ILLINOIS FINANCE AUTHORITY

October 8, 2015

AGENDA

BOARD MEETING
9:30 a.m.
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. Chairman's Remarks
IV. Message from the Executive Director
V. Consideration of the Minutes
VI. Presentation of the Government Finance Officers Association of the United States and Canada ("GFOA") Award for the Fiscal Year 2014 Comprehensive Annual Financial Report ("CAFR")
VII. Presentation and Consideration of Financial Reports
VIII. Monthly Procurement Report
IX. Committee Reports
X. Presentation and Consideration of the Project Reports and Resolutions
XI. Other Business
XII. Public Comment
XIII. Adjournment

PROJECT REPORTS AND RESOLUTIONS

AGRICULTURE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
Beginning Farmer Bonds ***Final (One-Time Consideration)***						
1	Bradley A. Legg & Nina K. Legg	Four Mile Township (Wayne County)	$174,000	-	-	PE/LK
TOTAL AGRICULTURE PROJECTS			**$174,000**	-	-	

BUSINESS AND INDUSTRY PROJECTS

Tab	Project Name	Location	Amount	*New Jobs (see footnote)	*Const. Jobs (see footnote)	FM
Freight Transfer Facilities Revenue Bonds ***Confirm and Restate August 2007 Preliminary Bond Resolution***						
2	CenterPoint Joliet Terminal Railroad, LLC	Joliet (Will County)	$1,137,000,000	5,400	6,200	RF/BF
*** TOTAL BUSINESS AND INDUSTRY PROJECTS**			**$1,137,000,000**	**5,400**	**6,200**	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds ***Final***						
3	Nazareth Academy	La Grange Park (Cook County)	$26,000,000	2	200	RF/BF
4	Chicago Shakespeare Theater	Chicago (Cook County)	$15,400,000	37	85	RF/BF
TOTAL EDUCATIONAL, CULTURAL, AND NON-HEALTHCARE 501(c)(3) PROJECTS			**$41,400,000**	**39**	**285**	

HEALTHCARE PROJECTS

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	Staff
501(c)(3) Revenue Bonds ***Final***						
5	Riverside Health System	Kankakee, Bourbonnais, Watseka and Gilman (Kankakee and Iroquois Counties)	$37,500,000	N/A	N/A	PL
501(c)(3) Revenue Bonds ***Preliminary***						
6	The Passavant Memorial Area Hospital Association	Jacksonville (Morgan County)	$24,200,000	N/A	N/A	PL
TOTAL HEALTHCARE PROJECTS			**$61,700,000**	**N/A**	**N/A**	
GRAND TOTAL			**$1,240,274,000**	**5,439**	**6,485**	

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PROJECT REPORTS AND RESOLUTIONS

RESOLUTIONS

Tab	Action	Staff
Resolutions		
7	Withdrawn	N/A
8	Resolution Authorizing Extension of (IFA) IEFA Commercial Paper Revenue Notes Program for Five Years	RF/BF
9	Resolution to Authorize an Emergency Purchase under the Procurement Code to Competitively Select and Enter into Contracts with Necessary Parties, including but not limited to Lenders, Underwriters, Trustees or Paying Agents, Servicers, Printers, Road Show Providers, and/or Rating Agencies, to Finance One or More Projects Authorized under the Illinois Finance Authority Act, including Public Purpose Projects, the Proceeds of which will be Used to Address One or More of the Following in the Absence of an Enacted Appropriation for Fiscal Year 2016, a Court Order or a Consent Decree: (i) Threat(s) to Public Health or Public Safety, (ii) if Immediate Expenditure is Necessary for Repairs to State property in Order to Protect Against Further Loss or Damage to State Property, (iii) to Prevent or Minimize Serious Disruption of Critical State Services that Affect Health, Safety, or Collection of Substantial State Revenues, or (iv) to Ensure the Integrity of State Records; and Other Matters Related Thereto	CM
*****	<u>**Notes Regarding New Jobs and Construction Jobs Over the Anticipated Development/Build-Out Cycle - CenterPoint Joliet Terminal Railroad, LLC:**</u> 1. Over 10,400 total new jobs are anticipated over the development cycle of the Project, including: (a) 5,400 permanent industrial park and intermodal facility jobs, (b) 3,100 permanent trucking jobs, and (c) 1,900 indirect and induced jobs. 2. 6,200 union construction jobs (200 man hrs./job) are anticipated during the build-out of the overall Project. 3. Total Combined Permanent, Induced, and Construction Jobs estimated to be created over the development cycle of the Project: 16,600+. <u>**Current Jobs:**</u> 1. Presently, there are 4,325 new permanent jobs at CenterPoint Intermodal Center - Joliet including: (a) 1,575 permanent industrial park and intermodal facility jobs, (b) 1,550 permanent trucking jobs, and (c) 1,200 indirect and induced jobs. 2. There are currently 2,500 union construction jobs. 3. Total current jobs (FT): 6,825 (up from 220 jobs as presented in November 2010 and 4,175 as presented in September 2012).	

ILLINOIS FINANCE AUTHORITY

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Suite S-1000
Chicago, IL 60601
312-651-1300
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www.il-fa.com

October 8, 2015

TO:	R. Robert Funderburg, Jr., Chairman Eric Anderberg Gila J. Bronner James J. Fuentes Michael W. Goetz Robert Horne Adam Israelov Mayor Arlene A. Juracek	Lerry Knox Terrence M. O'Brien Mayor Barrett F. Pedersen Roger Poole Mordecai Tessler John Yonover Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

Market Trends – Countercyclical Project Activity

Although the municipal markets have been generally down, the Authority has begun its new fiscal year bucking overall trends in the public finance industry. While bond issuance has been down overall (Weitzman, Aaron. "Muni Volume Drops Most in 17 Months." *The Bond Buyer* 30 September 2015), the Authority's project activity and resulting transaction closings are up. Despite the Authority experiencing considerable volatility on a month-to-month basis, hopefully, these results portend improving economic conditions throughout the state.

Surface Freight Transfer Facilities Revenue Bonds - CenterPoint Joliet Terminal Railroad, LLC

This month we are proud to help a variety of borrowers across Illinois. On this month's agenda, we are pleased to see CenterPoint Properties Trust return to confirm and update their original August 2007 Inducement Resolution for their special purpose affiliate entity in connection with their CenterPoint Intermodal Center – Joliet facility. This facility is now the nation's largest inland port and already employs thousands, both directly and indirectly.

Agriculture, Educational, Cultural and Healthcare Projects – A Diverse Agenda

The agenda also requests your consideration of projects for hospitals and healthcare facilities located in Kankakee, Iroquois, and Morgan counties, including a Final Bond Resolution for Riverside Health System and preliminary consideration of The Passavant Memorial Area Hospital Association.

Additionally, Chicago Shakespeare Theater returns for consideration of a Final Bond Resolution to build a third stage at Navy Pier while Nazareth Academy is requesting approval to increase its total par amount by $2.5 million since receiving Authority approval just last month.

Finally, there is one Beginning Farmer Bond financing to help a family farming operation purchase initial acreage in Wayne County.

As always, I look forward to continuing to work with you in support of jobs and financing capital expansion projects throughout our state.

Respectfully,

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Christopher B. Meister
Executive Director

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October 8, 2015

TO: R. Robert Funderburg, Jr., Chairman
Eric Anderberg
Gila J. Bronner
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Adam Israelov
Mayor Arlene A. Juracek
Lerry Knox
Terrence M. O'Brien
Mayor Barrett F. Pedersen
Roger Poole
Mordecai Tessler
John Yonover
Bradley A. Zeller

RE: Minutes of the September 10, 2015 Regular Meeting of the Board

Dear Members of the Authority:

Please find enclosed the Report of Proceedings prepared by Marzullo Reporting Agency, Inc. (the "**Minutes**") in connection with the regular meeting of the Board of Directors of the Illinois Finance Authority (the "**Board**"), begun and held at the Michael A. Bilandic Building, 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, on the second Thursday of September in the year 2015, 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
BOARD OF DIRECTORS MEETING
Thursday, September 10, 2015
9:30 AM

AGENDA:

VIII. Monthly Procurement Report
(page 11, line 23 through page 13, line 10)
IX. Committee Reports
(page 13, line 11 through page 13, line 13)
X. Presentation and Consideration of Items 1, 2, 3, 4, 5, 6, 7, 9, 10 and 11 of the Project Reports and Resolutions
(page 13, line 14 through page 59 , line 11)
XI. Closed Session Pursuant to, but not Limited to, 5 ILCS 120/2(c)(11)
(page 59, line 12 through page 62, line 10)
XII. Public Recital of the Nature of the Matter(s) Considered and Other Information that will Inform the Public of the Business Conducted in Closed Session
(not applicable)
XIII. Presentation and Consideration of Item 12 of the Project Reports and Resolutions
(page 62, line 11 through page 64, line 5)
XIV. Other Business
(page 64, line 6 through page 64, line 17)
XV. Current and Future Mission and Programs of the Illinois Finance Authority, a Policy Discussion
(page 64, line 18 through page 118, line 10)
XVI. Public Comment
(page 118, line 11 through page 118, line 12)
XVII. Adjournment
(page 118, line 13 through page 118, line 24)

The Minutes of the regular meeting of the Board 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 of the Board to report any substantive edits to the enclosures.

Respectfully submitted,

/s /Brad R. Fletcher
Assistant Vice President,
Illinois Finance Authority

Enclosures: 1. Minutes of the September 10, 2015 Regular Meeting of the Board
2. Voting Record of the September 10, 2015 Regular Meeting of the Board

ILLINOIS FINANCE AUTHORITY BOARD
BOARD OF DIRECTORS REGULAR MEETING
September 10th, 2015 at 9:30 a.m.

Report of Proceedings had at the Meeting of the Illinois Finance Authority Board of Directors Regular Meeting on September 10th, 2015, at the hour of 9:30, pursuant to notice, at 160 North LaSalle Street, Suite S1000, Chicago, Illinois.

APPEARANCE:

ILLINOIS FINANCE AUTHORITY BOARD OF DIRECTORS

MR. R. ROBERT FUNDERBURG, Chair
MR. ERIC ANDERBERG, Member
MR. JAMES J. FUENTES, Member
MR. ROBERT HORNE, Member
MR. ADAM ISRAELOV, Member
MS. ARLENE JURACEK, Member
MR. LERRY KNOX, Member
MR. BARRETT PEDERSON, Member
MR. JOHN B. YONOVER, Member
MR. TERRENCE M. O'BRIEN, Member

PRESENT TELEPHONICALLY:

MS. GILA J. BRONNER, Member
MR. MICHAEL W. GOETZ, Member
MR. ROGER POOLE, Member

ILLINOIS FINANCE AUTHORITY STAFF MEMBERS

MR. BRAD FLETCHER, Assistant Vice-President
MR. RICH FRAMPTON, Vice-President
MS. MELINDA GILDART, CFO
MS. PAMELA LENANE, Vice-President
MS. ELIZABETH WEBER, General Counsel
MS. SIX GRANDA, Controller

CHAIRMAN FUNDERBURG: Good morning, everyone. Thank you for coming. I would like to call to order the Board Meeting of the Illinois Finance Authority.

Brad, would you take a voice vote, please, roll call?

MR. FLETCHER: Certainly. Mr. Anderberg.

MR. ANDERBERG: Here.

MR. FLETCHER: Mr. Fuentes?
MR. FUENTES: Here.
MR. FLETCHER: Mr. Goetz on the phone?
MR. GOETZ: Here.
MR. FLETCHER: Mr. Horne?
MR. HORNE: Here.
MR. FLETCHER: Mr. Israelov?
MR. ISRAELOV: Here.
MR. FLETCHER: Mr. Juracek?
MS. JURACEK: Here.
MR. FLETCHER: Mr. Knox?
MR. KNOX: Here.
MR. FLETCHER: Mr. O'Brien?
MR. O'BRIEN: Here.
MR. FLETCHER: Mr. Poole on the phone?
MR. POOLE: Here.
MR. FLETCHER: Mr. Yonover?

MR. YONOVER: Here.
MR. FLETCHER: And Mr. Chairman?
CHAIRMAN FUNDERBURG: Here.
MR. FLETCHER: Mr. Chairman, at this time there are more than eight members in the room. We have a quorum.
CHAIRMAN FUNDERBURG: Thank you. The next item on the agenda is the approval of the agenda. Is there a motion to approve the agenda?
MR. HORNE: So moved.
MR. ANDERBERG: Second.

CHAIRMAN FUNDERBURG: All those in favor please say aye?

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Motion approved. Next order of business is the presentation and consideration of Item 8 on the Project Reports and Resolutions.

MR. FRAMPTON: Thank you, Mr. Chairman. Item 8 is the resolution ratifying and confirming resolution 2015-0813-NP02 adopted August 13, 2015, and providing for the issuance of not to exceed

$585,000,000 in bonds for the benefit of The University of Chicago.

This resolution is a housekeeping matter that will conform and sync up the resolution with terms across all documents approved and presented in connection with this financing at the August 13th Board Meeting.

CHAIRMAN FUNDERBURG: Okay, great. Thank you. Any further discussion or questions?

MR. ISRAELOV: Chairman Funderburg, I would like to recuse myself from the consideration and deliberation and voting of this Item No. 8.

Two of the partners at my employer sit on the board of directors with entities that are affiliated with the University of Chicago.

CHAIRMAN FUNDERBURG: So noted. Thank you very much. That being said, I would like to call for a motion to adopt that resolution.

Is there such a motion?

MR. KNOX: So moved.

MR. FUENTES: Second.

CHAIRMAN FUNDERBURG: Further discussion? Questions?

MR. FLETCHER: On the motion, I'll call the

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roll. Mr. Anderberg?

MR. ANDERBERG: Yes. Mr. Fuentes?

MR. FUENTES: Yes.

MR. FLETCHER: Mr. Goetz?

MR. GOETZ: Yes.

MR. FLETCHER: Mr. Horne?

MR. HORNE: Yes.

MR. FLETCHER: Mr. Israelove?

MR. ISRAELOV: Abstain.

MR. FLETCHER: And the reason for abstention, for the record?

MR. ISRAELOV: Two partners at my employer sit on the board of directors of entities that are affiliated with the University of Chicago.

MR. FLETCHER: Duly noted. Thank you. Ms. Juracek?

MS. JURACEK: Yes.

MR. FLETCHER: Mr. Knox?

MR. KNOX: Yes.

MR. FLETCHER: Mr. O'Brien?

MR. O'BRIEN: Yes.
MR. FLETCHER: Mr. Poole on the phone?
MR. POOLE: Yes.
MR. FLETCHER: Mr. Yonover?

MR. YONOVER: Yes.
MR. FLETCHER: And Mr. Chairman?
CHAIRMAN FUNDERBURG: Yes.
MR. FLETCHER: Mr. Chairman, the motion carries.
CHAIRMAN FUNDERBURG: Thank you. Next under the remarks I would just simply like to welcome two new members to the Board of Illinois Finance Authority. Arlene Juracek, thank you for joining. Welcome. Adam Israelov, thank you for joining.
MR. ISRAELOV: Thank you very much.
CHAIRMAN FUNDERBURG: I look forward to working with you. Chris?
MR. MEISTER: And I'll echo the Chairman's remarks and look forward to working with you both and welcome to the Authority and to volunteer state public service.
CHAIRMAN FUNDERBURG: Okay. Nothing further, then, I would like to ask for a motion to approve the adoption of the minutes of the last meeting.
MR. ANDERBERG: So moved.
CHAIRMAN FUNDERBURG: Is there a second?
MR. KNOX: Second.
CHAIRMAN FUNDERBURG: All in favor, please say

aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Next up is the presentation and consideration of the financial report. Ms. Gildart.

MS. GILDART: Good morning, everyone. My name is Melinda Gildart. I'm the CFO for the Illinois Finance Authority; and for this month's presentation, we will take a look at the status of the FY15 fiscal year and then go into fiscal year 2016 results.

So for the general operating --

MR. MEISTER: Excuse me, for the members of the Board, the financial analysis is located in your manila folder.

MS. GILDART: Everyone have it? For the general operating fund, revenues, expenses and net income, for our fiscal year recap, the Authority closed our books for fiscal year 2015 this week, and we are currently working on the preparation of the annual GAAP package to the Illinois Comptroller, in addition to the-two year compliance audit with the Auditor General, the preparation of financial statement, in addition to the preparation of the

comprehensive annual financial report.

So the unaudited fiscal year 2015 results as of today, we are still at just over a $4.3 million in total annual revenues and just under $4,000,000 in total annual expenses.

We have $294,000 that came from the special reserve from the Illinois Rural Bond Bank per the FY14 defeasance, and that overall calculation gives us a total unaudited net income of $640,000.

Are there any questions on FY15?

MR. MEISTER: Melinda, could you just briefly explain the GAAP package process, how the Comptroller comes into it, and what it stands for, just quickly?

MS. GILDART: The generally-accepted accounting practices, accounting principles, is the standard for U.S. organizations. It's called the U.S. GAAP, the United States GAAP, Generally-Accepted Accounting Principles, and the Illinois Comptroller pretty much works with all the different agencies within the State of Illinois, over 300 of them, including component units and other districts, to roll up all of that information into the statewide

comprehensive annual financial report.

So it's a tedious process with the different systems and methods of recordkeeping with the different agencies. So the comptroller's process currently now is to have everyone prepare a GAAP package, which makes it a little bit more consistent in how they receive the data, and makes it easier for them to roll the information into the statewide report.

And as a component unit of the State of Illinois, the Illinois Finance Authority is required to develop their GAAP package, in addition to our own separately-issued financial statements and comprehensive annual financial report, so that we may comply with the Illinois State statute.

MR. HORNE: Can you explain on this one, too, just this net transfers in? I'm not sure I'm clear on what that was.

MS. GILDART: Sure. At the end of FY14, as of June 30th, 2014, the Authority, the fees, bonds that were outstanding, previously moral obligation bonds from the Illinois Rural rule Bank, it was about $36.3 million in bonds, after the bonds and the fees.

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And per that defeasance, it freed up various moneys that were locked in, due to the existing bond indentures. So once the bonds were defeased, we were allowed to use those moneys in any way we see fit. They are now unrestricted funds.

So there were remaining funds left over in the reserve, in addition to over a million dollars that were freed up that we previously transferred as of June 30th of last year. So this is the amount that was remaining for FY15.

MR. HORNE: Got it. Thank you.

CHAIRMAN FUNDERBURG: Okay. Any other questions? Comments? Okay, if not, then is there motion to accept the financial reports?

MR. FUENTES: So moved.

CHAIRMAN FUNDERBURG: Is there a second?

MR. O'BRIEN: Second.

CHAIRMAN FUNDERBURG: All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Okay, thank you. Now if we could move to procurements.

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MS. GILDART: For this month's procurement report, it's also included in the folder. We have new contracts signed with ADP and Accounting Principles for our employee benefits and temporary staffing, in addition to our court reporter here today, and also for Microsoft Virtual servers that we need for IT.

We have contracts that have expired, our marketing firms. We have the Baker Tilly contract for the new market tax credit, and our legislative services contract is also due to the expire at the end of this month.

In addition, we have several contracts related to our energy-efficiency program, which are due for renewal as of October and November, in addition to our 38 firms that comprise our legal pool, which starts terminating as of February 2016.

MR. MEISTER: And for the benefit of the newer Board members, our procurements are the way that we obtain our goods and services as governed by the Illinois Procurement Code, which is -- I would characterize it as a regulatory-type of structure.

It is heavily regulated. This board does, based on some 2013 legislation, does have a partial

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exemption for legal services, financial services, for transactions for which the State of Illinois is not obligated, but there is still a rather robust administrative structure.

And again, Melinda serves the dual role as our agency procurement officer; and as we move forward, and you attend more meetings, you will be hearing more about the procurement structure in our state, and I will also be speaking to it on Tab No. 10 under the resolutions section.

CHAIRMAN FUNDERBURG: Okay, thank you. Thank you. There are no committee reports for this month, so we'll move on to the presentation.

I would like to ask the Board if you generally approve of us taking these into the general consent altogether, unless there is something anyone would like to pull out for specific consideration.

Is that agreeable as we've done in the past?

(A chorus of ayes.)

MR. EVANS: I'm Patrick Evans. I'm the ag lender analyst, and today the first topic I have is the beginning farmer bonds. For the new members,

the beginner farmer bonds are federal agent instruments.

MR. POOLE: Could you get closer to the microphone?

MR. MEISTER: Patrick, why don't you come on up.

MR. EVANS: Sure.

MR. MEISTER: Patrick, actually a little closer.

MR. EVANS: Sure. The beginning farmer bonds are federally-exempt instruments to lending banks. These bonds are purchased by the bank, and they are structured by the bank.

They do not exceed 30 years, and usually interest rates reset 3-, 5- and 10-year periods. Often the bank uses the IFA program. This IFA program, along with the FSA beginning the farmer bond program, which FSA subordinates this first position to IFA, or to the bank that holds the IFA bond, reducing the risk and hopefully retaining a long-term customer for the bank.

Today we have three beginning farmer bonds. The first one is Tyler Loshen. Vermillion County has a bank that will retain 63.57 percent of the $525,000 land purchase or $333,750 of debt.

IFA will provide a beginner farmer bond. This will be a 30-year bond, with an initial rate of 3 percent adjustable after 5 years.

The interest rate would not -- the interest rate adjustment would not exceed 1.5 percent of the Wall Street prime, with a floor of 3 percent. The principal will paid annually with interest paid on a semi-annual basis.

The second one is Bryant and Shannon Rister. Peoples Bank will retain 50 percent of the $196,200 land purchase, or $98,100 on the IFA debt, will be a beginning farmer bond.

This will be a 30-year bond, with the initial interest rate of 3 percent adjustable after three years. The interest rate will be equal to prime minus 25 basis points.

The interest rate would be adjustable -- will not adjust more than 1 percent at any adjustment period. Also, there will be a floor relating to the interest rate not to fall below 1 percent.

The final one is Travis Rovey, National -- First National Bank of Litchfield will retain

57.5 percent of the $800,000 land purchase or $460,000 of debt. On this debt, IFA will provide a beginning farmer bond.

There will be a 30-year bond with an initial interest rate of 3 percent, adjustable every 5 years at 85 percent of the Wall Street general prime.

The interest rate should never fall below 3 percent or increase above 11 percent. There's also an interest rate cap for the adjustment period of 2 percent.

Any questions?

MR. HORNE: So the terms that you've mentioned, there are different loan terms for pretty much every loan? Those are being set by the bank, not by us?

MR. EVANS: Yes. And the risk is incurred by the bank. We are a conduit through the bond.

MR. HORNE: Got it, okay.

MR. EVANS: Okay? Any other questions?

CHAIRMAN FUNDERBURG: Thank you, Patrick.

MR. FLETCHER: Okay, Mr. Chairman, members of the Board. I'm Brad Fletcher. I'll be presenting Tab No. 2, which is Nazareth Academy, and Nazareth Academy is coming to your consideration for a

proposed one-time final bond resolution of not to exceed $23.5 million.

The proposed transaction will enable Nazareth, which is a catholic college preparatory high school in the western suburbs to refund its outstanding Series 2006 bonds, as well as make various capital improvements.

Approval of this transaction effectively will convert the outstanding Series 2006 bonds, which are backed by a letter of credit, to bank direct purchase debt. They are moving over to MB Financial.

Likewise, MB will also be undertaking their new money bonds that they will be issuing. This financing is a culmination of Nazareth's strategic planning, which first began back in 2012.

Because Nazareth is non-rated, you will note that on page 7 of the report, we prepared a forecast, which shows that we suspect -- excuse me, expect that they will generate sufficient operating cash flows to cover the proposed debt service.

The new money bonds will be issued with maturity not to exceed 30 years, while the refunding bonds will be an 8-year bullet maturity.

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I can take any questions at this time. Thank you very much.

CHAIRMAN FUNDERBURG: Thank you.

MR. FRAMTON: Okay, Mr. Chairman, members of the Board, Tab 3 is a preliminary bond resolution for Norwegian Lutheran Bethesda Home Association.

It's a preliminary bond resolution. The not-to-exceed amount is $8,000,000. As proposed, the bond proceeds will be used to refinance existing debt, including $616,000 of IFA Series 2012 bonds.

Additionally, a line of credit with

current balances outstanding of $400,000, the proceeds of which are currently being used to finance construction of the addition that will ultimately be taken out with proceeds of this bond issue, when they are issued later this year.

Finally, an estimated $7,000,000 of new bond proceeds will be used to demolish a vacant and outdated building on their campus and replace it with a new 16-bed skilled nursing center.

The focus of the nursing center is rehabilitation services. On page 4 of the report, the third paragraph from the bottom explains a business relationship or partnership that Norwegian

has with Alliance Rehabilitation Services.

They have been focusing on providing rehab services for physical therapy, occupational therapy, as well as speech therapy, and the bulk of these skilled nursing beds will be occupied by private-paid patients.

And if you flip to page 7 of the report, in the financial statements and review, you will note that the borrower has posted substantially improved revenues, and as well as cash flows available to pay debt service, which is EBIDA.

The primary driver of that has been an increase in the percentage of private-pay nursing patients. Since 2012, their private-pay payments have increased by 50 percent, while from approximately 2.2 million to 4.8 million.

At the same time Medicaid -- I'm sorry, Medicare payments have been dropping. So a fundamental element of their business plan has been to increase private pay.

And that, in fact, has been coupled with expense management that really took root during fiscal '14, produced substantially improved operating results in 2014; and going forward, they

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expect the new beds to fill during 2016 and 2017, and again their focus is on private pay.

And in terms of the structure, MB Financial Bank will be the bond purchaser. The best way to think about how this project is structured, it's essentially a tax exempt commercial loan.

MB is the relationship banker for Bethesda, and they provide all operating lines and other credit facilities, and that will continue going forward. MB is also the purchaser of their 2012 bonds.

And with that, I'm prepared to take any questions.

CHAIRMAN FUNDERBURG: Okay, no questions. Thank you very much.

MS. LENANE: Good morning. I think we are on my first tab, it's Tab 4, Plymouth Place, Inc. It's an exciting morning today because we're in the market in New York selling $500,000,000 worth of

Advocate double A rated bonds, and pricing is going on as we speak.

And they are being priced very well, accepted by the market. No Illinois fact on the

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long end of the bond curve. So I'm very happy about that, and the Villa of St. Benedict is closing this morning, as we speak with no problems. So just a little update so you know, and you may see the Advocate in the newspapers.

So anyway, Plymouth Place is coming for a final bond resolution. They came last month for a preliminary bond resolution. Plymouth Place is the senior living facility located in LaGrange Park.

Some of you may have seen it driving. You see some of it from the road, as you drive down the main drag. I can't think of the name of it right now. LaGrange Road, exactly.

But they are financing $65,000,000 to reimburse themselves for the construction and equipment, and going forward on some new independent living cottages at 315 North LaGrange Road.

They are also refunding a portion of their 2005 A bonds, since rates are favorable. They are funding working capital and funding a debt service reserve in paying the expenses.

They are not rated. They are expecting to get a rating from Fitch double B plus. Unfortunately, that double B plus is non-investment grade. You have to be a triple B. Right?

MR. FRAMTON: Triple B minus.

MS. LENANE: Triple B minus to be investment grade. They are requesting a waiver of the investment criteria of even an investment firm, investment criteria, to sell in denominations of less than 5,000 -- denominations of $5,000 or more.

That is subject to the IFA approval of a feasibility study that we've seen a draft of but are waiting for a final copy next week. The financials contained in this report reflect what the feasibility study projects are going forward.

Plymouth Place has 182 independent living apartments, 55 independent living cottages, 52 assisted living units, 26 memory support living units, and 86 nursing care beds, and they are really almost always 90, 95 percent full. They have a very good track record and good occupancy rates.

I'm going to take you over to -- because really the only changes are the updated sources and uses, and we just sort of cleaned it up a little, the numbers, the new funding escrow, the redevelopment money. There are no construction jobs because the new money, the $2,000,000 is being spent

on soft costs, architects, plans, preparation of the land and things like that.

If we go back to the financials on page 6 -- let me see, page 7. Page 7 you'll see that the ratio, the current ratio for their six months unaudited of 2015 is 1.32; and the projections over '15, '16 and '17 are 1.34, 1.9 and 1.81.

When you get to hospitals later, you're going to see the debt service ratios are much higher; but in this particular area of senior living, these are the ratios that we see, and then they have 370 days cash on hand.

MR. YONOVER: Has something happened with this business because even if you annualized 2015 numbers, it's half of what their previous years are and what they are forecasting forward.

MS. LENANE: I don't think so.

MR. YONOVER: I'm looking at it wrong?

MS. LENANE: No. Well, no. You might be.

MR. YONOVER: So on $6.8 million for 6 months annualized to 2014, and they've been doing it at about 27, and they are forecasting 27?

MS. LENANE: I'm looking at '14. Where are we

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looking at?

MR. YONOVER: Page 7.

MR. HORNE: Further assets.

MR. YONOVER: Revenue and support.

MS. LENANE: 6,000,000, you're right. Let's see.

MR. YONOVER: It's just inconsistent. I don't understand.

MS. LENANE: I'll be happy to go check that.

MR. HORNE: 106 months.

MS. LENANE: Pardon. Yes, 106 months. It's not right. I don't think it's right.

MR. YONOVER: It's probably an error in the report, I would think.

MS. LENANE: Yeah. I have Steve Johnson from Zigler Investments Banking Company, who is the banker on this project. Steve, can you answer this?

MR. JOHNSON: There may be a typo. Let me look.

MS. LENANE: Would you E-mail --

MR. JOHNSON: The one thing about senior living, I'll just comment on.

MR. MEISTER: Steve, describe your relationship to the transaction.

MR. JOHNSON: On the main parties on the deal. I financed the original project in 2005 and a bank takeout in 2013. Now we're doing this deal. It's taking out the 2005 deal.

The financials on the continuing care retirement communities have a component in it that, for those of you who look at the financials all the time, don't always see, which is the payout of entrance fees. When someone passes away in the community, they have to be refunded an entrance fee.

So you can't look at year-over-year

financials and say one year to the next year. They are based on actuarial tables. So periodically, I think the combination of what I think may be a typo in the report here.

MS. LENANE: I think it's a typo.

MR. JOHNSON: And then when -- I'm just giving you the kind of eye-level view of entrance-fee accounting, you'll periodically see fluctuations in debt service coverages as a functions of actuarial. So I'll take a look at what we got here.

MS. LENANE: Will you E-mail Jason?

MR. JOHNSON: I'll E-mail Jason.

MS. LENANE: It's supposed to be 26.

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CHAIRMAN FUNDERBURG: Two issues. One, thank you for your explanation of that.

MR. JOHNSON: Yes.

CHAIRMAN FUNDERBURG: More importantly, though, is issue of the typographical error, and we need to get that resolved before we take action on it.

MS. LENANE: Absolutely.

CHAIRMAN FUNDERBURG: Okay, thank you.

MS. LENANE: Okay. Any other questions? Thank you for seeing that.

MR. JOHNSON: No problem.

MS. LENANE: It's nice to know somebody is reading my stuff.

MR. YONOVER: I'm looking, Pam. I think it's really great.

MS. LENANE: I know, it's heartwarming. So,

okay, Mr. Chairman, you want me to move on?
CHAIRMAN FUNDERBURG: Please proceed.
MS. LENANE: Okay. The next tab, we're on Tab 5, Palos Community Hospital is requesting a final bond resolution, a one-time consideration, to advance refunds their 2007 A bonds and to refund their series 2015 A bonds.
Now, some of you who may have been here in

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May will remember that we approved issuing those bonds, the 2015 A bonds, as a bank private placement with JP Morgan in May. Rates have moved, in their eyes, considerably, and they may have had some issues with JP Morgan Bank and they are refunding those bonds.
This is the first time I've ever seen a refunding of bonds that were issued like four months ago, five months ago. So it's unusual, but the explanation seems to be correct.
This is the first time it's coming to the Authority. Well, it came in May. So we've all looked at this credit as late as May, for those of us who were here.
They carry a double A minus Fitch rating. This is a bank direct purchase with a consortium of banks consisting of BMO Harris, U.S. Bank and Capital One, and a portion will be floating index to Libor, and another portion will be fixed.
Palos is located in -- it has 369 bed

capacity located in Orland Park as their main facility. They also have facilities in Lemont, Oak Lawn and Palos Heights.

If we go back to the financials, as you

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can see for their 2014 audited financials, they had 4.62 debt service coverage, and 1,020.6 days cash on hand. They have the most cash on hand of any hospital in Illinois I think.

So I think there's a back story to the bank change, but I don't want to go through it.

CHAIRMAN FUNDERBURG: Okay.

MS. LENANE: Publicly.

CHAIRMAN FUNDERBURG: Okay. Thank you on that one.

MS. LENANE: Okay. Any questions? Riverside Health System located in Kankakee and Iroquois County, Illinois, they are coming for a preliminary bond resolution.

They are currently refunding the Series 2004 IFA bond, and also currently refunding the 2006 A IFA bond for a total of $37,000,500. This is a preliminary bond resolution. Riverside is currently rated A2 by Moody's and A plus by Standard & Poors.

This will be a bank private placement with a bank to be determined. They have RFPs out right now right for a bank. I think we can go back to their largest facility is 312 beds. Well, licensed for 312 beds, 247 beds in operation in Kankakee.

They have been to the Authority before, have issued debt through the Authority. If we go to page 6, we'll see their debt service coverage is 3.89 and their days cash on hand is 424; therefore, the ratings that they received. Any questions?

Okay, Sarah Bush Lincoln is seeking approval, a preliminary approval, for a $300,000,000 in tax exempt bonds. Did I say 300? What's a zero amongst friends. 30,000,000.

I got two other things going on at the same time here. I'm triple tasking. Anyway, they would like to fund the final 10,500,000 of a $48,000,000 master plan, facility plan, 8,700,000 of construction and renovation of medical surgical units at their hospital, and the main hospital in Mattoon; and $6,900,000 construction of a new cardiology wing, and approximately $2,500,000 of on-campus infrastructure and renovation of Central Sterile, and construction of a new clinic in Toledo, Illinois, which is located in Cumberland County.

So we're happy when we see these projects coming from different parts of the state. It's very nice. And their counsel is here today if you have any questions, Dan Beck, from Chapman and Cutler.

So they have an underlying rating of A plus, and this also as a bank private placement with the bank to be determined. They have their RFPs out for banks.

I think the most important thing, if we go back to their financials on page 6, their debt service coverage is 15.1 for their FY2015 unaudited, and they have 361 days cash on hand. They are very strong. Any questions?

CHAIRMAN FUNDERBURG: Okay, thank you. Congratulations, too, on your closing today. That's great.

MS. LENANE: Thanks.

CHAIRMAN FUNDERBURG: Mr. Evans, please.

MR. EVANS: Today I'm presenting Boehne Farms, Berkley and Vaughn Boehne. In October of 2014 --

MR. MEISTER: Excuse me, Pat, the document is located in the manila folders.

MR. EVANS: Correct. Sorry about that. Your documents are located in the manila folder. It's a memo.

MR. YONOVER: What's it look like, Pat?

MR. EVANS: Here we go.

MR. PEDERSEN: Thank you.

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MR. FLETCHER: It's a memo and resolution in the manila folders.

MR. YONOVER: Okay.

MR. PEDERSEN: Which one would it be in?

MR. EVANS: It looks like this.

MR. MEISTER: No, it is Boehne. I'm sorry, it's clipped to the resolutions. It looks like this document.

MR. YONOVER: You see it, Pat?

MR. MEISTER: You're on it, Eric.

MR. EVANS: You found it.

MR. PEDERSEN: No, but I'm still searching. I got it.

MR. EVANS: There you go.

MR. PEDERSEN: So it's in the one that is clipped resolution number, and then it's about the eighth or ninth one in.

MR. HORNE: Got it.

MR. EVANS: Does everybody have it now?

MR. HORNE: Yep.

MR. EVANS: In October of 2014, Illinois Finance Authority approved Agri-Debt Guarantees for Vaughn and Berkley Boehne. There's two guarantees, each guarantee in the amount of $500,000, for a

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total of $1,000,000.

These loans are secured by a perfected first mortgage on 113.168 acres of row crop farmland in DeKalb County. The liens are verified via a title policy that we received a copy of from the bank, Resource Bank. The loans are also guaranteed by Boehne Farms Trucking, LLC, and Boehne Farms of Shabbona, LLC.

Presently, each loan has exposure to IFA of $422,273, I'm sorry, for a total exposure of $844,546. They are cross-collateralized by the

113.6 acres of farmland valued at $1.432 million.

Resource Bank is requesting IFA to authorize Boehne Trucking, Boehne Farms Trucking, LLC, for capital purchases related to a livestock trailer and a drag -- manure drag line. These purchases would be financed by Waterman State Bank, who has been financing Boehne Farm Trucking since 2011.

The purchases have been approved by Resource Bank, subject to IFA's approval. As stated, this is a -- this request is for a guarantor of the Vaughn and Berkeley Boehne IFA loan guarantees. These loans will not impair the

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collateral of IFA guarantees.

It will leverage Boehne Farms Trucking, Limited; however, it should also improve the cash flow. Projections forecast the debt coverage to be 1.75 times debt service.

Boehne Farm Trucking, LLC, is an important component of the Berkley and Vaughn Boehne, as it diversifies their overall operation. The trucking entity has 8 trucks hauling everything from Pepsi products to livestock manure.

Per Resource Bank, the crops relating to the farm operation, which is our entity, look good. The Boehnes have marketed slightly over 50 percent of their crops at a 4. -- $4.30 price versus a preseason budget of $4.25.

In addition to this, Boehne -- I mean,

Resource Bank anticipates the Boehnes to receive the government payment relating to it. It used to be a direct payment, now it's an allocated one based upon price, plus possibly crop insurance payments.

Although the commodity prices are low, I believe the farm operation will generate adequate funds to meet their yearly -- this year's debt obligation, including IFA's and Resource Bank's

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guaranteed loan.

Based upon the underlying terms of the IFA guarantee loans will be maintained. IFA guarantee will remain at least secured by perfected first interest in 113.61 acres; and as noted, on page 4 of the confidential information, the exposure -- IFA's exposure to appraised value is at 59 percent as of 6-30-15.

Most importantly, default to any other lender that results in a call on a personal guarantee, IFA is in first position. Any debt would be an a subordinated position.

