

ILLINOIS FINANCE AUTHORITY

December 10, 2019

9:30 a.m.

REGULAR MEETING

Michael A. Bilandic Building

160 North LaSalle Street

Suite S-1000

Chicago, Illinois 60601

- I. Call to Order & Roll Call
- II. Approval of Agenda
- III. Public Comment
- IV. Chairman'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
- IX. Monthly Procurement Report
- X. Correction and Approval of Minutes
- XI. Consideration and Action Regarding Whether to Open Closed Session Minutes from September 11, 2018, June 11, 2019, and October 8, 2019
- XII. Other Business
- XIII. Closed Session
- XIV. Adjournment

NEW BUSINESS

CONDUIT FINANCING PROJECTS

| Tab | Project Name | Location | Amount | New Jobs | Const. Jobs | Staff |
|--|---|--------------------------------------|----------------------|----------|-------------|-------|
| Private Activity Bonds - Revenue Bonds <i>Preliminary</i> | | | | | | |
| 1 | Roosevelt University | Chicago and Schaumburg (Cook County) | \$15,000,000 | - | TBD | RF/BF |
| Private Activity Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i> | | | | | | |
| 2 | The University of Chicago Medical Center | Chicago (Cook County) | \$50,000,000 | - | - | SP |
| 3 | Notre Dame College Prep | Niles (Cook County) | \$7,000,000 | 3 | - | RF/BF |
| 4 | Beginning Farmer - Joshua Nicholas Elsberry | Stratton Township (Edgar County) | \$97,250 | - | - | LK |
| Local Government Program Bonds - Revenue Bonds <i>Final (One-Time Consideration)</i> | | | | | | |
| 5 | Community High School District Number 99, DuPage County | Downers Grove (DuPage County) | \$75,950,000 | - | 320 | RF/BF |
| TOTAL CONDUIT FINANCING PROJECTS | | | \$148,047,250 | 3 | 320 | |
| GRAND TOTAL | | | \$148,047,250 | 3 | 320 | |

RESOLUTIONS

| Tab | Action | Staff |
|--|--|-------|
| Conduit Financings | | |
| 6 | Resolution Authorizing the Execution and Delivery of a First Amendment to Bond and Loan Agreement Relating to the Illinois Finance Authority Revenue Refunding Bond, Series 2016 (Elmhurst College) to Provide for Certain Amendments Relating to the Interest Rate Determination and Certain Other Matters; Authorizing the Execution and Delivery of Any Other Documents Necessary or Appropriate to Effect the Matters Set Forth in Such First Amendment; and Authorizing and Approving Related Matters | RF/BF |
| 7 | Resolution Relating to the Illinois Finance Authority Revenue Bonds, Series 2008A (Advocate Health Care Network), Issued in the Original Aggregate Principal Amount of \$153,430,000 and Comprised of Three Subseries Designated as Series 2008A-1, Series 2008A-2 and Series 2008A-3 | SP |
| 8 | Resolution Authorizing Amendments to the Bond Trust Indentures Relating to the Illinois Finance Authority Variable Rate Revenue Bonds, Series 2012A and Series 2012B (Rosecrance, Inc.), the Proceeds of Which Were Loaned to Rosecrance, Inc. | SP |
| 9 | Resolution of Intent Requesting an Initial Allocation of Private Activity Volume Cap in the Amount of \$120,000,000 | CM |
| Direct and Alternative Financings | | |
| 10 | Resolution Authorizing the Illinois Finance Authority to Assist the Illinois Department of Commerce and Economic Opportunity in connection with the Advantage Illinois Program | CM |
| Executive | | |
| 11 | Resolution Appointing the Executive Director of the Illinois Finance Authority | Chair |

NEW BUSINESS

SUBJECT MATTER-ONLY

| Tab | Action | Staff |
|--|---|-------|
| Conduit Financings | | |
| 12 | Advanced Refunding with Taxable Debt | SP/JS |
| Direct and Alternative Financings | | |
| 13 | Transformation Initiative: Authority's Role with respect to the Report of the Governor's Pension Consolidation Task Force; Legislation Passed Both Houses – Sent to Governor: Senate Bill ("SB") 1300 f/k/a SB 616 | WA |
| Governance, Personnel, and Ethics | | |
| 14 | Personal Services Contracts ("PSC") Extensions | JS |

Date: December 10, 2019

To: Eric Anderberg, Chairman
Michael W. Goetz, Vice Chairman
James J. Fuentes
William Hobert
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
Bradley A. Zeller

Roxanne Nava
George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
Randal Wexler
Jeffrey Wright

From: Christopher B. Meister, Executive Director

Subject: *Message from the Executive Director*

Dear Member of the Authority:

Annual Appointment of the Executive Director

Since 2009, the Authority has been considering the appointment of its Executive Director each year at its December meeting. With respect to this matter, the Illinois Finance Authority Act states:

From nominations received from the Governor, the members of the Authority shall appoint an Executive Director who shall be a person knowledgeable in the areas of financial markets and instruments, to hold office for a one-year term. The Executive Director shall be the chief administrative and operational officer of the Authority and shall direct and supervise its administrative affairs and general management and perform such other duties as may be prescribed from time to time by the members and shall receive compensation fixed by the Authority. The Executive Director or any committee of members may carry out such responsibilities of the members as the members by resolution may delegate.

20 ILCS 3501/801-15

Since 2016, matters relating to the selection, evaluation and compensation of the Executive Director have been the jurisdiction of the Authority's Executive Committee.

We can all take pride in the impact of our work on behalf of the people of Illinois since last December. Our successes, demonstrated by an unwavering commitment to the issuance of federally tax-exempt conduit bonds (or private activity bonds) and the launch of the ***Transformation Initiative***, would not have been possible without engaged and effective leadership by Members of the Authority ("Members") and the hard work of our professional staff team. I thank each of the Members and all of my colleagues on the Authority team for their dedication and support over the past year. Accordingly, I humbly ask the Governor, our Chairman and all of the Members for the opportunity to hold office as the Authority's Executive Director for another one-year term.

First Property Assessed Clean Energy (“PACE”) Bond Issued

Last month, the Authority successfully issued the first Property Assessed Clean Energy Bond in Illinois history. Proceeds of the \$21.25 million PACE Bond issued on November 8, 2019 will fund energy efficiency and water use improvements in connection with a gut rehab of the 5 upper floors of 208 S. LaSalle Street in Chicago to become the new Reserve Hotel. The PACE project will support 200 construction jobs and save an estimated \$3 million in operating expenses over approximately 25 years once construction is complete. Authority staff looks at PACE as a strong asset class capable of supporting a great deal of economic and sustainable development and looks forward to seeing it deployed across a variety of property and project types.

Diverse Agenda

Staff is also proud to present for consideration bond resolutions for qualified borrowers seeking to benefit from the tax-exempt financing market and the Authority’s continual excellent customer service, including ***Roosevelt University, The University of Chicago Medical Center, Notre Dame College Prep, and Community High School District Number 99, DuPage County.*** District 99 consists of two high schools serving the communities of Downers Grove and Woodridge as well as portions of Oak Brook, Lombard, Darien, Lisle, Westmont, and Bolingbrook.

Talent Retention, Development, and Acquisition Framework

Consistent with the principles of the public-sector *Rutan* framework, the Authority seeks to continue retention and development of talent that matches the organizational needs of our ***Transformation Initiative***. Over the past twelve months, our revised recruitment and hiring process had led to the addition of eight skilled and diverse staff members of the Authority’s team – the largest cohort of new employees hired since the Authority’s creation in January 2004 – bringing the Authority’s staff size to 24 individuals. As highlighted at the November 2019 meeting, this new cohort allows the Authority to strengthen its segregation of duties and provide both capacity redundancy and a talent succession framework. Critical to this talent strategy is the use of Personal Services Contracts (“PSC”). The Members will receive a status report on the use and extension of certain PSCs.

Authority Accomplishments of the Past Twelve Months

Calendar Year 2019 has been a productive and successful year for the Authority. We are proud to look back and highlight a few of the Authority’s many accomplishments:

1. ***PACE.*** The successful creation of the first new Authority product with the potential to be an ongoing asset class on the scale of federally tax-exempt conduit bonds: PACE. After approximately a decade of gestation in the General Assembly and three major pieces of legislation (2017, 2018 and most recently, ***Public Act 101-0169***, the PACE Act technical rewrite), the Authority also successfully closed the first PACE bond financing in Illinois in collaboration with the City of Chicago. To date, PACE is the most significant revenue and impact result of the ***Transformation Initiative***.

2. ***Water Infrastructure Finance.*** Successfully priced and closed the ***State of Illinois Clean Water Initiative Revolving Fund Revenue Bonds, Series 2019 (Green Bonds)*** (State Revolving Fund or “SRF”) on behalf of the Authority and the Illinois Environmental Protection Agency. Consistent with Governor Pritzker’s Executive Order No. 6, this AAA-rated bond issue

(S&PGlobal; Fitch) was the State of Illinois' inaugural Green Bond issue. During pricing, an anchor order from a Green Bond investor allowed the transaction to hold its pricing levels despite a negative tone in the fixed income markets. The Authority also played a key role in the City of Joliet's decision to apply for a United States Environmental Protection Agency ("USEPA") **Water Infrastructure Finance and Innovation Act ("WIFIA")** loan. WIFIA loans accelerate investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. USEPA subsequently invited Joliet to apply to WIFIA to finance Joliet's Alternative Water Source Program to access a new source for drinking water to replace the City's reliance on a deep sandstone aquifer. Joliet was the first Illinois borrower to be invited by USEPA to apply for a WIFIA loan. Like the USEPA SRF tool, WIFIA will save local tax and rate payers money by lowering the cost of capital for essential water infrastructure projects.

3. **Returning Private Sector Borrowers.** Welcomed back two shareholder-own corporate borrowers, after over a decade, **Waste Management, Inc.**, the leading waste management environmental service company in North America, and **American Water Capital Corp.**, the largest and most geographically diverse publicly traded water and wastewater utility company in the United States. The Authority will build on these renewed partnerships to bring future bond issues to finance projects under the Solid Waste Disposal Facilities Bond Program and Exempt Facilities Bonds. We look forward to maintaining the Authority's traditional national leadership position in issuing tax-exempt conduit bonds for taxpaying borrowers, including infrastructure and environmental projects, family-owned manufacturing facilities, and first-time farmers.

4. **Employee-Employer Value Proposition.** Implemented our new **Talent Retention, Development, and Acquisition Framework** referenced earlier in this message.

5. **Ended Fiscal Year 2019 in the Black.** Effectively managed operating expenses for Fiscal Year 2019, projected at the start of the fiscal year in July 2018 to exceed total annual revenues. The Authority ended fiscal year 2019 with net income of \$6 thousand despite the approved budget forecasting a net loss due to general uncertainty resulting from the impact of the 2017 federal tax law. Positive net income was achieved through careful management and monitoring of expenditures (\$388 thousand, or 7.8% lower than budget) and through higher than anticipated revenues (\$676 thousand, or 17.4% higher than budget).

Respectfully,

Christopher B. Meister
Executive Director

December 10, 2019

\$15,000,000 (not-to-exceed amount - Preliminary Bond Resolution) Roosevelt University

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|--|--|---------------|-------------------|--------------------|
| REQUEST – APPROVAL OF THE PRELIMINARY BOND RESOLUTION (THE RESOLUTION IS PRESENTED UNDER SEPARATE COVER) | <p>Purpose: Bond proceeds will be loaned to Roosevelt University, an Illinois not for profit corporation (the “University” or “Roosevelt”), potentially in multiple series and subseries, to provide all or a portion of the funds for the purpose of (i) paying or reimbursing the University for the payment of the costs of acquiring certain assets of Robert Morris University (“RMU”); (ii) paying or reimbursing the University for payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs and (iii) paying certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Illinois Finance Authority Act (the “Act”, and collectively, the “Financing Purposes”).</p> <p>The educational facilities being financed and refinanced from the proceeds of the Bonds or securing the Bonds are (i) owned and operated by the University and (ii) located on land and/or properties owned by the University at or near 421-425 South Wabash Avenue, Chicago, Illinois (Wabash Building), 430 South Michigan Avenue, Chicago, Illinois (Auditorium Building), 501 South Wabash Avenue, Chicago, Illinois 60605 (Goodman Center), and 1400 North Roosevelt Boulevard, Schaumburg, Illinois 60173 (Schaumburg Campus).</p> <p>Program: 501(c)(3) Revenue Bonds Extraordinary Conditions: None. No IFA Funds at risk. No State Funds at risk.</p> | | | |
| BOARD ACTION | Preliminary Bond Resolution | | | |
| MATERIAL CHANGES | This is the first time this matter has been considered by the IFA Board of Directors. | | | |
| JOB DATA (AS REPORTED IN THE UNIVERSITY’S 2018 EMMA FILING POSTED IN FEBRUARY 2019 AND AS UPDATED IN THE UNIVERSITY’S OCTOBER 2019 WEBSITE “FACTS AT A GLANCE” POSTING) | 201 Faculty (Full-time) 379 Staff (Full-time) | Current jobs | N/A | New jobs projected |
| | Not Estimated | Jobs Retained | Not available yet | Construction Jobs |
| BORROWER DESCRIPTION | <ul style="list-style-type: none">● Campus locations: Chicago and Schaumburg (Cook County/Northeast Region)● Type of entity: Roosevelt University is a private co-educational, non-sectarian institute of higher education established in 1945.● Roosevelt enrolled approximately 4,329 students (undergraduate and graduate) at its campuses in Chicago and Schaumburg in Fall 2018 (FY 2019). Approximately 78.2% of FY 2018 credit hours reflected enrollment at its Loop Campus. The Schaumburg campus is home to the University’s School of Pharmacy and its doctoral program in Industrial-Organizational Psychology. | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none">● Roosevelt’s outstanding debt is currently rated by Moody’s and Fitch. The University’s IFA Series 2007 Bonds are currently rated ‘B1’ / ‘BB-’ (Moody’s/Fitch) as of 11/20/2019. Fitch downgraded Roosevelt’s Series 2007 Bonds from ‘BB’ (Stable Outlook) to ‘BB-’ (Stable Outlook) as assigned as of 3/28/2019. Moody’s most recent ratings action occurred as of 6/29/2018 when Moody’s downgraded Roosevelt’s long-term rating on the Series 2007 Bonds from ‘Baa2’ (Negative Outlook) to ‘B1’ (Negative Outlook).● The Series 2020 Bonds will be on parity with the IFA Series 2018A/2018B/2019A Bonds and are expected to have materially the same covenants and restrictions.● As with the University’s outstanding IFA Series 2018A, 2018B, and 2019A Bonds, the Series 2020 Bonds will be a general obligation of the University. Additionally, it is anticipated that the Series 2020 bondholders will participate on a <i>parri passu</i> (i.e., <i>pro rata</i> allocation) basis in the mortgage security offered to the existing IFA Series 2018A/2018B/2019A bondholders. Pledged mortgage collateral consists of all real property owned by Roosevelt University and consisting of (i) its flagship 32-story 425 S. Wabash Building (the “Wabash Building”) office-administration/classroom/student residences) which opened in 2012, (ii) its 501 S. Wabash (“Goodman Center”) Athletic/Recreation Center which opened in 2012, (iii) 430 S. Michigan Ave., Chicago, IL 60605 (“Auditorium Theatre Building”), and (iv) its Schaumburg (Ronin) Campus at 1400 N. Roosevelt Blvd., Schaumburg, IL, 60173 (renovated in 1995). | | | |
| STRUCTURE | <ul style="list-style-type: none">● <u>The IFA Series 2020 Bonds, as contemplated, will be privately placed on a non-rated basis by an underwriter to be determined</u> (and selected by the University prior to documentation; the underwriter will be identified and disclosed to the IFA Board at such time a Final Bond Resolution is presented for | | | |

| | | | | |
|--|--|----------------------------|---|----------------------------|
| STRUCTURE (CONT'D.) | <i>consideration</i>). The initial private placement purchaser will be Preston Hollow Capital, LLC of Dallas, TX. Sale of the privately placed IFA Series 2020 Bonds will be limited to Accredited Investors and/or Qualified Institutional Buyers in minimum denominations of \$100,000 (and thereby sold in a manner consistent with existing IFA Bond Program Handbook requirements). ● Note: The non-rated Bonds will be sold pursuant to Bond Purchase Agreement(s) and Investor Letter(s) that will satisfy all existing IFA Bond Program Handbook policies (i.e., Bonds will be sold in minimum denominations of \$100,000 and will be non-rated). Accordingly, no policy exceptions regarding IFA’s minimum bond denomination policy will be necessary. <i>Additional information describing Roosevelt’s credit rating history is presented on pp. 5-6.</i> ● Interest Rate: It is contemplated that the Series 2020 Bonds will be sold as fixed rate in one or more series, with a maximum maturity of up to 30 years from issuance. Although it is anticipated that most of the Bonds will be eligible to be sold on a tax-exempt basis, it is possible that a portion of the Bonds may also be sold on a taxable basis. ● Maturity: 30 years (anticipated; preliminary, subject to change) | | | |
| SOURCES AND USES (PRELIMINARY ESTIMATES – SUBJECT TO CHANGE - ADDITIONAL DETAILS WILL BE PROVIDED AT FINAL BOND RESOLUTION) | Sources: | | Uses: | |
| | Series 2020 Bonds | \$15,000,000 | Capital Expenditures (including paying or reimbursing the University for the payment of, the costs of acquiring certain assets of Robert Morris University) | \$15,000,000 |
| | Equity: | <u>450,000</u> | Costs of Issuance | <u>450,000</u> |
| | Total | <u>\$15,450,000</u> | Total | <u>\$15,450,000</u> |
| | Costs of issuance are expected to be paid from borrower equity (preliminary, subject to change). | | | |
| RECOMMENDATION | Project Review Committee recommends approval of a Preliminary Bond Resolution for this financing (in substantially the form presented to the IFA Board under separate cover). | | | |

**ILLINOIS FINANCE AUTHORITY
PROJECT SUMMARY REPORT
December 10, 2019**

INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE

Project: Roosevelt University

STATISTICS

| | | | |
|--------------|-------------------------|------------|-------------------------------------|
| IFA Project: | 12438 | Amount: | \$15,000,000 (not-to-exceed amount) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Rich Frampton and Brad R. Fletcher |
| Location: | Chicago and Schaumburg | County/ | |
| | | Region: | Cook / Northeast |

BOARD ACTION

| | |
|---------------------------------|-----------------------------|
| Preliminary Bond Resolution | No IFA funds at risk |
| Conduit 501(c)(3) Revenue Bonds | No extraordinary conditions |

Project Review Committee recommends approval of a Preliminary Bond Resolution (in substantially the form presented to the IFA Board under separate cover).

VOTING RECORD

This is the first time this matter has been considered by the IFA Board of Directors.

PURPOSE

The Borrower and financing team currently anticipate that the Series 2020 Bonds will be issued for the purpose of (i) paying or reimbursing the University for the payment of the costs of acquiring certain assets of **Robert Morris University** (“RMU”); (ii) paying or reimbursing the University for payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs and (iii) paying certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. The IFA’s issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

VOLUME CAP

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

FINANCING SUMMARY

Structure – *Private*

Placement;

Investor Letter;

Restrictions on

Transfers: It is anticipated that the Series 2020 Bonds will be sold by an underwriter to be determined on a private placement basis to Preston Hollow Capital, LLC of Dallas, Texas. (**Note:** Roosevelt University will engage an Underwriter when transaction documentation commences.)

Accordingly, the Underwriter and Underwriter's Counsel will be identified and disclosed in a future IFA Board Summary Report that would be presented in connection with a subsequent University request for consideration of a Final Bond Resolution.)

Preston Hollow Capital, LLC, as the initial purchaser, will be required to deliver an investor letter to the Authority (in the form approved by counsel to the Authority and consistent with the Authority's Bond Program Handbook requirements, as amended and supplemented) stating, among other things, that Preston Hollow satisfies the specified 'tests' for being considered (i) an institutional **"Accredited Investor"** ("AI") within the meaning of Regulation D, Sections 501 through 506, or (ii) a **"Qualified Institutional Buyer"** ("QIB") within the meaning of Rule 144A, under the Securities Act of 1933, as amended.

Additionally, the Bond Indenture shall contain such restrictions, as counsel to the Authority shall reasonably determine are necessary or advisable, on the transfer of the Series 2020 Bonds by the Purchaser or by any Accredited Investor or Qualified Institutional Buyer to which the Purchaser transfers the Series 2020 Bonds.

Note: No exception to any IFA Bond Program Handbook provision is being requested at this time. Nevertheless, in the event the Series 2020 Bonds are subsequently rated and assigned an investment grade rating, it is expected that the Loan Agreement will be drafted to provide appropriate covenants that would permit the Series 2020 Bonds to be sold to non-institutional (i.e., non-AI, non-QIB) investors under appropriate specified conditions.

| | |
|----------------------|---|
| Bondholder Security: | The Series 2020 Bonds will be secured by (i) a general unrestricted revenue pledge of the University and (ii) a mortgage on the University's real estate holdings, including substantially all of the University's real estate holdings located in Chicago and Schaumburg. |
| Interest Rate: | The Bonds may be sold in one or more series with varying maturities of up to 30 years (preliminary expectation as of 12/5/2019). |
| Maturity: | The estimated not-to-exceed parameter is 30 years (preliminary, subject to change) |
| Ratings: | Although the Series 2018 Bonds will be sold on a non-rated basis (and privately placed by an underwriter (to be determined) with sale and resale restricted to Accredited Investors and Qualified Institutional Buyers), the University plans to maintain its Moody's and Fitch debt ratings on its Series 2007 Bonds (approximately \$35.4 million) through the scheduled final maturity date of 4/1/2037. |

Below are the University's current ratings on its IFA Series 2007 as of 10/20/2019.

Current Long-Term Debt/Issue Ratings and most recently reported ratings actions for the IFA Series 2007 Bonds (Roosevelt University) – as of 11/20/2019:

IFA Series 2007 Bonds:

- Moody's: 'B1'
 - Moody's downgraded from 'Ba2' (Negative Outlook) to 'B1' (Negative Outlook) effective 6/29/2018
- Fitch: 'BB-'
 - Fitch downgraded the University's long-term debt rating from 'BB' (Stable Outlook) to 'BB-' (Stable Outlook) as of 3/28/2019.

Links to EMMA Disclosures on Roosevelt University's Debt Ratings History and filings related to its Series 2007 Bonds:

Series 2007 Bonds:

<https://emma.msrb.org/Security/Details/AC0D763B1977B4B7BE9A6E880E9B0EC6C>

Note: Unlike the proposed IFA Series 2020 Bonds, and the outstanding IFA Series 2018A-B and IFA Series 2019A Bonds, the Series 2007 Bonds **are not** secured by Mortgages on the University's real estate holdings. (Note: the original IFA Series 2009 Bonds which were refunded University-issued Taxable Bonds in 2018 and refunded with the Series 2019A Bonds in July 2019, were also secured by mortgages on certain of the University's properties.)

Estimated
Closing Date: February 2020 or later

Rationale: The tax-exempt status of the proposed IFA Series 2020 Bonds will be integral in helping the University reduce its borrowing costs, enabling Roosevelt to maintain affordable tuition, maintain its infrastructure, provide new course offerings, and accelerate integration of Robert Morris University's operations into Roosevelt University to accomplish objectives of the Roosevelt University - Robert Morris University merger announced on October 2, 2019.

BUSINESS SUMMARY

Background: **Roosevelt University** ("Roosevelt" or the "University") is a private, non-sectarian, Illinois not-for-profit institution of higher education with campuses located in downtown Chicago and in Schaumburg (located SW of the I-290/I-90 (Jane Adams Tollway) interchange). The University was established in 1945 and was named in honor of both former President Franklin D. Roosevelt and First Lady Eleanor Roosevelt. The University is incorporated as a 501(c)(3) corporation for federal income tax purposes.

The University is governed by a 31-member Board of Trustees (see pp. 10-11). Additionally, there are 7 Life Trustees and 3 Honorary Trustees.

There is one additional organizational unit (The Auditorium Theatre of Roosevelt University, Inc. or "The Auditorium Theatre", and Illinois not-for-profit corporation) whose financial results are consolidated with the University

As presented in the University's most recent EMMA-posted audit report (FYE 8/31/2019), unrestricted operating revenues of the Auditorium Theatre comprised less than 1.5% of the Unrestricted Consolidated Operating Revenues of Roosevelt University and its affiliates.

Description: The University was initially chartered as Thomas Jefferson College on March 28, 1945 and had financial backing from Marshall Field III, the Julius Rosenwald Foundation, the International Ladies' Garment Workers Union, and numerous others. Two weeks later, President Franklin D. Roosevelt died. The college obtained his widow Eleanor's permission to rename the institution as Roosevelt College in President Roosevelt's memory (the College was later rededicated to both Franklin and Eleanor Roosevelt in 1959).

The University is a four-year university with campuses in the Loop and Schaumburg. The University's stated mission has been "to make higher education available to all academically qualified students regardless of their background".

Roosevelt University - Facilities and Physical Expansion:

- **In 1947, Roosevelt purchased the historic Auditorium Building at 430 S. Michigan Ave.** which has housed the University's Chicago classes since that time, numerous administrative offices, and the Auditorium Theatre of Roosevelt University.

- **In August 1996, the University opened its Albert A. Robin Campus in Schaumburg (occupying 225,000 SF on approximately 27 acres of land which repurposed a portion of the former regional headquarters facility of the Union Oil Company of California (after a donation from Mr. Albert A. Robin)).** The Schaumburg campus is home to the University’s Doctor of Pharmacy program, which accepted its inaugural class in July 2011 and received full accreditation in 2014. The Schaumburg campus is also home to the University’s Industrial-Organizational Psychology Ph.D. program.
- **In 2007, the University expanded its downtown Chicago footprint by acquiring approximately 126,000 SF of office condominium space in the Gage Building located at 18-28 S. Michigan Avenue.** Roosevelt sold its Gage Building office condominium space to National Louis University in December 2018 (see p. 7 for Strategic Real Estate Divestitures).
- **In 2012, the University opened the Lillian and Larry Goodman Center (the “Goodman Center” is located at 501 S. Wabash Ave., (SE corner of E. Congress Pkwy. and S. Wabash Ave)).** The Goodman Center is a two-story, 27,834-gross-square-foot athletic facility field house featuring a multi-purpose gymnasium on the second floor and first-floor space containing offices, meeting rooms, a team lounge, locker rooms, an athletic training room, and a strength and conditioning center which is also home to Roosevelt’s indoor intercollegiate athletic teams.
- **In 2012, the University opened its new, 32-story downtown campus facility at 421-425 S. Wabash Avenue, known as the “Wabash Building”.** The Wabash Building is the second-tallest higher education building in the U.S. and the sixth tallest in the world. The Wabash Building serves as a “vertical campus” and is a multi-purpose building hosting (i) classrooms, (ii) science labs, (iii) administrative offices, and (iv) approximately 600 beds of student residences (located on floors 14-32), with shared lounges overlooking Lake Michigan on each floor). *The Wabash Building was partially financed (development cost of approximately \$123MM according to published reports) with a portion of the proceeds of an approximately \$183.64MM IFA bond issue (December 9, 2009).*

Roosevelt University - Strategic Real Estate Divestitures:

- **In August 2017, the University sold its ownership interest in the Educational Advancement Fund, Inc., a 1,729-bed University Center Chicago student housing facility.** (The University Center Chicago project was owned by the Educational Advancement Fund, Inc. (“EAF”), a joint venture special purpose corporation that was co-owned by Roosevelt University, DePaul University, and Columbia College Chicago to construct, own, and operate the University Center Chicago facility.) The University continues to lease space in the building for its students under an agreement.
- **In December 2018, Roosevelt sold 100% of the Gage Building office space (comprising administrative and faculty offices and classroom space) to National Louis University.** In advance of this divestiture, Roosevelt had relocated offices and moved classes previously located at the Gage Building to its Wabash Building (421-425 S. Wabash) and Auditorium Building (430 S. Michigan Ave.). (IFA issued \$26.5 million of Bonds on behalf of National Louis University in early 2019, with a portion of the proceeds to be applied to finance renovations to the Gage Building space to enable relocation and consolidation of Kendall College into National Louis University.)

