

**March 11, 2014**
**\$5,370,000 (not-to-exceed)**
**Little City Foundation**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds, together with certain other funds, will be loaned to <b>Little City Foundation</b>, an Illinois not-for-profit corporation (the “<b>Borrower</b>”), to be used, together with certain other funds, to (i) current refund the outstanding principal amount of the Illinois Development Finance Authority Special Facility Revenue Bonds, Series 1994 (Little City Foundation Project) (the “<b>Series 1994 Bonds</b>”), (ii) pay or reimburse the Borrower for the payment of the costs of acquiring, constructing, renovating and equipping certain facilities of the Borrower, including but not limited to constructing and equipping a portion of the Children’s Village Initiative Project, group homes that will be specifically designated for individuals with autism and located on the Borrower’s main campus in Palatine, Illinois (the “<b>Project</b>”), and (iii) pay certain expenses incurred in connection with the issuance of the Bond and the refunding of the Series 1994 Bonds (and together with the Project, the “<b>Financing Purposes</b>”).</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																								
<b>BOARD ACTION</b>	Final Bond Resolution (One-time consideration)																								
<b>MATERIAL CHANGES</b>	Not applicable. This is the first time this financing is being presented.																								
<b>JOB DATA</b>	<table style="width: 100%; border: none;"> <tr> <td style="text-align: center;">440</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">0</td> <td style="text-align: center;">New jobs projected</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">25</td> <td style="text-align: center;">Construction jobs projected (7+ months)</td> </tr> </table>	440	Current jobs	0	New jobs projected	N/A	Retained jobs	25	Construction jobs projected (7+ months)																
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>● Locations: Palatine, Arlington Heights, Hanover Park, Streamwood / Cook County / Northeast</li> <li>● Type of entity: Little City Foundation is a 501(c)(3) organization incorporated under Illinois law and was established to provide vocational training and education, residential and related social services, primarily from locations in Suburban Cook County. The Borrower is governed by a 31-member Board of Trustees.</li> <li>● Proceeds of the Series 1994 Bonds were used to (i) refinance certain debt of the Borrower, (ii) finance a portion of the costs of facilities of the Borrower and (iii) pay certain expenses incurred in connection with the issuance of the Series 1994 Bonds.</li> <li>● The refunding of the Series 1994 Bonds will enable the Foundation to convert from a Bank Letter of Credit structure to a Bank Direct-Purchase structure and to smooth future debt service payments.</li> </ul>																								
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>● The plan of finance contemplates the Bonds to be issued in one or more series and be purchased directly by <b>North Shore Community Bank &amp; Trust Co.</b> (also “<b>Wintrust Financial Corporation</b>”, the “<b>Bank</b>” or “<b>Bond Purchaser</b>”) and its affiliates. The Bank will be the secured lender and the direct bond investor.</li> <li>● Given the anticipated Bank Direct-Purchase structure for the IFA Series 2014 Bond, the Series 2014 Bond will not be rated. (Little City Foundation is not currently rated by any rating agency.)</li> </ul>																								
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>● The Bank (as Bond Purchaser) will be secured by a perfected first lien on general business assets and an assignment of rents and leases on the Borrower’s Palatine campus.</li> </ul>																								
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>● The Bonds will mature no later than 25 years from the issue date.</li> <li>● The Bonds will have an initial term of 10 years. The initial interest rate will be negotiated by the Foundation and the Bank prior to closing based on prevailing market conditions and is currently estimated at between 2.00% and 4.00%.</li> </ul>																								
<b>SOURCES AND USES ESTIMATED</b>	<table style="width: 100%; border: none;"> <thead> <tr> <th colspan="2" style="text-align: left;"><b>Sources:</b></th> <th colspan="2" style="text-align: left;"><b>Uses:</b></th> </tr> </thead> <tbody> <tr> <td style="width: 30%;">IFA Bonds</td> <td style="width: 20%; text-align: right;">\$5,370,000</td> <td style="width: 30%;">New Capital Projects</td> <td style="width: 20%; text-align: right;">\$5,100,000</td> </tr> <tr> <td></td> <td></td> <td>Refund IDFA Ser. 1994</td> <td></td> </tr> <tr> <td>Equity</td> <td style="text-align: right;"><u>2,850,000</u></td> <td>Bonds</td> <td style="text-align: right;">3,020,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>100,000</u></td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>\$8,220,000</b></td> <td><b>Total</b></td> <td style="text-align: right;"><b>\$8,220,000</b></td> </tr> </tbody> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	\$5,370,000	New Capital Projects	\$5,100,000			Refund IDFA Ser. 1994		Equity	<u>2,850,000</u>	Bonds	3,020,000			Costs of Issuance	<u>100,000</u>	<b>Total</b>	<b>\$8,220,000</b>	<b>Total</b>	<b>\$8,220,000</b>
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<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																								

