



\$700,000,000 (not-to-exceed amount)

July 8, 2014

The University of Chicago

REQUEST	<p>Purpose: Bond proceeds will be issued in one or more series and used by The University of Chicago (the “University” or the “Borrower”) for the purpose of providing all or a portion of the funds necessary to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting “educational facilities,” as defined in the Act (the “Project”), including capitalized interest and working capital expenditures related to the Project, if deemed desirable by the University, (ii) currently refund, advance refund or provide for the payment of all or a portion (if any) of the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2008B, issued and currently outstanding in the original aggregate principal amount of \$500,000,000 (the “Series 2008B Bonds”), the proceeds of which were loaned to the University and used to finance, refinance or be reimbursed for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of the University’s facilities constituting “educational facilities,” as defined in the Act (collectively with the Project, the “Financed Properties”), (ii) fund one or more debt service reserve funds for the Bonds (as hereinafter defined) if deemed desirable by the University and (iv) pay certain costs relating to the issuance of the Bonds and the current refunding, advance refunding or provision for the payment of all or a portion (if any) of the Series 2008B Bonds, all as permitted under the Act (collectively referred to as the “Financing Purposes”).</p> <p>Program: 501(c)(3) Revenue Bonds and Revenue Refunding Bonds</p> <p>Extraordinary Conditions: None.</p>																				
BOARD ACTIONS	Final Bond Resolution (One-time consideration)																				
MATERIAL CHANGES	Not applicable. This is the first time this matter has been presented to the IFA Board of Directors.																				
JOB DATA	<table border="0"> <tr> <td style="text-align: center;">11,819</td> <td style="text-align: center;">Current jobs</td> <td style="text-align: center;">75 FT & PT</td> <td style="text-align: center;">*New jobs projected (see Jobs section on Page 3 of report)</td> </tr> <tr> <td style="text-align: center;">N/A</td> <td style="text-align: center;">Retained jobs</td> <td style="text-align: center;">150 avg.; 450 peak</td> <td style="text-align: center;">*Construction jobs projected over 2 years (see Jobs section on Page 3 of report)</td> </tr> </table>	11,819	Current jobs	75 FT & PT	*New jobs projected (see Jobs section on Page 3 of report)	N/A	Retained jobs	150 avg.; 450 peak	*Construction jobs projected over 2 years (see Jobs section on Page 3 of report)												
11,819	Current jobs	75 FT & PT	*New jobs projected (see Jobs section on Page 3 of report)																		
N/A	Retained jobs	150 avg.; 450 peak	*Construction jobs projected over 2 years (see Jobs section on Page 3 of report)																		
DESCRIPTION	<ul style="list-style-type: none"> • Project Location: City of Chicago (Cook County) • Type of entity: The University, a 501(c)(3) organization incorporated under Illinois law, is a private, non-sectarian, co-educational institution of higher learning founded by John D. Rockefeller in 1890 that is governed by a fifty-three member Board of Trustees. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • The plan of finance contemplates Bonds to be sold in one or more series. Fixed Rate Bonds will be sold based on the University’s underlying long-term debt ratings of Aa1/AA/AA+ (Moody’s/S&P/Fitch). Any Variable Rate Bonds may be further secured by a liquidity facility. The University’s short-term ratings are P-1/A-1+/F1+ (Moody’s/S&P/Fitch). • Barclays Capital, Inc. has been engaged by the Borrower as Underwriter/Senior Manager. The Co-Senior Manager and Co-Managers, also selected pursuant to the University’s procurement policies, are identified on page 7 of this report. 																				
SECURITY	<ul style="list-style-type: none"> • The Bonds will be a general unsecured corporate obligation of the University and as such will not be secured by a mortgage or security interest on any of the University’s assets, properties or funds. 																				
MATURITY	<ul style="list-style-type: none"> • Bonds will mature no later than 40 years from the issue date. • Both sizing and interest rate modes to be determined based on evaluation of market conditions by the University and its financing team at pricing. <i>The amounts represented in this report represent not-to-exceed parameters.</i> 																				
SOURCES AND USES	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA New Money Bonds</td> <td style="text-align: right;">\$200,000,000</td> <td>New Money Project Fund</td> <td style="text-align: right;">\$198,750,000</td> </tr> <tr> <td>IFA Refunding Bonds</td> <td style="text-align: right;"><u>500,000,000</u></td> <td>Refunding Bonds</td> <td style="text-align: right;">500,000,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>1,250,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$700,000,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$700,000,000</u></td> </tr> </table>	Sources:		Uses:		IFA New Money Bonds	\$200,000,000	New Money Project Fund	\$198,750,000	IFA Refunding Bonds	<u>500,000,000</u>	Refunding Bonds	500,000,000			Costs of Issuance	<u>1,250,000</u>	Total	<u>\$700,000,000</u>	Total	<u>\$700,000,000</u>
Sources:		Uses:																			
IFA New Money Bonds	\$200,000,000	New Money Project Fund	\$198,750,000																		
IFA Refunding Bonds	<u>500,000,000</u>	Refunding Bonds	500,000,000																		
		Costs of Issuance	<u>1,250,000</u>																		
Total	<u>\$700,000,000</u>	Total	<u>\$700,000,000</u>																		
RECOMMENDATION	Credit Review Committee recommends approval.																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 8, 2014**

