# ILLINOIS FINANCE AUTHORITY

May 12, 2020
9:30 a.m.

## REGULAR MEETING

Michael A. Bilandic Building
160 North LaSalle Street
Suite S-1000
Chicago, Illinois 60601

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**Michael A. Bilandic Building**
**160 North LaSalle Street**
**Suite S-1000**
**Chicago, Illinois 60601**

I. Call to Order & Roll Call
II. Approval of Agenda
III. Public Comment
IV. Chairman's Remarks
V. Message from the Executive Director
VI. Presentation and Consideration of New Business Items
VII. Presentation and Consideration of Financial Reports
VIII. Correction and Approval of Minutes
IX. Other Business
X. Adjournment

## NEW BUSINESS

### CONDUIT FINANCING PROJECTS

| Tab | Project Name | Location | Amount | *New Jobs (see footnote) | *Const. Jobs (see footnote) | Staff |
|---|---|---|---|---|---|---|
| **Private Activity Bonds - Revenue Bonds** *Final (One-Time Consideration)* | | | | | | |
| **1** | CenterPoint Joliet Terminal Railroad, LLC (CenterPoint Intermodal Center - Joliet Project) | Joliet (Will County) | $150,000,000 | (See footnote)* | (See footnote)* | RF/BF |
| **2** | North Central College | Naperville (DuPage County) | $22,000,000 | 13 | 50 | RF/BF |
| **TOTAL CONDUIT FINANCING PROJECTS** | | | **$172,000,000** | **13** | **50** | |
| **GRAND TOTAL** | | | **$172,000,000** | **13** | **50** | |

### RESOLUTIONS

| Tab | Action | Staff |
|---|---|---|
| **Conduit Financings** | | |
| **3** | Resolution Authorizing the Distribution of an Official Statement Related to the Illinois Finance Authority Revenue Bonds (Roosevelt University) Series 2020A, and Illinois Finance Authority Taxable Revenue Bonds (Roosevelt University) Series 2020B, Issued by the Illinois Finance Authority on behalf of Roosevelt University | RF/BF |
| **4** | Resolution Supplementing IFA Resolution No. 2020-0310-CF02 which Authorized the Issuance of Not to Exceed $45,000,000 in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020 (St. Anthony - Deer Path Projects), the Proceeds of which are to be Loaned to St. Anthony SLF, LLC and Deer Path SLF, LLC | RF/BF |
| **5** | Resolution Authorizing and Approving the Execution and Delivery of a Second Amendment to Bond and Loan Agreement Among the Illinois Finance Authority, Smart Hotels/Olympia Chicago, LLC and BMO Harris Bank N.A. and Related Matters | RF/BF |
| * | **Notes Regarding (1) Current New Jobs and Construction Jobs and (2) Aggregate New Jobs and Construction Jobs over the Anticipated Master Development/Build-Out Cycle - CenterPoint Joliet Terminal Railroad, LLC (or "CIC-Joliet Project" or "Project"):**<br>1. Current FT Jobs and FTE Construction Jobs associated with the CIC-Joliet Project (as of April 2020) total 8,276 and are comprised of the following(a) 2,430 union construction jobs (200 man hrs./job), (b) 2,400 permanent industrial park and intermodal facility jobs, (c) 2,246 permanent trucking jobs, and (d) 1,100 indirect/induced jobs.<br><br>2. Over 16,600 total construction, permanent and indirect/induced jobs are anticipated over the Development/Built-Out Cycle of the CIC-Joliet Project (which will extend beyond completion of portions of the Project financed with IFA Bonds) and include(a) 6,200 union construction jobs, (b) 5,400 permanent industrial park and intermodal facility jobs, (c) 3,100 permanent trucking jobs, and (d) 1,900 indirect and induced jobs.<br><br>Future project build-out expenditures are currently estimated at $654.53 million. (Following issuance of the Series 2020 Bonds in June 2020, IFA will have issued $605.0 million of Tax-Exempt Surface Freight Transfer Bonds over the duration of the IFA/CenterPoint bond initiative as authorized from 2010 to July 1, 2020 by the US Department of Transportation.)<br>. | |

# TAB: EXECUTIVE DIRECTOR MESSAGE

160 North LaSalle Street
Suite S-1000
Chicago, IL 60601
312-651-1300
312-651-1350 fax
www.il-fa.com

Date: May 12, 2020

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

From: Christopher B. Meister, Executive Director

Subject: ***Message from the Executive Director***

Dear Member of the Authority:

***Restore Illinois: A Public Health Approach to Safely Reopen Our State***

On March 9, 2020, the day before our last Authority meeting, Governor Pritzker issued the Gubernatorial Disaster Proclamation ("Proclamation") related to COVID-19, the first of many executive orders and actions taken to mitigate the human tragedy resulting from the global pandemic's unprecedented threat to public health and the Illinois economy. On March 15, consistent with the Proclamation and subsequent actions, day-to-day Authority operations went remote. Since then, the Authority has continued to serve our borrowers and stakeholders in a safe and healthy way. The Proclamation has been extended through May 29, 2020.

On May 5, 2020, Governor Pritzker introduced ***Restore Illinois***, a five-phased plan to reopen our state, guided by health metrics with distinct business, education, and recreational activities characterizing each phase. The phases include: (1) ***Rapid Spread***; (2) ***Flattening***; (3) ***Recovery***; (4) ***Revitalization***; and (5) ***Illinois Restored.*** The Authority stands ready to use our tools, talent, resources, and flexibility to help our fellow residents and our economy move forward consistent with this plan.

***Executive Order 33/COVID-19 Order 31 and US Internal Revenue Service Action***

As a prerequisite for closing and funding most federally tax-exempt conduit bonds, the Authority must provide both (1) a bond resolution adopted pursuant to a lawful Authority quorum and (2) documented evidence of a valid public hearing administered by the Authority under the federal Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"). The Authority conducts its TEFRA hearings in Springfield pursuant to public notice, prepared under guidance of outside bond counsel, with the ability to receive written comments in advance.

Today's remote Authority meeting was made possible by the suspension of the provision of the Illinois Finance Authority Act requiring that "[a]ll meetings shall be conducted at a single location within the State with a quorum of members physically present at this location" (20 ILCS 3501/801-825) by Gubernatorial Executive Order 33/COVID-19 Order 31 ("EO 33/COVID-19 31") issued on April 30,

2020. EO 33/COVID-19 31 was issued pursuant to the Proclamation as extended and modified from time to time. During this challenging time, we are grateful to Governor Pritzker for his consideration of the Authority's unique statutory mandates as well as the contributions of outside bond counsel to this positive outcome.

On May 4, 2020, the United States Department of the Treasury ("US Treasury") provided guidance on the public approval requirement for TEFRA hearings that will allow the Authority to hold TEFRA hearings consistent with the restrictions in effect due to COVID-19. The National Association of Bond Lawyers ("NABL") took the lead in proposing language to US Treasury on the TEFRA issue. We are grateful for NABL's work on this matter. One of the Authority's national membership organizations, the National Association of Health, Educational Facilities Finance Authorities ("NAHEFFA"), as well as other entities with interests in conduit bonds, also advocated with Treasury and the IRS on this critical issue. The Authority's next TEFRA hearing will take place on May 13, 2020.

***Jobs, Higher Education, Supportive Housing and Innovation***

In these challenging economic times, the Authority is proud to have two long-time conduit borrowers on today's agenda: ***CenterPoint Joliet Terminal Railroad, LLC*** and ***North Central College*** (Naperville). The CenterPoint project has been supported by a special programmatic allocation of federal tax-exempt Private Activity Bond volume cap provided directly to the CenterPoint Intermodal Center – Joliet project (or "CIC – Joliet") provided by the US Department of Transportation (rather than the US Treasury). The financing represents the culmination of nearly fifteen years of effort by the Authority. Once today's transaction is closed, the last of five anticipated bond issues for this project, the Authority will have issued over $600 million in conduit bonds on behalf of CIC - Joliet since 2010. This project is responsible for thousands of permanent and union construction jobs. This project was the first of its kind in the nation and represents an economic project of statewide importance. Since the inception of this major Illinois jobs engine, the Authority has played a critical contributing role in bringing this project to reality.

Of particular relevance during today's pandemic, ***North Central College*** will use its bond proceeds to construct a new Health Sciences Building on its main campus. Construction of the new Health Sciences Building is scheduled to begin this Spring (although site work has already been initiated) and will offer immediate relief to students and staff upon completion in August of 2021. Once completed, the building will be approximately 42,000 square feet and house some of the most important health sciences programs the College offers, including a new Masters of Physician Assistant program that will be developed for the first cohort to begin in August 2021 and a new Doctor of Physical Therapy program that will be developed for the first cohort to begin in January 2023.

The Authority will also consider amendments for ***Roosevelt University, SMART Hotels/Olympia Chicago, LLC*** as well as the ***St. Anthony and Deer Path Supportive Living Facility*** financings.

Finally, you are aware of the promise held by the Authority's newest product, Property Assessed Clean Energy ("PACE") financing. The City of Chicago's ChicagoPACE program not only relies upon the enacted legislation supported by the Authority but also the Authority's expertise and standardized financing documents in issuing PACE bonds. This month, *Fast Company* magazine recognized ChicagoPACE through an honorable mention out of 3000 applicants as one of "World Changing Ideas Awards 2020: Politics and Policy" https://www.fastcompany.com/90492095/world-changing-ideas-awards-2020-politics-and-policy-finalists-and-honorable-mentions.

Respectfully,

Christopher B. Meister
Executive Director

# TAB 1: CENTERPOINT JOLIET TERMINAL RAILROAD LLC

ILLINOIS FINANCE AUTHORITY

CONDUIT

May 12, 2020

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

| | |
|---|---|
| **REQUEST** | **Purpose:** Finance the acquisition of land, and construction and equipping of various capital improvements thereon at CenterPoint Intermodal Center – Joliet, 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.<br><br>**Project Description:** Finances construction, equipment, and bond issuance costs and provides permanent financing for CenterPoint Intermodal Center – Joliet.<br>**Program**: Surface Freight Transfer Facilities Revenue Bonds [Special U.S. Department of Transportation ("**US DOT**") Private Activity Bond Program authorized under the 2005 Federal Transportation Act ("**SAFETEA-LU**").]<br>**Volume Cap:** _No State of Illinois or IFA Private Activity Bond Volume Cap will be required._ CenterPoint Properties has approximately $150 million of remaining, unused Surface Freight Transfer Facilities Revenue Bond allocation from the US DOT to develop and build-out qualified surface freight transfer facilities as allowed by law. CenterPoint selected IFA in 2007 to serve as the conduit issuer for Private Activity Bonds issued to finance this project with proceeds with the US DOT allocation. CenterPoint reserves the right to apply for additional Private Activity Volume Cap up to the Confirming Resolution amount previously approved by the IFA Board - $1.34 billion in October 2015 (see Sources & Uses of Funds table below).<br>**Extraordinary Conditions:** None |
| **BOARD ACTIONS** | Final Bond Resolution requested to issue up to $150.0 million of New Money Bonds.<br><br>Prior Board Actions in connection with the development and build-out of this project include the following: (i) IFA First Omnibus Amendment Resolution (2018-1113-BI05), (ii) IFA Bond Resolution (2017-0309-BI02), (iii) IFA Final Bond Resolution (2016-0114-BI02 ) approved January 14, 2016, (iv) IFA Resolution to Confirm and Restate August 7, 2007 Preliminary Bond Resolution (2015-1008-BI02) approved October 8, 2015, (v) IFA Final Bond Resolution (2012-0911-BI04) approved September 11, 2012, (vi) IFA Final Bond Resolution (2010-11-04) approved November 10, 2010, and (vii) IFA Preliminary Bond Resolution (07-08-23) approved August 7, 2007 are reported on p. 3 of this report. |
| **MATERIAL CHANGES** | This is the first time this particular tranche has been presented to the IFA Board. This will be the fifth series of Bonds issued in connection with the ongoing multi-year build-out of the CenterPoint Intermodal Center – Joliet since 2010. |
| **JOBS DATA** (_SEE P. 4 FOR ADDITIONAL DETAILS;_ _16,600+ JOBS OVER DEVELOPMENT CYCLE_) | 8,276 Current FT jobs; comprised of the following<br>• 2,430 Union Construction Jobs<br>• 2,400 Permanent Industrial Pk./Intermodal Facility Jobs<br>• 2,246 Permanent Trucking Jobs<br>• 1,200 Indirect/Induced Jobs<br>N/A Jobs Retained<br><br>16,600+ FT Jobs over Project Development Cycle, comprised of:<br>• 6,200 Union Construction Jobs<br>• 5,400 Permanent Industrial Park and Intermodal Facility Jobs<br>• 3,100 Permanent Trucking Jobs<br>• 1,900 Indirect/Induced Jobs |
| **BORROWER** | ● Type of entity: CenterPoint Joliet Terminal Railroad, LLC, is a special purpose entity formed by CenterPoint Properties Trust to own and develop the subject intermodal freight transfer facility project for lease or resale to prospective tenants and/or purchasers as allowed under SAFETEA-LU |
| **DESCRIPTION** | ● Location: Joliet, Illinois (Will County)<br>● When was it established? Borrower was formed in 2007 as a special purpose entity to own and develop the subject intermodal rail/truck and truck/rail facility in Joliet<br>● What does the entity do? Real estate development company<br>● Who does the entity serve? Tenants/users of CenterPoint Intermodal Center - Joliet<br>● What will new project facilitate? Improved surface transportation and logistics efficiencies via truck and rail (initially via the Union Pacific Railroad and BNSF Railroad). |
| **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 (and CenterPoint's other credit facilities, including term credit facilities). |
| **PROPOSED STRUCTURE** | The proposed Bonds will be Multi-Modal Bonds that will initially be directly purchased by a syndicate of banks (i.e., in Bank Rate Mode) led by US Bank National Association as Administrative Agent and Sole Book Runner. US Bank, PNC Capital Markets LLC and Regions Capital Markets will be joint Lead Arrangers while PNC Bank, National Association and Regions Bank will be Co-Syndication Agents. 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. While the Bonds bear interest in Bank Rate Mode the Bonds will be sold to members of the lending syndicate in minimum denominations of $100,000 and integral multiples of $5,000 thereof. (Additional banks may be added to the syndicate over time.)<br>Interest Rates: preliminary estimated range of 1.00% to 5.00% (estimated preliminary parameters); the initial Bank Rate is expected to be a variable rate based on LIBOR plus a spread; the initial interest rate period selected will be negotiated between CenterPoint and US Bank N.A. as Administrative Agent based on an evaluation of market conditions in advance of the closing date (and future interest reset dates). The initial Bank Rate Period is expected to be at least one year.<br>Maturity: Not-to-exceed 40 years from the date of issuance (parameter). The anticipated final maturity date is estimated as June 1, 2060 (preliminary; subject to change). |

**SOURCES & USES - ESTIMATED**

| Sources: | | Uses: | |
|---|---|---|---|
| IFA Series 2010 Bonds: | $ 150,000,000 | Project Costs for Reimbursement: | $ 605,000,000 |
| IFA Series 2012 Bonds: | 75,000,000 | Future Project Costs | 654,530,000 |
| IFA Series 2016 Bonds | 100,000,000 | Costs of Issuance - Series 2010 | 815,000 |
| IFA Series 2017 Bonds | 130,000,000 | Costs of Issuance - Series 2012 | 190,000 |
| IFA Series 2020 Bonds | 150,000,000 | Costs of Issuance - Series 2016 | 190,000 |
| Future Project Expenditures | 532,000,000 | Costs of Issuance - Series 2017 | 190,000 |
| Equity/Match: | 124,105,000 | Costs of Issuance - Series 2020 | 190,000 |
| **Total:** | **$ 1,261,105,000** | **Total:** | **$ 1,261,105,000** |

| | |
|---|---|
| **RECOMMENDATION** | Project Review Committee recommends approval. |

# ILLINOIS FINANCE AUTHORITY
# BOARD SUMMARY
# May 12, 2020

**Project: CenterPoint Joliet Terminal Railroad, LLC**
**(CenterPoint Intermodal Center – Joliet Project)**

## STATISTICS

| | | | |
|---|---|---|---|
| IFA Project: | 12321 | Amount: | $150,000,000 (not-to-exceed amount) |
| Type: | Surface Freight Transfer Facilities Revenue Bonds | IFA Staff: | Rich Frampton and Brad R. Fletcher |
| Location: | Joliet | County/ Region: | Will/Northeast |

## BOARD ACTION

| | |
|---|---|
| Final Bond Resolution for Series 2020 Bonds<br>Conduit Surface Freight Transfer Facilities Revenue Bonds (Tax-Exempt) | Project Review Committee recommends approval |
| No IFA funds at risk | No extraordinary conditions |

*Note:* CenterPoint has obtained (i) the requisite Private Activity Bond allocation directly 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 in the general area of the Project) through the Illinois Department of Transportation, thereby satisfying both US DOT 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.

