



PAB CONDUIT

September 10, 2015

\$233,730,000
Palos Community Hospital

REQUEST	<p>Purpose: The proceeds of the Bonds will be used to: provide Palos Community Hospital (“PCH”) with all or a portion of the funds necessary to do any or all of the following:</p> <ul style="list-style-type: none"> • Advance Refund Series 2007A Bonds • Refund Series 2015A Bonds <p>Program: Conduit 501 (c)(3) Bonds Extraordinary Conditions: None.</p>												
BOARD ACTIONS	Final Bond Resolution (<i>One-Time Consideration</i>)												
MATERIAL CHANGES	None – this is the first time this financing has been presented to the IFA Board of Directors.												
JOB DATA	<table style="width: 100%; border: none;"> <tr> <td style="width: 150px;">2,300</td> <td style="width: 350px;">Current jobs</td> <td style="width: 100px;">N/A</td> <td style="width: 150px;">Jobs created by project</td> </tr> <tr> <td>2,300</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs created by project</td> </tr> </table>	2,300	Current jobs	N/A	Jobs created by project	2,300	Retained jobs	N/A	Construction jobs created by project				
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BORROWER DESCRIPTION	<ul style="list-style-type: none"> • Locations: Lemont, Oak Lawn, Orland Park, and Palos Heights (Cook County/Northeast Region) • The St. George Corporation (the Corporation) is an Illinois not-for-profit corporation created in 2000, which serves as the parent corporation and sole corporate member of Palos Community Hospital (PCH), Palos Medical Group, LLC (PMG), and the St. George Wellness Center (SGWC). PCH is an acute care hospital located in Palos Heights, Illinois with outpatient satellite facilities in the surrounding community, PMG is a physician practice that employs primary care physicians and select specialists, and SGWC which operates the Palos Health and Fitness Center (the “Center”) located in Orland Park, Illinois. • The primary operating entity of the Corporation is PCH. Opened in 1972 with 265 beds, PCH has grown to its current licensed bed capacity of 436, of which 369 are in operation, by responding to population growth and service demands with major building additions and modernizations in 1975, 1978, 1992, 1995, 2006, 2009, 2010 and 2012. In addition to accommodating inpatient demand, these facility expansions have provided for the growth of outpatient, emergency and ancillary departments in response to volume demands, technology, and service developments including single room maternity care, interventional cardiology and open heart surgery. PCH also operates satellite facilities: the Primary Care Center in Orland Park and the Palos Immediate Care Center in Palos Heights. These facilities provide access to non-urgent outpatient treatment and diagnostic services. PCH provides home based services through Palos Community Hospital Home Health Care, Hospice and Private Duty with offices in Lemont, Illinois. PCH is also a partner with Little Company of Mary Hospital in the Southwest Hospital MRI Center located in Oak Lawn, Illinois. • Along with traditional health services, PCH makes its resources available to support many community health initiatives and programs responsive to the needs of the community. 												
CREDIT INDICATORS	<p>Direct Bank Purchase: Consortium of banks consisting of BMO Harris Bank, US Bank, and Capital One.</p> <p>Security: Senior Parity Basis with existing debt issued under the Master Trust Indenture; Master Note; Revenue Pledge</p> <p>Direct Bank Purchase: A portion will be a Floating Rate indexed to LIBOR and another portion will be fixed throughout the commitment term.</p> <p>Credit Rating: AA- (Fitch)</p> <p>Maturity: Up to 30 years</p>												
ESTIMATED SOURCES AND USES ESTIMATED	<table style="width: 100%; border: none;"> <thead> <tr> <th colspan="2" style="text-align: left;">Sources:</th> <th colspan="2" style="text-align: left;">Uses:</th> </tr> </thead> <tbody> <tr> <td style="width: 150px;">IFA Bonds</td> <td style="width: 350px; text-align: right;">\$233,730,000</td> <td style="width: 150px;">Refunding of Prior Bonds</td> <td style="width: 150px; text-align: right;">\$233,730,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$233,730,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$233,730,000</u></td> </tr> </tbody> </table>	Sources:		Uses:		IFA Bonds	\$233,730,000	Refunding of Prior Bonds	\$233,730,000	Total	<u>\$233,730,000</u>	Total	<u>\$233,730,000</u>
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RECOMMENDATION	Credit Committee Recommends approval.												