Project: The University of Chicago

STATISTICS

Project Number:	E-PC-TE-CD-8690	Amount:	\$700,000,000 (not-to-exceed)
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 (<i>One-time consideration</i>)	
Conduit 501(c)(3) Revenue and Refunding Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

None. This is the first time this matter has been presented to the IFA Board of Directors.

PURPOSE

Bond proceeds will be issued in one or more series and used by **The University of Chicago** (the “**University**” or the “**Borrower**”) for the purpose of providing all or a portion of the funds necessary to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting “educational facilities,” as defined in the Act (the “**Project**”), including capitalized interest and working capital expenditures related to the Project, if deemed desirable by the University, (ii) currently refund, advance refund or provide for the payment of all or a portion (if any) of the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2008B, issued and currently outstanding in the original aggregate principal amount of \$500,000,000 (the “**Series 2008B Bonds**”), the proceeds of which were loaned to the University and used to finance, refinance or be reimbursed for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of the University’s facilities constituting “educational facilities,” as defined in the Act (collectively with the Project, the “**Financed Properties**”), (ii) fund one or more debt service reserve funds for the Bonds (as hereinafter defined) if deemed desirable by the University and (iv) pay certain costs relating to the issuance of the Bonds and the current refunding, advance refunding or provision for the payment of all or a portion (if any) of the Series 2008B Bonds, all as permitted under the Act (collectively referred to as the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

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.

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	New Money Bonds	\$200,000,000	Uses:	New Money Project Fund	\$198,750,000
	IFA Refunding Bonds	<u>500,000,000</u>		Refunding Bonds	500,000,000
				Costs of Issuance	<u>1,250,000</u>

Total		<u>\$700,000,000</u>	Total		<u>\$700,000,000</u>
--------------	--	-----------------------------	--------------	--	-----------------------------

Note: Final Bond Sizing will be based on market conditions at pricing. The amounts represented in this report represent not-to-exceed parameters and the final amount is subject to change. Additionally, the University will be undertaking its own taxable financing (non-IFA Bonds) to provide additional financing (or refinancing).

JOBS

Current employment:	11,819 (2,219 faculty; 9,600 FT and PT staff)	Projected new jobs:	75*
Jobs retained:	N/A	Construction jobs:	150 average/450 peak (2 years)*

***Note:** Proceeds of the IFA Series 2014 New Money Bonds will primarily finance the build-out of various projects previously financed with the IFA Series 2012 Bonds and IFA Series 2013 Bonds. Accordingly, jobs created as a result of these projects are not presented herein; rather, jobs that are created as a result of new projects being financed with proceeds of the Series 2014 Bonds are reported, including a new residence hall and dining commons and various other capital improvements at the University's administrative, academic, research facilities, as well as improving general campus infrastructure.

FINANCING SUMMARY

Security: The Bonds will be a general unsecured corporate obligation of the University and as such will not be secured by a mortgage or security interest on any of the University's assets, properties, or funds.

