



October 8, 2013

**\$45,000,000**

**Washington and Jane Smith Community – Orland Park, d/b/a Smith Crossing**

<b>REQUEST</b>	<p><b>Purpose:</b> The proceeds will be used by <b>Washington and Jane Smith Community – Orland Park, d/b/a Smith Crossing</b> (the “<b>Corporation</b>” or the “<b>Borrower</b>”) to (i) refund Illinois Health Facilities Authority (“<b>IHFA</b>”) Series 2003A and Series 2003B-2 Bonds, (ii) repay Smith Crossing’s construction loan, the proceeds of which were used to fund an expansion project including, but not limited to the construction of 30 new assisted living units, the conversion of 16 existing memory support assisted living units to memory support skilled nursing units and the construction of 76 new independent living units, (iii) fund a debt service reserve fund and (iv) pay for a portion of the costs of issuance.</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  Preliminary Bond Resolution approved 6/11/2013  Yeas: 9; Nays: 0; Abstentions: 0; Absent 5 (Barclay, Leonard, Parish, Poole, Zeller); Vacancy: 1</p>																								
<b>MATERIAL CHANGES</b>	<p>This project was first presented to the Board on June 11, 2013 as a fixed rate public offering. The Borrower has since received a joint proposal from two banks to finance the project and thus decided to enter into a private placement with the banks.</p>																								
<b>JOB DATA</b>	<table border="0"> <tr> <td>189</td> <td>Current jobs</td> <td>46</td> <td>New jobs</td> </tr> <tr> <td>189</td> <td>Retained jobs</td> <td>83</td> <td>Construction jobs</td> </tr> </table>	189	Current jobs	46	New jobs	189	Retained jobs	83	Construction jobs																
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location (Orland Park/Will County/Northeast Region)</li> <li>• Smith Crossing is located in Orland Park, a suburb approximately 15 miles southwest of Chicago, and operates a continuing care retirement community consisting of 173 independent living units, 46 traditional assisted living units, 16 memory care assisted living units, and 46 skilled nursing beds.</li> </ul>																								
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• The Bonds will be secured by a revenue pledge and a mortgage</li> </ul>																								
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• The plan of finance contemplates the issuance of non-rated bonds purchased directly by FirstMerit Bank and First Midwest Bank</li> </ul>																								
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>• Bonds will mature no later than 2039</li> </ul>																								
<b>SOURCES AND USES</b>	<table border="0"> <thead> <tr> <th colspan="2"><b>Sources:</b></th> <th colspan="2"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td>IFA Bonds</td> <td>\$40,000,000</td> <td>Refunding of Series 2003A&amp;B-2 Bonds</td> <td>\$22,848,807</td> </tr> <tr> <td>Transfers from Series 2003 A&amp;B-2 Debt Service Reserve Funds</td> <td>2,412,655</td> <td>Repayment of Construction Loan</td> <td>19,962,415</td> </tr> <tr> <td>Transfers from Series 2003 A&amp;B-2 Principal and Interest Funds</td> <td><u>1,983,275</u></td> <td>Deposit to Pay Smith Senior Living Advance to Smith Crossing</td> <td>944,708</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td><u>640,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b>\$44,395,930</b></td> <td><b>Total</b></td> <td><b>\$44,395,930</b></td> </tr> </tbody> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	\$40,000,000	Refunding of Series 2003A&B-2 Bonds	\$22,848,807	Transfers from Series 2003 A&B-2 Debt Service Reserve Funds	2,412,655	Repayment of Construction Loan	19,962,415	Transfers from Series 2003 A&B-2 Principal and Interest Funds	<u>1,983,275</u>	Deposit to Pay Smith Senior Living Advance to Smith Crossing	944,708			Costs of Issuance	<u>640,000</u>	<b>Total</b>	<b>\$44,395,930</b>	<b>Total</b>	<b>\$44,395,930</b>
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<b>Total</b>	<b>\$44,395,930</b>	<b>Total</b>	<b>\$44,395,930</b>																						
<b>RECOMMENDATION</b>	<p>Credit Committee recommends approval.</p>																								

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 October 8, 2013**

**Project: Washington and Jane Smith Community – Orland Park, d/b/a Smith Crossing**

**STATISTICS**

Project Number: H-SL-TE-CD-8630	Amount: \$45,000,000
Type: 501(c)(3) Revenue Bonds	IFA Staff: Pam Lenane and Nora O’Brien
Location: Orland Park	County/Region: Will County/Northeast

**BOARD ACTION**

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

**VOTING RECORD**

Preliminary Bond Resolution approved 6/11/2013  
 Yeas: 9; Nays: 0; Abstentions: 0; Absent 5 (Barclay, Leonard, Parish, Poole, Zeller); Vacancy: 1

