



January 13, 2015

\$28,460,000
SILVER CROSS HOSPITAL

REQUEST	<p>Purpose: Bond proceeds will be used by Silver Cross Hospital (the “Corporation” or the “Borrower”) to provide the funds necessary to: (i) refund all or a portion of the outstanding principal amount of the (a) Illinois Health Facilities Authority Revenue Refunding Bonds, Series 1999 (Silver Cross Hospital and Medical Centers), currently outstanding in the principal amount of \$3,805,000, (b) Illinois Finance Authority Revenue Bonds, Series 2005A (Silver Cross Hospital and Medical Centers), currently outstanding in the principal amount of \$11,930,000, and (c) Illinois Finance Authority Fixed Rate Revenue Bonds, Series 2005C (Silver Cross Hospital and Medical Centers) (collectively, the “Prior Bonds”), currently outstanding in the principal amount of \$12,725,000, and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																
BOARD ACTION	Final Bond Resolution (One-Time Consideration)																
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors for consideration.																
JOB DATA	<table border="0"> <tr> <td>1,642</td> <td>Current FTE’s</td> <td>0</td> <td>New jobs projected</td> </tr> <tr> <td>1,642</td> <td>Retained FTE’s</td> <td>0</td> <td>Construction jobs projected</td> </tr> </table>	1,642	Current FTE’s	0	New jobs projected	1,642	Retained FTE’s	0	Construction jobs projected								
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DESCRIPTION	<ul style="list-style-type: none"> • New Lenox (Will County) • Silver Cross Hospital (“Silver Cross” or “SCH”) is a 501(c)(3) corporation established under Illinois law. Silver Cross is a 289-bed hospital located in New Lenox, Illinois, approximately 35 miles southwest of Chicago. SCH has a good reputation of providing a broad range of healthcare services, with substantial resources. Silver Cross has consistently gained market share and is the market share leader in its primary service area. Silver Cross is located in Will County, one of the most rapidly growing counties in the U.S. The county has experienced explosive growth over the past 15 years and projections suggest that strong growth will continue for the next 25 years. 																
CREDIT INDICATORS	<ul style="list-style-type: none"> • Bonds to be purchased directly by First Midwest Bank as Bank Purchased Bonds • Silver Cross Hospital is rated BBB-/BBB+ (S&P/Fitch) 																
SECURITY	<ul style="list-style-type: none"> • Secured by revenue pledge and mortgage on par with outstanding debt. 																
MATURITY	<ul style="list-style-type: none"> • No later than 10 years. 																
SOURCES AND USES ESTIMATED	<table border="0"> <tr> <td>Sources:</td> <td></td> <td>Uses:</td> <td>Refunding Bonds</td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$28,460,000</u></td> <td></td> <td>\$28,360,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Costs of Issuance <u>100,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$28,460,000</u></td> <td>Total</td> <td><u>\$28,460,000</u></td> </tr> </table>	Sources:		Uses:	Refunding Bonds	IFA Bonds	<u>\$28,460,000</u>		\$28,360,000				Costs of Issuance <u>100,000</u>	Total	<u>\$28,460,000</u>	Total	<u>\$28,460,000</u>
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RECOMMENDATION	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
January 6, 2014**

Project: SILVER CROSS HOSPITAL

STATISTICS

Project Number:	H-HO-TE-CD-8720	Amount:	\$28,460,000
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane
Location:	New Lenox, IL	County/ Region:	Will/Northeast

BOARD ACTION

Final Bond Resolution	Credit Review Committee Recommends Approval
Conduit 501 (c)(3) bonds	No extraordinary conditions
No IFA funds at risk	

VOTING RECORD

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

PURPOSE

To provide the funds necessary to: (i) refund all or a portion of the outstanding principal amount of the (a) Illinois Health Facilities Authority Revenue Refunding Bonds, Series 1999 (Silver Cross Hospital and Medical Centers), currently outstanding in the principal amount of \$3,805,000, (b) Illinois Finance Authority Revenue Bonds, Series 2005A (Silver Cross Hospital and Medical Centers), currently outstanding in the principal amount of \$11,930,000, and (c) Illinois Finance Authority Fixed Rate Revenue Bonds, Series 2005C (Silver Cross Hospital and Medical Centers) (collectively, the "Prior Bonds"), currently outstanding in the principal amount of \$12,725,000, and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior 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 and thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

