



August 13, 2013

\$42,000,000
Illinois College of Optometry

REQUEST	<p>Purpose: The proceeds will be used by Illinois College of Optometry (“ICO”, the “Corporation” or the “Borrower”) to (i) refund the outstanding Illinois Educational Facilities Authority Revenue Bonds, Illinois College of Optometry, Series 1998, Select Auction Variable Rate Securities (“SAVRS”) (the “Prior Bonds”) and (ii) pay certain costs and expenses incurred in connection with the issuance of the Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																
BOARD ACTIONS	Final Bond Resolution (one-time consideration)																
MATERIAL CHANGES	None. This is the first time this project is being presented to the Board.																
JOB DATA	<table border="0"> <tr> <td>191</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	191	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected								
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DESCRIPTION	<ul style="list-style-type: none"> • Location (Chicago/Cook County/Northeast Region) • The Illinois College of Optometry has a long and distinguished legacy as the oldest continually operating educational facility in the world dedicated solely to the teaching of optometrists. Since its founding in 1872 by Dr. Henry Olin, ICO has remained at the forefront of optometry through the dedicated efforts of faculty, students and alumni. For more than 140 years, the Illinois College of Optometry has been dedicated to providing an unsurpassed educational experience to optometry students who share our passion for excellence. The mission of the Illinois College of Optometry is to provide excellence in optometric clinical education. ICO is located in the South Loop area of the City of Chicago. • The ICO complex encompasses over 366,000 square feet and includes an electronically enhanced lecture center, library, computerized clinical learning equipment, and recreational and living facilities. The Illinois Eye Institute (IEI) is the principal clinical training facility for ICO students and is located adjacent to the College. In addition to primary eye care, sub-specialty care such as glaucoma, retina-vitreous, neuro-ophthalmic disorders, cornea-external disease, orbit-oculoplastics, pediatrics/strabismus-amblyopia and low vision rehabilitation. The IEI serves as a center for clinical research involving eye and vision problems including glaucoma, age-related macular degeneration (ARMD), cornea and contact lenses, and pediatric eye disorders. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> • The plan of finance contemplates fixed rate bonds privately placed with BMO Harris Bank. 																
SECURITY	<ul style="list-style-type: none"> • Unsecured with a negative lien on all assets and Series 2013 Note. 																
MATURITY	<ul style="list-style-type: none"> • Bonds will mature no later than 2028. 																
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$40,670,000</u></td> <td>Refunding Escrow</td> <td>\$40,156,779</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance</td> <td><u>513,221</u></td> </tr> <tr> <td>Total</td> <td><u>\$40,670,000</u></td> <td>Total</td> <td><u>\$40,670,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	<u>\$40,670,000</u>	Refunding Escrow	\$40,156,779			Cost of Issuance	<u>513,221</u>	Total	<u>\$40,670,000</u>	Total	<u>\$40,670,000</u>
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RECOMMENDATION	Credit Committee recommends approval																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
August 13, 2013**

Project: Illinois College of Optometry

STATISTICS

Project Number:	H-HO-TE-CD-8638	Amount:	\$42,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Location:	Chicago	County/ Region:	Cook/Northeast

BOARD ACTION

Final Bond Resolution (one-time consideration)	
Conduit 501(c)(3) Revenue Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

This is the first time this project has been presented to the Board.

PURPOSE

Bond proceeds will be used by **Illinois College of Optometry** (“**ICO**”, the “**Corporation**” or the “**Borrower**”) to: refund the outstanding Illinois Educational Facilities Authority Revenue Bonds, Illinois College of Optometry, Series 1998, Select Auction Variable Rate Securities (“**SAVRS**”) (the “**Prior Bonds**”) and (ii) pay certain costs and expenses incurred in connection with the issuance of the Bonds.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bonds that 501(c)(3) corporations can use to finance capital projects that will be used to further their charitable mission. IFA's issuance will convey federal tax-exempt status on interest paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$40,670,000</u>	Uses:	Refunding Escrow Deposit	\$40,156,779
				Costs of Issuance	<u>513,221</u>
	Total	<u>\$40,670,000</u>		Total	<u>\$40,670,000</u>

JOBS

Current employment:	191	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

FINANCING SUMMARY

Credit Enhancement: None

Structure: The plan of finance contemplates fixed rate bonds privately placed with BMO Harris Bank