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
March 11, 2014**

**Project: Little City Foundation**

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**STATISTICS**

Project Number:	N-NP-TE-CD-8673	Amount:	\$5,370,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Locations:	Palatine, Arlington Heights, Hanover Park, Streamwood	County/ Region:	Cook County/Northeast

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**BOARD ACTION**

Final Bond Resolution (One-time consideration)	
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**

Not applicable. This is the first time this financing is being presented.

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**PURPOSE**

Bond proceeds will be used to current refund (i.e., refinance) the outstanding principal amount of the Borrower's IDFA Series 1994 Bonds and to finance constructing, renovating and equipping various improvements at the Borrower's Children's Village campus in Palatine, Illinois. Additionally, a portion of the proceeds will be used to pay costs of issuance.

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**IFA PROGRAM AND CONTRIBUTION**

501(c)(3) Bonds are a form of municipal bond financing 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.

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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 (SUBJECT TO CHANGE)**

Sources:	IFA Bonds	\$5,370,000	Uses:	New Capital Projects	\$5,100,000
	Equity	<u>2,850,000</u>		Refund IDFA 1994 Bonds	3,020,000
				Cost of Issuance	<u>100,000</u>
	<b>Total</b>	<b><u>\$8,220,000</u></b>		<b>Total</b>	<b><u>\$8,220,000</u></b>

**Note: Although the not-to-exceed amount of the proposed IFA Series 2014 Bond is set at \$5,370,000, the amounts allocated to financing the New Money Projects and the Refunding Bonds are subject to change.**

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**JOBS**

Current employment:	440	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	25 (7 months on initial 2 homes; potentially up to 19 months on additional projects)

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### FINANCING SUMMARY

Structure/ Security:	The Bond will be purchased directly by <b>North Shore Community Bank &amp; Trust Co.</b> (“ <b>Wintrust Financial</b> ”, the “ <b>Bank</b> ” or “ <b>Bond Purchaser</b> ”) and held as an investment. The Bank will be secured by a first mortgage on the subject properties financed with proceeds of the IFA Series 2014 Bond.
Interest Rate:	The Bank is expected to establish an initial interest rate for 10 years (with reset provisions thereafter), amortized over 25 years. The interest rate will be set at pre-closing based on prevailing market conditions, currently estimated at between 2.00% and 4.00%.
Underlying Debt Ratings:	The Foundation is not a rated entity. (The Bonds will be purchased directly by the Bank.)
Maturity:	2039 (estimated at up to 25 years from issuance date).
Estimated Closing Date:	March 2014
Rationale:	<p>The new IFA Series 2014 Bond will enable Little City to (i) convert from a Bank Letter of Credit structure to a Bank Direct-Purchase structure and (ii) smooth future scheduled principal payments.</p> <p>Additionally, the IFA Series 2014 Bond will provide Little City with approximately \$2.35 million of construction and permanent financing that will finance a portion of the costs of construction and equipping its new Children’s Village Initiative Project that will result in development of several new group homes and other capital improvements at Little City’s main campus in Palatine.</p>

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### PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds, together with certain other funds, will be loaned to **Little City Foundation**, an Illinois not-for-profit corporation (the “**Borrower**”), to be used, together with certain other funds, to (i) current refund the outstanding principal amount of the Illinois Development Finance Authority Special Facility Revenue Bonds, Series 1994 (Little City Foundation Project) (the “**Series 1994 Bonds**”), (ii) pay or reimburse the Borrower for the payment of the costs of acquiring, constructing, renovating and equipping certain facilities of the Borrower, including but not limited to constructing and equipping a portion of the Children’s Village Initiative Project, group homes that will be specifically designated for individuals with autism and located on the Borrower’s main campus in Palatine, Illinois (the “**Project**”), and (iii) pay certain expenses incurred in connection with the issuance of the Bond and the refunding of the Series 1994 Bonds (and together with the Project, the “**Financing Purposes**”).

All of the facilities to be financed or refinanced with the proceeds of the Bond are located at 1760 West Algonquin Road, Palatine (Cook County), Illinois 60067 (the Borrower’s main campus), 144 Hastings Mill Road, Streamwood (Cook County), Illinois 60107, 1015 Plum Grove Road, Palatine (Cook County), Illinois 60067, 2634 North Raleigh, Arlington Heights (Cook County), Illinois 60004 and 2025 Cherry Avenue, Hanover Park (Cook County), Illinois 60133.

