



\$7,850,000 – FINAL ISSUANCE AMOUNT – CLSOED 10/30/2013

PAB CONDUIT

October 8, 2013 **\$9,000,000**

Columbia College Chicago

REQUEST	<p>Purpose: Bond proceeds will be used by Columbia College Chicago (“Columbia”, the “College”, or the “Borrower”) to (i) currently refund all of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003 (the “Series 2003 Bonds”) maturing on December 1 of each of the years 2014 through 2018 and a portion of the Series 2003 Bonds maturing on December 1, 2023 (collectively, the “Refunded Series 2003 Bonds”), and (iii) pay certain costs relating to the issuance of the Series 2013 Bonds, all as permitted under the Act (collectively, the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds Extraordinary Conditions: None</p>																
BOARD ACTIONS	<p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 8/13/2013 Yeas: 13; Nays: 0; Abstentions: 0; Absent 2 (Barclay, Gold); Vacancy: 0</p>																
MATERIAL CHANGES	<p>Bank direct-purchase structure determined for plan of finance (including selection of BMO Harris Bank, N.A. as Bond Purchaser); terms and conditions finalized; specific maturities to be refunded have been chosen, resulting in lower par amount.</p>																
JOB DATA	<table border="0"> <tr> <td style="text-align: right;">3,628</td> <td>Current</td> <td>N/A</td> <td>New jobs projected (Refunding)</td> </tr> <tr> <td></td> <td>jobs</td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">N/A</td> <td>Retained</td> <td>N/A</td> <td>Construction jobs projected (Refunding)</td> </tr> <tr> <td></td> <td>jobs</td> <td></td> <td></td> </tr> </table>	3,628	Current	N/A	New jobs projected (Refunding)		jobs			N/A	Retained	N/A	Construction jobs projected (Refunding)		jobs		
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DESCRIPTION	<ul style="list-style-type: none"> ● Location: Chicago (Cook County/Northeast Region) ● Columbia College Chicago was originally established in 1890 as a college of education and became fully accredited as a four-year, undergraduate, liberal arts school in 1974. ● Columbia College Chicago offers more than 120 academic majors and programs and is the largest and most diverse private, nonprofit arts and media college in the nation with over 10,000 undergraduate students. ● Columbia’s student body represents all 50 states and 41 foreign nations. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> ● The IFA Refunding Revenue Bond (Columbia College Chicago), Series 2013 will be purchased directly by BMO Harris Bank, N.A. (the “Bank” or “Bond Purchaser”). The Bank will be the secured lender and the direct bond investor. ● Columbia College Chicago is currently rated BBB+ (S&P; affirmed 9/20/2012). 																
STRUCTURE	<ul style="list-style-type: none"> ● The Borrower has engaged John S. Vincent and Co. LLC to help the Borrower refund specific maturities of the IFA Series 2003 Bonds subject to optional redemption (2014-2018 maturities) and refund a portion of the IFA Series 2003 Bonds subject to mandatory sinking fund redemption (otherwise maturing in 2023). ● The anticipated final maturity date of the Refunding Revenue Bond will be in 7 years (i.e., 2020). 																
INTEREST RATE	<ul style="list-style-type: none"> ● BMO Harris Bank, N.A. will establish a fixed interest rate for a term of 7 years. The interest rate will be negotiated and established prior to closing and is currently estimated between 1.25% and 2.25%. 																
SOURCES AND USES ESTIMATED	<table border="0"> <tr> <td>Sources:</td> <td></td> <td>Uses:</td> <td></td> </tr> <tr> <td>IFA Refunding Bond</td> <td style="text-align: right;">\$8,850,000</td> <td>Refunding Escrow</td> <td style="text-align: right;">\$8,735,000</td> </tr> <tr> <td>Borrower Equity</td> <td style="text-align: right;"><u>40,000</u></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>155,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$8,890,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$8,890,000</u></td> </tr> </table>	Sources:		Uses:		IFA Refunding Bond	\$8,850,000	Refunding Escrow	\$8,735,000	Borrower Equity	<u>40,000</u>	Costs of Issuance	<u>155,000</u>	Total	<u>\$8,890,000</u>	Total	<u>\$8,890,000</u>
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RECOMMENDATION	<p>Credit Review Committee recommends approval.</p>																