## IFA CONTRIBUTION

*Although the subject Bonds will be issued on a tax-exempt basis for a for-profit entity, Surface Freight Transfer Facility Revenue Bonds will not require any State of Illinois or IFA Volume Cap. Instead, authorization requests for Tax-Exempt Surface 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 has previously obtained direct allocations used by IFA to finance the Prior Bonds issued to date ($455 million as of 5/1/2020) and of which approximately $150 million remains available for use by CenterPoint with any unused amount subject to expiration as of 7/1/2020. The Secretary of the U.S. Department of Transportation has approved these allocations of SAFETEA-LU bonding authority to enable tax-exempt bonds to be issued to finance qualified capital improvement expenditures associated with development of the CenterPoint Intermodal Center – Joliet project.*

*In 2007CenterPoint selected IFA to serve as the conduit issuer for its CenterPoint Intermodal Center – Joliet project. As conduit issuer, IFA will convey tax-exempt municipal bond status on debt issued (and purchased by CenterPoint's commercial banking syndicate) to permanently finance qualified improvements located at the Project site.*

**VOTING RECORDS (presented in reverse chronological order)**

First Omnibus Amendment to the Series 2010, Series 2012, Series 2016, and Series 2017 Indentures to Adjust Applicable Interest Rates and Mandatory Tender Dates, and Make Other Miscellaneous Modifications and Authorizing the Execution and Delivery of the Omnibus Amendment and Related Documents, and Related Matters approved November 13, 2018:

- Ayes: 12; Nays: 0; Abstentions: 0; Absent: 3 (Horne, Juracek, Knox)

Final Bond Resolution – authorized issuance of IFA Series 2017 Bonds: IFA Resolution 2017-0309-BI09 approved March 9, 2017 (authorized the issuance of up to $150.0 million on Bonds in one or more series):

- Ayes: 13; Nays: 0; Abstentions: 0; Absent: 2 (Bronner, Horne)

Final Bond Resolution – authorized issuance of IFA Series 2016 Bonds: IFA Resolution 2016-0114-BI02 approved January 14, 2016 (authorized the issuance of up to $100.0 million of Bonds in one or more series):

- Ayes: 11; Nays: 0; Abstentions: 0; Absent: 4 (Fuentes, Horne, O'Brien, Yonover)

IFA Resolution 2015-1008-BI02 approved October 8, 2015 to Confirm and Restate the August 7, 2007 Preliminary Bond Resolution:

- Ayes: 12; Nays: 0; Present: 0; Excused Absences: 3 (Horne; O'Brien; Tessler)

Prior Final Bond Resolutions (from 2010 and 2012):

- IFA Resolution No. 2012-0911-BI04 approved September 11, 2012 (authorized (i) issuance of up to $80.0 million of IFA Bonds in one or more series and (ii) execution of a First Supplemental Trust Indenture for the IFA Series 2010 Bonds): Ayes: 9; Nays: 0; Abstentions: 1 (Gold); Absent: 2 (Fuentes, Leonard); Vacancies: 3

- 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

Preliminary Bond Resolution No. 07-08-23 approved August 7, 2007 (i.e., "Reimbursement Resolution" or "Inducement Resolution"):

- Ayes: 10; Nays: 0; Abstentions: 0 Absent: 4 (Boyles; Fuentes; Herrin; Rivera); Vacancies: 1

**ESTIMATED SOURCES AND USES OF FUNDS**

| **Sources:** | | **Uses:** | |
|---|---|---|---|
| IFA Series 2010 Bonds: | $ 150,000,000 | Project Costs for Reimbursement: | $ 605,000,000 |
| IFA Series 2012 Bonds: | 75,000,000 | Future Project Costs | 654,530,000 |
| IFA Series 2016 Bonds | 100,000,000 | Costs of Issuance - Series 2010 | 815,000 |
| IFA Series 2017 Bonds | 130,000,000 | Costs of Issuance - Series 2012 | 190,000 |
| IFA Series 2020 Bonds | 150,000,000 | Costs of Issuance - Series 2016 | 190,000 |
| Future Project Expenditures | 532,000,000 | Costs of Issuance - Series 2017 | 190,000 |
| Equity/Match: | 124,105,000 | Costs of Issuance - Series 2020 | 190,000 |
| **Total:** | **$ 1,261,105,000** | **Total:** | **$ 1,261,105,000** |

**Comment:** These amounts represent not-to-exceed amounts for the anticipated multi-year, multi-series issuance of tax-exempt bonds associated with build-out of this project as contemplated by CenterPoint. If IFA issues $150 million (the proposed not-to-exceed amount) for the IFA Series 2020 Bonds, the Authority will have issued a total of $605 million of Bonds on behalf of the CenterPoint Intermodal Center – Joliet project since 2010.

**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.

## JOBS

| | | | |
|---|---|---|---|
| Current Employment: | 8,276 (Full-Time) comprised of:<br>• 2,430 Union Construction Jobs<br>• 2,400 Permanent Industrial and Intermodal Facility Jobs<br>• 2,246 Permanent Trucking Jobs<br>• 1,200 Indirect and Induced Jobs | Total Jobs Forecast Over Project Development Cycle: | 16,600+ comprised of:<br>• 6,200 Union Construction Jobs (through completion)<br>• 5,400 Permanent Industrial and Intermodal Facility Jobs<br>• 3,100 Permanent Trucking Jobs<br>• 1,900 Indirect and Induced Jobs |
| Jobs Retained: | Not applicable | | |

**Current Jobs – Notes on CenterPoint's reported employment as successive phases of IFA Bonds have been issued:**

CenterPoint currently reports a total of 8,276 new and construction jobs (based on the breakdown reported above) as of 4/1/2020. In comparison, CenterPoint reported 220 FT jobs as of November 2010 (at the time of approval of the first Final Bond Resolution), 4,175 FT jobs as of September 2012 (at the time of approval of the Resolution authorizing issuance of the second tranche of IFA Bonds), 6,825 FT jobs as of October 2015 (at the time of approval of the Resolution authorizing issuance of the third tranche of IFA Bonds), and 8,705 FT jobs as of March 2017 (at the time of approval of the Resolution authorizing issuance of the fourth tranche of IFA Bonds .

## FINANCING SUMMARY

Anticipated proposed terms of the IFA Series 2020 Bonds (CenterPoint Intermodal Center – Joliet) include the following:

| | |
|---|---|
| Structure: | The Multi-Modal Bonds will initially bear interest in a Bank Rate Mode, in which the Bonds will be purchased by US Bank, N.A., as Administrative Agent, in a private placement for a syndicate of financial institutions for an initial anticipated interest rate period of 1 year. Bond principal 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 Rate Mode, consistent with a bank commercial loan structure. Subsequent Bank Rate periods are initially expected to be set for 4-5 year periods. (Other institutions involved in the syndication and initial purchase of the Bonds will include PNC Capital Markets LLC, Regions Capital Markets, as Co-Syndication Agents, plus other lenders.) |
| Bank Security/Collateral: | The purchasing banks are, by definition, Accredited Investors pursuant to requirements set forth in the Securities and Exchange Act of 1934, and are solely responsible for assuring their financing commitment (i.e., bond purchase) is adequately secured. |
| Credit Ratings: | Not applicable since the Bonds will be purchased directly by the Banks as a direct investment. The Borrower (an Illinois limited liability company) is a non-rated entity. |
| Collateral: | Confidential – to be negotiated and finalized directly with the Banks that purchase participation interests in the IFA Series 2020 Bonds. |
| Proposed Interest Rate Mode: | Multi-Modal Bonds. An initial 1-year rate is expected to be established at closing in June 2020. Upon expiration of the initial Bank Rate Period, the Bank Rate is expected to be reset and extended every 4-5 years thereafter (or as adjusted pursuant to the Indenture and Loan Agreement for the Bonds while in Bank Rate Mode) until the final maturity date (June 1, 2060). |
| Estimated Interest Rate: | Estimated to range from approximately 1.00% to 5.00% (initial |

| | |
|---|---|
| | estimated parameters) for the specified interest rate periods, depending on the length of each Bank Rate term and prevailing market interest rate conditions at the time of the Bank Rate reset (and as negotiated with the members of the banking syndicate). |
| Amortization: | Approximately 40 years (dependent on useful-life calculation) |
| Final Maturity Date: | Resolution Parameter: not-to-exceed 40 years (anticipated final maturity date is June 1, 2060; preliminary subject to change) |
| Anticipated Closing Date: | June 2020 |

## PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be issued in one or more Series and used by **CenterPoint Joliet Terminal Railroad, LLC**, an Illinois limited liability company (together with any successors, affiliates, and assigns of **CenterPoint Properties Trust**, a Maryland real estate investment trust, the "**Borrower**"), for the purpose of providing the Borrower with all or a portion of the funds to (a) finance, refinance or reimburse the Borrower for all or a portion of the costs of the acquisition, construction, equipping, and development of a state-of-the-art intermodal logistics center and inland port for the transfer of freight from truck to rail or rail to truck (including temporary storage facilities directly related to such transfers) on a site of approximately 4,000 acres within the boundaries of the City of Joliet, in Will County, Illinois, located along railroad mainlines of two Class I common carrier railroads owned by two Class I railroads and being developed in conjunction with Title 23, United States Code, funding for (i) the construction and construction engineering of the bridge on Manhattan Road over Jackson Creek and (ii) current and future projects involving State highway reconstruction and capacity work on I-55 to provide adequate roadway infrastructure and direct access support to the west of the Project, together with such other related improvements related thereto (collectively, the "**Project**"), (b) pay certain interest expense in connection with the Project, and (c) pay all or a portion of the costs of issuance of the Bond

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: | 986,720,000 |
| Equipment: | 35,000,000 |
| **Total** | **$1,259,720,000** |

## 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 100% beneficially owned by **CalEast Global Logistics LLC ("CalEast"),** a leading investor in logistics warehouse and related real estate.

CalEast Global Logistics LLC is 100% owned by the **California Public Employees Retirement System ("CalPERS") --** 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 Real Estate Investment Trust (or "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 over 12 years as a public company, CPT was purchased and taken private by CalEast Global Logistics, LLC. CalEast is a leading investor in logistics warehouse and related real estate.

CalPERS is the nation's largest pension fund, with approximately $385 billion in assets.

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 one of the largest owners, managers, and developers of industrial real estate in metropolitan Chicago. Along with its affiliates, CPT owns and manages more than 58 million SF of industrial/warehousing space. CPT has an additional 1,200 acres of land available for future development, of which 1,100 acres is 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), and several other business parks located in Illinois, SE Wisconsin, NW Indiana, Missouri, Georgia, Texas, California, Washington, 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 1.3 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, (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.

The ongoing development of both CenterPoint's Joliet and Elwood intermodal facilities has helped reduce rail bottlenecks, reduce truck traffic in the City of Chicago and its suburbs as well and has created a more efficient supply chain for goods traveling inland from the coasts.

Development of intermodal facilities in the Chicago metropolitan area has expanded the region's effective rail capacity while helping maintain the Chicago area's status as the key inland rail hub in the Central U.S.

US DOT Private Activity Bond Project Allocations:

The U.S. Department of Transportation has sole discretion in determining which surface transportation (i.e., private highways, intermodal facilities, and international bridges) receive a portion of the US DOT's national $15 Billion allocation of bond issuance authority over the life of this pilot program 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 (which the US DOT funds indirectly through the Illinois Department of Transportation). 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 and construction and related engineering work for the Manhattan Road bridge over Jackson Creek).

Rationale for the CenterPoint Intermodal Center - Joliet Project: 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 (i) an 835-acre Class I railroad intermodal facility, (ii) 450 acres of onsite container/equipment management and (iii) 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 (adjacent to ExxonMobil's Joliet Refinery);
- 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 accommodates goods shipped via both the Union Pacific and BNSF (from the West Coast and Southwest) railroads.

Public benefits of the CenterPoint Intermodal Center – Joliet project include the following:

1. The Project will continue to help absorb the unmet demand for new Midwestern rail-served warehouse/distribution centers, intermodal, and trans-load facilities due to (a) long-term substantial increases in the volume of containerized import shipments and (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 logistics park/industrial park tenants to Illinois rather than to Indiana, Wisconsin, or Missouri.
3. Project-related roadway and interchange improvements to the I-55/Arsenal Road interchange, Arsenal Road (the primary access road serving both CenterPoint's Elwood intermodal facility and CenterPoint's IFA-financed 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 and encourage peripheral users to locate nearby.
4. The CenterPoint Intermodal Center – Joliet Project will continue generating property tax revenues for the City of Joliet and local taxing jurisdictions, and income tax revenue for the State of Illinois as the Project continues to be built-out (with a portion of the new development cost financed with proceeds of the IFA Series 2020 Bonds).

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Development Timetable: Key events in CPT's development and financing timetable for the CenterPoint Intermodal Center – Joliet project have included 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 U.S. 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 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 began first phase of trailer parking expansion project on site
- **October 2010: Completed first building in the park, a 217,000 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 657,000 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 485,000 square foot joint-venture speculative facility, recently leased to International Transload Logistics
- June 2014: Completed construction of a 12.8 acre container yard, partially leased to Bridge Terminal Transport Services
- August 2014: Completed construction of a 400,000 square foot warehouse facility for Neovia Logistics
- October 2015: Completed a 14.4 acre grain transfer facility for Saturn Agriculture and an 8.0 acre trucking facility for California MultiModal
- **October 2015: Illinois Finance Authority Board of Directors approved a Resolution Confirming and Restating the Preliminary Bond Resolution for CenterPoint's Joliet Intermodal Facility (not-to-exceed amount: $1.34 billion) that had been approved in August 2007**
- **January 2016: Finalized issuance of $100 million IFA Series 2016 Bonds to provide permanent financing for the third phase of completed intermodal/warehousing facilities at CenterPoint Intermodal Center – Joliet**
- March 2016: Completed construction of a 1.1 million square foot building for Saddle Creek Logistics Services
- December 2016: Completed construction of a 19.2 acre container storage facility for ConGlobal

- December 2016: Completed construction of a 1.4 million square foot building for an Undisclosed Food Manufacturer
- **March 2017: Finalized issuance of $130 million IFA Series 2017 Bonds to provide permanent financing for the fourth phase of development of intermodal/warehousing facilities at CenterPoint Intermodal Center – Joliet**
- April 2017: Completed construction of a 122,000 square foot warehouse facility for CMI Logistics
- October 2017: Completed construction of a 134,000 square foot building for FedEx Freight
- **November 2018: Approval of First Omnibus Amendment to the Series 2010-2012-2016-2017 Indentures to Adjust Applicable Interest Rates and Mandatory Tender Dates, and Make Other Miscellaneous Modifications and Authorizing the Execution and Delivery of the Omnibus Amendment and Related Documents, and Related Matters**
- July 2019: Started construction on a 30 acre container storage facility, 50% leased to General Express. Expected to be completed in May 2020
- September 2019: Completed construction of an 828,000 square foot speculative facility and subsequently leased it to UNIS LLC
- November 2019: Started construction of a 90,000 square foot warehouse facility for TTX, expected to be completed in June 2020
- February 2020: Started construction of a 1.6 million square foot warehouse facility for Harbor Freight Tools, expected to be complete in May 2021
- March 2020: Completed construction of a 149,000 square foot warehouse facility for PrimeSource Building Products

## ECONOMIC DISCLOSURE STATEMENT

Applicant: CenterPoint Joliet Terminal Railroad, LLC (Contact: Mr. Rick Mathews, Senior Vice President & General Counsel, 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. Brian Swindle, CenterPoint Properties Trust, Senior Vice President, Finance; 1808 Swift Drive, Oak Brook, IL 60523-1501; (T) 630-586-8275; (F) 630-586-8010; e-mail: BSwindle@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

- CalEast Global Logistics LLC is 100% owned by the California Public Employees Retirement System. Additional information on CalPERS follows below:
  - California Public Employees Retirement System (d/b/a "CalPERS"):
    400 Q Street, Room 1820
    Lincoln Plaza East
    Sacramento, CA 95814
    Web site: www.calpers.ca.gov

## PROFESSIONAL & FINANCIAL

| | | | |
|---|---|---|---|
| General Counsel: | Latham & Watkins LLP | Chicago, IL | Robert Buday |
| Borrower's Auditor: | PricewaterhouseCooper LLP | Chicago, IL | |
| Bond Counsel: | Perkins Coie LLP | Chicago, IL | Bruce Bonjour, Christine Biebel |
| Special Tax Counsel: | Pope Flynn Group | Charleston, SC | Marc Oberdorff |

| | | | |
|---|---|---|---|
| Arranger and Administrative Agent: (Privately Placed initially to a banking syndicate) | US Bank – Municipal Products Group | New York, NY | Amit Mahajan |
| Bank: | US Bank | Chicago, IL | Curt Steiner |
| | US Bank – Commercial Real Estate Syndications | Chicago, IL | Phillip Wantoch |
| Bond Purchasers through syndication: | Regions Bank – RE Corporate Banking<br>PNC Real Estate | Charlotte, NC<br>Chicago, IL | Rob MacGregor<br>Joel Dalson |
| Bank Counsel: | Dentons | Chicago, IL | Steve Davidson |
| Trustee/Fiscal Agent: | US Bank | Chicago, IL | Patricia Trlak |
| Trustee's Counsel | Nixon Peabody LLP | Boston, MA | Rob Coughlin |
| Rating Agencies: | Not applicable since the Bonds will be privately placed with commercial banks (i.e., purchased by Accredited Investors) | | |
| Architectural:<br>Engineering: | Cornerstone Architects Ltd.<br>CEMCON Ltd. | Itasca, IL<br>Aurora, IL | |
| General Contractors: | Morgan Harbour Construction<br>FCL Builders, LLC | Willowbrook, IL<br>Itasca, IL | |
| IFA Counsel: | Kutak Rock LLP | Chicago, IL | Kevin Barney |
| IFA Financial Advisor: | Sycamore Advisors, LLC | Chicago, IL | Courtney Tobin,<br>Diana Hamilton |

## LEGISLATIVE DISTRICTS

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|---|---|
| Congressional: | 11, 16 |
| State Senate: | 43 |
| State House: | 86 |

