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To: Members of the Illinois Finance Authority  
From: Chris Meister, Executive Director  
Date: May 9, 2023  
Subject: Executive Director Message

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**LIBOR CESSATION:**

**IMPORTANT NOTICE TO IFA CONDUIT BORROWERS, BOND COUNSEL,  
TRANSACTION PROFESSIONALS, MUNICIPAL ADVISORS, AND CONDUIT  
LENDERS (collectively, “MARKET PARTICIPANTS”)**

ICE Benchmark Administration (“IBA”) has announced that it will cease to quote LIBOR for United States dollars after June 30, 2023. The Illinois Finance Authority (“IFA”) encourages market participants to work collaboratively with IFA staff to amend any agreements and documents governing the terms of outstanding bonds issued by IFA (or predecessor authorities) if such agreements and documents with IFA provide that the current interest rate on the related bonds is determined by reference to LIBOR quoted by IBA. **The last regularly scheduled meeting of IFA to consider any necessary amendments before LIBOR cessation will be June 13, 2023.**

In order to foster IFA’s statutory role and to enable IFA to provide borrowers with discretion relative to their financings, all bond issues must provide for indemnification of IFA as required by IFA’s Bond Handbook ([bond\\_program\\_handbook.pdf \(il-fa.com\)](http://bond_program_handbook.pdf(il-fa.com))). As a result, it is the responsibility of each borrower to indemnify and hold harmless IFA against any and all losses, claims, damages, costs and expenses, taxes, tax reviews and other liabilities, including attorneys’ fees and expenses, relating to the financing. Tax reviews or investigations could occur in connection with the setting of interest rates if certain protocols set forth by the Internal Revenue Service to maintain the tax-exemption of bonds are not followed.

A version of this Notice will be prominently placed on the IFA website. [Illinois Finance Authority \(il-fa.com\)](http://Illinois Finance Authority (il-fa.com))

**Best Wishes and Congratulations Rich Frampton**

On Thursday, May 4, 2023, our colleague Rich Frampton celebrated the issuance of the Illinois Finance Authority Lease Revenue (conduit) Bonds (***Provident Group–SCCIL Properties LLC – University of Illinois Urbana-Champaign Project, “Provident Group Project”***) in the aggregate principal amount of \$87,215,000 on behalf of Provident Group–SCCIL Properties LLC, an Illinois limited liability company organized to further the stated charitable purposes of Provident Resources Group Inc.

Through this innovative financing structure, federally tax-exempt bond proceeds will be used by Provident Group–SCCIL Properties LLC to finance the costs of design, development, construction, and equipping of the South Campus Center for Interdisciplinary Learning for the



Gies College of Business and the E-15 Parking Facility Project, in each case for the benefit of the University of Illinois Urbana-Champaign on sites ground leased from the University. Rich played a key role in the development and wide adoption of this innovative conduit structure in Illinois, first on behalf of Northern Illinois University. The existence of a successful conduit financial structure allowed the Illinois General Assembly to amend State law to make this structure widely available to public universities across Illinois. Illinois taxpayers as well as the parents and students who pay public university tuition are the ultimate beneficiaries of this approach, first developed by Rich.

The closing marks the last of 584 bond issues that Rich has closed during his career at IFA and, previously, the Illinois Development Finance Authority, which was a predecessor financing authority to IFA. We cannot think of a more fitting project for Rich to finish his career, given that Rich's father earned his Ph.D. in Microbiology at the University of Illinois Urbana-Champaign, Rich's parents met each other at the University of Illinois Urbana-Champaign, and Rich earned his undergraduate degree at the University of Illinois Urbana-Champaign. Additional highlights of Rich's long and productive career include such well-known Illinois names as *Turano Bread*, *CenterPoint*, *Navistar*, *The University of Chicago*, and recently *mHub* (featured in Chicago Tribune, April 28, 2023), just a few of Rich's 584 bond issues.

Effective May 16, 2023, Rich will retire from IFA after more than 39 years of public service to the people of Illinois. We are deeply grateful to Rich for his longtime commitment as well as his large and positive contributions to IFA/Climate Bank. All of us wish Rich much success and happiness in his next chapter.

### **New Conduit Project and Resolutions regarding LIBOR amendments**

This month, IFA staff is pleased to present for your consideration the tax-exempt financing of a new project by *beginning farmers Trent and Haley Sigrist* in Stevenson Township (Marion County). Additionally, there are also resolutions with respect to amendments on behalf of *The Museum of Contemporary Art*, *National Hellenic Museum*, *Baker Demonstration School, Inc.*, and *Loyola Academy*. Each proposed amendment is based, in part, on the cessation of LIBOR.