Recent Development – October 2, 2019 – Announcement of Merger/Integration of Robert Morris University (Illinois) into Roosevelt University:

On October 2, 2019, Roosevelt University and Robert Morris University (Illinois) announced submission of an application by Roosevelt University to the Higher Learning Commission to make Robert Morris University a part of Roosevelt (with a decision anticipated in Spring 2020). The new university would continue to be named Roosevelt University. Roosevelt is planning to create a new college within the University, the Robert Morris Experiential College, in which Robert Morris programs not currently offered by Roosevelt would reside (e.g., nursing, allied health, and culinary programs). The integration of Robert Morris University's nursing program and associate degree programs in allied health would increase facility utilization at Roosevelt's Schaumburg campus (where Roosevelt's Pharmacy College is located) and complement Roosevelt's baccalaureate programs in biology, biochemistry, allied health, and health science administration. Certain Robert Morris programs would be offered at Roosevelt's Chicago campus and online.

According to Roosevelt's website blog on the RU-RMU merger, the intent of the merger is consistent with Roosevelt's key strategic initiatives which include (i) improving (i.e., increasing) enrollments; (ii) increasing revenues; and (iii) reducing expenses.

Academics, Faculty, and Student Body:

Roosevelt University currently offers undergraduate (64 majors and 38 minors) and graduate degrees (54 graduate programs and 3 doctoral programs) through five colleges: the College of Arts and Sciences, the Heller College of Business, the Chicago College of Performing Arts, the College of Education, and the College of Pharmacy.

- Roosevelt University's top 5 undergraduate majors according to *US News and World Report* (2018) were: Psychology; Biology; Hospitality Administration/Management; Management Science; and Accounting.
- The 10 most popular degree programs for Graduate Students in recent years have been: MBA, Pharmacy (PharmD), Clinical Psychology (MA); Clinical Psychology (PsyD); Industrial/Organizational Psychology (MA); Human Resources Management (MSHRM); Computer Science (MS); Clinical Mental Health Counseling (MA); Accounting (MSA); and, Integrated Marketing Communications (MS).

According to the University's most recent public postings (including its annual Financial Disclosure posting on EMMA in February 2019), Roosevelt's publicly disseminated enrollment information and facts for academic year 2018-2019 included the following:

- Enrollment (headcount) of 4,329 as of Fall 2018 (FY 2019), comprised of 2,419 undergraduate students and 1,910 graduate and doctoral students;
- 213 full-time faculty, with 87% of full-time faculty holding a Ph.D. degree or equivalent;
- A student/faculty ratio of 10:1; and
- An average class size of approximately 189.

Accreditation:

The University is accredited as a Higher Education University by the Higher Learning Commission of the North Central Association of Colleges and Schools.

Additionally, specialized academic programs have also received program-specific accreditation focusing on the curriculum, faculty resources, and specific methods of assessment for a specific academic and/or professional discipline. Currently held professional accreditations include:

- Accreditation Council for Pharmacy Education (ACPE)
- American Bar Association

- American Chemical Society
- American Psychological Association (PSYD)
- Association of Collegiate Business Schools and Programs
- Council for Accreditation of Counseling and Related Education Programs
- Council for the Accreditation of Educator Preparation
- Illinois Veterans Commission
- National Association of Schools of Music

Press Recognition regarding Campus Diversity:

Roosevelt has been ranked as the third most diverse higher education institution in the Midwest in the 2018 edition of the *U.S. News & World Report Annual Guide to Colleges* while Niche.com ranked Roosevelt the 4th best college location in Illinois in 2019 with the sixth-best residence hall in Illinois.

Key Management: About Roosevelt's (1) President (Dr. Ali R. Malekzadeh) and (2) Chief Financial Officer (Mr. Andrew Harris):

- **Dr. Ali R. Malekzadeh (Ph.D.) – President:** Since becoming Roosevelt's President in 2015, Malekzadeh has worked to raise over \$37 million for student scholarships and grants, and continues to stabilize enrollments. He is a strong advocate for faculty research and innovation, established a Professional Mentoring Program for students, and created a Chicago-area council for diversity and inclusion. Under Malekzadeh's leadership, Roosevelt has expanded services for veterans and students with disabilities, and focused on new programs for multicultural students. Prior to Roosevelt, Malekzadeh served as the Edgerley Family Dean of the College of Business Administration at Kansas State University, where he increased annual fundraising from an average of \$2 million to more than \$40 million, and led the business college in raising funding for a new business education building. Before becoming dean at Kansas State in 2011, Dr. Malekzadeh spent a combined 13 years as dean of the business schools at Xavier University in Cincinnati and St. Cloud State University in St. Cloud, Minnesota.

Dr. Malekzadeh earned his doctorate in business administration with an emphasis on strategic management from the University of Utah, and a bachelor's in management and Masters in Business Administration from the University of Denver.

- **Mr. Andrew Harris – Vice President and Chief Financial Officer:** Mr. Harris joined Roosevelt as Chief Financial Officer on June 1, 2018. Mr. Harris is a senior financial and operational leader with more than 25 years in the higher education, non-profit and government sectors, including both higher education and the military. Mr. Harris has served public and private universities at the vice president level in finance, budgeting, treasury/cash operations, technology and general administration. Mr. Harris' higher education career began in Boston University ("BU"), where he worked 14 years and assisted in the transformation of BU from a commuter school to a comprehensive university with membership in the Association of American Universities. Subsequently, Mr. Harris joined the University of Chicago ("UofC") as associate vice president and university budget director, where he was also involved in bond issues to fund expansion of the UofC's physical plant.

Mr. Harris' UofC tenure was punctuated by an overseas tour of duty with his military unit, the first of two deployments in his career. Mr. Harris ultimately attained the rank of colonel, commanded an infantry brigade combat team, and recently retired from the Vermont Army National Guard for which he last served as chief of staff.

Following his military deployment, Mr. Harris joined the University of North Texas ("UNT"), where he served in a dual role as (1) vice chancellor for finance of the UNT System and (2) vice president for finance and administration at the flagship campus,

where he had regular and sustained interaction with governing boards, legislative bodies and a variety of external entities important to public higher education in Texas.

During Mr. Harris' nearly 6½-year tenure at UNT and UNT System his accomplishments included:

1. Attaining a double upgrade of UNT's bond rating from 'A1' to 'Aa2' (Moody's).
2. Securing financing large-scale campus building projects including: (a) a football stadium, (b) business school, (c) student union, and (d) other campus infrastructure projects.
3. Implementing a long-term investment pool that added millions in unrestricted cash to the operating budget of UNT.

Mr. Harris is a graduate of the Boston University Questrom School of Business and the U.S. Army War College, having earned an MBA and a Master's degree in strategic studies.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be loaned to Roosevelt University, an Illinois not for profit corporation (the "**University**" or "**Roosevelt**"), potentially in multiple series and subseries, to provide all or a portion of the funds for the purpose of (i) paying or reimbursing the University for the payment of the costs of acquiring certain assets of **Robert Morris University ("RMU")**; (ii) paying or reimbursing the University for payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs and (iii) paying certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the "**Financing Purposes**").

The educational facilities being financed and refinanced from the proceeds of the Bonds or securing the Bonds are (i) owned and operated by the University and (ii) located on land and/or properties owned by the University at or near 421-425 South Wabash Avenue, Chicago, Illinois (Wabash Building), 430 South Michigan Avenue, Chicago, Illinois (Auditorium Building), 501 South Wabash Avenue, Chicago, Illinois 60605 (Goodman Center), and 1400 North Roosevelt Boulevard, Schaumburg, Illinois 60173 (Schaumburg Campus).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Roosevelt University, 430 S. Michigan Ave. Chicago, IL 60605
Contact: Mr. Andrew Harris, CFO, 430 S. Michigan Ave. Chicago, IL 60605; (T) 312.341.3583 email: aharris52@roosevelt.edu

Applicant Website: <http://www.roosevelt.edu>
Project name: Illinois Finance Authority Revenue Bonds, Series 2020 (Roosevelt University Project)

Locations –
Subject to
Mortgage: (1) **Loop Campus Buildings:** at or near 421-425 S. Wabash Ave., Chicago IL 60605 (Wabash Building); 430 S. Michigan Ave., Chicago, IL 60605 (Auditorium Building), and 501 S. Wabash Avenue, Chicago, IL 60605 (Goodman Center)
(2) **Schaumburg Campus facilities:** located at or near 1400 N. Roosevelt Blvd., Schaumburg, IL, 60173

Organization: Illinois not-for-profit corporation; incorporated as a 501(c)(3) not-for-profit corporation for federal income tax purposes

Roosevelt
University's
Board of
Trustees:

Roosevelt University's Board of Trustees (as posted on the University's website as of 11/14/2019):

Chair/Vice Chair/Officers – Roosevelt University Board of Trustees:

Chair

- Patricia Harris (BGS, '80) – Global Chief Diversity Officer and VP of Global Community Engagement, McDonald's Corporation

Senior Vice Chairs

- Melvin L. Katten, Senior Counsel, Katten Muchin Rosenman LLP
- Robert Mednick (BS, '62), Retired Managing Partner, Andersen Worldwide
- Kenneth L. Tucker (BS, '54), Principal, Kenneth L. Tucker Company

Vice Chair

- Susan T. Bart, Partner, Schiff Hardin LLP

Secretary to the Board

- Bruce A. Crown, Chairman, BevBar, Inc.

Public Members – Roosevelt University Board of Trustees:

- Steven H. Abbey, Senior Vice President, Huntington Bank
- Marian Azzaro, Faculty Trustee (Associate Professor of Integrated Marketing, Roosevelt University)
- Tom Balanoff, President, SEIU Local 1
- Stephen Cerrone, Chief Human Resources Officer, SunEdison
- Mark Crayton, Faculty Trustee (Lecturer Voice – Chicago College of Performing Arts, Roosevelt University)
- Maureen A. Ehrenberg, Jones Lang LaSalle
- Gerald W. Fogelson, President, The Fogelson Properties, Inc.
- Ann Ford, Chief Ethics and Compliance Officer – Privacy Officer; Medline Industries, Inc.
- Viki Fuller (BSBA, '79), Former Chief Investment Officer, NYS Common Retirement Fund
- Thomas Gladden, Founder, Macrosight LLC
- John R. Hall, III, Ed.D., CEO, Edugaged, LLC
- Gregory Hauser, Faculty Trustee (Professor of Education Leadership)
- Larissa Herczeg, Managing Director, CIO, Oak Street Real Estate Capital
- Meme Hopmayer
- Abby Kahaleh, Faculty Trustee (Associate Professor of Pharmacy Administration, Roosevelt University)
- John O. Keshner, Managing Director – Endowments and Foundations, The Northern Trust
- William J. Kirby, Retired, FMC Corporation
- Ron Kubit, CCO, Sopris Health
- Robert Y. Paddock, Executive Vice President and Vice Chairman, Paddock Publications, Inc.
- Joseph A. Pasquinelli, Foundation Principal Archideas
- Terry Peterson, VP – Government Affairs, Rush University Medical Center
- Maurice Smith, President, Health Care Service Corporation
- Marek A. Wierzbza, Partner – Assurance & Advisory Business Services, Ernst & Young
- Robert L. Wieseneck (BS, '58), Retired, SPS Payment Systems, Inc.
- Carolyn Wiley, Faculty Trustee (Professor of Management, Roosevelt University)

Life Trustees – Roosevelt University Board of Trustees:

- Charles R. Gardner, Manager, CDCT Land Company LLC
- Joe F. Hanauer, Principal Combined Investments LLC
- David Hiller, President & Chief Executive Officer, Robert R. McCormick Foundation

- Donald S. Hunt, Retired President & COO, Harris Trust and Savings Bank (BMO Harris)
- Robert Johnson, Retired – Johnson Bryce, Inc.
- Anthony R. Pasquinelli, Vice President, BnA Homes LLC
- Anna Eleanor Roosevelt, CEO, Goodwill Industries of Northern New England
- Manfred Steinfeld, Retired – The Steinfeld Consultancy LLC

Honorary Trustees – Roosevelt University Board of Trustees:

- Frederick S. Addy (Chairman Emeritus)
- Barbara T. Bowman
- Charles R. Middleton (President Emeritus)

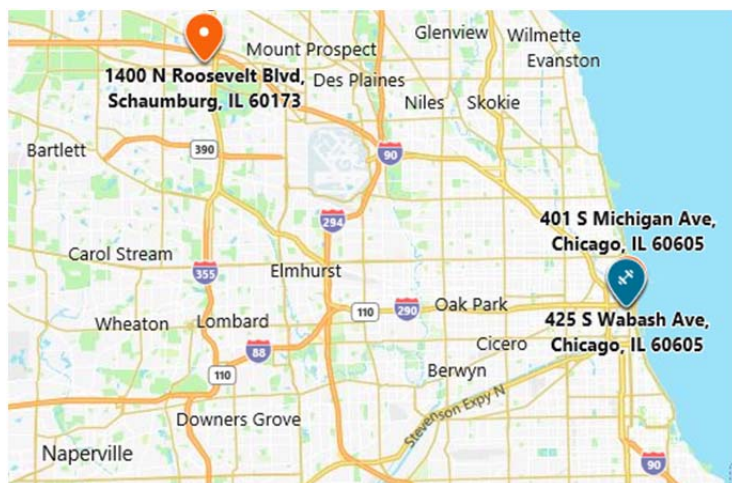
PROFESSIONAL & FINANCIAL

| | | | |
|--|--|----------------------------------|-----------------------------------|
| Auditor: | Crowe Horwath LLP | Chicago, IL | |
| Borrower's Counsel: | Chuhak & Tecson | Chicago, IL | Andrew Tecson |
| Financial Advisor to Borrower: | Columbia Capital Management, LLC | Chicago, IL Overland Park, KS | Jeff White Adam Pope |
| Bond Counsel: | Katten Muchin Rosenman LLP | Chicago, IL | Janet Hoffman Chad Doobay |
| Underwriter: | To be determined by Borrower and Financial Advisor (will be engaged prior to documentation and consideration of IFA Final Bond Resolution) | | |
| Underwriter's Counsel: | To be selected by the Underwriter | | |
| Initial Investor/Bond Purchaser (via Private Placement): | Preston Hollow Capital, LLC | Dallas, TX | Charlie Visconsi |
| Investor's Counsel: | Squire Patton Boggs | Columbus, OH | Greg Daniels |
| Bond Trustee: | BNY Mellon | Chicago, IL | Eydie Wrobel, Robert Hardy |
| IFA Counsel: | To be determined | | |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Phoebe Selden, Brittany Whelen |

LEGISLATIVE DISTRICTS

| | <u>Loop Campus</u> | <u>Schaumburg Campus</u> |
|----------------|-------------------------------|-------------------------------------|
| Congressional: | 7 | 8 |
| State Senate: | 3 | 28 |
| State House: | 5 | 55 |

SITE MAPS – ROOSEVELT UNIVERSITY – PROPERTIES SUBJECT TO MORTGAGE SECURING THE IFA SERIES 2018A-B, IFA SERIES 2019A, AND THE PROPOSED IFA SERIES 2020 BONDS



Source: Bing Maps (Chicago property also includes 501 S. Wabash (Goodman Center))
IFA Public Board Book (Version 4), Page 17

December 10, 2019

\$50,000,000 (not-to-exceed)
The University of Chicago Medical Center

| | | | | | | | | | |
|----------------------|---|-------|-----------------------------|---|--------------------|-----|---------------|---|-----------------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by The University of Chicago Medical Center (“UCMC” or the “Borrower”), together with certain other funds to: (i) refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009B (The University of Chicago Medical Center) (the “Series 2009B Bonds”), and (ii) to pay certain expenses incurred in connection with the refunding of the Series 2009B Bonds and the issuance of the Series 2020 Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | |
| BOARD ACTIONS | Final Bond Resolution (<i>one-time consideration</i>). | | | | | | | | |
| MATERIAL CHANGES | None. This is the first time this project has been presented to the IFA Board of Directors. | | | | | | | | |
| BORROWER JOB DATA | <table><tr><td>7,966</td><td>Current jobs</td><td>0</td><td>New jobs projected</td></tr><tr><td>N/A</td><td>Retained jobs</td><td>0</td><td>Construction jobs projected</td></tr></table> | 7,966 | Current jobs | 0 | New jobs projected | N/A | Retained jobs | 0 | Construction jobs projected |
| 7,966 | Current jobs | 0 | New jobs projected | | | | | | |
| N/A | Retained jobs | 0 | Construction jobs projected | | | | | | |
| BORROWER DESCRIPTION | <ul style="list-style-type: none">• Locations: Chicago (Cook County/Northeast Region)• The Borrower currently operates three hospitals and an ambulatory care facility located on the main campus of the University of Chicago, as well as certain outlying facilities and activities. The Borrower is currently licensed to operate 811 beds, of which 740 beds are currently staffed. The three hospitals operated by the Borrower consist of: (i) the Center for Care and Discovery, an adult patient care facility for complex and specialty care, (ii) Bernard Mitchell Hospital, an adult patient care facility, and (iii) Comer Children’s Hospital.• The Borrower is a member of an obligated group formed in 2019 consisting of the following members: the Borrower, UCM Community Health & Hospital Division, Inc. (formerly, Ingalls Health System) (“CHHD”), The Ingalls Memorial Hospital (“IMH”), Ingalls Home Care (“IHC”) and Ingalls Development Foundation (“IDF” and, together with the Borrower, CHHD, IMH and IHC, the “Members of the Obligated Group”).• Each Member of the Obligated Group is an Illinois not-for-profit corporation which has been recognized as an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Code”) and which are exempt from federal income taxation under Section 501(a) of the Code.• CHHD is the sole corporate member of a hospital facility located in Harvey, Illinois which operates a 485-licensed bed acute care facility, of which 278 beds are currently staffed. CHHD also operates a substantial ambulatory care network, the cornerstones of which are ambulatory care centers located in Tinley Park, Matteson, Calumet City, Flossmoor and Crestwood, IL. Other ambulatory footprints include the Ingalls Center for Outpatient Rehab in Calumet City, IL; Ingalls Wellness Center in Flossmoor, IL; and the Cancer Support Center in Mokena, IL. | | | | | | | | |
| SECURITY | <ul style="list-style-type: none">• All Obligations issued under the Master Trust Indenture, including the Obligation securing the Series 2020 Bonds, will be secured by a security interest in the Unrestricted Receivables of the Members of the Obligated Group. | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none">• The Series 2009B Bonds are currently rated ‘Aa3’ by Moody’s as of April 19, 2018, ‘AA-‘ by S&P as of April 30, 2019 and ‘AA-‘ by Fitch as of June 18, 2018.• The Series 2020 Bonds will not carry a rating. The Series 2020 Bonds, as contemplated, will be a bank direct purchase by JP Morgan Chase Bank (initial sale and secondary market resale will both be limited to Accredited Investors and/or Qualified Institutional Buyers) on a non-rated basis in minimum denominations of \$100,000.• Note: The non-rated Series 2020 Bonds will be sold pursuant to a Forward Bond Purchase Agreement and Investor Letter that will satisfy all existing IFA Bond Program Handbook policies so no policy exceptions will be necessary. | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------|--|-------------------------------|-------------------------------|--|-----------------|--|--------------|--|-----------|-----------------|------------------|-----------------|---------------------|---------|-------------------------------|---------------------|-------------------------|----------------|--|--|--------------|-------------------------------|--------------|-------------------------------|
| STRUCTURE/MATURITY | <ul style="list-style-type: none">• The Series 2020 Bonds will be directly purchased by JP Morgan Chase Bank.• The Series 2020 Bonds are expected to refund in full all of the outstanding Series 2009B Bonds. The Borrower and financing team currently anticipate that the Series 2020 Bonds will be issued on a “Forwards” basis (i.e., the Forward Bond Purchase Agreement that is expected to be executed the week of December 16, 2019 will provide for the interest rates on the Series 2020 Bonds now that is anticipated to be funded and settled on May 18, 2020 or within 90 days thereafter (the Series 2020 Bonds will not be “funded,” in any event, more than 90 days prior to the August 15, 2020 call date on the Series 2009B Bonds)).• Bonds will mature no later than August 15, 2026. | | | | | | | | | | | | | | | | | | | | | | | |
| ESTIMATED SOURCES AND USES | <table><tr><td colspan="2">Sources:</td><td colspan="2">Uses:</td></tr><tr><td>IFA Bonds</td><td>\$48,215,000.00</td><td>Refunding Escrow</td><td>\$47,972,787.16</td></tr><tr><td>2009B Interest Fund</td><td>\$64.43</td><td>Costs of issuance (Estimated)</td><td><u>\$242,326.39</u></td></tr><tr><td>2009B Bond Sinking Fund</td><td><u>\$49.12</u></td><td></td><td></td></tr><tr><td>Total</td><td><u>\$48,215,113.55</u></td><td>Total</td><td><u>\$48,215,113.55</u></td></tr></table> | | | | Sources: | | Uses: | | IFA Bonds | \$48,215,000.00 | Refunding Escrow | \$47,972,787.16 | 2009B Interest Fund | \$64.43 | Costs of issuance (Estimated) | <u>\$242,326.39</u> | 2009B Bond Sinking Fund | <u>\$49.12</u> | | | Total | <u>\$48,215,113.55</u> | Total | <u>\$48,215,113.55</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | | | | |
| IFA Bonds | \$48,215,000.00 | Refunding Escrow | \$47,972,787.16 | | | | | | | | | | | | | | | | | | | | | |
| 2009B Interest Fund | \$64.43 | Costs of issuance (Estimated) | <u>\$242,326.39</u> | | | | | | | | | | | | | | | | | | | | | |
| 2009B Bond Sinking Fund | <u>\$49.12</u> | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$48,215,113.55</u> | Total | <u>\$48,215,113.55</u> | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | Project Review Committee recommends approval. | | | | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 10, 2019**

Project: **The University of Chicago Medical Center**

STATISTICS

| | |
|-----------------------|--------------------------------------|
| Project Number: 12468 | Amount: \$50,000,000 (Not-to-Exceed) |
| Type: 501(c)(3) Bonds | IFA Staff: Sara Perugini |
| Location: Chicago | County/Region: Cook/Northeast |

BOARD ACTION

| | |
|---|-----------------------------|
| Final Bond Resolution (<i>One-time consideration</i>) | No IFA Funds at Risk |
| Conduit 501(c)(3) Revenue Bonds | No Extraordinary Conditions |
| Project Review Committee recommends approval. | |

VOTING RECORD

This is the first time this project is being presented to the IFA Board of Directors.

PURPOSE

Purpose: Bond proceeds will be used by The University of Chicago Medical Center (“UCMC” or the “Borrower”), together with certain other funds to: (i) refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2009B (The University of Chicago Medical Center) (the “Series 2009B Bonds”), and (ii) to pay certain expenses incurred in connection with the refunding of the Series 2009B Bonds and the issuance of the Series 2020 Bonds.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

| | |
|---------------------------|--------------------------------|
| Current employment: 7,966 | New jobs projected: 0 |
| Retained jobs: N/A | Construction jobs projected: 0 |

ESTIMATED SOURCES AND USES OF FUNDS

| Sources: | | Uses: | |
|-------------------------|-------------------------------|-------------------------------|-------------------------------|
| IFA Bonds | \$48,215,000.00 | Refunding Escrow | \$47,972,787.16 |
| 2009B Interest Fund | \$64.43 | Costs of issuance (Estimated) | <u>\$242,326.39</u> |
| 2009B Bond Sinking Fund | <u>\$49.12</u> | | |
| Total | <u>\$48,215,113.55</u> | Total | <u>\$48,215,113.55</u> |

FINANCING SUMMARY

| | |
|---------------------|--|
| Security: | The Series 2020 Bonds will be secured by a security interest in the Unrestricted Receivables of the Members of the Obligated Group. |
| Structure: | <p>The Series 2020 Bonds will be directly purchased by JP Morgan Chase Bank.</p> <p>The Series 2020 Bonds are expected to refund in full all of the outstanding Series 2009B Bonds. The Borrower and financing team currently anticipate that the Series 2020 Bonds will be issued on a “Forwards” basis (i.e., the Forward Bond Purchase Agreement that is expected to be executed the week of December 16, 2019 will provide for the interest rates on the Series 2020 Bonds now that is anticipated to be funded and settled on May 18, 2020 or within 90 days thereafter (the Series 2020 Bonds will not be “funded,” in any event, more than 90 days prior to the August 15, 2020 call date on the Series 2009B Bonds)).</p> |
| Interest Rate: | JP Morgan Chase Bank will set the interest rates on the Series 2020 Bonds on the day they sign the Forward Bond Purchase Agreement, and it is estimated to not exceed 3.5%. |
| Credit Enhancement: | None |
| Maturity: | Bonds will mature no later than August 15, 2026. |
| Rating: | <p>The Series 2009B Bonds are currently rated ‘Aa3’ by Moody’s as of April 19, 2018, ‘AA-’ by S&P as of April 30, 2019 and ‘AA-’ by Fitch as of June 18, 2018.</p> <p>The Series 2020 Bonds will not carry a rating. The Series 2020 Bonds, as contemplated, will be a bank direct purchase by JP Morgan Chase Bank (initial sale and secondary market resale will both be limited to Accredited Investors and/or Qualified Institutional Buyers) on a non-rated basis in minimum denominations of \$100,000.</p> <p>Note: The non-rated Series 2020 Bonds will be sold pursuant to a Forward Bond Purchase Agreement and Investor Letter that will satisfy all existing IFA Bond Program Handbook policies so no policy exceptions will be necessary.</p> |

Estimated Bond Purchase Contract Execution Date: the week of December 16, 2019
Estimated Funding Date: between May 18, 2020 and August 15, 2020

PROJECT SUMMARY

Purpose: Bond proceeds will be used by the Borrower, together with certain other funds to: (i) refund all of the outstanding Series 2009B Bonds, and (ii) to pay certain expenses incurred in connection with the refunding of the Series 2009B Bonds and the issuance of the Series 2020 Bonds.

BUSINESS SUMMARY

- Locations: Chicago (Cook County/Northeast Region)
- The Borrower currently operates three hospitals and an ambulatory care facility located on the main campus of the University of Chicago, as well as certain outlying facilities and activities. The Borrower is currently licensed to operate 811 beds, of which 740 beds are currently staffed. The three hospitals operated by the Borrower consist of: (i) the Center for Care and Discovery, an adult patient care facility for complex and specialty care, (ii) Bernard Mitchell Hospital, an adult patient care facility, and (iii) Comer Children’s Hospital.
- The Borrower is a member of an obligated group formed in 2019 consisting of the following members: the Borrower, UCM Community Health & Hospital Division, Inc. (formerly, Ingalls Health System) (“CHHD”), The Ingalls Memorial Hospital (“IMH”), Ingalls Home Care (“IHC”) and Ingalls Development Foundation (“IDF” and, together with the Borrower, CHHD, IMH and IHC, the “Members of the Obligated Group”).

- Each Member of the Obligated Group is an Illinois not-for-profit corporation which has been recognized as an organization described in Section 501(c)(3) of the Internal Revenue Code (the “Code”) and which are exempt from federal income taxation under Section 501(a) of the Code.
- CHHD is the sole corporate member of a hospital facility located in Harvey, Illinois which operates a 485-licensed bed acute care facility, of which 278 beds are currently staffed. CHHD also operates a substantial ambulatory care network, the cornerstones of which are ambulatory care centers located in Tinley Park, Matteson, Calumet City, Flossmoor and Crestwood, IL. Other ambulatory footprints include the Ingalls Center for Outpatient Rehab in Calumet City, IL; Ingalls Wellness Center in Flossmoor, IL; and the Cancer Support Center in Mokena, IL.

