



March 12, 2013

\$4,000,000
Three Crowns Park

| | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------|--|----------------------|--|--------------|--------------------|-----------|---------------|---------------|--|--------|----------------|----------------------|---------|--|--|-----------------|--------|--|--|-------------------|----------------|--------------|---------------------------|--------------|---------------------------|
| REQUEST | <p>Purpose: Bond proceeds will be used by Three Crowns Park (the “Corporation” or the “Borrower”) to: (i) pay or reimburse the Borrower or a corporate affiliate for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping the Borrower’s continuing care retirement community, including but not limited to the costs of the renovation, remodeling and equipping of the Corporation’s existing 48-bed nursing care facility and all necessary attendant facilities, equipment, site work and utilities, all located on the Borrower’s existing campus in Evanston, Illinois (the “Project”); (ii) fund a debt service reserve fund for the benefit of the Bonds; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower; (iv) provide working capital, if deemed necessary or advisable by the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to fees for credit enhancement or a liquidity facility for the Bonds, if deemed necessary or advisable by the Borrower.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| BOARD ACTIONS | <p>Final Bond Resolution Preliminary Bond Resolution approved 2/12/2013: Yeas: 9; Nays: 0; Abstentions: 0; Absent: 5 (Bronner, Leonard, O’Brien, Parish, Pederson); Vacancy: 1</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| MATERIAL CHANGES | <p>None.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| JOB DATA | <table border="0"> <tr> <td>115 FTEs</td> <td>Current jobs</td> <td>16 FTEs</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>12 FTEs</td> <td>Construction jobs projected (3 months)</td> </tr> </table> | 115 FTEs | Current jobs | 16 FTEs | New jobs projected | N/A | Retained jobs | 12 FTEs | Construction jobs projected (3 months) | | | | | | | | | | | | | | | | |
| 115 FTEs | Current jobs | 16 FTEs | New jobs projected | | | | | | | | | | | | | | | | | | | | | | |
| N/A | Retained jobs | 12 FTEs | Construction jobs projected (3 months) | | | | | | | | | | | | | | | | | | | | | | |
| DESCRIPTION | <ul style="list-style-type: none"> • Location (Evanston/Cook County/Northeast Region) • Three Crowns Park is a not-for-profit corporation organized by the Swedish community, which owns and operates a continuing care retirement community in Evanston, Illinois. Three Crowns Park offers the full continuum of care through its residential programs and health care facilities. It is the mission of Three Crowns Park to provide high quality retirement housing and health care options that foster security, dignity, independence, and promote personal growth. • The Three Crowns Park campus includes 116 independent living units, 37 assisted living units, 17 memory support beds and 35 nursing care beds. Three Crowns Park is licensed for 48 nursing care beds, bond proceeds will fund the completion of a nursing expansion started in 2006 and will include an addition of 14 skilled nursing beds in space that is currently unused. | | | | | | | | | | | | | | | | | | | | | | | | |
| CREDIT INDICATORS | <ul style="list-style-type: none"> • The plan of finance contemplates the issuance of fixed rate bonds privately placed with Nuveen Investments. | | | | | | | | | | | | | | | | | | | | | | | | |
| SECURITY | <ul style="list-style-type: none"> • Parity debt with current outstanding Series 2006 Bonds. Mortgage and revenue pledge. | | | | | | | | | | | | | | | | | | | | | | | | |
| MATURITY | <ul style="list-style-type: none"> • Bonds will mature no later than 2043 | | | | | | | | | | | | | | | | | | | | | | | | |
| 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>\$3,100,000</td> <td>Project Costs</td> <td>\$2,812,000</td> </tr> <tr> <td>Equity</td> <td><u>188,000</u></td> <td>Debt Service Reserve</td> <td>162,750</td> </tr> <tr> <td></td> <td></td> <td>Working Capital</td> <td>63,250</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td><u>250,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$3,288,000</u></td> <td>Total</td> <td><u>\$3,288,000</u></td> </tr> </table> | Sources: | | Uses: | | IFA Bonds | \$3,100,000 | Project Costs | \$2,812,000 | Equity | <u>188,000</u> | Debt Service Reserve | 162,750 | | | Working Capital | 63,250 | | | Costs of Issuance | <u>250,000</u> | Total | <u>\$3,288,000</u> | Total | <u>\$3,288,000</u> |
| Sources: | | Uses: | | | | | | | | | | | | | | | | | | | | | | | |
| IFA Bonds | \$3,100,000 | Project Costs | \$2,812,000 | | | | | | | | | | | | | | | | | | | | | | |
| Equity | <u>188,000</u> | Debt Service Reserve | 162,750 | | | | | | | | | | | | | | | | | | | | | | |
| | | Working Capital | 63,250 | | | | | | | | | | | | | | | | | | | | | | |
| | | Costs of Issuance | <u>250,000</u> | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>\$3,288,000</u> | Total | <u>\$3,288,000</u> | | | | | | | | | | | | | | | | | | | | | | |
| RECOMMENDATION | <p>Credit Review Committee recommends approval.</p> | | | | | | | | | | | | | | | | | | | | | | | | |

