



July 9, 2015

**\$23,000,000 (not-to-exceed amount)
Shedd Aquarium Society**

REQUEST	<p>Purpose: Proceeds of the Bond will be used by the Shedd Aquarium Society (the “Shedd”, or the “Borrower”), and will be combined with other funds provided by the Borrower for the purposes of (i) currently refunding and redeeming all of the outstanding Illinois Finance Authority Series 2005 Bonds (Shedd Aquarium Society) and (ii) paying certain costs relating to the issuance of the Bond and the refunding of the Series 2005 Bonds, all as permitted under the Act.</p> <p>Program: 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions - None</p>																
BOARD ACTIONS	Final Bond Resolution (one-time consideration)																
MATERIAL CHANGES	This is the first time this Project has been presented to the IFA Board of Directors.																
JOB DATA	<table border="0"> <tr> <td>285 FT; 83 PT; Current jobs</td> <td>N/A (Refunding)</td> <td>New jobs projected</td> </tr> <tr> <td>126 Temporary</td> <td></td> <td></td> </tr> <tr> <td>N/A Retained jobs</td> <td>N/A (Refunding)</td> <td>Construction jobs projected</td> </tr> </table>	285 FT; 83 PT; Current jobs	N/A (Refunding)	New jobs projected	126 Temporary			N/A Retained jobs	N/A (Refunding)	Construction jobs projected							
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DESCRIPTION	<ul style="list-style-type: none"> • Location (Chicago/Cook County/Northeast Region) • The Shedd Aquarium Society is incorporated as an Illinois not-for-profit corporation and is a 501(c)(3) corporation. • The Shedd Aquarium Society was established in 1924 to construct, maintain and operate an aquarium or museum of aquatic life, exclusively for educational and scientific purposes, for the collection, care, study, and exhibition of fish and other aquatic animals and plant life, and the education of the public. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> • The Shedd’s current long-term debt rating is A1 from Moody’s (Outlook: Stable); affirmed 6/4/2013. 																
PROPOSED STRUCTURE	<ul style="list-style-type: none"> • The Aquarium’s outstanding Series 2005 Bonds (Assured Guaranty bond insurance – enhanced) will be refunded by a direct bank purchase issue by JPMorgan Chase Bank, N.A. (through its wholly-owned subsidiary DNT Asset Trust, a Delaware business trust). • The Museum expects to maintain the scheduled final maturity dates in effect on the Prior IFA Series 2005 Bonds to be refunded (i.e., 7/1/2027). 																
SOURCES AND USES ESTIMATED	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Refunding Bonds</td> <td>\$22,945,000</td> <td>Refund Prior IEFA Bonds</td> <td>\$22,945,000</td> </tr> <tr> <td>Equity</td> <td><u>188,000</u></td> <td>Issuance Costs</td> <td><u>188,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$23,133,000</u></td> <td>Total</td> <td><u>\$23,133,000</u></td> </tr> </table>	Sources:		Uses:		IFA Refunding Bonds	\$22,945,000	Refund Prior IEFA Bonds	\$22,945,000	Equity	<u>188,000</u>	Issuance Costs	<u>188,000</u>	Total	<u>\$23,133,000</u>	Total	<u>\$23,133,000</u>
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RECOMMENDATION	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 9, 2015**

Project: Shedd Aquarium Society

STATISTICS

Project Number:	N-NP-TE-CD-8758	Amount:	\$23,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton and Brad R. Fletcher
Location:	Chicago	County/ Region:	Cook/Northeast

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

Proceeds of the IFA Series 2015 Bond will be used to current refund 100% of the outstanding balance of IFA Series 2005 Bonds and pay costs of issuance. This refinancing will also enable the Shedd to convert from an insured structure to a bank direct purchase structure.

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are municipal bonds authorized under the Internal Revenue Code that enable 501(c)(3) corporations to finance capital projects at tax-exempt municipal bond interest rates. IFA's issuance of these Bonds will convey federal tax-exempt status on the interest paid to Bondholders, thereby enabling Bondholders to accept a below market interest rate that is passed through to the Borrower.

VOLUME CAP

No Volume Cap is required for 501(c)(3) financings.

JOBS

Current employment: 285 FT; 83 PT; 126-Temporary	Projected new jobs: N/A (Refunding)
Jobs retained: N/A	Construction jobs: N/A (Refunding)

SOURCES AND USES OF FUNDS (PRELIMINARY, SUBJECT TO CHANGE)

Sources:	IFA Refunding Bonds	\$22,945,000	Uses:	Refund IEFA Bonds	\$22,945,000
	Equity	188,000		Issuance Costs	188,000
	Total	<u>\$23,133,000</u>		Total	<u>\$23,133,000</u>

FINANCING SUMMARY

Structure/ Security:	The IFA Series 2015 Refunding Bonds will be purchased directly by JPMorgan Chase Bank, N.A. and will be structured, effectively, as a stand-alone tax-exempt commercial loan. <i>It is expected that the Bank will be secured solely by a General Pledge of the Shedd Aquarium Society and will not be secured by a pledge of any real assets of the Aquarium, nor secured by a lien or security interest in any other fixed assets.</i>
Underlying Ratings:	The Shedd currently has a long-term debt rating of A1 from Moody's (Outlook – Stable), affirmed 6/4/2013. The proposed Refunding Bonds will be bank direct purchased and non-rated. Although Shedd has an investment grade credit rating, the Aquarium has no debt outstanding in the market sold based solely on the Aquarium's underlying debt rating.
Maturity:	The Aquarium expects to maintain the existing maturity date of its outstanding IFA Series 2005 Bonds (i.e., 7/1/2027 – approximately 12 years).
Estimated Interest Rates:	The Shedd Aquarium and the Bank are expected to negotiate interest rates with the Purchaser that will reflect market-based rates and will be set prior to closing.
Timing:	July 2015
Rationale:	The proposed refunding will reduce annual debt service expense thereby providing surplus cash flow for program costs.