ECONOMIC DISCLOSURE STATEMENT

| | | | |
|----------------|--|---|--|
| Applicant: | The University of Chicago Medical Center 5841 S. Maryland Avenue Chicago (Cook County), IL 60637-1447 | | |
| Contact: | Rich Silveria, Chief Financial Officer | | |
| Website: | www.uchospitals.edu | | |
| Borrower: | The University of Chicago Medical Center | | |
| Board Members: | Emily Nicklin Diane Atwood Paul Carbone Cynthia Chereskin Thomas Duckworth Rodney Goldstein Patrick Kelly Frank M. Clark, III Joseph Nolan Kenneth Polonsky Barry E. Fields Michael Tang Paula Wolff Kevin M. Purcell | Richard King Brian Miller Robert Clark Daniel Diermeier Edward Naureckas David Orth Rachel Kohler Joseph Neubauer Brien O’Brien Nicholas Pontikes James Stephen Terry Van Der Aa Paul Yovovich Scott Silverman | Andrew Alper Kevin Brown John Cooney Craig Duchossois James Frank Stephanie Harris Jonathan Kovler Cheryl Mayberry McKissack Sharon O’Keefe James Reynolds, Jr. John Svoboda Scott Wald Robert Zimmer Robin M. Steans |
| Life Trustees: | Paul Anderson Jules Knapp Barry MacLean Robert Weiss | Robert Feitler Howard Krane Robert Schloerb Ellen Block | Stanford Goldblatt John Mabie Gordon Segal |

PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|-----------------------------|-------------|------------------------------------|
| Borrower’s Counsel: | Katten Muchin Rosenman | Chicago | Janet Hoffman Chad Doobay |
| Bond Counsel: | Chapman and Cutler LLP | Chicago | John Bibby Megan Rudd |
| Financial Advisor: | Melio & Company | Chicago | Mark Melio |
| Bank: | JP Morgan Chase Bank | New York | Justin Wahn |
| Bank’s Counsel: | Chapman and Cutler LLP | Chicago | David Field |
| IFA Counsel: | Burke Burns & Pinelli, Ltd. | Chicago | Stephen Welcome Martin T. Burns |
| IFA Financial Advisor: | Sycamore Advisors LLC | Chicago, IL | Diana Hamilton Courtney Tobin |

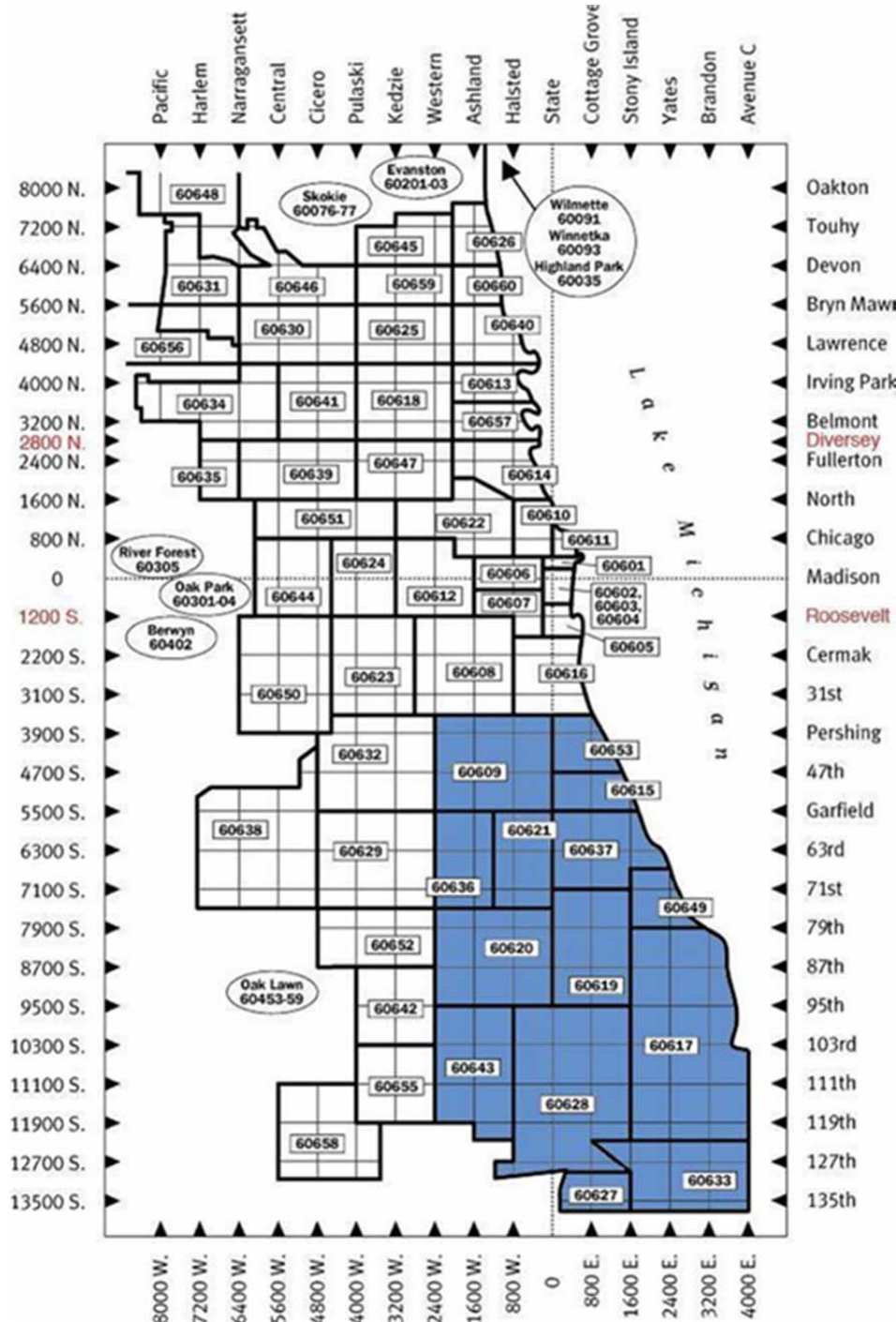
LEGISLATIVE DISTRICTS

Congressional: 1
State Senate: 13
State House: 26

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SERVICE AREA

UCMC's primary service area covers much of the south side of the City of Chicago. The primary service area is bounded by 36th Street to the north, Lake Michigan and the Indiana border to the east, 130th Street to the south and Western Avenue to the west. The primary service area is eight miles long, four miles wide at the northern boundary and eight miles wide at the southern boundary. Travel time from UCMC's facilities to the most distant parts of the primary service area is 25 to 30 minutes.



\$7,000,000 (not-to-exceed)

December 10, 2019

Notre Dame College Prep

| | | | | | | | | | | | | | | | | | | | | |
|---|--|-------------------|---------------------------|-----------------------------|-----------------|--|--------------|--|-------------------|-------------|-----------|-------------|--------|----------------|-------------------|----------------|--------------|---------------------------|--------------|---------------------------|
| REQUEST | <p>Purpose: Series 2019 Bond proceeds will be loaned to Notre Dame College Prep, an Illinois not for profit corporation (the “Corporation”), to apply to the current refunding of all of the Illinois Finance Authority Educational Facility Revenue Bond (Notre Dame College Prep Project), Series 2009 (the “Prior Bond”) and the payment of certain costs relating to the issuance of the Series 2019 Bond and the refunding of the Prior Bond (collectively, the “Financing Purposes”).</p> <p>Program: 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | | | | |
| BOARD ACTION | Final Bond Resolution (<i>One-time consideration</i>) | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | None. This is the first time this financing has been presented to the Board of Directors. | | | | | | | | | | | | | | | | | | | |
| JOB DATA | 143 | Current jobs | 3 | New jobs projected | | | | | | | | | | | | | | | | |
| | N/A | Retained jobs | N/A | Construction jobs projected | | | | | | | | | | | | | | | | |
| BORROWER DESCRIPTION | <ul style="list-style-type: none">• Location: Niles / Cook County / Northeast• Type of entity: Notre Dame College Prep is an Illinois not-for-profit corporation.• Founded in 1954 by the Congregation of Holy Cross, Notre Dame College Prep is a private, all-male Catholic college preparatory school located in Niles, Illinois, serving an average of approximately 730-750 students primarily drawn from Chicago, Morton Grove, Niles, and Park Ridge.• The mission of Notre Dame College Prep is to educate young men to be gentlemen of faith, scholarship, and service in an inclusive, family-oriented community. Faithful to the Roman Catholic tradition and inspired by Gospel values, Notre Dame College Prep prepares students to be lifelong learners and to lead lives of integrity.• Prior to 2008, Notre Dame College Prep was known as Notre Dame High School for Boys. The School is accredited by the North Central Association of Colleges and Schools. | | | | | | | | | | | | | | | | | | | |
| STRUCTURE | <ul style="list-style-type: none">• The Series 2019 Bonds will be purchased directly by Wintrust Bank, an Illinois state-chartered bank (the “Bank” or “Bond Purchaser”). The Bond Purchaser will be the secured lender and direct bond investor.• The proposed financing will refund the Series 2009 Bonds to lower the effective interest rate.• The Borrower and Wintrust Bank have agreed to an initial interest rate period (term) of 5 years with subsequent terms thereafter through the final maturity date. | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS/ SECURITY | <ul style="list-style-type: none">• The Series 2019 Bonds will not be rated (and will be purchased directly by Wintrust Bank).• The Bond Purchaser is expected to be secured by a first mortgage and assignment of leases, deposits, security agreements, and contracts (if applicable) on the Niles property owned by the Borrower. Additionally, the Bond Purchaser will maintain its negative pledge on all other business assets of the Borrower, including, but not limited to cash, investments, and any existing or future real estate. | | | | | | | | | | | | | | | | | | | |
| INTEREST RATE | <ul style="list-style-type: none">• Wintrust will provide a fixed (or synthetic fixed) interest rate estimated at between 3.00% and 4.00% during the initial interest rate period. | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none">• The final maturity date will not exceed 20 years from the date of issuance and remain consistent with the final maturity date of the Series 2009 Bonds being refunded, (i.e. April 17, 2039). | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES (PRELIMINARY; SUBJECT TO CHANGE) | <table><tr><td colspan="2">Sources:</td><td colspan="2">Uses:</td></tr><tr><td>Series 2019 Bonds</td><td>\$6,537,500</td><td>Refunding</td><td>\$6,537,500</td></tr><tr><td>Equity</td><td><u>140,000</u></td><td>Costs of Issuance</td><td><u>140,000</u></td></tr><tr><td>Total</td><td><u>\$6,677,500</u></td><td>Total</td><td><u>\$6,677,500</u></td></tr></table> | | | | Sources: | | Uses: | | Series 2019 Bonds | \$6,537,500 | Refunding | \$6,537,500 | Equity | <u>140,000</u> | Costs of Issuance | <u>140,000</u> | Total | <u>\$6,677,500</u> | Total | <u>\$6,677,500</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | |
| Series 2019 Bonds | \$6,537,500 | Refunding | \$6,537,500 | | | | | | | | | | | | | | | | | |
| Equity | <u>140,000</u> | Costs of Issuance | <u>140,000</u> | | | | | | | | | | | | | | | | | |
| Total | <u>\$6,677,500</u> | Total | <u>\$6,677,500</u> | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | Project Review Committee recommends approval. | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
PROJECT SUMMARY REPORT
December 10, 2019**

INFORMATIONAL – PRELIMINARY, SUBJECT TO CHANGE

Project: Notre Dame College Prep

STATISTICS

| | | | |
|-----------------|-------------------------|------------|------------------------------------|
| Project Number: | 12469 | Amount: | \$7,000,000 (not-to-exceed) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Rich Frampton and Brad R. Fletcher |
| Location: | Niles | County/ | |
| | | Region: | Cook County/Northeast |

BOARD ACTION

| | |
|---|-----------------------------|
| Final Bond Resolution (<i>One-Time Consideration</i>) | No Extraordinary Conditions |
| Conduit 501(c)(3) Revenue Bonds | No IFA Funds at Risk |

Project Review Committee recommends approval of the Final Bond Resolution presented for consideration in connection with this financing.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects furthering support of their mission. The IFA's issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

VOLUME CAP

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

BUSINESS SUMMARY

Description: Notre Dame College Prep, an Illinois not-for-profit corporation ("**Notre Dame**" or the "**Borrower**") was founded in 1954 by the Congregation of Holy Cross. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Notre Dame College Prep is governed by a 16-member Board of Trustees (see p. 4).

Background: Located on 28 acres, Notre Dame College Prep was founded by the Congregation of Holy Cross with oversight by the Archdiocese of Chicago. The School provides young men with educations in faith, scholarship and service. It offers a challenging curriculum that meets the individual needs of a diverse student body. With 16 interscholastic sports and more than 30 clubs, activities and intramurals, the students achieve a well-balanced education and nearly 100 percent of its graduates go on to college. Students come from the United States, Asia and Europe.

Prior to 2006, the School was affiliated with the Congregation of Holy Cross, a community of Roman Catholic priests and brothers founded in 1837 to minister to and educate the people of France devastated by the French Revolution. In the summer of 2006, the Congregation decided to end its formal association with the School effective end of the 2006-2007 school year. Since governance of the School was restructured, a Board of religious and lay people has been established to operate the School with support of the Archdiocese of Chicago. In 2008, the School name was changed from Notre Dame High School for Boys to Notre Dame College Prep.

Notre Dame College Prep is accredited by the North Central Association of Colleges and Schools and the Illinois State Board of Education

Prior Bonds: On June 18, 2009, the Authority issued \$15,200,000 in aggregate principal amount of its Educational Facility Revenue Bond (Notre Dame College Prep Project), Series 2009 (the “Prior Bond”) to (a) finance, refinance or reimburse Notre Dame College Prep, an Illinois not for profit corporation (the “Corporation”), for all or a portion of the costs of the renovation, construction and equipping of improvements to the facilities owned and operated by the Corporation or operated in furtherance of the Corporation’s educational purposes including, without limitation, a new classroom and academic wing, additional classrooms, facility renovations and improvements, technology enhancements, a new field house for sports and life activities, stadium renovation and new artificial field turf, related equipment upgrades, and related facilities, (b) currently refund the Village of Niles, Cook County, Illinois Educational Facilities Revenue Bonds (Notre Dame High School for Boys Project) Series 2001, the proceeds of which were used for the purpose of paying the costs of the renovation, construction and equipping of improvements to the Corporation’s existing high school facility including, without limitation, a new science building, a new fitness center, heating ventilation and air conditioning improvements, equipment upgrades and related facilities, (c) retire certain indebtedness incurred by the Borrower to the former sole member of Notre Dame High School for Boys in connection with a merger of the Notre Dame High School for Boys into the Borrower and (d) pay all or a portion of the costs of issuance of the Prior Bond, all as permitted by the Act).

ECONOMIC DISCLOSURE STATEMENT

Applicant: Notre Dame College Prep, 7655 West Dempster Street, Niles, IL (Cook County) 60714 – 2033

Contact: Karyn Kozyra, Chief Financial Officer: (T) 847.779.8649; e-mail: kkozra@nddons.org

Website: <http://www.nddons.org>

Project name: Illinois Finance Authority Revenue Refunding Bond, Series 2019 (Notre Dame College Prep)

Organization: Illinois not-for-profit

Board of
Trustees:

Kevin Burke, Chair

Partner, Burke Wise Morrissey Kaveny

Mary Downing-Smith, Vice-Chair

National Account Director at Nuance Communications

Patrick T. Burke '79, Treasurer

CPA/Partner, Friedman & Huey Associates LLP

Meg Bigane, Secretary

Principal, St. Giles Elementary School

J. Emilio Abdala

Futuri Media, Media Research Analyst

Joseph DiCiaula

Senior Manager, US Special Accounts Management Unit, BMO Harris Bank

Brother Kenneth Haders, C.S.C.

Provincial Superior for the Brothers of Holy Cross Midwest Province

William S. Harrington '68,

President, Great Flooring Inc.

Reverend Christopher Gustafson

Pastor, Our Lady of Ransom

Paul J. Krappman

Paul Krappman & Associates, Inc., Founder, President

Daniel Locallo '70

Arbitrator/Mediator, ADR and engaged in private practice of law

Retired, Circuit Court Judge, Cook County

Judith M. Matthews, MBA, CPA

Chief Financial Officer, Interum Therapeutics PLC

Patrick McCaskey '67

Board Member and Vice President, Chicago Bears

Todd Steffen '89

Vice President Supply Chain Consulting, Colliers International

Constantine L. Trela '73

Sidley Austin LLP, Co-Chair Supreme Court Appellate practice group of Chicago office

Rev. Nate Wills, PhD, C.S.C.

Faculty, Mary Ann Remick Leadership Program, Alliance for Catholic Education, University of Notre Dame

PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|------------------------------|---------------|-------------------|
| Auditor: | Gray Hunter Stenn LLP | Oak Brook, IL | |
| Borrower's Counsel: | Stone, Pogrud and Korey, LLC | Chicago, IL | Chris Nowotarsk |
| Bond Counsel: | Nixon Peabody LLP | Chicago, IL | Julie Seymour |
| | | | Gretchen Sherwood |
| Bank/Bond Purchaser: | Wintrust Bank | Chicago, IL | Kandace Lenti |
| | | | Klaudia Liszka |
| Bank Counsel: | Nixon Peabody LLP | Chicago, IL | |
| Issuer's Counsel: | Kutak Rock LLP | Chicago, IL | Kevin Barney |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Phoebe Selden |
| | | | Brittany Whelen |

LEGISLATIVE DISTRICTS

| | |
|----------------|----|
| Congressional: | 9 |
| State Senate: | 8 |
| State House: | 15 |

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors
From: Lorrie Karcher
Date: December 10, 2019
Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached project
- **Amount:** Up to \$543,800 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: \$97,250**
- **Calendar Year Summary:** (as of December 10, 2019)
 - Volume Cap: \$10,000,000
 - Volume Cap Committed: \$3,072,634
 - Volume Cap Remaining: \$6,927,366
 - Average Farm Acreage: 54
 - Number of Farms Financed: 13
- **IFA Benefits:**
 - **Conduit Tax-Exempt Bonds** – no direct IFA or State funds at risk
 - **New Money Bonds:**
 - IFA conveys tax-exempt, municipal bond status onto the financing
 - Will use dedicated 2019 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees:**
 - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
 - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
 - The Bank will be secured by the Borrower's assets, as on a commercial loan (typically 1st Mortgage)
 - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
 - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
Stephen F. Welcome, Esq.
Three First National Plaza, Suite 4300
Chicago, IL 60602

| | |
|------------------------------------|--|
| A. Project Number: | 30434 |
| Borrower(s): | Elsberry, Joshua Nicholas |
| Borrower Benefit: | First Time Land Buyer |
| Town: | Paris, IL |
| IFA Bond Amount: | \$97,250.00 |
| Use of Funds: | Farmland –27 acres of farmland |
| Purchase Price: | \$194,500 / \$7,204 per acre |
| % Borrower Equity | 5% |
| % IFA Bonds | 50% (Bank Purchased Bond – Bank secured by 1 st Mortgage) |
| % USDA Farm Service Agency (“FSA”) | 45% (<i>Subordinate Financing – 2nd Mortgage</i>) |
| Township: | Stratton |
| Counties/Regions: | Edgar / Southeastern |
| Lender/Bond Purchase: | First Neighbor Bank, NA / John Brinkerhoff |
| Legislative Districts: | Congressional: 15 |
| | State Senate: 51 |
| | State House: 102 |

Principal shall be paid annually in installments determined pursuant to a Thirty-year amortization schedule, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin one year from the date of closing with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

December 10, 2019

\$75,950,000 (not-to-exceed amount)
Community High School District Number 99, DuPage County

| | | | | |
|-----------------------------|--|---------------|-----|--|
| REQUEST | <p>Purpose: Proceeds of the IFA Series 2020A Bonds will be used to purchase General Obligation School Bonds, Series 2020A (the “2020A Local Government Securities”) issued by Community High School District Number 99, DuPage County, Illinois (the “District”) to: (a) pay certain costs of improving the sites of, building and equipping additions to and altering, repairing and equipping existing buildings, and building and equipping outdoor facilities and enclosed structures, said projects including but not limited to constructing security improvements, increasing accessibility under the Americans with Disabilities Act, enclosing all or a portion of the outdoor courtyards to increase indoor learning spaces, renovating classrooms, science labs, vocational labs and learning spaces and completing the installation of air conditioning in all classrooms, (b) if necessary, pay capitalized interest on the 2020A Local Government Securities, and (c) pay costs associated with the issuance of the IFA Series 2020A Bonds and the 2020A Local Government Securities.</p> <p>Proceeds of the IFA Series 2020B Bonds will be used to purchase General Obligation Limited Tax School Bonds, Series 2020B (the “2020B Local Government Securities”) issued by the District to: (a) conform the existing facilities of the District that house students to the building code promulgated by the State Board of Education of the State of Illinois, alter and reconstruct school buildings and permanent, fixed equipment, and purchase and install equipment therein for fire prevention and safety, energy conservation and school security purposes, (b) if necessary, pay capitalized interest on the 2020B Local Government Securities, and (c) pay costs associated with the issuance of the IFA Series 2020B Bonds and 2020B Local Government Securities.</p> <p>Program: Local Government Revenue Bonds</p> <p>IFA/State Funds at Risk: None</p> | | | |
| BOARD ACTIONS | Final Bond Resolution (One-time consideration) | | | |
| MATERIAL CHANGES | None. This is the first time this matter has been presented to the IFA Board of Directors. | | | |
| JOB DATA | 717 FT + 2 PT | Current jobs | 0 | New jobs projected |
| | N/A | Retained jobs | 320 | Construction jobs (FTE over 20 months) |
| BORROWER DESCRIPTION | <ul style="list-style-type: none"> The District was formed in 1923 and is a suburban school district located in south central DuPage County, which covers a 31.25 square mile area that includes portions of seven communities including the Village of Downers Grove, the Village of Woodridge, and portions of the communities of Oak Brook, Lombard, Darien, Lisle, Westmont, and Bolingbrook. The District maintains two high schools (grades 9 through 12). Construction began on the overall \$136.6 million Master Facility Plan in Spring 2019 and is expected to be completed in Fall 2021 in advance of the 2021-2022 school year. Downers Grove South High School projects include the following as part of the overall Master Facility Plan: a new 1,250-seat auditorium, including a new theatre classroom, studio theatre and scene shop to support programming; two new culinary lab classrooms that include teacher demonstration stations and demonstration kitchen accessible to a commons space; a new addition on the northeast corner of the school that will house a visual arts suite on the first floor and four new science labs and classrooms on the second floor, with both floors featuring interconnecting classrooms to maximize flexibility/ of use; a renovated and centralized administrative center at the front of the school with ample waiting areas, allowing students easy access to counselors, the college and career center, deans, nurse and security staff; a renovated library and technology support areas, accessible from the Learning Commons; new materials, including wood, that will enhance the mix of elements (bricks, glass, stone) currently in use on the exterior of the building (additionally, the turquoise metal band at the top of the school will be painted white); in addition to new ADA-compliant outdoor bleachers and squad rooms, a second athletic turf field will be installed on the corner of Dunham and 63rd Street, extending the amount of usable outdoor space for athletic programs and physical education classes; and beautification and design improvements for the main and west entrances, as well as parking lot modifications to ease congestion. Downers Grove North High School projects include the following as part of the overall Master Facility Plan: a new and expanded kitchen and serving areas, as well as a dining area inside the footprint of the original school building; restoring the brick exterior of the original 1928 building, giving the new space character and a sense of history; the west entrance circle drive will be closed, separating pedestrian and vehicular traffic; the original gym will be converted to building services, streamlining maintenance and deliveries to and from the building; renovated multi-needs classrooms, better equipping students with special needs important work/life skills; a new competition-sized gymnasium and athletic loft areas to accommodate gymnastics and wrestling | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------------|----------------------------|--|-----------------|--|--------------|--|------------------------|--------------|---------------|--------------|------------------------|---------|----------------------|-----------|--------------|------------------|-------------------|----------------|--------------|----------------------------|--------------|----------------------------|
| | programs and spectators; a renovated library, including two additional classrooms adjacent to the library; a new addition on the southeast side of the building featuring a suite of classrooms for visual arts on the first floor, career and technical education courses on the second floor and four new science labs on the third floor (additionally, the second and third floors will have access to outdoor instructional spaces); new ADA-compliant outdoor bleachers and squad rooms; and reconfigured student services area, providing students with direct access from the Learning Commons to counseling staff, the college and career center and nurse. | | | | | | | | | | | | | | | | | | | | | | | |
| STRUCTURE | <ul style="list-style-type: none">•The plan of finance contemplates that Tax Exempt Bonds will be underwritten by Raymond James & Associates, Inc. (the “Underwriter”) and sold through a public offering.• The District’s voters approved a referendum in March 2018 to issue up to \$136.6 million of General Obligation Bonds to pay for all or a portion of the costs the Project. Pursuant to the referendum, the District issued \$9.055 million of General Obligation Bonds in June 2018 and \$51.985 million of IFA Bonds in June 2019.• Issuance of the anticipated \$75.56 million IFA Series 2020A Bonds constitutes the final bond issue necessary to complete build-out and equipping of the overall approximate \$136.6 million Project.• Issuance of the anticipated \$390,000 IFA Series 2020B Bonds will further supplement the Project. | | | | | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS/ SECURITY | <ul style="list-style-type: none">• The Series 2020 Bonds will be underwritten and sold in one or more series based on the District’s current long-term debt rating of ‘AA+’ from S&P (Outlook: Stable), assigned as of May 2019. The District expects S&P to affirm the ‘AA+’ rating on the outstanding bonds and to assign the same ‘AA+’ rating to the new Series 2020 Bonds in mid-December 2019.• The Series 2020A Local Government Securities will be issued as “General Obligation Bonds” and will be payable from (i) any funds of the District legally available for such purpose, and (ii) all taxable property in the District that is subject to the levy of taxes to pay the same without limitation as to rate or amount.• The Series 2020B Local Government Securities will be issued as “Limited Tax Bonds” and will be payable from (i) any funds of the District legally available for such purpose, and (ii) all taxable property in the District that is subject to the levy of taxes to pay the same without limitation as to rate. However, the amount of said taxes that will be extended to pay the 2020B Local Government Securities is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “Limitation Law”).• The Series 2020B Bonds are being issued as Limited Tax Bonds under the Local Government Debt Reform Act because the projects financed therein were not contemplated by the referendum. | | | | | | | | | | | | | | | | | | | | | | | |
| INTEREST RATE | <ul style="list-style-type: none">• Fixed interest rates on serial bonds to be determined at pricing. Interest on the Bonds will be payable each June 15 and December 15, beginning June 15, 2020. | | | | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none">• Series 2020A Bonds will be a mix of serial maturities, ranging from December 15, 2021 through December 15, 2039. The Series 2020B Bonds will similarly be serial maturities, ranging from December 15, 2020 to December 15, 2022. | | | | | | | | | | | | | | | | | | | | | | | |
| SOURCES AND USES (PRELIMINARY, SUBJECT TO CHANGE) | <table><tr><td colspan="2">Sources:</td><td colspan="2">Uses:</td></tr><tr><td>IFA Series 2020A Bonds</td><td>\$75,560,000</td><td>Project Costs</td><td>\$75,950,000</td></tr><tr><td>IFA Series 2020B Bonds</td><td>390,000</td><td>Capitalized Interest</td><td>3,235,000</td></tr><tr><td>Bond Premium</td><td><u>4,050,000</u></td><td>Costs of Issuance</td><td><u>815,000</u></td></tr><tr><td>Total</td><td><u>\$80,000,000</u></td><td>Total</td><td><u>\$80,000,000</u></td></tr></table> | | | | Sources: | | Uses: | | IFA Series 2020A Bonds | \$75,560,000 | Project Costs | \$75,950,000 | IFA Series 2020B Bonds | 390,000 | Capitalized Interest | 3,235,000 | Bond Premium | <u>4,050,000</u> | Costs of Issuance | <u>815,000</u> | Total | <u>\$80,000,000</u> | Total | <u>\$80,000,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | | | | |
| IFA Series 2020A Bonds | \$75,560,000 | Project Costs | \$75,950,000 | | | | | | | | | | | | | | | | | | | | | |
| IFA Series 2020B Bonds | 390,000 | Capitalized Interest | 3,235,000 | | | | | | | | | | | | | | | | | | | | | |
| Bond Premium | <u>4,050,000</u> | Costs of Issuance | <u>815,000</u> | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$80,000,000</u> | Total | <u>\$80,000,000</u> | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | Project Review Committee recommends approval. | | | | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 10, 2019**

Project: Community High School District Number 99, DuPage County

STATISTICS

| | | | |
|-----------------|--|----------------|--|
| Project Number: | 12470 | Amount: | \$75,950,000 (<i>not-to-exceed amount</i>) |
| Type: | Local Government Revenue Bonds | IFA Staff: | Rich Frampton & Brad R. Fletcher |
| Location: | Bolingbrook, Darien, Downers Grove, Lisle, Lombard, Oak Brook, Westmont, Woodridge | County/Region: | DuPage County/Northeast |

BOARD ACTION

| | |
|---|-----------------------------|
| Final Bond Resolution (<i>One-Time Consideration</i>) | No Extraordinary Conditions |
| Conduit 501(c)(3) Revenue Bonds | No IFA Funds at Risk |

Project Review Committee recommends approval of the Final Bond Resolution presented for consideration in connection with this financing.