BOARD SUMMARY
November 14, 2017

Project: Palos Community Hospital

STATISTICS

Project Number:	12308	Amount:	\$233,730,000 (Not to exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pamela Lenane
Locations:	Lemont, Oak Lawn, Orland Park	Counties/Region:	Cook and Will/Northwest Region

BOARD ACTION

Final Bond Resolution (<i>One-time consideration</i>)	No extraordinary conditions
Conduit 501(c)(3) Bonds	Credit Review committee
No IFA funds at risk	recommends approval.

PURPOSE

Bond proceeds will be used to advance refund Series 2007A Bonds and refund Series 2015A Bonds.

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, thereby reducing the Borrower's interest expense. 501(c)(3) bond issues do not require Volume Cap.

VOTING RECORD

None – this is the first time this financing has been presented to the IFA Board of Directors.

ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	<u>\$233,730,000</u>	Uses:	Refunding of Prior Bonds	<u>\$233,730,000</u>
	Total	<u>\$233,730,000</u>		Total	<u>\$233,730,000</u>

JOBS

Current employment:	2,300 FTEs	Projected new jobs:	N/A
Jobs retained:	2,300 FTEs	Construction jobs:	N/A

FINANCING SUMMARY

Security/Collateral:	Senior Parity Basis with existing debt issued under the Master Trust Indenture; Master Note; and Revenue Pledge
Structure:	Direct Bank Purchase: Floating Rate indexed to LIBOR and Fixed Rate
Maturity:	Not to exceed 30 years
Credit Rating:	AA- (Fitch)

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

The proceeds of the Bonds will be used to advance refund the Series 2007A Bonds and refund Series 2015A Bonds.

BUSINESS SUMMARY

Background:	<p>The St. George Corporation (the “Corporation”) is an Illinois not-for-profit corporation created in 2000 which serves as the parent corporation and sole corporate member of three not-for-profit corporations: (i) Palos Community Hospital (“PCH”), an acute care hospital located in Palos Heights, Illinois with outpatient satellite facilities in the surrounding community, (ii) Palos Medical Group, a primary care physician group that employs primary care physicians and select specialists, and (iii) St. George Wellness Center (SGWC) which operates the Palos Health and Fitness Center (the “Center”) located in Orland Park, Illinois. It is the vision of the Corporation to be the leading community based health care organization providing quality inpatient, outpatient and preventive services while supporting people in achieving optimum health in response to the needs of the southwest suburban region.</p>
Description:	<p>The primary operating entity of the Corporation is PCH. Opened in 1972 with 265 beds, PCH has grown to its current licensed bed capacity of 436, of which 369 are in operation, by responding to population growth and service demands with major building additions and modernizations in 1975, 1978, 1992, 1995, 2006, 2009, 2010 and 2012. In addition to accommodating inpatient demand, these facility expansions have provided for the growth of outpatient, emergency and ancillary departments in response to volume demands, technology, and service developments including single room maternity care, interventional cardiology and open heart surgery.</p> <p>PCH also operates satellite facilities; the Primary Care Center in Orland Park and the Palos Immediate Care Center in Palos Heights. This facility provides access to non-urgent outpatient treatment and diagnostic services. PCH provides home based services through Palos Community Hospital Home Health Care, Hospice and Private Duty with offices in Lemont, Illinois. PCH is also a partner with Little Company of Mary Hospital in the Southwest Hospital MRI Center located in Oak Lawn, Illinois.</p> <p>It is the mission of PCH that all of its services – preventive, curative or palliative—shall be delivered with quality of the highest caliber and that PCH shall be committed to continually responding to the health care needs of the community with services that are readily available in a form that enhances their efficient use by physicians and patients.</p> <p>Along with traditional health services, PCH makes its resources available to support many community health initiatives and programs responsive to the needs of the community. Examples of community services provided by PCH include: Asthma Education Program, Chemical Dependency services, Diabetes Fair & Diabetes Self-Management Program, Home Delivered Meals, <i>Lifeline</i> (crisis line), Osteoporosis Program, Parent-Child Health Education, Physician Referral Service, Psychiatric</p>

