ILLINOIS FINANCE AUTHORITY

May 14, 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 Patricia S. Mann, CSR, RPR, License No. 084-001853 on Tuesday, May 14, 2024, at the hour of 9:00 a.m.

PRESENT:

Will Hobert, Chair
Drew Beres, Member
Karen Caldwell, Member
Steven Landek, Member
Roger Poole, Member
Tim Ryan, Member
Michael Stratmanis, Member
Lynn Sutton, Member
Randal Wexler, Member
Brad Zeller, Member

ALSO PRESENT:

Mr. Chris Meister, Executive Director

Mr. Brad Fletcher, Senior Vice President, Treasurer and Assistant Secretary

Ms. Sara Perugini, Vice President, Healthcare/CCRC

Ms. Ximena Granda, SVP of Finance & Administration

Ms. Maria Colangelo, SVP of Commercial Lending

Ms. Claire Brinley, Assistant Secretary

Reported for MAGNA LEGAL SERVICES, by: Patricia S. Mann, CSR, RPR, License No. 084-001853



- 1 CHAIR HOBERT: This is Will Hobert, Chair of
- 2 the Illinois Finance Authority. I would like to
- 3 call this meeting to order.
- 4 ASSISTANT SECRETARY BRINLEY: This is Claire
- 5 Brinley. Today's date is Tuesday, May 14, 2024,
- 6 and this regular meeting of the Authority has been
- 7 called to order by Chair Hobert at the time of 9:02
- 8 a.m.
- 9 Chair Hobert and some Members are
- 10 attending this meeting in person in Suite S-1000 of
- 11 160 North LaSalle Street in Chicago, Illinois, and
- 12 some Members are attending in person in Hearing Room
- 13 A of 527 East Capitol Avenue in Springfield,
- 14 Illinois. The two locations are connected through
- 15 an interactive video and audio conference.
- 16 CHAIR HOBERT: This is Will Hobert. Will the
- 17 Assistant Secretary please call the roll?
- 18 ASSISTANT SECRETARY BRINLEY: This is Claire
- 19 Brinley. I will call the roll:
- 20 Member Abrams? Member Beres?
- 21 MEMBER BERES: Here.
- 22 ASSISTANT SECRETARY BRINLEY: Member Caldwell?
- 23 Member Fuentes? Member Juracek? Member Landek?
- 24 MEMBER LANDEK: Here.



Page 3 ASSISTANT SECRETARY BRINLEY: Vice Chair Nava? 1 Member Pawar? MEMBER PAWAR: Here. ASSISTANT SECRETARY BRINLEY: Member Poole? MEMBER POOLE: Present. ASSISTANT SECRETARY BRINLEY: Member Ryan? 6 MEMBER RYAN: Here. ASSISTANT SECRETARY BRINLEY: Member 8 9 Strautmanis? 10 MEMBER STRAUTMANIS: Here. 11 ASSISTANT SECRETARY BRINLEY: Member Sutton? 12 MEMBER SUTTON: Here. 13 ASSISTANT SECRETARY BRINLEY: Member Wexler? 14 MEMBER WEXLER: Here. 15 ASSISTANT SECRETARY BRINLEY: Member Zeller? 16 MEMBER ZELLER: Here. 17 ASSISTANT SECRETARY BRINLEY: And Chair 18 Hobert? CHAIR HOBERT: Here. 19 20 ASSISTANT SECRETARY BRINLEY: Again, this is 21 Claire Brinley. Chair Hobert, in accordance with Section 2.01 of the Open Meetings Act, as amended, 22 a quorum of Members has been constituted. I note 23 that Members Poole and Zeller are attending at the 24



- 1 Springfield location while the Chair and the rest
- 2 of the Members are attending from the Chicago
- 3 location.
- 4 For anyone from the public
- 5 participating via phone, to mute and unmute your
- 6 line, you may press *6 on your keypad if you do not
- 7 have that feature on your phone. As a reminder, we
- 8 are being recorded and a Court Reporter is
- 9 transcribing today's proceedings. For the
- 10 consideration of the Court Reporter, I would also
- 11 like to ask that each Member state their name before
- 12 making or seconding a motion or otherwise providing
- 13 any comments for the record.
- 14 The agenda for this public meeting
- 15 was posted in the lobby and on the tenth floor of
- 16 160 North LaSalle Street in Chicago, on the first
- 17 floor of 527 East Capitol Avenue in Springfield,
- 18 and on the Authority's website, in each case, as of
- 19 last Thursday, May 9, 2024. Building security at
- 20 160 North LaSalle Street in Chicago and 527 East
- 21 Capitol Avenue in Springfield have been advised that
- 22 any members of the public who choose to do so and
- 23 choose to comply with the building's public health
- 24 and safety requirements may come to those respective



- 1 rooms and listen to the proceedings.
- 2 I am confirming that I can see and
- 3 hear the Springfield location clearly. Member
- 4 Poole, can you confirm that this video and audio
- 5 conference is clearly seen and heard at the
- 6 Springfield location?
- 7 MEMBER POOLE: Yes, I can. This is Roger
- 8 Poole. I am physically here with Brad Zeller in
- 9 Springfield, and I confirm that I can see and hear
- 10 the Chicago location clearly, but choose to come to
- 11 this location to participate in the proceedings --
- 12 I'm sorry -- excuse me -- any members of the public
- 13 who choose to come to this location and participate
- 14 in the proceedings. Thank you.
- 15 ASSISTANT SECRETARY BRINLEY: This is Claire
- 16 Brinley. If any members of the public participating
- 17 via video or audio conference find that they cannot
- 18 see or hear these proceedings clearly, please call
- 19 312-651-1300 or write info@il-fa.com immediately to
- 20 let us know, and we will endeavor to solve the video
- 21 or audio issue.
- 22 CHAIR HOBERT: This is Will Hobert. Does
- 23 anyone wish to make any additions, edits, or
- 24 corrections to today's agenda?



- 1 Hearing none, I would like to request
- 2 a motion to approve the agenda. Is there such a
- 3 motion?
- 4 MEMBER BERES: This is Drew Beres. So moved.
- 5 MEMBER WEXLER: This is Randy Wexler. Second.
- 6 CHAIR HOBERT: This is Will Hobert. All those
- 7 in favor?
- 8 [Ayes via voice vote]
- 9 CHAIR HOBERT: Any opposed?
- 10 This is Will Hobert. The ayes have
- 11 it and the motion carries.
- 12 Next on the agenda is public
- 13 comment.
- 14 ASSISTANT SECRETARY BRINLEY: This is Claire
- 15 Brinley. If anyone from the public participating
- 16 via video and audio conference wishes to make a
- 17 comment, please indicate your desire to do so by
- 18 using the "Raise Hand" function. Click on the
- 19 "Raise Hand" option located on the right side of
- 20 your screen.
- 21 If anyone from the public
- 22 participating via phone wishes to make a comment,
- 23 please indicate your desire to do so by using the
- 24 "Raise hand" function by pressing *3.



- 1 CHAIR HOBERT: This is Will Hobert. Is there
- 2 any public comment for the Members?
- 3 Hearing none, welcome to the
- 4 regularly scheduled May 14, 2024, meeting of the
- 5 Illinois Finance Authority.
- We are happy to welcome Endeavor
- 7 Health Clinical Operations and American College of
- 8 Surgeons to this morning's agenda. I also thank
- 9 and congratulate Brad Fletcher and Sara Perugini
- 10 for their recent -- for their work in recent
- 11 months on particularly complex and time-consuming
- 12 debt financings. As mentioned in your materials,
- 13 these projects have met significant milestones
- 14 recently and we expect to update Members as
- 15 appropriate.
- The other major news is the U.S.
- 17 EPA's award to the Authority as Climate Bank of more
- 18 than \$150 million in the National Solar for All
- 19 competition of the Greenhouse Gas Reduction Fund on
- 20 April 22nd, 2024. This is a major accomplishment
- 21 for the STATE and for the Authority. On behalf of
- 22 all of us, Members and Staff, I thank Governor
- 23 Pritzker and his team for their support during this
- 24 process.



- Now, I will turn the floor --
- DIRECTOR MEISTER: Oh, Chair.
- 3 CHAIR HOBERT: Yes?
- 4 DIRECTOR MEISTER: I understand that we're
- 5 having challenges connecting Naomi Davis --
- 6 CHAIR HOBERT: Okay.
- 7 DIRECTOR MEISTER: If you could move to agenda
- 8 item five and I'll defer that and then go on.
- 9 CHAIR HOBERT: All right, great. So hopefully,
- 10 we will hear from Naomi when she can connect.
- 11 There were no Committee meetings held
- 12 this month. Next, is the presentation and
- 13 consideration of new business items. I would now
- 14 like to ask for the general consent of the Members
- 15 to consider New Business Items 1, 2, 3 and 4
- 16 collectively, and to have the subsequent recorded
- 17 vote applied to each respective, individual New
- 18 Business Item, unless there are any specific New
- 19 Business items that a Member would like to consider
- 20 separately.
- 21 Hearing no need for separate
- 22 consideration or recusal, I would like to consider
- 23 New Business Items 1, 2, 3 and 4 under the consent
- 24 agenda and take a roll call vote. Sara?