IFA PROGRAM AND CONTRIBUTION

IFA's Local Government Bond Program assists units of local government, including school districts, in financing capital improvement projects. IFA's issuance conveys state income tax-exempt status on interest earned on the Bonds paid to Illinois bondholders, thereby reducing the unit of local government's interest expense.

VOLUME CAP

No Volume Cap is required for Local Government Revenue Bond financing.

BUSINESS SUMMARY

Description: **Community High School District Number 99, DuPage County, Illinois** (the “**District**”) serves grades 9 through 12 at two school campuses, i.e. Downers Grove North and Downers Grove South.

The District is governed by an elected 7-member Board. The day to day affairs of the District are conducted by a full time staff, including but not limited to Superintendent Dr. Hank Thiele.

Background: The District is accessible via the Veterans Memorial Tollway (I-355) and the Reagan Memorial Tollway (I-88). The Village is located approximately 18 miles from Chicago O'Hare International Airport and approximately 16 miles from Chicago Midway International Airport. Commuter rail service to downtown Chicago is provided by the Metra BNSF line, and travel time is approximately one hour.

The District is primarily residential with substantial commercial areas as well. Several industrial parks are located in the District, with the major industries employing more than 15,000 people.

The District offers a comprehensive high school curriculum including a full range of vocational and technical courses, special education programs and a gifted education program including advanced placement courses in twenty different subjects. In 2017, U.S. News & World Report ranked both high schools as a “Silver Medal School.”

Employees: At the start of the 2019-2020 school year, the District had 717 full-time employees and 2 part-time employees. Of the total number of employees, approximately 690 are represented by a union. Union contracts for 407 teachers expire in August 2020 and union contracts for 283 support staff expire June 2021.

Financial Condition: The District was certified to have the second-best of four financial profile designations (i.e., “Financial Review”) assigned by the Illinois State Board of Education (“ISBE”) in four of the last five fiscal years ending June 30, 2018. In Fiscal Year 2015, the District was certified to have the third-highest of the four financial profile designations assigned (i.e. “Financial Early Warning”). (The District’s condition rebounded beginning in FY 2016.)

State Aid: The State provides aid to local school districts on an annual basis as part of the State’s appropriations process. Many school districts throughout the State rely on such “State Aid” to fund a significant part of their budgets. For the fiscal year ended June 30, 2018, 6.16% of the District’s General Fund revenue came from sources at the State, including State Aid.

The State’s Fiscal Year 2018 Budget appropriated General State Aid in an amount \$350 million greater than the appropriation for fiscal year 2017 and required such additional funds to be distributed to school districts under an Evidence-Based Funding Model. The Evidence-Based Funding Model provided for in Public Act 100-465 sets forth a new school funding formula which ties individual district funding to 27 evidence-based best practices that certain research shows enhance student achievement in the classroom.

For the school year 2018-2019, the District received approximately \$6,085 of New State Funds. For the 2019-2020 school year, the District will receive approximately \$6,251 of New State Funds.

Outstanding Debt: The District’s outstanding long-term debt obligations as of June 30, 2018 were comprised of its (i) Series 2002A Capital Appreciation Bonds, with a principal carrying amount of \$7.519MM, (ii) Series 2011 Alternate Revenue Bonds, outstanding in the principal amount of \$3.655MM as of June 30, 2018, (iii) Series 2014 Bonds, outstanding in the principal amount of \$5.765MM, (iv) Series 2016 Bonds, outstanding in the principal amount of \$3.115MM, (v) Series 2017 Bonds, outstanding in the principal amount of \$1.915MM, (vi) Series 2018 Bonds, outstanding in the principal amount of \$9.055MM, and (vii) Series 2019 Bonds, outstanding in the principal amount of \$61.890MM.

The combined outstanding balances of the District’s long-term general obligation debt (including alternate revenue bonds) were approximately \$31.024MM as of June 30, 2018. The District has additional long-term liabilities that include its (vii) Series 2016A debt certificates, outstanding in the principal amount of \$4.44MM as of June 30, 2018, and (viii) various capital leases, outstanding in the principal amount of \$1.420MM as of June 30, 2018. Subsequent to June 30, 2018, IFA issued its Series 2019 Bonds, outstanding in the principal amount of \$61.890MM.

The District has no record of default and has met its debt repayment obligations promptly and as scheduled.

DISTRICT FACTS

Table 1: Community High School District Number 99 Enrollment Trends*:

| <u>Historical</u> | | <u>Forecast</u> | |
|----------------------|-------------------------|----------------------|-------------------------|
| <u>Academic Year</u> | <u>Total Enrollment</u> | <u>Academic Year</u> | <u>Total Enrollment</u> |
| 2015-2016 | 4,963 | 2020-2021 | 4,991 |
| 2016-2017 | 4,916 | 2021-2022 | 4,917 |
| 2017-2018 | 4,929 | 2022-2023 | 4,898 |
| 2018-2019 | 4,987 | 2023-2024 | 4,913 |
| 2019-2020 | 4,994 | 2024-2025 | 4,904 |
| Average Enrollment: | 4,958 | Average Enrollment: | 4,925 |

The District forecasts stable to declining enrollment over the next 5 years. The District expects the forecast 5-year enrollment average (4,925) to be less than the District's historic average enrollment (4,958) posted over the previous 5 years (i.e., 2015-16 through 2019-20). According to the District, stable to declining enrollment is projected due to lack of generational turnover in the area. Specifically, residents without children are staying in their residences longer, and as a result, fewer homes are available for younger families to purchase.

*Source: Preliminary Official Statement prepared by Disclosure Counsel.

Table 2: The Ten Largest Taxpayers in the District:

The companies listed below are the largest taxpayers in the District and comprise approximately 3.91% of the District's \$4,713,014,301 Equalized Assessed Value ("EAV") posted in 2018, inclusive of tax increment finance amounts.

| <u>Taxpayer Name</u> | <u>2018 EAV</u> | <u>Percent of District's Total EAV</u> |
|--|-----------------------|--|
| LSRF4 Turtle LLC | \$ 27,037,380 | 0.57% |
| PTA-K 225 | 21,502,530 | 0.46% |
| Esplanade I Spe LLC | 21,437,830 | 0.45% |
| Amlt Residential | 19,775,530 | 0.42% |
| Bchemerald LLC | 19,503,170 | 0.41% |
| Hamilton Partners, Inc. | 16,847,770 | 0.36% |
| Highpoint Center LLC | 15,211,990 | 0.32% |
| Executive Towers IL Realty | 15,106,580 | 0.32% |
| RPAI Oak Brook Promenade | 15,015,520 | 0.32% |
| James Campbell Co., LLC | 12,974,210 | 0.28% |
| Total EAV of Ten Largest Taxpayers in District: | \$ 184,412,510 | 3.91% |

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Table 3: The Largest Employers in and near the District:

Below is a listing of the largest non-governmental employers within or near the District area:

| EMPLOYER | PRODUCT OR SERVICE | LOCATION | APPROX. No. OF EMPLOYEES |
|--|--|---------------|--------------------------------|
| HAVI Group, L.P., The | Company headquarters & frozen packaged foods & disposable food service materials | Downers Grove | 9,000 |
| DuPage Medical Group | Independent primary & specialty care physician medical group | Downers Grove | 3,200 |
| IC Bus, LLC | Company headquarters; school & commercial buses & trucks | Lisle | 2,800 |
| Advocate Good Samaritan Hospital | Hospital & health care services | Downers Grove | 2,700 |
| Navistar, Inc. | Holding company headquarters; commercial trucks, school buses & diesel engines | Lisle | 1,800 |
| Adtalem Global Education | Business, technology, electronic & computer information education services | Downers Grove | 1,306 |
| Molex, LLC | Company headquarters & electronic, electrical & fiber-optic interconnection systems for telecom, datacom, consumer electronic, membrane switch & flex circuit applications | Lisle | 1,000 |
| Valid USA, Inc. | Corporate headquarters & secure direct marketing services for data, payment, identity, mobile & targeted brand messaging | Lisle | 1,000 |
| Advocate Home Health Services | Home health care | Oak Brook | 800 |
| CA Technologies | Computer software development | Lisle | 800 |
| Ambitech Engineering Corp. | Fully integrated project & program management, engineering, design, procurement & construction management services for process & manufacturing industries for retrofits, revamps, turnarounds, expansions & greenfield construction projects | Downers Grove | 750 |
| Southern Glazer's Wine & Spirits of Illinois, LLC | Distributor of wines & spirits | Bolingbrook | 670 |
| Advocate Health Care | Company headquarters & health care services | Downers Grove | 600 |
| Greencore U.S.A. | Frozen food packaging | Bolingbrook | 600 |
| Newell Rubbermaid Writing & Creative Expressions Group | Art materials, writing instruments & stamp pads | Downers Grove | 600 |
| Ulta Beauty, Inc. | Corporate headquarters; retail sales of cosmetics, fragrance, skin care products & hair care products & salon services | Bolingbrook | 600 |
| Edward Don & Co. | Company headquarters & wholesaler of commercial foodservice equipment & supplies, including cooking equipment, commercial refrigerators & freezers, work tables, cleaning supplies, dinnerware, flatware, linens, disposables & paper towels | Woodridge | 550 |
| FTD, Inc. | Direct flower & gift marketing | Downers Grove | 509 |

Sources: 2019 Illinois Services and 2019 Illinois Manufacturers Directories, and the Illinois Department of Commerce and Economic Opportunity.

DEMOGRAPHIC INFORMATION

Table 4 - Population Growth:

The District has an estimated population of 110,321 (Source: U.S. Census Bureau).

| <u>Entity:</u> | <u>1990</u> | <u>2000</u> | <u>2010</u> | <u>%Change 2000-2010</u> |
|-----------------------|--------------------|--------------------|--------------------|---------------------------------|
| Downers Grove | 46,858 | 48,724 | 47,833 | -1.83% |
| DuPage County | 781,666 | 904,161 | 916,924 | 1.41% |
| State of Illinois | 11,430,602 | 12,419,293 | 12,830,632 | 3.31% |

Unemployment Rates:

Unemployment statistics are not compiled specifically for the District. According to the Illinois Department of Employment Security, the Village of Downers Grove posted an unemployment rate of 2.8% during calendar 2018. In comparison, DuPage County posted an unemployment rate of 3.1% during calendar 2018. This compared with an annual average unemployment rate of 4.3% for the State of Illinois during calendar 2018.

Median Household Income:

According to the U.S. Census Bureau, 2013 - 2017 American Community Survey, the Village of Downers Grove had a median household income of \$85,546. This compares with \$112,969 for DuPage County and with \$61,229 for the State of Illinois.

ECONOMIC DISCLOSURE STATEMENT

Applicant/Borrower: Community High School District Number 99, DuPage County

Contact: Dr. Hank Thiele, Superintendent
Administrative Service Center
6301 Springside Avenue
Downers Grove, IL 60516
Phone: 630-795-7100

Website: <http://www.csd99.org/>

Entity: Illinois Public High School District

Board of Education:

| OFFICIAL | POSITION | TERM EXPIRES |
|------------------------|----------------|--------------|
| Dr. Nancy Kupka | President | April 2023 |
| Michael Davenport | Vice President | April 2023 |
| Terry Pavesich | Member | April 2021 |
| Sherell Fuller | Member | April 2021 |
| Daniel Nicholas | Member | April 2021 |
| Rick Pavinato | Member | April 2021 |
| Joanna Vazquez Drexler | Member | April 2023 |

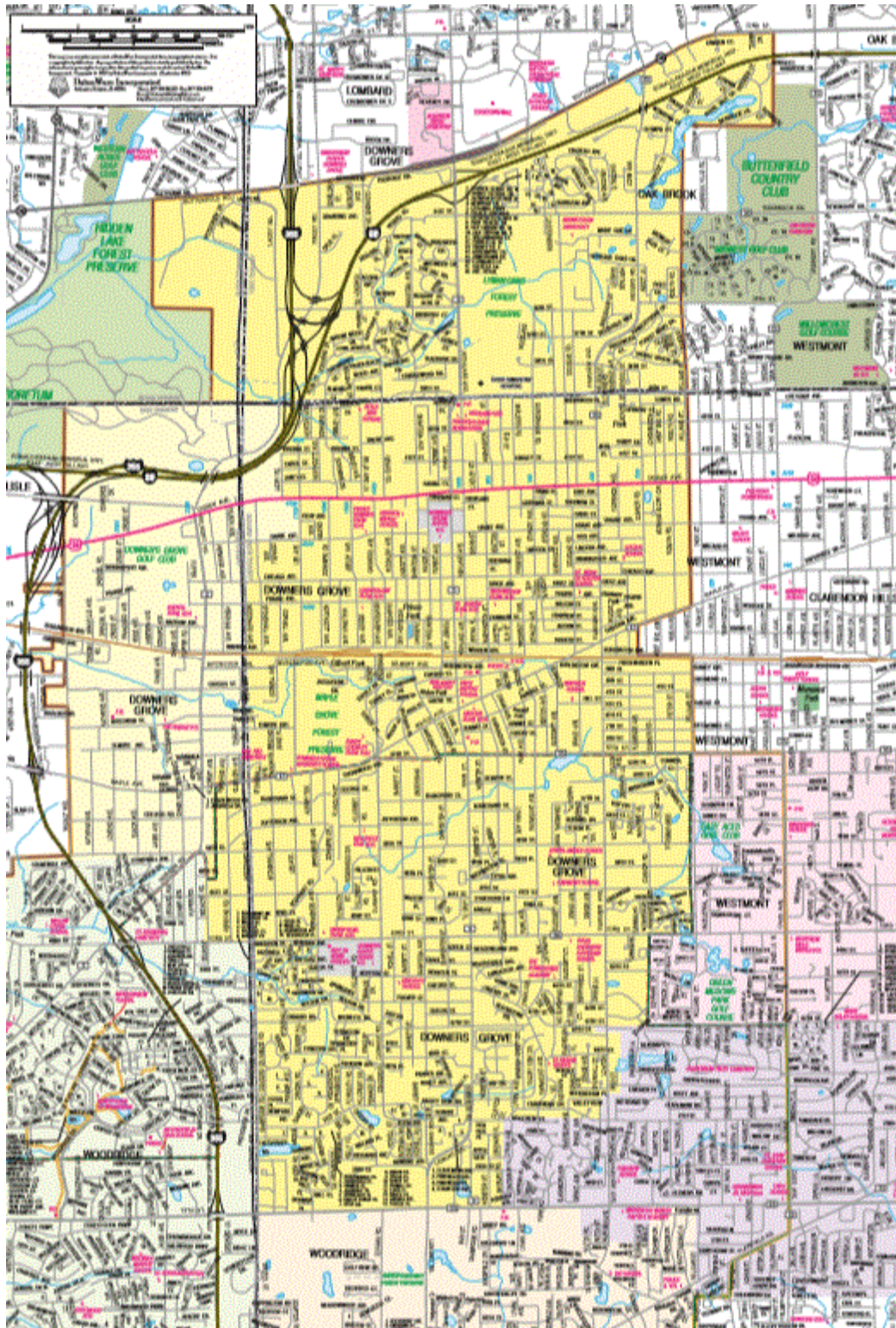
PROFESSIONAL & FINANCIAL

| | | | |
|-------------------------------------|----------------------------------|---------------|--|
| Auditor: | Miller Cooper & Co., LTD | Deerfield, IL | |
| Bond Counsel: | Chapman and Cutler LLP | Chicago, IL | Anjali Vij Stephanie DiSilvestro |
| Disclosure Counsel: | Chapman and Cutler LLP | Chicago, IL | Larry White Seema Patel Kevin Reckamp |
| Underwriter: | Raymond James & Associates, Inc. | Chicago, IL | Elizabeth Hennessy Paula Arnedo Karen Barron |
| Bond Registrar and Paying Agent: | Amalgamated Bank of Chicago | Chicago, IL | Rudy Garcia |
| Issuer's Counsel: | Quarles & Brady LLP | Chicago, IL | Tim Hinchman |
| Architect: | Wight & Co. Architects | Darien, IL | Amy Tiberi |
| General Contractor: | Wight Construction Services | Darien, IL | James Nagle |
| IFA Financial Advisor: | Sycamore Advisors LLC | Chicago, IL | Diana Hamilton Courtney Tobin |

LEGISLATIVE DISTRICTS

| | |
|----------------|----|
| Congressional: | 6 |
| State Senate: | 41 |
| State House: | 81 |

COMMUNITY HIGH SCHOOL DISTRICT NUMBER 99, DUPAGE COUNTY MAP



ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: December 10, 2019

Re: Resolution Authorizing the Execution and Delivery of a First Amendment to Bond and Loan Agreement Relating to the Illinois Finance Authority Revenue Refunding Bond, Series 2016 (Elmhurst College) to Provide for Certain Amendments Relating to the Interest Rate Determination and Certain Other Matters; Authorizing the Execution and Delivery of Any Other Documents Necessary or Appropriate to Effect the Matters Set Forth in Such First Amendment; and Authorizing and Approving Related Matters
IFA 2016 File Number: 12376

Request:

Elmhurst College, an Illinois not-for-profit corporation (the “**Borrower**”) and BBVA Mortgage Corporation, an Alabama corporation (the “**Bond Purchaser**” or the “**Bank**” and formerly known as Compass Mortgage Corporation), are requesting approval of a Resolution to (i) authorize the execution and delivery of a First Amendment to Bond and Loan Agreement and (ii) approve related documents to effectuate a change in the interest rate formula borne on the Illinois Finance Authority Revenue Refunding Bond, Series 2016 (Elmhurst College) (the “**Series 2016 Bond**”).

On December 13, 2016, the Authority issued the Series 2016 Bond in the original principal amount of \$20,200,000 which was purchased by the Bank in order to fully redeem the Illinois Educational Facilities Authority Variable Rate Demand Revenue Bonds, Series 1998 (“ACI/Cultural Pooled Financing Program”) (the “**Series 1998 Bonds**”) and the Variable Rate Demand Revenue Bonds, Series 1999 (ACI/Cultural Pooled Financing Program) (the “**Series 1999 Bonds**”, and collectively with the Series 1998 Bonds, the “**Prior Bonds**”). The Prior Bonds were secured by a Direct Pay Letter of Credit from JPMorgan Chase Bank, N.A., which was otherwise scheduled to expire on January 31, 2017.

Currently, the Series 2016 Bond is bearing a variable rate of interest based on LIBOR for an initial term of approximately 5 years otherwise ending February 1, 2022, with a final maturity date of March 1, 2028. The outstanding principal amount of the Series 2016 Bond was \$15,200,000 as of December 1, 2019.

Impact:

Approval of this Resolution will provide consent to changes as agreed to by the Borrower and the Bank concerning the Series 2016 Bond. Specifically, the Borrower and the Bank desire to decrease the effective interest rate borne on the Series 2016 Bond by approximately 60 basis points and extend the initial term approximately 6 years to the final maturity date. Bond counsel has determined that a new public hearing on the project (i.e., “**TEFRA Hearing**” as defined by Section 147(f) of the Internal Revenue Code of 1986, as amended) will not be required.

Background - Uses of Original Series 1998 and Series 1999 Bond Proceeds:

Proceeds of IEFA’s Series 1998 Cultural Pool Bonds loaned to Elmhurst College were used to finance construction and renovation of campus buildings and structures. Specific projects included construction of (i) a surface parking facility and (ii) a new residence hall, while proceeds also financed (iii) renovation of the Physical Education Center and (iv) the Student Union building.

Proceeds of IEFA’s Series 1999 Cultural Pool Bonds loaned to Elmhurst College were used to (i) advance refund and defease IEFA Revenue Bonds, Elmhurst College, Series 1991 and (ii) reimburse certain costs relating to the acquisition, renovation, expansion, improvement and equipping of its Student Union building.

All scheduled payments relating to the Series 2016 Bond were current as of 12/1/2019 and have been paid as scheduled.

PROFESSIONAL & FINANCIAL

| | | | |
|---------------------|------------------------------|---------------|------------------|
| Borrower's Advisor: | Longhouse Capital Advisors | Chicago, IL | Lindsay Wall |
| Borrower's Counsel: | Perkins Coie LLP | Chicago, IL | Christine Biebel |
| Bond Counsel: | Chapman and Cutler LLP | Chicago, IL | Nancy Burke |
| Bond Purchaser: | BBVA Mortgage Corporation | Chicago, IL | Kelly Borneman |
| | | | William Trussel |
| Bank Counsel: | Parker Poe | Charlotte, NC | Brandon Lewisohn |
| IFA Financial | | | |
| Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Phoebe Selden |
| | | | Brittany Whalen |

RESOLUTION NO. 2019-1210-CF _____

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO BOND AND LOAN AGREEMENT RELATING TO THE ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BOND, SERIES 2016 (ELMHURST COLLEGE) TO PROVIDE FOR CERTAIN AMENDMENTS RELATING TO THE INTEREST RATE DETERMINATION AND CERTAIN OTHER MATTERS; AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS NECESSARY OR APPROPRIATE TO EFFECT THE MATTERS SET FORTH IN SUCH FIRST AMENDMENT; 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, as amended (the "Act"); and

WHEREAS, the Authority has previously issued its \$20,200,000 original aggregate principal amount Illinois Finance Authority Revenue Refunding Bond, Series 2016 (Elmhurst College), of which \$15,200,000 remains outstanding (the "Bond"); and

WHEREAS, the Bond was issued pursuant to that certain Bond and Loan Agreement dated as of December 1, 2016 (the "Original Agreement"), among the Authority, Elmhurst College (the "College") and BBVA Mortgage Corporation, an Alabama corporation and formerly known as Compass Mortgage Corporation, as purchaser (the "Purchaser"); and

WHEREAS, the Bond was sold on a private placement basis to the Purchaser and the proceeds from the sale thereof loaned to the College, all as more fully described in the Original Agreement; and

WHEREAS, under the terms of the Original Agreement, the Bond has a stated maturity date of March 1, 2028 (the "Maturity Date"); and

WHEREAS, the interest rate on the Bond is a variable rate which is determined pursuant to an indexed-based formula as described therein; and

WHEREAS, under the Original Agreement, the Purchaser agreed, subject to certain limited exceptions, to hold the Bond bearing interest at such variable rate for an initial period that ends on February 1, 2022 (the “Initial Purchase Date”); and

WHEREAS, as a result of the College’s improved financial status, the Purchaser has agreed to (i) extend the term by which the Purchaser will hold the Bond from the Initial Purchase Date to the Maturity Date, (ii) revise the formula by which the interest rate on the Bond is calculated and (iii) make certain other related changes, including, without limitation, if deemed necessary or desirable by the College and the Purchaser, amending the definitions of “LIBOR Interest Rate” and “Mandatory Tender Date” (such foregoing amendments are collectively referred to herein as the “Bond Document Amendments”).

WHEREAS, the Purchaser and the College desire to amend the Original Agreement and the Bond to effect the Bond Document Amendments; and

WHEREAS, in order to effect such Bond Document Amendments, the College has requested that the Authority execute and deliver (i) a First Amendment to Bond and Loan Agreement (the “First Amendment”) among the Authority, the College and the Purchaser, supplementing and amending the Original Agreement, (ii) an amended and restated Bond (the “New Bond”), (iii) a Tax Exemption Certificate and Agreement (the “Tax Agreement”) between the Authority and the College and (iv) such other documents as may be necessary to effect the Bond Document Amendments; and

WHEREAS, the College has informed the Authority that upon giving effect to the Bond Document Amendments, the amount of interest payable by the College on the Bond to the Purchaser is expected to decrease; and

WHEREAS, the College has informed the Authority, based upon the advice of bond counsel to the Authority (“Bond Counsel”), that such Bond Document Amendments may result in the Bond being treated as “reissued” or “currently refunded” for federal income tax purposes; and

WHEREAS, the College has requested that the Authority authorize and approve the Bond Document Amendments and authorize and approve the execution and delivery of the First Amendment, the New Bond, the Tax Agreement and the execution and delivery of all other documentation deemed necessary or appropriate in connection therewith; and

WHEREAS, the Authority desires to authorize and approve the Bond Document Amendments and to authorize and approve the execution and delivery of the First Amendment, the New Bond and any other necessary or appropriate documentation to effect all of the foregoing;

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

Section 1. Approval of Bond Documents Amendments. The Authority hereby authorizes and approves the Bond Document Amendments; and the Authority hereby acknowledges, based upon the advice of Bond Counsel, that the Bond Document Amendments and the execution and delivery of the First Amendment and the delivery of the New Bond may constitute a “sale” or “exchange” under Section 1.1001-3 of the Treasury Regulations of the Bond, which is more commonly known as a “reissuance” or “current refunding” of the Bond for federal income tax purposes.

Section 2. First Amendment. The Authority is hereby authorized to enter into the First Amendment to effect the Bond Document Amendments; the form, terms and provisions of the First Amendment shall be, and hereby are, in all respects approved; the Chairman, Vice Chairman, Executive Director, General Counsel or any Assistant Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) of the Authority (each, an “Authorized Officer”) shall 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 shall be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the First Amendment in the name, for and on behalf of the Authority, such First Amendment to be in substantially the same form of the First Amendment 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; that when the First Amendment is executed, attested, sealed and delivered on behalf of the Authority, the First Amendment shall be binding on the Authority; and that from and after the execution and delivery of the First Amendment, the officers, employees and agents of the Authority are hereby also 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 First Amendment as executed; and that the First Amendment shall constitute, and hereby is made, a part of this Resolution, and a copy of the First Amendment shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 3. New Bond. In order to carry out the effectiveness of the Bond Document Amendments, the Authority hereby authorizes and approves the execution and delivery to the Purchaser of the New Bond, such New Bond to be in substantially the form attached to the First Amendment 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 New Bond shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman, Vice Chairman 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 Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; the Chairman, Vice Chairman, Executive Director or any other officer of the Authority shall cause such New Bond as so executed and attested, to be delivered to the Purchaser, as bond registrar, for authentication; and when such New Bond is executed on behalf of the Authority in the manner contemplated by the

Original Agreement, as supplemented and amended by the First Amendment, and this Resolution, it shall represent the approved form of such New Bond.

Section 4. Tax Agreement. The Authority is hereby authorized to enter into the Tax Agreement; the form, terms and provisions of the Tax Agreement shall be, and hereby are, in all respects approved; each Authorized Officer shall 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 shall be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Tax Agreement in the name, for and on behalf of the Authority, such Tax Agreement to be in substantially the same form of the Tax Agreement 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; that when the Tax Agreement is executed, attested, sealed and delivered on behalf of the Authority, the Tax Agreement shall 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 also 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 Tax Agreement as executed; and that the Tax Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Tax Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 5. Other Documents. The Authorized Officers and any other officer 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 Bond Document Amendments and the foregoing described matters, including but not limited to, the execution and delivery of one or more IRS Forms 8038 (collectively, the "Other Documents"), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties, including, without limitation, the College and the Purchaser, and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, effecting the Bond Document Amendments and the foregoing described matters and/or the execution, delivery and performance of the First Amendment, the New Bond, the Tax Agreement and the Other Documents; and all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 6. Conditions to Effectiveness. The approvals granted by the Authority pursuant to this Resolution are subject to the First Amendment, 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 General Counsel to the Authority or the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer's execution and delivery of such documents.

Section 7. 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 8. 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 9. No Conflict. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Sara Perugini

Date: December 10, 2019

Re: Resolution Relating to the Illinois Finance Authority Revenue Bonds, Series 2008A (Advocate Health Care Network), issued in the original aggregate principal amount of \$153,430,000 and comprised of three subseries designated as Series 2008A-1, Series 2008A-2 and Series 2008A-3
IFA 2018 File Number: 11840

The Illinois Finance Authority (the “Authority”) has previously issued its Revenue Bonds, Series 2008A (Advocate Health Care Network) (the “Series 2008A Bonds”) for the benefit of Advocate Health and Hospitals Corporation (“AHHC”) and Advocate Health Care Network (“AHCN” and together with AHHC, “Advocate”). The Series 2008A Bonds are divided into three subseries, which are designated as the “Series 2008A-1 Bonds,” the “Series 2008A-2 Bonds” and the “Series 2008A-3 Bonds.” The Series 2008A Bonds were issued pursuant to the terms of the Trust Indenture dated as of April 1, 2008, as supplemented and amended (the “Bond Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee. Each of the three subseries matures on November 1, 2030 (the “Maturity Date”).