Services (inpatient & outpatient), Speakers Bureau, and a number of different Support Groups.

In addition, PCH provides annual health screenings for skin, prostate & colorectal cancer. PCH regularly offers programs on smoking cessation, depression/emotional health, prenatal care/childbirth preparation, caregiving, heart disease, and diabetes. Through its numerous outreach activities, PCH is recognized as the area leader in community education services. PCH also participates in and sponsors a variety of annual community events including a 5K run (benefits Y-ME), Women's Day, Heart Month & a Heart Walk (benefits American Heart Association). Its Speakers Bureau & Health Fair participation reaches thousands in community. PCH's home delivered meals program provides over 30,000 home delivered meals annually to home-bound seniors in our community. PCH's Senior Resource department provides assistance to seniors with Medicare and hospital paperwork. In addition, a variety of community publications including Perspective magazine and Community Calendar are mailed to residents – reaching over 150,000 homes.

Service Area: Primary service area includes: Palos Heights, Palos Hills, Palos Park, Midlothian, Oak Forest, Orland Park, and Tinley Park.

Existing Bonds: Outstanding IFA Bonds: Series 2007A (\$120 million)
Outstanding IFA Bonds: Series 2010C (\$148 million)
Outstanding IFA Bonds: Series 2015A (\$100 million)

ECONOMIC DISCLOSURE STATEMENT

Project name: Palos Community Hospital
Locations: Palos Heights, Orland Park, Lemont, Oaklawn
Applicant: Palos Community Hospital
Organization: 501(c)(3) Not-for-Profit Corporation
State: Illinois
Board of Trustees:

**St. George Corporation
Board of Directors**

Mr. Jason Ley
Dr. Terrence Moisan
Mr. Edward Mulcahy
Dr. Vincent Muscarello
Mr. Gordon Nash, Jr.
Father Patrick O'Neill
Dr. Charles Polcaster
Dr. Mark Sinibaldi
Mr. Jack Vainauskas

**Palos Community Hospital
Board of Directors**

Ms. Lucie Boyadjian
Mr. Lawrence Hunt
Dr. Terrence Moisan
Mr. Edward Mulcahy
Mr. Gordon Nash, Jr.
Dr. Charles Polcaster
Mr. Philip Salvador
Dr. Mark Sinibaldi
Dr. Michael Sobczak
Mr. Jack Vainauskas
Dr. James Draguesku, Guest

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hawkins, Delafield and Wood LLP Newark, NJ	Steven Donovan
Bond Counsel:	Chapman and Cutler LLP Chicago	Mike Mitchell
Bond Trustee:	Wells Fargo Bank Chicago	Scott Hagwell
Accountant:	McGladrey & Pullen Chicago	TBD
Issuer's Counsel:	Burke Burns & Pinelli Ltd. Chicago	Mary Ann Murray
IFA Financial Advisors:	Sycamore Advisors LLC Chicago	Melanie Shaker
Bank Counsel:	Chapman and Cutler LLP Chicago	Carol Thompson
	Katten Muchin Rosenman LLP Chicago	Renée Friedman

LEGISLATIVE DISTRICTS

Congressional:	13 3
State Senate:	14 18 41
State House:	27 35 81 82