**PURPOSE**

The proceeds will be used by **Washington and Jane Smith Community – Orland Park, d/b/a Smith Crossing** (the “**Corporation**” or the “**Borrower**”) to (i) refund Illinois Health Facilities Authority (“**IHFA**”) Series 2003A and Series 2003B-2 Bonds, (ii) repay Smith Crossing’s construction loan, the proceeds of which were used to fund an expansion project including, but not limited to the construction of 30 new assisted living units, the conversion of 16 existing memory support assisted living units to memory support skilled nursing units and the construction of 76 new independent living units, (iii) fund a debt service reserve fund and (iv) pay for a portion of the costs of issuance.

Proceeds from the construction loan were used to fund an expansion project which consisted of the construction of 30 new assisted living units, the conversion of 16 of the existing memory support assisted living units to memory support skilled nursing units, and the construction of 76 new independent living apartments.

**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**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	\$40,000,000	Refunding of Series 2003A&B-2 IHFA Bonds	\$22,848,807
Transfers from Series 2003 A&B-2 DSRFs	2,412,655	Repayment of Construction Loan	19,962,415
Transfers from Series 2003 A&B-2 P&I Funds	<u>1,983,275</u>	Deposit to pay Smith Senior Living Advance to Smith Crossing	944,708
		Costs of Issuance	<u>640,000</u>
<b>Total</b>	<b><u>\$44,395,930</u></b>	<b>Total</b>	<b><u>\$44,395,930</u></b>

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**JOBS**

Current employment:	189	New jobs:	46
Jobs retained:	189	Construction jobs:	83

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**FINANCING SUMMARY**

Credit Enhancement:	None
Structure:	The plan of finance contemplates the issuance of non-rated bonds purchased directly by two banks.
Interest Rate:	To be determined on the day of pricing
Interest Rate Modes:	Floating to Fixed Rate Derivative Swap
Underlying Ratings:	None
Maturity:	No later than 2039
Estimated Closing Date:	October 31, 2013

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

The proceeds will be used by **Washington and Jane Smith Community – Orland Park, d/b/a/ Smith Crossing** (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 Act) for the Borrower’s senior living community located in Orland Park, Illinois; (ii) refund all or a portion of the \$20,110,000 Illinois Health Facilities Authority Revenue Bonds, Series 2003A (Smith Crossing Project) (the “**Series 2003A Bonds**”); (iii) refund all or a portion of the \$4,250,000 Illinois Health Facilities Authority Revenue Bonds, Series 2003B-2 (Smith Crossing Project) Extendable Rate Adjustable Securities (EXTRAS<sup>SM</sup>) (the “**Series 2003B-2 Bonds**” and, together with the Series 2003A Bonds, the “**Prior Bonds**”); (iv) refinance all or a portion of a construction loan, the proceeds of which were used by the Borrower for the payment of the costs of the acquisition, construction, renovation, remodeling and equipping of approximately 76 independent living units and 30 assisted living units, the conversion of approximately 16 assisted living units to skilled nursing units and the renovation, remodeling and equipping of certain other portions of the Borrower’s existing campus, all located in Orland Park, Illinois (the “**Construction Loan**”); (v) provide working capital to the Borrower, if deemed necessary or advisable by the Authority or the Borrower; (vi) pay a portion of the interest on the Bonds, if deemed necessary or advisable by the Authority or the Borrower; (vii) fund a debt service reserve fund, if deemed necessary or advisable by the Authority or the Borrower; and (viii) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Prior Bonds and the refinancing of the Construction Loan, all as permitted by the Act (collectively, the “**Financing Purposes**”).

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**BUSINESS SUMMARY**

Washington and Jane Smith Community – Orland Park d/b/a Smith Crossing, is an Illinois not-for-profit corporation. Smith Crossing is located in Orland Park, a suburb approximately 15 miles southwest of Chicago, and operates a continuing care retirement community consisting of 173 independent living units, 46 traditional assisted living units, 16 memory care assisted living units, and 46 skilled nursing beds.

