -**	**$ -**	**$ 3,000,000,000** [d]	**$ 3,000,000,000**

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 830-25 (see also P.A.96-103); 830-30; 830-35; 830-45 and 830-50]

Section IV	Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,114,103.39	**$ 9,243,360**	**$ 9,201,283**	**$ 160,000,000**	**$ 150,798,717**	**$ 7,812,601**
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,811,292.01	**$ 9,837,616**	**$ 9,775,884**	**$ 225,000,000** [e]	**$ 215,224,116**	**$ 8,309,502**
Agri Industry Loan Guarantee Program	$ 5,108,251	$ 5,103,890			4,338,307
Farm Purchase Guarantee Program	917,680	917,680			780,028
Specialized Livestock Guarantee Program	2,763,756	2,706,384			2,300,427
Young Farmer Loan Guarantee Program	1,047,929	1,047,929			890,740
Total State Guarantees	**$ 19,080,977**	**$ 18,977,167**	**$ 385,000,000**	**$ 366,022,833**	**$ 16,122,103**

Issued under the Illinois Finance Authority Act [20 ILCS 3501 Sections 825-80 and 825-85

Section V			Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014	Appropriation Fiscal Year 2014	Fund Balance
132	Fire Truck Revolving Loan Program	**Fund # 572**	**$ 17,052,813**	**$ 17,052,813**	**$ 2,383,342**	**$ 4,583,624**
8	Ambulance Revolving Loan Program	**Fund # 334**	**$ 415,920**	**$ 415,920**	**$ 7,006,800**	**$ 3,770,097**

Note: Due to deposits in transit, the Fund Balance at the IOC may differ from the IFA General Ledger. In May, 2014 the OSF transferred the Fund Balance to a Locally Held Fund by the IFA.

Issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]

Section VI	Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 26,315,000	$ 25,595,000		
Issued through IDFA	177,380,000	177,380,000		
Total Environmental [Large Business]	**$ 203,695,000**	**$ 202,975,000**	**$ 2,425,000,000**	**$ 2,222,025,000**
Environmental [Small Business]	$ -	$ -	**$ 75,000,000**	**$ 75,000,000**
Total Environment Bonds Issued under Act	**$ 203,695,000**	**$ 202,975,000**	**$ 2,500,000,000**	**$ 2,297,025,000**

Illinois Finance Authority Funds at Risk

Section VII		Original Amount	Principal Outstanding June 30, 2014	Principal Outstanding July 31, 2014
	Participation Loans			
9	Business & Industry	23,020,158	1,616,353	1,603,481
6	Agriculture	6,079,859	114,269	114,269
15	**Participation Loans exluding Defaults & Allowances**	**29,100,017**	**1,730,622**	**1,717,750**
	Plus: Legacy IDFA Loans in Default		**858,458**	**858,458**
	Less: Allowance for Doubtful Accounts		**1,002,182**	**1,002,182**
	Total Participation Loans		**1,586,898**	**1,574,026**
4	**Local Government Direct Loans**	**1,289,750**	**157,689**	**147,000**
3	**FmHA Loans**	**963,250**	**227,046**	**226,681**
2	**Renewable Energy [RED Fund]**	**2,000,000**	**1,396,598**	**1,388,852**
24	**Total Loans Outstanding**	**34,353,017**	**3,368,231**	**3,336,560**

[a] Total subject to change; late month payment data may not be included at issuance of report.

[b] State Component Unit Bonds included in balance.

[c] Does not include Unamortized issuance premium as reported in Audited Financials.

[d] Program Limitation reflects the increase to $3 billion effective 01/01/2010 under P.A. 96-103.

[e] Program Limitation reflects the increase from $75 million to $225 million effective 01/01/2010 under P.A. 96-103.

[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.

[g] Midwest Disaster Bonds - Illinois Counties eligible for Midwest Disaster Bonds include Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.

[h] Recovery Zone Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]

[i] Includes EPA Clean Water Revolving Fund

COMMITTEE MINUTES

ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
REGULAR MEETING
TUESDAY, JULY 8, 2014
9:30 A.M.

I. Call to Order & Roll Call

At the regular meeting of the Committee of the Whole of the Illinois Finance Authority (the "Committee" or "COW"), begun and held at Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois 60601, on the second Tuesday of July in the year 2014, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the "Act"), William A. Brandt, Jr., Chairman of the Committee, called the Committee to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 11 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

ILLINOIS FINANCE AUTHORITY
COMMITTEE OF THE WHOLE
COMMITTEE ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE

July 8, 2014

0 YEAS 0 NAYS 11 PRESENT

P	Bronner	P	Leonard	P	Poole
P	Fuentes	P	Lonstein	P	Tessler
P	Goetz	E	O'Brien	E	Vaught
E	Gold	P	Parish	P	Zeller
P	Knox	E	Pedersen	P	Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Committee, Authority staff and all guests present.

Chairman Brandt stated that once costs are recovered from the redemption and defeasance of the Rural Bond Bank bonds, it is his belief that the Authority will post a small, marginal profit for Fiscal Year 2014. Furthermore, the Authority will be challenged more than ever in upcoming Fiscal Year 2015 to manage expenses with declining revenues produced from conduit healthcare bond transaction closings.

III. Message from the Executive Director

Executive Director Meister informed the Committee that Rural Bond Bank bonds backed by the State's moral obligation (State taxpayer contingent guarantee bonds) were redeemed and economically defeased as of June 30, 2014. The action removes nearly $33 million in risk to the Illinois taxpayers and sets the stage for the Authority to revise its local government loan programs in a modern, efficient manner.

As a result of this transaction, the Authority will now receive interest payments and principal repayments directly from the underlying Local Government Securities heretofore provided as security for the Rural Bond Bank bonds. Executive Director Meister stated that this interest revenue will help offset declining revenues produced from bond transaction closings. Executive Director Meister reported that he has worked with Member Bronner and Ms. Gildart to utilize all or a portion of $1.8 million of remaining unrestricted equity from a Rural Bond Bank reserve account for the Authority's General Fund. The operating transfer will be allocated between Fiscal Year 2014 and Fiscal Year 2015 to favorably offset declining revenues in the General Fund; and as a result, the Authority will post a marginal profit for Fiscal Year 2014. Thus, as of the board date, the amount currently reported as a net loss of approximately $13 thousand for Fiscal Year 2014 will become a Net Profit (before the Bond Bank Defeasance transaction).

Chairman Brandt noted that the budget adopted for Fiscal Year 2014 in July 2013 expected a Net Profit of $75,000.

Executive Director Meister again noted for the Committee that administrative service fees are expected to decline year over year. Thus, non-operating revenues such as interest earnings and investment returns will be required to continue the services of the Authority.

Ms. Gildart informed the Committee that the current realized and unrealized investment losses (due to "mark to market" adjustments) have been minimized in recent months. However, the Authority was forced to liquidate a significant portion of its investment portfolio to make available sufficient cash on hand to redeem and defease the Rural Bond Bank bonds. Nevertheless, the investments posted an overall Net Gain for Fiscal Year 2014 of nearly $62,000.

Chairman Brandt and Member Tessler inquired as to why the Authority's outside vendors could not post positive investment returns in a rising market. Ms. Gildart stated that the returns were positive, but due to adjustments in fair market value of some investments, book values have to be adjusted to reflect those changes. Also, the Authority's outside vendors are limited by the Authority's own investment policy as currently adopted and the State's Public Funds Investment Act. Mostly, the Authority's investment portfolio has been invested in short-term securities maturing in 1-3 years. While recent returns have been better, the Authority's outside vendors only began investing the Authority's cash as recently as January for one manager and February for the other.

Chairman Brandt recommended an Investment Committee be created constituted by Members of the Authority. Member Bronner informed the Committee that she recently served on the United States Holocaust Memorial Museum's Audit, Investment and Finance Committee. Member Bronner believes that experience could be utilized well for the Authority.

The Authority's Investment Committee will be constituted by Members Bronner (Chairwoman), Lonstein, Knox , Tessler and potentially another Member to be named later. The Committee will recommend changes to the Authority's Investment policy and forward those recommendations for consideration by all Members of the Authority.

Executive Director Meister proposed an immediate meeting of the Authority's Investment Committee before the regular meeting of the Board of Directors in August so that changes can be made rapidly.

Finally, Chairman Brandt and Executive Director Meister informed the Committee that a schedule of actual billings year-to-date by outside vendors has been distributed. The schedule exemplifies that actual billings by Authority contractors are significantly lower than the not-to-exceed values of their respective contracts.

IV. Consideration of the Minutes

Chairman Brandt asked if the Members wished to direct the Assistant Secretary of the Board to correct any errors in the Minutes of the regular meeting of the Committee held on June 10, 2014 or any errors in the Minutes of the regular meeting of the Board held on June 10, 2014.

Member Parish noted that she had no further corrections other than those previously discussed with the Assistant Secretary of the Board earlier.

Member Parish moved for the adoption of the Minutes as corrected of the regular meeting of the Committee held on June 10, 2014.

Member Fuentes seconded the motion.

The motion prevailed and the Minutes as corrected were adopted.

V. Presentation and Consideration of the Financial Statements

Ms. Gildart presented the following analysis of Financial Statements for the Month Ended June 30, 2014:

1. **<u>GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME</u>**
   a. Annual Operating Revenues totaled $3.7 million, while annual Non-Operating Revenues totaled $346 thousand. Total annual combined gross revenues of $4.02 million are $112 thousand or 3% below budget; due primarily to overall lower than anticipated administration and closing fees and lower interest income on loans.

Monthly loan interest is averaging $3 thousand per month and admin service fees of $409 thousand booked in June was the highest total since last December.[1]

b. In June, the Authority received admin/closing fees from ***Centegra Health and Southern IL Healthcare*** of $197 thousand and $138 thousand respectively. Monthly net investment income was lower, at a loss of -$17 thousand, due to the liquidation of securities in preparation for the Illinois Rural Bond Bank defeasance. For the year, net investment income totaled $62 thousand.

c. Annual Operating Expenses before depreciation totaled $3.8 million and annual Depreciation totaled $46 thousand. Annual combined expenses of $3.8 million are $257 thousand or 6% below budget primarily due to lower than expected employee related expenses, including salaries and retirement costs.

d. In June, total expenses decreased from May by greater than $840 thousand, primarily due to lower professional service fees and accruals, but note that year-end adjustments and accruals are still being posted as of the board date.

e. The General Fund showed an Annual Net Loss of -$14 thousand, while in June, net income totaled $118 thousand. This is the first month in calendar year 2014 which has had a positive ending balance.

f. Former State Treasurer funds in the amount of $8.2 million for the Ambulance and Fire Truck Loan program are now invested with Clear Arc investment manager. The monies are being invested along with IFA's other Locally Held Funds.

2. GENERAL OPERATING FUND ASSETS, LIABILITIES AND NET POSITION

a. IFA continues to maintain a strong balance sheet. In the General Fund, total assets of just under $50 million (consisting of cash, investments, and receivables) are 53 times the total liabilities of $664 thousand. Unrestricted cash of $24 million was transferred to an escrow account which will be used to defease outstanding Rural Bond Bank bonds. The investment managers, Clear Arc and Ziegler Capital currently hold $21 million in remaining funds (in the General Fund).

3. FY14 FINANCIAL STATEMENT AUDIT and GASB UPDATE

a. The FY14 financial audit is well underway with IFA working to close the books for FY14 and the auditors performing general fieldwork.

b. In the presentation for the FY14 audited annual financial statements, the ***Metro East Police District Commission*** will be shown as a separate fiduciary fund and will have its own separate financials. A separate audit for Metro East will also begin shortly with IFA providing assistance to the Commission.

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[1] ***Operating Revenues and Expenses*** are direct results of our basic business operations. ***Non-Operating Revenues and Expenses*** are netted against each other and include interest and investment income and expenses, bad debt adjustments, transfers to the State of Illinois and realized/unrealized gains and losses on investments. ***Net Income/(Loss)*** is our bottom line.

c. Per ***GASB Statement No. 65***, total deferred costs of issuance on debt are ***"costs that the debt issuer pays directly to financial and legal advisors, the trustee (if any), paying agents, auditors, rating agencies and other providers of services to the issuer"***. Current balances for all funds on IFA's books originate from the Bond Bank transactions and total $233 thousand (including $173 thousand in the General Fund). These costs were previously amortized (as assets) on IFAs books over the life of the bond and IFA will be removing this entire amount on its FY14 audited annual financial statements. This should also be noted for similar transactions in the future. Also, per ***GASB Statement No. 65,*** some balances previously reported as assets and liabilities will now be categorized as deferred outflows (similar to assets) and deferred inflows (similar to liabilities). For IFA, the biggest change would be the reporting for gains and losses attributable to refundings. These amounts will now be shown separately as a deferred outflow or inflow on the FY14 audited financial statements and going forward.

d. Two new funds will be created as of June 30, 2014. One for the DACA student loan program and another for the new Local Government Borrowing Fund. The latter fund will replace the Rural Bond Bank (former Moral Obligation legacy program) and receive principal and interest payments from local government securities.

In connection with General Operating Fund Revenues, Expenses and Net Income, Executive Director Meister reminded the Committee that interest earnings from the Authority's participation loan portfolio continued their decline during Fiscal Year 2014 because new loans have not been originated as a result of the national recession and outstanding loans being paid off.

Chairman Brandt informed the Committee that the Authority's Deferred Action for Childhood Arrivals student loan program is continuing to receive favorable press and a press conference is expected soon with U.S. Senator Dick Durbin and Governor Pat Quinn. Executive Director Meister stated that the press clippings have been distributed to Members.

Member Leonard moved to recommend for approval the Financial Statements for the Month Ended June 30, 2014.

Member Poole seconded the motion.

The motion prevailed and the Financial Statements were recommended for approval.

VII. Committee Reports

Healthcare and Education Committee

Member Knox reported that the Healthcare and Education Committee reviewed and recommended approval of the following project reports and resolutions: Items 3, 4, 5, and 6.

VI. Monthly Procurement Report

Ms. Gildart presented the Monthly Procurement Report, which included contracts pending execution, contract renewals, new contracts, upcoming solicitations, and a list of vendors procured by the State of Illinois without action needed by Members of the Authority.

VIII. Project Reports and Resolutions

Mr. Frampton presented the following projects:

Business and Industry Projects

Item 1: Item 1 is a request for Industrial Revenue Bond financing.
Peddinghaus Corporation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Four Million Dollars** ($4,000,000).

Bond proceeds will be loaned to **Peddinghaus Corporation**, a Delaware corporation (hereinafter, the "**Borrower**") in order to assist the Borrower in providing a portion of the funds necessary to do any or all of the following: (i) finance a portion of the costs of the acquisition and installation of equipment at its existing manufacturing buildings located at 300 N. Washington Ave. and 301 N. Washington Ave., in Bradley (Kankakee County), Illinois, 60915, including necessary site work or improvements therein, all for use in expanding the Borrower's manufacturing capabilities to produce proprietary drilling, sawing, punching, and thermal cutting Computerized Numerical Control ("**CNC**") equipment for the metal working and fabricating industries (the "**Project**"), (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2014 Bond, all as permitted by the Act (collectively, the "**Financing Purposes**").

Chairman Brandt noted that this may be the first month in recent years that he can recall not considering a Beginning Farmer Bond transaction for approval.

Item 2: Item 2 is a request for Industrial Revenue Bond financing.

MDC Bloomington, LLC is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Two Million Two Hundred Fifty Thousand Dollars** ($2,250,000).

Bond proceeds will be loaned to **MDC Bloomington, LLC**, a Kansas limited liability company (hereinafter, the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in the financing the costs of purchasing and renovating an existing 16,240 square foot mail/cargo/freight handling facility and constructing and an approximately 7,360 square foot addition thereto situated on approximately 151,588 square feet of land owned by the Bloomington-Normal Airport Authority located at or near Central Illinois Regional Airport, Bloomington, (McLean County) Illinois, all as permitted by the Act (collectively, the "**Project**").

Educational, Cultural and Non-Healthcare 501(c)(3) Projects

Item 3: Item 3 is a request for 501(c)(3) Revenue Bond financing.

The University of Chicago is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Seven Hundred Million Dollars** ($700,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be loaned **The University of Chicago**, an Illinois not for profit corporation (the "**University**"), to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting "educational facilities," as defined in the Act (the "**Project**"), including capitalized interest and working capital expenditures related to the Project, if deemed desirable by the University, (ii) currently refund, advance refund or provide for the payment of all or a portion (if any) of the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2008B, issued and currently outstanding in the original aggregate principal amount of $500,000,000 (the "**Series 2008B Bonds**"), the proceeds of which were loaned to the University and used to finance, refinance or be reimbursed for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of the University's facilities constituting "educational facilities," as defined in the Act (collectively with the Project, the "**Financed Properties**"), (iii) fund one or more debt service reserve funds for the Bonds (as hereinafter defined) if deemed desirable by the University and (iv) pay certain costs relating to the issuance of the Bonds and the current refunding, advance refunding or provision for the payment of all or a portion (if any) of the Series 2008B Bonds, all as permitted under the Act (collectively referred to as the "**Financing Purposes**").

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Rogers Park Montessori School is requesting approval of an **Amendatory** Bond Resolution in an amount not-to-exceed **Twenty Million Dollars** ($20,000,000).

As now proposed, Bond proceeds will be loaned **Rogers Park Montessori School**, an Illinois not for profit corporation (the "**Borrower**"), to be used, together with certain other funds, to (i) pay or reimburse the Borrower, or refinance certain indebtedness the proceeds of which were used to pay or reimburse the Borrower, for the costs of acquiring, constructing, renovating, remodeling, expanding and equipping certain of the Borrower's school facilities located at 1800 West Balmoral Avenue, Chicago, Illinois 60640 (the "**School Facility**"), including without limitation, an approximately 13,000 square foot expansion to the School Facility; the addition of classrooms, art, drama and music rooms, science spaces, presentation spaces, group work spaces, tutoring alcoves, and co-curricular spaces to the School Facility; and renovating, remodeling, expanding and equipping the gymnasium of the School Facility (together, the "**Project**"); (ii) currently refund, advance refund, or defease all or a portion of the outstanding principal amount of the $11,750,000 original principal amount of Illinois Finance Authority Educational Facility Revenue Bonds, (Rogers Park Montessori School Project) Series 2004 (the "**Prior Bonds**"); (iii) fund a debt service reserve fund for the Bonds, if deemed necessary or advisable by the Borrower; (iv) capitalize a repair and replacement reserve, if deemed necessary or advisable by the Borrower; (v) fund a capitalized interest fund for the Bonds, if deemed necessary or advisable by the Borrower; and (vi) pay certain costs incurred in connection with the issuance of the Bonds, and the costs of refunding the Prior Bonds (collectively, the "**Financing Purposes**").

Item 5: Item 5 is a request for Qualified Student Loan Revenue Bond financing.

Midwestern University Foundation is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Fifteen Million Dollars** ($15,000,000).

Bond proceeds will be loaned **Midwestern University Foundation**, an Illinois not for profit corporation (the "**Borrower**"), to be used, together with certain other funds, to (i) finance the making of education loans for the benefit of University students that are registered students at Midwestern University's Illinois campus, (ii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower, (iii) pay capitalized interest on the Bonds, if deemed necessary or advisable by the Borrower, and (iv) pay costs relating to the issuance of the Bonds if deemed necessary or advisable by the Borrower (collectively, the "**Financing Purposes**").

Mr. Frampton informed Vice Chairman Goetz and the Committee that GradPLUS loans currently offered to Midwestern University students are the most expensive federal student loans (7.21% rate as of 7/1/2014). GradPlus rates are fixed to term **--** the prevailing rate for loans originated each academic year is set at the 10-Year T-Note Rate + 4.60%. Midwestern University Foundation expects to price its bond-financed loans at a lower rate (currently estimated at 6.00% fixed) thereby producing improved student loan borrower outcomes.

Vice Chairman Goetz inquired if this will be the Authority's first qualified student loan revenue bond financing. Mr. Frampton informed Vice Chairman Goetz and the Committee that from 1982 to 1985, the Illinois Independent Higher Education Loan Authority ("IIHELA") issued approximately $98.6 million of bonds on behalf of six institutions (Northwestern University; DePaul University; Loyola University; Knox College; The University of Chicago, and Rush Medical School). Bond issue par amounts ranged from $500,000 (Knox College) to $22.0 million (Rush Medical School). Most bonds carried maturities of up to 15 years. The last outstanding IIHELA Bonds matured in 1999.

Member Lonstein noted the low default rates of the University's students.

Ms. Lenane presented the following project:

Healthcare Projects

Item 6: Item 6 is a request for 501(c)(3) Revenue Bond financing.

The Carle Foundation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Twenty-Eight Million Dollars** ($28,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by **The Carle Foundation** ("**Carle**", the "**Corporation**", or the "**Borrower**") to: (i) refund all or a portion of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009A (The Carle Foundation) (the "**Prior Bonds**"); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of Prior Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

Mr. Frampton presented the following resolution:

Resolutions

Item 7: Item 7 is a Resolution Providing for the Establishment of a Program to Permit the Issuance of the Revenue Bonds of the Illinois Finance Authority to Finance an Educational Loan Program Pursuant to the Higher Education Loan Act of the State of Illinois.

Mr. Frampton stated that Exhibit A to this Resolution provides initial guidelines as required under the Higher Education Loan Act to establish a Program of "general applicability" within the meaning of the Internal Revenue Code of 1986, as amended.

Ms. O'Brien presented the following resolutions:

Item 8: Item 8 is a Resolution Approving and Ratifying the Issuance of an Alternate Letter for Credit for Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Marwen Foundation Project) and Authorizing, Approving and Ratifying Certain Other Matters.

Item 9: Item 9 is a Resolution Approving the Closed Meeting Minutes of the Illinois Finance Authority, Maintaining the Confidentiality of the Minutes Where it Still Exists, Making Portions of the Minutes that no Longer Require Confidential Treatment Available for Public Inspection, Authorizing the Destruction of the Verbatim Recordings and Ratifying Certain Matters Related Thereto.

