



\$400,000,000 (not-to-exceed amount)

August 13, 2015

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 “New Projects”), 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 2007, issued and currently outstanding in the original aggregate principal amount of \$244,030,000 (the “Series 2007 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 New 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 2007 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	<p>Final Bond Resolution.</p> <p>Voting Record – Preliminary Bond Resolution – July 9, 2015: Yeas-11; Nays-0; Present-0 ; Absent-2 (Pedersen; Tessler)</p>																				
MATERIAL CHANGES	<p>Bond sizing for Tax-Exempt Series determined at not-to-exceed \$400 million. Induced for not-to-exceed \$550 million.</p>																				
JOB DATA	<table border="0"> <tr> <td>11,819</td> <td>Current jobs</td> <td>48-56</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>5,323</td> <td>Construction jobs (over development cycle)</td> </tr> </table>	11,819	Current jobs	48-56	New jobs projected	N/A	Retained jobs	5,323	Construction jobs (over development cycle)												
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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). • 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 (tax-exempt and taxable) 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 Bonds</td> <td>\$400,000,000</td> <td>New Money Project Fund</td> <td>\$349,250,000</td> </tr> <tr> <td>Taxable Fixed Rate Bonds - UofC</td> <td><u>150,000,000</u></td> <td>Refunding Bonds</td> <td>200,000,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td><u>750,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$550,000,000</u></td> <td>Total</td> <td><u>\$550,000,000</u></td> </tr> </table>	Sources:		Uses:		IFA Bonds	\$400,000,000	New Money Project Fund	\$349,250,000	Taxable Fixed Rate Bonds - UofC	<u>150,000,000</u>	Refunding Bonds	200,000,000			Costs of Issuance	<u>750,000</u>	Total	<u>\$550,000,000</u>	Total	<u>\$550,000,000</u>
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	<p>NOTE: The proposed tax-exempt issuance amounts reported above are preliminary, and subject to change.</p>																				
RECOMMENDATION	<p>Credit Review Committee recommends approval.</p>																				

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

Project: The University of Chicago

STATISTICS

Project Number:	E-PC-TE-CD-8759	Amount:	\$400,000,000 (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	
Conduit 501(c)(3) Revenue and Refunding Bonds	No IFA funds at risk
Credit Review Committee recommends approval	No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution – July 9, 2015: Yeas-11; Nays-0; Present-0; Absent-2 (Pedersen; Tessler)

PURPOSE

Bond proceeds will be issued in one or more series and used by **The University of Chicago** to (i) finance a series of New Money projects and to (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 2007, (the “**Series 2007 Bonds**”), (iii) fund one or more debt service reserve funds for the Bonds, and (iv) pay certain costs relating to the issuance of the Bonds (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:	IFA Bonds – Series 2015A	\$400,000,000	Uses:	New Money Project Fund	\$349,250,000
	Taxable Series 2015B			Refunding Bonds	200,000,000
	Bonds-UofC	<u>150,000,000</u>		Costs of Issuance	<u>750,000</u>
Total		<u>\$550,000,000</u>	Total		<u>\$550,000,000</u>

Notes: The amounts represented in this report represent not-to-exceed parameters and the final amount is subject to change.

The Series 2015B Taxable Bonds will be issued directly by the University (i.e., IFA will not be serving as a conduit issuer).

JOBS

Current employment:	11,733 (2,190 faculty; 9,543 FT and PT staff)	Projected new jobs:	48-56
Jobs retained:	N/A	Construction jobs:	5,323 Direct

***Note:** A portion of the proceeds of the IFA Series 2015 New Money Bonds will finance the continued build-out of various projects previously financed with prior IFA Bond issues, including the William Eckhardt Research Center, the University of Chicago Laboratory School and the Campus North Residence Hall and Dining Facility. Additionally, there will be three new projects (Keller Center; David M. Rubinstein Forum; the Laboratory for Astrophysics and Space Research Renovation; and various other administrative, academic, research, infrastructure and campus projects, including related landscaping, signage, and other similar improvements. *The jobs forecast above only reflect project and construction employment associated with these new projects.*)

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 \$585million 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.
Interest Rate:	The University and their financing team will determine interest rate modes and the mix of tax-exempt and taxable bonds after evaluating market conditions and prospective transaction sizing in advance of pricing.
Underlying Debt Ratings:	The rating agencies each assigned the following ratings to the IFA Series 2015A Bonds (and to the University's Taxable Series 2015B Bonds): <ul style="list-style-type: none">• Moody's: "Aa2" assigned as of 7/31/2015 (Outlook: Stable)• Standard & Poor's: "AA" assigned as of 7/30/2015 (Outlook: Negative)• Fitch: "AA+" assigned as of 7/30/2015 (Outlook: Stable)
Maturity:	Not later than 2055 (i.e., 40 years from issuance date; maximum parameter). Final maturities to be determined based on tax analysis (particularly for any Refunding Bonds).
Estimated Closing Date:	August 2015

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 2007, issued and currently outstanding in the original aggregate principal amount of \$244,030,000 (the "**Series 2007 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 2007 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 55 members of the Board of Trustees as of 12/31/2014). 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 215-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. The University offers 50 majors and 29 minors in the undergraduate college. The University offers 6 professional schools and 5 divisions in graduate study.

