



May 14, 2013

\$16,000,000 (not-to-exceed amount)
SOS Children’s Village Illinois, Inc.

REQUEST	<p>Purpose: Bond proceeds, together with other funds, will be used by SOS Children’s Village Illinois, an Illinois not-for-profit corporation (“SOS Illinois” or the “Borrower”), to (i) refund all or a portion of the outstanding principal amount of IFA’s Adjustable Rate Demand Revenue Bonds, Series 2009 (SOS Children’s Villages Illinois Project) (the “Prior Bonds”); (ii) pay the cost of or reimburse the Borrower for the payment of the cost of acquiring, constructing repairing, rehabilitating and equipping certain facilities (the “Facilities,” as set forth on Page 6 below) of the Borrower (collectively, the “Project”); (iii) pay a portion of the capitalized interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds, if deemed necessary or advisable by the Borrower (the “Financing Purposes”).</p> <p>Program: 501(c)(3) Revenue Bonds Extraordinary Conditions: None. No IFA Funds at risk. No State Funds at risk.</p>																				
BOARD ACTION	Final Bond Resolution (<i>One-time consideration</i>)																				
MATERIAL CHANGES	None. This is the first time this financing proposal has been presented to the IFA Board of Directors.																				
JOB DATA	<table border="0"> <tr> <td style="padding-right: 20px;">25 Current jobs</td> <td style="padding-right: 20px;">25 FT (+ 7 PT) New jobs projected</td> </tr> <tr> <td>N/A Retained jobs</td> <td>15 Construction jobs projected (<i>6 months</i>)</td> </tr> </table>	25 Current jobs	25 FT (+ 7 PT) New jobs projected	N/A Retained jobs	15 Construction jobs projected (<i>6 months</i>)																
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BORROWER DESCRIPTION	<ul style="list-style-type: none"> • Type of entity: SOS Children’s Village Illinois, a not-for-profit corporation, was incorporated on 11/3/1988. SOS Illinois provides a viable alternative to traditional foster care. Children who come to live at SOS Illinois stay with their biological brothers and sisters in a private home. A full-time, professionally trained foster parent lives with them, and the whole Village gives them support, compassion and strength. • In 1993, SOS Illinois opened the eighteen-home Lockport Village to serve Illinois’ most vulnerable children. In 2004, SOS Illinois established the Chicago Village with 17 homes in the Auburn-Gresham community on the South Side. In 2011, SOS Illinois acquired Casa Tepeyac and is serving at-risk youth and families in Chicago’s Back of the Yards neighborhood. • Locations: Chicago and Lockport/Cook and Will Counties/Northeast Region 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • SOS Children’s Village Illinois, Inc. and its affiliates are non-rated. • The IFA 501(c)(3) Revenue Bond (SOS Children’s Villages Illinois Project), Series 2013 will be purchased directly by North Shore Community Bank & Trust Co. (an affiliate of Wintrust Financial Corporation) (the “Bank” or “Bond Purchaser”). The Bank will be the secured lender and the direct bond investor. 																				
SECURITY	<ul style="list-style-type: none"> • The Bank will be secured by a first-priority mortgage and an assignment of rents and leases in connection with the following real properties of the Borrower, primarily located at: (i) 17545 Village Lane, Lockport, IL (“Lockport Village”), (ii) 7600 South Parnell Avenue, Chicago, IL (“Chicago Village”), (iii) 1232-1238, 1252, 1302, 1320, 1336 and 1348 West Washbourne Avenue, Chicago, IL (“Roosevelt Square”) and (iv) vacant land in Lockport, IL. 																				
MATURITY	<ul style="list-style-type: none"> • Not-to-exceed 30 Years 																				
INTEREST RATE	<ul style="list-style-type: none"> • North Shore Community Bank & Trust Co. (an affiliate of Wintrust Financial Corporation) will establish an interest rate with an initial term of 7 years. The initial interest rate will be negotiated and established prior to closing and is currently estimated at between 1.75% and 2.75%. 																				
SOURCES AND USES ESTIMATED	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td style="text-align: right;">\$16,000,000</td> <td>New Project Costs</td> <td style="text-align: right;">\$11,065,000</td> </tr> <tr> <td>Equity/Land Contribution</td> <td style="text-align: right;"><u>3,200,000</u></td> <td>IFA Refunding Bonds</td> <td style="text-align: right;">8,060,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>75,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$19,200,000</td> <td>Total</td> <td style="text-align: right;">\$19,200,000</td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$16,000,000	New Project Costs	\$11,065,000	Equity/Land Contribution	<u>3,200,000</u>	IFA Refunding Bonds	8,060,000			Costs of Issuance	<u>75,000</u>	Total	\$19,200,000	Total	\$19,200,000
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RECOMMENDATION	Credit Review Committee recommends approval.																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
May 14, 2013**

Project: SOS Children's Village Illinois, Inc.