Chairman Brandt inquired if this resolution will apply to all committees constituted by Members of the Authority, in addition to the Board of Directors. Ms. O'Brien confirmed that was correct.

Ms. Gildart presented the following resolution:

Item 10: Item 10 is a Resolution Authorizing the Executive Director to Renew Existing Contracts with Marj Halperin Consulting and Hill+Knowlton Strategies, Inc.

Member Tessler and Executive Director Meister engaged in a discussion about the services provided by the marketing vendors. Specifically, Executive Director Meister acknowledged their efforts in connection with the Authority's recent drought relief efforts around the state and the Authority's recent Clean Water Initiative transaction.

Chairman Brandt and Executive Director Meister stated their belief that the services provided by these existing firms have been valuable to the Authority.

Member Tessler inquired if the Authority would be better served by marketing firms that originate business. Chairman Brandt acknowledged that while the Authority needs to renew its efforts to find new projects, these firms still provide a valuable service needed by the Authority in their existing roles.

Ms. Gildart stated that their services could be expanded, if needed.

Executive Director Meister presented the following resolution:

Item 11: Item 11 is a Resolution to Adopt the Fiscal Year 2015 Budget of the Illinois Finance Authority.

Vice Chairman Goetz and Ms. Gildart engaged in a discussion regarding the accounting for the budgeted ”mark to market” adjustments due to unrealized gains in the investment portfolio.

Member Bronner and Executive Director Meister engaged in a discussion as to why the Authority does not independently verify the construction jobs reported by Authority borrowers. Executive Director Meister stated that the Authority does not have any recourse should a borrower report inaccurate numbers. Furthermore, inaccurately reporting of expected construction jobs by a borrower does not constitute an event of default on any bonds issued and outstanding.

Ms. O'Brien presented the following resolution:

Item 12: Item 12 is a Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer an Appropriation Anticipation Loan in an Amount Not-To-Exceed $370,000 to the Joliet Arsenal Development Authority ("JADA") and Ratifying Certain Matters Related Thereto.

Ms. O'Brien informed the Committee that should the Authority approve this interim loan in an amount not to exceed $370,000 (the "Appropriation Anticipation Loan") to JADA, the approximate outstanding balance of all loans made to JADA by the Authority will be $732,000.

Mr. David Streicker, an attorney at Polsinelli P.C. representing JADA spoke on behalf of JADA. Mr. Streicker informed the Committee that JADA needs this Appropriation Anticipation Loan for the purposes of, among other things, the day-to-day continued operations of JADA in order to carry out its mission governed by the JADA Act. Specifically, the money will be used to cover payment of interest for debt service on its loan with Wells Fargo, which is secured by a land mortgage. JADA is supporting an appropriation from the Illinois General Assembly to pay the Authority in full. Any proceeds remaining after retirement of the mortgage will be applied to the Appropriation Anticipation Loan.

Chairman Brandt expressed his desire to see JADA craft a long-term solution as it subdivides, sells and redevelops what remains of the original 3,000 acre site in Will County. Then, Chairman Brandt provided the Committee with background information on JADA.

Executive Director Meister informed the Committee that the Authority has never issued conduit debt for JADA, unlike the Authority's 2006 bond issue for Illinois Medical District Commission in which Illinois Medical District Commission is the obligor. The Authority did issue conduit debt for CenterPoint Intermodal Center which is on land acquired from JADA.

Member Zeller inquired if this would be Authority funds being loaned to JADA. Chairman Brandt and Executive Director Meister confirmed that was correct.

Member Zeller questioned what became of previous loans made by the Authority to JADA. Chairman Brandt informed Member Zeller and the Committee that the current outstanding balance of the existing Appropriation Anticipation Loan is $378,810, which consists of principal and interest, plus applicable fees. It has not defaulted. A prior Appropriation Anticipation Loan was paid in full on September 11, 2013.

Chairman Brandt and Mr. Streicker informed Members Lonstein and Knox that this new Appropriation Anticipation Loan will be structured similar to the two prior Appropriation Anticipation Loans. That is, the Appropriation Anticipation Loan will be secured by (i) an appropriation intercept and (ii) any available proceeds from the sale of the remaining 450 acres of land after the mortgage with Wells Fargo is retired.

IX. Other Business

None.

X. Public Comment

None.

XI. Adjournment

At the time of 10:38 a.m., Member Knox moved that the Committee do now adjourn until August 12, 2014, at 9:30 a.m.

Member Poole seconded the motion.

The motion prevailed.

And the Committee stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board

BOARD MINUTES

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING
TUESDAY, JULY 8, 2014
10:44 A.M.

I. Call to Order & Roll Call

At the regular meeting of the Board of Directors of the Illinois Finance Authority (the "Board"), begun and held at One Prudential Plaza, 130 East Randolph Avenue, Suite 750, Chicago, Illinois 60601, on the second Tuesday of July in the year 2014, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the "Act"), William A. Brandt, Jr., Chairman of the Board, called the Board to order and presided over deliberations.

By direction of the Chairman, a roll call was taken to ascertain the attendance of Members, as follows: 9 Present.

On the question of a quorum of Members physically present at the location of this open meeting, the Assistant Secretary of the Board declared that a quorum had been constituted.

Having been absent when the Quorum Roll Call for Attendance was taken, Member Fuentes and Member Knox were both recorded as present at the time of 10:46 a.m.

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
QUORUM ROLL CALL FOR ATTENDANCE

July 8, 2014

0 YEAS		0 NAYS		11 PRESENT	
P	Bronner	P	Leonard	P	Poole
P	Fuentes (ADDED)	P	Lonstein	P	Tessler
P	Goetz	E	O'Brien	E	Vaught
E	Gold	P	Parish	P	Zeller
P	Knox (ADDED)	E	Pedersen	P	Mr. Chairman

E – Denotes Excused Absence

II. Chairman's Remarks

Chairman Brandt welcomed Members of the Board, Authority staff and all guests present.

Chairman Brandt, Chairman, from the Committee of the Whole to which all items of this meeting's agenda were referred, action taken earlier on July 8, 2014, reported the same back and that all items were thoroughly reviewed.

III. Adoption of the Minutes

Minutes of the regular meeting of the Board held on June 10, 2014 and the Financial Statements for the Month Ended June 30, 2014 were taken up for consideration.

Vice Chairman Goetz moved for the adoption of the Minutes and the Financial Statements.

Member Lonstein seconded the motion.

And on that motion, a vote was taken resulting as follows: 11 Yeas; 0 Nays; 0 Answering Present.

The motion prevailed and the Minutes and the Financial Statements were adopted and accepted, respectively.

IV. Acceptance of the Financial Statements

See Agenda Item III.

V. Approval of Project Reports and Resolutions

Chairman Brandt directed Mr. Frampton to present the projects without guests or abstentions to the Board.

Mr. Frampton presented the following project:

Business and Industry Projects

Item 1: Item 1 is a request for Industrial Revenue Bond financing.

Peddinghaus Corporation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Four Million Dollars** ($4,000,000).

Bond proceeds will be loaned to **Peddinghaus Corporation**, a Delaware corporation (hereinafter, the "**Borrower**") in order to assist the Borrower in providing a portion of the funds necessary to do any or all of the following: (i) finance a portion of the costs of the acquisition and installation of equipment at its existing manufacturing buildings located at 300 N. Washington Ave. and 301 N. Washington Ave., in Bradley (Kankakee County), Illinois, 60915, including necessary site work or improvements therein, all for use in expanding the Borrower's manufacturing capabilities to produce proprietary drilling, sawing, punching, and thermal cutting Computerized Numerical Control ("**CNC**") equipment for the metal working and fabricating industries (the "**Project**"), (ii) paying capitalized interest, if deemed necessary or desirable by the Borrower, and (iii) pay certain expenses incurred in connection with the issuance of the Series 2014 Bond, all as permitted by the Act (collectively, the "**Financing Purposes**").

Mr. Frampton stated that Peddinghaus Corporation is a return borrower. The Illinois Finance Authority issued $3.57 million of Industrial Revenue Bonds for Peddinghaus Corporation in 2007. Proceeds were used to expand the Borrower's Bradley manufacturing campus by financing the purchase, rehabilitation, and equipping of a 45,500 SF manufacturing facility located at 300 N. Washington in Bradley, located across the street from the Company's existing Bradley facility.

Vice Chairman Goetz moved for the adoption of the following project: Item 1.

Member Lonstein seconded the motion.

And on that motion, a vote was taken resulting as follows: 11 Yeas; 0 Nays; 0 Answering Present.

This project, having received the votes of a quorum of the Members of the Board, was declared passed.

Chairman Brandt directed Mr. Frampton to present the remaining projects without guests or abstentions to the Board.

Mr. Frampton presented the following projects:

Item 2: Item 2 is a request for Industrial Revenue Bond financing.

MDC Bloomington, LLC is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Two Million Two Hundred Fifty Thousand Dollars** ($2,250,000).

Bond proceeds will be loaned to **MDC Bloomington, LLC**, a Kansas limited liability company (hereinafter, the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in the financing the costs of purchasing and renovating an existing 16,240 square foot mail/cargo/freight handling facility and constructing and an approximately 7,360 square foot addition thereto situated on approximately 151,588 square feet of land owned by the Bloomington-Normal Airport Authority located at or near Central Illinois Regional Airport, Bloomington, (McLean County) Illinois, all as permitted by the Act (collectively, the "**Project**").

Educational, Cultural and Non-Healthcare 501(c)(3) Projects

Item 3: Item 3 is a request for 501(c)(3) Revenue Bond financing.

The University of Chicago is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Seven Hundred Million Dollars** ($700,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be loaned **The University of Chicago**, an Illinois not for profit corporation (the "**University**"), to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting "educational facilities," as defined in the Act (the "**Project**"), including capitalized interest and working capital expenditures related to the Project, if deemed desirable by the University, (ii) currently refund, advance refund or provide for the payment of all or a portion (if any) of the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2008B, issued and currently outstanding in the original aggregate principal amount of $500,000,000 (the "**Series 2008B Bonds**"), the proceeds of which were loaned to the University and used to finance, refinance or be reimbursed for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of the University's facilities constituting "educational facilities," as defined in the Act (collectively with the Project, the "**Financed Properties**"), (iii) fund one or more debt service reserve funds for the Bonds (as hereinafter defined) if deemed desirable by the University and (iv) pay certain costs relating to the issuance of the Bonds and the current refunding, advance refunding or provision for the payment of all or a portion (if any) of the Series 2008B Bonds, all as permitted under the Act (collectively referred to as the "**Financing Purposes**").

Chairman Brandt acknowledged that Mr. Rowan Miranda, Senior Associate VP for Finance & Administration and Treasurer of The University of Chicago was present.

Item 4: Item 4 is a request for 501(c)(3) Revenue Bond financing.

Rogers Park Montessori School is requesting approval of an **Amendatory** Bond Resolution in an amount not-to-exceed **Twenty Million Dollars** ($20,000,000).

As now proposed, Bond proceeds will be loaned **Rogers Park Montessori School**, an Illinois not for profit corporation (the "**Borrower**"), to be used, together with certain other funds, to (i) pay or reimburse the Borrower, or refinance certain indebtedness the proceeds of which were used to pay or reimburse the Borrower, for the costs of acquiring, constructing, renovating, remodeling, expanding and equipping certain of the Borrower's school facilities located at 1800 West Balmoral Avenue, Chicago, Illinois 60640 (the "**School Facility**"), including without limitation, an approximately 13,000 square foot expansion to the School Facility; the addition of classrooms, art, drama and music rooms, science spaces, presentation spaces, group work spaces, tutoring alcoves, and co-curricular spaces to the School Facility; and renovating, remodeling, expanding and equipping the gymnasium of the School Facility (together, the "**Project**"); (ii) currently refund, advance refund, or defease all or a portion of the outstanding principal amount of the $11,750,000 original principal amount of Illinois Finance Authority Educational Facility Revenue Bonds, (Rogers Park Montessori School Project) Series 2004 (the "**Prior Bonds**"); (iii) fund a debt service reserve fund for the Bonds, if deemed necessary or advisable by the Borrower; (iv) capitalize a repair and replacement reserve, if deemed necessary or advisable by the Borrower; (v) fund a capitalized interest fund for the Bonds, if deemed necessary or advisable by the Borrower; and (vi) pay certain costs incurred in connection with the issuance of the Bonds, and the costs of refunding the Prior Bonds (collectively, the "**Financing Purposes**").

Chairman Brandt acknowledged that Ms. Debbie Senoff Langford and Ms. Karen Salmon, Board Member and CEO/Principal, respectively, of Rogers Park Montessori School were present.

Item 5: Item 5 is a request for Qualified Student Loan Revenue Bond financing.

Midwestern University Foundation is requesting approval of a **Preliminary** Bond Resolution in an amount not-to-exceed **Fifteen Million Dollars** ($15,000,000).

Bond proceeds will be loaned **Midwestern University Foundation**, an Illinois not for profit corporation (the "**Borrower**"), to be used, together with certain other funds, to (i) finance the making of education loans for the benefit of University students that are registered students at Midwestern University's Illinois campus, (ii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Borrower, (iii) pay capitalized interest on the Bonds, if deemed necessary or advisable by the Borrower, and (iv) pay costs relating to the issuance of the Bonds if deemed necessary or advisable by the Borrower (collectively, the "**Financing Purposes**").

Healthcare Projects

Item 6: Item 6 is a request for 501(c)(3) Revenue Bond financing.

The Carle Foundation is requesting approval of a **Final** Bond Resolution in an amount not-to-exceed **Twenty-Eight Million Dollars** ($28,000,000). This financing is being presented for one-time consideration.

Bond proceeds will be used by **The Carle Foundation** ("**Carle**", the "**Corporation**", or the "**Borrower**") to: (i) refund all or a portion of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009A (The Carle Foundation) (the "**Prior Bonds**"); and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of Prior Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1 to the following projects: Items 2, 3, 4, 5 and 6.

These projects, having received the votes of a quorum of the Members of the Board, were declared passed.

Chairman Brandt directed Mr. Frampton to present the resolutions without guests or abstentions to the Board.

Mr. Frampton presented the following resolutions:

Resolutions

Item 7: Item 7 is a Resolution Providing for the Establishment of a Program to Permit the Issuance of the Revenue Bonds of the Illinois Finance Authority to Finance an Educational Loan Program Pursuant to the Higher Education Loan Act of the State of Illinois.

Mr. Frampton stated that Exhibit A to this Resolution provides initial guidelines as required under the Higher Education Loan Act to establish a Program of "general applicability" within the meaning of the Internal Revenue Code of 1986, as amended.

Item 8: Item 8 is a Resolution Approving and Ratifying the Issuance of an Alternate Letter for Credit for Illinois Finance Authority Variable Rate Demand Revenue Bonds, Series 2008 (Marwen Foundation Project) and Authorizing, Approving and Ratifying Certain Other Matters.

Item 9: Item 9 is a Resolution Approving the Closed Meeting Minutes of the Illinois Finance Authority, Maintaining the Confidentiality of the Minutes Where it Still Exists, Making

Portions of the Minutes that no Longer Require Confidential Treatment Available for Public Inspection, Authorizing the Destruction of the Verbatim Recordings and Ratifying Certain Matters Related Thereto.

Item 10: Item 10 is a Resolution Authorizing the Executive Director to Renew Existing Contracts with Marj Halperin Consulting and Hill+Knowlton Strategies, Inc.

Item 11: Item 11 is a Resolution to Adopt the Fiscal Year 2015 Budget of the Illinois Finance Authority.

Item 12: Item 12 is a Resolution Delegating to the Executive Director of the Illinois Finance Authority the Power to Fund and Administer an Appropriation Anticipation Loan in an Amount Not-To-Exceed $370,000 to the Joliet Arsenal Development Authority ("JADA") and Ratifying Certain Matters Related Thereto.

Chairman Brandt asked for and, by unanimous consent, obtained leave to apply the results of the vote for Item 1 to the following projects: Items 7, 8, 9, 10, 11 and 12.

These resolutions, having received the votes of a quorum of the Members of the Board, were declared adopted.

VI. Other Business

None.

VII. Public Comment

None.

VIII. Adjournment

Chairman Brandt reminded Members of the Board, Authority staff and all guests present that the next regular meeting of the Board will be held on August 12, 2014.

At the time of 10:58 a.m., Vice Chairman Goetz moved that the Board do now adjourn until August 12, 2014, at 10:30 a.m.

Member Knox seconded the motion.

The motion prevailed.

And the Board stood adjourned.

Minutes published by:
Brad R. Fletcher
Assistant Secretary of the Board

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FINANCIAL ANALYSIS
August 12, 2014

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF JULY 31, 2014

1. GENERAL FUND REVENUES, EXPENSES AND NET INCOME

a. Monthly/Annual Operating Revenues totaled $82 thousand, while Monthly/Annual Non-Operating Revenues totaled $144 thousand. Total annual combined gross revenues of $226 thousand are $165 thousand or 42.2% below budget; mostly due to lower than anticipated administration and closing fees and annual fees. June admin service fees of $409 thousand was the highest amount since last December, with July fees totaling just $67 thousand.[1]

b. In July, the Authority received admin/closing fees from ***Peddinghaus Corporation, National Jewish Federation*** *and* ***Freeport Regional Health Care Foundation*** of $31 thousand, $10 thousand and $25 thousand respectively. Monthly gross interest/investment income increased dramatically, as interest revenue from the local governments (formerly Illinois Rural Bond Bank) of $117 thousand was recognized this month. Investment income generated by the investment managers was $27 thousand, with -$39 thousand in realized and unrealized losses. Total net interest and investment income for July equaled $106 thousand.

c. Monthly/Annual Operating Expenses plus Depreciation totaled $220 thousand and are $143 thousand or 39% below budget primarily due to lower than expected employee related expenses and reversals of FY14 accruals.

d. In July, the combined General Fund (now comprised of the General Operating Fund and the Local Government Borrowing Fund) showed a Monthly/Annual Net Loss of -$33 thousand, compared to June, which had net income totaling $118 thousand.

2. GENERAL OPERATING FUND ASSETS, LIABILITIES AND NET POSITION

a. IFA continues to maintain a strong balance sheet. In the General Fund, total assets of just under $53 million (consisting of cash, investments, and note receivables) are 46 times the total liabilities of $1.1 million. $25.6 million of total assets are due to note receivables from the local governments (formerly Rural Bond Bank). Following the defeasance of the outstanding Rural Bond Bank bonds, $24.6 million in unrestricted cash and investments remain. Of this amount, pending transfers for DACA and JADA will be made in August for a total of $2.03 million.

---

[1] ***Operating Revenues and Expenses*** are direct results of our basic business operations. ***Non-Operating Revenues and Expenses*** are netted against each other and include interest and investment income and expenses, bad debt adjustments, transfers to the State of Illinois and realized/unrealized gains and losses on investments. ***Net Income/(Loss)*** is our bottom line.

b. To maintain sufficient cash liquidity and support daily operations, $2.5 million in General Fund investments (from Ziegler Capital) are being liquidated in August and transferred to IFA's operating account. The remaining General Fund/Other IFA Funds may be moved to Clear Arc accounts.

c. IEPA funds under Ziegler Capital management will remain in the custody of Amalgamated Bank until further notice.

3. FY14 FINANCIAL STATEMENT AUDIT AND GASB UPDATE

a. The FY14 financial audit continues with IFA finalizing the books for FY14 and the auditors performing general fieldwork. Updated FY14 year-end financials for all funds will be presented at the September Board Meeting.

b. In the presentation for the FY14 audited annual financial statements, the ***Metro East Police District Commission*** will be shown as a separate fiduciary fund and will have its own separate financials. A separate audit conducted by the Auditor General is also underway with IFA providing assistance to the Commission.

c. Two new funds were created as of June 30, 2014. One for the DACA student loan program and another for the new Local Government Borrowing Fund. The latter fund will replace the Rural Bond Bank (former Moral Obligation legacy program) and receive principal and interest payments from local government securities. The DACA fund is a stand-alone, non-major fund while the Local Government Borrowing Fund, as shown above, is presented as a component of the General Fund for reporting purposes.