Interest Rate: To be determined prior to closing

Interest Rate Modes: Fixed Rate

Underlying Ratings: None

Maturity: No later than 2028

Estimated Closing Date: August 15, 2013

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **Illinois College of Optometry** (“**ICO**”, the “**Corporation**” or the “**Borrower**”) to: (i) refund the outstanding Illinois Educational Facilities Authority Revenue Bonds, Illinois College of Optometry, Series 1998, Select Auction Variable Rate Securities (“**SAVRS**”) (the “**Prior Bonds**”) and (ii) pay certain costs and expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

BUSINESS SUMMARY

Illinois College of Optometry (the "**College**"), located on the Near South Side of Chicago, is a private not-for-profit institution providing a four-year graduate level program of professional health care education leading to the doctorate degree in optometry ("**O.D.**"). The educational program of the College includes both classroom and laboratory instruction, in addition to clinical training. The clinical training is performed at the College's Illinois Eye Institute ("**Eye Institute**") which serves over 80,000 patient encounters per year, and at approximately 75 partner clinical sites. The College is the oldest institution of optometric education in the country. The College and its predecessor institutions have been in continuous operation since 1872.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Illinois College of Optometry

Site Address: 3241 South Michigan Avenue
Chicago, Illinois 60616

Contact: John Budzynski
Vice President for Business and Finance, Chief Financial Officer
Illinois College of Optometry
3241 South Michigan Avenue
Chicago, Illinois 60616
P: 312.949.7020
E: jbudzynski@ico.edu

Website: www.ico.edu

Project name: Illinois College of Optometry

Organization: 501(c)(3) Not-for-Profit Corporation

State: Illinois

Ownership: 2012-13 Board Members (501(c)(3) corporation):

Richard S. Kattouf, O.D., D.O.S. (Chairman, Board of Trustees) Advanced Eye Care Warren, OH	Charles Quattrochi, C.P.A. (Treasurer, Board of Trustees) Raymond James Financial Services LaGrange, IL	Michael Stinziano, PH.D., W.C.P., C.W.C.P. (Secretary, Board of Trustees) Columbus, OH
Neil Hodur, O.D. (Faculty Trustee) Professor of Optometry Illinois College of Optometry Chicago, IL	Pamela Lowe, O.D., F.A.A.O. (Alumni Trustee) Professional Eye Care Center Niles, IL	Donna J. Thompson, R.N.,M.S. (Public Trustee) CEO, Access Community Health Network Chicago, IL
Dwight Akerman, O.D., F.A.A.O. (Director) Director Professional Affairs Alcon Laboratories Ft. Worth, TX	Vasvi Babu, O.D. (Director) 20/20 Image Eye Centers Tempe, AZ	Donovan Crouch, O.D., F.A.A.O. (Director) Vision Care Associates, P.C. Storm Lake, IA
R. Michael Daley (Director) Optical Lab Division Liaison The Vision Council Alexandria, VA	Joseph Derezinski, M.S. (Director) Sr. Vice President BMO Harris Bank Chicago, IL	Karen Eng, O.D. (Director) President, CSMI Schaumburg, IL
Paul Erickson, O.D., Ph.D., F.A.A.O. (Director) Vice President R&D Adventus Technology, Inc. Irvine, CA	Robert Fait, O.D. (Director) Family Vision & Contact Lens Centers, S.C, Burlington, WI	Dwain Hahs (Director) Retired Jackson, MO
Geri Sands Hansen (Director) Chief Investment Officer Attucks Asset Management LLC Chicago, IL	Brian Higgins (Director) Entrepreneur Dayton, OH	Stephen Pugh, Esq. (Director) President Pugh, Jones & Johnson, P.C. Chicago, IL
Jeff Smith, O.D. M.B.A. (Director) Executive Vice President/Chief Medical Officer HVHC San Antonio, TX		

PROFESSIONAL & FINANCIAL

Bond/Borrower's Counsel:	Ungaretti & Harris	Chicago	Floyd Perkins
Auditor:	Crowe Horwath LLP	Chicago	Stuart Miller
Placement Agent:	Ziegler	Chicago	Scott Winter/Peggy Weingartz
Bond Trustee:	Bank of New York	Chicago	Kathy Cokic
IFA Counsel:	Miller, Canfield, Paddock & Stone	Chicago	Paul Durbin
Bank Purchaser:	BMO Harris Bank	Chicago	Joe Derezinski
Bank Counsel:	Chapman and Cutler	Chicago	Carol Thompson
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago	Shannon Williams

LEGISLATIVE DISTRICTS

Congressional: 1
State Senate: 3
State House: 6