STATISTICS

IFA Project:	N-NP-TE-CD-8621	Amount:	\$16,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Chicago and Lockport	Counties/ Region:	Cook and Will Counties/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

Not applicable. This is the first time this financing has been presented to the IFA Board of Directors.

PURPOSE

Bond proceeds, together with other funds, will be used by **SOS Children's Village Illinois**, an Illinois not-for-profit corporation ("**SOS Illinois**" or the "**Borrower**"), to (i) refund all or a portion of the outstanding principal amount of IFA's Adjustable Rate Demand Revenue Bonds, Series 2009 (SOS Children's Villages Illinois Project) (the "**Prior Bonds**"); (ii) pay the cost of or reimburse the Borrower for the payment of the cost of acquiring, constructing repairing, rehabilitating and equipping certain facilities (the "**Facilities**," as set forth on Page 6 below) of the Borrower (collectively, the "**Project**"); (iii) pay a portion of the capitalized interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds, if deemed necessary or advisable by the Borrower (the "**Financing Purposes**").

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects supporting their mission. The IFA's issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

VOLUME CAP

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

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	\$ 16,000,000	Uses:	New Project Costs	\$ 11,065,000
	*Equity/Land				
	Contribution	\$ 3,200,000		Refunding Bonds	\$ 8,060,000
				Issuance Costs	75,000
Total:		\$ 19,200,000	Total:		\$ 19,200,000

*Note: Equity for this financing will be derived from an ongoing capital campaign initially undertaken in the Spring of 2012, which has a target of \$10 million and will finance a portion of total Project cost.

SOS Children's Village Illinois, Inc. has received a \$1.9 million land grant from the City of Chicago to expand its facilities.

JOBS

Current employment:	25	Projected new jobs: 25 Full-time (+ 7 Part-time)
Jobs retained:	N/A	Construction jobs: 15 (6 months)

FINANCING SUMMARY

Structure/ Security:	The Bond will be purchased directly by North Shore Community Bank & Trust Co. (the " Bank " or " Bond Purchaser ") (an affiliate of Wintrust Financial Corporation) and held as an investment. The Bank will be secured by a first-priority mortgage and an assignment of rents and leases in connection with the following real properties of the Borrower, primarily located at: (i) 17545 Village Lane, Lockport, IL (" Lockport Village "), (ii) 7600 South Parnell Avenue, Chicago, IL (" Chicago Village "), (iii) 1232-1238, 1252, 1302, 1320, 1336 and 1348 West Washbourne Avenue, Chicago, IL (" Roosevelt Square ") and (iv) vacant land in Lockport, IL.
Interest Rate:	The Bank will set the interest rate for an initial period of 7 years with reset provisions thereafter. The interest rate will be set at pre-closing based on prevailing market conditions, currently estimated at between 1.75% and 2.75%.
Maturity:	2043 (i.e., not-to-exceed 30 years)
Estimated Closing Date:	June 2013 or July 2013
Rationale:	The proposed financing will reduce monthly payments that will help SOS Children's Village Illinois, Inc. keep its fixed charges (including debt service payments) as low as possible.
	This Project will allow SOS Children's Village Illinois, Inc. to build the new Roosevelt Square (on land donated by the City of Chicago), consisting of 14 foster homes on Washbourne Avenue to serve foster children. The Project will also allow SOS Children's Village Illinois, Inc. to build two new buildings at 76 th and Parnell to house biological parents, relief parents, program alumni and volunteers.
	Furthermore, this Project will also allow SOS Children's Village Illinois, Inc. to make renovations and improvements at Lockport Village.

BUSINESS SUMMARY

Background: SOS Children's Village Illinois, Inc. ("SOS Illinois" or the "Borrower") is an Illinois not-for-profit corporation (incorporated under Illinois law in November 1988) and is a 501(c)(3) corporation.

SOS Illinois is currently governed by a 16-member Board of Directors. (Please see the Economic Disclosure Statement section (pp. 6-7) for further information.)

History and
Background on
SOS Children's
Villages -

International: After World War II, a young Austrian medical student named Hermann Gmeiner saw many children orphaned or abandoned. Often, their siblings were the only family they had left. To keep them together, Gmeiner started the first SOS Children's Village in Imst, Austria.

Since then, SOS Children Villages has grown to become the largest non-denominational children's care provider in the world. Today, 450 Villages in 132 nations are home to more than 60,000 children.