On May 1, 2019, the Series 2008A-3 Bonds were converted to a long-term interest rate period with a fixed interest rate that is effective to, but not including, the Maturity Date, on which date the Series 2008A-3 Bonds are subject to mandatory tender and payment at maturity.

The Series 2008A-1 Bonds currently operate in a long-term interest rate period with a fixed interest rate. Such interest period ends on January 14, 2020. The Series 2008A-1 Bonds are subject to mandatory tender for purchase on January 15, 2020.

The Series 2008A-2 Bonds currently operate in a long-term fixed interest rate period with a fixed interest rate. Such interest period ends on February 11, 2020. The Series 2008A-2 Bonds are subject to mandatory tender for purchase on February 12, 2020.

It is currently expected that when the Series 2008A-1 Bonds and Series 2008A-2 Bonds are subject to mandatory tender for purchase as described above, each such subseries will be remarketed in a new long-term interest rate period with the interest rate borne by such subseries fixed until the end of the related interest period. Advocate has not yet determined the duration of each such new long-term interest rate period. Advocate is evaluating whether the new interest rate period for each such subseries will extend to the Maturity Date or will have a duration that ends on a date that is earlier than the Maturity Date. Advocate’s decision on the duration of the new interest rate period for each such subseries will be made at the time the interest rate is established for each subseries, which will occur prior to each of the respective mandatory tender dates.

In connection with such conversion and remarketing of the Series 2008A-1 Bonds and the Series 2008A-2 Bonds, Advocate desires to retain the flexibility to (i) remarket each such subseries of the Series 2008A Bonds at a premium or discount and/or (ii) waive its right to call each such subseries of the Series 2008A Bonds for redemption prior to the end of the related new long term interest rate period or the Maturity Date, as applicable, if deemed in the best interests of Advocate (collectively, the “Remarketing Options”).

The Bond Indenture does not currently permit any of the Series 2008A Bonds to be remarketed at a premium or discount unless the duration of such new interest period ends on the day immediately prior to the Maturity Date, and would need to be amended to permit the same.

If the Series 2008A-1 Bonds and/or Series 2008A-2 Bonds are remarketed at a premium, Advocate currently expects that such premium would be applied to redeem a portion of the related subseries and then the remaining outstanding Series 2008A Bonds of such subseries would be remarketed and operate in the new long term interest rate period established for such subseries.

Advocate has informed the Authority, based on advice provided by Chapman and Cutler LLP, bond counsel, that depending on the facts at the time of remarketing of the Series 2008A-1 Bonds and the Series 2008A-2 Bonds, respectively, one or more of the Remarketing Options may result in the Series 2008A-1 Bonds and/or the Series 2008A-2 Bonds being treated as “reissued” or “currently refunded” for federal income tax purposes.

The terms of the conversion and remarketing of the Series 2008A-1 Bonds and the Series 2008A-2 Bonds will be described in separate supplements to the original Official Statement relating to the Series 2008A Bonds. Purchasers of the remarketed Series 2008A-1 Bonds and the Series 2008A-2 Bonds will be deemed to have accepted and approved of such terms as described in the related supplement.

Advocate has requested the Authority to approve the execution and delivery of any and all documents that may be necessary to effect the foregoing described Remarketing Options and/or the conversion and remarketing of the Series 2008A-1 Bonds and the Series 2008A-2 Bonds and any related reissuance for federal income tax purposes. Those documents may include, without limitation, one or more amendments to the Bond Indenture, one or more new forms of bonds, one or more tax exemption certificates and agreements and one or more IRS Form 8038s. The Authority has previously approved similar matters in connection with prior conversions and remarketings of the Series 2008A Bonds.

Accordingly, IFA staff recommends approval of the accompanying Resolution.

RESOLUTION 2019-1210-CF07

RESOLUTION AUTHORIZING AND APPROVING CERTAIN DOCUMENTS RELATING TO THE REMARKETING AND CONVERSION OF TWO SUBSERIES OF THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS, SERIES 2008A (ADVOCATE HEALTH CARE NETWORK), INCLUDING THE EXECUTION AND DELIVERY OF ONE OR MORE SUPPLEMENTAL TRUST INDENTURES, ONE OR MORE NEW BONDS, ONE OR MORE TAX EXEMPTION CERTIFICATES AND AGREEMENTS AND ANY OTHER NECESSARY DOCUMENTS; 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, as amended (the “Act”); and

WHEREAS, the Authority has previously issued its \$153,430,000 in original aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2008A (Advocate Health Care Network), (the “Series 2008A Bonds”); and

WHEREAS, the Series 2008A Bonds were issued pursuant to that certain Trust Indenture dated as of April 1, 2008, as supplemented and amended (the “Existing Bond Indenture”), between the Illinois Finance Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”); and

WHEREAS, the proceeds from the sale of the Series 2008A Bonds were loaned to Advocate Health and Hospitals Corporation, an Illinois not for profit corporation (“Advocate Hospitals Corporation”), pursuant to the terms of that certain Loan Agreement dated as of April 1, 2008, as supplemented and amended (the “Loan Agreement”), between the Authority and Advocate Hospitals Corporation; and

WHEREAS, Advocate Hospitals Corporation’s obligations under the Loan Agreement are secured by an obligation issued and outstanding under that certain Second Amended and Restated Master Trust Indenture dated as of August 16, 2018 (the “Second Amended and Restated Master Indenture” and, as the same has been and may be further supplemented and amended, the “Master Indenture”) among, Advocate Hospitals Corporation, Advocate Health Care Network (“AHCN” and together with Advocate Hospitals Corporation referred to herein as “Advocate”), and the other Members of the Obligated Group named therein and U.S. Bank National Association, as successor master trustee; and

WHEREAS, the Series 2008A Bonds were issued in three subseries consisting of (i) \$51,140,000 in original aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2008A-1 (Advocate Health Care Network), (the “Series 2008A-1 Bonds”), (ii) \$51,145,000 in original aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2008A-2 (Advocate Health Care Network), (the “Series 2008A-2 Bonds”) and (iii) \$51,145,000 in original aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2008A-3 (Advocate Health Care Network), (the “Series 2008A-3 Bonds”); and

WHEREAS, each subseries of the Series 2008A Bonds matures on November 1, 2030 (the “Maturity Date”) and currently operates in a Long Term Interest Rate Period (as defined in the Existing Bond Indenture); and

WHEREAS, in accordance with the Existing Bond Indenture, each subseries of the Series 2008A Bonds is subject to mandatory tender for purchase at the end of its related Long Term Interest Rate Period (each, a “Mandatory Tender Date”); and

WHEREAS, on May 1, 2019, the Series 2008A-3 Bonds were converted to a Long Term Interest Rate Period with a fixed interest rate that will be effective to, but not including, the Maturity Date, on which date the Series 2008A-3 Bonds will be subject to mandatory tender and payment at maturity; and

WHEREAS, the Series 2008A-1 Bonds currently operate in a Long Term Interest Rate Period with a fixed interest rate that is effective to and including January 14, 2020 and are subject to mandatory tender on January 15, 2020, which is the next Mandatory Tender Date for the Series 2008A-1 Bonds; and

WHEREAS, the Series 2008A-2 Bonds currently operate in a Long Term Interest Rate Period with a fixed interest rate that is effective to and including February 11, 2020 and are subject to mandatory tender on February 12, 2020, which is the next Mandatory Tender Date for the Series 2008A-2 Bonds; and

WHEREAS, on each of the Mandatory Tender Dates for the Series 2008A-1 Bonds and the Series 2008A-2 Bonds, respectively, Advocate currently expects to effect the remarketing and conversion of both the Series 2008A-1 Bonds and the Series 2008A-2 Bonds to a new Long Term Interest Rate Period with a fixed interest rate that is effective until the end of the related new Long Term Interest Rate Period; and

WHEREAS, Advocate is evaluating for each such subseries whether it would be in its best interest to remarket such subseries to a new Long Term Interest Rate Period that ends on the date immediately preceding the Maturity Date, whereby such subseries would be subject to mandatory tender and payment on the Maturity Date, or to remarket such subseries to a new Long Term Interest Rate Period that ends on an earlier date whereby such subseries would be subject to mandatory tender and purchase on a date prior to the Maturity Date; and

WHEREAS, in connection with such conversion and remarketing of each subseries, Advocate desires to retain the flexibility to (i) remarket each such subseries of the Series 2008A Bonds at a premium or discount and/or (ii) waive its right to call each such subseries of the Series 2008A Bonds for redemption prior to the end of the related new Long Term Interest Rate Period, if deemed in the best interests of Advocate (collectively, the “Remarketing Options”); and

WHEREAS, the Existing Bond Indenture currently includes the ability to remarket Series 2008A Bonds at a premium or discount to a new interest rate period that has a duration to, but not including, the Maturity Date but does not currently include the ability to remarket the Series 2008 A-1 Bonds or the Series 2008A-2 Bonds at a premium or discount to a new interest rate period that has a duration to, but not including, a date earlier than the Maturity Date; and

WHEREAS, in order to preserve the flexibility to remarket either the Series 2008A-1 Bonds or the Series 2008A-2 Bonds at a premium or discount to a new interest rate period that has a duration to, but not including, a date earlier than the Maturity Date, Advocate has requested that the Authority approve the execution of one or more supplements to the Existing Bond Indenture to provide for the same (collectively, the “Supplemental Bond Indentures”); and

WHEREAS, it is currently expected that if either of the Series 2008A-1 Bonds or the Series 2008A-2 Bonds are remarketed at a premium, then such premium will be applied, together with certain other funds, to prepay and retire a portion of such Series 2008A-1 Bonds or such Series 2008A-2 Bonds, as applicable, on the related Mandatory Tender Date and the remaining then outstanding Series 2008A-1 Bonds or Series 2008A-2 Bonds, as applicable, will thereafter operate in the new Long Term Interest Rate Period established for such subseries; and

WHEREAS, in connection with such conversion and remarketing of the Series 2008A-1 Bonds and the Series 2008A-2 Bonds to new Long Term Interest Rate Periods, new CUSIP Numbers will be assigned to the remaining outstanding Series 2008A-1 Bonds and Series 2008A-2 Bonds, and one or more new Series 2008A-1 Bonds and Series 2008A-2 Bonds reflecting such new CUSIP Number (collectively, the “New Bonds”) will be executed and delivered by the Authority in replacement and substitution for the existing Series 2008A-1 Bonds and Series 2008A-2 Bonds; and

WHEREAS, Advocate has informed the Authority, based upon the advice of bond counsel to the Authority (“Bond Counsel”), that depending on the facts at the time of remarketing of the Series 2008A-1 Bonds and the Series 2008A-2 Bonds, respectively, one or more of the Remarketing Options may result in the Series 2008A-1 Bonds and/or the Series 2008A-2 Bonds being treated as “reissued” or “currently refunded” for federal income tax purposes (collectively, “Tax Reissuances”); and

WHEREAS, in connection with any Tax Reissuance, the Authority, Advocate Hospitals Corporation and the Bond Trustee would execute and deliver one or more Tax Exemption Certificates and Agreements (collectively, the “Tax Agreements”); and

WHEREAS, Advocate has requested that the Authority authorize and approve the execution and delivery of the Supplemental Bond Indentures, the New Bonds, the Tax Agreements and all other documentation deemed necessary or appropriate in connection with any or all of the foregoing; and

WHEREAS, the Authority desires to authorize and approve the execution and delivery of the Supplemental Bond Indentures, the New Bonds, the Tax Agreements and any other necessary or appropriate documentation to effect any or all of the foregoing;

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

Section 1. Supplemental Bond Indentures. The Authority hereby authorizes and approves the execution and delivery of one or more Supplemental Bond Indentures to effect the Remarketing Options, including to provide that the Series 2008A-1 Bonds and/or the Series 2008A-2 Bonds may be remarketed at a premium or discount to a new interest rate period that

has a duration to, but not including, the date prior to the Maturity Date or an earlier date; provided, however, that any such amendment shall also provide that a Favorable Opinion of Bond Counsel (as defined in the Existing Bond Indenture) is delivered to the Authority and the Bond Trustee in connection with any such remarketing at a premium or discount. Each Supplemental Bond Indenture shall be in the form to be approved by Bond Counsel, Advocate Hospitals Corporation and the Chairperson, Vice Chairperson, Executive Director, 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*”), which approval shall be evidenced by an Authorized Officer’s execution and delivery of one or more Supplemental Bond Indentures. Each Authorized Officer is, authorized, empowered and directed to execute and deliver one or more Supplemental Bond Indentures as so approved; when any such Supplemental Bond Indenture is executed and delivered on behalf of the Authority as herein provided, such Supplemental Bond Indenture will be binding on the Authority; and from and after the execution and delivery of such Supplemental Bond 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 or desirable to carry out and comply with the provisions of such Supplemental Bond Indenture as executed.

Section 2. New Bonds. In order to carry out the effectiveness of the conversion and remarketing of the Series 2008A-1 Bonds and the Series 2008A-2 Bonds to new Long Term Interest Rate Periods, the Authority hereby authorizes and approves the execution and delivery of New Bonds, in substantially the form attached to the Existing Bond Indenture 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 New Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its the Chairman, Vice Chairman 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) of the Authority and attested with the manual or facsimile signature of its Secretary or any Assistant Secretary and the seal of the Authority shall be impressed or imprinted thereon; the Chairman, Vice Chairman 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) of the Authority shall cause the New Bonds, as so executed and attested, to be delivered to the Bond Trustee, as bond registrar, for authentication; and when such New Bonds are executed on behalf of the Authority in the manner contemplated by the Existing Bond Indenture and this Resolution, they shall represent the approved form of such New Bonds.

Section 3. Tax Agreements. The Authority is hereby authorized to enter into one or more Tax Agreements, if deemed necessary by Bond Counsel, in the form to be approved by Bond Counsel, Advocate Hospitals Corporation and an Authorized Officer of the Authority, which approval shall be evidenced by such Authorized Officer’s execution and delivery of one or more Tax Agreements. The Authorized Officers of the Authority be, and each of them hereby is, authorized, empowered and directed to execute and deliver one or more Tax Agreements as so approved; when any such Tax Agreement is executed and delivered on behalf of the Authority as herein provided, such Tax Agreement will be binding on the Authority; and from and after the execution and delivery of such Tax Agreement, the officers, employees and agents of the

Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary or desirable to carry out and comply with the provisions of such Tax Agreement as executed.

Section 4. Other Documents. The Authorized Officers and any other officer of the Authority be, and each of them hereby is, authorized to (i) execute and deliver such documents, certificates and undertakings of the Authority to effect the matters set forth in this Resolution, including but not limited to, the execution and delivery of one or more IRS Forms 8038 and notices or supplemental indentures, if any, that may be deemed necessary or desirable to effect any prepayment of the Series 2008A-1 and/or Series 2008A-2 Bonds (collectively, the “Other Documents”), (ii) approve the execution and delivery of such other documents, certificates and undertakings of other parties in connection with the matters set forth in this Resolution, and (iii) take such other actions as may be necessary or required in connection with carrying out and complying with this Resolution, effecting the matters set forth in this Resolution and the foregoing described matters and/or the execution, delivery and performance of any of the Supplemental Bond Indentures, New Bonds, Tax Agreements and Other Documents; and all of the acts and doings of the Authorized Officers which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and hereby are authorized, ratified, approved and confirmed.

Section 5. Conditions to Effectiveness. The approvals granted by the Authority pursuant to this Resolution are subject to the Supplemental Bond Indentures, the New Bonds, the Tax Agreements 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 General Counsel to the Authority or the Executive Director (and, for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) of the Authority, the satisfaction of such condition to be evidenced by an Authorized Officer’s execution and delivery of such documents.

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

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

APPROVED this 10th day of December, 2019.

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

[SEAL]

ATTEST:

Assistant Secretary

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Sara Perugini

Date: December 10, 2019

Re: Resolution Authorizing Amendments to the Bond Trust Indentures relating to the Illinois Finance Authority Variable Rate Revenue Bonds, Series 2012A and Series 2012B (Rosecrance, Inc.), the proceeds of which were loaned to Rosecrance, Inc.
IFA 2012 Project Number: H-HO-TE-CD-8577

On October 1, 2012, the Authority issued its (i) Illinois Finance Authority Variable Rate Revenue Bonds, Series 2012A (Rosecrance, Inc.) (the “Series 2012A Bonds”) pursuant to a Bond Trust Indenture dated as of October 1, 2012 (the “Original 2012A Bond Indenture”), between the Authority and Amalgamated Bank of Chicago, as successor bond trustee (the “Bond Trustee”) and (ii) Illinois Finance Authority Variable Rate Revenue Bonds, Series 2012B (Rosecrance, Inc.) (the “Series 2012B Bonds” and, together with the Series 2012A Bonds, the “Series 2012 Bonds”) pursuant to a Bond Trust Indenture dated as of October 1, 2012 (the “Original 2012B Bond Indenture” and, together with the Original 2012A Bond Indenture, the “Original Bond Indentures”), between the Authority and the Bond Trustee. The proceeds of the Series 2012 Bonds were loaned to Rosecrance, Inc., a not for profit corporation incorporated under the laws of the State of Illinois (the “Borrower”), pursuant to two Loan Agreements each dated as of October 1, 2012, between the Authority and the Borrower.

The Series 2012 Bonds are in an Index Rate Period where the Index Rate is based on the London Interbank Offered Rate (“LIBOR”). LIBOR is scheduled to be phased out by the end of 2021. The Borrower and the banks currently holding the Series 2012 Bonds have agreed to extend the Index Rate Period to the maturity of the Series 2012 Bonds, with the Banks continuing to hold the Series 2012 Bonds to maturity. As a condition to retaining the Series 2012 Bonds, the holders of the Series 2012 Bonds requested that the definition of LIBOR in the Original Bond Indentures be amended (the “Bond Indenture Amendments”). As a result, the Borrower is requesting that the Authority enter into Supplements to the Original Bond Indentures in order to effectuate the Bond Indenture Amendments.

Accordingly, IFA staff recommends approval of the accompanying Resolution.

RESOLUTION 2019-1210-CF08

RESOLUTION AUTHORIZING AMENDMENTS TO THE BOND TRUST INDENTURES RELATING TO THE ILLINOIS FINANCE AUTHORITY VARIABLE RATE REVENUE BONDS, SERIES 2012A AND SERIES 2012B (ROSECRANCE, INC.), THE PROCEEDS OF WHICH WERE LOANED TO ROSECRANCE, INC.

WHEREAS, the Illinois Finance Authority (the “*Authority*”) has been created by, and exists under, the Illinois Finance Authority Act; and

WHEREAS, on October 1, 2012, the Authority issued its (i) Illinois Finance Authority Variable Rate Revenue Bonds, Series 2012A (Rosecrance, Inc.) (the “*Series 2012A Bonds*”) pursuant to a Bond Trust Indenture dated as of October 1, 2012 (the “*Original 2012A Bond Indenture*”), between the Authority and Amalgamated Bank of Chicago, as successor bond trustee (the “*Bond Trustee*”) and (ii) Illinois Finance Authority Variable Rate Revenue Bonds, Series 2012B (Rosecrance, Inc.) (the “*Series 2012B Bonds*” and, together with the Series 2012A Bonds, the “*Series 2012 Bonds*”) pursuant to a Bond Trust Indenture dated as of October 1, 2012 (the “*Original 2012B Bond Indenture*” and, together with the Original 2012A Bond Indenture, the “*Original Bond Indentures*”), between the Authority and the Bond Trustee; and

WHEREAS, the proceeds of the Series 2012 Bonds were loaned to Rosecrance, Inc., a not for profit corporation incorporated under the laws of the State of Illinois (the “*Borrower*”), pursuant to two Loan Agreements each dated as of October 1, 2012, between the Authority and the Borrower; and

WHEREAS, the Series 2012 Bonds are in an Index Rate Period where the Index Rate is based on the London Interbank Offered Rate (“*LIBOR*”); and

WHEREAS, LIBOR is scheduled to be phased out by the end of 2021; and

WHEREAS, as a condition to retaining the Series 2012 Bonds, the holders of the Series 2012 Bonds requested that the definition of LIBOR in the Original Bond Indentures be amended (the “*Bond Indenture Amendment*”); and

WHEREAS, a draft of the First Supplemental Bond Trust Indentures between the Authority and the Bond Trustee (the “*First Supplemental Bond Indentures*”) describing the Bond Indenture Amendment has been previously provided to the Authority and is on file with the Authority;

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

Section 1. First Supplemental Bond Indentures. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Executive Director or the Members (each an “*Authorized Officer*”) and the delivery of the First Supplemental Bond Indentures. The First Supplemental Bond Indentures shall be substantially in the form 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 First Supplemental Bond Indentures, and to

constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval thereof.

Section 2. 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, approve and/or accept, as applicable, all such documents (including, without limitation, the execution and delivery of a document setting forth the agreements and certifications of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions, the First Supplemental Bond Indentures and the Bond Indenture Amendment, 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, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 3. Separability. 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 4. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 5. Immediate Effect. This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved this 10th day of December, 2019 by vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

ILLINOIS FINANCE AUTHORITY

By _____
Executive Director

ATTEST:

Assistant Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Christopher B. Meister, Executive Director

Date: December 10, 2019

Re: Resolution of Intent Requesting an Initial Allocation of Calendar Year 2020 Private Activity Bond Volume Cap in the amount of \$120,000,000

Request:

The accompanying Resolution of Intent is in connection with IFA's annual request for Volume Cap to fund Beginning Farmer Bond and Industrial Revenue Bond Projects during Calendar Year 2020. The Authority's initial Volume Cap allocation request amount pursuant to the accompanying Resolution is \$120,000,000 for Calendar Year 2020.

Background:

The Governor's Office of Management and Budget ("GOMB") requests that the governing board of each State conduit bond issuing authority file a certified Resolution of Intent as a supplemental exhibit to the issuer's annual Volume Cap allocation request letter.

Recommendation:

Staff recommends approval of the accompanying Resolution as presented.

IFA RESOLUTION NO. 2020-1210-CF__

**RESOLUTION OF INTENT REQUESTING AN INITIAL
ALLOCATION OF PRIVATE ACTIVITY VOLUME CAP IN
THE AMOUNT OF \$120,000,000**

WHEREAS, pursuant to Section 801-40 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1, et seq., as amended (the “*Act*”), the **ILLINOIS FINANCE AUTHORITY** (the “*Authority*”) is authorized to issue bonds (“*Bonds*”), including, but not limited to, the issuance of Bonds pursuant to the Illinois Private Activity Bond Allocation Act, 30 ILCS 345 et seq. (the “*Illinois Allocation Act*”); and

WHEREAS, the State of Illinois Guidelines and Procedures for the Allocation of Private Activity Bonding Authority require a request for volume cap allocation be accompanied by a Resolution of the Authority; and

WHEREAS, the Authority anticipates a strong demand for the proceeds of its Bonds and a consequent need to issue Bonds soon after January 1, 2020:

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

Section 1. Ratification and Approval. The Authority hereby ratifies and approves all actions taken by the Executive Director with respect to the initial volume cap allocation of \$120,000,000 in Calendar Year 2020.

Section 2. Intention to Provide Financing. The Authority states its intention, subject to compliance with all requirements of law, to issue Bonds pursuant to the Illinois Volume Cap Allocation Act, in addition to the amount of the Existing Allocation, and on terms and conditions acceptable to the Authority.

Section 3. Authorization to Implement Resolution. The Executive Director is authorized to take such further action as may be necessary to carry out the intent and purpose of this Resolution.

Date: Decemeber 10, 2019

To: Members of the Illinois Finance Authority (“Authority”)

From: Charles Myart, Vice President

Subject: ***Resolution Authorizing the Illinois Finance Authority to Assist the Illinois Department of Commerce and Economic Opportunity in connection with the Advantage Illinois Program***

Background

The rejuvenation of the Authority’s Participation Product is a vital element of the ***Transformation Initiative***. Supporting this effort led to the Authority hiring Stan Luboff, who remains as an Authority resource via a Personal Service Contract (“PSC”). I joined the Authority in November 2018 as Vice President of Loans and Guarantees. Clarifying the Authority’s loan powers in Public Act 100-919 (Senate Bill 43, 100th General Assembly) was also part of this effort.

DCEO and Advantage Illinois

In November 2019, DCEO’s management requested the Authority’s assistance with its *Advantage Illinois Program* (Participation Loan Product) that was funded initially with federal money. As a result of this request, staff from both agencies had a productive preliminary meeting regarding mutual efforts to deliver an effective small business loan product consistent with the objectives of Governor Pritzker’s “A Plan to Revitalize the Illinois Economy and Build the Workforce of the Future” (see [Illinois Economic Plan 2019, pg 13](#)). As with any Authority partnership with another sister state agency, the Authority’s objective is to ensure that the potential DCEO intergovernmental agreement incorporates the appropriate responsibility and authority.

The resolution requests broad authorization to negotiate an agreement with DCEO, including but not limited to, resource allocation, workload, and compensation for a proposed partnership. Staff will return to the Members of the Authority with a more detailed plan for authorization.

Authority Springfield Office Space

The resolution also extends the long-standing agreement between DCEO and the Authority regarding the Springfield office space.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Eric Anderberg, Chairman

Date: December 12, 2019

Re: Resolution Appointing the Executive Director of the Illinois Finance Authority

Pursuant to 20 ILCS 3501/801-15, from nominations received from the Governor, the Members of the Authority shall appoint an Executive Director who shall be a person knowledgeable in the areas of financial markets and instruments, to hold office for a one-year term.

Nomination materials will be provided separately.

IFA RESOLUTION NO. 2019-1210-EX__

**RESOLUTION APPOINTING THE EXECUTIVE
DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY**

WHEREAS, pursuant to Section 801-15 of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the “Act”) the Authority is authorized to appoint its Executive Director from those persons nominated by the Governor; and

WHEREAS, the Illinois Finance Authority (the “Authority”) has received nominations from the Governor of the State of Illinois for the office of Executive Director of the Authority; and

WHEREAS, the Executive Director shall hold office for a one-year term; shall be the chief administrative and operational officer of the Authority; shall direct and supervise its administrative affairs and general management; shall perform such other duties as may be prescribed from time to time by the Members of the Authority and shall receive compensation fixed by the Authority.

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

Section 1. Authority. This Resolution is adopted pursuant to Section 801-15 and Section 801-25 of the Act. The preambles to this resolution are incorporated by reference as part of this resolution.

Section 2. Appointment of Executive Director. _____ has been nominated by the Governor for consideration by the Board for the office of Executive Director of the Authority. After due consideration, the Members of the Authority have determined that _____ has satisfied all of the requirements set forth in the Act for appointment to the office of Executive Director of the Authority, including that such person is knowledgeable in the areas of financial markets and instruments, and accordingly, is qualified to serve in this office. _____ is hereby appointed to the office of Executive Director of the Authority for a one-year term commencing on the date of adoption of this Resolution.

Section 3. Delegation of Powers. The Members of the Authority hereby delegate to _____ all of the powers of the office of Executive Director of the Authority pursuant to the Act, administrative rules, By-Laws and applicable resolutions of the Authority, including but not limited to, the following duties and powers: (1) to direct and supervise the administrative affairs and general management of the Authority as its chief administrative and operational officer; (2) to enter into and execute loans, contracts, agreements and mortgages connected with the corporate purposes of the Authority; (3) to invest the funds of the Authority; (4) to employ agents, employees, and independent contractors to carry out the corporate purposes of the Authority and to fix the compensation, benefits, and contractual terms and conditions of such agents, employees, and independent contractors; (5) to execute all agreements, documents, bonds, notes, checks, drafts and other instruments authorized by the Act, administrative rules, By-Laws and applicable resolutions of the Authority with the intent that the Authority be bound by each; and (6) other powers and duties as may be prescribed from time to time by the Members of the Authority.

Section 4. Compensation. The compensation of the Executive Director will be established by the Board.