Structure: The plan of finance contemplates the public issuance of an amount not-to-exceed \$700 million of tax-exempt debt to be issued in one or more series. Fixed Rate Bonds would be sold based on the University's underlying long-term debt ratings of Aa1/AA/AA+ (Moody's/S&P/Fitch). Barclays Capital, Inc. has been engaged by the Borrower to serve as Senior Manager. Variable Rate Bonds (to the extent issued) would be sold based on the University's P1/A-1+/F1+ (Moody's/S&P/Fitch) short-term ratings (and likely further backed by a liquidity facility from a financial institution with P1/A-1+/F1+ or better short-term ratings).

Interest Rate: The University and their financing team will determine interest rate modes and the mix of Fixed Rate Bonds and Variable Rate Bonds after evaluating market conditions and prospective transaction sizing in advance of pricing.

Underlying Debt Ratings: The University's current underlying ratings are: (1) long-term: Aa1/AA/AA+ (Moody's/S&P/Fitch) and (2) short-term: P1/A-1+/F1+ (Moody's/S&P/Fitch).
Rating Outlooks:

- Moody's: Ratings affirmed with Negative outlook as of 1/28/2014.
- Standard & Poor's: Ratings affirmed with Negative outlook as of 1/29/2014
- Fitch: Ratings affirmed with Stable outlook as of 1/27/2014.

Maturity: Not later than 2054 (i.e., 40 years from issuance date; maximum parameter) on any New Money Bonds. Maturity to be determined on any Refunding Bonds.

Estimated Closing Date: August or September 2014

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be issued in one or more series and used by **The University of Chicago** (the “**University**” or the “**Borrower**”) for the purpose of providing all or a portion of the funds necessary to (i) finance, refinance or be reimbursed for all or a portion of the costs of the planning, design, acquisition, construction, renovation, improvement, expansion, completion and/or equipping of certain of its facilities constituting “educational facilities,” as defined in the Act (the “**Project**”), including capitalized interest and working capital expenditures related to the Project, if deemed desirable by the University, (ii) currently refund, advance refund or provide for the payment of all or a portion (if any) of the Illinois Finance Authority Revenue Bonds, The University of Chicago, Series 2008B, issued and currently outstanding in the original aggregate principal amount of \$500,000,000 (the “**Series 2008B Bonds**”), the proceeds of which were loaned to the University and used to finance, refinance or be reimbursed for all or a portion of the costs of the acquisition, construction, renovation, improvement and equipping of certain of the University’s facilities constituting “educational facilities,” as defined in the Act (collectively with the Project, the “**Financed Properties**”), (ii) fund one or more debt service reserve funds for the Bonds (as hereinafter defined) if deemed desirable by the University and (iv) pay certain costs relating to the issuance of the Bonds and the current refunding, advance refunding or provision for the payment of all or a portion (if any) of the Series 2008B Bonds, all as permitted under the Act (collectively referred to as the “**Financing Purposes**”).

BUSINESS SUMMARY

Description: **The University of Chicago** (the “**University**” or the “**Borrower**”) is a 501(c)(3) organization incorporated under Illinois law. The University is a private, non-sectarian, co-educational institution of higher learning founded by John D. Rockefeller in 1890 that is governed by a Board of Trustees (see pages 5-6 for listing of the 53 members of the Board of Trustees as of 12/31/2013). The by-laws of the University provide that the Board shall not exceed 55 members, each elected for a five-year term.

Description: The University of Chicago has emphasized both research and teaching from its inception. The University has had a major impact on American higher education -- including devising the four-quarter academic year, developing extension courses and programs in the liberal arts for adults, establishing a general education program for undergraduates, initiating a full-time medical school teaching faculty, and establishing the first executive MBA program. The University has a highly respected education department and the University is a nationally recognized leader in both the sciences and social sciences.

At the University, campus and community are interconnected in partnerships that serve both to support the community and to train future policymakers, social workers, artists, and social and political leaders. The University of Chicago Charter School, run by the Center for Urban School Improvement, serves students with four campuses for students in pre-kindergarten through high school. The Mandel Legal Aid Clinic teaches Law School students advocacy skills, professional ethics, and the effect of legal institutions on the poor, while assisting indigent clients.