- 1 MS. PERUGINI: Good morning. This is Sara
- 2 Perugini. At this time, I would like to note that
- 3 for each conduit New Business Item presented on
- 4 today's agenda, the Members are considering the
- 5 approval only of the resolution and the
- 6 not-to-exceed parameters contained therein.
- 7 Item 1: Endeavor Health Clinical Operations.
- 8 Item 1 is a Final Bond Resolution providing for the
- 9 issuance of not-to-exceed \$500,000,000 in aggregate
- 10 principal amount of Revenue Bonds, Series 2024
- 11 (Endeavor Health Credit Group), in one or more
- 12 series (the "Bonds"), of the Illinois Finance
- 13 Authority, the proceeds of which are to be loaned
- 14 to Endeavor Health Clinical Operations (the
- 15 "Borrower"),
- 16 and authorizing and approving related
- 17 matters. The proceeds from the sale of the Bonds
- 18 will be loaned to the Borrower in order to assist
- 19 the Borrower in providing all or some of the funds
- 20 necessary to do any or all of the following: (1)
- 21 refund all or a portion of the outstanding
- 22 \$45,255,000 original principal amount Illinois
- 23 Finance Authority Revenue Bonds, Series 2022E
- 24 (Northshore Edward-Elmhurst Health Credit Group)



- 1 (the "Series 2022E Bonds"); (2) refund all or a
- 2 portion of the outstanding \$45,255,000 original
- 3 principal amount Illinois Finance Authority Revenue
- 4 Bonds, Series 2022F (Northshore Edward-Elmhurst
- 5 Health Credit Group) (the "Series 2022F Bonds"); (3)
- 6 refund all or a portion of the outstanding
- 7 \$130,000,000 original principal amount Illinois
- 8 Finance Authority Revenue Bonds, Series 2022G
- 9 (Northshore Edward-Elmhurst Health Credit Group)
- 10 (the "Series 2022G Bonds"); (4) refund all or a
- 11 portion of the outstanding \$100,000,000 original
- 12 principal amount Illinois Finance Authority Revenue
- 13 Bonds, Series 2022H, (Northshore Edward-Elmhurst
- 14 Health Credit Group) (the "Series 2022H Bonds" and,
- 15 together with the 2022E Bonds, the Series 2022F
- 16 Bonds and the Series 2022G Bonds, the "Prior
- 17 Bonds"); and (5) pay certain expenses incurred in
- 18 connection with the issuance of the Bonds and the
- 19 refunding of the Prior Bonds, including the cost of
- 20 any credit or liquidity enhancement, all as
- 21 permitted by the Illinois Finance Authority Act.
- The plan of finance contemplates a
- 23 public offering by BofA Securities, Inc., J.P.
- 24 Morgan Securities, LLC, and/or other underwriters as



- 1 may be approved by the Authority (with execution of
- 2 one or more bond purchase agreements constituting
- 3 approval by the Authority of the underwriters). The
- 4 Borrower has applied to Moody's Investors Service,
- 5 Inc., and S&P Global Ratings for long-term ratings
- 6 in connection with the proposed issuance of the
- 7 Bonds.
- 8 The Bonds will be available in
- 9 denominations of \$5,000 or any integral multiple
- 10 thereof. Each series of Bonds will bear interest at
- 11 one or more fixed rates not to exceed a weighted
- 12 average annual rate of 6% per annum. The Final Bond
- 13 Resolution authorizes a final maturity of not later
- 14 than 30 years from the date of issuance.
- 15 Does any Member have any questions or
- 16 comments?
- 17 Item 2: American College of Surgeons
- 18 Item 2 is a Final Bond Resolution
- 19 authorizing the issuance of the Illinois Finance
- 20 Authority Taxable Revenue Bond, American College of
- 21 Surgeons, Series 2024A (the "Series 2024A Bond") and
- 22 the Illinois Finance Authority Taxable Revenue Bond,
- 23 American College of Surgeons, Series 2024B (the
- 24 "Series 2024B Bond" and together with the Series



- 1 2024A Bond, the "Bonds"), in an aggregate principal
- 2 amount not to exceed \$93.5 million, the proceeds of
- 3 which are to be loaned to the American College of
- 4 Surgeons, an Illinois not-for-profit corporation
- 5 (the "Borrower"), in order to assist the Borrower in
- 6 providing all or a portion of the funds necessary to
- 7 refinance the outstanding principal amount of a
- 8 taxable loan incurred by the Borrower from PNC Bank,
- 9 National Association (the "Taxable Loan") and pay
- 10 certain costs of issuance relating to the Bonds and
- 11 the refinancing of the Taxable Loan (collectively,
- 12 the "Financing Purposes").
- The plan of finance contemplates that
- 14 the Authority will issue the Bonds under one or more
- 15 Bond and Loan Agreements as a direct purchase by
- 16 JPMorgan Chase Bank, National Association (the "Bond
- 17 Purchaser"). The Series 2024A Bond will bear
- 18 interest at an initial fixed rate not to exceed a
- 19 weighted average annual rate of 7.5% per annum. The
- 20 Series 2024B Bond will bear interest at variable
- 21 rates established pursuant to the respective Bond
- 22 and Loan Agreement (with an initial variable rate
- 23 for the Series 2024B Bond not to exceed 7.5% per
- 24 annum). The Final Bond Resolution authorizes a final



- 1 maturity of not later than 40 years from the date of
- 2 issuance.
- As background, the Authority is
- 4 authorized to provide financing and refinancing for
- 5 certain "industrial projects" (as defined in the
- 6 Authority Act) for use by not-for-profit
- 7 corporations in any trade or business that is
- 8 located within or outside the State; provided that,
- 9 with respect to a project involving property located
- 10 outside of the State, the property must be owned,
- 11 operated, leased or managed by an entity located
- 12 within the State. The Borrower has a significant
- 13 presence in the State as evidenced by the location
- 14 of its headquarters in Chicago, Illinois.
- 15 The proceeds of the Taxable Loan
- 16 were used by the Borrower to (i) refinance a then
- 17 outstanding taxable loan incurred by the Borrower
- 18 from The Northern Trust Company that was used, among
- 19 other things, to purchase, renovate and equip an
- 20 office building situated at 20 F Street NW,
- 21 Washington, D.C., 20001, and (ii) finance the
- 22 development of a registry platform, including
- 23 reporting, analytics and business intelligence.
- Does any Member have any questions or



- 1 comments?
- 2 Item 3: Resolution approving fee
- 3 schedule for taxable private activity bonds
- 4 Item 3 is a Resolution approving a
- 5 fee schedule for taxable private activity bonds.
- 6 Approval of the related Resolution is essential to
- 7 ensure the Authority's commercial viability with its
- 8 existing conduit borrowers that may benefit from the
- 9 Authority's issuance of taxable private activity
- 10 bonds. In limited circumstances, banks as
- 11 bondholders of such obligations are willing to
- 12 accept a lower interest rate than they would accept
- 13 under traditional bank financing due to internal
- 14 capital allocation processes for taxable private
- 15 activity bonds. Special rules apply to bonds that
- 16 are private activity bonds for those bonds to
- 17 otherwise be tax-exempt qualified private activity
- 18 bonds. Additionally, the Authority may issue
- 19 "taxable tails" from time to time for its existing
- 20 conduit borrowers if the entirety of their debt
- 21 financing cannot be financed with the issuance of
- 22 tax-exempt qualified private activity bonds under
- 23 federal tax law.
- 24 Ultimately, these changes will serve

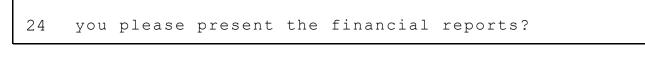


- 1 to make the Authority more competitive relative to
- 2 its peers in the public finance industry and reflect
- 3 the Authority's commitment to adapt to evolving
- 4 market dynamics and to improve financial
- 5 sustainability.
- Does any Member have any questions
- 7 or comments?
- 8 Item 4: Resolution regarding the
- 9 Illinois Finance Authority Compliance Examination
- 10 for the Two Fiscal Years Ended June 30, 2023.
- 11 Item 4 is a Resolution to accept the
- 12 Illinois Finance Authority Compliance Examination
- 13 for the two fiscal Years ended June 30, 2023. In
- 14 the opinion of the Special Assistant Auditors,
- 15 except for the noncompliance described in the
- 16 Authority's Fiscal Years 2022 and 2023 Compliance
- 17 Examination findings, the Authority complied, in
- 18 all material respects, with the requirements
- 19 described therein for the two years ended June 30,
- 20 2023.
- 21 Does any Member have any questions or
- 22 comments?
- 23 CHAIR HOBERT: This is Will Hobert. I would
- 24 like to request a motion to pass and adopt the