Despite the increase in consolidated leverage for Boehne Trucking operation, the possible risk from a personal guarantee is pretty much eliminated, due to the substantial first position of our loan guarantee and security.

Based upon the information presented, I recommend IFA consent and propose an equipment loan for the Boehne Trucking, Farm Trucking, LLC, originated by Waterman State Bank and consented to by Resource Bank. Any questions?

MR. ANDERBERG: Those appraisals are when?

MR. EVANS: They were in 6-14.

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MR. YONOVER: There is no change in the securitization of the loan?

MR. EVANS: There's no change.

MR. YONOVER: So they have to come to us any time there's a material change, and they want to borrow more money?

MR. EVANS: That was one of the criteria because of the leverage position, our leverage position.

MR. YONOVER: Thank you.

MR. ISRAELOV: Why was the loan originally provided to the individuals rather than an entity? I notice that the trucking entity is owned by the two members that a loan was originally provided to.

MR. EVANS: You mean our original loan?

MR. ISRAELOV: Yes, what's the relationship between those two individuals and that entity, and why was the original loan provided to the individuals rather than the entity?

MR. EVANS: The original loan is for refinancing farmland, the million dollars is. It's owned by the individuals, the farmland is.

The trucking firm is owned by the individual equally, but it's a separate entity, usually set up for liability purposes.

MR. ISRAELOV: And what's the relationship between the trucking business and the farming business.

MR. EVANS: The ownership.

MR. ISRAELOV: But are they in the same business?

MR. EVANS: The farming is a separate entity set up for the purpose of row crop, and the trucking is an individual entity set up for the purpose of trucks of hauling.

MR. ISRAELOV: Are the two businesses related?

MR. EVANS: Through the ownership.

MR. ISRAELOV: But are the operations of the business related? Are the operations of the two individuals, the farm --

MR. EVANS: They complement each other. They are not related. They complement each other, because they provide diversification.

A lot of times an entity is set up for liability, should there be an accident with a truck. It's a limited liability, and that's usually how farmers set up their trucking operation is separate so they don't come back on the trucks, on the farm.

MR. ISRAELOV: Okay. Just one other question, and this is for the benefit of all the Board members. I'm curious at what the economic cost is to the IFA of consenting to a second -- the secondary guarantor, the trucking entity to taking out this additional loan.

So just kind of speaking in a little bit more detail to that, if the loan was provided today, and the second party guarantor, the trucking entity, took on the debt, what interest rate would it have been charged by the bank to these two individuals for the loan; and what would the interest rate be, if they did not take on that additional debt because that difference --

MR. EVANS: Our rate wouldn't change.

MR. ISRAELOV: It would not change?

MR. EVANS: No, because we're not taking on any additional debt. The Waterman State Bank is taking on the additional debt; and our guarantee is set up with Resource Bank, who finances the agricultural part of it versus Waterman is financing the trucking.

MR. ISRAELOV: Right, I understand. But when Resource Bank originally loaned the money to the two

individuals, there were a few guarantors, IFA, as well as Boehne Farms Trucking, right, and Boehne Farms Shabbona, correct; and now Boehne Farms Trucking, one of the guarantors, is taking on -- is wanting to take on additional debt, right?

MR. EVANS: Correct.

MR. ISRAELOV: If Boehne Farms Trucking took on that -- had that additional debt, right, at the time the loan was originally issued by Resource Bank, I presume there would have been a different interest rate charged?

I'm not sure of that, but that's what I'm asking you.

MR. EVANS: That would be up to Resource One -- I mean, Resource Bank, because we don't set the terms of the guarantee. We just guarantee based upon the financial impact. Based on the financial numbers and everything, we guarantee the agriculture debt.

So the terms would be set by the bank, just not to exceed a normal interest rate. Like, for example, if the bank charged everyone else 5 percent, they would charge 6 percent on this one because it's guaranteed.

MR. ISRAELOV: Okay. Well, just as a note to the Board, I think it's important to understand what the actual economic cost is of us approving this guarantee to the secondary guarantor, and just to be able to balance the cost with the benefit that we're providing by consenting to the secondary guarantor receiving this loan.

MR. MEISTER: Rich?

MR. FRAMTON: Yeah. One point here is this additional debt by a corporate guarantor does not affect or impair IFA or the bank's underlying collateral.

The collateral value of the 113.61 acres of row crop farmland remains intact; and fundamentally, Resource Bank is looking at the farming operation as a stand-alone business. In the same sense, Waterman State Bank is looking at the trucking business also as a stand-alone business.

And as we see on these operations, on the fundamental farming operation, the lending bank, just as a standard condition, requires guarantees from all of the borrower's affiliates; and one thing that does affect us a bit here from leverage is the fact that we requested and require consent for any

additional debt, including by an affiliate, as in this case. This has no bearing on that.

MS. LENANE: That's what I'm saying.

MR. FRAMTON: It's any additional leverage incurred by the borrower directly or any corporate affiliate.

MS. LENANE: Right, that's why we're asking for consent today.

MR. ISRAELOV: Thank you for that information. So you mentioned just kind of as a regular course of business, the bank asks for a guarantee of affiliated parties, right?

So I think what my question is looking at is for the IFA to kind of balance, right, the cost with the benefit, and what I'm trying to determine is what is the cost.

So would the interest rate have been different, if one of the guarantors, so here the trucking entity, had additional debt burden, right, would the interest rate of the lender be higher than it would have if they did not?

MR. FRAMTON: That's always a possibility, but that would be Resource Bank's prerogative to determine at the time they price the loan.

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MR. YONOVER: Rich, for clarity, the loan that we're discussing today, this Board is not doing anything in terms of guarantee?

MR. FRAMTON: That is correct. It is remaining intact.

MR. KNOX: This loan is not subordinated to our loan. It is a separate loan completely.

MR. EVANS: Correct.

MR. FRAMTON: It's a separate loan, and that being said, given that the principals of Boehne Trucking are the -- are actually the borrowers on our loan, if there were a blowup on Boehne Trucking, which resulted in a call on the personal guarantees of the owners, any claims by Waterman State Bank on the IFA/Resource Bank collateral would have a subordinate interest in this 113.61 acres of row crop farmland.

CHAIRMAN FUNDERBURG: Okay. At this point, we're going to move on. If there are any additional questions in this particular matter, Adam, I hope that answered your question. I think it's a little difficult because we're trying to measure kind of an opportunity cost, assuming two hypotheticals.

So it's somewhat of a difficult question

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to answer, but if you still have further questions, or anybody else has further questions regarding economic cost versus benefit to IFA regarding this, or any other loan, you know, please follow up with staff, but I hope for now that has addressed your question.

MR. ISRAELOV: Thank you.

CHAIRMAN FUNDERBURG: Okay, thank you. So that being said, I would like to move on. Executive Director Meister.

MR. MEISTER: Thanks, Mr. Chairman. Actually, we're going to do yours after we do Items 10 and 11. We wanted to make sure everything was locked down.

So in your manila folders, at the very end, or almost to the end of the clips labeled "Resolution," there are two memos right after the Boehne document, and they look like this. They are from -- it's tabbed -- they are labeled Tab 11 and 12.

MR. FLETCHER: 10 and 11.

MR. MEISTER: Oh, I'm sorry, 10 and 11. Thank you, Brad.

MR. PEDERSEN: Are you talking in the book?

MR. MEISTER: No, not in the book, in the manila folder.

MR. PEDERSEN: Thank you.

MR. MEISTER: The first -- and previously I mentioned the procurement regulations. We're seeking approval from the Board to move forward with two actions under the Procurement Code.

The first is to go forward with a conventional Procurement Code regulated procurement for a financial advisor for a joint program that we have with the Illinois Environmental Protection Agency. This is known as the State Revolving Loan Fund.

A couple of years ago in 2013, and I've attached to the memo the first page of an Official Statement from 2013 labeled "Illinois Finance Authority and Illinois Environmental Protection Agency." It's called the Clean Water Initiative, and its technical name is the State Revolving Fund.

This is AAA rated paper. It is unlike the majority of our conduit projects that the members of the Authority address month in and month out. Basically, what it is, is a program whereby the state EPA receives federal money, and with a partial state appropriated match, and turns around and makes

low-interest loans to local governments across the state for sewer and drinking water projects.

It's been extraordinarily successful, and the 2013 deal we closed in November of 2013, it was AAA rated. It was a natural AAA, and we priced these bonds with no Illinois penalty, which was really outstanding, given that it was priced in the weeks before pension reform was passed initially in 2013.

We do have two financial advisors that are vendors that are on board, Acacia Financial and Sycamore, both are women-owned companies, and both went through the procurement process.

The State Revolving Fund is a rather unique federal/state local FA structure. It's going to market, which we don't know the time, but it could be coming up. It requires, in my view, the use of a qualified financial advisor. And what we would like to do is go out, test the market, see what comes in, work through the procurement regulations.

Also, in your manila folders, there's a document that we'll ask all of you to sign, either before the end of the meeting or shortly after the

meeting. It's required by the Procurement Code that all of you, as Board members, as well as Melinda, myself, other members of the staff that are working with this procurement, sign a confidentiality statement.

And we'll test the market, and hopefully we'll get a highly-qualified financial advisor, with a deep and broad experience in State Revolving Funds that will help us more effectively structure and price any upcoming State Revolving Fund bond issue that may be on the horizon, both for the people of Illinois, for our client, the Illinois Environmental Protection Agency, and for all the local governments across the state that ultimately benefit from these low-interest loans.

Just one note. The benefit of the 2013 deal was IEPA and IFA refunded some '02 and '04 loans. We freed up about $45,000,000 in debt service reserve funds, and the long and the short of it is that we borrowed 140 plus million dollars at AAA rates, and we took a $400,000,000 capacity loan program and turned it into a $800,000,000 capacity loan.

MS. GILDART: Unaudited.

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MR. MEISTER: Unaudited. Thank you, Melinda. I'll take questions on that point.

MR. O'BRIEN: What confidential agreement are you referring to? I saw it somewhere.

MR. MEISTER: Yes, it's in the manila folder.

MR. O'BRIEN: What are we supposed to keep confidential?

MR. MEISTER: It's a requirement of the Procurement Code, and it's an abundance of caution, especially since when we work through the project, this will -- this award we'll be likely coming back to this Board, and I'll go over the document with you after the meeting.

Lerry is actually holding it in his hand, and it's in the manila folder.

MR. O'BRIEN: I don't understand what you said, but I'll be glad to meet with you afterward.

MR. MEISTER: Great. The second procurement item is there is an avenue under the State Procurement Code called a request for information, and this enables -- will enable the IFA to basically test the market for the full breadth of possibilities under our statutes and programs.

And we could send it out there, and

lawyers, investment bankers, financial advisors, other financial professionals and lenders would be invited to come in with their ideas, their proposals.

It is a public process, and it's one that I would recommend proceeding on, and I ask for a favorable vote on Tab No. 10. Any questions?

MR. KNOX: The only question I have is for Item No. 2, are we going to do this one time, or is this something we should just do quarterly, annually or semi-annually?

MR. MEISTER: Yes. This is our first time -- this is our maiden voyage doing it. What I hope we do is that it becomes a regular practice, and the world of financial advisors, lawyers, bankers, other professionals that we deal with, that there would be predictable process so that when they have ideas, they would know, and I think it's a great suggestion to do it quarterly.

MR. KNOX: Okay.

CHAIRMAN FUNDERBURG: Or with some degree of frequency.

MR. MEISTER: Yes.

CHAIRMAN FUNDERBURG: Just as some background,

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too, we want to do everything we can to help propel State of Illinois' economy forward in the best way that we can.

We also operate in this world of constraints of procurement, other regulations; and really what we would like to do is open up to the world to -- if they've got great ideas for us to consider, we would like to hear it; but we would like to hear from everybody, have everybody have an equal chance to come in and give us their ideas.

Anything you want to add to that?

MR. MEISTER: No.

CHAIRMAN FUNDERBURG: Okay. All right, all set?

MR. MEISTER: Yes.

CHAIRMAN FUNDERBURG: Okay. Then next I would like to go back --

MR. MEISTER: Oh, wait, we have Tab 11, which was the memo directly below that. For those newer to the Board, and for the longer-tenured members of the Authority, we have a sister agency, the Department of Central Management services.

The new director is Tom Tyrrell. We had extraordinarily positive working relationship with

him during his brief tenure with CMS. He's, in large part, responsible for the great space that we now have that we moved into at the beginning of August here on the 10th floor of the Bilandic Building.

Central Management Services, unlike the IFA, is a large agency, and it deals with areas that sort of go into the administrative and regulatory structure of the Illinois State Government.

They have expertise, or operational responsibility in real estate, real estate services, procurement, internal audit, human resources, and the particular issues related to Illinois State Government hiring, as well as information technology.

I put this on the agenda, after some conversations with Rob, both to inform the Board that there is a large organizational resource that I would like to take a greater degree of advantage of, and they've certainly proven very effective on their brief track record with us in the last couple of months, and I think that the best way to do it is to do an intergovernmental.

Frankly, it's my desire to memorialize

these agreements in writing through an intergovernmental agreement, as provided by state statute; and at the same time, since we are receiving these services, that we would negotiate some sort of fee for service or compensation with CMA. And I'll take any questions.

MS. BRONNER: This is Gila Bronner. Good morning, everyone. I would like to, Chris, if I may, just suggest that I am very supportive of this. I think this will both allow IFA to avail itself in an efficient and effective manner of services that we find ourselves in need of.

Plus, we also have the benefit of having CMS, which is well versed obviously in the regulatory environment of the state. So there is no learning curve. They actually, I think, correct me if I'm wrong --

CHAIRMAN FUNDERBURG: Gila, could you go back and just repeat that? You broke up on the phone a little bit.

MS. BRONNER: Oh, I'm sorry. I apologize. I'm in a vehicle. What I was saying is that I think this is an efficient and effective way for IFA to avail itself of these services; and as well, given

the fact that CMS is one of the key providers what I would consider to be an agency that sets regulations.

They are well positioned to tell us what they can and cannot do for us and provide very specific guidance in some of the areas in which we operate. That I'm completely supportive of this, and I would encourage my fellow Board members to support this.

CHAIRMAN FUNDERBURG: Thank you, Gila. I think I echo those comments, and also I think it just makes sense on a number of different fronts. Thank you for that.

Any other additional comments?

MS. JURACEK: I'll just chime in. I was the second director of the Illinois Power Agency back in 2011, 2012, a tiny agency. It's still down on the fifth floor, like five people in it, and CMS was very helpful to us in similar situations. So I would endorse that.

CHAIRMAN FUNDERBURG: Thank you, great. Thank you. All set?

MR. MEISTER: Yes.

CHAIRMAN FUNDERBURG: I would like to go back

and revisit Plymouth Place. Well, Pam, do you want to tee this up at all?

MS. LENANE: Yes, I can do this.

MR. JOHNSON: Go ahead. I'm sorry.

MS. LENANE: I can do it. These financials come over as a page print from the young analyst who does a beautiful job. It's really my fault. I should have caught this and proofed it, but it should be $12,000,916.

MR. JOHNSON: Then I got one.

MS. LENANE: Then he sent another E-mail. It should be 13.

MR. JOHNSON: He was in the middle of closing Villa St. Benedict when we caught it. So he was multitasking. The right number is $13,824,823. Those were three-month numbers that was in the report.

MS. LENANE: This is the three.

MR. JOHNSON: So he's updated that, and that includes the amortization as well. So that's the right number 13,824,823.

MS. LENANE: And we'll correct that. And I'm sorry.

CHAIRMAN FUNDERBURG: We have reasonable

assurance that number will be the same an hour from now?

MR. JOHNSON: Yes.

CHAIRMAN FUNDERBURG: Okay, thank you. Good catch. Thank you.

MR. JOHNSON: No problem.

CHAIRMAN FUNDERBURG: Okay, that being --does that satisfy people regarding Plymouth? Okay. Thank you.

That being done, I would like to ask for a motion to adopt the following projects and resolutions Items 1, 2, 3, 4, 5, 6, 7, 9 and 11.

MS. WEBER: Mr. Chairman, I think some Board members joined.

CHAIRMAN FUNDERBURG: Yes. Well, Gila is on the phone with us.

MR. PEDERSEN: Just make sure the record reflects that Barrett Pedersen came in.

CHAIRMAN FUNDERBURG: We've already got that. Thank you.

MR. FLETCHER: Duly noted.

MS. WEBER: Okay, I just wanted to make sure.

MR. FLETCHER: The arrival of Ms. Bronner and Member Pedersen has been noted.

CHAIRMAN FUNDERBURG: Okay. So I would like to call for a motion.

MR. ANDERBERG: So moved.

MR. PEDERSEN: Second.

CHAIRMAN FUNDERBURG: Okay. Brad?

MR. FLETCHER: So on the motion for approval of projects 1, 2, 3, 4, 5, 6, 7, 9, 10 and 11, I will call the roll.

MR. ISRAELOV: One second, Chairman. Actually, I would like to separate out Item No. 9 and abstain from Item No. 9.

CHAIRMAN FUNDERBURG: Okay.

MR. PEDERSEN: I move to amend the motion to exclude No. 9.

CHAIRMAN FUNDERBURG: Okay. Is there a second?

MR. FUENTES: Second.

CHAIRMAN FUNDERBURG: Okay. Everybody okay with that?

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: All right.

MR. FLETCHER: And the motion to approve Items No. 1, 2, 3, 4, 5, 6, 7, 10 and 11 of the projects resolution, I'll call the role.

MR. PEDERSEN: I don't mean to be particular

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here, but would you clarify whether we need to have a vote on the amendment or not?

CHAIRMAN FUNDERBURG: Well, I asked if everybody was okay to with it. I saw no one.

MR. PEDERSEN: I don't care.

CHAIRMAN FUNDERBURG: All in favor, please say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Opposed?

(No response.)

CHAIRMAN FUNDERBURG: Okay, thank you for the clarification.

MR. FLETCHER: Okay. So I'll call the roll. Mr. Anderberg?

MR. ANDERBERG: Yes.

MR. FLETCHER: Ms. Bronner on the phone?

MS. BRONNER: Yes.

MR. FLETCHER: Mr. Fuentes?

MR. FUENTES: Yes.

MR. FLETCHER: Mr. Goetz on the phone?

MR. GOETZ: Yes.

MR. FLETCHER: Mr. Horne?

MR. HORNE: Yes.

MR. FLETCHER: Mr. Israelov?

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MR. ISRAELOV: Yes.

MR. FLETCHER: Ms. Juracek?

MS. JURACEK: Yes.

MR. FLETCHER: Mr. Knox?

MR. KNOX: Yes.

MR. FLETCHER: Mr. O'Brien?

MR. O'BRIEN: Yes.

MR. FLETCHER: Mr. Pedersen?

MR. PEDERSEN: Yes.

MR. FLETCHER: Mr. Poole on the phone?

MR. POOLE: Yes.

MR. FLETCHER: Mr. Yonover?

MR. YONOVER: Yes.

MR. FLETCHER: Mr. Chairman?

CHAIRMAN FUNDERBURG: Yes.

MR. FLETCHER: Mr. Chairman, the motion carries.

MR. PEDERSEN: Just to be specific, for the record, the motion was to vote for the amended motion. Thank you.

CHAIRMAN FUNDERBURG: Okay. That leaves Item No. 9. I would like to ask for a motion to consider that.

MR. YONOVER: Sorry guys, I'm confused. Item 9

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is the farm memo?

MR. FLETCHER: Yes.

CHAIRMAN FUNDERBURG: Do we have a motion for No. 9?

MR. FUENTES: I will a make a motion.

MS. JURACEK: I'll second.

CHAIRMAN FUNDERBURG: All the in favor, please aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

MR. FLETCHER: If I may recommend, because it's a project, we should do a roll call, especially since we may have an abstention.

CHAIRMAN FUNDERBURG: Okay, thank you.

MR. FLETCHER: On the motion by Mr. Fuentes, was there a second?

MS. JURACEK: Yes, I did.

MR. FLETCHER: Okay, thank you. I'll call the roll on Item No. 9 for approval. Mr. Anderberg?

MR. ANDERBERG: Yes.

MR. FLETCHER: Ms. Bronner on the phone?

MS. BRONNER: Yes.

MR. FLETCHER: Mr. Fuentes?

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MR. FUENTES: Yes.

MR. FLETCHER: Mr. Goetz on the phone?

MR. GOETZ: Yes.
MR. FLETCHER: Mr. Horne?
MR. HORNE: Yes.
MR. FLETCHER: Mr. Israelov?
MR. ISRAELOV: Abstained.
MR. FLETCHER: And the reason for abstention?
MR. ISRAELOV: Need for additional information.
MR. FLETCHER: Duly noted. Ms. Juracek?
MS. JURACEK: Yes.
MR. FLETCHER: Mr. Knox?
MR. KNOX: Yes.
MR. FLETCHER: Mr. O'Brien?
MR. O'BRIEN: Yes.
MR. FLETCHER: Mr. Pedersen?
MR. PEDERSEN: Yes.
MR. FLETCHER: Mr. Poole on the phone?
MR. POOLE: Yes.
MR. FLETCHER: Mr. Yonover?
MR. YONOVER: Yes.
MR. FLETCHER: And Mr. Chairman?
CHAIRMAN FUNDERBURG: Yes.
MR. FLETCHER: Mr. Chairman, the motion

carries.
CHAIRMAN FUNDERBURG: Okay, thank you. So with that, I would just want to note at some point in time, hopefully soon, I would like you to E-mail me when you have satisfactory answer to your question, please.
MR. ISRAELOV: Will do. Thank you.

CHAIRMAN FUNDERBURG: Okay. Now, in all seriousness, I would like to know when you're satisfied with that, because that's a good question. Okay, thank you.

MS. WEBER: My name is Elizabeth Weber, and I'm general counsel to the Authority. Can everyone on the phone hear me?

MR. POOLE: Yes.

MR. GOETZ: Yes.

MS. BRONNER: Yes.

MS. WEBER: Okay, good. I'm here to present Item 12 on the agenda, which is a resolution authorizing the execution and delivery of a proposed mutual release and settlement agreement, relating to two pending court cases, IFA versus Litchfield National Bank in the Circuit Court of Cook County.

MR. PEDERSEN: May I have a reminder of where

we're at, with regard to the page number? Because I don't have the paper. We go paperless with the Drop Box. It's which page on the drop box?

MS. WEBER: It's Item 12 on the agenda. Does that help you? I'm not sure which page.

MR. PEDERSEN: Thank you.

MS. WEBER: Did you find it?

MR. MEISTER: Item 12 in the Drop Box, too.

MR. PEDERSEN: I need to go to Item 12? I have to scroll through. I got page numbers on the bottom left. Thank you, we've got it.

MS. WEBER: Okay. Does everybody have that item handy? So it's a resolution authorizing the proposed mutual release and settlement agreement relating to two pending court cases: IFA versus Litchfield National Bank in the Circuit Court of Cook County, Illinois, County Department, Chancery Division case No. 2013 CH 25534; and the second one is Litchfield National Bank versus IFA, Court of Claims of the State of Illinois, Case No. 14 CC 2737.

Both these cases involve an 85 percent IFA guarantee of an agricultural loan made by Litchfield National Bank. The resolution authorizes the

settlement payment by the Authority in the amount of $155,000.

The Board book under Tab 12 has a draft resolution, and a privileged attorney-client communication from outside counsel as well in this matter. In your manila folder is the actual settlement agreement. I think the manila folder also includes the resolution.

Under the Open Meetings Act, we can go into closed session to consider litigation, when the action is pending -- filed and pending against us before a court.

Does any member wish to go into closed session to ask questions or consider this matter, before taking the resolution for a vote?

CHAIRMAN FUNDERBURG: We'll need a motion for that. Is there such a motion to go into closed session?

MR. PEDERSEN: Are you suggesting we go into executive session?

MS. WEBER: No, it's only if Board members have questions or would like to discuss it.

MR. GOETZ: This is Mike. I read your memo, and I think it's perfectly clear, you know, what

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you're recommending.

MS. WEBER: Actually, that was a memo of outside counsel, but I do agree with the conclusions in it.

MR. GOETZ: Yes.

CHAIRMAN FUNDERBURG: I would agree that it's pretty straightforward. Chris, would you say that you put forth your best effort to try to resolve this situation?

MR. MEISTER: Absolutely.

CHAIRMAN FUNDERBURG: Okay. So with that being said.

MR. GOETZ: If it's appropriate, Chairman, I make a motion that we accept the proposal.

CHAIRMAN FUNDERBURG: This is Mr. Goetz?

MR. GOETZ: Yes, it is.

CHAIRMAN FUNDERBURG: For the benefit of keeping records. Is there a second?

MR. PEDERSEN: Second.

CHAIRMAN FUNDERBURG: Seconded by Mr. Pedersen.

All in favor, please say aye.
MR. FLETCHER: Let's take a roll. I need approval for Item 12 on the projects and resolutions. So motion by Member Goetz and seconded

by Mr. Pedersen.
I'll call the roll. Mr. Anderberg?
MR. ANDERBERG: Yes.
MR. FLETCHER: Ms. Bronner on the phone?
MS. BRONNER: Yes.
MR. FLETCHER: Mr. Fuentes?
MR. FUENTES: Yes.
MR. FLETCHER: Mr. Goetz on the phone?
MR. GOETZ: Yes.
MR. FLETCHER: Mr. Horne?
MR. HORNE: Yes.
MR. FLETCHER: Mr. Israelov?
MR. ISRAELOV: Yes.
MR. FLETCHER: Ms. Juracek?
MS. JURACEK: Yes.
MR. FLETCHER: Mr. Knox?
MR. KNOX: Yes.
MR. FLETCHER: Mr. O'Brien?
MR. O'BRIEN: Yes.
MR. FLETCHER: Mr. Pedersen?
MR. PEDERSEN: Yes.
MR. FLETCHER: Mr. Poole?
MR. POOLE: Yes.
MR. FLETCHER: Mr. Yonover?

MR. YONOVER: Yes.
MR. FLETCHER: And Mr. Chairman?
CHAIRMAN FUNDERBURG: Yes.
MR. FLETCHER: Mr. Chairman, the motion carries.
CHAIRMAN FUNDERBURG: Thank you. That brings us to Agenda Item Roman Numeral 14.
Okay, so that being said, I would like to ask if there is any other business to come before the Board?
(No response.)
CHAIRMAN FUNDERBURG: No.
MR. PEDERSEN: Move to adjourn.
CHAIRMAN FUNDERBURG: Actually --
MR. PEDERSEN: Can't do it?
CHAIRMAN FUNDERBURG: We'll just wait on that for a second.
MR. MEISTER: We can move on to Agenda Item No. 15. If you want me to take the lead on that.
CHAIRMAN FUNDERBURG: Yes, that would be great.
MR. MEISTER: Agenda Item 15, and I'll give a verbal overview. We don't have any documents, but given the Open Meetings Act, and our obligation to operate in a transparent manner, Rob and I thought

it would be a very good idea to complete the order of resolutions, and the order of projects, and give the Board members, because we have a great combination of longer tenured and new Board members to the Authority.

And it's my recommendation that we undertake a discussion here about the current state of the Authority, its current programs, and its future; and what Board members see as opportunities and what Board members would like to accomplish.

We decided to do this discussion at the end of the agenda, because it would be fresh in the Board members' minds as to what the day-to-day business of the Authority is currently.

And I would say that this agenda provided a very good cross-section of the projects resolutions that are likely, that in any given month are typically on an agenda of the resolution. I've spoken with many of you individually.

Our primary business currently for the Authority is to be a statewide conduit issuer of tax-exempt debt. I think all of you know what that means is that we are necessary under Federal and State Law. So it's the very real and material

economic benefit of tax exemption to both borrowers and to lenders.

These are typically name brand, well-known borrowers. Oftentimes, they are rated by rating agencies, and typically these borrowers have selected either commercial lenders or investment bankers, and even their own financial advisors to structure it.

There's very little risk, other than reputational risk, to the Authority. Although, the Internal Revenue Service occasionally sends audit notices first to the IFA before they reach the borrower; and typically, those are resolved with very little drama.

And, indeed, it's been years since I've been aware of any time that an IFA conduit bond led to any sort of penalty or repayment by a borrower to the Internal Revenue Service.

That being said, the statutory mission of the Authority is much broader than issuing conduit bonds. We have broad statutory authority to make loans, issue conduit bonds, issue taxable bonds, and provide guarantees for nearly any sort of purpose.

And I think with that, maybe that sets the

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stage, Mr. Chairman.

CHAIRMAN FUNDERBURG: Sure. Thank you, Chris. So just to step back a little bit, we're all familiar with the issue of the Illinois Finance Authority.

I want to thank each and every one of you, both those of you who are newer, and certainly those of you that have been involved for number of years for your volunteer service to the IFA.

I think this is a particularly exciting time to be involved with IFA, and I hope you're going to find that to be the case as well.

We've got -- we're very well positioned to assist in building the economy of the State of Illinois in a variety of fashions, some of which we are currently doing, others of which we are yet to discover.

And that's one of the things that we would like to get feedback from you on as well, regarding our products, our services, different lines of businesses that we can consider in the future that would help drive the Illinois economy.

So with just kind of a broader product overview, you know, you've probably looked at the

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website. You can see the different products that we use, all of which draw back to the origination of IFA in 2004, was it six different --

MR. MEISTER: Seven.

CHAIRMAN FUNDERBURG: Seven different entities were consolidated into one, and you can see kind of the history there. Each of those organizations wanted to keep their pieces of business, whether it be in regard to the farmers is a good example.

We are internally looking at our various different product offerings as to the relevance and to what degree they accomplish the mission. I wanted to open it up to all of you to see if you have any thoughts or ideas as to how we can better serve the state and the people in the State of Illinois.

We talked about venture capital in the past. We do have a little track record in that.

MR. MEISTER: I can talk a little bit.

CHAIRMAN FUNDERBURG: You want to do like a real quick overview on that?

MR. MEISTER: Yes. Thank you. There are venture capital provisions within our statutes, and the venture capital program was initiated and seeded

with a state appropriation; and it was part of a statutory structure going back to the Illinois Development Finance Authority in the -- in I think the 1990s.

As one would expect, there was a mixed track record and, Melinda, not to put you on the spot, do you have those? I've got some numbers in my head. I was wondering --

MS. GILDART: For venture capital?

MR. MEISTER: Yes.

MS. GILDART: The remaining balances?

MR. MEISTER: No, the all-in loss. Six Granda is our Controller. Six, why don't you stand up.

MS. GRANDA: I don't remember the exact numbers, but the actual loss was a little over $2,000,000.

MR. MEISTER: Yes. And that was program-wide. That was going back to the 1990s through the consolidation in January of 2004.

Early in the life of the Authority in the space of 2004 until around 2007, there were subsequent investments that were made by previous boards.

And the long and the short of it was that

a couple of years ago, we had an audit finding that required us to value -- independently value all of this wide variety of equity involvement that both the Board from '04 to '07 had made, as well as previous Development Finance Authority Boards had made going back to the 1990s.

This was also made slightly more difficult by the state law requirement that any bad debt or bad obligation or bad investment by a state actor needed to be written off by the Attorney General of the State of Illinois.

Over recent months, for the first time in a number of years, we've actually had some success in that. And Rob's predecessor, the former Chairman Bill Brant, is -- in his day job, was involved with bankruptcy and work out, and he recognized the difficulty of valuing this diverse, and in some cases, aged portfolio of investments.

And ultimately, what we had was a very well-publicized public auction, and I think that we netted the grand total of about $12,000 for those remaining investments, which did allow us to pull down the curtain and draw the line between the old and the new.

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Subsequently, two of our current board members, all of whom are present, Jim Fuentes, who is the former Chairman of the Venture Capital Committee before we consolidated, but as yet we have not populated the committees back in July, Gila Bronner, who is the former Chair of the Audit and Investment Committee, and again, we've not repopulated the new committees, and Lerry Knox, worked together within the scope of the Open Meetings Act to explore various options and raise proposals to the Board.

I will also note that one of the sort of fundamental difficulties, other than the risk in both for a public entity like the IFA, is that venture investment is fundamentally an equity investment, which is fundamentally different from debt, which was what we do the vast majority of the time, although we did have one balance sheet loan several years ago that was structured in a venture way, basically success benchmarks tied to a higher rate of interest.

We actually exited that particular investment to a software company with some success, although it was accompanied by some drama because

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there were various officials that had some interest in that particular deal, and we were getting calls on it; but ultimately, the borrower paid off, and paid off at the interest rate that was called for under the contract.

So that's the background.

CHAIRMAN FUNDERBURG: That's a pretty extensive background. So as we go forward, if any of you are suggesting that we go into the venture capital business, you might encounter some adverse feelings.

Just a couple of other things I just want to draw attention to is a value that IFA has been able to add in other regards as well, and I'll just welcome Emily Bastedo and Ed Murphy, representatives from the Governor's administration here.

We've had a tremendous amount of support from them and the whole team. It's been extremely helpful going forward for me, for Chris, and the staff, and all of you, whether you know it or not.

But also I believe IFA has been able to be helpful in other regards as well. We've kind of developed the motto, "Do we want to be problem solvers?"

MR. MEISTER: Yes.

CHAIRMAN FUNDERBURG: "Not problems to be solved." So that's kind of what we -- our approach.

MR. MEISTER: Yes.

CHAIRMAN FUNDERBURG: You know, so there have been examples of where we've been able to add value to help out in other ways as well.

Arlene, do you have a comment?

MS. JURACEK: I have an observation, and I'm glad that the governor's representatives are here because my thought stems from the fact in addition to being the Mayor of Mount Prospect, I also have a farm out in Carroll County, so I'm familiar with some of the rural organizations there.

And I know, for example, that the clean water conservation districts are in danger of losing their funding and shutting down. They are offering a number of programs in various arenas, some of which the IFA might enter into some sort of a partnership from or fill the gap on.

And then I'm familiar with something called an RC&D. My husband is on the board of Blackhawk Hill RC&D. It's now the Blackhawk Regional Council, and I don't normally get on my phone during meetings, but I wanted to get on their

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particular website, the Blackhawk Hills Council -- the mission of the Blackhawk Hills regional Council is to assist the people and local agencies of Northwest Illinois in developing and implementing a regional outlook that will enhance economic growth, workforce development, natural resource conservation and quality of life.

And this council happens to work -- it's based on Rock Falls, and it serves Carroll, Jo Davies, Lee, Ogle, Stephenson and Whiteside.

So I disclosed my husband's, you know,

participation on the board. There is obviously no financial benefit to us, other than public service being on here; but perhaps looking at all of these regional councils throughout the state, again, which are suffering from funding shortages, that perhaps there is some way the IFA can be a conduit in assisting in some of their efforts.

It's going to require a lot of homework and research. I have no solution, but with the opportunity presented --

CHAIRMAN FUNDERBURG: Okay, this is something perhaps Patrick and Rich can take a look at. Okay? It's great.

Why don't we just go around the table, you know, for just open discussion for thoughts and ideas. Keep in mind this still is an open meeting, so just for the record. Yes, Jim.

MR. FUENTES: I had one comment, just to make sure our public relations that we get credit for this, you know, Advocate Triple A rating that was mentioned. I just want to make sure we have public relations people involved. Make sure we're so noted.

MS. LENANE: Double A. There is only one AAA.

MR. FUENTES: Again, the Illinois tax it's not there, but in a positive way, I wouldn't really necessarily say the Illinois tax. Let's say, you know, our contribution at least is there, that should help us drive some business.

CHAIRMAN FUNDERBURG: You know, I think that brings up a broader issue of IFA brand awareness, and I think it is a very well-kept secret in the state.

I was just simply aware of it because of my profession, but I think it's a pretty well-kept secret, and I think your question or comment raises a broader marketing and branding opportunity.

MR. GOETZ: Chairman, this is Mike Goetz. I was going to bring that up. We've really got hardly any programs downstate outside the agricultural sector.

You know, there is nobody really marketing the IFA programs, you know, south of I80 or west of Chicago either, like in the Rockford and Rock Island areas.

And when the economy, you know, went through its shutdown in 2008 and '09, the IFA really, really cut back, laid off a lot of people.

We had an office in Peoria, closed it, you know, and we just really had cut back so far that we really don't have a presence in getting out and marketing our programs to any of the downstate facilities.

CHAIRMAN FUNDERBURG: I agree. Thank you for bringing that up. One of the things that we're going to do, just as a reminder, is we're going to get -- we've already got a map, a great map, of the

great State of Illinois. We're going to get another
map, which we're going to pin where we do projects,
just as a physical reminder for all of us.
MR. GOETZ: Okay.

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CHAIRMAN FUNDERBURG: As to where we are doing
business, and we can break that down by product
category.
We also -- you know, part of your comment
begs the question, too, in terms of our product
profitability, either in terms of revenue or in
terms of, you know, accomplishing our mission.
And I think before we start rolling out
and marketing, we would want to finish that product
review, to see what is really most effective in
accomplishing our mission, and in terms of making
IFA a going concern and any profitability to the
IFA.
We're kind of in the middle of those
discussions.
MR. GOETZ: Right.
CHAIRMAN FUNDERBURG: I agree. To better serve
our purpose, we need to do a better job of covering
all of the state and marketing and building the
brand.
MR. GOETZ: And not just in agriculture. You
know, and I'm a big proponent of our agricultural
programs. We've got a lot more to offer, too, to a
lot of the smaller and mid-size manufacturers

downstate.
CHAIRMAN FUNDERBURG: We've talked, too, about this again in early discussion, but one of the things that Chris and I spent a fair amount of time on is how can we enhance our current product line, how we make it more attractive to our borrowers more effective.
MR. GOETZ: Right.
CHAIRMAN FUNDERBURG: And, you know, so that's an ongoing discussion as well.
MR. GOETZ: I just say, you know, don't forget us down here.
CHAIRMAN FUNDERBURG: Well, one of the things we would like to try to do is utilize -- you know, Illinois has the largest network of community banks out of any state in the country.
MR. GOETZ: Right.
CHAIRMAN FUNDERBURG: And, you know, we are the state's infrastructure bank; and I think through educational programs, marketing, we can reach out to more parts of the state, just by existing infrastructure and through existing community banks.
MR. GOETZ: Yes.
MR. MEISTER: And again, for the newer Board

members, a couple of years ago, we did do a strategic plan, and I think there were four points that really came out of it that I found very useful.