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

Project: Columbia College Chicago

STATISTICS

Project Number:	E-PC-TE-CD-8636	Amount:	\$9,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton & Brad R. Fletcher
Location:	Chicago	County/	
		Region:	Cook County/Northeast

BOARD ACTION

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

VOTING RECORD

None. This will be the first time this matter will be considered by the IFA Board of Directors.

PURPOSE

Bond proceeds will be used by **Columbia College Chicago** (“**Columbia**”, the “**College**”, or the “**Borrower**”) to (i) currently refund all of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003 (the “**Series 2003 Bonds**”) maturing on December 1 of each of the years 2014 through 2018 and a portion of the Series 2003 Bonds maturing on December 1, 2023 (collectively, the “**Refunded Series 2003 Bonds**”), and (iii) pay certain costs relating to the issuance of the Series 2013 Bonds, all as permitted under the Act (collectively, the “**Financing Purposes**”).

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 income tax-exempt status on interest earned on the Bonds paid to bondholders, thereby reducing the Borrower’s interest expense.

VOLUME CAP

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

SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds	\$8,850,000	Uses:	Refunding Escrow	\$8,735,000
	Equity	<u>40,000</u>		Costs of Issuance	<u>155,000</u>
	Total	<u>\$8,890,000</u>		Total	<u>\$8,890,000</u>

JOBS

Current employment:	3,628	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

FINANCING SUMMARY

Bondholder's Security:	The Refunding Revenue Bond will be purchased directly by BMO Harris Bank, N.A. (the "Bank" as the Direct Purchaser/Secured Lender) as a direct investment. The Bond will be a general obligation of Columbia College Chicago. As customary on bank direct purchase transactions, the Bank will be secured by a mortgage (i.e., real estate) and will cross-collateralize and cross-default the Bond with all other Borrower obligations due to the Bank.
Underlying Ratings:	Not applicable. The Bond will be purchased directly by BMO Harris Bank, N.A. and will not be rated.
Structure/ Interest Rate:	BMO Harris Bank, N.A. will establish a fixed interest rate for a term of 7 years. The interest rate will be negotiated and established prior to closing and is currently estimated between 1.25% and 2.25%.
Maturity:	The anticipated final maturity date will be in 7 years (i.e., 2020).
Anticipated Closing Date:	October/November 2013
Rationale:	The proposed Refunding Bond will enable Columbia College Chicago to current refund a portion of its existing IFA Series 2003 Bonds and realize net present value savings.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **Columbia College Chicago** ("**Columbia**", the "**College**", or the "**Borrower**") to (i) currently refund all of the outstanding Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 2003 (the "**Series 2003 Bonds**") maturing on December 1 of each of the years 2014 through 2018 and a portion of the Series 2003 Bonds maturing on December 1, 2023 (collectively, the "Refunded Series 2003 Bonds"), and (iii) pay certain costs relating to the issuance of the Series 2013 Bonds, all as permitted under the Act (collectively, the "**Financing Purposes**").

BUSINESS SUMMARY

Background: **Columbia College Chicago** (also, "**Columbia**" or the "**Borrower**") is incorporated under Illinois law and is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

Description: Columbia College Chicago is private, not for profit, independent, fully accredited, unaffiliated undergraduate and graduate college located in downtown Chicago. Columbia was originally established in 1890 as a college of education and became fully accredited as a four-year, undergraduate, liberal arts school in 1974. Columbia offers educational opportunities in the performing, visual, communications, and writing arts at both the graduate and undergraduate levels, and is home to the one of the largest film schools in the world. Its primary location in the South Loop area of Chicago provides easy access to the Art Institute of Chicago, Adler Planetarium and Astronomy Museum, Field Museum, Chicago Symphony Orchestra and other notable cultural and educational institutions.