- 1 following New Business Items: 1, 2, 3 and 4. Is
- 2 there such a motion?
- 3 MEMBER PAWAR: This is Ameya Pawar. So moved.
- 4 MEMBER POOLE: This is Member Roger Poole.
- 5 Second.
- 6 CHAIR HOBERT: This is Will Hobert. Will the
- 7 Assistant Secretary please call the roll?
- 8 MR. FLETCHER: This is Brad Fletcher. Please
- 9 let the record reflect that Member Caldwell has
- 10 joined the roll call at 9:16 a.m
- 11 CHAIR HOBERT: This is Will Hobert. Will the
- 12 Assistant Secretary please call the roll.
- 13 ASSISTANT SECRETARY BRINLEY: This is Claire
- 14 Brinley. On the motion by Member Pawar and second
- 15 by Member Poole, I will call the roll:
- 16 Member Beres?
- 17 MEMBER BERES: Yes.
- ASSISTANT SECRETARY BRINLEY: Member Landek?
- 19 MEMBER LANDEK: Yes.
- 20 ASSISTANT SECRETARY BRINLEY: And a second by
- 21 Member Caldwell.
- 22 MEMBER CALDWELL: Yes.
- 23 ASSISTANT SECRETARY BRINLEY: Thank you.
- 24 Member Caldwell?





CHAIR HOBERT: This is Will Hobert. Six, will



22

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the motion carries.

- 1 MS. GRANDA: This is Six Granda. Thank you,
- 2 Chair Hobert. Good morning, everyone. Today, I will
- 3 be presenting the financial report for the period
- 4 ending April 30th, 2024. Please note that all
- 5 information is preliminary and unaudited.
- 6 Beginning with the operating
- 7 revenues, our year-to-date operating revenues of
- 8 \$2.1 million are \$113,000 or 5.7% percent higher
- 9 than budget.
- 10 Our operating expenses of \$4.4
- 11 million are \$639,000 or 17 percent higher than
- 12 budget. This is primarily attributable to the
- 13 Authority posting professional services of \$848,000
- 14 higher than budget due to Climate Bank and Funds for
- 15 Future Jobs (hereinafter "4FJ") activities. Our
- 16 year-to-date professional services expenses for
- 17 Climate Bank activities total \$94,000 and for 4FJ
- 18 activities total \$1.5 million. If successful, the
- 19 Return on Investment regarding the 4FJ activities
- 20 can be more than \$190 million and can leverage up
- 21 to \$1.3 billion in non-federal funds.
- 22 Taken all together, the Authority
- 23 posting for an Operating Net Loss of approximately
- 24 \$2.3 million.



- 1 Our non-operating activity, our
- 2 year-to-date interest and investment income of \$1.6
- 3 million are \$37,000 or 2.2 percent below budget.
- 4 The Authority posted \$756,000 mark-to-market,
- 5 non-cash appreciation in its investment portfolio.
- 6 This non-cash appreciation, coupled with an
- 7 approximate \$15,000 of realized loss on the sale of
- 8 certain Authority investments, will result in a
- 9 year-to-date Investment Income Position of \$2.4
- 10 million which is \$704,000 higher than budget. Our
- 11 year-to-date Grant income of \$638,000 is \$300,000
- 12 higher than budget.
- Our year-to-date Operating loss of
- 14 approximately \$2.3 million and the year-to-date
- 15 Investment Position Income and the Grant Income of
- 16 \$3 million will result in a year-to-date Net Income
- 17 of approximately \$707,000 which is \$478,000 higher
- 18 than budget.
- 19 The General Fund continues to
- 20 maintain a net position of \$59.8 million as of April
- 21 30, 2024. Our total assets in the General Fund are
- 22 \$64.8 million (consisting mostly of cash,
- 23 investments, and receivables). Our unrestricted
- 24 cash and investments total \$52.6 million (with \$35.9



- 1 million in cash). Our restricted cash of \$2.7
- 2 million. Our notes receivable from the former
- 3 Illinois Rural Bond Bank local governments total
- 4 \$3.7 million. Our Participation Loans, SSBCI Loans,
- 5 our DACA Loans and other loans receivable total \$3.9
- 6 million.
- 7 Regarding the Authority's direct
- 8 lending activities, the Authority funded one SSBCI
- 9 loan in the amount of \$240,000 and received \$3,000
- 10 of principal and interest payments during April.
- 11 Under the DACA Loan program, the Authority collected
- 12 \$30,000 in principal payments during April. The
- 13 Authority has also funded a direct loan in the
- 14 amount of \$1.6 million to Afterglow Climate Justice
- 15 Fund on May 7, 2024.
- The Authority also collected \$2
- 17 million of principal and interest payments in April
- 18 under the Natural Gas Loan Program. As of April 30,
- 19 2024, the Authority has no loans outstanding under
- 20 the Natural Gas program.
- 21 I need to make one correction that
- 22 was provided in the Financial Memo. The
- 23 Firefighter's Pension Investment Fund direct loan
- 24 is scheduled to mature on June 30, 2024. The



- 1 outstanding balance is \$627,000 of principal as of
- 2 April 30, 2024, not \$1.3 million as it was stated in
- 3 the financial memo.
- 4 Moving on to the Forecast, our total
- 5 revenues of \$6.3 million are \$1.5 million or 30.4%
- 6 above budget. Our Total Expenses of \$5.2 million
- 7 are \$639,000 or 14.1% above budget we will end next
- 8 year with a Net Income of \$1.1 million or \$819,000
- 9 above budget
- 10 Now, moving on to Audit, CMS of
- 11 Internal Audit is currently working on the Locally
- 12 Held Funds Audit, the Purchasing, Contracts,
- 13 Intergovernmental Agreements and Leasing Audit, the
- 14 Federal Grant Audit and the Revenues, Receivable &
- 15 Receipts Audit. The Audits are ongoing and we're
- 16 hoping to complete those at the end of June 30,
- 17 2024.
- 18 The kickoff meeting for the Fiscal
- 19 Year 2024 Financial Audit to be performed by the
- 20 special assistant RSM US, LLP, will be sometime next
- 21 week.
- 22 Moving on to Human Resources, I want
- 23 to take this opportunity to congratulate Frankie
- 24 Patterson. Frankie has been with the Authority



- 1 since late 2007 and she has been a great asset to
- 2 the Finance Department. Frankie has made the
- 3 decision to finally retire, her last day with the
- 4 Authority will be May 31st, 2024. Thank you,
- 5 Frankie, you will be missed. Congratulations on
- 6 your retirement. The Authority posted the position
- 7 on various sites and we hope to hire someone by the
- 8 end of June.
- 9 We also want to say thank you to
- 10 Evans Joseph for his work with the Authority's
- 11 SSBCI program. Evans' last day will be on May 24th,
- 12 2024. Evan, thank you and good luck in your new
- 13 endeavors.
- 14 Lastly, I want to welcome Maria
- 15 Colangelo, our new Senior VP of Commercial Lending.
- 16 Maria will join the IFA team on May 22nd, 2024.
- 17 Maria will lead the SSBCI program and other
- 18 commercial lending elements of the Climate Bank.
- 19 Welcome, Maria!
- 20 Are there any questions or comments?
- 21 Hearing none, I will turn it over things over to
- 22 Director Meister.
- 23 DIRECTOR MEISTER: Thank you so much, Six.
- 24 Again, just to emphasize the importance of



- 1 Ms. Frankie Patterson to the operations of the
- 2 Authority, if we could all give Ms. Frankie who's
- 3 participating remotely a hand. Thank you so much
- 4 for your service.
- 5 Again, this is one of the drawbacks
- 6 of working with busy and effective people and then
- 7 trying to do a combination of both remote and
- 8 in-person. Our original plan was to have Naomi
- 9 Davis who is the leader of Blacks and Greens
- 10 participate. She is also -- she was making time
- 11 in the midst of a two-day meeting that she was
- 12 working with the U.S. EPA on and, obviously, she's
- 13 had a conflict. But I think that she would be
- 14 okay with -- with me summarizing her words which
- 15 we included on pages 50 and 51 of your materials.
- Again, sometime ago, back we had
- 17 Reverend Tony Pierce, one of her colleagues, present
- 18 back in March and then we approved a participation
- 19 loan in April, that loan closed over the past couple
- 20 of weeks, but Naomi wrote the Members and all of us
- 21 a thank-you note and, again, at the bottom of page
- 22 50 and 51, just to put this into the record, on
- 23 behalf of Naomi Davis, "We recognize the faith and
- 24 confidence you held in us and we're committed to