And I've shared with Rob, and some of the other Board members, is that when we're looking at new products, at new investments, at new opportunities, I would suggest that the Board look at four criteria.

The first, does it fit within our broad public mission; and again, we're fortunate we have a broad statute. The second is a clearer articulation of risk to the Board, so that the Board fully understands that, you know, the line between conduit and something like a state ag guarantee, something like a contingent taxpayer guarantee, like moral obligation, the difference between a balance sheet loan and a participation loan, and a guarantee and a venture capital, that the staff is meeting our obligation, that we clearly articulate the risk to the organization and to the public funds.

So public mission, clear articulation of risk. Since we are an enterprise-driven organization, we need to make sure that we have revenues that are sufficient to keep our doors open,

not just on the near-term basis.

But since many of our obligations are decades long that we have the financial structure that we can make the appropriate investments to monitor and do compliance on, you know, frankly, what is 1400 bonds, and I think we've made some progress.

We're not there what we need to do. So sort of the revenue -- making sure that the revenue is consistent with both the risk and the long-term compliance obligations.

And the final point is that we don't get into a business where we're competing either with private actors, or governmental actors, or other nonprofit actors, sort of a but-for test.

I think a lot of what we issue in conduit, we do compete with Home Rule units of government, with Regional Development Authorities, with purported national conduit issues; but the bottom line is I think in Illinois, we have the best name and the best reputation and the highest volume of conduit debt.

But for these other areas, we are going to be taking on risk. We need to be clear about the

risk. And for some of the newer Board members, we had a loan that we made to a Regional Development Authority, the Southwestern Illinois Economic Development Authority, SWIEDA, in July.

It was not a credit decision. It was a pure appropriation risk, and we did that at the request of the Governor's Office. Really, I think it helped prevent a possible downgrade, because this was a contingent guarantee by another statutory organization that that guarantee was in the budget, and had been appropriated for years, and was at risk of not being appropriated because there was no budget.

That was an example where we stepped into a breach, and there was really nobody else that was -- that had the resources or the ability to do that.

CHAIRMAN FUNDERBURG: Okay. Great on the four, you know, the four points; and, you know, good example, too, of being nimble and being -- helping being a problem solver.

I'm just going to go around the room. Adam, we're going to get you and Arlene last, all right? Because I'll give you, like, 20 more minutes of experience. All right?

MR. ISRAELOV: Good.

CHAIRMAN FUNDERBURG: All right, is that good?

MR. PEDERSEN: I apologize, is there anything substantive that we need to vote on? I apologize that I have to leave for another meeting. I will share my ideas and thoughts with you at a later time.

CHAIRMAN FUNDERBURG: Let's do that, or with Chris. The only thing that we need to vote on is adjournment.

MR. PEDERSEN: Do I need to be here?

CHAIRMAN FUNDERBURG: I don't think you need to be here for that.

MR. MEISTER: No, we have a quorum.

MR. PEDERSEN: You have quorum? Oh, thank you very much. I apologize for the inconvenience.

CHAIRMAN FUNDERBURG: Not at all. Thank you for being here. Good luck with your other meeting.

MR. PEDERSEN: Yes, sir.

CHAIRMAN FUNDERBURG: Okay.

MR. O'BRIEN: No comment.

CHAIRMAN FUNDERBURG: Okay. No comment regarding product or service?

MR. O'BRIEN: No. I'm just sitting here and

absorbing what everyone is saying.

CHAIRMAN FUNDERBURG: Okay.

MR. GOETZ: Terry, aren't you going to suggest we meet in Springfield a couple times a year.

MR. O'BRIEN: I'm happy for that.

MR. GOETZ: Terry hates coming down south down to Springfield.

CHAIRMAN FUNDERBURG: He's going to be our new rep for building IFA south of I80.

MR. YONOVER: He's going to Peoria. I don't know that I have a lot of comments here. I feel strongly that job creation is a critical part of what we're doing here.

I know we note in each of the deals how many jobs are retained. Very little of that is jobs created. So I think I would like to focus that a bit.

I think the Small Business Administration does a really good job for small businesses; and I think, you know, the big businesses don't need people like us. So there's probably some middle-market area to benefit both specifically in the private sector that I think we should be talking to.

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In my short-term, this is my third meeting, I think I've seen one private enterprise for a conduit. I think there's probably -- well, I know there's opportunity that can be in Illinois. I would like to see that.

CHAIRMAN FUNDERBURG: That might come with some product enhancement, too, if we ever get that accomplished. Thank you.

MR. KNOX: I think that if you look at our statute, and we have broad flexibility and a lot of opportunity to do so many different things that could help the State of Illinois and all sorts of people.

I think that there is two areas that are of kind of low-hanging fruit, if you will, that can be used to both enhance product, as well as help drive revenue.

It's an autonomous agency, which is really looking at the SRF program and our interaction with that around loan guarantees, which also then leads out into other areas working with other municipalities, with other districts and communities, as it relates to water issues and how we're supporting that.

So I think there's an opportunity to really expand and look at SRF program, and our work in the SRF program; and that, you know, tied back to John's point about working with other businesses.

There is ancillary businesses, construction projects associated with water works around the state and with other municipalities.

The other is, and Chris, this is the local government bond program with other municipalities. What's interesting about that is I think there is an opportunity there where, historically, I'm probability wrong, but we have the ability to provide double tax exception.

MR. MEISTER: Yes.

MR. KNOX: To local governments through the IFA on the paper that's issued. And so as we're really looking down the perils of a rising interest rate environment, that that double-tax exemption becomes very valuable. It also helps smaller municipalities throughout the state get access to credit markets to build.

And so we have a benefit within our statute that, you know, for a long time hasn't had much economic value, but going forward may drive

tremendous value, which then leads down the path of products diversification and revenue for us as well.

CHAIRMAN FUNDERBURG: Probably part of that is market and communications, education.

MR. KNOX: Absolutely.

MR. MEISTER: Although, if I could call on Rich to actually both those points, because Rich is a nationally-recognized subject matter expert on the subject of industrial revenue bonds, which is the primary tool that we have under the Federal Tax Code.

He also has recent experience with the double-tax exemption for certain local governments. If you could just briefly sort of provide sort of the challenges and the opportunities in both those areas.

MR. FRAMTON: One of the problems we had with industrial revenue bonds is the federal statute has not, and the parameters that are involved, in terms of the capital expenditures undertaken by project, hasn't kept pace with inflation or the cost of the projects.

The two key limitations on industrial revenue bonds are first the issuance amount that's

been limited to $10,000,000 since the late '70s.

The second pertinent limitation is an overall capital expenditure limit that applies to any project that receives industrial revenue bond financing.

Basically what it says is that for any project that obtains industrial revenue bond financing, they are limited to undertaking no more than $20,000,000 of aggregate capital expenditures, irrespective of how those expenditures are paid for.

So if we do an example a $10,000,000 industrial project, that company is limited under the Internal Revenue Code for a six-year period going three years forward, three years back, to no more than $10,000,000 of additional capital expenditures, irrespective of how that $10,000,000 is financed.

It can be equity, you know, if we have -- we had a situation a few years ago where we had a company that was consolidating operations in Illinois and Michigan. They were moving some equipment from Michigan.

They had to count all the equipment that they had acquired, both in Illinois and Michigan,

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and were moving to this combined facility over the prior three years.

So another thing we see is that many of -- even for the family-owned manufacturing projects, just the building and land in the Chicago suburbs, the project cost is 22 to $25,000,000, even before any of the equipment.

So we've been working through our national membership agency, the Council of Development Finance Agencies, we've been working to develop federal legislation, and there is actually a bill introduced by Congressman Randy Hultgren in June.

It's HR2890, which is called the Modernizing American Manufacturing Bonds Act. That would increase the per-borrower bond issuance limit from $10,000,000 to $30,000,000.

The second thing it would do is it would expand the six-year capital expenditure test from 20,000,000 to 40,000,000. So a lot of the projects we are missing, just because they are slightly over the $20,000,000 aggregate spending limit, we would be able to get. So we've been missing out on a lot of opportunity.

The other thing that has been difficult is

given the low interest rate environment we've been facing since 2008 and 2009, the spreads between taxable and tax-exempt rates, are very thin.

One requirement that manufacturers have to adhere to on manufacturing projects is if they finance equipment with an industrial revenue bond, they are only allowed to take straight-line depreciation.

So that's another impediment, depending on whether there are accelerated depreciation provisions in the code in any given year. That also has affected our business volume from time to time.

So that's -- those are some of the challenges and opportunities we face on the industrial side of our statute.

As far as on the municipal or local

government side, we have been trying to issue more double-exempt projects, as Lerry has been suggesting. One competitive factor that we have been encountering, there are several regional clones of IFA, and they were granted the statutory power to issue bonds carrying the state tax exemption in addition to the federal exemption.

Prior to those changes, only IFA had the

statutory power to convey the state tax exemption. So we actually lost a significant transaction in Morgan County for the Jacksonville School District to the Western Illinois Economic Development Authority.

In June, we approved a resolution -- the Board approved a bond resolution for Saline County and, you know, we're hopeful of closing that. In 2013, I think we closed six local government issues, and that's certainly an area that we'll be looking to expand going forward.

In addition to that, I think there may be opportunities to finance water and sewer projects additionally using the Authority's own funds, and I would suggest that we look at doing that, using an alternative revenue bond structure.

MR. KNOX: Could we use our authority if we're going to allow for the water and sewer to allow the municipalities to use that developmental funds that can then be repaid through SRF offering later? So it's kind of a --

MR. FRAMTON: To offer a bridging facility?

MR. KNOX: Basically a bridge facility for water and sewer for municipalities.

MR. FRAMTON: That would be an area that we could -- that we could certainly look into. We might also look into how we might enter into participations with commercial banks to make that -- to perhaps enhance that further.

MR. KNOX: Okay.

MR. YONOVER: Rich, what is the status on the House of Representative's bill with the bond parameters?

MR. FRAMTON: It was introduced with two sponsors. In addition to Randy Hultgren, there was a Democratic sponsor, Congressman Neal, who is on the House Ways and Means Committee.

It's been introduced, but it has not been called to the floor yet; but, you know, through the Council Development Finance Agencies, they have a Washington lobbyist who is actively attempting to line up co-sponsors. So that's the current status.

MR. MEISTER: And Rich and I met with a representative of Congressman Hultgren's office within the past couple of weeks. He was in town, and then I've also briefed Governor's Rauner's D.C. representative, Cathy Lyden, on the proposal as well.

MR. YONOVER: Because it's a game changer for us. If that gets done, I think that makes us more attractive, especially in a rising rate environment.

MR. FRAMTON: That's absolutely true. As interest rates rise, the relevant advantage to any taxes on bond increases.

MR. FLETCHER: And if I could provide an example, I believe the for-profit company you were speaking of was Edlong Corporation. So that's an IRB manufacturer.

We preliminary approved $20,000,000. Without that change in federal tax law, and that comes back for final consideration, it will be a not-to-exceed 10,000,000. So as much as we love to finance on a tax-exempt basis all 20, federal tax law prohibits us from doing so.

MR. YONOVER: Thanks.

CHAIRMAN FUNDERBURG: Okay. Lerry?

MR. KNOX: I'm done. Thank you.

CHAIRMAN FUNDERBURG: Rob?

MR. HORNE: I mean, really, my notes are industrial revenue bonds, and how could you do more of that? I think that was a really excellent explanation as to why we're not doing more, at least

in this current environment.

I guess the only other comment I have, in terms of products, is, you know, I don't know how we, from my limited time on this board, I'm, you know, hearing how we rarely work closely with banks, whether it is an ag loan or other.

And so what are the banks telling us we could help them with? You know, what's our communication, in terms of drawing from them, which is essentially, you know, so that we could add things that would enhance their businesses?

CHAIRMAN FUNDERBURG: You know, to answer your question, I think is that if we do a low bid, we could do a lot more. Right now we have a couple of people. Patrick Evans is one. Patrick is located downstate.

You'll notice a pattern to the production of some of the beginner farmer bond credits and some of the other things, there is geographic correlation to where Patrick is physically.

So that's part of the answer, you know, do we have a physical presence out there. I think there is much better opportunity to use the existing infrastructure of the commercial banks already in

existence throughout the State of Illinois.

So to that point, last week Chris and I discussed getting on the agenda for the Illinois Bankers Association annual meeting coming up in June, to see if we could get a spot there to promote the IFA, its products and our services.

But I think we could do a lot better job, and if I can seg over to if I were to beat one drum, there are probably a lot, but if I really were able to do one, I would invest in industrial revenue bonds.

We know there are some constraints there. I heard the project under $2,000,000, $3,000,000 probably doesn't make sense. Then we've got a constraint that at the $10,000,000 level, which may change.

But, you know, we need to look at how we can enhance that, how we can create better awareness of it. Because I think in terms of driving manufacturer's jobs, manufacturing jobs, which we all know has a big ripple effect throughout the broader economy, the best tool that we have in our kit is in industrial revenue bond to hit that one particular sector.

I think we do a good job with our ag products. We could probably do better. Again, marketing through existing infrastructure; and then I think broader terms, we need to think about our core revenue source, which is conduit bonds to the healthcare industry.

We need to be very mindful. I know we are already discussing it on a regular basis. What happens as that dynamic and that industry changes with additional consolidation over the next period of time. It's top in mind.

MR. MEISTER: Actually, I think Pam has some.
MS. LENANE: Would you like me to speak?
CHAIRMAN FUNDERBURG: Sure, absolutely. It's open conversation.
MS. LENANE: Well, I do try to cover the whole state, and next month we'll have a financing coming for Passavant Hospital in Jacksonville.
We finance Memorial Health Systems, Hospital Sisters in Springfield, and I tried to get the hospitals south of I80, if not individually by attending Illinois Hospital Association events.
Tammy Harter on our staff today, I forget we've got four things going on today, is at the

Illinois Hospital Association Leadership Summit, which is being held in Lombard, and we have a booth; and we're not only including brochures on our conduit financing, but also our med-term cap program, which the Board approved a couple months ago at a meeting, which is for smaller financing.
The problem in the healthcare area, if you are doing, say, $5,000,000 or less, the fees just completely eat up any tax-exempt savings you're going to have.
So with this program, we have very, very low fixed fees that are reasonable, and it's sort of an equipment for equipment, but the beauty of this program is they will finance -- we will finance IT, healthcare medical records, and this is something that is really needed.

While a lot of people have put in healthcare medical records, they are not connected to their doctors. There's a lot to be done. The ones that put it in earlier, are now completely redoing them.

Elmhurst Hospital, the old Center DuPage, not Cadence, but it's part of Northwestern, but they're redoing theirs. So there's a lot things.

there's a good business model in that.

I haven't really gotten out enough to promote it. Tammy, as I mentioned is in Springfield, and I'm training her to do healthcare. I think that might broaden our market a little bit more if having a healthcare expert in Southern Illinois.

My biggest competition south in I80 are local cities. Local cities will actually do a conduit financing for free, and maybe they hire a lawyer, a local lawyer, who will look at the bond documents on behalf of the city.

But in quite a few instances, I've cut our fees on two transactions when I was acting general counsel. I gave the issuer counsel opinion, so they didn't have to pay an issuer counsel, but that's about all I can do.

When you compete with a local, they hire a lawyer. They have to go on an agenda. It becomes a political issue, whether the city or county wants to issue those bonds in their own name, because they probably don't understand the conduit nature. So I have a proposal out right now out to a hospital.

CHAIRMAN FUNDERBURG: Thank you, Pam. You did

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do a good job covering the state. We see that, you know, and we know there is a concentration of healthcare at the population center. So that is a given.

You do well with that, and with your marketing. I think you were just out in New York.

MS. LENANE: Yes.

CHAIRMAN FUNDERBURG: At a conference as well.

MS. LENANE: Our major health systems.

CHAIRMAN FUNDERBURG: My comments are broader to the changing dynamic that we could expect. There's conversation for strategic planning within the staff.

MS. LENANE: Yes, they are too dynamic. I would like to mention one competition with taxable bond issue.

If a hospital is large enough, they can issue in a taxable market and not pay as many attorney's fees and processing costs. It's much simpler, and they have no compliance.

They don't have to identify assets. Being tax exempt, they can just finance; and we've seen this already here with The University of Chicago and Northwestern University get some taxables.

I worry every day about the bigger offerings, Advocate and the OSF, trying to go taxable, but so far they haven't.

And then as you mentioned also, we do lose borrowers with consolidation, and so that narrows the amount of people. On consolidation, we usually get a good transaction out of the consolidation, but then we've lost the hospital that has been merged.

MR. MEISTER: And we do have, over the past couple of years, multi-state issuance authority for both nonprofits and for profits, although one of the drawbacks has been is that when Illinois nonprofits, even well highly-rated nonprofits, oftentimes the banks of the investment bankers will say a conduit -- an Illinois institution going through a Wisconsin conduit will save the borrower money rather than going through an Illinois conduit.

We disagree with that. We disagree strongly. Pam and I were involved in a big battle I think in December.

MS. LENANE: We had one really big battle that we lost. I actually blame it on the trading desk of that particular underwriter, but I think now there's not that sense in the market.

There's more of a sense that Illinois is looking at its problems now and trying to tackle them and so that gives confidence. It's all a perception.

There is no way that the finances of the State of Illinois -- well, it would be a long track to get to hospitals not being paid, and we're talking about it.

MR. POOLE: Roger Poole. Executive Director and Board member. It's been a very informative meeting and good meeting. I must exit, though, and wish you all well.

CHAIRMAN FUNDERBURG: Thank you very much. Thanks for letting us know. Roger, if you have anything else here, please circle back with me or Chris. Thank you.

MR. POOLE: I certainly will, Chairman.

CHAIRMAN FUNDERBURG: Okay, thank you. And, Mike Goetz, too, if you are on the phone, I want to circle back with you in person, too, to see if you have any specific ideas of better serving specific markets in the southern part of the state.

Jim, you're up next. Thank you, Pam.

MR. FUENTES: For one thing, I wanted to see if

we could find another project like the clean water issue that we did so well. It really got us out there, as far as, you know, given recognition there.

One sort of out of the box, I was reading in the paper that the Chicago Skyway private equity guys are in trouble. Maybe we should make an offer for that. You know what I'm saying?

Get a bond issued for that. Give them 25 cents on the dollar. See if we could do something good for the state that way. See if we could make some money.

CHAIRMAN FUNDERBURG: And I haven't seen that. That is out of the box.

MR. FUENTES: They have ratings for that clear water issue. We've never put it -- taken it for a test ride. That is why I wanted to see if we could get something out of it, something like that.

Even if we don't win, I mean, it would highlight what we can do and, you know, other people may come with us for opportunities based on it. It's a little off the wall.

CHAIRMAN FUNDERBURG: Okay.

MR. FUENTES: I read about it and said, "That would be something we should go after, you know, get

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it back."

CHAIRMAN FUNDERBURG: Who is the gentleman? I can't remember.

MR. FUENTES: I thought they were first Iowa -- I mean Ohio went under.

MR. KNOX: Indiana.

MR. FUENTES: Ohio went under, and now these guys are in trouble for the Skyway.

MR. FRAMTON: The concessionaire?

MR. FUENTES: Yeah.

MR. FRAMTON: McCory.

MR. KNOX: It's also the Chicago parking, that is one of the problems.

MR. FUENTES: We're getting in trouble. So why don't we try to get in there on 25 cents on the dollar and see if we could grab it?

CHAIRMAN FUNDERBURG: Can you just take a peek? Chris is going to take a peek, right?

MR. ANDERBERG: I repeat a lot of what has been said. I think like the industrial revenue bond, $3,000,000 to 10,000,000, that is a sweet spot for small manufacturers, but if the current tax law -- if the tax law comes back, and we have bonus depreciation, accelerated depreciation, that takes

us right out.

I think it's advantageous for manufacturers, small guys like myself, and the farming community, too.

I think we need to have a better branding or marketing image. I don't think we're well known at all. I probably could poll farmers in my area where I live in, they probably think IFA is only the farming association. They wouldn't know what the IFA is, and they don't.

They think of First Farm Credit Services first, and that's all they go to, and this might be a better avenue for some of the first-time buyers of farmland.

MR. EVANS: I think we also need to increase our limits and try to find a product toward a seasoned farmer, because the seasoned farmer is one that the community banks are suffering.

They can't offer them product that, you know, competitors can, like Farm Credit.

MR. ANDERBERG: That's right.

MR. EVANS: Someone who has been in the business for, you know, five years, and has equity above $500,000, and it doesn't fit into our program

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because they are not really a beginner farmer. They have decent ground. They have nowhere to go.

I mean, the community banks try to compete, but Farm Credit, with the government-backed bonds, are very aggressive. They can't, you know, match their rates, and they have a fund till account, just like a bank similar. They can write checks on and everything.

You know, Farm Credit is eating the community banks up pretty much.

MR. ANDERBERG: So I think that could be an opportunity. I don't know what Hultgren had in the bill.

MR. FLETCHER: MAMBA it's called.

MR. ANDERBERG: Is there any provision for changing depreciation?

MR. FLETCHER: Rich?

MR. FRAMTON: That was proposed, but it was kicked out, because the Tax Committee, Joint Committee on Taxation, they just said, "If that's in there, we're kicking it out."

MR. ANDERBERG: Okay.

MR. HORNE: Back on the comment of Farm Credit being so aggressive, I mean, if the borrowers needs

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are being met because Farm Credit is addressing them and meeting them, I mean, are we just trying to get into a gap that we don't need to the into?

MR. EVANS: We're trying to help the community banks, so they can stay in existence out there; and the majority of the community rural banks, they depend on agriculture as their source of income.

MR. HORNE: Right. It's more so that's the role in that situation is really supporting the banks?

MR. EVANS: Correct.

MR. HORNE: As opposed to the borrowers, per se. The banks are addressed. The banks we're trying to support through this.

MR. EVANS: Offering something that the banks can compete on the same level as Farm Credit.

MR. HORNE: Right, got it.

MR. ANDERBERG: I think one other thing I would like to mention, my last would be I think all the community banks, the financing manufacturer of farms maybe -- I've talked to some community bankers in our area, Chairman, they always think SBA, always SBA.

If there is anything we could put out

there that shows our competitiveness to SBA or a better alternative to. I think there's a little bit of intimidation.

I've sensed a little bit, talking to two bankers about what the IFA, what they do, the bonding issues. They don't want to go through all that, and they would rather just go to the SBA. So if there is something that could be done to improve that.

CHAIRMAN FUNDERBURG: There are some areas where specifically SBA has some advantage over our products. There are other areas where we have some advantage.

In either case, both call for more awareness, more education, more marketing, more branding of IFA.

MR. ANDERBERG: Those are my comments.

CHAIRMAN FUNDERBURG: You know, I think you're absolutely right, because a lot of people ask, "What is IFA?" People you would expect would at least have some working knowledge.

MR. ANDERBERG: I have one last comment, it's Shabbona.

CHAIRMAN FUNDERBURG: I was going to correct

it.

MR. ANDERBERG: It's Shabbona.

CHAIRMAN FUNDERBURG: I was going to say that. It's Boehne and Shabbona.

MR. ANDERBERG: Shabbona.

CHAIRMAN FUNDERBURG: Just to be clear. All right, thank you.

MS. BRONNER: Can I chime in?

CHAIRMAN FUNDERBURG: Please, Gila.

MS. BRONNER: Okay. Beyond what has already been said, I think just some perhaps additional, these are not specific ideas, but rather I think to drive home a couple of the points that have been discussed.

I see where many people -- there was one comment about noting conduit for just one price deal. There are a number of people, if I mention that I'm on the IFA Board, ask me, "What is the IFA? What does that the IFA stand for? What are they offering me as someone in the private sector trying to grow my company?"

So it strikes me that as Board members, we all have, I believe, an obligation to: A, understand how permissive and limited our statute

is; what our, quote, products really are; what they mean, and how we can best explain them to potential customers.

And I interact with governments, as well as nonprofits; and in my private life, individuals that are in the private sector that many of them say, "Oh, that is intriguing. I wonder if I could approach the IFA."

And I've encouraged a number of them to do so, but it seems to me that it starts with our web presence, our market presence.

But as we're thinking about products and services, maybe we need to do some outreach with some target customer groups to see, and this has somewhat been said already, what they would be interested in.

And part of that is being able to best explain what we do now, and what we offer; and also, maybe there are some ideas some potential customers, themselves, to have some targeted outreach I would think could be helpful.

We also obviously have organized, to some extent, based on our legacy agency's work, so the nature of the areas where we're strong, weak and

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strong historically.

So perhaps Chris and the whole team, maybe there are some areas that you all have thought about where we need to have a specific focus, in terms of not just the marketing and branding, but in understanding of what the interests might be in the marketplace.

MR. MEISTER: Okay, I agree.

CHAIRMAN FUNDERBURG: Okay, thank you, Gila. Arlene?

MS. JURACEK: Yes, earlier I had a couple of examples where we could possibly fill the void as other entities go by the wayside; and, to me, it's all part of this message I'm hearing building about brand management and really make maybe increasing our recognition, particularly downstate.

So identifying who the partner entities are, and who the customers are, and what we can do and perhaps fill the void here, and then enhance the role downstate. So I think that's really critical.

The piece of advice that I have is whatever we do, in terms of expanding our presence, is that we work assiduously to avoid unmitigated commodity risk. I know on Power Agency

Authorization Act, it does allow the IFA to invest in a new power plant.

Unless you got a way to leverage or hedge that commodities risk, don't even think about it, you know, as a stand-alone project. It's far too risky.

And then finally, from a municipal aspect, I heard a lot of talk about Clean Water Initiative, but we also have other infrastructure needs, roads and bridges and things.

At both at the federal and state level, there are funding issues for that type of infrastructure, and we could possibly look at some in-roads in that area.

CHAIRMAN FUNDERBURG: Okay, thank you. Adam?

MR. ISRAELOV: Well, as the new Board member here, or one of the two new Board members, it's very useful to hear the comments from the other members, as well as the staff here; and I just wanted to echo a point made earlier by one of the other members of creating and retaining jobs.

Just I guess a general comment or suggestion is that states serve as kind of fantastic laboratory experiment, and I know that Chris had

mentioned a strategic plan and an exercise that we had gone through earlier.

I think it would be great to look at other states that are similarly situated and have an authority similar to the IFA, and see what measures that they have taken that have been successful in creating and retaining jobs.

And also, in just restating one of the points that has been mentioned by other members here of brand awareness, so what measures have been taken by them that have been successful.

I just think this is very useful information for the Board that we should take a look at.

CHAIRMAN FUNDERBURG: Okay, thank you. Mike, if you're still on the phone, do you have anything else? Okay.

MS. BRONNER: No, nothing from me.

CHAIRMAN FUNDERBURG: Okay, Gila. Thank you. Some of the team has had a chance to speak to that

question. Is there anything else?
MR. MEISTER: I have one I know we talked about.
CHAIRMAN FUNDERBURG: I left you out on

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purpose.
MR. MEISTER: Oh, okay.
CHAIRMAN FUNDERBURG: I left you out on purpose. Anything else anybody wants to add?
MS. GILDART: Well, the City of Chicago has a financial symposium which we could look to piggyback off of.
Also, in addition to the State of Illinois through Tom Tyrrell, the Director of Central Management Services, they have been aggressively reaching out to small businesses and have required agencies to up the ante, as far as doing business with small business; and they also give us an opportunity to speak to them, as far as our products.
So internally with the State of Illinois, we are doing more of an outreach to small businesses also.
CHAIRMAN FUNDERBURG: Good. Great. Thank you.
MS. WEBER: The only other thing I would add somebody mentioned transportation. Industrial development bonds were mentioned before, and they do have a dollar limit, but they are part of a group called private activity bonds or pabs, and there is

another pab that was created back in 2005 for transportation purposes.

The Federal Governmental allocated $15,000,000,000. There is $4.3 billion left to be allocated. If there were appropriate transportation projects in the area, that might be something we would want to look into, but it's a long lead time.

CHAIRMAN FUNDERBURG: Okay. Thank you.

MR. MEISTER: And on the transportation, we actually did two tranches of that for Center Point Properties. I think we were the first that closed in the nation.

Also, on venture, I know I gave a lengthy explanation. The venture and research and development arm of University of Illinois is called Illinois Ventures. It's headed by the U of I's Chairman McMillan, and Nancy Sullivan has reached out to me.

And again, I want to get through today's meeting, and then this discussion, but she would very much like to meet with us and have Mr. McMillan meet with you as well to talk about one of the advantages of joint issues.

I know that we've not had the best record

on venture. The advantage of partnering with an established entity like Illinois Ventures, which is a nonprofit arm of the University of Illinois, is that they are actually providing all of the backup services that are necessary to new entrepreneurs and to get the idea out of the lab and out of the professor and into commercialization. So that is one opportunity.

A couple of other quick points is all of the Board members, and the newer Board members, you'll hear about public/private partnerships. I believe that that's one area where we could play a role.

There's a model in Canada called Infrastructure Ontario, and there is a bill being pushed or being advocated for by the State Chamber of Commerce. It actually uses what's a more descriptive name, which is Alternative Financing and Procurement.

I am going to be working with the Governor's Office and with the Board on how high of a profile we take on that.

In addition, some of the larger commodity groups downstate, the ag commodity groups, the

Soybean Association, the Farm Growers, are very interested; and there is recent federal legislation passed to do sort of public/private partnership alternative procurement in financing for the locks and dams on the Illinois River, and I think that is probably going to be moving.

And I think that is something that we

could play an important role on. We are already structured, and we already are staffed up.

And a final point is I think we've talked a lot about resources. One of the reasons why we are so lean is because we took a major revenue hit in the wake of the recession, and we've cut our staff from 30 plus to around 15, and that was because the value of tax exemption shrunk.

It was because industrial revenue bonds at the federal level did not keep pace with the development of economics, and I'm glad we're having -- I'm glad that Rob asked for this discussion, because a very important part is how we hire, who we hire, and what resources we add; and, you know, we're going to have to make choices, and those choices I want to give as many options and as much information to the Board so you can make wise

choices.

MS. BRONNER: Chris.

MR. MEISTER: Yes.

MS. BRONNER: This is Gila. Just an added comment on that, as we think about that, and think about the hires, it is contingent to be critical that we focus on what that underlying administrative infrastructure needs to be to support that.

MR. MEISTER: Absolutely. And again, that's a point that did not come up in the discussion, but I am glad you raised it, Gila.

We really need to do some hiring. It was approved in July. In the hiring plan, of course we have to work through the trip wires of state hiring, compliance, procurement, finance administration, audit.

CHAIRMAN FUNDERBURG: Okay.

MS. BRONNER: Hopefully you will help with some of that maybe.

CHAIRMAN FUNDERBURG: Okay.

MS. BRONNER: And one last point about the job data, and I know, Mr. Chairman, we chatted briefly about this at the end of the last meeting, something we had talked about that was on a prospective basis,

not only looking at current retained projected jobs, but circling back for those deals that have been completed to actually see what the real numbers are.

CHAIRMAN FUNDERBURG: Yes, I agree, and those are estimates, and it would be good to have the hard data, if we're able to gather that.

MS. BRONNER: Right, in any way.

CHAIRMAN FUNDERBURG: And we will work on trying to figure out how we can gauge the actual job impact. Thank you.

MS. GILDART: And, actually, Gila, that is one of the areas where we're audited on. Some of the requirements for certain bond issuances would require annual jobs reports, and so that is an area that we really should be taking a look at.

MS. BRONNER: Yes, because it is needed.

Certainly it is part of our mission; and, therefore, maybe it becomes a part of our general proforma at that get-go. So that on a prospective basis, we are actually putting, you know, the burden on our customers to let us know.

It also enhances the accountability and honesty around it.

MS. GILDART: Absolutely.

CHAIRMAN FUNDERBURG: Okay. Thank you, Gila.

MR. YONOVER: It also becomes a talking point, too.

MS. BRONNER: Just a thought.

MR. YONOVER: We're creating this many jobs, we're doing this, this.

CHAIRMAN FUNDERBURG: Got it. Good discussion. Hopefully there will be ongoing discussion; and if you have any other thoughts or ideas, you know, please let Chris or me know. And at this point, I'm going to ask if there's any public comment?

(No response.)

CHAIRMAN FUNDERBURG: Okay, no. All right. I would like to ask for a motion to adjourn then.

MS. BRONNER: So moved.

CHAIRMAN FUNDERBURG: Is there a second?

MR. O'BRIEN: Second.

CHAIRMAN FUNDERBURG: Seconded by Terry. All those in favor, say aye.

(A chorus of ayes.)

CHAIRMAN FUNDERBURG: Any opposed?

(No response.)

CHAIRMAN FUNDERBURG: Thank you very much. See you next month.

♀

(WHICH WERE ALL THE PROCEEDINGS HAD.)

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

PAMELA A. MARZULLO, C.S.R., being first duly sworn, says that she is a court reporter doing business in the city of Chicago; that she reported in shorthand the proceedings had at the Proceedings of said cause; that the foregoing is a true and correct transcript of her shorthand notes, so taken as aforesaid, and contains all the proceedings of said meeting.

____
PAMELA A. MARZULLO
License No. 084-001624

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD VOICE VOTE
SEPTEMBER 10, 2015 AGENDA OF THE REGULAR MEETING OF THE BOARD
ADOPTED

September 10, 2015

11 YEAS | 0 NAYS | 0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
NV	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	NV	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD VOICE VOTE
AUGUST 13, 2015 MINUTES OF THE REGULAR MEETING OF THE BOARD
ADOPTED

September 10, 2015

11 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
NV	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	NV	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD VOICE VOTE
PROJECTED, PRELIMINIARY AND UNAUDITED STATEMENT OF NET POSITION AS OF AUGUST 31, 2015, AND PROJECTED, PRELIMINARY AND UNAUDITED STATEMENT OF REVENUES, EXPENSES, AND NET INCOME AS OF AUGUST 31, 2015
ACCEPTED

September 10, 2015

11 YEAS 0 NAYS 0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
NV	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	NV	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

NO. 1A

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-AG1A
BEGINNING FARMER REVENUE BOND – TYLER S. LOSCHEN
FINAL (ONE-TIME CONSIDERATION)
PASSED*

September 10, 2015

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 1B

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-AG1B
BEGINNING FARMER REVENUE BOND – BRYANT L. & SHANNON N. RISTER
FINAL (ONE-TIME CONSIDERATION)
PASSED*

September 10, 2015

13 YEAS | 0 NAYS | 0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 1C

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-1C
BEGINNING FARMER REVENUE BOND – TRAVIS C. ROVEY
FINAL (ONE-TIME CONSIDERATION)
PASSED*

September 10, 2015

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 02

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-NP02
501(c)(3) REVENUE BOND – NAZARETH ACADEMY
FINAL (ONE-TIME CONSIDERATION)
PASSED*

September 10, 2015

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 03

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-NP03
501(c)(3) REVENUE BOND – NORWEGIAN LUTHERAN BETHESDA HOME ASSOCIATION
PRELIMINARY
PASSED*

September 10, 2015

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-HC04
501(c)(3) REVENUE BOND – PLYMOUTH PLACE, INC.
FINAL
PASSED*

September 10, 2015

13 YEAS | 0 NAYS | 0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 05

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-HC05
501(c)(3) REVENUE BOND – PALOS COMMUNITY HOSPITAL
FINAL (ONE-TIME CONSIDERATION)
PASSED*

September 10, 2015

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-HC06
501(c)(3) REVENUE BOND - RIVERSIDE HEALTH SYSTEM
PRELIMINARY
PASSED*

September 10, 2015

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 07

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-HC07
501(c)(3) REVENUE BOND – SARAH BUSH LINCOLN HEALTH SYSTEM
PRELIMINARY
PASSED*

September 10, 2015

13 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 08

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-AD08
RESOLUTION RATIFYING AND CONFIRMING RESOLUTION 2015-0813-NP02 ADOPTED AUGUST 13, 2015 PROVIDING FOR THE ISSUANCE BY THE AUTHORITY OF NOT TO EXCEED $585,000,000 IN BONDS FOR THE BENEFIT OF THE UNIVERSITY OF CHICAGO
ADOPTED

September 10, 2015

10 YEAS		0 NAYS		0 PRESENT	
Y	Anderberg	A	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
NV	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	NV	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

NO. 09

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-AD09
REQUEST BY RESOURCE BANK, N.A. TO AUTHORIZE AN AFFILIATE AND CORPORATE GUARANTOR (BOEHNE FARMS TRUCKING, LLC) OF AN IFA-GUARANTEED BORROWER (BERK BOEHNE, INDIVIDUALLY AND VAUGHN BOEHNE, INDIVIDUALLY) TO ENTER INTO UP TO TWO LOAN AGREEMENTS WITH WATERMAN STATE BANK TO FINANCE SPECIFIED EQUIPMENT PURCHASES
ADOPTED

September 10, 2015

12 YEAS   0 NAYS   0 PRESENT

Y	Anderberg	A	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

NO. 10

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-AD10
RESOLUTION TO APPROVE GOING FORWARD WITH A PROCUREMENT FOR A FINANCIAL ADVISOR FOR THE STATE REVOLVING FUND AND A REQUEST FOR INFORMATION TO PROFESSIONALS FOR FINANCING AND ECONOMIC DEVELOPMENT PROPOSALS AS ALLOWED UNDER THE ILLINOIS PROCUREMENT CODE
ADOPTED*

September 10, 2015

13 YEAS 0 NAYS 0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-AD11
RESOLUTION TO ENTER INTO ONE OR MORE INTERGOVERNMENTAL AGREEMENTS WITH CENTRAL MANAGEMENT SERVICES FOR ASSISTANCE IN ONE OR MORE OF THE FOLLOWING AREAS: REAL ESTATE, PROCUREMENT, INTERNAL AUDIT, HUMAN RESOURCES, AND INFORMATION TECHNOLOGY
ADOPTED*

September 10, 2015

13 YEAS 0 NAYS 0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

* – Consent Agenda
E – Denotes Excused Absence

NO. 12

ILLINOIS FINANCE AUTHORITY
BOARD OF DIRECTORS
BOARD ROLL CALL
RESOLUTION 2015-0910-AD12
RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A PROPOSED MUTUAL RELEASE AND SETTLEMENT AGREEMENT RELATING TO: (1) IFA V. LITCHFIELD NATIONAL BANK, CIRCUIT COURT OF COOK COUNTY, ILLINOIS, COUNTY DEPARTMENT, CHANCERY DIVISION, CASE NO. 2013 CH 25534; AND (2) LITCHFIELD NATIONAL BANK V. IFA, COURT OF CLAIMS OF THE STATE OF ILLINOIS, CASE NO. 14 cc 2737
ADOPTED

September 10, 2015

13 YEAS 0 NAYS 0 PRESENT

Y	Anderberg	Y	Israelov	Y	Poole (VIA AUDIO CONFERENCE)
Y	Bronner (ADDED) (VIA AUDIO CONFERENCE)	Y	Juracek	E	Tessler
Y	Fuentes	Y	Knox	Y	Yonover
Y	Goetz (VIA AUDIO CONFERENCE)	Y	O'Brien	E	Zeller
Y	Horne	Y	Pedersen (ADDED)	Y	Mr. Chairman

E – Denotes Excused Absence

IFA
ILLINOIS FINANCE AUTHORITY

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Chicago, IL 60601
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312-651-1350 fax
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FINANCIAL ANALYSIS

October 8, 2015

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL REPORTS MONTHLY AND ANNUAL SUMMARY AS OF SEPTEMBER 30, 2015*

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

1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

FISCAL YEAR 2015 UPDATE-UNAUDITED

a. **Total Annual Revenues:** $4,304,748
b. **Total Annual Expenses: (**$3,977,147)
c. **Total Net Transfers In:** $293,956
d. **Total Annual Net Income: $621,557**
e. **Trend Report:** Included with the board materials this month is an unaudited trend report of the Authority's revenues, expenses and net income for the last 10 years.

