

1 ILLINOIS FINANCE AUTHORITY
2 SPECIAL MEETING OF THE DIRECT AND
3 ALTERNATIVE FINANCING COMMITTEE MEMBERS

4 September 10, 2019, at 8:30 a.m.

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7 REPORT OF PROCEEDINGS had at the Special
8 Meeting of the Direct and Alternative Financing
9 Committee Members on September 10, 2019, at the
10 hour of 8:30 a.m., pursuant to notice, at 160 North
11 LaSalle Street, Suite S-1000, Chicago, Illinois.

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1 APPEARANCES:

2 ILLINOIS FINANCE AUTHORITY

3 DIRECT AND ALTERNATIVE FINANCING COMMITTEE MEMBERS

4 COMMITTEE CHAIRMAN LERRY KNOX

5 MR. E. LYLE McCOY

6 MS. ROXANNE NAVA

7 MR. BRADLEY R. ZELLER

8 MR. ERIC R. ANDERBERG, *ex officio*, non-voting

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10 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

11 MR. CHRISTOPHER B. MEISTER, IFA Executive Director

12 MS. ELIZABETH WEBER, General Counsel and Legal

13 Advisor to the Board

14 MR. RYAN OECHSLER, IFA Deputy General Counsel

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17 SULLIVAN REPORTING COMPANY, by

18 Kristin Brajkovich, CSR License No. 084-003810.

1 CHAIRMAN KNOX: So I would like to call the
2 meeting to order. Will the Assistant Secretary
3 please call the roll?

4 OECHSLER: Certainly. The time is 8:37 a.m.
5 Committee Chairman Knox.

6 CHAIRMAN KNOX: Here.

7 OECHSLER: Mr. McCoy.

8 McCOY: Here.

9 OECHSLER: Ms. Nava, are you on the line?

10 (No response.)

11 Mr. Wexler, are you on the line?

12 (No response.)

13 Mr. Zeller.

14 ZELLER: Here.

15 OECHSLER: And Chair Anderberg, ex-officio,
16 nonvoting.

17 ANDERBERG: Here.

18 OECHSLER: Mr. Committee Chairman, a quorum of
19 committee members has not been constituted, but I
20 believe we can proceed anyway.

21 CHAIRMAN KNOX: Okay. Sounds good.

22 Does anyone wish to make any
23 additions, edits, or corrections to the minutes from
24 February 14, 2019?

1 (No response.)

2 Hearing none, I would like to request
3 a motion to approve the minutes. Is there such a
4 motion?

5 McCOY: So moved.

6 CHAIRMAN KNOX: A second?

7 ZELLER: Second.

8 CHAIRMAN KNOX: All those in favor.

9 (Chorus of ayes.)

10 Opposed.

11 (No response.)

12 The ayes have it.

13 At this time I would like to take a
14 moment to welcome Member Nava.

15 OECHSLER: Member Nava, is that you on the
16 line?

17 NAVA: It is. Thanks.

18 OECHSLER: Thank you. Member Nava has been
19 added to the initial quorum.

20 CHAIRMAN KNOX: Thank you. Have we reached a
21 quorum now?

22 GOETZ: And I think she also voted for the
23 adoption of the minutes.

24 OECHSLER: And she also voted for the adoption

1 of the minutes.

2 CHAIRMAN KNOX: Thank you. Have we reached a
3 quorum then with Nava?

4 OECHSLER: We do have a quorum.

5 CHAIRMAN KNOX: Fantastic. Thank you.

6 So the Presentation and Consideration
7 of New Business is, I would like to ask for the
8 general consent of the Members to consider each of
9 the New Business Items collectively and to have the
10 subsequent recorded vote applied to each respective,
11 individual item, unless there are any specific New
12 Business Items that a Member would like to consider
13 separately.

14 Hearing none, I'll turn it over to
15 Mr. Myart.

16 MYART: Thank you, Mr. Chairman. The
17 presentation today is with respect to Vine Academy.
18 Vine Academy and Wintrust Bank is requesting a
19 \$200,000 portion and a total \$400,000 loan to finance
20 the proposed leasehold improvements at their new
21 locations at 6880 North Frontage Road, Burr Ridge,
22 Illinois.

23 Vine Academy's purpose for relocating
24 is to provide additional space for their growing

1 student base. They are moving from Hinsdale to Burr
2 Ridge. The ownership of Vine Academy is Amanda Vogel, who owns
3 70 percent of the business, and Ms. Pari Schacht, who owns 30
4 percent of the business. The collateral for the
5 proposed loan is the unlimited personal guarantees of
6 Amanda Vogel and Pari Schacht, a second mortgage on
7 Ms. Amanda Vogel's personal residence and a blanket
8 lien on all business assets of the business. The
9 blended interest rate is 5.25 percent.

10 There are just a few points I wanted to
11 reference on the financial statement of the business.
12 The balance sheet is relatively stable. Working
13 capital was in a strong position, the average position,
14 is improving. The projections and financial
15 statements of the income are on page 10. You will see
16 a growing revenue stream there. Projected revenue is
17 increasing. The student enrollment is increasing.
18 Profitability is increasing.