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL FUND
FOR FISCAL YEAR 2015 AS OF JULY 31, 2014
(PRELIMINARY AND UNAUDITED)

	JULY			YEAR TO DATE FISCAL YEAR 2015		
	GENERAL OPERATING FUND	LOCAL GOVT BORROWING FUND	TOTAL GENERAL FUND	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	BUDGET VS ACTUAL
Operating revenues:						
Interest on loans	3,193	-	3,193	3,193	7,500	(4,307)
Application fees	1,100	-	1,100	1,100	3,417	(2,317)
Annual fees	10,639	-	10,639	10,639	28,525	(17,886)
Administrative service fees	66,825	-	66,825	66,825	216,833	(150,008)
Miscellaneous	62	-	62	62	5,000	(4,938)
Total operating revenues	**$ 81,819**	**$ -**	**$ 81,819**	**$ 81,819**	**$ 261,275**	**$ (179,456)**
Operating expenses:						
Employee related expenses	163,534	-	163,534	163,534	180,923	(17,389)
Professional services	(2,448)	-	(2,448)	(2,448)	119,125	(121,573)
Occupancy costs	26,485	-	26,485	26,485	28,471	(1,985)
General & Administrative	28,668	-	28,668	28,668	27,858	810
Total operating expenses before depreciation and amortization	**$ 216,240**	**$ -**	**$ 216,240**	**$ 216,240**	**$ 356,377**	**$ (140,137)**
Operating income (loss) before depreciation and amortization	(134,421)	-	(134,421)	(134,421)	(95,101)	(39,319)
Depreciation and Amortization	3,847	-	3,847	3,847	6,667	(2,820)
Operating income (loss)	**$ (138,268)**	**$ -**	**$ (138,268)**	**$ (138,268)**	**$ (101,768)**	**$ (36,500)**
Nonoperating revenues (expenses):						
Bad Debt Adjustment	-	-	-	-	1,250	(1,250)
Interest and investment income	26,997	117,213	144,211	144,211	129,690	14,521
Realized Gain(loss) on sale of investments	(1,000)	-	(1,000)	(1,000)	(4,167)	3,167
Net appreciation (depreciation) in fair value of investments	(37,575)	-	(37,575)	(37,575)	(20,833)	(16,741)
Total nonoperating revenues (expenses), net	**$ (11,577)**	**$ 117,213**	**$ 105,636**	**$ 105,636**	**$ 105,940**	**(304)**
Net Income/(Loss)	**$ (149,845)**	**$ 117,213**	**$ (32,632)**	**$ (32,632)**	**$ 4,172**	**(36,803)**

Note: The sum of some amounts may not equal the total due to rounding

Prepared By:
Department of Finance

ILLINOIS FINANCE AUTHORITY

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
GENERAL FUND
For the Month Ended July 31, 2014
(PRELIMINARY AND UNAUDITED)

	GENERAL OPERATING FUND	LOCAL GOVT BORROWING FUND	TOTAL GENERAL FUND
ASSETS:			
CASH & INVESTMENTS, UNRESTRICTED	23,339,164	1,275,967	24,615,131
ACCOUNTS RECEIVABLES, NET	150,339	-	150,339
LOANS RECEIVABLES, NET	1,559,238	-	1,559,238
NOTES AND INTEREST RECEIVABLES	468,986	-	468,986
INTERCOMPANY RECEIVABLE	104,065	-	104,065
PREPAID EXPENSES	32,446	-	32,446
TOTAL CURRENT ASSETS	**$ 25,654,236**	**$ 1,275,966**	**$ 26,930,203**
NOTES AND INTEREST RECEIVABLES	-	25,691,196	25,691,196
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	117,996	-	117,996
TOTAL NON-CURRENT ASSETS	**$ 117,996**	**$ 25,691,196**	**$ 25,809,193**
TOTAL ASSETS	**$ 25,772,232**	**$ 26,967,162**	**$ 52,739,396**
LIABILITIES:			
INTERCOMPANY PAYABLE	-	116,790	116,790
CURRENT LIABILITIES	384,472	254,025	638,497
LONG-TERM LIABILITIES	252,949	137,505	390,454
TOTAL LIABILITIES	**$ 637,420**	**$ 508,320**	**$ 1,145,740**
NET POSITION:			
NET INVESTMENT IN CAPITAL ASSETS	117,996	-	117,996
RESTRICTED	-	-	-
UNRESTRICTED	25,166,662	26,341,630	51,508,291
CHANGE IN NET POSITION[1]	(149,845)	117,213	(32,632)
TOTAL NET POSITION	**$ 25,134,813**	**$ 26,458,843**	**$ 51,593,656**
TOTAL LIABILITIES & NET POSITION	**$ 25,772,233**	**$ 26,967,163**	**$ 52,739,396**

Note: The sum of some amounts may not equal the total due to rounding

[1] The Change in Net Position is equal to Net Income for the period presented.

Prepared By:
Department of Finance

ILLINOIS FINANCE AUTHORITY QUICK DATA
For the Year As of July 31, 2014
(GENERAL FUND)[1]

FINANCIAL CATEGORIES	MONTHLY COMPARISON JUNE 2014	MONTHLY COMPARISON JULY 2014	ANNUAL COMPARISON FISCAL YTD 2014	ANNUAL COMPARISON FISCAL YTD 2015
PROFITABILITY ANALYSIS[2]				
Total Operating Revenues	446,058	81,819	324,519	81,819
Total Operating Expenses	310,954	216,240	238,260	216,240
Operating income (loss)	135,104	(134,421)	86,259	(134,421)
Total nonoperating revenues (expenses), net	(17,043)	101,789	(2,257)	101,789
Net Income/(Loss)	**118,061**	**(32,632)**	**84,002**	**(32,632)**
Operating Profit Margin	30.3%	-164.3%	26.6%	-164.3%
Net Profit Margin	26.5%	-39.9%	25.9%	-39.9%
DEBT RATIOS AND LIQUIDITY ANALYSIS[2]				
Total Assets	49,962,104	52,739,396	50,411,600	52,739,396
Total Liabilities	664,001	1,145,740	1,011,073	1,145,740
Total Equity	49,298,103	51,593,656	49,400,527	51,593,656
Debt to Assets	1.3%	2.2%	2.0%	2.2%
Debt to Equity	1%	2%	2%	2%
Net Income	118,061	(32,632)	84,002	(32,632)
Total Assets	49,962,104	52,739,396	50,411,600	52,739,396
Return on Assets (ROA)	0.24%	-0.06%	0.17%	-0.06%
Current Assets			49,163,276	26,897,757
Prepaid Expenses			56,297	32,446
Current Liabilities			708,811	755,287
Net Working Capital			48,454,465	26,142,470
Current Ratio			69.36	35.61
Quick Ratio			69.28	35.57

DEBT AND INVESTMENTS	MONTHLY COMPARISON JUNE 2014	MONTHLY COMPARISON JULY 2014	ANNUAL COMPARISON FISCAL YTD 2014	ANNUAL COMPARISON FISCAL YTD 2015
INVESTMENT SUMMARY AND RETURNS[3]				
Total $ Held-Clear Arc	**16,154,485**	**16,138,877**	**-**	**16,138,877**
Additional $ Deposited	-	-	-	-
Unrealized Gain/(Loss)	(29,214)	(33,824)	-	(33,824)
Realized Gain/(Loss)	(27,048)	-	-	-
Accrued Interest Income	62,792	75,896	-	75,896
Estimated Annual Income	**249,305**	**250,741**	**-**	**250,741**
Total $ Held-Ziegler	**4,717,413**	**3,918,281**	**-**	**3,918,281**
Additional $ Deposited	-	-	-	-
Unrealized Gain/(Loss)	(5,581)	(4,434)	-	(4,434)
Realized Gain/(Loss)	(1,804)	(317)	-	(317)
Accrued Interest Income	33,705	20,966	-	20,966
Estimated Annual Income	**82,317**	**58,255**	**-**	**58,255**
BOND METRICS				
Conduit Debt Outstanding	24,421,157,725	24,296,702,125	24,766,060,256	24,296,702,125
Bonds Issued	213,070,000	131,215,000	456,530,000	131,215,000
Bonds Refunded	0	51,235,000	107,000,000	51,235,000
Beginning Farmer Bonds	286,569	0	440,000	0
Total General Moral Obligation Bonds	69,955,000	69,955,000	79,560,000	69,955,000
Total State Component Unit Bonds	159,805,164	148,237,655	124,520,404	148,237,655
LOAN METRICS				
# of Participation & "At Risk" Loans	19	18	29	18
$ of Outstanding Participation Loans	3,511,955	3,480,284	6,329,435	3,480,284
Net Adj of $ IFDA Defaults-$ Bad Debt	0	0	0	0
Principal Reduction	21,193	31,671	36,378	31,671
Accrued Interest Due	7,057	8,779	43,594	8,779
Bad Debt Write-Offs	0	0	-	0
$ 30+ Days Delinquent	111,337	111,337	111,337	111,337
# of Guaranteed Loans, Debt Restr. etc.	79	78	102	78
$ of Guaranteed Loans, Debt Restr. etc.	19,080,977	18,977,167	25,362,473	18,977,167
Total $ Guaranteed (85%)	16,210,340	16,122,103	21,546,458	16,122,103
Pay Certs/Invoices Not Paid	1,687	4,139	5,220	4,139

Notes:

[1]**The financial data on this sheet is from the General Fund (01) only.**

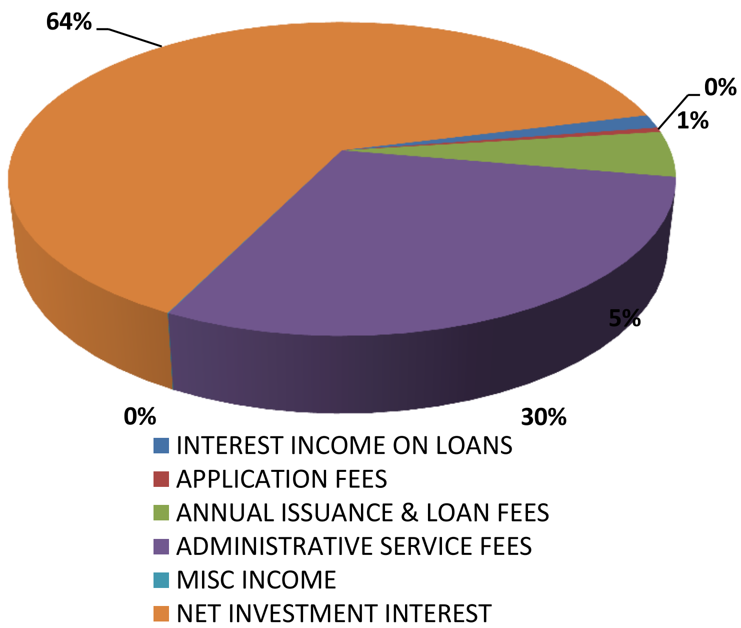
[2]**Financial Statement Ratios:**

- [a]**The operating profit margin is obtained by subtracting the sum of the company's operating expenses from net revenues.**
- [b]**The current ratio is a popular financial ratio used to measure the proportion of short term (<1 yr) assets available to cover short term liabilities. The higher the ratio, the better.**
- [c]**The quick ratio - aka the acid-test ratio - further refines the current ratio by measuring only the most liquid current assets against current liabilities.**
- [d]**The return on assets (ROA) ratio illustrates how efficient management is in utilizing its asset base. Rule of thumb is no less than 5% or 1.5% for banks.**
- [e]**This debt to assets ratio compares a company's total debt to its total assets. As a reminder, the majority of IFA's debt is in the Bond Fund. The lower the percentage, the stronger the equity position.**
- [f]**This debt to equity ratio compares a company's total debt to its total equity. As a reminder, the majority of IFA's debt is in the Bond Fund. The lower the percentage, the stronger the equity position.**

[3]**The investment data source(s) are the monthly account statements from Amalgamated Bank. General Ledger entries may differ slightly due to timing and previous book values.**

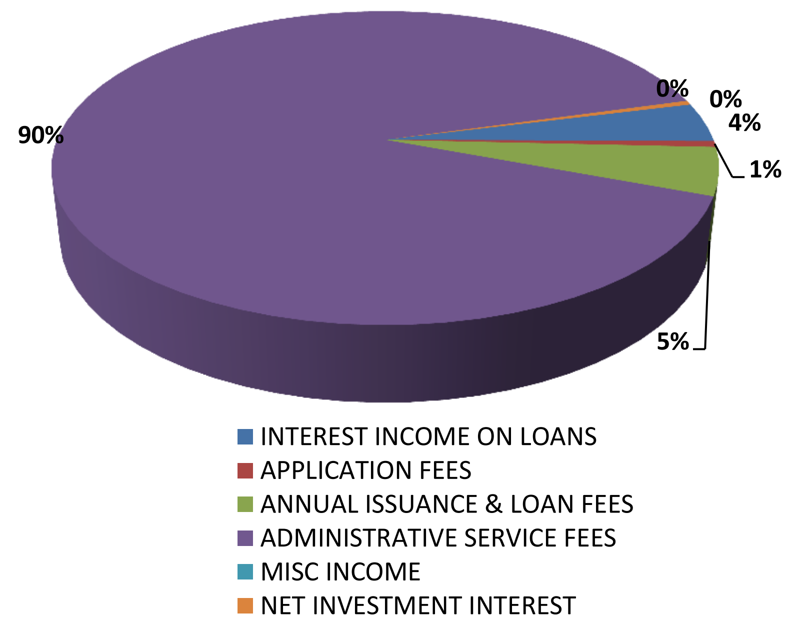
FY 15 Revenue Distribution Chart
For the One Month
Ending July 31, 2014

REVENUE DESCRIPTION	$ AMT
INTEREST INCOME ON LOANS	3,193
APPLICATION FEES	1,100
ANNUAL ISSUANCE & LOAN FEES	10,639
ADMINISTRATIVE SERVICE FEES	66,825
MISC INCOME	62
NET INVESTMENT INTEREST	144,211
TOTAL REVENUES	226,030



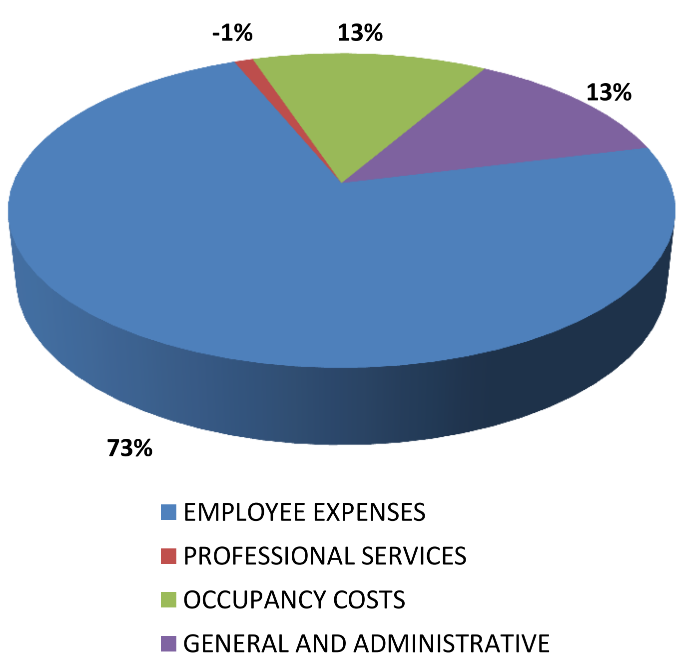
FY 14 Revenue Distribution Chart
For the One Month
Ending July 31, 2013

REVENUE DESCRIPTION	$ AMT
INTEREST INCOME ON LOANS	13,138
APPLICATION FEES	2,000
ANNUAL ISSUANCE & LOAN FEES	16,090
ADMINISTRATIVE SERVICE FEES	293,291
MISC INCOME	40
NET INVESTMENT INTEREST	1,440
TOTAL REVENUES	325,999



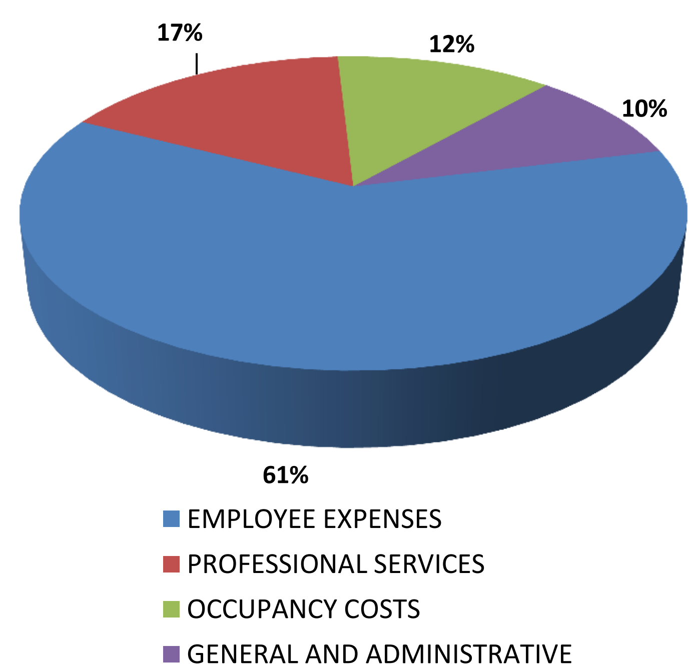
FY 15 Expense Distribution Chart
For the One Month
Ending July 31, 2014

EXPENSE DESCRIPTION	$ AMT
EMPLOYEE EXPENSES	163,534
PROFESSIONAL SERVICES	(2,448)
OCCUPANCY COSTS	30,332
GENERAL AND ADMINISTRATIVE	28,668
TOTAL EXPENSES	220,086



FY 14 Expense Distribution Chart
For the One Month
Ending July 31, 2013

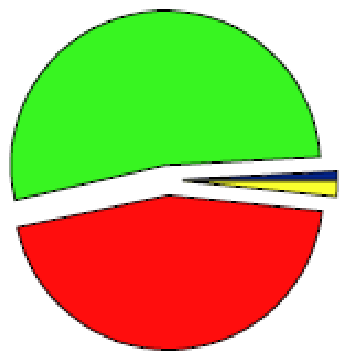
EXPENSE DESCRIPTION	$ AMT
EMPLOYEE EXPENSES	148,641
PROFESSIONAL SERVICES	40,121
OCCUPANCY COSTS	30,010
GENERAL AND ADMINISTRATIVE	23,225
TOTAL EXPENSES	241,997



Ziegler as of June 30, 2014

Investment Review - Summary Of General Investments

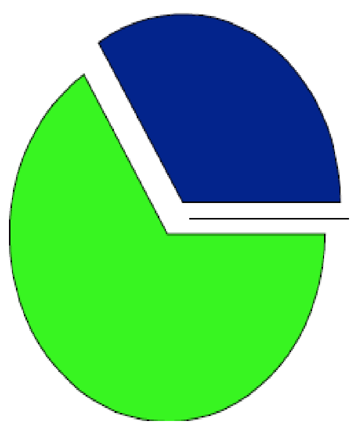
Investment Allocation



0. 7%	CASH	33, 705. 13
52. 7%	FIXED INCOME SECURITIES	2, 484, 990. 34
45. 0%	MISCELLANEOUS ASSETS	2, 124, 873. 72
1. 6%	MONEY MARKETS	73, 843. 43
100. 0%	Total	4, 717, 412. 62

Schedule Of Market To Market Unrealized Gain/loss

Unrealized Gains & Losses Allocation



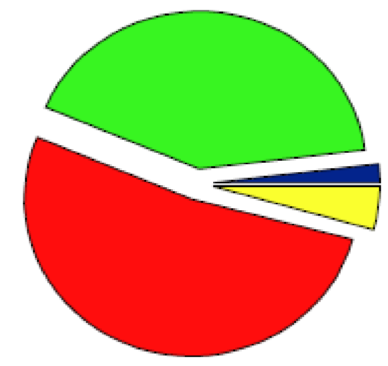
33. 8%	CORPORATE BONDS	1, 888. 25-
66. 3%	MUNICIPAL OBLIGATIONS	3, 699. 35-
0. 1- %	U S GOVERNMENT AGENCY	6. 97
100. 0%	Total	5, 580. 63-

Adj. Beginning Balance		8,762,085
Unrealized Gain/(Loss)		(5,581)
Realized Gain/(Loss)		(1,804)
Disbursements & Misc. Receipts		(4,046,164)
Net Interest Received*(after accruals)*		8,876
Ending Balance	$	4,717,412

Ziegler as of July 31, 2014

Investment Review - Summary Of General Investments

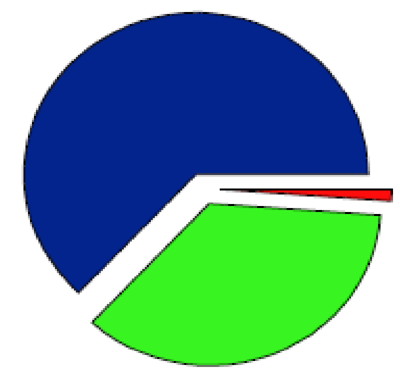
Investment Allocation



2. 0- %	CASH	79, 179. 69-
43. 3%	FIXED INCOME SECURITIES	1, 695, 605. 90
54. 2%	MISCELLANEOUS ASSETS	2, 124, 873. 72
4. 5%	MONEY MARKETS	176, 980. 88
100. 0%	Total	3, 918, 280. 81

Schedule Of Market To Market Unrealized Gain/loss

Unrealized Gains & Losses Allocation



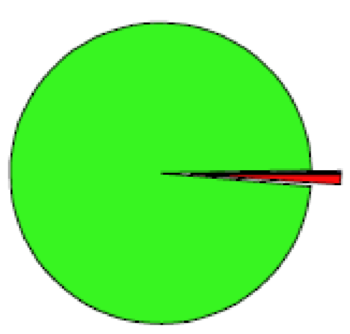
64. 4%	CORPORATE BONDS	2, 853. 65-
36. 6%	MUNICIPAL OBLIGATIONS	1, 624. 40-
1. 0- %	U S GOVERNMENT AGENCY	44. 48
100. 0%	Total	4, 433. 57-

Adj. Beginning Balance		4,717,412
Unrealized Gain/(Loss)		(4,434)
Realized Gain/(Loss)		(317)
Disbursements & Misc. Receipts		(800,000)
Net Interest Received*(after accruals)*		5,619
Ending Balance	$	3,918,280

Clear Arc as of June 30, 2014

Investment Review - Summary Of General Investments

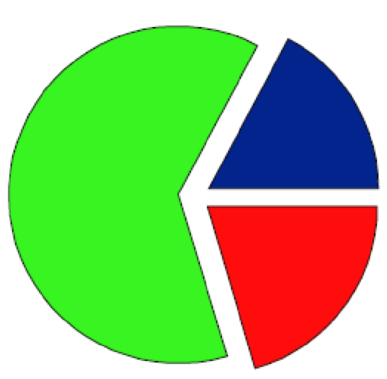
Investment Allocation



0. 4%	CASH	62, 791. 54
98. 4%	FIXED INCOME SECURITIES	15, 895, 465. 36
1. 2%	MONEY MARKETS	196, 228. 11
100. 0%	Total	16, 154, 485. 01

Schedule Of Market To Market Unrealized Gain/loss

Unrealized Gains & Losses Allocation



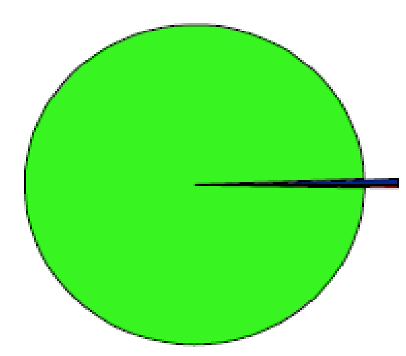
17. 1%	CORPORATE BONDS	5, 009. 46-
62. 5%	U S GOVERNMENT AGENCY	18, 234. 95-
20. 4%	U S GOVERNMENT OBLIGATIONS	5, 969. 60-
100. 0%	Total	29, 214. 01-