Section 5. Additional Authorization to Execute Documents. The Members of the Authority desire to provide the Executive Director with an additional resource in furtherance of the performance of his administrative duties through the authorization of an additional signatory for the execution of all agreements, documents, bonds, notes, checks, drafts and other instruments (the "Authority Documents") on behalf of the Authority. The Members of the Authority hereby authorize the Executive Director to designate in writing one or more authorized representatives who may execute any and all Authority Documents which may be executed by the Executive Director pursuant to the Act, administrative rules, By-Laws of the Authority, or any Authority resolution, agreement, document or other instrument, with the effect that the Authority be bound thereby, such authorization to be effective until revoked by the Executive Director or the Members of the Authority. Each such designation will be in writing signed by the Executive Director and shall set forth the names of such designees who may execute Authority Documents when the Executive Director is incapacitated, absent or otherwise unavailable to execute Authority Documents.

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

Section 7. Repeal of Conflicting Resolutions. This resolution is intended to supersede all previous resolutions of the Board which are in conflict with the provisions hereof. To that end, all resolutions previously adopted by the Board which are in conflict with the provisions hereof are repealed, in whole or in part, to the extent of such conflict.

Section 8. Enactment. This Resolution shall take effect immediately.

This Resolution No. **[INSERT]** is approved and effective this 12th day of December, 2019 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

By _____
Chairperson

ATTEST:

Assistant Secretary

[SEAL]

Date: December 10, 2019

To: Members of the Illinois Finance Authority (“Authority”)

From: Sara Perugini, Vice President
Jacob Stuckey, Deputy Executive Director

Subject: ***Advanced Refunding with Taxable Debt***

The Authority has recently witnessed a trend in traditional non-profit tax-exempt borrowers defeasing (paying off) conduit debt, which was issued by the Authority, with taxable debt. The Members may find the following article, which sums up the issue and trend, to be of interest.

- ***“Taxable Boom May Undermine the Case for the Muni Tax-Exemption”*** – The Bond Buyer, December 2, 2019¹

Advance Refunding

The Tax Cut and Jobs Act eliminated the ability to issue tax-exempt advance refunding bonds after December 31, 2017. An advance refunding bond is generally defined as any refunding bond issued more than 90 days before the redemption of the refunded bond. Typically, refunded bonds are secured by an escrow funded with the proceeds of the refunding bond. The proceeds of the refunding bonds are generally invested in Treasury securities or federal agency securities, with principal and interest from these investments being used to pay principal and interest on the refunded bond.

Advance Refunding with Taxable Debt

While Borrowers can no longer advance refund with tax-exempt bonds, Borrowers still have the ability to advance refund tax-exempt bonds with a *taxable* financing. A taxable financing can take on different forms. For example, a Borrower can issue its own taxable bonds, issue taxable bonds through an issuer, issue a taxable note or take out a taxable loan. Advance refunding is popular in low-interest-rate environments where Borrowers may seek to take advantage of lower rates by refinancing outstanding bonds that have not yet matured. In the current interest rate environment, we have seen financial advisors recommending taxable refinancings when there is a 9% or more present value savings.

Impact of Taxable Advance Refunding on the Authority

While the Authority has seen several taxable advance refundings in the past few months, it is too early to determine whether the trend will continue, and the impact that such refundings may have on the Authority. In November, rates have been trending up and the savings from taxable refinancings are not as great. It may be an option for Borrowers to refinance the taxable debt with tax-exempt bonds in the future. It is important to note, however, that many of the taxable refinancings cannot be called until maturity, and the maturity typically matches the maturity of the refunded bonds. It is also possible for

¹ * This item has been provided on a confidential basis to the Members. At the time of printing of this Authority Board Book, permission has not yet been obtained to post this item publicly.



Borrowers to issue taxable bonds through the Authority. Certain financial advisors have found that if the taxable financing is less than \$300 million, there may be a benefit to issuing through the Authority and getting a Municipal CUSIP. However, if the transaction is over \$300 million, financial advisors feel that it makes sense for the Borrower to issue its own taxable debt with its own Corporate CUSIP.

Date: December 10, 2019

To: Members of the Illinois Finance Authority (“Authority”)

From: Chris Meister, Executive Director
William Atwood, Vice President, Institutional Investments and Infrastructure

Subject: ***Transformation Initiative: Authority’s Role with respect to the Report of the Governor’s Pension Consolidation Task Force; Legislation Passed Both Houses – Sent to Governor: Senate Bill (“SB”) 1300 f/k/a SB 616***

At the November Board meeting, we advised you about the success of the above referenced element of the Authority’s Transformation Initiative. Language, consistent with the statutory purposes of the Authority Act (20 ILCS 3501), was added to SB 1300 (which passed the House by a vote of 96-14-3 on November 13, and passed the Senate 42-12-0 the following day; f/k/a SB 616 referenced in the November memo). The Authority has new powers to lend, and the newly created consolidated Police Officers’ Pension Investment Fund and the Firefighters’ Pension Investment Fund have powers to borrow, up to \$7.5 million each to be used for start-up expenses. The legislation defined a 30 month Transition Period, after which those monies are to be paid back to the Authority, plus interest, at a spread over LIBOR.

SB 1300

The legislation will create the two new funds. In order to get the funds up and running, it establishes the Transition Period, commencing on the bill’s effective date, January 1, 2020. By January 31, the Governor is to have appointed interim trustees to the two boards, who will serve until elections can be held by the end of 2020. The newly appointed interim boards are required to appoint interim executive directors by April 30, 2020.

The two funds will have no source of funding until pension assets are transferred later in the Transition Period. As a result the IFA is authorized in the statute to lend up to \$7.5 million each to the two new funds.

Among the first orders of business for the two new funds will be the execution of inter-agency agreements with the Authority for the provision of that funding. Under the statute, the Authority is to be repaid with interest at a premium above LIBOR. These agreements will need to be worked out between the Authority and each of the two new funds, with repayment to commence sometime after conclusion of the Transition Period, thirty months later. We expect to return to the Members of the Authority as these matters are more fully developed.

Upon execution of the agreements between the Authority and the two new funds, staff will monitor the new entities and ultimately coordinate the process of repayment, which should begin on or about July 1, 2022.

Governor Pritzker’s initiative to consolidate the investment functions of downstate and suburban police and fire funds will have a materially positive impact on the health of those funds and the communities



they serve. The Authority is prepared to play a critical role in getting these two new investment boards up and running. We will keep you apprised as this important work proceeds.

Date: December 10, 2019

To: Members of the Illinois Finance Authority (“Authority”)

From: Jacob Stuckey, Deputy Executive Director

Subject: ***Personal Services Contracts (“PSC”) Extensions***

As part of the ongoing ***Transformation Initiative***, the Authority requires specialized talent and experience for finite time periods. Developing and implementing new products and initiatives as well as strengthening the Authority’s organizational capacity, including maintaining access to institutional knowledge as part of a succession strategy, is inherent to the Transformation Initiative. The PSC provides the Authority with a tool to establish the terms, scope and compensation with a particular individual with specialized talent and experience required by the Authority. The PSCs are intended to be a finite arrangement and are routinely reviewed to ensure the needs of the Authority are being met. Directionally, we plan on using PSCs on a very limited basis and have ended several PSCs (Lydon, Morsch, Franzen) since the Transformation Initiative began.

Consistent with Section 3 of the budget resolution (Authority Resolution No. 2019-0611-AP, June 11, 2019) for the current fiscal year, the Authority will be extending the following PSCs:

- Bill Atwood – Vice President, Institutional Investments and Infrastructure; current PSC from 7/3/18 to 12/31/19, extending through 12/31/2020
- Lisa Bonnett – Vice President, Water Policy; current PSC from 8/16/18 to 2/15/20, extending through 12/31/2020
- Stan Luboff – Vice President, Loan & Guarantee; current PSC from 8/16/19 to 2/15/19, extending through 12/31/2020
- Sarah Mankowski – Talent Manager; current PSC from 7/11/18 to 12/31/19, extending through 12/31/2020
- Pam Lenane – Vice President, Healthcare & Senior Living; currently a part time employee, entering into PSC through 12/31/2020

Date: December 10, 2019

To: Eric Anderberg, Chairman
James J. Fuentes
Michael W. Goetz
William Hobert
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
Roxanne Nava

George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
J. Randal Wexler
Jeffrey Wright
Bradley A. Zeller

From: Ximena Granda, Manager of Finance and Administration

Subject: *Presentation and Consideration of Financial Reports as of November 30, 2019***

****All information is preliminary and unaudited.**

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

- a. **Total Annual Revenues** of \$1.9 million were \$109 thousand or 5.5% lower than budget primarily due to **lower** than expected administrative service fees and interest income on loans. Closing fees year-to-date of \$1.1 million are \$9 thousand or 0.8% **higher** than budget. Annual fees of \$94 thousand are \$4 thousand higher than the budget. Administrative Service Fees of \$52 thousand are lower than budget. Application fees total \$29 thousand which is \$20 thousand higher than budget. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled \$201 thousand (which has represented a declining asset since 2014). Net investment income position of \$415 thousand for the fiscal year is \$2 thousand higher than budget.*
- b. In **November** the Authority recorded closing fees of \$438 thousand which was higher than the monthly budgeted amount of \$218 thousand.
- c. **Total Annual Expenses** of \$1.7 million were \$344 thousand or 17.2% lower than budget, which was mostly driven by below budget spending on employee related expenses and professional services. Year-to-date, employee related expenses total \$1.0 million or \$174 thousand or 14.5% lower than budget. Professional services expenses total \$407 thousand or \$143 thousand or 25.9% lower than budget. Annual occupancy costs of \$71 thousand are 4.7% lower than budget, while general and administrative costs are \$149 thousand for the year, which is 13.4% lower than budget. Total depreciation cost of \$7 thousand is 14.4% below budget.
- d. In **November** the Authority recorded operating expenses of \$424 thousand, which was higher than the monthly budgeted amount of \$400 thousand. This was mostly attributable to accumulated invoices paid during the month of November for legal services rendered during prior months in connection with ongoing litigation, continued development of the Authority's Property Assessed

* **Governmental Accounting Standards Board (GASB) Statement No. 31.** This Statement establishes accounting and financial reporting standards for all investments held by governmental external investment pools. For most other governmental entities, it establishes fair value standards for investments in (a) participating interest-earning investment contracts, (b) external investment pools, (c) open-end mutual funds, (d) debt securities, and (e) equity securities, option contracts, stock warrants, and stock rights that have readily determinable fair values.

Clean Energy business line, and the drafting of Illinois police and fire pension consolidation legislation.

- e. **Total Monthly Net Income** of \$96 thousand was driven by higher closing fees.
- f. **Total Annual Net Income** is \$235 thousand. The major driver of the annual positive bottom line is the level of overall spending at 17.2% below budget, as well as higher than expected net investment income.

2. GENERAL OPERATING FUND-ASSETS, LIABILITIES AND NET POSITION

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of \$59.9 million. Total assets in the General Fund are \$60.3 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total \$46.9 million (with \$3.6 million in cash). Notes receivable from the former Illinois Rural Bond Bank local governments (“IRBB”) total \$8.3 million. Participation loans, DACA (pilot medical student loans in exchange for service in medically underserved areas in Illinois) and other loans receivable are \$4.4 million.

3. YEAR-TO-DATE ACTIVITY FOR ALL OTHER FUNDS

Financial information for all other funds is not available at this time.

4. AUTHORITY AUDITS AND REGULATORY UPDATES

The Fiscal Year 2019 Financial Audit and the two-year Compliance Examination remain on track. For the first time, the Authority will be including a transmittal letter with the Fiscal Year 2019 Audited Financial Report in order to complement the Management Discussion and Analysis. The first draft of the transmittal letter has been provided to the external auditors for their review.

The internal audits for Fiscal Year 2020 are on track at this time there is nothing to report.

5. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

The Property Assessed Clean Energy (“PACE”) bond issuance report is being presented as supplementary financial information in your Board book. The Fiscal Year Comparison of Bonds Issued, the Fiscal Year 2020 Bonds Issued and Schedule of Debt can be located in the blue folder.

Respectfully submitted,

/s/ Ximena Granda

Manager of Finance and Administration



ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2020 AS OF NOVEMBER 30, 2019
(PRELIMINARY AND UNAUDITED)

| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUNE | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | BUDGET VARIANCE (\$) | BUDGET VARIANCE (%) |
|---|---------------------|--------------------|---------------------|-------------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------------------|---------------------------|----------------------------|---------------------------|
| Operating Revenues: | | | | | | | | | | | | | | | | |
| Closing Fees | \$ 63,918 | \$ 128,243 | \$ 2,600 | \$ 466,000 | \$ 437,701 | | | | | | | | \$ 1,098,462 | \$ 1,089,335 | \$ 9,127 | 0.8% |
| Annual Fees | 20,242 | 17,983 | 19,227 | 18,239 | 18,225 | | | | | | | | 93,916 | 90,000 | 3,916 | 4.4% |
| Administrative Service Fees | - | 30,000 | 10,000 | 12,000 | - | | | | | | | | 52,000 | 100,000 | (48,000) | -48.0% |
| Application Fees | 1,000 | 16,750 | 2,450 | 3,000 | 5,600 | | | | | | | | 28,800 | 8,335 | 20,465 | 245.5% |
| Miscellaneous Fees | 114 | 107 | - | - | 499 | | | | | | | | 720 | 835 | (115) | -13.8% |
| Interest Income-Loans | 40,375 | 39,864 | 40,127 | 42,695 | 37,558 | | | | | | | | 200,619 | 297,450 | (96,831) | -32.6% |
| Other Revenue | 125 | 128 | 123 | 123 | 122 | | | | | | | | 621 | 625 | (4) | -0.6% |
| Total Operating Revenue: | \$ 125,774 | \$ 233,075 | \$ 74,527 | \$ 542,057 | \$ 499,705 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,475,138 | \$ 1,586,580 | \$ (111,442) | -7.0% |
| Operating Expenses: | | | | | | | | | | | | | | | | |
| Employee Related Expense | \$ 188,470 | \$ 203,812 | \$ 202,650 | \$ 205,644 | \$ 220,718 | | | | | | | | \$ 1,021,294 | \$ 1,195,175 | \$ (173,881) | -14.5% |
| Professional Services | 53,500 | 70,140 | 56,297 | 71,148 | 155,912 | | | | | | | | 406,997 | 549,585 | (142,588) | -25.9% |
| Occupancy Costs | 13,146 | 15,935 | 12,670 | 15,583 | 13,932 | | | | | | | | 71,266 | 74,800 | (3,534) | -4.7% |
| General & Administrative | 28,909 | 28,106 | 30,024 | 29,697 | 31,884 | | | | | | | | 148,620 | 171,665 | (23,045) | -13.4% |
| Depreciation and Amortization | 1,386 | 1,437 | 1,437 | 1,437 | 1,437 | | | | | | | | 7,134 | 8,335 | (1,201) | -14.4% |
| Total Operating Expense | \$ 285,411 | \$ 319,430 | \$ 303,078 | \$ 323,509 | \$ 423,883 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,655,311 | \$ 1,999,560 | \$ (344,249) | -17.2% |
| Operating Income(Loss) | \$ (159,637) | \$ (86,355) | \$ (228,551) | \$ 218,548 | \$ 75,822 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (180,173) | \$ (412,980) | \$ 232,807 | 56.4% |
| Nonoperating Revenues (Expenses): | | | | | | | | | | | | | | | | |
| Miscellaneous Non-Opertg Rev/(Exp) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | n/a |
| Bad Debt Adjustments (Expense) | - | - | - | - | - | - | - | - | - | - | - | - | - | (16,670) | 16,670 | -100.0% |
| Interest and Investment Income | 74,257 | 68,209 | 89,029 | 66,575 | 56,057 | | | | | | | | 354,127 | 429,650 | (75,523) | -17.6% |
| Realized Gain (Loss) on Sale of Invests | (2,678) | 1,103 | (6,785) | 2,569 | 59 | | | | | | | | (5,732) | - | (5,732) | n/a |
| Net Appreciation (Depr) in FV of Invests | (9,285) | 95,877 | (26,422) | 42,742 | (35,908) | | | | | | | | 67,004 | - | 67,004 | n/a |
| Total Nonoperating Rev (Exp) | \$ 62,294 | \$ 165,189 | \$ 55,822 | \$ 111,886 | \$ 20,208 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 415,399 | \$ 412,980 | \$ 2,419 | 0.6% |
| Net Income (Loss) Before Transfers | \$ (97,343) | \$ 78,834 | \$ (172,729) | \$ 330,434 | \$ 96,030 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 235,226 | \$ - | \$ 235,226 | n/a |
| Transfers: | | | | | | | | | | | | | | | | |
| Transfers in from other funds | \$ - | \$ - | \$ - | \$ - | \$ - | | | | | | | | \$ - | \$ - | - | 0.0% |
| Transfers out to other funds | - | - | - | - | - | | | | | | | | - | - | - | 0.0% |
| Total Transfers In (Out) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | 0.0% |
| Net Income (Loss) | \$ (97,343) | \$ 78,834 | \$ (172,729) | \$ 330,434 | \$ 96,030 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 235,226 | \$ - | \$ 235,226 | n/a |



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
November 30, 2019
(PRELIMINARY AND UNAUDITED)

| | FUND |
|---|----------------------|
| Assets and Deferred Outflows: | |
| Current Assets Unrestricted: | |
| Cash & cash equivalents | 3,592,346 |
| Investments | 28,955,638 |
| Receivables from pending investment sales | - |
| Accounts receivable, Net | 27,238 |
| Loans receivables, Net | 41,670 |
| Accrued interest receivable | 416,414 |
| Bonds and notes receivable | 956,300 |
| Due from other funds | 17 |
| Prepaid Expenses | 226,925 |
| Total Current Unrestricted Assets | \$ 34,216,548 |
| Restricted: | |
| Cash & Cash Equivalents | \$ - |
| Investments | - |
| Bonds and notes receivable from State component units | - |
| Loans receivables, Net | - |
| Total Current Restricted Assets | \$ - |
| Total Current Assets | \$ 34,216,548 |
| Non-current Assets: | |
| Unrestricted: | |
| Investments | \$ 14,314,803 |
| Accounts receivable, Net | - |
| Loans receivables, Net | 4,353,850 |
| Bonds and notes receivable | 7,349,537 |
| Due from other local government agencies | - |
| Total Noncurrent Unrestricted Assets | \$ 26,018,190 |
| Restricted: | |
| Cash & Cash Equivalents | \$ - |
| Investments | - |
| Loans receivables, Net | - |
| Bonds and notes receivable from State component units | - |
| Total Noncurrent Restricted Assets | \$ - |
| Capital Assets | |
| Capital Assets | |
| Accumulated Depreciation | \$ 761,038 |
| Total Capital Assets | (712,510) |
| | \$ 48,528 |
| Total Noncurrent Assets | \$ 26,066,718 |
| Total Assets | \$ 60,283,266 |
| DEFERRED OUTFLOWS OF RESOURCES: | |
| Deferred loss on debt refunding | \$ - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | \$ - |
| Total Assets & Deferred Inflows of Resources | \$ 60,283,266 |



ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
November 30, 2019
(PRELIMINARY AND UNAUDITED)

| | FUND |
|---|----------------------|
| Liabilities: | |
| Current Liabilities: | |
| Payable from unrestricted current assets: | |
| Accounts payable | \$ 134,756 |
| Payables from pending investment purchases | - |
| Accrued liabilities | 87,075 |
| Due to employees | 116,560 |
| Due to primary government | 1 |
| Due to other funds | - |
| Payroll Taxes Liabilities | 30,325 |
| Unearned revenue, net of accumulated amortization | 32,201 |
| Total Current Liabilities Payable from Unrestricted Current Assets | \$ 400,918 |
| Payable from restricted current assets: | |
| Accounts payable | - |
| Obligation under securites lending of the State Treasurer | - |
| Accrued interest payable | \$ - |
| Due to other funds | - |
| Due to primary government | - |
| Current portion of long term debt | - |
| Other liabilities | - |
| Unamortized bond premium | - |
| Total Current Liabilities Payable from Restricted Current Assets | \$ - |
| Total Current Liabilities | \$ 400,918 |
| Noncurrent Liabilities | |
| Payable from unrestricted noncurrent assets: | |
| Noncurrent payables | \$ 585 |
| Accrued liabilities | - |
| Bonds and notes payable from primary government | - |
| Bonds and notes payable from State component units | - |
| Noncurrent loan reserve | - |
| Assets | \$ 585 |
| Payable from restricted noncurrent assets: | |
| Noncurrent payables | - |
| Total Noncurrent Liabilities Payable from Restricted Noncurrent | \$ - |
| Total Noncurrent Liabilities | \$ 585 |
| Total Liabilities | \$ 401,503 |
| DEFERRED INFLOWS OF RESOURCES: | |
| Net Position: | |
| Net Investment in Capital Assets | \$ 48,528 |
| Restricted for Low Income Community Investments | - |
| Unrestricted | 59,598,009 |
| Current Change in Net Position | 235,226 |
| Total Net Position | \$ 59,881,763 |
| Total Liabilities & Net Position | \$ 60,283,266 |

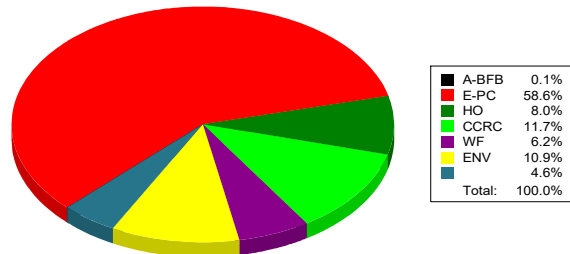


Bonds Issued - Fiscal Year Comparison for the Period Ending November 30, 2019

Fiscal Year 2020

| # | Market Sector | Principal Issued |
|-----------|--|----------------------|
| 2 | Agriculture - Beginner Farmer | 475,700 |
| 4 | Education | 269,480,000 |
| 1 | Healthcare - Hospital | 36,752,000 |
| 3 | Healthcare - CCRC | 53,727,000 |
| 1 | Water Facilities | 28,500,000 |
| 1 | *Environmental issued under 20 ILCS 3515/9 | 50,000,000 |
| 1 | Property Assessed Clean Energy | 21,250,000 |
| <u>13</u> | | <u>\$460,184,700</u> |

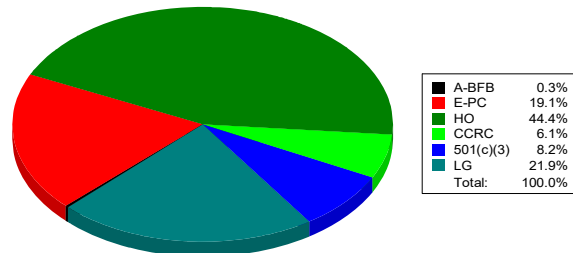
Bonds Issued in Fiscal Year 2020



Fiscal Year 2019

| # | Market Sector | Principal Issued |
|-----------|-------------------------------|-------------------------|
| 22 | Agriculture - Beginner Farmer | 5,501,225 |
| 10 | Education | 394,015,000 |
| 7 | Healthcare - Hospital | 914,840,000 |
| 2 | Healthcare - CCRC | 125,815,000 |
| 5 | 501(c)(3) Not-for-Profit | 168,995,094 |
| 1 | Local Government | 450,000,000 |
| <u>47</u> | | <u>\$ 2,059,166,319</u> |

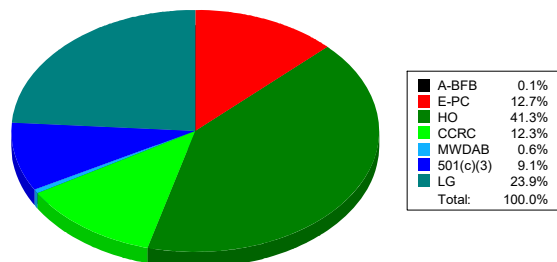
Bonds Issued in Fiscal Year 2019



Fiscal Year 2018

| # | Market Sector | Principal Issued |
|-----------|-------------------------------|-------------------------|
| 15 | Agriculture - Beginner Farmer | 2,749,725 |
| 5 | Education | 403,755,000 |
| 7 | Healthcare - Hospital | 1,308,930,000 |
| 5 | Healthcare - CCRC | 388,700,000 |
| 1 | Midwest Disaster Area Bonds | 20,200,000 |
| 7 | 501(c)(3) Not-for-Profit | 288,464,000 |
| 5 | Local Government | 758,930,000 |
| <u>45</u> | | <u>\$ 3,171,728,725</u> |

Bonds Issued in Fiscal Year 2018



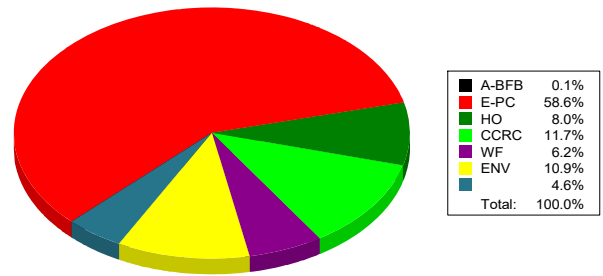
* Powers to issue Bonds under the Illinois Environmental Facilities Financing Act ("IEFFA" 20 ILCS 3515/2 et seq.) and its predecessor authority date to the early 1970s. In 1984, the powers under this Act became part of the Authority's predecessor, Illinois Development Finance Authority, which in turn was consolidated into the Authority in 2004. Under IEFFA, the Authority has an additional \$2.5 billion in bond issuance limit in addition to the \$28.15 billion under the Authority Act. This is also reflected in the Schedule of Debt. Generally, projects under IEFFA are for private companies that access federal tax-exemption through Volume Cap provided by the federal government through the State. IEFFA-financed pollution control facilities projects are separate and distinguishable from the generally public projects financed through the State Revolving Fund on behalf of the Illinois Environmental Protection Agency.

Bonds Issued as of November 30, 2019

Fiscal Year 2020

| # | Market Sector | Principal Issued |
|-----------|---|----------------------|
| 2 | Agriculture - Beginner Farmer | 475,700 |
| 4 | Education | 269,480,000 |
| 1 | Healthcare - Hospital | 36,752,000 |
| 3 | Healthcare - CCRC | 53,727,000 |
| 1 | Water Facilities | 28,500,000 |
| 1 | Environmental issued under 20 ILCS 3515/9 | 50,000,000 |
| 1 | Property Assessed Clean Energy | 21,250,000 |
| 13 | | \$460,184,700 |

Bonds Issued in Fiscal Year 2020



Bonds Issued between July 01, 2019 and November 30, 2019

| <u>Bond Issue</u> | <u>Date Issued</u> | <u>Initial Interest Rate</u> | <u>Principal Issued</u> | <u>Bonds Refunded</u> |
|--|--------------------|------------------------------|-------------------------|-----------------------|
| A-BFB Beginner Farmer Bond | 07/01/2019 | Variable | 475,700 | 0 |
| E-PC Roosevelt University | 07/03/2019 | Fixed at Schedule | 117,830,000 | 117,830,000 |
| HO Rush University Medical Center | 08/29/2019 | Variable | 36,752,000 | 0 |
| E-PC Elmhurst Community School District 205 | 08/20/2019 | Fixed at Schedule | 55,495,000 | 0 |
| CCRC Smith Washington and Jane Smith Community d/b/a Smith Village 2019A | 10/25/2019 | Variable | 23,608,000 | 0 |
| CCRC Smith Washington and Jane Smith Community d/b/a Smith Village 2019B | 10/25/2019 | Variable | 25,000,000 | 25,000,000 |
| CCRC Smith Washington and Jane Smith Community d/b/a Smith Village 2019C | 10/25/2019 | Variable | 5,119,000 | 5,119,000 |
| ENV Waste Management Inc. | 10/30/2019 | Fixed at Schedule | 50,000,000 | 0 |
| PACE RCP Hotel Owner, LLC | 11/08/2019 | Fixed at Constant | 21,250,000 | 0 |
| E-PC Maine Township High School District Number 207 | 11/13/2019 | Fixed at Constant | 78,120,000 | 0 |
| WF American Water Capital Corp. | 11/14/2019 | Fixed at Schedule | 28,500,000 | 28,500,000 |
| E-PC Columbia College Chicago | 11/20/2019 | Fixed at Schedule | 18,035,000 | 0 |
| Total Bonds Issued as of November 30, 2019 | | | \$ 460,184,700 | \$ 176,449,000 |

Legend: Fixed Rate Bonds as shown

DP-VRB = initial interest rate at the time of issuance on a Direct Purchase Bond

VRB = initial interest rate at the time of issuance on a Variable Rate Bond that does not include the cost of the LOC arrangement.

