



June 11, 2015

\$102,000,000

Little Company of Mary Hospital and Health Care Centers

REQUEST

Purpose: Bond proceeds will be used to: i) refund the Authority’s Revenue Bonds, Series 2010 (Little Company of Mary Hospital and Health Care Centers or the “Corporation”) (the “Series 2010 Bonds”); ii) refinance a taxable line of credit (the “Bridge Loan”), the proceeds of which were used to purchase in the open market and cancel certain of the Series 2010 Bonds; iii) pay or reimburse the Corporation for the payment of all or a portion of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto; and iv) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Series 2010 Bonds and the refinancing of the Bridge Loan, all as permitted by applicable law.

Program: Conduit 501(c)(3) Revenue Bonds.

Extraordinary Conditions: None.

BOARD ACTIONS

Final Bond Resolution – One-Time Consideration

MATERIAL CHANGES

None.

JOB DATA

1,511	FTE’s	Current jobs	N/A	New jobs projected
1,511	FTE’s	Retained jobs	N/A	Construction jobs projected

DESCRIPTION

- Locations: Evergreen Park (Main Campus), Burbank, Chicago, Chicago Ridge, Oak Lawn, Palos Heights.
- The Little Company of Mary Sisters, a religious Congregation of Roman Catholic women, was founded in Nottingham, England by Mother Mary Potter in 1877. At the present time, the Congregation operates two health care facilities in the United States of America and additional health care facilities in Europe, Africa, Australia and New Zealand.
- Health care institutions located in the United States of America are operated under the auspices of the American Province of Little Company of Mary Sisters (the “American Province”), located in Evergreen Park, Illinois, which sponsors Little Company of Mary Hospital and Health Care Centers (the “Corporation”), also located in Evergreen Park, Illinois (298 licensed beds; 254 beds in service). Memorial Hospital and Health Care Center, located in Jasper, Indiana, is also under the auspice of the American Province.
- Little Company of Mary Hospital and Health Care Centers is a not-for-profit corporation and was incorporated in 1893.
- The original hospital facility was dedicated in January 1930. Several additions and renovations were completed throughout the last several decades, including most recently a new patient tower that was completed in 2012.

CREDIT

- Variable Rate Bonds to be purchased by DNT Asset Trust, an affiliate of JPMorgan Chase Bank, N.A.

SECURITY

- The Bonds are expected to be secured by an Obligation of the Little Company of Mary Obligated Group under a Master Trust Indenture. Collateral includes a gross receivables pledge.

INDICATORS

- The Bonds will not be rated. The Corporation has an underlying rating of “A+” (S&P) / Stable Outlook with respect to certain other outstanding indebtedness.

MATURITY

- 2040.

SOURCES AND USES*

IFA Bonds	\$102,000,000	Refund Series 2010 Bonds	\$40,369,250
		Refinance Line of Credit	33,435,000
		Project Fund	27,895,750
		Costs of Issuance	300,000
	Total	Total	\$102,000,000

*Refunding of Series 2010 Bonds includes applicable premium. Certain costs of refunding the Series 2010 Bonds and refinancing the line of credit and a portion of the costs of the Project will be paid from Corporation equity.

RECOMMENDATION

Credit Committee Review recommends approval.

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 June 11, 2015**

Project: Little Company of Mary Hospital and Health Care Centers

STATISTICS

Project Number: H-HO-TE-CD-8479	Amount: \$102,000,000 (Not-to-Exceed).
Type: 501(c)(3) Bonds.	IFA Staff: Pam Lenane
County/Region: Cook/Northeast.	City: Multiple.
	Credit Review Committee Recommends Approval

Conduit 501(c)(3) Bonds.
 No IFA funds at risk.

BOARD ACTION

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

VOTING RECORD

This is the first time this project is being presented to the IFA Board.