Adj. Beginning Balance		32,677,765
Unrealized Gain/(Loss)		(29,214)
Realized Gain/(Loss)		(27,048)
Disbursements & Misc. Receipts		(16,500,000)
Net Interest Received *(after accruals)*		32,982
Ending Balance	**$**	**16,154,485**

Clear Arc as of July 31, 2014

Investment Review - Summary Of General Investments

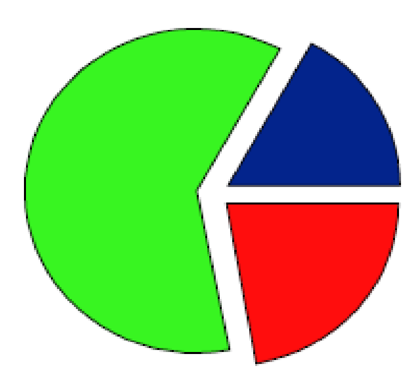
Investment Allocation



0. 5%	CASH	75, 896. 13
99. 2%	FIXED INCOME SECURITIES	16, 007, 238. 75
0. 3%	MONEY MARKETS	55, 742. 28
100. 0%	Total	16, 138, 877. 16

Schedule Of Market To Market Unrealized Gain/loss

Unrealized Gains & Losses Allocation



16. 8%	CORPORATE BONDS	5, 687. 31-
61. 1%	U S GOVERNMENT AGENCY	20, 649. 30-
22. 1%	U S GOVERNMENT OBLIGATIONS	7, 487. 40-
100. 0%	Total	33, 824. 01-

Adj. Beginning Balance		16,154,485
Unrealized Gain/(Loss)		(33,824)
Realized Gain/(Loss)		0
Disbursements & Misc. Receipts		(2,710)
Net Interest Received *(after accruals)*		20,926
Ending Balance	**$**	**16,138,877**

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer/Agency Procurement Officer
Date: August 12, 2014
Re: Monthly Procurement Report

NEW CONTRACTS/RENEWALS EXECUTED

Services Provided	Vendor	Initial/ Renewal Term (Yrs)	Start/End	Total Final NTE Value	Total Current Contract NTE Value	Total Current Contract Expense	Avg Yrly Current Contract Expense
Marketing Services	Hill Knowlton-***Final Year of Contract (New RFP in FY15)***	1	09/14-08/15	$ 75,000	$ 150,000	$ 104,541	$ 52,271
Marketing Services	Marj Halperin-***Final Year of Contract (New RFP in FY15)***	1	09/14-08/15	$ 75,000	$ 150,000	$ 74,735	$ 37,368

CONTRACTS EXPIRING

Services Provided	Vendor	Initial/ Renewal Term (Yrs)	Start/End	Total Final NTE Value	Total Current Contract NTE Value	Total Current Contract Expense	Avg Yrly Current Contract Expense
Investment Management Services	Ziegler Capital Management, LLC-***Contract will end 8/31/2014***	3	12/13-12/16	10bps/ Avg Cap	10bps/ Avg Cap	Est. $50-75,000	$ -
Office Lease - Chicago	BFPRU I, LLC-***IFA Offices are Relocating 08/28-29/2014***	Pred Agency	08/31/2014	N/A	N/A	N/A	N/A

NEW CONTRACTS

Services Provided	Vendor	Initial Term (Yrs)	Start/End	Total Final NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
IT Audit Services-DocuWare	Adelfia, LLC ***(No Board Action-Small Purchase $20,000)***	1	07/14-07/15	$ 18,000	N/A	N/A	N/A
IT Audit Services-Kanban Tool	Adelfia, LLC ***(No Board Action-Small Purchase $20,000)***	1	07/14-07/15	$ 18,000	N/A	N/A	N/A

ACTIVE SOLICITATIONS

Services Provided	Vendor	Initial Term (Yrs)	Start/End	NTE Value	Prior Contract NTE Value	Prior Contract Expense	Prior Contract Expense
Energy Efficiency Lease Financing Opportunity	To be provided for September 2014 Board Meeting ***(IL Procure Code)***	NTE 10	09/14-08/24	N/A	N/A	N/A	N/A
Accounting and Auditing Services Pool	To be provided for September 2014 Board Meeting ***(IFA)***	3	09/14-08/17	$ 225,000	N/A	N/A	N/A

UPCOMING SOLICITATIONS

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Debt Management Software Application	To be provided for September 2014 Board Meeting ***(IL Procure Code)***	3	09/14-08/17	$ 350,000	N/A	N/A	N/A
Investment Advisor Services	Per BOD Direction: To be provided for September 2014 Board Meeting ***(IFA)***	3	09/14-08/17	$ -	N/A	N/A	N/A
Investment Management Services	Per BOD Direction: To be provided for October 2014 Board Meeting ***(IFA)***	2	10/14-09/16	$ -	10bps/ Avg Cap	Est. $50-75,000	$ -
Payroll and HR Benefit Services	To be provided for December 2014 Board Meeting ***(IL Procure Code)***	5	07/15-06/20	$ 1,165,000	$ 233,000	$ 233,000	$ 233,000
Document Management/Software Support	To be provided for December 2014 Board Meeting ***(IL Procure Code)***	3	02/15-01/18	$ 135,000	$ 45,000	$ 45,000	$ 45,000
Accounting Software Maintenance and Support	To be provided for January 2015 Board Meeting ***(IL Procure Code)***	3	03/15-02/18	$ 148,500	$ 49,500	$ 49,500	$ 49,500

PROPOSED CHANGES TO IFA PROCUREMENT POLICY

Per discussion with the Procurement Policy Board, Chief Procurement Officer, and the Authority, an intergovernmental agreement will be drafted and submitted to the Board for approval to further clarify specific compliance, procedures and responsiblities needed for Authority management to fulfill its obligation under the Illinois Procurement Code and IFA's own Procurement Policy.

ILLINOIS PROCUREMENT CODE ACTIVITIES (NO BOARD ACTION NEEDED)

Services Provided	Vendor	Initial/ Renewal Term (Yrs)	Start/End	Total Final NTE Value	Total Current Contract NTE Value	Total Current Contract Expense	Avg Yrly Current Contract Expense
Financial Services/MSRB & EMMA Reporting	Bloomberg Finance L.P.-***Contract Pending Vendor Approval***	1	08/14-07/15	$ 24,000	N/A	N/A	N/A
Accounting Software Maintenance and Support	CBIZ MHM, LLC-***Contract amended to add Great Plains upgrade/expansion services/additional licenses***	1	03/14-03/15	$ 49,500	$ 8,000	$ 8,000	$ 8,000
Moving and Storage Services	Midwest Moving and Storage, Inc.-***Prevailing Wage Agreement for IFA's Initial Move to the Bilandic Bldg and 3 months storage***	3 mos	08/14-11/14	$ 45,000	N/A	N/A	N/A
Postage Machine Rental	Neopost USA Inc.-***Digital Postage Machine rental for IFA's Chicago office and Mt. Vernon office***	3	07/14-06/17	$ 1,508	$ 1,508	$ 1,508	$ 503
Shredding of confidential documents	Paper Tiger Document Solutions-***Currently reviewing for renewal***	1	11/13-10/14	$ 4,500	$ 4,500	$ 4,500	N/A

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Patrick Evans and Lorrie Karcher

Date: August 12, 2014

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $509,600 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $485,550**
- **Calendar Year Summary:** (as of August 12, 2014)
  - Volume Cap: $12,000,000
  - Volume Cap Committed: $2,220,213
  - Volume Cap Remaining: $9,779,787
  - Average Farm Acreage: 56
  - Number of Farms Financed: 11
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds –** no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2014 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
  - The Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

A. Project Number:	**A-FB-TE-CD-8694**
Borrower(s):	**Gentry Storm**
Borrower Benefit:	First Time Land Buyer
Town:	Windsor, IL
IFA Bond Amount:	**$485,550**
Use of Funds:	Farmland – 138.61 acres of farmland
Purchase Price:	$785,550 / ($693,050/$5,000 per ac)
%Borrower Equity	0%
% USDA Farm Service Agency	38% *(Subordinate Financing)*
%IFA	62%
Township:	Ash Grove
Counties/Regions:	Shelby / Central
Lender/Bond Purchase:	First Mid-Illinois Bank & Trust / Megan Swango
Legislative Districts:	Congressional: 15 State Senate: 55 State House: 110

Principal shall be paid annually in installments determined pursuant to a thirty-year amortization schedule calculated at the initial interest rate, with the first principal payment date to begin on April 1, 2016. Accrued interest on the unpaid balance hereof shall be paid annually with the first interest payment date to begin on April 1, 2016 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing. The note will have a 30-year amortization and maturity.

CONDUIT

ILLINOIS FINANCE AUTHORITY

August 12, 2014

$20,000,000 (not-to-exceed)
Rogers Park Montessori School

REQUEST	**Purpose**: Bonds will be issued in one or more series and the proceeds thereof will be loaned to **Rogers Park Montessori School** (the "**Borrower**"), an Illinois not for profit corporation, to assist the Borrower in providing a portion of the funds necessary to (i) pay or reimburse the Borrower, or refinance certain indebtedness the proceeds of which were used to pay or reimburse the Borrower, for the costs of acquiring, constructing, renovating, remodeling, expanding and equipping certain of the Borrower's school facilities, located at 1800 W. Balmoral Ave., Chicago, Illinois 60640 (the "**School Facility**"), including without limitation, an approximately 13,000 square foot expansion of the School Facility; the addition of classrooms, art, drama and music rooms, science spaces, presentation spaces, group work spaces, tutoring alcoves, and co-curricular spaces to the School Facility; and renovating, remodeling, expanding and equipping the gymnasium of the School Facility (together, the "**Project**"); (ii) refund all or a portion of the outstanding principal amount of the $11,750,000 original principal amount Educational Facility Revenue Bonds (Rogers Park Montessori School Project) Series 2004 (the "**Prior Bonds**"); (iii) fund a debt service reserve fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; (iv) fund a capitalized interest fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; and (v) pay certain costs incurred in connection with the issuance of the Series 2014 Bonds, and the costs of refunding the Prior Bonds (collectively, the "**Financing Purposes**"). **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTION	Final Bond Resolution Voting Record (July 8, 2014) – Amendatory Bond Resolution: 11 Yeas; 0 Nays; 0 Abstain; 4 Absent (Gold; O'Brien; Pedersen; Vaught); 0 Vacant. Voting Record (June 11, 2013) – Bond Resolution: 9 Yeas; 0 Nays; 0 Abstain; 5 Absent (Barclay; Leonard; Parish; Poole; Zeller); 1 Vacant.
MATERIAL CHANGES	None.
JOB DATA	58 Current jobs; 3 New jobs projected (1-2 years) N/A Retained jobs; 25 Construction jobs projected (12 months)
DESCRIPTION	● Location: Chicago / Cook County / Northeast ● Type of entity: Rogers Park Montessori School is an Illinois not-for-profit corporation. ● Rogers Park Montessori School is a private, independent school that currently serves 385 children from age 2 to age 14. The proposed Project will add approximately 13,000 square feet of classrooms and other program space to its existing 47,000 square foot facility, and ultimately allow the School to increase enrollment to approximately 430-450 students. It will also allow the School to expand its foreign language, science, performing arts, visual arts and music curricula as well as allow the School to add badly needed outdoor learning and recreation space by building a rooftop play area. ● The School was originally established in September 1966 by ten parents and operated in a rented church facility in Rogers Park.
CREDIT INDICATORS	● The plan of finance contemplates an aggregate principal amount of up to $20.0 million in Bonds issued on behalf of Rogers Park Montessori School and underwritten by **B.C. Ziegler and Company** (the "**Underwriter**") in multiple series. ● The plan of finance contemplates issuing Bonds in two series: IFA Senior Series 2014A Bonds and IFA Subordinate Series 2014B Bonds. (A portion of the IFA Senior Series 2014A Bonds will be sold on a taxable basis to finance a portion of the costs of issuance.) ● The Borrower is a non-rated entity; accordingly, both the IFA Series 2014A Bonds and the IFA Series 2014B Bonds will be sold to Accredited Investors (i.e., Qualified Institutional Buyers and Accredited Investors) consistent with IFA Bond Program Handbook requirements. Bonds will be sold in minimum denominations of $100,000.
SECURITY	● Bondholders will be secured by a general obligation of the School. Additionally, Bondholders are expected to be secured by a mortgage and security interest in the School's assets, properties, or funds.
MATURITY	● Senior Series 2014A Bonds: 30 years (i.e., final maturity date in in 2044); Subordinate Series 2014B Bonds: 15 years (i.e., final maturity date in 2029).
INTEREST RATE	● The Tax-Exempt and Taxable Series 2014A Bonds and the Tax-Exempt Series 2014B Bonds will be underwritten at fixed interest rates that will be negotiated and established prior to closing and reflect prevailing market conditions. The current fixed interest rates are estimated at between 5.00% and 6.50%.

SOURCES AND USES

Sources:		**Uses:**	
Senior Series 2014A Tax-Exempt Bonds	$17,470,000	New Project Costs	$9,644,803
Senior Series 2014A Taxable Bonds	345,000	Refunding Escrow	10,816,200
Subordinate Series 2014B Tax-Exempt Bonds	2,045,000	Series 2014 Debt Service Reserve Fund	1,251,750
Borrower Equity	1,600,000	Repair and Replacement Reserve Fund	162,240
Series 2004 Debt Service Reserve Fund	1,076,231	Costs of Issuance	661,238
Total	**$22,536,231**	**Total**	**$22,536,231**

RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 12, 2014

Project: Rogers Park Montessori School

STATISTICS

Project Number:	N-NP-TE-CD-8629	Amount:	$20,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	Co./Region:	Cook County/Northeast

BOARD ACTION

Final Bond Resolution	
Conduit 501(c)(3) Revenue Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

Voting Record (July 8, 2014) – Amendatory Bond Resolution: 11 Yeas; 0 Nays; 0 Abstain; 4 Absent (Gold; O'Brien; Pedersen; Vaught); 0 Vacant.

Voting Record (June 11, 2013) – Bond Resolution: 9 Yeas; 0 Nays; 0 Abstain; 5 Absent (Barclay; Leonard; Parish; Poole; Zeller); 1 Vacant.

PURPOSE

Bonds will be issued in one or more series and the proceeds thereof will be loaned to **Rogers Park Montessori School** (the "**Borrower**"), an Illinois not for profit corporation, to assist the Borrower in providing a portion of the funds necessary to (i) pay or reimburse the Borrower, or refinance certain indebtedness the proceeds of which were used to pay or reimburse the Borrower, for the costs of acquiring, constructing, renovating, remodeling, expanding and equipping certain of the Borrower's school facilities, located at 1800 W. Balmoral Ave., Chicago, Illinois 60640 (the "**School Facility**"), including without limitation, an approximately 13,000 square foot expansion of the School Facility; the addition of classrooms, art, drama and music rooms, science spaces, presentation spaces, group work spaces, tutoring alcoves, and co-curricular spaces to the School Facility; and renovating, remodeling, expanding and equipping the gymnasium of the School Facility (together, the "**Project**"); (ii) refund all or a portion of the outstanding principal amount of the $11,750,000 original principal amount Educational Facility Revenue Bonds (Rogers Park Montessori School Project) Series 2004 (the "**Prior Bonds**"); (iii) fund a debt service reserve fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; (iv) fund a capitalized interest fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; and (v) pay certain costs incurred in connection with the issuance of the Series 2014 Bonds, and the costs of refunding the Prior Bonds (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
Senior Ser. 2014A Tax-Exempt Bonds	$17,470,000	New Project Costs	$9,354,803
Senior Series 2014A Taxable Bonds	345,000	Fundraising Expenses/Owner's Contingency	290,000
Subordinate Series 2014B Tax-Exempt Bonds	2,045,000	Refunding Escrow	10,816,200
Equity	1,600,000	Series 2014 Debt Service Reserve Fund	1,251,750
Series 2004 Debt Service Reserve Fund	1,076,231	Repair and Replacement Reserve Fund	162,240
		Costs of Issuance	661,238
Total	**$22,536,231**	**Total**	**$22,536,231**

JOBS

Current employment:	58	Projected new jobs:	3 (1-2 years)
Jobs retained:	N/A	Construction jobs:	25 (12 months)

FINANCING SUMMARY

Structure: The plan of finance contemplates an aggregate principal amount of approximately $20.0 million in Series 2014 Tax-Exempt and Taxable Bonds offered in minimum denominations of $100,000 and sold to Qualified Institutional Buyers and Accredited Investors consistent with IFA Bond Program Handbook requirements. The outstanding balance of the IFA Series 2004 Bonds will be current refunded within 90 days of the first optional redemption date (i.e., within 90 days of November 1, 2014).

The Senior Series 2014A (Tax-Exempt and Taxable) Bonds will be underwritten by B.C. Ziegler and Company (the "**Underwriter**") and sold to Qualified Institutional Buyers and Accredited Investors (in minimum denominations of $100,000) evidenced by investor letters.

The Subordinate Series 2014B (Tax-Exempt) Bonds will be underwritten by B.C. Ziegler and Company and sold with a select group of supporters of the School (each of whom shall meet the definition of Accredited Investor as evidenced by an investor letter). The Subordinate Series 2014B Bonds (Tax-Exempt) will be subordinated to both the Tax-Exempt Senior Series 2014A Bonds and the Taxable Senior Series 2014A Bonds.

Security: Investors will be secured by a general obligation of the School in connection with all IFA Series 2014 Tax-Exempt and Taxable Bonds. Additionally, Bondholders are expected to be secured by a mortgage and security interest in the School's assets, properties, and funds.

Interest Rate: The Senior (Tax-Exempt and Taxable) Series 2014A Bonds and the Subordinate (Tax-Exempt) Series 2014B Bonds will each bear a fixed interest rate that will be negotiated and established prior to closing based on prevailing market conditions (and currently estimated at between 5.00% and 6.50%).

Maturity: The Senior Tax-Exempt and Taxable Series 2014A Bonds sold institutionally with payments amortized over 30 years (i.e., with a final maturity in 2044), as proposed.

The Subordinate Tax-Exempt Series 2014B Bonds will be underwritten with payments amortized over 15 years (i.e., with a final maturity in 2029), as proposed.

Estimated Closing Date: August/September 2014

Rationale: This Project will expand the educational opportunities for families seeking Montessori education. By adding classrooms/learning space, the School will have the ability to add approximately 50-70 new children to its current student population (primarily in its Middle School). Through a separate fundraising effort associated with the construction project, Rogers Park Montessori School expects to substantially increase its financial aid available to assist families who reside in the community.

The proposed Tax-Exempt Bonds will reduce monthly payments that will help Rogers Park Montessori School keep its fixed charges (including debt service payments) as low as possible. The proposed Taxable Bonds are being issued to pay a portion of the costs of issuance.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bonds will be issued in one or more series and the proceeds thereof will be loaned to **Rogers Park Montessori School** (the "**Borrower**"), an Illinois not for profit corporation, to assist the Borrower in providing a portion of the funds necessary to (i) pay or reimburse the Borrower, or refinance certain indebtedness the proceeds of which were used to pay or reimburse the Borrower, for the costs of acquiring, constructing, renovating, remodeling, expanding and equipping certain of the Borrower's school facilities, located at 1800 W. Balmoral Ave., Chicago, Illinois 60640 (the "**School Facility**"), including without limitation, an approximately 13,000 square foot expansion of the School Facility; the addition of classrooms, art, drama and music rooms, science spaces, presentation spaces, group work spaces, tutoring alcoves, and co-curricular spaces to the School Facility; and renovating, remodeling, expanding and equipping the gymnasium of the School Facility (together, the "**Project**"); (ii) refund all or a portion of the outstanding principal amount of the $11,750,000 original principal amount Educational Facility Revenue Bonds (Rogers Park Montessori School Project) Series 2004 (the "**Prior Bonds**"); (iii) fund a debt service reserve fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; (iv) fund a capitalized interest fund for the Series 2014 Bonds, if deemed necessary or advisable by the Borrower; and (v) pay certain costs incurred in connection with the issuance of the Series 2014 Bonds, and the costs of refunding the Prior Bonds (collectively, the "**Financing Purposes**").

The outstanding Par Amount of the IFA Series 2004 Bonds was $10,600,000 as of 7/1/2014, the most recent payment date.

The estimated New Project Costs are comprised of the following items (subject to change):

Construction	$7,786,695
Rehabilitation	225,026
Furniture and Fixtures	600,229
Architectural/Engineering	660,187
Legal/Professional	82,666
Total	**$9,354,803**

BUSINESS SUMMARY

Description: **Rogers Park Montessori School**, an Illinois not-for-profit corporation ("**RPMS**", the "**School**" or the "**Borrower**") was established in 1967 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Rogers Park Montessori School is governed by a 12-member Board of Directors (see p. 5).

Background: Rogers Park Montessori School was founded by ten Rogers Park parents in September of 1966 in a converted space at St. Ignatius parish. RPMS is a coeducational, day school for children ages two to fourteen (8th grade) guided by the philosophy of Maria Montessori based on standards set forth by the American Montessori Society ("AMS"), and recognized by the Illinois State Board of Education ("ISBE").

By 1975, the School had relocated to Bethany Lutheran Church at 1244 West Thorndale Avenue. RPMS gradually expanded to offer a toddler class, five pre-school classes, and after-school care for working families. The RPMS elementary program was launched in 1991 and in three years, enrollment increased from 7 to 18 students. In 1994, RPMS opened a program for Ages 9-12, and in 1995, with the continued growth of the elementary program, new space was leased at 1020 West Bryn Mawr Avenue in the Edgewater Presbyterian Church. This building housed the School's Age 6-9 and Age 9-12 classrooms and after-school elementary program.

