



October 13, 2016

**\$30,000,000 (not-to-exceed amount)
The Museum of Contemporary Art**

REQUEST	<p>Purpose: Bond proceeds will be loaned to The Museum of Contemporary Art (the “Museum”, the “MCA”, or the “Borrower”) be used to (i) refund or provide for the payment of all of the outstanding Series 1994 Bonds, (ii) fund one or more debt service reserve funds, if deemed necessary or desirable by the Borrower, and (iii) pay all or a portion of the costs of issuing the Series 2016 Bond, if deemed necessary or desirable by the Borrower (collectively, 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	This is the first time this matter has been considered by the IFA Board of Directors.																
JOB DATA	<table border="0"> <tr> <td>273 (130 FT; Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>143 PT)</td> <td></td> <td></td> </tr> <tr> <td>N/A Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	273 (130 FT; Current jobs	N/A	New jobs projected	143 PT)			N/A Retained jobs	N/A	Construction jobs projected							
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BORROWER DESCRIPTION	<ul style="list-style-type: none"> • Location: Chicago/Cook/Northeast • Type of entity: The Museum of Contemporary Art was founded in 1967. The mission of the Museum is to be an innovative and compelling center of contemporary art where the public can directly experience the work and ideas of living artists and understand the historical, social and cultural context of the art of the present time. • The Museum’s current facility opened in 1996 and is located at 220 East Chicago Avenue. The building was the first US commission for renowned German rationalist architect Josef Paul Kleiheus. • The Museum is committed to a full performance season each year called the <i>MCA Stage</i> which takes place in a state-of-the-art 300-seat theater, as well as settings in the galleries and around the museum grounds. Programs feature influential artists working in theater, music, dance, spoken word, and multimedia arts. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> • The Museum of Contemporary Art is currently a non-rated entity. • The Series 1994 Bonds to be refunded are currently secured by Direct Pay Letters of Credit issued by The Northern Trust Company and JPMorgan Chase Bank, N.A. (which are otherwise scheduled to expire December 31, 2016). 																
STRUCTURE	<ul style="list-style-type: none"> • The plan of finance contemplates the direct purchase of the refunding bond by Banc of America Public Capital Corp (“BAPCC” or the “Purchaser”), a wholly owned subsidiary of Bank of America N.A. • The Purchaser is expected to be secured by a general unsecured obligation of the Museum. • The Purchaser will establish a variable interest rate, reset every month, for an initial term of 10 years. The Museum is expected to synthetically fix the interest rate, estimated at current conditions to be between 2.00% and 4.00% during the initial term. • The final maturity date of the Bond will be February 1, 2029. 																
SOURCES AND USES ESTIMATED	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>Series 2016 Bond</td> <td>\$30,000,000</td> <td>Series 1994 Refunding</td> <td>\$30,000,000</td> </tr> <tr> <td>Equity</td> <td><u>300,000</u></td> <td>Costs of Issuance</td> <td><u>300,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$30,300,000</u></td> <td>Total</td> <td><u>\$30,300,000</u></td> </tr> </table>	Sources:		Uses:		Series 2016 Bond	\$30,000,000	Series 1994 Refunding	\$30,000,000	Equity	<u>300,000</u>	Costs of Issuance	<u>300,000</u>	Total	<u>\$30,300,000</u>	Total	<u>\$30,300,000</u>
Sources:		Uses:															
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Equity	<u>300,000</u>	Costs of Issuance	<u>300,000</u>														
Total	<u>\$30,300,000</u>	Total	<u>\$30,300,000</u>														
RECOMMENDATION	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 13, 2016**

Project: The Museum of Contemporary Art

STATISTICS

IFA Project:	12365	Amount:	\$30,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bond	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/	
		Region:	Cook / Northeast

BOARD ACTION

Final Bond Resolution (<i>One-time consideration</i>)	No IFA funds at risk
Conduit 501(c)(3) Revenue Bond	No extraordinary conditions
Credit Review Committee recommends approval	

VOTING RECORD

This is the first time this matter has been considered by the IFA Board of Directors.

PURPOSE

Bond proceeds will be loaned to **The Museum of Contemporary Art** (the “**Museum**” or the “**Borrower**”) be used to (i) refund or provide for the payment of all of the outstanding Series 1994 Bonds, (ii) fund one or more debt service reserve funds, if deemed necessary or desirable by the Borrower, and (iii) pay all or a portion of the costs of issuing the Series 2016 Bond, if deemed necessary or desirable by the Borrower (collectively, 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 furthering support of 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.