SOS Children's Villages helps foster children whose world has been turned upside down by parental abuse, neglect or abandonment. SOS Children's Villages offers children a place to call home and space to heal, oftentimes after multiple placements. By keeping brothers and sisters together, with a professional foster parent in an individual home, SOS Children's Villages helps rebuild a loving family life.

In America, more than 518,000 children are in foster care. Three in four foster children are separated from their siblings. Most foster children will live in six or more foster homes. The following scenarios are indicative of foster children upon outgrowing foster care:

- 40% live on public assistance;
- 46% never finish high school;
- 84% have a child within 18 months; and
- 25% are homeless at some time.

In 1993, SOS Children's Villages - Florida opened the first Village in the United States in Broward County, Florida, near Fort Lauderdale. The Florida Village has since helped to raise hundreds of foster children. Located in Coconut Creek, the Florida Village currently cares for 75 children, features single-family homes, a community center, counseling center and an administration building. This facility became the model for other SOS developments in the United States.

Background on
SOS Illinois:

SOS came to Illinois in 1993, when the Lockport Village opened (in Lockport, Illinois/Will County). Today, the Lockport Village has 18 individual homes and a recreational community center on its campus. A full-time, professionally trained foster parent lives in each home, and the whole Village gives them support, compassion and strength.

The mission of SOS Children's Villages Illinois is to build families. SOS Illinois' operating objective is to provide a stable home in a supportive, community environment designed to help children in need grow into caring, productive, self-reliant adults.

In 2004, SOS established the Chicago Village with 16 homes in the Auburn-Gresham community on the South Side. This was the first urban SOS Children's Village facility located within the corporate boundaries of a major city. In connection with development of the Chicago Children's Village, a new community center was established to serve both the Village and the surrounding neighborhood (services include: day care, family support services, job skills and counseling). SOS's mission is to enhance the quality of life of Village children, parents, and neighbors.

Together, SOS Children's Villages in Illinois care for 153 children.

SOS Illinois provides a viable alternative to traditional foster care. Children who come to live at SOS Illinois in Lockport or Chicago stay with their biological brothers and sisters in a private home. A full-time, professionally trained foster parent lives with them, and the whole Village gives them support, compassion and strength.

Foster youths do not "age out" of SOS. Transitional living programs exist to help foster youths find housing, advanced education, and employment. Overall, SOS reports that 85% to 100% of SOS-USA youths graduate from high school, compared to 50% of foster youths in other settings.

Key Sources

of State Funding: SOS Illinois receives contractual for services funding from the Illinois Department of Children and Family Services that has comprised approximately 86.5% of SOS's total funding over the past three years.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds, together with other funds, will be used by **SOS Children's Village Illinois**, an Illinois not-for-profit corporation ("SOS Illinois" or the "**Borrower**"), to (i) refund all or a portion of the outstanding principal amount of IFA's Adjustable Rate Demand Revenue Bonds, Series 2009 (SOS Children's Villages Illinois Project) (the "**Prior Bonds**"); (ii) pay the cost of or reimburse the Borrower for the payment of the cost of acquiring, constructing repairing, rehabilitating and equipping certain facilities (the "**Facilities**," as set forth on Page 6 below) of the Borrower (collectively, the "**Project**"); (iii) pay a portion of the capitalized interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Authority or the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Bonds, if deemed necessary or advisable by the Borrower (the "**Financing Purposes**").

Estimated New Project Costs are comprised of the following:

Land Acquisition:	\$2,200,000
Rehabilitation:	200,000
New Construction:	8,400,000
Machinery/Equipment:	165,000
Architectural & Engineering:	<u>100,000</u>
Total:	\$11,065,000

ECONOMIC DISCLOSURE STATEMENT

Applicant: **SOS Children's Village Illinois, Inc.**, 223 W. Jackson Boulevard, Suite 925, Chicago, IL 60606
Contact: Dina Tsourdinis, Chief Financial Officer (T): 312/372-8200; dtsourdinis@sosillinois.org
Website: www.sosillinois.org
Project name: SOS Children's Villages Illinois Project), Series 2013
Locations: The initial owner, operator or manager of the facilities financed or refinanced with the proceeds of the Prior Bonds is the Borrower. A general functional description and location of the facilities financed or refinanced with the proceeds of the Prior Bonds is described below.