The School's growth and disparate physical operations resulted in a need to look for a single site to consolidate operations. This search spanned over 10 years. Finally in 2004, RPMS purchased and began construction of its current facility, a 47,000 square foot educational facility at 1800 W. Balmoral Ave. Thanks to the dedication of RPMS parents and donors, a new, state-of-the-art school opened in January 2006. The new RPMS facility incorporated the Montessori philosophy into its design and expanded capacity across all grade levels while offering Montessori programming to middle school age children (i.e., Ages 12-14) for the first time. The 2006 project created a full-service, integrated school facility that also features a gymnasium, library, multi-purpose room, green roof, playgrounds, and green space.

The School emphasizes holistic education for children starting from infancy. In addition to the School's academic program, the School offers, daycare and after-school care for ages three to fourteen. The School's mission is to create an environment and curriculum that values each child's ability to reach maximum potential academically while developing skills necessary to advance peaceful resolutions to issues which arise at school and in common social interactions.

The School's commitment to providing for (i) the delivery of quality Montessori practices in a mixed age-group setting, (ii) high academic standards, while (iii) employing a highly skilled teaching staff, has earned RPMS a strong reputation. RPMS is accredited by the American Montessori Society and the Independent Schools Association of Central States and is recognized by the Illinois State Board of Education. The toddler program is licensed by the **Department of Children and Family Services** ("**DCFS**").

Additionally, the School holds memberships in the following associations:

- AIMS (Association of Illinois Montessori Schools)
- Independent School Management (ISM)
- North American Montessori Teachers Association (NAMTA)
- Dyslexia Association
- Illinois Reading Association
- Infant Mental Health
- National Association of Elementary School Principals
- Lake Michigan Association of Central States (LMAIS)

ECONOMIC DISCLOSURE STATEMENT

Applicant: Rogers Park Montessori School, 1800 West Balmoral, Chicago (Cook County), IL 60640

Contact: Ms. Karen Salmon, Board President: (T) 312-296-3725; email: salmonfish@me.com

Website: www.rpmschool.org

Site Locations: 1800 West Balmoral, Chicago (Cook County), IL 60640

Project name: IFA Educational Facility Revenue Bonds (Rogers Park Montessori School Project); Senior Series 2014A Bonds and Subordinate Series 2014 Bonds

Organization: Illinois not-for-profit established as a 501(c)(3) corporation under the Internal Revenue Code

Board of Trustees:

Michael Beirne	Co-Chair, Trustees Committee
David Brown	Co-Chair, Growth Committee
Trudy Cools	Secretary
Paul Kuzma	General Board Member
Danielle Loevy	General Board Member
Anthony Malcoun	General Board Member
Karen Salmon	President; Co-Chair, Growth and Trustees Committee
Debbie Senoff-Langford	Principal
Bill Stapel	Co-Chair, Business Finance Committee
Anna May Trala	Treasurer; Co-Chair, Business Finance Committee
Debbie Walters	General Board Member
Derek Zolner	Vice President; Chair, Advancement Committee

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago, IL	Mary Ann Murray
Auditor:	John D Kopczyk, Ltd.	Chicago, IL	
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Underwriter:	B.C. Ziegler and Company	Chicago, IL	Scott Rolfs
Underwriter's Counsel:	Ungaretti & Harris LLP	Chicago, IL	Julie Seymour
Trustee:	US Bank	St. Paul, MN	Diane Carlson
Architect:	OLSEN/VRANAS Design	Chicago, IL	
	(in consultation with B3 Architects)	Santa Barbara, CA	
General Contractor:	Bulley & Andrews LLC	Chicago, IL	
IFA Counsel:	Cahill Law Office	Chicago, IL	Kevin Cahill
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	5
State Senate:	7
State House:	13

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: August 12, 2014

Re: Resolution Providing for the Issuance of Not to Exceed $12,200,000 Principal Amount Illinois Finance Authority Revenue Bonds, Series 2014 (Lawrence Hall Youth Services); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters
IFA Series 2006 File Number: N-NP-TE-CD-6137
IFA Series 2014 File Number: N-NP-TE-CD-8689

Request:

Lawrence Hall Youth Services (the "**Borrower**"), an Illinois not for profit corporation, and **Fifth Third Bank, N.A.** (the "**Bank**" or "**Bond Purchaser**"), are requesting approval of a Resolution to (i) authorize execution and delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and related documents and (ii) approve related matters to effectuate the refinancing of a portion of the outstanding Illinois Finance Authority ("**IFA**") Adjustable Rate Demand Revenue Bonds, Lawrence Hall Youth Services, Series 2006 (the "**Series 2006 Bonds**") by issuing a Revenue Bond (Lawrence Hall Youth Services), Series 2014 (the "**Series 2014 Bond**").

The Series 2006 Bonds are currently secured by a Direct Pay Letter of Credit from Fifth Third Bank. The original par amount of the Series 2006 Bonds was $15,000,000. It is anticipated that Fifth Third Bank will purchase the Series 2014 Bond in an expected amount of $12,200,000 that will fully fund redemption of the Series 2006 Bonds and potentially pay costs of issuance. This transaction will be considered a reissuance for tax purposes. IFA's estimated administrative fee will be $14,400.

Impact:
The accompanying Resolution will enable Lawrence Hall Youth Services to switch from a Direct Pay LOC secured bond structure to a Bank Direct Purchase bond structure. Fifth Third Bank will continue as the Borrower's relationship bank.

Background:
The proceeds of the Series 2006 Bonds, together with other available funds, were used to finance or reimburse the Borrower for the costs of acquiring, constructing, renovating, improving and equipping certain of its child-welfare facilities (the "**Project**"). The Project consisted of the acquisition, construction, renovation, improving and equipping of a residential treatment center and other construction costs. The Project provided for the construction of a Residential Treatment Center ("**RTC**"), renovation of an existing gymnasium, and establishment of on-site parking.

All payments relating to the Series 2006 Bonds are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Perkins Coie LLP	Chicago, IL	Dan Coyne
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke Leslie Cornell
Bond Purchaser/Bank:	Fifth Third Bank, N.A.	Chicago, IL	Lucy J. Czyz
Bank Counsel:	Ice Miller LLP	Lisle, IL	David H. Hight
Exiting LOC Bank:	Fifth Third Bank, N.A.	Chicago, IL	Lucy J. Czyz
Exiting Remarketing Agt.:	Fifth Third Securities, Inc.	Cincinnati, OH	
Exiting Trustee:	BNY Mellon Trust Company, N.A.	Chicago, IL	
IFA Counsel:	Thompson Coburn LLP	Chicago, IL	Tom Smith
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Melanie Shaker

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RESOLUTION NO. 2014-0708-AD__

A RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $12,200,000 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2014 (LAWRENCE HALL YOUTH SERVICES); AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (as supplemented and amended, the "Act"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance the cost of "projects" (as such term is defined in the Act), including the refunding of any outstanding bonds previously issued for such purpose; and

WHEREAS, the Authority has heretofore issued its Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Series 2006 (Lawrence Hall Youth Services Project) (the "Series 2006 Bonds") in the original aggregate principal amount of $15,000,000, $11,965,000 of which remain outstanding; and

WHEREAS, the proceeds from the sale of the Series 2006 Bonds were used to finance, refinance and reimburse Lawrence Hall Youth Services, an Illinois not for profit corporation (the "Corporation") all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of its facilities constituting "projects" as defined under the Act, all as permitted by the Act; and

WHEREAS, the Corporation has requested that the Authority issue its Revenue Bonds, Series 2014 (Lawrence Hall Youth Services) in a principal amount not to exceed $12,200,000 (the "Series 2014 Bonds") and loan the proceeds from the sale thereof to the Corporation pursuant to a Bond and Loan Agreement (the "Bond and Loan Agreement") among the Authority, the Corporation and Fifth Third Bank (the "Purchaser"), pursuant to which the Purchaser will purchase the Series 2014 Bonds from the Authority; and

WHEREAS, the Corporation will apply the proceeds from the sale of the Series 2014 Bonds to (i) currently refund and redeem all of the outstanding Series 2006 Bonds (the "Series 2006 Refunding"), and (ii) pay all or a portion of the costs of issuing the Bonds; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to issue the Series 2014 Bonds and loan the proceeds from the sale thereof to the Corporation pursuant to the Bond and Loan Agreement in order to carry out the Series 2006 Refunding and to pay all or a portion of the costs of issuance of the Series 2014 Bonds; and

WHEREAS, the Series 2014 Bonds and the obligation to pay principal, premium, if any, and interest thereon are special, limited obligations of the Authority, payable solely out of the revenues and income derived from the Bond and Loan Agreement; the Series 2014 Bonds and the obligation to pay interest thereon shall not be deemed to constitute an indebtedness, a general or moral obligation, or a pledge of the full faith and credit of the Authority, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision or a charge against the general credit or taxing powers, if any, of any of them; and neither the Purchaser nor any future owner of the Series 2014 Bonds shall have the right to compel any exercise of the taxing power, if any, of the Authority, the State of Illinois or any political subdivision thereof to pay any principal or purchase price of, premium, if any, or interest on the Series 2014 Bonds; and

WHEREAS, in connection therewith, the Corporation and the Purchaser will execute and deliver a Continuing Covenant Agreement (the "Covenant Agreement") containing certain additional covenants to be made by the Corporation to the Purchaser; and

WHEREAS, in order to secure the Corporation's obligation under the Bond and Loan Agreement to pay the principal or purchase price of, premium, if any, and interest on the Series 2014 Bond, the Corporation will grant a mortgage lien on and security interest in certain of its real and personal property to the Purchaser pursuant to a mortgage and security agreement (collectively, the "Mortgage" and, collectively with the Covenant Agreement, the "Additional Transaction Documents"); and

WHEREAS, in connection with the issuance of the Series 2014 Bonds, it is now necessary and proper to authorize the execution and delivery of (i) the Bond and Loan Agreement and a Tax Exemption Certificate and Agreement (the "Tax Agreement" and, collectively with the Bond and Loan Agreement, the "Authority Documents") between the Authority and the Corporation and (ii) the Other Documents (as hereinafter defined); and

WHEREAS, the Authority has caused to be prepared and presented to its members a form of the Bond and Loan Agreement, including the form of Series 2014 Bonds attached thereto as Exhibit A and Exhibit B;

NOW, THEREFORE, Be It Resolved by the members of the Illinois Finance Authority as follows:

Section 1. Recitals. That the foregoing recitals are incorporated in and made a part of this Resolution by this reference.

Section 2. Approval of Financing. That issuance of the Series 2014 Bonds and the use of the proceeds from the sale thereof to carry out the Series 2006 Refunding and to pay all or a portion of the costs of issuance of the Series 2014 Bonds in accordance with the terms of the Bond and Loan Agreement is hereby authorized and approved and is in furtherance of the public purposes set forth in the Act.

Section 3. Series 2014 Bonds. That, in order to provide funds to carry out the Series 2006 Refunding and to pay all or a portion of the costs of issuance of the Series 2014

Bonds, the Authority hereby authorizes and approves the issuance of the Series 2014 Bonds, to be designated the "Illinois Finance Authority Revenue Bonds, Series 2014 (Lawrence Hall Youth Services)"; that, initially, the Series 2014 Bonds shall be issued in three subseries designated (i) "Illinois Finance Authority Revenue Bonds, Series 2014A (Lawrence Hall Youth Services)," (ii) "Illinois Finance Authority Revenue Bonds, Series 2014B (Lawrence Hall Youth Services)" and (iii) "Illinois Finance Authority Revenue Bonds, Series 2014C (Lawrence Hall Youth Services)." The total principal amount of the Series 2014 Bonds that may be outstanding shall not exceed $12,200,000; that the forms of Series 2014 Bonds now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Bond and Loan Agreement be, and the same hereby are, approved; that the Series 2014 Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman or Vice Chairman (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairman, the Vice Chairman or any other officer of the Authority shall cause the Series 2014 Bonds, as so executed and attested, to be delivered to the Purchaser, as bond registrar under the Bond and Loan Agreement, for authentication; and that when the Series 2014 Bonds are executed on behalf of the Authority in the manner contemplated by the Bond and Loan Agreement and this Resolution, it shall represent the approved form of the Series 2014 Bonds; *provided* that (i) initially the Series 2014A Bonds will bear interest at a variable rate per annum (with an initial interest rate commencing on the date of issuance of the Series 2014A Bonds not to exceed 5% per annum), and the Series 2014B Bonds and the Series 2014C Bonds will bear interest at a fixed rate per annum (with an initial fixed rate of interest for the initial interest period commencing on the date of issuance of the Series 2014B Bonds and Series 2014C Bonds, respectively, not to exceed 5% per annum), subject in each case to adjustment, all as provided for and pursuant to the Bond and Loan Agreement, (ii) each series of the Series 2014 Bonds shall be payable over a term not exceeding forty (40) years from its date of issuance and (iii) each series of the Series 2014 Bonds shall be privately placed with the Purchaser.

The interest rate on all or any subseries of the Series 2014 Bonds may be subject to adjustment to (i) a higher or lower rate per annum under certain conditions, as further described in the Bond and Loan Agreement, or (ii) a taxable rate after the occurrence of a Determination of Taxability, as defined and further described in the Bond and Loan Agreement.

The Authority hereby authorizes each of the Chairman, Vice Chairman, Executive Director, General Counsel or any Assistant Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority (each, an "Authorized Officer") to make a final determination as to the principal amount, interest rates, maturities, mandatory sinking fund redemption dates and amounts (if any), optional and extraordinary redemption provisions (if any), optional or mandatory tender provisions and the purchase price and uses of the proceeds from the sale of the Series 2014 Bonds. The execution by an Authorized Officer of the Bond and Loan Agreement shall constitute such Authorized Officer's approval and the Authority's approval of the final terms and provisions of the Series 2014 Bonds.

The Series 2014 Bonds, including the interest and any redemption premium payable thereon, shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights (as defined in the Bond and Loan Agreement)). The Series 2014 Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds from the sale of the Series 2014 Bonds, (ii) the income and revenues derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights), (iii) other amounts available under the Bond and Loan Agreement and (iv) moneys arising out of the investment or reinvestment of such proceeds, income, revenues or receipts.

Section 4. Bond and Loan Agreement. That the Authority is hereby authorized to enter into the Bond and Loan Agreement with the Corporation and the Purchaser; that the form, terms and provisions of the Bond and Loan Agreement be, and they hereby are, in all respects approved; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to, the Bond and Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Bond and Loan Agreement to be delivered to the Corporation, such Bond and Loan Agreement (as executed) to provide for the loan of the proceeds from the sale of the Series 2014 Bonds to the Corporation and the use of such proceeds to carry out the Series 2006 Refunding and to pay all or a portion of the costs of issuance of the Series 2014 Bonds, in the manner and with the effect therein provided; that the Bond and Loan Agreement shall be in substantially the same form previously provided to and on file with the Authority and hereby approved, or with such changes therein as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions from such form of the Bond and Loan Agreement; that when the Bond and Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the Bond and Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Bond and Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Bond and Loan Agreement as executed; and that the Bond and Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Bond and Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 5. Tax Agreement. That the Authority is hereby authorized to enter into the Tax Agreement with the Corporation in the form to be approved by bond counsel; by counsel for the Corporation and by counsel to the Authority; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement as so approved; that when the Tax Agreement is executed and delivered on behalf of the Authority as herein provided, the Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of the Tax Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Tax Agreement as executed.

Section 6. Additional Transaction Documents. That the Authority hereby approves the execution and delivery of the Additional Transaction Documents in the forms to be approved by the counsel to the Authority; and that the execution and delivery of the Authority Documents shall constitute conclusive evidence of the approval of the counsel to the Authority and the approval of the Authority of the final forms thereof.

Section 7. Other Documents. That the Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority, including but not limited to any documentation necessary to identify an interest rate hedge agreement for federal income tax purposes, (collectively, the "Other Documents"), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the Corporation and the Purchaser, and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, the issuance and sale of the Series 2014 Bonds and the Series 2006 Refunding and/or the execution, delivery and performance of the Authority Documents, the Additional Transaction Documents and the Other Documents; and that all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 8. Private Placement; Investment Letter; Restrictions on Transfers. That the Authority hereby authorizes the issuance and sale of the Series 2014 Bonds to the Purchaser on a private placement basis pursuant to the Bond and Loan Agreement; that the Purchaser shall deliver an investment letter to the Authority (in the form approved by counsel to the Authority and consistent with the Authority's Bond Program Handbook) stating, among other things, that the Purchaser is either an institutional "accredited investor" within the meaning of Regulation D, Sections 501 through 506, or a "qualified institutional buyer" within the meaning of Rule 144A, under the Securities Act of 1933, as amended; and that the Bond and Loan Agreement shall contain such restrictions, as counsel to the Authority shall reasonably determine are necessary or advisable, on the transfer of the Series 2014 Bonds by the Purchaser or by any accredited investor or qualified institutional buyer to which the Purchaser transfers the Series 2014 Bonds.

Section 9. Conditions to Effectiveness. That the approvals granted by the Authority pursuant to this Resolution are subject to the Authority Documents and any other document required to carry out and comply with this Resolution being in full conformance with the requirements of the Authority (including the Authority's Bond Program Handbook), except as expressly approved by counsel to the Authority or the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer's execution and delivery of such documents.

Section 10. Public Hearing. That the Authority has been advised by Bond Counsel that it is not required to hold a Public Hearing since the Bond will satisfy the exception set forth in Section 147(f)(2)(D) of the Code.

Section 11. Other Acts. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 12. Severability. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 13. No Conflict. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 14. Effective Date. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

APPROVED this 12th day of August, 2014.

ILLINOIS FINANCE AUTHORITY

By_________________________________
_
Chairman

[SEAL]

ATTEST:

____
Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: August 12, 2014

Re: Resolution Providing for the Issuance of Not to Exceed $20,500,000 Principal Amount Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Dominican University); Authorizing the Execution and Delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and Related Documents; and Approving Related Matters
IFA Series 2006 File Number: E-PC-TE-CD-6007
IFA Series 2014 File Number: E-PC-TE-CD-8692

Request:

Dominican University (the "**Borrower**"), an Illinois not for profit corporation, and **MB Financial Bank, N.A.** (the "**Bank**" or "**Bond Purchaser**"), are requesting approval of a Resolution to (i) authorize execution and delivery of a Bond and Loan Agreement, a Tax Exemption Certificate and Agreement and related documents and (ii) approve related matters to effectuate the refinancing of a portion of the outstanding Illinois Finance Authority ("**IFA**") Adjustable Rate Demand Revenue Bonds, Dominican University, Series 2006 (the "**Series 2006 Bonds**") by issuing a Revenue Refunding Bond (Dominican University), Series 2014 (the "**Series 2014 Bond**").

The Series 2006 Bonds are currently secured by a Direct Pay Letter of Credit from JP Morgan Chase Bank, N.A. The original par amount of the Series 2006 Bonds was $30,000,000. It is anticipated that MB Financial Bank, N.A. will purchase the Series 2014 Bond in an expected amount of up to $20,500,000 that will fully fund redemption of the Series 2006 Bonds and potentially pay costs of issuance. This transaction will be considered a reissuance for tax purposes. IFA's estimated administrative fee will be $29,600.

Impact:
The accompanying Resolution will enable Dominican University to switch from a Direct Pay LOC-secured bond structure to a Bank Direct Purchase bond structure. Concurrently, the University will be amending certain terms and covenants of its Village of River Forest Series 2009 Revenue Bonds (which were initially purchased directly in a bank purchase mode by MB Financial Bank, N.A.).

Background:
The proceeds of the Series 2006 Bonds were used to finance, refinance and reimburse Dominican University for all or a portion of (i) the acquisition, construction, renovation, improvement and equipping of certain of the Corporation's facilities, including, without limitation, the construction of a new academic building, the demolition of an existing building and the construction in its place of a new parking garage, the design, construction and renovation of certain related roadways, the relocation of the Corporation's Early Childhood Program and the renovation of certain existing space to house such Early Childhood Program and the completion of various other campus renovations and improvements and the equipping of each of the foregoing (the "**Project**"), and (ii) certain costs of issuance of the Bonds.

