

To: Members of the Illinois Finance Authority
From: Chris Meister, Executive Director
Date: May 13, 2025
Subject: Message from the Executive Director

State of Illinois Clean Water Initiative Revolving Fund Bonds, Series 2025

On April 16, 2025, the Illinois Environmental Protection Agency (“IEPA”) and the Illinois Finance Authority (the “Authority”) closed the State of Illinois Clean Water Initiative Revolving Fund Revenue and Refunding Bonds, Series 2025 (Green Bonds), and successfully yielded \$544.2 million of proceeds for the IEPA’s State Revolving Fund (“SRF”) programs. The Series 2025 Green Bonds also refinanced \$379.1 million of previous bond issues for savings. This transaction, totaling over \$900 million, represents a significant and high-impact joint achievement for the people of Illinois. The attached release (Attachment A) provides a detailed overview of the successful execution and scope of the transaction. The transaction is consistent with the Authority’s goals of reducing the cost of debt to Illinois taxpayers, residents, and ratepayers, in this case for water infrastructure, while putting qualified women and men to work building needed infrastructure and improving health outcomes for residents across the State. According to Amanda Lee of Jefferies, the lead bookrunner, an underappreciated benefit of the bonds is that over time, *“it is anticipated that these AAA-rated bonds will become a reference point for investors and could contribute to improved pricing for other State credits both in the primary and secondary markets.”*

This Month’s Transactions

This morning we welcome a longtime borrower, CenterPoint Joliet Terminal Railroad LLC, who is requesting a conversion of previous bond issues. The transactions with CenterPoint have been among the most impactful in terms of job creation and economic development facilitated by the Authority. Although the federal tax-exempt authority, under which these transactions were authorized, was limited in both purpose and duration, the CenterPoint transactions demonstrate the power of federally tax-exempt private activity bonds to attract private capital and create jobs for Americans that would have otherwise not been created.

There is interest within the foundation funding community to support the Illinois Clean Energy and Resilience Fund (“ICERF”), a non-profit and co-member organization with the Authority. We remain optimistic about securing such funding and will continue to provide updates as necessary. In anticipation of a potential grant, subject to the federal government’s approval of ICERF’s tax-exempt status, we request authorization to document and loan funds from the Authority’s balance sheet to cover start-up costs. The loan may be secured by anticipated foundation funding, which is expected to be available to repay the debt upon approval of ICERF’s tax-exempt status in the coming months.

Also on the agenda is a resolution granting the Executive Director certain administrative powers related to the Deferred Action for Childhood Arrivals loan program.

Legislative Updates

Senate Bill 2306 (“SB2306”), an initiative of the Authority, continues to move through the legislative process. SB2306 adds additional language relating to “climate resilience projects” to the Illinois Finance Authority Act, as well as clarifies the Authority’s existing working capital lending powers. On May 8, 2025, SB2306, which favorably passed the Senate last month, moved out of the House Revenue & Finance Committee on a bipartisan vote. With the support of Chief House Sponsor Rep. Nabeela Syed, the Authority is optimistic that SB2306 will be heard on the House floor soon. The Authority also added several bipartisan House Sponsors, listed in the Climate Bank Standing Report. The Authority sincerely thanks its Sponsors and Co-Sponsors, particularly Chief Senate Sponsor Rachel Ventura and Chief House Sponsor Nabeela Syed, for their support on this initiative. The Authority also thanks the 98 different witnesses who filed in support of SB2306 prior to the Revenue & Finance Committee hearing last Thursday.

Key Federal Funding Updates

The federal funding environment is fluid. We will continue to provide updates as appropriate. Since last month’s meeting, the Authority, in collaboration with the Climate Infrastructure Group, has launched four new funding opportunities as part of the Solar for All and Climate Pollution Reduction Grants programs and published them all to the website and to a new [Climate Bank website](#), which will be home to these and more programs in the future. These applications are open throughout May and June. See more information in the Climate Bank Plan Standing Report.

Other Updates

Finally, I will be out of the country for personal reasons between June 18th and July 7th and anticipate limited accessibility. We are working internally, and with outside counsel, for an appropriate resolution to ensure continued document execution and management in my absence.

Attachments

Attachment A: SRF Press Release