



\$ 34,215,000 – FINAL ISSUANCE AMOUNT – CLOSED 5/15/2013

PAB CONDUIT

April 9, 2013

\$42,000,000

DePaul University

REQUEST	<p>Purpose: The proposed financing will enable DePaul University (the “University” or the “Borrower”) to issue one or more series of Revenue Bonds to refund, advance refund, or provide for payment of all or a portion of the outstanding Illinois Finance Authority Revenue Bonds (DePaul University, Series 2004C), the proceeds of which were used to finance certain educational facilities of the University (the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Refunding Bonds (Advance Refunding)</p> <p>Extraordinary Conditions: None.</p>																				
BOARD ACTIONS	<p>Final Bond Resolution</p> <p>Preliminary Bond Resolution approved 3/13/2013: Yeas: 10 (Knox via audio conference); Nays: 0; Abstention: 1 (Gold); Absent: 3 (O’Brien; Parish; Tessler); Vacancy: 1</p>																				
MATERIAL CHANGES	<p>None.</p>																				
JOB DATA	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">2,434</td> <td style="width: 15%; text-align: center;">Current</td> <td style="width: 15%; text-align: center;">N/A</td> <td style="width: 40%;">New jobs projected</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">jobs</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained</td> <td style="text-align: center;">N/A</td> <td>Construction jobs projected</td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">jobs</td> <td></td> <td></td> </tr> </table>		2,434	Current	N/A	New jobs projected			jobs				N/A	Retained	N/A	Construction jobs projected			jobs		
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DESCRIPTION	<ul style="list-style-type: none"> • Location: Chicago (Cook County/Northeast Region) • DePaul’s original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent’s College. • The proposed Series 2013 Refunding Bonds will enable DePaul to refund or advance refund all or a portion of its Series 2004C Bonds to generate present value savings. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • DePaul is currently rated “A2”/ “A-”/“A” long-term by Moody’s/S&P/Fitch. 																				
PROPOSED STRUCTURE	<ul style="list-style-type: none"> • The Bonds will be underwritten by Goldman Sachs & Company (Senior Manager) based on the direct, underlying ratings of DePaul University. • Estimated interest rates range between 2.50% and 3.00% based on market conditions as of 3/25/2013. 																				
SOURCES AND USES (*PRELIMINARY, SUBJECT TO CHANGE)	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Sources:</th> <th colspan="2" style="text-align: left;">Uses:</th> </tr> </thead> <tbody> <tr> <td style="width: 35%;">IFA Refunding Bonds</td> <td style="width: 15%; text-align: right;">\$42,000,000</td> <td style="width: 35%;">Refunding Escrow</td> <td style="width: 15%; text-align: right;">\$42,000,000</td> </tr> <tr> <td>Borrower Equity</td> <td style="text-align: right;"><u>1,150,000</u></td> <td>*Costs of Issuance</td> <td style="text-align: right;"><u>1,150,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$43,150,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$43,150,000</u></td> </tr> </tbody> </table>	Sources:		Uses:		IFA Refunding Bonds	\$42,000,000	Refunding Escrow	\$42,000,000	Borrower Equity	<u>1,150,000</u>	*Costs of Issuance	<u>1,150,000</u>	Total	<u>\$43,150,000</u>	Total	<u>\$43,150,000</u>				
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RECOMMENDATION	<p>Credit Review Committee recommends approval.</p>																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
April 9, 2013**

Project: DePaul University

STATISTICS

Project Number:	E-PC-TE-CD-8606	Amount:	Not to exceed \$42,000,000
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and 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

PURPOSE

Bond proceeds will be issued in one or more series and used to refund, advance refund, or provide for payment of all or a portion of the outstanding Illinois Finance Authority Revenue Bonds (DePaul University, Series 2004C), the proceeds of which were used to finance certain educational facilities of the University.

IFA CONTRIBUTION AND PROGRAM

IFA will convey federal tax-exempt status on interest paid to investors on the Bonds, thereby resulting in a lower interest rate that will be passed through to the Borrower.