### **Fire Truck Revolving Loan Fund and Ambulance Revolving Loan Fund (FTRLF/ARLF)**

The IFA is grateful to former Fire Marshal Matt Perez for approving the necessary one-time fee to appropriately support the mandatory and substantial IFA work to develop the FTRLF/ARLF projects under consideration today.

We look forward to working with current Fire Marshal James Rivera to mutually develop a financially sustainable future for both the necessary ongoing administration and the loan deployment of this important State life safety program: the FTRLF/ARLF. We understand that there is no longer an established statutory revenue source, outside of the General Revenue Fund, to provide capital to the FTRLF/ARLF on a predictable basis. State policy makers could consider integrating the FTRLF/ARLF program into the State's larger climate objectives along with the program's longstanding life safety and taxpayer relief objectives. IFA/Climate Bank recognizes the power of a well-designed, effective, and sustainable financial structure to fulfill multiple policy objectives. During our ongoing discussions with the national world of Green and Climate Banks,



the Illinois FTRLF/ARLF program appears to be the only such program for public vehicles in the nation. Accordingly, the FTRLF/ARLF could be the foundation of an improved, effective, and sustainable financial structure to promote the widespread adoption of electric vehicles by local governments for life safety purposes.

Today's meeting will also feature an update on Climate Bank activities.

## **Manufacturing innovation center mHub buys historic factory building on Near West Side with plans to relocate**

Channick, Robert. Chicago Tribune (Online), Chicago: Tribune Publishing Company, LLC.

**Apr 27, 2023**

Chicago manufacturing innovation center mHub has purchased a century-old Near West Side factory, with plans to renovate the three-story building and relocate its operations there by fall. The publicly funded \$50 million project, announced Thursday, will convert the vacant building at 240 N. Ashland Ave. into an 80,000-square-foot innovation space designed to accelerate the development of new products for hundreds of companies. The move will give six-year-old mHub more room to work than its current home in River West.

But the catalyst was an expiring lease, and perhaps the planned redevelopment of the Chicago Tribune's nearby Freedom Center printing plant as the proposed Bally's Chicago casino. The 30-acre industrial site has been rezoned to accommodate mixed-use development.

"Once the casino was sited about a half block from us, the landlord really wasn't interested in having mHub at the facility anymore, so we had to start looking," said Haven Allen, CEO and co-founder of mHUB. "I imagine at some point, it will be a high rise."

Launched in 2017, mHub is a nonprofit technology innovation center focused on manufacturing. It set up shop in Motorola Mobility's old space at 965 W. Chicago Ave. The 63,000- square-foot facility includes 10 production labs, equipment, open space and everything needed to create and manufacture a prototype product.

Over the years, mHub has worked with more than 500 startups and 200 established manufacturers, launching more than 1,500 early-stage products in areas such as climate and energy tech, sustainable manufacturing and medical devices. The startups have generated more than \$1.14 billion in revenue, raised nearly \$1.5 billion in capital and created about 5,200 jobs, according to mHub.

Last year, mHub created a \$15 million venture fund, which has invested in 36 startups to date. The need to relocate its own facility accelerated a different kind of fundraising, and some innovative thinking.

Set on 2 acres in the Kinzie Industrial Corridor west of Fulton Market, the red brick building at 240 N. Ashland Ave. features a distinctive clock tower and architectural pedigree. Designed by prolific Chicago architects Thielbar and Fugard, whose work includes the landmarked McGraw-Hill building on North Michigan Avenue, the factory was built in 1926 for the Cameron Can Machinery Co. The manufacturer was acquired by the Continental Can company in 1944.

The building later became a Cook Brothers furniture warehouse store and most recently served as a photo and video production office for Northbrook-based Crate & Barrel. It has been vacant since 2019.

The \$50 million project includes the \$32.5 million acquisition, which closed Thursday, and a projected \$17.5 million in renovation costs. Work is expected to begin in the coming weeks, with plans to move into the new facility by fall.

The cost is covered through public financing organized by mHUB, and includes \$17.55 million in tax increment financing from the city of Chicago and a \$15.52 million tax-exempt bond issued by the Illinois Finance Authority, among other sources.

The building is in a federally designated Opportunity Zone, which provides tax incentives for investments in economically distressed areas as part of the 2017 Tax Cuts and Jobs Act. The location also dovetails with outgoing Mayor Lori Lightfoot's signature Invest South/West initiative, providing accessibility to underserved communities.

"With this historic investment, mHUB is graduating from an economic development initiative to an essential economic development institution that will create positive impacts in our city for years to come," Lightfoot said in a news release.

Despite the forced relocation, Allen said mHub will definitely be in a better place, once it completes the renovation and relocation.

"We go from a renter to a landowner," Allen said. "It's an incredible location and incredible asset that will bridge east and west of the city, right between where manufacturing and the digital economy around Fulton Market meet."