Founded in 1890 as the Columbia School of Oratory, Columbia has grown to become the fifth largest private higher education institution in Illinois. Columbia College's enrollment of over 10,000 undergraduate students and approximately 400 graduate students is drawn primarily from the city of Chicago and its suburbs, but also attracts students from across the United States and from 41 foreign nations. Approximately one-third of Columbia's student body is African American, Latino, Asian, Native American, Pacific Islander, or multi-racial, making Columbia's student body among the most diverse of any private arts college. The student body is evenly divided between men and women.

Columbia College offers more than 120 academic majors and programs and is the largest private arts and media college in the nation. Columbia's operations are located at 27 properties comprising more than 1.3 million SF that the Borrower owns and leases in Chicago's South Loop. Columbia College has been located in the South Loop since 1975. Columbia College Chicago is currently the largest landowner in the South Loop.

Due to Chicago's role as a key media center, Columbia College has developed a strong internship and part-time job placement program for its students and has developed relationships with nine independent film festivals, 200 theatre groups and venues, 35 radio stations, and 25 magazines and newspapers. These employment opportunities have been critical in attracting students to Columbia. The faculty consists of more than 1,300 practicing artists, scholars, and professionals.

According to management, Columbia College's annual tuition of \$22,390 for academic 2012-2013 is less than the national average for private colleges in the U.S.

As a result of Columbia's strategic initiatives over the last 15 years, enrollment has increased from approximately 7,300 in 1993 to over 10,000 for the Fall 2013 term. Columbia believes this growth has resulted from its focus on (i) small class size (to facilitate close interaction with a faculty of working professionals), (ii) abundant internship opportunities with major employers in the Chicago area, and (iii) outstanding physical facilities.

Columbia College has been accredited at the undergraduate and graduate levels by the North Central Association of Colleges and Schools since 1974. Columbia College Chicago is also accredited as a teacher training institution by the Illinois State Board of Education.

Columbia College currently has five IFA/IEFA bond issues outstanding. The total balance outstanding as of 8/31/2012 (and reported to EMMA in the College's most recent filing on the MSRB's website as of 2/21/2013) was approximately \$97,270,000 and included four series of Fixed Rate Bonds and one series of Variable Rate Bonds (IEFA Series 2000 - \$17,100,000 outstanding) secured by a Direct Pay Letter of Credit (BMO Harris Bank, N.A.).

All bond payments on Columbia College's existing IFA or IEFA debt obligations were current as of 8/1/2013.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Columbia College Chicago
Contact: Kevin Doherty, Interim Vice President Business Affairs/CFO, Columbia College Chicago, 624 S. Michigan Ave., Room 700, Chicago, IL 60605-1996; Ph. (312) 369-7162; E-mail: kdoherly@colum.edu
Web Site: www.colum.edu
Project Name: Columbia College Chicago, Series 2013 Refunding Revenue Bonds
Location: Refundings relating to projects at Columbia's Chicago campus originally financed with IEFA Series 2003 Bonds
Organization: Illinois 501(c)(3) organization
Board of Trustees: *For list of Board of Trustees, see page 6*
Current Land Owners: Columbia College Chicago owns the subject project sites involved in this refinancing.

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	Dentons	Chicago, IL	Mary Wilson
Borrower's Financial Advisor:	John S. Vincent and Co. LLC	Chicago, IL	John Vincent James McNulty
Auditor:	KPMG, LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Chris Walrath
Bond Purchaser:	BMO Harris Bank, N.A.	Chicago, IL	Joe Derezhinski
Bank Counsel:	Chapman and Cutler, LLP	Chicago, IL	Carol Thompson
Trustee (Series 2003 Bonds):	US Bank, N.A.	Chicago, IL	
Rating Agencies:	Not applicable – the subject Bonds will be bank purchased without a rating		
IFA Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	7
State Senate:	3
State House:	5

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