FISCAL YEAR 2016-UNAUDITED

a. **Total Annual Revenues** equal $1.7 million and are $424 thousand or 34% higher than budget; due primarily to **higher** than expected closing fees in the month of September. Closing fees year to date of $1.3 million, are $435 thousand or 53% **higher** than budget. Annual fees of $43 thousand are 52% or $46 thousand lower than budgeted, mostly from transactions proposed later in the fiscal year. Administrative service fees are $25 thousand for the first quarter. Application fees are $14 thousand or 80% higher than budgeted. Total accrued interest income from the former IRBB local governments and others totaled $249 thousand. Net investment income stands at $70 thousand for the first quarter of the fiscal year.

b. In **September**, the Authority generated $792 thousand in closing fees. Closing fees were received from: ***OSF HealthCare System and the University of Chicago*** for $211 thousand each, ***Advocate Health Care Network and Palos Community Hospital*** for $138 thousand each, and ***Villa St. Benedict***, $94 thousand. Administrative Service fees were received from ***Aunt Martha's Youth Service Center*** for $10 thousand. Net investment income of $58 thousand for the month was the highest monthly total since January 2015. In all, September had the highest monthly revenue for closings since December 2010 ($1.03 million) and the highest overall monthly revenue since October 2011 ($1.32 million).

c. **Total Annual Expenses** of $895 thousand, which is $345 thousand or 28% lower than budget, mostly driven by vacant budgeted staff positions and delays in IT projects and purchases. Year to date employee expenses total $432 thousand and professional services totals $301 thousand; with each function at 26% and 33% below budget. Annual occupancy costs total $55 thousand and are $8 thousand or 12% under budget, as invoices for the Chicago Office build-out have not been received/processed. General and administrative costs are $88 thousand for the first three months of the year, which is 11% under budget, due to delayed processing of agency subscriptions.

d. **Total Annual Net Income** is $770 thousand. The major driver of the positive bottom line continues to be the level of overall spending at 28% below budget, in addition to increased revenue from closing fees in the month of September.

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

V. PRESENTATION AND CONSIDERATION OF THE FINANCIAL STATEMENTS MONTHLY AND ANNUAL SUMMARY AS OF SEPTEMBER 30, 2015*

2. ALL FUNDS-ASSETS, LIABILITIES AND NET POSITION

The Authority, as of September 30, 2015, is a $120 million dollar agency which also currently accounts for $278 million in total activity (including the Other State of Illinois Debt Fund) and maintains compliance for nearly $24 billion in outstanding debt.

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

In the General Fund, IFA continues to maintain a strong balance sheet with total net position of $53.3 million. The total assets in the General Fund are $54 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $29 million, notes receivables for the former IRBB local governments total $20.2 million, other loans receivables are at $2.8 million and restricted cash and investments in the DACA Loan Fund totals $1.3 million. Liabilities, current and non-current, total just $663 thousand.

4. YEAR TO DATE ACTIVITY FOR ALL OTHER FUNDS

a. In accordance with governmental accounting standards, the "Other State of Illinois Debt Fund" is comprised of bond activity for the Illinois Environmental Protection Agency (IEPA), the Illinois Medical District Commission (IMDC) and Northern Illinois University Foundation (NIUF). The majority of the activity in this fund derives from the Clean Water Initiative for IEPA. Total assets and liabilities in this fund each total $158.1 million.

b. The Locally Held Fire Truck and Ambulance Revolving Loan Funds have total year to date receipts of $111 thousand. New Fire Truck revolving loans, totaling $6.2 million, will be issued in the next 30-60 days per direction from the Office of the State Fire Marshal (OSFM). The Authority has also received notice of OSFM's intent to issue Ambulance loans during this fiscal year, with disbursement projected to take place in the third quarter. Net position of $22.2 million for Fire Truck and $4.2 million for Ambulance, are reported on the Authority's balance sheet.

c. The Industrial Revenue Bond Insurance Fund includes unrestricted assets to make payouts of potential losses in relation to the Authority's agricultural loan guarantee program. Currently, the fund includes a loss reserve of $1.1 million and made an actual payout of $155 thousand in September, in relation to a previously litigated case. Unrestricted net position in the Industrial Revenue Bond Insurance Fund totals $10.6 million.

d. The Illinois Housing Partnership Program Fund is designated to provide financing to local government agencies, with the proceeds used to rehabilitate multi-family housing for low and moderate income persons. The primary asset in this fund is a $3 million outstanding loan receivable from the City of Chicago. The final payment of $3 million (on the original $5 million loan), is due to the Authority on August 1, 2016. Written confirmation of the City's intent to make this payment was received on September 22, 2015. Unrestricted net position in the fund totals $4.8 million.

e. All other nonmajor funds booked combined year to date revenues of $28 thousand, of which, $19 thousand is derived from investment activity. Year to date expenses total $1100 as of September. Total Net Position in the remaining nonmajor funds is $22.9 million.

f. The Metro East Police District Commission is reported as an agency/fiduciary fund, which has total assets of $37 thousand in the custody of the Authority. The Illinois Finance Authority NFP Development Fund, has a total net position of $25 thousand.

5. FY14 AND FY15 FINANC IAL/COMPLIANCE AUDITS and GASB UPDATES

a. Fieldwork for the FY14 and FY15 compliance and financial audits is ongoing, though auditor testing for the compliance audit is coming to a close.

6. OTHER SUPPLEMENTARY FINANCIAL INFORMATION

a. The Schedule of Debt is being presented as supplementary financial information in the financial statements tab of the board package. The Monthly Flash Report will be distributed for the Board's review at the November board meeting.

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
GENERAL OPERATING FUND
FOR FISCAL YEAR 2016 AS OF SEPTEMBER 30, 2015
(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	177,507	292,080	792,030	-	-	-	-	-	-	-	-	-	1,261,617	826,986	434,631	52.6%
Annual Fees	16,990	11,752	14,204	-	-	-	-	-	-	-	-	-	42,946	89,425	(46,479)	-52.0%
Administrative Service Fees	-	15,000	10,000	-	-	-	-	-	-	-	-	-	25,000	3,750	21,250	566.7%
Application Fees	3,000	4,800	6,100	-	-	-	-	-	-	-	-	-	13,900	7,725	6,175	79.9%
Miscellaneous Fees	139	1,213	-	-	-	-	-	-	-	-	-	-	1,352	1,375	(23)	-1.7%
Interest Income-Loans	83,318	82,857	82,675	-	-	-	-	-	-	-	-	-	248,850	255,983	(7,133)	-2.8%
Other Revenue	-	973	169	-	-	-	-	-	-	-	-	-	1,142	11,000	(9,858)	-89.6%
Total Operating Revenue:	**$280,954**	**$ 408,675**	**$905,178**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,594,807**	**$ 1,196,244**	**$ 398,563**	**33.3%**
Operating Expenses:																
Employee Related Expense	141,053	142,455	148,939	-	-	-	-	-	-	-	-	-	432,447	583,807	(151,360)	-25.9%
Professional Services	106,155	59,247	135,614	-	-	-	-	-	-	-	-	-	301,016	447,019	(146,003)	-32.7%
Occupancy Costs	19,832	23,793	11,217	-	-	-	-	-	-	-	-	-	54,842	62,604	(7,762)	-12.4%
General & Administrative	29,890	28,028	30,081	-	-	-	-	-	-	-	-	-	87,999	99,094	(11,095)	-11.2%
Depreciation and Amortization	6,078	6,120	6,120	-	-	-	-	-	-	-	-	-	18,318	47,021	(28,703)	-61.0%
Total Operating Expense	**$303,008**	**$ 259,643**	**$331,971**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 894,622**	**$ 1,239,545**	**$ (344,923)**	**-27.8%**
Operating Income(Loss)	**$ (22,054)**	**$ 149,032**	**$573,207**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 700,185**	**$ (43,301)**	**$ 743,486**	**1717.0%**
Nonoperating Revenues (Expenses																
Bad Debt Adjustments (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500	(2,500)	-100.0%
Miscellaneous Non-Opertg Rev/(Exp)	-	-	-	-	-	-	-	-	-	-	-	-	-	(125)	125	-100.0%
Interest and Investment Income	25,941	26,361	26,202	-	-	-	-	-	-	-	-	-	78,504	81,550	(3,046)	-3.7%
Realized Gain (Loss) on Sale of Inve:	(473)	(1,332)	(442)	-	-	-	-	-	-	-	-	-	(2,247)	(3,250)	1,003	-30.9%
Net Appreciation (Depr) in FV of Inve	(12,645)	(26,167)	32,129	-	-	-	-	-	-	-	-	-	(6,683)	(34,250)	27,567	-80.5%
Total Nonoperating Rev (Exp)	**$ 12,823**	**$ (1,138)**	**$ 57,889**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 69,574**	**$ 46,425**	**$ 23,149**	**49.9%**
Net Income (Loss) Before Transfer	**$ (9,231)**	**$ 147,894**	**$631,096**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 769,759**	**$ 3,124**	**$ 766,635**	**24540.2%**
Transfers:																
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Transfers In (Out)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**0.0%**
Net Income (Loss)	**$ (9,231)**	**$ 147,894**	**$631,096**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 769,759**	**$ 3,124**	**$ 766,635**	**24540.2%**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND NET INCOME
IFA FUNDS AND AGENCY FUND ACTIVITY
FOR FISCAL YEAR 2016 AS OF SEPTEMBER 30, 2015
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	INDUSTRIAL REVENUE BOND INSURANCE FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ILLINOIS HOUSING PARTNERSHIP FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL COMPONENT UNIT DEBT FUNDS	TOTAL ALL FUNDS	AGENCY FUNDS
Operating Revenues:										
Closing Fees	1,261,617	-	-	-	-	-	1,261,617	-	1,261,617	-
Annual Fees	42,946	-	-	-	-	-	42,946	-	42,946	-
Administrative Service Fees	25,000	-	-	-	-	-	25,000	-	25,000	-
Application Fees	13,900	-	-	-	-	-	13,900	-	13,900	-
Miscellaneous Fees	1,352	-	110,862	-	-	-	112,214	-	112,214	-
Interest Income-Loans	248,850	-	-	-	-	9,526	258,376	1,044,175	1,302,551	-
Other Revenue	1,142	-	-	-	-	-	1,142	-	1,142	-
Total Operating Revenue:	**$ 1,594,807**	**$ -**	**$ 110,862**	**$ -**	**$ -**	**$ 9,526**	**$ 1,715,195**	**$ 1,044,175**	**$ 2,759,370**	**$ -**
Operating Expenses:										
Employee Related Expense	432,447	-	-	-	-	-	432,447	-	432,447	-
Professional Services	301,016	-	-	-	-	177	301,193	-	301,193	-
Occupancy Costs	54,842	-	-	-	-	-	54,842	-	54,842	-
General & Administrative	87,999	-	-	-	-	-	87,999	-	87,999	-
Interest Expense	-	-	-	-	-	923	923	1,045,593	1,046,516	-
Depreciation and Amortization	18,318	-	-	-	-	-	18,318	-	18,318	-
Total Operating Expense	**$ 894,622**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,100**	**$ 895,722**	**$ 1,045,593**	**$ 1,941,315**	**$ -**
Operating Income(Loss)	**$ 700,185**	**$ -**	**$ 110,862**	**$ -**	**$ -**	**$ 8,426**	**$ 819,473**	**$ (1,418)**	**$ 818,055**	**$ -**
Nonoperating Revenues (Expenses):										
Interest and Invesment Income	78,504	33,430	7,125	2,239	5,753	19,179	146,230	1,418	147,648	-
Realized Gain (Loss) on Sale of Investment	(2,247)	(606)	656	2,542	(42)	(38)	265	-	265	-
Net Appreciation (Depr) in fair value of Investments	(6,683)	(1,261)	(1,541)	(5,634)	(477)	(191)	(15,787)	-	(15,787)	-
Total Nonoperating Revenues (Expenses)	**$ 69,574**	**$ 31,563**	**$ 6,240**	**$ (853)**	**$ 5,234**	**$ 18,950**	**$ 130,708**	**$ 1,418**	**$ 132,126**	**$ -**
Net Income (Loss) Before Transfers	**$ 769,759**	**$ 31,563**	**$ 117,102**	**$ (853)**	**$ 5,234**	**$ 27,376**	**$ 950,181**	**$ -**	**$ 950,181**	**$ -**
Transfers:										
Transfers in from other funds	-	-	-	-	-	-	-	-	-	-
Transfers out to other funds	-	-	-	-	-	-	-	-	-	-
Total Transfers In (Out)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Income (Loss)	**$ 769,759**	**$ 31,563**	**$ 117,102**	**$ (853)**	**$ 5,234**	**$ 27,376**	**$ 950,181**	**$ -**	**$ 950,181**	**$ -**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
September 30, 2015
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	INDUSTRIAL REVENUE BOND INSURANCE FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ILLINOIS HOUSING PARTNERSHIP FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL COMPONENT UNIT DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Assets and Deferred Outflows:										
Current Assets:										
Unrestricted:										
Cash & cash equivalents	5,030,040	1,531,350	-	-	12,285	-	6,573,675	-	6,573,675	-
Investments	8,349,494	3,403,141	-	-	666,934	-	12,419,569	-	12,419,569	-
Accounts receivable, Net	104,144	-	-	-	-	-	104,144	-	104,144	-
Loans receivables, Net	2,008,621	-	-	-	-	-	2,008,621	-	2,008,621	-
Accrued interest receivable	222,379	25,116	-	-	4,484	-	251,979	-	251,979	-
Bonds and notes receivable	1,677,800	-	-	-	-	-	1,677,800	-	1,677,800	-
Due from other funds	19,661	-	-	-	-	-	19,661	-	19,661	-
Due from primary government	112,500	-	-	-	-	-	112,500	-	112,500	-
Due from other local government agencies		-	-	-	3,000,000	-	3,000,000	-	3,000,000	-
Prepaid Expenses	210,199	-	-	-	-	-	210,199	-	210,199	-
Total Current Unrestricted Assets	**$ 17,734,838**	**$ 4,959,607**	**$ -**	**$ -**	**$ 3,683,703**	**$ -**	**$ 26,378,148**	**$ -**	**$ 26,378,148**	**$ -**
Restricted:										
Cash & Cash Equivalents	1,280,252	-	6,211,383	3,300,135	-	2,075,821	12,867,591	41,106,248	53,973,839	37,101
Deposits in transit	-	-	-	-	-	-	-	-	-	-
Investments	-	-	290,887	549,184	-	272,141	1,112,212	-	1,112,212	-
Accrued interest receivable	-	-	1,592	2,498	-	8,203	12,293	21,524	33,817	-
Bonds and notes receivable from State component units	-	-	-	-	-	-	-	1,074,042	1,074,042	-
Loans receivables, Net	-	-	513,864	12,500	-	93,049	619,413	-	619,413	-
Total Current Restricted Assets	**$ 1,280,252**	**$ -**	**$ 7,017,726**	**$ 3,864,317**	**$ -**	**$ 2,449,214**	**$ 14,611,509**	**$ 42,201,814**	**$ 56,813,323**	**$ 37,101**
Total Current Assets	**$ 19,015,090**	**$ 4,959,607**	**$ 7,017,726**	**$ 3,864,317**	**$ 3,683,703**	**$ 2,449,214**	**$ 40,989,657**	**$ 42,201,814**	**$ 83,191,471**	**$ 37,101**
Non-current Assets:										
Unrestricted:										
Investments	15,594,807	6,764,991	-	-	1,165,692	-	23,525,490	-	23,525,490	-
Accounts receivable, Net		-	-	-	-	-	-	-	-	-
Loans receivables, Net	770,633	-	-	-	-	-	770,633	-	770,633	-
Bonds and notes receivable	18,519,237	-	-	-	-	-	18,519,237	-	18,519,237	-
Total Noncurrent Unrestricted Assets	**$ 34,884,677**	**$ 6,764,991**	**$ -**	**$ -**	**$ 1,165,692**	**$ -**	**$ 42,815,360**	**$ -**	**$ 42,815,360**	**$ -**
Restricted:										
Cash & Cash Equivalents	-	-	-	-	-	600,000	600,000	-	600,000	-
Investments	-	-	59,864	34,921	-	487,417	582,202	3,272,080	3,854,282	-
Funds in the custody of the Treasurer	-	-	971,289	61,820	-	18,023,146	19,056,255	-	19,056,255	-
Loans receivables, Net	-	-	14,173,884	247,280	-	1,379,419	15,800,583	-	15,800,583	-
Bonds and notes receivable from primary government	-	-	-	-	-	-	-	80,027,040	80,027,040	-
Bonds and notes receivable from State component units	-	-	-	-	-	-	-	31,871,271	31,871,271	-
Total Noncurrent Restricted Assets	**$ -**	**$ -**	**$ 15,205,037**	**$ 344,021**	**$ -**	**$ 20,489,982**	**$ 36,039,040**	**$ 115,170,391**	**$ 151,209,431**	**$ -**
Capital Assets										
Capital Assets	801,138	-	-	-	-	-	801,138	-	801,138	-
Accumulated Depreciation	(740,334)	-	-	-	-	-	(740,334)	-	(740,334)	-
Total Capital Assets	**$ 60,804**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 60,804**	**$ -**	**$ 60,804**	**$ -**
Total Noncurrent Assets	**$ 34,945,481**	**$ 6,764,991**	**$ 15,205,037**	**$ 344,021**	**$ 1,165,692**	**$ 20,489,982**	**$ 78,915,204**	**$ 115,170,391**	**$ 194,085,595**	**$ -**
Total Assets	**$ 53,960,571**	**$ 11,724,598**	**$ 22,222,763**	**$ 4,208,338**	**$ 4,849,395**	**$ 22,939,196**	**$ 119,904,861**	**$ 157,372,205**	**$ 277,277,066**	**$ 37,101**
DEFERRED OUTFLOWS OF RESOURCES:										
Deferred loss on debt refunding	-	-	-	-	-	-	-	719,467	719,467	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 719,467**	**$ 719,467**	**$ -**
Total Assets & Deferred Inflows of Resources	**$ 53,960,571**	**$ 11,724,598**	**$ 22,222,763**	**$ 4,208,338**	**$ 4,849,395**	**$ 22,939,196**	**$ 119,904,861**	**$ 158,091,672**	**$ 277,996,533**	**$ 37,101**

ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
IFA FUNDS AND AGENCY FUND ACTIVITY
September 30, 2015
(PRELIMINARY AND UNAUDITED)

	GENERAL FUND	INDUSTRIAL REVENUE BOND INSURANCE FUND	LOCALLY HELD FIRE TRUCK REV LOAN FUND	LOCALLY HELD AMBULANCE REV LOAN FUND	ILLINOIS HOUSING PARTNERSHIP FUND	ALL OTHER NON-MAJOR FUNDS	SUBTOTAL IFA FUNDS	OTHER STATE OF IL COMPONENT UNIT DEBT FUNDS	TOTAL ALL FUNDS	METRO EAST POLICE DISTRICT COMMISSION
Liabilities:										
Current Liabilities:										
Payable from unrestricted current assets:										
Accounts payable	44,418	85,972	-	-	-	-	130,390	-	130,390	-
Accrued liabilities	441,406	-	-	-	-	-	441,406	-	441,406	-
Due to employees	101,017	-	-	-	-	-	101,017	-	101,017	-
Due to primary government	6,041	-	-	-	-	-	6,041	-	6,041	-
Due to other funds	-	-	-	-	-	19,661	19,661	-	19,661	-
Other liabilities	-	-	-	-	-	-	-	-	-	37,101
Unearned revenue, net of accumulated amortization	70,000	-	-	-	-	-	70,000	-	70,000	-
Total Current Liabilities Payable from Unrestricted Current Assets	**$ 662,882**	**$ 85,972**	**$ -**	**$ -**	**$ -**	**$ 19,661**	**$ 768,515**	**$ -**	**$ 768,515**	**$ 37,101**
Payable from restricted current assets:										
Due to primary government	-	-	-	-	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-	-	-	-	-
Accrued interest payable	-	-	-	-	-	3,125	3,125	1,489,523	1,492,648	-
Bonds and notes payable from primary government	-	-	-	-	-	-	-	10,605,000	10,605,000	-
Bonds and notes payable from State component units	-	-	-	-	-	-	-	841,018	841,018	-
Current portion of long term debt	-	-	-	-	-	59,984	59,984	-	59,984	-
Unamortized bond premium	-	-	-	-	-	-	-	2,349,877	2,349,877	-
Total Current Liabilities Payable from Restricted Current Assets	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 63,109**	**$ 63,109**	**$ 15,285,418**	**$ 15,348,527**	**$ -**
Total Current Liabilties	**$ 662,882**	**$ 85,972**	**$ -**	**$ -**	**$ -**	**$ 82,770**	**$ 831,624**	**$ 15,285,418**	**$ 16,117,042**	**$ 37,101**
Noncurrent Liabilities										
Payable from unrestricted noncurrent assets:										
Noncurrent payables	585	-	-	-	-	-	585	-	585	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Bonds and notes payable from primary government	-	-	-	-	-	-	-	-	-	-
Bonds and notes payable from State component units	-	-	-	-	-	-	-	-	-	-
Noncurrent loan reserve	-	1,057,526	-	-	-	-	1,057,526	-	1,057,526	-
Assets	**$ 585**	**$ 1,057,526**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,058,111**	**$ -**	**$ 1,058,111**	**$ -**
Payable from restricted noncurrent assets:										
Noncurrent payables	-	-	-	-	-	-	-	-	-	-
Bonds and notes payable from primary government	-	-	-	-	-	-	-	97,675,000	97,675,000	-
Bonds and notes payable from State component units	-	-	-	-	-	-	-	37,206,537	37,206,537	-
Noncurrent portion of long term debt	-	-	-	-	-	309,096	309,096	-	309,096	-
Unamortized bond premium	-	-	-	-	-	-	-	7,924,717	7,924,717	-
Total Noncurrent Liabilities Payable from Restricted Noncurrent	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 309,096**	**$ 309,096**	**$ 142,806,254**	**$ 143,115,350**	**$ -**
Total Noncurrent Liabilities	**$ 585**	**$ 1,057,526**	**$ -**	**$ -**	**$ -**	**$ 309,096**	**$ 1,367,207**	**$ 142,806,254**	**$ 144,173,461**	**$ -**
Total Liabilities	**$ 663,467**	**$ 1,143,498**	**$ -**	**$ -**	**$ -**	**$ 391,866**	**$ 2,198,831**	**$ 158,091,672**	**$ 160,290,503**	**$ 37,101**
Net Position:										
Net Investment in Capital Assets	60,804	-	-	-	-	-	60,804	-	60,804	-
Restricted	-	-	22,105,661	4,209,191	-	22,519,954	48,834,806	-	48,834,806	-
Unrestricted	52,466,541	10,549,537	-	-	4,844,161	-	67,860,239	-	67,860,239	-
Current Change in Net Position	769,759	31,563	117,102	(853)	5,234	27,376	950,181	-	950,181	-
Total Net Position	**$ 53,297,104**	**$ 10,581,100**	**$ 22,222,763**	**$ 4,208,338**	**$ 4,849,395**	**$ 22,547,330**	**$ 117,706,030**	**$ -**	**$ 117,706,030**	**$ -**
Total Liabilities & Net Position	**$ 53,960,571**	**$ 11,724,598**	**$ 22,222,763**	**$ 4,208,338**	**$ 4,849,395**	**$ 22,939,196**	**$ 119,904,861**	**$ 158,091,672**	**$ 277,996,533**	**$ 37,101**

ILLINOIS FINANCE AUTHORITY
(A Component Unit of the State of Illinois)
CHANGES IN NET POSITION
FOR THE LAST TEN YEARS
GENERAL OPERATING FUND

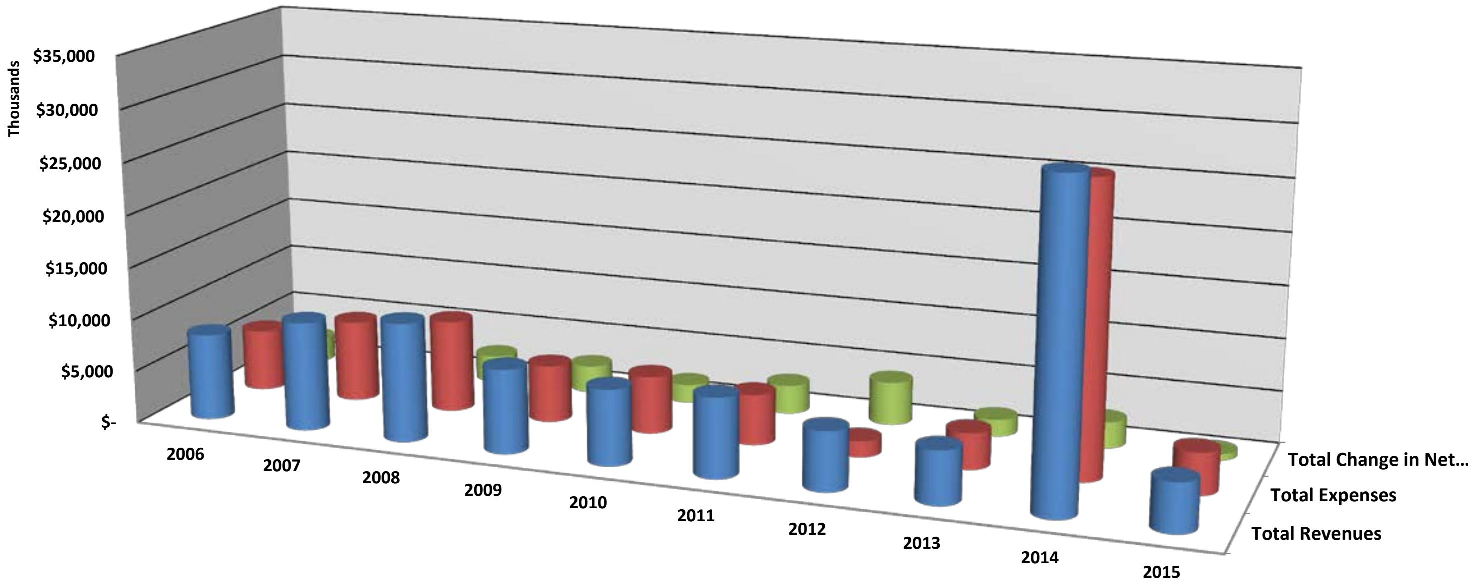
(PRELIMINARY AND UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Operating Revenues:										
Closing Fees	$ 4,370,470	$ 6,632,365	$ 7,140,275	$ 4,885,211	$ 5,031,842	$ 4,736,371	$ 2,765,760	$ 3,912,338	$ 2,491,871	$ 2,330,601
Annual Fees	1,241,212	1,094,975	1,068,228	673,917	848,716	582,036	485,517	362,084	406,452	365,391
Administrative Service Fees	-	-	-	-	-	-	-	-	265,000	136,000
Application Fees	104,670	273,400	158,800	94,450	96,900	68,100	43,150	53,400	46,050	44,778
Miscellaneous Fees	75,182	9,197	17,992	104,464	101,802	91,781	1,647,418	61,665	336,749	19,792
Interest Income-Loans	639,487	1,129,750	1,532,078	1,296,793	1,018,399	862,432	465,282	209,752	101,942	1,070,688
Other Revenue	-	-	-	-	-	-	-	-	-	126,581
Total Operating Revenue:	$ 6,431,021	$ 9,139,687	$ 9,917,373	$ 7,054,835	$ 7,097,659	$ 6,340,720	$ 5,407,127	$ 4,599,239	$ 3,648,064	$ 4,093,831
Operating Expenses:										
Employee Related Expense	$ 3,030,627	$ 3,546,022	$ 3,444,591	$ 3,275,386	$ 3,161,671	$ 2,079,082	$ 1,790,048	$ 1,789,531	$ 1,711,970	$ 1,702,215
Professional Services	1,670,299	2,594,579	1,674,221	1,180,635	1,213,408	1,285,797	1,359,507	1,337,637	1,257,761	1,503,161
Occupancy Costs	416,751	467,918	452,473	441,252	371,620	345,249	331,014	319,386	316,079	271,431
General & Administrative	360,577	402,540	410,772	378,313	313,278	325,378	306,628	318,402	325,391	381,828
Depreciation and Amortization	32,810	53,639	76,974	72,018	49,963	29,446	44,470	48,453	45,807	52,854
Total Operating Expense	$ 5,511,064	$ 7,064,698	$ 6,059,031	$ 5,347,604	$ 5,109,940	$ 4,064,952	$ 3,831,667	$ 3,813,409	$ 3,657,008	$ 3,911,489
Operating Income(Loss)	$ 919,957	$ 2,074,989	$ 3,858,342	$ 1,707,231	$ 1,987,719	$ 2,275,768	$ 1,575,460	$ 785,830	$ (8,944)	$ 182,342
Nonoperating Revenue(Expenses):										
Interest and Investment Income	$ 673,484	$ 558,953	$ 339,802	$ 126,990	$ 26,718	$ 29,208	$ 20,474	$ 40,675	$ 63,284	$ 200,381
Net Appreciation (Depr) in fair value of Investments	(57,885)	25,835	20,364	-	-	-	-	-	-	-
Miscellaneous Nonoperating Revenues (Expenses)	(363,271)	(667,520)	(159,448)	(89,355)	(346,570)	(738,602)	2,310,112	374,795	51,229	(55,121)
Total Nonoperating Revenues (Expenses)	$ 252,328	$ (82,732)	$ 200,718	$ 37,635	$ (319,852)	$ (709,394)	$ 2,330,586	$ 415,470	$ 114,513	$ 145,260
Net Income (Loss) Before Transfers	$ 1,172,285	$ 1,992,257	$ 4,059,060	$ 1,744,866	$ 1,667,867	$ 1,566,374	$ 3,906,046	$ 1,201,300	$ 105,569	$ 327,602
Transfers:										
Transfers in from other funds	$ 1,157,511	$ 670,573	$ 1,053,978	$ 810,160	$ 81,608	$ 1,175,543	$ 190,089	$ 386,774	$ 26,361,930	$ 293,955
Transfers out to other funds	-	-	(2,560,241)	-	-	-	-	-	(23,978,327)	-
Total Transfers In (Out)	$ 1,157,511	$ 670,573	$ (1,506,263)	$ 810,160	$ 81,608	$ 1,175,543	$ 190,089	$ 386,774	$ 2,383,603	$ 293,955
Change in Net Position	$ 2,329,796	$ 2,662,830	$ 2,552,797	$ 2,555,026	$ 1,749,475	$ 2,741,917	$ 4,096,135	$ 1,588,074	$ 2,489,172	$ 621,557
Net position, beginning of year, as restated	29,035,618	31,365,414	34,028,244	36,581,041	39,136,067	40,885,542	43,627,459	47,723,594	49,410,384	51,899,556
Net position, end of year	$ 31,365,414	$ 34,028,244	$ 36,581,041	$ 39,136,067	$ 40,885,542	$ 43,627,459	$ 47,723,594	$ 49,311,668	$ 51,899,556	$ 52,521,113

Note: Certain items in the FY2013 financial statements were restated to reflect the effects of GASB Statement No. 65 adopted in FY2014.
Note: Certain items in the prior year financial statements were reclassified to conform with the FY2014 presentation. These reclassifications had no impact in the total net position as previously reported.

Source: 2005 thru 2015 Illinois Finance Authority audited and unaudited financial statements.

CHANGES IN NET POSITION FOR THE LAST TEN YEARS
FOR THE GENERAL OPERATING FUND



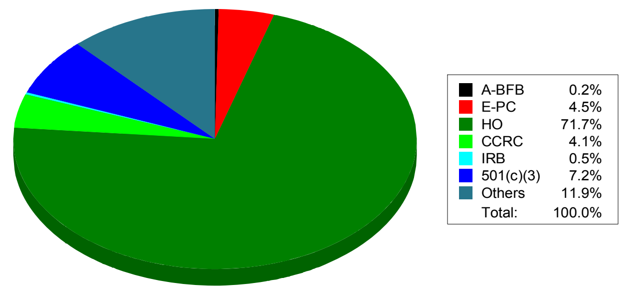
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Revenues	$8,204,131	$10,395,048	$11,331,517	$7,991,985	$7,205,985	$7,545,471	$5,617,690	$5,026,688	$30,073,278	$4,588,167
Total Expenses	$5,874,335	$7,732,218	$8,778,720	$5,436,959	$5,456,510	$4,803,554	$1,521,555	$3,438,614	$27,584,106	$3,966,610
Total Change in Net Position	$2,329,796	$2,662,830	$2,552,797	$2,555,026	$1,749,475	$2,741,917	$4,096,135	$1,588,074	$2,489,172	$621,557

Bonds Issued - Fiscal Year Comparison
for the Period Ending September 30, 2015

Fiscal Year 2014

#	Market Sector	Principal Issued
21	Agriculture - Beginner Farmer	3,729,751
4	Education	93,895,000
9	Healthcare - Hospital	1,493,795,000
4	Healthcare - CCRC	84,995,000
1	Industrial Revenue	10,000,000
11	501(c)(3) Not-for-Profit	165,617,000
6	Local Government	247,360,000
56		$ 2,099,391,751

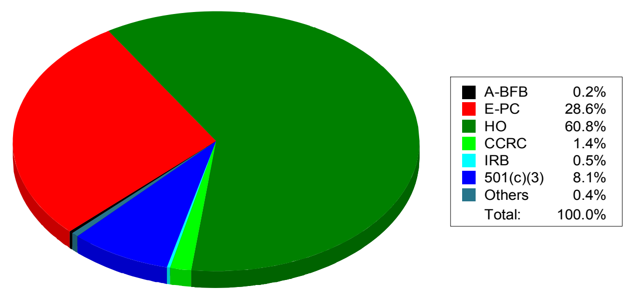
Bonds Issued in Fiscal Year 2014



Fiscal Year 2015

#	Market Sector	Principal Issued
15	Agriculture - Beginner Farmer	4,154,742
4	Education	788,149,000
11	Healthcare - Hospital	1,416,385,000
1	Healthcare - CCRC	39,640,000
2	Industrial Revenue	14,000,000
11	501(c)(3) Not-for-Profit	236,986,075
1	Local Government	12,000,000
45		$ 2,511,314,817

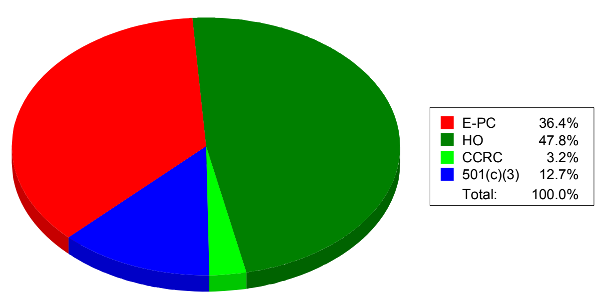
Bonds Issued in Fiscal Year 2015



Fiscal Year 2016

#	Market Sector	Principal Issued
2	Education	446,002,000
4	Healthcare - Hospital	586,075,000
1	Healthcare - CCRC	39,030,000
4	501(c)(3) Not-for-Profit	155,165,000
11		$1,226,272,000

Bonds Issued in Fiscal Year 2016



Bonds Issued and Outstanding as of September 30, 2015

Bonds Issued between July 01, 2015 and September 30, 2015

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
E-PC	North Central College	07/09/2015	Variable	30,177,000	0
501(c)(3)	Shedd Aquarium Society	07/24/2015	Fixed at Schedule	22,945,000	22,945,000
501(c)(3)	Field Museum of Natural History	07/28/2015	Variable	88,500,000	88,500,000
HO	Little Company of Mary Hospital	08/18/2015	Variable	102,000,000	72,000,000
HO	The Joint Commission	08/26/2015	Fixed at Schedule	16,000,000	0
501(c)(3)	Providence St. Mel	09/01/2015	Variable	19,040,000	9,800,000
501(c)(3)	Goodman Theatre	09/01/2015	Fixed at Schedule	24,680,000	24,680,000
CCRC	Villa St. Benedict	09/10/2015	Fixed at Schedule	39,030,000	37,210,000
E-PC	The University of Chicago	09/10/2015	Fixed at Schedule	415,825,000	224,030,000
HO	Advocate Health Care	09/25/2015	Fixed at Schedule	100,000,000	100,000,000
HO	OSF HealthCare System	09/28/2015	Fixed at Schedule	368,075,000	216,231,343
			Total Bonds Issued as of September 30, 2015	$ 1,226,272,000	$ 795,396,343

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.

