MEETING DETAILS

REGULAR MEETING OF THE MEMBERS

TUESDAY, MARCH 12, 2024
9:00 A.M.

MICHAEL A. BILANDIC BUILDING	LELAND BUILDING
160 NORTH LASALLE STREET SUITE S-1000 CHICAGO, ILLINOIS 60601	527 EAST CAPITOL AVENUE FIRST FLOOR, HEARING ROOM A SPRINGFIELD, ILLINOIS 62701

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ILLINOIS FINANCE AUTHORITY

REGULAR MEETING OF THE MEMBERS
TUESDAY, MARCH 12, 2024
9:00 A.M.

I. Call to Order & Roll Call
II. Approval of Agenda
III. Public Comment
IV. Chair's Remarks
V. Message from the Executive Director
VI. Committee Reports
VII. Presentation and Consideration of New Business Items
VIII. Presentation and Consideration of Financial Reports and Report on the Climate Bank Plan
IX. Monthly Procurement Report
X. Correction and Approval of Minutes
XI. Other Business
XII. Closed Session
XIII. Adjournment

ILLINOIS FINANCE AUTHORITY
160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

I. CALL TO ORDER AND ROLL CALL

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II. APPROVAL OF AGENDA

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Thursday, March 7, 2024

PUBLIC NOTICE OF REGULAR MEETING OF THE MEMBERS OF THE ILLINOIS FINANCE AUTHORITY

The Illinois Finance Authority (the "Authority") will hold its regularly scheduled meeting of the Members of the Authority at two locations simultaneously on **Tuesday**, **March 12, 2024**, at **9:00 a.m.**:

- Michael A. Bilandic Building, 160 North LaSalle St., Suite S-1000, Chicago, Illinois 60601
- Leland Building, 527 East Capitol Ave., Hearing Room A, First Floor, Springfield, Illinois 62701

Members of the public are encouraged to attend the regularly scheduled meeting in person or via audio or video conference:

- The Audio Conference Number is (650) 479-3208 and the Meeting ID or Access Code is 2630 008 5645 followed by pound (#). Upon being prompted for a Password, please enter 86656739 followed by pound (#).
- To join the Video Conference, use this link: https://illinoisfinanceauthority-512.my.webex.com/illinoisfinanceauthority-512.my/j.php?MTID=m556dfde40817b603f895c6508561fbcc and enter password vmNJMReY863.

Guests wishing to comment orally are invited to do so, pursuant to the "Guidelines for Public Comment" prescribed by the Authority and posted at www.il-fa.com. Any guests participating via Audio Conference or Video Conference whom find that they cannot see or hear the proceedings clearly can call (312) 651-1300 or write info@il-fa.com for assistance. Please contact an Assistant Secretary of the Board at (312) 651-1300 for more information.

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING OF THE MEMBERS
TUESDAY, MARCH 12, 2024
9:00 A.M.

AGENDA:

I. Call to Order and Roll Call
II. Approval of Agenda
III. Public Comments
IV. Chair's Remarks
V. Message from the Executive Director
VI. Committee Reports
VII. Presentation and Consideration of New Business Items (including Appendix A attached hereto)
VIII. Presentation and Consideration of Financial Reports and Report on the Climate Bank Plan
IX. Monthly Procurement Report
X. Correction and Approval of Minutes
XI. Other Business
XII. Closed Session
XIII. Adjournment

All meetings will be accessible to handicapped individuals in compliance with Executive Order #5 (1979) as well as pertinent State and Federal laws upon notification of anticipated attendance. Handicapped persons planning to attend any meeting and needing special accommodations should contact the Illinois Finance Authority by calling (312) 651-1300, TTY (800) 526-0844.

NEW BUSINESS

CONDUIT DEBT - BOND ISSUE RESOLUTIONS				
Tab	**Applicant**	**Location(s)**	**Amount**	**Staff**
Revenue Bonds				
Final Bond Resolutions				
1	The University of Chicago	Chicago (Cook County)	$1,900,000,000	BF
2	Museum of Science and Industry	Chicago (Cook County)	30,000,000	BF
3	Bradley University	Peoria (Peoria County)	18,900,000	BF
	TOTAL CONDUIT DEBT		**$1,948,900,000**	

ADDITIONAL RESOLUTIONS		
Tab	**Action**	**Staff**
Conduit Debt		
4	Resolution authorizing the execution and delivery of a First Amendment to the Bond and Loan Agreement dated as of June 1, 2014, providing for a new purchase date and confirming the interest rate for the next succeeding interest period for the Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Catholic Charities Housing Development Corporation)	BF
5	Resolution authorizing the execution and delivery of an Amended and Restated Bond and Loan Agreement relating to the Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Concordia University) (the “Bond”) to provide for certain amendments relating to the extension of the purchase date of the Bond, the interest rate calculation on the Bond and certain other matters; authorizing the execution and delivery of any other documents necessary or appropriate to effect the matters set forth in such Amended and Restated Bond and Loan Agreement; and authorizing and approving related matters	BF
Agency Debt		
6	Resolution authorizing Illinois Finance Authority participation loan or direct loan for purposes related to its designation as the Climate Bank of the State	CM

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III. PUBLIC COMMENT

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IV. CHAIR'S REMARKS

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V. MESSAGE FROM THE EXECUTIVE DIRECTOR

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To: Members of the Illinois Finance Authority

From: Chris Meister, Executive Director

Date: March 12, 2024

Subject: Executive Director Message

This Month's Conduit Bond Agenda

This month's agenda includes a bond resolution for ***The University of Chicago*** in an aggregate principal amount not to exceed $1.9 billion, which is the largest transaction the Authority has considered since its inception over 20 years ago. Members of Authority also have under consideration bond issue resolutions for ***Bradley University*** and ***Museum of Science and Industry,*** as well as resolutions regarding amendments to outstanding bonds issued by the Authority on behalf of ***Catholic Charities*** and ***Concordia University.***

Today's Guest Speakers

Conduit Bonds

The Authority extends a warm welcome to ***Jennie Bennett***, Associate Vice President for Finance of The University of Chicago. The Authority is proud to be the conduit issuer of choice for both ***The University of Chicago*** and ***The University of Chicago Medical Center*** - globally recognized institutions that enhance the competitiveness of the State of Illinois.

Climate Bank Report

1. ***JC Kibbey –*** State of Illinois Climate Advisor – Illinois Environmental Protection Agency.
2. ***Nicole Bateman,*** President of the Economic Development Corporation of Decatur-Macon County, and ***Carly McCrory-McKay,*** Executive Director of the Champaign County Economic Development Corporation.
3. ***Meera Raja***, Vice President/Deep Tech, P33, a nonprofit that is an international and collaborative effort led by Chicago business and tech leaders across the private and public sectors, and ***Chad Phillips***, Federal Policy Manager, Department of Commerce and Economic Opportunity.
4. ***Reverend Tony Pierce***, Vice President, Green Energy Justice Cooperative.

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VI. COMMITTEE REPORTS

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VII. PRESENTATION AND CONSIDERATION OF NEW BUSINESS ITEMS

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RESOLUTION 2024-0312-01

RESOLUTION PROVIDING FOR THE ISSUANCE BY THE ILLINOIS FINANCE AUTHORITY OF NOT TO EXCEED $1.9 BILLION AGGREGATE PRINCIPAL AMOUNT OF REVENUE BONDS FOR THE BENEFIT OF THE UNIVERSITY OF CHICAGO, IN ONE OR MORE SERIES, AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE TRUST INDENTURES, ONE OR MORE LOAN AGREEMENTS, ONE OR MORE BOND PURCHASE AGREEMENTS, ONE OR MORE TAX EXEMPTION CERTIFICATES AND AGREEMENTS AND RELATED DOCUMENTS; APPROVING THE DISTRIBUTION OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS AND ONE OR MORE OFFICIAL STATEMENTS RELATING TO SUCH BONDS; AND AUTHORIZING AND APPROVING RELATED MATTERS.

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

WHEREAS, The University of Chicago, an Illinois not for profit corporation (the *"University"*), has requested that the Authority issue not to exceed $1.9 billion (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series (collectively, the "*Bonds*") and loan the proceeds thereof to the University pursuant to one or more promissory notes (each, a *"Note"*) to be issued by the University pursuant to the related Loan Agreement (as hereinafter defined) and assigned by the Authority to the Trustee (as hereinafter defined) pursuant to the related Indenture (as hereinafter defined) as security for the related series of Bonds for the following purposes:

(i) to finance, refinance or reimburse the University for all or a portion of the costs (including capitalized interest, if any, and working capital, if any) of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting "projects" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act;

(ii) to refund, redeem, defease or provide for the payment of all or a portion of (a) the outstanding $50,000,000 original aggregate principal amount of Illinois Educational Facilities Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 2003B (the "*Series 2003B Bonds*"); (b) the outstanding $100,000,000 original aggregate principal amount of Illinois Finance Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 2004B (the "*Series 2004B Bonds*"); (c) the outstanding $80,000,000 original aggregate principal amount of Illinois Finance Authority Adjustable Rate Revenue Refunding Bonds, The University of Chicago, Series 2004C (the "*Series 2004C Bonds*"); (d) the outstanding $123,604,000 original aggregate principal amount of Illinois Finance Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 2008 (the "*Series 2008 Bonds*"), and (e) the outstanding $573,645,000 original aggregate principal amount of Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2014A (the "*Series 2014A Bonds*" and collectively with the Series 2003B Bonds, the Series 2004B Bonds, the Series 2004C Bonds and the Series 2008 Bonds, the "*Prior IFA Bonds*"), the proceeds of which were used by the University to finance, refinance or reimburse itself for the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects" and "industrial projects," as defined under the Act;

(iii) to refinance certain taxable commercial paper (the "*Taxable Commercial Paper*") issued to finance, refinance or reimburse the University for certain costs relating to the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act;

(iv) to refinance all or a portion of various lines of credit and other taxable indebtedness (the "*Taxable Loans*"), the proceeds of which were used to finance, refinance or reimburse the University for the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act;

(v) to pay tender offer price, purchase, refund or redeem, provide for the payment or reimburse the University for such payment, purchase, refunding, redemption or provision of payment of all or a portion of (a) the outstanding $300,000,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2010 (the "*Series 2010 Corporate Bonds*"), (b) the outstanding $205,000,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2013B (the "*Series 2013B Corporate Bonds*"), (c) the outstanding $175,685,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2014B (the "*Series 2014B Corporate Bonds*"), (d) the outstanding $150,505,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2015B (the "*Series 2015B Corporate Bonds*") and (e) the outstanding $350,495,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2021B (the "*Series 2021B Corporate Bonds*" and collectively with the Series 2010 Corporate Bonds, the Series 2013B Corporate Bonds, the Series 2014B Corporate Bonds and the Series 2015B Corporate Bonds, the "*Prior Corporate Bonds*"), the proceeds of which were used for the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act;

(vi) to pay tender offer price, purchase, refund or redeem, provide for the payment or reimburse the University for such payment, purchase, refunding, redemption or provision of payment of all or a portion of (a) the outstanding $415,825,000 original aggregate principal amount of Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2015A (the "*IFA Series 2015A Bonds*"), (b) the outstanding $114,705,000 original aggregate principal amount of Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2018A (the "*IFA Series 2018A Bonds*") and (c) the outstanding $50,000,000 original aggregate principal amount of Illinois Finance Authority Taxable Revenue Bonds, The University of Chicago, Series 2018B (the "*IFA Taxable Series 2018B Bonds*" and together with the IFA Series 2015A Bonds and the IFA Series 2018A Bonds, the "*Prior IFA Bonds Tender Candidates*"), the proceeds of which were used by the University to finance, refinance or reimburse itself for the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects" and "industrial projects," as defined under the Act;

(vii) to pay certain fees and expenses relating to the termination, amendment and novation of certain interest rate swap agreements relating to one or more of the Prior IFA Bonds, if deemed desirable by the University;

(viii) to pay certain working capital expenditures relating to certain "projects" as defined under the Act, if deemed necessary or desirable by the University;

(ix) to fund one or more debt service reserve funds required to be maintained (if any) in accordance with one or more trust indentures between the Authority and one or more trust companies or banks having the powers of a trust company, as trustee;

(x) to pay a portion of the interest on the Bonds, if deemed desirable by the University;

(xi) to pay certain costs relating to the issuance of the Bonds and effecting the purposes described above and exchange of bonds described below, all as permitted under the Act (the purposes described in clauses (i)-(xi) above being collectively referred to herein as the "*Proceeds Financing Purposes*"); and

WHEREAS, the University also desires that the Authority authorize and approve the exchange of certain Bonds of any or all series for all or a portion of the Prior Corporate Bonds and/or the Prior IFA Bonds Tender Candidates, if deemed desirable by the University (the "*Exchange Financing Purposes*," and collectively with the Proceeds Financing Purposes, the "*Financing Purposes*"); and

WHEREAS, the University is a "private institution of higher education," as defined in Section 801-10(t) of the Act, and the facilities being financed, refinanced or reimbursed consist of "projects," as defined in Section 801-10(b) of the Act; and

WHEREAS, in connection with the issuance of the Bonds and effecting the Financing Purposes, the Authority is requested to authorize the execution and delivery of one or more Trust Indentures (each, an *"Indenture"*), each by and between the Authority and one or more trust companies or banks having the powers of a trust company, as trustee (the *"Trustee"*), one or more Loan Agreements (each, a *"Loan Agreement"*), each by and between the Authority and the University, one or more Bond Purchase Agreements (each, a *"Bond Purchase Agreement"*), each by and among the Authority, the University and RBC Capital Markets, LLC and/or such other underwriters as may be approved by the Authority (with execution of the Bond Purchase Agreement constituting approval by the Authority of such other underwriters named therein) (collectively, the "*Underwriter"*), one or more Tax Exemption Certificates and Agreements (each, a *"Tax Agreement"*), each by and among the Authority, the University and the Trustee, and one or more Bond Exchange Agreements or similar agreements, if any (each, a "*Bond Exchange Agreement*"), among the University, the Authority and such other parties as may be necessary to effect the Exchange Financing Purposes; and

WHEREAS, drafts of the following documents have been previously provided to and are on file with the Authority (collectively, the *"Authority Documents"*):

(i) a form of Indenture, including the form of Bond attached thereto as Exhibit A;

(ii) a form of Loan Agreement, including the form of Note attached thereto as Exhibit B; and

(iii) a form of Bond Purchase Agreement; and

WHEREAS, in connection with the issuance of the Bonds, the following additional documents may be executed and delivered by parties other than the Authority (collectively, the *"Additional Transaction Documents"*):

(i) one or more Official Statements, substantially in the form of the Preliminary Official Statement (the "*Official Statement*") previously provided to and on file with the Authority related to the offering of the Bonds; and

(ii) one or more Notes.

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

Section 1. *Findings*. Based upon the representations of the University, the Authority hereby makes the following findings and determinations with respect to the University, the

Bonds to be issued by the Authority, the Financing Purposes and the facilities to be financed, refinanced or reimbursed with the proceeds of the Bonds:

(a) The University is a not for profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;

(b) The University is a "private institution of higher education" (as defined in the Act);

(c) The University has properly filed with the Authority its request for assistance in providing funds to the University and the Bonds will be used for the Financing Purposes;

(d) the facilities to be financed, refinanced or reimbursed with the proceeds of the Bonds and the facilities financed, refinanced or reimbursed with proceeds of the Prior Corporate Bonds and/or the Prior IFA Bonds Tender Candidates that may be exchanged for certain Bonds are or will be owned and operated by the University, and those facilities are included within the term "project" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act;

(e) The facilities to be financed, refinanced or reimbursed with the proceeds of the Bonds and the facilities financed, refinanced or reimbursed with proceeds of the Prior Corporate Bonds and/or the Prior IFA Bonds Tender Candidates that may be exchanged for certain Bonds do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

(f) The indebtedness to be refinanced, redeemed, defeased or provision for payment made with the proceeds of the Bonds was issued or incurred for purposes which constitute valid purposes under the Act, all of the proceeds of such indebtedness made available to the University were expended to pay, finance, refinance or reimburse the University for costs of a "project" as defined in the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act, and are or will be owned or operated by the University;

(g) effecting the Financing Purposes as described herein is in the public interest and is permitted and authorized under the Act; and

(h) The Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 2. Bonds. In order to carry out the Financing Purposes, the Authority hereby authorizes and approves the issuance at one time or from time to time of the Bonds, issued under and secured by and under the terms and provisions set forth in the related Indenture in one or more series, in an aggregate principal amount not to exceed $1.9 billion, excluding original issue discount or premium, if any, the designations of which shall be approved by any of the Chairperson, Vice Chairperson, Executive Director, or General Counsel of the Authority (and, for purposes of this Resolution, any person duly appointed by the Members of the Authority to serve in such offices on an interim basis or otherwise authorized to act as provided by resolutions of the Authority) (each, an *"Authorized Officer"*); the form of Bond now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of each Indenture, be, and the same hereby is, approved, which such approval shall be evidenced by such Authorized Officer's execution and delivery of the Indenture; the Bonds shall be issued only as fully registered bonds without coupons and be executed on behalf of the Authority by the manual or facsimile signature of the Chairperson, Vice Chairperson or Executive Director of the Authority (and, for purposes of this Resolution, any person duly appointed to any such office on an interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested with the manual or facsimile signature of the Secretary or any Assistant Secretary of the Authority, and may have the seal of the Authority impressed manually or printed by facsimile thereon; the Authorized Officer shall cause the Bonds of each series, as so executed and attested, to be delivered to the Trustee for authentication; and when the Bonds are executed on behalf of the Authority in the manner contemplated by this Resolution, they shall represent the approved form of Bonds of the Authority; *provided* that each series of Bonds shall bear interest at one or more fixed rates not to exceed a weighted average annual rate of 6.00% per annum, shall be payable over a term not exceeding forty (40) years from their date of issuance and shall be sold to the Underwriter at a purchase price of not less than 98% of the aggregate principal amount thereof (without regard to original issue premium or discount) and accrued interest, if any, to the date of delivery thereof.

The Authority hereby delegates to each Authorized Officer the power and duty to make final determinations as to principal amounts, number of series or subseries of Bonds and any names or other designations therefor, dated date, interest rates, maturities, uses of proceeds, mandatory sinking fund redemption dates and amounts (if any) and optional and extraordinary redemption provisions for each series of Bonds and the purchase price and the Underwriter of the Bonds, all within the parameters set forth herein. The execution by an Authorized Officer of the Indenture pursuant to which each series of Bonds is issued shall constitute such Authorized Officer's approval and the Authority's approval of the final terms and provisions of such series of Bonds.

The Bonds of each series and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the related Loan Agreement and Note (except as such income and revenues as may be derived by the Authority pursuant to Unassigned Rights as defined in the related Indenture). The Bonds of each series 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 such Bonds, (ii) the income and revenues derived by the Authority pursuant to the related Loan Agreement and Note (except pursuant to Unassigned Rights), (iii) other amounts available under the related Indenture and (iv) moneys arising out of the investment or reinvestment of such proceeds, income, revenues or receipts.

Section 3. *Authority Documents*. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Authorized Officer and the delivery and use, of one or more of the Authority Documents, in substantially the same form as the Authority Documents previously provided to and on file with the Authority; the Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any Authority Document. The Authority Documents shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any and all changes or revisions therein from such forms of the Authority Documents and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Bonds and the purchases thereof.

Section 4. *Tax Agreements*. The Authority is hereby authorized to enter into one or more Tax Agreements with the University and the Trustee, each in the form to be approved by bond counsel, by counsel for the Authority and by counsel for the University; the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver each Tax Agreement in the form so approved; when each Tax Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of each 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 to carry out and comply with the provisions of such Tax Agreement as executed.

Section 5. *Bond Exchange Agreements*. The Authority is hereby authorized to enter into one or more Bond Exchange Agreements, each in the form to be approved by bond counsel, by counsel for the Authority and by counsel for the University; the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver each Bond Exchange Agreement in the form so approved; when each Bond Exchange Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such Tax Agreement will be binding on the Authority; and that from and after the execution and delivery of each Bond Exchange 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 to carry out and comply with the provisions of such Bond Exchange Agreement as executed.

Section 6. *Additional Transaction Documents*. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents. The Additional Transaction Documents shall be in substantially the forms previously provided to and on file with the Authority and hereby approved, with such changes therein as shall be approved by, or in such final forms as are approved by the Authorized Officer of the Authority executing the Indentures, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final forms of the Additional Transaction Documents or any changes or revisions therein from such forms of the Additional Transaction Documents.

Section 7. Distribution of the Preliminary Official Statement and Official Statement. The Authority does hereby approve the distribution of one or more Preliminary Official Statements and the Official Statements by the Underwriter in connection with the offering and sale of the Bonds, such Preliminary Official Statements and Official Statements to be substantially in the form of the draft Preliminary Official Statement provided to and on file with the Authority, with such changes to the sections covered by the Authority, as described therein, as shall be approved by an Authorized Officer of the Authority executing the Authority Documents, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the Authority sections contained therein.

Section 8. Other Documents; Authorization and Ratification of Subsequent Acts. The members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more escrow agreements, supplemental indentures or other agreements providing for the refunding of all or a portion the Prior IFA Bonds, the refinancing of all or a portion of the Taxable Commercial Paper and/or the Taxable Loans, the amendment, termination, or novation of all or a portion of any existing interest rate swap agreements, the identification of any new interest rate swap agreements and/or the effecting of the exchange of certain Bonds of any series for all or a portion of the Prior Corporate Bonds and/or the Prior IFA Bonds Tender Candidates, and any additional documents that may be necessary to provide for one or more additional series or subseries of Bonds and the acceptance of any continuing disclosure agreement of the University pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents, the Tax Agreements, the Bond Exchange Agreements and the Additional Transaction Documents, and all of the acts and doings of the members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Indentures.

Section 9. Severability. 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 10. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 11. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of March, 2024 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: ______________________________
Executive Director

ATTEST:

____
Secretary (or Assistant Secretary)

[SEAL]

RESOLUTION NO. 2024-0312-02

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $30,000,000 PRINCIPAL AMOUNT ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2024 (MUSEUM OF SCIENCE AND INDUSTRY); 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 (the "Authority"), a body politic and corporate duly organized and validly existing under the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. (as supplemented and amended, the "Act"); and

WHEREAS, the Authority has heretofore issued its (i) Illinois Finance Authority Revenue Refunding Bond, Series 2017A (Museum of Science and Industry) (the "Series 2017A Bond"), in the original principal amount of $35,000,000 and currently outstanding in the principal amount of $15,000,000, and (ii) Illinois Finance Authority Revenue Refunding Bond, Series 2017B (Museum of Science and Industry) (the "Series 2017B Bond" and, together with the Series 2017A Bond, the "Prior Bonds"), in the original principal amount of $25,000,000 and currently outstanding in the principal amount of $15,000,000; and

WHEREAS, the proceeds from the sale of the Series 2017A Bond were loaned to the Museum of Science and Industry, an Illinois not for profit corporation (the "Museum"), pursuant to a Bond and Loan Agreement dated as of May 1, 2017, as heretofore supplemented and amended, among the Authority, the Museum and PNC Bank, National Association, as purchaser; and

WHEREAS, the proceeds from the sale of the Series 2017B Bond were loaned to the Museum pursuant to a Bond and Loan Agreement dated as of May 1, 2017, as heretofore supplemented and amended, among the Authority, the Museum and BMO Harris Investment Company, LLC, as purchaser; and

WHEREAS, the Museum represents it used the proceeds from the sale of the Prior Bonds, together with other funds, to (i) refund various tax-exempt bonds, previously issued for the benefit of the Museum, the proceeds of which were used by the Museum to finance, refinance or reimburse the Museum for the construction, improvement, expansion and equipping of certain of the Museum's cultural facilities, and (ii) refinance certain taxable obligations of the Museum, the proceeds of which were used to finance, refinance or reimburse the Museum for the construction, improvement, expansion and equipping of certain of the Museum's cultural facilities; and

WHEREAS, the Museum desires to refund all of the outstanding Prior Bonds (the "Refunding"); and

WHEREAS, in order to obtain funds for the Refunding, the Museum has requested that the Authority issue its Illinois Finance Authority Revenue Refunding Bond, Series 2024 (Museum of Science and Industry) (the "Bond"), in a principal amount not to exceed $30,000,000**;** and

WHEREAS, the Museum has further requested that the Authority sell such Bond to Wintrust Bank, N.A., as sole purchaser (the "Purchaser"), and lend the proceeds from such sale to the Museum, all pursuant to the terms of that certain Bond and Loan Agreement dated as of April 1, 2024 (the "Bond and Loan Agreement") among the Authority, the Museum and the Purchaser; and

WHEREAS, a draft of the Bond and Loan Agreement, including a form of the Bond attached thereto as Exhibit A, has previously been provided to and is on file with the Authority;

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

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

Section 2. Findings. Based upon the representations of the Museum, the Authority hereby makes the following findings and determinations with respect to the Museum, the Bond to be issued by the Authority and the facilities to be refinanced with the proceeds of the Bond:

(a) the Museum is a not for profit corporation organized under the laws of the State of Illinois and is qualified to do business in the State of Illinois;

(b) the Museum is a "cultural institution," as defined in the Act;

(c) the Museum has properly filed with the Authority its request for assistance in providing funds to the Museum and the funds will be used for the Refunding, and the facilities refinanced with the proceeds of the Bond are owned and operated by the Museum and such facilities are included within the term "project" as defined in the Act;

(d) the facilities to be refinanced with the proceeds of the Bond do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

(e) the indebtedness to be refinanced, redeemed or defeased with the proceeds of the Bond was issued for purposes which constitute valid purposes under the Act, all of the proceeds of such indebtedness made available to the Museum were expended to finance or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a "project" (as defined in the Act) owned or operated by the Museum, such refinancing is in the public interest, is in connection with other financings by the Authority for the Museum and is permitted and authorized under the Act; and

(f) the Bond is being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 3. Bond. In order to obtain the funds to loan to the Museum to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Bond. The Bond shall be issued under and secured by and shall have the terms and provisions set forth in the Bond and Loan Agreement in an aggregate principal amount not exceeding $30,000,000, excluding original issue discount or premium, if any. The Bond may be issued in one series as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer's execution and delivery of the Bond and Loan Agreement.

The Bond will bear interest at variable rates established pursuant to the Bond and Loan Agreement (with an initial variable rate for the Bond not to exceed 7.00% per annum**)** subject to adjustment, as provided for and pursuant to the Bond and Loan Agreement, (ii) the Bond shall be payable over a term not exceeding thirty (30) years from the date of issuance and (iii) the Bond shall be privately placed with the Purchaser.

The interest rate on the Bond may be subject to adjustment to (i) a higher rate per annum upon the occurrence of an Event of Default, 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 Bond shall be issued only as a fully registered bond without coupons. The Bond shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or its Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Authority hereby delegates to the Chairperson, Vice Chairperson, Executive Director or General Counsel (and, for purposes of this Resolution, any person duly appointed by the Members to serve in any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) of the Authority (each, an "Authorized Officer") the power and duty to make a final determination as to the bonds to be refunded, the principal amount, interest rate, maturity, mandatory sinking fund redemption dates and amounts (if any), optional and extraordinary redemption provisions (if any), and uses of the proceeds from the sale the Bond all within the parameters set forth herein.

The 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 therein)). The 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 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. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Authorized Officer, and the delivery and use, of the Bond and Loan Agreement. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the Bond and Loan Agreement. The Bond and Loan Agreement shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such forms of the Bond and Loan Agreement and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Bond and the purchase thereof.

Section 5. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more tax exemption agreements, any documentation necessary to identify an interest rate hedge agreement for federal income tax purposes, any supplemental indentures or escrow deposit agreements relating to the refunding of the Prior Bonds or any other documentation necessary to effect the Refunding, and any additional documents as may be necessary to carry out and comply with the provisions of this Resolution, the Bond and Loan Agreement and the Bond, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Bond and Loan Agreement or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond and Loan Agreement.

Section 6. Severability. 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 7. No Conflict. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. *Effective Date*. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of March, 2024 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: ____________________________
Executive Director

ATTEST:

____
Secretary (or Assistant Secretary)

[SEAL]

RESOLUTION NO. 2024-0312-03

A RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED $18,900,000 AGGREGATE PRINCIPAL AMOUNT OF REVENUE REFUNDING BONDS FOR THE BENEFIT OF BRADLEY UNIVERSITY, IN ONE SERIES, AND AUTHORIZING THE SALE THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF THE BOND TRUST INDENTURE, LOAN AGREEMENT, TAX EXEMPTION CERTIFICATE AND AGREEMENT, PURCHASE CONTRACT AND RELATED DOCUMENTS; APPROVING THE DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT; AND AUTHORIZING AND APPROVING RELATED MATTERS.

WHEREAS, the Illinois Finance Authority (the *"Authority"*), a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the *"State"*), 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, 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), and to provide for the refunding of any bonds deemed necessary in connection with any purpose of the Authority; and

WHEREAS, Bradley University, an Illinois not-for-profit corporation (the *"University"*) and a "private institution of higher education" as defined in the Act, has requested that the Authority issue its Illinois Finance Authority Revenue Refunding Bonds (Bradley University Project) Series 2024 (the *"Bonds"*) in an aggregate principal amount not to exceed $18,900,000 for the purpose of loaning the proceeds from the sale thereof to the University in order to assist the University in providing a portion of the funds necessary to do any or all of the following: (a) refund all or a portion of the Illinois Finance Authority Revenue Refunding Bonds (Bradley University Project) Series 2021B (the *"Prior Bonds"*), (b) pay certain expenses and fees relating to the termination of the swap agreement relating to the Prior Bonds, and (c) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds (collectively, the *"Financing Purposes"*); and

WHEREAS, the Prior Bonds were issued by the Authority and the proceeds of the Prior Bonds were loaned to the University to (a) refund certain tax-exempt obligations issued by the Illinois Finance Authority for the benefit of the University and (b) pay certain expenses incurred in connection with the issuance of the Prior Bonds and the refunding, all as permitted by the Act; and

WHEREAS, the projects refinanced with the Prior Bonds consisted of (a) constructing and equipping a student apartment complex known as St. James Place, (b) renovating the Olin Hall and Bradley Hall academic buildings, (c) constructing and equipping of a student recreation center, athletic support facility, parking structure, and constructing or renovating and equipping academic and academic support facilities and student housing facilities, (d) constructing, renovating, equipping and furnishing classroom, laboratory and office space to support engineering and business programs in the University's Business and Engineering Complex (a.k.a. the Convergence Center) and (e) constructing, renovating, remodeling, expanding and equipping certain other capital improvements; and

WHEREAS, in connection with the issuance of the Bonds, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of the Bond Trust Indenture (the *"Indenture"*) between the Authority and U.S. Bank Trust Company, National Association, as trustee (the *"Trustee"*), the Loan Agreement (the *"Loan Agreement"*) between the Authority and the University, and the Tax Exemption Certificate and Agreement (the *"Tax Agreement"*) among the Authority, the University and the Trustee; and

WHEREAS, in connection with the issuance of the Bonds, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a Purchase Contract (the *"Purchase Contract"*), among the Authority, the University and J.P. Morgan Securities LLC, as underwriter (the *"Underwriter"*); and

WHEREAS, in connection with the issuance of the Bonds, it is now necessary, desirable and in the best interests of the Authority to approve the distribution of a Preliminary Official Statement, including, if necessary, any supplements thereto (the *"Preliminary Official Statement"*), and a final Official Statement, including, if necessary, any supplements thereto (the *"Official Statement"*), by the Underwriter in connection with the offering and sale of the Bonds; and

WHEREAS, drafts of the following documents have been previously provided and are on file with the Authority (collectively, the *"Authority Documents"*):

(a) a form of the Indenture, including the form of Bond attached thereto;

(b) a form of the Loan Agreement;

(c) a form of the Purchase Contract;

(d) a form of the Preliminary Official Statement; and

WHEREAS, the 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 "trust estate" established pursuant to the Indenture; the 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 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 Underwriter nor any future owner of the Bonds shall have the right to compel any exercise of the taxing power, if any, of the Authority, the State or any political subdivision thereof to pay any principal or purchase price of, premium, if any, or interest on the Bonds;

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

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

Section 2. *Findings.* Based upon the representations of the University, the Authority hereby makes the following findings and determinations with respect to the University, the Bonds to be issued by the Authority and the facilities to be financed, refinanced or reimbursed with the proceeds of the Bonds:

(a) The University is a not-for-profit corporation organized under the laws of the State and is qualified to do business in the State;

(b) The University is an "private institution of higher education" (as defined in the Act) and owns and operates Bradley University;

(c) The University has properly filed with the Authority its request for assistance in providing funds to the University and the funds will be used for the Financing Purposes, and the facilities being financed, refinanced or reimbursed with the proceeds of the Bonds are owned and principally used, and will be owned, operated and principally used, by the University and are and will be located on the University's campus in Peoria, Illinois, and such facilities are included within the term "project" as defined in the Act;

(d) The facilities being financed, refinanced or reimbursed with the proceeds of the Bonds do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

(e) The Prior Bonds were issued for purposes which constitute valid purposes under the Act, and all of the proceeds of the Prior Bonds made available to the University were expended to pay or reimburse, or refinance indebtedness the proceeds of which were expended to pay or reimburse, a portion of the cost of a "project" (as such term is defined in the Act) owned or operated by the University, such refinancing is in the public interest, is in connection with other financings by the Authority and is permitted and authorized under the Act; and

(f) The Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

Section 3. *Bonds*. In order to obtain the funds to loan to the University to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Bonds. The Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Indenture in an aggregate principal amount not to exceed $18,9000,000, excluding original issue discount or premium, if any. The Bonds may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by any of the Chairperson, Vice Chairperson, Executive Director or General Counsel of the Authority (and, for purposes of this Resolution, any person duly appointed to any such office on an interim basis or otherwise authorized to act as provided by resolutions of the Authority) (each, an *"Authorized Officer"*), which approval shall be evidenced by such Authorized Officer's execution and delivery of the Indenture.

The Bonds shall mature not later than thirty (30) years from the date of their issuance, may be subject to serial maturities or mandatory bond sinking fund redemption as provided in the Indenture and shall bear interest at stated rates not exceeding 8.00% per annum. The Bonds shall be subject to optional and extraordinary redemption and be payable all as set forth in the Indenture.

The Bonds shall be issued only as fully registered bonds without coupons. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or its Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Bonds shall be issued and sold by the Authority and purchased by the Underwriter at a purchase price of not less than 98% of the aggregate principal amount of such Bonds, excluding any original issue discount or premium, if any, plus accrued interest, if any.

The Bonds and the interest thereon shall be special, limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Indenture)). The 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) proceeds of the sale of the Bonds, (ii) the income and revenues derived by the Authority pursuant to the Loan Agreement (except pursuant to Unassigned Rights) and other amounts available under the Bond Indenture and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson or the Executive Director of the Authority or any other Authorized Officer, the power and duty to make final determinations as to the Bonds to be refunded, the principal amount, number of series or subseries of Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions, the Underwriter of the Bonds, and the interest rates of each series of the Bonds, all within the parameters set forth herein.

Section 4. Indenture. The Authority is hereby authorized to enter into the Indenture with the Trustee, in substantially the same form as the Indenture now before the Authority; the form, terms and provisions of the Indenture now before the Authority be, and hereby is, in all respects approved; the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest to, the Indenture in the name, for and on behalf of the Authority, and thereupon to cause such Indenture to be executed, acknowledged and delivered to the Trustee, such Indenture to be in substantially the form now before the Authority or with such changes therein as an Authorized Officer of the Authority shall approve, his/her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of the Indenture now before the Authority; the Indenture shall constitute an assignment for the security of the Bonds issued thereunder of the revenues and income to be received by the Authority pursuant to the Loan Agreement and an assignment of the Authority's other rights under the Loan Agreement (other than Unassigned Rights); when the Indenture is executed, attested and delivered on behalf of the Authority as hereinabove provided, such Indenture shall be binding on the Authority; from and after the execution and delivery of the Indenture, 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 to carry out and comply with the provisions of the Indenture as executed; and the Indenture now before the Authority shall constitute, and hereby is made, a part of this Resolution.

Section 5. *Trustee*. The designation by the University of U.S. Bank Trust Company, National Association to serve as trustee, paying agent and registrar with respect to each series of Bonds is hereby approved.

