



Illinois Finance Authority

Strategies for Public/Private Partnerships

Green for Your Green

July 29, 2008

University of Illinois at Chicago

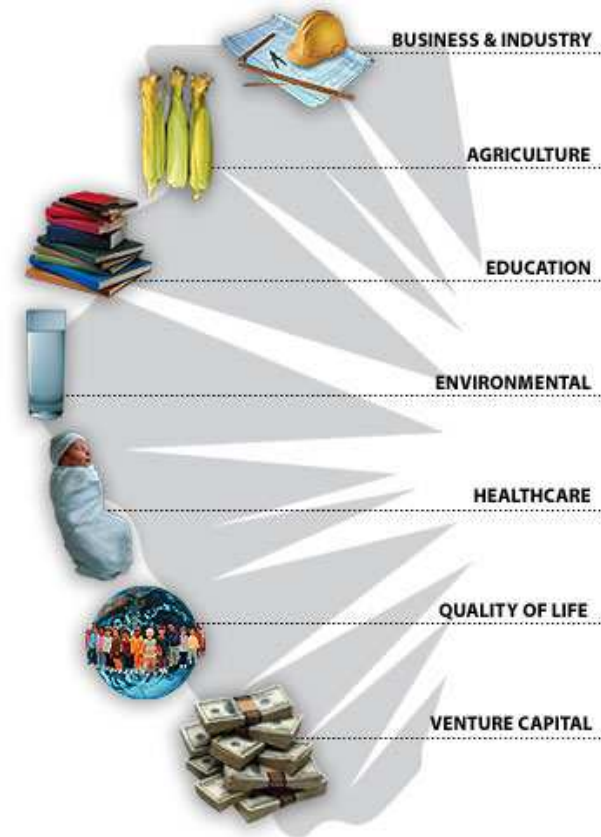
Presented by Townsend Albright, Illinois Finance Authority



Who is IFA?

Illinois Finance Authority

- An independent, non-appropriated state agency
- Capital arm of economic development
- Statewide conduit authority
- Facility/fixed asset financing for
 - Businesses (mfg.'s, solid waste, pvt. utilities)
 - 501(c)(3)'s (private education, health care, etc.)
 - Local governments (municipalities, school districts, community colleges)
 - Agriculture (farms, agribusiness)
- We bring private capital to the table
 - Bank/Private Sector commitments are required for IFA financings





Mission.....

Illinois Finance Authority mission....

To assist businesses and institutions who create jobs and improve quality of life in Illinois by providing....

Access to Capital

Bonds, Loans, Guarantees, Programs

Access to Expertise

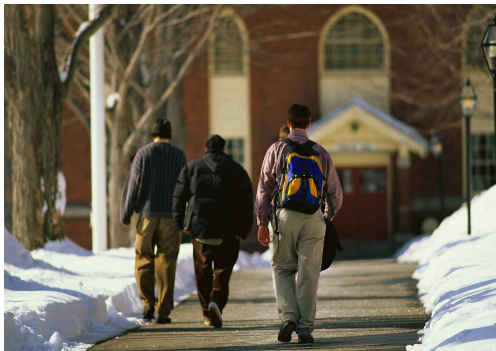
Depth of knowledge and experience
Coordinate and drive project financing
Connection to state resources
Extensive industry contacts



Recent “GREEN” Financings

McKinley Foundation at U of I, Urbana/Champaign

- \$21.7 million
- Private certified housing facility
 - 75,725 sq.-ft. building with a two-level parking structure underneath the building
 - Geothermal heating/cooling
 - Designed to achieve LEEDS Silver Certification



How can we help you reduce utility and environmental impact?

Recent “GREEN” Financings

Elmhurst College

- \$25 million
- 170-bed semi-suite style student housing facility & adjacent surface parking lot
 - Designed to achieve LEEDS Silver Certification
 - Incorporated permeable paving, parking lot bioswales, rain gardens, cisterns, and native vegetation to minimize run-off into storm sewers and local waterways



How can we help you reduce utility and environmental impact?

Recent “GREEN” Financings

DePaul University



How can we help you reduce utility and environmental impact?

- \$150 million CP with the aggregate amount of notes that may be outstanding at any one time to not exceed \$75 million. The projects and related financings will take place over the next 8-24 months.
- Note proceeds will be used to fund life safety improvements, fund possible real estate acquisitions, and a possible addition to a Science Hall

Recent “GREEN” Financings

Loyola University, Lake Shore and Water Tower Campuses



How can we help you reduce utility and environmental impact?

- \$95 million CP / Multiple projects
- Richard J. Klarchek Information Commons – 72,000 sq.-ft. “bookless” library facility with advanced energy saving features:
 - Chicago's first doubleskin façade for natural ventilation and heat flow management
 - Radiant concrete slab ceilings that cool in the summer and heat in the winter
 - Shades, dampers, and blinds that respond to climate data and adjust accordingly
 - Designed to achieve LEEDS Certification



What is LEED?

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System is the nationally accepted benchmark for the design, construction and operation of high performance green buildings.

What can be Financed?

- Acquisition of facilities and real property
- New construction
- Renovations
- Major equipment purchases
- To refinance all the above





501(c)(3) Bonds

Bondholder interest is exempt from Federal income tax
Interest cost savings 2 – 3%

Debt is the obligation of the borrower, paid out of revenues

501(c)(3) Revenue Bonds

- Up to 100% financing available, ability to refinance
- Fixed or variable rate modes
- Typically over \$1.5 million to be cost effective

501(c)(3) Leases

- Under \$1.5 million
- Maturity of lease will generally match the useful life of the assets financed
- Maximum term = 10 years

Guaranteed Energy Contract

Debt service is paid out of realized energy savings

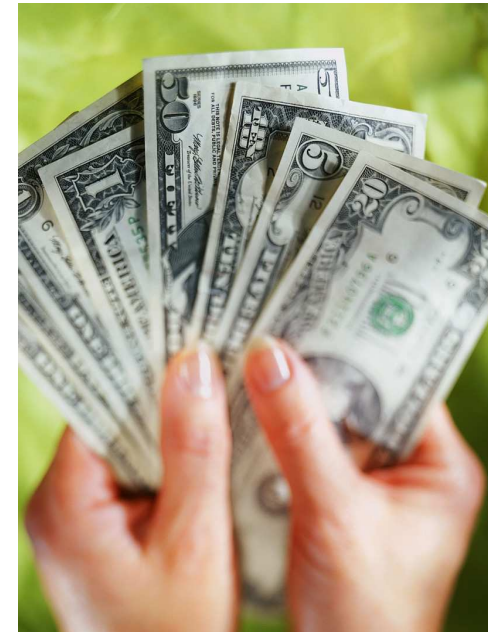
- For retrofit or renovation projects
- Concept can be applied to:
 - Bonds
 - Leases
 - C.O.P.'s





Commercial Paper - taken out by Long Term Bond financing

- Can produce potentially significant cost savings over issuing bonds or using a taxable line of credit
- Creative way for Private Colleges and Universities and other nonprofits to fund infrastructure and renovation projects
- Because renovation projects don't create alumni interest (as No alumni cares if his or her name is on a boiler, but would care if their name were on a Stadium, Business School, or Department after a generous bequest.)



Steps with IFA

- **Review project scope** to identify costs that may be financed with tax-exempt bonds
- **Confer with advisors** and counsel to scope out potential savings & issues with tax-exempt bonding
- **Submit application** to IFA as plans emerge
- **Seek Inducement** from IFA well before incurring hard costs for the project
- **Seek final IFA approval** upon completion of substantially final documentation





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