The University of Chicago’s 211-acre Hyde Park Campus is located eight miles south of downtown Chicago. The Hyde Park Campus, designated a botanic garden in 1997, stretches along both sides of the Midway Plaisance, a broad parkway designed by Frederick Law Olmstead for the city’s South Park System developed in connection with the World’s Columbian Exposition in 1893. The campus is arranged in a series of quadrangles, with a blend of traditional English Gothic and award-winning modern buildings designed by renowned international architects.

Applications to the University’s **Undergraduate College** (the “**College**”) have increased substantially since 2008-2009, which in turn has allowed the University to become more selective.

In 2013-2014, the College received 30,271 applications (up from 25,268 applications in 2012-2013) of which 2,670 were selected. In comparison, for academic year 2008-2009, the College received 12,377 applications and selected 3,454 offers of admission in 2008-2009). Indicative of

the College's increasing selectivity, the mean SAT/ACT scores were 1492/33 for the 2013-2014 academic year, compared to 1412/31 (SAT/ACT) in the 2008-2009 academic year. According to the University's 2013 Annual Operating Information for the year ended 6/30/2013 (posted on the MSRB's EMMA website on 12/20/2013), the College accepted 9.0 percent of the record 30,271 applications it received for the 2013-14 academic year, which according to an April 1, 2013 article in *Crain's Chicago Business* made undergraduate admission at the College more selective than several Ivy League institutions (including Cornell University, University of Pennsylvania, Dartmouth College, and Brown University). ("University of Chicago more selective than some Ivies", *Crain's Chicago Business*, by Lorene Yue, April 1, 2013:
Link: chicagobusiness.com/article/20130401/NEWS13/130409989/university-of-chicago-more-selective-than-some-ivies)

The College's selectivity has increased as undergraduate enrollment has increased from 4,642 students in 2005-2006 to 5,697 in 2013-2014. This continued growth in the undergraduate student body reflects successful implementation of the University's strategic plan.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The University of Chicago, 5801 S. Ellis Avenue, Chicago, IL 60637
Contact: Rowan Miranda, Senior Associate VP for Finance & Administration and Treasurer
T: (773) 702-1940; E-mail: rmiranda@uchicago.edu
Website: www.uchicago.edu

Site Locations
(New Projects): The University's Hyde Park Campus: The University's general campus is bordered by 47th Street on the north; Lake Shore Drive on the east; 61st Street on the south; and Cottage Grove Ave. on the west in Chicago, Illinois. A portion of the Bond proceeds may also be used to fund (or refund) costs of projects undertaken at the following locations, also located in Chicago, Illinois: 11030 S. Langley Avenue, 10910 S. Langley Avenue, 11023 S. Langley Avenue, 727 East 110th Street and 450 N. Cityfront Plaza Drive.

Project name: IFA Series 2014 Revenue Bonds and Revenue Refunding Bonds (The University of Chicago Project); to be issued in one or more series

Board

Of Trustees: **Trustees/ Professional Affiliation**

Andrew M. Alper Chairman, EQA Partners, LP	Craig J. Duchossois CEO, The Duchossois Group, Inc.
Sekhar Bahadur Retired Vice Chair of Global Banking, Deutsche Bank	John A. Edwardson Retired Chairman, CDW
David G. Booth Co-CEO and Chairman, Dimensional Fund Advisors	James S. Frank President and CEO, Wheels Inc.
David B. Brooks Op-Ed Columnist, New York Times Company	Jack W. Fuller Retired President, Tribune Publishing Company
Thomas A. Cole Chairman of the Executive Committee and Partner, Sidley Austin LLP	Timothy M. George Managing Director, Lazard Ltd.
E. David Coolidge III Vice Chairman, William Blair & Company, LLC	Rodney L. Goldstein Chairman and Managing Director, Frontenac Company
James S. Crown President, Henry Crown and Company	Mary Louise Gorno Managing Director, Hudson Global, Inc.
Katharine P. Darrow Retired Senior Vice President, The New York Times Company	Kathryn C. Gould Co-Founder, Foundation Capital
Daniel L. Doctoroff CEO and President, Bloomberg LP	Sanford J. Grossman Chairman and CEO, Q.F.S. Asset Management, LP
Brady W. Dougan CEO, Credit Suisse Group AG	King W. Harris Chairman, Harris Holdings, Inc.