Section 6. *Loan Agreement*. The Authority is hereby authorized to enter into the Loan Agreement with the University in substantially the same form as is now before the Authority; the form, terms and provisions of the Loan Agreement now before the Authority be, and hereby is, in all respects approved; 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, the Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause such Loan Agreement to be delivered to the University, the Loan Agreement to provide for the loan of the proceeds of the Bonds to the University and for the use of such proceeds for one or more of the Financing Purposes in the manner and with the effect therein provided, such Loan Agreement to be in substantially the same form as is now before the Authority or with such changes therein as an Authorized Officer of the Authority shall approve, his/her execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from the form of the Loan Agreement now before the Authority; when the Loan Agreement is executed, attested and delivered on behalf of the Authority as hereinabove provided, such Loan Agreement will be binding on the Authority; from and after the execution and delivery of the 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 to carry out and comply with the provisions of such Loan Agreement as executed; and that the Loan Agreement now before the Authority shall constitute, and hereby is made, a part of this Resolution.

Section 7. Tax Agreement. The Authority is hereby authorized to enter into a Tax Agreement with the University and the Trustee, in the form to be approved by bond counsel, counsel for the Authority and counsel for the University; 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 in the form so approved; when the Tax Agreement is executed and delivered on behalf of the Authority as hereinabove provided, such 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 to carry out and comply with the provisions of such Tax Agreement as executed.

Section 8. Escrow Agreement. If determined necessary or desirable by the Authority and the University, the Authority is hereby authorized to enter into an escrow agreement or other agreement relating to the refunding to be effectuated pursuant to the issuance of the Bonds (the *"Escrow Agreement"*), among the Authority, the University and U.S. Bank Trust Company, National Association, as escrow agent, in the form to be approved by bond counsel and 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 Escrow Agreement as so approved; that when the Escrow Agreement is executed and delivered on behalf of the Authority as herein provided, the Escrow Agreement will be binding on the Authority; and that from and after the execution and delivery of the Escrow 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 Escrow Agreement as executed.

Section 9. Purchase Contract. The Authority is hereby authorized to enter into the Purchase Contract with the University and the Underwriter in substantially the same form as is now before the Authority; the form, terms and provisions of the Purchase Contract now before the Authority be, and hereby is, in all respects approved; the Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver the Purchase Contract, such Purchase Contract to provide for the issuance and sale of the Bonds and to be in substantially the same form as is now before the Authority or with such changes therein as an Authorized Officer of the Authority shall approve, his/her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of the Purchase Contract now before the Authority and conclusive evidence of such approval of the final principal amounts, final maturities and redemption provisions for the Bonds; when the Purchase Contract is executed and delivered on behalf of the Authority as hereinabove provided, such Purchase Contract shall be binding upon the Authority; from and after the execution and delivery of the Purchase Contract, 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 to carry out and comply with the provisions of such Purchase Contract as executed.

Section 10. Preliminary Official Statement and Official Statement. The Authority does hereby approve the distribution of the Preliminary Official Statement and the Official Statement by the Underwriter in connection with the offering and sale of the Bonds; and the Official

Statement for the Bonds shall be substantially in the form of the draft Preliminary Official Statement provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by an Authorized Officer of the Authority, and that an Authorized Officer of the Authority hereby is authorized, empowered and directed to certify that the information contained in the Preliminary Official Statement and the Official Statement under the headings "THE AUTHORITY" and "LITIGATION–The Authority," to the extent such information pertains to the Authority, is in a form "deemed final" by the Authority for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

Section 11. Other Documents. The Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates and undertakings of the Authority and to take such other actions as may be required in connection with (i) carrying out and complying with this Resolution and the issuance and sale of the Bonds and effecting the Financing Purposes, (ii) the execution, delivery and performance of the Indenture, Loan Agreement, Purchase Contract and Tax Agreement and (iii) the distribution of each Preliminary Official Statement and Official Statement, all as authorized by this Resolution.

Section 12. Conditions to Effectiveness. The approvals granted by the Authority pursuant to this Resolution are subject to the Indenture, the Loan Agreement, the Purchase Contract, the Tax Agreement 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 the Executive Director or counsel to the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer's execution and delivery of such documents.

Section 13. Other Acts. 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 14. Severability. 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 15. Conflict. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 16. *Effective Date*. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of March, 2024 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: ____________________________
Executive Director

ATTEST:

____
Secretary (or Assistant Secretary)

[SEAL]

RESOLUTION 2024-0312-04

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO THE BOND AND LOAN AGREEMENT DATED AS OF JUNE 1, 2014 PROVIDING FOR A NEW PURCHASE DATE AND CONFIRMING THE INTEREST RATE FOR THE NEXT SUCCEEDING INTEREST PERIOD FOR THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2014 (CATHOLIC CHARITIES HOUSING DEVELOPMENT CORPORATION)

WHEREAS, the **ILLINOIS FINANCE AUTHORITY** (the "***Authority***") is a body politic and corporate duly organized and existing under and by virtue of the laws of the State of Illinois, including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended (the "***Act***"); and

WHEREAS, Catholic Charities of the Archdiocese of Chicago, an Illinois not for profit corporation ("***Catholic Charities***"), and Catholic Charities Housing Development Corporation, an Illinois not for profit corporation (the "***Housing Corporation***" and each of Catholic Charities and the Housing Corporation shall be referred to herein as a "***Borrower***" and collectively, as the "***Borrowers***"), have requested that the Authority amend the Bond and Loan Agreement dated June 1, 2014 among the Authority, Wintrust Bank, N.A. (the "**Purchaser**") and the Borrowers (the "***Original Bond and Loan Agreement***"), pursuant to which the Authority issued its Revenue Refunding Bond, Series 2014 (Catholic Charities Housing Development Corporation) (the "***Series 2014 Bond***"). The Series 2014 Bond financed the costs of (i) refunding the outstanding principal amount of the Illinois Development Finance Authority Adjustable Demand Revenue Bonds, Series 1993A (Catholic Charities Housing Development Corporation Project); and (ii) refunding the outstanding principal amount of the Illinois Development Finance Authority Adjustable Demand Revenue Bonds, Series 1993B (Catholic Charities Housing Development Corporation Project), all as permitted by the Act; and

WHEREAS, the Series 2014 Bond was sold to the Purchaser whole; and

WHEREAS, in connection with the cessation of LIBOR, United States Congress passed the Adjustable Interest Rate (LIBOR) Act (the "***LIBOR Act***"); and

WHEREAS, on June 16, 2023, the Purchaser delivered a Notice of Interest Rate Adjustment to the Borrowers (the "***Notice***"), which supplemented and modified the terms of the Original Bond and Loan Agreement in accordance Section 4(a) of the LIBOR Act to establish a New Index (as such term is defined in the Notice) to apply to the Series 2014 Bond in lieu of one-month LIBOR and to set forth such conforming changes to the Original Bond and Loan Agreement (the Original Bond and Loan Agreement, as supplemented and modified by the Notice shall be referred to herein as the "***Existing Bond and Loan Agreement***"); and

WHEREAS, pursuant to the terms of the Existing Bond and Loan Agreement, the Series 2014 Bond is subject to mandatory tender for purchase on June 1, 2024 (the "***Current Purchase Date***"), unless the Borrowers request and the Purchaser agrees to hold the Series 2014 Bond following the Current Purchase Date; and

WHEREAS, the Borrowers and the Purchaser have agreed that the Purchaser will continue to hold the Bond following the Current Purchase Date until January 1, 2028, which is also the Maturity Date (as defined in the Existing Bond and Loan Agreement) of the Series 2014 Bond, and in connection therewith, the Purchaser and the Borrowers have agreed to select this new Purchase Date pursuant to Section 3.3(c) of the Existing Bond and Loan Agreement; and

WHEREAS, a draft of the following document has been previously provided to and is on file with the Authority (the "***Authority Document***"):

First Amendment to Bond and Loan Agreement among the Authority, the Borrowers and the Purchaser, which amends the Existing Bond and Loan Agreement and under which the parties agree to select a new Purchase Date and to confirm the interest rate on the Series 2014 Bond.

NOW, THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority as follows:

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

Section 2. Authority Document. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairman, Vice Chairman, Executive Director, General Counsel, or any Assistant Executive Director or any person duly appointed by the Members of the Authority to serve in such office on an interim basis (each an "***Authorized Officer***") and the delivery and use of the Authority Document. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to the Authority Document. The Authority Document shall be substantially in the form previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such form of the Authority Document and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Series 2014 Bond and the purchase thereof.

Section 3. Approval of Acts. 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 Series 2014 Bond, and the same hereby are, in all respects, approved and confirmed.

Section 4. Ratification of Acts. All of the acts and doings of the members, officials, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 5. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or ineffective for any reason, the remainder of this Resolution shall continue in full force and effect, it being expressly hereby found and declared that the remainder of this Resolution would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause or provision.

Section 6. No Conflict. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 7. Effective Date. This Resolution shall take effect immediately upon its adoption, and any provisions of any previous resolutions in conflict with the provisions hereof are hereby superseded.

Approved and effective this 12th day of March, 2024 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: ______________________________
Executive Director

ATTEST:

____
Secretary (or Assistant Secretary)

[SEAL]

RESOLUTION 2024-0312-05

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED BOND AND LOAN AGREEMENT RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2013 (CONCORDIA UNIVERSITY) (THE "*BOND*") TO PROVIDE FOR CERTAIN AMENDMENTS RELATING TO THE EXTENSION OF THE PURCHASE DATE OF THE BOND, THE INTEREST RATE CALCULATION ON THE BOND AND CERTAIN OTHER MATTERS; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO EFFECT THE MATTERS SET FORTH IN SUCH AMENDED AND RESTATED BOND AND LOAN AGREEMENT; AND AUTHORIZING AND APPROVING RELATED MATTERS.

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

WHEREAS, in accordance with Resolution No. 2013-0611-NP03 adopted by the Authority on June 11, 2013 (the "*Original Resolution*"), the Authority has previously issued its $17,000,000 original principal amount Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Concordia University) (the "*Original Bond*"); and

WHEREAS, the Original Bond was issued pursuant to that certain Bond and Loan Agreement dated as of July 1, 2013 (the "*Original Agreement*"), among the Authority, Concordia University, an Illinois not-for-profit corporation (the "*University*"), and FirstMerit Bank, N.A., as initial purchaser (the "*Original Purchaser*"); and

WHEREAS, the University used the proceeds from the sale of the Original Bond, together with certain other funds, to currently refund all of the then outstanding Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Concordia University, Series 2009; and

WHEREAS, on July 2, 2018 (which was the end of the *"Initial Interest Period"* referred to in the Original Agreement), the Original Bond was tendered by the Original Purchaser under the terms of the Original Agreement and remarketed to Busey Bank, an Illinois banking corporation (the "*Purchaser*"); and

WHEREAS, in connection with such remarketing, the Original Agreement was amended pursuant to First Amendment to Bond and Loan Agreement dated as of July 2, 2018 (the "*First Amendment*"); and

WHEREAS, in connection with such remarketing the Original Bond was cancelled and a new amended bond numbered R-2 was executed and delivered in the then outstanding principal amount of $13,600,000 (the *"Existing Bond"*); and

WHEREAS, in connection therewith, on June 12, 2018, the Authority adopted Resolution 2018-0612-TE05 (the "*2018 Resolution*"), authorizing the execution and delivery of the First Amendment and the Existing Bond; and

WHEREAS, the Existing Bond bears interest at a variable rate of interest established pursuant to an index-based formula, as more fully described in the Existing Agreement; and

WHEREAS, on June 9, 2023, the Purchaser delivered to the University the Notice of Interest Rate Adjustment (the "*Notice of Interest Rate Adjustment,*" and the Original Agreement, as supplemented and amended by the First Amendment and as modified by the Notice of Interest Rate Adjustment, the "*Existing Agreement*"), notifying the University that the index used to establish such variable rate of interest on the Existing Bond would be deemed to change from "LIBOR" to "SOFR," together with certain conforming changes; and

WHEREAS, such change from LIBOR to SOFR was effective for interest rates that were effective on and after July 1, 2023; and

WHEREAS, under the terms of the Existing Agreement, the Existing Bond was subject to mandatory tender for purchase and remarketing on July 3, 2023 (the "*2023 Purchase Date*"); and

WHEREAS, the procedures set forth in the Existing Agreement for such tender and remarketing on the 2023 Purchase Date were not complied with; and

WHEREAS, since the 2023 Purchase Date, the Existing Bond has been continued to be held by the Purchaser and the interest rate established in accordance with the Notice of Interest Rate Adjustment; and

WHEREAS, the University and the Purchaser have now agreed that the Purchaser will continue to retain the Existing Bond (subject to exchange for the hereinafter defined Amended Bonds) for a new interest period that extends to, but not including, January 3, 2028 (the "*Purchase Extension Date*"); and

WHEREAS, the University and the Purchaser have also agreed to certain additional changes to the formula used to determine the interest rate on the Existing Bond and have agreed to make such changes retroactive to the 2023 Purchase Date; and

WHEREAS, in connection therewith, the University has requested, and the Purchaser has agreed, to waive any defaults or events of default arising out of the failure to comply with procedures under the Existing Agreement relating to the 2023 Purchase Date and to waive certain other defaults specified in the hereinafter defined Amended and Restated Agreement; and

WHEREAS, in connection with the effecting the foregoing, the University and the Purchaser desire to amend and restate the Existing Agreement to (i) incorporate the change from LIBOR to SOFR, including such conforming changes, as the index to be used to calculate the interest rate on the Existing Bond, (ii) provide for the Purchase Date Extension, (iii) provide for certain additional changes to the formula used to determine the interest rate on the Existing Bond, (iv) amend and restate the form of the Existing Bond to reflect such changes, (v) waive such defaults and (vi) make certain other changes as set forth herein (collectively, the *"Amendments"*); and

WHEREAS, in order to effect such Amendments, the University has requested that the Authority execute and deliver (i) an Amended and Restated Bond and Loan Agreement (the "*Amended and Restated Agreement*") among the Authority, the University, and the Purchaser, supplementing and amending the Existing Agreement, (ii) an amended and restated bond (the "*Amended Bond*") and (iii) such other documents as may be necessary to effect the Amendments; and

WHEREAS, the University has informed the Authority, based upon the advice of bond counsel to the Authority ("*Bond Counsel*"), that such Amendments may result in the Existing Bond being treated as "reissued" or "currently refunded" for federal income tax purposes pursuant to the Internal Revenue Code of 1986, as amended; and

WHEREAS, the University has requested that the Authority authorize and approve the execution and delivery of the Amended and Restated Agreement, the Amended Bond and the execution and delivery of all other documentation deemed necessary or appropriate in connection with effecting the Amendments; and

WHEREAS, drafts of the Amended and Restated Agreement and form of the Amended Bond have been previously provided to and are on file with the Authority;

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

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

Section 2. Amended and Restated Agreement. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) of the Amended and Restated Agreement by its Chairperson, Vice Chairperson, Executive Director or General Counsel, or any person duly appointed by the Members of the Authority to serve in such offices on an interim basis or otherwise authorized to act as provided by resolutions of the Authority (each, an "*Authorized Officer*") and the delivery and performance of the Amended and Restated Agreement; and the Secretary or any Assistant Secretary of the Authority shall be and each of them hereby is, authorized to attest and to affix the official seal of the Authority to the Amended and Restated Agreement; the Amended and Restated Agreement to be in substantially the same form of the Amended and Restated Agreement previously provided to and on file with the Authority and hereby approved, or with such changes therein as any Authorized Officer executing same shall approve, with such execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from such form.

Section 3. Amended Bond. In order to carry out the effectiveness of the Amendments, the Authority hereby authorizes the execution and delivery to the Purchaser of the Amended Bond, such Amended Bond to be in substantially the form attached to the Amended and Restated

Agreement as Exhibit A and previously provided to and on file with the Authority or with such changes therein as any Authorized Officer shall approve, the execution thereof to constitute conclusive evidence of such approval of any and all changes or revisions therein from such form; such Amended Bond shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its 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 or otherwise authorized to act as provided by resolutions of the Authority) and attested with the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and the seal of the Authority shall be impressed or imprinted thereon.

Section 4. Tax Agreement. The Authority is hereby authorized to enter into a Tax Exemption Certificate and Agreement (the "*Tax Agreement*") with the University, if deemed necessary by Bond Counsel, in the form to be approved by Bond Counsel, the University and by General Counsel to the Authority; the Authorized Officers of the Authority be, and each of them hereby is, authorized to execute and deliver the Tax Agreement as so approved; and from and after the execution and delivery of such Tax Agreement, the officers, employees and agents of the Authority are hereby authorized to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such Tax Agreement as executed.

Section 5. Additional Transaction Documents. The Authorized Officers of the Authority shall be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority to effect the Amendments and the foregoing described matters, including but not limited to, the execution and delivery of an IRS Form 8038 relating to the Amended Bond (collectively, the "*Additional Transaction Documents*"), and (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the University and the Purchaser.

Section 6. Authorization and Ratification of Subsequent Acts. The Members, officers, employees and agents of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of any amendments or supplements to any certificates or other tax documents) as may be necessary to carry out and comply with the provisions of these resolutions and the Amended and Restated Agreement and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the purposes and intent of this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, approved and confirmed. Unless otherwise provided therein, wherever in the Amended and Restated Agreement or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer to take such action, by any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Existing Agreement, as supplemented and amended by the Amended and Restated Agreement.

Section 7. Severability. 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 8. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict. The foregoing notwithstanding, (i) the Original Resolution is hereby confirmed and approved in all respects except insofar as certain provisions thereof are expressly amended or modified by, or are otherwise in conflict with, the 2018 Resolution or this Resolution and (ii) the 2018 Resolution is hereby confirmed and approved in all respects except insofar as certain provisions thereof are expressly amended or modified by, or are otherwise in conflict with this Resolution.

Section 9. Effectiveness. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of March, 2024 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By: ______________________________
Executive Director

ATTEST:

____
Secretary (or Assistant Secretary)

[SEAL]

IFA
ILLINOIS FINANCE AUTHORITY

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

VIII. PRESENTATION AND CONSIDERATION OF FINANCIAL REPORTS AND REPORT ON THE CLIMATE BANK PLAN

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160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

To: Members of the Illinois Finance Authority

From: Ximena Granda, SVP of Finance and Administration

Date: March 12, 2024

Re: Presentation of Forecast Revenues, Expenses and Net Income through February 29, 2024
All information is preliminary and unaudited.

General Operating Fund Revenues, Expenses and Net Income

a. **Annual Operating Revenues** of $4 million are $849 thousand or 26.5% higher than budget, primarily due to closing fees and net investment income position. Annual closing fees of $1.4 million are $242 thousand or 20.6% higher than budget. Annual servicing fees (e.g., fees for outstanding bonds of the former Education Facilities Authority, outstanding bonds on behalf of Illinois Environmental Protection Agency ("IEPA"), loan guarantees, etc.) of $117 thousand are $6 thousand higher than budget. Annual administrative service fees (e.g., document amendments, host TEFRA hearings, etc.) of $73 thousand are $47 thousand lower than budget. Annual application fees of $13 thousand are $7 thousand dollars lower than the budget. Accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled $189 thousand (which has represented a declining asset since 2014). Grant Income of $344 thousand is $73 thousand higher than budget. Net investment income position of $1.9 million is $557 thousand higher than budget (this increase in net investment position reflects a $693 thousand mark-to-market, non-cash increase in investments). *

b. In **February**, the Authority posted closing fees of $36 thousand, which was $111 thousand lower than the monthly budgeted amount of $147 thousand.

c. **Annual Operating Expenses** of $2.5 million are $497 thousand or 16.5% lower than budget, primarily due to employee-related expenses and professional services expenses. Annual employee-related expenses of $1.4 million are $132 thousand or 8.8% lower than the budget, primarily due to staff vacancies. Annual professional services expenses of $827 thousand are $332 thousand or 28.7% lower than budget. Annual occupancy costs of $125 thousand are 2.5% higher than the budget. Annual general and administrative costs of $ 189 thousand are 10.3% lower than budget. Annual depreciation expense totals $3 thousand dollars.

   - See Exhibit A: 4FJ Year-to-Date Expenditures.

d. In **February**, the Authority posted operating expenses of $306 thousand, which was $71 thousand lower than the monthly budgeted amount of $376 thousand. Expenses for Professional Services were slightly lower than the previous month.

e. In **February**, the Authority posted Net Income of $295 thousand, which was primarily attributable to monthly Grant Income of $282 thousand.

f. **Annual Net Income** of $1.5 million was primarily due to the Authority's net investment income position.

General Operating Fund - Assets, Liabilities and Net Position

In the General Fund, the Authority continues to maintain a net position of $60.6 million as of February 29, 2024. Total assets in the General Fund are $65.5 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $51.3 million (with $28.1 million in cash). Restricted cash totals $2.9 million. Notes receivable from former Illinois Rural Bond Bank ("IRBB") local governments total $3.7 million. Participation Loans, Natural Gas Loan Program, DACA (pilot medical student loans in exchange for service in medically underserved areas in Illinois) and other loans receivable are $5.3 million. In February, the Authority collected $677 thousand in interest and principal from outstanding IRBB loans.

The Authority funded one State Small Business Credit Initiative ("SSBCI") loan in the amount of $198 thousand, and the Authority was reimbursed for expenses related to the SSBCI program in the amount of $85 thousand.

All Funds - Assets, Liabilities and Net Position

The Assets, Liabilities and Net Position for all other funds are not available at this time.

Authority Audits and Regulatory Updates

The Two-Year Compliance Examination for Fiscal Year 2022 and Fiscal Year 2023 are in progress. The Authority anticipates the report to be issued sometime in March 2024.

CMS Bureau of Internal Audit is currently working on the Locally Held Funds Audit and the Purchasing, Contracts, Intergovernmental Agreements & Leasing Audit. In the coming weeks, the Internal Auditors will start working on the Federal Grant Audit and Revenues, Receivable & Receipts Audit. The Authority anticipates completing all these audits before June 30, 2024.

Other Supplementary Financial Information

The Fiscal Year Comparison of Bonds Issued, the Fiscal Year 2024 Bonds Issued and the Schedule of Debt will not be available until further notice.

Recommendation

Staff recommends approval.

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
THROUGH FEBRUARY 29, 2024
(PRELIMINARY AND UNAUDITED)

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	YEAR TO DATE ACTUAL	FY 2024 BUDGET	BUDGET VARIANCE TO YEAR TO DATE ACTUAL	BUDGET VARIANCE (%)
Operating Revenues:												
Closing Fees	$ 105,000	$ 183,000	$ 31,229	$ 702,030	$ 300,000	$ 48,000	$ 10,274	$ 36,000	$ 1,415,533	$ 1,173,335	$ 242,198	20.6%
Annual Fees	14,000	14,540	13,968	14,820	14,571	17,024	13,968	14,563	$ 117,454	111,335	6,119	5.5%
Administrative Service Fees	25,031	2,000	-	7,000	20,000	1,200	3,000	14,400	$ 72,631	120,000	(47,369)	-39.5%
Application Fees	1,100	100	3,500	2,500	2,100	1,000	500	2,500	$ 13,300	20,000	(6,700)	-33.5%
Miscellaneous Fees	86	107	48	-	30	-	79	48	$ 398	335	63	0.0%
Interest Income-Loans	24,183	25,537	21,364	23,606	28,469	20,607	21,127	24,148	$ 189,041	166,664	22,377	13.4%
Other Revenue	65	64	61	1,433	61	61	60	59	1,864	667	1,197	179.5%
Total Operating Revenue:	**$ 169,465**	**$ 225,348**	**$ 70,170**	**$ 751,389**	**$ 365,231**	**$ 87,892**	**$ 49,008**	**$ 91,718**	**$ 1,810,221**	**$ 1,592,336**	**$ 217,885**	**13.7%**
Operating Expenses:												
Employee Related Expense	$ 137,077	$ 163,532	$ 195,513	$ 176,828	$ 166,842	$ 174,558	$ 182,382	$ 175,750	$ 1,372,482	$ 1,504,719	$ (132,237)	-8.8%
Professional Services	98,817	151,259	61,022	157,894	80,522	93,859	98,895	84,574	$ 826,842	1,159,309	(332,467)	-28.7%
Occupancy Costs	13,869	14,985	15,211	14,952	14,939	14,978	20,238	15,915	$ 125,087	122,000	3,087	2.5%
General & Administrative	21,480	21,979	23,354	23,014	22,519	24,042	23,462	29,386	$ 189,236	211,000	(21,764)	-10.3%
Depreciation and Amortization	385	385	385	363	363	319	319	297	2,816	16,000	(13,184)	-82.4%
Total Operating Expense	**$ 271,628**	**$ 352,140**	**$ 295,485**	**$ 373,051**	**$ 285,185**	**$ 307,756**	**$ 325,296**	**$ 305,922**	**$ 2,516,463**	**$ 3,013,028**	**$ (496,565)**	**-16.5%**
Operating Income(Loss)	**$ (102,163)**	**$ (126,792)**	**$ (225,315)**	**$ 378,338**	**$ 80,046**	**$ (219,864)**	**$ (276,288)**	**$ (214,204)**	**$ (706,242)**	**$ (1,420,692)**	**$ 714,450**	**50.3%**
Nonoperating Revenues (Expenses):												
Miscellaneous Non-Opertg Rev/(Exp)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -		$ -	n/a
Grant Income					61,497			282,484	343,981	270,500	73,481	27.2%
Total Grant Income	**$ -**	**$ -**	**$ -**	**$ -**	**$ 61,497**	**$ -**	**$ -**	**$ 282,484**	**$ 343,981**	**$ 270,500**	**$ 73,481**	**27.2%**
Bad Debt Adjustments (Expense)	-	-							-	-	-	0.0%
Interest and Investment Income	124,973	112,361	114,404	124,933	110,792	229,848	202,391	197,989	1,217,691	1,333,333	(115,642)	-8.7%
Realized Gain (Loss) on Sale of Invests	(7,868)	2,760	2,301	216	4,246	(12,547)	(13,558)	3,992	(20,458)	-	(20,458)	n/a
Mark-to-Market Fair Value Adj - (Appr-Depr)	128,956	96,022	76,961	104,825	125,350	86,204	50,091	24,848	693,257	-	693,257	n/a
Total Net Investment Position	**$ 246,061**	**$ 211,143**	**$ 193,666**	**$ 229,974**	**$ 240,388**	**$ 303,505**	**$ 238,924**	**$ 226,829**	**$ 1,890,490**	**$ 1,333,333**	**$ 557,157**	41.8%
Total Net Investment Position & Grant Income	**$ 246,061**	**$ 211,143**	**$ 193,666**	**$ 229,974**	**$ 301,885**	**$ 303,505**	**$ 238,924**	**$ 509,313**	**$ 2,234,471**	**$ 1,603,833**	**$ 630,638**	**39.3%**
Net Income (Loss) Before Transfers	**$ 143,898**	**$ 84,351**	**$ (31,649)**	**$ 608,312**	**$ 381,931**	**$ 83,641**	**$ (37,364)**	**$ 295,109**	**$ 1,528,229**	**$ 183,141**	**1,345,088**	**734.5%**
Net Income (Loss)	**$ 143,898**	**$ 84,351**	**$ (31,649)**	**$ 608,312**	**$ 381,931**	**$ 83,641**	**$ (37,364)**	**$ 295,109**	**$ 1,528,229**	**$ 183,141**	**$ 1,345,088**	**734.5%**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
February 29, 2024
(PRELIMINARY AND UNAUDITED)

		GENERAL FUND
Assets and Deferred Outflows:		
Current Assets Unrestricted:		
Cash & cash equivalents		28,105,196
Investments		23,152,370
Accounts receivable, Net		25,446
Loans receivables, Net		2,153,023
Accrued interest receivable		556,713
Bonds and notes receivable		-
Due from other funds		1,380,000
Prepaid Expenses		133,369
Total Current Unrestricted Assets	**$**	**55,506,117**
Restricted:		
Cash & Cash Equivalents	$	2,921,301
Investments		-
Total Current Restricted Assets	**$**	**2,921,301**
Total Current Assets	**$**	**58,427,418**
Non-current Assets:		
Unrestricted:		
Investments	$	-
Loans receivables, Net		3,158,770
Bonds and notes receivable		3,684,547
Due from other local government agencies		-
Total Noncurrent Unrestricted Assets	**$**	**6,843,317**
Restricted:		
Cash & Cash Equivalents	$	-
Loans receivables, Net		197,936
Total Noncurrent Restricted Assets	**$**	**197,936**
Capital Assets		
Capital Assets	$	905,379
Accumulated Depreciation		(876,037)
Total Capital Assets	**$**	**29,342**
Total Noncurrent Assets	**$**	**7,070,595**
Total Assets	**$**	**65,498,013**
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on debt refunding	$	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$**	**-**
Total Assets & Deferred Inflows of Resources	**$**	**65,498,013**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
February 29, 2024
(PRELIMINARY AND UNAUDITED)

		GENERAL FUND
Liabilities:		
Current Liabilities:		
Payable from unrestricted current assets:	$	-
Accounts payable		53,153
Payables from pending investment purchases		
Lease Payable		17,693
Accrued liabilities		316,987
Due to employees		97,147
Due to other funds		1,380,000
Payroll Taxes Liabilities		25,380
Unearned revenue, net of accumulated amortization		2,980,437
Total Current Liabilities Payable from Unrestricted Current Assets	**$**	**4,870,797**
Payable from restricted current assets:		
Accounts payable		-
Total Current Liabilities Payable from Restricted Current Assets	**$**	**-**
Total Current Liabilties	**$**	**4,870,797**
Noncurrent Liabilities		
Payable from unrestricted noncurrent assets:		
Noncurrent payables	$	585
Lease Payable	$	-
Accrued liabilities		-
Noncurrent loan reserve		-
Total Noncurrent Liabilities Payable from Unrestricted Noncurrent Assets	**$**	**585**
Payable from restricted noncurrent assets:		
Assets	**$**	**-**
Total Noncurrent Liabilities	**$**	**585**
Total Liabilities	**$**	**4,871,382**
DEFERRED INFLOWS OF RESOURCES:		
Net Position:		
Net Investment in Capital Assets	$	29,342
Unrestricted		59,069,060
Current Change in Net Position		1,528,229
Total Net Position	**$**	**60,626,631**
Total Liabilities & Net Position	**$**	**65,498,013**

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EXHIBIT A – FEDERAL (AND PRIVATE) FUNDS FOR FUTURE JOBS YEAR-TO-DATE EXPENDITURES

March 12, 2024

Federal (and Private) Funds for Future Jobs (4FJ), an Initiative of the Climate Bank

As an integral element of the Illinois State plan for an economically equitable carbon-free future, the Climate Bank is empowered to use finance to accelerate the investment of private capital to combat climate change in a way that benefits and reflects the geographic, racial, ethnic, gender, and income-level diversity of Illinois. To do so, a vigorous, growing economy is necessary to create and maintain Illinois job opportunities. In addition to the climate-related federal funding opportunities identified in this modified Climate Bank Plan, there are other large, time-sensitive opportunities to obtain Federal (and private) Funds for Future Jobs (4FJ). The flexibility of the Illinois Finance Authority Act ("Act") and the Authority General Fund allow for retaining the necessary expert capacity to effectively compete for 4FJ that will support both an equitable carbon-free future and the Illinois good jobs economy.

The Executive Director is authorized to work with the Governor's Office, the Department of Commerce and Economic Opportunity (DCEO), P33, and other stakeholders who may be necessary to use certain Authority General Funds to select and engage vendors. These vendors will be asked to demonstrate that they have the necessary capacity and expertise to allow the State of Illinois to effectively compete for up to $11.4 billion in 4FJ opportunities and be selected and enter into contracts with consistent with applicable procurement law and policy.

The following provides a snapshot of year-to-date and complementary activity for 4FJ. The following includes FY2024, Quarter 1 and Quarter 3. There were no significant 4FJ expenditures incurred in Quarter 2.

Focus: U.S. Economic Development Administration's Distressed Areas Recompete Pilot Program (Recompete)

Narrative: The Recompete Program will invest in economically distressed communities to create and connect people to good jobs. This program will create renewed economic opportunity in communities that have for too long been forgotten. To do so, the program targets areas where prime-age (25-54 years) employment significantly trails the national average, with the goal to close this gap through large, flexible investments.

These grants would assist in creating local jobs in Central Illinois, encouraging young populations to stay and work. Vendor expertise was necessary to submit competitive applications for these opportunities; other funding alternatives were not available.

Opportunity	Project	Quarter	Vendor	Contract Amount	Potential ROI	Update
Recompete Phase 1	Springfield Economic Empowerment Project	Q1	University of Illinois	$100,000	$20-50 million	**Springfield won a $450,000** Strategy Development Grant (SDG)
Recompete Phase 1	Decatur, Illinois Recompete Plan	Q1	McKinsey	$100,000	$20-50 million	Decatur advanced to Phase 2 as a finalist, requesting approximately $50 million
Recompete Phase 2* **	Decatur, Illinois Recompete Plan	Q3	---	---	$20-50 million	***Currently active procurement to obtain expert vendor help
Subtotal: $200,000 (already included in FY2024 financial statements)						

<u>Focus: Regional Technology an Innovation Hubs (Tech Hubs)</u>

Narrative: The Tech Hubs Program aims to **strengthen U.S. economic and national security** with investments in regions across the country with assets and resources with the potential to become globally competitive in the technologies and industries of the future —and **for those industries, companies, and the good jobs they create, to start, grow, and remain in the United States**.

This program brings together diverse public, private, and academic partners into collaborative consortia focused on driving inclusive regional growth. With their existing innovation assets as a foundation, these Tech Hubs will build the workforce of the future; enable businesses to start and scale; and deploy and deliver critical and emerging technologies.

These grants would assist in developing technologies related to agricultural advancement (iFAB) and quantum computing (The Bloch). Vendor expertise was necessary to submit competitive applications for these opportunities; other funding alternatives were not available.

Opportunity	Project	Quarter	Vendor	Contract Amount	Potential ROI	Update
U.S. EDA Tech Hubs	The Bloch	Q3	Boston Consulting Group	$460,000	$40-70 million	Application submitted 3/1/2024
U.S. EDA Tech Hubs	iFAB	Q3	Boston Consulting Group	$460,000	$40-70 million	Application submitted 3/1/2024
Subtotal: $920,000 (to be included in next month's financial statements)						

<u>Total: $1.12M year-to-date.</u>

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ILLINOIS CLIMATE BANK PLAN STANDING REPORT

March 12, 2024

Background

Section 5 of Resolution No. 2022-1110-EX16 (Climate Bank Plan Resolution), adopted on November 10, 2022, requires the Executive Director to report to the Members on all material actions taken under the resolution and all substantive modifications made to the Climate Bank Plan between meetings. The Members may then affirm, modify, or disapprove of any modifications to the Climate Bank Plan.

This March 12, 2024, Climate Bank Plan Standing Report is consistent with Section 5 of the Climate Bank Resolution and past modifications to the Climate Bank Plan incorporated by this reference. It summarizes all material actions taken under the Climate Bank Plan.

There are no proposed Climate Bank Plan Modifications for Fiscal Year 2024 today.

