



August 13, 2013

**\$30,000,000**  
**Peace Village**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>Peace Village</b> (the “<b>Corporation</b>” or the “<b>Borrower</b>”) to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrower’s senior living community, including, but not limited to, budgeted routine capital expenditures; (ii) refund all or a portion of the outstanding principal amount of the \$9,565,000 Illinois Health Facilities Authority Revenue Refunding Bonds, Series 2003A (Peace Memorial Ministries) (the “<b>Series 2003A Bonds</b>”); (iii) refund all or a portion of the outstanding principal amount of the \$10,000,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2003B (Peace Memorial Ministries) (the “<b>Series 2003B Bonds</b>” and, together with the Series 2003A Bonds, the “<b>Prior Bonds</b>”); (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Borrower; (v) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Borrower; (vi) provide working capital to the Borrower, if deemed necessary or advisable by the Borrower; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																								
<b>BOARD ACTIONS</b>	<p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 5/14/2013 Yeas: 12; Nays: 0; Abstentions: 0; Absent 2 (Gold, Leonard); Vacancy: 1</p>																								
<b>MATERIAL CHANGES</b>	<p>Not-to-exceed amount increased by \$5,000,000.</p>																								
<b>JOB DATA</b>	<table border="0"> <tr> <td>110</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>110</td> <td>Retained jobs</td> <td>25</td> <td>Construction jobs projected</td> </tr> </table>	110	Current jobs	N/A	New jobs projected	110	Retained jobs	25	Construction jobs projected																
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>Location (Palos Park/Cook County/Southwest Region)</li> </ul>																								
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>The Bonds will be sold at a fixed rate in a public offering. The Bonds will not carry a rating. A feasibility study will be done so that bonds may be sold in denominations less than \$100,000.</li> </ul>																								
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>Mortgage and Revenue Pledge</li> </ul>																								
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>Bonds will mature no later than 2043.</li> </ul>																								
<b>SOURCES AND USES</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$23,000,000</u></td> <td>Refunding of Series 2003AB Bonds</td> <td>\$16,225,000</td> </tr> <tr> <td></td> <td></td> <td>Debt Service Reserve Fund</td> <td>1,763,650</td> </tr> <tr> <td></td> <td></td> <td>Capital Improvements</td> <td>4,293,350</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td><u>718,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$23,000,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$23,000,000</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	<u>\$23,000,000</u>	Refunding of Series 2003AB Bonds	\$16,225,000			Debt Service Reserve Fund	1,763,650			Capital Improvements	4,293,350			Costs of Issuance	<u>718,000</u>	<b>Total</b>	<b><u>\$23,000,000</u></b>	<b>Total</b>	<b><u>\$23,000,000</u></b>
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<b>RECOMMENDATION</b>	<p>Credit Review Committee recommends approval.</p>																								

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

**Project: Peace Village**

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**STATISTICS**

Project Number:	H-SL-TE-CD-8623	Amount:	\$30,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Nora O'Brien
Location:	Palos Park	County/ Region:	Cook/Southwest

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**BOARD ACTION**

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

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**VOTING RECORD**

Preliminary Bond Resolution approved 5/14/2013  
Yeas: 12; Nays: 0; Abstentions: 0; Absent 2 (Gold, Leonard); Vacancy: 1

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**PURPOSE**

Bond proceeds will be used by **Peace Village** (the "**Corporation**" or the "**Borrower**") to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain "projects" (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrower's senior living community, including, but not limited to, budgeted routine capital expenditures; (ii) refund all or a portion of the outstanding principal amount of the \$9,565,000 Illinois Health Facilities Authority Revenue Refunding Bonds, Series 2003A (Peace Memorial Ministries) (the "**Series 2003A Bonds**"); (iii) refund all or a portion of the outstanding principal amount of the \$10,000,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2003B (Peace Memorial Ministries) (the "**Series 2003B Bonds**" and, together with the Series 2003A Bonds, the "**Prior Bonds**"); (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (v) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (vi) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

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**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.