PURPOSE

Purpose: Bond proceeds will be used to: i) refund the Authority’s Revenue Bonds, Series 2010 (Little Company of Mary Hospital and Health Care Centers) (the “Series 2010 Bonds”); ii) refinance a taxable line of credit (the “Bridge Loan”), the proceeds of which were used to purchase in the open market and cancel certain of the Series 2010 Bonds; iii) pay or reimburse the Corporation for the payment of all or a portion of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto; and iv) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Series 2010 Bonds and the refinancing of the Bridge Loan, all as permitted by applicable law.

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 reduce the borrower’s interest expense.

VOLUME CAP

501(c)(3) bond issues do not require Volume Cap.

JOBS

Current employment	1,511	Projected new jobs:	N/A
Jobs retained:	1,511	Construction jobs:	N/A

ESTIMATED SOUCES AND USES OF FUNDS*

IFA Bonds	\$102,000,000	Refund Series 2010 Bonds	\$40,369,250
		Refinance Line of Credit	33,435,000
		Project Fund	27,895,750
		Costs of Issuance	<u>300,000</u>
+Total	\$102,000,000	Total	\$102,000,000

* Refunding of Series 2010 Bonds includes applicable premium. Certain costs of refunding the Series 2010 Bonds and refinancing the line of credit and a portion of the costs of the Project will be paid from Corporation equity.

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of the Little Company of Mary Obligated Group under a Master Trust Indenture. Collateral includes a gross receivables pledge.
Interest Rate:	Variable Rate.
Interest Mode:	Private Placement Mode (three-year initial term).
Credit Enhancement:	None.
Credit Rating:	Bonds will not be rated. The Corporation has an underlying rating of “A+” (S&P) / Stable Outlook with respect to certain other outstanding indebtedness.
Maturity:	2050.
Estimated Closing Date:	August 15, 2015.

PROJECT SUMMARY

Purpose: Bond proceeds will be used to: i) refund the Authority’s Revenue Bonds, Series 2010 (Little Company of Mary Hospital and Health Care Centers) (the “Series 2010 Bonds”); ii) refinance a taxable line of credit (the “Bridge Loan”), the proceeds of which were used to purchase in the open market and cancel certain of the Series 2010 Bonds; iii) pay or reimburse the Corporation for the payment of all or a portion of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation, and all necessary and attendant facilities, equipment, site work, zoning, entitlements and utilities related thereto; and iv) pay certain expenses incurred in connection with the issuance of the Bonds, the refunding of the Series 2010 Bonds and the refinancing of the Bridge Loan, all as permitted by applicable law.

BUSINESS SUMMARY

Overview: The Little Company of Mary, an order of nursing sisters, was founded in Nottingham, England by Mother Mary Potter in 1877. At the present time, the Congregation operates two health care facilities in the United States of America and additional health care facilities in Europe, Africa, Australia and New Zealand.

Several health care institutions located in the United States of America operated under the auspices of the American Province of Little Company of Mary Sisters (the “American Province”), headquartered in Evergreen Park, Illinois including Little Company of Mary Hospital and Health Care Centers (the “Corporation”), also located in Evergreen Park, Illinois (298 licensed beds; 254 beds in service). Additionally, Memorial Hospital and Health Care Center, located in Jasper, Indiana, is under the auspice of the American Province.

Little Company of Mary Hospital and Health Care Centers is a not-for-profit corporation, and was incorporated in 1893. The original hospital facility was dedicated in January 1930.

Description of

Properties: The Hospital Facility is situated on approximately 14 acres of property in a residential and commercial area located in the Village of Evergreen Park, Illinois.

Building	Year Completed	Number of Floors	Gross Square Feet
Main Buildings Adult Patient Rooms, Support Services, Administrative Offices, Ancillary Services, Chapel, Cancer Center and Basement	1960-2012	8 Floors	786,765
EDP Building Electronic Data Processing	1930	2 Floors	15,030
Boiler Building Boilers, Generators and Maintenance Offices	1930-1931	2 Floors	7,542

Bed

Complement: The Corporation offers a full range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Corporation is licensed to operate 298 beds.