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section I (a)

	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA" [b]				
Agriculture	$ 52,498,261	$ 52,498,261		
Education	4,325,023,557	4,724,918,217		
Healthcare	13,657,507,336	14,258,442,467		
Industrial Development [includes Recovery Zone/Midwest Disaster]	708,570,850	695,546,652		
Local Government	331,080,000	318,815,000		
Multifamily/Senior Housing	168,358,468	167,953,243		
501(c)(3) Not-for Profits	1,406,363,442	1,555,402,452		
Exempt Facilities Bonds	249,915,000	199,915,000		
Total IFA Principal Outstanding	**$ 20,899,316,914**	**$ 21,973,491,292**		
Illinois Development Finance Authority "IDFA" [b]				
Education	496,388	496,388		
Healthcare	80,200,000	80,200,000		
Industrial Development	291,429,410	281,368,270		
Local Government	306,307,834	306,307,834		
Multifamily/Senior Housing	84,354,117	84,314,117		
501(c)(3) Not-for Profits	722,984,769	695,239,288		
Exempt Facilities Bonds				
Total IDFA Principal Outstanding	**$ 1,485,772,517**	**$ 1,447,925,897**		
Illinois Rural Bond Bank "IRBB" [b]				
Total IRBB Principal Outstanding	**$ -**	**$ -**		
Illinois Health Facilities Authority "IHFA"	**$ 758,640,000**	**$ 721,965,000**		
Illinois Educational Facilities Authority "IEFA"	**$ 636,230,990**	**$ 594,213,000**		
Illinois Farm Development Authority "IFDA" [f]	**$ 18,685,550**	**$ 18,685,550**		
Total Illinois Finance Authority Debt	**$ 23,798,645,970**	**$ 24,756,280,738**	**$ 28,150,000,000**	**$ 3,393,719,262**

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

Section I (b)

	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Program Limitations	Remaining Capacity
General Purpose Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]				
* Issued through IRBB - Local Government Pools				
*Issued through IFA - Local Government Pools				
Issued through IFA - Illinois Medical District Commission	36,280,000	34,885,000		
Total General Moral Obligations	**$ 36,280,000**	**$ 34,885,000**	**$ 150,000,000**	**$ 115,115,000**

* All the Local Government bonds were defeased as of August 1, 2014.

	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Program Limitations	Remaining Capacity
Financially Distressed Cities Moral Obligations				
Illinois Finance Authority Act [20 ILCS 3501/825-60]				
Issued through IFA	$ -	$ -		
Issued through IDFA	-	-		
Total Financially Distressed Cities	**$ -**	**$ -**	**$ 50,000,000**	**$ 50,000,000**
State Component Unit Bonds [c]				
Issued through IDFA [i]	-	-		
Issued through IFA [i]	122,769,066	111,431,357		
Total State Component Unit Bonds	**$ 122,769,066**	**$ 111,431,357**		

Designated exclusive Issuer by the Governor of the State of Illinois to issue Midwestern Disaster Area Bonds in Illinois. This Federal program expired as of December 31, 2012.

Section I (c)

	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Remaining MDAB Volume Cap
Midwestern Disaster Area Bonds [Flood Relief]	**$ 65,251,543**	**$ 65,098,506**	**N/A**

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

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated [h]	City/Counties Ceded Voluntarily to/(by) IFA	Bonds issued as of December 31, 2014	Remaining ARRA Volume Cap for each Program as of December 31, 2014
Recovery Zone Economic Development Bonds**	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	N/A
Recovery Zone Facilities Bonds**	**$ 1,000,457,000**	**$ 204,058,967**	**$ 214,849,804**	N/A
Qualified Energy Conservation Bonds***	**$ 133,846,000**	**$ (17,865,000)**	**$ 82,795,000**	**IFA Cap: $4,755,783 Cities/Counties Cap: $46,295,717**

** Programs expired as of 12/31/2010. There have been no new issues subsequent to the expiration date of these Federal programs.

*** The IFA manages the QECB allocation for the entire State of Illinois. All QECB's to date have been issued by local governments or state universities. The QECB program currently has no set expiration date under Federal law. *IFA's remaining QECB allocation of $4,755,783 has been reserved for use by state universities.*

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section II	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Program Limitations	Remaining Capacity
Illinois Power Agency	**$ -**	**$ -**	**$ 4,000,000,000**	**$ 4,000,000,000**

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

Section III	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Program Limitations	Remaining Capacity
Clean Coal, Coal, Renewable Energy and Energy Efficiency Projects	**$ -**	**$ -**	**$ 3,000,000,000** [d]	**$ 3,000,000,000**

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

Section IV	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Program Limitations	Remaining Capacity	State Exposure
Agri Debt Guarantees [Restructuring Existing Debt]					
Fund # 994 - Fund Balance $10,169,414	**$ 9,243,360**	**$ 7,511,743**	**$ 160,000,000**	**$ 152,488,257**	**$ 6,383,128**
AG Loan Guarantee Program					
Fund # 205 - Fund Balance $7,853,732	**$ 9,837,616**	**$ 8,269,618**	**$ 225,000,000** [e]	**$ 216,730,382**	**$ 7,028,325**
Agri Industry Loan Guarantee Program	$ 5,108,251	$ 4,384,980			3,727,233
Farm Purchase Guarantee Program	917,680	906,293			770,349
Specialized Livestock Guarantee Program	2,763,756	2,083,198			1,769,869
Young Farmer Loan Guarantee Program	1,047,929	895,146			760,874
Total State Guarantees	**$ 19,080,977**	**$ 15,781,361**	**$ 385,000,000**	**$ 369,218,639**	**$ 13,411,453**

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

Section V			Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Cash and Investment Balance
132	Fire Truck Revolving Loan Program	**Fund # 572**	**$ 17,052,813**	**$ 14,698,298**	**$ 7,375,348**
8	Ambulance Revolving Loan Program	**Fund # 334**	**$ 415,920**	**$ 279,100**	**$ 3,946,018**

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

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

Section VI	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Program Limitations	Remaining Capacity
Environmental [Large Business]				
Issued through IFA	$ 16,585,000	$ 15,075,000		
Issued through IDFA	153,645,000	153,645,000		
Total Environmental [Large Business]	**$ 170,230,000**	**$ 168,720,000**	**$ 2,425,000,000**	**$ 2,256,280,000**
Environmental [Small Business]	$ -	$ -	**$ 75,000,000**	**$ 75,000,000**
Total Environment Bonds Issued under Act	**$ 170,230,000**	**$ 168,720,000**	**$ 2,500,000,000**	**$ 2,331,280,000**

Illinois Finance Authority Funds at Risk

Section VII	Original Amount	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015
Participation Loans			
Business & Industry	23,020,158	1,616,353	1,091,254
Agriculture	6,079,859	114,269	96,159
Participation Loans exluding Defaults & Allowances	**29,100,017**	**1,730,622**	**1,187,413**
Plus: Legacy IDFA Loans in Default		**858,458**	**843,173**
Less: Allowance for Doubtful Accounts		**1,002,182**	**976,359**
Total Participation Loans		**1,586,898**	**1,054,227**
Local Government Direct Loans	**1,289,750**	**157,689**	**126,000**
Rural Bond Bank Local Government Note Receivable			**20,197,037**
FmHA Loans	**963,250**	**227,046**	**206,495**
Renewable Energy [RED Fund]	**2,000,000**	**1,396,598**	**1,278,433**
Total Loans Outstanding	**34,353,017**	**3,368,231**	**22,862,191**

IRBB funds were defeased and transferred into a note receivable with the IFA.

Higher Education Loan Act (110 ILCS 945 or "HELA")

Section VIII	Principal Outstanding June 30, 2015	Principal Outstanding September 30, 2015	Statutory Debt Limitation	Remaining HELA Debt Limitation
Midwestern University Foundation - Student Loan Program Revenue Bonds	**$ 15,000,000**	**$ 15,000,000**	**$ 200,000,000** [d]	**$ 185,000,000**

[a] Total subject to change; late month payment data may not be included at issuance of report.
[a] June 30, 2015 totals subject to change; the bonds will be reconciled with the Illinois Office of the Comptroller.
[b] State Component Unit Bonds included in balance.
[c] Does not include Unamortized issuance premium as reported in Audited Financials.
[d] Program Limitation reflects the increase to $3 billion effective 01/01/2010 under P.A. 96-103.
[e] Program Limitation reflects the increase from $75 million to $225 million effective 01/01/2010 under P.A. 96-103.
[f] Beginner Farmer Bonds are currently updated annually; new bonds will be added under the Illinois Finance Authority when the bond closes.
[g] Midwestern Disaster Area Bonds - Illinois Counties eligible for Midwest Disaster Bonds included Adams, Calhoun, Clark, Coles, Crawford, Cumberland, Douglas, Edgar, Hancock, Henderson, Jasper, Jersey, Lake, Lawrence, Mercer, Rock Island, Whiteside and Winnebago.
[h] Recovery Zone Facility Revenue Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]
[i] Includes EPA Clean Water Revolving Fund

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

IFA
ILLINOIS FINANCE AUTHORITY

PRELIMINARY AND UNAUDITED

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: October 8, 2015
Re: Monthly Procurement Report

CONTRACTS EXECUTED

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Illinois Procurement Code-CPO Small Purchase Approvals							
Financial Services/Compliance Reporting	Bloomberg Finance, LP	2	10/15-09/17	$ 42,000	$ 24,000	$ 24,000	$ 24,000
Typesetting Services for FY15 CAFR	RR Donnelley	5 mos	10/15-02/16	$ 23,000	$ 22,000	$ 22,000	$ 22,000
Printing Services for FY15 CAFR	3rd Coast Imaging	5 mos	10/15-02/16	$ 2,380	$ 2,150	$ 2,150	$ 2,150

CONTRACTS PENDING EXECUTION

Services Provided	Vendor	Proposed Initial Term (Yrs)	Estimated Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Debt Management Software Application (*CRITICAL FOR FY16 AUDITS)*	Technology Partnership Group, Inc.	3	12/15-11/18	$ 552,250	N/A	N/A	N/A

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: October 8, 2015
Re: Monthly Procurement Report

EXPIRED AND EXPIRING CONTRACTS

Services Provided	Vendor	Previous Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Marketing Services (Expired 8/31/15)	Marj Halpern	3	09/12-08/15	$ 225,000	$ 225,000	$ 225,000	$ 75,000
Marketing Services (Expired 8/31/15)	Hill Knowlton	3	09/12-08/15	$ 225,000	$ 225,000	$ 225,000	$ 75,000
Professional and Artistic/CPA Services (New Market Tax Credit Consultant) (Expired 8/31/15)	Baker Tilly	2	09/13-08/15	$ 40,000	$ 40,000	$ 40,000	$ 40,000
Legislative Services (Expired 9/30/15)	Howard Kenner Government Consulting	3 mos	07/15-09/15	$ 15,000	$ 60,000	$ 60,000	$ 60,000
Employee Benefits and Payroll Services (Expires 10/31/15)	ADP TotalSource, Inc.	2 mos	09/15-10/15	$ 49,900	$ 49,900	$ 49,900	$ 233,000
Energy Efficiency Projects-No Fee to IFA (Expires 10/14/15)	Hill Mechanical Group	5	10/10-10/15	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA (Expires 10/17/15)	Utilities Dynamics, Inc.	5	10/10-10/15	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA (Expires 10/31/15)	Johnson Controls, Inc.	5	11/10-10/15	$ -	n/a	n/a	n/a

ACTIVE SOLICITATIONS

Amounts are estimated and unaudited

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals							
Specialty Accounting/Audit Services	TBD	2	01/16-12/17	n/a	$ -	$ -	$ -

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED

To: Illinois Finance Authority Board of Directors
From: Melinda M. Gildart, Chief Financial Officer
Date: October 8, 2015
Re: Monthly Procurement Report

UPCOMING SOLICITATIONS

Amounts are estimated and unaudited

Services Provided	Vendor	Proposed Initial Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Legislative Services	See expired/expiring contracts	-	-	n/a	$ 180,000	$ 180,000	$ 60,000
Employee Benefits and Payroll Services	See expired/expiring contracts	-	-	n/a	$ 233,000	$ 233,000	$ 233,000
IT Software Support and Temporary Staffing	Anticipated award Nov 2015	2	11/15-10/17	n/a	$ -	$ -	$ -
IT Network Support	Anticipated award Dec 2015	3	01/16-12/18	n/a	$ 90,000	$ 90,000	$ 30,000
Typesetting and Printing Services	Anticipated award Dec 2015	3	01/16-12/18	n/a	$ 40,000	$ 40,000	$ 40,000
Financial Advisory Services (State Revolving Fund)	Anticipated award Feb 2016	3	03/16-02/19	n/a	$ -	$ -	$ -
Marketing Services	Anticipated award Mar 2016	3	03/16-02/19	n/a	$ 300,000	$ 179,276	$ 89,638
Insurance Broker	Anticipated award June 2016	3	06/16-06/19	n/a	$ 68,700	$ 68,700	$ 22,900
IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals							
Loan Management and Paying Agent/Custodian Services	Anticipated award Dec 2015	1	01/16-12/16	n/a	$ 110,000	$ 158,662	$ 52,887
Financial Deposit Institution/Cash Management	Anticipated award Dec 2015	5	01/16-12/20	n/a	$ 105,000	$ 105,000	$ 105,000
Professional and Artistic/CPA Services (New Market Tax Credit Consultant)	Anticipated award Feb 2016	3	03/16-02/19	n/a	$ 40,000	$ 40,000	$ 40,000
Investment Advisor and/or Mgmt Services	Per BOD Direction	2	n/a	n/a	n/a	n/a	n/a

For comparison purposes only. Includes only the initial term, not renewals.

ILLINOIS FINANCE AUTHORITY
MEMORANDUM

PRELIMINARY AND UNAUDITED

To:	Illinois Finance Authority Board of Directors
From:	Melinda M. Gildart, Chief Financial Officer
Date:	October 8, 2015
Re:	Monthly Procurement Report

UPCOMING RENEWALS

Services Provided	Vendor	Proposed Renewal Term (Yrs)	Start/End	Estimated NTE Value	Prior Contract NTE Value	Prior Contract Expense	Avg Yrly Prior Contract Expense
Illinois Procurement Code-Competitive Bids/Proposals							
Energy Efficiency Projects-No Fee to IFA	Ameresco, Inc.	5	11/15-11/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Honeywell International, Inc.*	5	11/15-11/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Kenny Construction*	5	11/15-11/20	$ -	n/a	n/a	n/a
Energy Efficiency Projects-No Fee to IFA	Noresco, LLC*	5	11/15-11/20	$ -	n/a	n/a	n/a
Insur. Broker: Energy Efficiency Projects-No Fee to IFA	Mesirow Insurance Services, Inc.	5	10/15-10/20	$ -	n/a	n/a	n/a
Insur. Broker: Energy Efficiency Projects-No Fee to IFA	AON Risk Services Central, Inc.	5	11/15-11/20	$ -	n/a	n/a	n/a
****Per the direction of the Executive Director, these contracts will not be renewed.***							
IFA Exemption for Professional and Artistic, Legal or Financial Services-Competitive Bids/Proposals							
Legal Services-Master Legal Pool Contract/Approved Counsel	Various (Pool comprised of 38 firms)	1	02/16-01/17	$ 750,000	$ 1,500,000	$ -	$ -

PROPOSED CHANGES TO IFA PROCUREMENT POLICY

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

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Lorrie Karcher and Patrick Evans

Date: October 8, 2015

Re: Overview Memo for Beginning Farmer Bonds

- **Borrower/Project Name:** Beginning Farmer Bonds
- **Locations:** Throughout Illinois
- **Board Action Requested:** Final Bond Resolution for the attached projects
- **Amount:** Up to $517,700 maximum of new money for each project
- **Project Type: Beginning Farmer Revenue Bonds**
- **Total Requested: $174,000**
- **Calendar Year Summary:** (as of October 8, 2015)
  - Volume Cap: $10,000,000
  - Volume Cap Committed: $2,931,702
  - Volume Cap Remaining: $7,068,298
  - Average Farm Acreage: 52
  - Number of Farms Financed: 12
- **IFA Benefits:**
  - **Conduit Tax-Exempt Bonds –** no direct IFA or State funds at risk
  - **New Money Bonds:**
    - Convey tax-exempt status
    - Will use dedicated 2015 IFA Volume Cap set-aside for Beginning Farmer Bond transactions
- **IFA Fees**:
  - One-time closing fee will total 1.50% of the bond amount for each project
- **Structure/Ratings:**
  - Bonds to be purchased directly as a nonrated investment held until maturity by the Borrower's bank (the "Bank")
  - The Bank will be secured by the Borrower's assets, as on a commercial loan
  - Interest rates, terms, and collateral are negotiated between the Borrower and the Bank, just as with any commercial loan
  - Workouts are negotiated directly between each Borrower and Bank, just as on any secured commercial loan
- **Bond Counsel:** **Burke, Burns & Pinelli, Ltd.**
  Stephen F. Welcome, Esq.
  Three First National Plaza, Suite 4300
  Chicago, IL 60602

A. Project Number:	**30356**
Borrower(s):	**Bradley A. Legg & Nina K. Legg**
Borrower Benefit:	First Time Land Buyer
Town:	Wayne City, IL
IFA Bond Amount:	**$174,000**
Use of Funds:	Farmland – 58 acres of farmland
Purchase Price:	$174,000 / $3,000 per acre
%Borrower Equity	0%
%IFA	100%
%Other	0%
Township:	Four Mile
Counties/Regions:	Wayne / Southern
Lender/Bond Purchase:	Fairfield National Bank / Richard Talbert
Legislative Districts:	Congressional: 15
	State Senate: 55
	State House: 109

Principal shall be paid annually in installments determined pursuant to a Twenty 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 twentieth and final payment of all outstanding balances due twenty years from the date of closing.

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: October 8, 2015

Re: Resolution Confirming and Restating the Preliminary Bond Resolution Approved August 7, 2007 with Respect to the Issuance of Qualified Freight Transfer Facilities Revenue Bonds for the Benefit of CenterPoint Joliet Terminal Railroad LLC and its Successors, Affiliates, and Assigns for the eligible costs relating to development of the CenterPoint Joliet Intermodal Center Project and Related Costs in an Aggregate Principal Amount Now Estimated Not-to-Exceed $1,137,000,000

Request

CenterPoint Joliet Terminal Railroad LLC and its successors, affiliates, and assigns (the "**Borrower**"), a special purpose affiliate of CenterPoint Properties Trust, a private Real Estate Investment Trust ("REIT") based in Oak Brook, Illinois ("**CenterPoint**", is requesting approval of the accompanying Resolution that "confirms and restates the Preliminary Bond Resolution" originally approved by the Illinois Finance Authority (the "**Authority**" or "**IFA**") Board of Directors at the August 2007 Board Meeting.

The subject Resolution will restate and provide continuing approval regarding bond financing for the Project and also authorize the Executive Director (i) to cause a TEFRA Public Hearing Notice (the "Notice") for continuing development of the Project to be published and (ii) to cause a TEFRA Public Hearing to be held pursuant to the Notice, as published. *The Resolution is attached as* ***Exhibit I***.

Background on the August 2007 Preliminary Bond Resolution and Scope of the CenterPoint Intermodal Center – Joliet Project

Pursuant to the original August 2007 Preliminary Bond Resolution, the IFA Board of Directors approved an application by the Borrower to issue one or more series of conduit tax-exempt Freight Transfer Facilities Revenue Bonds through the Authority in an aggregate amount not-to-exceed $1,137,000,000 (One Billion One Hundred Thirty Seven Million Dollars) to assist in financing a multi-phase project (the "**Project**") located on an original site footprint of approximately 3,400 acres over an initial estimated development period of at approximately 10 years. The Project consists of a state-of-the-art intermodal logistics center and inland port. The Project is commonly known as CenterPoint Intermodal Center – Joliet.

The site of the Project (the "**Site**") is an approximately 4,000-acre tract of land located in the City of Joliet, Illinois that is generally bounded (i) on the east by the Chicago-St. Louis Union Pacific Main Line (located west of Illinois Route 53), (ii) on the south by Noel Road, and (iii) on the north and west by the Des Plaines River. The Site is located east of I-55 (the I-55/Arsenal Rd. interchange and ExxonMobil Joliet Refinery are located west of the Project). *A map of the general area is provided on p. 11 of the draft Board Summary Report to be presented November 12, 2015 Board Meeting and attached as Exhibit II to this memorandum.*

Development within the Site includes an 835-acre Class I railroad intermodal facility, 450 acres of onsite container/equipment management facilities and almost 20 million square feet of related industrial facilities. The intermodal facility facilitates the transfer of freight from truck-to-rail and from rail-to-truck. Warehouses and other trailer and container storage facilities related to such transfers have or will have loading docks, conveyor systems, cranes, and other related facilities and equipment intended to be eligible for financing as "*qualified surface freight transfer facilities*" (or facilities related and subordinate thereto) within the meaning of Section 142(m) of the Internal Revenue Code of 1986 (the "**Code**"), as amended. Proceeds of the Bonds will be used to finance or refinance a portion of the cost of acquiring the Site, together with costs of the site improvements, buildings, equipment, and other improvements included in the Project. (The focus of development of the warehousing and container storage facilities is for "temporary storage facilities" related directly to rail/truck and truck/rail transfer.)

For this multi-year, multi-phase project, IFA has issued $225 million of Bonds to date, including $150 million in December 2010 and an additional $75 million in September 2012. The Bonds issued to date have been used to take-out interim construction loans on a permanent basis. CenterPoint's multi-bank lending syndicate (led by SunTrust) has purchased the prior bond issues (effectively taking out taxable interim construction loan facilities provided by CenterPoint's banking syndicate).

Anticipated $150 Million Tranche for CenterPoint Intermodal Center – Joliet Project – Late 2015

The Borrower currently plans to initiate drafting bond documents in October and anticipates returning to the IFA Board in November or December 2015 for a Final Resolution for an amount not-to-exceed $150 million of New Money Bonds. Bond proceeds would be used to provide take-out financing on existing construction financing that is currently funded by CenterPoint's multi-bank syndicate, led by SunTrust. Additionally, the anticipated Final Bond Resolution would authorized a Supplemental Indenture to amend certain documents relating to the prior Series 2010 and Series 2012 Bonds to enable an interest rate adjustment, if deemed necessary or advisable by the Borrower.

CenterPoint currently anticipates issuing between $100 million and $150 million of Bonds in the 2015 tranche.

A draft copy of the IFA Board Summary Report to be presented in November or December in connection with the upcoming bond issue is attached as ***Exhibit II.***

As of July 29, 2015, US DOT advised CenterPoint that the Joliet Project presently has an unused conditional allocation from US DOT of $625 million available to finance the anticipated 2015 tranche and subsequent phases of development. The US DOT reserves the right to increase or decrease the conditional allocation over time.

Background on the U.S. Department of Transportation's ("US DOT") Private Activity Bonds for Qualified Highway or Surface Freight Transfer Facilities:

These Surface Freight Transfer Revenue Bonds are authorized under the Internal Revenue Code pursuant to the 2005 U.S. Transportation Bill, which authorized the U.S. Department of Transportation to allocate $15 billion of Private Activity Bond authorization to eligible privatized or privately-owned/managed/financed highway projects (including toll roads, toll bridges, and toll tunnels) and surface freight transfer projects (including rail-truck intermodal facilities).

Accordingly, the US DOT Private Activity Bond Program is a special, limited pilot program designed to facilitate privatized transportation infrastructure projects.

Eligible projects qualifying for US DOT Private Activity Bond financing include:

- Any highway or surface transportation project that receives partial funding with Title 23 Highway Grant Funds from US DOT. (Note: The CenterPoint Intermodal Center – Joliet project received Title 23 funding for interchange improvements and reconfiguration of the I-55/Arsenal Rd. interchange to increase capacity and minimize intersections.)
- Any facility for rail-to-truck and truck-to-rail freight transfer (including any temporary storage facilities directly related to such facilities) that receive US DOT Title 23 highway or Title 49 railroad grant assistance.
- Any project for an international bridge or tunnel for which an international entity manages under Federal or State law and that receive US DOT Title 23 grant assistance.

The US DOT is responsible for selecting and allocating portions of its $15 billion Private Activity Bond allocation (i.e., US DOT Bond Allocation) directly to projects. (The US DOT does not provide the allocation directly to States or to the Conduit Bond Issuer.) Accordingly, CenterPoint has the ability to issue through any conduit issuer authorized to issue bonds at the project site (examples include the City of Joliet, any Home Rule Unit located within a 10-mile radius of the Site (e.g., Channahon; Elwood; Rockdale), the Will-Kankakee Development Authority, the Public Finance Authority of Wisconsin, and other national issuers with multi-state issuance authority).

CenterPoint Intermodal Center – Joliet – First and Only Intermodal Facility financed using US DOT Private Activity Bonds:

Notably, IFA and CenterPoint have been involved in the only Surface Freight Transfer (Intermodal) Facilities bond issues with Tax-Exempt US DOT Private Activity Bonds that have been closed and funded since inception of the US DOT PAB Program in 2006. All other projects have involved more traditional toll highway financing projects, including several tolled HOV lane projects (e.g., I-495 Capital Beltway HOT Lanes) and light rail projects (Denver Rapid Transit District).

Informational – IFA Inducement Activity to date for Surface Freight Transfer Facilities Revenue Bonds:

The IFA Board of Directors has approved Preliminary Bond Resolution/Inducement Resolutions for the following intermodal projects (in addition to the $1.137 billion approved for the subject CenterPoint Intermodal Center – Joliet as induced in August 2007):

1. $591 million for a proposed intermodal facility, near Wilmington (August 2006). As proposed, this project would involve development of an intermodal facility along the BNSF railroad, just west of I-55 and south of the Kankakee River, near Wilmington (Will County), approximately nine (9) miles south of CPT's Elwood Intermodal Center *(IFA Inducement Resolution approved: August 2006)*.
2. $505 million for a proposed intermodal facility in Crete, Illinois, located near Illinois Hwy. 394 and Illinois Hwy. 1 *(IFA Inducement Resolution approved: March 2007).*
3. $576 million for a proposed intermodal facility in Seneca (Grundy County), Illinois *(IFA Inducement Resolution approved: January 2010).*

Two of these projects subsequently obtained conditional PAB allocations from US DOT (although development was subsequently deferred by each developer). In 2012, IFA-induced projects comprised three of nine conditionally allocated projects nationally by US DOT (representing $2.3 billion of $4.9 billion of pending allocations awarded at that time).

Again, each Project is responsible for obtaining (i) US DOT Title 23 or Title 49 grant funding through the Illinois Department of Transportation, (ii) a US DOT commitment to provide Private Activity Bond allocation for the Project, and (iii) ultimately, (a) a credit rating, bond insurance, or other credit enhancement to enable bonds to be sold into the public markets, or (b) a commitment to purchase the proposed Private Activity Bonds from an investment bank or commercial bank.

The US DOT allocation awards to each project developer are conditional. The US DOT allocation awards may be increased or decreased at the discretion of US DOT.

Employment Impact – as reported by CenterPoint to IFA:

Over the anticipated development cycle of the Project, CenterPoint has forecast over 16,600 jobs will result from development of the Project upon completion including:

- 6,200 Union Construction Jobs during the various construction phases out of the Project
- 5,400 Permanent Industrial Park and Intermodal Facility Jobs
- 3,100 Permanent Trucking Jobs
- 1,900 Indirect and Induced Jobs

CenterPoint reports a current full-time employment impact of 6,825 jobs as of September 2015 comprised of the following:

- 2,500 Union Construction Jobs
- 1,575 Permanent Industrial Park and Intermodal Facility Jobs
- 1,500 Permanent Trucking Jobs
- 1,200 Indirect and Induced jobs

CenterPoint also reports that 1,250 Union Construction Jobs (based on 2,000 man hrs. /job) have been created to date.

Comments on Reported Employment Information: CenterPoint has prepared these employment forecasts using proprietary data and has requested the Authority present the forecast and current employment information exactly as presented in their submission. Given the unique characteristics of the Project, including the multi-phase development cycle, along with the sophistication of the underlying developer (a private REIT controlled by institutional investors), CenterPoint has prepared employment forecasts and current job reports that reflect a significantly higher level of analytical rigor (e.g., estimating indirect/induced jobs) than can be reasonably expected by the majority of IFA borrowers (including family-owned manufacturing companies and non-rated 501(c)(3) non-profit entities that serve local communities).

Current US DOT Bond Allocation Pipeline: The US DOT reported the following project allocations and bond issues as of August 18, 2015 on its website:

PAB Pipeline (as of August 18, 2015)
US DOT PAB Allocation Limit: $15 billion

Project	PAB Allocation ($ in Thousands)
Bonds Issued	
Capital Beltway (I-495 HOT Lanes), Northern Virginia	$ 589,000
North Tarrant Express (I-820; TX 183; I-35W), Fort Worth, TX	400,000
I-635 Managed Lanes (LBJ Freeway), Dallas, TX	615,000
Denver Rapid Transit District - Eagle Project, Denver CO	397,835
CenterPoint Intermodal Center, Joliet, IL (Series 2010)	150,000
CenterPoint Intermodal Center, Joliet, IL (Series 2012)	75,000
Downtown/Midtown Tunnel Expansions/MLK Extension, Norfolk, VA	675,004
I-95 HOV/HOT Lanes, Northern Virginia	252,648
Ohio River Bridges - East End Crossing (I-265/KY 841), Louisville, KY	676,805
North Tarrant Express Segments (I-820; TX 183; I-35W), Fort Worth, TX	274,030
Goethals Toll Bridge Replacement (I-278), Staten Island, NY - Elizabeth, NJ	460,915
US 36 Managed Lanes, Denver Metro Area, CO	20,360
I-69 Section 5, Bloomington, IN to Martinsville, IN	243,845
Rapid Bridge Replacement Program, Pennsylvania	721,485
Southern Ohio Veterans Memorial Hwy (US 23/US52), Portsmouth, OH	227,355
I-77 Managed Lanes, Charlotte, NC	100,000
Subtotal - Bonds Issued - 14 Projects - 16 Bond Issues	***$ 5,879,282***
Allocations (Preliminary; subject to change)	
Knik Arm Crossing, Anchorage, AK	$ 600,000
*CenterPoint Intermodal Center, Joliet, IL *(*allocation reported as of June 29, 2015)*	625,000
TX Hwy. 288, Houston Metro Area, TX	600,000
Maryland Transit Admin. - Purple Line (Light Rail), Washington DC Metro, Maryland	1,300,000
All Aboard Florida (Passenger Rail), Florida	1,750,000
Subtotal - Conditional PAB Allocations - 5 Projects	***$ 4,875,000***
Grand Total - Bonds Issued or Allocated	***$ 10,754,282***

Attached Exhibits:

- **Exhibit I: Resolution to Confirm and Reaffirm August 2007 Preliminary Bond Resolution**
- **Exhibit II: Draft IFA Board Summary Report for Upcoming Series 2015 Bonds (for consideration in November or December 2015)**

Supplemental Information: Informational Videos on the CenterPoint Joliet/Elwood Intermodal Centers:

- **CenterPoint video:** type "CenterPoint Intermodal Center" into YouTube search box or use the following link: https://www.youtube.com/watch?v=qo7r4eBNjxY

- **Video from "Supply Chain Quarterly":** type "Supply Chain Quarterly CenterPoint Intermodal Video" into a search engine or use the following link:

  http://brightcove.vo.llnwd.net/e1/pd/1305187701/1305187701_2808702938001_CenterPoint-BC-H-264.mp4?pubId=1305187701&videoId=2808682321001

Exhibit I

IFA RESOLUTION NO. 2015-1008-BI02

A RESOLUTION CONFIRMING AND RESTATING THE PRELIMINARY APPROVAL OF THE ILLINOIS FINANCE AUTHORITY WITH RESPECT TO THE ISSUANCE OF QUALIFIED FREIGHT TRANSFER FACILITIES REVENUE BONDS FOR THE BENEFIT OF CENTERPOINT JOLIET TERMINAL RAILROAD LLC AND ITS SUCCESSORS, AFFILIATES, AND ASSIGNS, FOR THE PURPOSES SET FORTH HEREIN, IN AN AGGREGATE PRINCIPAL AMOUNT NOW ESTIMATED NOT TO EXCEED $1,137,000,000

WHEREAS, in July 2007 there was presented to the Illinois Finance Authority, a body politic and corporate of the State of Illinois (the "Authority"), by CenterPoint Joliet Terminal Railroad LLC, an Illinois limited liability company, and its successors, affiliates, and assigns (collectively, the "Borrower"), an application for the issuance of conduit Freight Transfer Facilities Revenue Bonds, in one or more series, by the Authority for the benefit of the Borrower in an aggregate amount estimated not to exceed One Billion One Hundred Thirty Seven Million and No/100 Dollars ($1,137,000,000) (the "Bonds"); and

WHEREAS, the Borrower's application for the issuance of the Bonds was made with respect to a "project" within the meaning of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "Act"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing a contemplated multi-phase project for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing infrastructure located generally on an approximately 4,000 acre site (including 1,400 acres of industrial buildings and between 15 to 20 million square feet of warehouse/light manufacturing facilities), including the acquisition of land, installation of infrastructure improvements and the construction of facilities for the transfer of freight, including without limitation rail facilities, warehouse and other storage facilities, cranes, loading docks and other equipment integral to the transfer of freight at a site located in an area generally west of the Union Pacific Railroad's Chicago-St. Louis mainline, west of Illinois Hwy. 53, south of both US Highway 6 and the Des Plaines River, and North of Arsenal Road/West Manhattan Road in unincorporated Will County, near the City of Joliet, Illinois. Additionally, bond proceeds may to used to finance the capitalization of any required reserve funds and capitalized interest; and for financing the payment of all or a portion of the costs of issuance of the Bonds, including the cost of any credit enhancement for the Bonds, all as permitted by the Act (collectively, the "Project"); and

WHEREAS, a determination was made by the Authority that its issuance of the Bonds for the Project would be consistent and in accord with the provisions and purposes of the Act; and

WHEREAS, on August 7, 2007, the Authority adopted a Preliminary Resolution (No. 07-08-23) (the "Preliminary Resolution"), approving the application of the Borrower and expressing the Authority's general intent to issue the Bonds, subject to the terms of subsequent, definitive bond resolutions; and

WHEREAS, in order to permit tax-exempt treatment of interest on the Bonds, the United States Department of Transportation (the "USDOT"), by letter dated September 29, 2009 (the "2009 Allocation Letter"), authorized the issuance of up to $1.34 billion of bonds for the Project to be treated as "qualified surface freight transfer facility bonds" in accordance with section 142(m) of the Internal Revenue Code; and

WHEREAS, on December 21, 2010, the Authority issued $150,000,000 in principal amount of its Surface Freight Transfer Facilities Revenue Bonds, Series 2010 (CenterPoint Joliet Terminal Railroad Project) (the "Series 2010 Bonds"), pursuant to the authority of a Bond Resolution of the Authority adopted on November 9, 2010 (No. 2010-1109-BI04), and lent the proceeds of the 2010 Bonds to the Borrower under the terms of a Loan Agreement between the Authority and the Borrower, dated as of December 1, 2010, in order to finance a portion of the Project; and

WHEREAS, on September 28, 2012, the Authority (i) issued $75,000,000 in principal amount of its Surface Freight Transfer Facilities Revenue Bonds, Series 2012 (CenterPoint Joliet Terminal Railroad Project) (the "Series 2012 Bonds"), in order to finance additional components of the Project, and (ii) restructured and reissued the outstanding Series 2010 Bonds, all pursuant to a Resolution of the Authority (No. 2012-0911-BI04) adopted on September 11, 2012, and the terms of a Loan Agreement between the Authority and the Borrower dated as of September 1, 2012; and

WHEREAS, the Borrower desires to finance additional components of the Project, including but not limited to additional warehouses for temporary storage and related roads and surface transportation improvements, consistent with the Project described in the Borrower's original application to the Authority, through the issuance by the Authority of additional Bonds, the specific terms of which will be described in subsequent bond resolutions of the Authority; and

WHEREAS, the USDOT has amended the 2009 Allocation Letter on several occasions, most recently in a letter dated June 29, 2015, which currently contemplates the aggregate issuance of up to $625 million of Bonds for the Project (with the ability to request additional issuing authority); and

WHEREAS, each of the Members of the Authority present is familiar with the form of this Resolution; and

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

Section 1. Continuing Approval. The Authority hereby restates and reconfirms the approval set forth in the Preliminary Resolution for the issuance of Bonds by the Authority to finance the Project.

Section 2. Adoption of Resolution. The Chairperson or Executive Director of the Authority or any person duly appointed and qualified by the Members to serve in this position on an interim basis) is authorized and directed to execute, and the Secretary or Assistant Secretary of the Authority is authorized to seal and attest to the adoption of this Resolution and to do any and all things necessary or desirable in order to carry out the intention of the parties expressed herein.

Section 3. Issuance of Bonds. Upon final determination of the details of the financing and provided that the Authority and the Borrower shall have agreed to mutually acceptable terms for the Bonds and the contracts, agreements, and proceedings related thereto, including, but not limited to one or more bond purchase agreements for the sale of the Bonds, the Authority will use all reasonable efforts to take the further steps necessary, including but not limited to the execution of said bond purchase agreement(s), to issue its Bonds (and, to the extent agreed upon between the Authority and the Borrower, to restructure and reissue some or all of the outstanding Series 2010 Bonds and Series 2012 Bonds) in one or more series for the benefit of the Borrower in order to finance or to refinance all or a portion of the Project in an aggregate amount estimated not-to-exceed One Billion One Hundred Thirty Seven Million and No/100 Dollars ($1,137,000,000).

Section 4. Expenditure Reimbursement. The Authority, on behalf of the Borrower, reasonably expects to reimburse out of the proceeds of the Bonds certain expenditures on costs of the Project made by the Borrower in anticipation of the issuance of the Bonds.

Section 5. Notice and Hearing. The Executive Director of the Authority (or any person duly appointed and qualified by the Members to serve in this position on an interim basis) is hereby authorized, empowered and directed to cause notice to the public of a public hearing on the plan of financing for the Project to be published, such notice to be published at a time and in a manner determined by him/her to be appropriate and at least fourteen (14) days prior to the date on which such public hearing is to be held, and the Executive Director of the Authority (or any officer, employee or agent of the Authority designated by the Executive Director or Interim Executive Director) is further authorized, empowered and directed to hold the public hearing referred to in said notice.