JOBS

Current employment: 273 (130 FT; 143PT)	Projected new jobs:	N/A
Jobs retained: N/A	Construction jobs:	N/A

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
Series 2016 Bond	\$30,000,000	Series 1994 Refunding	\$30,000,000
Equity	<u>300,000</u>	Costs of Issuance	<u>300,000</u>
Total	<u>\$30,300,000</u>	Total	<u>\$30,300,000</u>

FINANCING SUMMARY

- Structure/
Security: The Series 2016 Bond will be purchased directly by **Banc of America Public Capital Corp** (“**BAPCC**” or the “**Purchaser**”), a wholly owned subsidiary of Bank of America N.A. The Purchaser is expected to be secured by a general unsecured obligation of The Museum of Contemporary Art.
- Interest Rate: The Purchaser will establish a variable interest rate, reset every month, for an initial term of 10 years (the “Initial Term”).
- The Museum is expected to synthetically fix the interest rate, estimated at current conditions to be between 2.00% and 4.00% during the Initial Term.
- Maturity: The final maturity date of the Bond will be February 1, 2029 (consistent with the final maturity date on the Series 1994 Bonds).
- Estimated
Closing Date: October 2016
- Rationale: The savings attained from issuing the proposed Series 2016 Bond versus undertaking a conventional debt refinancing will reduce monthly payments that will help The Museum keep its fixed charges (including debt service payments) as low as possible. The savings from a tax-exempt financing will also free up cash to be used for other projects that will enhance the Museum.

Note: The Museum has paid down the outstanding balance of the original \$50,000,000 Series 1994 IDFA Bonds balance to \$30,000,000 as of 10/1/2016.

BUSINESS SUMMARY

Background: The **Museum of Contemporary Art** (the “**Museum**”, “**MCA**” or the “**Borrower**”) was established in 1967 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

The Museum is governed by a 50-member Board of Trustees (see pp. 5-7).

Description: The Museum is an artist-activated and audience-engaged contemporary art museum, which generates art, ideas, and conversation around the creative process. The Museum’s mission is to be a cultural leader of local necessity and international distinction.

The Museum is one of the nation’s largest multidisciplinary museums devoted to the art of present time. With an international reputation for presenting ground-breaking exhibitions, the MCA documents contemporary visual culture through painting, sculpture, photography, film, and video. The performing arts program, *MCA Stage*, features leading performers from around the globe in its 300-seat theater. Located near the historic Water Tower in the heart of downtown Chicago, the MCA features special exhibition spaces, a gift store, restaurant, and a terraced sculpture garden with a view of Lake Michigan. The Museum maintains a full-time staff of 130 employees and averages 238,000 visitors per year.

The Museum was established in October 1967 by a group of culturally concerned Chicagoans who recognized the need for an internationally oriented forum for contemporary art in the city. Within six years, the Museum had made a commitment to building a permanent collection. In 1979, the MCA expanded into an adjacent townhouse, in the process growing to 33,000 square feet, including 11,000 square feet of exhibition space. In 1992, the MCA selected from an international field of 200 applicants Berlin-based architect Josef Paul Kleiheus to design its new building and sculpture garden, his first U.S. commission. The new building opened in July 1996. With nearly seven times the square footage of the Museum’s previous facility on Ontario Street, the MCA for the first time had space to install temporary exhibitions and works from its collection simultaneously.

The MCA Collection provides an historical context for examining continuing developments in contemporary art. The collection includes over 5,700 works and features notable strengths in Minimalism, Postminimalism, Conceptualism, Surrealism, and artists’ books, as well as works by Chicago-based artists. Among the artists within the MCA Collection are Lee Bontecou, Alexander Calder, Sol LeWitt, Kerry James Marshall, and Bruce Nauman. The collection also includes works by Francis Bacon, Ann Hamilton, Alfredo Jaar, Jasper Johns, Jeff Koons, René Magritte, Ed Paschke, Ad Reinhardt, Richard Serra, Cindy Sherman, Lorna Simpson, and Andy Warhol.

Since its founding in 1967, the MCA has earned an international reputation for presenting ground-breaking exhibitions of work by local, national, and international artists. In 1969, Christo wrapped the museum and galleries with 8,000 square feet of tarpaulin and rope in the artist’s first building wrap. In 1978, Gordon Matta-Clark sawed through the walls and floors of the museum’s new annex to create the first “ex-stallation” in the space. In 1989, the touring exhibition *Robert Mapplethorpe: The Perfect Moment* drew the highest attendance in the MCA’s history.