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
March 12, 2013**

Project: Three Crowns Park

STATISTICS

| | | | |
|-----------------|-------------------------|--------------------|-----------------------------|
| Project Number: | H-SL-TE-CD-8604 | Amount: | \$4,000,000 (not-to-exceed) |
| Type: | 501(c)(3) Revenue Bonds | IFA Staff: | Pam Lenane and Nora O'Brien |
| Location: | Evanston | County/ Region: | Cook/Northeast |

BOARD ACTION

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

VOTING RECORD

Preliminary Bond Resolution approved 2/12/2013:

Yeas: 9; Nays: 0; Abstentions: 0; Absent: 5 (Bronner, Leonard, O'Brien, Parish, Pederson); Vacancy: 1

PURPOSE

Bond proceeds will be used by **Three Crowns Park** (the "**Corporation**" or the "**Borrower**") to: (i) pay or reimburse the Borrower or a corporate affiliate for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping the Borrower's continuing care retirement community, including but not limited to the costs of the renovation, remodeling and equipping of the Corporation's existing 48-bed nursing care facility and all necessary attendant facilities, equipment, site work and utilities, all located on the Borrower's existing campus in Evanston, Illinois (the "**Project**"); (ii) fund a debt service reserve fund for the benefit of the Bonds; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) provide working capital, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to fees for credit enhancement or a liquidity facility for the Bonds, if deemed necessary or advisable by the Authority or the Borrower.

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 | \$3,100,000 | Uses: | Project Costs | \$2,812,000 |
| | Equity | <u>188,000</u> | | Debt Service Reserve | 162,750 |
| | | | | Working Capital | 63,250 |
| | | | | Costs of Issuance | <u>250,000</u> |
| Total | | <u>\$3,288,000</u> | Total | | <u>\$3,288,000</u> |

JOBS

| | | | |
|---------------------|----------|------------------------------|---------|
| Current employment: | 115 FTEs | Projected new jobs: | 16 FTEs |
| Jobs retained: | N/A | Projected construction jobs: | 12 FTEs |

FINANCING SUMMARY

| | |
|-------------------------|---|
| Security: | The Bonds will be secured by a Mortgage and revenue pledge. The Series 2013 Bonds will be on parity with the current outstanding Series 2006 Bonds. |
| Structure: | The current plan of finance anticipates the issuance of fixed rate bonds privately placed with Nuveen Investments. |
| Interest Rate: | To be determined the day of pricing depending on market conditions. |
| Interest Mode: | Fixed Rate |
| Credit Enhancement: | None |
| Maturity: | No later than 2043 |
| Rating: | None |
| Estimated Closing Date: | March 27, 2013 |

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used to: (i) pay or reimburse the Borrower or a corporate affiliate for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping the Borrower's continuing care retirement community, including but not limited to the costs of the renovation, remodeling and equipping of the Corporation's existing 48-bed nursing care facility and all necessary attendant facilities, equipment, site work and utilities, all located on the Borrower's existing campus in Evanston, Illinois (the "**Project**"); (ii) fund a debt service reserve fund for the benefit of the Bonds; (iii) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iv) provide working capital, if deemed necessary or advisable by the Authority or the Borrower; and (v) pay certain expenses incurred in connection with the issuance of the Bonds, including but not limited to fees for credit enhancement or a liquidity facility for the Bonds, if deemed necessary or advisable by the Authority or the Borrower.