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Exhibit II

CONDUIT

$150,000,000 (Not-to-exceed amount – New Money Bonds)
CenterPoint Joliet Terminal Railroad, LLC
(CenterPoint Intermodal Center – Joliet Project)

November 12, 2015

REQUEST	**Purpose of anticipated November-December 2015 Request and Bond Issue:** Finance the acquisition of land, and construction and equipping of various capital improvements thereon at CenterPoint Intermodal Center in Joliet, Illinois, a rail-to-truck and truck-to-rail Intermodal facility generally located south and east of the Des Plaines River, east of the Burlington Northern Santa Fe Railway, north of Noel Road, and west of both Illinois 53 and the Union Pacific Railroad, and located within the corporate boundaries of the City of Joliet. Additionally, with respect to the heretofore issued Illinois Finance Authority Surface Freight Transfer Facilities Revenue Bonds, Series 2010 and Series 2012 (CenterPoint Joliet Terminal Railroad Project), this financing will authorize a Supplemental Indenture to amend certain documents relating to the Series 2010 Bonds and the Series 2012 Bonds (the "Prior Bonds"), if deemed necessary and desirable by the Borrower. **Project Description:** Finances construction, equipment, and bond issuance costs and provides permanent financing for CenterPoint Intermodal Center – Joliet. **Program**: Surface Freight Transfer Facilities Revenue Bonds [Special US Dep't. of Transportation ("US DOT") Private Activity Bond Program authorized under the 2005 Federal Transportation Act ("SAFETEA-LU").] **Volume Cap:** *No State of Illinois or IFA Private Activity Bond Volume Cap will be required.* CenterPoint Properties has applied for and received an allocation from the US DOT to use approximately $400 Million of Freight Transfer Facilities Revenue Bonds to develop and build-out qualified freight transfer facilities as allowed by law. CenterPoint has selected IFA to serve as the conduit issuer to issue bonds to finance this project with the US DOT allocation. **Extraordinary Conditions:** None
BOARD ACTIONS	For November-December 2015 Board Meeting: Final Bond Resolution requested to issue up to $150.0 million of New Money Bonds and approval of a Supplemental Indenture for the Prior Bonds, thereby enabling the Borrower to prospectively re-set the interest rate, combine series, and make other technical changes. Voting Records associated with (i) IFA Final Bond Resolution (2010-11-04) approved November 10, 2010 , (ii) IFA Final Bond Resolution (2012-0911-BI04) approved September 11, 2012, and (iii) IFA Preliminary Bond Resolution (07-08-23) approved August 7, 2007 are reported on p. 3 of this report. *(The voting record for IFA Resolution to Confirm and Restate to be considered October 8, 2015 will be added to this report when it is updated in connection with presentation for final consideration in November or December 2015.)*
MATERIAL CHANGES	Private Placement Structure with a multi-bank syndicate placed by SunTrust Robinson Humphrey with SunTrust Bank as the lead bank in the syndicate. No material changes in proposed structure from the September 2012 report.
JOBS DATA *(SEE P. 4 FOR ADDITIONAL DETAILS; 16,600+ JOBS OVER DEVELOPMENT CYCLE)*	6,825 — Current FT jobs; comprised of the following • 2,500 Union Construction Jobs • 1,575 Permanent Industrial Pk./Intermodal Facility Jobs • 1,550 Permanent Trucking Jobs • 1,00 Indirect/Induced Jobs N/A — Jobs Retained 16,600+ — Jobs over Project Development Cycle, comprised of: • 6,200 Union Construction Jobs • 5,400 Permanent Industrial Park and Intermodal Facility Jobs • 3,100 Permanent Trucking Jobs • 1,900 Indirect/Induced Jobs 1,250 — Construction Jobs to Date (i.e., 2,000 man hrs. / job)
BORROWER	• Type of entity: Special Purpose Entity (LLC) to own and develop the subject project for lease or resale to prospective tenants and/or purchasers as allowed under SAFETEA-LU
DESCRIPTION	• Location: Joliet, Illinois (Will County) • When was it established: Borrower was formed in 2007 as a special purpose entity to own and develop the subject intermodal rail/truck facility • What does the entity do: Real estate development company • Who does the entity serve: prospective tenants/users of Joliet Intermodal Center • What will new project facilitate: improved transportation and logistics efficiencies via truck and rail (Union Pacific Railroad and BNSF Railroad). • When was it established: Borrower was formed in 2007 as a special purpose entity to own and develop the subject intermodal rail/truck facility
CREDIT INDICATORS	• The Bonds will be privately placed to a syndicate of Banks (i.e., bank direct purchase structure) that finance CenterPoint Properties' Line of Credit.
PROPOSED STRUCTURE	The proposed Bonds will be Multi-Modal Bonds that will initially be privately placed by SunTrust Robinson Humphrey to a syndicate of Banks (i.e., bank direct purchases) led by SunTrust Bank. The purchasers (i.e., Banks, which are by definition "Accredited Investors") will be entirely responsible for structuring and securing their allocated ownership interest in the proposed Bond issue. Interest Rates: preliminary estimated range of 2.0% to 5.0%, depending on maturity Maturity: up to 40 years

SOURCES & USES - ESTIMATED

Sources:		**Uses:**	
IFA Series 2010 Bonds:	$ 150,000,000	Project Costs for Reimbursement:	$ 325,000,000
IFA Series 2012 Bonds:	75,000,000	Future Project Costs	934,910,000
IFA Series 2015 Bonds	100,000,000	Costs of Issuance - Series 2010	815,000
Future IFA Bonds (per Confirmed 2015 Resol.)	812,000,000	Costs of Issuance - Series 2012	190,000
Equity/Match:	124,105,000	Costs of Issuance - Series 2015	190,000
Total:	**$ 1,261,105,000**	**Total:**	**$ 1,261,105,000**

RECOMMENDATION — Credit Review Committee recommends [__________].

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
November 12, 2015

Project: CenterPoint Joliet Terminal Railroad, LLC (CenterPoint Intermodal Center – Joliet Project)

STATISTICS

IFA Project:	I-FRT-TE-CD-_____ (New #)	Amount:	$150,000,000 (not-to-exceed amount for 2015 tranche; preliminary estimated 2015 issuance is $100,000,000)
Type:	Surface Freight Transfer Facilities Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Joliet	County/ Region:	Will/Northeast

BOARD ACTION

[**For November/December 2015:** Final Bond Resolution for New Money Series 2015 Bonds and approval of Supplemental Indenture for Prior Bonds]

Conduit Freight Transfer Facilities Revenue Bonds (Tax-Exempt)	Credit Review Committee recommends [__________]
No IFA funds at risk	No extraordinary conditions

Note: CenterPoint obtained (i) the requisite allocation from the US DOT, and (ii) a commitment from US DOT for transportation grant funds under Title 23 (highway improvements for I-55/Arsenal Road interchange and other highway improvements) through the Illinois Department of Transportation, thereby satisfying both requirements to issue tax-exempt bonds for the Project.

PURPOSE

The overall project involves the acquisition of land, construction of rail improvements, and the construction of all or a portion of an estimated 15 million SF to 20 million SF of related warehousing and distribution facilities (up to 1.5 million SF each) and related infrastructure located generally on an approximately 4,000-acre site (including approximately 940 acres for two intermodal rail yards) located west of the Union Pacific mainline (Chicago-Springfield-St. Louis line), north of Noel Road and south and east of the Des Plaines River, within the limits of the City of Joliet in Will County.

Certain portions of these intermodal and logistics park facilities are intended to qualify for federally tax-exempt Freight Transfer Facility Revenue Bonds and Highway Infrastructure Facilities Revenue Bonds under a surface transportation finance initiative approved in late 2005 and implemented in early 2006 by the U.S. Department of Transportation.

Approval of the Resolution would also authorize CenterPoint to reset the interest rate and make other technical changes to the IFA Series 2010 and IFA Series 2012 Bonds (the "Prior Bonds") if deemed necessary or desirable by the Borrower. Changes authorized by the Supplemental Indenture are expected to result in a reissuance of the Prior Bonds for tax purposes and the issuance of the new IFA Series 2015 Bonds will require a new TEFRA Hearing.

IFA CONTRIBUTION

Although the subject Bonds will be issued on a tax-exempt basis for a for-profit entity, Freight Transfer Facility Revenue Bonds and Highway Infrastructure Facilities Revenue Bonds will not require any State of Illinois or IFA Volume Cap. Instead, authorization requests for Tax-Exempt Freight Transfer Facility Revenue Bonds are allocated directly to each project by the US DOT, subject to an initial $15 billion national limitation over the life of the program pursuant to 2005's SAFETEA-LU Act. CenterPoint previously obtained a direct allocation which applied to the Prior Bonds and of which approximately $400 million remains, such allocation being received from the US Department of Transportation to enable tax-exempt bonds to be issued for the development of the CenterPoint Intermodal Center – Joliet project.

CenterPoint has selected IFA to serve as the conduit issuer for its Joliet Intermodal facility project thereby conveying tax-exempt status on bonds issued to permanently finance qualified improvements located at the project site.

VOTING RECORD

[Resolution [considered/approved] October 8, 2015 to Confirm and Restate the August 7, 2007 Preliminary Bond Resolution:
- Ayes: (_); Nays: (_); Abstentions: (_); Absent: (_); Vacancies:]

Prior Final Bond Resolutions:

- IFA Resolution No. 2010-11-04 approved November 9, 2010 (authorized the issuance of up to $200.0 million of Bonds in one or more series): Ayes: 10; Nays: 0; Abstentions: 1 (Gold); Absent: 4 (Bronner, DeNard, Fuentes, Herrin); Vacancies: 0

- IFA Resolution No. 2012-0911-BI04 approved September 11, 2012 (authorized issuance of up to $80.0 million of IFA Bonds in one or more series): Ayes: 9; Nays: 0; Abstentions: 1 (Gold); Absent: 2 (Fuentes, Leonard) ; Vacancies: 3

Preliminary Bond Resolution No. 07-08-23 approved August 7, 2007:
- Ayes: 10; Nays: 0; Abstentions: 0 Absent: 4 (Boyles; Fuentes; Herrin; Rivera); Vacancies: 1

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	*IFA Ser. 2010 Bonds	$150,000,000	Uses:	Reimbursement of Prior Costs	$325,000,000
	*IFA Ser. 2012 Bonds	75,000,000		Future Project Costs	934,910,000
	IFA Ser. 2015 Bonds	100,000,000		Issuance Costs – Series 2010	815,000
	Future IFA Bonds	812,000,000		Issuance Costs – Series 2012	190,000
	Equity	124,105,000		Issuance Costs – Series 2015	190,000
	Total	**$1,261,105,000**		**Total**	**$1,261,105,000**

*** Note:** In connection with the Resolution for the New Money Series 2015 Bonds, CenterPoint is also requesting approval of a Supplemental Indenture that would amend various document terms relating to the Prior Bonds.

Comment: These amounts represent not-to-exceed amounts for the anticipated multi-year, multi-series issue of projects to be financed as required by US DOT.

Although CenterPoint has 5 years to expend bond proceeds under this Program (after issuing a new tranche of bonds), CenterPoint has determined it more advantageous to issue bonds to reimburse expenditures following completed project build-outs every one to two years.

Related Title 23 Assistance: In addition to the improvements described above, federal "Title 23" funds have been used to finance certain bridge improvements in the south and southeast corner of the Project site and various improvements to I-55 to the west of the Project, in both cases so as to improve access to the Project and accommodate the increased traffic resulting from the Project.

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JOBS

Current Employment:	6,825 (Full-Time) comprised of: • 2,500 Union Construction Jobs • 1,575 Permanent Industrial and Intermodal Facility Jobs • 1,550 Permanent Trucking Jobs • 1,200 Indirect and Induced Jobs	Total Jobs Forecast Over Project Development Cycle:	16,600+ comprised of: • 6,200 Union Construction Jobs (through completion) • 5,400 Permanent Industrial and Intermodal Facility Jobs • 3,100 Permanent Trucking Jobs • 1,900 Indirect and Induced Jobs
Jobs Retained:	Not applicable	Construction Jobs to date *(supplemental info.)*	1,250 Union Construction Jobs to date (based on 2,000 man hrs. / job)

Current Jobs - Note:

CenterPoint currently reports a total of 6,825 new and construction jobs (based on the breakdown reported above). In comparison, CenterPoint reported 220 FT jobs in November 2010 (at the time of approval of the first Final Bond Resolution), and 4,175 FT jobs in September 2012 (at the time of approval of the second tranche of IFA Bonds).

FINANCING SUMMARY

The proposed Bonds will continue to be issued in multiple series over time (i.e., tranches), as dictated by demand/build-out over the anticipated additional 5-10 year development period. CenterPoint anticipates that each tranche will be financed according to the following proposed terms:

Structure:	Multi-Modal Bonds that will be underwritten (and are expected to be privately placed in a Bank-held Mode at the time of initial sale) by SunTrust Robinson Humphrey. The Multi-Modal Bonds will initially bear interest in a Bank Rate, in which the Bonds will be purchased by SunTrust Bank, as Agent, in a private placement for a syndicate of financial institutions for an initial anticipated term of 5 years. Bond payments will be amortized over 40 years. The Bonds will be subject to extension and an interest rate reset periodically (or as amended) until maturity while in Bank Purchase Mode, consistent with a bank commercial loan structure.
Bank Security/Collateral:	The purchasing Banks are Accredited Investors and are solely responsible for assuring their financing commitment (i.e., bond purchase) is adequately collateralized.
Credit Ratings:	Not applicable since the Bonds will be purchased directly by the Banks as a direct investment. The LLC is a non-rated entity.
Collateral:	Confidential – to be negotiated and finalized directly with the Banks that purchase participation interests.
Proposed Interest Rate Mode:	Initial 5 year fixed rate with reset and extension provisions every 5 years until the final maturity date.
Estimated Interest Rate:	Could range from 2.00% fixed to 5.00% fixed, depending on maturity (as negotiated with the members of the banking syndicate).
Amortization:	approx. 40 years (dependent on useful-life calculation)
Final Maturity Date:	approx. 40 years (dependent on useful-life calculation)
Anticipated Closing Date:	December 2015

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION AND APPROVAL OF SUPPLEMENTAL INDENTURE)

Bond proceeds will be issued in one or more Series and used by CenterPoint Joliet Terminal Railroad, LLC (together with any successors, affiliates, and assigns, the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds for the purpose of assisting in financing infrastructure located generally on an approximately 4,000 acre site (including 1,400 acres of industrial buildings and between 15 to 20 million square feet of warehouse/light manufacturing facilities) including the acquisition of the subject land, installation of infrastructure improvements and the construction of facilities for the transfer of freight including, without limitation, rail facilities, warehouse and other storage facilities, cranes, loading docks and other equipment integral to the transfer of freight at a site located in an area generally west of the Union Pacific Railroad's Chicago-St. Louis mainline, west of Illinois Hwy. 53, south and east of both US Highway 6 and the Des Plaines River, and north of Noel Road, within the City of Joliet, in Will County, Illinois. Additionally, bond proceeds may be used to finance the capitalization of any required reserve funds and capitalized interest; and for financing the payment of all or a portion of the costs of issuance of the Bonds (collectively, the "**Project**").

Finally, the Resolution will authorize a Supplemental Indenture and related documents to the $225.0 million outstanding Series 2010 Bonds and Series 2012 Bonds that would enable the Borrower to re-set the interest rate, potentially combine the Prior Bonds into a single series) and authorize and approve certain other changes that could result in a reissuance of the Prior Bonds for tax purposes, if deemed necessary and desirable by the Borrower.

Estimated project costs relating to the overall build-out of the CenterPoint Joliet Terminal Railroad, LLC project are as follows:

Land Acquisition:	$238,000,000
New Construction:	986,910,000
Equipment:	35,000,000
Total	**$1,259,910,000**

BUSINESS SUMMARY

Description: **CenterPoint Joliet Terminal Railroad, LLC** (together with any successors, affiliates, and assigns, the **"Borrower**") is an Illinois Limited Liability Company formed on April 11, 2007 as a special purpose entity to own and develop the subject freight intermodal facility and logistics park in the City of Joliet, Will County.

The sole Member of the Borrower is **CenterPoint Properties Trust ("CPT")**, a private Maryland Real Estate Investment Trust. CPT is 99% beneficially owned by **CalEast Global Logistics LLC ("CalEast"),** a leading investor in logistics warehouse and related real estate.

CalEast Global Logistics LLC is owned by the **California Public Employees Retirement System ("CalPERS")** and **GIP Co-Investor LLC**, an affiliate of GI Partners (see Economic Disclosure Statement on page 9).

Background on CenterPoint Properties Trust: CPT was originally formed in 1984 as Capital and Regional Properties Corporation. CPT became a publicly traded REIT in 1993 after consolidating with FCLS Investors Group, a Chicago-based industrial development company with 30 years of local development experience.

In March 2006, after 12 years as a public company, CPT was purchased and taken private by CalEast Global Logistics. CalEast is a leading investor in logistics warehouse and related real estate and is a joint venture of CalPERS and GI Partners.

CalPERS is the nation's largest pension fund, with approximately $289 billion in assets. Established in 2001, GI Partners is a leading private investment firm focused on investments in asset-backed businesses and properties in North America and Western Europe with approximately $8.4 billion of capital under management. The firm is active in a number of key sectors, including asset-backed IT services, specialty healthcare and education, leisure, commercial real estate, hospitality, retail, and financial services.

CPT's mission is focused on the development, ownership, and active management of industrial real estate and related rail, road, and port infrastructure.

CPT is the largest owner, manager, and developer of industrial real estate in metropolitan Chicago with 21 branded business parks. Along with its affiliates, CPT owns and manages more than 52 million SF of industrial/warehousing space. CPT has an additional 4,600 acres of land available for future development, of which 3,100 acres in located in the Chicago metropolitan area.

Aside from its intermodal facilities under development in Joliet and Elwood, CPT has an extensive track record of developing successful industrial and warehousing projects in Illinois and SE Wisconsin, including the Ford Chicago Manufacturing Campus (Chicago), International Produce Market (Chicago), O'Hare Express Center and O'Hare Express North (Chicago), California Avenue Business Center (Chicago), McCook Business Center I and II (McCook), BNSF Logistics Park Chicago (Elwood), DuPage National Technology Park (West Chicago), and several other business parks located in Illinois, SE Wisconsin, NW Indiana, Missouri, Georgia, Texas, California and New Jersey.

Chicago's Role as a Logistics Center for the Central U.S.:

Intermodal facilities provide for the efficient, direct transfer of goods between ship, rail, or truck. Essentially, intermodal logistics parks are "inland ports" that allow customers to seamlessly ship goods long-haul from the U.S. coasts inland by rail for distribution by truck. Additionally, industrial land adjacent to intermodal facilities allows warehouse/light manufacturing customers to perform bulk breakdown operations, and/or to repackage or assemble products before final delivery by truck to regional warehouses and/or stores.

The Chicago Metropolitan Area has emerged as the largest inland port/freight transfer center in the United States. Currently, the Chicago area supports 1.4 billion SF of industrial property, making the Chicago region one of the largest and most diverse industrial property markets in the U.S.

The Chicago area is also an ideal location for the development of intermodal facilities – it is the only location in the US where all six of the North American Class I railroads intersect. The Class I railroads serving the Chicago area include: (1) Burlington Northern Santa Fe, (2) Canadian National/Soo Line, (3) Canadian Pacific, (4) CSX, (5) Norfolk Southern, and (6) the Union Pacific.

According to CenterPoint, improved productivity/logistics in the Chicago area is important since approximately 60% of freight traveling inland from the coasts either stops in Chicago, or travels through Chicago to other markets. Although it takes only two days for freight to be shipped from the coasts, it can take four days for this rail traffic to move through the City of Chicago.

Development of intermodal facilities around the outer suburbs of Chicago will help reduce rail bottlenecks, reduce truck traffic in the City of Chicago as well as create a more efficient supply chain for goods traveling inland from the coasts.

Development of intermodal facilities in the Chicago metropolitan area will expand the region's effective rail capacity and will also help maintain the Chicago area's status as the key inland rail hub in the Central U.S.

US DOT Freight Transfer Project Allocations:

The US Department of Transportation has sole discretion in determining which surface transportation (i.e., private highways, intermodal facilities, and international bridges) receive a portion of US DOT's national $15 Billion allocation of bond issuance authority over the life of this pilot programs initiated under the 2005 Transportation Bill (i.e., "SAFETEA-LU"). Additionally, all qualifying projects must receive either Title 23 Highway Funds or Title 49 Railroad Grant Funds from US DOT (through IDOT). The CenterPoint Intermodal Center – Joliet project has been supported by Title 23 Highway Funds that have funded various improvements (including, most notably, reconfiguration of the I-55/Arsenal Rd. interchange located west of the Project Site).

Rationale for the Joliet

Intermodal Facility: The CenterPoint Intermodal Center - Joliet Project is an approximately 4,000-acre state-of-the-art intermodal logistics center and inland port. The logistics center creates a closed campus environment by co-locating distribution centers, an intermodal facility, container storage yards, and export facilities all in one campus. This provides significant logistics and supply chain advantages to companies that locate at the campus. At full build out, development within the park will include an 835-acre Class I railroad intermodal facility, 450 acres of onsite container/equipment management and approximately 15 to 20 million square feet of industrial facilities. The project will provide critical transportation capacity for the region and distribution efficiencies for customers, while meeting local community, County and State interests through the creation of approximately 16,600 jobs and millions in new tax revenues.

The subject property site is located approximately:

- 2 miles east of I-55 and the I-55/Arsenal Road interchange;
- 2 miles south of I-80;
- 2 miles west of Illinois Hwy. 53;
- 16 miles west of I-57; and
- Approximately 2 miles north of the CenterPoint Intermodal Center – Elwood.

The CenterPoint Intermodal Center – Joliet has been planned to accommodate goods shipped via both the Union Pacific and BNSF (from the West Coast and Southwest) and, possibly, the Norfolk Southern Railroad from the southeast.

Public benefits of the CenterPoint Intermodal Center – Joliet project include:

1. The Project will help absorb the unmet demand for new Midwestern rail served warehouse/distribution centers, intermodal, and trans-load facilities due to (a) massive increases in the volume of containerized import shipments (b) the increased importance of efficient logistics in transporting products to final destinations.
2. Tax-Exempt Bond Financing will facilitate a lower cost of occupancy that will attract prospective industrial park tenants to Illinois rather than to Indiana or Missouri.
3. Project-related roadway and interchange improvements to the I-55/Arsenal Road interchange, Arsenal Road (the primary access road serving CenterPoint's existing Elwood intermodal facility and also CenterPoint's proposed Joliet intermodal facility), Illinois Hwy 53, and access from the north from connecting roads to I-80, and other surrounding roads will provide superior truck access to the project(s) and encourage peripheral users to locate nearby.
4. The CenterPoint Intermodal Center – Joliet Project will generate property tax revenue for the City of Joliet, and local taxing jurisdictions, and income tax revenue for the State of Illinois.

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Development Timetable: Some key benchmarks in CPT's development and financing timetable for Phase I of the CenterPoint Intermodal Center – Joliet include the following:

Completed/Ongoing Activities:

- 2006: Land acquisition for the project began
- Early 2007 (and ongoing): Initial discussions with US DOT and IDOT regarding Title 23/Title 49 Funding
- January 2007: Engineering work commenced by TranSystems Corporation of Kansas City, MO and Cowhey Gundmundson Leder of Itasca, IL
- August 2007: Illinois Finance Authority Board of Directors approves a Preliminary Bond Resolution for CenterPoint's Joliet Intermodal Facility (not-to-exceed amount: $1.34 billion)
- September 2007: Submitted application for the US DOT Private Activity Bond Allocation to the Secretary of the US Department of Transportation
- June 2008: Public water and sewer utility construction commenced
- July 29, 2008: Rezoning to allow for special use as an Intermodal Facility: Agreement made and entered into with City of Joliet
- August 2008: Site topsoil stripping and grading work commenced on Intermodal Facility.
- Fall of 2008: Construction of the Intermodal facility began
- December 30,2008: Completed annexation agreement with the City of Joliet (Document Number R2008-150216)
- December 2008: Mass Grading and Drainage work completed
- July 2009: USACE Wetland Impact and Fill permits completed
- September 2009: Public water and sewer extensions complete
- August 2010: Intermodal facility open for business and UPRR operations commence
- September 2010: UPRR begins first phase of trailer parking expansion project on site
- October 2010: Completed first building in the park, a 217k square foot building for the Stepan Company
- December 2010: Completed construction of a 12 acre grain transload facility for The De Long Co.
- December 2010: Finalized issuance of $150 million IFA Series 2010 Bonds to provide permanent financing for the initial phase of completed intermodal/warehousing facilities
- August 2011: Completed an 18 acre container storage facility for Mediterranean Shipping Co.
- November 2011: Completed a 36 acre container storage facility for APL
- November 2011: Completed construction of Home Depot's build to suit, a 657k square foot building
- September 2012: Finalized issuance of $75 million IFA Series 2012 Bonds to provide permanent financing for the second phase of completed intermodal/warehousing facilities at CenterPoint Intermodal Center - Joliet
- December 2012: Completed an 8 acre container storage facility for Central States Trucking
- June 2013: Completed construction of phase II of The Home Depot Joliet campus, a 1.6 million square foot building
- March 2014: Completed construction of a 485k square foot joint-venture speculative facility, recently leased to International Transload Logistics
- June 2014: Completed construction of a 12.80 acre container yard, partially leased to Bridge Terminal Transport Services
- August 2014: Completed construction of a 400k square foot warehouse facility for Neovia Logistics
- September 2014: Started on a 14.4 net acre grain transfer facility for Saturn Agriculture. Expected completion in October 2015
- April 2015: Started construction on a 1.1 million square foot building for Saddle Creek Logistics Services, expected to be complete in early 2016
- May 2015: Started construction on an 8.0 acre trucking facility for California MultiModal. Expected completion fall of 2015.
- August 2015: Started construction on a 1.4 million square foot building for an Undisclosed Food Manufacturer, expected to be complete in early 2017

ECONOMIC DISCLOSURE STATEMENT

Applicant:	CenterPoint Joliet Terminal Railroad, LLC (Contact: Mr. Rick Mathews, VP, Legal, CenterPoint Properties Trust, 1808 Swift Drive, Oak Brook, IL 60523-1501; (T) 630-586-8126; (F) 630-586-8010; e-mail: RMathews@CenterPoint.com)
Alternate Contact:	Mr. Michael Kraft, CenterPoint Properties Trust, Chief Financial Officer; 1808 Swift Drive, Oak Brook, IL 60523-1501; (T) 630-586-8102; (F) 630-586-8010; e-mail: MKraft@CenterPoint.com
Web site:	www.CenterPoint.com (CenterPoint Properties)
Project name:	CenterPoint Intermodal Center – Joliet
Location:	21703 W. Millsdale Road, Joliet, IL 60421-9647
Organization:	CenterPoint Joliet Terminal Railroad, LLC is an Illinois limited liability company that is 100%-owned by CenterPoint Properties Trust, a Maryland Real Estate Investment Trust.
Ownership:	CenterPoint Properties Trust is in turn owned by CalEast Global Logistics, LLC, 65 East State Street, Suite 1750, Columbus, OH 43215; (T): 614-460-4444; web site: www.caleast.com

- CalEast Global Logistics LLC is a joint venture between the California Public Employees Retirement System and GI Partners. Additional information on the joint venture members follows below:
  - California Public Employees Retirement System (d/b/a "CalPERS"): 100%
    400 Q Street, Room 1820
    Lincoln Plaza East
    Sacramento, CA 95814
    Web site: www.calpers.ca.gov
  - GI Partners
    2180 Sand Hill Road, Suite 210
    Menlo Park, CA 94025
    Web site: www.gipartners.com

PROFESSIONAL & FINANCIAL

General Counsel:	Latham & Watkins LLP	Chicago, IL	Robert Buday
Borrower's Auditor:	PricewaterhouseCooper LLP	Chicago	
Bond Counsel:	Perkins Coie LLP	Chicago	Bruce Bonjour, Marc Oberdorff, Kurt Neumann
Underwriter: (Privately Placed initially to a banking syndicate)	SunTrust Robinson Humphrey	Atlanta, GA	Hank Harris
Bank:	SunTrust – National Real Estate Banking	Vienna, VA	Greg Horstman
	SunTrust – Commercial Real Estate Syndications	Atlanta, GA	Ricardo Simon
Bond Purchasers through syndication:	Negotiating with additional members of its lending syndicate including: Bank of America; JP Morgan Chase Bank; PNC Bank, Regions Bank; SunTrust; US Bank, and Wells Fargo Bank		
Bank Counsel:	Dentons	Chicago	Steve Davidson
Trustee/Fiscal Agent:	US Bank	Chicago	Margaret Drelicharz

Rating Agencies:	Not applicable since the Bonds will be privately placed with commercial banks (i.e., purchased by Accredited Investors)		
Architect:	TranSystems Corporation	Kansas City, MO	
General Contractor:	Ragnar Benson and FCL Builders		
IFA Counsel:	To be determined		
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	11, 16
State Senate:	43
State House:	86

CenterPoint Intermodal Center - Joliet/Elwood

North America's Largest Inland Port

Current CenterPoint Intermodal Center - Joliet Tenants

15 Stepan Company
16 The Home Depot
17 Undisclosed Food Manufacturer
18 Neovia Logistics
19 Saddle Creek Logistics Services
20 California Multimodal (CMI)
21 The DeLong Company
22 APL
23 Mediterranean Shipping Company
24 Acres Truck Parking
25 Bridge Terminal Transport
26 ITL
27 Saturn Agriculture
28 The DeLong Company
29 Central States Trucking
30 U.S. Army T.E.M.F.
31 ContainerPort Group
32 Adrian Carriers
33 Gertsen Interstate System
34 Prairie Material
35 PACER
36 Gavilon Grain
37 LaFarge
38 Cargill
39 ARC Terminals
40 Vulcan

Available Land
Available Container Yard / Tranload Use
Existing Distribution Warehouse
Occupied Container Yard / Transload Use

CONDUIT

October 8, 2015

$26,000,000 (not-to-exceed)
Nazareth Academy

REQUEST	**Purpose**: Bond proceeds will be loaned to **Nazareth Academy**, an Illinois not for profit corporation (the "**Borrower**"), to provide the Borrower with all or a portion of the funds necessary to do any or all of the following: (i) finance various capital projects on the Borrower's campus, including but not limited to, the construction of a new academic building, including new dedicated fine arts space, additional classrooms and a second gym, the renovation of the "M Building" and "N Building", the addition of athletic field lighting, and associated utility improvements (collectively, the "**Project**"), (ii) currently refund all or a portion of the Illinois Finance Authority's outstanding Adjustable Rate Demand Revenue Bonds, Series 2006 (Nazareth Academy Project) (the "**Series 2006 Bonds**"), (iii) pay a portion of the interest on the Series 2015 Bonds, if so requested by the Borrower, (iv) make payments relating to the costs of terminating certain interest rate exchange agreements related to the Series 2006 Bonds, if so requested by the Borrower, and (v) pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds and the refunding of the Series 2006 Bonds (collectively, the "**Financing Purposes**"). **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTION	Final Bond Resolution Voting Record (September 10, 2015) – Final Bond Resolution – 13 Yeas; 0 Nays; 0 Abstain; 2 Absent (Tessler, Zeller); 0 Vacancies.
MATERIAL CHANGES	Not-to-exceed par amount has increased by $2.5MM; accordingly, Sources and Uses have been adjusted.
JOB DATA	61 Current jobs; 2 New jobs projected N/A Retained jobs; 200 Construction jobs projected (30-36 months)
DESCRIPTION	● Location: La Grange Park / Cook County / Northeast Region ● Type of entity: Nazareth Academy is an Illinois not-for-profit corporation. ● Nazareth Academy is a private, co-educational college preparatory school located in LaGrange Park, Illinois, serving approximately 760 students primarily drawn from the western suburbs of Chicago. ● The mission of Nazareth Academy is to prepare its students for college and mature adult Christian living. ● Originally founded as an all-girls school, Nazareth became a co-educational institution in 1977. Since then, many buildings and facilities have been added to the campus, including a gym and a football/soccer field.
CREDIT INDICATORS	● The IFA Bonds will be purchased directly by MB Financial Bank, N.A. ("**MB**"). The Borrower is a non-rated entity. ● MB will also be the Academy's relationship bank on other credit facilities. The Bank expects all credit facilities, including the Series 2015 Bonds, to be cross-collateralized and cross-defaulted.
SECURITY	● The Bonds will be a general corporate obligation of the Borrower. MB is also requiring a negative pledge on unencumbered properties and improvements owned by the Borrower and/or any affiliate of the Borrower.
MATURITY	● Series 2015 Refunding Bonds – approximately 8 years (i.e., 6/30/2023) ● Series 2015 New Money Bonds – approximately 30 years (i.e., 6/30/2046)
INTEREST RATE	● The Bonds will bear a fixed or synthetically fixed interest rate that will be determined prior to closing and is currently estimated at between 3.15% and 3.50% (as of October 1, 2015).

SOURCES AND USES

Sources:		**Uses:**	
Series 2015 Bonds	$25,200,000	Project Costs	$13,000,000
		Series 2006 Refunding	10,500,000
		Capitalized Interest	1,460,000
		Legal & Professional	240,000
Total	**$25,200,000**	**Total**	**$25,200,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 8, 2015

Project: Nazareth Academy

STATISTICS

Project Number:	12297	Amount:	$26,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	La Grange Park	County/ Region:	Cook County/Northeast

BOARD ACTION

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

VOTING RECORD

Voting Record (September 10, 2015) – Final Bond Resolution – 13 Yeas; 0 Nays; 0 Abstain; 2 Absent (Tessler, Zeller); 0 Vacancies.

PURPOSE

Purpose: Bond proceeds will be loaned to **Nazareth Academy**, an Illinois not for profit corporation (the "**Borrower**"), to provide the Borrower with all or a portion of the funds necessary to do any or all of the following: (i) finance various capital projects on the Borrower's campus, including but not limited to, the construction of a new academic building, including new dedicated fine arts space, additional classrooms and a second gym, the renovation of the "M Building" and "N Building", the addition of athletic field lighting, and associated utility improvements (collectively, the "**Project**"), (ii) currently refund all or a portion of the Illinois Finance Authority's outstanding Adjustable Rate Demand Revenue Bonds, Series 2006 (Nazareth Academy Project) (the "**Series 2006 Bonds**"), (iii) pay a portion of the interest on the Series 2015 Bonds, if so requested by the Borrower, (iv) make payments relating to the costs of terminating certain interest rate exchange agreements related to the Series 2006 Bonds, if so requested by the Borrower, and (v) pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds and the refunding of the Series 2006 Bonds (collectively, the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	61	Projected new jobs:	2
Jobs retained:	N/A	Construction jobs:	200 (30-36 months)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
Series 2015 Bonds	$25,200,000	New Construction/Equipment	$13,000,000
		Series 2006 Refunding	10,500,000
		Capitalized Interest	1,460,000
		Legal & Professional	240,000
Total	**$25,200,000**	**Total**	**$25,200,000**

FINANCING SUMMARY

Structure:	The Bonds will be purchased directly by MB Financial Bank, N.A. for an initial term of 10 years.
Security:	The Bonds will be purchased directly by MB Financial Bank, N.A., which will become the School's relationship lender on all credit facilities, including the IFA Series 2015 Bonds. The Bonds will be a general corporate obligation of the Borrower. MB is also requiring a negative pledge on the unencumbered properties and improvements owned by the Borrower and any affiliates of the Borrower.
Interest Rate:	The Bonds will bear a fixed or synthetically fixed interest rate that is negotiated and established prior to closing, currently estimated at between 3.15% and 3.50% (as of September 1, 2015).
Underlying Ratings:	Nazareth Academy is a non-rated entity. MB Financial Bank, N.A. will purchase the Bonds directly (and on a non-rated, non-credit-enhanced basis).
Maturity:	Final Maturity Dates: (1) Series 2015 Refunding Bonds – approximately 8 years (i.e., 6/30/2023) (2) Series 2015 New Money Bonds – approximately 30 years (i.e., 6/30/2046)
Estimated Closing Date:	October 2015
Rationale:	The proposed tax-exempt financing will reduce monthly interest payments that (together with other funds available to the Borrower) will assist in helping Nazareth keep fixed charges (including debt service payments) as low as possible. As a result, reduced debt service payments will allow Nazareth to direct additional resources to the children and families it serves rather than overhead costs.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Purpose: Bond proceeds will be loaned to **Nazareth Academy**, an Illinois not for profit corporation (the "**Borrower**"), to provide the Borrower with all or a portion of the funds necessary to do any or all of the following: (i) finance various capital projects on the Borrower's campus, including but not limited to, the construction of a new academic building, including new dedicated fine arts space, additional classrooms and a second gym, the renovation of the "M Building" and "N Building", the addition of athletic field lighting, and associated utility improvements (collectively, the "**Project**"), (ii) currently refund all or a portion of the Illinois Finance Authority's outstanding Adjustable Rate Demand Revenue Bonds, Series 2006 (Nazareth Academy Project) (the "**Series 2006 Bonds**"), (iii) pay a portion of the interest on the Series 2015 Bonds, if so requested by the Borrower, (iv) make payments relating to the costs of terminating certain interest rate exchange agreements related to the Series 2006 Bonds, if so requested by the Borrower, and (v) pay certain expenses incurred in connection with the issuance of the Series 2015 Bonds and the refunding of the Series 2006 Bonds (collectively, the "**Financing Purposes**").

Estimated Project costs consist of the following:

Phase 1 Construction	$6,149,430
Phase 1 Equipment	1,546,651
Phase 1 Fire Protection/Plumbing/HVAC/Electrical	2,800,805
Phase 2 M Building Rehabilitation	2,135,114
Soft Costs (Arch./Eng./Legal)	368,000
Total:	**$13,000,000**

BUSINESS SUMMARY

Description: **Nazareth Academy**, an Illinois not-for-profit corporation ("**Nazareth**" or the "**Academy**") was established in 1900 by the Sisters of St. Joseph of La Grange and incorporated on July 30, 1996 as a separate entity under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Nazareth Academy is governed by a 16-member Board of Trustees (see p. 5), each appointed by the approval of the Sisters of St. Joseph of La Grange.