Beginner Farmer Bonds interest rates are shown in section below.

Beginner Farmer Bonds Funded between July 01, 2019 and November 30, 2019

| <u>Date Funded</u> | <u>Initial Interest Rate</u> | <u>Loan Proceeds</u> | <u>Acres</u> | <u>County</u> |
|---|------------------------------|----------------------|--------------|---------------|
| 07/19/2019 | 5.0 | 295,700 | 47 | Henry |
| 08/22/2019 | 4.5 | 180,000 | 32 | Charleston |
| Total Beginner Farmer Bonds Issued | | \$ 475,700 | 79 | |

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

Total debt issued under the Illinois Finance Authority Act which does not constitute a debt of the Authority or the State of Illinois or any political subdivision thereof within the meaning of any provisions of the Constitution or statutes of the State of Illinois or a pledge of the faith and credit of the Authority or of the State of Illinois or any political subdivision thereof, or grant to the owners thereof any right to have the Authority or the General Assembly of the State of Illinois levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon, with the exception of certain debt identified below in Section I (a), Section I (b), and Section I (c), and is subject to the Authority's \$28,150,000,000 total bond limitation [20 ILCS 3501/845-5(a)]:

Section I

| | June 30, 2019 | November 30, 2019 | Total Program Limitations | Total Remaining Capacity |
|--|--------------------------|--------------------------|---|--------------------------|
| Illinois Finance Authority "IFA" | | | | |
| Agriculture ^[b] | \$ 53,266,941 | \$ 53,695,171 | | |
| Education | 4,679,948,609 | 4,724,516,209 | | |
| Healthcare | 14,180,988,971 | 14,078,626,212 | | |
| Industrial Development [includes Recovery Zone/Midwestern Disaster] | 807,109,575 | 798,396,412 | | |
| Local Government | 1,581,555,000 | 1,547,110,000 | | |
| Multifamily/Senior/Not-for Profit Housing | 275,223,392 | 274,785,833 | | |
| 501(c)(3) Not-for Profits | 1,517,487,613 | 1,501,405,232 | | |
| Exempt Facilities Bonds | 203,500,000 | 232,000,000 | | |
| Student Housing | 260,400,000 | 257,830,000 | | |
| Total IFA Principal Outstanding | 23,559,480,101 | 23,468,365,069 | | |
| Illinois Development Finance Authority "IDFA" | | | | |
| Education | | - | | |
| Healthcare | 61,400,000 | 61,400,000 | | |
| Industrial Development | 63,514,196 | 62,750,990 | | |
| Local Government | 70,385,868 | 70,385,868 | | |
| Multifamily/Senior/Not-for Profit Housing | 40,104,538 | 39,912,248 | | |
| 501(c)(3) Not-for Profits | 343,257,316 | 335,385,096 | | |
| Exempt Facilities Bonds | - | - | | |
| Total IDFA Principal Outstanding | 578,661,918 | 569,834,202 | | |
| Illinois Rural Bond Bank "IRBB" | | | | |
| | - | - | | |
| Illinois Health Facilities Authority "IHFA" | 98,790,000 | 91,210,000 | | |
| Illinois Educational Facilities Authority "IEFA" | 432,507,000 | 406,865,000 | | |
| Illinois Farm Development Authority "IFDA" ^[b] | 8,168,707 | 8,168,707 | | |
| Total Illinois Finance Authority Bonded Indebtedness ^[c] | \$ 24,677,607,726 | \$ 24,544,442,978 | \$ 28,150,000,000 ^[d] | \$ 3,605,557,022 |

State Component Unit Bonds ^[e]

| | | | | |
|--|-------------------------|-------------------------|--|--|
| IEPA Clean Water Initiative ^[f] | \$ 1,479,430,000 | \$ 1,445,210,000 | | |
| Northern Illinois University Foundation, Series 2013 | 770,422 | 770,422 | | |
| Total State Component Unit Bonds | \$ 1,480,200,422 | \$ 1,445,980,422 | | |

Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/801-40(w)]:

Section I (a)

| | June 30, 2019 | November 30, 2019 | Program Limitations | Program Remaining Capacity |
|--|---------------|-------------------|---------------------|----------------------------|
| General Purpose Moral Obligation Bonds | | | | |
| Total General Moral Obligation Bonds | \$ - | \$ - | \$ 150,000,000 | \$ 150,000,000 |

Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/825-60]:

Section I (b)

| | June 30, 2019 | November 30, 2019 | Program Limitations | Outstanding Remaining Capacity |
|--|---------------|-------------------|---------------------|--------------------------------|
| Financially Distressed Cities Moral Obligation Bonds | | | | |
| Total Financially Distressed Cities Bonds | \$ - | \$ - | \$ 50,000,000 | \$ 50,000,000 |

Subject to \$28.150 billion total bond limitation under Section 845-5(a), certain debt issued under the Illinois Finance Authority Act is further bound by the following categorical limitation [20 ILCS 3501/830-25]:

Section I (c)

| | June 30, 2019 | November 30, 2019 | Program Limitations | Categorical Remaining Capacity | Illinois Exposure |
|--|----------------|-------------------|---------------------|--------------------------------|-------------------|
| Agri-Debt Guarantees [Restructuring Existing Debt] | | | | | |
| Total Agri-Debt Guarantees - Fund # 994 | | | | | |
| Fund Balance \$10,590,141 | * \$ 3,354,831 | \$ 3,307,361 | \$ 160,000,000 | \$ 156,692,639 | \$ 2,811,257 |
| Agri-Loan Guarantee Program | | | | | |
| Agri Industry Loan Guarantee Program | - | - | | | - |
| Farm Purchase Guarantee Program | 825,743 | 825,743 | | | 701,882 |
| Specialized Livestock Guarantee Program | 1,068,066 | 1,068,066 | | | 907,856 |
| Young Farmer Loan Guarantee Program | 195,270 | 195,270 | | | 165,980 |
| Total Agri-Loan Guarantees - Fund # 205 | | | | | |
| Fund Balance \$8,304,794 | * 2,089,079 | 2,089,079 | 225,000,000 | 222,910,921 | 1,775,718 |
| Total AG State Guarantees | \$ 5,443,910 | \$ 5,396,440 | \$ 385,000,000 | \$ 379,603,560 | \$ 4,586,975 |

ILLINOIS FINANCE AUTHORITY
Schedule of Debt ^[a]

Locally held funds advanced under the Illinois Finance Authority Act [20 ILCS 3501/801-40]:

Section II

| | Original Amount | Principal Outstanding | |
|--|----------------------|-----------------------|----------------------|
| | | June 30, 2019 | November 30, 2019 |
| Participation Loans | | | |
| Business & Industry | \$ 23,020,158 | \$ 679,501 | \$ 652,917 |
| Agriculture | 6,079,859 | | |
| Participation Loans Excluding Defaults & Allowances | <u>29,100,017</u> | <u>679,501</u> | <u>652,917</u> |
| Plus: Legacy IDFA Loans in Default | | 3,170 | 3,170 |
| Less: Allowance for Doubtful Accounts | | <u>5,165</u> | <u>19,270</u> |
| Total Participation Loans | | <u>677,506</u> | <u>636,817</u> |
| Local Government Direct Loans | 1,289,750 | 1,064,894 | 930,735 |
| Rural Bond Bank Local Government Notes Receivable** | | 8,305,837 | 8,305,837 * |
| FmHA Loans | 963,250 | 125,515 | 118,216 |
| Deferred Action for Childhood Arrivals (DACA) | <u>2,339,686</u> | <u>2,709,754</u> | <u>2,709,754</u> |
| Total Loans Outstanding | <u>\$ 32,729,453</u> | <u>\$ 12,883,506</u> | <u>\$ 12,701,359</u> |

** IRBB Bonds were defeased and converted into a portfolio of notes receivable with the Authority.

Office of the State Fire Marshal revolving loan funds administered under the Illinois Finance Authority Act [20 ILCS 3501/825-80 and 825-85]:

Section III

| | | Principal Outstanding | | Cash and Investment Balance |
|--|-------------------|-----------------------|----------------------|-----------------------------|
| | | June 30, 2019 | November 30, 2019 | |
| Fire Truck, Fire Station, and Ambulance Revolving Loans | | | | |
| Fire Truck Revolving Loan Program** | Fund # 572 | \$ 16,189,730 | \$ 19,979,630 | \$ 4,409,672 * |
| Ambulance Revolving Loan Program** | Fund # 334 | <u>1,109,320.00</u> | <u>2,682,992</u> | <u>1,677,882 *</u> |
| Total Revolving Loans | | <u>\$ 17,299,050</u> | <u>\$ 22,662,622</u> | <u>\$ 6,087,554</u> |

** Due to deposits in transit, the Fund Balance at the Comptroller's Office may differ from the Authority General Ledger. In May 2014, Office of Fire Marshal transferred the Fund Balance to an Authority locally held fund.

Bonds issued under the Illinois Finance Authority Act [20 ILCS 3501/825-65(d)] but not subject to \$28.150 billion total bond limitation under Section 845-5(a):

Section IV

| | Principal Outstanding | | Program Limitations | Remaining Capacity |
|--|-----------------------|----------------------|---|--------------------------------------|
| | June 30, 2019 | November 30, 2019 | | |
| Clean Coal, Coal, Energy Efficiency, PACE, and Renewable Energy Project Financing | | | | |
| Property Assessed Clean Energy (PACE) Bonds | <u>\$ -</u> | <u>\$ 21,250,000</u> | \$ 3,000,000,000 \$ 2,000,000,000 ^[g] | \$ 3,000,000,000 \$ 1,978,750,000 |

Bonds issued under the Illinois Power Agency Act [20 ILCS 3855/1-20(a)(3)]:

Section V

| | Principal Outstanding | | Program Limitations | Remaining Capacity |
|------------------------------------|-----------------------|-------------------|---------------------|--------------------|
| | June 30, 2019 | November 30, 2019 | | |
| Illinois Power Agency Bonds | <u>\$ -</u> | <u>\$ -</u> | \$ 4,000,000,000 | \$ 4,000,000,000 |

Bonds issued under the Illinois Environmental Facilities Financing Act [20 ILCS 3515/9]:

Section VI

| | Principal Outstanding | | Program Limitations | Remaining Capacity |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| | June 30, 2019 | November 30, 2019 | | |
| Standard Environmental Facilities Bonds | | | | |
| Issued through IFA | \$ 54,675,000 | \$ 103,435,000 | | |
| Issued through IDFA | <u>47,505,000</u> | <u>30,005,000</u> | | |
| Total Standard Environmental Facilities Bonds | <u>102,180,000.00</u> | <u>133,440,000.00</u> | \$ 2,425,000,000 | \$ 2,291,560,000 |
| Small Business Environmental Facilities Bonds | | | | |
| Issued through IFA | - | - | | |
| Total Small Business Environmental Facilities Bonds | <u>-</u> | <u>-</u> | 75,000,000 | 75,000,000 |
| Total Environmental Facilities Bonds | <u>\$ 102,180,000</u> | <u>\$ 133,440,000</u> | <u>\$ 2,500,000,000</u> | <u>\$ 2,366,560,000</u> |

Bonds issued under the Higher Education Loan Act [110 ILCS 945/10(b)]:

Section VI

| | Principal Outstanding | | Program Limitations | Remaining Capacity |
|---|-----------------------|----------------------|---------------------|--------------------|
| | June 30, 2019 | November 30, 2019 | | |
| Student Loan Program Bonds | | | | |
| Midwestern University Foundation | \$ 15,000,000 | \$ 23,545,000 | | |
| Total Student Loan Program Bonds | <u>\$ 15,000,000</u> | <u>\$ 23,545,000</u> | \$ 200,000,000 | \$ 176,455,000 |

* Balances as of 6/30/2019 are estimated and subject to change.

[a] Preliminary, draft and unaudited; total subject to change; late month payment data may not be included at issuance of report.

[b] Payments in connection with outstanding Beginner Farmer Bonds are only updated annually; amounts inclusive of outstanding Agri-Det Guarantees and Agri-Loan Guarantees

[c] Inclusive of State Component Unit Bonds.

[d] Pursuant to P.A. 98-90 effective 07/15/2013, after giving effect to the financing or refinancing of an out-of-state project, the Authority shall have the ability to issue at least an additional \$1 billion of bonds under Section

[e] Pursuant to GASB Interpretation No. 2, revenue bonds issued for the benefit of other State agencies and component units of the State of Illinois.

[f] Does not include unamortized issuance premium as reported in the Authority's audited financials.

[g] Pursuant to P.A. 100-919 effective 01/01/2019, up to \$2 billion may be issued to finance Energy Efficiency Projects, Renewable Energy Projects, and PACE Projects from the available \$3 billion bonding authorization.

Date: December 10, 2019

To: Eric Anderberg, Chairman
James J. Fuentes
Michael W. Goetz
William Hobert
Mayor Arlene A. Juracek
Lerry Knox
Lyle McCoy
Roxanne Nava

George Obernagel
Terrence M. O'Brien
Roger Poole
Beth Smoots
J. Randal Wexler
Jeffrey Wright
Bradley A. Zeller

From: Brad R. Fletcher, Vice President

Subject: ***Monthly Summary of Property Assessed Clean Energy Revenue Bond Issuance***

All within the parameters set forth in a PACE Bond Resolution previously adopted by the Illinois Finance Authority (the “**Authority**”), staff has approved certain Property Assessed Clean Energy (“**PACE**”) project application(s) as further described on Exhibit A attached hereto and an Authorized Officer has executed and delivered PACE Bond Documents in connection with the issuance of PACE Bonds for the month ended November 30, 2019.

Respectfully submitted,

/s/ Brad R. Fletcher
Vice President

Exhibit A
Project and Financing

| | | | |
|--------------|--|---|-------------------------|
| Record Owner | RCP Hotel Owner, LLC, a Delaware limited liability company, as a single-purpose entity created for the purpose of developing and owning the Project. | | |
| Project | Rehabilitation of 186,973 sq. ft. located on the 5 upper floors of 208 South LaSalle Street, Chicago, IL to be known as The Reserve Hotel (the “Property”), including the acquisition and installation of (i) LED lighting technology in common areas and guest rooms throughout the hotel, (ii) 256 new efficient inoperable double pane windows on the building envelope to replace existing uncoated single-pane exterior windows, (iii) 2 efficient boilers, to replace replacing existing 1950’s boilers, (iv) 4 energy efficient variable frequency drive chilled water and hot water pumps, replacing constant volume pumps, (v) 254 dedicated four-pipe fan coil units (FCUs) to provide temperature control, (vi) 618 low-flow water fixtures utilizing aerators, and (vii) an elevator destination dispatch control system to replace the traditional up-down button elevator controls, reducing elevator run time by 20% (collectively, the “Project”). | | |
| Bonds | Amount: | \$21,250,000 | |
| | Source: | HASI OBS OP A LLC, as Designated Transferee of Counterpointe Sustainable Real Estate LLC, the Initial Purchaser | |
| | Term: | Not to exceed June 1, 2046 | |
| | Interest: | 5.50% Fixed | |
| | Security: | Special Assessment on the Property | |
| | Use of Proceeds: | Project Costs | \$18,736,156.30 |
| | | Capitalized Interest | 1,827,795.14 |
| | | Cost of Issuance & Fees | 686,048.56 |
| | | Total | <u>\$21,250,000</u> |
| Impact* | Energy Savings: | 954,546 kWh and 4,875 therms | |
| | Energy Utility Bill Savings: | \$56,876 plus \$33,870 in Chilled Water | |
| | Water Savings: | 2,272,700 Gallons | |
| | Water Bill Savings: | \$9,045 | |
| Job Data | 200 full-time equivalent construction jobs with an Outside Completion Date of 12/1/2021 (24 months) | | |
| Districts | U.S. Representative: 7 | State Senator: 3 | State Representative: 6 |

** Annual estimates as reported by Loop-Counterpointe PACE LLC, the Program Administrator for the PACE area.*

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
December 10, 2019**

| CONTRACTS/AMENDMENTS EXECUTED | | | | | |
|---|---|---------------------------|--------------------------------------|--|---|
| Procurement Type | Vendor | Initial Term | Estimated Not to Exceed Value | Action/Proposed Method of Procurement | Products/Services Provided |
| Illinois Procurement Code- Small Purchases | Miller Hall & Triggs, LLC | 12/16/19- 12/15/20 | \$20,000 | Small Purchase in process | Legal advice related to Ag Guaranty |
| | Municipal Market Analytics | 12/09/19- 12/08/20 | \$18,100 | Small Purchase in process | Municipal Bond Market Advisor Subscription |
| | East Bank Storage | 12/16/19- 12/15/20 | \$12,792 | Small Purchase in process | Documents and Records Storage |
| | Veritext, LLC | 01/01/2020- 12/31/2020 | 49,411.65 | Small Purchase in process | Transcription Services for Monthly Board Meetings |
| Illinois Procurement Master Contracts | CDW | 11/18/19- 11/17/2021 | \$24,439.24 | Executed | Microsoft Server Licenses and CALs |
| | Midwest Moving & Storage | 11/01/19- 06/30/2020 | \$1,584 | Continue with State Master | Storage |
| | United Parcel Service | 12/20/19- 6/30/20 | \$4,000 | Continue with State Master | Package Delivery Services |
| Illinois Procurement Code Renewals | Bloomberg Finance L.P. AnyWhere Services | 08/01/19- 12/31/20 | \$33,490 | Executed | 1 Shared License for 1 Users |
| | Bloomberg Finance L.P. Terminal Services | 10/09/19- 10/08/21 | \$47,280 | Execution in process, Renewal document with vendor | 1 Shared License for 6 Users |

| EXPIRING CONTRACTS | | | | | |
|--|-------------------|------------------------|--------------------------------------|--|-----------------------------------|
| Procurement Type | Vendor | Expiration Date | Estimated Not to Exceed Value | Action/Proposed Method of Procurement | Products/Services Provided |
| Illinois Procurement Code Small Purchases | Network Solutions | 12/20/19 | \$119.97 | Renew-(3 yr. term) | idfa.com domain |

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
December 10, 2019**

| EXPIRING CONTRACTS | | | | | |
|---|------------------------------|------------------------|--------------------------------------|---|-----------------------------------|
| Procurement Type | Vendor | Expiration Date | Estimated Not to Exceed Value | Action/Proposed Method of Procurement | Products/Services Provided |
| <i>Illinois Procurement Code-Contracts</i> | Acacia Financial Group, Inc. | 12/31/19 | \$132,000 | Amendment to extend current contract in process | Financial Advisory Services |
| | Sycamore Advisors, LLC | 12/31/19 | \$132,000 | Amendment to extend current contract in process | Financial Advisory Services |
| | Amalgamated Bank of Chicago | 01/31/20 | TBD | New procurement in process | Bank Custodian Services |
| | Catalyst Consulting | 03/31/20 | \$192,000 | Renewal in process-(2 yr. term) | IT Consulting Services |

| EXPIRING CONTRACTS-OTHER | | | | | |
|---|---|------------------------|--------------------------------------|--|--------------------------------------|
| Procurement Type | Vendor | Expiration Date | Estimated Not to Exceed Value | Action/Proposed Method of Procurement | Products/Services Provided |
| <i>Credit Card</i> | Bank of America-Credit Card | 06/30/20 | \$300,000 | Continue | Credit Card |
| | Bank of America-Depository | 06/30/20 | \$400,000 | Continue | Bank of America Operating Account |
| <i>Inter-Governmental Agreements</i> | University of Illinois | 12/20/19 | \$5,000 | TBD | Government Research Center |
| | Illinois Department of Commerce and Economic Opportunity (DCEO) | 12/23/19 | N/A | Continue | Springfield Office Space within DCEO |

**ILLINOIS FINANCE AUTHORITY
PROCUREMENT REPORT OF ACTIVITY SINCE PRIOR BOARD REPORT**

**BOARD MEETING
December 10, 2019**

Date: December 10, 2019

Subject: ***Minutes of the November 12, 2019 Regular Meeting***

| | | |
|-----|--------------------------|---------------------|
| To: | Eric Anderberg, Chairman | George Obernagel |
| | James J. Fuentes | Terrence M. O'Brien |
| | Michael W. Goetz | Roger Poole |
| | William Hobert | Beth Smoots |
| | Mayor Arlene A. Juracek | Randal Wexler |
| | Lerry Knox | Jeffrey Wright |
| | Lyle McCoy | Bradley A. Zeller |
| | Roxanne Nava | |

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Sullivan Reporting Co. (the “**Minutes**”) in connection with the regular meeting of the Members of the Illinois Finance Authority (the “**Authority**”), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Tuesday of November in the year 2019, pursuant to the provisions of Section 801-25 and Section 801-30 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq. of the State of Illinois (the “**Act**”).

To aid in your review of the Minutes, please reference the following pages and line numbers for corresponding sections of the respective meeting’s agenda:

ILLINOIS FINANCE AUTHORITY
REGULAR MEETING
Tuesday, November 12, 2019
9:30 AM

AGENDA:

- I. Call to Order & Roll Call
(page 3, line 1, through page 5, line 17)
- II. Approval of Agenda
(page 5, line 18 through page 6, line 6)
- III. Public Comment
(page 6, lines 7 through 10)
- IV. Chairman’s Remarks
(page 6, lines 10 through line 19)
- V. Message from the Executive Director
(page 6, line 20 through page 7, line 10)
- VI. Committee Reports
(page 7, lines 11 through 17)
- VII. Presentation and Consideration of New Business Items
(page 7, line 18 through page 11, line 18)

- VIII. Presentation and Consideration of Financial Reports
(page 12, line 11 through page 14, line 7)
- IX. Monthly Procurement Report
(page 26, line 8 through page 29, line 9)
- X. Correction and Approval of Minutes
(page 14, lines 8 through 21)
- XI. Consideration and Action Regarding Whether to Open Closed Session Minutes From September 11, 2018, June 11, 2019, and October 8, 2019
(page 11, line 19 through page 12, line 10, and page 14, line 24 through page 15, line 4)
- XII. Other Business
(page 15, line 5 through page 26, line 4)
- XIII. Adjournment
(page 29, line 10 through page 30 line 14)

The Minutes of the regular meeting of the Authority are further supplemented by a summary of the respective meeting's voting record prepared by Authority staff (the "**Voting Record**"), which is also enclosed.

Please contact an Assistant Secretary to report any substantive edits to the enclosures.

Respectfully submitted,

/s/ Elizabeth Weber
General Counsel

- Enclosures:
- 1. Minutes of the November 12, 2019 Regular Meeting
 - 2. Voting Record of the November 12, 2019 Regular Meeting

1 ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

2 MR. CHRISTOPHER B. MEISTER, Executive Director

3 MR. BRAD FLETCHER, Vice President

4 MR. RICH FRAMPTON, Vice President

5 MR. CRAIG HOLLOWAY, Procurement

6 MS. XIMENA GRANDA, Controller

7 MS. ELIZABETH WEBER, General Counsel and Legal

8 Adviser to the Board

ILLINOIS FINANCE AUTHORITY

REGULAR MEETING OF THE MEMBERS

November 12, 2019, at 9:30 a.m.

REPORT OF PROCEEDINGS had at the Regular

Meeting of the Illinois Finance Authority on

November 12, 2019, at the hour of 9:30 a.m. pursuant to notice,

at 160 North LaSalle Street, Suite S-1000, Chicago, Illinois.

APPEARANCES:

CHAIRMAN ERIC ANDERBERG, via audio conference

MR. JAMES J. FUENTES

MR. WILLIAM HOBERT

MR. RANDAL WEXLER

MR. GEORGE OBERNAGEL

MS. ARLENE JURACEK

MS. BETH SMOOTS

MR. BRAD ZELLER

MR. ROGER POOLE

1 CHAIR ANDERBERG: This is Eric Anderberg. Today I
2 am participating via audio conference.
3 I would like to call the meeting to order.
4 Will the Assistant Secretary please call the roll.
5 FLETCHER: Certainly. The time is 9:31 a.m.
6 I will call the roll of the members physically
7 present first.
8 Mr. Fuentes.
9 FUENTES: Here.
10 FLETCHER: Mr. Hobert.
11 HOBERT: Here.
12 FLETCHER: Ms. Juracek.
13 JURACEK: Here.
14 FLETCHER: Mr. Obernagel.
15 OBERNAGEL: Here.
16 FLETCHER: Mr. Poole.
17 POOLE: Here.
18 FLETCHER: Ms. Smoots.
19 SMOOTs: Here.
20 FLETCHER: Mr. Wexler.
21 WEXLER: Here.
22 FLETCHER: Mr. Zeller.
23 ZELLER: Here.

1 FLETCHER: Mr. Chairman, a quorum of members
2 physically present in the room has been constituted.
3 At this time I would like to ask if any members would
4 like to participate by audio conference.
5 ANDERBERG: Again, this is Eric Anderberg. I am
6 requesting to attend via audio conference under the exception
7 for a family or other emergency.
8 Is there a motion to approve this request pursuant
9 to the bylaws and policies of the Authority?
10 HOBERT: I'll make that motion.
11 OBERNAGEL: Second.
12 CHAIRMAN ANDERBERG: Motion and second.
13 All those in favor?
14 (A chorus of ayes.)
15 CHAIR ANDERBERG: Opposed?
16 (No response.)
17 CHAIR ANDERBERG: The ayes have it.
18 FLETCHER: Mr. Chairman, you have been added to the
19 initial quorum rollcall.
20 CHAIR ANDERBERG: Okay. And again, as I'm
21 participating via audio conference and in order to ensure there
22 is no interruption due to any problems arising from my audio
23 connection, I would like to delegate chairpersonship to Ms.
24 Smoots who is physically present today to be chair pro tem for

1 this meeting.

2 Is there a motion to approve this request pursuant

3 to the bylaws and policies of the Authority?

4 JURACEK: So moved.

5 FUENTES: Second.

6 FLETCHER: Ms. Juracek moved and Mr. Fuentes

7 second.

8 CHAIR ANDERBERG: We have a motion and second.

9 All those in favor?

10 (A chorus of ayes.)

11 CHAIR ANDERBERG: Opposed?

12 (No response.)

13 CHAIR ANDERBERG: The ayes have it.

14 FLETCHER: Mr. Chairman, Member Smoots has been

15 elected chair pro tem for this meeting.

16 CHAIR PRO TEM SMOOTS: Well, this election proves

17 it's all about the title.

18 Does anyone wish to make any additions, edits or

19 corrections to today's agenda?

20 (No response.)

21 CHAIR PRO TEM SMOOTS: Hearing none, I would like

22 to request a motion to approve the agenda. Is there such a

23 motion?

24 POOLE: So moved.

1 OBERNAGEL: Second.

2 CHAIR PRO TEM SMOOTS: All those in favor?

3 (Chorus of ayes.)

4 CHAIR PRO TEM SMOOTS: Opposed?

5 (No response.)

6 CHAIR PRO TEM SMOOTS: The ayes have it.

7 Moving to agenda Item No. 3, public comment. Is

8 there any public comment for the members?

9 (No response.)

10 CHAIR PRO TEM SMOOTS: Hearing none, we'll move to

11 Chairman's remarks, and actually, I had prepared some lengthy

12 remarks about how adopting a temporary Latin title is an

13 important step in achieving lifetime satisfaction and

14 contentedness, but instead, I realized that that's exactly

15 where Eric is today.

16 So on behalf of the Authority and everyone present,

17 Eric, we wish you and your wife all the best as you anticipate

18 the birth of your first child.

19 ANDERBERG: Thank you so much.

20 CHAIR PRO TEM SMOOTS: And with that, I will turn

21 the floor over to our Executive Director Meister.

22 MEISTER: Chair Pro Tem, on behalf of all the staff,

23 we join in those sentiments, and on behalf of the borrowers and

24 the staff on the agenda today, I just want to convey our

1 heartfelt gratitude to all the members of the Authority.

2 The weather was uncooperative. Other members had
3 draws on their time, but thank you for making the time. Thank
4 you very much for making the time for this volunteer Board
5 service.