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**VOLUME CAP**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:

IFA Bonds	<u>\$23,000,000</u>	Uses:	
		Refunding of Series 2003AB IFA Bonds	\$16,225,000
		Debt Service Reserve Fund	1,763,650
		Capital Improvements	4,293,350
		Costs of Issuance	<u>718,000</u>
<b>Total</b>	<b><u>\$23,000,000</u></b>	<b>Total</b>	<b><u>\$23,000,000</u></b>

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**JOBS**

Current employment:	110	Projected new jobs:	N/A
Jobs retained:	110	Construction jobs:	25

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**FINANCING SUMMARY**

Credit Enhancement:	None
Structure:	The plan of finance contemplates issuing fixed rate bonds in a public offering
Interest Rate:	To be determined based on market conditions the day of pricing
Interest Rate Modes:	Fixed
Underlying Ratings:	None
Maturity:	No later than 2043
Estimated Closing Date:	September 25, 2013

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**PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)**

Bond proceeds will be used by **Peace Village** (the “**Corporation**” or the “**Borrower**”) to (i) pay or reimburse the Borrower for, or refinance certain indebtedness the proceeds of which were used for, the payment of certain costs of acquiring, constructing, renovating, remodeling and equipping certain “projects” (as such term is defined in the Illinois Finance Authority Act, as amended) for the Borrower’s senior living community, including, but not limited to, budgeted routine capital expenditures; (ii) refund all or a portion of the outstanding principal amount of the \$9,565,000 Illinois Health Facilities Authority Revenue Refunding Bonds, Series 2003A (Peace Memorial Ministries) (the “**Series 2003A Bonds**”); (iii) refund all or a portion of the outstanding principal amount of the \$10,000,000 Illinois Health Facilities Authority Weekly Adjustable Rate Revenue Bonds, Series 2003B (Peace Memorial Ministries) (the “**Series 2003B Bonds**” and, together with the Series 2003A Bonds, the “**Prior Bonds**”); (iv) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (v) establish a debt service reserve fund with respect to the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (vi) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; and (vii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.

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**BUSINESS SUMMARY**

Peace Village and Circle Inn are Illinois not-for-profit corporations. The Village is located in Palos Park, a suburb approximately 10 miles southwest of Chicago, and consists of 238 independent living units. Circle Inn, on the same campus, consists of 65 assisted living apartments. In addition, Peace Memorial Ministries owns Peace Properties, LLC, a for-profit subsidiary that owns real estate, including a medical office building, in southwest suburban Chicago.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Peace Village

Site Address: Peace Village and Circle Inn  
10300 Village Circle Drive,  
Palos Park, IL 60464

Contact: Harvey Leffring  
Chief Executive Officer  
Peace Village and Circle Inn  
10300 Village Circle Drive,  
Palos Park, IL 60464  
708-671-2400  
[hleffring@peacevillage.org](mailto:hleffring@peacevillage.org)

Website: [www.peacevillage.com](http://www.peacevillage.com)

Project name: Peace Village

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

State: Illinois

Ownership/2012-13 Board Members (501(c)(3)):  
Joe Ferrantelli, President  
Paul Gross, Secretary  
Philip Hansen, Treasurer  
Gary Kwiatkowski  
Dr. James Magee  
Rev. Vertie Powers  
Pastor Todd Bean, Ex-Officio Non-Voting  
Pastor Shana Johnson, Ex-Officio Non-Voting  
Harvey Leffring, CEO, Ex-Officio Non-Voting

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Timothy G. Lawler, Esq.	Hinsdale	Tim Lawler
Auditor:	Plante & Moran, PLLC	Chicago	Ed Slack
Bond Counsel:	Jones Day	Chicago	John Bibby
Underwriter:	Ziegler Capital Markets Group	Chicago	Steve Johnson
Underwriter's Counsel:	Dentons	Chicago	Katie Ashton
Bond Trustee:	Amalgamated Bank	Chicago	Remonia Jamison
Issuer's Counsel:	Sanchez Daniels & Hoffman	Chicago	John Cummins
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Jim Beck

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**LEGISLATIVE DISTRICTS**

Congressional: 3  
State Senate: 18  
State House: 36

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**SERVICE AREA**

Peace considers its primary market area to be southwestern Cook County. Population studies indicate that Palos Park and the surrounding areas include a relatively high population of persons over 75 years of age with annual incomes that would qualify them for residency.

There are four competitive CCRCs in the primary market area:

1. Franciscan Village (Lemont, IL) is located approximately six miles west of the Village.
2. Victorian Village (Homer Glen, IL) is located approximately 4.5 miles west of the Village.
3. Marian Village (Homer Glen, IL) is located approximately 11 miles southwest of the Village.
4. Smith Crossing (Orland Park, IL) is located approximately 10 miles south of the Village.