

**Meeting of the Board of Directors
Upper Illinois River Valley Development Authority
September 12, 2023
Lincolnshire/Morris, Illinois**

Members Present

Kevin Considine, Lake County
Terrence Dee, Governor's Appointment
Agnes Masnik, DCEO Designee
Jason Meierkord, Marshall County
Ted Mesiacos, Kane County
Kevin Olson, Grundy County
Michael Pittman, CMS Designee
Kurt Schneider, McHenry County
Estelle Walgreen, Governor's Appointment
Reed Wilson, Putman County
Theresa Wittenauer, Bureau County

Members Absent

Michael Guilfoyle, LaSalle County
Melissa Hernandez, Governor's Appointment
Peter Olson, Governor's Appointment
Seth Wormly, Kendall County

Others Present

Andrew Hamilton, Executive Director
Warren Ribley, Assistant Executive Director
Ronni Norton, Marketing Director

The meeting was called to order at 12:08 p.m. by Chairman Kevin Olson. Roll call was taken identifying the presence of a quorum. It was moved by Member Reed Wilson and seconded by Member Kurt Schneider to approve the agenda as presented. Following discussion, the motion was approved. It was moved by Treasurer Considine and seconded by Member Justin Meierkord to approve the minutes of the August 8, 2023, meeting and the minutes and actions of all previous meetings as presented. Following discussion, the motion was approved. The Treasurer's Report was presented. It was moved by Member Kurt Schneider and seconded by Member Reed Wilson to approve the Treasurer's Report as presented. Following discussion, the motion approved.

Resolution 23-010 - A Resolution authorizing the execution and delivery of an Escrow Deposit Agreement and Related Documents relating to the defeasance of the outstanding Taxable Industrial Development Revenue Bonds, Series 2000 (Gemini Acres L.P. Project) of the Upper Illinois River Valley Development Authority; and Related Matters. In February 2000, UIRVDA issued a \$22.7 million bond to Gemini Acres LP built a 300,000 square foot warehouse at 8440 No. Tabler Road, Morris, IL 60450-9155. A&R Transportation Company, leased, operated and provided a corporate guarantee for the bond. Gemini was created as the holder of the real estate for estate planning purposes and lease the facility to A&R for the bagging, boxing and bulk loading of plastic pellets for the plastics industry. The Company paid as agreed until August 2009. UIRVDA issued a taxable bond that the then Governor approved with a Moral Obligation (MO) credit backing. MO, in essence, is a semi-guarantee by the State of Illinois for projects that receive Governor approval. UIRVDA, SWIDA and QCREDA were given Moral Obligation powers when they were created. It is not a full faith and credit backing. The UIRVDA's enabling legislation contained language, whereby if there was a default, the Authority would notify the Governor, the Governor would notify the legislature, who would decide whether or not to appropriate state funds to cure the default. Nowhere is anybody legally obligated to appropriate funds, but since it is spelled out in the Act, there is thought to be a "Moral Obligation" to do so. Although rare, it is a bonding tool recognized by the investment community to qualify for a bond rating that is one level below the State's bond rating (ie from AAA to AA). It was intended to allow credit worthy borrowers to "piggy-back" on the State's bond rating to get a better rate of interest.

In August 2009, the Company failed to make their semi-annual payment which triggered a withdrawal from a Reserve Fund followed by notification to the State of Illinois for them to introduce legislation to appropriate state funds to replenish the reserve. UIRVDA Staff immediately met with the borrower, borrower counsel, underwriter counsel and bond counsel. Upon review of the Company's financial statements, the borrower's financial condition was more than healthy enough to make debt service payments. The Borrower asked about possibilities of re-negotiating their approximately 8.0% interest rate. The Borrower was told that failure to make payment does not provide him any kind of

leverage to renegotiate their interest rate. Default may trigger a State Appropriation, but the State would take remedies (foreclosure) to collect from the borrower, guarantor and attach the assets of the company to cure the default. The Company cured their default.

Following this event, UIRVDA Staff proposed and received approval to remove Moral Obligation powers and receive State Tax Exempt powers. UIRVDA further brokered negotiations for CenterPoint Properties to quasi-buy the building. CenterPoint is a large real estate company that owned over 300 buildings containing over 60 million square feet. Since the bonds are locked in at an 8% plus interest rate, the purchaser was not interested in releasing the borrower, but agreed to add CenterPoint as an additional borrower.

The action being requested now under the bond documents is to Defeasance of the bonds, which basically is the borrower setting aside investment instruments that will guarantee the future payment of the agreed upon interest rate allowing release of liens. Staff recommends approval.

Thereupon, Chairman Olson read the Ordinance. It was moved by Treasurer Kevin Considine and seconded by Member Jason Meierkord to approve the Resolution as presented. Chairman Olson proposed the question and directed that the roll be called for vote upon the motion to approve. Upon the roll being called, the following members voted AYE: Kevin Considine, Michael Guilfoyle, Melissa Hernandez, Agnes Masnik, Ted Mesiacos, Kevin Olson, Peter Olson, Michael Pitman, Kurt Schneider, Estelle Walgreen and Reed Wilson. The following members voted NAY: none. The following members were absent: Terrence Dee and Seth Wormly. WHEREUPON Chairman Olson declared the motion carried and the Ordinance adopted and did direct Secretary Hernandez to record the same in full in the records of the Authority.

Ordinance 23-008- An Ordinance to add territory to the UIRVDA Enterprise Zone on behalf of Aurora Packaging Project. North Aurora, IL - Aurora Packaging Company is planning an expansion of their beef processing operations in North Aurora, Illinois. The Company purchased the parcel at 149 S. Grant Street adjacent to their existing operation at 125 S. Grant Street, North Aurora, IL, demolished portions of an older structure and are constructing a combined 202,000 square foot facility on approximately 12.54 acres. The equipment will include a Muratec automated storage retrieval system, control software, conveyance, sortation and palletizing systems, harvest processing lines, fabrication processing systems, coolers and freezers. The project will add 25 new loading spaces and process 2,400 cases to be transported on 40 pallets per hour. The Company is an 80-year- old meat manufacturing and distribution business sourcing cattle from local Midwest farms. The total project is over \$195,000,000 and will create approximately 175 full-time jobs over the current 310 employed. The Company is requesting to be added to the UVEZ

Thereupon, Chairman Olson read the Ordinance. It was moved by Treasurer Kevin Considine and seconded by Member Jason Meierkord to approve the Resolution as presented. Chairman Olson proposed the question and directed that the roll be called for vote upon the motion to approve. Upon the roll being called, the following members voted AYE: Kevin Considine, Michael Guilfoyle, Melissa Hernandez, Agnes Masnik, Ted Mesiacos, Kevin Olson, Peter Olson, Michael Pitman, Kurt Schneider, Estelle Walgreen and Reed Wilson. The following members voted NAY: none. The following members were absent: Terrence Dee and Seth Wormly. WHEREUPON Chairman Olson declared the motion carried and the Ordinance adopted and did direct Secretary Hernandez to record the same in full in the records of the Authority.

With no further business, it was moved by Member Kurt Schneider and seconded by Treasurer Kevin Considine to adjourn. The motion carried. The meeting adjourned at 12:39 p.m.

Respectfully submitted,
Melissa Hernandez, Secretary