Smith Crossing’s related corporate parent and operating organizations (“Affiliates”) include Washington and Jane Smith Home d/b/a Smith Senior Living, Washington and Jane Smith Community – Beverly d/b/a Smith Village, and Smith Cares LLC. Smith Senior Living is the sole member of Smith Cares, which provides nursing services to residents of Smith Village and Smith Crossing.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Smith Crossing

Site Address: Smith Crossing  
10501 Emilie Lane  
Orland Park, IL 60467

Contact: Raymond Marneris  
Chief Financial Officer  
Smith Senior Living  
2320 W. 113<sup>th</sup> Place, Suite 1330  
Chicago, IL 606043  
773-474-7350  
[rmarneris@smithseniorliving.org](mailto:rmarneris@smithseniorliving.org)

Website: [www.smithcrossing.org](http://www.smithcrossing.org)

Project name: Smith Crossing

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

State: Illinois

Board Members (501(c)(3)):  
Andrew Anello, President  
Thomas Chomicz, Vice Chair  
Robert Berghoff  
George Petraitis  
Anne Schaible  
Kay Thurn

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**PROFESSIONAL & FINANCIAL**

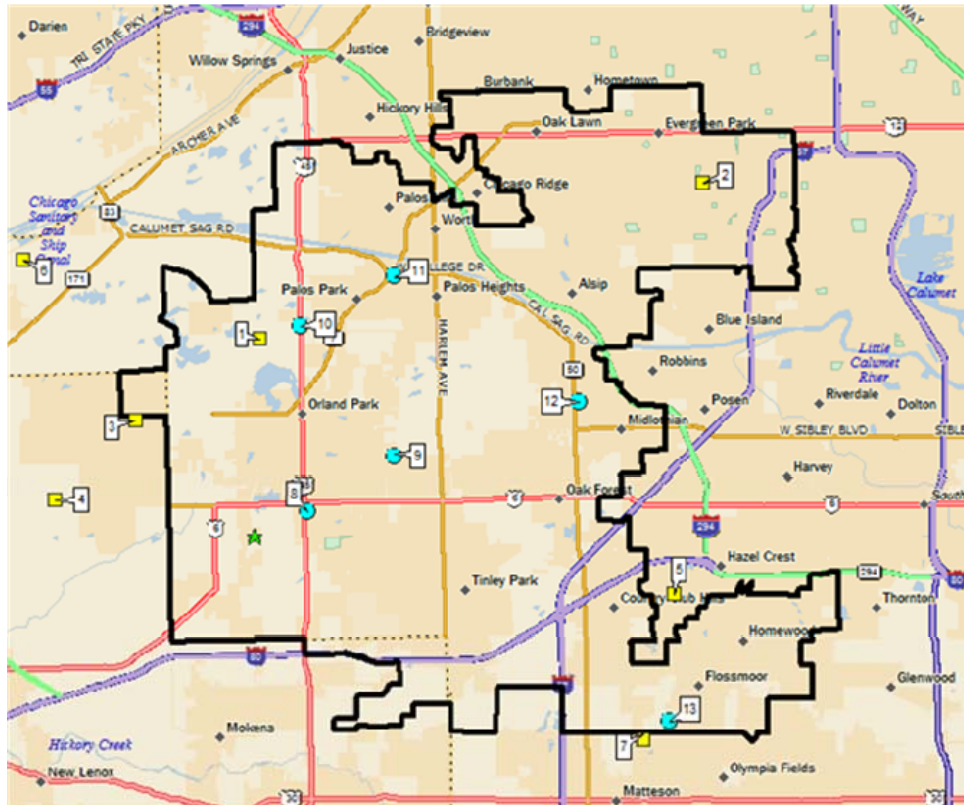
Borrower’s Counsel:	Quarles & Brady	Chicago	Maggie Utterbeck
Bond Counsel	Jones Day	Chicago	John Bibby
Auditor:	CliftonLarsonAllen LLP	Chicago	Jim Thomas
Financial Advisor:	Starshak Winzenburg	Chicago	Joe Starshak
Banks:	FirstMerit Bank	Chicago	Tim Fossa
	First Midwest Bank	Chicago	Mike Taylor
Bank Counsel:	Foley & Lardner LLP	Chicago	Ed Hammond
Bond Trustee:	Wells Fargo	Chicago	Sara Bergthold
IFA Counsel:	Schiff Hardin LLP	Chicago	Bruce Weisenthal
IFA’s Financial Advisor:	Acacia Financial Group	Chicago	Jim Beck

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**LEGISLATIVE DISTRICTS**

Congressional: 1  
State Senate: 19  
State House: 37

**SERVICE AREA**



- Retirement Communities in the PWA**
- 1- Peace Village
  - 2- South Village
- Retirement Communities near the PWA**
- 3- Jackson Village
  - 4- Roman Village
  - 5- Waterford Estates
  - 6- Franciscan Village
  - 7- The Park at Olympia Fields
- ALFs in the PWA**
- 8- Brighton Gardens of Orland Park
  - 9- Autumn Leaves of Orland Park
  - 10- Sunrise of Palos Park
  - 11- Arden Courts of Palos Heights
  - 12- The Pointe of Hippodrome
  - 13- Sunrise of Flossmoor

- The Community:**
- CCPC
  - Assisted Living Facility
  - County Boundary Lines