- 1 having a new relationship be -- our new relationship
- 2 be a valuable investment for all Blacks and Greens
- 3 aims for this project to advance our mission to help
- 4 close America's racial wealth gap via the power of
- 5 the new Green Economy. So we hope to have Ms. Davis
- 6 join us in the future.
- 7 And before I dive into both the
- 8 Climate Bank standing report which is found with
- 9 attachments on page 47 and my request for the
- 10 Climate Bank modification on page 71 and to provide
- 11 a quick run-through of the message from the
- 12 Executive Director, as Six had noticed under the
- 13 4FJ an initiative of the Illinois Climate Bank also
- 14 known as the Federal and Private Funds for Future
- 15 Job Initiative, the Authority has helped certain
- 16 applications for competitive funding, including the
- 17 Decatur/Macon County's applications for Federal Tech
- 18 Hub and Recompete.
- 19 At the end of April, the Phase II
- 20 Decatur/Macon County Recompete was filed and we are
- 21 pleased to today have, I hope, three representatives
- 22 of that partnership. I saw Reverend Courtney Carson,
- 23 I know that we have Justin Martin of the Decatur
- 24 Building Trades, and is Dr. Chris Valdez of Richland



- 1 Community College on? I saw Reverend Carson and
- 2 Justin Martin. Claire, did we see President Valdez,
- 3 is he logged in?
- 4 Okay. So attached -- I'm going to
- 5 find the page number of the -- this deck is also
- 6 found on page 64 of your materials. And Reverend
- 7 Carson, if we could turn to you and then turn to
- 8 Justin Martin to describe for the Members the
- 9 approach that Decatur/Macon county has taken on
- 10 this Federal funding Recompete Phase II finalist
- 11 and the partnerships. Turning to Reverend Carson.
- 12 REV. CARSON: Hello, everyone.
- DIRECTOR MEISTER: Yes, we can hear you.
- 14 REV. CARSON: We are extremely excited here in
- 15 the City of Decatur, Illinois, for this magnificent
- 16 opportunity to further our work in the areas of
- 17 different dimensions of the human experience meet
- 18 and shape one another. I really whole-heartedly
- 19 believe that this is maybe the first -- they just
- 20 told me the meeting was being recorded.
- 21 This is the first time I've witnessed
- 22 an Administration on a Presidential level respond
- 23 to being actively involved in bettering the lives
- 24 of others wholeheartedly and unequivocally. I think



- 1 I haven't seen anything like this moment other than
- 2 the things that I've read in our history. I think
- 3 Recompete reflects reconstruction extremely well,
- 4 when in reconstruction everybody had opportunity to
- 5 go to work, Blacks, browns and those individuals
- 6 who suffered bondage was able to come up out of that
- 7 bondage and -- I ain't going to say kind of -- but
- 8 learn a skill and go to work and feed their
- 9 families.
- 10 Well, Recompete is doing just that,
- 11 it gives us the opportunity to train the distressed
- 12 community here in the City of Decatur, and we have
- 13 so many individuals that's looking for greater
- 14 opportunities to feed their families. Richland
- 15 Community College here in the City, in 2016, there
- 16 was a study that was produced by the 24/7 Wall
- 17 Street that says and reads that the worst place
- 18 for African-Americans to live is in Decatur,
- 19 Illinois. And at that particular point in time, we
- 20 were ranked number four on that margin, number one
- 21 being the worst.
- 22 In that year, Richland Community
- 23 College produced an innovative work force resilience
- 24 program called Enrich where we marry life skills and



- 1 technical skills and introduce trauma-sensitive
- 2 practices in our work force training. And since
- 3 2016 -- in 2023, that same 24/7 Wall Street Journal
- 4 did the same case study and Decatur was ranked
- 5 number 24th worst place for African-Americans to
- 6 live. In that, I see progress. I'd like to say
- 7 that Richland Community College had something
- 8 significant to do with the progress in the growing
- 9 numbers of African-Americans and distressed
- 10 individuals going to work because we produce the
- 11 Enrich program at Richland Community College and we
- 12 service 2,734 individuals, 81 percent were
- 13 African-American, 92 percent are at work today even
- 14 after a nine-month follow-up. 55 percent were
- 15 directly impacted individuals, in other words, were
- 16 ex-offender or second-chance citizens, I'd like to
- 17 say 100 percent of the 55 percent of those
- 18 individuals who we consider to be directly impacted
- 19 are at work today. And through that program we
- 20 produced what we call the Minority Mental Protege
- 21 Program where 12 of that 55 individuals are owner/
- 22 operators today, one making \$15,000 a week. We've
- 23 also produced 42 minority business enterprises within
- 24 the City.



- 1 So our focus with Recompete is
- 2 precision fermentation, clean energy, EV. Quite
- 3 naturally the foundation of EV manufacturing,
- 4 welding and HVAC and home energy auditing, so those
- 5 are some of the trainings we'll be focused on,
- 6 serving 2,000 individuals with a significant
- 7 percentage of those individuals being
- 8 African-American people here in the City of Decatur,
- 9 Illinois.
- 10 We're extremely excited about putting
- 11 people back to work here. We're extremely creative
- 12 and I would say courageously innovative in our
- 13 approach as it relates to a work force. And our
- 14 controlled environment, we activate the
- 15 parasympathetic nervous system in a single
- 16 individual and then teach that individual how to
- 17 come up out of that -- or how to regulate that body
- 18 experience due to trauma, because we know that you
- 19 can teach a person how to shake a hand and interview
- 20 and get a job, but how do they keep the job and how
- 21 will they grow on the job is what we particularly
- 22 teach in our work force training. And how do they
- 23 interact with others so that they don't become a
- 24 toxic -- produce a level of toxicity to anyone's



- 1 environment.
- 2 So our industry partners, they are
- 3 extremely excited about this opportunity as well,
- 4 we have at least in our program, I would say it like
- 5 this: Essentially a 12-week program where
- 6 individuals go through the programmatic thrust of
- 7 what we teach, they get a stipend of \$13 an hour,
- 8 they are with us 40 hours a week and the stipend is
- 9 simply there so that we won't create another
- 10 barrier for individuals when they come through our
- 11 program, meaning they spend 40 hours a week with us,
- 12 we do not want them to create a situation where
- 13 they can't feed their family -- put food on the
- 14 table and/or suffer the tyranny of, you know, the
- 15 lights being cut off because they're with us for 40
- 16 hours. So we make sure they receive a stipend.
- 17 They get six additional nationally
- 18 recognized certifications, that's coupled with their
- 19 focused certifiable program, and what's magnificent
- 20 about Recompete, not only once they complete the
- 21 Recompete project, they'll have additional
- 22 opportunities to go through more trainings that we
- 23 offer. So, therefore, if they come through Richland
- 24 Community College and receive either a



- 1 certification, they can go into the work force
- 2 portal, maybe they don't want to stop there. Then
- 3 we'll ensure that they go through our AS degree,
- 4 and even if they get an AS degree, and if they don't
- 5 want to stop there, they can matriculate into our
- 6 articulation agreements with some of the major
- 7 four-year universities in the city -- in the State
- 8 of Illinois.
- 9 So we have some articulation
- 10 agreements with U. of I. and NIU and UIS and other
- 11 four-year universities that's willing, because of
- 12 our curriculum, receive our participants so that
- 13 they can further their experience in EV, clean
- 14 energy or precision fermentation.
- 15 So we're doing some phenomenal work
- 16 already; but, however, Recompete really is the
- 17 catalyst that's going to take us to a -- and our
- 18 people in the people in the City of Decatur, put
- 19 them in a position to really feed their families,
- 20 and that's really what it's all about, so that our
- 21 community can grow and we can protect the economic
- 22 vitality in this particular area.
- 23 Thank you so much for having me,
- 24 and I will entertain any questions, if any.