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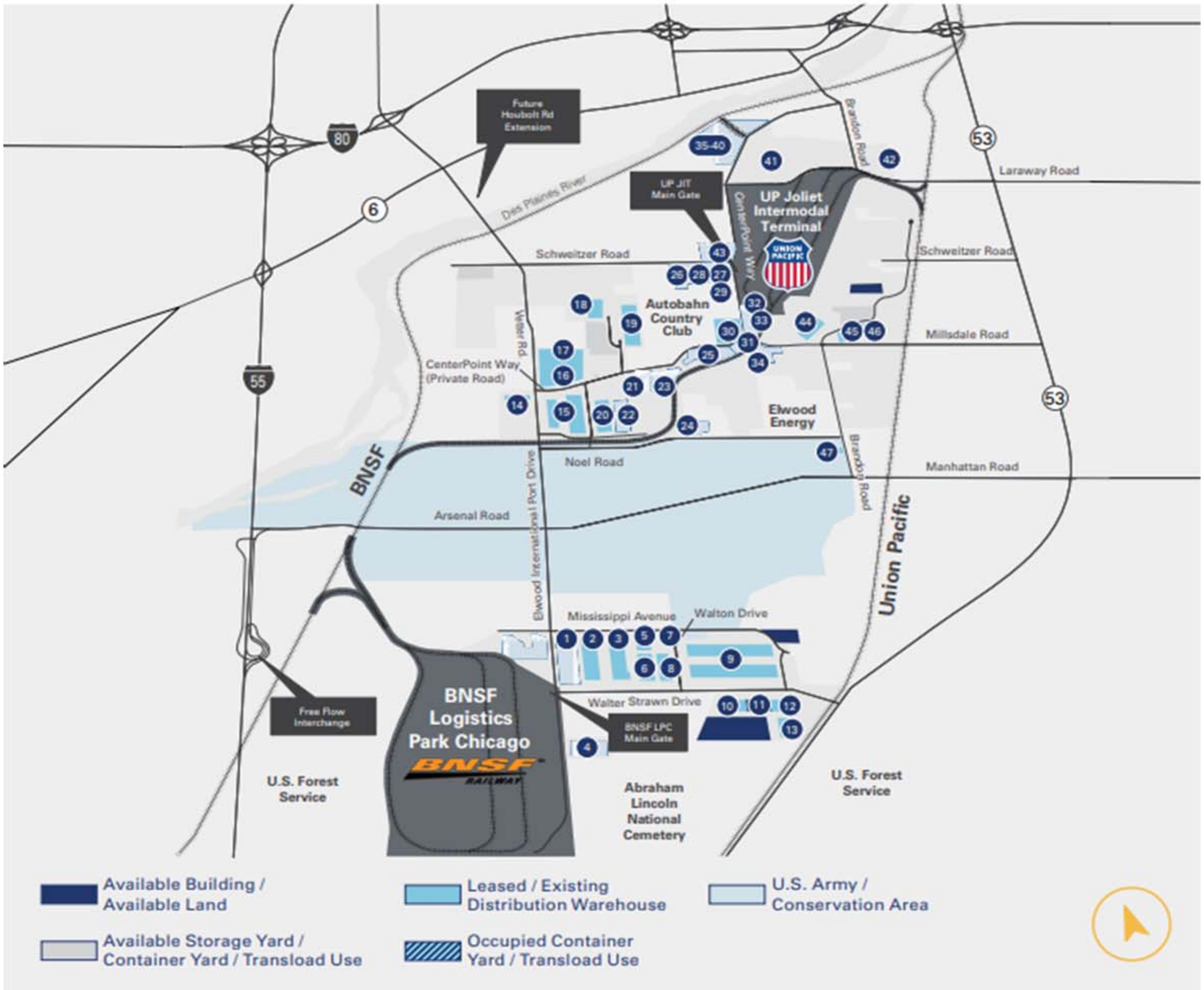
**SITE MAP: The IFA-financed CIC- Joliet Project for the UPRR (tenants #14 - #47 are at CIC – Joliet (and the separately financed CIC-Elwood Project for BNSF)**




## Tenants

1. BNSF Container Yard
2. Georgia Pacific
3. DSC Logistics
4. NFI
5. Resource Management Companies
6. Clearwater Paper
7. Clearwater Paper
8. Partners Warehouse
9. Walmart
10. Samsung
11. Saddle Creek Logistics Services
12. Cypress McKesson
13. Midwest Warehouse
14. Stepan Company
15. The Home Depot
16. Food N Fuel
17. Mars
18. Odyssey
19. Neovia Logistics
20. Saddle Creek Logistics Services
21. California Multimodal (CMI)
22. The DeLong Company
23. JB Hunt
24. Mediterranean Shipping Company
25. ITL
26. ConGlobal
27. ITL
28. RoadOne Intermodal Logistics
29. XPO Logistics
30. ITL
31. Saturn Agriculture
32. Acres Truck Parking
33. The DeLong Company
34. Central States Trucking
35. ContainerPort Group
36. CR England
37. Prairie Material
38. Gertsen Interstate System
39. Gavilon Grain
40. LaFarge
41. Zenith Energy
42. Vulcan
43. Primesource
44. UNIS
45. Communications Test Design Inc.
46. The Home Depot
47. U.S. Army T.E.M.F.

# TAB 2: NORTH CENTRAL COLLEGE

CONDUIT

May 12, 2020

**$22,000,000 (not-to-exceed)**
**North Central College**

| | |
|---|---|
| **REQUEST** | **Purpose**: Bond proceeds will be loaned to **North Central College**, an Illinois not for profit corporation (the "**College**" or "**Borrower**"), in order to assist the College in providing a portion of the funds necessary to do any or all of the following: (i) finance, refinance or reimburse the College for all or a portion of the costs, including capitalized interest, if any, of the planning, design, acquisition, renovation, repair, construction, furnishing, improvement and equipping of certain new facilities constituting "educational facilities," as defined in the Act, including, without limitation, the construction and equipping of a new academic building to house, among other things, engineering labs and health sciences programs and related landscaping, signage and similar improvements, (ii) pay certain working capital expenditures if deemed desirable by the College, (iii) fund a debt service reserve fund if deemed necessary or desirable by the College, and (iv) pay certain costs relating to the issuance of the Bonds if deemed necessary or desirable by the College (collectively, the "Financing Purposes").<br>**Program**: Conduit 501(c)(3) Revenue Bonds<br>**Extraordinary Conditions**: None. |
| **BOARD ACTION** | Final Bond Resolution (*One-Time Consideration*) |
| **MATERIAL CHANGES** | None. This is the first time this financing has been presented to the Board of Directors. |
| **JOB DATA** | 480 (FTE) Current jobs; 13 New jobs projected (for new Health Sciences building only)<br>N/A Retained jobs; 50 Construction jobs projected (18 months) |
| **BORROWER DESCRIPTION** | ● Location: Naperville / DuPage County / Northeast<br>● Type of entity: The College, a 501(c)(3) organization incorporated under Illinois law, is an independent, co-educational institution of higher learning founded in 1861 that is governed by a Board of Trustees (see pp. 3-4) and affiliated with the United Methodist Church.<br>● Construction of the new 42,000 sq. ft. Health Sciences Building located at 160 E. Chicago Ave., just east of downtown Naperville, will allow the College to continue to meet its mission by recruiting and retaining students, faculty, and staff. Demand for healthcare services continues to increase because of the aging population in the surrounding area and the introduction of new health sciences programs (i.e., Masters of Physician Assistant and Doctor of Physical Therapy) and will contribute to quality of life for the community.<br>● The existing Masters of Occupational Therapy program, located in the Wentz Science Center, will move to the new Health Sciences Building upon completion. |
| **STRUCTURE** | ● The IFA Series 2020 Bond will be purchased directly by **BMO Harris Bank N.A.** (the "**Bank**" or "**Bond Purchaser**"). The Bond Purchaser will be the secured lender and direct bond investor.<br>● BMO Harris Bank N.A. previously purchased the IFA Series 2015 Bond in the approximate amount of $30.185 million which, combined with a cash contribution from the College, financed the design and construction of the new $60.0 million Wentz Science Center that opened in Fall 2017.<br>● The Borrower and the Bank have agreed to an initial interest rate period (term) of 7 years with approximately 16 months of capitalized interest followed by 8 months of interest-only payments. |
| **CREDIT INDICATORS/ SECURITY** | ● The Borrower is a non-rated entity.<br>● The Series 2020 Bond will be a general corporate obligation, secured by the College's unrestricted revenues along with a negative pledge of North Central's buildings or other property on campus. |
| **INTEREST RATE** | ● The IFA Series 2020 Bond will be purchased at a fixed rate to be determined at pricing, but estimated to be between approximately 2.25% and 3.50% based on current market rates (as of 5/1/2020). |
| **MATURITY** | ● The IFA Series 2020 Bond will have a 25-year maturity (anticipated to be 6/1/2045).<br>● For IFA's purposes, the Bond Resolution will have a not to exceed maturity of 40 years. |
| **SOURCES AND USES (PRELIMINARY; SUBJECT TO CHANGE)** | See table below |
| **RECOMMENDATION** | Project Review Committee recommends approval. |

| **Sources:** | | **Uses:** | |
|---|---|---|---|
| Series 2020 Bond | $22,000,0000 | New Construction | $22,700,000 |
| Equity | 1,500,000 | Capitalized Interest | 980,000 |
| | | Costs of Issuance | 250,000 |
| **Total** | **$23,500,000** | **Total** | **$23,500,000** |

# ILLINOIS FINANCE AUTHORITY
# BOARD SUMMARY
# May 12, 2020

## Project: North Central College

### STATISTICS

| | | | |
|---|---|---|---|
| Project Number: | 12480 | Amount: | $22,000,000 (not-to-exceed amount) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Rich Frampton and Brad R. Fletcher |
| Locations: | Naperville | County/ Region: | DuPage County/Northeast |

### BOARD ACTION

Final Bond Resolution (*One-Time Consideration*)
Conduit 501(c)(3) Revenue Bonds

No Extraordinary Conditions
No IFA Funds at Risk

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

### IFA PROGRAM AND CONTRIBUTION

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

### VOLUME CAP

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

### BUSINESS SUMMARY

Description: **North Central College** (the "**College**" or the "**Borrower**") was established in 1861 and is incorporated 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.

The University is governed by a Board of Trustees of up to 46 members (see Economic Disclosure Statement on pages 3-4).

Background: North Central College was founded in Plainfield, Illinois as North Western College. Shortly thereafter, the Board of Trustees undertook the challenge of reaching out to a growing number of prospective students. At that time the Board realized that a major shortcoming was Plainfield's lack of direct railroad access. The citizens of Naperville, Illinois generously offered the College five acres of land within walking distance of its train station and $25,000 to relocate from Plainfield to Naperville in 1870. Moving to this location enabled the College to successfully fulfill its mission and grow into the respected institution it is today.

Since its founding, the College has grown into a 65-acre campus situated in Naperville's residential Historic District as an independent, comprehensive college of the liberal arts and sciences offers more than 60 undergraduate majors and graduate programming in twelve areas (Higher Education Leadership, Liberal Arts, Organizational Leadership, Professional and Creative Writing, Sports Leadership, Athletic Training, Business Administration, Educational Leadership, Instructional Coaching, Financial Management, Human Resource Management and Occupational Therapy). The College further offers a huge traditional buffet-style option dining hall and 41 total buildings.

Prior to the onset of the novel COVID-19 virus, the College's 9 residence halls reached maximum capacity due to strong demand at the thriving campus.

As of 9/30/2019, North Central had approximately 2,733 FTE (Full-Time Equivalent) students (2,538 undergraduate and 195 graduate students). For the academic 2019-2020 year, the College employed 151 full-time and 33 part-time faculty members. Moreover, 100% of tenure-track faculty members hold a Ph.D. or the terminal degree in their field. As the College has no teaching assistants, 67% of courses are taught by full-time faculty in an average class size of 20. The student/faculty ratio at the College was 14:1.

North Central College is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

Rationale: The proposed financing will reduce monthly payments that (together with other funds available to the Borrower) will assist in helping North Central College keep its fixed charges (including debt service payments) as low as possible. Construction of the new Health Sciences Building is scheduled to begin this Spring (although site work has already been initiated) and will offer immediate relief to students and staff upon completion in August of 2021. Once completed, the building will be approximately 42,000 square feet and house some of the most important health sciences programs the College offers.

The Masters of Physician Assistant program will be developed for the first cohort to begin in August 2021 and the Doctor of Physical Therapy program will be developed for the first cohort to begin in January 2023.

Affiliation: North Central College is a United Methodist Church-affiliated college.

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## ECONOMIC DISCLOSURE STATEMENT

Applicant: North Central College, 30 N. Brainard Street, Naperville, IL 60540

Contact: Maryellen Skerik, VP for Finance; (T): 630-637-5678; E-mail: mjskerik@noctril.edu

Website: http://www.noctrl.edu/

Location: The Project is or will be owned by the College and is or will be located on land currently owned by the College on its main campus having the address commonly known as 30 North Brainard Street, Naperville, Illinois and which is further described as its property bordered generally by Sleight Street on the east, North Avenue on the north, Washington Street on the west and Hillside Road on the south, including 160 East Chicago Avenue, Naperville, Illinois, all within Naperville, Illinois.

Project name: IFA Revenue Bond (North Central College), Series 2020

Board of Trustees/ Administration: North Central College is governed by a Board of Trustees that may be comprised of up to 46 members (38 currently), which meets three times a year, in October, February and May, and includes the President of the College, Troy D. Hammond, Ph.D.

**Board of Trustees:**

Active Trustee, Ms. Andrea M. Beck
Trustee, Ms. Esther T. Benjamin
Trustee, Dr. Kathryn Birkett
Vice Chair, Enrollment Mgmt/Student Affairs Committee, Ms. Erin L. Bishop
Trustee, Mr. Matthew S. Brill
Trustee, Mr. Tom Carroll
Trustee, Mr. Jon DeSouza
Trustee, Bishop Sally Dyck

## PROFESSIONAL & FINANCIAL

| | | | |
|---|---|---|---|
| Auditor: | Crowe LLP | Chicago, IL | |
| Borrowers' Counsel: | Dommermuth, Cobine, West, Gensler, Philipchuck, Corrigan and Bernhard, Ltd. | Naperville, IL | Kathy West |
| Borrower's Advisor: | Longhouse Capital Advisors, LLC | Chicago, IL | Michael Boisvert<br>Lindsay Wall |
| Bond Counsel: | Chapman and Cutler LLP | Chicago, IL | Nancy Burke<br>Evelyn Irwin |
| Bank / Bond Purchaser: | BMO Harris Bank, N.A. | Chicago, IL | Deb Capozzi |
| Bank Counsel: | Chapman and Cutler LLP | Chicago, IL | Carol Thompson |
| General Contractor(s): | Bulley & Andrews, LLC | Chicago, IL | |
| Architect(s): | Holabird & Root LLC | Chicago, IL | |
| IFA Counsel: | Saul Ewing Arnstein & Lehr LLP | Chicago, IL | Randall S. Kulat |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Phoebe Selden<br>Brittany Whelan |

## LEGISLATIVE DISTRICTS

| | |
|---|---|
| Congressional: | 11 |
| State Senate: | 21 |
| State House: | 41 |

# TAB 3: ROOSEVELT UNIVERSITY

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: May 12, 2020

Re: Resolution authorizing the distribution of an Official Statement related to the Illinois Finance Authority Revenue Bonds (Roosevelt University) Series 2020A, and Illinois Finance Authority Taxable Revenue Bonds (Roosevelt University) Series 2020B, issued by the Illinois Finance Authority on behalf of Roosevelt University originally Dated and Delivered March 10, 2020
IFA Project Number 12438

---

**Request:**

**Roosevelt University** ("**Roosevelt**", the "**University**", or the "**Borrower**") is requesting approval of the accompanying Resolution (IFA Resolution 2020-0512-03) which will authorize distribution of the Official Statement for the $12,000,000 IFA Series 2012A-B Bonds (the "**Bonds**") that were dated and delivered (issued) on March 10, 2020.

The Official Statement will facilitate the sale of the Bonds in the secondary market. (Because the Bonds are non-rated, the Bonds may only be purchased by "Qualified Institutional Investors" as defined in the Loan Agreement.)

**Background:**

The IFA Board of Directors approved a **Final Bond Resolution** (i.e., **IFA Resolution No. 2020-0114-CF02** or the "**January Bond Resolution**") authorizing the issuance of not-to-exceed $15,000,000 in Revenue Bonds consisting of one or more series of tax-exempt bonds and one or more series of taxable bonds on behalf of **Roosevelt University** ("**Roosevelt**", the **"University"** or the **"Borrower**").

The IFA Series 2020A-B Bonds (the "**Bonds**") were dated and delivered on March 10, 2020 in the aggregate amount of $12,000,000 and comprised of two series including (i) $10,000,000 IFA Series 2020A Tax-Exempt Bonds and (ii) $2,000,000 IFA Series 2020B Taxable Bonds.

The Bonds were issued to: (i) pay or reimburse Roosevelt for the payment of, the costs of acquiring certain assets **of Robert Morris University** ("**RMU**"; not to be confused with Robert Morris University of Pennsylvania), an Illinois not for profit corporation; (ii) pay or reimburse Roosevelt for payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs; (iii) fund capitalized interest; (iv) fund a debt service reserve fund for each series of bonds; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Illinois Finance Authority Act.

The Bonds were issued pursuant to a waiver from the **Bond Holder Representative** (currently, **Preston Hollow Capital, LLC** or "**PHC**") approving the incurrence of the additional indebtedness by the University.

*The Series 2020A-B Bonds are to be drawn by Roosevelt in Multiple Advances, to be approved by the Bond Holder Representative:* The Bonds were issued on a drawdown basis, with additional Bond Advances to be made from time to time through the end of the Advance Period (i.e., April 1, 2022) subject to approval by the as Bond Holder Representative (currently PHC).

On the Closing Date (March 10, 2020), PHC advanced $3,735,000 of Series 2020A Tax-Exempt Bonds and $295,000 of Series 2020B Taxable Bonds which enabled Roosevelt to undertake the RMU Asset Purchase. The University expects to use the remaining Bond Advances to further effect the acquisition and integration of RMU faculty, staff, and students into Roosevelt University.

**Recommendation:**

Staff recommends approval of the accompanying Resolution authorizing distribution of the Official Statement for Roosevelt University's Series 2020A-B Bonds (dated and delivered March 10, 2020) as presented.