Kenneth M. Jacobs Chairman and CEO, Lazard Ltd.
Karen L. Katen Senior Advisor, Essex Woodlands Health Ventures
Dennis J. Keller Retired Chairman and CEO, Co-Founder, DeVry Inc.
Steven A. Kersten President, Water Saver Faucet Company
James M. Kilts Founding Partner, Centerview Partners
Michael J. Klingensmith Publisher and CEO, Minneapolis Star Tribune
Michael L. Klowden President and CEO, Milken Institute
Rachel D. Kohler Group President, Interiors Group Kohler Interiors
Robert W. Lane Retired Chairman, Deere & Company
Charles Ashby Lewis Chairman, Lewis-Sebring Family Foundation
John Liew Co-Founder, AQR Capital Management, LLC
Peter W. May President and Founding Partner, Triam Partners
Joseph Neubauer Chairman, ARAMARK Corporation
Emily Nicklin Partner, Kirkland & Ellis LLP
Michael P. Polsky Founder, President, and CEO, Invenergy, LLC
Myrtle S. Potter President and CEO, Myrtle Potter and Company LLC

Link to UofC Board Member Listing: <https://trustees.uchicago.edu/>

Thomas J. Pritzker Chairman, Hyatt Hotels Corporation
John W. Rogers, Jr. Chairman and CEO, Ariel Investments, LLC
Andrew M. Rosenfield Managing Partner, Guggenheim Partners
David M. Rubenstein Co-Founder and Co-CEO, The Carlyle Group
Alvaro J. Saieh President, CorpGroup Holding
Nassef O. Sawiris CEO, OCI N.V.
Steve G. Stevanovich President, SGS Group of Companies
Elizabeth M. Thompson Burr Ridge, Illinois
Mary A. Tolan Founder and CEO, Accretive Health
Byron D. Trott Managing Partner, BDT Capital Partners
Marshall I. Wais CEO, Marwais International LLC
Gregory W. Wendt Senior Vice President, Capital Research Company
Donald R. Wilson, Jr. CEO, Partner, DRW Trading Group
Paula Wolff Senior Executive, Metropolis Strategies
Paul G. Yovovich President, Lake Capital
Francis T. F. Yuen Chairman, Ortus Capital Management Ltd.
Robert J. Zimmer President, The University of Chicago

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Schiff Hardin LLP	Chicago, IL	Bruce Weisenthal
Auditor:	KPMG LLP	Chicago, IL	David Seid
Borrower Financial Advisor:	Prager & Co., LLC	San Francisco, CA	Susan Fitzgerald
		New York, NY	Mary Jane Darby
Bond Counsel:	Chapman & Cutler, LLP	Chicago, IL	Nancy Burke
Underwriter/Senior Manager:	Barclays Capital, Inc.	New York, NY	John Augustine
Co-Senior Manager:	PNC Capital Markets LLC	Chicago, IL	
Co-Managers:	Loop Capital Markets, LLC	Chicago, IL	
	William Blair & Co., LLC	Chicago, IL	
Underwriter's Counsel:	Pugh Jones	Chicago, IL	Lorraine Tyson
Trustee:	Wells Fargo Bank, N.A.	Chicago, IL	Gail Klewin
Architects:	HOK	Chicago, IL	
	James Carpenter Design Associates, Inc.	New York, NY	
	FGM/Valerio Dewalt Train Associates	Chicago, IL	
	Studio Gang Architects	Chicago, IL	
	Ann Beha Architects	Boston, MA	
Construction Managers:	W.E. O'Neill Construction Company	Chicago, IL	
	Lend Lease (US) Construction, Inc.	Chicago, IL	
	Mortenson Construction	Chicago, IL	
	Turner Construction Company	Chicago, IL	
IFA Counsel:	Burke Burns & Pinelli, Ltd.	Chicago, IL	Steve Welcome
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

	<u>Hyde Park Campus</u>	<u>450 N. Cityfront Plaza</u>	<u>11030, 10910, 11023 S. Langley & 727 E. 110th St.</u>
Congressional:	1	7	2
State Senate:	13	13	17
State House:	25	26	34