All payments relating to the Series 2006 Bonds are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Bond Counsel:	Chapman & Cutler LLP	Chicago, IL	Nancy Burke, Leslie Cornell
Bond Purchaser/Bank:	MB Financial Bank, N.A.	Chicago, IL	Rich Berthold, Nick Cox
Bank Counsel:	Burke, Burns & Pinelli Ltd.	Chicago, IL	Mary Ann Murray
Placement Agent:	B.C. Ziegler & Co.	Chicago, IL	Lynn Daly
Exiting LOC Bank:	JP Morgan Chase Bank	Chicago, IL	
Exiting Trustee:	BNY Mellon Trust Co., N.A.	Chicago, IL	
IFA Counsel:	Arnstein & Lehr LLP	Chicago, IL	Randy Kulat
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

IFA RESOLUTION NO. 2014-0812-AD__

A RESOLUTION PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $20,500,000 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2014 (DOMINICAN UNIVERSITY); AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND AND LOAN AGREEMENT, A TAX EXEMPTION CERTIFICATE AND AGREEMENT AND RELATED DOCUMENTS; AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "Authority"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (as supplemented and amended, the "Act"), is authorized by the laws of the State of Illinois, including without limitation, the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to finance or refinance the cost of "educational facilities" used by "private institutions of higher education" (as such terms are defined in the Act), including the refunding of any outstanding bonds previously issued for such purpose; and

WHEREAS, the Authority has previously issued $30,000,000 in original aggregate principal amount of its Adjustable Rate Demand Revenue Bonds, Dominican University, Series 2006 (the "Series 2006 Bonds"), of which $19,800,000 remains outstanding, for the benefit of Dominican University, an Illinois not for profit corporation (the "University") and a "private institution of higher education" (as defined in the Act); and

WHEREAS, the University used the proceeds from the sale of the Series 2006 Bonds to (a) finance, refinance or reimburse itself for all or a portion of the costs of acquiring, constructing, renovating, improving and equipping certain educational facilities of the University, and (b) pay certain costs relating to the issuance of the Series 2006 Bonds including the credit enhancement thereof, all as permitted by the Act; and

WHEREAS, the University has requested that the Authority issue its Revenue Refunding Bond, Series 2014 (Dominican University) in a principal amount not to exceed $20,500,000 (the "Series 2014 Bond") and loan the proceeds from the sale thereof to the University pursuant to a Bond and Loan Agreement (the "Bond and Loan Agreement") among the Authority, the University and MB Financial Bank, N.A. (the "Purchaser"), pursuant to which the Purchaser will purchase the Series 2014 Bond from the Authority; and

WHEREAS, the University will apply the proceeds from the sale of the Series 2014 Bond and other available funds, to the refunding of the Series 2006 Bonds and the payment of certain costs relating to the issuance of the Series 2014 Bond if deemed desirable by the University (collectively, the "Financing Purposes"); and

WHEREAS, the Series 2014 Bonds and the obligation to pay principal, premium, if any, and interest thereon are special, limited obligations of the Authority, payable solely out of the revenues and income derived from the Bond and Loan Agreement; the Series 2014 Bonds and the obligation to pay interest thereon shall not be deemed to constitute an indebtedness, a general or moral obligation, or a pledge of the full faith and credit of the Authority, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision or a charge against the general credit or taxing powers, if any, of any of them; and neither the Purchaser nor any future owner of the Series 2014 Bonds shall have the right to compel any exercise of the taxing power, if any, of the Authority, the State of Illinois or any political subdivision thereof to pay any principal or purchase price of, premium, if any, or interest on the Series 2014 Bonds; and

WHEREAS, in furtherance of the purposes set forth in the Act, the Authority wishes to issue the Series 2014 Bond and loan the proceeds from the sale thereof to the University pursuant to the Bond and Loan Agreement in order to carry out the Financing Purposes; and

WHEREAS, in connection therewith, the University and the Purchaser will execute and deliver a Continuing Covenants Agreement (the "Covenants Agreement") containing certain additional covenants to be made by the University to the Purchaser; and

WHEREAS, in connection with the issuance of the Series 2014 Bond, it is now necessary and proper to authorize the execution and delivery of (i) the Bond and Loan Agreement and a Tax Exemption Certificate and Agreement (the "Tax Agreement" and, collectively with the Bond and Loan Agreement, the "Authority Documents") between the Authority and the University and (ii) Other Documents (as hereinafter defined); and

WHEREAS, the Authority has caused to be prepared and presented to its members a form of the Bond and Loan Agreement, including the form of the Series 2014 Bond attached thereto as Exhibit A;

NOW, THEREFORE, Be It Resolved by the members of the Illinois Finance Authority as follows:

Section 1.Recitals. That the foregoing recitals are incorporated in and made a part of this Resolution by this reference.

Section 2.Approval of Financing. That issuance of the Series 2014 Bond and the use of the proceeds from the sale thereof to carry out the Financing Purposes in accordance with the terms of the Bond and Loan Agreement is hereby authorized and approved and is in furtherance of the public purposes set forth in the Act.

Section 3. Bond. That, in order to provide funds to carry out the Financing Purposes, the Authority hereby authorizes and approves the issuance of the Series 2014 Bond in a principal amount not to exceed $20,500,000, to be designated the "Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Dominican University)"; that the form of Bond now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Bond and Loan Agreement be, and the same hereby is, approved; that the Series 2014

Bond shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairperson or Vice Chairperson (or other officer of the Authority so authorized, and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) shall have impressed or imprinted thereon the official seal of the Authority or a facsimile thereof and shall be attested with the manual or facsimile signature of its Secretary or any Assistant Secretary; that the Chairperson or Vice Chairperson, or any other officer of the Authority shall cause the Series 2014 Bond, as so executed and attested, to be delivered to the Purchaser, as bond registrar under the Bond and Loan Agreement, for authentication; and that when the Series 2014 Bond is executed on behalf of the Authority in the manner contemplated by the Bond and Loan Agreement and this Resolution, it shall represent the approved form of the Series 2014 Bond; *provided* that the Series 2014 Bond shall bear interest at a variable rate established pursuant to the Bond and Loan Agreement (with an initial rate of interest not to exceed 7%), shall be payable over a term not exceeding forty (40) years from its date of issuance and shall be privately placed with the Purchaser.

The interest rate on the Series 2014 Bond may be subject to adjustment to (i) a higher or lower rate per annum under certain conditions, as further described in the Bond and Loan Agreement, or (ii) a taxable rate after the occurrence of a Determination of Taxability, as defined and further described in the Bond and Loan Agreement.

The Authority hereby authorizes each of the Chairperson, Vice Chairperson or Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority (each, an "Authorized Officer") to make a final determination as to the principal amount, initial interest rate, maturity, uses of proceeds, mandatory sinking fund redemption dates and amounts (if any), optional and extraordinary redemption provisions (if any), optional or mandatory tender provisions and the purchase price and uses of the proceeds from the sale of the Series 2014 Bond. The execution by an Authorized Officer of the Bond and Loan Agreement shall constitute such Authorized Officer's approval and the Authority's approval of the final terms and provisions of the Series 2014 Bond.

The Series 2014 Bond, including the interest and any redemption premium payable thereon, shall be a limited obligation of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights (as defined in the Bond and Loan Agreement)). The Series 2014 Bond and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) the proceeds from the sale of the Series 2014 Bond, (ii) the income and revenues derived by the Authority pursuant to the Bond and Loan Agreement (except pursuant to Unassigned Rights), (iii) other amounts available under the Bond and Loan Agreement and (iv) moneys arising out of the investment or reinvestment of such proceeds, income, revenues or receipts.

Section 4. Bond and Loan Agreement. That the Authority is hereby authorized to enter into the Bond and Loan Agreement with the University and the Purchaser; that the form, terms and provisions of the Bond and Loan Agreement be, and they hereby are, in all respects approved; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest to and to affix the official seal of the Authority to, the Bond and Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Bond and Loan Agreement to be delivered to the University, such Bond and Loan Agreement (as executed) to provide for the loan of the proceeds from the sale of the Series 2014 Bond to the University and the use of such proceeds to carry out the Financing Purposes, including the refunding of the Series 2006 Bonds, in the manner and with the effect therein provided; that the Bond and Loan Agreement shall be in substantially the same form now before the Authority or with such changes as any Authorized Officer of the Authority shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions from the form of the Bond and Loan Agreement now before the Authority; that when the Bond and Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as herein provided, the Bond and Loan Agreement will be binding on the Authority; that from and after the execution and delivery of the Bond and Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Bond and Loan Agreement as executed; and that the Bond and Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Bond and Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 5. *Tax Agreement.* That the Authority is hereby authorized to enter into the Tax Agreement with the University in the form to be approved by bond counsel and the Authority's General Counsel; that the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Tax Agreement as so approved; that when the Tax Agreement is executed and delivered on behalf of the Authority as herein provided, the Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of the Tax Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of the Tax Agreement as executed.

Section 6. *Covenants Agreement.* That the Authority hereby approves the execution and delivery by the parties thereto of the Covenants Agreement in the form to be approved by the Authority's General Counsel; and that the execution and delivery of the Authority Documents shall constitute conclusive evidence of the approval of the Authority's General Counsel and the approval of the Authority of the final form thereof.

Section 7 *Other Documents*. That the Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority, including but not limited to any documentation necessary to identify an interest rate hedge agreement for federal income tax purposes (collectively, the "Other Documents"), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the University or the Purchaser, and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution and the issuance and sale of the Series 2014 Bond and/or the execution, delivery and performance of the Authority Documents and the Other Documents, all as authorized by this Resolution; and that all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 8. Private Placement; Investment Letter; Restrictions on Transfers. That the Authority hereby authorizes the issuance and sale of the Series 2014 Bond to the Purchaser on a private placement basis pursuant to the Bond and Loan Agreement; that the Purchaser shall deliver an investment letter to the Authority (in the form approved by the Authority's General Counsel) stating, among other things, that the Purchaser is either an institutional "accredited investor" within the meaning of Regulation D, Section 501 through 506 or a "qualified institutional buyer" within the meaning of Rule 144A, under the Securities Act of 1933, as amended; and that the Bond and Loan Agreement shall contain such restrictions, as the Authority's General Counsel shall reasonably determine are necessary or advisable, on the transfer of the Series 2014 Bond by the Purchaser or by any accredited investor or qualified institutional buyer to which the Purchaser transfers the Series 2014 Bond.

Section 9. Conditions to Effectiveness. That the approvals granted by the Authority pursuant to this Resolution are subject to the Authority Documents and any other document required to carry out and comply with this Resolution being in full conformance with the requirements of the Authority (including the Authority's current Bond Program Handbook), except as expressly approved by the Authority's General Counsel or the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer's execution and delivery of such documents.

Section 10. Public Hearing. That the Authority is not required to hold a Public Hearing since the Bond will satisfy the exception set forth in Section 147(f)(2)(D) of the Code.

Section 11. Other Acts. That all acts of the officers, employees and agents of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

Section 12. Severability. That the provisions of this Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

Section 13. No Conflict. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 14.Effective Date. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: August 12, 2014

Re: Resolution Authorizing the Amendment of the Amended and Restated Indenture of Trust Between the Illinois Finance Authority and U.S. Bank, National Association, as Trustee Relating to the Authority's Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011; and Related Matters
Series 1999 File Number: N-NP-8978
Series 2011 File Number: N-NP-TE-CD-8695

Request:

Chicago Shakespeare Theater, an Illinois not for profit corporation (the "**Borrower**"), is requesting approval of a Resolution to authorize execution and delivery of a Supplemental Indenture to effectuate an extension of the initial interest rate period on the Illinois Finance Authority's $4,100,000 Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011 (the "**Bonds**"), which are presently outstanding in the principal amount of $4,100,000 and owned in whole by Wells Fargo Bank, N.A. (the "**Bank**" or "**Bond Purchaser**").

This Supplemental Indenture will amend and supplement the Amended and Restated Indenture of Trust dated as of September 1, 2011 between the Illinois Finance Authority and the U.S. Bank, N.A., as Trustee (the "**Amended and Restated Indenture**"). Under the Amended and Restated Indenture, the initial interest rate period for the Bonds was set to expire on September 1, 2014. Approval of this technical amendment will result in the initial interest rate period being extended until September 1, 2016. Consistent with historical practice, there will be no fee for this technical amendment. The scheduled final maturity date will remain unchanged (i.e., January 1, 2019).

Background:

The Illinois Development Finance Authority's Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 were supported by a Letter of Credit issued by Bank of America, N.A. that would have otherwise expired in September 2011. At the request of the Borrower, the Authority executed the Amended and Restated Indenture (including a revised form of Bond contained therein) and related documents to effectuate the creation of a new bank purchase mode for the Bonds, causing a reissuance for tax purposes. The Authority's administrative fee was $5,000.

Wells Fargo Bank, N.A. purchased the Bonds in whole under the new bank purchase mode in September 2011 and continues to hold them as an investment without any credit enhancement. Likewise, U.S. Bank, N.A., as Trustee, continues to remain in place while the Bonds bear interest in the new bank purchase mode.

Proceeds of the Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 were used by the Borrower to (i) finance costs of design, construction and equipping of an approximately 75,000 square foot, seven story theater located on Navy Pier at 800 East Grand Avenue in Chicago, Illinois on property leased from the Metropolitan Pier and Exposition Authority and (ii) pay certain bond issuance costs.

All payments relating to the Bonds are current and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

Borrower's Financial Advisor:	William Blair & Co., LLC	Chicago, IL	John H. Peterson
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	Wells Fargo Bank, N.A.	Chicago, IL	Krenna Weiss
Bank Counsel:	Chapman & Cutler LLP	Chicago, IL	Andrew Borders
Trustee:	U.S. Bank, N.A.	Chicago, IL	Vernita L. Anderson
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Melanie Shaker

RESOLUTION NO. 2014-0812-AD__

RESOLUTION AUTHORIZING THE AMENDMENT OF THE AMENDED AND RESTATED INDENTURE OF TRUST BETWEEN THE ILLINOIS FINANCE AUTHORITY AND U.S. BANK, NATIONAL ASSOCIATION, AS TRUSTEE RELATING TO THE AUTHORITY'S ADJUSTABLE DEMAND REVENUE BONDS (CHICAGO SHAKESPEARE THEATER PROJECT), SERIES 2011; AND RELATED MATTERS.

WHEREAS, the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "**Authority**"), including without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, as supplemented and amended (the "**Act**"), amended and reissued on September 9, 2011 its Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011 (the "**Bonds**") in the initial aggregate principal amount of $4,100,000; and

WHEREAS, proceeds of the Bonds were lent to Chicago Shakespeare Theater, an Illinois not-for-profit corporation (the "**Borrower**"), pursuant to an Amended and Restated Loan Agreement dated as of September 1, 2011 for the purposes set forth therein; and

WHEREAS, the Bonds were issued pursuant to an Amended and Restated Indenture of Trust dated as of September 1, 2011 (the "**Indenture**") between the Authority and U.S. Bank, National Association, as Trustee (the "**Trustee**"), and were purchased in whole by Wells Fargo Bank, National Association (the "**Purchaser**"); and

WHEREAS, the Borrower and the Purchaser have requested that the Authority enter into a Supplemental Indenture (the "**Supplemental Indenture**") with the Trustee in order to amend and supplement the Indenture to extend the "Initial Index Interest Rate Termination Date" (as defined in the Indenture) to September 1, 2016.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Pursuant to the Act, the Authority does hereby authorize the amendment of the Indenture as described above, and such amendment is in the public interest and will promote the purposes of the Authority.

Section 2. The Supplemental Indenture, in substantially the form on file with the Authority and containing substantially the terms and provisions set forth therein, is hereby authorized and approved, and the form, terms and provisions of the Supplemental Indenture are hereby approved, with such changes and revisions therein as shall be approved by the officers of the Authority executing and attesting the same, their signatures thereon to constitute conclusive evidence of such approval, and the Chairman, the Vice Chairman, the Executive Director or any person authorized by a Resolution of the Authority be, and each of them is hereby authorized and directed to execute and deliver, and the Secretary or the Assistant Secretary of the Authority are each hereby authorized and directed to execute, attest, seal and deliver, the Supplemental Indenture to the other parties thereto.

The Bonds and interest thereon shall continue to be a limited obligation of the Authority, payable solely out of the receipts, revenue and income derived from the Borrower by the Authority pursuant thereto as described in the Indenture, as amended by the Supplemental Indenture. The Bonds are not in any respect a general obligation of the Authority, and are not payable in any manner from funds raised by taxation. No holder of the Bonds has the right to compel any exercise of the taxing power of the State of Illinois or any political subdivision thereof to pay the Bonds, the interest or premium, if any, thereon. The Bonds do not constitute in any respect an indebtedness of the Authority or loan of credit thereof within the meaning of any constitutional or statutory provision.

Section 3. The Chairman, the Vice Chairman, the Executive Director or any person authorized by a Resolution of the Authority is hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the execution and delivery of the Supplemental Indenture, and to carry out the intent and purposes of this Resolution, including the preambles hereto.

Section 4. All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the Supplemental Indenture and the Bonds, and the same hereby are, in all respects, approved and confirmed.

Section 5. The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 6. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Passed and approved this 12th day of August, 2014.

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: August 12, 2014

Re: Proposal to Activate IFA's Community Development Entity and to Adopt the Accompanying Resolution to Serve as a Conduit Intermediary Relender on behalf of The Business Valued Advisors Fund, LLC (formerly Illinois Valued Advisors Fund, LLC) on an Approximately $5.0 Million New Market Tax Credit Investment to Fund a Loan to Method Products (or its real estate affiliate) in connection with development of its New Chicago manufacturing facility in the Pullman Park Neighborhood (NW of I-94/E. 130th Street interchange)

I. REQUEST TO IFA BOARD OF DIRECTORS

This memorandum and the accompanying Resolution comprise a request for authorization to continue IFA's efforts initiated in August 2013 towards obtaining a New Markets Tax Credit allocation from the **U.S. Department of the Treasury's Community Development Financial Institutions Fund** (or "**CDFI Fund**").

This request would authorize the Authority's Executive Director and a special-purpose IFA affiliate incorporated in August 2013 (as "**Illinois Finance Authority Development Fund NFP**" **or** "**IFA-DF-NFP**") for the purpose of serving as a **Community Development Entity** ("**CDE**") on New Markets Tax Credit transactions, to serve as a conduit intermediary on a New Markets Tax Credit transaction and originate a New Markets Tax Credit loan to Method Products (and its affiliates) to finance a portion of a new LEED Platinum Certified Manufacturing Facility to be located in Chicago's Pullman Park neighborhood (NW of the I-94/E. 130th Street interchange).

The Authority's advisor on New Markets Tax Credit matters (i.e., **Baker Tilly Capital, LLC** (**or "BTC"**) and its NMTC investment/lending affiliates, including The Business Valued Advisor Fund, LLC) has used this strategy to enable several of its local and regional New Markets Tax Credit clients to build experience and a track record as a lender on New Markets transactions, thereby bolstering each newly-formed CDE's application for a New Market Tax Credit allocation from CDFI Fund.

The Authority is applying for a New Markets Tax Credits allocation in order to provide an additional financing tool to facilitate fulfillment of the Authority mission, in order to augment the Authority's existing revenue bond and loan financing programs that finance capital projects that create jobs and expand business opportunities in the state of Illinois. In particular, development of a New Markets financing program would help enable the Authority to better serve low-income and economically disadvantaged areas.

II. CONTENTS OF THIS MEMORANDUM

Memorandum content is below (with Sections and Page(s) identified):

LLC (or ("**BVAF**") and formerly Illinois Valued Advisors Fund, LLC), an affiliate of Baker Tilly Capital, LLC (see Section VI on Page 3)

- **Sources and Uses of Funds on The Business Valued Advisors Fund, LLC's Loan to Method Products via Illinois Finance Authority Development Fund NFP (as a Conduit Intermediary CDE Lender)**; (see Section VII on Page 4)
- **Background Information on Method Products** (see Section VIII on Page 5)
- **Background on Method's Chicago Project, the Borrower/Obligor Entity, and Overview of Plan of Finance** (see Section IX on Pages 5-6)
- **Background on Baker Tilly Capital, LLC ("BTC") and the Prior Experience of its Affiliates enabling "Conduit CDEs" to be intermediary lenders on Projects financed using the New Markets Tax Credit Allocations of BTC affiliates** (see Section X on Pages 6-7)
- **The Business Valued Advisors Fund, LLC's ("BVAF's") Proposal to Illinois Finance Authority (and Illinois Finance Authority Development Fund NFP) for IFA's CDE to Serve as a Conduit Intermediary Lender on the Method Products Project** (see Section XI on Page 7)
- **Description of General Business Terms in BVAF's Proposal to Illinois Finance Authority** (see Section XII on Page 8)
- **Risk Assessment to IFA and IFA's CDE** (Illinois Finance Authority Development Fund NFP); (see Section XIIII on Page 8)
- **Staff Recommendation** (see Section XIV on Page 9)
- **Legal and Professional Representation** (see Section XV on Page 9)
- Finally, a draft **Resolution** is attached and presented for your consideration (see pages 10-11).

III. BACKGROUND ON PRIOR IFA BOARD ACTION AND ENGAGEMENT OF NMTC CONSULTANT:

On August 13, 2013, the IFA Board of Directors approved a Resolution that (i) ratified the actions of the Authority's Executive Director in connection with the previously submitted August 7, 2013 application for New Markets Tax Credits to CDFI Fund, and (ii) authorized the Authority's Executive Director to undertake all further actions necessary, including proceeding with a procurement and engagement of a New Markets Tax Credit consultant to secure an allocation of New Markets Tax Credits, and (iii) adopted policies, as necessary in development of the Program.

Baker Tilly Capital, LLC – NMTC Consultant to the Illinois Finance Authority:

Pursuant to a procurement, the Authority engaged Baker Tilly Capital, LLC ("Baker Tilly Capital" or "BTC") which is a subsidiary of Baker Tilly Virchow Krause, LLP as New Markets Tax Credit consultant to the Authority effective from September 9, 2013 through September 8, 2015.

BTC is the controlling entity of two New Markets Tax Credit Allocatees (i) the Valued Advisors Fund, LLC and (ii) The Business Valued Advisors Fund, LLC (formerly Illinois Valued Advisors Fund, LLC). (Baker Tilly Virchow Krause, LLP, the ultimate parent of BTC, is the 16th largest public accounting firm in the United States.)

Additional information regarding BTC and its (i) Valued Advisors Fund, LLC and (ii) The Business Valued Advisors Fund, LLC (formerly Illinois Valued Advisors Fund, LLC) affiliates is described below in the Section IX, beginning on page 6 of this memorandum.

IV. PROGRESS REPORT ON RESULTS OF ORIGINAL NMTC APPLICATION SUBMISSION TO CDFI FUND (SUBMITTED AUGUST 2013)

CDFI Fund announced NMTC allocation awards for the 2013-2014 allocation round on June 5, 2014. CDFI Fund awarded NMTC allocations totaling $3.5 billion to 87 CDEs nationally, representing 32 states and Washington, DC.

Details of NMTC awards and allocatees announced in June 2014 are posted at: www.cdfifund.gov/news_events/CDFI-2014-19-Treasury_Announces_3.5_Billion_NMTC_Awards.asp

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V. IMMEDIATE OBJECTIVE: SUBMIT REVISED NMTC ALLOCATION APPLICATION FOR THE AUTHORITY'S CDE

(i.e., "ILLINOIS FINANCE AUTHORITY DEVELOPMENT FUND NFP" OR "IFA-DF-NFP")

The immediate objective of this request and the accompanying Resolution is to delegate authority to the Authority's Executive Director and to the Board of Directors of the Authority's CDE (IFA-DF-NFP) to submit revised applications for any subsequent NMTC Allocation Rounds to CDFI Fund that occur through September 8, 2015.