> *Additional Comments:* The post-closing acquisition update (begins on p. 8) includes a description of a lawsuit (see "Other Recent Developments", pp.10-11) that was filed subsequent to the issuance and delivery the Series 2020A-B Bonds in April 2020. This request and the accompanying Resolution (see pp. 5-7) would authorize distribution of an Official Statement for the Series 2020A-B Bonds.
>
> The subject Bonds have already been issued and delivered. The Official Statement to be posted on the MSRB's EMMA disclosure web site (subject to approval of the accompanying Resolution) will provide a current (and updated description) of Roosevelt's revised scope of operations, including its integration of Robert Morris University's academic programs, faculty, staff, and students into Roosevelt University.
>
> Authorizing distribution of the Official Statement for the Series 2020A-B Bonds will (i) improve disclosure for prospective institutional purchasers of the IFA Series 2020A-B Bonds, and (ii) provide improved disclosure regarding the RMU integration into Roosevelt for holders of Roosevelt's prior bond issues.
>
> Roosevelt's Continuing Disclosure Undertaking obligations will continue to be applicable to all outstanding Roosevelt University bond issues (including the IFA Series 2020A-B Bonds which were dated and delivered March 10, 2020) and will require the University to continue posting its annual audit reports, an annual financing and operating performance narrative, and any developments deemed "material events" (as defined in the bond documents and specified in the Official Statements) on the MSRB's EMMA.msrb.org web site.

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## GUIDE TO CONTENTS OF THIS MEMORANDUM



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## VOTING RECORDS - PRIOR IFA BOARD RESOLUTIONS

**Amendatory Resolution (2020-0310-CF06) to approve Stern Brothers, Inc. as Underwriter for the IFA Series 2020A-B Bonds (Roosevelt University) approved March 10, 2020 by the following vote:** Yeas: 13; Nays: 0; Abstentions: 0; Absent: 2 (Obernagel; Wright). *Subsequent to the adoption of the January Bond Resolution, Roosevelt University has determined to proceed with the sale of the Bonds with an Underwriter (Stern Brothers & Co.) other than the underwriter identified during consideration of the Final Bond Resolution (Wells Fargo Securities, LLC).*

**Final Bond Resolution (2020-0114-CF02) approved January 14, 2020 by the following vote:** Yeas: 10; Nays: 0; Abstentions: 0; Absent: 5 (Hobert; Obernagel; Wright; O'Brien; Knox). *This Resolution, as contemplated at the time, did not authorize distribution of an Official Statement. Instead, authority to distribute the Official Statement was to be deferred until after Roosevelt closed on its asset purchase of Robert Morris University and appropriate post-acquisition disclosure was available to incorporate into an Official Statement.*

**Preliminary Bond Resolution (2019-1210-CF01) approved December 10, 2019 by the following vote**: Yeas: 13; Nays: 0; Abstentions: 0; Absent: 2 (Poole; Zeller). *This was a tax reimbursement resolution, or "Inducement Resolution" for the scope of projects described within this Resolution and may ultimately supplement or replace any Resolution approved for the same purpose by Roosevelt University's Board of Trustees.*

## PROFESSIONAL & FINANCIAL

| | | | |
|---|---|---|---|
| Roosevelt University: | Andrew Harris, Chief Financial Officer | | |
| Auditor: | Crowe LLP | Chicago, IL | |
| Borrower's Counsel: | Chuhak & Tecson P.C. | Chicago, IL | Andrew Tecson, Kimberly Boike |
| Financial Advisor to Borrower: | Columbia Capital Management, LLC | Chicago, IL<br>Overland Park, KS | Jeff White<br>Adam Pope |
| Bond Counsel: | Katten Muchin Rosenman LLP | Chicago, IL | Janet Hoffman<br>Chad Doobay |
| Underwriter: | Stern Brothers & Co. | St. Louis, MO | Linda Matkowski |
| Underwriter's Counsel: | Mayer Brown LLP | Chicago, IL | David Narefsky, Jeremy Cannon |
| Initial Investor: | Preston Hollow Capital, LLC | Dallas, TX | Charlie Visconsi |
| Current Bond Owner Representative: | Preston Hollow Capital, LLC | Dallas, TX | |
| Investor's Counsel: | Squire Patton Boggs LLP | Columbus, OH | Greg Daniels |
| Bond Trustee: | BNY Mellon | Chicago, IL | Eydie Wrobel, Robert Hardy |
| IFA Counsel: | Chapman and Cutler LLP | Chicago, IL | David Kates, Sharone Levy |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago, IL | Phoebe Selden, Brittany Whelen |

## ECONOMIC DISCLOSURE STATEMENT

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

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

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

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

**Vice Chair**
- Susan T. Bart, Partner, Schiff Hardin LLP

**Secretary to the Board**
- Bruce A. Crown, Chairman, BevBar, Inc.

**Public Members – Roosevelt University Board of Trustees:**
- Steven H. Abbey, Senior Vice President, Huntington Bank
- Marian Azzaro, Faculty Trustee (Associate Professor of Integrated Marketing, Roosevelt University)
- Tom Balanoff, President, SEIU Local 1
- Stephen Cerrone, Chief Human Resources Officer, SunEdison
- Mark Crayton, Faculty Trustee (Lecturer Voice – Chicago College of Performing Arts, Roosevelt University)
- Maureen A. Ehrenberg, Jones Lang LaSalle
- Gerald W. Fogelson, President, The Fogelson Properties, Inc.

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**RESOLUTION 2020-0512-CF03**

RESOLUTION AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT RELATED TO THE ILLINOIS FINANCE AUTHORITY REVENUE BONDS (ROOSEVELT UNIVERSITY) SERIES 2020A, AND ILLINOIS FINANCE AUTHORITY TAXABLE REVENUE BONDS (ROOSEVELT UNIVERSITY) SERIES 2020B, ISSUED BY THE ILLINOIS FINANCE AUTHORITY ON BEHALF OF ROOSEVELT UNIVERSITY.

WHEREAS, the ILLINOIS FINANCE AUTHORITY (the "*Authority*") has been created by the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq*., as supplemented and amended (the "*Act*"); and

WHEREAS, on January 14, 2020, the Members of the Authority adopted Resolution 2020-0114-CF02 (the "*January 2020 Resolution*") entitled: "Resolution authorizing the issuance of not to exceed $15,000,000 in aggregate principal amount of revenue bonds consisting of the Illinois Finance Authority Revenue Bonds (Roosevelt University) Series 2020, the proceeds of which are to be loaned to Roosevelt University; and authorizing and approving related matters"; and

WHEREAS, on March 10, 2020, the Members of the Authority adopted Resolution 2020-0310-CF06 (together with the January 2020 Resolution, the "*Bond Resolution*") entitled: Resolution amending Resolution 2020-0114-CF02 authorizing the issuance of not to exceed $15,000,000 in aggregate principal amount of revenue bonds consisting of the Illinois Finance Authority Revenue Bonds (Roosevelt University) Series 2020, the proceeds of which are to be loaned to Roosevelt University; and authorizing and approving related matters"; and

WHEREAS, on March 10, 2020, and in accordance with the Bond Resolution, the Authority issued its (i) $10,000,000 in maximum aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2020A (Roosevelt University) (the "*Series 2020A Bonds*") and (ii) $2,000,000 in maximum aggregate principal amount of Illinois Finance Authority Taxable Revenue Bonds, Series 2020B (Roosevelt University) (the "*Series 2020B Bonds*" and together with the Series 2020A Bonds, the "*Bonds*"); and

WHEREAS, the Series 2020A Bonds were issued pursuant to the Bond Trust Indenture dated as of March 1, 2020 and related to the Series 2020A Bonds, (the "*Series 2020A Bond Indenture*") between the Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "*Bond Trustee*"), and the Series 2020B Bonds were issued pursuant to the Bond Trust Indenture dated as of March 1, 2020 and related to the Series 2020B Bonds (the "*Series 2020B Bond Indenture*" and together with the Series 2020A Bond Indenture, the "*Bond Indentures*") between the Authority and the Bond Trustee; and

WHEREAS, the proceeds of the Series 2020A Bonds are being loaned to Roosevelt University, an Illinois not for profit corporation (the "*University*") pursuant to a Loan Agreement dated as of March 1, 2020 and related to the Series 2020A Bonds (the "*Series 2020A Loan Agreement*") between the Authority and the University, and the proceeds of the Series 2020B Bonds are being loaned to the University pursuant to a Loan Agreement dated as of March 1, 2020 and related to the Series 2020B Bonds (the "*Series 2020B Loan Agreement*" and together with the Series 2020A Loan Agreement, the "*Loan Agreements*") between the Authority and the University; and

WHEREAS, the proceeds of the Bonds are being loaned to the University, in order to assist the University in providing all or some of the funds necessary to do any or all of the following: (i) pay or reimburse the University for the payment of, the costs of acquiring certain assets of Robert Morris University, an Illinois not for profit corporation ("*RMU*"); (ii) pay or reimburse the University for payment of the costs of acquiring fixtures, furniture and equipment, making improvements to leased and/or owned facilities and relocating staff and programs; (iii) fund capitalized interest; (iv) fund one or more debt service reserve funds for the benefit of the Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, all as permitted by the Act (collectively, the "*Financing Purposes*"); and

WHEREAS, each Bond Indenture provides that proceeds are subject to advances at the request of the University from time to time pursuant to the terms of each respective Bond Indenture, and that as of the date hereof, $3,735,000 has been advanced with respect to the Series 2020A Bonds and $295,000 has been advanced with respect to the Series 2020B Bonds; and

WHEREAS, pursuant to Section 9.18 of each Loan Agreement, the University has caused to be prepared an offering document (the "*Official Statement*") describing, among other things, the Bonds, the security therefor, the Authority and the University, a draft of which has been provided to and is on file with the Authority; and

WHEREAS, pursuant to Section 9.18 of each Loan Agreement, the Authority reserved the right to approve the Official Statement, and it is the purpose of this resolution to provide such approval;

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

*Section 1.* That the Authority hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct, and does incorporate them into this Resolution by this reference.

*Section 2.* The Authority does hereby approve the distribution of the Official Statement by Stern Brothers & Co., as underwriter. The Official Statement shall be substantially in the form provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Executive Director, the Authority's General Counsel or special counsel to the Authority for the Bonds.

*Section 3.* That all acts of the Members, officers, agents and employees of the Authority which are in conformity with the purposes and intent of this Resolution be, and the same hereby are, in all respects, ratified, approved and confirmed.

*Section 4.* That the provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Resolution.

*Section 5.* That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

*Section 6.* That this Resolution shall be in full force and effect immediately upon its adoption, as by law provided.

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Adopted and effective this 12th day of May, 2020:

Ayes:

Nays:

Abstain:

Absent:

ILLINOIS FINANCE AUTHORITY

By ________________________________________
Executive Director

ATTEST:

______________________________________
Assistant Secretary

[SEAL]

# UPDATE ON ROOSEVELT UNIVERSITY'S POST-ACQUISITION OPERATIONS PURSUANT TO THE NEAR-FINAL DRAFT OFFICIAL STATEMENT (AS OF 5/5/2020):

**General**

The University used a portion of the proceeds of the Bonds to acquire certain assets of Robert Morris University ("RMU") and expects to use additional proceeds of the Bonds to further effect the acquisition and integration of RMU faculty, staff and students into the University.

The University and RMU finalized the RMU Asset Purchase on March 9, 2020, after receiving approval from the accrediting body, the Higher Learning Commission.

The University intends to add to its curriculum many non-overlapping academic offerings previously provided at RMU and to integrate RMU students into existing University curricula for overlapping programs. Additionally, the RMU Asset Purchase will allow the University to expand its extracurricular programming to include several new athletic programs, marching band, cheer/dance programs, and e-sports.

In addition to its Downtown Chicago/Loop and Schaumburg campuses, the University plans to offer academic and athletic programming at locations previously leased by RMU including: Lake County/Waukegan, Illinois; Peoria, Illinois; Arlington Heights, Illinois; Bensenville, Illinois; and Lockport, Illinois.

**Robert Morris Experiential College**

Following the RMU Asset Purchase, the University created a new college, the Robert Morris Experiential College ("Experiential College"), in which many of RMU's prior programs will reside. RMU's Bachelor of Science in nursing and associate degrees in allied health complement the strong baccalaureate programs that the University maintains in biology, biochemistry, allied health and health science administration. The University will fold RMU's Master of Information Systems into its existing computer science programs. The University will continue former RMU programs including an associate degree in culinary arts added to complement Roosevelt's Bachelor of Science in hospitality management degree.

**Table 1: Roosevelt's New Robert Morris Experiential College Curriculum by Program, Degree, and Expected Locations (as of 5/1/2020):**

| Programs and Degree(s) Offered: (A) = Associates); (B) – Bachelors; (M) = Masters) | Location | Location | Location | Location |
|---|---|---|---|---|
| Accounting (B) | Loop | Schaumburg | | |
| Business Administration (A, B) | Loop | Schaumburg | Lake County | Peoria |
| Computer Networking (A, B) | Loop | | | |
| Culinary Arts (A, B) | Loop | | | |
| Drafting & Design Technology (A) | Loop | | | |
| Exercise and Sports Studies (A) | Loop | Schaumburg | | |
| Exercise, Nutrition & Health Science (B) | Loop | Schaumburg | | |
| Graphic Design (A, B) | Loop | | | |

| | | | | |
|---|---|---|---|---|
| Health Care Administration (M) | Loop | | | Peoria |
| Health & Wellness (B) | Loop | Schaumburg | | |
| Multi-Skill Technician (A) | Loop | Schaumburg | | |
| Nursing (B) | Loop | | | |
| Paralegal (A) | Loop | | | |
| Sports Administration (M) | Chicago | | | Peoria |

**Transition**

RMU offered its programming in ten-week blocks, whereas the University operates on a traditional semester schedule. As a result, according to the University, comparisons of enrollment, credit hours, matriculation and the like pre- and post-asset purchase are difficult. Detailed information regarding RMU prior to the RMU Asset Purchase, including its financials and operating data for its most recently reported fiscal year, is posted on the MSRB's EMMA web site at the following link: https://emma.msrb.org/ES1316983-ES1028543-ES1430691.pdf.

Roosevelt University plans to transition former RMU students from the ten-week block program to the University's semester system by Fall 2020. The University reports that 1,251 former RMU students enrolled for the first transition block at the University following the RMU Asset Purchase. The University plans to harmonize tuition and fees for former RMU students by Fall 2020 and notes that annual attendance costs for RMU and University students were not substantially dissimilar prior to the RMU Asset Purchase.

Approximately 170 former RMU faculty and staff members transitioned to the University subsequent to the RMU Asset Purchase.

**Impact on University Investments**

The RMU Asset Purchase had no material impact on the University's cash or investments. The University plans to use proceeds of the Bonds to finance costs associated with the RMU Asset Purchase and related transition.

**Impact on Roosevelt University's Financial Condition**

Due to the transition from RMU's ten-week block schedule to Roosevelt University's semester schedule and the ongoing effects of the COVID-19 crisis, Roosevelt University will be reporting in the Official Statement that it is unable to project the impact of the RMU Asset Purchase on its financial condition.

**Market and Potential Operational Disruptions Relating to the COVID-19 Pandemic**

The ongoing coronavirus (COVID-19) pandemic has been altering the behavior of businesses and people in a manner that is having negative effects on global and local economies. Stock markets in the U.S. and globally have recently seen significant volatility attributed to coronavirus (COVID-19) concerns. The continued spread of coronavirus (COVID-19) or any other similar outbreaks in the future may materially adversely impact global, national, state and local economies and, accordingly, may materially adversely impact the financial condition of the University.

Further, the ongoing coronavirus (COVID-19) pandemic has impaired operations or the generation of revenues by the University as enrollment may be slowed, in-person classes have been cancelled and replaced with remote learning and student housing operations have been significantly impacted. Any future pandemic or healthcare related crisis could cause similar damage. Management is not able to predict the potential impact of such a disruption on the financial condition of Roosevelt University until it has a better sense of the duration of the crisis and the likely duration of the recovery time, however, it expects negative financial impacts from the pandemic to persist through at least calendar year 2020.

According to Roosevelt's management, the University will benefit from direct financial support from the Federal Government via the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act of 2020. The University currently expects to receive approximately $6 million in grant assistance, including approximately $1.5 million earmarked for direct student aid, during its 2020 fiscal year.

**Uncertainty of Revenues**

The ability of the University to realize revenues in amounts sufficient to meet its obligations relating to the Bonds is affected by and subject to conditions which may change in the future to an extent and with effects that cannot be determined at this time. No representation or assurance is given or can be made that revenues will be realized by the University in amounts sufficient to meet its obligations relating to the Bonds.

The University is subject to the same competitive pressures that affect other colleges and universities. Changing demographics may mean a smaller pool of college-bound persons from which to draw entering classes. Greater competition for students together with rising tuition rates may mean that the University will need to increase its financial aid packages to attract and retain students or that it may face fewer students and decreased revenues. Attracting and keeping qualified faculty and administrators may mean higher expenditures for salaries and administrative costs.

The University competes for students generally with universities located throughout Illinois and the United States, many of which receive significant support from state governments and therefore can afford to charge lower tuition than the University. Other educational institutions may in the future expand their programs in competition with the programs offered by the University. Increased competition from other educational institutions (including the availability of online courses and programs) or a decrease in the student population interested in pursuing higher education could have a material adverse economic impact on the University.

In recent years, a number of colleges and universities have merged or consolidated certain academic programs with other institutions of higher education. In addition, colleges and universities have recently implemented strategic partnerships, involving either delivery of academic offerings or campus management and operations functions, with other institutions of higher education. These mergers, consolidations and strategic partnerships have generally been implemented to better serve the needs of the students in a more cost-efficient and operationally sound manner. The University has previously considered, and will continue to consider, such potential mergers, consolidations and strategic partnerships of this type but, other than the RMU Asset Purchase, none have been implemented to date. The University may in the future consider such transactions.

