

ILLINOIS STATE  
UNIVERSITY

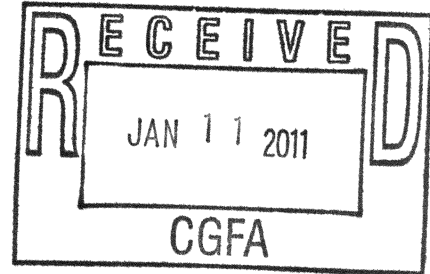


Office of the  
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January 10, 2011

Mr. Dan Long, Executive Director  
Commission on Government Forecasting and Accountability  
703 Stratton Office Building  
Springfield, IL 62706



Dear Mr. Long,

Illinois State University requests a hearing before the Commission to present the Energy Conservation Measures Phase I (ECM Phase I) and the Hovey Hall Improvements projects to be financed with Certificates of Participation in accordance with Public Act 096-0015.

The Certificates will be issued to finance these projects in an amount not to exceed \$15.0 million and will be sold through a competitive public offering. Debt service for the ECM Phase I project will be funded from guaranteed utility savings derived from the project. Debt service for the Hovey Hall Improvements project will be funded from University general revenues. These projects were approved by the University's Board of Trustees (Board) at its October 22, 2010 meeting. The financing plan for both projects is expected to be approved at the Board's February 18, 2011 meeting. A draft of the Preliminary Official Statement for the issuance is attached.

The ECM Phase I project consists of 17 energy conservation measures (ECMs) costing approximately \$8.52 million. This project began in October 2009, after a competitive selection process that included the evaluation of 11 proposals, with the selection of NORESKO to conduct an investment grade energy audit and enter into an energy services agreement. The energy audit was completed in August 2010 with the identification of 19 potential ECMs of which 17 were ultimately recommended for Board approval. The project is estimated to yield utility savings of approximately \$15.5 million over a 20 year period. In addition to the utility cost savings, the University will benefit from significant HVAC improvements and maintenance cost avoidance. Please refer to the attached Board Resolution for additional project information.

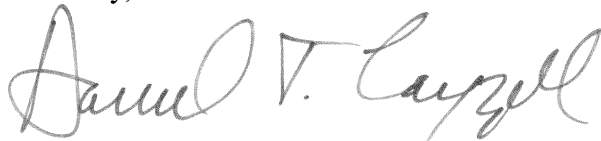
The Hovey Hall Improvements project is estimated to cost \$5.5 million with work to begin in Summer 2011. Hovey Hall is located on the central part of campus and contains the University's main administrative offices, including the Office of Admissions. Hovey Hall was originally built in 1951 with an East Annex added in 1966. The scope of this project includes major remodeling of the first floor to extend the life of the building and to accommodate the relocation of the Office of Financial Aid from Fell Hall to Hovey Hall for improved service to both prospective and current students (see the attached map for the campus locations of both Fell Hall and Hovey Hall). In addition, following the collapse of a pre-cast column cover on the exterior of Hovey Hall in December 2009, a structural engineering firm determined the replacement of all remaining pre-cast column elements as necessary to ensure avoidance

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of any additional life safety risk. Work to resolve this problem is included as part of the project. Please refer to the attached Board Resolution for additional project information.

We look forward to discussing the financing of these important projects with the Commission. In the meantime, please contact me if you have any questions or need further information.

Sincerely,

A handwritten signature in cursive script that reads "Daniel T. Layzell". The signature is written in black ink and is positioned above the printed name and title.

Daniel T. Layzell  
Vice President for Finance and Planning

Attachments

Cc: President Bowman  
Greg Alt, Assistant Vice President for Financial Administration/Comptroller  
Debra Smitley, Senior Associate Vice President for Planning, Finance, and Facilities  
Jane Denes, Board Counsel  
Andrea Bacon  
John Vincent