Under terms of a fixed cost engagement with the Authority, Baker Tilly Capital, LLC is obligated to assist the Authority (and its New Markets Community Development ("CDE") entity affiliate – "IFA-DF-NFP") in providing guidance and assistance in applying for a New Markets Tax Credits allocation in any subsequent application round through September, 2015.

VI. OVERVIEW OF PROPOSAL FOR THE AUTHORITY'S CDE ("ILLINOIS FINANCE AUTHORITY DEVELOPMENT FUND, NFP") TO SERVE AS A CONDUIT CDE LENDER ON A PROPOSED NMTC LOAN TO BE ORIGINATED BY THE BUSINESS VALUED ADVISORS FUND, LLC (FORMERLY ILLINOIS VALUED ADVISORS FUND, LLC), AN AFFILIATE OF BAKER TILLY CAPITAL. LLC

PURPOSE: TO FINANCE A PORTION OF A NEW METHOD PRODUCTS MANUFACTURING FACILITY IN CHICAGO

Baker Tilly Capital, LLC, has proposed that Illinois Finance Authority Development Fund NFP serve as a conduit to relend approximately $4.95 million of a NMTC loan to Method Products (or its real estate affiliate, as applicable), on behalf of BTC's The Business Valued Advisors Fund, LLC affiliate (formerly Illinois Valued Advisors Fund, LLC).

As proposed, Illinois Finance Authority Development Fund NFP ("IFA-DF-NFP") would enter into a loan agreement with The Business Valued Advisors Fund, LLC ("BVAF") under which IFA-DF-NFP would borrow $4.95 million of loan proceeds from BVAF and concurrently relend the $4.95 million of loan proceeds under a Loan Agreement that IFA-DF-NFP would execute directly with Method Products (and more specifically a special purpose affiliate formed by Method that will own the subject real estate, and serve as landlord to the operating company). Separately, Method has also formed a second entity that will operate the Chicago manufacturing company and own manufacturing equipment located within the facility (and serve as the "tenant").

The two special purpose entities formed by Method to (i) own the real estate and (ii) serve as the Chicago operating company are described further on page 4.

Rationale for Illinois Finance Authority to serve as a Conduit Pass-Through CDE on this financing:

According to Baker Tilly Capital, LLC this conduit, pass-through loan arrangement would accomplish the following to support the Authority's subsequent NMTC applications:

(i) Provide IFA and IFA's NFP with direct CDE experience and knowledge in managing and closing a NMTC transaction, thereby supplementing IFA's prior experience as the Issuer of conduit revenue bonds in connection with the KONE Investment Fund, LLC project in December 2010. (IFA's Bonds (directly purchased by US Bank., N.A.) funded a portion of the leveraged loans that boosted the New Market Tax Credit eligible cost basis on the KONE Centre Project in Moline, thereby increasing the eligible amount of NMTC subordinate loans on the project.)

(ii) Provide IFA's NFP with access to a $25,000 capital contribution that would be collected at closing of the Method loan. This capital contribution could be used to support IFA's internal development of CDE internal controls, protocols, and other organization costs.

(iii) Provide IFA's CDE (i.e., IFA-DF-NFP) with a track record of closing a transaction using an NMTC allocation and help IFA establish a base network of relationships within the NMTC industry. *It is anticipated that the Method Products NMTC financings will close within the next 30-120 days.)*

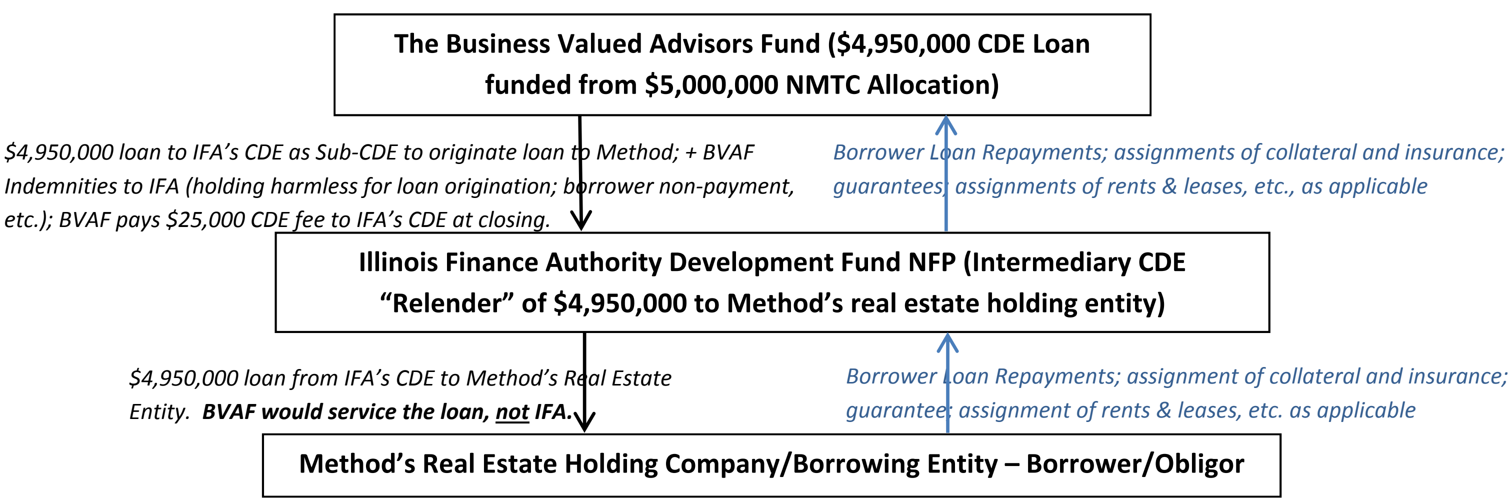
VII. SOURCES AND USES OF FUNDS ON IVAF'S LOAN TO METHOD (VIA IFA'S CDE)

Method Products has established two affiliates to serve as the (i) real estate entity and (ii) operating company at the Company's new Chicago manufacturing operations:

1. The Real Estate Holding Company (and Landlord) for Method's Chicago real estate: "People Against Dirty Property Management, LLC", a Delaware limited liability company. *This entity will be the borrowing entity on the conduit loan from IFA's CDE (and funded by BVAF) and on all other real estate loans.*
2. The Operating Company (and Tenant) for Method's Chicago facility (this entity will also own all manufacturing equipment): "People Against Dirty Manufacturing, PBC", a Delaware Public Benefit Corporation. *This entity will be the borrowing entity for all equipment and operating loans.* <u>Note:</u> under Delaware law, a Public Benefit Corporation is a corporation that will have the specific public benefit purpose of creating a materially positive impact on society and the environment (as assessed by an independent third-party standard).

Sub-CDEs - Make Qualified Low Income Community Investments ("QLICI" Loans) - Net amount of Loan is less allowed CDE fees	
The Business Valued Advisors Fund ("BVAF"):	**BVAF**
Sources of Funds	
Qualified Equity Investment - NMTC Allocation:	$ 5,000,000
BVAF Investment	500
Total Sources of Funds	$ 5,000,500
Uses of Funds:	
CDE Fee to BVAF:	$ 25,000
CDE Fee to IFA Growth Fund, NFP	25,000
Cash Retained	500
Qualified Low Income Community Loan ("QLICI" Loan) to Method (Real Estate Affiliate) - *to be reloaned by IFA Development Fund NFP to Method*	4,950,000
Total Uses of Funds	$ 5,000,500

Below is a flowchart relating to the proposed BVAF loan to Method (under which IFA's CDE would be a conduit intermediary lender):



VIII. BACKGROUND ON METHOD PRODUCTS:

About Method Products:

Founded in 2000, Method is a leader in developing and manufacturing ecologically-friendly home, fabric, and personal care products that are formulated with naturally-derived, biodegradable ingredients. In 2002, Method launched sales at 90 Target Stores as a market test. Seven months later Method was launched in Target Stores nationally. (Method Products web site is www.methodhome.com .)

Method's cleaning products are now sold through more than 40,000 retail locations throughout the U.S., Canada (beginning in 2005), Europe (beginning in 2005), Australia, and Asia. Major national U.S. retailers include Target, Lowe's Home Improvement Centers, and Kroger Co. (which operates supermarkets nationally under several regional trade names).

In 2006, Inc. Magazine ranked Method as the 7th fastest growing private company in the United States.

Method was a privately-held company prior to its 2012 acquisition by Ecover Group, a privately-held holding company based in Malle, Belgium. Subsequent to its 2012 acquisition by Ecover Group, Method's operations have remained headquartered in San Francisco, CA.

Method has formed two special purpose entities in connection with this transaction including: (1) People Against Dirty Property Management, LLC (this is the entity that has been formed as the initial Borrower/Owner of the subject real estate) and (2) People Against Dirty Manufacturing, PBC (this special purpose affiliate will own all equipment and will be the local entity that will operate the Chicago manufacturing facility) as tenant.

IX. BACKGROUND ON METHOD'S CHICAGO PROJECT AND FINANCING

About the Project and Financing:

Because IFA will only be serving as a conduit lender (on behalf of The Business Valued Investors Fund, LLC), information presented herein regarding the Method Project financing it limited to items pertaining to IFA's direct role as serving as a conduit lender on behalf of BVAF. IFA has also executed a Non-Disclosure Agreement with Method Products that limits the scope of information reported regarding this project.

The overall anticipated cost to construct and equip Method's new LEED Platinum-certified production facility located on an approximately 22.0 acre site located in Chicago's Pullman neighborhood (and located NW of the I-94/E. 130th Street interchange) will exceed $34.0 million.

BVAF will originate a New Markets loan to Method that will finance approximately $5.0 million of construction costs. The remaining approximately $29.0 million of project costs will be will be financed with a combination of (i) bank loans, (ii) CDE loans from other New Markets allocatees and (iii) direct equity from Method Products' parent company. (Prior project development costs attributable to (a) land acquisition, (b) soil remediation, as applicable, and (c) other pre-development expenditures financed from other sources are not included in the $34.0 million total.)

After 7 years, the New Markets Tax Credit loans are subject to concurrent call (and put) options by the Lender (or Borrower), as applicable. As a result, each New Markets loan may be forgiven at that time subject to a nominal payment by the Borrower to the Lender. Upon execution of the call (or put) provision, the New Markets loans become Borrower equity in the project.

Origination Fee at Closing Payable to IFA's CDE (Illinois Finance Authority Development Fund NFP):

The Business Valued Advisors Fund, LLC (formerly Illinois Valued Advisors Fund, LLC) and Illinois Finance Authority Development Fund NFP will each be receiving a fee of $25,000 at closing of the loan (i.e., or $50,000 total, which represents 1.0% of the $5,000,000 Qualified Equity Investment provided in connection with BVAF's $5.0 million New Markets Tax Credit allocation). As discussed previously (and in the "Description of General Business Terms Section presented on pages 7-8"), the net proceeds of $4.95 million would be loaned to the Borrower (i.e., Method's Real Estate Affiliate that will own the Chicago project.)

Method's New Chicago Manufacturing Facility Designed to Attain LEED Platinum Certification:

New Markets Tax Credit will be enabling the Company to build a higher-amenity LEED Platinum-certified manufacturing building that would not be possible "but for" availability of loans under the New Markets Tax Credit financing structure.

The project site will include (i) a 230 foot wind turbine that, together with (ii) on-site solar energy (generated from solar panels located on the building and in the parking lot) will combine to generate approximately 50% of the building's annual electricity needs.

Method's production facility and surrounding property will also feature functional gardens that will produce fresh fruits and vegetables for sale to the surrounding Pullman community.

X. BACKGROUND ON BAKER TILLY CAPITAL, LLC AND PRIOR EXPERIENCE OF BTC AFFILIATES CONVEYING NMTC ALLOCATIONS TO A LOCAL INTERMEDIARY FOR RELENDING DIRECTLY TO A NMTC PROJECT:

Baker Tilly Capital, LLC ("BTC") a subsidiary of Baker Tilly Virchow Krause, LLP (a Certified Public Accounting (CPA) and consulting firm) is the 16th largest CPA firm in the country.

All (i) Baker Tilly Capital, LLC, (ii) The Business Valued Advisor Fund, LLC, and (iii) Valued Advisor Fund, LLC staff members are employees of Baker Tilly Virchow Krause, LLP (with service performed on behalf of its affiliates through a service contract).

BTC was formed to serve a need for capital in the market for businesses that could not obtain it otherwise.

Since its formation in 2001, BTC has developed a track record in making loans and investments, particularly serving Disadvantaged Businesses and Communities (DBC) as an investment bank. From 2005-2009, BTC raised and deployed capital totaling $649 million for over 16 projects, including a conference center hotel, residential real estate projects, and commercial real estate projects.

"VAF" – Valued Advisors Fund, LLC: Background/Historical Activity:

BTC formed **Valued Advisors Fund, LLC** ("**VAF**") in 2004 to focus directly on serving the needs of economically disadvantaged communities nationally by (i) collaborating with local CDE and CDFI partners to generate net capital for the local partner, deepen financing expertise, and expose the local partner to specialized financing expertise, and (ii) providing local and regional CDEs with technical expertise and guidance to realize the benefits of New Markets Tax Credits and develop the capability to capably manage a CDE.

With this proposal, BTC is seeking to replicate the sub-allocation (or conduit relending) effort that its VAF and BVAF affiliates have used previously with other local and regional CDEs.

More specifically, VAF has received two New Markets Tax Credit allocations of (i) $50 million and (ii) $17 million, respectively, that have both been successfully raised and closed.

Of VAF's original $50 million allocation, $48.5 million was sub-allocated to six other CDEs, which invested the funds in seven New Markets-financed projects, financing projects that cost $257 million. VAF used the remaining $1.5 million to (i) fund financial counseling and related services to various New Markets borrowers (i.e., "QALICBs") (ii) fund Community Development Financial Institutions, (iii) provide capital grants to partnering CDEs, and (iv) reimburse qualified BTC expenses.

Subsequently, VAF received a $17 million Gulf Opportunity Zone ("GOZone") NMTC allocation that was 100% deployed to FEMA-designated areas and high distress areas.

"BVAF" – The Business Valued Advisors Fund, LLC – Background/Historical Activity Lending to a CDE to serve as a "Conduit" on an NMTC transaction:

BTC formed **The Business Valued Advisors Fund, LLC ("BVAF")** (and formerly Illinois Valued Advisors Fund, LLC or "IVAF") with a similar mission to VAF but with Illinois as its primary service area. BVAF has received two allocations of $35 million each, with (i) the first awarded in 2010 and (ii) the second awarded in 2012.

The $5.0 million allocation of NMTCs that BVAF will be using in connection with the Method Products project represents one of the last components of BVAF's 2012 allocation to close.

Although BVAF has primarily funded projects directly (without using a local CDE as a conduit/pass-through), BVAF has also used the conduit financing model (as now proposed with IFA's CDE with Method Products) in connection with a project financing that involved Central States Partners, CDE, a non-profit CDE established by Rock Island Growth. Proceeds of the BVAF loan to Central States Partners, CDE, were concurrently re-loaned directly to the underlying New Markets project using the same conduit structure.

XI. BVAF'S PROPOSAL TO ILLINOIS FINANCE AUTHORITY (AND IFA-DF-NFP) TO SERVE AS AN INTERMEDIARY LENDER ON THE METHOD PRODUCTS PROJECT:

With most of the remaining unused balance of BVAF's 2012 NMTC allocation of $35 million, BVAF has committed to use its remaining New Markets Tax Credit allocation, thereby resulting in a $5.0 million investment by US Bank Community Development Corporation ("USBank-CDC") in the Method Products project under construction in the Pullman Park neighborhood (located NW of the I-94 Bishop Ford Freeway/E. 130th Street interchange).

The proposed use of IFA's CDE as a conduit intermediary lender replicates structures used by BTC affiliates including (i) BVAF with Rock Island Growth's CDE and (2) VAF in connection with its original NMTC allocation).

BVAF Condition: IFA-DF-NFP's role as an intermediary "relender" would be subject to approval by the other parties to the transaction.

Note: The anticipated closing date of this financing is expected to occur within the next 30 to 120 days.

XII. DESCRIPTION OF GENERAL BUSINESS TERMS IN BVAF'S PROPOSAL TO IFA:

1. **BVAF Closed on a commitment for an Allocation of NMTCs with US Bank Community Development Corporation in return for a $5.0 million equity investment (i.e., a "Qualified Equity Investment") by US Bank CDC**: This $5.0 million Qualified Equity Investment by US Bank CDC will finance a loan to finance a portion of the Method Products Project.
2. **BVAF would loan $4.95 million to IFA's CDE via a BVAF – IFA CDE Loan Agreement**: BVAF would enter into a Loan Agreement with IFA's CDE under which BVAF would lend $4.95 million to IFA's CDE (i.e., IFA-DF-NFP).
3. **Concurrent IFA CDE Loan of $4.95 million to Method Products Project (QALICB) via IFA CDE – Method Products Loan Agreement:** IFA's CDE would concurrently originate a loan to the Method Project (QALICB) real estate entity in the amount of $4.95 million.
4. **IFA would assign its rights to collateral and security to BVAF**: In a manner analogous to IFA's assignment of its rights in underlying financings to a Bond Trustee on a Conduit Revenue Bond transaction, IFA would assign all rights to collateral and all underlying Borrower obligations in its Loan Agreement with Method Products to BVAF.
5. **IFA Closing Fee and Reimbursement for IFA Legal Fees:** BVAF would pay (i) IFA's CDE a $25,000 fee at closing to serve as a capital contribution to support the capacity of IFA to manage its CDE on a long-term basis and (ii) would (via a separate payment) reimburse IFA for legal fees incurred by outside counsel in connection for drafting and reviewing loan documents, and delivering necessary legal opinion on behalf of IFA's CDE at closing.
6. **Loan Servicing:** BVAF would service the loan for IFA's CDE (while the IFA CDE's loan is outstanding).
7. **Minimum Duration of IFA CDE Loans (from BVAF and to Method Products QALICB):** One (1) year. (The maximum term for all NMTC loans is seven (7) years.)
8. **Under proposed terms of the IFA CDE Loan, IFA would have the option to exchange the IFA QALICB Loan (i.e., to Method Products) for BVAF's Loan to IFA's CDE -- thereby enabling Illinois Finance Authority Development Fund NFP to exit the transaction after one year.**

XIII. RISK ASSESSMENT TO IFA AND IFA'S CDE (ILLINOIS FINANCE AUTHORITY DEVELOPMENT FUND NFP):

It is the intent of BVAF for IFA's CDE to strictly act as a conduit on this financing so that IFA's CDE can directly participate and close a New Markets financing in order to build a track record and thereby bolster the Authority's next application for an Allocation of New Market Tax Credits.

Consistent with this intent (and the notion of serving as a conduit, on behalf of BVAF), IFA's CDE will be assigning all rights in any collateral, cash flows, and other rights to BVAF. Additionally, BVAF will undertake all loan servicing.

The accompanying Resolution requests authorization for IFA's Executive Director and the Board of IFA's CDE to work with external counsel to the Authority (Foley & Lardner, LLP) to assure that Illinois Finance Authority Development Fund NFP does not incur any additional risk by serving as a conduit (pass-through) Community Development Entity in connection with the subject loan associated with the Method Products financing project in Chicago.

Accordingly, BVAF shall provide IFA's CDE (and its affiliates) with appropriate indemnities and/or additional insurance as deemed necessary or advisable by external counsel to IFA on this matter (Foley & Lardner, LLP) while IFA's CDE is serving as a pass-through, conduit lender (on behalf of BVAF) for the Method Products New Markets project (and the real estate affiliate that Method Products establishes to own the property and serve as Obligor on the subject New Markets loan).

XIV. STAFF RECOMMENDATION

Staff recommends approval of the accompanying Resolution subject to satisfactory negotiation of business terms and any reasonable business conditions as determined satisfactory by IFA's Executive Director and the Board of Illinois Finance Authority Development Fund NFP in consultation with IFA's external counsel on this matter (Foley & Lardner, LLP).

XV. LEGAL & PROFESSIONAL

Borrower:	Method Products and its real estate affiliate (i.e., "People Against Dirty Property Management, LLC")	San Francisco, CA	Paul Yee, CFO
Parent Company of Borrower:	The Ecover Group (privately-held company)	Malle, Belgium www.ecover.com	
Borrower's Counsel:	Ginsberg Jacobs, LLC	Chicago, IL	Darryl Jacobs
Bank Lender:	U.S. Bank, N.A.	Chicago, IL	
NMTC Investor:	U.S. Bank Community Development Corp.	St. Louis, MO	
Counsel to NMTC Investor:	Husch Blackwell, LLP	St. Louis, MO	
NMTC Lender to IFA Development Fund NFP:	The Business Valued Advisor Fund, LLC	Chicago, IL (formerly Illinois Valued Advisor Fund, LLC)	
Architect:	William McDonough + Partners		
General Contractor:	Summit Design + Build LLC	Chicago, IL	
Counsel to NMTC Lender:	Nixon Peabody, LLP	Washington, DC	Greg Doran
Counsel to IFA Development Fund NFP:	Foley & Lardner, LLP	Chicago, IL	Meredith Brooks,
		Madison, WI	Wayman Lawrence
NMTC Consultant to IFA Development Fund NFP:	Baker Tilly Capital, LLC	Madison, WI	Mike Ross

Attachment: Resolution for IFA Board consideration

IFA RESOLUTION NO. 2014-0812-AD06

RESOLUTION RATIFYING THE ACTIONS OF THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY ("IFA") IN APPLYING FOR A NEW MARKETS TAX CREDITS ALLOCATION FOR THE IFA THROUGH ITS AFFILIATE, ILLINOIS FINANCE AUTHORITY DEVELOPMENT FUND NFP (THE "IFA DEVELOPMENT FUND"), AND DELEGATING TO THE EXECUTIVE DIRECTOR AND THE BOARD OF IFA DEVELOPMENT FUND AUTHORIZATION TO WORK WITH BAKER TILLY CAPITAL, LLC, AND ITS AFFILIATES TO UNDERTAKE ALL FURTHER ACTIONS NECESSARY SUPPORT THE IFA DEVELOPMENT FUND'S APPLICATION TO SECURE AN ALLOCATION OF NEW MARKETS TAX CREDITS, INCLUDING SERVING AS A CONDUIT CDE FOR A NEW MARKETS TAX CREDIT LOAN TO BE ORIGINATED BY THE BUSINESS VALUED ADVISOR FUND, LLC (FORMERLY ILLINOIS VALUED ADVISOR FUND, LLC) IN CONNECTION WITH A PROJECT ON BEHALF OF METHOD PRODUCTS, THROUGH ITS AFFILIATES.