Other factors that may also adversely affect the operations of the University, although the extent cannot be presently determined. The University has not made any independent investigation of the extent to which any such factors may have an adverse impact on the revenues of the University.

## OTHER RECENT DEVELOPMENTS – ROOSEVELT UNIVERSITY

The draft Official Statement notes that "The University has advised that no litigation or proceedings are pending or, to its knowledge, threatened against it except litigation which, in the opinion of the University, is not expected to result in a materially adverse change in the operations or condition, financial or otherwise, of the University." The complaint includes the following allegation: "Even with the most extreme mitigation efforts, given the vast amount of space now left vacant, its extensively customized nature, and lack of notice by which RMU (Robert Morris University) breached, Landlord will suffer tens of millions of dollars in additional damages." The University intends to vigorously defend this lawsuit and does not believe that it has merit.

> *Background on the above-referenced lawsuit from press reports (Crain's Chicago Business – April 15, 2020):* Robert Morris University and Roosevelt University (and several of its trustees) have been named as co-defendants in a lawsuit filed by Rampante Realty Partners of Tampa, FL filed according to a complaint filed in Cook County Circuit Court in mid-April. RMU has been the sole tenant, leasing 355,000 SF of a 487,000 SF building located at 401 S. State St, in Chicago (the building was the Sears Roebuck Co. flagship store). RMU did not make the scheduled $1.05 million

monthly rent payment due April 2020. As a result, Rampante missed a debt service payment of $167,893 due to its mortgage lenders (Wells Fargo and Morrison Street Capital, a Portland OR-based mezzanine lender). According to the article, "Rampante Realty Partners also alleged in the suit that Roosevelt is on the hook for the rent payments as Robert Morris' successor and that Robert Morris fraudulently sold its assets to Roosevelt at a fraction of their value." The specific claims filed in the complaint include: breach of a contractual lease agreement, successor liability, liability under the Uniform Fraudulent Transfer Act, and as to all Defendants for aiding and abetting.

**Note:** The 401 S. State Street property which served as RMU's Loop campus is owned by 401 S. State Street Owner, LLC, an Illinois limited liability company (c/o Rampante Realty Partners, 1611 Renaissance Way, Tampa, FL 33602).

**Additional Disclosure Item – other named defendants:** Joseph Wright, Mablene Krueger, Michail P. Viollt, Janet Van Zuiden, Ali R. Alekzadeh, Patricia Harris, Melvin L. Katten, Robert Mednick, Susan T. Bart, and Bruce A. Crown.

**Link to online article available without site registration/subscription (TheRealDeal.com):**
**https://therealdeal.com/chicago/2020/04/16/robert-morris-u-skipped-out-on-1m-april-rent-landlord-charges-in-suit/**

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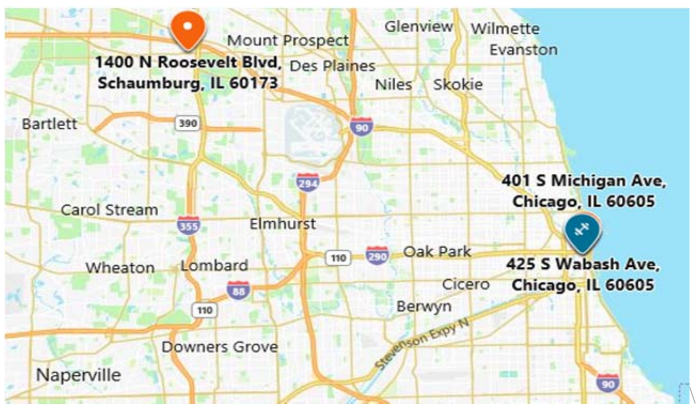
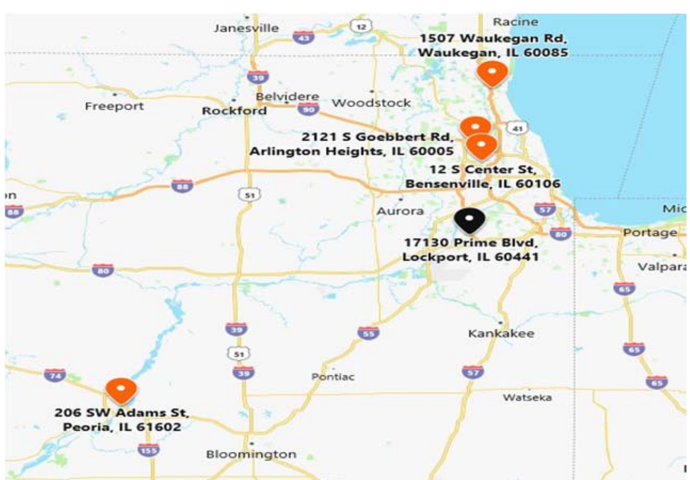
**SITE MAPS (Source: Bing Maps)**

1. **Roosevelt University – 4 properties subject to Mortgage which secure the IFA Series 2018A-B, IFA Series 2019A, and the IFA Series 2020A-B Bonds (this map does not display Roosevelt's 501 S. Wabash facility (Goodman Center), which is also subject to the Mortgage securing the IFA Series 2018A-B, 2019A, and 2020A-B Bonds.**




2. **Leased Facilities identified for use by the Robert Morris Experiential College at Roosevelt University (5 Locations):**



# TAB 4: ST. ANTHONY SLF, LLC AND DEER PATH SLF, LLC

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: May 12, 2020

Re: Resolution Supplementing IFA Resolution No. 2020-0310-CF02 which Authorized the Issuance of not to exceed $45,000,000 in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020 (St. Anthony – Deer Path Projects), the Proceeds of which are to be Loaned to St. Anthony SLF, LLC and Deer Path SLF, LLC
IFA Project Number 12476

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**Request:**

At the March 10, 2020 Board Meeting, the IFA Board approved a Bond Resolution No. 2020-0310-CF02 (the "**March Bond Resolution**") which authorized the issuance of not-to-exceed $45,000,000 of IFA Bonds to enable the refinancing of the non-rated **St. Anthony SLF, LLC** and **Deer Path SLF, LLC** affordable supportive living facility projects (each a "**Project**", and collectively the "**Projects**") as a two-project investment-grade-rated portfolio refinancing. The current combined outstanding balances of the non-rated Series 2012 Bonds issued for the Projects total $37.4 million.

The Projects have common owners (i.e., Mr. Zach Leonard is the Managing Member and 0.01% owner of each Project) while Affordable Housing Partners, Inc. (a Los Angeles-based wholly-owned subsidiary of Berkshire Hathaway, Inc.) is the Investor Member and 99.99% owners of each Project.

Subsequent to approval of the March Bond Resolution, S&P assigned "A-" investment grade rating to both the (i) $32,200,000 IFA Senior Series 2020A Tax-Exempt Bonds and (ii) the $8,685,000 IFA Senior Series 2020B Taxable Bonds. (Additionally, as contemplated in the original structure (see Sources and Uses table on p. 3), the financing will also include a Subordinate Tax-Exempt Series ($2,785,000 IFA Subordinate Series 2020C).)

The accompanying Resolution (see pp. 5-9) affirms and supplements the March Bond Resolution by authorizing proceeds of the Bonds (and, specifically, the "A-"-rated IFA Series 2020B Bonds) to now be used to pay:

a) deferred developer fees to the Managing Member (Mr. Zach Leonard of Chicago-based Bravo Properties LLC) for the Projects;
b) reimbursing the Managing Member for managing member loans;
c) paying distributions to both the Managing Member and Investor Member (Affordable Housing Partners, Inc.) pursuant to the applicable operating agreement between the Members; and
d) paying certain costs and expenses incurred in connection with the authorization, issuance and sale of the Series 2020 Bonds and the refunding of the St. Anthony 2012 Bonds and the Deer Path 2012 Bonds.

The March Resolution had contemplated that the proceeds of the anticipated $8,685,000 IFA Series 2020B Taxable Bonds would be applied primarily to payment of deferred developer fees to the Managing Member (and 0.01% owner) of the Projects (Mr. Zach Leonard – Bravo Properties, LLC) and to pay costs of issuance.

**Recommendation:**

The accompanying Resolution will conform the parameters regarding distributions to Members to be funded with the IFA Taxable Series 2020B Bonds (which have been assigned "A-" ratings by S&P for each Project) with the uses of funds now contemplated.

As a result, only a portion of the accrued (but unpaid) performance-based Deferred Developer Fee will be paid at this time. Notably, any unpaid Deferred Developer Fees will continue to provide the Managing Member (Mr. Zach Leonard of Bravo Properties, LLC) with continued incentive to successfully oversee management of the Projects.

Staff recommends approval of the accompanying Resolution as presented.

**Background:**

*IFA Bond Resolution approved March 10, 2020*: At the March 10, 2020 Board Meeting, the IFA Board approved a Bond Resolution in an amount not-to-exceed $45,000,000 on behalf of **St. Anthony SLF, LLC**, an Illinois limited liability company **("St. Anthony")**, and **Deer Path SLF, LLC**, an Illinois limited liability company **("Deer Path"** and together with St. Anthony, the "**Borrowers**") .

*About the Two Projects to be Refinanced through the Proposed IFA Series 2020 Bonds:* The underlying projects are owned by St. Anthony and Deer Path were, respectively, (i) a 125-unit affordable assisted living facility licensed under the Illinois Supportive Living Facility Program and targeted to the elderly (65+) located in Lansing (Cook County), Illinois; and (ii) a 128-unit affordable assisted living facility licensed under the Illinois Supportive Living Facility Program and targeted to non-elderly disabled adults aged 22-64 and located in Huntley (Kane County), Illinois.

*About the Original IFA Series 2012 Bonds (St. Anthony Project) and UIRVDA Series 2012 Bonds (Deer Path Project):* The Original 2012 Bonds Were Issued on a stand-alone basis for each Project, with IFA issuing $18,630,000 of Bonds for the St. Anthony Project (with $18.16 million outstanding) and the Upper Illinois River Valley Development Authority issuing $19,730,000 of Bonds for the Deer Path Project (with $19.24 million outstanding). The issuance of tax-exempt bonds enabled each Project to automatically qualify for 4% Low Income Housing Tax Credits (the "4% Credits"), which generated additional equity for each Project through the sale of the 4% Credits to third party investors. The Tax Credit Investor Member for both Projects is Affordable Housing Partners, Inc. of Los Angeles, CA, a wholly-owned subsidiary of Berkshire Hathaway, Inc. The original Series 2012 Bonds for each Project were sold on a non-rated basis with sale limited to Accredited Investors and Qualified Institutional Buyers – the outstanding non-rated Series 2012 Bonds issued for each Project bear a fixed interest rate of 6.50%. The Series 2012 Bonds issued to finance construction of each Project were sold in August 2012 and the Projects were each completed in 2013.

*Project Ownership:* Both projects have the same Managing Member (and 0.01% owner – Mr. Zach Leonard of Chicago-based Bravo Properties, LLC) and the same Investor Member (and 99.99% owner (through its investment in 4% Low Income Housing Tax Credits) – Affordable Housing Partners, Inc., Los Angeles, CA, which is a wholly-owned subsidiary of Berkshire Hathaway, Inc.) The Ownership Disclosure Section of this memo (see pp. 3-4) provides detailed ownership information of each Project.

*The Two Projects will be Refinanced Together on a "Portfolio Basis" through IFA to Obtain an Investment Grade Rating from S&P Global Ratings:* The purpose of the proposed IFA Series 2020 Bonds is to enable the two projects to be refinanced together on a "portfolio" basis to facilitate assignment of an investment grade-rating by S&P Global Ratings. The common ownership and similar underlying projects make these projects conducive to finance on a "portfolio" basis. S&P Global Ratings assigned "A-" long-term ratings as of 3/20/2020 to both series of Senior Bonds issued to refinance each Project (i.e., the IFA Senior Series 2020A Tax-Exempt Bonds and the IFA Senior Series 2020B Taxable Bonds – with corresponding series issued for (i) St. Anthony SLF, LLC and (ii) Deer Path SLF, LLC).

*Anticipated Savings/Terms as presented in March 2020:* The proposed refinancing is expected to reduce the all-in interest rate from 6.5% fixed now (on a combined $37.4 million of non-rated Series 2012 Bonds issued for the Projects) to estimated tax-exempt/taxable yields on the Series 2020 Bonds ranging from 3.0% to 5.0% depending on maturity, security (i.e., senior tax-exempt rated or subordinate tax-exempt non-rated), and interest rate mode (i.e., senior tax-exempt vs. senior taxable).

Additionally, the original Series 2012 Bonds are scheduled to mature as of 12/1/2030 for each Project.

In contrast, the IFA Series 2020 Bonds will have the following maturity dates by series (for each Project): (i) Senior Series 2020A (Tax-Exempt) Bonds: 12/1/2020; (ii) Senior Series 2020B (Taxable) Bonds: 12/1/2036, and (iii) Subordinate Series 2020C (Tax-Exempt) Bonds: 12/1/2025 (although non-rated, the Subordinate Tax-Exempt Series 2020C Bonds are scheduled to be paid in full in just 5 ½ years).

*Impact of COVID-19 on these Projects:* This information has not been publicly disclosed but the Official Statement will be updated prior to its release to describe the impact and incidence of COVID-19 at the St. Anthony SLF (affordable assisted living for residents 65+ located in Lansing (Cook County), Illinois) and Deer Path SLF (affordable assisted living for non-senior disabled adults aged 22-64 and located in Huntley (Kane County), Illinois).

Disruption in the capital markets continues to adversely affect market access for municipal market borrowers whose debt is not rated in the highest rating categories or involves more complex structuring (including project-based financings).

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*Estimated Sources and Uses of Funds:* Below is the Sources and Uses of Funds table presented at the 3/10/2020 Board Meeting.

| **Sources:** | | **Uses:** | |
|---|---|---|---|
| IFA Tax-Ex. 2020A (Senior) | *$32,205,000 | Redemption of Series 2012 Bonds | $37,400,000 |
| IFA Taxable 2020B (Senior) | *8,685,000 | Call Premium & Accrued Interest | 1,143,464 |
| IFA Tax-Ex. 2020C (Subord.) | *2,785,000 | Additional Borrower Funds – Acceleration of Deferred Developer Fee (funded with rated Taxable Bond proceeds) | 5,226,210 |
| Original Issue Premium | 2,416,085 | Debt Service Reserve Fund Surety | 2,479,753 |
| Transfer of 2012 Replacement Reserve | 800,372 | Replacement Reserve | 800,372 |
| Transfer of Medicaid Receivables Cash Flow Fund | 888,510 | Operating Reserve | 1,114,598 |
| Equity – DSRF Surety Bond | 2,479,753 | Medicaid Delay Reserve | 888,510 |
| | | Costs of Issuance | 1,206, 813 |
| **Total** | **$50,259,720** | **Total** | **$50,259,720** |

The estimated combined Par amount of the IFA Series 2020A-B-C Bonds is $43,675,000.

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## PRIOR VOTING RECORD – MARCH 10, 2020

**Final Bond Resolution (2020-0310-CF02) approved March 10, 2020 by the following vote:** Yeas: 13; Nays: 0; Abstentions: 0; Absent: 2 (Obernagel; Wright).

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## OWNERSHIP DISCLOSURE FOR THE (1) ST. ANTHONY SLF, LLC AND (2) DEER PATH SLF, LLC PROJECTS

Information on the 2 Co-Borrowers: **(1) St. Anthony SLF, LLC** ("**St. Anthony Owner**" and a co-borrower) was formed by Mr. Zach Leonard, the sole member of Bravo Properties LLC, as a special purpose entity to develop and own the St. Anthony of Lansing Project. The owners and membership (i.e., economic ownership interest) in the St. Anthony Owner are reported below.

- The Managing Member (or Manager) of the Borrower is **St. Anthony Managing Member, Inc.**, an Illinois corporation, with a 0.01% beneficial membership interest in St. Anthony SLF, LLC.
  - **Mr. Zach Leonard** is the 100% shareholder of St. Anthony Managing Member, Inc.
- The remaining 99.99% membership (i.e., ownership) interest in the St. Anthony SLF, LLC is owned by **AHP Housing Fund 5, LLC**, a Nevada limited liability company (the "**Investor Member**").

  - The sole member of AHP Housing Fund 5, LLC is **Affordable Housing Partners, Inc.**, which is itself a wholly-owned subsidiary of **Berkshire Hathaway, Inc.** Affordable Housing Partners, Inc., 10250 Constellation Blvd., Los Angeles, CA 90067. (Contact: Michael Fowler, President)

  - Disclosure of Shareholders of **Berkshire Hathaway, Inc.** who hold a 5.0% or greater ownership interest as of 3/15/2019 pursuant to the Corporation's Definitive 14-A Proxy Statement filing with the SEC (with disclosure of owners of a 5.0% or greater ownership of the Company's through a beneficial interest in the Corporation's Class A or Class B shares, consistent with IFA ownership disclosure practices for public companies):

- **Warren E. Buffett**, 3555 Farnam Street, Omaha, NE 68131, is the only person known to the Corporation to be the beneficial owner of more than 5.0% of the Corporation's Class A Stock: Mr. Buffett owned 16.5% of the Aggregate Economic Interest of Class A and Class B shares.

Additional Key Beneficial Shareholders of Berkshire Hathaway, Inc. Class B Shares (NYSE: BRK.B) pursuant to 3/5/2019 DEF 14A Proxy Statement:

- **Vanguard Group Inc.**, 100 Vanguard Blvd, Malvern, PA: 9.90%
- **BlackRock, Inc.**, 55 E. 52nd Street, New York, NY 10022: 7.80%
- **State Street Corp.**, One Lincoln Street, Boston, MA 02111: 5.70%

**(2) Deer Path SLF, LLC** ("**Deer Path Owner**" and a co-borrower) was formed by Mr. Zach Leonard, the sole member of Bravo Properties LLC as a special purpose entity to develop and own the Deer Path of Huntley Project. The owners and membership (i.e., economic ownership interest) in the Deer Path Owner are reported below.