VOTING RECORD

Preliminary Bond Resolution approved 3/13/2013:
Yeas: 10 (Knox via audio conference); Nays: 0; Abstention: 1 (Gold); Absent: 3 (O'Brien; Parish; Tessler); Vacancy: 1

SOURCES AND USES OF FUNDS

Sources:	IFA Refunding Bonds	\$42,000,000	Uses:	Refunding Escrow	\$42,000,000
	Equity	<u>1,150,000</u>		*Costs of Issuance	<u>1,150,000</u>
	Total	<u>\$43,150,000</u>		Total	<u>\$43,150,000</u>

***Estimated and subject to change prior to pricing**

JOBS

Current employment:	2,434	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

BUSINESS SUMMARY

Background: DePaul University is a 501(c)(3) organization incorporated under Illinois law. DePaul's original predecessor was founded in 1898 by the Congregation of the Mission and was known as St. Vincent's College.

The University is governed by a two-tiered governance committee consisting of (1) the Members of the University, a self-perpetuating body of 14 individuals, representing the Congregation of the Mission (C.M.), the religious community that sponsors the University. The Members are empowered to elect the Board of Trustees, whose responsibility is to direct and manage the affairs of the University and other officers. Currently, there are 44 trustees elected to serve staggered 3-year terms (40 to 45 trustees are required under the University's By-Laws). A list of the University's current Board of Trustees is attached (see page 6).

Description: The University's mission is to provide education in liberal and professional studies. DePaul has evolved into a major urban institution, serving metropolitan Chicago. The University is the largest Catholic university in the nation and among the nation's ten largest private universities. In Fall 2012, the University posted total enrollment of 24,966 students, including 16,498 undergraduate students and 8,468 graduate and professional students.

The University is comprised of five campuses, including two core campuses in Chicago, and three satellite campuses in Chicago and suburban Chicago. DePaul's Lincoln Park and Loop Campuses in Chicago form the core of the University's academic and administrative activities. The Lincoln Park campus is a residential campus located on approximately 34 acres and is located approximately 3 miles north of downtown Chicago. The Lincoln Park campus now consists of more than 45 buildings comprising approximately 2.3 million square feet. The Loop Campus, located in the Chicago Central Business District at the corner of Wabash Ave. and Jackson Blvd., consists of 3 interconnected and 2 adjacent buildings of over 1.3 million SF and provides facilities for the College of Law, Graduate Programs, and undergraduate programs.

DePaul's three satellite campus locations were established and have expanded to satisfy a growing demand for higher education in suburban Chicago. DePaul's three satellite facilities include: (1) The DePaul O'Hare Campus (near Cumberland Ave. [Illinois Hwy. 171] and the Kennedy Expressway [I-90]) in Chicago, Illinois, (2) South Suburban Community College in Oak Forest, Illinois, and (3) its Naperville Campus (located in a portion of the BP [Amoco] Research Center facility adjacent to the Reagan/East-West Tollway [I-88]).

The University offers 123 undergraduate and over 175 graduate and professional graduate degree programs, including seven programs offered by the College of Law.

During calendar year 2012, key business developments included:

1. Dedicating the **Arts and Letters Hall**, a new academic building at the Lincoln Park campus featuring 47 classrooms and housing the Department of English and the Department of History of Art and Architecture. The facility also contains faculty offices and meeting rooms.
2. Dedicating the **Richard H. Driehaus College of Business** in support of faculty excellence in graduate and undergraduate business programs.
3. Announcing the establishment of the **Alliance for Health Sciences** (the "**Alliance**"), a unique, wide-ranging alliance with **Rosalind Franklin University of Medicine and Science** ("**Rosalind Franklin**") in North Chicago. The Alliance will help address the expanding need for health care professionals. The objectives of the Alliance are to: (1) establish a curricular pathway for DePaul students to graduate professional degree programs at Rosalind Franklin, (2) expand and strengthen academic programs at both universities, (3) foster collaboration between the faculties of the two institutions, and (4) create additional research opportunities for students. DePaul plans to use Rosalind Franklin's fully-equipped North Chicago campus as a second instructional site for its nursing program.