TODAY'S GUESTS:

1. ***J.C. Kibbey*** – State of Illinois Climate Advisor – Illinois Environmental Protection Agency, primary author, State Priority Climate Action Plan (Plan) for federal Climate Pollution Reduction Grants (CPRG) Climate Pollution Reduction Grants (illinois.gov).
   - Exhibit A: Plan Illinois EPA Draft PCAP.docx, p. 7
2. ***Nicole Bateman,*** President of the Economic Development Corporation of Decatur-Macon County, and ***Carly McCrory-McKay,*** Executive Director of the Champaign County Economic Development Corporation.
   - Exhibit B: Gov. Pritzker Celebrates Substantial Investments in Illinois Biomanufacturing and Precision Fermentation, March 4, 2024
   - Exhibit C: Gov. Pritzker Celebrates Primient's $400M Capital Investment in Illinois' Plant-Based Future, March 7, 2024;
3. ***Meera Raja***, Vice President/Deep Tech, P33, a nonprofit that is an international and collaborative effort led by Chicago business and tech leaders across the private and public sectors (P33 (p33chicago.com), and ***Chad Phillips***, Federal Policy Manager, Department of Commerce and Economic Opportunity.
4. ***Reverend Tony Pierce***, Vice President, Green Energy Justice Cooperative.
   - Exhibit D. Governor Pritzker Launches $8.5 Million CEJA Community Solar Energy Sovereignty Grant Program, March 6, 2024

ARTICLES OF INTEREST:

1. Courtesy of ***Lia Yong-Zhen Downing***, Master of City Planning Candidate, Massachusetts Institute of Technology, and Energy Technologies Area, Berkeley Lab, Lawrence Berkeley

National Laboratory, State and Community Energy Programs, U.S. Department of Energy, *Leveraging State Clean Water Revolving Funds to Expand Clean Energy Financing*, ***Jeff Pitkin***, former CFO/Treasurer, New York State Energy Research and Development Authority (NYSERDA), ***Jeff Deason*** and ***Greg Leventis***, Lawrence Berkeley National Laboratory, February 2024 (special contributor, ***Jim Gebhardt***, USEPA), Exhibit E

2. Courtesy of ***Matt Posner***, Court Street Group (CSG). Matt has more than 15 years of experience in public finance and policy. He has testified before the U.S. Senate Committee on Finance on infrastructure finance problems facing the country and spent years educating staff in the U.S. House of Representatives, the U.S. Senate, the U.S. Treasury Department and the Securities and Exchange Commission on public policy and market implications. Mr. Posner has been quoted on his views and published in the Wall Street Journal, the New York Times, Bloomberg News, The Bond Buyer, the Municipal Finance Journal, and the Government Finance Officers Association's Government Finance Review, among others. Also, ***Shivaram Rajgopal***, the Kester and Byrnes Professor at Columbia Business School, attempts to bring academic research and insights to questions of interest to CFOs and securities regulators.
   - *Putting Projects in Motion, State bond banks and conduits are the wheel that needs no reinvention,* Matt Posner, Government Finance Review, February 2024, Exhibit F.1
   - *Ignore ESG to Build a Sustainable Future*, CSG, Community Finance Brief, March 5, 2024, Exhibit F.2
   - *Has the ESG Train Left The Station?*, Shivaram Rajgopal, Forbes, Leadership, CFO Network. Exhibit F.3

ACTION SUMMARY

1. **IFA C-PACE Open Market Initiative.** Since February 13, 2024, four municipalities adopted the Authority's PACE Ordinance. The Village of Milan passed the ordinance on February 19, 2024; the City of Rock Island on February 26, 2024; the City of Moline on February 27, 2024; and the City of Silvis on March 7, 2024. This marks four counties and 12 municipalities that have enacted the PACE Ordinance since January 2023. The Authority continues to engage with municipalities across the state to encourage the adoption of the PACE Ordinance.

2. **Public Engagement.** The Authority takes pride in its ongoing commitment to stakeholder engagement.
   i. On February 27, 2024, the Executive director presented at the Greater Peoria Economic Development Council's Technical Working Group Meeting.
   ii. On February 27, 2024, in partnership with the Illinois Environmental Protection Agency (IEPA), the Authority co-hosted two public listening sessions regarding the Climate Pollution Reduction Grants (CPRG) that they are pursuing.

3. **DCEO State Economic Development.** The Authority continued to collaborate with DCEO on various economic development projects connected to Climate Bank purposes.

4. **Federal (and private) Funds for Future Jobs (4FJ), a Climate Bank Initiative.** The Authority executed two large contracts for expert third-party capacity to assist P33 and DCEO on two large-scale competitive funding opportunities. These successful contracts were the result of a competitive procurement process through an Invitation for Bid. These third-party vendors assisted in submitting applications for the U.S. Environmental Development Administration (EDA)'s Regional Technology and Innovation Hubs (Tech Hubs) opportunity. See also this month's preliminary and unaudited financial report and statements.

5. **UST SSBCI.** Authority staff continued to engage with local lenders by committing to support two transactions listed below.

   i. The Authority continues to support The Will Group, Inc.'s $14.1MM K Town Business Centre 2 Project. In addition to the benefits that this project provides to this minority-owned company's efforts to further expand its "green-focused" manufacturing operations, our assistance also helps to provide substantial benefits to the project's Chicago west side neighborhood's residents. Because the Authority is not obligated to participate in the intermittent funding during the project's Construction Phase, IFA's committed $3MM Participation will not be disbursed to the Participating Lender until Project Completion, now anticipated to occur in June/July 2024.

   ii. Authority staff have closed on the MTH Tool Company, Inc. project, disbursing IFA's $197,936 Participation to the Participating Lender in support of the overall $659,786 project. IFA's support of MTH's venture will provide this Plano, Illinois-based company with the ability to derive its electrical power needs from its own, highly efficient 340KW solar power array, replacing grid-sourced electricity generated using fossil fuels.

   iii. Authority staff is continuing to add new Participating Lenders to its listing of project partners, as well as vetting new projects submitted by various lending partners. Thus far, nearly all proposed projects appear to warrant classification as SSBCI Socially and Economically Disadvantaged Individual, ("SEDI") ventures.

6. **USEPA GGRF.** The Authority expects the USEPA to announce its awardees for both the Solar for All (SFA) and National Clean Investment Fund (NCIF) portions of the Greenhouse Gas Reduction Fund (GGRF) competition in the coming weeks.

7. **USDOE GRID.** On February 16, 2024, the Authority closed its Request for Information (RFI) to receive feedback on how to effectively deploy $16 million in federal funding received under the USDOE Grid Program Section 40101(d) for new grid resilience and innovation investments that reduce the likelihood and consequences of outage and extreme weather events, particularly in disadvantaged communities. The Authority expects to use the results of this RFI to release an official Request for Projects later this month.

8. **USDOT CFI.** The Authority was recently selected as one of 47 awardees for the U.S. Department of Transportation (USDOT)'s Charging and Fueling Infrastructure Grant, winning $14.9 million for EV charging stations. While this money cannot be spent until grant agreements are negotiated, the Authority has begun one-on-one meetings with its partners of the 273 EV project sites submitted in their application to prepare for the release of funds. The Authority expects projects to be able to begin work in summer 2024.

9. **USDOE GRIP.** The Authority continues its work on its application for the second round of USDOE's Grid Resilience and Innovation Partnerships (GRIP) competition. Though the Authority did not win GRIP funding in the first round, they were encouraged by USDOE leadership to reapply in 2024 with a larger project scale. The Authority plans to request approximately $250 million.

<u>Attachments:</u>

Exhibit A. Executive Summary, Illinois Priority Climate Action Plan
Exhibit B. Governor's Office iFAB Press Release
Exhibit C. Governor's Office Primient Press Release
Exhibit D. Governor's Office CEJA Community Solar Press Release
Exhibit E. Clean Water Revolving Runds Policy Brief
Exhibit F.

1. Matt Posner, Putting Projects into Motion
2. Matt Poser, Ignore ESG to Build a Sustainable Future
3. Shivaram Rajgopal, Has the ESG Train Left the Station?

Exhibit G. iFAB Presentation and One-Pager

Executive Summary

Illinois has already been hard at work to address the problem of climate change.

The centerpiece of that work is the Climate and Equitable Jobs Act (CEJA), signed into law in 2021, which commits the state to 100% carbon-free power by 2045 while also supporting energy efficiency, electric vehicles, and building electrification, and reforming utility planning and regulation.

The state has been a national leader on climate:

- Governor Pritzker signed an executive order in 2019 committing the state to the principles of the Paris Climate Agreement.
- The Illinois Capital Development Board will approve the state's first-ever stretch energy code in June 2024.
- The Illinois Commerce Commission is set to begin proceedings on the Future of Gas, to explore pathways towards a decarbonized buildings sector, in the first half of 2024.
- Since being named the Climate Bank in CEJA, the Illinois Finance Authority, in partnership with the Illinois Environmental Protection Agency, mobilized approximately $627 million in private capital for climate finance projects, 54% of which are in or benefit low-income and disadvantaged communities.
- The state has set a goal of having 1 million electric vehicles on the road by 2030.

Emissions

Illinois' annual greenhouse gas emissions today are estimated at 228 MMTCO2e, with transportation (60 MMTCO2e) accounting for the largest share, followed by power (52 MMTCO2e). This represents a nearly 20% decline from 2005 emissions, which were 283.6 MMTCO2e. Power was the largest sector by emissions in 2005 with 94 MMTCO2e, and also saw by far the biggest decline of any sector between 2005 and 2021. The second-largest source of emissions in 2005 was transportation with 72 MMTCO2e.

Meeting Illinois' commitment to the Paris Climate Agreement would require cutting emissions about 39% from current levels to 139 MMTCO2e.

PCAP

This Priority Climate Action Plan (PCAP) proposes a path towards broad emissions reductions in every large-emitting sector of the economy. It also explores specific series of potential actions within those measures, with an emphasis on filling gaps in existing federal and state programs, and catalyzing projects that also leverage other sources of funding. Nearly all measures explore the workforce development efforts that will be necessary to achieve them, and the benefits they can provide to low-income and disadvantaged communities (LIDACs).

The Plan also draws from and builds upon the work of many entities in our state that have developed their own climate action plans: the City of Chicago, the Chicago metropolitan region, the Illinois Department of Natural Resources, and the University of Illinois in both Chicago and Urbana-Champaign.

Gov. Pritzker Celebrates Substantial Investments in Illinois Biomanufacturing and Precision Fermentation

Press Release - Monday, March 04, 2024

iFAB Tech Hub will drive economic growth and innovation

CHICAGO — Today, Governor JB Pritzker and Innovate Illinois announced $680 million in combined cash match and strategic investments from public and private partners for the Illinois Fermentation and Agriculture Biomanufacturing (iFAB) Tech Hub. iFAB was designated as one of 31 Economic Development Administration (EDA) Regional Technology and Innovation Hubs nationally and recently applied for Phase 2 Implementation Grants that would propel regional growth in technology and solidify Illinois' position as a leader in biomanufacturing and precision fermentation. The significant cash match indicates a strong backing by stakeholders reflecting the incredible potential for expanding this industry in the region.

"Home to world-class institutions, modernized infrastructure, and first-rate research centers, Illinois is transforming technology, biomanufacturing, and innovation at every turn," **said Governor JB Pritzker**. "This designation positions Central Illinois to become a global leader in biomanufacturing and precision fermentation over the next decade — bringing economic development and good-paying jobs along with it. I want to congratulate everyone who took the iFab vision and turned it into a world-class, federally designated Tech Hub—you are helping create a better Illinois for all."

iFAB exemplifies Illinois' biomanufacturing prowess, with a strategic focus on fermentation as a biomanufacturing tool. iFAB, led by the Integrated Bioprocessing Research Laboratory (IBRL) at the University of Illinois Urbana-Champaign and 30 other key partners. The project's ambition is to drive economic growth and innovation for a sustainable future by capitalizing on Illinois' strength in agricultural production.

"Our program is strategically positioned to lead the charge in transforming the bioeconomy," **said Beth Conerty, Associate Director of IBRL and Regional Innovation Officer for iFAB**. "Through iFAB, Illinois is not just participating in biomanufacturing—we are helping shape the future of the industry."

"As one of Illinois's two Tech Hub designees, I'm pleased to see such strong support for iFAB," **said U.S. Senator Tammy Duckworth (D-IL)**. "I was proud to work closely with Governor Pritzker and Senator Durbin to advocate for our state to win Tech Hub designations, and I'll keep doing everything I can to support these projects and bring in investments from the federal level. Illinois is making it clear that we are ready to compete and have the projects and innovation to bring our state, nation and world into the future."

"With the recent designation of iFAB as one of our state's two Tech Hub designees, alongside the remarkable strides made in quantum and advanced biomanufacturing, it's evident that Illinois is positioned at the forefront of driving economic growth and job creation through cutting-edge research and development," **said U.S. Senator Dick Durbin (D-IL)**. "By leveraging federal investments and strategic partnerships, we are not only propelling Illinois into the future but also solidifying our nation's leadership in transformative technologies."

The project supports a wide range of applications in biomanufacturing, from novel ingredients to sustainable materials, addressing emerging market demand for sustainable products. iFAB's integrated "lab-to-line" approach will catalyze economic development by positioning Central Illinois as a premier destination for biomanufacturing companies—moving bio-innovation from R&D to full-scale manufacturing.

"When universities and industry come together as partners, you see a massive increase in the speed of development and implementation," **said Robert J. Jones, chancellor of the University of Illinois Urbana-Champaign and co-vice chair of Innovate Illinois**. "This ecosystem for discovery and innovation is what makes Illinois a leader in the field."

Following the announcement, Congresswoman Nikki Budzinski and Kristin Richards, Director of the Illinois Department of Commerce and Economic Opportunity (DCEO), hosted an exclusive roundtable event with iFAB consortia members to discuss the future of the project.

"iFAB is a strategic initiative driving not only Illinois' economy but also bolstering our national competitiveness in the biomanufacturing sector," **said DCEO Director Kristin Richards**. "Our economic potential is inextricably linked to our ability to innovate and lead in this vital industry, and with the support of the State of Illinois, iFAB is well on its way to becoming a global industry leader."

With the EDA Phase 2 awardees set to be announced summer 2024, Illinois is well positioned to stand at the forefront of the biomanufacturing innovation, signaling a vibrant economic horizon.

"iFAB's Tech Hub designation is a true testament to world-class entities utilizing technology and research to make Illinois a sought-after destination for both expansion and innovation," **said Representative Carol Ammons (D-Urbana)**. "The State of Illinois will continue supporting iFAB through every step of the grant application process."

"This investment is a major win for Illinois," **said Senator Paul Faraci (D-Champaign)**. "As game-changing technology continues to emerge, it is critical that our businesses in Illinois are prepared. iFab's Tech Hub designation will not only bolster our state's local economies but it will put Illinois on the map, signifying our title as a major tech hub."

About Innovate Illinois

Innovate Illinois, a public-private initiative, orchestrates a coordinated effort to harness federal funding opportunities provided by landmark legislation such as the Bipartisan Infrastructure Bill, the CHIPS and Science Act, and the Inflation Reduction Act. By capitalizing on these resources, Innovate Illinois is set to fast-track the state into an era of unprecedented technological and economic advancement.

Press Releases

- **2023 Moultrie County Final Multiplier Announced**

  Friday, March 08

- **Governor Pritzker Awards $4.6 Million in Grant Funding to Local Tourism Organizations**

  Friday, March 08

- **DoIT's Office of Supplier Diversity Launches Mini-Webinar Series for Small Businesses to Conduct Business with the State of Illinois**

  Friday, March 08

VIEW MORE›

Gov. Pritzker Celebrates Primient's $400M Capital Investment in Illinois' Plant-Based Future

Press Release - Thursday, March 07, 2024

Decatur Primient facility will see strong investments to support bioeconomic progress and infrastructure upgrades

DECATUR — Today, Governor JB Pritzker joined Primient leadership, the Department of Commerce and Economic Opportunity, and local stakeholders to celebrate Primient's new investments in Decatur. With this milestone $400M investment over the next 5 years in infrastructure and operations, Primient will improve refining and drying practices and further ensure quality and reliability for decades to come. A leader in sustainable food and industrial ingredient production, Primient is the sole corn wet miller to replace coal use at every facility with more sustainable energy sources.

"Illinois is open for business, and we're showing the rest of the nation that business development and environmental sustainability go hand-in-hand," **said Governor JB Pritzker.** "I couldn't be prouder to join Primient leadership as they announce a historic $400 million capital investment here in Decatur. Today's announcement doesn't just secure Primient's status as a market leader — it speaks to their commitment to serve as a true community partner."

"In Illinois, we embrace innovation. We are ready to make changes that will protect our land for future generations and it's exciting to partner with businesses who share that goal," **said Lt. Governor Juliana Stratton**. "I look forward to seeing how Primient will use these funds to propel sustainable energy. This is the kind of work that will ensure Illinois' long-term economic and environmental success."

- Primient's Decatur facility investments will prioritize a few key projects:
- Modernizing and upgrading feed, germ, and drying processes,
- Improving syrup refining reliability and efficiencies,
- Enhancing safety and equipment capabilities,
- Updating employee spaces such as lunch and locker rooms,
- And providing additional training and development opportunities and programming.

"Primient's historic investment is creating jobs and helping to solidify Illinois' reputation as a top biomanufacturing hub globally," **said DCEO Director Kristin Richard**s. "Through competitive incentives, an unmatched workforce, and unbeatable location and infrastructure, Illinois continues to be a premier location for businesses in top industries looking to grow and thrive."

"These investments set a new standard for Primient and our industry," **said Jim Stutelberg, Primient CEO**. "We are excited by the potential we see in our operations and our communities as we build towards a brighter, more sustainable plant-based future together."

"Primient's investment in its Decatur operations reinforces the company's long-standing position as a community leader and signifies strong confidence in our shared future" **said Julie Wolfe Moore, Mayor of Decatur**. "We are proud to partner with them as they lay the foundation for the next generation, ensuring that Decatur is ready to step into the potential of the bioeconomy."

The investment aims to guarantee the Decatur site's future for the next 20 years, with technological and environmental considerations to ensure prosperity. As a long-term community partner, Primient has increased corn processing capacity by 10 million bushels, locally sourced, and created hundreds of jobs for Illinoisans.

As part of the expansion, the company received an Economic Development for a Growing Economy (EDGE) tax credit, which stipulates a $40 million minimum investment and creating 50 new full-time jobs and retaining nearly 540 full-time jobs. A link to the full agreement can be found here. (Note: Agreement will be on this site when executed).

Press Releases

- **2023 Moultrie County Final Multiplier Announced**

  Friday, March 08

- **Governor Pritzker Awards $4.6 Million in Grant Funding to Local Tourism Organizations**

  Friday, March 08

- **DoIT's Office of Supplier Diversity Launches Mini-Webinar Series for Small Businesses to Conduct Business with the State of Illinois**

  Friday, March 08

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Illinois
Department of Commerce
& Economic Opportunity
JB Pritzker, Governor

FOR IMMEDIATE RELEASE
March 6, 2024

DCEO Contact:
DCEO.media@illinois.gov

Governor Pritzker Launches $8.5 Million CEJA Community Solar Energy Sovereignty Grant Program

Eligible entities can now apply for funding to develop community solar projects as part of the landmark Climate and Equitable Jobs Act (CEJA)

CHICAGO – Governor JB Pritzker and the Illinois Department of Commerce and Economic Opportunity (DCEO) launched $8.5 million in funding for the Community Solar Energy Sovereignty Grant Program as part of a larger strategy to equitably grow the clean energy workforce in Illinois through the landmark Climate and Equitable Jobs Act (CEJA). The program supports community-based organizations and technical service providers in low-income and historically disadvantaged communities to plan, develop and execute community solar projects. Grantees will be selected through a competitive Notice of Funding Opportunity (NOFO) process.

"Illinois is leading the fight against climate change and putting environmental justice front and center, said **Governor JB Pritzker**. "With this latest investment of $8.5 million to support solar energy projects in marginalized communities, we'll create well-paying jobs and build healthier communities."

The goal of this grant program is to provide upfront seed capital funding to overcome barriers to project development caused by lack of capital in historically disadvantaged communities. The program prioritizes funding for community solar projects that are located in and provide community benefits to environmental justice or Restore Reinvest Renew (R3) communities. Environmental justice and R3 communities are areas where residents have historically been excluded from economic opportunities, including opportunities in the energy sector, and areas that experience high levels of pollution.

"Illinois is at the forefront of climate justice for all our communities, regardless of zip code. Clean energy is a matter of equity, and the Community Solar Energy Sovereignty Grant Program is part of our equitable and sustainable future," **said Lt. Governor Juliana Stratton.** "This program will not only provide a sustainable future for communities that have been historically left out and left behind, it will also bolster our workforce with jobs of the future."

Grant funding may be used to support a variety of pre-development activities to benefit historically disadvantaged communities, including early-stage project planning, project team organization, site identification, procurement and contracting, securing financing, customer outreach, site assessments, and more. Funds may also be used to support the development of cooperative or community ownership models that allocate benefits to communities and support long-term governance, management, and maintenance of community solar projects.

"DCEO has launched several critical programs intended to move our state toward a carbon-free future under the landmark CEJA legislation," **said DCEO Director Kristin Richards.** "The Community Solar Sovereignty Grant Program will help fuel community solar projects to benefit Illinoisans in the areas that need it the most."

Qualified entities include community-based organizations and technical service providers working in direct partnerships with community-based organizations.

Through a competitive Notice of Funding Opportunity (NOFO), qualified entities can apply for grants, with awards ranging from $50,000 to $1 million. Applications will be accepted on a rolling basis until July 1, 2024, at 5:00 p.m., or until funds are exhausted.

To view the NOFO and apply for the grant, please visit the **DCEO website**. Interested parties are encouraged to reach out to CEO.GrantHelp@illinois.gov for application assistance. To help applicants prepare to apply for funding, DCEO will be holding a technical assistance **webinar** at 1 p.m. on March 14.

The Community Solar Energy Sovereignty is one of several contractor, workforce, and community support programs established by the landmark CEJA legislation intended to move Illinois to a 100% carbon-free future. This program is one of two programs under the Jobs and Environmental Justice Program (20 ILCS 730/5-60: The Equitable Energy Future Grant and the Community Solar Sovereignty Grant). Under CEJA, DCEO will administer $180 million per year in workforce and community support programs designed to build Illinois' clean energy economy and prepare the state's workforce and communities for the jobs of the future.

CEJA training, contractor & community investment programs administered by DCEO include:

- Clean Energy Contractor Incubator Program (20 ILCS 730/5-45)
- Clean Energy Primes Contractor Accelerator Program (20 ILCS 730/5-55)
- Clean Jobs Workforce Network Program ("Clean Jobs Hubs") (20 ILCS 730/5-20)
- Coal to Solar and Energy Storage Initiative Fund (20 ILCS 3855/1-75)
- Energy Transition Barrier Reduction Program (20 ILCS 730/5-30)
- Energy Transition Community Support Grants (20 ILCS 730/10-20)
- Energy Transition Navigators Program (20 ILCS 730/5-35)
- Illinois Climate Works Pre-apprenticeship Program (20 ILCS 730/5-40)
- Jobs and Environmental Justice Grant Program (20 ILCS 730/5-60)
- Returning Residents Clean Jobs Training Program (20 ILCS 730/5-50)

Climate Bank Standing Report - Exhibit E

February 2024

Leveraging State Clean Water Revolving Funds to Expand Clean Energy Financing

Jeff Pitkin, Senior Consultant to Lawrence Berkeley National Laboratory and former treasurer (chief financial officer) of the New York State Energy Research and Development Authority[1]

Jeff Deason and Greg Leventis, Lawrence Berkeley National Laboratory

Executive Summary

States that offer loans to finance energy efficiency and other clean energy projects often face challenges with capitalizing these loan funds. Two states—New York and Pennsylvania—innovated by leveraging their Clean Water State Revolving Funds (CWSRFs) to support the capitalization of their clean energy loan funds. Created under the Clean Water Act, CWSRFs generally finance a wide range of water quality infrastructure projects at low cost. Energy efficiency and clean energy projects that prevent the combustion of fossil fuels have the potential to reduce the deposition of related pollutants into state waterways and improve water quality. As such, other states may be able to follow the example of New York and Pennsylvania.

In New York, New York State Energy Research and Development Authority (NYSERDA) structured a sale of bonds secured by the repayments from a portfolio of residential energy efficiency loans from its Green Jobs – Green New York (GJGNY) Program, with the additional support of a guarantee from the state CWSRF. This guarantee enabled the bond issuance to receive triple-A investment-grade ratings at very low risk to the CWSRF, allowing the GJGNY Program to replenish its capital and continue to lend. Subsequent bond issuances that were not backed by the guarantee also received investment-grade ratings; the additional loan performance track record enabled by the CWSRF transaction was likely critical to this development, suggesting that the loan guarantee had a market transformation effect.

The Pennsylvania Treasury Department (Treasury) received a direct investment of funds from Pennsylvania's CWSRF to support the relaunch of the Keystone Home Energy Loan Program (HELP), which had previously been shuttered due to lack of support funding. The national lending and securitization structure that the Treasury and Renew Financial established, however, failed to attract sufficient participation from other energy efficiency programs around the country and was ultimately abandoned (although not due to factors related to the CWSRF). In the meantime, CWSRF capital leveraged significantly larger amounts of Treasury funds, allowing the program to loan an additional $10 million to residential customers for clean energy improvements. Had Pennsylvania's capital recycling plans materialized, the CWSRF investment might have had similar market transformation impacts in Pennsylvania.

[1] Mr. Pitkin was responsible for the design, implementation, and oversight of New York State Energy Research and Development Authority's Green Jobs – Green New York financial program and bonds issued to recapitalize the program, including the 2013 bond issue discussed in this paper.

From our review of these two case studies, the following critical success factors emerged for facilitating CWSRF transactions to support clean energy lending:

- Reference to preventing atmospheric deposition resulting from the combustion of fossil fuels in the state's Clean Water Act Section 319 Nonpoint Source Pollution Management Plan, which sets out that state's strategy for reducing pollution into state waterways.
- Strong relationships and trust between the CWSRF administrator and the state agency administering the clean energy loan program.
- Limited funding exposure for the CWSRFs —which are generally large and well capitalized— to ensure that any losses experienced by CWSRFs would have a negligible impact on the fund's ability to support core water and wastewater projects.
- Willingness, on the part of the CWSRF administrator, to innovate and engage in careful analysis to support transaction structuring, and support from state energy partner organizations.

Introduction to Clean Water State Revolving Funds (CWSRFs)

Many states offer loans to residential, commercial, and public building owners to finance energy efficiency and other clean energy projects, often through state energy offices (Deason et al. 2016). States often face challenges with capitalizing these loan funds, or with replenishing those funds while waiting for loan repayments to return. Two states—New York and Pennsylvania—innovated by leveraging their CWSRFs to support clean energy loan funds.

Created by the 1987 amendments to the Clean Water Act, CWSRFs provide capital for a wide range of water infrastructure projects. Under the CWSRF program,[2] the U.S. Environmental Protection Agency (EPA) provides annual grants to all 50 states, Washington, D.C., Puerto Rico, and U.S. territories to capitalize state CWSRF programs. Grant recipients contribute an additional 20% to match the federal grants. The CWSRF programs most typically provide low-interest loans to state water projects. As money from past loans is paid back into a state's revolving loan fund, the state relends that money for other water quality activities. Repayments of loan principal and interest earnings recycle back into individual state CWSRF programs to finance new projects, allowing the funds to "revolve" at the state level over time.

While low-interest loans are most common, states may provide other types of financial assistance using their CWSRF funding, including purchasing or guaranteeing local debt and purchasing bond insurance.

CWSRFs and Energy Efficiency

While CWSRFs traditionally have provided financing assistance to address state water quality needs, a project in 2013 in New York's CWSRF created a precedent for using the CWSRF to provide financing assistance for clean energy projects. This brief provides a case study report of the New York transaction and a second project in Pennsylvania that relied upon the New York precedent.

[2] For more information on the CWSRF, see epa.gov/cwsrf.

Case Study: New York CWSRF Guarantee of NYSERDA Bonds Financing Residential Energy Efficiency Loans

Background

In 2009, state legislation[3] directed NYSERDA to launch the GJGNY Program. The program provides financing through revolving loan funds for energy efficiency retrofits in one- to four-unit residential homes and small business, not-for-profit, and multifamily buildings. Proceeds from selling CO_2 allowances under the Regional Greenhouse Gas Initiative initially funded the program. About $42.5 million was allocated for a GJGNY Revolving Loan Fund, including $26.6 million for residential homes.[4] State legislation in 2012 enhanced the program by establishing an on-bill recovery financing mechanism allowing loans to be repaid through charges on consumers' electric and gas utility bills.[5]

A U.S. Department of Energy Better Buildings Program Retrofit Ramp-Up grant supplemented the seed money from the Regional Greenhouse Gas Initiative. NYSERDA allocated about $8.5 million from this grant for loan loss and debt service reserves to support residential retrofit loans from the GJGNY Program and to leverage private capital.

Consistent with the GJGNY Act of 2009, NYSERDA developed program guidelines and launched the residential loan program in November 2010. NYSERDA competitively selected a third-party loan originator to originate the loans using NYSERDA's loan underwriting standards.

Given strong demand for GJGNY loans and the long loan repayment terms, the Revolving Loan Fund would have been exhausted in a few years without some additional source of capital. To issue additional loans, NYSERDA planned to issue bonds secured by loan repayments, and to use the proceeds from these bond sales to replenish the GJGNY Revolving Loan Fund.[6]

CWSRF Support

Once NYSERDA launched the program and began accumulating program loans, NYSERDA started to plan for its first bond issue. Feedback from several rating agencies revealed that the program did not yet have sufficient historical loan performance data to support a minimum investment-grade credit rating[7] on NYSERDA's GJGNY bonds. Discussions ensued between NYSERDA and the New York State Environmental Facilities Corporation (NYSEFC), the administrator of New York's CWSRF, regarding potential assistance from NYSEFC to support the GJGNY Program. NYSERDA and NYSEFC determined that a guarantee from NYSEFC, provided through the CWSRF, would allow the bonds to receive a AAA guarantee rating based on

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[3] Title 9-A of Article 8 of the Public Authorities Law of the State of New York, known as the GJGNY Act of 2009.
[4] The balance of funds was used for workforce development initiatives, outreach and marketing, energy audit subsidies, and program administration, implementation, and evaluation costs.
[5] Sections 1 through 11 of Chapter 388 of the Laws of 2011, as amended by Part DD of Chapter 58 of the Laws of 2012.
[6] For more on leveraging bond financing to support clean energy projects and programs, see U.S. Department of Energy (2020): https://www.energy.gov/scep/slsc/articles/leveraging-bond-financing-support-energy-efficiency-and-renewable-energy-goals-1.
[7] Bond ratings help investors understand the risks involved in buying bonds. They are issued by rating agencies as letter grades (from D, the lowest rating indicating the most risk, to AAA, the highest, least risky rating) to indicate whether bond issuers are more or less likely to reliably pay principal and interest when due. The higher the credit rating, the lower the interest rate the bond issuer pays to the bond investor. An investment-grade bond would be rated not less than BBB by S&P Global Ratings, for example.

the pledge of excess cash flows from NYSEFC's very successful state revolving fund bond financing program and the strength of its balance sheet.

NYSEFC and NYSERDA contacted EPA to discuss potential support for GJGNY through the CWSRF. In March 2013,[8] NYSEFC proposed to EPA to use its Nonpoint Source Management Program[9] to qualify NYSERDA's residential energy efficiency projects financed with GJGNY Program loans as eligible projects under Section 603(c)(2) of the Clean Water Act and the implementing federal guidelines for the CWSRF. NYSEFC noted in its request that the burning of fossil fuels to generate heat[10] in New York contributes to atmospheric deposition into New York water bodies. New York's Nonpoint Source Management Program identifies atmospheric deposition from fossil fuel combustion as a significant source of water quality impairment and calls for additional controls over, and reductions in, atmospheric deposition of such air pollutants into New York water bodies. These energy efficiency projects reduce atmospheric deposition into New York water bodies through reducing the combustion of fossil fuels.

NYSEFC presented a plan to structure a guarantee of NYSERDA's bonds from the CWSRF and sought EPA's concurrence with its position that the proposed structure was an eligible use of CWSRF funds. EPA concurred[11] with NYSEFC's position that the projects met eligibility for financing support and supported NYSEFC's plan.

Once EPA had issued its concurrence on the approach, NYSERDA submitted an application for financing support—just as any other water or wastewater facility project would. NYSEFC determined that the project met its program requirements and that the CWSRF had sufficient funding available for NYSERDA's financing request.

CWSRF Credit Assessment

Key factors in NYSEFC's assessment and approval of the financing structure included:

- The parties structured the financing support as a guarantee backed by the CWSRF. The CWSRF administrator did not need to set aside funding to support this guarantee for several reasons: (1) NYSEFC did not anticipate drawing down on the guarantee; (2) NYSERDA pledged additional funds to cover program loan losses (see subsequent bullet point below); and (3) the CWSRF had ample free cash flow plus highly stable and liquid equity balances, making it unnecessary to restrict capital to support its guarantee product . This avoided diverting financing resources from other eligible projects.

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[8] NYSEFC's March 4, 2013, letter to EPA is available at: https://www.cdfa.net/cdfa/cdfaweb.nsf/fbaad5956b2928b086256efa005c5f78/ad2ad287a1245c40862573830083767c/$FILE/NYSERDA%20Clean%20Water%20SRF%20Eligibility%20Question%20for%20EPA%2003.04.13.pdf.

[9] Under the Clean Water Act, nonpoint source pollution comes from any diffuse sources, such as land runoff, precipitation, atmospheric deposition, drainage, seepage, or hydrologic modification. The goals of a state's Nonpoint Source Management Program are to control pollution from nonpoint sources to the waters of the state and to protect, maintain, and restore the water quality of the state.

[10] Due to the nature of the regional electricity market, energy efficiency efforts to reduce electricity consumption were not deemed to contribute to reducing atmospheric deposition since their relationship to emissions reductions at specific electricity generation facilities cannot be determined. NYSERDA calculated and reported to NYSEFC the atmospheric deposition resulting from project measures that reduced heating fuels, but allowed projects composed in whole or in part of electricity energy efficiency measures to be included.

[11] EPA responded by letter dated March 22, 2013, which is available at: https://www.cdfa.net/cdfa/cdfaweb.nsf/fbaad5956b2928b086256efa005c5f78/ad2ad287a1245c40862573830083767c/$FILE/NYSERDA%20-%20EPA%20SRF%20ruling%20in%20favor%20of%20EE%20projects%27%20eligibility.pdf.

- NYSEFC recognized that regular and constant repayments from loans provided a source of revenue to mitigate any losses.
- The transaction was structured using NYSEFC's typical debt service coverage ratio of 125% (meaning pledged revenues from loan repayments were 25% more than the principal and interest payments due on the bonds), which provided additional mitigation for loan losses.
- NYSEFC staff ran an extreme scenario for loan losses and determined that its debt would still be fully repaid under that scenario.[12]
- NYSERDA pledged its $8.5 million allocated under its U.S. Department of Energy grant and also pledged any funds available in the GJGNY Program to reimburse any guarantee funds paid from the CWSRF. This reserve provided an added layer of support to the CWSRF.
- Working with another state entity provided some comfort. NYSERDA was a mature organization with substantial access to capital markets for conduit utility bonds, so a default could negatively impact NYSERDA's access to bond markets in the future. This provided motivation for NYSERDA to exercise due diligence in its loan approvals. Moreover, NYSEFC and NYSERDA worked cooperatively as state public authorities. The commissioner of the New York State Department of Conservation served both as NYSEFC's board chair and as an ex officio member of NYSERDA's board, so NYSEFC was comfortable with NYSERDA as a counterparty to the transaction.
- The NYSERDA guarantee would have a negligible impact on the CWSRF assets, even in the extremely unlikely event of 100% default on all loans. As of March 2013, the NYSEFC CWSRF had $13.0 billion in total assets and $7.5 billion in liabilities. The proposed initial $24-million financing represented less than 0.2% of total NYSEFC CWSRF assets. NYSEFC committed to the EPA that the aggregate amount with any future financing would be limited to not more than $100 million.

Structuring

NYSERDA issued its $24.3-million Residential Energy Efficiency Financing Revenue Bonds, Series 20213A,[13] on July 31, 2013, with a AAA rating by S&P Global and Moody's. The bonds are payable solely from monies held by the bond trustee for repayments from certain program portfolio loans.[14] Figure 1 summarizes the transaction structure.

NYSERDA issued the bonds as Qualified Energy Conservations Bonds.[15] NYSERDA therefore received interest subsidy payments from the United States Treasury over the life of the bonds, calculated on a published rate. NYSERDA structured the bonds with a debt service coverage ratio of 126%. As noted above, this ratio was generally in line with debt service coverage ratios of other projects financed by NYSEFC

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[12] NYSERDA prepared several loss scenarios for review with NYSEFC. The base scenario as structured (with a 26% excess debt service coverage) demonstrated the program would provide excess coverage over the expected cumulative losses on loans, using loss data from other similar consumer loans. NYSERDA ran additional loss scenarios assuming higher losses, and the excess debt service coverage, coupled with the $8.5-million pledge from the collateral reserve funds, provided sufficient coverage for the full repayment of bond principal and interest using what the analysts thought to be a draconian loss scenario.

[13] The official statement for the bonds is available at: https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/About/NYSERDA-2013A.pdf.

[14] There are 3,116 loans issued and outstanding as of June 30, 2013, with a principal balance of $27.7 million issued at interest rates ranging from 2.99% to 3.99% with an average of 3.44%, and with loan terms ranging from 60 to 180 months with an average term of 152.7 months and an average remaining term of 140.6 months.