In research, the University has had 89 Nobel Prize winners, including 7 current faculty members. The University also manages the Argonne National Laboratory (under terms of a cost reimbursement contract with the U.S. Department of Energy) and Fermi National Accelerator Laboratory (via a joint venture).

In 2014-2015, the College received 27,500 applications (up from 25,268 applications in 2012-2013) of which 2,409 were selected. In comparison, for academic year 2008-2009, the College received 12,377 applications and selected 3,454 for admission in 2008-2009). Indicative of the College’s increasing selectivity, the mean SAT score was 1489 for the 2014-2015 academic year, compared to 1412 (SAT) in the 2008-2009 academic year. According to the University’s 2014 Annual Operating Information for the year ended 6/30/2014 (posted on the MSRB’s EMMA website on 12/12/2014), the College accepted 9.0 percent of the 27,500 applications it received for the 2014-15 academic year.

The College's selectivity has increased as undergraduate enrollment has increased from 4,642 students in 2005-2006 to 5,729 in 2014-2015. The University also had 8,499 graduate, professional, and other students in academic 2014-2015. This continued growth in the undergraduate student body reflects successful implementation of the University's strategic plan.

The University is a "needs blind" institution with an extensive financial aid program that is designed to enable the most qualified students to attend the University regardless of individual financial circumstances. More than 1,000 students in academic 2014-15 in The (Undergraduate) College received "Odyssey Scholarships", which eliminate student loans for low-income and moderate-income students for those with family income below \$60,000 (and reduce loan indebtedness for others). The Odyssey Scholarships were capitalized by a \$100 million anonymous donation.

Since 1913, the University has been continuously accredited by the Higher Learning Commission of the North Central Association.

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 other locations owned or operated by the University (and will be identified at the time of the Bond Resolution, as applicable).

Project name: IFA Series Revenue Bonds (The University of Chicago, Series 2015A)

Board

Of Trustees: **Trustees/ Professional Affiliation**

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Katharine P. Darrow Retired Senior Vice President, The New York Times Company	Kenneth C. Griffin , CEO and Founder, Citadel
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Brady W. Dougan CEO, Credit Suisse Group AG	King W. Harris Chairman, Harris Holdings, Inc.
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James M. Kilts Founding Partner, Centerview Partners
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Michael L. Klowden President and CEO, Milken Institute
Rachel D. Kohler Principal, KoHop Ventures
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, Next Egg Group
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
Thomas J. Pritzker Executive Chairman, Hyatt Hotels Corporation
Link to UofC Board Member Listing: <https://trustees.uchicago.edu/>

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Emmanuel Roman, CEO, Man Group Plc
Andrew M. Rosenfield Managing Partner, Guggenheim Partners
David M. Rubenstein Co-Founder and Co-CEO, The Carlyle Group
Alvaro J. Saleh Chairman of the Board, CorpGroup
Nassef O. Sawiris CEO, OCI N.V.
Steve G. Stevanovich President, SGS Group of Companies
Elizabeth M. Thompson Nonprofit Organization Specialist
Mary A. Tolan Chairman, Chicago Pacific Founders
Byron D. Trott Chairman and CEO, 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	Kurt Gabaouer
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:	RBC Capital Markets LLC	Chicago, IL	Lorrie DuPont
Co-Managers:	Wells Fargo Securities	New York, NY	Sally Bednar
	Loop Capital Markets, LLC	Chicago, IL	Clarence Bourne
	William Blair & Co., LLC	Chicago, IL	John Peterson
Underwriter's Counsel:	Pugh Jones & Johnson, P.C.	Chicago, IL	Lorraine Tyson
Trustee:	Wells Fargo Bank, NA	Chicago, IL	Gail Klewin
Architects:	Farr Associates	Chicago, IL	
	Diller Scofidio and Renfro	New York, NY	
	FGM/Valerio Dewalt Train Associates	Chicago, IL	
	Studio Gang Architects	Chicago, IL	
	Perkins Eastman	Chicago, IL	
Construction Managers:	Berglund Construction	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

Hyde Park Campus

Congressional:	1
State Senate:	13
State House:	25