The proceeds of the Series 1994 Bonds were used to (i) refinance certain debt of the Borrower, (ii) finance a portion of the costs of facilities of the Borrower, and (iii) pay certain expenses incurred in connection with the issuance of the Series 1994 Bonds.

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### BUSINESS SUMMARY

Description: **Little City Foundation** (the “**Foundation**” or the “**Borrower**”) is incorporated under State of Illinois law and was established in 1959. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code.

The Foundation is governed by a 31-member Board of Trustees (see Economic Disclosure Statement on page 6).

Background: Little City Foundation was founded by a group of concerned parents to provide help, hope, dignity and love for children with disabilities. It was a vision that would develop into a revolutionary new living environment providing comprehensive educational, residential, and social services for these children who “experts” often said should be institutionalized.

Little City initiated operations with just three buildings and 16 residents in 1959. Today, Little City continues to carry out its founders’ mission by ensuring that both children and adults with intellectual and developmental disabilities are provided with the best options and opportunities to live safely, work productively, explore creatively, and learn continuously throughout their lifetime.

Since its founding in 1959, Little City has been providing innovative services at its 56-acre main campus in Palatine and through its offices in Chicago, which serve as its operations center for foster care, adoption and other therapeutic and clinical support services for families.

Little City assists hundreds of children and adults along with their families throughout the Chicago metropolitan area, by providing education, training, skills and encouragement that enable individuals to self-actualize.

For more than 50 years, Little City Foundation has developed innovative and personalized programs to fully assist and empower children and adults with autism and other intellectual and developmental disabilities (e.g., Down’s syndrome, cerebral palsy, epilepsy, as well as visual, behavioral, hearing, and emotional challenges). With a commitment to attaining a greater quality of life for Illinois’ most vulnerable citizens, Little City actively promotes choice, person-centered planning and a holistic approach to health and wellness.

- Little City’s ChildBridge services include in-home personal and family supports, clinical and behavior intervention, 24/7 residential services and special needs foster care and adoption.
- Little City’s LifePath Adult Services offers a variety of residential options, employment opportunities, home-based services, case management, day supports, Special Olympics, an award-winning Center for the Arts and more.

Little City’s guiding principles include:

- Recognizing people who have autism and other intellectual and developmental disabilities as valued members of a diverse society.
- Creating innovative programs that are responsive to the changing needs of individuals with intellectual and developmental disabilities.
- Ensuring the highest levels of individual choice and opportunity for people who receive services.
- Serving as a public advocate and champion for those served and thousands of others in need.
- Partnering with families and other constituents to further effectiveness of all programs.
- Promoting the dynamics of a learning organization through a highly qualified professional staff committed to ongoing evaluation, renewal and retraining in state-of-the-art services.
- Operating on a fiscally sound basis to provide continuity of services to future generations.
- Enlisting the intellect, heart and financial support of the community at large to support Little City’s mission.

As with most human service agencies, Little City Foundation relies upon state and local grants for most of its operating revenues.

Little City currently receives annual funding from several State of Illinois agencies including: (i) the Illinois Department of Human Services (“DHS”), (ii) the Illinois Department of Children and Family Services (“DCFS”), and (iii) the Illinois State Board of Education (“ISBE”). Little City currently receives over \$5.5 million of contractual support from these agencies annually.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Little City Foundation, 1760 W. Algonquin Road, Palatine (Cook County), IL 60067

Contact: Linda LaPorte, Chief Financial Officer  
(T) 847-221-7841; email: [llaporte@littlecity.org](mailto:llaporte@littlecity.org)

Website: <http://www.littlecity.org/>

Site Locations: 1760 West Algonquin Road, Palatine, (Cook County) Illinois 60067 (the Borrower's main campus), 144 Hastings Mill Road, Streamwood (Cook County), Illinois 60107, 1015 Plum Grove Road, Palatine (Cook County), Illinois 60067, 2634 North Raleigh, Arlington Heights (Cook County), Illinois 60004 and 2025 Cherry Avenue, Hanover Park (Cook County), Illinois 60133.