[15] For more on Qualified Energy Conservations Bonds, see https://www.energy.gov/sites/prod/files/2017/08/f36/QECB-FAQ_final.pdf. As of January 2018, Qualified Energy Conservations Bonds are no longer being issued (see https://www.energy.gov/eere/slsc/qualified-energy-conservation-bonds).

through the CWSRF. NYSERDA structured the bonds with fixed principal payments of various maturity dates (1–15 years) with a weighted average interest rate of 2.43% for a weighted average maturity of 7.53 years.

Orders for the bonds from prospective investors totaled more than two times the amount of bonds available, demonstrating strong investor interest for the bonds. *The Bond Buyer* magazine, a trade periodical for bond issuers and investors, recognized NYSERDA and NYSEFC's innovation as the Small Issuer Deal of the Year.[16]

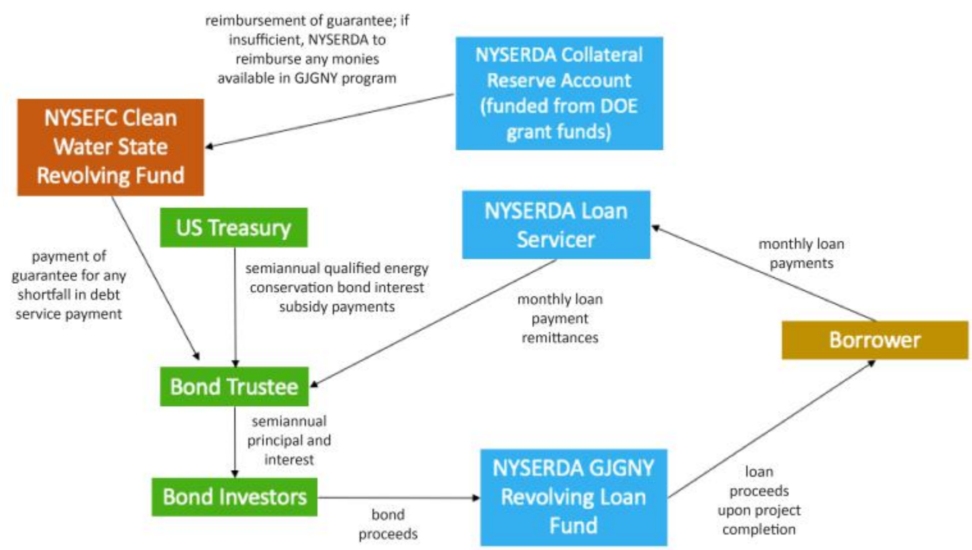

Figure 1: Structure of the NYSERDA transaction

Reporting

NYSERDA provides quarterly performance reports to NYSEFC on the pledged portfolio loans. NYSERDA also files its annual audited financial statements, debt service coverage information, and updates on characteristics of outstanding loans, delinquencies, and loan defaults in the Municipal Securities Rulemaking Board Electronic Municipal Market Access System within 120 days after the end of each fiscal year. Lastly, NYSERDA publishes monthly characteristics and delinquency and loss information on all GJGNY Program loans on its website.[17]

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[16] See video clip at https://www.bondbuyer.com/video/deal-of-the-year-small-issuer-financing.

[17] See: https://www.nyserda.ny.gov/Researchers-and-Policymakers/Green-Jobs-Green-New-York/Data-and-Trends.

Subsequent CWSRF Support and Pathway to Self-Sufficiency

Subsequent to its initial 2013 bonds issued with a guarantee from NYSEFC and the New York CWSRF, NYSERDA received additional financing assistance through NYSEFC's traditional project financing structure. Under this structure, NYSEFC issued AAA-rated bonds to finance several qualifying projects, including NYSERDA's GJGNY Program loans. These NYSEFC bonds were secured by bonds[18] issued by NYSERDA to NYSEFC; those NYSERDA bonds were themselves secured by loan repayments from additional GJGNY Program loans. The NYSEFC bonds were also structured with NYSEFC's traditional debt service coverage ratio. NYSERDA pledged the previously mentioned $8.5-million reserve to support all three bonds issued with financing assistance from NYSEFC, with the expectation that the 2013 bonds would not ultimately draw down on CWSRF funds and that the 2015 and 2016 bonds would be repaid in full. To date, no funds have been drawn down on the 2013 guarantee and all bond debt service payments have been made on time for the 2015 and 2016 bonds.

After several bond issues with NYSEFC assistance, NYSERDA had accumulated sufficient loan performance data to issue publicly rated (an A rating by Kroll Bond Rating Agency) and publicly issued bonds in 2018, 2019, and 2020 without the backing of NYSEFC.[19] Thus, the NYSEFC guarantee successfully transformed the market for NYSERDA's bond issuances, fostering continual capital replenishment without an ongoing guarantee.

Benefits of CWSRF Support

- NYSEFC's guarantee resulted in a AAA bond rating, substantially reducing the interest rate and costs on NYSERDA's bonds, supporting its strategy to offer low-interest-rate loans to consumers, and increasing the replenishment of the GJGNY Revolving Loan Fund.
- NYSEFC's guarantee provided critical credit support to a new program and new asset class until the program had developed historical experience. Subsequently, the program accessed capital markets without credit support.[20]
- NYSEFC's use of its Nonpoint Source Management Program and authority for atmospheric deposition established a precedent, potentially allowing other states to use the credit strength of their CWSRF programs to support clean energy projects.

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[18] Bonds issued by NYSERDA to NYSEFC include $46,230,000 in Residential Energy Financing Revenue Bonds, Series 2015A and $23,200,000 in Residential Energy Efficiency Financing Revenue Bonds, Series 2016A.
[19] In 2022, almost 10 years after NYSERDA's first CWSRF-backed bond sale, Berkeley Lab published Long-Term Performance of Energy Efficiency Loan Portfolios (Deason et al. 2022), which examines the payment history of four energy efficiency financing program portfolios over approximately 10 years. This resource may be useful for supporting future transactions that rely on payments from similar residential energy efficiency loans.
[20] NYSERDA's 2013 bonds achieved a AAA rating based on the AAA rating of the CWSRF as guarantor of the bonds. NYSERDA's subsequent bonds issued without credit support from the CWSRF were A-rated (an investment-grade rating), based on the level of pledged loan repayments over anticipated loan losses as calculated by the bond rating agency.

Case Study: Pennsylvania CWSRF Funding for Keystone HELP Loans

Background

The West Penn Power Sustainable Energy Fund (WPPSEF) developed Keystone HELP in 2005. WPPSEF is a 501(c)(3) nonprofit organization that invests in the deployment of sustainable energy technologies that benefit West Penn Power utility ratepayers. To create Keystone HELP, WPPSEF worked with the Gemstone Group (an investment banking and financial advisory services firm) and AFC First Financial Corporation (a national energy efficiency and renewable energy lender and program administrator that is the predecessor company to the current National Energy Improvement Fund). WPPSEF developed the program with AFC to promote ENERGY STAR®-labeled products in the West Penn Power utility service territory.

WPPSEF provided funding for Keystone HELP marketing efforts and created a $1-million loan pool for West Penn Power homeowners who wanted to install ENERGY STAR-labeled products. AFC underwrote, originated, and then serviced loans made through Keystone HELP.

Within the program's first few months, the Treasury approached WPPSEF and AFC and asked them to consider modifying Keystone HELP into an innovative public-private partnership that would, among other things, allow its scope to expand dramatically to a statewide footprint. The Treasury, as custodian of Pennsylvania Commonwealth assets that are not required for the immediate needs of the government's agencies, offered to invest up to $20 million of those funds—at market rates of return to the Treasury—in loans to homeowners. The Treasury was able to enlist support from other state agencies that agreed to provide a total of $1 million in grant funds to create a loan loss reserve. The loss reserve helped enhance security for the Treasury's funding and enabled the program to offer loans at lower net interest rates (and for longer repayment periods) than available from many market-based products. In this model, the Treasury's requirements matched those of private prudent investors,[21] with the loan loss reserve sheltering the Treasury's position.

Success of Keystone HELP in its initial years encouraged the Treasury to consider enlarging its original $20-million investment. Working closely with AFC, the Treasury was able to secure contributions of additional programmatic support funds by the Pennsylvania Department of Environmental Protection (including dedicated legislative appropriations), significant proportions of the commonwealth's federal American Recovery and Reinvestment Act grant funds, and even utility contributions pledged as components of electric restructuring plans. The substantially enlarged pool of support funds enabled the Treasury to expand its original capital commitment while preserving its prudent investor status. The program used these new funds for both loan loss reserves and interest rate buydowns for various loan products offered through Keystone HELP. Perhaps more importantly—at least from a market acceptance perspective—these additional program support funds also made it possible for Keystone HELP to offer loans at below market rates,[22] supporting homeowner energy efficiency renovations.

[21] The prudent investor rule is a legal guideline for trustees of investment portfolios. It requires a fiduciary (in this case, the Pennsylvania Treasury) to act in the best interest of the trust's beneficiaries (in this instance, the citizens of the state of Pennsylvania) and outlines standards for legally controlling investment portfolios.
[22] Keystone HELP used a portion of the support funds to buy down the interest rates homeowners paid on the loans.

Keystone HELP won the prestigious Energy Stars of Energy Efficiency award from the Alliance to Save Energy in 2013, as well as other awards. By 2014, Keystone HELP had made nearly 14,000 loans totaling over $125 million.

In anticipation of future funding challenges and scale of exposure, the Treasury engaged the investment banking firm Bostonia to structure a private sale of a portion of the Keystone HELP portfolio to a consortium of regional banks (with AFC retaining servicing). In anticipation of future funding and national program expansion based upon Keystone HELP, the Treasury engaged Citibank, Renew Financial (which was in discussion to acquire AFC), and the Energy Programs Consortium to create WHEEL (Warehouse for Energy Efficiency Loans). WHEEL was designed to bundle Keystone HELP loans with those from energy efficiency loan programs from other jurisdictions to back securities that would be sold to secondary market investors. Renew Financial would in that fashion be able to periodically recycle capital back to the original investors in the program loans, enabling them to finance subsequent rounds of new energy efficiency activities.

WHEEL successfully executed a securitization in June 2015. The securitization was recognized by *Environmental Finance*, which bestowed its Energy Efficiency Award on Renew Financial and Citibank, naming the WHEEL transaction one of the Deals of the Year.

Renew Financial acquired AFC in October 2015, and began expanded efforts to persuade other jurisdictions to support energy efficiency lending programs similar to Keystone HELP and use WHEEL securitizations to revolve their investment capital. Unfortunately, soon after that time, Keystone HELP deployed (and thereby exhausted) all of the support funds it had obtained from the Pennsylvania Department of Environmental Protection and other sources. Without the security protection provided by those subordinated funds, the Treasury was unable to continue providing the investment capital that made up by far the largest portion of funds in the capital stack for each loan. As a result, the program became dormant.

Pennsylvania CWSRF Support

Based on New York's 2013 precedent, the Treasury initiated discussions with the Pennsylvania Infrastructure Investment Authority (PENNVEST), the state's water infrastructure development authority, about the potential for using Pennsylvania CWSRF funds to support the continuation of Keystone HELP (and, in turn, the WHEEL securitization model). With the support of the administration of Governor Tom Wolf, PENNVEST ultimately recognized the water quality benefits from improving home energy efficiency and agreed to provide support funds to help provide credit enhancement for Treasury investments in new Keystone HELP loans. The PENNVEST funds would assume a subordinate position in the capital stack of each individual loan, and then in any portfolio of loan assets bundled into a future securitization. Renew Financial would oversee the program going forward, including aggregating assets and executing securitizations at appropriate moments. The Treasury's position would be retired at the time of securitization, and PENNVEST's position would be retired through loan repayments once all bond purchasers were repaid.

Renew Financial initially anticipated that multiple states with energy efficiency loan assets similar to those created by Keystone HELP would participate in WHEEL. However, Renew Financial ultimately determined that there was insufficient interest to support the WHEEL financing facility or the effort to develop a national secondary market for homeowner energy efficiency loans. Given the failure of this capital recycling vision, Renew Financial withdrew its support for the WHEEL program going forward. In the absence of a securitization strategy that would provide it with some measure of liquidity for its investment, the Treasury decided to end its support for Keystone HELP in 2017.

Figure 2 summarizes the implemented transaction structure.

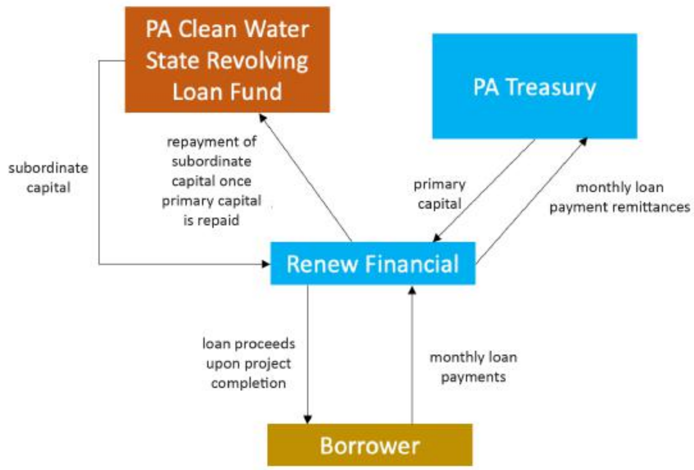

Figure 2: Structure of Keystone HELP following CWSRF involvement

The program made a total of 1,077 loans totaling over $9.9 million with Pennsylvania CWSRF funding support in this subordinated capital structure, with primary capital ($7.9 million) coming from the Treasury (the loans were never sold to secondary market investors) and approximately $2 million funded from Pennsylvania CWSRF funds. Repayments on the loans will be returned to PENNVEST once the primary capital is repaid to the Treasury. The Treasury anticipates repayments on these loans will be consistent with the historical performance of Keystone HELP, which had annualized losses of less than 1%.

CWSRF Credit Analysis

PENNVEST's enabling statute—Act 16 of 1988, Public Law 82—provides for the investment of all the agency's assets not required for immediate use in any securities or investments in which funds of the commonwealth are authorized to be invested.[23] PENNVEST routinely implemented this direction by entrusting these investment decisions to the state treasurer, with its mandate to comply with prudent investor precepts.

Following a presentation by the Treasury, the PENNVEST Board agreed that investing a very small portion of its asset base in Keystone HELP loans, making those loans less costly and therefore more attractive to homeowners interested in reducing their energy consumption, could in fact result in reduced deposition of pollutants into the waters of the commonwealth and therefore improve water quality in Pennsylvania. The board determined that such an outcome was in the best interests of PENNVEST and approved the

[23] That is, for use directly financing water and sewage projects to protect the health and safety of citizens of the commonwealth, as well as to promote economic development.

investment subject to the approval of the state treasurer.[24] The Treasury, already familiar with the program and the repayment performance history of HELP loan borrowers, approved the use of these PENNVEST funds for Keystone HELP.

Benefits of CWSRF Support

CWSRF funds helped to provide a source of funding to allow the successful program to continue. The Treasury's plan to recapitalize the Keystone HELP loan fund through WHEEL did not succeed, but if it had, the CWSRF funds might well have had a similar market transformation impact in Pennsylvania to that in New York.

Critical Success Factors

The two case studies suggest several critical factors that were key to the successful implementation of the transactions. Other states looking to leverage their CWSRFs to support clean energy loan programs can prioritize replicating these success factors:

- Both transactions involved the state's CWSRF administrator working with other state governmental agency partners. Moreover, both transactions leveraged existing relationships and trust. In New York, having the same executive serving on both agency boards built comfort. In Pennsylvania, the Treasury's prior engagement in and knowledge of Keystone HELP helped its decision to approve the proposed use of CWSRF funds.
- Both transactions had strong participation from senior-level personnel who were project champions and played critical roles in formulating and executing the structures (for the New York transaction, the NYSEFC general counsel and chief financial officer; for the Pennsylvania transaction, the Pennsylvania deputy treasurer).
- Neither state used the CWSRF funds as the primary capital to finance the projects. The CWSRF funds leveraged other capital to finance the projects. As a result, little to no CWSRF funds would be lost assuming reasonable loan performance assumptions. Moreover, if losses exceeded those assumptions, the impact to the overall total CWSRF funds would have been negligible. This was important to avoid diverting CWSRF funds from other water or wastewater treatment projects.
- Both state administrators demonstrated a willingness to innovate and engaged in careful analysis to support transaction structuring. Administrators of CWSRFs know their typical water and wastewater customers and projects but were not familiar with providing financing support to clean energy projects. Both administrators worked with their trusted state partner organizations to carefully and thoughtfully structure the transactions to achieve clean energy mission outcomes that:
    - Provided benefits to the state clean energy organization.
    - Qualified as eligible uses of CWSRF financing.
    - Achieved missions consistent with the Clean Water Act.

[24] Section 5(b) of Public Law 82 includes the additional proviso that available assets can also be invested "in any other type of security or investment if, prior to the acquisition of the securities or investments, the board [of PENNVEST] determines by resolution that such type of security or investment is in the best interests of the authority and the State Treasurer approves of such type of security or other investment."

As illustrated, CWSRF support can extend the reach of clean energy financing programs—for example, by offering a low-cost approach to recapitalize these programs. Recently implemented legislation and related programs (e.g., the Bipartisan Infrastructure Law, the Inflation Reduction Act, the Greenhouse Gas Reduction Fund) will lead to more state clean energy financing activity. Support from CWSRFs could be a powerful and appropriate tool to help increase the impact and scale of this activity.

Key Elements for Replication

States who may wish to follow one of these precedents would first need to confirm that both the state's Nonpoint Source (NPS) Program established under Section 319 of the Clean Water Act and the state's current Intended Use Plan (IUP)[25] include activities to reduce atmospheric deposition as eligible for CWSRF financing assistance.

Berkeley Lab staff reviewed state NPS programs and found that many include these activities. States whose NPS program lacks this provision could consider whether atmospheric deposition is a source of water pollution in the state[26] and consider contacting the state's CWSRF administrator to request that the administrator amend the NPS program.

If the state's NPS program includes authorization for activities to reduce atmospheric deposition, an applicant would need to seek CWSRF financing assistance[27] through the project application process, which typically occurs after the state has issued its IUP for a given year. The CWSRF administrator in each state reviews applications and creates a ranked project priority list for the year. In some states the NPS program may include activities to reduce atmospheric deposition, but the IUP may not. In this case, the sponsor of a clean energy loan product could contact the state CWSRF administrator to request that they consider including atmospheric-deposition-related activities in the state's next IUP.

An article published in the *Environmental Law Reporter* (Curley and Haislip 2014) provides a more detailed discussion of the New York precedent, potential for replication by other states, and CWSRF processes.
In addition to these process steps, clean energy loan program sponsors who seek to leverage CWSRF assistance would do well to consider the critical success factors for these arrangements described in the previous section in order to implement successful partnerships.

[25] Section 606(c) of the Clean Water Act requires each state to prepare an IUP to show how it intends to spend its funds. The IUP is published after a draft IUP is issued for public comment, and sometimes after a public hearing.
[26] The National Atmospheric Deposition Program is an EPA-sponsored program housed at the University of Illinois, which has information about atmospheric deposition in each state and may be a valuable resource to consult.
[27] Assistance could take the form of a guarantee, similar to the New York 2013 transaction; subordinated capital, similar to the Pennsylvania transaction; or full project financing assistance, similar to the New York 2015 and 2016 transactions.

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Putting Projects in Motion

State bond banks and conduits are the wheel that needs no reinvention

BY MATT POSNER

Two pieces of historic legislation passed in the last three years has the White House and Congress committing more money to public projects and infrastructure than any presidential administration going back to the New Deal—nearly a century. Virtually all industries, from transportation to healthcare to housing to broadband, are being transformed as a result. And as state and local governments find ways to participate, state-sponsored financing vehicles such as bond banks, green banks, and/or financing authorities can help them fill an important financing void.

These financing mechanisms are at the ready, and they include market participants that have been capitalizing infrastructure ideas into reality for decades. There is no need to reinvent the wheel in many circumstances. Government officials and their partners use tried-and-true programs, but much more could be done as these bills turn to shovels in the ground.

When it comes to navigating this brave new world of financing, "a lack of a federal concierge service" has become a theme. State and local governments come in many shapes and sizes, and there is an information gap when it comes to the new grants and programs. A slightly more organized approach would be to aggregate the flow of information and the financing mechanisms through state-level government apparatus to the local level applicants—which brings us to the importance of state bond banks and other financing authorities. (See the "What is a state bond bank?" sidebar for more information about what they are and how they work.)

COMMUNITY INFRASTRUCTURE FINANCE

American communities can raise capital to fund state and local government's essential services through the municipal bond marketplace, a $4 trillion dollar collection of governments, bankers, financial advisors, professional investors, and everyday citizens that

Public funding for infrastructure projects through new federal grant programs put an unprecedented focus on climate resilience, requiring that projects address current and potential climate risk.

MARIO TAMA/GETTY IMAGES

collectively raise money for public schools, sewer systems, roads, bridges, and hospitals, among other things. This marketplace is unique to the United States as it allows virtually any local government entity to access capital on its own behalf—a tip of the hat to the federalist tendencies of the nation's founders to see that a centralized federal government did not impede state rights. As a result, the marketplace is made up of tens of thousands of state and local governments, counties, public utility providers, public school systems, healthcare systems, and others that borrow through the marketplace at any given time.

While the marketplace allows any local government to raise capital for public purposes, it does not guarantee the best cost of borrowing. And while regulations are in place to safeguard investors, they don't provide assistance for local government decision-makers. As such, several states recognized that not only could they help lower the cost of capital through pooling multiple governments together, but they could also support communities around their state by providing technical assistance when navigating the marketplace.

THE CURRENT INFRASTRUCTURE LANDSCAPE

With no shortage of criticism about the state of American infrastructure, challenging economic conditions, and a renewed interest in climate-oriented resiliency, the federal legislation has dramatically changed the landscape through two major pieces of legislation in the last three years. While the Inflation Reduction Act (IRA) was partisan in nature, the Infrastructure Investment and Jobs Act (IIJA) was not, which is indicative of the underlying fact that investing in U.S. infrastructure, schools, healthcare systems, and utilities' providers is not a political issue.

Billions of dollars have been spent on programs already, and billions more are expected in the next few years as a result of these bills. This provides an opportunity to focus on building infrastructure to help make our communities more resilient and to address environmental risks. The reality is that the way the United States invests in public projects is unlike any other developed country in the world, and a lot of that has to do with the origins of the country itself. Our prioritization of states' rights plays out in the way in which capital gets allocated to public projects.

It is largely up to state and local governments to make sense of the ways in which funding of infrastructure has changed and identify strategies to capture the newly available federal dollars.

State bond banks and other financing authorities can be efficient distributor of capital through a variety of financial mechanisms; but they are most effective in the way they use the municipal bond market to raise capital for local governments.

FINANCIAL TRANSPARENCY AND BOND BANKS

In 2022, Congress passed the Financial Data and Transparency Act (FDTA) to improve the accessibility and transparency of information published by U.S. financial regulatory agencies. It was created largely in response to concerns that current financial data was difficult to find and understand.

When it comes to ease of access to information, state and local government financial documents can be challenging. This problem is twofold. First, it is rooted in the structure of the marketplace itself as having tens of thousands of obligors that can raise capital through the municipal bond market.[2] The second is that regulators have little purview

While the broad directives are coming from the federal level, it is up to states and local governments to make decisions about what is best for their communities.

over state and local governments per Congressional action in the 1970s that only holds them accountable in cases of fraud.[3] There is a logical reason behind this, as small governments that access the marketplace don't have the same financial resources as a major corporation, and logically, as these governments rarely default on their obligations, the lack of financial transparency has not been a problem.

FDTA caused chagrin among many groups that represent small governments, and currently, we are in the phase of discovery on how exactly these new rules will come to fruition. Still, the concern of these groups is well founded. It looks as though FDTA will require the tens of thousands of local governments that borrow in the municipal bond market to invest in new software and adhere to a new set of protocols that will require more time and resources, and the federal government, to date, has not offered any financial support in adhering to pending requirements.

State bond banks could be leveraged to solve these issues. These entities already uniformly disclose information about the local governments that choose to use their services. Bond banks tend to have a variety of programs that local governments can apply to, depending on the nature of the project that needs funding. It may be a clean water project that matches Environmental Protection Agency (EPA) revolving fund guidelines or a state-specified program that, in turn, has access to a credit enhancement if the loan is qualified. To qualify, the local government must apply and offer information that is then used in some form or another in the eventual disclosure of the bond issue. As such, these bond banks can ease some of the financial reporting burden. They are a natural aggregator of financial data that is more likely to meet the FDTA requirements than what local governments would produce if they go it alone.

With these systems already in place, where available, state bond banks may be a natural fit for some governments being tasked with supporting FDTA-oriented upgrades as the act gets sorted out. To date, we are unaware of any specific efforts to rely on state bond banks to engage in FDTA practices, but bond banks may be in a better position than the broader community to deal with requirements because they are better able to support new disclosure functions.

CLIMATE VOLATILITY AND BOND BANKS

New grant programs have a climate focus that the federal government has never had before. The 2023 White House *National Climate Resilience Framework* says:

"Ensure that public funding requires climate-resilient infrastructure investments. Government at all levels can drive climate resilience of the built environment by adopting the latest consensus engineering standards or encouraging their adoption through funding opportunity requirements for all publicly funded or financed infrastructure projects. Federal agencies should include requirements that all federally funded and financed infrastructure projects address vulnerabilities posed by future climate impacts over the full-service life of the proposed project, and encourage the use of nature-based features to reduce impacts from climate hazards like stormwater flooding. Agencies should also identify ways to further mitigation opportunities after disasters strike, better connecting resilience funding with disaster recovery efforts. When community infrastructure is being rebuilt, there is an opportunity to ensure the increasing risk is considered."

It is hard to marginalize the climate focus in the way infrastructure will be financed in the future. This shift requires consistency among market participants at all levels of government, and the role of state-level actors becomes increasingly important. Intergovernmental coordination is essential when considering the national framework, and financing is going to be needed, given the scope of capital that is needed. The federal grants are a starting point, but tools like securitization from private capital will be needed. And matching securitization through the complex process of quantifying climate issues and infrastructure make it more difficult. State bond banks will be key to this process going forward.

Take the State of Vermont's 2015 economic resilience plan, for example. At 738 pages, it's a lot of information to parse, but this is an effort led by various state agencies to identify climate-related risks and quantify them. These efforts have been used in applying for federal support through existing programs and a template for future efforts. Local governments can use Vermont's quantitative and scientific process to local government loan applications for, say, pre-disaster risk mitigation, that the Vermont Bond Bank is committed to engaging in. The local focus shown here is the type of work that can be used to procure federal funding and securitization, with a state-level concierge to oversee the process.

Another area to consider when reviewing the IIJA and IRA is the considerable research on the distribution of formulaic federal grants. Recently, the Urban Institute issued a report looking at racial equity components of these calculations.[4] Nationwide calculations are bound to miss important parts of our communities. Broadly, this emphasizes the need for more state- and local-level

In areas of the country that are impacted by climate-related natural disasters, state-run banks can help fund recovery efforts and investments to prevent future damage.

involvement in deciding where federal funding is spent. It is through these state-level banks, where local partnerships already exist, that equitable policy goals are more likely to come to fruition.

To take the climate issues beyond the current administration's push: changes in the property and casualty insurance industry will put an economic strain on state and local governments that are more prone to natural disasters. Less affordable insurance has and will continue to put strain on state and local budgets and increases the need to finance resilience infrastructure and pre-disaster risk mitigation.[6]

The role of state bond banks or other financing authorities in this process, regardless of federal funding, is already a reality. We see state green banks evolving across the country, focusing on disaster work. In areas that are seeing an increase in climate-related natural disasters, like the wildfires in the State of California, state-level budgets use state-run banks to move quickly to address infrastructure issues.

In states that have long had to contend with natural disasters, such as the State of Florida, we see an increase in state-level engagement to address the hole left by the decline in affordable insurance.[7] In the southeastern part of the country, where flooding and hurricanes are costing more each year, addressing these costs still requires a more holistic solution. It will likely require a more significant federal government role in national flood insurance and through other remedies, but more state-oriented funding mechanisms would support pre-disaster risk investments that would lower the cost of disasters longer-term.

The next phases in understanding and predicting climate-related infrastructure needs will be larger investments in data-driven modeling, monitoring, and evaluations. Already we see certain bond banks investing in their own processes, outsourcing to private companies, or supporting low-cost financing options, like the State of Illinois did in recent legislation.[8]

CONCLUSION

There is no shortage of great ideas about how to better prepare and finance shared infrastructure and public resources. A new lens on how policy can promote equality in our communities and better prepare safe and sustainable infrastructure, for now and the future, is best implemented with local stakeholder input. But at the same time, a broader vision (and more dollars) comes from the federal government. Matching these concepts to local governments can be difficult through America's decentralized financing system.

State-sponsored financing vehicles such as bond banks, green banks, and/or financing authorities can fill an important void. They are known financing vehicles that balance local agency with an ability to tap into the efficiencies of scale. The beauty of the American system is that our process is democratic, and each community can decide for itself how to best prepare for the future. These state-level financing vehicles are optional, not mandatory. But writing them off may be a mistake, given the benefits.

State bond banks act in accordance with their state's interests and are non-political. They offer a full-time staff that focuses on federal programs, an understanding of market conditions, and legal support that local governments may not have the capacity to employ. These mechanisms thread an important needle in balancing local interests while taking full advantage of open markets.

1 Alec Tyson, Cary Funk, and Brian Kennedy, "What the data says about Americans' views of climate change," Pew Research Center, August 9, 2023.

2 Matthew Posner, "Community Finance Brief: Impact Obstacles, Disclosure," Court Street Group, November 6, 2023.

3 Matthew Posner, "Community Finance Brief: Overcoming Obstacles to Impact: Disclosure, Part 2," Court Street Group, November 13, 2023.

4 Yonah Freemark, Mel Langness, Amanda Hermans, et al, *Examining How the Distribution of New Infrastructure Funding May Address Historic Racial and Economic Inequities*, Urban Institute, October 25, 2023.

5 Jacob Bogage, "Home insurers cut natural disasters from policies as climate risks grow," The Washington Post, September 3, 2023.

6 Matthew Posner, "Community Finance Brief: Less Affordable Insurance Likely to Burden State, Local Budgets," Court Street Group, October 10, 2023.

7 Hurricane Loss Mitigation webpage, FloridaDisaster.org.

8 "Illinois Climate Bank Announces over $250 Million in Climate Finance Achieved in First Year," press release, March 17, 2023, Illinois.gov.

What is a state bond bank?

In June 2023, Rhode Island Infrastructure Bank closed on a $77 million Green Bond to support clean water projects for the Narragansett Bay Commission and the communities of East Greenwich, East Providence, Middletown, Woonsocket, and Warwick, and for drinking water projects in the City of Providence.

A state bond bank is a state-sponsored entity that makes local infrastructure projects feasible by providing access to the municipal bond market and by providing direct and indirect financial subsidies to localities, primarily through debt issuance. State bond banks take many forms throughout the United States, but they all share a few common attributes:

- They sell their own securities in the public bond market and re-lend the proceeds to local governments.
- They intend to lower the cost of capital by allowing access to economies of scale and support them with financial and technical expertise.
- They are backed by some sort of credit enhancement that the community wouldn't have if it were to sell bonds on its own.
- They provide knowledge about federal programs that local governments can benefit from, which in some cases means taking advantage of state-revolving loan funds.

There are certain entities that share the attributes of a state-sponsored bond bank but aren't officially labeled banks, even though they in effect meet the criteria just mentioned. In these instances, they are entities that focus on a particular type of essential services (for example, the Virginia Public School Authority), are focused on economic development of local governments (such as, the California Infrastructure and Economic Development Bank) or, of late, on sustainable infrastructure (as in, green banks).

Bond banks issue municipal bonds into the public market to raise capital for any number of local projects within the bank's jurisdiction. In the municipal bond market, a state or local government normally raises funds by issuing bonds for projects it's pursuing. With a bond bank, the bank is the issuer of bonds and the proceeds go toward a variety of community projects and local governments can apply for loans. When local governments apply for the loan, the bank goes through a due diligence process before issuing the bond and then lending the money for the project. Local governments within the state can apply for a loan from the bank; the bank goes through a due diligence process on the project, and the bank then uses the bond market to raise the money, which it uses to lend money to the local government for its project.

The lower cost of capital, as it pertains to economies of scale, is that the bond bank essentially bundles local government debt into a single bond issuance. By issuing larger volumes, all else being equal, the interest rate on the bond will be lowered. Further, a bond bank is made up of a team of professional staff who provide financial and technical support that a local government may not have on its own. From a financial standpoint, the bank's staff advises on the structure of the loan and decides on whether or not the repayment method is suitable. From a technical perspective, a bond bank will review the merits of the project and advise on a variety of fronts, depending on the type of project being considered. In many of these instances, if the local government were to go ahead and issue the bonds on its own, it would likely have to pay a fee for independent advice. With the bond bank this assistance is included as part of the service.

Munising Marketplace, an $18 million mixed-used development project in the City of Munising, Michigan, will address local housing shortages and provide job training through a workforce development center. Alger County Land Bank contributed to the project through a loan approved by the State Land Bank Authority. *Photo courtesy of Renovare Development.*

A credit enhancement also lowers the cost of capital for local governments that opt to borrow from a state bond bank. Most states provide additional interest rate savings to local borrowers by providing some form of state credit enhancement to bond bank issues. State credit ratings can also be higher than local government ratings, but bond banks can offer other enhancements as well. These can be in the form of a moral obligation, appropriation support, or a state aid intercept provision, to name a few. In all these instances, the local government lowers its cost of capital by borrowing from the bond bank because the bond bank has a better credit rating.

Finally, assistance in regard to federal programs is another area where these organizations support local governments. While not the first, perhaps the most widely known program is the EPA's Clean Water State Revolving Fund (SRFs), which became popular in the early 1990s with the Safe Drinking Water Act. SRFs are loan programs capitalized by federal grants, state appropriation, and dedicated revenues. In many cases, it is a state bond bank that handles the low-interest loan that ends up being used by the local government for the project, spending on which program is being leveraged. SRFs are used in water projects through the EPA but are also used in infrastructure projects with guidelines from the U.S. Economic Development Administration, Department of Housing and Urban Development, and Department of Agriculture.

STATE BOND BANKS AND FEDERAL DOLLARS

With state bond banks already well practiced in the process of administering federal programs through revolving fund facilities, it is natural to extend this expertise to new programs. Policymakers in Congress and the White House did not explicitly guide new programs through the state bond bank networks, and as a result, the process to-date has been somewhat haphazard. Understandably, policy did not choose specific avenues within which projects should be capitalized, but these state-level apparatuses are beginning to be apparent.

To better explain what this means in practice, consider bond banks to be a public-facing, transparent broker, or concierge, between local governments and the federal government. This work, at times, is getting into the details of what can be a cumbersome and complicated process for lesser-staffed local governments. Here are some specific examples of ways local governments across the country have been helped:

- Identifying and prioritizing projects that are eligible for funding under these acts (il-fa.com/programs/cb).
- Developing and submitting grant applications (ctgreenbank.com/engagement-on-iija-ira/).
- Providing technical assistance on grant management (sib.nv.gov).
- Accessing other sources of funding to match grant funding (hcd.ca.gov/docs/grants-and-funding/2022-LGMG-Final-Guidelines.pdf).
- Financing for early project costs such as planning and design (vtbondbank.org/resource/financing-v-funding-there-difference).

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[1] Jean Chemnick, "Here's who wants to run the country's $14B 'green bank,'" Politico ClimateWire, November 6, 2023.

[2] "Our Partners" webpage, Coalition for Green Capital (coalitionforgreencapital.com/about-us/our-partners/).

March 5th, 2024

Community Finance Brief

Ignore ESG to Build a Sustainable Future

MATT POSNER | COURT STREET GROUP LLC

"Drill, baby, drill" was a campaign slogan in 2008 first used by former Republican National Committee chair Michael Steel. Popularized by former vice president nominee Sarah Palin and still part of former president Donald Trump's current stump speech, it remains a central component to a political stance of many across the country. What began as a position on energy independence is now a largely a piece of political theater used to underscore conservative credentials.

It reached a crescendo last year when President Biden used the first veto of his presidency to reject a Republican Senate proposal to prevent pension fund managers from basing investment decision on factors like climate change. While this issue died in D.C. as a result of the veto, it has taken on a new life at the state and local level. The success of the anti-Environment, Social, Governance (ESG) and/or anti-woke movement has a grassroots appeal (and real legs).