Background: Nazareth Academy continues to be supported by the Sisters of St. Joseph, whose motherhouse and ministry center are located adjacent to the Academy's campus.

Nazareth Academy is a private, co-educational college preparatory school located in La Grange Park, Illinois, approximately 15 miles from downtown Chicago that currently serves more than 760 students primarily drawn from 55 communities and over 115 different grade schools throughout Chicago and its western suburbs. The mission of Nazareth Academy is to prepare its students for college and mature, adult, value-based living.

Originally founded as an all-girls school, Nazareth became a co-educational institution in 1977. Since then, the campus was further developed with the completion of the Rooney Student Center in 1984, the locker room/weight training facility in 1995 and the R.J. Sanders baseball field, John W. "Jack" Oremus library, Sister Ellen Springer Hall and the Petrak Pedestrian Bridge in 2003. A new west wing including a new main entrance, reception area and student walkway named the Wheeler West Wing was completed in the fall of 2005. Additionally, buildings were given new facades, windows were replaced in the K building, and heating and electrical systems were updated when the 2005-2006 school year began. The Academy also added a Legacy Garden named after the Sisters of St. Joseph.

Recently, Nazareth has been constructing a series of additions to the school in an effort to keep up with the growing number of students. Construction of a new multipurpose dining hall, servery, a new classroom and two new meeting areas was completed for the opening of the 2006-2007 school year. Groundbreaking for a new 400-seat Romano Family Auditorium was held on March 18, 2007 and was completed in the spring of 2008. An athletic field renovation took place during the summer of 2007 with the installation of state-of-the-art FieldTurf® artificial turf in Valenta Stadium. In 2012, a state of the art softball field was constructed (i.e., the John Michalek Softball Stadium). Overall, these facility improvements are aligned with the Academy's wish to provide students with facilities commensurate with the exceptional academic, spiritual, athletic and co-curricular experience they merit.

The Academy currently employs approximately 39 full-time equivalent faculty members. The combined student-teacher ratio at the Academy is 19:1 with an average class size of 23 students. In addition to the senior administrative staff, the Academy currently employs approximately 23 full-time equivalent administrative and support staff. Nazareth's enrollment history is presented below:

Nazareth Academy Enrollment History				
Academic Year				
	2012-13	2013-14	2014-15	2015-16
Total Enrollment	801	780	723	766*
* Estimated				

The Academy is located on a campus occupying approximately 14 acres located in La Grange Park, Illinois. The campus consists of a seven-building academic complex: containing an aggregate finished building area of approximately 126,300 square feet. The buildings feature masonry construction, are 2-4 stories tall, and range in age from 10 to 85 years. Their use is primarily academic and supplemented with facilities that include a library and office space, a gymnasium, and other athletic facilities.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Nazareth Academy, 1209 W. Ogden Ave, La Grange Park (Cook County), IL 60526
Contact:	Mr. Dennis Moran, President: (T) 708-354-0061 x117; email: dmoran@nazarethacademy.com
Website:	http://www.nazarethacademy.com
Site Location:	Proceeds of the Series 2015 Bonds will refinance outstanding debt and finance new construction undertaken in connection with the Academy's campus located at 1209 W. Ogden, La Grange Park (Cook County), IL 60526.
Project name:	IFA Revenue and Revenue Refunding Bonds (Nazareth Academy), Series 2015
Organization:	Illinois not-for-profit established as a 501(c)(3) corporation under the Internal Revenue Code
Lessor of School Properties:	The Sisters of St. Joseph own all of the land comprising the Academy's campus. Nazareth leases the campus from the Sisters of St. Joseph pursuant to a long-term lease. Annual rent is $2.00. The lease will expire on June 30, 2017, with an option to renew every five years thereafter.
Board of Trustees:	Nazareth Academy is governed by a Board of Trustees; each Trustee appointment is subject to approval by the Sisters of St. Joseph of La Grange.

Nazareth Academy Board of Trustees:

Theresa Denton
Robert Gray
Thomas Kelly
Dr. Christine Melone
Megan Ogden
Carol Pelino
Michael P. Rooney
Grace Sbrissa, CSJ
Deborah Tracy, *Principal*
Patrick Collins
Mark Doyle
Daniel Gustafson, *Chair*
Jean McGrath, CSJ
Dennis Moran, *President*
Roberto Paniagua
Marianne Race, CSJ
James J. Ryan
Kathy Sherman, CSJ

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Donatelli & Coules Ltd.	Hinsdale, IL	Peter Coules
Borrower's Financial Advisor:	William Blair & Company, LLC	Chicago, IL	John Peterson Mike McIntyre
Auditor:	BKD, LLP (formerly Wolf & Company LLP)	Oakbrook Terrace, IL	
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder Enzo Incandelo
Bank/Bond Purchaser:	MB Financial Bank, N.A.	Chicago, IL	Ken Holub Kati Cavoto
Bank Counsel:	McGuireWoods LLP	Chicago, IL	Kay McNabb
Paying Agent(if required):	Amalgamated Bank of Chicago	Chicago, IL	Phil Mendoza
General Contractor:	Walsh Construction	Chicago, IL	
IFA Counsel:	Taft Stettinius & Hollister LLP	Chicago, IL	Kimberly M. Copp
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago, IL	Melanie Shaker

LEGISLATIVE DISTRICTS

Congressional:	5
State Senate:	4
State House:	7

IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

October 8, 2015

$15,400,000 (not-to-exceed)
Chicago Shakespeare Theater

REQUEST	**Purpose**: Bond proceeds will be loaned to **Chicago Shakespeare Theater**, an Illinois not for profit corporation (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds necessary in order to (a) refund the $4,100,000 (original principal amount) Revenue Bond (Chicago Shakespeare Theater Project), Series 2011 (the "**Series 2011 Bond**") which itself amended and reissued the $4,100,000 (original principal amount) Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 (the "**Series 1999 Bonds**") issued by the Illinois Development Finance Authority (a predecessor to the Authority); (b) pay a portion of the costs of development, design, site renovation, construction and equipping of a third approximately 30,000 square foot theater to be operated by the Borrower on Navy Pier at 800 East Grand Avenue in Chicago, Illinois in conjunction with and to be leased from Navy Pier, Inc. (the "**Project**"); and (c) pay costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTION	Final Bond Resolution Voting Record (May 14, 2015) – Preliminary Bond Resolution – 9 Yeas; 0 Nays; 0 Abstain; 3 Absent (O'Brien, Poole, Tessler); 3 Vacancies.
MATERIAL CHANGES	The Northern Trust Company was selected as direct bond purchaser.
JOB DATA	142 Current jobs — 37 FTE New jobs projected N/A Retained jobs — 85 avg. FTE Construction jobs projected (3 years)
DESCRIPTION	● Location: Chicago / Cook County / Northeast ● Type of entity: Chicago Shakespeare Theater ("**CST**") is a 501(c)(3) organization incorporated under Illinois law ● CST, a professional theater company located at Navy Pier (1999-present) in Chicago, was founded in 1986 as Chicago Shakespeare Workshop, a name which was changed a year later to the Chicago Shakespeare Repertory and finally in 1999 to Chicago Shakespeare Theater. The Borrower is governed by a 59-member Board of Directors. ● CST has grown from the third-largest theater company in Chicago to the third largest in the regional Midwest. CST produces and presents a year-round performing season featuring Shakespeare's canon and family-oriented productions, musicals, world premieres, and visiting international tours. ● The current home of CST consists of two theater spaces (the 500-seat courtyard-style Jentes Family Courtyard Theater and the 200-seat Carl and Marilynn Thoma Theater). ● The proposed project aims to expand CST's presence and capabilities by constructing a third stage on Navy Pier. The development of the new venue will expand CST's footprint to a contiguous three-theater complex. The design of the new theater is intended to allow seating for between 250 and 900 theater patrons, with considerable flexibility in the staging and audience formats.
CREDIT INDICATORS	● The IFA Bonds will be sold on a non-rated, unenhanced basis, and accordingly, will be privately placed with The Northern Trust Company (the "**Bond Purchaser**"). The Borrower is a non-rated entity. ● CST will enter into a 90-year lease with Navy Pier, Inc. for the existing Skyline Stage that will be renovated as part of this Project (i.e., 15-year initial lease term with five consecutive 15-year renewal options).
STRUCTURE	● Rate: The IFA Bonds will be issued at a fixed or synthetically fixed interest rate established prior to closing based on current market conditions (estimated to be 3.00% to 4.00% as of 10/1/2015). ● Term: Not-to-exceed 12 years

SOURCES AND USES
(*PLEASE SEE PAGE 3 FOR ADDITIONAL INFORMATION)

Sources:		**Uses:**	
IFA Bonds	$15,400,000	Construction/Equipment	$15,400,000
***Navy Pier, Inc.** *(please see page 3– Sources and Uses)*	*	Refund Series 2011 Bonds	4,100,000
Pledge Campaign	3,659,980	Costs of Issuance	204,980
Equity	645,000		
Total	**$19,704,980**	**Total**	**$19,704,980**

RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 8, 2015

Project: Chicago Shakespeare Theater

STATISTICS

Project Number:	N-NP-TE-CD-8726	Amount:	$15,400,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bond	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook County/Northeast

BOARD ACTION

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

VOTING RECORD

Voting Record (May 14, 2015) – Preliminary Bond Resolution – 9 Yeas; 0 Nays; 0 Abstain; 3 Absent (O'Brien, Poole, Tessler); 3 Vacancies.

PURPOSE

Bond proceeds will be loaned to **Chicago Shakespeare Theater**, an Illinois not for profit corporation (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds necessary in order to (a) refund the $4,100,000 (original principal amount) Revenue Bond (Chicago Shakespeare Theater Project), Series 2011 (the "**Series 2011 Bond**") which itself amended and reissued the $4,100,000 (original principal amount) Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 (the "**Series 1999 Bonds**") issued by the Illinois Development Finance Authority (a predecessor to the Authority); (b) pay a portion of the costs of development, design, site renovation, construction and equipping of a third approximately 30,000 square foot theater to be operated by the Borrower on Navy Pier at 800 East Grand Avenue in Chicago, Illinois in conjunction with and to be leased from Navy Pier, Inc. (the "**Project**"); and (c) pay costs of issuance.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	142	Projected new jobs:	37 FTE
Jobs retained:	N/A	Construction jobs:	85 avg. FTE (36-month construction period)

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$15,400,000	Uses:	Construction/Equipment*	$15,400,000
	*(Note: Navy Pier, Inc. – *see below*)			(excludes exterior shell financed by Navy Pier, Inc.)	
				Refund Series 2011 Bonds	4,100,000
	Pledge Campaign	3,659,980		Cost of Issuance	204,980
	Equity	645,000			
	Total	**$19,704,980**		**Total**	**$19,704,980**

*Separately, Navy Pier, Inc. has made arrangement to finance and construct the exterior shell of the new theater facility financed with proceeds of IFA's Draw Down Revenue Bonds, Series 2014B (Navy Pier, Inc. Project) that were purchased directly by Fifth Third Bank in a bond issue that closed on December 16, 2014.
Chicago Shakespeare Theater will be solely responsible for financing the interior build-out (leasehold improvements) and for equipping the new theater facility that will be financed with the proposed IFA Series 2015 Bond to be purchased by The Northern Trust Bank.

Approximately $15.0 million of Navy Pier, Inc.'s IFA Series 2014B bond proceeds are to be allocated to construction of the theatre shell. Accordingly, total combined all-in investment by Chicago Shakespeare Theatre and Navy Pier, Inc. in the construction and build-out of the new theater facility will total approximately $30.4 million.

Informational disclosure on December 9, 2014 Voting Record for Final Bond Resolution in connection with IFA Draw Down Revenue Bonds, Series 2014B (Navy Pier, Inc. Project):

- Voting Record – Navy Pier, Inc. – Final Bond Resolution – 12/9/2014: 10 Yeas; 1 Nay; 0 Abstain; 4 Absent (Lonstein; Parish; Tessler; and Zeller); 0 Vacant.

FINANCING SUMMARY

Structure/ Credit Enhancement: The IFA Series 2015 Bond will not be rated or credit-enhanced. The Bond will be privately placed with The Northern Trust Company (the "**Bond Purchaser**"). The Borrower is a non-rated entity.

Interest Rate: Respective initial interest rates will reflect prevailing market conditions prior to closing, estimated at 3.00% to 4.00% (as of 10/1/2015).

Credit Rating: The Series 2015 Bond is expected to be purchased directly by The Northern Trust Company. Again, Chicago Shakespeare Theater is a non-rated entity.

Maturity: Not to exceed 12 years

Underlying Lease: CST will enter into a 90-year lease (consisting of a 15-year initial lease term with five consecutive 15-year extension provisions) with Navy Pier, Inc. The site for the new theater will be the existing Skyline Stage site. Navy Pier, Inc. will be renovating the space that currently occupies the Skyline Stage site into the new theater shell. Chicago Shakespeare Theater will then lease the new theater shell, financing the build-out of the new theater with proceeds of the proposed IFA Series 2015 Revenue Bonds (Chicago Shakespeare Theatre Project).

Estimated Closing Date: November 2015

Rationale: As typical of cultural institutions, Chicago Shakespeare Theater's ("**CST's**") operating revenues rely upon grants, contributions and other external support to supplement ticket sales and revenues generated from performances. The availability of tax-exempt bond financing will reduce CST's borrowing costs while providing additional pricing flexibility to prospective commercial lenders. This financing will enable CST to expand its existing operations at the lowest possible interest expense and will help assure that CST will continue to attain its mission to bring Shakespeare to the people of Chicago and to visitors.

The proposed financing project aims to expand CST's presence and capabilities by constructing a third theater stage at Navy Pier. The development of this new venue will expand CST's footprint to provide a three-theater complex. The design of the new theater is intended to allow seating for between 250 and 900 theater patrons, and will provide CST additional flexibility in providing for various staging and audience formats.

The IFA Series 2015 Bond will also enable CST to refund its Series 2011 Bonds while smoothing its future scheduled principal payments.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be loaned to **Chicago Shakespeare Theater**, an Illinois not for profit corporation (the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds necessary in order to (a) refund the $4,100,000 (original principal amount) Revenue Bond (Chicago Shakespeare Theater Project), Series 2011 (the "**Series 2011 Bond**") which itself amended and reissued the $4,100,000 (original principal amount) Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 (the "**Series 1999 Bonds**") issued by the Illinois Development Finance Authority (a predecessor to the Authority), which Series 1999 Bonds were issued to finance a portion of the costs of the design, construction and equipping of an approximately 75,000 square foot, seven-story theater building (with two theaters) operated by the Borrower and located on Navy Pier at 800 East Grand Avenue in Chicago, Illinois on property leased from Navy Pier, Inc. (the "**Series 1999 Project**"); (b) pay a portion of the costs of development, design, site renovation, construction and equipping of a third approximately 30,000 square foot theater to be operated by the Borrower on Navy Pier at 800 East Grand Avenue in Chicago, Illinois in conjunction with and to be leased from Navy Pier, Inc. (the "**Project**"); and (c) pay costs of issuance and other costs related to the Bond and the Project.

Navy Pier, Inc. ("**NPI**") is an Illinois not for profit corporation established in 2011 to maintain and oversee the development of Navy Pier in Chicago, Illinois. NPI leases Navy Pier from the Metropolitan Pier and Exposition Authority.

Estimated project costs to be financed with IFA Series 2015 Bond proceeds and funds from Navy Pier, Inc. ("**NPI**") consist of the following:

Core and Shell *(includes $15MM from NPI)*	$16,400,000
Theater Equipment	6,365,000
Theater Towers	3,500,000
Architectural/Engineering	4,135,000
Total New Project Costs	**$30,400,000**
Less: Navy Pier, Inc. contribution (a portion of which was funded with IFA Drawn Down Revenue Bonds, Series Series 2014B (Navy Pier, Inc. Project)	*(15,000,000)*
Net Construction Costs funded by CST (with IFA Series 2015 Bond):	**$15,400,000**

BUSINESS SUMMARY

Description: **Chicago Shakespeare Theater** ("**CST**" or the "**Borrower**") is incorporated under State of Illinois law and was founded in in 1986. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

CST is governed by a 59-member Board of Directors (see Economic Disclosure Statement on pp. 7-8).

Background: The Borrower was founded in 1986 as the Chicago Shakespeare Workshop, a name which was changed in 1987 to the Chicago Shakespeare Repertory and, finally, in 1999 to Chicago Shakespeare Theater.

CST performed its first twelve seasons in residency at the Ruth Page Theater in the Gold Coast neighborhood on the north side of Chicago. While CST was critically lauded for its innovative approach to classic Shakespearean works, it was limited by the age and space constraints of the Ruth Page Theater and began looking for new performance space in the late 1990s. In 1997, CST announced its plan to move to a new facility at Navy Pier. CST successfully ran a large-scale capital campaign to finance the facility. Since moving to Navy Pier in 1999, CST has grown from the third-largest theater company in Chicago to the third-largest in the Midwest. CST produces and presents a year-round schedule of performances featuring Shakespeare's canon and family-oriented productions, musicals, world premieres, and visiting international tours.

Over the past 25 years, CST has built a civic, national, and international reputation as a premiere cultural institution. Today, CST's year-round producing and presenting season features performances in two intimate theater spaces on Navy Pier. According to Navy Pier, Inc.'s website, Navy Pier is the Midwest's most visited destination. According to CST management, CST reaches as many as 225,000 audience members every year.

CST's current facilities at Navy Pier consist of two theater spaces that may be configured to accommodate a variety of staging needs and concepts:

1. *The Jentes Family Courtyard Theater* is a 500-seat courtyard-style theater inspired by the theaters in early modern England where Shakespeare's plays were first staged (and evoking the design elements of Shakespeare's Globe in London and the Royal Shakespeare Company's Swan Theater in Stratford-upon-Avon). This theater space features three seating levels that wrap around the thrust stage, creating an intimate, immediate relationship between actors and audience.
2. *The Carl and Marilynn Thoma Theater Upstairs* is a 200-seat theater in which both the stage and seating configuration can be arranged in a variety of ways, suiting the creative choices of the artistic team with almost limitless versatility.

The development, design, financing, site lease, site renovation, construction, equipping and furnishing of a third theater on Chicago's Navy Pier by CST, in conjunction with **Navy Pier, Inc.** ("**NPI**"), is central to CST's mission and experience because it will allow CST to (i) expand its role as a leading American cultural institution producing world-class theater, (ii) engage the next generation through live performance, and (iii) introduce the leading theater producers and performers of the world to Chicago. The new theater will expand CST's artistic platform and increase the profile and prospective economic impact on Navy Pier.

CST Lease with Navy Pier: CST will enter into a 90-year lease with NPI for the existing Skyline Stage facility that will be renovated as part of this Project. (The lease terms will be composed of an initial 15-year lease term, with up to five consecutive 15-year extension provisions.)

CST Comments on existing Skyline Stage facility: The existing Skyline Stage comprises a single seating rake, facing a stagehouse. The venue is currently used throughout the summer months for circus and spectacle events, but is dormant for the rest of the year as the weather conditions are too extreme. According to CST, the concept of the new CST project is simple: to build a new, highly-flexible space for providing theater at the underutilized Skyline Stage facility. In its current form, open to the elements and with a sprawling single rake, Skyline Stage is not suitable for year-round events, nor is it suitable for drama and spoken-word performances in which the proximity of the actors is important.

CST Improvements: For this project, CST will be responsible for acquiring and installing the theater equipment, including movable seating towers which will allow alternative seating and capacity configurations of the new theater space.

Background on Series 2011 Bonds: The Illinois Development Finance Authority ("IDFA"), predecessor to IFA, issued its Adjustable Demand Revenue Bonds (Chicago Shakespeare Theater Project), Series 1999 to (i) finance costs of design, construction and equipping of an approximately 75,000 square foot, seven-story theater located on Navy Pier at 800 East Grand Avenue in Chicago, Illinois on property leased from the Metropolitan Pier and Exposition Authority and (ii) pay certain bond issuance costs. (The IDFA Series 1999 Bonds were secured by a Direct Pay Letter of Credit from Bank of America, N.A., as successor to LaSalle National Bank/ABN-AMRO.)

In 2011, at the request of the Chicago Shakespeare Theater, IFA authorized execution of an Amended and Restated Indenture (including a revised form of Bond contained therein) and related documents to enable creation of a new bank purchase mode for the Bonds. Wells Fargo Bank, N.A. purchased the Bonds (renamed IFA Series 2011 Revenue Bonds) in whole under the new bank purchase mode in September 2011, succeeding Bank of America, N.A. as CST's relationship bank.

In August 2014, Chicago Shakespeare Theater received IFA Board approval of a Resolution to authorize execution and delivery of a Supplemental Indenture to enable the initial interest rate period with Wells Fargo Bank, N.A. to be extended by two years (until September 1, 2016). As a result of the proposed refunding, CST expects to refinance the outstanding balance of the IFA Series 2011 Bonds for a new interest rate and term.

All payments relating to the Illinois Finance Authority Revenue Bonds (Chicago Shakespeare Theater Project), Series 2011 are current and have been paid as scheduled. As of 4/30/2015, the IFA Series 2011 Bonds were outstanding in the principal amount of $4,100,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Chicago Shakespeare Theater, 800 East Grand Avenue, Chicago (Cook County), IL 60611

Contact: Linda Orellana, Chief Financial Officer
(T) 312-596-5619; email: lorrellana@chicagoshakes.com

Website: www.chicagoshakes.com

Site Location: 800 East Grand Avenue, Chicago (Cook County), IL 60611

Project name: IFA 501(c)(3) Revenue and Revenue Refunding Bond (Reimagine Skyline Stage Project) Series 2015

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

Applicant/ Tenant (CST) Board of Directors: The Chicago Shakespeare Theater Board of Directors is composed of the following members:

Sheli Z. Rosenberg, Chair*
Of Counsel
Skadden, Arps, Slate, Meagher & Flom LLP

Eric Q. Strickland, Treasurer*
Senior Vice President, Manager, US Corporate Group
Northern Trust

Steven J. Solomon, Deputy Chair*
President, Exelon Foundation
Vice President, Corporate Relations, Exelon

Frank D. Ballantine
Partner
Clark Hill, PLC

Brit J. Bartter*
Vice Chairman, Investment Bank
JP Morgan

Thomas L. Brown
Vice President and Chief Financial Officer
RLI Corp

Allan E. Bulley III
President
Bulley & Andrews, LLC

Patrick R. Daley
Managing Partner
Tur Partners, LLC

Brian W. Duwe
Partner
Skadden, Arps, Slate, Meagher & Flom LLP

Philip L. Engel
President (Retired)
CNA Insurance Companies

Jeanne B. Ettelson
Civic Leader

Harve A. Ferrill
Chairman and CEO (Retired)
Advance Ross Corporation

Sonja Hammer Fischer
Civic Leader

Richard J. Franke
Chief Executive Officer Emeritus
Nuveen Investments

Barbara Gaines*
Artistic Director
Chicago Shakespeare Theater

C. Gary Gerst*
President
KCI, Inc.

M. Hill Hammock*
Chairman
Chicago Deferred Exchange Company

Patricia Harris
Global Chief Diversity Officer and Vice President, Global Community Engagement McDonald's Corporation

Kathryn J. Hayley
Executive Vice President
United Healthcare

Criss Henderson*
Executive Director
Chicago Shakespeare Theater

William L. Hood
Retired Managing Director, State & Community Affairs
United Airlines

Stewart S. Hudnut
Consultant
Illinois Tool Works, Inc.

William R. Jentes*
Civic Leader

Jack L. Karp
Chief Executive Officer
Worthington Management, Inc.

John P. Keller
Chairman
Keller Group, Inc.

Richard A. Kent
Chairman and CEO
Kentco Capital Corporation

Barbara Malott Kizziah
Vice President
Malott Family Foundation

Ted Langan
Vice President, Specialty Pharmacy Sales
Catamaran

Chase Collins Levey
Author

Ana Livingston
Civic Leader

Renetta McCann
Chief Talent Officer
Leo Burnett

Raymond F. McCaskey*
Retired CEO
Health Care Service Corporation

Robert G. McLennan
Chief Executive Officer
Beacon Management Company

Jess Merten
Senior Vice President and CFO
Allstate Life Insurance Company

Dennis Olis
Senior Vice President, Operations
Allscripts

Mark S. Ouweleen*
Partner
Bartlit Beck Herman Palenchar & Scott, LLP

Carleton D. Pearl
Financial Industry Consultant

Sheila A. Penrose*
Chairman
Jones Lang LaSalle

Judith Pierpont
Civic Leader

Paulita A. Pike
Partner
K&L Gates

Stephanie Pope
Vice President of Financial Planning and Analysis
The Boeing Company

Richard W. Porter
Partner
Kirkland & Ellis, LLP

John Rau
President and CEO
Miami Corporation

Nazneen Razi
Senior Vice President and Chief Human Resources Officer
Health Care Service Corporation

Glenn Richter*
Chief Operating Officer
Chief Administrative Officer
Nuveen Investments

Mark E. Rose
Chairman and CEO
Avison Young, Inc.

John W. Rowe*
Chairman Emeritus
Exelon Corporation

Robert Ryan
Vice President of Business Development
eChalk

Carole Segal
Co-Founder
Crate & Barrel

Kathleen Kelly Spear
Senior Vice President, Compliance & Integrity and Litigation (Retired)
Kraft Foods Global, Inc.

Harvey J. Struthers, Jr.
Chairman (Retired)
JPMorgan Private Bank Midwest

Eileen Sweeney
Director, Community Relations
Tampa Bay Buccaneers

Sheila G. Talton
President and CEO
Gray Matter Analytics

Marilynn J. Thoma*
Proprietor
Van Duzer Vineyards

Gayle R. Tilles
Director & Connoisseur Arts

William J. Tomazin, Jr.
Partner-in-Charge, Audit Chicago Metro Business Unit
KPMG, LLP

Donna Van Eekeren
Executive Chairman
Land O'Frost, Inc.

Priscilla A. (Pam) Walter*
Of Counsel
Drinker Biddle & Reath

Ava D. Youngblood
Founder & CEO
Youngblood Executive Search

**denotes Executive Committee Members*
- See more at: http://www.chicagoshakes.com/about_us/board_of_directors#sthash.KHwYbkmp.dpuf

Informational: Lessor to CST (Navy Pier, Inc.)) Board of Directors:

Navy Pier, Inc. ("NPI") was established for the purpose of managing, operating and redeveloping Navy Pier which is owned by MPEA. Navy Pier, Inc. is governed by a Board of Directors, currently composed of the following 22 members:

William J. Brodsky
Chairman, NPI Board
Chairman
CBOE Holdings Inc.

Andrea Zopp
Vice-Chairman, NPI Board
President & CEO
Chicago Urban League

Katie McClain
Secretary, NPI Board
Senior Manager
Invenergy LLC

Jack M. Greenberg
Ex-Officio, NPI Board
Chairman, MPEA
Jack Greenberg Associates

James R. Reilly
Ex-Officio, NPI Board
CEO
MPEA

Marilynn K. Gardner
Ex-Officio, NPI Board
President & CEO
Navy Pier, Inc.

Roger J. Kiley, Jr.
Ex-Officio, NPI Board
Attorney
Roger J. Kiley, Jr. Law

Norman Bobins
Chairman
The PrivateBank

Bruce R. Bachmann
Bachmann Associates

Devon Bruce
Attorney
Powers, Rogers & Smith, P.C.

Patrick F. Daly
The Daly Group

Sarah Garvey
Retired Senior Executive
The Boeing Company

Roberto Herencia
President & CEO
BXM Holdings, Inc.

Donna LaPietra
Kurtis Productions

Timothy Mullen
Mullen Foundation

Michael O'Rourke
President
Signature Bank

Terry Peterson
Chairman
Chicago Transit Board

Jorge Ramirez
President
Chicago Federation of Labor

John Schmidt
Partner
Mayer Brown

Informational: Lessor to NPI/ Owner of Navy Pier (MPEA) Board of Directors:

The following individuals lead **Metropolitan Pier and Exposition Authority ("MPEA")** in its mission to attract trade shows, conventions and public events to Chicago, in an ongoing effort to strengthen the state and city economies. Current Board members include:

Jack Greenberg
McDonald's Corp. (Retired)
Chairman

Robert G. Reiter, Jr.
Chicago Federation of Labor
Vice-Chairman

Julie Chavez
Bank of America

Terrance McGann
Whitfield, McGann & Ketterman

Frank M. Clark, Jr.
ComEd (Retired)

Ronald E. Powell
Local 881 & United Food and Commercial Workers International Union

Dan Hynes
Ariel Investments

Becky Strzechowski
Teamsters Local 700

Roger J. Kiley, Jr.
Roger J. Kiley Jr. P.C.

PROFESSIONAL & FINANCIAL

Auditor:	Baker Tilly Virchow Krause LLP	Chicago, IL	
Borrower's Advisor:	William Blair & Company, L.L.C.	Chicago, IL	John Peterson
			Mike McIntyre
Borrower's Counsel:	Kirkland & Ellis LLP	Chicago, IL	Justin Bender
	McDermott Will & Emery LLP	Chicago, IL	Kathy Schumacher
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Bank/Bond Purchaser:	The Northern Trust Company	Chicago, IL	Bonnie Althoff
			Sandra Maysonet
			Mary Fitz
Bank/Purchaser's Counsel:	Katten Muchin Rosenmann LLP	Chicago, IL	Janet Hoffman
			Chad Doobay
Architect:	Adrian Smith + Gordon Gill Arch.	Chicago, IL	
General Contractor:	McHugh Construction Co.	Chicago, IL	
Real Estate Consultant:	MAC Consulting Services LLC	Chicago, IL	Mary Ann Cronin
IFA Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	13
State House:	26

CONDUIT

October 8, 2015

$37,500,000
Riverside Health System

REQUEST	**Purpose**: Bond proceeds will be used by **Riverside Health System** ("**Riverside**", **"RHS"** or the "**Borrower**") to (i) currently refund $23,845,000 of its IFA Series 2004 Bonds outstanding and originally issued in the amount of $46,450,000, and (ii) currently refund its IFA Series 2006A Bonds outstanding in the amount of $13,320,000 and originally issued in the amount of $15,575,000. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution Voting Record (September 10, 2015) – Preliminary Bond Resolution – 13 Yeas 0 Nays 0 Present 1 Absent
MATERIAL CHANGES	None.
JOB DATA	2,133 Current jobs; N/A New jobs projected 2,133 Retained jobs; N/A Construction jobs projected
DESCRIPTION	● Locations: Kankakee County and Iroquois ● Riverside Health System ("**RHS**") is the parent corporation of a regional health system operating in the far southern portion of the Chicago metropolitan market and headquartered in Kankakee.
CREDIT INDICATORS	● Riverside is currently rated A2 by Moody's and A+ by Standard and Poor's
SECURITY	● Secured with a Master Trust Indenture Note
MATURITY	● Bonds will mature no later than 11/15/2029

SOURCES AND USES

Sources:		**Uses:**	
IFA Bonds	$37,165,000.00	Refunding	$37,165,000.00
		Accrued Interest	774.27
Equity	$300,774.27	Costs of Issuance*	300,000.00
Total	**$37,465,774.27**	**Total**	**$37,465,774.27**
		*estimated	

RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 10, 2015

Project: Riverside Health System

STATISTICS

Project Number:	12310	Amount:	$37,500,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Locations:	Kankakee, Bourbonnais, Watseka, Gilman	County/Region:	Kankakee/Northeast Iroquois/Northeast

BOARD ACTION

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

PURPOSE

The proceeds will be used by **Riverside** to (i) currently refund $23,845,000 of its IFA Series 2004 Bonds and originally issued in the amount of $46,450,000, and (ii) currently refund its IFA Series 2006A Bonds outstanding in the amount of $13,320,000 and originally issued in the amount of $15,575,000.

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 tax-exempt status on interest paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$37,165,000.00	Refunding	$37,165,000.00
		Accrued Interest	774.27
Equity	$300,774.27	Costs of Issuance*	300,000.00
Total	**$37,465,774.27**	**Total**	**$37,465,774.27**
		*estimated	

JOBS

Current employment:	2,133 FTEs	Projected new jobs:	N/A
Jobs retained:	2,133 FTEs	Construction jobs:	N/A

FINANCING SUMMARY

Credit Enhancement:	None
Structure:	Variable Rate Direct Purchase bond by DNT Asset Trust, a Delaware business trust and a wholly owned subsidiary of JPMorgan Chase Bank, N.A.
Interest Rate:	Variable
Interest Rate Modes:	Variable
Underlying Ratings:	A2 / A+ (Moodys, S&P)
Maturity:	11/15/2029
Estimated Closing Date:	11/1/2015

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The proceeds will be used by **Riverside** (i) currently refund $23,845,000 of its IFA Series 2004 Bonds originally issued in the amount of $46,450,000, and (ii) currently refund its IFA Series 2006A Bonds outstanding in the amount of $13,320,000 and originally issued in the amount of $15,575,000.

BUSINESS SUMMARY

Riverside Health System (“**RHS**”) is the parent corporation of a regional health system operating in the far southern portion of the Chicago metropolitan market and headquartered in Kankakee. RHS is the sole corporate member of **Riverside Medical Center** (“**Medical Center**”), **Oakside Corporation** (“**Oakside**”), **Butterfield Service Corporation** (“**Butterfield**”) and **Riverside Senior Living Center** (“**Living Center**”). **Riverside Medical Center Foundation** (the “**Foundation**”) is a not-for profit organization serving in an agency capacity by holding and managing certain investment assets contributed for the benefit of the Medical Center. All of these entities except for Butterfield Service Corporation are Illinois not-for-profit corporations and are organized as described under Section 501(c)(3) of the Internal Revenue Code. Butterfield is an Illinois business corporation.

In 1989, RHS, the Medical Center and Oakside became the initial members of an obligated group (the “**Obligated Group**”) established under a Master Trust Indenture dated as of December 15, 1989, among RHS, the Medical Center, Oakside and The Bank of New York Mellon Trust Company, N.A., as successor master trustee (as amended and supplemented from time to time, the “**Master Indenture**”). The Living Center became a member of the Obligated Group in 1990. Butterfield and the Foundation are not members of the Obligated Group.

- The Medical Center owns and operates a general acute care hospital in Kankakee, IL, which is licensed for 312 beds, of which 247 beds are currently staffed. In addition to the main hospital facility, the Medical Center operates the Resolve Center in Manteno, Illinois, which houses an 18-bed licensed inpatient substance abuse program and associated outpatient services. The Medical Center also operates Riverside Ambulance which provides ambulance service to the Medical Center’s primary service area from remote locations in Momence, Bradley, St. Anne, Herscher, Chebanse, Limestone, and Ashkum. Riverside Ambulance is also responsible for 16 communities through its Emergency Medical Service System. In addition, the Medical Center operates multiple community, primary and specialty health centers located in Kankakee, Bourbonnais, Manteno, Monee, Momence, Hopkins Park, Watseka, Gilman, Wilmington, Peotone and Coal City.

- The Medical Center also owns the Atrium Building in Bradley, Illinois which provides medical office space, space for a joint venture single-specialty ambulatory surgery center, and industrial medicine services. Located in Bourbonnais and owned by the Medical Center is the Medical Plaza, a comprehensive ambulatory campus which includes radiation therapy, diagnostic imaging, ambulatory surgery, and physician office space. Located in Coal City and owned by the Medical Center is the West Campus, consisting of a state of the art diagnostic imaging center, and physician office complex.

- In 2011, the Medical Center opened a new multi-specialty physician and cancer infusion center in the southern portion of its market located in Watseka, Illinois. The facility provides diagnostic services including lab and CT. In December of 2012 the Medical Center expanded services at the Watseka Center to include physical therapy, additional radiology, a two suite sleep center, primary care physicians, and mid-level providers.

- Oakside operates the 70,000 square foot Riverside Health Fitness Center located in Bourbonnais, Illinois. Additionally, Oakside operates a community counseling program, a commercial pharmacy, a health equipment sales and leasing program, a retail audiology/hearing and balance program and supports the new business activities of other affiliates.

- Living Center was incorporated in 1989 and owns and operates a senior living community that includes 90 independent living apartments known as Westwood Oaks, 96 assisted living apartments known as Butterfield Court, 18 ranch style family homes for seniors known as Westwood Estates and a 160-bed nursing facility. The senior living community is located directly across from the Medical Center in Kankakee and was constructed in phases beginning in 1990. In Fall 2014, Living Center opened an Assisted Living and Memory Care Campus in Bourbonnais consisting of 48 studio units for Memory Care and 32 Assisted Living units.

- There are no activities currently operated by Butterfield.

- From growth and investments in new programs and service lines, RHS has added 331 new FTE's since 2012.

The **Riverside HealthCare Foundation** (“**RHCF**”) raises funds for RHS and its affiliates. From 2012 to 2014 the RHCF provided $2.7 million in support of programs and initiatives for RHS. The Foundation had assets of $19.1 million as of December 31, 2014.

Project Rationale: The proceeds will be used by **Riverside** (i) currently refund $23,845,000 of its IFA Series 2004 Bonds outstanding in the amount of $25,220,000 and originally issued in the amount of $46,450,000, and (ii) currently refund its IFA Series 2006A Bonds outstanding in the amount of $13,320,000 and originally issued in the amount of $15,575,000.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Riverside HealthCare
Site Address:	Riverside Medical Center 350 N. Wall Street Kankakee, IL 60901
Contact:	Bill Douglas Senior Vice President, Chief Financial Officer
Website:	www.RiversideMC.net
Project name:	Riverside Health System (Series 2015)
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

Ownership/2015 Board Members (501(c)(3)):

Connie Ashline, *Chairman*
Jerald Hoekstra, *Vice Chairman*
Harry Bond, *Secretary*
Philip Kambic, *President*
Bill Douglas, *SVP, Financial Srvs & CFO*
Pamela Hull, *Assistant Secretary*
David Hegg
Larry Goodman
Patrick Martin
Renuka Ramakrishna, M.D.
Karen Reid
Jaymie Simmon
Francis Smith
Gary Wright

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Hoffman
Borrower's Advisor:	Ponder & Co.	Chicago	Michael Tym
Accountant:	KPMG	Chicago	Darryl Buikema
Bank:	JP Morgan Chase		
Bond Counsel:	Chapman and Cutler LLP	Chicago	Michael Mitchell
Bank Counsel:	Nixon Peabody LLP	Chicago	Julie Seymour
Bond Trustee:	BNY Mellon Trust Company		
Issuer's Counsel:	Pugh Jones Johnson	Chicago	Loraine Tyson
IFA Financial Advisor:	Sycamore Advisors LLC	Chicago	Melanie Shaker

LEGISLATIVE DISTRICTS

Congressional:	11, 16
State Senate:	40, 53
State House:	79, 106

SERVICE AREA

The primary service area is defined as Kankakee County. The secondary service area consists of portions of Will, Iroquois, Ford, Grundy, and Livingston Counties.