BUSINESS SUMMARY

Three Crowns Park is a not-for-profit corporation organized by the Swedish community, which owns and operates a continuing care retirement community in Evanston, Illinois. Three Crowns Park offers the full continuum of care through its residential programs and health care facilities. It is the mission of Three Crowns Park to provide high quality retirement housing and health care options that foster security, dignity, independence, and promote personal growth.

The Three Crowns Park campus includes 116 independent living units, 37 assisted living units, 17 memory support beds and 35 nursing care beds, licensed for 48 nursing care beds.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Three Crowns Park

Site Address: Three Crowns Park
2323 McDaniel Avenue
Evanston, IL 60201

Contact: Susan Morse
Executive Director
Three Crowns Park and Three Crowns Foundation
2323 McDaniel Avenue, Suite TCP
Evanston, IL 60201-2570
224-420-3011
susan@threecrownsark.com

Website: www.threecrownsark.com

Project name: Three Crowns Park

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

State: Illinois

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

| <u>Board Member</u> | <u>Occupation</u> |
|--|--|
| Janet Goelz Hoffman, Chairperson | Attorney, Katten Muchin Rosenman LLP |
| Samuel B. Stelzer, Vice-Chairperson | Consultant (Retired), State of Illinois, Department of Human Services, Office of Mental Health |
| Janice Maloney, Treasurer | Principal, Sawgrass Partners LLC |
| Nancy Flowers, Secretary | Social Work Manager, Rainbow Hospice and Palliative Care |
| David Johnson, Assistant Treasurer | Vice President and Chief Operating Officer, Lake Star Consulting, Inc. |
| Susan J. Morse, Assistant Secretary (Ex-Officio) | Executive Director, Three Crowns Park |
| Richard Hoffman, Immediate Past Chairperson | Attorney (Retired), Querrey & Harrow |
| James E. Elsass, Director | Associate Vice President for Business and Finance (Retired), Northwestern University |
| Barbara Schleck, Director | Executive Director (Retired), Cook County Court Watchers, Inc. |

PROFESSIONAL & FINANCIAL

| | | | |
|------------------------|---------------------------------|----------|-----------------|
| Borrower's Counsel: | Katten Muchin Rosenman LLP | Chicago | Elizabeth Weber |
| Financial Advisor: | Sawgrass Partners | Palatine | Janie Maloney |
| Auditor: | Frost Ruttenberg & Rothblatt PC | Chicago | Kim Waite |
| Bond Counsel: | Jones Day | Chicago | John Bibby |
| Placement Agent: | Ziegler Capital Markets Group | Chicago | Steve Johnson |
| Placement Counsel: | Jones Day | Chicago | John Bibby |
| Bond Purchaser: | Nuveen Investments, Inc. | Chicago | Charles Hatchen |
| Bond Trustee: | Wells Fargo | Chicago | Gail Klewin |
| Issuer's Counsel: | Charity & Associates | Chicago | Alan Bell |
| IFA Financial Advisor: | Acacia Financial Group, Inc. | Chicago | Courtney Shea |

LEGISLATIVE DISTRICTS

| | |
|----------------|----|
| Congressional: | 9 |
| State Senate: | 9 |
| State House: | 17 |

SERVICE AREA

Three Crowns Park has historically drawn its residents from a primary market area located in nine zip codes that extend five miles to the north, four miles to the south, three miles to the west, and two miles to the east of the Community in the City of Evanston. Evanston is the first suburb north of Chicago and is part of Chicago's affluent North Shore region. The zip codes included in the primary market area are 60201, 60202, 60203, 60094, 60091, 60076, 60043, 60672 and 60645.

Admission sources for both the sheltered care/assisted living units and the nursing care beds include family members, physicians, social workers, community outreach programs, local churches and area hospitals. The City of Evanston is served by the following three hospitals: Evanston Hospital, St. Francis Hospital (both located in Evanston), and Skokie Hospital (located in Skokie).