- The Managing Member (or Manager) of the Borrower is **Deer Path Managing Member, Inc.**, an Illinois corporation, with a 0.01% beneficial membership interest in Deer Path SLF, LLC.
  - **Mr. Zach Leonard** is the 100% shareholder of Deer Path Managing Member, Inc.
- The remaining 99.99% membership (i.e., ownership) interest in the St. Anthony SLF, LLC is owned by **AHP Housing Fund 4, LLC**, a Nevada limited liability company. Affordable Housing Partners, Inc. (or its affiliates, successors, or designees), a Low Income Housing Tax Credits investor (the "**Investor Member**").

  - The sole member of AHP Housing Fund 4, LLC is **Affordable Housing Partners, Inc.**, which is itself a wholly-owned subsidiary of **Berkshire Hathaway, Inc.** Affordable Housing Partners, Inc., 10250 Constellation Blvd., Los Angeles, CA 90067. (Contact: Michael Fowler, President)

  - Disclosure of Shareholders of **Berkshire Hathaway, Inc**. who hold a 5.0% or greater ownership interest as of 3/15/2019 was provided above in connection with the ownership disclosure discussion of AHP Housing Fund 5, LLC and St. Anthony SLF, LLC.

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**PROFESSIONAL & FINANCIAL**

| | | | |
|---|---|---|---|
| Borrower's Counsel: | Applegate & Thorne-Thomsen P.C. | Chicago, IL | Matthew Brett |
| Auditor – both projects: | Cohn Reznick LLP | Chicago, IL | |
| Bond Counsel: | Ice Miller LLP | Indianapolis, IN | Tyler Kalachnick<br>David Nie |
| Underwriter: | D.A. Davidson & Co. | Chicago, IL | Peter Raphael<br>Brent Sprunger |
| Underwriter's Counsel: | Greenberg Traurig, LLP | Chicago, IL | Tom Smith |
| Tax Credit Investor: | Affordable Housing Partners, Inc. | Los Angeles, CA | Greg McIntosh |
| Investor's Counsel: | Kutak Rock LLP | Denver, CO | Ellen O'Brien |
| Trustee: | Amalgamated Bank of Chicago | Chicago, IL | Donna Howard |
| Rating Agency: | S&P Global Ratings | Englewood, CO | Joanie Monaghan<br>Dan Pulter |
| Management Agent (Third Party): | Gardant Management Services | Bourbonnais, IL | Rick Banas |

**Third Party Reports – To be incorporated into the Official Statement by Reference – and made available to prospective investors by request from the Underwriters:**

| | | | |
|---|---|---|---|
| Appraisal Reports for the Projects: | OHC Healthcare Advisors, Inc. | Chicago, IL | Galina Cardenas |
| Physical Needs Assessment Reports – for the Projects: | EBI Consulting | Arlington, TX | Zaki Ayad |
| | | Burlington, MA | Timothy Peifer |
| Environmental Reports: | Professional Service Industries, Inc. (Intertek PSI) | Hillside, IL | Kara Sachs |
| IFA Counsel: | Schiff Hardin LLP | Chicago, IL | Bruce Weisenthal |
| IFA Financial Advisor: | Sycamore Advisors LLC | Chicago, IL | Courtney Tobin, Chris Valentino |

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**IFA RESOLUTION NO. 2020-0512-CF04**

**RESOLUTION SUPPLEMENTING IFA RESOLUTION NO. 2020-0310-CF02 WHICH AUTHORIZED THE ISSUANCE OF NOT TO EXCEED $45,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ILLINOIS FINANCE AUTHORITY REVENUE REFUNDING BONDS, SERIES 2020 (ST. ANTHONY – DEER PATH PROJECTS), THE PROCEEDS OF WHICH ARE TO BE LOANED TO ST. ANTHONY SLF, LLC AND DEER PATH SLF, LLC.**

**WHEREAS**, the **ILLINOIS FINANCE AUTHORITY** (the "Authority") has been created by the Illinois Finance Authority Act, 20 ILCS 3501-801-1, et. seq., as amended (the "Act"); and

**WHEREAS,** on March 10, 2020, the Members of the Authority adopted Resolution No. 2020-0310-CF02 ("Resolution No. 2020-0310-CF02") entitled: "A Resolution Authorizing the Issuance of not to exceed $45,000,000 in Aggregate Principal Amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020 (St. Anthony – Deer Path Projects), the Proceeds of which are to be Loaned to St. Anthony SLF, LLC and Deer Path SLF, LLC"; and

**WHEREAS**, **ST. ANTHONY SLF, LLC** and **DEER PATH SLF, LLC**, each an Illinois limited liability company (collectively, the "Borrower"), have requested that the Authority affirm and supplement Resolution No. 2020-0310-CF02 and issue not to exceed $45,000,000 (excluding original issue discount or premium, if any) in aggregate principal amount of revenue bonds consisting of one or more series of Revenue Refunding Bonds, Series 2020 (St. Anthony – Deer Path Projects) (the "Series 2020 Bonds") and loan the proceeds thereof to the Borrower in order to assist the Borrower in providing a portion of the funds necessary to do any or all of the following: (i) refund all or a portion of the Illinois Finance Authority Multi-Family Housing Revenue Bonds (St. Anthony of Lansing Project) Series 2012 (the "St. Anthony 2012 Bonds") issued for the benefit of the St. Anthony to finance the acquisition, construction and equipping of a 125-unit supportive living facility located in Lansing, Illinois (the "St. Anthony Project"), (ii) refund all or a portion of the Upper Illinois River Valley Development Authority Multi-Family Housing Revenue Bonds (Deer Path of Huntley Project) Series 2012 (the "Deer Path 2012 Bonds") issued for the benefit of Deer Path to finance the acquisition, construction and equipping of a 128-unit supportive living facility located in Huntley, Illinois (the "Deer Path Project" and together with the St. Anthony Project, the "Projects"), (iii) paying deferred developer fees, (iv) reimbursing the managing member for managing member loans, (v) paying distributions to members pursuant to the applicable operating agreement, and (vi) paying certain costs and expenses incurred in connection with the authorization, issuance and sale of the Series 2020 Bonds and the refunding of the St. Anthony 2012 Bonds and the Deer Path 2012 Bonds, which constitutes "housing projects" under the Act (collectively, the "Financing Purposes"); and

**WHEREAS**, drafts of the following documents have been previously provided to and are on file with the Authority (collectively, the "Authority Documents"):

(a) a Trust Indenture (the "Bond Indenture") between the Authority and Amalgamated Bank of Chicago, as bond trustee (the "Bond Trustee"), providing for the issuance thereunder of the Series 2020 Bonds and setting forth the terms and provisions applicable to the Series 2020 Bonds, including securing the Series 2020 Bonds by an assignment thereunder to the Bond Trustee of the Authority's right, title and interest in and to the Series 2020 Obligations (as hereinafter defined) and certain of the Authority's rights in and to the Loan Agreement (as hereinafter defined);

(b) a Loan Agreement (the "Loan Agreement") between the Authority and the Borrower, under which the Authority will loan the proceeds of the Series 2020 Bonds to the Borrower, all as more fully described in the Loan Agreement;

(c) a Bond Purchase Agreement (the "Purchase Contract") among the Authority, the Borrower, and such firm or firms of municipal bond underwriters as may be approved by the Authority (with execution of the Purchase Contract constituting approval by the Authority) and the Borrower including, without limitation, D.A. Davidson & Co. (the "Underwriters"), as purchaser of the Series 2020 Bonds, providing for the sale by the Authority and the purchase by the Underwriters of the Series 2020 Bonds;

(d) one or more Regulatory Agreements (the "Regulatory Agreements") among the Authority, the applicable Borrower and the Bond Trustee;

**WHEREAS**, in connection with the issuance of the Series 2020 Bonds, the following additional documents may be executed and delivered by parties other than the Authority (collectively, the "Additional Transaction Documents"):

(a) one or more Notes of the Borrowers (collectively, the "Series 2020 Obligations"), which will be pledged as security for the Series 2020 Bonds, in an aggregate principal amount equal to the aggregate principal amount of the Series 2020 Bonds and with prepayment, maturity and interest rate provisions similar to the Series 2020 Bonds; and

(b) an Official Statement, substantially in the form of the draft Preliminary Official Statement (the "Official Statement") previously provided to and on file with the Authority, relating to the offering of the Series 2020 Bonds;

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

**SECTION 1:** **Findings**. Based upon the representations of the Borrower, the Authority hereby makes the following findings and determinations with respect to the Borrower, the Series 2020 Bonds to be issued by the Authority and the facilities financed or refinanced with the proceeds of the Series 2020 Bonds:

Each Borrower is a limited liability company organized under the laws of the State of and is qualified to do business in the State of Illinois;

The Borrower has properly filed with the Authority its request for assistance in providing funds to the Borrower and the funds will be used for the Financing Purposes, and the facilities financed or refinanced with the proceeds of the Series 2020 Bonds will be owned and operated by the Borrower and such facilities are included within the term "housing project" as defined in the Act;

The facilities to be financed or refinanced with the proceeds of the Series 2020 Bonds do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

The indebtedness to be refinanced with the proceeds of the Series 2020 Bonds was issued for purposes which constitute valid purposes under the Act, all of the proceeds of such indebtedness made available to the Borrower were expended to pay, or refinance indebtedness the proceeds of which were expended to pay, a portion of the cost of a "project" (as defined in the Act) owned or operated by the Borrower, such refinancing is in the public interest, is in connection with other financings by the Authority for the Borrower and is permitted and authorized under the Act; and

The Series 2020 Bonds are being issued for a valid purpose under and in accordance with the provisions of the Act.

**SECTION 2:** **Series 2020 Bonds**. In order to obtain the funds to loan to the Borrower to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the Series 2020 Bonds. The Series 2020 Bonds shall be issued under and secured by and shall have the terms and provisions set forth in the Bond Indenture in an aggregate principal amount not exceeding $45,000,000, excluding original issue discount or premium, if any. The Series 2020 Bonds may be issued in one or more series, of which any such series may be issued in two or more subseries, with such additional series or subseries designated in such manner as approved by the Authorized Officer (as defined herein) of the Authority, which approval shall be evidenced by such Authorized Officer's execution and delivery of the Bond Indenture.

The Series 2020 Bonds shall mature not later than 35 years from the date of their issuance, may be subject to serial maturities or mandatory bond sinking fund redemption as provided in the Bond Indenture and shall bear interest at stated rates not exceeding 5.00% per annum. The Series 2020 Bonds shall be subject to optional and extraordinary redemption and be payable all as set forth in the Bond Indenture.

The Series 2020 Bonds shall be issued only as fully registered bonds without coupons. The Series 2020 Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairperson, Vice Chairperson or its Executive Director (and for purposes of this Resolution, any person duly appointed to any such office on an acting or an interim basis or otherwise authorized to act as provided by resolutions of the Authority) and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, or any person duly appointed by the Members of the Authority to serve in such office on an interim basis, and may have the corporate seal of the Authority impressed manually or printed by facsimile thereon.

The Series 2020 Bonds shall be issued and sold by the Authority and purchased by the Underwriters at a purchase price of not less than 98.5% of the principal amount of such Series 2020 Bonds, excluding any original issue discount or premium, if any, plus accrued interest, if any. The Underwriters shall receive total underwriting compensation with respect to the sale of the Series 2020 Bonds, including underwriting discount, not in excess of 2.00% of the principal amount of the Series 2020 Bonds, excluding original issue discount or premium, if any, in connection with the sale of the Series 2020 Bonds.

The Series 2020 Bonds and the interest thereon shall be limited obligations of the Authority, payable solely from the income and revenues to be derived by the Authority pursuant to the Loan Agreement (except such income and revenues as may be derived by the Authority pursuant to the Unassigned Rights (as defined in the Bond Indenture)). The Series 2020 Bonds and the interest thereon shall never constitute a general obligation or commitment by the Authority to expend any of its funds other than (i) proceeds of the sale of the Series 2020 Bonds, (ii) the income and revenues derived by the Authority pursuant to the Loan Agreement and the Series 2020 Obligations and other amounts available under the Bond Indenture and (iii) any money arising out of the investment or reinvestment of said proceeds, income, revenue or receipts.

The Authority hereby delegates to the Chairperson or the Executive Director of the Authority or any other Authorized Officer (as hereinafter defined), the power and duty to make final determinations as to the Series 2020 Bonds to be refunded, the principal amount, number of series or subseries of Series 2020 Bonds and any names or other designations therefor, dated date, maturities, purchase price, any mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption provisions, the Underwriters of the Series 2020 Bonds, and the interest rates of each series of the Series 2020 Bonds, all within the parameters set forth herein.

**SECTION 3:** **Authority Documents**. The Authority does hereby authorize and approve the execution (by manual or facsimile signature) by its Chairperson, Vice Chairperson, Executive Director, or General Counsel, or any person duly appointed by the Members to serve in such offices on an interim basis (each an "Authorized Officer"), and the delivery and use, of the Authority Documents. The Secretary or any Assistant Secretary of the Authority is hereby authorized to attest and to affix the official seal of the Authority to any Authority Document. The Authority Documents shall be substantially in the forms previously provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of any changes or revisions therein from such forms of the Authority Documents and to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the terms of the Series 2020 Bonds and the purchase thereof.

**SECTION 4:** **Additional Transaction Documents**. The Authority does hereby approve the execution and delivery of the Additional Transaction Documents. The Additional Transaction Documents shall be in substantially the forms previously provided to and on file with the Authority and hereby approved, with such changes therein as shall be approved by, or in such final forms as are approved by, the Authorized Officer of the Authority executing the Bond Indenture, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final forms of the Additional Transaction Documents or any changes or revisions therein from such forms of the Additional Transaction Documents.

**SECTION 5:** **Public Approval.** The Authority hereby acknowledges that a Public Hearing was held on March 6, 2020 and hereby acknowledges that the Authority will submit this issue to the Governor of the State of Illinois for approval of the elected representative.

**SECTION 6:** **Distribution of the Preliminary Official Statement and Official Statement**. The Authority does hereby approve the distribution of the Preliminary Official Statement and the Official Statement by the Underwriters in connection with the offering and sale of the Series 2020 Bonds. The Official Statement shall be substantially in the form of the draft Preliminary Official Statement provided to and on file with the Authority and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the Bond Indenture, with such execution to constitute conclusive evidence of such Authorized Officer's approval and the Authority's approval of the final form of the Official Statement.

**SECTION 7:** **Authorization and Ratification of Subsequent Acts**. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including, without limitation, the execution and delivery of one or more tax exemption agreements, supplemental bond indentures, escrow agreements or other agreements providing for the payment of the Series 2020 Bonds and any additional documents that may be necessary to provide for one or more additional series or subseries of Series 2020 Bonds and the acceptance of any continuing disclosure agreement of the Borrower pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, as amended) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Documents and the Additional Transaction Documents, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the Authority Documents or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the Bond Indenture.

**SECTION 8:** **Severability**. The provisions of this Final Bond Resolution are hereby declared to be separable, and if any section, phrase or provision hereof shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions of this Final Bond Resolution.

**SECTION 9:** **Conflicts**. All resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict. Resolution No. 2020-0310-CF02 is supplemented by this resolution and remains effective to the extent not inconsistent herewith.

**SECTION 10:** **Effectiveness**. This Final Bond Resolution shall be in full force and effect immediately upon its passage, as by law provided.

Approved and effective this 12th day of May, 2020 by vote as follows:

**ILLINOIS FINANCE AUTHORITY**

By: ________________________________________
Executive Director

**ATTEST**:

________________________________________
Secretary (or Assistant Secretary)

[SEAL]

# TAB 5: SMART HOTELS/OLYMPIA CHICAGO, LLC

# ILLINOIS FINANCE AUTHORITY

## Memorandum

To: IFA Board of Directors

From: Rich Frampton & Brad R. Fletcher

Date: May 12, 2020

Re: Resolution Authorizing and Approving the Execution and Delivery of a Second Amendment to Bond and Loan Agreement Among the Illinois Finance Authority, Smart Hotels/Olympia Chicago, LLC and BMO Harris Bank N.A. and Related Matters
IFA Series 2010 File Number: I-RZ-TE-CD-8424
IFA Series 2017 File Number: 12385

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**Request:**

**Smart Hotels/Olympia Chicago, LLC,** a Delaware limited liability company (the "**Borrower**" or "**Company**"), and **BMO Harris Bank N.A.** (the "**Bank**" or "**Bond Purchaser**") are requesting approval of a Resolution to authorize the execution and delivery of a Second Amendment to Bond and Loan Agreement to effectuate the deferral of principal and interest payments for up to 6 months and temporarily waive certain covenants in connection with the outstanding Illinois Finance Authority Recovery Zone Facility Bonds (Smart Hotels/Olympia Chicago, LLC Project), Series 2017 (the "**Series 2017 Bond**").

Smart Hotels/Olympia Chicago, LLC was created for the special purpose of acquiring a hotel site and developing, constructing and equipping an approximately 130-room, six-story hotel (the "Project" or "Hotel") that was constructed as a part of the Harper Court mixed-use redevelopment project located at the northeast corner of East 52nd Place and Harper Avenue in Chicago. Due to the onset of the novel COVID-19 virus, the Borrower and the Bank have agreed to defer principal and interest payments otherwise due on April 1, 2020, May 1, 2020, and June 1, 2020. At the option of the Bank, the Borrower may further defer principal and interest payments otherwise due on July 1, 2020, August 3, 2020, and September 1, 2020. Interest will continue to accrue on the deferred principal payments during such time.

