



August 13, 2015

**\$16,000,000**

**Joint Commission on Accreditation of Healthcare Organizations**

|                                   |  |                            |                   |   |
|-----------------------------------|--|----------------------------|-------------------|---|
| <b>REQUEST</b>                    | <p><b>Purpose:</b> Bond proceeds will be used by the Joint Commission on Accreditation of Healthcare Organizations (“the Joint Commission”)</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>           | None. This is the first time this project has been presented to the IFA Board of Directors for consideration.  |                            |                   |   |
| <b>JOB DATA</b>                   | 721  | Current FTE’s              | 0                 | New jobs projected  |
|                                   | 721  | Retained FTE’s             | 30-35             | Construction jobs projected   |
|                                   |  |                            |                   | * The project will require approximately 30-35 construction workers, of which approximately 3 are new construction positions needed for this Project. |
| <b>DESCRIPTION</b>                | <ul style="list-style-type: none"> <li>• Oakbrook Terrace (DuPage County)</li> <li>• The Joint Commission is an independent not-for-profit organization incorporated in the State of Illinois. The Joint Commission accredits and certifies more than 23,000 health care organizations and programs in the United States. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization’s commitment to meeting certain performance standards.</li> </ul> |                            |                   |   |
| <b>CREDIT INDICATORS</b>          | <ul style="list-style-type: none"> <li>• Bonds to be purchased directly by DNT Asset Trust, a wholly owned subsidiary of JP Morgan Chase, as Bank Purchased Bonds.</li> </ul>  |                            |                   |   |
| <b>SECURITY</b>                   | <ul style="list-style-type: none"> <li>• Secured by blanket lien on business assets and negative pledge on real property - on par with outstanding debt.</li> </ul>  |                            |                   |   |
| <b>MATURITY</b>                   | <ul style="list-style-type: none"> <li>• No later than 10 years.</li> </ul>  |                            |                   |   |
| <b>SOURCES AND USES ESTIMATED</b> | <b>Sources:</b>  |                            | <b>Uses:</b>      |   |
|                                   | IFA Bonds  | <u>\$16,000,000</u>        | Project Cost      | \$15,790,000  |
|                                   |  |                            | Costs of Issuance | <u>210,000</u>  |
|                                   | <b>Total</b>   | <b><u>\$16,000,000</u></b> | <b>Total</b>      | <b><u>\$16,000,000</u></b>  |
| <b>RECOMMENDATION</b>             | Credit Review Committee recommends approval.   |                            |                   |   |

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
August 13, 2015**

**Project: Joint Commission on Accreditation of Healthcare Organizations**

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**STATISTICS**

|                                  |                                  |
|----------------------------------|----------------------------------|
| Project Number: H-SL-TE-CD-12294 | Amount: \$16,000,000             |
| Type: 501(c)(3) Bonds            | IFA Staff: Pam Lenane            |
| Location: Oakbrook Terrace, IL   | County/ Region: DuPage/Northeast |

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**BOARD ACTION**

|   |   |
|---|---|
| Final Bond Resolution ( <i>one-time consideration</i> ) | Credit Review Committee recommends approval |
| Conduit 501 (c)(3) bonds                                | No extraordinary conditions                 |
| No IFA funds at risk                                    |   |

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**VOTING RECORD**

None. This is the first time this project has been presented to the IFA Board for consideration.

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**PURPOSE**

To provide the funds necessary to renovate existing office space originally built in 1988.

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**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 and 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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**JOBS**

|                               |   |
|-------------------------------|---|
| Current employment: 721 FTE's | Projected new jobs: 0                                 |
| Jobs retained: 721 FTE's      | Construction jobs: 30-35, approx. 3 are new positions |

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**ESTIMATED SOURCES AND USES OF FUNDS**

| <b>Sources:</b> |                            | <b>Uses:</b>      |                            |
|-----------------|----------------------------|-------------------|----------------------------|
| IFA Bonds       | <u>\$16,000,000</u>        | Project Cost      | \$15,790,000               |
|                 |                            | Costs of Issuance | <u>210,000</u>             |
| <b>Total</b>    | <b><u>\$16,000,000</u></b> | <b>Total</b>      | <b><u>\$16,000,000</u></b> |

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**FINANCING SUMMARY/STRUCTURE**

Security: Payment on the Bond secured by a blanket lien on business assets and negative pledge on real property on parity with outstanding debt.

Structure: Fixed Rate Debt

Interest Rate: TBD – Est. 5/27/15 of 2.00% for initial 7 year period, subject to adjustment as provided in the bond and loan agreement

Interest Mode: Bank Mode

Rating: None

Maturity: 10 years after issuance

Estimated Closing Date: August 26, 2015

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**PROJECT SUMMARY**

The proceeds of the Bonds will be used to provide the funds necessary to renovate existing office space .

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**BUSINESS SUMMARY**

**The Joint Commission** is an independent not-for-profit organization incorporated in the State of Illinois. The Joint Commission accredits and certifies nearly 23,000 health care organizations and programs in the United States. Joint Commission accreditation and certification is recognized nationwide as a symbol of quality that reflects an organization's commitment to meeting certain performance standards.

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**OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT**

Project name: Headquarters Renovation

Applicant: The Joint Commission on Accreditation of Healthcare Organizations

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

State: Illinois

Board Members:

|                            |                    |                      |
|----------------------------|--------------------|----------------------|
| Joan Clark                 | Grant Davies       | Craig Jones          |
| Marie Knedler              | Gregg S. Meyer     | David B. Pryor       |
| R. Timothy Rice            | David L. Bronson   | Roger W. Bush        |
| Mark A. Kelley             | L.D. Britt         | Mary H. McGrath      |
| Carlos A. Pellegrini       | M. Nicole Jamali   | Mary Anne McCaffree  |
| Albert J. Osbahr           | Rebecca J. Patchin | Stephen R. Permut    |
| Steven S. Sharfstein       | Carl A. Sirio      | David Perrott        |
| Mark R. Chassin            | John A. Babiarz    | Charles R. Buck, Jr. |
| Ilene Corina               | Christopher Queram | J.B. Silvers         |
| Aurie Hollingsworth Miller | Michael F. Hogan   | Joan Doyle           |
| Connie S. March-Curtis     | Jane D. Englebrigh |                      |

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**PROFESSIONAL & FINANCIAL**

|                         |                              |         |                  |
|-------------------------|------------------------------|---------|------------------|
| Borrower's Counsel:     | Chapman and Cutler LLP       | Chicago | Nancy Burke      |
| Bond Counsel:           | Chapman and Cutler LLP       | Chicago | Jane Nagle       |
| Bank                    | JP Morgan Chase              | Chicago | Candice Richmond |
| Bank Counsel:           | Scott & Krause               | Chicago | Jim Schraidt     |
| Issuer's Counsel:       | Charity & Associates         | Chicago | Alan Bell        |
| Borrower's Fin Advisor: | Ponder & Co                  | Chicago | Mike Tym         |
| IFA Financial Advisor:  | Acacia Financial Group, Inc. | Chicago | Jim Beck         |

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**LEGISLATIVE DISTRICTS**

|                |    |
|----------------|----|
| Congressional: | 5  |
| State Senate:  | 24 |
| State House:   | 48 |

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**SERVICE AREA**

The Joint Commission evaluates and accredits nearly 23,000 health care organizations throughout the United States. The comprehensive accreditation process evaluates an organization's compliance with state-of-the-art standards and other accreditation requirements that directly and indirectly related to the quality and safety of care provided by the organization. These accreditation services are provided for hospitals, clinical laboratories, home care, long term care, behavioral health care, and ambulatory care organizations.