- (1) The Borrower's Chicago Village is an urban foster care village consisting of 12 single family homes and four duplexes. The construction of a community center and other expansion including a park and parking lots were completed at the Chicago Village. The primary office of the Chicago Village is located at 7600 South Parnell Avenue, Chicago, Illinois 60620. Addresses for other facilities at the Chicago Village include: 7600, 7609, 7611, 7613, 7614, 7615, 7616, 7621, 7623, 7624, 7625, 7626, 7627, 7633, 7640, 7641, 7642, 7649, 7650, 7652, 7653, 7654, 7655, 7656 and 7701 South Parnell Avenue, Chicago, Illinois 60620, and 7650 South Normal Boulevard, Chicago, Illinois 60620.
- (2) The Borrower's Lockport Village consists of 18 single-family homes, a playground, a fully equipped community and learning center and administrative buildings. The primary office of the Lockport Village is located at 17545 Village Lane, Lockport, Illinois 60441. Addresses for other facilities at the Lockport Village include: 17541, 17545, 17549, 17538, 17609, 17613, 17618, 17619, 17620, 17625, 17626, 17631, 17639, 17640, 17643, 17646, 17649, 17655, 17659, 17662, and 17665 Village Lane, Lockport, Illinois 60441.
- (3) The Borrower's principal office, in which a portion of the Project is located, was originally located at 223 West Jackson Boulevard, Suite 412, Chicago Illinois, 60606, and is currently located at 216 West Jackson Boulevard, Suite 925, Chicago, Illinois 60606.

The initial owner, operator or manager of the facilities financed or refinanced with the proceeds of the Bonds is the Borrower. A general functional description and location of the facilities to be financed or reimbursed with approximately \$8,000,000 in proceeds of the Bonds is described below.

- (1) Roosevelt Square, 1232-1238, 1252, 1302, 1320, 1336, 1348 West Washbourne Avenue Chicago, Illinois: Constructing and furnishing 14 foster homes and any other projects incident to such construction.
- (2) Chicago Village, 7600 South Parnell Avenue, 7609, 7611, 7613, 7614, 7615, 7616, 7621, 7623-7626, 7627, 7633, 7635, 7640-7642, 7649, 7650, 7652-7656, 7701 South Parnell Avenue, Chicago, Illinois 60620: Building and furnishing at least two apartment buildings, purchase and install a backup generator unit, purchase furnishings for existing homes, purchase vehicles and complete building renovations and any other projects.
- (3) Lockport Village, 17538, 17541, 17545, 17549, 17609, 17613, 17618-17620, 17625, 17626, 17631, 17639, 17640, 17643, 17646, 17649, 17655, 17659, 17662, 17665 Village Lane, Lockport, Illinois 60441: Purchase and install kitchens, a backup generator unit, purchase vehicles, furniture for homes, renovate existing structures to provide additional office space, and complete building renovations.
- (4) Casa Tepayac, 4538 South Hermitage Avenue, Chicago, Illinois 60609: Capital improvements to the building, including roof repairs.

Organization: Illinois 501(c)(3) not-for-profit corporation

Ownership/
 Board of
 Directors:

- Rosemarie Andolino (Commissioner, Chicago Dept. of Aviation)
- Lee Benish (Principal, Benish Consulting & Facilitation)
- Don Biernacki (Senior Vice President, Related Midwest)
- Rosie Burke (Vice President of External Relations, Anixter Center)
- Darren Collier (Vice President, McGuire Woods Consulting)
- Steven Davis (Special Assistant to the Sheriff, Cook County)
- David L. Hoffman (Executive Vice President, Morse Diesel International, Retired)
- Laurie Holmes (Attorney, Drinker Biddle & Reath)
- Maureen McKeough (Instructional Coordinator, School District 54, Retired)
- Kathleen Nelson (Attorney, Cushman & Wakefield)
- Sheila O'Grady (Consultant, SpencerStuart)
- Jeff Riemer (Executive Vice President, Lend Lease)
- Paul Thompson (Partner, Quest Development Group)
- John Trotta (Senior Vice President, Parsons Brinckerhoff)
- Ted Weldon (Principal, WeeksWeldon Development Company)
- Jim Wolfe (President and CEO, Knight Engineers & Architects)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Stephen Welcome
Auditor:	CliftonLarsenAllen LLP		
Bond Counsel:	Miller, Canfield Paddock and Stone, PLC	Chicago, IL	Paul Durbin
Bank/Direct Bond Purchaser:	North Shore Community Bank & Trust Co. (Wintrust Financial Corp. affiliate)	Skokie, IL and Chicago, IL	Kandace Lenti, Melissa Mancini
Bank/Purchaser's Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Architect:	STL Architects	Chicago, IL	
IFA Counsel:	Kutak Rock LLP	Chicago, IL	Kevin Barney
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

	Chicago Village	Lockport Village	Roosevelt Square	Casa Tepayac	Headquarters (Downtown Chicago)
Congressional:	1	3	7	3	7
State Senate:	16	43	5	3	3
State House:	31	85	9	6	6