Financial institutions are not known for taking strong stances on divisive issues and rightly or wrongly shield themselves from this stage behind the wall of fiduciary duty. When environmental and/or social implications of action is under a microscope, this stance has become increasingly difficult in the last decade.

States like Florida and Texas have blacklisted ESG-friendly companies and rating agencies while Citigroup closed its public finance business. Websites that emphasized ESG work just two years ago on behalf of various institutions now avoid the term. Philanthropic enterprises in many cases water down the terminology. For anyone watching this industry, the ramifications of this movement are clear.

Quick Takes

In 2023, there were 83 bills introduced in state legislatures that are considered 'anti-ESG' and 19 that became law
– *S&P Global*

A 2022 poll found that 69% of Americans favored the U.S. taking steps to become carbon neutral by 2050
– Pew Charitable Trusts

48% of Republicans in the 18- to 39-year range see government regulations as necessary to encourage reliance on renewable energy
– *Pew Charitable Trusts*

DRLL ETF has a 1-year trailing return of negative-5.09%, just outperforming the 'energy equity' category (negative-5.76%) as of Feb. 28th. Exxon, Chevron, ConocoPhillips stock are the three largest fund holdings accounting for roughly 43% of the entire portfolio
– *Morningstar*

For the purposes of this *Brief,* we focus on public finance. These issues may take a larger stage in the private sector (a great read from Harvard Law can be found here) but the intersection of ESG and governing entities has larger ramifications because governments create the landscape where these decisions are being made. Seeing as government does not operate on a strictly fiduciary duty to shareholders but rather on an ethical and moral compact with fellow humans and the environment we all live in, the terms of the discussion take on a different tone.

Politics will eventually win out on any ethical considerations and the questions get boiled down to whether or not governments will support non-financial implications more heavily when it comes to policy making. It is here where ESG, which is essentially government efficacy, has strong identification with conventional conservative ideals. Government accountability and transparency are concepts that for some reason have been muddied by the debate around ESG.

"I want to know what the long-term impacts are of climate on a company. I want to incorporate that in my investment decision. That's not political. That's just good business," says **Witold Henisz**, the director of the ESG initiative at the University of Pennsylvania's Wharton School of Business. "I'm not saying this is the morally right thing to do. I'm saying let's look at the impact on revenues, on costs, on productivity."

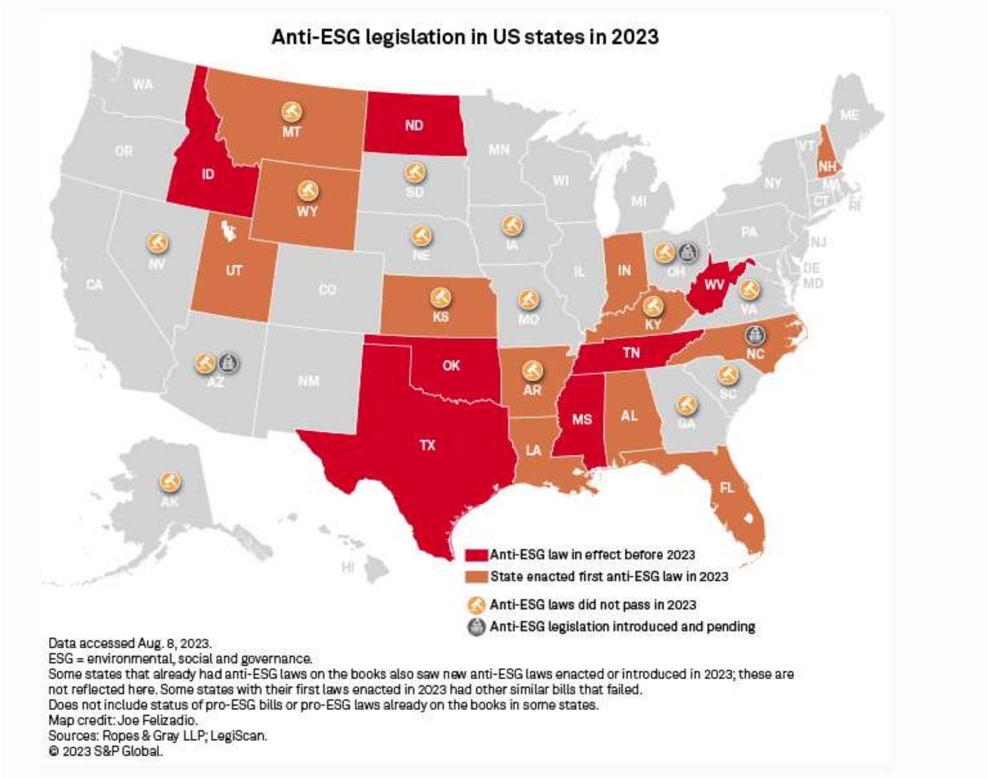
HOW WE GOT HERE

In early February, South Carolina became the 16th state in the union to ratify anti-ESG language in some form. Specifically, the bill directs all investment decisions for the public pension system be based on financial return and not on factors such as environmental, social and governance.

Much of so-called anti-ESG movement began with the tobacco lobby after the landmark 1998 Master Settlement Agreement was signed between big tobacco and all U.S. fifty State and territories. The Free Enterprise Education Institute (started by Philip Morris alum, among others) targeted corporate social responsibility initiatives, which form the foundation of ESG principles. Despite efforts to discredit the concept of considering social and environmental factors alongside financial ones, these early criticisms did not gain much public attention.

This changed dramatically at the federal level during the Trump Administration. In response to progressive environmental stances of the Obama Administration and, to some, a latent racial backlash to the man himself, the 45th president's administration was marked by increased support for deregulation. While the Black Lives Matter movement was born in the summer of 2013, the political rift to the movement was magnified during this same tenure.

Perhaps due to the inability for cohesive action at the time, it was not until *after* the Trump presidency that the anti-ESG movement really took hold. This is in part due to the work of Vivek Ramaswamy who was able to combine the political rhetoric behind the anti-ESG/woke movement and monetize it through exchange-traded funds and other investment approaches. The ability of the State Finance Officers Association (funded in part by Ramaswamy) to create a grassroots approach to anti-ESG has been very effective.



Not only do 9 more states have pending anti-ESG legislation, but several more are committing to not doing business with entities that work in the so-called 'ESG' space (see: Citigroup). The evidence is amply demonstrated in the private sector as shareholder votes supporting ESG issues have been declining since 2021 (see figure , **page 4**). From the big picture though, 2023 saw at least 29 states adopt some sort of anti-ESG legislation (see map of the country, **above**).

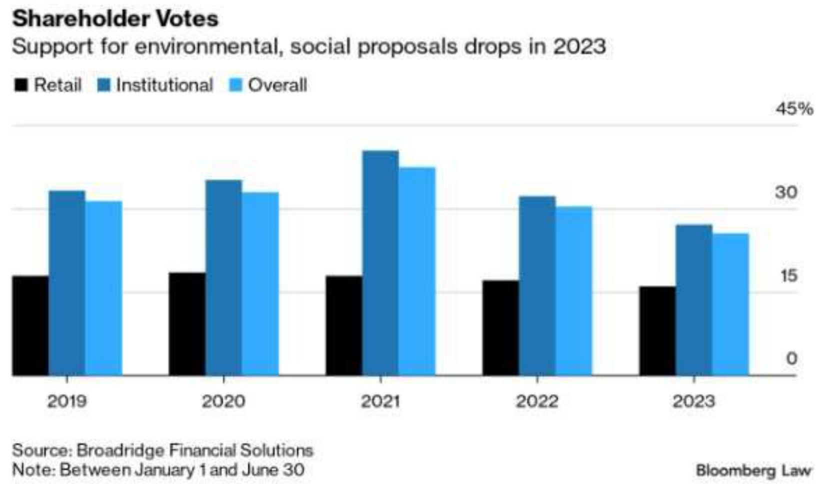
How this impacts community life, the environment and the economy is unclear. There are early signs that it is not helping the state of Texas as it has banned several underwriters of its municipal bonds, but broadly speaking, it is too soon to tell. Complicating matters is that there are leaders in various industries that are ignoring these state-level roadblocks and operating with environmental and social considerations at the forefront as well as unprecedented climate-focused federal dollars in the process of being allocated.

PROGRAM TRANSPARENCY AND SUSTAINABILITY

It would behoove policy makers to consider the long-term efficacy of governments, their investments and how they engage with the private sector. The environment, social issues and internal transparency align quite well with broadly accepted viewpoints across political spectrums:

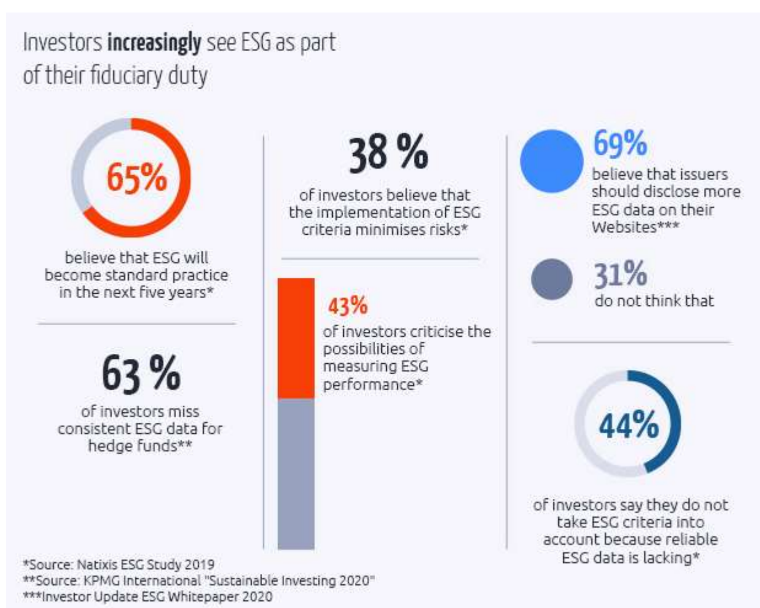
- **Prudent Stewardship:** The focus on long-term sustainability and risk management within ESG dovetails with the conservative ideals of preserving resources, responsible planning, and future-oriented thinking. Environmental stewardship, for instance, can secure access to critical resources and mitigate long-term economic risk.
- **Individual Responsibility and Limited Government Intervention:** Proactive ESG practices by companies can preempt the need for extensive government

regulations. Companies that effectively manage their environmental impact, social responsibility, and governance structures operate with a strong sense of autonomy and require less corrective intervention.



- **Market-Based Solutions:** ESG principles rely on market forces and investor choices to drive positive change rather than heavy-handed mandates or top-down regulation. This approach resonates with the conservative emphasis on free markets as solutions.
- **Community and Stability:** The "S" in ESG, with its focus on social factors like workplace safety, human rights, and community impact aligns with conservative values of strong communities and a thriving workforce. Healthy, flourishing communities are the bedrock of a stable society.
- **National Security:** Aspects of ESG, particularly those related to environmental resources and supply chain management, are important considerations for national security. Reducing dependence on foreign suppliers or ensuring the responsible use of critical resources bolsters American resilience.

In considering these alignments, the focus is more about outcomes over any sort or label. The tangible benefits of community stability and longer term financial returns along with equal footing for all people are not political in nature and lend themselves to traditional conservative orthodoxy.



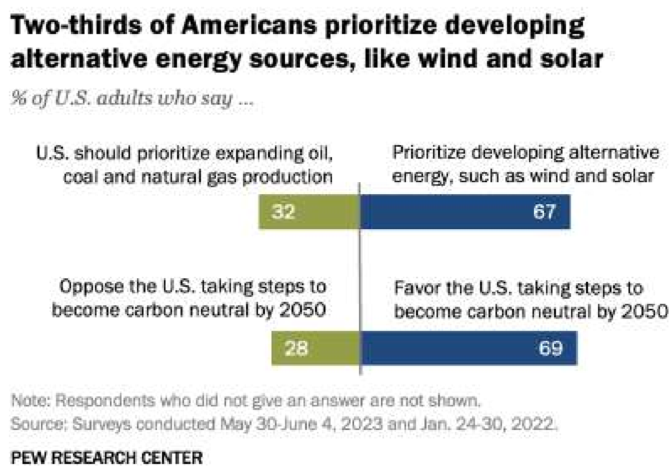
The Short-sightedness of Banning ESG

The surge of state legislation aimed at banning the consideration ESG factors is a misguided and potentially destructive policy direction. This push, largely driven by political ideology, disregards the fiduciary responsibility of pension funds to prioritize long-term financial returns for beneficiaries.

ESG is fundamentally about smart risk management and long-term value creation – principles that have long been cornerstones of conservative financial thinking. Ignoring these factors is akin to driving a car without a speedometer or a fuel gauge – you're increasing the chances of running into trouble.

Numerous studies demonstrate a positive correlation between ESG integration and financial performance. A 2021 meta-analysis by NYU Stern found that sustainable investment funds often outperform traditional ones. This is hardly surprising – companies that manage their environmental impact, treat their employees fairly, and operate with integrity are more likely to thrive in the long run.

Unfortunately, ESG has become needlessly politicized. Critics often wrongly label it as a "woke" agenda, despite evidence showing that ESG investing can be a force for good across the political spectrum. The reality is that ESG is simply about prudent investing, a concept conservatives have traditionally championed.



The implications of banning ESG factors are alarming. Pension funds, with their responsibility to retirees' financial security, could be forced to invest in companies with higher long-term risks, potentially jeopardizing returns. It's worth noting that many investors are increasingly demanding ESG considerations, and excluding them could make these pension funds less competitive.

Moving Forward: Responsible Investing

Instead of banning ESG, the focus should be on depoliticizing the issue and emphasizing principles that all sides can agree on. Here's how:

- **Focus on Fiduciary Duty:** The primary responsibility of an investment manager is to maximize returns for beneficiaries. ESG factors should be considered only insofar as they have a material impact on financial performance.
- **Promote Transparency and Accountability:** Clear reporting and disclosure about how ESG factors are integrated into investment decision-making are essential. This builds trust and ensures that investors and governments aren't pursuing ideological agendas.

- **Embrace a Broader Framework:** Moving beyond the politically-charged "ESG" label, governments can focus on metrics of responsibility, sustainability, and long-term risk management.

The politicization of ESG investing is a disservice to taxpayers and the beneficiaries of public pension funds. By recognizing the inherent conservatism of ESG, and focusing on a broader framework of responsible investing, policymakers can ensure that investments and government programs are managed in a way that safeguards their beneficiaries' futures, avoids unnecessary risk, and remains consistent with sound financial principles.

Those pointing to polling data on climate change or on generational shifts as <u>a reason for why anti-ESG or anti-Woke isn't sustainable</u> underestimate the power of the constituency. People vote against their own interests regularly in this country not because they are uneducated but because they are being pandered too. Americana. Environmental justice. Who we think we are and who we really are different things. This is exaggerated in voting trends. A union member voting for Trump. Polls on divisive issues that pertain to race, gender, solar energy and sexual orientation aren't about the issue, they are about the tribe we belong too.

This upends a long-term goal and is replaced by an election cycle. Instead, taking the issues and linking them to where it is least expected is what will change this debate over time. It is efficacy - measuring the result of an action - not ESG.

Has The ESG Train Left The Station?

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Feb 8, 2023,08:39am EST

Regardless of whether you are of the red or blue political stripe, public opinion, private capital, human capital, government capital and consumer interest are all trending towards "green" or "sustainable" products and investments in the long run.

The political heat associated with ESG keeps escalating. Texas, leading a coalition of 24 states, for instance, just sued the Biden administration to stop a new Department of Labor rule that is said to prioritize ESG concepts into ERISA regulations.

I am going to go out on a limb here and claim that the current political pushback is unlikely to stop the ESG movement in the long run. Why? Because public opinion, private capital, government capital, and human capital are all heading in the other direction towards "green" or "sustainable" investing. Let me explain.

Public opinion related to climate change

I have come across surveys conducted by many leading academic institutions (e.g., Yale, Stanford, and Harvard) and research organizations (e.g., the Pew Research Center) which show that a majority of Americans care about climate change and global warming. Even if you are a skeptic of surveys, you would have to argue that all of these reputable organizations somehow got it wrong through faulty survey techniques. It may not surprise you to learn that 72% of Democrats relative to 22% of Republicans feel that human activity contributes to climate change as per the Pew Center poll.

An under-reported observation, though, is that younger Republicans far outnumber the average Republican in worrying about climate. Millennial and younger Republicans are at least 10 points more likely than Baby Boomer and older Republicans to say the federal government is doing too little to address climate change as per the Pew survey. For example, 53% of Millennial and younger Republicans say the federal government is doing too little to protect air quality, compared with just 30% of Baby Boomer and older Republicans.

Clearly, the red states have a lot of Millennials and younger Republicans. One has to wonder whether the politicians of the red states fully reflect the views of their own electorate, especially the younger segment which will become the electorate of the future.

Inter-generational wealth transfers

Studies claim that a massive $73 trillion of wealth is expected to pass on to the next generation in the next 20 odd years. We, in the university, see the next generation before the asset management industry or even corporate America does. Most of the students I meet are deeply interested in investing vehicles that reflect their values. And I'm a business school professor, not a liberal arts professor!

Many do not even want a massive alpha (i.e., beating average market returns) if the funds they invest in at least make a best-efforts pitch for being authentic and rigorous in following through on their stated sustainability mission. Yes, the sustainable investing market today is tainted by greenwashing, dubious rating agencies that push pseudo-precision at the cost of accuracy and relevance, and daily op-eds claiming that the ESG investing is responsible for most, if not, all of what is wrong with America.

The cynic could say that investing in ESG funds is a convenient way for the younger generation to feel like they are doing something about climate. That is, I don't want to stop consuming oil and fast fashion, two big contributors to emissions, but I own an ESG fund and that makes me feel a little less guilty about my consumption. We will come back to the investor-consumer dissonance raised here later.

And, how does owning the ESG fund help? Students think that their ESG funds vote in favor of ESG proposals. I then point to research which suggests that this is not the case. On top of that, ESG funds tend have to higher expense ratios than a standard market tracking fund. Hence, I advise our students to hold a low cost market tracking fund such as the Vanguard Total Stock Market Index Fund in addition to an ESG fund to translate their values into investment vehicles.

Students understand these criticisms and hope that the market will eventually become better at detecting and penalizing greenwashing. Rating agencies will hopefully improve over time. They also hope to see more transparent discussions related to why ESG funds do not vote in favor of ESG proxy proposals. New frameworks for sustainable investing that can identify stocks that can do good and do well at the same time are emerging, as discussed later in this article.

Climate related investments

Around one fourth of all new venture capital, some $50 billion, went to climate startups in 2022. One could argue that stock markets are always looking for the next growth sector. Now that technology's status as the next big thing is wobbly, capital will perhaps continue to flow into climate ventures because that is where perceived potential growth might lie. Of course, there's some exuberance in climate startup valuations and things can and do get overheated but fundamental economic prospects in the long run matter as well.

Government capital

The Inflation Reduction Act (IRA) is arguably the most important attempt at climate policy in the last three to four decades. The textbook answer to the emissions problem is a carbon tax. But such a tax is a political non-starter in the U.S. Richer but politically polarized societies such as the U.S. will probably attempt to subsidize, not tax, their way to decarbonization. The IRA provides around $369 billion of subsidies and incentives for "green" projects. In a tit-for-tat move, the EU is planning to invest around €170 billion euros in green ventures.

What is the likely economic impact of the IRA? The White House states that the climate provisions of the IRA will save social costs of $1.9 trillion on account of climate change by 2050, especially on items such as coastal disaster relief, flood insurance, crop insurance, healthcare insurance, wildland fire suppression, and flooding at Federal facilities.

What's more, POLITOCO reports that two-thirds of the green-energy projects funded by the IRA have gone to Republican states, although Republicans voted en masse against the IRA. Perhaps we will not have red states or blue states, just green ones! I wonder whether the red state politicians will have a hard time reconciling their anti-ESG stance with the benefits of IRA-induced activity in their constituencies.

Digging deeper into the data reveals other multi-layered insights. The top three states that rely on wind and solar power the most for their power needs are Kansas (54%), Iowa (53%), and North Dakota (51%)—which all happen to be red states. Texas alone has added 58,000 GWH of wind power in the decade ended in 2019.

Ironically, Kansas, Iowa and North Dakota and of course Texas are a part of the 25-state coalition that filed a lawsuit against the Department of Labor's new rule allowing asset managers to direct their clients' retirement money to ESG Investments. Texas has also introduced a bill to ban asset managers accused of boycotting fossil fuels while simultaneously being a superpower in wind energy!

Concrete new investing frameworks focused on doing well and doing good are emerging

Why have we not seen attempts to improve conceptual frameworks associated with finding investments that both do well and do good? In my class on "financial sustainability," I routinely share a list of questions that investors should ask to identify good companies in a shareholder value maximizing sense. Of course, many of those questions overlap with ESG considerations.

For instance, what is the future addressable market of a company, especially if the company is looking at "green" and "sustainable" product lines that are expected to grow rapidly in the future? What should oil and gas production and investment in new wells look like, given the advent of cheaper renewables? What does the company do to manage its talent, or its top performers? What are the company's labor costs, a data item that is only disclosed by around 15% of firms? Who are the firm's suppliers and how efficient are they at using materials and inputs (sometimes proxied by their greenhouse gas emissions)? Does the valuation of the firm include a potential discount or a premium for expected product demand on account of inevitable global push towards decarbonization? What are the "known unknowns" affecting the company such as the possibility of paying a carbon tax, either in the U.S. or in the E.U.?

Why have we not seen attempts to construct a similar set of questions and associated KPIs (key performance indicators) or metrics to identify firms that focus on shareholder value and societal impact? Convergence between shareholder value maximization and societal impact is probably the easiest point of common departure for both sides of the political aisle. However, ESG investing has expended too much energy arguing about the efficacy, or lack thereof, of ESG ratings and negative industry screening (the practice of excluding "sinful" industries such as tobacco, oil or guns from portfolios).

Apart from not being very effective, as shown in my joint work with Bob Eccles and Jing Xie, negative industry screening raises two thorny investing questions. First, with negative screening, the investor runs the risk of missing out on investing in some highly innovative company in the screened-out sector. Ironically, a number of green initiatives are currently funded by oil companies. Second and even more complicated, is the investor a consumer of the products of a company that her investment vehicle does not hold, such as say ExxonMobil?

When I asked around for investors working on new frameworks to identify innovative companies that do well and do good, I was given the names of two individuals and one institution: (i) Thomas Kamei at Counterpoint and Morgan Stanley; (ii) Katherine Collins at Putnam and (iii) Generation Investment Management.

For obvious reasons, their frameworks are not entirely public. I hope to dig more and write about these frameworks in future columns. Having said that, I am encouraged that someone is thinking hard about a constructive rubric instead of defaulting to ratings and mechanical screening.

One of the challenges that active management frameworks such as ESG investing will have to grapple with is that deviating from the broad index, over the long run, tends to lead to underperformance for two reasons. First, active management sometimes runs the risk of excluding blow out winners such as a Tesla or an Amazon. Second, active management is almost always more expensive in terms of expense ratios and tax liabilities for the investor that get triggered by frequent buying and selling of stocks.

For an example of this tension, consider the performance of Shares MSCI USA ESG Select ETF (ticker SUSA) which happens to be one of the oldest ESG funds. I have chosen an older ESG fund because true under or over performance attributable to an active strategy like ESG is only apparent over long periods of time. It turns out that SUSA has underperformed the S&P 500 index (SPY), but not by much. The 10-year return on SUSA was 221% relative to 230% on the S&P 500. Why did SUSA underperform?

It turns out that, among other things, SUSA did not hold Amazon, for instance. Circling back to my earlier point about the investor-customer dissonance, I wonder whether the owners of SUSA never shopped at Amazon? It seems reasonable to expect an investor to profit from her purchases of product from the company held in her portfolio. On top of that, can the same company be labeled as sustainable when you take consumption decisions and not so when you invest?

Moreover, SUSA's higher annual expense ratio of 0.25% compounded over the 10 years also eats into returns relative to holding a very cheap S&P 500 index fund such as the one marketed by Vanguard which happens to only charge 0.04% per annum. To be fair, that difference over 10 years is probably 2.5%, a discount that some of my students will be happy to live with.

After reading the SUSA case, you might legitimately counterargue that I am confounding active investing with ESG. One can have active investing without ESG (depending, of course, on how you define ESG), and passive investing using ESG (like an index that just screens out the bottom 10% based on ESG ratings).

Let me reiterate that the investing frameworks I am referring to have to be active. Passive ESG, almost by definition, relies on money run by computers. Computer algorithms need scores (ESG ratings) or lists (indexes). Many indexes are usually created using ESG ratings or via negative screening, both of which are somewhat irreparably flawed in my opinion.

Human capital in corporate America

If you have wondered why the CEO of Disney felt obligated to comment on Florida's "Don't Say Gay" campaign or why the CEOs of Delta and Coca Cola took a stand on Georgia's voting laws, consider the pressure placed on these CEOs by their employees. Silence is increasingly not an option because the highly educated workforce demands that leadership speak out on social issues even if CEOs have no real comparative advantage compared to diplomats or political commentators.

Anti-woke funds are going nowhere

Notwithstanding the inherent conceptual inconsistencies in the anti-woke funds that I have written about in the past related to DRLL and MAGA, the top anti-woke funds that I know of do not have seem to have gotten much traction from investors.

At market close, on February 6, 2023, ACFV, or the American Conservative Values ETF, had assets under management (AUM) of $34 million. DRLL is perhaps among the biggest with $387 million in AUM. Both ACFV and DRLL have high expense ratios of 0.75% and 0.41% respectively. As I pointed out in my earlier piece, an investor can buy an ETF almost identical to DRLL from State Street called XLE at a third of the expense ratio.

The Vivek Ramaswamy company, Strive Asset Management, has listed eight ETFs in total, including DRLL. These eight funds have a cumulative AUM of $644 million. Five of them (Strive U.S. Semiconductor ETF or SHOC with an AUM of $13.76M, Strive 1000 Growth ETF or STXG with an AUM of $2.51M, Strive 1000 Value ETF or STXV with an AUM of $2.49M, Strive Small-Cap ETF or STXK with an AUM of $2.45M, and Strive 1000 Dividend Growth ETF or STXD with an AUM of $2.55M) arguably barely exist.

MAGA's AUM is around $19 million. The Second amendment ETF, EGIS, has an AUM of $25 million. The Right to Life ETF, LYFE, has an AUM of $18 million. Remarkably, all these red state efforts at banning funds interfere with their political beliefs that we should provide choices of all kinds to the investor.

In sum, regardless of one’s political views, the ESG train has left the station. The capital market, the product market, and the labor market have perhaps already decided that ESG investing is here to stay in the long run.


iFAB
Illinois Fermentation and
Agriculture Biomanufacturing Hub
Illinois Finance Authority
March 12, 2024

Illinois Fermentation and Agriculture Biomanufacturing (iFAB Tech Hub)

Biomanufacturing Opportunity

- 30% of U.S. Chemical Demand through biomanufacturing by 2040
- Total expected market of $200 billion within 15 years
- 1 million additional jobs by 2030
- Opportunity to re-shore manufacturing

Why Illinois is the Top Biomanufacturing Location

- Abundant feedstock: #1 in Soy and #2 in corn production
- Top R&D at UIUC
- Existing bioprocessing industry presence
- Intermodal transportation
- “Lab-to-Line” all in a 51-mile radius

Lead: UIUC’s Integrated Bioprocessing Research Laboratory (IBRL)

- Opened five years ago
  - Coincided with a phenomenal expansion in the global biomanufacturing and bioprocessing industries
- Focused on precision fermentation
  - Supported 100+ companies to date with pilot testing
  - Trained 450+ students and industry members
  - Revenue positive
- Have already exceeded pilot testing and training capacities
- To continue to facilitate commercial expansion, economic development, and biomanufacturing success, IBRL must grow programmatically and expand its infrastructure.

College of Agricultural, Consumer & Environmental Sciences
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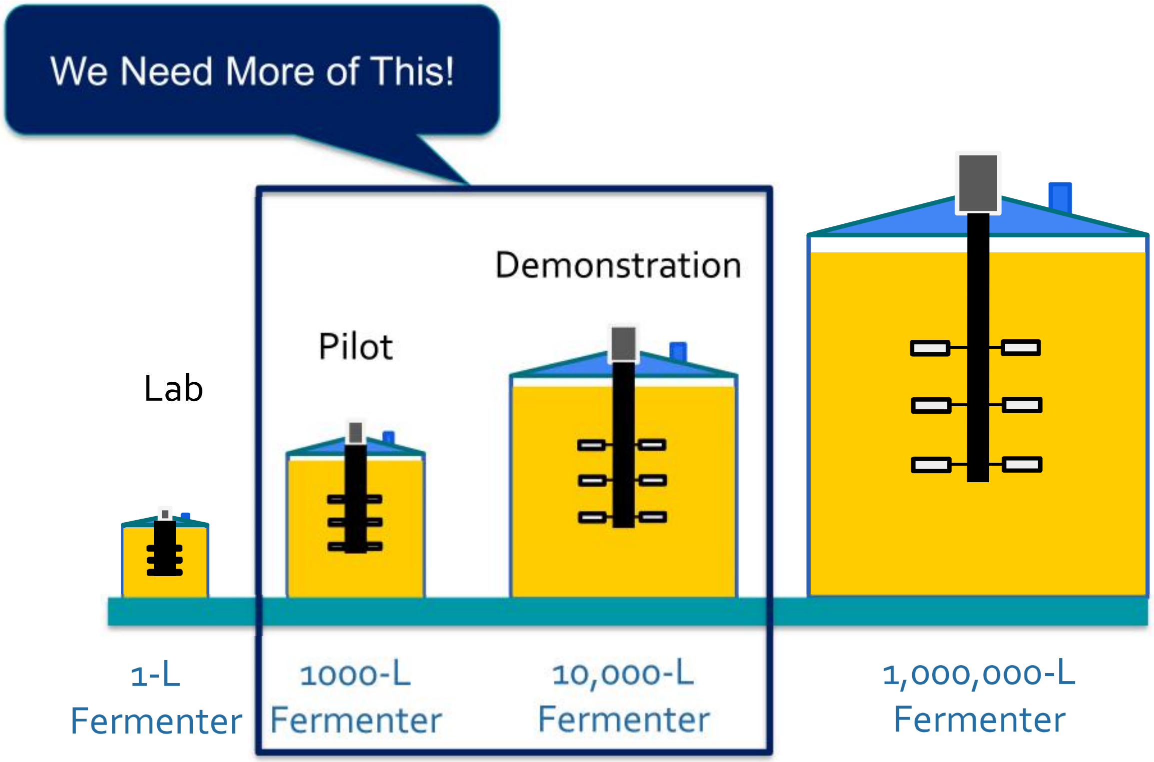
Lack of Fermentation Infrastructure is Bottlenecking the Industry



Precision Fermentation is at the Core

- We are building a pipeline of de-risked companies for scaling:
  - Demonstration testing (10,000 to 75,000L)
  - Commercialization (100,000L+)
- Limited pilot and demonstration scale testing are hindering industry expansion in Illinois

College of Agricultural, Consumer & Environmental Sciences
UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN

Partners

iFAB Tech Hub

iFAB
Illinois Fermentation and Agriculture Biomanufacturing Hub

Higher Education
Parkland College
Richland Community College
LEAD **University of Illinois Urbana-Champaign**

Economic Development Organizations
Champaign County Economic Development Corporation
Economic Development Corporation of Decatur-Macon County
Intersect Illinois

Industry Firms
ADM
Boston Bioprocess
Clarkson Grain Company
gener8tor
Primient
Serra Ventures
Synonym Bio

Industry Groups
Corn Refiners Association
Illinois Agri-Food Alliance
Illinois Manufacturers' Association
Illinois Soybean Association

Labor Organizations
Decatur Building & Construction Trades, AFL-CIO
East Central Illinois Building & Construction Trades Council
UA Plumbers & Pipefitters Local 149
United Steel Workers

Manufacturing Extension Centers
Illinois Manufacturing Excellence Center

Units of Government
Champaign County
City of Champaign
City of Decatur
Macon County
Piatt County
State of Illinois

Venture Development Organizations
University of Illinois Research Park, LLC

Workforce Training Organizations
Champaign County Regional Planning Commission (Champaign WIOA)
Workforce Investment Solutions (Decatur WIOA)

TECH HUBS
U.S. Economic Development Administration
OFFICIAL DESIGNEE
TECHHUBS.GOV

Tech Hub Announcement

iFAB was one of 31 Tech Hubs designated in October 2023

iFAB is the *only* one focused on bioprocessing

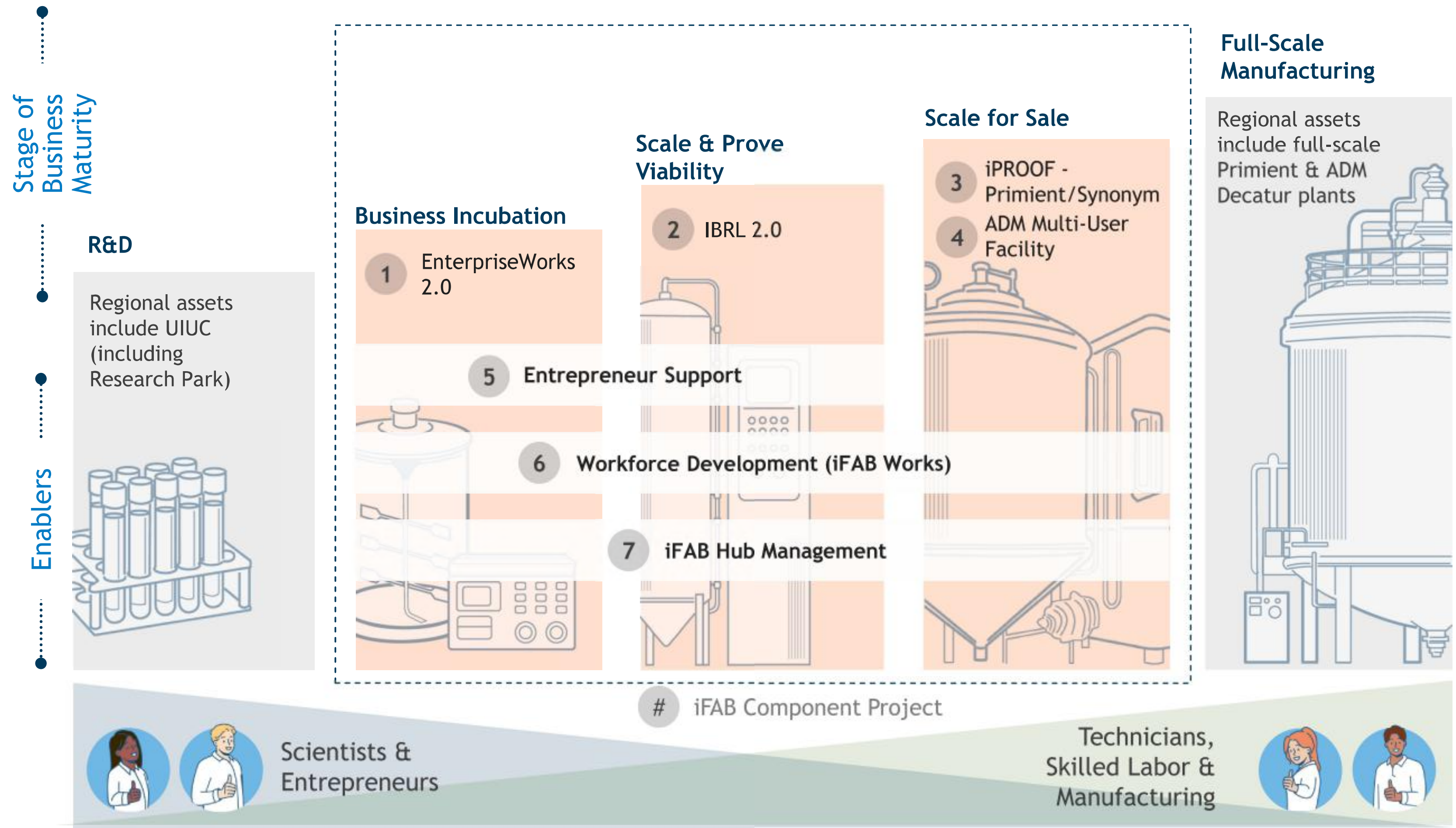
Designation made us eligible to apply for Phase II Implementation Funding

Worked from November through February for a complete Phase II application

Our seven tightly aligned projects:

Project Name	Project Lead	Project Category	Final Amount
iFAB Tech Hub Management Plan	IBRL	Hub Management	$7,000,000
IBRL 2.0 Expansion	IBRL	Infrastructure	$15,000,000
iFAB Tech Hub Entrepreneurship and Business Development Support	EnterpriseWorks	Business & Entrepreneur Development	$5,000,000
iFAB-ADM Demonstration Scale Capacity Increase of Precision Fermentation	ADM	Infrastructure	$16,000,000
Synonym & Primient - Building 119	Primient	Infrastructure	$16,000,000
iFAB Works	Parkland College	Workforce Development	$5,000,000
EnterpriseWorks 2.0	EnterpriseWorks	Infrastructure	$6,000,000
			$70,000,000

iFAB projects will work together to support a globally competitive "lab-to-line" precision fermentation hub in Central Illinois, with support for companies at each stage of scaling.