The Authority issued the Series 2017 Bond which was purchased by BMO Harris Bank N.A. to refund in whole the Authority's Recovery Zone Facility Bonds (Smart Hotels/Olympia Chicago, LLC Project), Series 2010 (the "Prior Bond"). The Prior Bond was held by MB Financial Bank N.A. and guaranteed by The University of Chicago. In 2017, BMO Harris Bank N.A. became the Borrower's new relationship bank and did not require an external (i.e., third-party) guarantor in connection with the purchase of the Series 2017 Bond.

The original principal amount of the Prior Bond in 2010 was approximately \$21,500,000. The current outstanding principal amount of the Series 2017 Bond (which refunded the Prior Bond in 2017) is approximately \$17,594,910.78 based on the Borrower's most recent principal and interest payment to the Bank due on 3/2/2020.

**Background:**

**Recovery Zone Facility Revenue Bonds** provided tax-exempt financing for qualifying manufacturing, warehousing/distribution, hotel, office buildings, and other commercial real estate projects, and were authorized by the *American Recovery and Reinvestment Act of 2009* as an important economic development tool. Recovery Zone Facility Revenue Bonds enabled issuance of tax-exempt bonds for commercial projects (e.g., hotels, shopping centers, office buildings, and warehouse facilities) for the first time since the Tax Reform Act of 1986 went into effect. New Recovery Zone Facility Revenue Bond issues were authorized to close through December 31, 2010.

**Impact:**

Approval of this Resolution will provide consent to changes as agreed to by the Borrower and the Bond Purchaser concerning the Series 2017 Bond. Specifically, the Borrower and Bond Purchaser desire to defer principal and interest payments for at least 3 months, and potentially for a maximum of 6 months. Bond counsel has determined that a new public hearing on the proposed amendment (i.e., "TEFRA Hearing" as defined by Section 147(f) of the Internal Revenue Code of 1986, as amended) will not be required.

Additionally, bond counsel (Ice Miller LLP) has concluded that this deferral of principal and interest payments will not constitute a reissuance of the Series 2017 for federal tax purposes. The Authority has received a no adverse affect opinion from bond counsel in connection therewith.

**Background:**

On December 30, 2010, the Authority issued the Prior Bonds. Proceeds of the Prior Bonds were used by the Borrower in order to assist the Borrower in financing "recovery zone property" for a "qualified business" consisting of new capital expenditures, including the acquisition of the project site and the development, construction and equipping of an approximately 130-room, six-story hotel to be constructed at 5225 S. Harper Avenue in Chicago (i.e., the Project) as part of a multi-use redevelopment project (Harper Court) that was planned to include approximately 150,000 square feet of office space, 100,000 square feet of retail space, and residential rental and condominium units, all within and adjacent to the hotel site and located at  in Chicago, Illinois, paying capitalized interest, if any, on the Prior Bonds, and paying a portion of certain expenses incurred in connection with the issuance of the Prior Bonds, all as permitted by the Act (collectively, the "Financing Purposes").

The Hotel is currently managed by Olympia Hotel Management Chicago LLC (see Disclosure section below for additional information). The Hotel is operated pursuant to a franchise agreement with Hyatt Hotels Corp., and the property is known as "Hyatt Place Chicago – South/University Medical Center."

All payments relating to the Series 2017 Bond were paid as scheduled prior to April 1, 2020 and the onset of the novel COVID-19 virus which dramatically effected the hotel's occupancy rate and related revenues.

As a conduit bond issue, BMO Harris Bank N.A. as the Bond Purchaser continues to assume 100% of the borrower default risk on the Series 2017 Bond.

**Disclosure:**

All entities or individuals holding a 7.5% or greater ownership interest in the Borrower are listed below:

**Smart Hotels/Olympia Chicago LLC** is a single asset/special purpose entity formed by the principals of Smart Hotels, LLC, 20600 Chagrin Blvd., Suite 705, Shaker Heights, Ohio 44122 and The Olympia Companies LLC, 7 Custom House Street, 5th Floor, Portland, Maine 04101 to develop and own the fee simple interest in the approximately 130-room hotel property located at 5225 S. Harper Avenue in Chicago, Illinois 60615.

Members include:
1. Olympia Chicago LLC: 40.0% *
2. Smart Hotels Chicago LLC: 40.0% **
3. The Olympia Companies LLC: 8.0% *
4. SHG University Chicago LLC: 8.0% **

*Note: Through membership in the above listed entities or their affiliates, Mr. Kevin P. Mahaney, President/CEO of The Olympia Companies LLC holds a collective 20.52% ownership interest in the Borrower. Olympia Hotel Management Chicago, LLC, a Delaware limited liability company, manages the Hotel and is an affiliate of The Olympia Companies LLC.

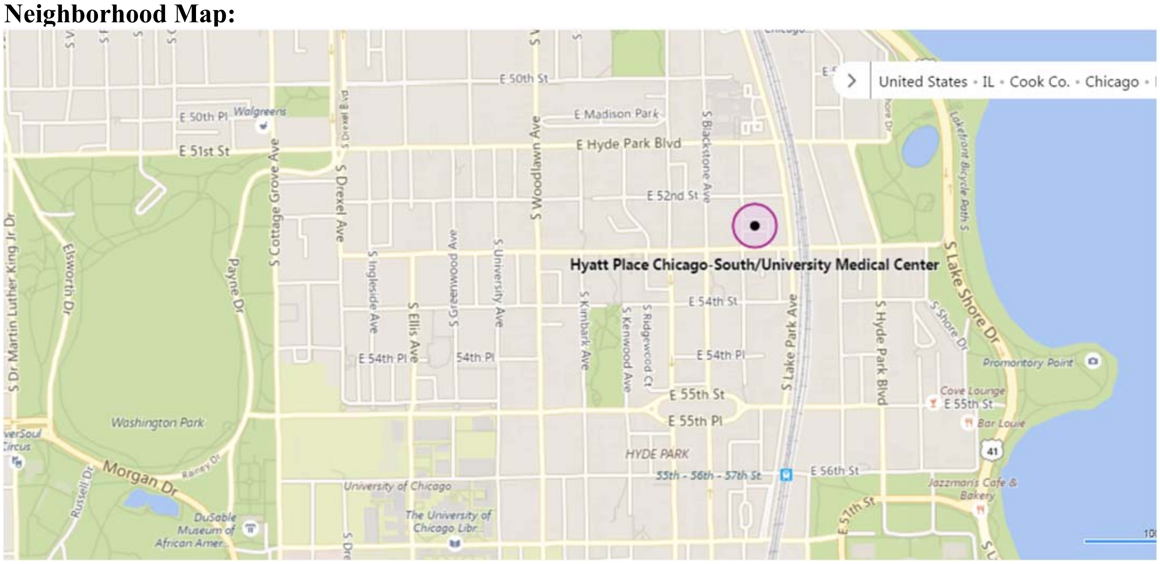
**Note: Through membership in the above listed entities or their affiliates, Mr. Jonathan Adams, CEO of Smart Hotels, LLC holds a collective 11.52% ownership interest in the Borrower.

## PROFESSIONAL & FINANCIAL

| | | | |
|---|---|---|---|
| Bond Counsel: | Ice Miller LLP | Chicago, IL | Jim Snyder<br>Austin Root |
| Bank/Bond Purchaser: | BMO Harris Bank N.A. | Chicago, IL | Amy K. Dumser |

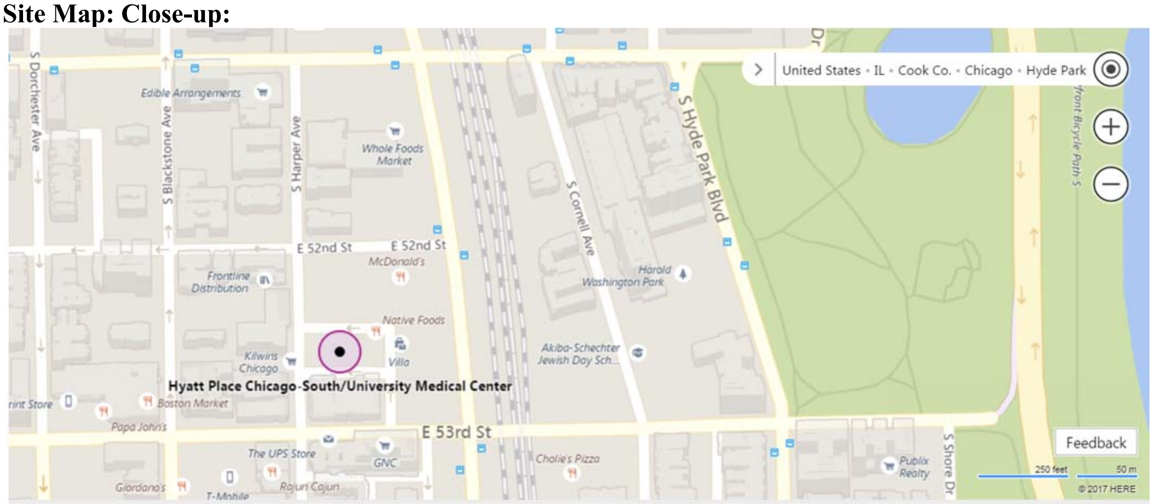
## Site Maps:

**Neighborhood Map:**




*Source:* *Bing Maps*

**Site Map: Close-up:**




*Source:* *Bing Maps*

## RESOLUTION NO. 2020-0512-CF__

**RESOLUTION AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A SECOND AMENDMENT TO BOND AND LOAN AGREEMENT AMONG THE ILLINOIS FINANCE AUTHORITY, SMART HOTELS/OLYMPIA CHICAGO, LLC AND BMO HARRIS BANK N.A. AND RELATED MATTERS.**

**WHEREAS,** the **ILLINOIS FINANCE AUTHORITY** (the "Authority"), a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the "State"), including, without limitation the Illinois Finance Authority Act, 20 ILCS 3501/801-1, as supplemented and amended (the "Act"), is authorized by the laws of the State, including, without limitation, the Act, to issue its bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the acquisition and improvement of "projects" as defined in the Act; and

**WHEREAS, SMART HOTELS/OLYMPIA CHICAGO, LLC**, a Delaware limited liability company (the "Borrower"), has requested that BMO Harris Bank N.A., a national banking association (together with its permitted successors and assigns, the "Purchaser"), defer certain principal and interest payments on the Illinois Finance Authority Recovery Zone Facility Bonds (Smart Hotels/Olympia Chicago, LLC Project), Series 2017 (the "Bonds"), issued by the Authority pursuant to that certain Amended and Restated Bond and Loan Agreement, dated as of March 1, 2017, by and among the Authority, the Borrower, and the Purchaser, in the aggregate principal amount of $19,651,408.90 for the purpose of assisting the Borrower in providing all or a portion of the funds necessary to (i) refund all or a portion of the Authority's Recovery Zone Facility Bonds (Smart Hotels/Olympia Chicago, LLC Project), Series 2010 (the "Prior Bonds"), and (ii) pay all or a portion of the costs of issuance for the Bonds, all as permitted by the Act (collectively, the "Financing Purposes"); and

**WHEREAS**, the proceeds of the Prior Bonds were used to (a) assist the Borrower in financing "recovery zone property" for a "qualified business" consisting of new capital expenditures, including the acquisition of a hotel site and the development, construction and equipping of an approximately 130-room, six-story hotel constructed as part of a multi-use redevelopment project that includes approximately 150,000 square feet of office space, 100,000 square feet of retail space, and rental and condominium units, all within and adjacent to the hotel site located at 5225 S. Harper Avenue, Chicago, Illinois 60615, (b) pay capitalized interest, if any, on the Prior Bonds and (c) pay certain of the expenses incurred in connection with the issuance of the Prior Bonds (the "Prior Project"); and

**WHEREAS**, the Bonds were sold to the Purchaser; and

**WHEREAS**, the document entitled "Second Amendment to Bond and Loan Agreement and Related Documents" is hereby presented to the Authority at this meeting (the "Authority Document") and is attached hereto as *Exhibit A*; and

**WHEREAS**, the Authority Document is substantially in a form approved by the Authority and on file with the Authority; and

**WHEREAS**, under the Authority Document, the Authority, the Borrower and the Purchaser agree to defer up to six (6) months of principal and interest payments on the Bonds and certain other amendments, all as more fully described in the Authority Document.

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

**Section 1. Authority Document.** The Authority does hereby authorize and approve the execution by its Executive Director, or any person authorized by a Resolution of the Authority (each an "Authorized Officer") and the delivery and use of the Authority Document. The Authority Document shall be substantially in the form on file with the Authority, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the form of such Authority Document hereby approved, and to constitute conclusive evidence of such person's approval.

**Section 2. Authorization and Ratification of Subsequent Acts.** The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents (including without limitation the execution and delivery of a document setting forth the agreement and certification of the parties thereto relating to certain federal tax matters) as may be necessary to carry out and comply with the provisions of these resolutions, the Authority Document, and all of the acts and doings of the Members, officers, agents, and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

**Section 3. Approval of Acts.** All acts of the officials of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the Authority Document, and the same hereby are, in all respects, approved and confirmed.

**Section 4. Severability.** The provisions of this Resolution are hereby declared to be separable and if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of remainder of the sections, phrases and provisions.

**Section 5. Repeal of Conflicting Provisions.** All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

**Section 6. Full Force and Effect.** This Resolution shall be in full force and effect immediately upon its passage, as by law provided.

EXHIBIT A

# <u>SECOND AMENDMENT TO BOND AND LOAN AGREEMENT AND RELATED DOCUMENTS</u>

This Second Amendment to Bond and Loan Agreement and Related Documents (this "Amendment"), dated April 29, 2020, by and among BMO HARRIS BANK N.A., a national banking association (together with its permitted successors and assigns, the "Purchaser"), SMART HOTELS/OLYMPIA CHICAGO, LLC, a Delaware limited liability company (the "Borrower"), and the ILLINOIS FINANCE AUTHORITY (the "Issuer"), a body politic and corporate created and existing under and by virtue of the Illinois Finance Authority Act, as amended (the "Act").

RECITALS:

WHEREAS, the Issuer issued its $19,651,408.90 Recovery Zone Facility Bonds (Smart Hotels/Olympia Chicago, LLC Project), Series 2017 (the "Bond") and the Purchaser purchased the Bond pursuant to that certain Amended and Restated Bond and Loan Agreement, dated as of March 1, 2017, by and among the Issuer, the Borrower, and the Purchaser (the "First Amendment to Bond and Loan Agreement"); and

WHEREAS, the proceeds of the Bond were loaned by the Issuer to the Borrower to refinance the Project costs by refunding the Prior Bonds (as defined in the First Amendment to Bond and Loan Agreement), and the Borrower is obligated to pay to the Purchaser amounts sufficient to pay the principal of, premium, if any, and interest on the Bond when due; and

WHEREAS, the parties hereto wish to amend the First Amendment to Bond and Loan Agreement and the Related Documents pursuant to this Amendment to defer certain principal and interest payments on the Bond, to temporarily waive certain covenants contained in the First Amendment to Bond and Loan Agreement, and to address changes in market conditions since the issuance of the Bond.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings herein set forth, the parties hereto agree as follows:

1. <u>Definitions.</u> Capitalized terms not otherwise defined herein shall have the meanings given them in the First Amendment to Bond and Loan Agreement.

2. <u>Intentionally Omitted</u>.

3. <u>Amendments to First Amendment to Bond and Loan Agreement.</u>

3.1 The first paragraph of Section 3.3(a) of the First Amendment to Bond and Loan Agreement shall be deleted in its entirety and replaced with the following:

> (a) *Principal. Schedule I* to this Agreement sets forth the amortization of the principal amount of the Bond. Principal of the Bond

shall be payable on a monthly basis, commencing April 3, 2017, in the amounts set forth in *Schedule I* hereto; provided, however, that the final principal payment on the Bond shall be made on January 5, 2039, which is the Maturity Date; and provided further, that the principal payments due on the Bond on April 1, 2020, May 1, 2020, and June 1, 2020 (the "Principal Deferred Amount"), shall be deferred and become due no later than the Supplemental Mandatory Tender Date (the "Deferment Period"). At the option of the Purchaser, the principal payments due on the Bond on July 1, 2020, August 3, 2020, and September 1, 2020, shall be included in the Principal Deferred Amount. Interest shall continue to accrue on the Principal Deferred Amount at the Bank Purchase Rate.

3.2 The first paragraph of Section 3.3(b) of the First Amendment to Bond and Loan Agreement shall be deleted in its entirety and replaced with the following:

(b) *Interest*. Subject to the provisions of Section 3.3(c), (d) and (e) hereof, the Bond shall bear interest at the Bank Purchase Rate from the Closing Date to and including the day preceding the earlier of (i) its redemption date, (ii) its prepayment date (by acceleration or otherwise), (iii) its Purchase Date, and (iv) the Maturity Date. Interest on the Bond shall be payable, in arrears, on each Interest Payment Date; provided, however, that the interest payments due on the Bond on April 1, 2020, May 1, 2020, and June 1, 2020 (the "Interest Deferred Amount"), shall be deferred for the Deferment Period and become due no later than the Supplemental Mandatory Tender Date. At the option of the Purchaser, the interest payments due on the Bond on July 1, 2020, August 3, 2020, and September 1, 2020, shall be included in the Interest Deferred Amount. The Interest Deferred Amount deferred each month, as provided above, shall be added to and become part of the outstanding principal amount of the Bond on the date of each deferral, and such additional principal amount shall bear interest at the Bank Purchase Rate until the time such amount is actually repaid.

4. <u>Amendments to Related Documents</u>. The Related Documents shall be amended in all respects necessary to conform to the changes to the First Amendment to Bond and Loan Agreement as set forth herein. All references in any of the Related Documents to the term "Related Documents" are hereby changed to include this Second Amendment to Bond and Loan Agreement and Related Documents.

5. <u>Events of Default and Remedies.</u> Any breach of or default under any of the terms or provisions of this Amendment shall constitute an Event of Default under the First Amendment to Bond and Loan Agreement and the Related Documents after expiration of any applicable grace or cure periods set forth therein.