- 1 CHAIR HOBERT: Any questions for Reverend
- 2 Courtney Carson of Enrich who's part of the coalition
- 3 of the Federal Recompete Application that was filed
- 4 at the end of April and, again, our involvement came
- 5 because of outreach from the Department of Commerce
- 6 and Economic Opportunity, the Governor's prioritized
- 7 State resources to -- to lift up communities to help
- 8 them effectively compete for these Federal funds like
- 9 Recompete. Any questions for Reverend Carson?
- 10 MEMBER STRAUTMANIS: Yeah, this is Member
- 11 Strautmanis. I have a question. Reverend Carson,
- 12 what has been the -- what it looks like you've done
- 13 here from the materials and from your statement is
- 14 really bring a strategy that -- I mean, some would
- 15 call a strategy of collective action, taking

16

- 17 different parts of a community and bringing them
- 18 together to solve a problem. I always have this
- 19 picture in mind where you have a group of people
- 20 around a table, let's say, you know, private sector,
- 21 government, nonprofits, faith-based communities,
- 22 education systems and community members themselves
- 23 and they're kind of pointing fingers at each other
- 24 when it comes to solving the problem, and then you



- 1 could have another picture where people are, you
- 2 know, sort of pointing fingers as more of a hand-off
- 3 and a partnership.
- 4 What's been the reaction in that vein
- 5 of the business community in Decatur to what you've
- 6 put together here? Like I continue to hear from
- 7 many business owners that they are having trouble
- 8 filling -- there's opportunity, but they're having
- 9 trouble filling jobs.
- 10 REV. CARSON: So I'll say this: The collective
- 11 action behind the call is essentially -- to me it's
- 12 a no-brainer, but, however, so we meet monthly at
- 13 Decatur's Coalition Stakeholders, meeting business
- 14 enterprises, private sector, public -- the City of
- 15 Decatur, they meet in this particular meeting as
- 16 well. Myself, the community-based organizations are
- 17 present, and the Pastors' Coalition is key in this
- 18 meeting as well because they are the bullhorn to
- 19 make sure that we get the people that our
- 20 applications are designed for.
- 21 And in this particular meeting, we
- 22 have real conversation. I'd like to say, if you
- 23 will, real talk. And there's always someone saying
- 24 that they're looking for people and my response is,



- 1 well, they're not looking in the right direction or
- 2 the right areas, because in all of my programs, we
- 3 have waiting lists of individuals that want to go
- 4 to work and it's just not ex-offenders, but
- 5 trust-fund children, those individuals who are
- 6 misplaced, you know, they've already been to college
- 7 but they just need a certification to level up, if
- 8 you will.
- 9 And so in this particular meeting
- 10 everybody is invested in making sure that we grow
- 11 Decatur and Decatur is growing in the right
- 12 direction. And I remember being -- in the past
- 13 being a part of conversations where everybody is
- 14 saying, well, it's the college's fault that we're
- 15 not getting the right kind of people or it's the
- 16 industry's fault that they're not training the
- 17 correct way.
- 18 Well, what we've been able to do is
- 19 have all the businesses in the City come to us and
- 20 we ask the questions what do you need for us to do,
- 21 how do we need to train. They all said to me,
- 22 President Valdez, that they need the essential
- 23 skills component. And we said, okay, we can do
- 24 that, we have a curriculum that's phenomenal that



- 1 will serve to be true and we'll do a little bit
- 2 extra if say, for instance, if Caterpillar has a
- 3 certain kind of way they like to train in welding,
- 4 we'll do the foundational work. And then, quite
- 5 naturally, our participants go to Caterpillar, they
- 6 learn the Caterpillar way, they come back for
- 7 additional training if need be. And we presented
- 8 that same idea with TCCI and they said phenomenal,
- 9 let's do that.
- 10 So we have this kind of relationship
- 11 and conversation where it's mutual respect and we
- 12 really pinpoint exactly what we need from one
- 13 another. And so there's less bickering, there's
- 14 less frustration and the synergy is phenomenal.
- 15 Our ecosystem here is growing rapidly and it's
- 16 effective. We've been able to do some remarkable
- 17 work.
- 18 And I mentioned this earlier -- I'm a
- 19 preacher, so you all got to understand, I like to
- 20 talk a little bit, okay? And I'm a Black Baptist
- 21 Preacher at that, so you know it's going to be long,
- 22 all right?
- 23 We had -- I talked about how we went
- 24 from being ranked number four to being ranked number



- 1 24 as one of the worst places for African-Americans
- 2 to live. I think that it's magnificent and it's
- 3 very strange to say it like this, but we were able
- 4 to outrank Naperville, Naperville is ranked number
- 5 like three as one of the best places to live in the
- 6 country, but for African-Americans in the City of
- 7 Decatur, we're doing better than African-Americans
- 8 in Naperville. And I really believe it has
- 9 something to do with our training and where we're
- 10 able to change the mind set of a single individual
- 11 and have them buy into employment here in the City
- 12 of Decatur.
- Sorry that was a really, really
- 14 long answer to your simple question. I apologize.
- 15 MEMBER STRAUTMANIS: I learned a lot from it
- 16 and -- this is Member Strautmanis -- I learned a
- 17 lot from it and I appreciate the answer.
- Just two responses: One, it would
- 19 be really great if we had communities around the
- 20 State competing to see which is the best place for
- 21 African-Americans to live. And I'm excited because,
- 22 you know, it sounds from my perspective that Decatur
- 23 is dealing with the kind of issues, again, that
- 24 every community in the State is dealing with kind



- 1 of regardless of population. I'm frankly proud that
- 2 we're investing in solutions that have been proven
- 3 to work like yours. We don't need to be the first
- 4 dollars in, but if we can help scale something that
- 5 is proven to be effective, I think that is an
- 6 incredible use of these resources to make this
- 7 State the best State in the country and hopefully
- 8 the best -- one of the best communities in the
- 9 world and in winning the race for these incredibly
- 10 important, high-paying clean-energy jobs.
- 11 So thank you for joining us, I
- 12 just -- I learned a lot.
- 13 REV. CARSON: Amen. Thank you so much, I truly
- 14 appreciate that.
- 15 MEMBER STRAUTMANIS: Oh, I got an amen. Can
- 16 we wrap it up?
- 17 DIRECTOR MEISTER: No, no, because we have
- 18 another partner also for the Decatur/Macon County
- 19 Recompete. You'd heard in a previous meeting from
- 20 Nicole Bateman from the Economic Development
- 21 Corporation, but we also have Justin Martin of the
- 22 Decatur Area Building Trades and I believe he is a
- 23 member of the International Brotherhood of
- 24 Electricians. Organized labor has also been a key



- 1 part along with business community and the
- 2 African-American community and Richland Community
- 3 College in this Recompete effort.
- 4 Mr. Martin, do you have a few
- 5 words?
- 6 MR. MARTIN: Yes. Hi, good morning everybody.
- 7 Now, I probably will not be as long because I am not
- 8 a prolific speaker as Reverend Carson is there, and
- 9 it's a tough act to follow.
- But, no, we are excited about the
- 11 opportunity with this iFAB. You know, in seeking
- 12 this grant funding, we're looking to increase the
- 13 share number of local residents that we represent,
- 14 specifically recruiting and training and employing
- 15 candidates from underserved communities who have
- 16 been historically lacking representation among labor
- 17 unions and preparing them for jobs with the iFAB
- 18 projects and in the construction industry in
- 19 general.
- 20 As far as labor, we're seeking, you
- 21 know, three main topics, one, to get an Equity
- 22 Director hired to help us in recruiting and outreach
- 23 strategies, we're looking for equipment for
- 24 training, specifically welding equipment, and



- 1 electrical instrumentation equipment for incumbent
- 2 worker and new worker training, and we're also just
- 3 looking to help the funding to increase our ability
- 4 to continue to work with pre-apprenticeship
- 5 readiness programs around the area and through the
- 6 Decatur/Macon area also. So we are Decatur Building
- 7 Trades, but this partnership will also be with East
- 8 Central Building Trades with the Champaign-Urbana
- 9 area, so both communities will get an improved
- 10 benefit from this.
- 11 CHAIR HOBERT: Thank you very much, Justin.
- 12 Do any Members have any questions for Justin Martin,
- 13 a representative of the building trades and
- 14 organized labor?
- 15 Oh, yeah, Member Ryan -- oh, sorry.
- 16 Go ahead, Member Poole.
- 17 MEMBER RYAN: Go ahead.
- 18 MEMBER POOLE: This is Member Poole, Justin.
- 19 I've been a Member of the International Association
- 20 of Machinists and Aerospace Workers for 50-plus
- 21 years and I've seen a lot of programs come and go,
- 22 I hope your program really goes off well, and
- 23 welcome you to the IFA to participate in this
- 24 program.