<u>Bed Category</u>	<u>Licensed Bed Complement</u>	<u>Beds in Service</u>
Medical/Surgical	208	167
Obstetrics	17	17
Pediatrics (includes critical care)	20	20
Acute Mental Illness	24	24
Intensive Care Unit (Adult)	<u>29</u>	<u>26</u>
Total Acute Care Beds	298	254

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Little Company of Mary Hospital and Health Care Centers.

Project Location: Evergreen Park (Main Campus), Burbank, Chicago, Chicago Ridge, Oak Lawn, Palos Heights.

Borrower: Little Company of Mary Hospital and Health Care Centers.

Board of Trustees:

Sister Sharon Ann Walsh Chairperson	Council Leader, Sister of Little Company of Mary Chicago, Illinois
Thomas M. Fahey Vice-Chairperson	Attorney, Nixon Peabody LLP Chicago, Illinois
Joseph Pedota Secretary	C.P.A., George Bagley & Company, L.L.C. Oak Brook, Illinois
Dennis Kelly Treasurer	Attorney, Winston & Strawn LLP Chicago, Illinois
Dennis A. Reilly	President/CEO Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Violet Clark	Attorney, Laner, Muchin, Dombrow, Becker, Levin & Tominberg, Ltd Chicago, Illinois
Brian Farrell, M.D.	Physician, ENT Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Patrick Folliard	C.P.A., Patrick Folliard, CPA, PC Palos Hills, Illinois
Jayanthi Ramadurai, M.D.	Physician, Oncologist Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Daniel Rowan, D.O.	Physician Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois

Robert Sheehy	Owner, Robert J. Sheehy & Sons Funeral Home Orland Park, Illinois
Jay B. Sterns	Director, Barclays Capital Chicago, Illinois
Janice Stewart	Strategic Marketing/Realtor Inverness, Illinois

Ex-Officio Non-Voting Members:

Kent F.W. Armbruster, M.D.	Vice President of Medical Affairs Little Company of Mary Hospital and Health Care Centers
Mary Freyer	Chief Operating Officer Little Company of Mary Hospital and Health Care Centers
Randy Ruther	Vice President of Finance/Chief Financial Officer Little Company of Mary Hospital and Health Care Centers
Dave Kavanaugh	Chairman, Foundation Board Little Company of Mary Hospital and Health Care Centers
Michael Schwartz, M.D.	Medical Staff President Little Company of Mary Hospital and Health Care Centers
William Walsh, M.D.	Medical Staff President-Elect Little Company of Mary Hospital and Health Care Centers

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Nixon Peabody LLP	Chicago	Tom Fahey
Bond Counsel:	Chapman and Cutler LLP	Chicago	Mike Mitchell
Purchaser's Counsel:	Foley & Lardner LLP	Chicago	Laura Bilas
Bond Trustee:	U.S. Bank National Association	Chicago	Grace Gorka
Accountant:	McGladrey LLP	Chicago	Patrick Kitchen
Issuer's Counsel:	Burke Burns & Pinelli, Ltd.	Chicago	Mary Ann Murray
IFA Advisors:	Acacia Financial Group, Inc.	Chicago	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	1
State Senate:	18
State House:	36

SERVICE AREA

In fiscal year 2014, approximately 74% of the Corporation's admissions came from 13 zip codes that constitute its primary service area. Of these zip codes, eight are located in Chicago (i.e., Auburn Park, Morgan Park, Roseland, Ashburn, Mount Greenwood, Chicago Lawn, Ogden Park and Grand Crossing). Suburban zip codes include Oak Lawn, Evergreen Park, Hometown, Burbank and Alsip. In fiscal year 2014, approximately 16% of the Corporation's admissions originated from 22 zip codes that constitute its secondary service area, including zip codes for the areas in Chicago referred to as John Buchanan, Clearing, South Shore, Englewood, Stockyards and Elsdon and the suburbs of Blue Island, Chicago Ridge, Tinley Park, Midlothian/Crestwood, Orland Park, Bridgeview, Worth, Palos Hills, Oak Forest, Hickory Hills, Calumet City, Dolton, Riverdale and Palos Heights.