19 Debt service historically has been
20 fine despite a bump in 2017. Global cash flow is
21 more than sufficient for this deal. With respect to
22 the structure of the loan, it is -- the first six
23 months will be a construction loan and then we will term it
24 out into a permanent term loan. That is the basic

1 overview of the deal.

2 I will now open the floor to
3 questions.

4 CHAIRMAN KNOX: In the board documents--or the committee
5 documents, it looks like there may be a typo.

6 MYART: Okay.

7 ZELLER: Page 39 under the summary, borrower is seeking \$400
8 million.

9 MYART: Oh, that M. Okay.

10 CHAIRMAN KNOX: Any other comments?

11 MYART: No. Basically seeking approval based
12 on the strength of the deal, which is the commitment
13 of the guarantors' strong personal balance sheet, and the
14 taking of the second mortgage on Amanda Vogel's
15 residence, which indicates her commitment to the
16 deal. The owner of the property has agreed at the
17 end of the five-year term to reimburse the company
18 \$400,000. We have a strong bank participant. The
19 owners are extremely knowledgeable, with sufficient and
20 adequate liquidity coverage, and a strong collateral
21 position. And I just seek approval.

22 CHAIRMAN KNOX: I just have a quick question regarding
23 structure.

24 MYART: Yes.

1 CHAIRMAN KNOX: So with IFA and Wintrust, the risk priority
2 is if there's a default, the first \$200,000 at risk
3 is the IFA, and then the second \$200,000 at risk is
4 Wintrust?

5 MYART: No. Wintrust is in first position.

6 CHAIRMAN KNOX: They are in the first position?

7 MYART: Yes. Wintrust is in first, and IFA
8 comes in second.

9 CHAIRMAN KNOX: Okay.

10 MYART: That is the priority. Of any
11 liquidation scenario, that would be the priority,
12 yes.

13 CHAIRMAN KNOX: No further questions for me.

14 MYART: And, also, we are requesting a waiver
15 of the 40 percent requirement as of-- currently 40
16 percent is the requirement, the percentage of the total
17 project is 43.7 percent, and our limit is 40 percent.

18 CHAIRMAN KNOX: Okay.

19 MYART: So we are just seeking a waiver of that
20 requirement.

21 CHAIRMAN KNOX: Thank you. Let's move on to
22 Item No. 2, if there are no more questions on
23 Item No. 1.

24 MYART: Item No. 2 is a resolution to reapprove

1 the existing loan commitment to J and L Food
2 Services, Incorporated, and Venue West, LLC. The
3 primary purpose is that by the time the loan had
4 closed and it was time for the disbursement, Fifth
5 Third Bank had acquired -- was in the process of
6 acquiring MB Financial, which sort of strung out all
7 of the machinations of going through the approval
8 process, and getting the documents resigned and that
9 sort of thing. We had gotten that thing put in
10 place, and we are just seeking approval, since it's
11 outside the twelve month window of our requirements.

12 CHAIRMAN KNOX: Any questions or comments on
13 Item No. 2?

14 (No response.)

15 Okay. Hearing none. I would like to
16 request a motion to pass and adopt the following New Business
17 Items. Items No. 1 and 2. Is there such a motion?

18 McCOY: So moved.

19 ZELLER: Second.

20 CHAIRMAN KNOX: Will the Assistant Secretary
21 please call the roll?

22 OECHSLER: Yes. On the motion and second, I
23 will call the roll. Committee Chairman Knox.

24 CHAIRMAN KNOX: Yes.

1 OECHSLER: Member McCoy.

2 McCOY: Yes.

3 OECHSLER: Member Nava.

4 NAVA: Yes.

5 OECHSLER: And Member Zeller.

6 ZELLER: Yes.

7 OECHSLER: Mr. Committee Chairman, the motion
8 carries.

9 CHAIRMAN KNOX: Thank you. Other business.

10 Is there any other business to come before the
11 Committee?

12 (No response.)

13 Hearing none, is there any public
14 comment for the Committee?

15 (No response.)

16 Hearing none, I would like to request
17 a motion to adjourn.

18 ZELLER: So moved.

19 CHAIRMAN KNOX: Second?

20 McCOY: Second.

21 CHAIRMAN KNOX: All in favor.

22 (Chorus of ayes.)

23 Opposed.

24 (No response.)

1 The ayes have it. We are adjourned.

2 Thank you.

3 MR. OECHSLER: The time is 8:46.

4 (WHICH WERE ALL THE PROCEEDINGS
5 HAD IN THE ABOVE-ENTITLED CAUSE
6 ON THIS DATE.)

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1 STATE OF ILLINOIS)

2) SS:

3 COUNTY OF COOK)

4 I, KRISTIN C. BRAJKOVICH, a Certified Shorthand
5 Reporter of the State of Illinois, do hereby certify
6 that I reported in shorthand the proceedings had at
7 the meeting aforesaid, and that the foregoing is a
8 true, complete and correct transcript of the
9 proceedings of said meeting as appears from my
10 stenographic notes so taken and transcribed under my
11 personal direction.

12 IN WITNESS WHEREOF, I do hereunto set my hand
13 at Chicago, Illinois, this 27th day of September,
14 2019.

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18 Certified Shorthand Reporter

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20 C.S.R. Certificate No. 84-3810.

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