- 1 So I want to say best to you and your
- 2 leadership for the initiative here and glad
- 3 you've become a part of the labor in Decatur
- 4 program, thank you.
- 5 MR. MARTIN: Thank you, sir.
- 6 MEMBER RYAN: This is Member Tim Ryan.
- 7 Mr. Martin, I just want to kind of echo what
- 8 Member Poole just said. I think it's great when
- 9 organized labor and business come together to work
- 10 together to further labor's mission to train
- 11 individuals in the community and make their lives
- 12 better and then business providing those
- 13 opportunities. I myself am a member of the
- 14 Laborers Union for 15 years, so I've always had
- 15 the privilege of watching how training programs
- 16 really can bring a community up and help everyone.
- 17 So I just want to congratulate you and thank you
- 18 for your partnership on that.
- 19 MR. MARTIN: Thank you.
- 20 DIRECTOR MEISTER: If I could just direct the
- 21 Members to page 12 of the materials, you've seen
- 22 this five-point element themes are integral to --
- 23 these five policies are integral to the Governor's
- 24 priority under the Climate and Equitable Jobs Act



- 1 or CEJA, as well as a variety of other economic
- 2 development and equitable economy building
- 3 initiatives.
- 4 Number one partnership, number two
- 5 quantifiable progress on climate, number three build
- 6 it here in the U.S.A., hopefully in Illinois, number
- 7 four, Justice 40 benefits and involvement, and
- 8 number five, the participation and involvement of
- 9 organized labor.
- 10 That's the State policy of the State
- 11 of Illinois, it also happens to be the equation for
- 12 a successful Federal award from the variety of
- 13 Federal funds, and I think you've just had a
- 14 demonstration of how those five points play out in
- 15 a real community that has real challenges in Central
- 16 Illinois, Decatur and Macon County, and, again, East
- 17 Central Illinois.
- 18 Reverend Carson also mentioned a
- 19 company I think everybody recognized, Caterpillar,
- 20 that's got a major facility in Decatur, but he also
- 21 mentioned another smaller supply chain company,
- 22 TCCI, they're also actively involved with the
- 23 Decatur Economic Development Corporation in this
- 24 Recompete initiative and they're also part of the



- 1 State's electric vehicle supply chain.
- 2 So does anybody have anymore
- 3 questions for or statements on the Decatur 4FJ
- 4 initiative?
- 5 MEMBER ZELLER: Yes, Chris. This is Member
- 6 Zeller. I'd just like to echo also our support for
- 7 Downstate Illinois and the City of Decatur's located
- 8 in the center of the state. I'm from West Central
- 9 Illinois, so any collaboration between labor and
- 10 this Board and any economic development group is
- 11 always a strong point for Downstate Illinois and we
- 12 appreciate all the work you're doing.
- 13 DIRECTOR MEISTER: Thank you, Member Zeller.
- 14 We also have an additional guest,
- 15 Matt Posner I see his name up there, previously I've
- 16 included some of his articles. Matt is a principal
- 17 at Court Street Consulting, he's also a nationally
- 18 recognized commentator on the national public finance
- 19 markets and the opportunity for those markets
- 20 provided by the Federal initiatives. He's been
- 21 following matters in Illinois very closely. Again,
- 22 all of us know that it is going to take resources to
- 23 build everything that we're going to need.

24



- 1 Matt also works closely with the
- 2 Robert Woods Johnson foundation and has been
- 3 involved with various -- testified before Congress
- 4 and been involved with various finance regulators
- 5 such as the MSRB. And his slides are on page 57
- 6 through 59. But Matt, I turn it over to you.
- 7 We've got a volume situation. Matt.
- 8 We're not hearing anything. One moment. Matt
- 9 Posner. Matt, can you try again.
- Okay. Unfortunately, we are
- 11 unable -- we'll have Matt come and join us another
- 12 time. Again part of the pitfalls of ambition of
- 13 involving commentary and community voices. Matt,
- 14 we really thank you for making the time.
- 15 He does have some slides that are a
- 16 part of the materials, I'm going to make an effort
- 17 to have some of -- some more of his writings.
- 18 Because of Matt's work, I'm meeting with the head
- 19 of the Vermont Bond Bank on some of the Federal
- 20 GGRF later on this week, and I know that Matt --
- 21 MR. POSNER: Should we try one more time?
- DIRECTOR MEISTER: Oh, you're on.
- 23 MR. POSNER: Thank you very much. I'll give
- 24 some abbreviated comments. I apologize, I switched



- 1 one thing. This is a different program for me.
- 2 Hello, everyone, and thank you.
- 3 Again, I'm Matt Posner and I thank you all for your
- 4 time in public service.
- In theory, on July 1st, a lot of
- 6 money is going to be made available to many new
- 7 actors that have never had this capacity before
- 8 and this is through the Greenhouse Gas Reduction
- 9 Fund.
- 10 And this is part of a larger push by
- 11 the Administration in several large acts, whether
- 12 it's CHIPS, Inflation Reduction Act, the JOBS Act,
- 13 that have acted to merge policy troughs that don't
- 14 always merge, these are policies of economic
- 15 development, deferred infrastructure maintenance,
- 16 green and structural inequity for our communities,
- 17 and these bills have created new financial
- 18 platforms.
- 19 Fortunately, they have largely been
- 20 under-reported nationally and even in industry news
- 21 financially focused news, because I think it does
- 22 have massive implications for how big ideas get
- 23 financed in this country. Specifically, the
- 24 Greenhouse Gas Reduction Fund is aimed at making a



- 1 notable dent in the amount of carbon gases and air
- 2 pollutants emitted into the atmosphere, deliver these
- 3 results in low-income communities and those that
- 4 have been historically marginalized; and third, must
- 5 be crowded into, leveraged, and recycled into larger
- 6 figures. I'm going to focus on third point, and I'm
- 7 a climate scientist, nor is my background heavily
- 8 rooted in investing the de-invested.
- 9 And I think this becomes particularly
- 10 important in front of this audience, because what
- 11 has been created here in Illinois through the
- 12 Governor with the Climate Bank and the Conduit
- 13 Authority, you have in place the infrastructure that
- 14 the Administration sort of envision occurring
- 15 nationwide in other states and regions.
- 16 So the slides -- I apologize, my
- 17 design team was out of the office last week, but
- 18 I hope its content more than sizzles.
- 19 The way that the Administration views
- 20 -- kind of sees this happening with the players, it
- 21 lies heavily in two sort of lending components, one
- 22 is these Green Banks and the other is a use of CDFIs,
- 23 Community Development Finance Institutions. And I
- 24 think the Green or Climate Banks -- or the original



- 1 idea was to have a Federal Green Bank. That needed
- 2 legislation that wasn't going to happen at the
- 3 national level, so instead we have these regional
- 4 Green Banks which Illinois has had one, I think,
- 5 longer than most which is not a lot of time, but it's
- 6 a new concept that I think has gained
- 7 traction.
- 8 It also relies heavily on CDFIs.
- 9 To be frank, this is a little befuddling to me and
- 10 I have been critical of it. CDFIs, they're smaller
- 11 in focus, focused on local issues as well as Justice
- 12 40 related issues, they don't typically interact
- 13 with larger capital market systems, so that was a
- 14 little bit interesting to me. But the goal here is
- 15 how do we get these parties, these actors some of
- 16 which are quite new to financing and lending in
- 17 general to interact together.
- 18 We are currently grappling with an
- 19 urgent challenge for climate change and financial
- 20 innovation must not lag, and so there's two kind of
- 21 key ideas here that I'd like to guess passed on to
- 22 you that really haven't dominated mainstream
- 23 discussions, but have the potential to be quite
- 24 transformative, not just for climate-related issues



- 1 or social inequity issues, but how state and local
- 2 governments can make big ideas happen. And in order
- 3 to make these two things happen, I'm going to just
- 4 quickly focus on -- I know I'm short on time --
- 5 standardization and pooled loans.
- 6 We need to adopt a standardized
- 7 underwriting practice by establishing uniform
- 8 criteria for evaluating the financial viability and
- 9 environmental impacts of the projects. We can
- 10 unlock new avenues for decarbonizing the future.
- 11 These standards would allow for novel financial
- 12 structures to emerge, seamlessly integrating them
- 13 into broader fixed-income financial ecosystems,
- 14 including sectors like -- which I'm sure a lot of
- 15 you in this room are familiar with -- municipal
- 16 finance.
- 17 Imagine a world where investing in
- 18 green projects is as straightforward as investing
- 19 in the traditional muni bonds, standardized practice
- 20 would reduce complexity and risk, making green
- 21 investments much more attractive and accessible to a
- 22 broader range of investors. This approach not only
- 23 democratizes green investments, but also enhance
- 24 their market liquidity, paving the way for more