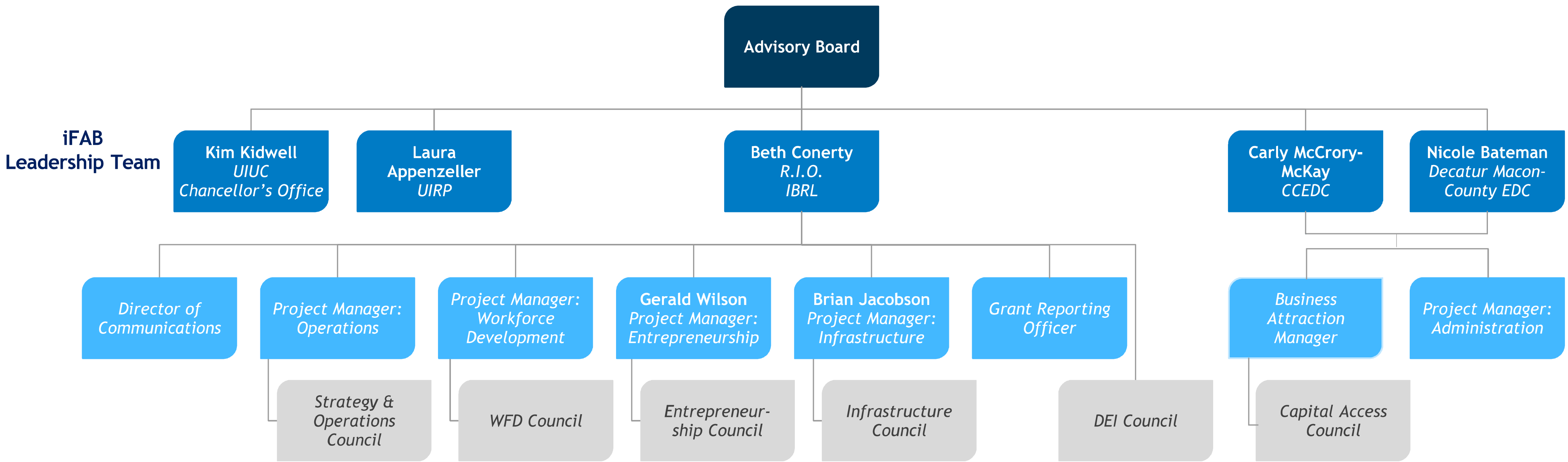


iFAB is driving towards a future in which the scarcest and/or most polluting materials are produced in a zero emissions, sustainable manner

End-markets for precision fermentation are expected to have **$200+ billion** in potential by 2040

Assets at every stage within a 51-mile radius, including ~850k bushels of feedstock produced per day

Plan for Longevity



iFAB Tech Hub positions Central Illinois as the epicenter for biomanufacturing

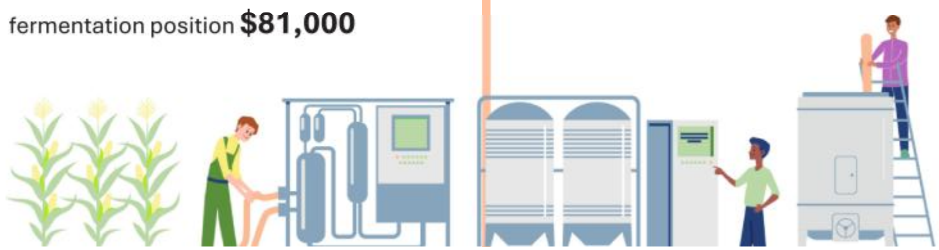
iFAB
Illinois Fermentation and Agriculture Biomanufacturing Hub

iFAB and the surrounding region form a thriving lab-to-line ecosystem

- UIUC ranked **15th** globally for alumni startup founders, with **$21B+** raised to date
- **850,000** bushels of corn processed per day in Decatur
- **Industry leaders ADM and Primient** investing to expand pilot and demo scale facilities
- **IBRL** investing to expand capacity to support **60 clients** each year
- All assets within **51 miles**

Biomanufacturing innovation will create new economic & career opportunities in Central IL

- **$200B** market potential for precision fermentation in food and materials
- **3,000-6,000** potential precision fermentation workers needed in region by 2040
- **15,000-30,000** total potential employment opportunities created in region by 2040
- Average median wage for precision fermentation position **$81,000**



Founders have access to the largest US entrepreneurship center outside of the coasts...

- **Serra Ventures and ADM Ventures** ($2B+ under management) have local presence in Illinois
- **22** potential bioeconomy projects in IL represent **$9.6B** total investment
- **350+ startups** have established company leases with **EnterpriseWorks** in Champaign, IL, with **$1.4B+** venture capital raised to date

...and the full support from the state of Illinois

- **$15M** non-federal grants to support iFAB Tech Hub
- **Financial incentives,** including EDGE and Angel Investment Tax Credits, Illinois Innovation Venture Fund

Illinois Fermentation and Agriculture Biomanufacturing (iFAB Tech Hub)

Next Steps

- EDA Virtual Site Visit in early April
- SSTI Tech Hubs Subcommunity - Technology Based Economic Development Community of Practice
- Select USA Investment Summit (June 2024)

Complementary Activity

- Decatur Recompete Pilot Program Finalist
- Several ongoing site selection conversations with bioprocessing companies
- Participation in BioMADE subcommittees


FAB

iFAB

Illinois Fermentation and Agriculture Biomanufacturing Hub

https://ifabtechhub.research.illinois.edu/

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iFAB

Illinois Fermentation and Agriculture Biomanufacturing Hub

Project Background and Illinois Impact

The Illinois Fermentation and Agriculture Biomanufacturing (iFAB) Tech Hub is poised to become the global leader in precision fermentation and biomanufacturing—an industry expected to grow to $200B over the next 15 years.

Leveraging biology as a manufacturing technology of the future, iFAB is uniquely uniting world-class R&D, industry leaders, innovative startups, scalable infrastructure, abundant feedstock production, unparalleled transportation networks, and strong relationships with corn and soybean suppliers within a 51-mile radius.

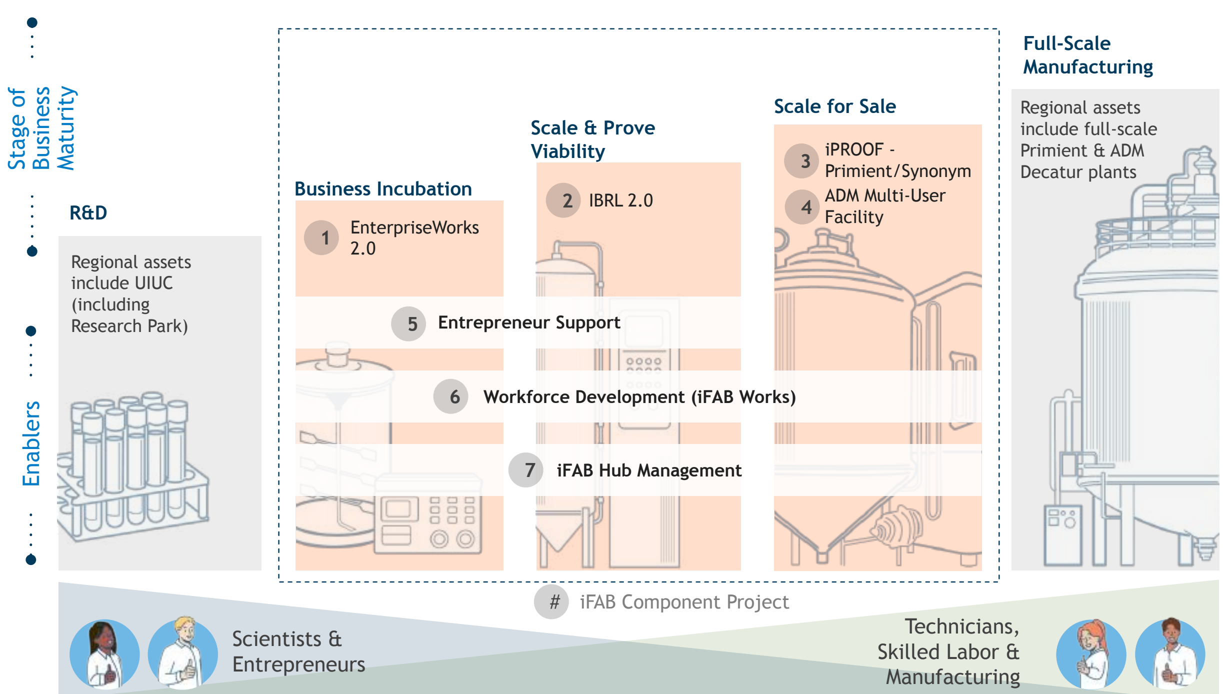
This unique "lab-to-line" approach will establish the iFAB region (Champaign, Piatt, Macon counties) as the preeminent destination for the biomanufacturing industry.

iFAB's request of $70M from the Economic Development Administration's (EDA) Tech Hub program will unlock the economic potential of biomanufacturing in Central Illinois and hundreds of millions of dollars in additional investment.

iFAB projects will work together to support a globally competitive "lab-to-line" precision fermentation hub in Central Illinois, with support for companies at each stage of scaling.

iFAB has submitted seven "tightly aligned" projects for federal implementation funding. These projects address:

- Incubator space as well as entrepreneurship programming and support for biomanufacturing companies to thrive in their earliest stages.
- Critical shared infrastructure for companies to de-risk technologies at the pilot and demonstration scales while minimizing capital-intensive investments.
- Comprehensive workforce development curriculum to address increased demand for trades, scientists, engineers, process technicians, and plant operators.
- Business attraction for increased biomanufacturing presence in the region—capitalizing on the unparalleled existing infrastructure and resources.



iFAB is driving towards a future in which the scarcest and/or most polluting materials are produced in a zero emissions, sustainable manner

End-markets for precision fermentation are expected to have **$200+ billion** in potential by 2040

Assets at every stage within a 51-mile radius, including ~850k bushels of feedstock produced per day

Consortium Structure

iFAB leadership is a collaborative effort between the University of Illinois Urbana-Champaign, Champaign County Economic Development Corporation, Economic Development Corporation of Decatur-Macon County, and the University of Illinois Research Park.

The consortium includes leaders from higher education, economic development organizations, local government, and industry.

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iFAB Tech Hub Partners

Higher Education
Parkland College
Richland Community College
LEAD University of Illinois Urbana-Champaign

Economic Development Organizations
Champaign County Economic Development Corporation
Economic Development Corporation of Decatur-Macon County
Intersect Illinois

Industry Firms
ADM
Boston Bioprocess
Clarkson Grain Company
gener8tor
Primient
Serra Ventures
Synonym Bio

Industry Groups
Corn Refiners Association
Illinois Agri-Food Alliance
Illinois Manufacturers' Association
Illinois Soybean Association

Labor Organizations
Decatur Building & Construction Trades, AFL-CIO
East Central Illinois Building & Construction Trades Council
UA Plumbers & Pipefitters Local 149
United Steel Workers

Manufacturing Extension Centers
Illinois Manufacturing Excellence Center

Units of Government
Champaign County
City of Champaign
City of Decatur
Macon County
Piatt County
State of Illinois

Venture Development Organizations
University of Illinois Research Park, LLC

Workforce Training Organizations
Champaign County Regional Planning Commission (Champaign WIOA)
Workforce Investment Solutions (Decatur WIOA)

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iFAB Tech Hub

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Nicole Bateman

President
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IX. MONTHLY PROCUREMENT REPORT

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ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD MEETING
March 12, 2024

CONTRACTS/AMENDMENTS EXECUTED					
Procurement Type	**Vendor**	**Term/Purchase Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Products/Services Provided**
Small Purchase Contracts	Magna Legal Services	01/01/24-12/31/25	$26,280	Executed	Board Meeting Court Reporting Services
	East Lake Storage	01/01/24-12/31/24	$22, 074	Executed	Records Storage
	National Tek Services, Inc.	01/01/24-12/31/25	$8,920.00	Executed	Nitro Pro Business Renewal-(PDF Software)
	Boston Consulting Group	02/02/24-02/12/24	$29,859.06	Executed	Implementation-ifab-Agriculture & Fermentation-Federal Consultant
	Boston Consulting Group	02/02/24-02/12/24	$29,859.06	Executed	Implementation-Bloch-High Speed Computing-Federal Consultant
	National Tek Services, Inc.	02/03/24-02/02/26	$4,698.00	Executed	Symantec/Veritas Backup Software FY23-25
	National Tek Services, Inc.	03/06/24-03/05/25	$6,060.00	Executed	Off-Site Tape Storge
Illinois Procurement Code Renewals	Citigroup Global Markets Inc.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Goldman, Sachs & Co. LLC	07/07/22-07/06/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Jefferies LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	J.P. Morgan Securities LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	BofA Securities, Inc.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD MEETING
March 12, 2024

	Morgan Stanley & Co. LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Piper Sandler Co.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	PNC Capital Markets LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	RBC Capital Markets, LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Samuel A. Ramirez & Company, Inc.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Siebert, Williams, Shank & Co., L.L.C.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Stifel, Nicolaus & Company, Incorporated	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Wells Fargo Bank, N.A.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Senior Manager
	Academy Securities, Inc.	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Co-Manager
	Cabrera Capital Markets LLC	06/27/22-06/26/27	Zero Dollar Contracts	Executed	Underwriting Services Co-Manager
Illinois Procurement Code Contracts	Amalgamated Bank of Chicago	08/01/23-07/31/24	$20,000	Executed	Bank Custodian Services
	MainStreet Advisors	08/01/23-07/31/24	$95,000	Executed	Investment Management Services
	Amalgamated Bank of Chicago	11/1/23-10/31/24	$20,000	Executed	Receiving Agent Services
	Boston Consulting Group	02/23/24-04/02/24	$430,000	Executed	Bid Solicitation- ifab-Agriculture/ Fermentation Federal Consultant

ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT

BOARD MEETING
March 12, 2024

	Boston Consulting Group	02/23/24-04/02/24	$430,000	Executed	Bid Solicitation- Bloch-High Speed Computing-Federal Consultant
	TBD	TBD	TBD	In-Process	Bid Solicitation- Distressed Area Recompete Pilot Pro Federal Consultant

EXPIRING CONTRACTS-OTHER					
Procurement Type	**Vendor**	**Expiration Date**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Products/Services Provided**
Credit Card	Amalgamated-Credit Card	05/01/24	$80,000	Continue	Credit Card
Bank Depository	Bank of America-Depository	06/30/24	$400,000	Continue	Bank of America Operating Account

INTER-GOVERNMENTAL AGREEMENTS					
Procurement Type	**Vendor**	**Term**	**Estimated Not to Exceed Value**	**Action/Proposed Method of Procurement**	**Products/Services Provided**
Inter-Governmental Agreements	Office of the Illinois Treasurer	04/21/23-No End Date	N/A	MOU- Executed	Either Agency may provide each other Professional Services at no cost
	Office of the State Fire Marshal (OSFM)	07/01/20-06/30/25	N/A	IGA-Executed	Fire Truck Revolving Loan Program
	Illinois Department of Human Services (DHS)	07/01/21-06/30/24	N/A	IGA- Executed	DHS Printing Services

ILLINOIS FINANCE AUTHORITY

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X. CORRECTION AND APPROVAL OF MINUTES

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ILLINOIS FINANCE AUTHORITY
February 13, 2024
Regular Meeting of the Members
9:00 AM

TRANSCRIPT OF PROCEEDINGS

had at the meeting of the above-entitled cause at 160 North LaSalle Street, 10th Floor, Chicago, Illinois taken before Janet L. Brown, CSR No. 84-002176 on Tuesday, February 13, 2024, at the hour of 9:00 AM.

PRESENT:

Will Hobert, Chair
Drew Beres, Member
Arlene Juracek, Member
Roger Poole, Member
Tim Ryan, Member
Michael Strautmanis, Member
J. Randal Wexler, Member
Lynn Sutton, Member
Steven Landek, Member
Karen Caldwell, Member
Ameya Pawar, Member

ALSO PRESENT:

Mr. Chris Meister, Executive Director;
Mr. Brad Fletcher, Senior Vice President, Treasurer and Assistant Secretary;
Ms. Claire Brinley, Assistant Secretary;
Mr. Ed Small, President of Smart Hotels/Olympia Chicago, LLC.

CHAIR HOBERT: This is Will Hobert, Chair of the Illinois Finance Authority. I would like to call the meeting to order.

ASSISTANT SECRETARY FLETCHER: This is Brad Fletcher. Good morning. Today's date is Tuesday, February 13th, 2024, and this regular meeting of the Authority has been called to order by Chair Hobert at the time of 9:03 AM.

Chair Hobert and some Members are attending this --

COURT REPORTER: I can't hear. I'm sorry. Can you speak a little louder?

ASSISTANT SECRETARY FLETCHER: Sure. My apologies. Where should I restart?

COURT REPORTER: Just continue on.

ASSISTANT SECRETARY FLETCHER: Chair Hobert and some Members are attending this meeting in person in Suite S-1000 of 160 North LaSalle Street in Chicago, Illinois, and some Members are attending in Hearing Room A of 527 East Capitol Avenue in Springfield, Illinois. The two locations are connected through an interactive video and audio conference.

CHAIR HOBERT: This is Will Hobert. Will

the Assistant Secretary please call the roll?

ASSISTANT SECRETARY FLETCHER: Certainly. Member Abrams? Member Beres?

MEMBER BERES: Here.

ASSISTANT SECRETARY FLETCHER: Member Caldwell? Member Fuentes?

MEMBER FUENTES: Here.

ASSISTANT SECRETARY FLETCHER: Member Juracek?

MEMBER JURACEK: Here.

ASSISTANT SECRETARY FLETCHER: Member Landek?

MEMBER LANDEK: Here.

ASSISTANT SECRETARY FLETCHER: Member Nava? Member Pawar? Member Poole?

MEMBER POOLE: Here.

ASSISTANT SECRETARY FLETCHER: Member Ryan?

MEMBER RYAN: Here.

ASSISTANT SECRETARY FLETCHER: Member Strautmanis? Member Sutton?

MEMBER SUTTON: Here.

ASSISTANT SECRETARY FLETCHER: Member Wexler?

MEMBER WEXLER: Here.

ASSISTANT SECRETARY FLETCHER: Member Zeller? And Chair Hobert?

CHAIR HOBERT: Here.

ASSISTANT SECRETARY FLETCHER: Again, this is Brad Fletcher. Chair Hobert, in accordance with Section 2.01 of the Open Meetings Act, as amended, a quorum of members has been constituted. I note that Member Poole is attending at the Springfield location while the Chair and rest of the Members are attending from the Chicago location.

For anyone from the public participating via phone, to mute and unmute your line, you may press star 6 on your keypad if you do not have that feature on your phone.

As a reminder, we are being recorded and a court reporter is transcribing today's proceedings. For the consideration of the court reporter, I would like to ask that each Member state their name before making or seconding a motion or otherwise provide any comments for the record.

The agenda for this public meeting was posted in the lobby and on the tenth floor of 160 North LaSalle Street in Chicago, on the first floor of 527 East Capitol Avenue in Springfield, and on the Authority's website, in each case as of last Wednesday, February 7, 2024. Building security at 160 North LaSalle Street in Chicago and 527 East Capitol Avenue in Springfield has been advised that any members of the public who choose to do so and choose to comply with the building's public health and safety requirements may come to those representative rooms to listen to the proceedings.

I am confirming that I can see Roger Poole at the Springfield location. Roger, can you confirm that the video and audio conference is clearly seen and heard at the Springfield location?

MEMBER POOLE: Yes. I am physically present at the Springfield location. I can see everybody and hear everybody.

ASSISTANT SECRETARY FLETCHER: Confirming for the record we can see Member Poole as well.

Again, this is Brad Fletcher. If any members of the public participating via video or audio conference find that they cannot see or hear these proceedings clearly, please call

(312)651-1300 or write info@il-fa.com immediately to let us know, and we will endeavor to solve the video or audio issue.

CHAIR HOBERT: This is Will Hobert. Does anyone wish to make any additions, edits, or corrections to today's agenda?

Hearing none, I would like to request a motion to approve the agenda.

Is there such a motion?

MEMBER BERES: This is Drew Beres. So moved.

MEMBER SUTTON: This is Lynn Sutton. Second.

CHAIR HOBERT: This is Will Hobert. All those in favor?

(Ayes via voice vote)

CHAIR HOBERT: Any opposed?

This is Will Hobert. The ayes have it and the motion carries.

Next on the agenda is public comment.

ASSISTANT SECRETARY FLETCHER: This is Brad Fletcher. If anyone from the public participating via video and audio conference wish to make a comment, please indicate your desire to do so by using the "Raise Hand" function. Click on the "Raise Hand" option located at the right side of your screen.

If anyone from the public participating via phone wishes to make a comment, please indicate your desire to do so by using the "Raise Hand" function by pressing star 3.

CHAIR HOBERT: This is Will Hobert. Is there any public comment for the members?

Hearing none, welcome to the regularly scheduled February 13th, 2024, meeting of the Illinois Finance Authority.

As mentioned by the Assistant Secretary, we are glad that our colleague Roger Poole can participate in today's meeting from the ICC office in Springfield, Illinois. Roger, thank you for making the trip to Springfield to join us remotely.

For the members physically present here in Chicago, our Chicago office, thank you for joining us as well. I appreciate your service.

While we did not have a January meeting, January 1, 2024, did mark the 20th

anniversary of the creation of the Illinois Finance Authority through the consolidation of seven predecessor statutory entities. As the Members know, the Authority is self-supporting and, to date, has not received State taxpayer appropriations to support our operations.

In the recently released Fiscal Year 2023 Financial Audit before you today, I will paraphrase some of the Authority's collective financial accomplishments from the Transmittal Letter (specifically page 2):

Between July 1, 2005, and June 30, 2023, the Authority earned 118.2 million, spent 85.3 million with a total resulting profit of approximately $33 million. The Authority also successfully removed legacy risk to the Illinois taxpayers and to the Authority's public funds of approximately $101.4 million.

This was made possible mainly through the issuance of conduit bonds like those on this morning's agenda on behalf of The University of Chicago Medical Center, the Smart Hotels/Olympia Chicago project, and amendments to outstanding conduit bonds like the resolution regarding the bonds issued on behalf of the Convent of the Sacred Heart of Chicago.

Bonds don't issue themselves. The Authority operates in a competitive environment. It takes focused customer service, timely responsiveness, diligence, and attention to detail by our staff team. Staff shares that today conduit projects often have more twists, turns, and complexities than in the past.

COURT REPORTER: Excuse me. Can we get rid of the echo?

CHAIR HOBERT: Roger, would you please mute. Thank you.

We're still getting feedback. Can those that are attending virtually please mute? Thank you.

No. Hold on.

ASSISTANT SECRETARY BRINLEY: They're all muted.

CHAIR HOBERT: Is that muted too?

ASSISTANT SECRETARY BRINLEY: Yes.

CHAIR HOBERT: All right. We will persevere. Actually, that seems to have done it.

Our staff strives for clear public

presentations to us and they are constantly working to improve this clarity. So to our staff, Brad, Sara, Elizabeth, Claire, and Lorrie, who work directly with the Authority's borrowers and their transaction teams, thank you. We understand that your jobs are challenging and have many stakeholders. On behalf of the Members, we are grateful that you take your role seriously and perform your duties well.

In addition to bond issuance, flexibility, and the ability to act effectively when needed is part of the Authority's competitive advantage. Back in 2019, Governor Pritzker's Office asked the Authority to help with Senate Bill 1300 or Public Act 101-610 that became state law on January 1, 2020. Senate Bill 1300 consolidated 650 local pension portfolios for Illinois first responders into two separate funds: one for the Police Officers and one for the Firefighters.

The Authority made necessary start-up loans to the two newly created funds. One of these loans paid off early and the other loan is expected to be paid off on schedule in the coming months.

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The goal for Senate Bill 1300 was to help ensure the retirement security of Illinois local first responders by prudently increasing investment returns, and in doing so, reduce the future burden on local Illinois property taxpayers.

Litigation challenging the State constitutionality of Senate Bill 1300 then began. But on January 19, 2024, the Illinois Supreme Court affirmed the constitutionality of Senate Bill 1300 and dismissed the litigation. To date, the Senate Bill 1300 plan appears to be working. Crain's Chicago Business reported that the Illinois Police Officers' Pension Investment Fund posted a net return of 8.8 percent and the Illinois Firefighters' Pension Investment Fund posted a net return of 9.7 percent, much higher than the 650 individual portfolios could have obtained individually.

Six and Elizabeth along with former employees Bill Atwood and Jacob Stuckey made the Authority's pieces of this puzzle work. We are grateful to them. Like our work on the conduit bonds, Senate Bill 1300 may be the best kind of success. The people who benefit may never know or

fully understand the Authority's role in what we hope to be continued positive outcomes over the long term.

Bond issuance and projects like Senate Bill 1300 have provided the Authority with a strong foundation that positions us well for success as the Climate Bank. As you will hear, financially, the Authority is strong. Mainly because we are building on our record as a conduit issuer. While I like our chances of success as the Climate Bank, success also generates work for us as Members. The Governor and I continue to need you for monthly in-person attendance at meetings.

But there are also the upcoming annual economic interest disclosures. As a reminder, there are two, one for the Illinois Secretary of State and one for the Executive Ethics Commission, both due May 1. Elizabeth and Claire will work with each of you on the economic interest disclosures in the coming weeks. And later in the year, we will have the important mandatory trainings -- and, again, Elizabeth and Claire will work with you on those -- likely in the second half of the calendar year.

At the December 2023 meeting, Chris provided a preliminary presentation of the numerous, varied, and complex plans and opportunities for the Climate Bank. I know that we will be successful, but all of us, Members and staff, will need to continue to work closely together in the coming months.

Thank you for your contributions to date, and I look forward to working with all of you over the next year.

Chris.

EXECUTIVE DIRECTOR MEISTER: Thank you, Will. This is Executive Director Chris Meister. My written message are in your materials and posted on the website. I will defer my spoken remarks until the resolutions to approve the revised fee schedule for certain types of bonds and to accept the Fiscal Year 2023 financial audit as well as the Climate Bank Plan and Report.

Elizabeth Weber, our General Counsel and Ethics Officer, and Six Granda, our Senior Vice President for Finance and Administration, have approved personal time off this morning. For any legal matters which may

arise at this morning's meeting, we have Rich Tomei of the law firm of Chapman and Cutler. Rich, raise your hand.

So for the intersection of the technical connection between Springfield and here and the Open Meetings Act and the Illinois Finance Authority Act, we have Rich.

Our colleague, Brad Fletcher, who is also in the role of Assistant Secretary this morning, is our Senior Vice President and Authority Treasurer. Brad will present the financials through January 31st, 2024. I know that it has been a few months. I will present the resolution to accept the Fiscal Year 2023 Financial Audit.

Back to you, Will.

MEMBER JURACEK: Chairman Hobert, if I could just attach something to your remarks with regards to the police and fire pension consolidation. That's a subject that's near and dear to my heart.

I was president of the Northwest Municipal Conference at the time it was going through Springfield, and I had the opportunity to testify in Springfield before the various committees and the full houses.

And I really want to thank Bill Atwood and Jacob Stuckey because this would have lived or died depending on the success of the consolidation transition. And both Bill and Jacob really made sure that that worked out smoothly despite some of the concerns of the Union participants in this consolidation, which resulted in their litigation.

So I was as pleased as anybody to see the Court say, no, sorry, it's legal. But the Illinois Finance Authority staffers really played a big role in ensuring the success of the consolidation.

CHAIR HOBERT: Thank you.

COURT REPORTER: Can I have your name, please?

MEMBER JURACEK: Arlene Juracek.

COURT REPORTER: Thank you.

ASSISTANT SECRETARY FLETCHER: This is Brad Fletcher. Please let the record reflect that during the Chair's remarks but prior to the Executive Director message, Members Caldwell, Pawar, and Strautmanis arrived and were added to the initial roll call.

CHAIR HOBERT: Thank you, Brad. This is Will Hobert. There were no committee meetings held this month.

Next is a presentation and consideration of New Business Items.

I would now like to ask for the general consent of the Members to consider New Business Items 1, 2, 3, 4, and 5 collectively, and to have the subsequent recorded vote applied to each respective individual New Business Item, unless somebody would -- unless there are any specific New Business Items that a Member would like to consider separately.

Hearing no need for a separate consideration or recusal, I would like to consider New Business Items 1, 2, 3, 4, and 5 under the consent agenda and take a roll call vote.

Brad?

ASSISTANT SECRETARY FLETCHER: This is Brad Fletcher. At this time I'd like to note for each conduit New Business Item presented on today's agenda, the Members are considering the approval only of the resolution and not-to-exceed parameters contained therein.

Item 1: The University of Chicago Medical Center and Mizuho America Leasing LLC.

Item 1 is a Final Bond Resolution authorizing the issuance of the Illinois Finance Authority Lease Revenue Bonds, Series 2024 (UChicago Medicine Project), in one or more tax-exempt and/or taxable series or subseries, in an aggregate principal amount not to exceed $50 million (defined as the "Bonds"), the proceeds of which will be made available to Mizuho America Leasing LLC (the "Lessor" hereafter) in order to assist the lessor providing all or some of the funds necessary to do any or all of the following:

(1) purchase one or more vertical separation units comprised of approximately 62,000 square feet located at 355 East Grand Avenue, Chicago, Illinois (defined as "River East"), to be leased to and used by The University of Chicago Medical Center (or "UCMC") for the provision of direct health care to its patients and/or for its general corporate purposes, and the costs of acquiring, constructing, renovating, remodeling, expanding, rehabilitating and equipping certain improvements to such property.

(2) purchase the real property, building and improvements located at 4646 South Drexel Boulevard, Chicago, Illinois, consisting of approximately 1.2 acres of land, and an approximately 12,500 square foot building (defined as "Drexel") to be leased to and used by UCMC for the provision of direct health care to its patients and/or for its general corporate purposes, and the costs of acquiring, constructing, renovating, remodeling, expanding, rehabilitating and equipping certain improvements to such property.

(3) fund one or more debt service reserve funds for the benefit of the Bonds.

(4) fund working capital.

(5) fund interest accruing on the Bonds.

And (6) pay certain expenses incurred in connection with the issuance of the Bonds.

The proceeds of the Bonds will be made available to the Lessor to acquire the Drexel and River East properties to lease to UCMC under one or more facility leases. In exchange therefor, the Lessor will assign and sell to the Authority and the Authority will purchase a right to receive payments, including rent payments (defined as "Rents") to be made by UCMC under the facility leases in an amount sufficient to pay all debt service (including principal and interest) on the Bonds and to pay all other costs of the parties to the financing.

The Authority will immediately assign the Rents to the trustee under one or more indentures of trust as security for the Bonds to be used to pay debt service and other amounts due with respect to the Bonds. The Bonds will be further secured by an assignment and sale by the Lessor of a leasehold mortgage from UCMC on each of the properties. UCMC will operate the properties and will be the owner of the properties for federal tax purposes.

The purpose of this lease structure is to allow UCMC to use and operate the properties and achieve certain desired accounting treatments in connection with the properties.

The Bond will be underwritten by FMSbonds, Inc. and sold immediately to Mizuho Capital Markets LLC. The Bonds will be sold at

fixed rates to be determined at pricing and shall bear interest at stated rates not exceeding 10 percent per annum. The Final Bond Resolution authorizes a final maturity of not later than 15 years from the date of issuance.

Does any Member have any questions or comments?

Item 2 is a Final Bond Resolution authorizing the issuance of Illinois Finance Authority Recovery Zone Facility Bonds (Smart Hotels/Olympia Chicago, LLC Project), Series 2024, in a maximum principal amount of $15,500,000 (defined as the "Bond"), the proceeds of which are to be loaned to Smart Hotels/Olympia Chicago, LLC, a Delaware limited liability company (defined as the "Borrower"), in order to assist the Borrower in providing all or a portion of the funds necessary to (i) currently refund all or a portion of the Authority's outstanding Recovery Zone Facility Bonds (Smart Hotels/Olympia Chicago, LLC Project), Series 2017 (defined as the "Series 2017 Bonds"), and (ii) pay all or a portion of the costs of issuance for the Bond.

The Bond will be issued under a

Bond and Loan Agreement as a bank direct purchase by Live Oak Banking Company, a North Carolina banking corporation (defined as the "Bond Purchaser"). During the Initial Interest Period of five years, interest on the Bond shall accrue at the Bank Purchase Rate, which shall be the greater of (i) a certain fixed rate of interest or (ii) a variable rate of interest based, in part, on Term SOFR. The Bond shall bear interest at a fixed or variable rate of interest not exceeding 18 percent per annum.

The Final Bond Resolution authorizes a final maturity of not later than January 5, 2039.

It's my expectation that we have with us today Ed Small, President of Smart Hotels/Olympia Chicago, LLC.

Ed, are you with us today?

ED SMALL: I am. Can you hear me?

ASSISTANT SECRETARY FLETCHER: Yes, sir. Please, the floor is yours.

ED SMALL: Well, I appreciate the opportunity to thank Brad Fletcher and the IFA Board for the original issuance in 2010 for the

bond for this project. It's our hotel in Chicago's Hyde Park neighborhood. It's a catalytic project, and it is not an exaggeration to say that without that bond financing at that time --

COURT REPORTER: I can't understand. He's cutting out too much. I'm sorry.

EXECUTIVE DIRECTOR MEISTER: Ed, I'm sorry, this is Chris Meister. The court reporter is having a challenge. Could you go a bit more slowly, please.

COURT REPORTER: Thank you.

ED SMALL: Sure. Sorry about that.

ASSISTANT SECRETARY BRINLEY: Janet, we'll also have a recording so you can review later.

COURT REPORTER: Thank you.

ED SMALL: Should I pick up where I left off or start all over?

ASSISTANT SECRETARY FLETCHER: No. Please pick up where you left off. We caught it.

Thanks, Ed.

ED SMALL: Okay. So, again, it's not an exaggeration to say that without the bond issuance in 2010, we could not have done this project. It absolutely would not have been possible. And the continuing cooperation of Brad and the IFA has been critical, and we appreciate your consideration for this refinancing.

COVID was certainly challenging for hotels, and ours was no exception to that, and while we're making a strong recovery at this point, it's very important that we continue to be able to have access to the tax-exempt facility. So thank you so much for your consideration of this.

And, further, we understand there's another resolution for lowering the fees on the refinancings, and given the increased costs that we have for the hotel operations with wages and such and further interest rates rising, the reduced costs on the refinancing are also very important.

So we appreciate the customer service. We appreciate that you are there to help us get these important projects done.

ASSISTANT SECRETARY FLETCHER: This is Brad Fletcher. Thank you, Ed. I really appreciate the comments.

Does any Member have any questions or comments?

Okay. Moving on to Item 3,

Additional Resolutions.

Item 3 is a Resolution authorizing the execution and delivery of an Amended and Restated Bond and Loan Agreement relating to the Illinois Finance Authority Revenue Refunding Bond, Series 2012 (Sacred Heart Schools Project) (defined as the "Series 2012 Bond") to provide for certain amendments relating to the extension of the purchase date of the Bond, the interest rate calculation on the Bond and certain others matters; authorizing the execution and delivery of any other documents necessary or appropriate to effect the matters set forth in such Amended and Restated Bond and Loan Agreement; and authorizing and approving related matters.