Upon MCA’s relocation to the new facility in 1996, the Museum featured a major installation of 110 works from its collection as well as *Art in Chicago, 1945-1995*, the first in-depth survey of art developed within the cultural, social, and political life of Chicago since World War II. Exhibitions organized by the MCA have included exhibits by Lee Bontecou, Alexander Calder, Tom Friedman, William Kentridge, Jeff Koons, Cindy Sherman, Luc Tuymans, and H.C. Westermann. Recent exhibitions have included blockbusters such as *David Bowie Is* and have featured artists such as Isa Genzken, Simon Starling, Anne Collier, Doris Salcedo, Keren Cytter, Kathryn Andrews, The Propeller Group, and Kerry James Marshall. Upcoming exhibitions will display work by Diana Thater, Basim Magdy, Merce Cunningham, and Takashi Murakami, as well as celebrate the MCA’s 50th Anniversary in 2017.

Proceeds of the original \$50,000,000 IDFA Series 1994 Bonds being refunded were used to finance and refinance the acquisition, construction and equipping of new facilities used by the Museum for its collection and programs, the renovation and equipping of the Museum's existing facilities and the Museum's off-site art storage facilities. The Museum is current on payments relating to the IDFA Series 1994 Bonds as of 10/1/2016 and has made all payments as scheduled.

Education: The MCA's Education Department is dedicated to engaging all audiences and enriching the visitor experience through diverse and experimental programs and interpretation. The department collaborates with artists and local organizations to produce talks, workshops, symposia, family days, and other creative interactions. The MCA is committed to the local community and its schools, serving an average of 10,000 students per year in addition to offering free workshops and professional development opportunities for educators.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

The Museum of Contemporary Art (the "Museum" or "Corporation") has requested that the Authority issue its Revenue Refunding Bond (Museum of Contemporary Art), Series 2016, in a principal amount not to exceed \$30,000,000 (the "Series 2016 Bond"), and loan the proceeds from the sale thereof to the Corporation pursuant to a Bond and Loan Agreement (the "Bond and Loan Agreement") among the Authority, the Corporation and Banc of America Public Capital Corp (the "Purchaser").

The Corporation will apply the proceeds from the sale of the Series 2016 Bond to (i) refund or provide for the payment of all of the outstanding Series 1994 Bonds, and, prospectively, (ii) fund one or more debt service reserve funds, if deemed necessary or desirable by the Corporation, and (iii) pay all or a portion of the costs of issuing the Series 2016 Bond, if deemed necessary or desirable by the Corporation (collectively, the "Financing Purposes").

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Museum of Contemporary Art, 220 East Chicago Avenue, Chicago (Cook County), IL 60611 (c/o Ms. Cathy Kearney Controller, Tel: 312-397-3808; Email: CKearney@mcachicago.org)

Applicant Website: <https://mcachicago.org>

Project name: Illinois Finance Authority Revenue Refunding Bond, Series 2016 (Museum of Contemporary Art)

Location: Chicago (Cook County), IL

Organization: Illinois Not-for-Profit Corporation

Museum Board Of Trustees: The 50-member Board of Trustees is listed below:

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Anne L. Kaplan

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King Harris*
Marquis D. Miller

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Rob Bellick

TREASURER

Michael O'Grady

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Jennifer Aubrey
Julie Bernstein
Gerhard Bette
Marlene Breslow-Blitstein
Marc Brooks
Michael Canmann
Carol Cohen
Nancy Crown
Robert H. Defares
Stefan Edlis
Donald J. Edwards
Elissa Hamid Efroymsen
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James A. Gordon
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John B. Harris
William J. Hokin
William Hood
Cynthia Hunt
David Jacobson
Gretchen Jordan
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Ron Levin
James H. Litinsky
Laura Keidan Martin
Sylvia Neil
Kate Neisser
Martin Nesbitt
Jay Owen Jr.
Carol Prins
Naomi Mori Reese
Eve Rogers
Cari Sacks
Kristin Stevens**
Marjorie Susman
Sara Szold
Dia S. Weil
Helen Zell*

Life Trustees and an Artist Trustee of the Museum are listed below:

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Marshall Front
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Doris Holleb
Mary Ittelson*
Don Kaul
John C. Kern
Sally Meyers Kovler*
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Beatrice Cummings Mayer
Judith Neisser
Dorie Sternberg
Daryl Gerber Stokols
Donna A. Stone
Allen M. Turner*

ARTIST TRUSTEE

David Hartt
* Past Chair
** Ex-officio
As of June 2016

PROFESSIONAL & FINANCIAL

Auditor:	Plante & Moran, PLLC	Chicago, IL	
Borrower's Counsel:	Quarles & Brady LLP	Chicago, IL	MaryAnn Murray Kathleen Swan
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke Leslie Cornell
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	David Field Juliet Huang
Purchaser/Lender:	Banc of America Public Capital Corp	Chicago, IL St. Louis, MO	Sylvia Rodrigo Sondra Denk
Filing Agent:	Bank of America, N.A.	Chicago, IL	
IFA Counsel:	Taft Stettinius & Hollister LLP	Chicago, IL	Kim Copp
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	13
State House:	26