6 CHAIR PRO TEM SMOOTS: I'll be signing Board books
7 later to anyone who's interested.

8 With that, let's turn to Agenda Item 6, committee
9 reports.

10 Member Zeller.

11 ZELLER: The Conduit Finance Committee met, and we
12 recommend for approval all four agenda items.

13 CHAIR PRO TEM SMOOTS: Thank you, Member Zeller.
14 And items on today's agenda include No. 1, Lutheran Life
15 Community's Obligated Group; No. 2, Illinois Institute of
16 Technology; No. 3, Township High School District No. 86, DuPage
17 and Cook Counties, and No. 4, Enhanced PACE Finance, LLC.

18 Moving to Agenda Item No. 7, I would like to ask for
19 the general consent of the members to consider new business
20 items 1, 2, 3, 4, and 5 collectively and to have the subsequent
21 recorded vote applied to each respective individual item,
22 unless there are any new business items that a member would like
23 to consider separately.

24 Mr. Fletcher.

1 FLETCHER: At this time I would like to note that
2 for each conduit new business item presented on today's agenda,
3 including Items 1, 2, 3 and 4, the members are considering
4 approval only of the resolution in a not-to-exceed amount
5 contained therein.

6 Item 1 is a Conduit 501(c)(3) revenue bond
7 multi-state request. Staff requests approval of a one-time
8 final bond resolution for the Lutheran Life Communities
9 Obligated Group in an amount not-to-exceed \$210 million.

10 It is contemplated that the bonds will be issued in
11 two series, the Series 2019A and Series 2019B bonds.

12 The Series 2019A bonds will be tax exempt and
13 publically offered by Ziegler and Company and Hebert J. Simms
14 & Company, while the 2019B bonds will be directly purchased by
15 First Midwest Bank.

16 Borrowers are requesting a waiver to sell the Series
17 2019 bonds in denominations of less than \$100,000 in accordance
18 with having met the waiver requirements set forth in the
19 Authority's bond program handbook.

20 Does any member have any questions or comments?

21 (No response.)

22 FLETCHER: Item 2 is a Conduit 501(c)(3) revenue
23 bond request.

24 Staff requests approval of a one-time final bond

1 resolution for the Illinois Institute of Technology in an amount
 2 not-to-exceed \$140 million.
 3 Pursuant to the final bond resolution, the bonds may
 4 be issued in one or more series.
 5 Mr. Frampton, I believe you have some guests you
 6 would like to acknowledge.
 7 FRAMPTON: Yes. I'd like to just briefly introduce
 8 and give a shout out to the IIT team, which consists of Michael
 9 Horan, who is vice president for finance administration, and
 10 Mary Ellen Borchers, who is assistant VP and budget director.
 11 Thank you.
 12 FLETCHER: Thank you, Mr. Frampton.
 13 Next is Item 3. Item 3 is a local government revenue
 14 bonds request.
 15 Staff requests approval of a one-time final bond
 16 resolution for Township High School No. 86, DuPage and Cook
 17 Counties in an amount not-to-exceed \$34,910,000.
 18 Issuance of the Series 2019 bonds will constitute
 19 the second bond issue in a series of financings contemplated
 20 in connection with the District's \$139.82 million facility
 21 improvement project.
 22 Series 2019 bonds will be competitively bid by the
 23 District's financial advisor, PMA Securities, and sold based
 24 on the District's current long-term debt rating of AAA from S&P.

1 Does any member have any questions or comments?
 2 (No response.)
 3 FLETCHER: Next is Item 4, a PACE bond resolution
 4 authorizing the issuance of from time to time of one or more
 5 series and/or subseries of PACE bonds to be purchased by
 6 Enhanced PACE Finance, LLC in an aggregate amount not-to-exceed
 7 \$100 million for a period of three years.
 8 Does any member have any questions or comments?
 9 (No response.)
 10 FLETCHER: Next is Item 5. This resolution
 11 appoints Mr. Michael Moss the Authority's new associate general
 12 counsel. He is the third assistant secretary in addition to
 13 Brad Fletcher and Mari Money.
 14 Does any member have any questions or comments?
 15 CHAIR PRO TEM SMOOTS: I would like to request a
 16 motion to pass and adopt the following new business items:
 17 Items 1, 2, 3, 4, and No. 5. Is there such a motion?
 18 FUENTES: So moved.
 19 JURACEK: Second.
 20 CHAIR PRO TEM SMOOTS: Will the Assistant Secretary
 21 please call the roll.
 22 FLETCHER: Certainly. On a motion and second, I'll
 23 call the roll.
 24 Mr. Anderberg, via audio conference.

1 ANDERBERG: Yes.

2 FLETCHER: Mr. Fuentes.

3 FUENTES: Yes.

4 FLETCHER: Mr. Hobert.

5 HOBERT: Yes.

6 FLETCHER: Ms. Juracek.

7 JURACEK: Yes.

8 FLETCHER: Mr. Obernagel.

9 OBERNAGEL: Yes.

10 FLETCHER: Mr. Poole.

11 POOLE: Yes.

12 FLETCHER: Mr. Wexler.

13 WEXLER: Yes.

14 FLETCHER: Mr. Zeller.

15 ZELLER: Yes.

16 FLETCHER: And Chair Pro Tem Smoots.

17 CHAIR PRO TEM SMOOTS: Yes.

18 FLETCHER: Ms. Chair Pro Tem, the motion carries.

19 CHAIR PRO TEM SMOOTS: One of our members physically

20 present must leave early. To accommodate him, we would like

21 to defer the consideration of the closed session minutes until

22 the next meeting and also defer the subject-matter-only

23 presentations and the procurement report until after

24 consideration of the financial report and approval of the

1 open-session minutes.

2 I would like to request a motion to defer these

3 items. Is there such a motion?

4 ZELLER: So moved.

5 POOLE: Second.

6 CHAIR PRO TEM SMOOTS: All those in favor?

7 (Chorus of ayes.)

8 CHAIR PRO TEM SMOOTS: Opposed?

9 (No response.)

10 CHAIR PRO TEM SMOOTS: The ayes have it.

11 With that, we can move to Agenda Item No. 8, which

12 is presentation and consideration of financial reports.

13 GRANDA: Good morning, everyone. The financial

14 statements and the treasury reports can be found in your blue

15 folders.

16 The financial information for October 31, 2019, is

17 as follows: Our total annual revenues are \$1.4 million, and

18 it's \$229,000 below budget. This is primarily due to lower

19 closing fees and interest on loans.

20 In October the Authority recorded closing fees of

21 \$466,000 which was higher than the monthly budgeted amount of

22 \$218,000.

23 Our total annual expenses are at \$1.2 million.

24 They were \$368,000 or 23 percent lower than budget, which was

1 mostly driven by below-budget spending on employee-related
2 expenses due to the vacancies and on professional services.
3 In October the Authority recorded operating
4 expenses of \$324,000 which was lower than the monthly budgeted
5 amount of \$400,000.
6 Our total monthly net income is \$330,000, which was
7 driven by higher closing fees and higher net investment income.
8 Our total annual net income is \$139,000. The major
9 driver of this annual positive bottom line is the level of
10 overall spending at 23 percent below budget, as well as higher
11 than expected net investment income.
12 Are there any questions?
13 Just one thing, I just wanted to mention that I have
14 two new staff, which is Sabrina Kirkwood and Crishon Jones.
15 They will be joining the finance team.
16 I'm sure somebody else is going to introduce Logan
17 and Malcolm.
18 Thank you.
19 CHAIR PRO TEM SMOOTS: Are there any other questions
20 for Ms. Granda?
21 (No response.)
22 CHAIR PRO TEM SMOOTS: Hearing none, I would like
23 to request a motion to accept the financial reports. Is there
24 such a motion?

1 JURACEK: So moved.
2 WEXLER: Second.
3 CHAIR PRO TEM SMOOTS: All those in favor?
4 (Chorus of ayes.)
5 CHAIR PRO TEM SMOOTS: Opposed?
6 (No response.)
7 CHAIR PRO TEM SMOOTS: The ayes have it.
8 Moving to Agenda Item No. 9, does anyone wish to make
9 any additions, edits or corrections to the open-session minutes
10 from October 8, 2019?
11 (No response.)
12 CHAIR PRO TEM SMOOTS: Hearing none, I would like
13 to request a motion to approve those minutes. Is there such
14 a motion?
15 POOLE: So moved.
16 OBERNAGEL: Second.
17 CHAIR PRO TEM SMOOTS: All those in favor?
18 (Chorus of ayes.)
19 CHAIR PRO TEM SMOOTS: Opposed?
20 (No response.)
21 CHAIR PRO TEM SMOOTS: The ayes have it.
22 FLETCHER: Please let the record reflect Member
23 Wexler left the room.
24 CHAIR PRO TEM SMOOTS: Moving on, to Agenda Item No.

1 10, per the previous action, approval of the closed-session
 2 minutes from October 8, 2019, and consideration whether to open
 3 the closed-session minutes from September 11, 2018, June 11,
 4 2019, and October 8, 2019, are deferred until the next meeting.
 5 So at this point we will hear subject-matter-only
 6 presentations followed by the procurement report.

7 The first one of those is Lisa Bonnet.

8 MEISTER: Lisa, are you on the line?

9 BONNET: I am. Good morning. Good morning,
 10 Members of the Board.

11 I am pleased today to report on the Non-SRF Water
 12 Infrastructure Financing Transformation Initiative, and I'm
 13 mostly pleased to let you know that Joliet has been selected
 14 by U.S. EPA to make application for a Water Infrastructure
 15 Finance and Innovation Act loan.

16 As we talked about previously, Joliet has a
 17 depleting aquifer as a source of drinking water, and they have
 18 to develop a new sustainable water source.

19 So in October 22, U.S. EPA announced that the WIFIA
 20 program had invited 38 projects and 18 states to apply for the
 21 WIFIA loan.

22 As I had reported previously, U.S. EPA had
 23 originally received 51 letters of interest from both public and
 24 private entities for projects totaling more than \$13.9 billion.

1 U.S. EPA has approximately \$6 billion available for
 2 2019 projects.

3 Joliet was selected for consideration, even though
 4 you will note in the information provided, that their total loan
 5 award has yet to be determined, and that's primarily because
 6 Joliet has not selected their alternate source of water from
 7 the five options that are currently under consideration.

8 And although their letter of interest indicated an
 9 estimated project cost of \$600 million, the actual loan amount
 10 will be determined once Joliet selects their water source at
 11 the end of this year.

12 So as we had talked about previously, this is a
 13 really good opportunity for Joliet. It puts their financing
 14 in place so that they now can really turn their attention and
 15 focus to the technical solution of providing a new water source,
 16 as well as it really, really impacts the overall capacity of
 17 the drinking water SRF program and will ensure that that money
 18 stays available for other communities as Joliet and Will County
 19 tries to develop these new water sources.

20 So we were very pleased with that outcome, and we
 21 stand prepared to continue our work with Joliet, as they need
 22 us, and as we had promised if we worked with them to make
 23 application.

24 And in addition to that, we are also going to

1 continue to work with communities to encourage them to apply
 2 for the 2020 round of funding, which comes from Congress and
 3 is on a year-to-year basis, but we're confident with the amount
 4 of applications and interest in the WIFIA program that in 2020
 5 there will be another round, and so we look forward to working
 6 with other communities to encourage their participation.

7 So are there any questions on that? All right.

8 Moving on to Financing Illinois' Water

9 Infrastructure Conference that we sponsored with the American
 10 Water Works Association on October 9. I'm very pleased to
 11 report that it was a very successful day in that we had excellent
 12 attendance, and we really -- the speaker panels were -- they
 13 represented water utilities, state and local officials, as well
 14 as Executive Director Meister and consulting engineers.

15 It was really just a very open dialogue of where we
 16 discussed the challenges.

17 Also a highlight was the director of Illinois EPA
 18 gave our welcoming remarks, and it was really -- we received
 19 a lot of positive feedback from that conference, and we are going
 20 to look for other opportunities in the future to partner with
 21 the water utilities sector to bring more of these opportunities
 22 for networking and exchanging of information and ensuring of
 23 solutions and financing options. So that was a great success.

24 Moving on, just to show that there's still is room

1 for improvement, we were not selected as the Bond Buyers Green
 2 ESG Deal of the Year, so we didn't get the Trifecta of all three,
 3 but it was a great opportunity to focus and show IFA's
 4 leadership.

5 And although we were not successful, the deal that
 6 was successful was really just a premiere deal for a very
 7 important project, and so if we weren't successful, we were beat
 8 out by a very impressive deal.

9 So with that, Chris, unless there's questions on
 10 either of those, I'll turn it over to you for the Joyce
 11 Foundation report.

12 MEISTER: Thank you very much, Lisa. Again,
 13 succinct and comprehensive presentation, and it demonstrates
 14 the Authority's commitment to water financing and water quality
 15 issues.

16 We were invited to a meeting called by the Joyce
 17 Foundation on lead and water in Illinois. It was the afternoon
 18 of November 4.

19 It was a very large group, very wide-ranging group,
 20 and I think that we were able to add our knowledge with respect
 21 to water financing, responsible financing, and I think, most
 22 importantly, continuing to delineate the line between financing
 23 and grant making among the advocates for this very large and
 24 serious public health issue in our state.

1 And then I also attended the meeting of the U.S.
2 EPA's Environmental Financial Advisory Board.

3 We continue to work on these recommendations for
4 Congress on storm water funding. As I think all of us have
5 learned over the last several days, there are some predictions
6 that will make weather more unpredictable and precipitation in
7 some parts of the state to increase, and this has been obviously
8 nationally recognized by Congress.

9 IFA hopes to play a role in that. I'll keep you
10 updated. Any questions?

11 (No response.)

12 Thank you.

13 CHAIR PRO TEM SMOOTS: With that we move to an update
14 from Bill Atwood.

15 ATWOOD: Good morning. On July 1, 2018, it was my
16 pleasure to join the IFA as part of the Authority's
17 Transformation Initiative.

18 My focus has been the lever on the Authority's powers
19 and resources to help the State's public pension challenges,
20 as well as to advance other elements of the Authority's
21 Transformation Initiative.

22 Our initial work is around the creation of policy
23 to allow for the transference of public assets to offset pension
24 liabilities.

1 As Executive Director Meister and I worked with the
2 Pritzker administration to develop concepts around asset
3 transfers, we were increasingly called upon to assist with
4 another critical related initiative, the consolidation of
5 downstate and suburban police and fire investment portfolios.

6 On February 8, 2018, prior to my joining the IFA,
7 the Authority met and discussed underfunding of the 650
8 downstate suburban police and fire funds, the mitigating effect
9 that consolidation of those funds might offer, and the
10 possibility of asset transfers to provide assets to state and
11 local retirement systems.

12 At the meeting of the Authority held last month, the
13 Executive Director circulated and discussed a memo to the
14 Authority dated October 8, 2019, with the subject matter,
15 Illinois Finance Authority Act, findings and declaration of
16 policy with respect to reducing the cost of indebtedness to
17 taxpayers and residents and encouraging investor interest in
18 government notes and bonds.

19 In that memo he discussed, among other things, the
20 declaration of policy found in our act, that it is in the public
21 interest and the policy of this state, to the extent possible,
22 to reduce the cost of indebtedness to taxpayers and residents
23 of this state and to encourage continued investor interest in
24 the purchase of bonds or notes of governmental units as sound

1 and preferred securities for investment.

2 On February 11, 2019, Governor Pritzker announced

3 the creation of the Pension Consolidation Feasibility Task

4 Force to explore and make recommendations for the consolidation

5 of pension funds in order to achieve the greatest value for

6 employees, retirees and taxpayers.

7 The task force issued its report to Governor

8 Pritzker on October 10, 2019. The report detailed the excess

9 fees paid by municipal police and fire funds, as well as the

10 portfolio returns resulting from their decentralized structure

11 and associated lack of scale.

12 Through consolidation, the task force estimated

13 that increases in investment returns could surpass \$12 billion

14 over the next 20 years, money that otherwise would have come

15 from hard-pressed Illinois property taxpayers.

16 As part of the Authority's transition initiative,

17 we worked closely with the governor's task force in the

18 preparation of its report, as well as the drafting of the

19 language contained in Senate Bill 616 and now Senate Bill 1300

20 which will implement the consolidation of the suburban and

21 downstate police and fire pension fund portfolios.

22 On October 10, the Governor accepted the report of

23 the Illinois Pension Consolidation Feasibility Task Force.

24 The recommendation of the task force to create the police

1 officers pension investment fund and the firefighters pension

2 investment fund is contained in Senate Bill 1300, as is language

3 authorizing the Authority to provide critical assistance in the

4 consolidation process.

5 Senate Bill 1300 creates two new investment funds,

6 the Police Officers' Pension Investment Fund and the

7 Firefighters' Pension Investment Fund. Through the creation

8 of these funds and the consolidation of the \$14.2 billion of

9 associated pension assets, the Downstate and Suburban Police

10 and Fire Fund system will go from 650 investment portfolios to

11 two.

12 Administration of benefits will continue to be

13 administered by the local police and fire pension boards. The

14 Authority will play a critical role in the consolidation of

15 these funds.

16 Pension assets may be used for the payment of

17 benefits and for the ongoing expenses of managing the portfolio.

18 As a result, on an ongoing basis, the investment

19 assets and their associated return will be used to pay the

20 operating costs of these two funds.

21 However, it's anticipated that the actual

22 transference of assets may take upwards of two years. During

23 that period the two boards will need operating capital well

24 before they have assets in their portfolio from which to draw

1 expenses. This challenge is addressed by the legislation.
 2 Senate Bill 1300 authorizes the Authority to lend
 3 and the two funds to borrow up to \$7.5 million in capital to
 4 be used for start-up expenses.

5 The bill defines a 30-month transition period, after
 6 which those moneys are to be paid back to the Authority, plus
 7 an interest rate at a spread over LIBOR.

8 The role of the Authority in the consolidation
 9 process is fully consistent with the policy declaration
 10 contained in the Authority's act that the executive director
 11 referenced in his October 8 memo.

12 Further, IFA has played a valued and critical role
 13 of assisting the Governor and the general assembly to address
 14 a heretofore intractable problem, how to reduce the cost and
 15 improve the operations of downstate police and fire pension
 16 systems.

17 Given the effective working relationship that has
 18 developed between the Governor's office and the IFA, I would
 19 expect that our capabilities will be further called upon as the
 20 Governor moves forward in addressing an entire portfolio, the
 21 pension challenges.

22 With that I'd be happy to answer any questions that
 23 the Authority might have.

24 MEISTER: And for the members, in the clips, we have

1 a two-page summary of this proposed legislation, and then what's
 2 known in the records of the Illinois General Assembly is a bill
 3 status that's available on ilga.gov for Senate Bill 1300, which
 4 looks to the vehicle bill that House Amendment 5, which is the
 5 current version of this bill, will likely be attached to between
 6 now and Thursday.

7 And all of this is, of course, contingent on things,
 8 developments that may be occurring in Springfield about which
 9 we have no knowledge, so this is the up-to-the-minute snapshot
 10 according to our knowledge, and it's in the hands of the general
 11 assembly, the stakeholders and the Governor's office at this
 12 point.

13 JURACEK: Just a little insight from the municipal
 14 side: As mayor of Mount Prospect, this consolidation is
 15 something municipalities have been trying to do for the last
 16 10 years. This is not something new, and Illinois and
 17 Pennsylvania are the only two states that have this kind of
 18 fragmented pension board system for public safety pensions.

19 The consolidation is for investment authority and
 20 to bring a bigger critical mass and access to higher-paying
 21 instruments in the investment market and reduce the
 22 administrative cost significantly.

23 The model that we're using is IMRF, which is the gold
 24 standard for pensions in the whole country.

1 It is not state money. It's segregated. No
 2 municipality subsidizes another municipality. The accounts
 3 are all separate.

4 It's merely the consolidated investment authority
 5 that brings these returns with the larger amounts available and
 6 the access to higher interest bearing capital markets.

7 We estimate that we're leaving a million dollars a
 8 day on the table by comparing the written investment returns
 9 from 650 funds versus IMRF's investment returns.

10 So this is a massive thing. We were thrilled when
 11 Governor Pritzker's task force came out with this
 12 recommendation, and, as Chris indicated, we are hopeful
 13 something will be done by close of business Thursday without
 14 compromising the interest of any side on this issue.

15 So you know how the legislature works. All of a
 16 sudden there's a clause in there, and they go, where did that
 17 come from?

18 But things seem to be moving on the right track, and
 19 we do have support at this point from both the police and fire
 20 unions, which is critical.

21 And nobody has raised any issue about IFA being the
 22 lender of the working capital. So...

23 MEISTER: And that's the way we like it.

24 JURACEK: I'm glad we are there because it provides

1 the answer to where are they going to the start-up costs.
 2 ATWOOD: That really was a tough question, how to
 3 finance the operation in advance of the assets being transferred
 4 in.

5 CHAIR PRO TEM SMOOTS: Thank you for that report,
 6 for the commentary, and with that, we are moving on to our
 7 monthly procurement report presented by Mr. Holloway.

8 HOLLOWAY: Good morning, Board members. In
 9 addition to the procurement report today, I would like to
 10 briefly share my procurement background.

11 I have 24 years of experience in public procurement;
 12 six with the state and 18 with Chicago Public Schools.

13 Public procurement is highly regulated, but state
 14 procurement is even higher regulated. It includes a
 15 third-party independent regulator, the chief procurement
 16 officer.

17 Within this regulator framework, I have a wealth of
 18 experience of procuring goods and services, mainly procuring
 19 services for the IFA.

20 My general assessment of procuring function is we
 21 are currently under four regulations after a partial exemption
 22 sunset.

23 Between 2004 and 2010 the Authority had internal

24 control of procurements. In 2010 Senate Bill 51 became law and

1 created an independent procurement regulator, the chief
2 procurement officer.

3 The IFA became a part of this complex framework.
4 Longer tenured members may recall that the Authority had a
5 partial legislative exemption to the procurement code between
6 2013 and ended in 2018.

7 In 2018, the Authority focused its legislative
8 efforts on product development, on the transformation
9 initiative and did not include regulatory relief as the
10 extension of the partial legislative exemption.

11 As I understand it, we were hoping to work through
12 the regular procurement process, but even with my background
13 and enterprise model we have, this has proven to be challenging.

14 In addition to the CPO office, there are other
15 third-party regulators that govern the Authority's
16 procurements as well, the business enterprise office, the
17 office of management and budget, and the department of
18 innovation and technology.

19 We currently have a procurement for financial
20 advisor services with the VP department, and they're requesting
21 subcontracting opportunities for this procurement.

22 In short, due to the nature of the work,
23 subcontracting is not an option. As we continue to work with
24 the BEP on this process, we are going to ask the CPO to extend

1 the current agreements with our financial advisors through
2 September 2020.

3 As we continue to work with BEP, our recommendation
4 for spring 2020 is to pursue a revival of the Authority's partial
5 exemption from the procurement code with the general assembly.
6 I have been here five months, and my assessment is
7 being under full regulation hinders any timely procurement.

8 All our procurements sit in what they call BidBuy for months
9 waiting on approval.

10 The nature of most of the Authority's contracts,
11 legal and financials do not lend themselves to the state's
12 complex procurement process.

13 The Authority uses the state's master contracts for
14 the majority of the other services, IT and supplies.

15 The utilization of MBE firms is a priority for the
16 Authority. In 2004 the Authority adopted a procurement policy
17 and resolution recommending IFA borrowers utilize MBE firms.

18 Again, the Authority's contracts do not really lend
19 themselves to subcontracting to the nature of the work.

20 Any questions?

21 JURACEK: Just an observation, I have had an
22 interesting work history, which also included being acting
23 director of the Illinois Power Agency, which is downstairs on
24 the 6th floor.

1 Similar situation, making procurements on the power
2 markets totally does not lend itself to the state procurement
3 activity.

4 My suggestion is simply go down there and talk to
5 Anthony Star, and perhaps there is some legislative language
6 or regulatory language that could be called on that they maybe
7 already have broken some ground on.

8 HOLLOWAY: Okay. Thanks for that. Will do.
9 Thanks, everyone.

10 CHAIR PRO TEM SMOOTS: Thank you. And with that,
11 is there any other business to come before the Members?

12 (No response.)

13 CHAIR PRO TEM SMOOTS: Hearing none, I would like
14 to request a motion to excuse the absences of those members
15 unable to participate today. Is there such a motion?

16 FUENTES: So moved.

17 HOBERT: Second.

18 CHAIR PRO TEM SMOOTS: All those in favor?

19 (Chorus of ayes.)

20 CHAIR PRO TEM SMOOTS: Opposed?

21 (No response.)

22 CHAIR PRO TEM SMOOTS: The ayes have it.

23 Is there any matter for discussion in closed
24 session?

1 (No response.)

2 CHAIR PRO TEM SMOOTS: Hearing none, the next
3 regularly scheduled meeting will be December 10, 2019.

4 I would like to request a motion to adjourn. Is
5 there such a motion?

6 JURACEK: So moved.

7 HOBERT: Second.

8 CHAIR PRO TEM SMOOTS: All those in favor?

9 (Chorus of ayes.)

10 CHAIR PRO TEM SMOOTS: Opposed?

11 (No response.)

12 CHAIR PRO TEM SMOOTS: The ayes have it. Thank you
13 all for attending.

14 FLETCHER: The time is 10:04 a.m.

15 (Whereupon the above

16 matter was adjourned.)

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF REQUEST TO PARTICIPATE VIA AUDIO CONFERENCE
ADOPTED

November 12, 2019

8 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|----|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | NV | Mr. Chairman (via audio conference) |

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
APPROVAL OF DELEGATION OF CHAIRPERSONSHIP TO MEMBER SMOOTS TO
BE CHAIR PRO TEM FOR THE MEETING
ADOPTED

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
NOVEMBER 12, 2019 AGENDA OF THE REGULAR MEETING OF THE MEMBERS
ADOPTED

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2019-1112-CF01
 501(C)(3) REVENUE BONDS - LUTHERAN LIFE COMMUNITIES OBLIGATED GROUP
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2019-1112-CF02
 501(C)(3) REVENUE BONDS – ILLINOIS INSTITUTE OF TECHNOLOGY
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2019-CF03
 LOCAL GOVERNMENT PROGRAM REVENUE BONDS – TOWNSHIP HIGH SCHOOL
 DISTRICT NUMBER 86, DUPAGE AND COOK COUNTIES
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2019-1112-CF04
 PROPERTY ASSESSED CLEAN ENERGY REVENUE BONDS – ENHANCED PACE
 FINANCE, LLC.
 FINAL (ONE-TIME CONSIDERATION)
 PASSED*

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
 ROLL CALL
 RESOLUTION 2019-1112-GP05
 RESOLUTION AUTHORIZING THE APPOINTMENT OF ASSISTANT
 SECRETARY OF THE ILLINOIS FINANCE AUTHORITY AND MATTERS
 RELATED THERETO
 ADOPTED*

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

* – Consent Agenda

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
CONSENT TO DEFER CONSIDERATION OF CLOSED SESSION MINUTES TO
NEXT MEETING, AND DEFER SUBJECT MATTER ONLY PRESENTATIONS AND
THE PROCUREMENT REPORT TO LATER THIS MEETING, AFTER CONSIDERATION
OF THE FINANCE REPORT AND APPROVAL OF OPEN SESSION MINUTES
ADOPTED

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
FINANCIAL REPORTS
ACCEPTED

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

Y Fuentes
E Goetz
Y Hobert
Y Juracek
E Knox

E McCoy
E Nava
Y Obernagel
E O'Brien
Y Poole

Y Smoots
Y Wexler
E Wright
Y Zeller
Y Mr. Chairman (via
audio conference)

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
VOICE VOTE
OCTOBER 8, 2019 OPEN SESSION MINUTES OF REGULAR MEETING OF THE
MEMBERS
ADOPTED

November 12, 2019

9 YEAS

0 NAYS

0 PRESENT

| | | | | | |
|---|---------|---|-----------|---|--|
| Y | Fuentes | E | McCoy | Y | Smoots |
| E | Goetz | E | Nava | Y | Wexler |
| Y | Hobert | Y | Obernagel | E | Wright |
| Y | Juracek | E | O'Brien | Y | Zeller |
| E | Knox | Y | Poole | Y | Mr. Chairman (via audio conference) |

E – Denotes Excused Absence