6. <u>Waiver and Release of Claims.</u> The Borrower represents to the Purchaser that it has no defenses, setoffs, claims or counterclaims of any kind or nature whatsoever

against the Purchaser in connection with the First Amendment to Bond and Loan Agreement, as amended hereby, or any of the other Related Documents or any extensions or modifications thereof or any action taken or not taken by the Purchaser with respect thereto. Without limiting the generality of the foregoing, and in consideration of the Purchaser's agreements hereunder, the Borrower hereby releases and discharges the Purchaser, its affiliates and each of their officers, agents, employees, attorneys, insurers, successors and assigns (collectively, the "Released Parties"), from and against any and all liabilities, rights, claims, losses, expenses, or causes of action, known or unknown, arising out of any action or inaction by any of the Released Parties prior to the date hereof, with respect to the First Amendment to Bond and Loan Agreement or any of the other Related Documents or this Amendment, or any matter in any way related thereto or arising in conjunction therewith. The Borrower also waives, releases, and discharges the Released Parties and each of them from and against any and all known or unknown rights to setoff, defenses, claims, counterclaims, causes of action, any other bar to the enforcement of this Amendment or the First Amendment to Bond and Loan Agreement or any of the other Related Documents.

7. Disclaimer of Reliance. The Borrower expressly disclaims any reliance on any oral representation made by the Released Parties or any of them with respect to the subject matter of this Amendment. The Borrower acknowledges and agrees that the Purchaser is specifically relying upon the representations, warranties, releases and agreements contained herein, and that this Amendment is being executed by the Borrower and delivered to the Purchaser as an inducement to the Purchaser to consent as set forth herein.

8. Notice. All notices and demands under and with respect to this Amendment shall be given as provided in the First Amendment to Bond and Loan Agreement.

9. Terms. All terms, covenants and provisions of the First Amendment to Bond and Loan Agreement or any of the other Related Documents not expressly amended hereby shall remain in full force and effect, and all representations, warranties, covenants and agreements made by the Borrower in the First Amendment to Bond and Loan Agreement or any of the other Related Documents are reaffirmed, ratified and restated by Borrower as true and correct as of the date hereof.

10. Expenses. The Borrower agrees to pay all of the Issuer's and Purchaser's reasonable expenses and costs, including without limitation, reasonable attorneys' fees and costs of litigation, incurred in connection with the execution and enforcement of this Amendment or any of the Related Documents, all of which expenses and costs shall constitute additional indebtedness of Borrower pursuant to the Related Documents.

11. Counterparts. This Amendment may be signed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same agreement and shall be binding on and inure to the benefit of the

undersigned and their respective successors and assigns as if all had signed one instrument.

12. Effectiveness of Amendment. This Amendment shall take effect from the date of execution by the Purchaser and the Borrower.

# TAB: FINANCIAL STATEMENTS

ILLINOIS FINANCE AUTHORITY

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Date: May 12, 2020

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

From: Ximena Granda, Manager of Finance and Administration

Subject: ***Presentation and Consideration of Financial Reports as of April 30, 2020*****

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

## 1. GENERAL OPERATING FUND REVENUES, EXPENSES AND NET INCOME

a. **Total Annual Revenues** of $4.1 million were $149 thousand or 3.7% higher than budget primarily due to **higher** than expected investment income. Closing fees year-to-date of $2.2 million are $28 thousand or 1.3% **higher** than budget. Annual fees of $194 thousand are $14 thousand higher than budget while Administrative Service Fees of $189 thousand are $11 thousand lower than budget. Application fees total $37 thousand which is $20 thousand higher than budget. Total accrued interest income from loans in connection with the former Illinois Rural Bond Bank local government borrowers and other loans totaled $386 thousand (which has represented a declining asset since 2014). Net investment income position of $1.1 million for the fiscal year is $306 thousand higher than budget.*

b. In **April**, the Authority recorded closing fees of $228 thousand which was higher than the monthly budgeted amount of $218 thousand.

c. **Total Annual Expenses** of $3.5 million were $507 thousand or 12.7% lower than budget, which was mostly driven by below budget spending on employee related expenses and professional services. Year-to-date, employee related expenses total $2.1 million or $247 thousand or 10.3% lower than budget. Professional services expenses total $872 thousand or $227 thousand or 20.6% lower than budget. Annual occupancy costs of $148 thousand are 1.0% lower than budget, while general and administrative costs are $315 thousand for the year, which is 8.4% lower than budget. Total depreciation cost of $14 thousand is 13.5% below budget.

d. In **April**, the Authority recorded operating expenses of $354 thousand, which was lower than the monthly budgeted amount of $400 thousand.

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

e. **Total Monthly Net Income** of $29 thousand was driven by higher net investment income and lower operating expenses.

f. **Total Annual Net Income** is $655 thousand. The major driver of the annual positive bottom line is the level of overall spending at 12.7% below budget, as well as higher than expected net interest and investment income.

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

In the General Fund, the Authority continues to maintain a strong balance sheet, with total net position of $60.3 million. Total assets in the General Fund are $60.7 million (consisting mostly of cash, investments, and receivables). Unrestricted cash and investments total $47.9 million (with $3.7 million in cash). Notes receivable from the former Illinois Rural Bond Bank local governments ("IRBB") total $7.3 million. Participation loans, DACA (pilot medical student loans in exchange for service in medically underserved areas in Illinois) and other loans receivable are $4.6 million.

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

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

## 4. AUTHORITY AUDITS AND REGULATORY UPDATES

The two-year compliance examination for Fiscal Year 2018 and Fiscal Year 2019 was released on April 15, 2020. The audit report contained six Category 2 findings, and the Authority will work on its corrective action plan in order to resolve these six findings. Staff will present the corrective action plan to the Board once is ready.

The Authority will be scheduling an Audit Committee meeting in the next few weeks. The Authority is scheduled to have its entrance conference for the Fiscal Year 2020 Financial Audit on May 13, 2020 at 9:30 a.m.

On April 28, CMS and the Authority had its exit conference for the Locally Held Funds Audit. This audit reported two observations. Once the final report is received, it will be distributed to the Board. Other audits in progress include the Revenues, Receivables and Receipts Audit and the Transformation Audit. The Authority anticipates completing these two audits by the end of the fiscal year.

Respectfully submitted,

/s/ Ximena Granda
Manager of Finance and Administration

IFA ILLINOIS FINANCE AUTHORITY

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

| | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | YEAR TO DATE ACTUAL | YEAR TO DATE BUDGET | BUDGET VARIANCE ($) | BUDGET VARIANCE (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Operating Revenues:** | | | | | | | | | | | | | | |
| Closing Fees | $ 63,918 | $ 128,243 | $ 2,600 | $ 466,000 | $ 437,701 | $ 494,818 | $ 4,414 | $ 93,191 | $ 287,353 | $ 228,255 | $ 2,206,493 | $ 2,178,670 | $ 27,823 | 1.3% |
| Annual Fees | 20,242 | 17,983 | 19,227 | 18,239 | 18,225 | 25,821 | 19,336 | 21,926 | 16,800 | 16,540 | 194,339 | 180,000 | 14,339 | 8.0% |
| Administrative Service Fees | - | 30,000 | 10,000 | 12,000 | - | 3,000 | 58,000 | 36,200 | 15,000 | 25,000 | 189,200 | 200,000 | (10,800) | -5.4% |
| Application Fees | 1,000 | 16,750 | 2,450 | 3,000 | 5,600 | 1,750 | 1,300 | 3,750 | 1,200 | 250 | 37,050 | 16,670 | 20,380 | 122.3% |
| Miscellaneous Fees | 114 | 107 | - | - | 499 | - | 114 | - | 107 | - | 941 | 1,670 | (729) | -43.7% |
| Interest Income-Loans | 40,375 | 39,864 | 40,127 | 42,695 | 37,558 | 40,807 | 38,891 | 34,816 | 35,715 | 35,544 | 386,392 | 594,900 | (208,508) | -35.0% |
| Other Revenue | 125 | 128 | 123 | 123 | 122 | 121 | 120 | 119 | 119 | 118 | 1,218 | 1,250 | (32) | -2.6% |
| **Total Operating Revenue:** | **$ 125,774** | **$ 233,075** | **$ 74,527** | **$ 542,057** | **$ 499,705** | **$ 566,317** | **$ 122,175** | **$ 190,002** | **$ 356,294** | **$ 305,707** | **$ 3,015,633** | **$ 3,173,160** | **$ (157,527)** | **-5.0%** |
| **Operating Expenses:** | | | | | | | | | | | | | | |
| Employee Related Expense | $ 188,470 | $ 203,812 | $ 202,650 | $ 205,644 | $ 220,718 | $ 221,466 | $ 233,598 | $ 228,557 | $ 228,776 | $ 209,291 | $ 2,142,982 | $ 2,390,350 | $ (247,368) | -10.3% |
| Professional Services | 53,500 | 70,140 | 56,297 | 71,148 | 155,912 | 130,129 | 84,725 | 73,508 | 78,331 | 98,627 | 872,317 | 1,099,170 | (226,853) | -20.6% |
| Occupancy Costs | 13,146 | 15,935 | 12,670 | 15,583 | 13,932 | 14,411 | 14,367 | 19,112 | 13,908 | 15,036 | 148,100 | 149,600 | (1,500) | -1.0% |
| General & Administrative | 28,909 | 28,106 | 30,024 | 29,697 | 31,884 | 39,377 | 29,047 | 34,171 | 33,965 | 29,388 | 314,568 | 343,330 | (28,762) | -8.4% |
| Depreciation and Amortization | 1,386 | 1,437 | 1,437 | 1,437 | 1,437 | 1,437 | 1,463 | 1,463 | 1,463 | 1,463 | 14,423 | 16,670 | (2,247) | -13.5% |
| **Total Operating Expense** | **$ 285,411** | **$ 319,430** | **$ 303,078** | **$ 323,509** | **$ 423,883** | **$ 406,820** | **$ 363,200** | **$ 356,811** | **$ 356,443** | **$ 353,805** | **$ 3,492,390** | **$ 3,999,120** | **$ (506,730)** | **-12.7%** |
| **Operating Income(Loss)** | **$ (159,637)** | **$ (86,355)** | **$ (228,551)** | **$ 218,548** | **$ 75,822** | **$ 159,497** | **$ (241,025)** | **$ (166,809)** | **$ (149)** | **$ (48,098)** | **$ (476,757)** | **$ (825,960)** | **$ 349,203** | **42.3%** |
| **Nonoperating Revenues (Expenses)** | | | | | | | | | | | | | | |
| Miscellaneous Non-Opertg Rev/(Exp) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | | $ - | n/a |
| Bad Debt Adjustments (Expense) | - | - | | | | | | | | | - | (33,340) | 33,340 | -100.0% |
| Interest and Investment Income | 74,257 | 68,209 | 89,029 | 66,575 | 56,057 | 97,643 | 80,233 | 71,452 | 85,473 | 81,375 | 770,303 | 859,300 | (88,997) | -10.4% |
| Realized Gain (Loss) on Sale of Invest | (2,678) | 1,103 | (6,785) | 2,569 | 59 | (3,727) | (439) | 41 | 2,321 | (2,726) | (10,262) | - | (10,262) | n/a |
| Net Appreciation (Depr) in FV of Invest | (9,285) | 95,877 | (26,422) | 42,742 | (35,908) | 3,056 | 40,841 | 100,641 | 161,904 | (1,187) | 372,259 | - | 372,259 | n/a |
| **Total Nonoperating Rev (Exp)** | **$ 62,294** | **$ 165,189** | **$ 55,822** | **$ 111,886** | **$ 20,208** | **$ 96,972** | **$ 120,635** | **$ 172,134** | **$ 249,698** | **$ 77,462** | **$ 1,132,300** | **$ 825,960** | **$ 306,340** | **37.1%** |
| **Net Income (Loss) Before Transfers** | **$ (97,343)** | **$ 78,834** | **$ (172,729)** | **$ 330,434** | **$ 96,030** | **$ 256,469** | **$ (120,390)** | **$ 5,325** | **$ 249,549** | **$ 29,364** | **$ 655,543** | **$ -** | **$ 655,543** | **n/a** |
| **Transfers:** | | | | | | | | | | | | | | |
| Transfers in from other funds | $ - | $ - | $ - | $ - | $ - | | | | | | $ - | $ - | - | 0.0% |
| Transfers out to other funds | - | - | - | - | - | | | | | | - | - | - | 0.0% |
| **Total Transfers In (Out)** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **0.0%** |
| **Net Income (Loss)** | **$ (97,343)** | **$ 78,834** | **$ (172,729)** | **$ 330,434** | **$ 96,030** | **$ 256,469** | **$ (120,390)** | **$ 5,325** | **$ 249,549** | **$ 29,364** | **$ 655,543** | **$ -** | **$ 655,543** | **n/a** |

ILLINOIS FINANCE AUTHORITY

# ILLINOIS FINANCE AUTHORITY
STATEMENT OF NET POSITION
April 30, 2020
(PRELIMINARY AND UNAUDITED)

| | | FUND |
|---|---|---|
| **Assets and Deferred Outflows:** | | |
| **Current Assets Unrestricted:** | | |
| Cash & cash equivalents | | 3,713,649 |
| Investments | | 28,375,491 |
| Receivables from pending investment sales | | - |
| Accounts receivable, Net | | 224,464 |
| Loans receivables, Net | | 13,062 |
| Accrued interest receivable | | 419,617 |
| Bonds and notes receivable | | - |
| Due from other funds | | 17 |
| Prepaid Expenses | | 177,599 |
| **Total Current Unrestricted Assets** | **$** | **32,923,899** |
| | | |
| **Restricted:** | | |
| Cash & Cash Equivalents | $ | - |
| Investments | | - |
| Bonds and notes receivable from State component units | | - |
| Loans receivables, Net | | - |
| **Total Current Restricted Assets** | **$** | **-** |
| **Total Current Assets** | **$** | **32,923,899** |
| | | |
| **Non-current Assets:** | | |
| **Unrestricted:** | | |
| Investments | $ | 15,840,665 |
| Loans receivables, Net | | 4,591,935 |
| Bonds and notes receivable | | 7,349,537 |
| Due from other local government agencies | | - |
| **Total Noncurrent Unrestricted Assets** | **$** | **27,782,137** |
| | | |
| **Restricted:** | | |
| Cash & Cash Equivalents | $ | - |
| Investments | | - |
| Loans receivables, Net | | - |
| Bonds and notes receivable from State component units | | - |
| **Total Noncurrent Restricted Assets** | | - |
| | **$** | **-** |
| **Capital Assets** | | |
| Capital Assets | | |
| Accumulated Depreciation | $ | 764,654 |
| **Total Capital Assets** | | (721,862) |
| | **$** | **42,792** |
| **Total Noncurrent Assets** | | |
| | **$** | **27,824,929** |
| **Total Assets** | | |
| | **$** | **60,748,828** |
| **DEFERRED OUTFLOWS OF RESOURCES:** | | |
| Deferred loss on debt refunding | | |
| **TOTAL DEFERRED OUTFLOWS OF RESOURCES** | $ | - |
| | **$** | **-** |
| **Total Assets & Deferred Inflows of Resources** | | |
| | **$** | **60,748,828** |

ILLINOIS FINANCE AUTHORITY

**ILLINOIS FINANCE AUTHORITY**
STATEMENT OF NET POSITION
April 30, 2020
(PRELIMINARY AND UNAUDITED)

| | | FUND |
|---|---|---|
| **Liabilities:** | | |
| **Current Liabilities:** | | |
| Payable from unrestricted current assets: | | |
| Accounts payable | $ | 141,874 |
| Payables from pending investment purchases | | - |
| Accrued liabilities | | 65,638 |
| Due to employees | | 116,560 |
| Due to primary government | | 1 |
| Due to other funds | | - |
| Payroll Taxes Liabilities | | 26,539 |
| Unearned revenue, net of accumulated amortization | | 95,550 |
| **Total Current Liabilities Payable from Unrestricted Current Assets** | **$** | **446,162** |
| | | |
| Payable from restricted current assets: | | |
| Accounts payable | | - |
| Obligation under securites lending of the State Treasurer | | - |
| Accrued interest payable | $ | - |
| Due to other funds | | - |
| Due to primary government | | - |
| Current portion of long term debt | | - |
| Other liabilities | | - |
| Unamortized bond premium | | - |
| **Total Current Liabilities Payable from Restricted Current Assets** | **$** | **-** |
| **Total Current Liabilties** | **$** | **446,162** |
| | | |
| **Noncurrent Liabilities** | | |
| Payable from unrestricted noncurrent assets: | | |
| Noncurrent payables | $ | 585 |
| Accrued liabilities | | - |
| Bonds and notes payable from primary government | | - |
| Bonds and notes payable from State component units | | - |
| Noncurrent loan reserve | | - |
| **Assets** | **$** | **585** |
| | | |
| Payable from restricted noncurrent assets: | | |
| Noncurrent payables | | - |
| **Total Noncurrent Liabilities Payable from Restricted Noncurrent** | **$** | **-** |
| | | |
| **Total Noncurrent Liabilities** | **$** | **585** |
| **Total Liabilities** | **$** | **446,747** |
| | | |
| **DEFERRED INFLOWS OF RESOURCES:** | | |
| | | |
| **Net Position:** | | |
| Net Investment in Capital Assets | $ | 42,792 |
| Restricted for Low Income Community Investments | | - |
| Unrestricted | | 59,603,746 |
| Current Change in Net Position | | 655,543 |
| **Total Net Position** | **$** | **60,302,081** |
| | | |
| **Total Liabilities & Net Position** | **$** | **60,748,828** |

# TAB: MINUTES

**Minutes of the March 10, 2020 Regular Meeting will not be considered for correction and approval at this Meeting and will be distributed prior to a subsequent Regular Meeting.**

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