- 1 robust and diverse funding avenue to support
- 2 large-scale, in this case, environmental
- 3 initiatives.
- The slide that is titled "Division,"
- 5 sort of the GGRF vision, if there's anything to kind
- 6 of take away from my participation would be this:
- 7 what they see happening and I think is already
- 8 happening on a small scale in Illinois and the idea
- 9 is to grow this. And what we're going to start to
- 10 see is that the CDFIs will start to originate green
- 11 loans on their books in qualified sectors, the EPA
- 12 has a large list of what is qualified; and these are
- 13 the thousands of smaller projects around the country
- 14 that will eventually become revenue streams for an
- 15 eventual bond.
- 16 CDFIs have a local understanding of
- 17 the community and the existing credit diligence, but
- 18 they also understand the level subsidy needed, the
- 19 project costs, all the local details that can be
- 20 confirmed project-by-project via CDFI and then they
- 21 can be sent up the food chain, if you will, to the
- 22 state or regional entity, in this case, the Climate
- 23 Bank or the Illinois Finance Authority. They can go
- 24 on to securitize these revenue streams. This is how



- 1 you turn the \$27 billion that's been allocated to
- 2 this program into the trillions that are needed to
- 3 address climate change. In the same way that I'm
- 4 sure you're familiar with the revolving fund
- 5 concept, as Illinois participates in several of
- 6 them, this is that, but it's adding the CDFI to
- 7 address specifically the complexities that come
- 8 along with the Justice 40 set of issues that really
- 9 need local purview in order to be addressed
- 10 appropriately.
- 11 And the other transformative idea, as
- 12 I mentioned earlier, this is happening around the
- 13 country is centralized hubs for cooling loans. And
- 14 Illinois is ahead of the curve because you have the
- 15 Climate Bank and you have the Illinois Finance
- 16 Authority that's been doing a lot of this for a
- 17 long time, and as a result, these hubs are --
- 18 the idea is that these help to bring together
- 19 expertise in both the finance and environmental
- 20 sustainability, enhancing the effectiveness and the
- 21 efficiency of project ability evaluations,
- 22 centralized pool loaning could transform green
- 23 financing by offering standardized large-scale
- 24 products that attract significant capital from



- 1 institutional investors. And this is all really
- 2 predicated on the integration of standards and more
- 3 best practices of better understanding of how to do
- 4 the job well from a state-level type of entity that
- 5 you all represent. And that's the broad vision of
- 6 the Greenhouse Gas Reduction Fund.
- 7 And so, yeah, so I think for now, the
- 8 key thing -- and I've had some brief conversations
- 9 with Chris and his team -- is how do we address
- 10 standards or at least guardrails of how to start to
- 11 address this. July 1st is when the funds will be
- 12 deployed, it's happening very soon. Again, Illinois
- 13 is ahead of the curve because you've been doing this,
- 14 but most states don't have the type of people and
- 15 resources in place to get going as quickly as
- 16 possible. And really the value of this is to make
- 17 this happen nationwide. It's going to take people
- 18 like you all and other parties to demonstrate the
- 19 replicability of a system like this.
- I hope I didn't go too over I
- 21 apologize for the technical issue there on my end,
- 22 but I'm happy to answer any questions if there are
- 23 some.
- 24 DIRECTOR MEISTER: Oh, Member Pawar.



- 1 MEMBER PAWAR: Matt, thanks for your comments,
- 2 I know you follow both public and climate finance at
- 3 a national level.
- 4 Can you share your views and some
- 5 thoughts on how philanthropy can help institutions
- 6 like the IFA and other similarly situated
- 7 institutions harness these Federal dollars and get
- 8 them out quickly and sort of turbocharge economic
- 9 development?
- 10 MR. POSNER: Yeah, sure. when I think about
- 11 philanthropy in a situation like the Greenhouse Gas
- 12 Reduction Fund, they tend to come in three areas,
- 13 that's technical assistance, seeding projects that
- 14 they believe in, or capacity building. And where I
- 15 think it could really come into play here with this
- 16 program is capacity building.
- 17 There are -- and that would happen
- 18 on two sides, supporting organizations in these
- 19 communities to develop expertise and resources
- 20 needed to manage clean energy products, but as well
- 21 for entities engaging in the lending and
- 22 securitizing like the Illinois Finance Authority.
- 23 And it's such a new area that for certain foundations
- 24 that really see the value of bonds and want to see



- 1 scaled impact, I think they -- if I was in their seat
- 2 I would suggest -- and I'm not in that seat right now
- 3 -- but they could step in and help organizations in
- 4 developing best practices, these underwriting
- 5 standards, standardizations that I
- 6 spoke about, and simply really having staff
- 7 understand what it means to be good stewards of
- 8 these financially subsidized balance sheets,
- 9 taxpayer dollars at the state and local level. And
- 10 with the complexities of Justice 40 which is really
- 11 at the root of this work and the pressing
- 12 environmental issues of the day, philanthropy should
- 13 and I think will likely get engaged in the role of
- 14 capacity building amongst those that are thinking
- 15 about the lending and securitizing which is sort of
- 16 the next big step for the Greenhouse Gas Reduction
- 17 Fund.
- DIRECTOR MEISTER: Thank you very much. Any
- 19 other questions for Matt Posner?
- Okay. Again, I want to thank
- 21 everybody for your patience. I'm going to quickly
- 22 turn to -- and, again, I think that the role of
- 23 philanthropy is potentially very important for the
- 24 investments that the Authority will need to maximize



- 1 and deploy. It's something that the Authority has
- 2 taken the next step under 4FJ as I think you heard
- 3 from the Decatur example, we have basically taken
- 4 our profits this year and in coordination with the
- 5 Governor and Department of Commerce to help lift up
- 6 local communities in partnerships and, again, given
- 7 the scale, we're going to be asking philanthropy to
- 8 play a similar role.
- Just to switch very quickly to the
- 10 attachments to the message from the Executive
- 11 Director on page 12, I cover the five elements of
- 12 the partnership. I think you've heard it being
- 13 relayed in a way of how those five elements of
- 14 partnerships, quantifiable progress on climate, build
- 15 it here hopefully in Illinois, Justice 40 involvement
- 16 in benefits and the participation and involvement
- 17 of organized labor.
- 18 Page 13, I think many of you have
- 19 seen this before, but it was a slide from the first
- 20 and to date only National Green Bank Summit in
- 21 September of '22, but it as a senior member of the
- 22 U.S. Department of Energy who basically said, look,
- 23 the policy of the Federal government is we realize
- 24 that a lot of good was done by the New Deal, but



- 1 people were left out, and I think probably the way
- 2 they were left out of the most from wealth-building
- 3 opportunities was the red-lining
- 4 associated with Federal single-family home
- 5 guarantees, and the U.S. Department of Energy was
- 6 very explicit that these funds that we are talking
- 7 about were not going to replicate the mistakes of
- 8 the past and where possible we're going to try and
- 9 remedy the mistakes of the past and I think that is
- 10 why, as you heard, the importance of Justice 40's
- 11 involvement in participation both in Decatur and in
- 12 Matt's comments.
- 13 Turning to page 14, again, this is
- 14 something that I think all of us should be very
- 15 proud of. This is the summary of the Federal funds
- 16 that are under Award for Management. 12 months ago
- 17 the Authority had zero Federal funds under award for
- 18 management. Today, we have \$340 million -- now,
- 19 again, I will caution, we only have \$3 million in
- 20 our actual bank account, but I would rather be
- 21 working with Federal agencies in connection with --
- 22 in connection with the documentation and the
- 23 compliance and that is a lengthy process.
- 24 Again, just reintroducing -- could



- 1 you stand up and raise your hand. Our new Senior
- 2 Vice President of Commercial Lending, Maria
- 3 Colangelo. Maria?
- 4 MS. COLANGELO: Nice to meet you all, looking
- 5 forward to working with you.
- 6 DIRECTOR MEISTER: So our first -- our first
- 7 involvement is through the SSBCI program that the
- 8 Governor's Office and DCEO thought that we should
- 9 have. As Six pointed out, that is part of the
- 10 reason why we are economically self-sufficient, that
- 11 grant income.
- 12 Turning to the next page, page 15,
- in trying to break down our next year -- our budget
- 14 process for next month, Will and I are in regular
- 15 communication with the Governor's Office, but,
- 16 again, rather than bombard people with spread
- 17 sheets, there are spread sheets, I can assure you,
- 18 of various job descriptions and budgets and
- 19 vendors. But really we're in the second year of a
- 20 three-year transformation of the organization and
- 21 the budget that will be considered in June is really
- 22 going to be building off of these four points here
- 23 on page 15.
- 24 The foundational capacity of our



- 1 organization, again, our hope is that philanthropy
- 2 will help us so that it will not just be IFA-only
- 3 resources; public finance, which I understand we
- 4 heard Matt talk about the importance of public
- 5 finance and how to complements and integrates with
- 6 the climate finance.
- 7 Brad, I think we have a public
- 8 finance update that's hot off the presses.
- 9 MR. FLETCHER: It is. This is Brad Fletcher,
- 10 I apologize for somewhat rudely stepping out of the
- 11 room, but just minutes ago IFA closed a \$630 million
- 12 deal for the University of Chicago that results in
- 13 about a net present value savings of \$90 million
- 14 for the University, and interest savings for
- 15 upcoming fiscal year for the University of about
- 16 \$30 million. The University itself closed a Series
- 17 C tranche on a taxable basis, and IFA will be closing
- 18 another tranche on a taxable basis Series
- 19 B this come July. So you are the first to know,
- 20 congratulations.
- 21 DIRECTOR MEISTER: Thank you. And, Sara, do we
- 22 have an update on the rather lengthy and similarly
- 23 named University of Chicago Medical Center public
- 24 finance update?