CONDUIT

October 8, 2015

$24,200,000
The Passavant Memorial Area Hospital Association

REQUEST	**Purpose**: Bond proceeds will be used by The Passavant Memorial Area Hospital Association to current refund its Series 2006A and 2006 B Bonds as well as pay costs of issuance **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None.
JOB DATA	953 Current jobs — 0 New jobs projected 1003 Retained jobs — 0 Construction jobs projected
DESCRIPTION	● Location (Jacksonville / Morgan County / Central) ● Passavant Area Hospital in Jacksonville, Illinois, serves the residents of Morgan, Cass, Greene, Scott, and Macoupin counties in West Central Illinois. The facility is located at 1600 West Walnut, on Jacksonville's west side. ● The Hospital is licensed for 121 patient beds and is staffed by approximately 900 full-time and part-time employees including an active medical staff of 70 physicians. ● The Hospital is also the largest employee in Morgan County and is a Magnet Hospital as recognized by the American Nurses Credentialing Center. ● The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and is a member of the American Hospital Association, the Illinois Hospital Association (IHA), and the Voluntary Hospitals of America (VHA). ● In 2014, Passavant became an affiliate of Memorial Health System. (Springfield)
CREDIT INDICATORS	● Variable Rate Bank direct purchase (bank to be determined by Passavant).
SECURITY	● Secured with a security interest in the Hospital's Revenues
MATURITY	● Bonds will mature no later than December 1, 2031
SOURCES AND USES	see below
RECOMMENDATION	Credit Committee recommends approval.

Sources and Uses

Sources:		**Uses:**	
IFA Bonds	$24,200,000	Refunding	$23,955,000
		Accrued Interest	
Equity	$0	Costs of Issuance*	245,000
Total	**$24,200,000**	**Total** *estimated	**$24,200,000**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 8, 2015

Project: The Passavant Memorial Area Hospital Association

STATISTICS

Project Number:	12312	Amount:	$24,200,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Location:	Jacksonville, IL	County/Region:	Morgan/Central

BOARD ACTION

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

PURPOSE

The proceeds will be used by **The Passavant Memorial Area Hospital Association** to current refund its Series 2006A and 2006 B Bonds as well as pay costs of issuance

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 tax-exempt status on interest paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Bonds	$24,200,000	Refunding	$23,955,000
		Accrued Interest	
Equity	$0	Costs of Issuance*	245,000
Total	**$24,200,000**	**Total**	**$24,200,000**

*estimated

JOBS

Current employment:	714 FTEs	Projected new jobs:	0 FTEs
Jobs retained:	721 FTEs	Construction jobs:	0 FTEs

FINANCING SUMMARY

Credit Enhancement:	None
Structure:	Variable rate bank direct purchase (bank to be determined by Passavant).
Interest Rate:	Variable
Interest Rate Modes:	Monthly reset
Underlying Ratings:	none
Maturity:	December 1, 2031
Estimated Closing Date:	November 20, 2015

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

The proceeds will be used by **The Passavant Memorial Area Hospital Association** (i) to current refund its Series 2006A and 2006B bonds and (ii) pay costs of issuance

BUSINESS SUMMARY

Background: Passavant Area Hospital in Jacksonville, Illinois, serves the residents of Morgan, Cass, Greene, Scott, and Macoupin counties in West Central Illinois. The facility is located at 1600 West Walnut, on Jacksonville's west side.

The hospital is accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), and is a member of the American Hospital Association, the Illinois Hospital Association (IHA), and the Voluntary Hospitals of America (VHA).

The Hospital is licensed for 121 patient beds and is staffed by approximately 900 full and part-time employees including an active medical staff of 70 physicians.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Passavant Memorial Area Hospital Association
Site Address:	Passavant Memorial Area Hospital Association 1600 West Walnut Street Jacksonville, Illinois 62650
Contact:	David Bolen
Website:	www.passavanthospital.com
Project name:	Passavant Memorial Area Hospital Association, Series 2015
Organization:	501(c)(3) Not-for-Profit Corporation
State:	Illinois

Ownership/2015 Board Members (501(c)(3)):

The membership of the The Passavant Memorial Area Hospital Association is composed of representatives elected or appointed by the churches in Morgan County, Scott County, and portions of Greene County, Macoupin County, and Cass County and from each of the following organizations: The Passavant Memorial Area Hospital Auxiliary; The Passavant Memorial Area Hospital Alumnae Association; Our Saviour's Holy Cross Alumnae Association; The Passavant Memorial Area Hospital active Medical Staff; and the Ministerial Association of Jacksonville. The members of the Hospital collectively constitute the Board of Governors of the Hospital and are responsible for certain duties including electing the Board of Directors of the Hospital and making recommendations to the Board of Directors. Members of the Board of Governors hold office for a term of one year or until their successors are elected.

The Hospital is governed by a Board of Directors comprised of sixteen community members and physicians. The Directors are elected to a term of four years. The Board of Directors elects individuals to fill vacancies as they occur. The Directors do not receive compensation. The President of the Hospital serves as an ex-officio member of the Board with no voting rights. The Chair, Vice Chair, Secretary, and Treasurer of the Board of Directors also serve as the Chair, Vice Chair, Secretary, and Treasurer, respectively, of the Board of Governors. Current members of the Board of Directors of the Hospital include: Keith Bradbury (Franklin Bank); Ginny Fanning (Morgan County Commissioner); Reggie Benton (Benton & Associates); Dr. Eric Giebelhausen (M.D.); Greg Lepper (Lepper Farms); Kelly Staake (Farmers State Bank & Trust Co.); Gilbert Joehl (Northwestern Mutual Financial Network); Doug Awe (Arends-Awe, Inc.); Phyllis Lape, Ph.D. (retired-educator); Dr. Steven Lillpop (M.D.); James Hinchen (retired–M.D.); Gary Scott (WLDS/WEAI Radio Station); Nancy Spangenberg (retired-RN); Don Headen (Headen Farms); Tom Veith (attorney).

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Sorling Northrup	Peoria, IL	James Broadway
Auditor:	Ernst & Young LLP is the auditor for Memorial Health System and Subsidiaries		
Bank:	To be determined (the Borrower is soliciting proposals)		
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Dan Bacastow
Bank Counsel:	To be determined		
Bond Trustee:	NA – Series 2006 A&B will be a direct placement with payments remitted directly to the purchasing bank		
Issuer's Counsel:	Hart, Southworth & Witsman	Springfield, IL	Samuel Witsman
Issuer's Advisor:	Acacia Financial Group, Inc.	Chicago	Jim Beck

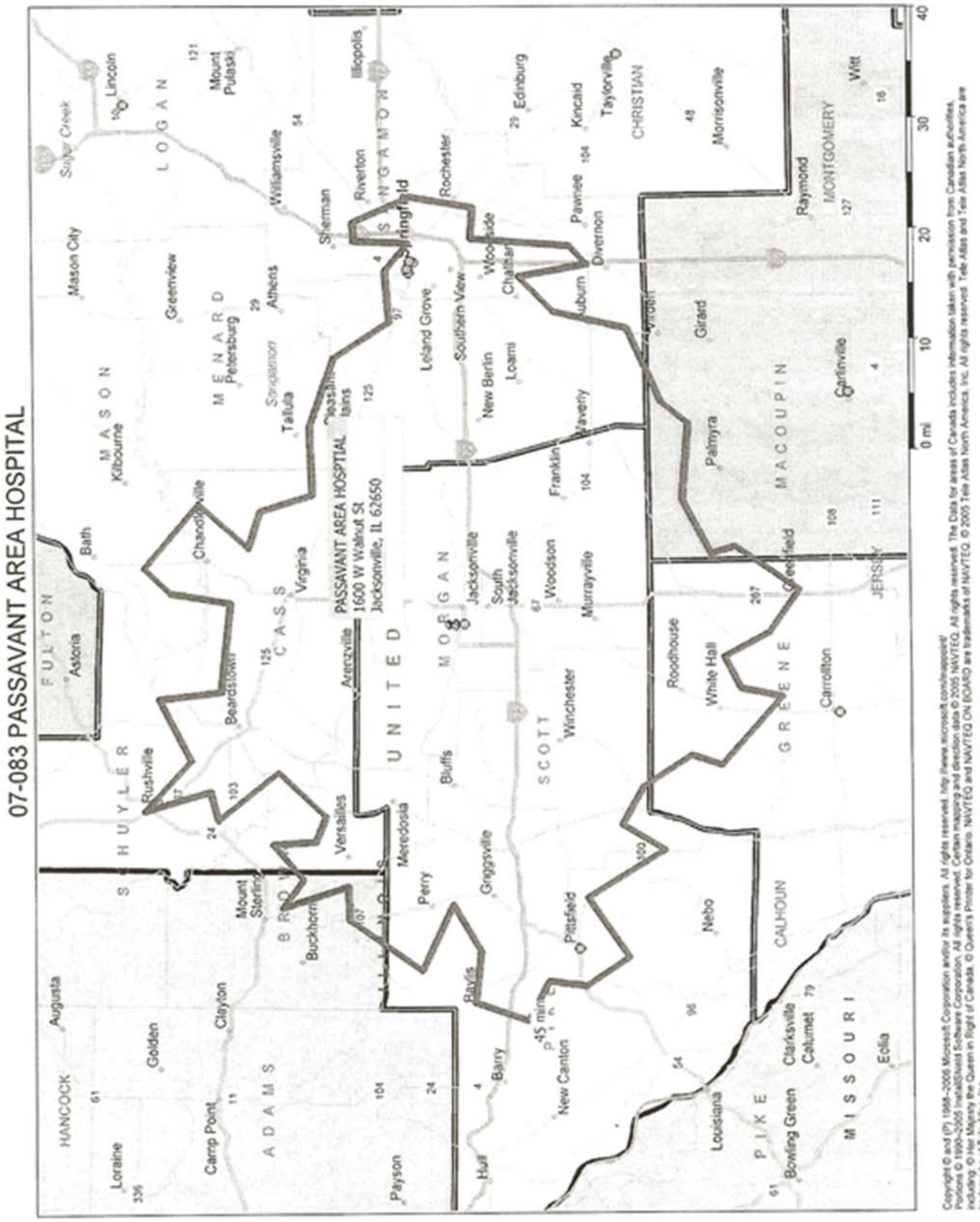
LEGISLATIVE DISTRICTS

Congressional:	18
State Senate:	50
State House:	100

SERVICE AREA

The Passavant Memorial Area Hospital Association is an acute care hospital located in Jacksonville, Illinois, the county seat of Morgan County, approximately 90 miles north of St. Louis, Missouri, and 35 miles west of Springfield, Illinois. The Corporation was originally established in 1875 and was incorporated in 1906 as an Illinois not-for-profit corporation.

Passavant is the only hospital in Morgan, Cass, and Scott Counties (see attached map). There is only one other hospital in Passavant's primary service area, Thomas Boyd Memorial Hospital located in Carrollton (Greene County) approximately 35 miles away from Passavant. Boyd is a 33-bed facility used primarily for long term care and is not considered to be a competitive facility by Hospital management.


07-083 PASSAVANT AREA HOSPITAL
PASSAVANT AREA HOSPITAL
1600 W Walnut St
Jacksonville, IL 62650
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Item No. 7 has been withdrawn.

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ILLINOIS FINANCE AUTHORITY

Memorandum

To:	IFA Board of Directors
From:	Rich Frampton & Brad R. Fletcher
Date:	October 8, 2015
Re:	Resolution Authorizing Extension of (IFA) IEFA Commercial Paper Revenue Notes Program for 5 Years

Request:
The attached Resolution authorizes the Illinois Finance Authority, at the request and direction of the Borrowers under the Commercial Paper Pooled Financing Program, to continue ongoing "rollovers" of Commercial Paper Revenue Notes until December 1, 2020.

This cooperative program, established collectively by its Borrowers (i.e., the "Members") in 1995, permits its Members to borrow through the issuance of Commercial Paper that is repriced at least once each 7 to 270 days, as determined by J.P. Morgan Securities (the "Broker-Dealer"). The Program has mostly provided short and intermediate term borrowings to its Members.

This Resolution authorizes the Authority to continue 7 to 270 day "repricings" for these conduit borrowers through December 1, 2020.

Background:
The member institutions are responsible for engaging all financial professionals, just as on any other Authority conduit financing. The Members have selected and engaged different financial professionals over the course of the program and there is no restriction on various financial professionals from soliciting the Members. The original Commercial Paper Revenue Notes issue was closed in 1995 and issued by the Illinois Educational Facilities Authority.

Each Borrower must obtain (i) credit approval from the commercial bank providing the Letter of Credit as security (i.e., The Northern Trust Company) and (ii) consent from the other Members to join this cooperative in order to issue credit-enhanced Commercial Paper Revenue Notes.

Current members include the following institutions: Children's Memorial Hospital, The Lincoln Park Zoological Society, Loyola University of Chicago, The University of Chicago, Northwestern University, The University of Chicago Medical Center, Illinois Masonic Center, Rehabilitation Institute of Chicago, OSF Healthcare System, and NorthShore University Health System are each Members of this cooperative program. Nevertheless, not all members currently have outstanding borrowings under the Program.

PROFESSIONAL & FINANCIAL

Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Commercial Paper Broker-Dealer:	J.P. Morgan Securities	New York, NY	Suzanne Beitel
Broker-Dealer Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour
Direct Pay LOC Bank:	The Northern Trust Company	Chicago, IL	
LOC Bank Counsel:	Foley & Lardner LLP	Chicago, IL	Laura Bilas
Trustee:	BNY Mellon	Columbus, OH	
IFA Financial Advisor:	Sycamore Financial Advisors	Chicago, IL	Melanie Shaker

RESOLUTION authorizing an amendment to the Resolution of the Illinois Educational Facilities Authority (the "IEFA"), a predecessor of the Illinois Finance Authority (the "Authority"), adopted on November 21, 1995, as amended by the Resolution of the IEFA adopted on February 22, 1996, by the Resolution of the IEFA adopted on October 16, 1998, by the Resolution of the IEFA adopted on June 17, 1999, by the Resolution of the IEFA adopted on September 14, 1999, by the Resolution of the IEFA adopted on October 18, 2000, by the Resolution of the IEFA adopted on May 24, 2001, by the Resolution of the IEFA adopted on August 23, 2001, by the Resolution of the IEFA adopted on November 26, 2001, by the Resolution of the IEFA adopted on April 10, 2002, by the Resolution of the IEFA adopted on December 16, 2003, by the Resolution of the Authority adopted on September 13, 2005, by two separate Resolutions of the Authority adopted on November 8, 2005, by the Resolution of the Authority adopted on July 8, 2008, by the Resolution of the Authority adopted on November 12, 2008, by the Resolution of the Authority adopted on October 12, 2010 and by the Resolution of the Authority adopted on November 14, 2013 (collectively, the "Existing Program Resolution"), authorizing and approving, among other things, the issuance and delivery by the Authority from time to time of not in excess of $433,200,000 aggregate principal amount at any one time outstanding of Commercial Paper Revenue Notes (Pooled Financing Program) (the "Notes") pursuant to a pooled tax-exempt commercial paper program (the "Program"); authorizing the extension of the Authority's authorization under the Existing Program Resolution of the issuance and sale of the Notes pursuant to the Program until December 1, 2020; authorizing and approving the execution and delivery of any documentation necessary to effect the foregoing; and authorizing and approving certain related matters.

WHEREAS, the Illinois Finance Authority (the "Authority") has been created by the Illinois Finance Authority Act, effective January 1, 2004, as amended (the "Act"); and

WHEREAS, on November 21, 1995, the Illinois Educational Facilities Authority (the "IEFA") adopted a Resolution (the "November 1995 Resolution") authorizing and approving, among other things, the issuance and delivery by the IEFA of not in excess of $106,000,000 in aggregate principal amount at any one time outstanding of Commercial Paper Revenue Notes (Pooled Financing Program) (the "Notes") pursuant to a pooled tax-exempt commercial paper program (the "Program") established under the Trust Indenture dated as of November 1, 1995, as supplemented and amended (the "Indenture"), between the Authority, as successor to the IEFA pursuant to the Act, and The Bank of New York Mellon Trust Company, N.A., as successor trustee, the proceeds of the Notes to be used to purchase separate Promissory Notes of The Children's Memorial Hospital, The Lincoln Park Zoological Society (the "Zoo"), Loyola University of Chicago ("Loyola") and The University of Chicago, all Illinois not for profit corporations, and Northwestern University ("Northwestern"), an Illinois corporation; and

WHEREAS, on February 22, 1996, the IEFA adopted a Resolution (the "February 1996 Resolution") authorizing and approving an amendment to the November 1995 Resolution to, among other things, increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $106,000,000 to $124,200,000; and

WHEREAS, on October 16, 1998, the IEFA adopted a Resolution (the "October 1998 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, to, among other things, (a) permit The University of Chicago Medical Center, formerly known as The University of Chicago Hospitals (the "Medical Center"), to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $124,200,000 to $158,200,000; and

WHEREAS, on June 17, 1999, the IEFA adopted a Resolution (the "June 1999 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution and the October 1998 Resolution, to, among other things, permit Loyola to reallocate all or a portion of the remaining $21,051,000 authorized to be borrowed by it for the purpose of financing, refinancing and reimbursing itself for all or a portion of the costs of the acquisition, construction, renovation and equipping of certain of its facilities constituting "educational facilities" as defined in the Illinois Educational Facilities Authority Act, as amended (the "IEFA Act"); and

WHEREAS, on September 14, 1999, the IEFA adopted a Resolution (the "September 1999 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution and the June 1999 Resolution, to, among other things, (a) permit Illinois Masonic Medical Center to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $158,200,000 to $183,200,000; and

WHEREAS, on October 18, 2000, the IEFA adopted a Resolution (the "October 2000 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution and the September 1999 Resolution, to extend the authority of the IEFA to issue and sell Notes under the Program from December 1, 2000 to December 1, 2005; and

WHEREAS, on May 24, 2001, the IEFA adopted a Resolution (the "May 2001 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution and the October 2000 Resolution, to amend the list of "educational facilities," as defined in the IEFA Act, that could be financed for the benefit of the Medical Center pursuant to the Program; and

WHEREAS, on August 23, 2001, the IEFA adopted a Resolution (the "August 2001 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution and the May 2001 Resolution, to amend the list of "educational facilities," as defined in the IEFA Act, that could be financed for the benefit of Loyola pursuant to the Program; and

WHEREAS, on November 26, 2001, the IEFA adopted a Resolution (the "November 2001 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution and the August 2001 Resolution, to, among other things, increase the principal amount of Notes that may be issued and outstanding under the Program for the benefit of Northwestern from \$35,500,000 to \$49,500,000 and increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from \$183,200,000 to \$197,200,000 ; and

WHEREAS, on April 10, 2002, the IEFA adopted a Resolution (the "April 2002 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution and the November 2001 Resolution, to, among other things, increase the principal amount of Notes that may be issued and outstanding under the Program for the benefit of the Zoo from \$20,000,000 to \$40,000,000 and increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from \$197,200,000 to \$217,200,000; and

WHEREAS, on December 13, 2003, the IEFA adopted a Resolution (the "December 2003 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution and the April 2002 Resolution, to amend the list of "educational facilities," as defined in the IEFA Act, that could be financed for the benefit of the Zoo pursuant to the Program; and

WHEREAS, on September 13, 2005, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "September 2005 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the

October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution and the December 2003 Resolution, to increase the principal amount of Notes that may be issued and outstanding under the Program for the benefit of the Medical Center from $30,000,000 to $105,000,000 and increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $217,200,000 to $292,200,000; and

WHEREAS, on November 8, 2005, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "November 2005 First Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution and the September 2005 Resolution, to, among other things, (a) permit the Rehabilitation Institute of Chicago ("RIC") to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $292,200,000 to $312,200,000; and

WHEREAS, on November 8, 2005, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "November 2005 Second Resolution" and, together with the November 2005 First Resolution, the "November 2005 Resolutions") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution and the November 2005 First Resolution, to extend the authority of the Authority, as successor to the IEFA pursuant to the Act, to issue and sell Notes under the Program from December 1, 2005 to December 1, 2010; and

WHEREAS, on July 8, 2008, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "July 2008 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution and the November 2005 Resolutions, to, among other things, (a) permit OSF Healthcare System ("OSF") to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $312,200,000 to $328,200,000; and

WHEREAS, on November 12, 2008, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "November 2008 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions and the July 2008 Resolution, to, among other things, (a) permit NorthShore University Healthcare System ("NorthShore") to become a borrowing institution under the Indenture and the Program and (b) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $328,200,000 to $403,200,000; and

WHEREAS, on October 12, 2010, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "October 2010 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the

October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions, the July 2008 Resolution and the November 2008 Resolution, to extend the authority of the Authority, as successor to the IEFA pursuant to the Act, to issue and sell Notes under the Program from December 1, 2010 to December 1, 2015; and

WHEREAS, on November 14, 2013, the Authority, as successor to the IEFA pursuant to the Act, adopted a Resolution (the "November 2013 Resolution") authorizing and approving an amendment to the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions, the July 2008 Resolution, the November 2008 Resolution and the October 2010 Resolution, to (a) increase the principal amount of Notes that may be issued and outstanding under the Program for the benefit of the Zoo from $40,000,000 to $70,000,000, (b) approve the financing, refinancing and reimbursing of the Zoo for all or a portion of the costs of the projects described therein and (c) increase the aggregate principal amount of Notes that may be issued and at any one time outstanding under the Program from $403,200,000 to $433,200,000; and

WHEREAS, the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions, the July 2008 Resolution, the November 2008 Resolution, the October 2010 Resolution and the November 2013 Resolution, is hereinafter referred to as the "Existing Program Resolution;" and

WHEREAS, the Existing Program Resolution provides that the Authority's authorization of the issuance and sale of the Notes under the Program will expire on December 1, 2015, unless such authorization is extended by a subsequent resolution of the Authority; and

WHEREAS, the Authority has been requested by Chapman and Cutler LLP, Bond Counsel to the Authority ("Bond Counsel"), on behalf of the Zoo, the Medical Center, and NorthShore, existing borrowing institutions, to extend the Authority's authorization of the issuance and sale of the Notes under the Program to December 1, 2020; and

WHEREAS, the Authority desires to so extend its authorization of the issuance and sale of Notes under the Program;

NOW, THEREFORE, Be It Resolved by the Authority that:

Section 1. *Extension.* The Authority, as successor to the IEFA pursuant to the Act, hereby authorizes and approves the extension of its authorization of the issuance and sale of Notes under the Program pursuant to the Existing Program Resolution from December 1, 2015 to December 1, 2020.

Section 2. *Amendment of Section 18 of the November 1995 Resolution.* In order to provide for the extension of the Authority's authorization of the issuance and sale of Notes under the Program, Section 18 of the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions, the July 2008 Resolution, the November 2008 Resolution, the October 2010 Resolution and the November 2013 Resolution, is hereby amended in its entirety to read as follows:

> "*Section 18.* *Term of Authorization*. The authorization of the issuance and sale of the Notes pursuant to this Resolution shall expire on December 1, 2020, unless such authorization is extended by subsequent resolution of the Authority."

Section 3. Execution and Delivery of Documentation. The Authority does hereby authorize and approve the execution by its Chairman or Vice Chairman and the delivery of such documentation as is deemed by Bond Counsel to be necessary or appropriate to accomplish the matters set forth above in this Resolution, such documentation to be in such forms as shall be approved by Bond Counsel and by the official or officials of the Authority executing the same, with such execution to constitute conclusive evidence of such approval.

Section 4. Authorization and Ratification of Related Matters. The members, officials, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute, deliver and/or approve all such documents and showings as may be necessary or appropriate to carry out and comply with the provisions of this Resolution, and all of the acts and doings of the members, officials, agents and employees of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Section 5. Repeal of Conflicting Resolutions. All resolutions and parts of resolutions in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its passage. The foregoing notwithstanding, the November 1995 Resolution, as amended by the February 1996 Resolution, the October 1998 Resolution, the June 1999 Resolution, the September 1999 Resolution, the October 2000 Resolution, the May 2001 Resolution, the August 2001 Resolution, the November 2001 Resolution, the April 2002 Resolution, the December 2003 Resolution, the September 2005 Resolution, the November 2005 Resolutions, the July 2008 Resolution, the November 2008 Resolution, the October, 2010 Resolution and the November 2013 Resolution, is hereby confirmed and approved in all respects except insofar as certain provisions thereof are expressly amended or modified by, or are otherwise in conflict with, this Resolution.

To: Members of the Authority

From: Chris Meister, Executive Director
Elizabeth Weber, General Counsel

Date: October 8, 2015

Re: Item 9 of the Project Reports and Resolutions.

Resolution to authorize an Emergency Purchase under the Procurement Code to competitively select and enter into contracts with necessary parties, including but not limited to lenders, underwriters, trustees or paying agents, servicers, printers, road show providers, and/or rating agencies, to finance one or more projects authorized under the Illinois Finance Authority Act, including public purpose projects, the proceeds of which will be used to address one or more of the following in the absence of an enacted appropriation for Fiscal Year 2016, a court order or a consent decree: (i) threat(s) to public health or public safety, (ii) if immediate expenditure is necessary for repairs to State property in order to protect against further loss or damage to State property, (iii) to prevent or minimize serious disruption of critical State services that affect health, safety, or collection of substantial State revenues, or (iv) to ensure the integrity of State records; and other matters related thereto.

Background

The State is currently authorized to pay for most goods and services, whether pursuant to an enacted appropriation for Fiscal Year 2016, a court order or consent decree, or other legal directive. However, for some goods and services, the State will not have authority to remit payment until an appropriation has been enacted. Avenues to fund or finance some essential State governmental goods and services may not be available to all vendors.

Request for Action

The Resolution authorizes the Executive Director to take necessary and appropriate actions under the Procurement Code to select and sign contracts with the certain parties to finance a public purpose project for essential public goods and services.

If necessary, the public purpose project financing will be approved at either a special Authority board meeting or a regularly scheduled Authority board meeting. Revenues to repay the loan or bond, including interest costs, administrative fees (if any) and cost of issuance, will be from anticipated future appropriations for this purpose, not from the general or special funds of the Authority.

Analysis of Certain Statutory Provisions

The Authority may finance Public Purpose Projects on behalf of the State

In creating the Authority, the General Assembly provided certain statutory tools to issue bonds as well as to make loans and guarantees in order to promote the health, safety, morals and general welfare of the people of the State. 20 ILCS 3501/801-5. If certain essential governmental services and goods are not funded due to the current budget impasse, the health, safety, morals and general welfare of the people of the State could be threatened.

Among these tools, the Authority has the power to finance "public purpose project(s)," which the General Assembly has specifically defined as:

> ". . . any project or facility, ..., which is authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose which is authorized or required by law to be undertaken by any unit of government." 20 ILCS 3501/801-10(c)

Under the Authority's Act, a "unit of government" includes the State "or any agency or instrumentality thereof." 20 ILCS 3501/801(i).

The Procurement Code provides the Emergency Purchase option to engage with private lenders and other necessary potential vendors

Given the lack of the usual avenues to fund certain essential governmental goods and services, the Authority would need to determine whether its statutory tools would support a financing to partially mitigate the threats to the health, safety, morals and general welfare of the State. By necessity, the Authority needs to engage with private lenders and other necessary parties in order to make such a determination. State law requires that the Authority conduct such engagement through the Illinois Procurement Code ("Code"). 30 ILCS 500, *et seq*.

The Code provides the "emergency purchase" option when any of the following four conditions are met:

- there exists a threat to public health or public safety, or
- when immediate expenditure is necessary for repairs to State property in order to protect against further loss or damage to State property, or
- to prevent or minimize serious disruption of critical State services that affect health, safety, or collection of substantial State revenues, or
- to ensure the integrity of State records ("Four Emergency Purchase Limitations"). 30 ILCS 30/20-30(a).

Emergency purchases shall be made with as much competition as is practicable under the circumstances. 30 ILCS 500/20-30(a). The term of the emergency purchase is limited to the time reasonably needed for a competitive purchase, not to exceed 90 days. If the contract needs to be extended beyond 90 days, the Chief Procurement Officer must make this determination subject to a public hearing and written justification for the extension. 30 ILCS 30/20-30(a).

The Authority's statutory tools may be available to finance Public Purpose Projects in the absence of an enacted appropriation for Fiscal Year 2016, a court order or consent decree, or other legal directive

The Authority has considered such concepts in the past - most recently in April 2011 when the Authority approved a preliminary proposal to finance the payment of Medicaid bills when such bills had long payment cycles. The Authority is aware that similar concepts were considered at least as far back as the 1990's under predecessor agencies. However, the current budget impasse, with its combination of certain budget bills signed into law and court-ordered payments, is different from past situations.

First, the Authority Act provides for the following to be possibly included in the financing of a public purpose project:

- a statutory lien. 20 ILCS 3501/801-40(c))
- a non-impairment clause. 20 ILCS 3501/801-50
- a pledge of the State's moral obligation (a contingent State taxpayer guarantee) under 20 ILCS 3501/801-40(w). Other provisions of the Authority Act may provide additional public purpose projects (see the additional security provisions found under 20 ILCS 3501/825-40; 825-75) that could provide additional categories and amounts of borrowing backed by the State's moral obligation (or its equivalent).
- Revenues to repay the loan or bond, including interest costs, administrative fees (if any) and cost of issuance, will be from anticipated future appropriations for this purpose

Second, the Authority Act also allows for a Public Purpose Project financing using statutory interest through the Prompt Payment Act (30 ILCS 540/1 *et seq.*).

Use of Proceeds

The Authority recommends a narrow definition of "essential public goods and services" in order to increase the likelihood that appropriations for the payment of principal and interest on the loan to finance such goods and services will be made as well as to comply with the applicable provisions of the Procurement Code. The Four Emergency Purchase Limitations provide specific parameters on the ultimate use of proceeds. However, the Authority recognizes that the Governor's Office, Governor's Office of Management and Budget ("GOMB"), and the leadership of specific agencies or offices will have authority and knowledge to designate or identify essential public goods and services. The Authority will work with State officials to identify essential public goods and services.

2015-1008-AD09

RESOLUTION TO AUTHORIZE AN EMERGENCY PURCHASE UNDER THE PROCUREMENT CODE TO COMPETITIVELY SELECT AND ENTER INTO CONTRACTS WITH NECESSARY PARTIES, INCLUDING BUT NOT LIMITED TO LENDERS, UNDERWRITERS, TRUSTEES OR PAYING AGENTS, SERVICERS, PRINTERS, ROAD SHOW PROVIDERS, AND/OR RATING AGENCIES, TO FINANCE ONE OR MORE PROJECTS AUTHORIZED UNDER THE ILLINOIS FINANCE AUTHORITY ACT, INCLUDING PUBLIC PURPOSE PROJECTS, THE PROCEEDS OF WHICH WILL BE USED TO ADDRESS ONE OR MORE OF THE FOLLOWING IN THE ABSENCE OF AN ENACTED APPROPRIATION FOR FISCAL YEAR 2016, A COURT ORDER OR A CONSENT DECREE: (I) THREATS TO PUBLIC HEALTH OR PUBLIC SAFETY, (II) IF IMMEDIATE EXPENDITURE IS NECESSARY FOR REPAIRS TO STATE PROPERTY IN ORDER TO PROTECT AGAINST FURTHER LOSS OR DAMAGE TO STATE PROPERTY, (III) TO PREVENT OR MINIMIZE SERIOUS DISRUPTION FO CRITICAL STATE SERVICES THAT AFFECT HEALTH, SAFETY OR COLLECTION OF SUBSTANTIAL STATE REVENUES, OR (IV) TO ENSURE THE INTEGRITY OF STATE RECORDS; AND OTHER MATTERS RELATED THERETO

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

WHEREAS, the State of Illinois (the "State") is currently authorized to pay for many goods and services, whether pursuant to an enacted appropriation for fiscal year 2016, a court order or consent decree, but avenues to fund or finance some essential State governmental goods and services may not be available to the State for all vendors to the extent necessary; and

WHEREAS, the General Assembly determined under the Act, in the interest of promoting the health, safety, morals and general welfare of all the people of the State, to make available through the Authority funds for public purpose and other projects; and

WHEREAS, under the Act (20 ILCS 3501/801-10(c)), a "public purpose project" includes any project or facility which is authorized or required by law to be acquired, constructed, improved, rehabilitated, reconstructed, replaced or maintained by any unit of government or any other lawful public purpose which is authorized or required by law to be undertaken by any unit of government; and

WHEREAS, under the Act (20 ILCS 3501/801-10(i)), a "unit of government" includes the State or any agency or instrumentality, office, officer, department, division, bureau, or commission thereof; and

WHEREAS, the Illinois Procurement Code (30 ILCS 500/1-1 *et seq.*) allows the Authority to make procurements including those (i) when there exists a threat to public health or public safety, (ii) when immediate expenditure is necessary for repairs to State property in order to protect against further loss of or damage to State property, (iii) to prevent or minimize serious disruption in critical State services that affect health, safety, or collection of substantial State revenues, or (iv) to ensure the integrity of State records (collectively, the " Purchase Provisions"); and

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

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

Section 2. Approval to Use the Procurement Code to Select and Enter into Contracts with Certain Parties. The Executive Director or his designees are hereby authorized to take all actions, reasonable and necessary, under the Purchase Provisions of the Procurement Code, or other applicable provisions, to solicit bids and proposals from certain parties, including but not limited to lenders, underwriters, trustees or paying agents, servicers, printers, road show providers, and/or rating agencies, to finance one or more projects authorized under the Act, including public purpose projects, the proceeds of which will be used to address one or more of the Purchase Provisions in the absence of an enacted State appropriation for fiscal year 2016, a court order or a consent decree. To the extent required by the Procurement Code, such procurements shall be made with as much competition as is practicable under the circumstances.

Section 3. Delegation to the Executive Director. The Authority hereby delegates to the Executive Director of the Authority, in conjunction with the other officers of the Authority, the power to take or cause to be taken any and all actions, and to execute, acknowledge and deliver any and all such agreements, instruments, certificates and other documents as may be required in connection with the procurements set forth in this Resolution.

Section 4. Further Actions. The Executive Director is hereby authorized, empowered and directed to do all such acts and things and to execute, acknowledge and deliver all documents as may in his discretion be deemed necessary or desirable to carry out and comply with the terms and provisions of this Resolution; and all of the acts and doings of the Executive Director of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, shall be and the same are hereby in all respects, ratified, confirmed and approved. All prior and future acts and doing of the officers, agents and employees of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the execution and performance of the Resolution shall be and the same hereby are in all respects approved and confirmed.

Section 5. 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 6. Conflicts. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

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

Approved and effective this 8th day of October, 2015 by roll call vote as follows:

Yeas:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

By ______________________________
Executive Director

ATTEST:

____
Assistant Secretary

[SEAL]

Confidential: Attorney-Client; Exempt from FOIA: preliminary policy making; competitive harm

To: Members of the Authority
From: Elizabeth Weber, General Counsel
Chris Meister, Executive Director
Date: October 8, 2015
Re: Sample Questions and Answers

1. **Who asked the Authority to pursue development of this concept?**

   <u>Proposed Answer:</u> The Governor's Office has asked all State agencies to assist with vendor management during the budget impasse. While the Authority does not depend on the State budget and State appropriations to support its operations, seeking Board approval for the selection of necessary parties under the Procurement Code for a public purpose project financing is one way in which the Authority could assist and would provide the State with an additional option to help mitigate the current situation.

2. **Will this concept work?**

   <u>Proposed Answer:</u> We don't know. We do have certain tools under the Authority Act. But the Authority needs to go through the Procurement Code process with Authority Board approval in order to get an answer. This process will allow as much competition as practicable under the circumstances and to proceed with the necessary vendors expeditiously if feasible.

3. **What would happen if the General Assembly does not appropriate funds for repayment or specifically prohibits appropriations for this purpose if the proposed loan to the Authority is secured by the State's moral obligation pledge?**

   <u>Proposed Answer:</u> This is what the moral obligation pledge is for – although under the moral obligation, the General Assembly may or may not appropriate funds. This is why it is a moral obligation rather than a general obligation. To date, the State of Illinois has never failed to provide funds necessary to pay debt service on bonds secured with a moral obligation pledge. However, past performance is no guarantee of future results. The Authority and the potential lenders bear the appropriation risk under this proposal. The State could also risk downgrade of its credit by the rating agencies if the General Assembly fails to appropriate and fund a debt service payment appropriation request filed by the Governor on a moral obligation bond.

4. **How large does the Authority expect this financing to be?**

   <u>Proposed Answer:</u> Again the outcome of the procurement process will dictate this answer. The size of the transaction cannot exceed the available allocation under the Authority's moral obligation issuance authority. Under 20 ILCS 3501/801-40(w), approximately $114 million of "moral obligation" bonds could be issued; however there is a potential that the "additional security" provisions of 20 ILCS 3501/825-40; 825-75 could provide additional categories and amounts of borrowing (up to $3 billion; energy related) backed by moral obligation (or its equivalent, additional security). If a viable financing structure is identified through the procurement process, the terms of the public purpose project financing will be brought back to the Authority for approval.

5. **The budget impasse results from a policy dispute between two of the three branches of government. If the Authority issues moral obligation bonds, would the General Assembly consider that it, as part of the Executive Branch, has inserted itself into the policy dispute?**

   Proposed Answer: The moral obligation bond structure has been a part of the Authority Act for many years. Other governmental units, such as regional authorities, also have the statutory authority to issue moral obligation bonds. Generally, under this financing structure, the Governor requests that the Legislature refill the debt service reserve on any bonds or loan secured by the moral obligation pledge if monies in that fund are needed to pay debt service. The proposed financing option was developed with full respect for and knowledge of the Legislature's inherent and sole power to appropriate.