Convent of the Sacred Heart of Chicago, Illinois, an Illinois not-for-profit corporation (defined as the "Borrower") and Wintrust Bank, National Association (as the "Bond Purchaser"), are requesting approval of the Resolution to authorize the execution and delivery of an Amended and Restated Bond and Loan Agreement and other documents to effectuate certain amendments relating to the outstanding Series 2012

Bond.

Approval of the related Resolution will extend the term by which the bank as the Bond Purchaser will agree to continue owning the Series 2012 Bond by approximately seven years and seven months (that is, from February 28th, 2024, to October 1, 2031), will reset the interest rate borne by the Series 2012 Bond (based, in part, on Term SOFR) and will make certain other amendments requested by the Borrower and the bank as the Bond Purchaser.

Does any Member have any questions or comments?

Item 4 is a Resolution approving fee schedule for certain types of bonds.

Approval of the related Resolution is essential to ensure the Authority's commercial viability, particularly with respect to eligible publicly traded and privately held, for-profit borrowers that may benefit from the issuance of Industrial Development Bonds, Exempt Facility Bonds, Recovery Zone Facility Bonds, and Midwestern Disaster Area Bonds.

Ultimately, these changes would

serve to make the Authority more competitive relative to its peers in the development finance industry and reflect the Authority's commitment to adapt to evolving market dynamics and to improve financial sustainability.

Does any Member have any comments or questions?

EXECUTIVE DIRECTOR MEISTER: Brad, if I may add to your comments. As the Chair noted, Brad and Sara have been working diligently with partners, transaction partners across our world of economic sectors and borrowers, and I think this resolution and the proposed fee changes that are found on page 155 in your materials recognize some of the challenges and the complexities that the Authority handles in the conduit space.

I'll also note that both the University of Chicago Medical Center and the Smart Hotel, both of these projects had the potential to start their lives as a leaf, become a tree, and then multiply themselves into a forest, which if we did not have staff like Brad and Sara, there were other folks that easily could have gotten lost in that forest and not have the clarity of the presentation that you have today. So they're to be commended.

Again, you've heard from Mr. Small on the Smart Hotel on that catalytic project. Similarly, again, same general community, Hyde Park, Sara has been working closely with the University of Chicago Medical Team on this proposed transaction since late last summer. So it's an example of the clarity and the efficiency that we are striving for as staff.

Back to you, Brad.

ASSISTANT SECRETARY FLETCHER: Just a little extra color on the fee resolution. If you recall, the Members that were here in September, we said we were going to somewhat piecemeal this to catch up with the times. Our overall fee schedule for our various market sectors hasn't been updated in some cases in two decades. So this is a continuation of the same.

You'll recall in September, we approved a fee schedule for a solid waste disposal facility.

What we're doing today is we're saying to our borrowers in the corporate world,

hey, we understand there's an innumerate amount of exempt facility bonds. We will charge the same fee for all of them. We are undertaking the same performance and actions here. So this puts our best foot forward with respect to our corporate borrowers.

In addition to that, you heard from Ed Small, the president of the hotel. That was a Disaster Recovery Bond. From time to time Congress authorizes Disaster Recovery Bonds when there's a disaster. So, for instance, we have outstanding bonds for Midwestern Disaster Area Bonds for flooding along the Mississippi River. Recovery Zone Bonds could be used for commercial purposes that normally are outside of our universe of Borrowers.

So what we did for the fee schedule for this refunding for the hotel was to waive the application fee, put our best foot forward for a disaster-type enterprise, if you will. I understand it's a hotel, but the Federal intent is there.

And then, similarly, Sara and I have continued working with our not-for-profit borrowers. Sara and I have been using a pilot amendment fee schedule. We've always used our fee schedule as guardrails. So we're planting a flag in the ground so we always maintain a competitive advantage.

Sara and I are continuing piloting that, and we expect to have something by budget time to formally adopt.

EXECUTIVE DIRECTOR MEISTER: And just one clarification. And, again, as Brad said, there are multiple types of these bonds. Transactions like a nonprofit for the University of Chicago Medical is somewhat simpler. But these were actually Recovery Zone Facility Bonds, not the disaster bonds.

ASSISTANT SECRETARY FLETCHER: Right. It's a broad category by Congress. Those are considered various forms of disaster bonds, that's correct.

EXECUTIVE DIRECTOR MEISTER: Yes.

ASSISTANT SECRETARY FLETCHER: Midwestern Disaster, Recovery Zone.

So does any Member have any questions or comments on Resolution Item 4?

Moving on, Item 5 is a Resolution to accept the Fiscal Year 2023 Financial Audit.

On February 6, 2024, the Auditor General released the Authority Fiscal Year 2023 Financial Audit. In the opinion of the Independent Auditors' Report, the Authority's Fiscal Year 2023 Financial Audit presents fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information for the Illinois Finance Authority as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the U.S.

Moreover, the Resolution designates the Fiscal Year 2023 Financial Audit as the report and financial statement of its operations and of its assets and liabilities as required by Section 845-50 of the Illinois Finance Authority Act as amended.

Chris, I believe you had several bullet points you wanted to address.

EXECUTIVE DIRECTOR MEISTER: Yes. Thank you, Brad. To add to Brad's statement -- and, again, the financial audit is both posted online on the Auditor General's website, but it also was distributed with our materials and are on the tables in front of the Members.

The General Operating Fund -- and, again, that's our main fund -- and the total Nonmajor Funds, all those assets increased by approximately $5.8 million over the prior fiscal year. Primarily it was a DCEO Grant for some federal funds through U.S. Treasury known as SSBCI. That grant was executed towards the end of last fiscal year, very near to June 30, 2023, and the increase in investment revenue.

As of June 30, 2023, we have a net position of approximately $126 million, and that represents an increase of approximately 2.5 million or 2 percent from the previous fiscal year in both the operating -- General Operating Fund and the Nonmajor Funds.

Again, our General Operating Fund basically is approximately 60 million, and then there are a series of Nonmajor Funds that are statutorily fenced in.

As I noted, the increase in net position is primarily due to the increase in

investment revenues/nonoperating income of approximately 2.9 million. And then there was an offset in Operating loss of approximately $465,000.

The unmodified opinion was received by the Auditor General's Special Assistant Auditors. The firm is RSM US LLP. They were procured by the Auditor General's Office, and they have been our external auditors for a number of years.

As Brad noted, the financial statements are reported fairly in all material respects.

We did receive a material weakness finding. It has been a number of years since we have received a finding on the financial audit. In the coming weeks, we'll have the two-year complying audit. We expect to have a few more findings. But I would just emphasize to the Members that the text of the finding and also the text found in the subsequent events, that language speaks for itself regarding the incident that occurred last November. The Authority accepted that finding.

In addition, and for context and narrative, we do have the Authority's descriptions of our activities during and after the Audit period.

Primarily there was the Auditor General's Digest that was attached as an exhibit to my written message.

There is the transmittal letter, which is written by me to the Chair, Will, and those are pages 2 through 7 of the Audit Report.

The Management Discussion and Analysis, that's generally on pages 17 through 24.

And the subsequent events, particularly note 16, and those are on pages 60 to 61.

I will especially thank our colleague Six Granda. She leads our engagement with the auditors. The pages here do not quite accurately represent the amount of work that goes into this process, but I do believe that this audit reflects well on the Authority despite the finding, which we have accepted, and I ask the Members for your acceptance of the audit.

As I noted, the two-year complying audit hopefully will be completed in the coming weeks. We'll also bring it to you at that time.

Once both audits are posted and accepted by the Members, the next stop in the process is before the Legislative Audit Commission of the Illinois General Assembly that supervises the Auditor General's Office. For the past several years, we have been on the consent calendar so no appearance has been required. We'll see if that practice by the Legislative Audit Commission continues.

I'll take any questions.

Back to you, Brad.

ASSISTANT SECRETARY FLETCHER: All right. That's the end of the New Business Items.

CHAIR HOBERT: This is Will Hobert. I would like to request a motion to pass and adopt the following New Business Items: 1, 2, 3, 4, and 5.

Is there such a motion?

MEMBER FUENTES: This is Jim Fuentes. So moved.

MEMBER JURACEK: This is Arlene Juracek. Second.

CHAIR HOBERT: This is Will Hobert. Will the Assistant Secretary please call the roll?

ASSISTANT SECRETARY BRINLEY: This is Claire

Brinley. On the motion by Member Fuentes and second by Member Juracek, I will call the roll.

Member Beres?

MEMBER BERES: Yes.

ASSISTANT SECRETARY BRINLEY: Member Caldwell?

MEMBER CALDWELL: Here.

ASSISTANT SECRETARY BRINLEY: Member Fuentes?

MEMBER FUENTES: Yes.

ASSISTANT SECRETARY BRINLEY: Member Juracek?

MEMBER JURACEK: Yes.

ASSISTANT SECRETARY BRINLEY: Member Landek?

MEMBER LANDEK: Yes.

ASSISTANT SECRETARY BRINLEY: Member Pawar?

MEMBER PAWAR: Yes.

ASSISTANT SECRETARY BRINLEY: Member Poole?

Member Poole, you might still be muted.

EXECUTIVE DIRECTOR MEISTER: He is signaling.

MEMBER JURACEK: I think that's a yes.

EXECUTIVE DIRECTOR MEISTER: Is that a yes?

Nod your head.

ASSISTANT SECRETARY BRINLEY: Member Ryan?

MEMBER RYAN: Yes.

EXECUTIVE DIRECTOR MEISTER: He nodded his head.

ASSISTANT SECRETARY BRINLEY: Member Strautmanis?

MEMBER STRAUTMANIS: Yes.

ASSISTANT SECRETARY BRINLEY: Member Sutton?

MEMBER SUTTON: Yes.

ASSISTANT SECRETARY BRINLEY: Member Wexler?

MEMBER WEXLER: Yes.

ASSISTANT SECRETARY BRINLEY: And finally, Chair Hobert?

CHAIR HOBERT: Yes.

ASSISTANT SECRETARY BRINLEY: Again, this is Claire Brinley. Chair Hobert, the ayes have it and the motion carries.

CHAIR HOBERT: This is Will Hobert. Brad, will you please present the Financial Reports?

ASSISTANT SECRETARY FLETCHER: Sure. This is Brad Fletcher. In Six's absence today, I'll be presenting the financial reports for the period ending January 31, 2024. The financial reports

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begin on page 42 of the Confidential Board Book.

Please note that all information is preliminary and unaudited, as customary.

Beginning with the operating revenues, year-to-date operating revenues of $1.7 million and are $325,000 or 23.3 higher than budget.

Operating expenses of $2.2 million are $426,000 or 16.2 percent lower than budget. This is primarily attributable to the Authority posting annual employee-related expenses and professional services of $392,000 lower than budget due to reduced staff head count and lower than expected professional services and other expenses of $34,000 lower than budget.

Taken together, the Authority posted an Operating Net loss of approximately $492,000.

Nonoperating activity, year-to-date interest, and investment income of $1 million is $147,000 and 12.6 percent below budget. The Authority posted $668,000 market-to-market, noncash appreciation in its investment portfolio. This noncash appreciation, coupled with an approximate

$24,000 realized loss on the sale of certain Authority investments, will result in year-to-date Investment Income Position of $1.7 million which is $497,000 higher than budget. Year-to-date Grant income of $61,000 meanwhile is $175,000 lower than budget.

The year-to-date Operating loss of approximately $492,000 and year-to-date Investment Position Income and Grant Income of $1.7 million collectively will result in a year-to-date net income of approximately $1.2 million which is $1.1 million higher than budget.

In the General Fund, the Authority continues to maintain a net position of $60.3 million as of January 31, 2024. Total assets in the General Fund are $65.3 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $50.4 million (with approximately $22.2 million in cash). Restricted cash totals $3.1 million.

Notes receivable from former Illinois Rural Bond Bank local governments totals $4.3 million. Participation Loans, Natural Gas Loan Program, DACA (which is the pilot medical student loans in exchange for service in medically underserved areas in Illinois) and other loan receivables are $5.4 million. From October 1st, 2023, to January 31, 2024, the Authority collected $835,000 in interest and principal from outstanding Natural Gas Loans and $294,000 from outstanding Participation Loans.

Moving next to Audit matters.

On February 6, 2024, the Office of the Auditor General released a Fiscal Year 2023 Financial Audit Report, as mentioned earlier by Chris and myself. The Special Assistant Auditors for the Office of the Auditor General expressed an unmodified opinion on the Authority's basic financial statements. The report contained one material weakness finding, as previously stated.

The Two-Year Compliance Examination for Fiscal Year 2022 and Fiscal Year 2023 are in progress. The Authority anticipates the report to be issued sometime in March 2024.

And with that, I'll turn things over to the Executive Director.

EXECUTIVE DIRECTOR MEISTER: Thank you, Brad. Again, Chris Meister, Executive Director.

The February 13, 2024, Climate Bank standing report is found on pages 45 through 47 of your materials.

These monthly standing reports go back to a resolution that was adopted by the Board back in November of 2022, and this approach has worked well as the Authority has needed flexibility to respond to various priorities of the Governor's Office and various financial opportunities provided by the federal government.

There are no proposed Climate Bank plan modifications this morning and there are no attachments.

I will note, just something to add for the Members, from Brad's report the State Treasurer has a resource or a program called the Illinois Funds that the Authority has been moving much of our liquid cash in. They are very good returns. It's run by a State constitutional officer. We have nearly full liquidity. So in the current interest rate environment, we've been working closely to take advantage of that.

The action summary here on page 45, number one, in addition to his other duties, Brad is the architect of the Commercial Property

Assessed Clean Energy Open Market Initiative of the Illinois Finance Authority.

We've been -- that is sort of a dual presentation to our transaction teams that know us as the Authority and know our reputation. They know C-PACE as a product of the Illinois Finance Authority. Sometimes when we are talking to local policymakers and our colleagues in State government, we refer to it as a Climate Bank initiative, but we're very pleased that the City of East Moline and the City of Mount Carroll, both in northwestern Illinois, passed the standard IFA Open Market Initiative Ordinance in December of '23 and January of '24.

We have also been busy on public engagement. On February 9, 2024, I presented Climate Bank overview to the Chicagoland Chamber of Commerce's Infrastructure and Digitalization Committee meeting. On February 2, Andrew Barbeau -- a name that many of you should recognize, he's our outside consultant on Climate Bank matters -- presented, along with the Builders Network and a foundation and the Illinois Department of Transportation, at the Blacks in

Green presentation at UIC that was funded by the U.S. Department of Energy.

On January the 31st -- again, a special thank you to Claire Brinley -- we hosted a large remote primarily stakeholder engagement on our Climate Bank plans and activities. We also partnered and had representatives of the Department of Commerce and Economic Opportunity and the Illinois Power Agency. We had over 250 participants registered and at any given time somewhere between 150 and 155 stakeholders.

I also presented at the Urban League, along with DCEO, on January the 23rd. We continue to work on a variety of DCEO economic development projects. Last month we had Director Kristen Richards of DCEO address the members.

Also in December of last year, through the modified Climate Bank Plan, we created, and Members approved -- because of course we can't be government without an acronym -- 4FJ federal and private funds for future jobs, an initiative of the Illinois Climate Bank.

So there is a nonprofit that is aligned with the Governor's Office named P33. We entered into a non -- a Zero-Dollar contract with P33. And then together with P33 and DCEO, we engaged some outside expertise on a procurement path. That path is not yet complete. So I will tell you what parts of the path are complete.

It was known as an invitation bid competition on price. Again, the regulators in that process is not yet complete. But pursuant to that process, there are two small, under 100,000, sole source small purchase agreements with conditions. That is what they are known as.

Under the procurement rules, they went to Boston Consulting Group. I've got a family member who works for Boston Consulting Group. So we'll agree to sign those two contracts.

And that work is underway for a U.S. Department of Commerce Economic Investment Administration opportunity known as Tech Hubs, one agriculturally focused in downstate Illinois in the Champaign-Decatur area and one focused on quantum in northeastern Illinois.

I will take any questions. I know that we talked a little bit last December on 4FJ and the efforts, because we believe that -- based

on my discussions within State Government, I believe that we're going to have more opportunities and requests.

That's a lot of State Government procurement rules.

MEMBER STRAUTMANIS: Member Strautmanis. My only comment is as somebody who has family --

COURT REPORTER: Can I have your name?

MEMBER STRAUTMANIS: Member Strautmanis.

As someone who has family members in Champaign, I describe Cairo, Illinois, as downstate Illinois.

EXECUTIVE DIRECTOR MEISTER: You're right. I stand corrected. Thank you.

We have a former board member who always said, well, it's only true southern Illinois, which are the true downstate is the southern 15 or 16 counties along the Ohio, the Wabash, and the Mississippi. So I stand corrected. Thank you.

We've mentioned before the U.S. Department of Treasury SSBCI. Evans Joseph is our colleague who works on that. Joanna Martinez is helping us cohost. And Stan Luboff, under a personal services contract, is working closely with Evans and Joanna. Stan Luboff brought this opportunity to the State of Illinois about 15 years ago under stimulus, so he knows it very, very well.

The Will Group is a minority-owned enterprise active primarily in electrical contracting. They've moved into manufacturing of energy efficiency -- energy efficient electrical components, and they're in the process of building a manufacturing facility on Chicago's west side. We signed those documents at the end of December, and the process is continuing.

We have also been working with NTH Tool in Plano, Illinois, and Stan, Evans, and Joanna have multiple leads and multiple discussions with multiple private lenders. SSBCI is primarily a participation loan product that is delivered through private commercial lenders.

On the U.S. Department of Energy grid, this is primarily formula funding that we are working with. Municipal utilities and municipal and rural electric co-ops. We've put out a request for information at the beginning of February. We're expecting responses. We expect most of that

total of $40 million, of which we've received an allocation of 16 million, to be deployed in some form of grant.

We still are awaiting the U.S. Department of Energy Revolving Loan Fund through the State Environmental Protection Agency. That has been pending for quite some time.

The next item, a significant victory by the Authority and all of us. Last spring the Governor's Office asked the Authority to submit for the competitive CFI Community's Electric Vehicle Charging Grant. We were fortunate enough to be awarded on the January 18th. The only application that was successful in the State, it was highly competitive, and we expect to have an intake webinar with the U.S. Department of Energy next Thursday, on February 22nd.

And finally, the U.S. Department of Energy GRIP. This is competitive. We have filed the concept paper, which is the first step in that project.

So we've been busy. Thank you. Any questions?

Great.

CHAIR HOBERT: This is Will Hobert. Thank you, Chris. Pursuant to Resolution 2022-1110-EX16, the Members may affirm, modify, or disapprove of any of the modifications to the Climate Bank Plan. There are no modifications to the Climate Bank Plan this month.

I would like to request a motion to accept the preliminary and unaudited Financial Reports for the seven-month period ending January 31, 2024, and to accept the report on the Climate Bank Plan.

Is there such a motion?

MEMBER PAWAR: This is a Ameya Pawar. So moved.

MEMBER WEXLER: This is Randy Wexler. Second.

CHAIR HOBERT: This is Will Hobert. All those in favor?

(Ayes via voice vote)

CHAIR HOBERT: Opposed?

The ayes have it and the motion carries.

Brad, will you please present the procurement report?

ASSISTANT SECRETARY FLETCHER: Certainly. This is Brad Fletcher. Thank you, Chair Hobert.

The contracts listed in the February procurement report are to support the Authority's operations. The report also includes expiring contracts into 2024.

The Authority recently executed a Zero-Dollar dollar contract with P33 Chicago to assist The Authority in collaboration with the State and other State agencies or governmental entities in applying for and obtaining federal funding.

Does any Member have any questions or comments?

CHAIR HOBERT: This is Will Hobert. Does anyone wish to make any additions, edits, or corrections to the minutes from December 12, 2023?

Hearing none, I'd like to request a motion to approve the minutes.

Is there such a motion?

MEMBER RYAN: This is Tim Ryan. So moved.

MEMBER STRAUTMANIS: This is Mike Strautmanis. Second.

CHAIR HOBERT: This is Will Hobert. All

those in favor?

(Ayes via voice vote)

CHAIR HOBERT: Opposed?

The ayes have it and the motion carries.

Is there any other business to come before the members?

ASSISTANT SECRETARY BRINLEY: This is Claire Brinley. Chair Hobert, Members Abrams and Zeller and Vice Chair Nava were unable to participate today.

CHAIR HOBERT: This is Will Hobert. I would like to request a motion to exclude Members Abrams, Zeller, and Nava who were unable to participate today.

Is there such a motion?

MEMBER SUTTON: This is Lynn Sutton. So moved.

MEMBER JURACEK: This is Arlene Juracek. Second.

CHAIR HOBERT: This is Will Hobert. All those in favor?

(Ayes via voice vote)

CHAIR HOBERT: The ayes have it and the

motion carries.

Is there any matter for discussion in closed session?

Hearing none, the next regularly scheduled meeting will be held in person on Tuesday, March 12, 2024.

I'd like to request a motion to adjourn.

Is there such a motion?

MEMBER WEXLER: This Randy Wexler. So moved.

MEMBER BERES: This is Drew Beres. Second.

CHAIR HOBERT: This is Will Hobert. All those in favor?

(Ayes via voice vote)

CHAIR HOBERT: The ayes have it and the motion carries.

ASSISTANT SECRETARY BRINLEY: This is Claire Brinley. The time is 9:54 AM. This meeting is adjourned.

* * * * *

STATE OF ILLINOIS)
) SS:
COUNTY OF DU PAGE)

I, Janet L. Brown, CSR. No. 84-002176, do hereby certify that I reported in shorthand the proceedings had in the above-entitled cause and that the foregoing Report of Proceedings, Pages 1 through 51, inclusive, is a true, correct, and complete transcript of my shorthand notes taken at the time and place aforesaid.

I further certify that I am not counsel for nor in any way related to any of the parties to this suit, nor am I in any way, directly or indirectly interested in the outcome thereof.

This certification applies only to those transcripts, original and copies, produced under my direction and control; and I assume no responsibility for the accuracy of any copies which are not so produced.

IN WITNESS WHEREOF I have hereunto set my hand this 23rd day of February, 2024.

Janet L Brown

Certified Shorthand Reporter

MAGNA LEGAL SERVICES

MAGNA LEGAL SERVICES

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ILLINOIS FINANCE AUTHORITY
ROLL CALL
FEBRUARY 13, 2024
QUORUM

February 13, 2024

12 YEAS		0 NAYS		0 PRESENT	
E	Abrams	Y	Landek	Y	Strautmanis (added)
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell (added)	Y	Pawar (added)	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FEBRUARY 13, 2024
AGENDA OF THE REGULAR MEETING OF THE MEMBERS
APPROVED

February 13, 2024

9 YEAS 0 NAYS 0 PRESENT

E	Abrams	Y	Landek	NV	Strautmanis
Y	Beres	E	Nava	Y	Sutton
NV	Caldwell	NV	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention

NO. 01

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2024-0213-01
REVENUE BONDS - THE UNIVERSITY OF CHICAGO MEDICAL CENTER AND
MIZUHO AMERICA LEASING LLC
FINAL BOND RESOLUTION
APPROVED*

February 13, 2024

12 YEAS | 0 NAYS | 0 PRESENT

E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention
* – Consent Agenda

NO. 02

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2024-0213-02
REVENUE BONDS - SMART HOTELS/OLYMPIA CHICAGO, LLC
FINAL BOND RESOLUTION
APPROVED*

February 13, 2024

12 YEAS		0 NAYS		0 PRESENT	
E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention
* – Consent Agenda

NO. 03

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2024-0213-03
RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT AND RESTATED BOND AND LOAN AGREEMENT RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2012 (SACRED HEART SCHOOLS PROJECT) (THE "BOND") TO PROVIDE FOR CERTAIN AMENDMENTS RELATING TO THE EXTENSION OF THE PURCHASE DATE OF THE BOND, THE INTEREST RATE CALCULATION ON THE BOND AND CERTAIN OTHER MATTERS; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO EFFECT THE MATTERS SET FORTH IN SUCH AMENDED AND RESTATED BOND AND LOAN AGREEMENT; AND AUTHORIZING AND APPROVING RELATED MATTERS
APPROVED*

February 13, 2024

12 YEAS 0 NAYS 0 PRESENT

E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention
* – Consent Agenda

NO. 04

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2024-0213-04
RESOLUTION APPROVING FEE SCHEDULE FOR CERTAIN TYPES OF BONDS
APPROVED*

February 13, 2024

12 YEAS		0 NAYS		0 PRESENT	
E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention
* – Consent Agenda

NO. 05

ILLINOIS FINANCE AUTHORITY
ROLL CALL
RESOLUTION 2024-0213-05
RESOLUTION TO ACCEPT THE FISCAL YEAR 2023 FINANCIAL AUDIT
APPROVED*

February 13, 2024

12 YEAS		0 NAYS		0 PRESENT	
E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention
* – Consent Agenda

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF THE PRELIMINARY AND UNAUDITED FINANCIAL REPORTS FOR THE SEVEN-MONTH PERIOD ENDED JANUARY 31, 2024 AND TO ACCEPT THE REPORT ON THE CLIMATE BANK PLAN
APPROVED

February 13, 2024

12 YEAS   0 NAYS   0 PRESENT

E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF THE MINUTES OF THE REGULAR MEETING OF THE
AUTHORITY FROM DECEMBER 12, 2023
APPROVED

February 13, 2024

12 YEAS		0 NAYS		0 PRESENT	
E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
EXCUSING THE ABSENCE OF ANY MEMBERS UNABLE TO PARTICIPATE IN ANY VOTES OF THE REGULAR MEETING OF THE AUTHORITY FOR FEBRUARY 13, 2024
APPROVED

February 13, 2024

12 YEAS		0 NAYS		0 PRESENT	
E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
ADJOURNING THE REGULAR MEETING OF THE AUTHORITY FOR FEBRUARY 13, 2024
APPROVED

February 13, 2024

12 YEAS		0 NAYS		0 PRESENT	
E	Abrams	Y	Landek	Y	Strautmanis
Y	Beres	E	Nava	Y	Sutton
Y	Caldwell	Y	Pawar	Y	Wexler
Y	Fuentes	Y	Poole	E	Zeller
Y	Juracek	Y	Ryan	Y	Chair Hobert

E – Denotes Excused Absence
NV – Denotes Not Voting
A – Denotes Abstention

ILLINOIS FINANCE AUTHORITY

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XI. OTHER BUSINESS

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ILLINOIS FINANCE AUTHORITY

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XII. CLOSED SESSION

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ILLINOIS FINANCE AUTHORITY

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XIII. ADJOURNMENT

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APPENDIX A - INFORMATION REGARDING NEW BUSINESS ITEMS

IFA
ILLINOIS FINANCE AUTHORITY

REGULAR MEETING OF THE MEMBERS

TUESDAY, MARCH 12, 2024
9:00 A.M.

MICHAEL A. BILANDIC BUILDING	LELAND BUILDING
160 NORTH LASALLE STREET SUITE S-1000 CHICAGO, ILLINOIS 60601	527 EAST CAPITOL AVENUE FIRST FLOOR, HEARING ROOM A SPRINGFIELD, ILLINOIS 62701

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NEW BUSINESS

CONDUIT DEBT - BOND ISSUE RESOLUTIONS				
Tab	**Applicant**	**Location(s)**	**Amount**	**Staff**
Revenue Bonds ***Final Bond Resolutions***				
1	The University of Chicago	Chicago (Cook County)	$1,900,000,000	BF
2	Museum of Science and Industry	Chicago (Cook County)	30,000,000	BF
3	Bradley University	Peoria (Peoria County)	18,900,000	BF
	TOTAL CONDUIT DEBT		**$1,948,900,000**	

ADDITIONAL RESOLUTIONS		
Tab	**Action**	**Staff**
Conduit Debt		
4	Resolution authorizing the execution and delivery of a First Amendment to the Bond and Loan Agreement dated as of June 1, 2014, providing for a new purchase date and confirming the interest rate for the next succeeding interest period for the Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Catholic Charities Housing Development Corporation)	BF
5	Resolution authorizing the execution and delivery of an Amended and Restated Bond and Loan Agreement relating to the Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Concordia University) (the "Bond") to provide for certain amendments relating to the extension of the purchase date of the Bond, the interest rate calculation on the Bond and certain other matters; authorizing the execution and delivery of any other documents necessary or appropriate to effect the matters set forth in such Amended and Restated Bond and Loan Agreement; and authorizing and approving related matters	BF
Agency Debt		
6	Resolution authorizing Illinois Finance Authority participation loan or direct loan for purposes related to its designation as the Climate Bank of the State	CM

REQUEST	Final Bond Resolution **Date:** March 12, 2024
PROJECT	**Purpose:** Bond proceeds will be loaned to The University of Chicago, an Illinois not for profit corporation (the "Borrower" or the "University") for the following purposes: (i) to finance, refinance or reimburse the University for all or a portion of the costs (including capitalized interest, if any, and working capital, if any) of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting "projects" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act; (ii) to refund, redeem, defease or provide for the payment of all or a portion of (a) the outstanding $50,000,000 original aggregate principal amount of Illinois Educational Facilities Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 2003B (the "Series 2003B Bonds"); (b) the outstanding $100,000,000 original aggregate principal amount of Illinois Finance Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 2004B (the "Series 2004B Bonds"); (c) the outstanding $80,000,000 original aggregate principal amount of Illinois Finance Authority Adjustable Rate Revenue Refunding Bonds, The University of Chicago, Series 2004C (the "Series 2004C Bonds"); (d) the outstanding $123,604,000 original aggregate principal amount of Illinois Finance Authority Adjustable Rate Revenue Bonds, The University of Chicago, Series 2008 (the "Series 2008 Bonds"), and (e) the outstanding $573,645,000 original aggregate principal amount of Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2014A (the "Series 2014A Bonds" and collectively with the Series 2003B Bonds, the Series 2004B Bonds, the Series 2004C Bonds and the Series 2008 Bonds, the "Prior IFA Bonds"), the proceeds of which were used by the University to finance, refinance or reimburse itself for the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects" and "industrial projects," as defined under the Act; (iii) to refinance certain taxable commercial paper (the "Taxable Commercial Paper") issued to finance, refinance or reimburse the University for certain costs relating to the planning, design, acquisition, construction, renovation,

improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act;

(iv) to refinance all or a portion of various lines of credit and other taxable indebtedness (the "Taxable Loans"), the proceeds of which were used to finance, refinance or reimburse the University for the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act;

(v) to pay tender offer price, purchase, refund or redeem, provide for the payment or reimburse the University for such payment, purchase, refunding, redemption or provision of payment of all or a portion of (a) the outstanding $300,000,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2010 (the "Series 2010 Corporate Bonds"), (b) the outstanding $205,000,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2013B (the "Series 2013B Corporate Bonds"), (c) the outstanding $175,685,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2014B (the "Series 2014B Corporate Bonds"), (d) the outstanding $150,505,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2015B (the "Series 2015B Corporate Bonds") and (e) the outstanding $350,495,000 original aggregate principal amount of The University of Chicago Taxable Fixed Rate Bonds, Series 2021B (the "Series 2021B Corporate Bonds" and collectively with the Series 2010 Corporate Bonds, the Series 2013B Corporate Bonds, the Series 2014B Corporate Bonds and the Series 2015B Corporate Bonds, the "Prior Corporate Bonds"), the proceeds of which were used for the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects," "industrial projects," "clean energy projects," "conservation projects" and "cultural institution projects," all as defined under the Act;

(vi) to pay tender offer price, purchase, refund or redeem, provide for the payment or reimburse the University for such payment, purchase, refunding, redemption or provision of payment of all or a portion of (a) the outstanding $415,825,000 original aggregate principal amount of Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2015A (the "IFA Series 2015A Bonds"), (b) the outstanding $114,705,000 original aggregate principal amount of Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2018A (the "IFA Series 2018A Bonds") and (c) the outstanding $50,000,000 original aggregate principal amount of Illinois Finance Authority Taxable Revenue Bonds, The University of Chicago, Series 2018B (the "IFA Taxable Series 2018B Bonds" and together with the IFA Series 2015A Bonds and the IFA Series 2018A Bonds, the "Prior IFA Bonds Tender Candidates"), the proceeds of which were used by the University to finance, refinance or reimburse itself for the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain "projects" as defined under the Act, including, without limitation, "higher education projects" and "industrial projects," as defined under the Act;

(vii) to pay certain fees and expenses relating to the termination, amendment and novation of certain interest rate swap agreements relating to one or more of the Prior IFA Bonds, if deemed desirable by the University;

(viii) to pay certain working capital expenditures relating to certain "projects" as defined under the Act, if deemed necessary or desirable by the University;

(ix) to fund one or more debt service reserve funds required to be maintained (if any) in accordance with one or more trust indentures between the Authority and one or more trust companies or banks having the powers of a trust company, as trustee;

(x) to pay a portion of the interest on the Bonds, if deemed desirable by the University;

(xi) to pay certain costs relating to the issuance of the Bonds and effecting the purposes described above and exchange of bonds described below, all as permitted under the Act (the purposes described in clauses (i)-(xi) above being collectively referred to herein as the "Proceeds Financing Purposes"); and

the University also desires that the Authority authorize and approve the exchange of certain Bonds of any or all series for all or a portion of the Prior Corporate Bonds and/or the Prior IFA Bonds Tender Candidates, if deemed desirable by the University (the "Exchange

	Financing Purposes," and collectively with the Proceeds Financing Purposes, the "Financing Purposes"). **Project Number:** 12585 **Volume Cap:** None. **Extraordinary Conditions:** None.
LOCATION(S)	Chicago (Cook County)
JOB DATA	**Current Jobs:** As of November 1, 2023, there were 2,957 full-time faculty members and about 8,870 full-time and part-time employees as support staff. **Retained Jobs:** Not applicable. **New Jobs*:** 3 **Construction Jobs*:** 300
PRIOR ACTION	None. This is the first time this transaction has been presented to the Members of the Authority. **Material Changes:** Not applicable.
FINANCING	The plan of finance contemplates that the Authority will issue tax-exempt qualified private activity bonds consisting of one or more series in an aggregate principal amount not to exceed $1.90 billion (the "Bonds") as a public offering by RBC Capital Markets, LLC and/or other underwriters as may be approved by the Authority (with execution of one or more Bond Purchase Agreements constituting approval by the Authority of such other underwriters) (collectively, the "Underwriters"). **Rating:** The Borrower has applied to Moody's Investors Service Inc., S&P Global Ratings and Fitch Ratings for long-term ratings in connection with the proposed issuance of the Bonds. **Authorized Denominations:** The Bonds will be available in denominations of $5,000 or any integral multiple thereof.
INTEREST RATE	Interest on each series of Bonds will be payable on April 1 and October 1 of each year, commencing on October 1, 2024. Each series of Bonds will bear interest at one or more fixed rates not to exceed a weighted average annual rate of 6% per annum.
MATURITY	The Final Bond Resolution authorizes a final maturity of not later than 40 years from the date of issuance.
SECURITY	The Bonds will be secured by Promissory Notes delivered to the Authority as evidence of the University's obligations under the Loan Agreements. The University's obligation to make payments under the Loan Agreements and the Promissory Notes are general unsecured obligations of the University.

SOURCES & USES†	**Sources:**		**Uses:**	
	Bonds	$1,425,005,000	Refunding / Refinancing	1,293,745,026
	Bond Premium	136,016,988	New Money Projects	200,000,000
	Swap Terminations	9,600,000	Capitalized / Funded Interest	56,713.358
			Cost of Issuance	11,400,040
			Other	8,763,564
	Total	$1,570,621,988	Total	$1,570,621,988
RECOMMENDATION	Staff recommends approval of the Final Bond Resolution.			

* *Projected*
† *Preliminary, subject to change*

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PROJECT AND FINANCING SUMMARY

PROGRAM AND CONTRIBUTION

The Illinois Finance Authority ("Authority") may issue bonds from time to time as provided in the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended (the "Authority Act" or the "Act"), for the purposes set forth therein. Tax-exempt qualified private activity bonds issued by the Authority (and any premium thereon and the interest thereon) do not constitute indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the State of Illinois ("State") or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision.

Because interest paid to bondholders on such obligations is not includable in their gross income for federal income tax purposes, bondholders are willing to accept a lower interest rate than they would accept if the interest was taxable. Special rules apply to bonds that are private activity bonds for those bonds to be tax-exempt qualified private activity bonds.

BUSINESS SUMMARY

The University was established in 1890 and is incorporated under State of Illinois law. The University is a 501(c)(3) organization exempt from federal income taxes under the Internal Revenue Code.