- 1 MS. PERUGINI: Thanks, Chris. This is Sara
- 2 Perugini. The University of Chicago Medical Center
- 3 closed the second of its two synthetic lease
- 4 financings this month. The Authority was first
- 5 engaged by UCMC to participate in this novel
- 6 financing structure in July of 2023.
- 7 While still conduit financing at a
- 8 high level and pursuant to synthetic lease financing
- 9 structure, properties are purchased and leased to
- 10 UCMC and the Authority purchased a right to receive
- 11 rent payments in an amount to pay all debt service
- 12 on the bonds. In a changing market, the purpose of
- 13 the structure is to allow UCMC to use and operate
- 14 the properties and achieve certain desired accounting
- 15 treatments in connection with the property so
- 16 hopefully we'll see more of those coming down the
- 17 pipeline.
- 18 CHAIR HOBERT: Thank you, Sara. Thank you,
- 19 Brad.
- 20 We've already heard about the return
- 21 on investment for the Authority and for the State
- 22 on the 4FJ initiative. On page 16, rather than
- 23 bombard you with spread sheets, we wanted to sort of
- 24 give you an illustration of what we think that the



- 1 budget is going to look like, public finance,
- 2 Climate Bank, staff, contractors, organizational
- 3 foundation.
- 4 Again, our annual budget has
- 5 typically been around \$5 million and all of that
- 6 series of \$340 million in Federal funds, we've
- 7 calculated that in year one, it could be up to \$14.5
- 8 million in admin staff costs, vendor costs. Again,
- 9 we're in the process of breaking that down.
- Moving to the next page, page 17,
- 11 I wanted to illustrate what the 4FJ investments on
- 12 Recompete and Tech Hubs and how it potentially sets
- 13 the foundation going forward for additional
- 14 assistance. On a prior page, we've built in some
- 15 profits for pursuit for 4FJ initiatives, and also on
- 16 page 17, I highlighted what some of those are likely
- 17 to be.
- Some of you may have already heard
- 19 about what are known as the Inflation Reduction Act
- 20 direct pay tax credits, and that's 65 percent of
- 21 the \$494 billion of the Inflation Reduction Act.
- 22 Also, you've heard me talk previously about the Loan
- 23 Programs Office, and, again, integral to -- to this
- 24 effort as you've heard is our partnership with the



- 1 Department of Commerce on Economic Development to
- 2 advance the Governor's equitable private sector
- 3 green economy. We've got a time line, and the only
- 4 modification that I'm asking for is that I have the
- 5 authority to continue to engage with stakeholders
- 6 and the U.S. EPA to bring the \$150+ million Solar
- 7 for All grant into final documentation. I'll take
- 8 any questions?
- 9 Oh, Member Pawar, sorry.
- 10 MEMBER PAWAR: Thank you. I was going to say
- 11 very quickly that just on all of this, you know, I
- 12 know we're going to expand the budget pretty
- 13 dramatically because of all the money that we're
- 14 going to be getting in and we're kind of changing
- 15 the way we do business, right, we're going to create
- 16 products that don't currently exist here or, for
- 17 that matter, really anywhere else.
- 18 So I think the thing that I want to
- 19 acknowledge for you and your team from us is that,
- 20 you know, with CEJA, the Clean Energy Jobs Act, the
- 21 legislation is literally creating sectors that don't
- 22 exist, that is the same for the Inflation Reduction
- 23 Act, these are industries that don't exist that
- 24 government is putting a thumb on the scale to say we



- 1 want certain things to happen in certain communities
- 2 and certain industries and we have certain jobs and
- 3 certain things to be produced in a very specific
- 4 way. That hasn't been really done in 40 or 50
- 5 years, for the last 50 years it's really been the
- 6 private sector shows up, they say give me money, we
- 7 give them money and then they say get out of the
- 8 way, right?
- 9 So I think this is the definition of
- 10 what an inclusive industrial policy looks like, and
- 11 I think what we're doing here is I think kind of be
- 12 a model for other states think about it. I just
- 13 wanted to acknowledge you and your team for --
- 14 you're really setting the standard and I think it's
- 15 important to spotlight it.
- 16 DIRECTOR MEISTER: Thank you. All right.
- 17 Will, turning it back to you. I think we've covered
- 18 -- oh, I'm sorry.
- 19 MR. FLETCHER: We have some here and there.
- 20 DIRECTOR MEISTER: We have live bodies in a
- 21 room, so Mr. Chair, what I would like to do is
- 22 defer to -- and, again, I'm sorry, the presentations
- 23 and my comments may have gone on so long -- but if
- 24 we defer of the modification and acceptance of the



- 1 financials and the Climate Bank report till next
- 2 meeting in June, that's my recommendation.
- 3 CHAIR HOBERT: Okay, sure. Has Member Wexler
- 4 left or just taking a call in the hall?
- 5 DIRECTOR MEISTER: I believe he's left.
- 6 MEMBER CALDWELL: I believe he left.
- 7 DIRECTOR MEISTER: Lesson for the future for
- 8 me.
- 9 MR. FLETCHER: This is Assistant Secretary
- 10 Fletcher. Please let the record reflect -- and
- 11 we'll take a motion on this -- that at this time,
- 12 we are deferring consideration of the financial
- 13 reports and the report on the Climate Bank plan; we
- 14 are deferring the affirmation, modification, or
- 15 disapproval of any modifications of the Climate Bank
- 16 plan; we are deferring consideration of the monthly
- 17 procurement report; we are further deferring
- 18 correction and approval of the minutes from March
- 19 12th, 2024, April 9th, 2024.
- 20 Is there a motion to table those
- 21 items till the next regularly scheduled meeting?
- 22 MEMBER SUTTON: This is Member Sutton. So
- 23 moved.
- MR. FLETCHER: Is there a second?



- 1 MEMBER CALDWELL: Member Caldwell, second.
- 2 MR. FLETCHER: All those in favor?
- 4 MR. FLETCHER: Ayes have it, the motion
- 5 carries. Thank you.
- 6 That brings us next to other
- 7 business. My understanding is Members Abrams,
- 8 Juracek, Fuentes and Vice Chair Nava were unable to
- 9 participate today. There's no legal requirement to
- 10 excuse their absence, however, I acknowledge that
- 11 such members previously reached out to you and you
- 12 as Executive Director said, yes, I understand you
- 13 cannot attend and your absence is excused, is that
- 14 true, Director Meister?
- 15 DIRECTOR MEISTER: Correct.
- 16 MR. FLETCHER: Thank you. That moves us next
- 17 to Agenda Item 12. Is there any matter for
- 18 discussion in closed session? We can open that to
- 19 the room.
- Okay. And hearing none, the next
- 21 regularly scheduled meeting will be held in person
- 22 on Tuesday, June 11th, 2024.
- 23 CHAIR HOBERT: And with that, there would
- 24 normally be a motion to adjourn, but because we do



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    not have a quorum, the motion will not stand up, and
    so with that, I look forward to seeing everybody at
    the June 11th, 2024, meeting at 9:00 a.m.
    you.
         DIRECTOR MEISTER: Thank you.
         MR. FLETCHER: Meeting is adjourned. The time
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    is 10:17 a.m.
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Page 63
    STATE OF ILLINOIS
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 4
         I, PATRICIA S. MANN, CSR, RPR, a certified
5
    shorthand reporter in the State of Illinois, do
 6
    hereby certify that the above matter was recorded
    stenographically by me and reduced to writing by
 8
    me.
9
         I FURTHER CERTIFY that the foregoing transcript
10
    of the said matter is a true, correct and complete
11
    transcript of the proceedings at the time and place
12
    specified hereinbefore.
13
         I FURTHER CERTIFY that I am not a relative or
14
    employee of any of the parties, nor a relative or
15
    employee of the attorneys of record or financially
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    interested directly or indirectly in this action.
17
         IN WITNESS WHEREOF, I have hereunto set my hand
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    and affixed my seal of office at Chicago, Illinois,
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    this 31st day of May, 2024.
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21
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                      Patricia S. Mann
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                      Patricia S. Mann, CSR, RPR
                      License No. 084-001853
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