PROJECT SUMMARY (FOR IFA FINAL BOND RESOLUTION)

Proceeds of the Bond will be used by the Shedd Aquarium Society (the “**Shedd**”, or the “**Borrower**”), and will be combined with other funds provided by the Borrower for the purposes of (i) currently refunding and redeeming all of the outstanding Illinois Finance Authority Series 2005 Bonds (Shedd Aquarium Society) and (ii) paying certain costs relating to the issuance of the Bond and the refunding of the Series 2005 Bonds, all as permitted under the Act.

Estimated project costs are comprised of:

Refunding of Prior IFA Series 2005 Bonds:	<u>\$22,945,000</u>
Total	<u>\$22,945,000</u>

BUSINESS SUMMARY

Background:	The Shedd Aquarium Society was incorporated as an Illinois not-for-profit corporation in 1924. The Shedd is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1985, as amended, as an organization described in Section 501(c)(3) thereof. The Shedd is governed by an independent Board of Trustees (see page 5 for listing).
Description:	<p>The Shedd Aquarium Society was established in 1924 to construct, maintain and operate an aquarium or museum of aquatic life, exclusively for educational and scientific purposes, for the collection, care, study, and exhibition of fish and other aquatic animals and plant life, and the education of the public.</p> <p>The Society opened the John G. Shedd Aquarium, which had been constructed as a gift to the citizens of Chicago by John Graves Shedd, chairman of the board of Marshall Field & Company later in the 1920s. Located in the Museum Campus in downtown Chicago, the Aquarium contains one of the largest collections of aquatic life in the world. At the Aquarium, animals connect guests to the living world, with the purpose of inspiring visitors to make a difference. The Shedd's exhibits and learning programs encourage visitors to support conservation efforts that protect wildlife and habitats around the world.</p>

The Aquarium also performs research worldwide to support the health of animals in its care and vibrant wild populations around the world. The Aquarium is open 363 days each year. General admission fees are not charged to Illinois residents on 52 days each year. In addition, Illinois school children are eligible for free admission.

The Aquarium has been the most-visited (paid) cultural institution in the city of Chicago for 16 of the past 20 years. In 2014, approximately 45% of the Aquarium's 1.8 million guests were from Illinois, 43% from other states and 12% were international visitors.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Shedd Aquarium Society, 1200 S. Lake Shore Drive, Chicago, IL 60605
Web site: www.sheddaquarium.org
Contact: Joyce Simon, Executive Vice President/Chief Financial Officer, (T): 312.692.3114
E-mail: jsimon@sheddaquarium.org
Project name: IFA Revenue Refunding Bonds, Series 2015 (Shedd Aquarium Society)
Location: 1200 S. Lake Shore Drive, Chicago (Cook County), IL 60605
Organization: Illinois 501(c)(3) Corporation
Board Membership: *See attached list of Board of Trustees (see page 5)*
Current Land Owner: Legal title to the Shedd's buildings in Grant Park and the land on which they are situated is vested in the Chicago Park District, but the Shedd is vested with the sole and permanent right to the use and occupancy of the lands, buildings, and improvements at no cost to the Shedd provided the facilities are used to support the Shedd's mission.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Chapman and Cutler LLP	Chicago, IL	Chris Walrath
Auditor:	Plante Moran LLP	Chicago, IL	
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke
Purchasing Bank:	DNT Asset Trust, a wholly-owned affiliate of JPMorgan Chase Bank, N.A.	Chicago, IL	
Bank Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour
Rating Agency:	Although the subject Bonds will be non-rated and not credit enhanced, the Shedd Aquarium Society has its own stand-alone investment grade rating ("A1") from Moody's as noted on p. 3 of this report.		
IFA Counsel:	Hinshaw & Culbertson LLP	Chicago, IL	Leslie Richards-Yellen
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional: 7
State Senate: 13
State House: 26

Ted A. Beattie, *President/CEO – Shedd Aquarium Society*

Peter J. Bensen
Richard W. Burke, Sr.
Paul J. Carbone
William J. Chase
Elizabeth Hardigan Connelly
Eugene M. Cummings
Scott L. Dille
David L. Epstein
Richard E. Erwin
Tyrone C. Fahner
Sarah N. Garvey
H. John Gilbertson Jr.
Brett J. Hart
Wallace L. Head
Kym M. Hubbard
Brian A. Kenney
Richard L. Keyser
Thomas N. King
David J. Koo
Anne E. Krebs
Mitchell Krebs
Donna LaPietra
Stuart Larkins
Bruce K. Lee
Matthew Levin
Anna M. Livingston

Cheryl McKissack
Andrew McNally V
Harvey L. Miller
J. Jay Miller
Wade D. Miquelon
Susan E. Morrison
Christopher J. Oates
Ellen L. O'Connor
Jane B. Perkins
Ginevra Reed Ralph
Gregory H. Sachs
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Sandra L. Simon
Alex Singla
Mary Sehnert Smith
Guy E. Snyder
Steven J. Solomon
Tracy Souder
William C. Steers
Jane Warner
Reeve Byron Waud
Steve Weller
Donna Sims Wilson