FINANCING SUMMARY

Security/ Ratings:	The Bonds will be sold based on the direct, underlying rating of DePaul University. DePaul is currently rated “A2”/ “A-”/“A” long-term by Moody’s/S&P/Fitch.
Structure:	The Bonds will be underwritten by Goldman Sachs & Company (Senior Manager) and sold on the basis of the University’s long-term debt ratings.
Interest Rate:	Estimated all-in interest rates on the two series range between 2.50% and 3.00% as of 3/25/2013.
Maturity:	The IFA Series 2013 Revenue Refunding Bonds are expected to mature in 2024 or 2025. The final maturity date of the IFA Series 2004C Bond is 10/1/2024.
Anticipated Closing Date:	May 2013
Rationale:	Advance refunding to attain present value savings.

PROJECT SUMMARY (FROM FINAL BOND RESOLUTION)

The proposed financing will enable **DePaul University** (the “**University**” or the “**Borrower**”) to issue one or more series of Revenue Bonds to refund, advance refund, or provide for payment of all or a portion of the outstanding Illinois Finance Authority Revenue Bonds (DePaul University - Series 2004C), the proceeds of which were used to finance certain educational facilities of the University (the “**Financing Purposes**”).

ECONOMIC DISCLOSURE STATEMENT

Applicant/ Contacts:	DePaul University, 55 East Jackson Boulevard, Chicago, Illinois 60604-4101; www.depaul.edu (1) Jeffrey J. Bethke, Treasurer, Ph.: 312/362-6715; jbethke@depaul.edu (2) Doug Stanford, Director of Treasury Operations, Ph.: 312/ 362-6714; dstanford@depaul.edu
Project name:	DePaul University Series 2013 Refunding Revenue Bonds
Locations:	DePaul’s Lincoln Park Campus, 2550 N. Sheffield Ave., Chicago, IL 60614-3298 and DePaul’s Loop Campus, 55 East Jackson Blvd., Chicago, IL 60604
Organization: Board	Illinois 501(c)(3) organization
Membership:	<i>For list of Board of Trustees, see page 6.</i>

PROFESSIONAL AND FINANCIAL

Borrower's Counsel:	Perkins Coie LLP	Chicago, IL	Daniel Coyne
Auditor:	KPMG, LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Jim Luebchow, Nancy Burke
Senior Manager:	Goldman Sachs & Co.	New York, NY	Thornton Lurie
Co-Manager:	Loop Capital Markets, LLC	Chicago, IL	Al Dinwiddle
Underwriter's Counsel:	Michael Best & Friedrich LLP	Chicago, IL	Gregory Tears
Trustee:	Deutsche Bank National Trust Co.	Chicago, IL	George Kubin
Rating Agencies:	Moody's Investors Service	New York, NY	
	Standard & Poor's	Chicago, IL	
	Fitch Ratings	New York, NY	
IFA Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Steve Welcome
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

LEGISLATIVE DISTRICTS

	Loop Campus	Lincoln Park Campus
Congressional:	7	5
State Senate:	3	6
State House:	5	11

DePaul University Board of Trustees

Name	Affiliation
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Lori Holland	Managing Director, Neuberger Berman
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Jeffrey J. Kroll	Partner, Law Offices of Jeffrey J. Kroll
Rev. James Maher, C.M.*	Vice President of Student Affairs, St. John's University
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Peter J. Pesce	Chief Human Resources Officer, A.T. Kearney, Inc.
Anne R. Pramaggiore	President and CEO, ComEd
Rev. Mark Pranaitis, C.M.	Assistant Provincial, Congregation of the Mission, Western Province
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George Ruff*	Senior Principal, Trinity Hotel Investors, LLC
James Ryan	President, CEO and Chairman of the Board, W.W. Grainger, Inc.
Bertram L. Scott*	Partner, Jenner & Block
John B. Simon	
John C. Staley	Retired Managing Partner, Ernst & Young, LLP
Daniel C. Ustian	Retired Chairman and CEO, Navistar
Dia S. Weil	Retired CFO and COO, Verizon Airfone