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act (20 ILCS 3501/801-1 et seq.) (the "Act"); and

WHEREAS, the Authority is authorized to enter into loans, contracts, agreements and mortgages in any manner connected with any of its corporate purposes and to invest its funds (20 ILCS 3501/801-30(a); and

WHEREAS, the General Assembly of Illinois determined and declared that the following was included as a policy behind the Authority: that for the benefit of the people of the State of Illinois, the conduct and increase of their commerce, the protection and enhancement of their welfare, the development of continued prosperity and the improvement of their health and living conditions it is essential that all the people of the State be given the fullest opportunity to learn and to develop their intellectual and mental capacities and skills; that to achieve these ends it is of the utmost importance that private institutions of higher education within the State be provided with appropriate additional means to assist the people of the State in achieving the required levels of learning and development of their intellectual and mental capacities and skills (20 ILCS 3501/801-5(l); and

WHEREAS, on August 7, 2013, the Authority formed Illinois Finance Authority Development Fund NFP, an Illinois not for profit to serve as a Community Development Entity (a "CDE") to apply for an allocation of New Markets Tax Credits from the U.S. Department of the Treasury's Community Development Financial Institutions Fund.

WHEREAS, on August 13, 2013, the Authority approved Resolution 2013-0813-AD09 for the purpose of authorizing the Executive Director to undertake any and all such actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with the funding and administration of a New Markets Tax Credit Program (the "Program"), including but not limited to, the formation of the Illinois Finance Authority Development Fund NFP, and including proceeding with a procurement and engagement of a New Markets Tax Credit consultant (through which procurement, Baker Tilly Capital, LLC was engaged for a two-year period through September 8, 2015), and any policies adopted by the Authority pursuant to Public Act 098-0090.

NOW, THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Purpose of the Program. The purpose of the Program is to augment the Authority's existing bond and loan programs to create new ways to finance Projects throughout the State in accordance with the Authority's corporate purposes, which include creating jobs and improving the welfare, health, and living conditions for the people of the State of Illinois, and financing capital projects in low income communities.

Section 3. Structure of Transaction. The Authority hereby authorizes the IFA Development Fund and the Executive Director of the Authority, and any designees thereof, in conjunction with the other officers of the Authority and the Board of the IFA Development Fund, to borrow from The Business Valued Advisor Fund, LLC (formerly Illinois Valued Advisor Fund, LLC) an amount not to exceed $5 million (the "Loan"). In connection with the Loan, the Authority hereby authorizes the IFA Development Fund to serve as a conduit lender to People Against Dirty Property Management, LLC, or another real estate holding company for Method Products' Chicago real estate, of an amount not to exceed $5 million (the "Conduit Loan" and together with the Loan, the "Transaction").

Section 4 Ratification and Delegation to the Executive Director and the Board of the IFA Development Fund. The Authority hereby confirms, ratifies and approves all actions taken by the Executive Director and hereby delegates to the Executive Director of the Authority, and any designees thereof, in conjunction with the other officers of the Authority and the Board of the IFA Development Fund, the power to take or cause to be taken any and all such actions, and to negotiate, execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with the Transaction and the funding and administration of the New Markets Tax Credit Program, including but not limited to, the submission of any revised applications for any subsequent New Markets Tax Credit Allocation Rounds to the U.S. Department of the Treasury's Community Development Financial Institutions Fund Initiative that occur through September 8, 2015, in addition to powers authorized pursuant to IFA Resolution No. 2013-0813-AD09.

Section 5. Further Actions. The Executive Director and the Board of the IFA Development Fund are hereby authorized, empowered and directed to do all such acts and things and to draft, execute, acknowledge and deliver all documents as may deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution and the Transaction; and all of the acts and doings of the Executive Director of the Authority, or the Board of the IFA Development Fund, which are in conformity with the intent and purpose of this Resolution and the Transaction, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority (or the IFA Development Fund) that are in conformity with the purposes and intent of this Resolution and the Transaction and in furtherance of the execution and performance of this Resolution and the Transaction shall be and the same hereby are in all respects approved and confirmed.

Section 6. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

Section 7. Enactment. This Resolution shall be in full force and effect immediately upon its passage and approval.

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

To: Illinois Finance Authority Board of Directors

From: Sohair Omar, Deputy Director

Date: August 12, 2014

Subject: Resolution Authorizing the Illinois Finance Authority ("IFA") to Enter into an Intergovernmental Agreement with the Metropolitan Pier and Exposition Authority ("MPEA") to Allow Small Contractors Interested in Performing Work on MPEA's Headquarters and Convention Center Hotel and Event Center to Access Working Capital through the IFA's Small Contractor Bridge Program and Amending Certain Requirements of Such Program

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I. Background

The Illinois Finance Authority ("IFA" or the "Authority") adopted Resolution No. 2013-0312-AD14 on March 12, 2013 authorizing the IFA to administer a pilot program (the "Program") to provide working capital participation loans to small and emerging contractors performing work under government construction contracts, including minority-owned, women-owned and disadvantaged business enterprises ("M/W/DBEs, collectively with small and emerging contractors known as "Small Contractors"), to assist them in obtaining surety bonding, a legal guarantee, for public works contracts, as required by the Public Construction Bond Act, 30 ILCS 550/0.01 et seq., as amended.

The Program encourages short-term bank lending to small contractors for the purposes of paying for (i) surety bond premiums, (ii) suppliers, (iii) leasing equipment, (iv) employees and (v) other direct project-related expenses in connection with public works contracts. Under the Program, the IFA purchases fifty percent (50%) of the principal amount of each working capital loan with IFA's participation limited to a maximum of two hundred and fifty thousand dollars ($250,000). (IFA's participation on each loan is subject to IFA Board approval.) Payments on each working capital loan are derived solely from contract revenues to be paid by public agencies to small contractors under the terms of the public works contract. Contract revenues are pledged to an escrow account, administered by a funds control agent, from which debt service payments are made first. Neither the public agency nor the small contractor is required to pledge additional securities or guarantees as collateral. Lenders, including the IFA, are secured solely by a first lien position on the available monies in the escrow account.

As of May 29, 2014, thirty one (31) M/W/DBEs applied to the Program, two (2) of which were awarded public works contracts, one (1) of which was approved for a working capital loan by the Chicago Community Loan Fund ("CCLF"), the first participating lender in the Program. No working capital participation loans have closed to date, although CCLF continues to actively market the Program.

1. *Metropolitan Pier and Exposition Authority*

The Metropolitan Pier and Exposition Authority ("MPEA") is planning to expand the existing McCormick Place complex and, on March 28, 2014, issued Request for Proposals #2014-04-M for design build services from qualified firms for the design and construction of (i) an approximately one thousand

and two hundred (1,200) key Headquarters and Convention Center Hotel (the "Hotel Project") and (ii) a new approximately ten thousand and six hundred (10,600) seat multi-purpose Event Center (the "Event Center Project"), which is intended to serve as the home facility for DePaul University's Men's and Women's NCAA basketball games. MPEA's goal is to have the design-build contracts in place no later than September 18, 2014.

In accordance with 70 ILCS 210/23.1(b)-(c), MPEA's goals for the participation of minority owned businesses ("MBE") and women owned businesses ("WBE") under the design build contracts are set at twenty five percent (25%) and five percent (5%), respectively. In its efforts to maximize opportunities for MBE/WBE firms to perform meaningful roles on the Hotel Project and the Event Center Project, MPEA is implementing a Capacity Building Program to prequalify approximately twenty five (25) MBE/WBE firms and wishes to partner with the IFA to provide those firms access to working capital through IFA's Small Contractor Bridge Program.

II. Request

The Authority requests the IFA Board of Directors to authorize the IFA Executive Director to enter into an intergovernmental agreement with MPEA to allow prequalified MBE/WBE firms interested in performing work on MPEA's Hotel Project and Event Center Project to access working capital through IFA's Small Contractor Bridge Program and (ii) to amend certain requirements of the Program.

RESOLUTION NO. 2014-0812-AD07

RESOLUTION AUTHORIZING THE ILLINOIS FINANCE AUTHORITY ("IFA") TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE METROPOLITAN PIER AND EXPOSITION AUTHORITY ("MPEA") TO ALLOW SMALL CONTRACTORS INTERESTED IN PERFORMING WORK ON MPEA'S HEADQUARTERS AND CONVENTION CENTER HOTEL AND EVENT CENTER TO ACCESS WORKING CAPITAL THROUGH THE IFA'S SMALL CONTRACTOR BRIDGE PROGRAM AND AMENDING CERTAIN REQUIREMENTS OF SUCH PROGRAM

WHEREAS, the Illinois Finance Authority ("IFA" or the "Authority") previously adopted on March 12, 2013 Resolution No. 2013-0312-AD14 – A RESOLUTION AUTHORIZING THE ILLINOIS FINANCE AUTHORITY TO FUND AND ADMINISTER A PILOT PROGRAM TO PROVIDE WORKING CAPITAL PARTICIPATION LOANS TO SMALL AND EMERGING CONTRACTORS TO ASSIST THEM IN OBTAINING SURETY BONDING FOR PUBLIC WORKS CONTRACTS IN ILLLINOIS (the "Working Capital Loan Resolution");

WHEREAS, pursuant to the Working Capital Resolution, the Authority has implemented its Small and Emerging Working Capital Participation Loan Program (the "Small Contractor Bridge Program") which provides working capital loans to small and emerging contractors in Illinois, including minority-owned, women-owned and disadvantaged business enterprises ("M/W/DBEs, collectively with small and emerging contractors known as "Small Contractors") to assist them in obtaining surety bonding for contracts for "public works" (each, a "Public Works Contract") as that term is defined in Section 2 of the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 et. seq., as amended (the "Prevailing Wage Act") from a "public body" as that term is defined in Section 2 of the Prevailing Wage Act;

WHEREAS, MPEA wishes to design and build a headquarters and convention center hotel (the "Hotel Project") and an event center (the "Event Center Project") adjacent to McCormick Place;

WHEREAS, MPEA issued RFP #2014-04-M for Design Build Services for the Hotel Project and Event Center Project on March 28, 2014 and intends to retain a design-build prime contractor or contractors to perform the construction of the headquarters and convention center hotel and event center pursuant to one or more design-build contracts (each, a "Design-Build Contract"); and

WHEREAS, in accordance with 70 ILCS 210/23.1(b)-(c), the goals for the participation of minority and women owned businesses on the contracts for the construction of the headquarters and convention center hotel and event center projects are set at twenty five percent (25%) and five percent (5%), respectively ("MBE/WBE Goals");

WHEREAS, MPEA has adopted a Construction Diversity Program in connection with RFP #2014-04-M, which requires proposers to assist the MPEA in meeting or exceeding the MBE/WBE Goals;

WHEREAS, the Construction Diversity Program also requires proposers to commit to the implementation of or participation in a capacity building program for emerging firms designed to help maximize the opportunities for Small Contractors to perform a portion of the work required under the Design-Build Contracts;

WHEREAS, a key component of the capacity building program is to ensure that emerging firms have access to working capital to facilitate their ability in obtaining surety bonding for construction projects;

WHEREAS, the Design-Build Contracts are Public Works Contracts under the Small Contractor Bridge Program and MPEA and the Authority would like to make the Small Contractor Bridge Program available to Small Contractors who are interested in performing a portion of the work under the Design-Build Contracts;

WHEREAS, certain amendments to the Working Capital Loan Resolution need to be adopted to permit Small Contractors who are interested in performing a portion of the work as subcontractors under the Design-Build Contracts or other Public Works Contracts to be eligible to participate in the Small Contractor Bridge Program;

WHEREAS, the Illinois Intergovernmental Cooperation Act (5 ILCS 220/5) allows public entities to combine, transfer, or exercise any powers, functions, privileges, or authority which any of the public entities entering into the contract is authorized by law to perform;

WHEREAS, the Board of the MPEA adopted RESOLUTION MPEA NO. 14-08 on June 18, 2014 authorizing its Chief Executive Officer to enter into an Intergovernmental Agreement with the Authority that would allow Small Contractors interested in performing a portion of the work under the Design-Build Contracts to access working capital through the Small Contractor Bridge Program (the "Intergovernmental Agreement");

WHEREAS, by this Resolution, the Board has determined that it is necessary and in the bests interest of the Authority to enter into the Intergovernmental Agreement; and

NOW THEREFORE BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY AS FOLLOWS:

Section 1. Incorporation of Recitals. The recitals contained in the preambles to this resolution are incorporated in this Resolution by reference.

Section 2. Amendments to Working Capital Loan Resolution. The following amendments are made to the Working Capital Loan Resolution:

a. The eighth WHEREAS clause in the Working Capital Loan Resolution is deleted and replaced in its entirety by the following:

   WHEREAS, under each Participation Agreement, the applicable Lender will evaluate Loan applications submitted by Small Contractors who are submitting bids as prime contractors for Public Works Contracts or who will be performing a portion of the work under Public Works Contracts and forward each Loan application such Lender approves to the Authority for its approval for purchase of a Participation;

b. The eleventh WHEREAS clause in the Working Capital Resolution is deleted and replaced in its entirety with the following:

   WHEREAS, each participation will not be more than Two Hundred and Fifty Thousand Dollars ($250,000) for each Loan; unless the Executive Director determines in writing that it is in the best interests of the Authority to waive the Two Hundred and Fifty Thousand Dollars ($250,000) limit;

c. The fifteenth WHEREAS clause in the Working Capital Resolution is deleted and replaced in its entirety with the following:

WHEREAS, disbursements for each Loan will be made to Small Contractors who are awarded a Public Works Contract as a prime contractor or are working as a subcontractor on a Public Works Contract, and will be made only through an escrow account controlled by an escrow agent pursuant to the terms of an escrow agreement (the "Escrow Agreement");

Section 2. Intergovernmental Agreement. The Authority is authorized to enter into the Intergovernmental Agreement approved as to form and legality by the Acting General Counsel of the Authority or the Authority's outside special counsel. Each of (i) the Executive Director of the Authority or (ii) any other officer or employee of the Authority designated in writing by the Executive Director (any such other officer or employee being referred to as an "Authorized Officer") is hereby authorized to execute and deliver on behalf of the Authority, the Intergovernmental Agreement, provided that it meets the requirements of this Resolution.

Section 3. Delegation to Executive Director and Authorized Officers. The Authority hereby delegates to the Executive Director and each Authorized Officer, the power to take or cause to be taken any and all such actions, and to execute, acknowledge and deliver any and all such agreements, instruments certificates and other documents as may be required in connection with the Intergovernmental Agreement.

Section 4. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. Inconsistent Provisions. All ordinances, resolutions, motions or orders in conflict with this Resolution are hereby repealed to the extent of such conflict.

Section 6. Effective Date. This Resolution shall be in full force and effect immediately upon its passage and approval.

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ILLINOIS FINANCE AUTHORITY
Memorandum

To: Authority Board of Directors

From: Christopher B. Meister, Executive Director

Date: August 12, 2014

Re: Intergovernmental Agreement between Metro East Police District Commission ("Commission") and Illinois Finance Authority ("Authority"): (1) Status; (2) Authority Assistance to the Commission.

Authority Involvement with the Commission

On January 1, 2013, the Authority Act was amended to include a section creating a Metro East Police District Fund (the "Fund") (20 ILCS 3501/825-115). The Fund will be "jointly administer[ed]" by the Authority and the Commission. All moneys received by the Commission will be deposited in the Fund and upon request of the Commission, the Authority will provide to the Commission moneys deposited in the Fund. Section 825-115 of the Authority Act will be repealed on December 31, 2019.

On June 26, 2013, the Authority and the Commission entered into an intergovernmental agreement to use the moneys deposited into the Fund solely for the purposes set forth in the Metro East Police District Act. (70 ILCS 1750/1).

The Illinois Auditor General is mandated to audit "all records and accounts of the Commission pertaining to the operation of the District" at least until the date of statutory repeal on December 31, 2019. (20 ILCS 3501/825-115; 30 ILCS 5/3-1.5.; 70 ILCS 1750/15).

1. Status

Commission members will provide a status of their efforts to date at the August 12, 2014 Committee of the Whole Meeting.

2. Authority Assistance to the Commission

Authority staff recognizes the challenges to creating a new public agency. Authority staff seeks Board authorization to provide organizational assistance to the Commission both directly with respect to the jointly administered Fund and other aspects of the Commission's operations that the Authority deems necessary, incidental, appropriate, or advisable in connection with the jointly administered Fund. (20 ILCS 3501/801-40(t); 820-20(h) (o); 825-115).

Additional Background on the Metro East Police District Commission

On January 1, 2013, the Metro East Police District Act created the Commission, a body politic and corporate, to govern and administer the Metro East Police District (the "District") (70 ILCS 1750/10). The Metro East Police District was created to advance the cause of public safety and law enforcement for the residents of the District. The District is located within St. Clair County and includes the City of East

Saint Louis, the Village of Washington Park, the Village of Alorton and the Village of Brooklyn (70 ILCS 1750/5).

The Commission consists of 14 appointed members and 3 ex-officio members. 7 members are appointed by the Governor, 4 members are appointed by the Mayor of East Saint Louis, 1 member is appointed by the Village President of Washington Park, 1 member is appointed by the Village President of Alorton and 1 member is appointed by the Village President of Brooklyn. The Director of the Illinois State Police, the State's Attorney of St. Clair County and the Director of the Southern Illinois Law Enforcement Commission serve as ex-officio members (70 ILCS 1750/10(b)).

The Commission's powers include the following: (i) applying for, accepting and expending grants, loans or appropriations to be used for any of the purposes of the District, (ii) providing grants, loans or appropriations for law enforcement purposes to any unit of local government within the District, (iii) entering into contracts or agreements for the supply of goods and services necessary for the purposes of the District, (iv) acquiring property, (v) developing a comprehensive plan for improvement and maintenance of law enforcement facilities within the District, (vi) advancing police departments within the District towards accreditation by the national Commission for the Accreditation of Law Enforcement Agencies ("CALEA") within 3 years and (vi) establishing rules and regulations that the police departments within the District may adopt; any police department that does not adopt the rules or regulations will not be eligible to receive funds from the Fund (70 ILCS 1750/10(a)).

IFA RESOLUTION NO. 2014-0812-AD

RESOLUTION AUTHORIZING AND APPROVING NECESSARY ASSISTANCE TO THE METRO EAST POLICE DISTRICT COMMISSION IN CONNECTION WITH THE FUND JOINTLY ADMINISTERED BY THE ILLINOIS FINANCE AUTHORITY AND THE METRO EAST POLICE DISTRICT COMMISSION

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (the "Act"); and

WHEREAS, the Metro East Police District Act (the "Act") created the Metro East Police District Commission (the "Commission"), a body politic and corporate, to govern and administer the Metro East Police District (the "District") (70 ILCS 1750/10); and

WHEREAS, the Act created in the custody of the Authority the Metro East Police District Fund (the "Fund") where all moneys received by the Commission shall be deposited (70 ILCS 1750/15); and

WHEREAS, the Authority and the Commission may jointly administer the Fund (20 ILCS 3501/825-115; 70 ILCS 1750/15); and

WHEREAS, all moneys received by the Commission shall be deposited in the Fund (20 ILCS 3501/825-115); and

WHEREAS, upon request of the Commission, the Authority shall provide to the Commission moneys deposited in the Fund (20 ILCS 3501/825-115); and

WHEREAS, the Commission is authorized to use all money received for all purposes and powers set forth in the Act, provided that the Commission and the Authority enter into an intergovernmental agreement (the "Agreement") to use the moneys deposited into the Fund solely for the purposes set forth in the Act (70 ILCS 1750/15; 20 ILCS 3501/825-115); and

WHEREAS, Illinois law provides the public agencies may share powers through use of intergovernmental agreements pursuant to Article VII, Section 10 of the Illinois Constitution and the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.); and

WHEREAS, on June 26, 2013, the Authority and the Commission entered into an Intergovernmental Agreement regarding the joint administration of the Fund and that the Authority and the Commission have been working cooperatively since that date; and

WHEREAS, the Authority recognizes the challenges posed in connection with the creation of a new public agency and seeks to work with the Commission to mitigate such challenges to the extent reasonably possible; and

NOW, THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Authority Assistance to the Commission. The Authority hereby approves organizational assistance to the Commission both directly with respect to the jointly administered Fund and other aspects of the Commission's operations that the Authority deems necessary, incidental, appropriate, or advisable in connection with the jointly administered Fund. (20 ILCS 3501/801-40(t); 820-20(h) (o); 825-115). The Executive Director also shall have the power and authority to determine the type of organizational assistance as he believes, in his sole discretion, are consistent with the goals of the Authority and the Commission.

Section 3. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution and the instruments hereby approved; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Agreement shall be and the same hereby are in all respects approved and confirmed.

Section 4. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of the Resolution.

Section 5. Enactment. This Resolution shall take effect immediately.

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Adopted this 12th day of August, 2014 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By:____________________________
Chairman

ATTEST:

By:________________________________
Assistant Secretary

[SEAL]