Project name: IFA 501(c)(3) Revenue and Revenue Refunding Bonds (Little City Foundation Project) Series 2014

Organization: Illinois not-for-profit established as a 501(c)(3) corporation under the Internal Revenue Code

Board of  
Directors: The Little City Foundation Board of Directors oversees and guides the Foundation and its affiliates in fulfillment of its mission, and is composed of the following members:

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK]

<b>Board of Directors</b>		
<b>Officers</b>		
<i>President</i>	<b>Edward J. Hockfield</b>	Time Tested Formulas, Inc.
<i>Executive Vice President</i>	<b>Matthew B. Schubert</b>	Paramount Staffing
<i>Vice President</i>	<b>Douglas A. Wilson</b>	Breakthrough Technologies, LLC
<i>Treasurer</i>	<b>Matthew B. Schubert</b>	Paramount Staffing
<i>Assistant Treasurer</i>	<b>Charles G. Fergus</b>	Office of the Illinois Attorney General
<i>Secretary</i>	<b>B. Timothy Desmond</b>	Central Station Development Corporation
<i>Assistant Secretary</i>	<b>Alex G. Alexandrou</b>	City of Aurora
<i>Immediate Past President</i>		
<i>General Counsel</i>	<b>John J. George</b>	Schuyler, Roche & Crisham PC
<b>Directors</b>		
	<b>Ronald Ally</b>	William Rainey Harper College
	<b>Eleni P. Bousis</b>	Greek American Rehabilitation and Care Centre
	<b>Michele A. Carlin</b>	Motorola Solutions
	<b>Vernon L. Carson</b>	
	<b>Jane Denten</b>	Advocate Lutheran General
	<b>B. Timothy Desmond</b>	Central Station Development Corporation
	<b>John M. Duffey</b>	Six Flags Entertainment Corporation
	<b>Alexander A. Gianaras</b>	Alec K. and Viena P. Gianaras Foundation
	<b>Jeffrey A. Krug</b>	J. Krug & Associates, Inc.
	<b>Mitchell A. Kovitz</b>	Kovitz Investment Group
	<b>Fred G. Lebed</b>	The Prairie Group Consulting, Inc.
	<b>Joan M. Lebow</b>	Thompson Coburn, LLP
	<b>Daniel N. Luber</b>	Rabjohns Financial Group
	<b>Marcus D. Montanye</b>	The Private Bank
	<b>David Pfau</b>	MNJ Technology Services
	<b>J Todd Phillips</b>	Blue Cross/Blue Shield of Illinois
	<b>David Rose</b>	Coldwell Banker
	<b>Jerry I. Siegel</b>	Midway Moving and Storage, Inc.
	<b>James H. Stone</b>	Stone Management Corporation
	<b>James V. Testa</b>	Show Sage LLC
<b>Advisors</b>		
	<b>Janet Barker-Evans</b>	Ryan Partnership
	<b>Paul A. Castiglione</b>	States Attorney Office
	<b>Kevin J. Conboy</b>	Oracle
	<b>Thomas J. Dart</b>	Sheriff's Office of Cook County
	<b>Jennifer Gavelek</b>	Mesirow Financial Corporation
	<b>Lincoln D. Germain</b>	Honeywell International
	<b>Steve Ginsburg</b>	RAM Racing
	<b>Jonathan C. Green</b>	City of Chicago
	<b>Quentin C. Johnson</b>	
	<b>Laurence M. Landsman</b>	Block & Landsman
	<b>Jennifer Maley</b>	The Prairie Group Consulting, Inc.
	<b>Mona Pearl</b>	BeyondAStrategy.com
	<b>Quintin E. Primo</b>	Capri Capital Advisors
	<b>Sue M. Saltsberg</b>	American Egg Board
	<b>Robert J. Samson</b>	Wells Fargo Advisors LLC

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Schuyler, Roche & Crisham, P.C.	Chicago, IL	John "Jack" George Chris Leach
Auditor:	McGladrey LLP	Chicago, IL	
Bond Counsel:	Dentons US LLP	St. Louis, MO	Karen Jordan
Bank/Direct Bond Purchaser:	North Shore Community Bank & Trust Co. (Wintrust Financial Corp.)	Skokie, IL and Chicago, IL	Kandace Lenti Erinn Katz
Bank/Purchaser's Counsel:	Dentons US LLP	Chicago, IL	Mary Wilson
IFA Counsel:	Holland & Knight LLP	Chicago, IL	Barb Adams
IFA Financial Advisor:	Public Financial Management, Inc.	Chicago, IL	Shannon Williams

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**LEGISLATIVE DISTRICTS (MULTIPLE)**

Congressional:	6, 8, 9
State Senate:	22, 27
State House:	44, 53, 54

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