The University is a private, non-sectarian, co-educational institution of higher learning and research founded by John D. Rockefeller in 1890. The University has emphasized both research and teaching from its inception. It has had a major impact on American higher education - including inventing the four-quarter system, developing extension courses and programs in the liberal arts for adults, establishing a coherent program of general education of undergraduates, initiating a full-time medical school teaching faculty, and establishing the first executive MBA program in 1943. The University is a highly respected educator of teachers, and its curricula throughout the United States reflect the University's emphasis on broad humanistic and scientific undergraduate education.

At the University, campus and community are interconnected in partnerships that serve both to support the community and to train future policymakers, social workers, artists, and social and political leaders. The University of Chicago Charter School, run by the Urban Education Institute, serves students in pre-kindergarten through high school at four campuses. The Mandel Legal Aid Clinic teaches Law School students advocacy skills, professional ethics, and the effect of legal institutions on the economically challenged, while assisting indigent clients. While the University contributes specifically to the metropolis, the city of Chicago in turn serves as a living laboratory for addressing social issues on a national and global scale.

The University's 217-acre campus is located approximately eight miles south of downtown Chicago in Hyde Park, a historic Chicago neighborhood. The campus, designated a botanic garden in 1997, stretches along both sides of the Midway Plaisance, a broad parkway designed by Frederick Law Olmstead for the city's South Park System which was used for the World's Columbian Exposition in 1893. The campus is arranged in a series of quadrangles, with a blend of traditional English Gothic and award-winning modern buildings designed by renowned international architects.

OWNERSHIP OR ECONOMIC DISCLOSURE STATEMENT

The facilities to be financed, refinanced or reimbursed with the proceeds of the Bonds, and the facilities financed, refinanced or reimbursed with proceeds of the Prior IFA Bonds, the Taxable Commercial Paper, the Taxable Loans, the Prior Corporate Bonds and the Prior IFA Bonds Tender Candidates, except as described below, are or will be owned and principally used by the University and are or will be located at or on land owned by the University at (i) its Hyde Park Campus in Chicago, Illinois, generally bordered on the north by 47th Street, on the east by Lake Shore Drive, on the south by 63rd Street and on the west by Indiana Avenue (collectively, the "University's Main Campus"), (ii) 11030 S. Langley Avenue, 10910 S. Langley Avenue, 11020 S. Langley Avenue, and 727 E. 110th Street, all in Chicago, Illinois (collectively, the "University's Press Campus"), and (iii) 450 N. Cityfront Plaza Drive, Chicago, Illinois (the "Gleacher Center").

The land and the facilities located at 6300 S. University Avenue on the University's Main Campus are owned by the University and principally used by the University's affiliate, the University of Chicago Charter School.

Applicant: The University of Chicago, 5801 S. Ellis Ave., Chicago, IL 60637

Website: https://www.uchicago.edu/en

Contact: Karin Luu, Director of Financial Planning & Analysis and Debt Capital Markets

Email: karin22@uchicago.edu

The Borrower is governed by a Board of Trustees, as follows:

Trustees	Affiliation
Katherine Adams	Senior Vice President and General Counsel, Apple
Paul Alivisatos	President, The University of Chicago
Andrew M. Alper	Chairman, Alper Investments Inc.
Frank A. Baker II	Co-Founder and Managing Partner, Siris Capital Group, LLC
Debra A. Cafaro	Chairman and CEO, Ventas, Inc.
Paul J. Carbone	Co-Founder and President, Pritzker Private Capital
Thomas A. Cole	Retired Partner and Chair Emeritus of the Executive Committee, Sidley Austin LLP
Daniel L. Doctoroff	Chairman and Founder, Target ALS
Brady W. Dougan	Greenwich, CT
Thomas F. Dunn	Founding Partner and Former CEO, New Holland Capital
John A. Edwardson	Retired Chairman and CEO, CDW Corporation
Barry E. Fields	Retired Partner, Litigation, Kirkland & Ellis
Rodney L. Goldstein	Co-Managing Partner, Wealth Strategist Partners
Richard A. Gonzales	Chairman of the Board and Chief Executive Officer, Abbvie
Mary Louise Gorno	President and CEO, Ingenuity International, LLC
Antonio Gracias	Founder, CEO, and Chief Investment Officer, Valor Equity Partners
Brett H. Hart	President, United Airlines
Kenneth M. Jacobs	Executive Chairman, Lazard
Valerie Jarrett	Chief Executive Officer, Obama Foundation
Ashley D. Joyce	President, The Duchossois Family Foundation
Steven A. Kersten	President, WaterSaver Faucet Co.

Michael J. Klingensmith	Retired Publisher and Chief Executive Officer, Minneapolis Star Tribune
Rachel D. Kohler	Principal, KoHop Ventures
Hilarie Koplow-McAdams	Venture Partner, New Enterprise Associates
Hilary Krane	Chief Legal Officer, Creative Artists Agency
John Liew	Co-Founder, AQR Capital Management, LLC
Rika Mansueto	Vice President, Mansueto Foundation
Satya Nadella	CEO, Microsoft Corporation
Vasant (Vas) Narasimhan	Chief Executive Officer, Novartis
Emily Nicklin	Partner, Kirkland & Ellis LLP
Brien M. O'Brien	Chairman and Chief Executive Officer, Port Capital LLC
Michael P. Polsky	Founder, President, and CEO, Invenergy
Myrtle S. Potter	President, Chief Executive Officer, and Chairman of the Board, Sumitovant Biopharma, Inc
Tom J. Pritzker	Executive Chairman, Hyatt Hotels Corporation
Guru Ramakrishnan	CEO & Founder, Meru Capital Group
John W. Rogers, Jr.	Chairman and Co-Chief Executive Officer, Ariel Investments, LLC
Emmanuel Roman	CEO, PIMCO
Andrew M. Rosenfield	President and Managing Partner, Guggenheim Partners
David M. Rubenstein (Chair)	Co-Founder and Co-Chairman, The Carlyle Group
Tandean Rustandy	Founder and CEO, PT Arwana Citramulia Tbk
Nassef O. Sawiris	Executive Chairman, OCI N.V.
Mary A. Tolan	Founder and Co-Managing Director, Chicago Pacific Founders
Byron D. Trott	Chairman and Co-Chief Executive Officer, BDT & MSD Partners
Jason J. Tyler	Executive Vice President and Chief Financial Officer, Northern Trust
Richard F. Wallman	Retired Chief Financial Officer, Honeywell International, Inc.
Gregory W. Wendt	Partner, Capital Group Companies
Donald R. Wilson, Jr.	CEO and Founder, DRW
Paul G. Yovovich	President, Lake Capital
Francis T. F. Yuen	Chairman, Advisory Board, Ortus Capital Management Ltd.

Professional and Financial Information

Borrower Advisor:	The Yuba Group LLC	New York, NY	Linda Fan Gerri Magie Roger Goodman
Borrower's Counsel:	Office of Legal Counsel, The University of Chicago	Chicago, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke Ronni Martin
Underwriter:	RBC Capital Markets LLC	New York, NY	Christopher Good Salim Mawani Marlene Almanzar Garcia
		Chicago, IL	Jim Kelly Justin Faurer
Underwriter's Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Chad Doobay Kelly Hutchinson
Verification Agent:	TBD		
Dissemination Agent:	Digital Assurance Certification, L.L.C.	Orlando, FL	
Disclosure Counsel:	Dentons US LLP	Chicago, IL	Mary Wilson
Trustee:	TBD		
Issuer:	Illinois Finance Authority	Chicago, IL	Brad Fletcher
Issuer's Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Matt Lewin Martin Burns

Legislative Districts

Congressional: 1, 2, 7

State Senate: 3, 13, 17

State House: 5, 25, 26, 34

Service Area

The University consists of the College, where all undergraduate education is concentrated, and the Graduate Divisions of the Biological Sciences, the Humanities, the Physical Sciences and the Social Sciences. In addition, there are seven graduate professional schools - Chicago Booth School of Business, Divinity School, Law School, Pritzker School of Medicine, Pritzker School of Molecular Engineering, Harris School of Public Policy Studies, and the Crown Family School of Social Work, Policy, and Practice. The University also operates the Graham School of Continuing Liberal and Professional Studies, which offers continuing education programs for adults, and the Laboratory Schools, which provide education for children in early development through high school. The University also maintains an international presence through its Centers in Beijing, Delhi, and Paris, and campuses in London and Hong Kong.

MUSEUM OF SCIENCE AND INDUSTRY

PROJECT AND FINANCING SUMMARY
$30,000,000 (NOT-TO-EXCEED)

REQUEST	Final Bond Resolution **Date:** March 12, 2024
PROJECT	**Purpose:** Bond proceeds will be loaned to Museum of Science and Industry, an Illinois not for profit corporation (the "Borrower") in order to assist the Borrower in providing all or a portion of the funds necessary to currently refund (i) the Illinois Finance Authority Revenue Refunding Bond, Series 2017A (Museum of Science and Industry) (the "Series 2017A Bond") and (ii) the Illinois Finance Authority Revenue Refunding Bond, Series 2017B (Museum of Science and Industry) (the "Series 2017B Bond" and, together with the Series 2017A Bond, the "Prior Bonds"). **Project Number:** 12582 **Volume Cap:** None. **Extraordinary Conditions:** None.
LOCATION(S)	Chicago (Cook County)
JOB DATA	**Current Jobs:** 277 **New Jobs*:** 0 **Retained Jobs:** Not applicable **Construction Jobs*:** 0
PRIOR ACTION	None. This is the first time this transaction has been presented to the Members of the Authority. **Material Changes:** Not applicable.
FINANCING	The plan of finance contemplates that the Authority will issue a tax-exempt qualified private activity bond in a maximum principal amount of $30.0 million (the "Bond") under a Bond and Loan Agreement as a direct purchase by Wintrust Bank, National Association (the "Bond Purchaser"). **Rating:** The Bond will not be rated by any credit rating agency. **Authorized Denominations:** The Bond will be initially issued as a single fully registered Bond.
INTEREST RATE	During the Initial Interest Period of ten years (i.e., April 2034), interest on the Bond shall accrue at the Index Floating Rate based, in part, on 1-month Term SOFR. The Bond will bear interest at an initial variable rate not exceeding 7% per annum.
MATURITY	The Final Bond Resolution authorizes a final maturity of not later than 30 years from the date of issuance.
SECURITY	The obligations of the Borrower to make repayments and prepayments, if applicable, on the Bond shall be absolute and unconditional under the Bond and Loan Agreement.

	The Borrower has made certain additional covenants to the Bond Purchaser as set forth in the Continuing Covenant Agreement between the Borrower and the Bond Purchaser. The Authority is not a party to the Continuing Covenant Agreement.			
SOURCES & USES†	**Sources:**		**Uses:**	
	Bond	$30,000,000	Refunding	$30,000,000
	Total	$30,000,000	Total	$30,000,000
RECOMMENDATION	Staff recommends approval of the Final Bond Resolution.			

* *Projected*
† *Preliminary, subject to change*

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PROJECT AND FINANCING SUMMARY

PROGRAM AND CONTRIBUTION

The Illinois Finance Authority ("Authority") may issue bonds from time to time as provided in the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended (the "Authority Act" or the "Act"), for the purposes set forth therein. Tax-exempt qualified private activity bonds issued by the Authority (and any premium thereon and the interest thereon) do not constitute indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the State of Illinois ("State") or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision.

Because interest paid to bondholders on such obligations is not includable in their gross income for federal income tax purposes, bondholders are willing to accept a lower interest rate than they would accept if the interest was taxable. Special rules apply to bonds that are private activity bonds for those bonds to be tax-exempt qualified private activity bonds.

BUSINESS SUMMARY

The Borrower was established in 1926 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) organization exempt from federal income taxes under the Internal Revenue Code.

The Museum of Science and Industry (the "Museum" or "MSI") was founded when Julius Rosenwald, a philanthropist and chairman of Sears, Roebuck and Company, pledged $3 million toward the creation of MSI in Chicago. Rosenwald was inspired by a visit to the Deutsches Museum in Munich, Germany which fascinated both him and his young son, and galvanized the city's industrial elite in support of the project. In 1933, the Museum opened in its current building that was originally constructed in 1893 as the Palace of Fine Arts for the World's Columbian Exposition, and today is the only building constructed for the exposition that remains at the site.

MSI is one of the largest science museums in the world and offers world-class and uniquely interactive experiences that inspire inventive genius and foster curiosity. From groundbreaking and award-winning exhibits that can't be found anywhere else, to hands-on opportunities that make you the scientist - a visit to MSI is where fun and learning mix. Through its education initiatives, MSI creates learning experiences inside and outside the classroom and removes barriers that exclude youth from participating with programs for teachers, schools, families, and communities. Together, these are the ways MSI brings science to life for children and adults of all ages:

- 400,000+ square feet of exhibit space;
- Home to more than 35,000 artifacts;
- Major permanent exhibits include U-505 Submarine, Science Storms, the Coal Mine, The Great Train Story, Numbers in Nature: A Mirror Maze, Colleen Moore's Fairy Castle, and the Pioneer Zephyr;
- Thirteen Learning Lab areas for education programming;
- Welcomed over 1.4 million guests in 2023; and
- MSI is the top field trip destination in Chicago.

Home to thousands of exhibits, artifacts and "wow" moments, for 90 years MSI has been a premier destination for unique and engaging family fun.

Background: The Authority issued its Series 2017A Bond and Series 2017B Bond in the original principal amounts of $35.0 million and $25.0 million, respectively. The Museum used the proceeds from the sale of the Prior Bonds, together with other funds, to (i) refund various tax-exempt bonds, previously issued for the benefit of the Museum, the proceeds of which were used by the Museum to finance, refinance or reimburse the Museum for the construction, improvement, expansion and equipping of certain of the Museum's cultural facilities, and (ii) refinance certain taxable obligations of the Museum, the proceeds of which were used to finance, refinance or reimburse the Museum for the construction, improvement, expansion and equipping of certain of the Museum's cultural facilities.

OWNERSHIP OR ECONOMIC DISCLOSURE STATEMENT

The cultural facilities being refinanced with the proceeds of the Bond and financed, refinanced or reimbursed, directly or indirectly, from proceeds of the Prior Bonds, are owned and principally used, and will be owned and principally used, by the Museum and are located on the Museum's campus in Chicago, Illinois, at the address 5700 South DuSable Lake Shore Drive, Chicago, IL 60637, on land owned by the by the Chicago Park District and leased to the Museum.

Applicant: Museum of Science and Industry
5700 S. DuSable Lake Shore Drive
Chicago, IL 60637

Website: https://www.msichicago.org/

Contact: Jon Assell, Vice President, Finance / CFO **Email:** Jon.Assell@msichicago.org

The Borrower is governed by a Board of Trustees, as follows:

Christopher M. Crane
Kevin Cross
James S. Crown (*)
Kent P. Dauten
Anthony B. Davis
Pedro DeJesus, Jr.
Katherine C. Doyle
Ann M. Drake
James J. Drury III
Richard Edelman
Joseph M. Erlinger
Joshua Earnest
Opella Ernest
W. James Farrell
David A. Fisher
James T. Glerum, Jr.
Catherine P. Greenspon
Myetie Hamilton
Stephanie J. Hickman
Chevy Humphrey
Steven Hunter
Justin Ishbia
Rashod R. Johnson, P.E.
Edward L. Kaplan
Vikram Karnani
Michael P. Krasny
H. John Livingston
Robert A. Livingston
Barry L. MacLean
Duncan A. MacLean
DG Macpherson
Robert S. Murley
Daniela O'Leary-Gill
Robert F. Pasin
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Louis V. Pinkham
John F. Podjasek III
Jason Pritzker
Michael A. Reinsdorf
Michelle M. Russell
Manuel Sanchez
E. Scott Santi
Smita Shah
Virginia K. Simmons
Melody A. Spann-Cooper
Kristofer K. Swanson

PROFESSIONAL AND FINANCIAL INFORMATION

Borrower's Advisor:	Longhouse Capital Advisors, LLC	Chicago, IL	Lindsay Wall Ann Koch
Borrower's Counsel:	Nixon Peabody LLP	Chicago, IL	Sharone Levy Julie Seymour
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke Ronni Martin
Bond Purchaser:	Wintrust Bank, N.A.	Chicago, IL	Kandace Lenti Erinn Siegel
Bond Purchaser's Counsel:	Chapman and Cutler LLP	Chicago, IL	Katherine Gale Eric Straughn
Issuer:	Illinois Finance Authority	Chicago, IL	Brad Fletcher
Issuer's Counsel:	Sanchez Daniels & Hoffman LLP	Chicago, IL	Heather Erickson

LEGISLATIVE DISTRICTS

Congressional:	2
State Senate:	13
State House:	25

SERVICE AREA

The Museum of Science and Industry is a global destination, welcoming visitors from across the country and internationally while also focusing on engaging with the local community in the greater Chicago metropolitan area.

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REQUEST	Final Bond Resolution **Date:** March 12, 2024
PROJECT	**Purpose:** Bond proceeds will be loaned to Bradley University, an Illinois not-for-profit corporation (the "Borrower" or the "(University") in order to assist the University in providing a portion of the funds necessary to do any or all of the following: (a) refund all or a portion of the Illinois Finance Authority Revenue Refunding Bonds (Bradley University Project) Series 2021B (the "Prior Bonds"), (b) pay certain expenses and fees relating to the termination of the swap agreement relating to the Prior Bonds, and (c) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds (collectively, the "Financing Purposes"). **Project Number:** 12586 **Volume Cap:** None. **Extraordinary Conditions:** None.
LOCATION(S)	Peoria (Peoria County)
JOB DATA	**Current Jobs:** 1,151 (and 908 student workers) **New Jobs*:** 0 **Retained Jobs:** Not applicable **Construction Jobs*:** 0
PRIOR ACTION	None. This is the first time this transaction has been presented to the Members of the Authority. **Material Changes:** Not applicable.
FINANCING	The plan of finance contemplates that the Authority will issue tax-exempt qualified private activity bonds in an aggregate principal amount not to exceed $18.9 million (the "Bonds") as a public offering by J.P. Morgan Securities LLC (the "Underwriter"). **Rating:** The Borrower has applied to S&P Global Ratings for a long-term rating in connection with the proposed issuance of the Bonds. **Authorized Denominations:** The Bonds will be available in denominations of $5,000 or any integral multiple thereof.
INTEREST RATE	Interest on the Bonds will be payable on February 1 and August 1 of each year, commencing on August 1, 2024. The Bonds will bear interest at stated rates not exceeding 8% per annum.
MATURITY	The Final Bond Resolution authorizes a final maturity of not later than 30 years from the date of issuance.
SECURITY	The University's obligation to make payments under the Loan Agreement are general, unsecured obligations of the University.

SOURCES & USES†	**Sources:**		**Uses:**	
	Bonds	$18,900,000	Refunding	$18,522,000
	Equity	22,000	Cost of Issuance	400,000
	Total	$18,922,000	Total	$18,922,000
RECOMMENDATION	Staff recommends approval of the Final Bond Resolution.			

* *Projected*
† *Preliminary, subject to change*

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PROJECT AND FINANCING SUMMARY

PROGRAM AND CONTRIBUTION

The Illinois Finance Authority ("Authority") may issue bonds from time to time as provided in the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as amended (the "Authority Act" or the "Act"), for the purposes set forth therein. Tax-exempt qualified private activity bonds issued by the Authority (and any premium thereon and the interest thereon) do not constitute indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the State of Illinois ("State") or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision.

Because interest paid to bondholders on such obligations is not includable in their gross income for federal income tax purposes, bondholders are willing to accept a lower interest rate than they would accept if the interest was taxable. Special rules apply to bonds that are private activity bonds for those bonds to be tax-exempt qualified private activity bonds.

BUSINESS SUMMARY

Bradley University was established in 1897 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) organization exempt from federal income taxes under the Internal Revenue Code.

The University owns and operates a private, nonsectarian co-educational university in Peoria, Illinois, serving an annual average of approximately 5,600 undergraduate and graduate students. The University is located on an 85-acre campus in Peoria, the largest metropolitan area in Central Illinois, within a three-hour drive from Chicago, St. Louis and Indianapolis and daily flights to and from Charlotte, Chicago and Dallas/Fort Worth. The University offers a comprehensive array of undergraduate and master's programs in liberal arts, science, education, communications, health sciences (including nursing and physical therapy), business, and engineering. The University is highly ranked in national and regional educational review publications and is known for its combination of liberal arts programs with professional undergraduate and graduate programs in education, business, nursing, physical therapy and engineering. The University has more than 70,000 alumni world-wide.

Background: The Authority issued its Prior Bonds in the original aggregate principal amount of approximately $21.48 million. Proceeds of the Prior Bonds were loaned to the Borrower to provide a portion of the funds necessary to do any or all of the following: (a) refund all or a portion of the (i) Illinois Finance Authority Variable Rate Demand Revenue Refunding Bonds (Bradley University) Series 2008A (the "Series 2008A Bonds"), (ii) Illinois Finance Authority Variable Rate Demand Revenue Refunding Bonds (Bradley University) Series 2008B (the "Series 2008B Bonds"), (iii) Illinois Finance Authority Revenue Bonds (Bradley University Project) Series 2017A (the "Series 2017A Bonds"), and (iv) Illinois Finance Authority Revenue Bonds (Bradley University Project) Series 2017B (the "Series 2017B Bonds"), and (b) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Series 2008A Bonds, Series 2008B Bonds, Series 2017A Bonds and Series 2017B Bonds.

Projects refinanced with the Prior Bonds consisted of (a) constructing and equipping a student apartment complex known as St. James Place, (b) renovating the Olin Hall and Bradley Hall academic buildings, (c) constructing and equipping of a student recreation center, athletic support facility, parking structure, and constructing or renovating and equipping academic and academic support facilities and student housing facilities; (d) constructing, renovating, equipping and furnishing classroom, laboratory and office space to support engineering and business programs in the University's Business and Engineering Complex (a.k.a. the Convergence Center) and (e) constructing, renovating, remodeling, expanding and equipping certain other capital improvements.

OWNERSHIP OR ECONOMIC DISCLOSURE STATEMENT

The facilities and assets being financed, refinanced or reimbursed from proceeds of the Bonds are owned and principally used, and will be owned and principally used, by the University and are and will be located on the University's campus in Peoria, Illinois, which is bordered generally by Barker Street to the south, Garfield Avenue to the east, Main Street to the north, and the lane due east of Cooper Street to the west. The address of the University's main campus is 1501 West Bradley Avenue, Peoria, Illinois 61625.

Applicant: Bradley University, 1501 West Bradley Avenue, Peoria, IL 61625

Website: https://www.bradley.edu/

Contact: Betsy Hull, Vice President for Finance and Administration

Email: ehull@fsmail.bradley.edu

The Borrower is governed by a Board of Trustees, as follows:

Officers
Mr. Jonathan E. Michael, Chair
Chairman and Retired CEO, RLI Corp.
Ms. Anne Edwards-Cotter '77, Vice Chair
President, Cotter Consulting, Inc.
Dr. Sharon Desmoulin-Kherat '86 MA '89, Secretary
Superintendent, Peoria Public Schools

Trustees
Mr. Melvin Flowers '90
Attorney, Accenture
Ms. Kathleen M.B. Holst '79
President, RCMS Inc.
Mr. Leo Harmon Jr. '92
Senior Managing Director, Mesirow Financial
The Honorable Ray LaHood '71, HON '11
Former Member of Congress/Former U.S. Secretary of Transportation
Mr. Steven Lewis '72
Retired Director of Strategic Planning, Ford Motor Company
Ms. Cheryl Procter-Rogers '78
Executive Coach and Associate Director, Ernst & Young
Mr. Glenn Ross MBA '87
Retired Technology Manager, Caterpillar Inc.
Mr. Kevin Schoeplein
Retired CEO and Vice Chairman of the Board, OSF Healthcare System

Mr. Michael Scimo '85
Retired Global Managing Director, Accenture
The Honorable James E. Shadid '79,
U.S. District Judge, Central District of Illinois
Ms. Debbie Simon '89
Retired Regional CEO, UnityPoint Health
Mr. Curtis Staker '83
Board member and Private Investor
Dr. Stephen Standifird
President, Bradley University
Mr. Henry Vicary '90
Director, Community Relations & Guest Services, Law, Security & Public Policy, Caterpillar Inc.
Mr. Matt Vonachen
CEO, Vonachen Group
Ms. Jenny Wilcoski '00
Vice President, Product Management, Medium Tractor Products Caterpillar Inc.
Mr. Garrett Williams '92
Chief Legal Officer, American National Insurance Company
Mr. Celso White '84
Retired Global Chief Supply Chain Officer, Molson Coors Brewing Company

PROFESSIONAL AND FINANCIAL INFORMATION

Borrower's Advisor:	Blue Rose Capital Advisors	Chicago, IL Minneapolis, MN	James McNulty Ben Pietrick
Borrower Counsel:	Miller, Hall & Triggs, LLC	Peoria, IL	Bill Kohlhase
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Hillary Phelps Ronni Martin
Underwriter:	J.P. Morgan Securities LLC	New York, NY Chicago, IL	Zoe Knapke Matthew Couch
Underwriter's Counsel:	Nixon Peabody LLP	Chicago, IL	Sharone Levy
Trustee:	U.S. Bank, N.A.	Chicago, IL	Merci Stahl
Issuer:	Illinois Finance Authority	Chicago, IL	Brad Fletcher
Issuer's Counsel:	Hart, Southworth & Witsman	Springfield, IL	Sam Witsman

LEGISLATIVE DISTRICTS

Congressional:	17
State Senate:	46
State House:	92

SERVICE AREA

Bradley University is within three hours driving distance from Chicago, St. Louis and Indianapolis, and is also accessible by air. The O'Hare and Midway bus service provides easy transportation between major Chicago airports and the Bradley University campus.

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
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To: Members of the Illinois Finance Authority

From: Brad Fletcher, Senior Vice President

Date: March 12, 2024

Re: Resolution authorizing the execution and delivery of a First Amendment to the Bond and Loan Agreement dated as of June 1, 2014, providing for a new purchase date and confirming the interest rate for the next succeeding interest period for the Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Catholic Charities Housing Development Corporation)
Series 2014 Project Number: 12229

Request

Catholic Charities of the Archdiocese of Chicago, an Illinois not for profit corporation ("Catholic Charities"), and Catholic Charities Housing Development Corporation, an Illinois not for profit corporation (the "Housing Corporation" and each of Catholic Charities and the Housing Corporation shall be referred to herein as a "Borrower" and collectively, as the "Borrowers"), and Wintrust Bank, National Association (the "Bond Purchaser" or the "Bank"), are requesting approval of a Resolution to authorize the execution and delivery of a First Amendment to Bond and Loan Agreement and other documents to effectuate certain amendments relating to the outstanding Illinois Finance Authority Revenue Refunding Bond, Series 2014 (Catholic Charities Housing Development Corporation) (the "Series 2014 Bond").

Impact

Approval of the related Resolution will extend the term by which the Bank will agree to own the Series 2014 Bond by approximately three years and seven months (from June 1, 2024, to January 1, 2028).

The interest rate borne by the Series 2014 Bond is based, in part, on 1-month Term SOFR pursuant to a Notice of Interest Rate Adjustment executed by the Bank and acknowledged by the Borrowers as of June 16, 2023. Such notice relied upon the Adjustable Interest Rate (LIBOR) Act of 2021 (the "LIBOR Act"), as passed by the U.S. Congress, to establish a New Index (as such term is defined in the Notice) to apply to the Series 2014 Bond due to the cessation of LIBOR as of June 30, 2023.

Bond Counsel anticipates that this transaction will not be considered a reissuance for federal tax law purposes and will not be a refunding under State law. Accordingly, Bond Counsel anticipates providing a no adverse effect opinion for this transaction. Bond Counsel has determined that a new public hearing (i.e., TEFRA hearing) as required by Section 147(f) of the Internal Revenue Code is not necessary.

Recommendation

Staff recommends approval of the related Resolution.

Background

The Illinois Finance Authority issued the Series 2014 Bond in the original principal amount of $10,070,000, which remained outstanding in full as of March 5, 2024. The Series 2014 Bond has a final maturity date of January 1, 2028.

Proceeds of the 2014 Bond were loaned to the Borrowers in order to assist the Borrowers in providing the funds necessary to do any or all of the following: (i) current refund the outstanding principal amount of the Illinois Development Finance Authority Adjustable Demand Revenue Bonds, Series 1993A (Catholic Charities Housing Development Corporation) (the "Series 1993A Bonds") and the Illinois Development Finance Authority Adjustable Demand Revenue Bonds, Series 1993B (Catholic Charities Housing Development Corporation) (the "Series 1993B Bonds" and together with the Series 1993A Bonds, the "Prior Bonds"); and (ii) pay the costs of issuing the Series 2014 Bond and refunding the Prior Bonds.

Proceeds of the Series 1993A Bonds were used for the purpose of providing funds to enable the Borrowers to advance refund (i) $7,500,000 in aggregate principal amount of The County of Cook, Illinois Adjustable Demand Revenue Bonds, Series 1988A-1 (Catholic Charities Housing Development Corporation Project) and (ii) $7,500,000 in aggregate principal amount of The County of Cook, Illinois, Adjustable Demand Revenue Bonds, Series 1988A-1 (Catholic Charities Housing Development Corporation Project). Proceeds of the Series 1993B Bonds were used for the purpose of providing funds to enable the Borrowers to advance refund $13,000,000 in aggregate principal amount of The County of Cook, Illinois Adjustable Demand Revenue Bonds, Series 1988A-2 (Catholic Charities Housing Development Corporation Project).

Ownership or Economic Disclosure Statement

Catholic Charities of the Archdiocese of Chicago was established in 1918, and Catholic Charities Housing Development Corporation was established in 1985. Each Borrower is incorporated under State of Illinois law, and each Borrower is a 501(c)(3) organization exempt from federal income taxes under the Internal Revenue Code.

Contact: Elida Hernandez, CFO **Email:** ehernand@catholiccharities.net

Website: https://www.catholiccharities.net/

The Borrowers are governed by a Board of Directors, as follows:

Michael Monticello, Chair
Sally Blount
Cecelia Bolden
Kevin Cleary
Janet Zukowski Elwart
Ngozi Ezike
Martha FitzGerald
Mark Hoppe
Steve King
M. Therese Krieger
Clemet V. Martin
Charles W. Mulaney, Jr.
James N. Perry

Anne Kelly Williams

The following Members of the Cardinal's Council are appointed to provide their expertise and counsel to one of the six working committees of the Board of Directors:

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Allison Lausas
Bob Lindeman
Dennis Marks
John McCarthy
Mark Noetzel
Tom Powers
Chris Reagan
Tim Rivelli
Carolyn Trenda
Michael Ward

Professional and Financial Information

Borrower's Counsel:	Barnes & Thornburg LLC	Atlanta, GA	Andrew Durden
Bond Counsel:	Dentons US LLP	St. Louis, MO	Karen Jordan
Bond Purchaser:	Wintrust Bank, National Association	Chicago, IL	Kandace Lenti Kathleen Gallagher
Bank Counsel:	Dentons US LLP	Chicago, IL	Mary Wilson
Issuer:	Illinois Finance Authority	Chicago, IL	Brad Fletcher
Issuer's Counsel:	Ice Miller LLP	Chicago, IL	Tom Smith

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To: Members of the Illinois Finance Authority

From: Brad Fletcher, Senior Vice President

Date: March 12, 2024

Re: Resolution authorizing the execution and delivery of an Amended and Restated Bond and Loan Agreement relating to the Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Concordia University) (the "Bond") to provide for certain amendments relating to the extension of the purchase date of the Bond, the interest rate calculation on the Bond and certain other matters; authorizing the execution and delivery of any other documents necessary or appropriate to effect the matters set forth in such Amended and Restated Bond and Loan Agreement; and authorizing and approving related matters
Series 2013 Project Number: 12172

Request

Concordia University, an Illinois not for profit corporation (the "Borrower"), and Busey Bank, an Illinois banking corporation (the "Bond Purchaser" or the "Bank"), are requesting approval of a Resolution to authorize the execution and delivery of an Amended and Restated Bond and Loan Agreement and other documents to effectuate certain amendments relating to the outstanding Illinois Finance Authority Revenue Refunding Bond, Series 2013 (Concordia University) (the "Series 2013 Bond" or the "Bond").

Impact

Approval of the related Resolution will extend the term by which the Bank will agree to own the Series 2013 Bond by approximately three years and nine months (from March 28, 2024, to January 3, 2028), will reset the interest rate borne by the Series 2013 Bond (based, in part, on 1-month Term SOFR) and will make certain other amendments requested by the Borrower and the Bank.

Bond Counsel anticipates that this transaction will be considered a reissuance for federal tax law purposes but will not be a refunding under State law. Accordingly, Bond Counsel anticipates providing a no adverse effect opinion for this transaction. Bond Counsel has determined that a new public hearing (i.e., TEFRA hearing) as required by Section 147(f) of the Internal Revenue Code is necessary.

Recommendation

Staff recommends approval of the related Resolution.

Background

The Illinois Finance Authority issued the Series 2013 Bond in the original principal amount of $17 million, of which $9.86 million remained outstanding as of March 4, 2024. As a condition precedent to closing the requested amendments, the Bank is requiring a prepayment of principal in the amount of $2 million. The Series 2013 Bond has a final maturity date of July 1, 2033.

Proceeds of the 2013 Bond were loaned to the Borrower and used, together with certain other funds of the Borrower, to currently refund all of the then outstanding Illinois Finance Authority Adjustable Rate Demand Revenue Bonds, Concordia University, Series 2009 (the "Series 2009 Bonds").

Proceeds of the Series 2009 Bonds were used to (i) finance, refinance or reimburse the Borrower for the costs of acquiring, constructing, renovating, improving, furnishing and equipping certain of its educational facilities, (ii) refund all of the outstanding Illinois Educational Facilities Authority Variable Rate Demand Revenue Bonds (Concordia University River Forest Project), Series 2001 (the "Series 2001 Bonds"), and (iii) pay certain costs incurred for the credit enhancement of the Prior Bonds.

Proceeds of the Series 2001 Bonds were used to finance, refinance and reimburse all or a portion of the costs of the acquisition, construction, renovation, improving and equipping of certain educational facilities of the Borrower, including, without limitation, the Walter and Maxine Christopher Center for Learning and Leadership, various athletic fields and facilities, academic and administrative offices and garage storage facilities, parking facilities, including both a five-story structure and a surface parking lot, various campus landscaping improvements, including a plaza area at the Borrower's front entrance, campus signage, underground storage tanks, roof replacements, masonry work and foundation repairs, Augusta Street and Monroe Street site work, implementation of high voltage power and various other campus improvements.

Ownership or Economic Disclosure Statement

Concordia University was established in 1915 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) organization exempt from federal income taxes under the Internal Revenue Code.

Contact: Randall Barfield, CFO **Email:** Randall.Barfield@cuchicago.edu

Website: https://www.cuchicago.edu/

The Borrower is governed by a Board of Regents, as follows:

Dr. Dominic Salvino, Chair
Michelle M. Kazmierczak, Vice-Chair
Jeff Schwarz, Secretary

Dr. Russell P. Dawn (University President)
Rev. Eric R. Andrae
John Blakkan
C. Ross Betts, M.D.
Rev. Allan R. Buss
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Christopher Krohe BA '00
Thomas McCain
Dr. Bruce D. Schultz
Deaconess Jennifer Siukola
Virginia Terrell
John Thoelke BA '92
Dr. Alison (Maas) Witte BA '05
Rev. Matthew Zickler

Professional and Financial Information

Borrower's Counsel:	Spencer Fane LLP	St. Louis, MO	Ed Holderle III
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke Ronni Martin
Bond Purchaser:	Busey Bank	Creve Coeur, MO	Michael McElhone
Bank Counsel:	Faegre Drinker Biddle & Reath LLP	New York, NY	Laura Appleby
Issuer:	Illinois Finance Authority	Chicago, IL	Brad Fletcher
Issuer's Counsel:	Ice Miller LLP	Chicago, IL	Tom Smith

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To: Members of the Illinois Finance Authority

From: Chris Meister, Executive Director

Date: March 12, 2024

Re: New Business Item 6

Background

This New Business Item will be discussed during the Presentation and Consideration of Financial reports and Report on the Climate Bank Plan. Reverend Tony Pierce, Vice President of Green Energy Justice Cooperative, will address the Members.

Recommendation

No vote will be taken on this New Business Item. This will be a subject matter only discussion.