JOBS

Current employment:	FTE's 1,642	Projected new jobs:	0
Jobs retained:	FTE's 1,642	Construction jobs:	0

ESTIMATED SOUCES AND USES OF FUNDS

Sources:		Uses:	
IFA Bonds	<u>\$28,460,000</u>	Refunding Bonds	\$28,360,000
		Costs of Issuance	<u>100,000</u>
Total	<u>\$28,460,000</u>	Total	<u>\$28,460,000</u>

FINANCING SUMMARY/STRUCTURE

Security:	First Midwest Bank will be secured by a revenue pledge and mortgage on par with outstanding debt.
Structure:	Variable Rate Debt

Interest Rate: 75% of 1 month LIBOR + 2.35%
Interest Mode: Bank Mode
Rating: None
Maturity: Up to 10 years
Estimated Closing Date: To be determined

PROJECT SUMMARY

The proceeds of the Bonds will be used to provide the funds necessary to: (i) refund all or a portion of the outstanding principal amount of the (a) Illinois Health Facilities Authority Revenue Refunding Bonds, Series 1999 (Silver Cross Hospital and Medical Centers), currently outstanding in the principal amount of \$3,805,000, (b) Illinois Finance Authority Revenue Bonds, Series 2005A (Silver Cross Hospital and Medical Centers), currently outstanding in the principal amount of \$11,930,000, and (c) Illinois Finance Authority Fixed Rate Revenue Bonds, Series 2005C (Silver Cross Hospital and Medical Centers) (collectively, the "Prior Bonds"), currently outstanding in the principal amount of \$12,725,000, and (ii) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the Prior Bonds

BUSINESS SUMMARY

Silver Cross Hospital ("SCH") is a 501(c)(3) corporation established under Illinois law. Silver Cross is a 304-bed hospital located in New Lenox, Illinois, approximately 35 miles southwest of Chicago. SCH has a good reputation of providing a broad range of healthcare services, with substantial resources. Silver Cross has consistently gained market share and is the market share leader in its primary service area. Silver Cross is located in Will County, one of the most rapidly growing counties in the country. The county has experienced explosive growth over the past 15 years and projections suggest that strong growth will continue for the next 25 years.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name: Silver Cross Hospital
1900 Silver Cross Blvd.
New Lenox, IL 60451

Applicant: Silver Cross Hospital

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

State: Illinois

Board Members:

Carlstrom, Jack M.	Retired Businessman
Danielson, Mark, M.D.	General Surgeon, Surgical Consultants of Joliet
Hutchison, Douglas Jr.	Retired Businessman
Kenny, Michael	CFO, Panduit
McCowan, Al	Consultant
Mikolajczak, David, D.O.	Physician, EM Strategies
Morrisette, Steve	Retired Businessman, College Professor
Paddock, Scott	President, Chicagoland Speedway
Pawlak, Paul	President/CEO, Silver Cross Hospital
Phelan, John	Businessman, CommScope
Prock, Susan	LOA from career
Roolf, James	President, First Midwest Bank

Board Members (cont'd): Stofan, Mark
Totten, Mary
Udovich, Christopher, M.D.

Stofan Agazzi & Company, Inc.
President, Totten & Associates
Physician, Hedges Clinic

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago, IL	Laura Bilas
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Rich Tomei
Bank	First Midwest Bank	Buffalo Grove	Kimberly McMahon
Bank Counsel:	Chapman and Cutler LLP	Chicago, IL	Carol Thomson
Issuer's Counsel:	Hinshaw & Culbertson LLP	Chicago, IL	Leslie Richards-Yellen
IFA Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Jim Beck

LEGISLATIVE DISTRICTS

Congressional:	11
State Senate:	43
State House:	86

SERVICE AREA

Silver Cross Hospital is located near Highway 6 in New Lenox, Illinois, approximately 37 miles southwest of the City of Chicago. The primary service area provided approximately 74% of its admissions (July, 2014, prior 12 months) and includes the surrounding Will County communities of Cresthill, Elwood, Frankfort, Homer Glen Joliet, Lemont, Lockport, Manhattan, Mokena, New Lenox, and Orland Park (the "Primary Service Area"). The secondary service area extends about 20 miles beyond the Primary Service Area and consists of the communities of Bolingbrook, Braidwood, Channahon, Coal City, Matteson, Minooka, Monee, Morris, Palos Park, Plainfield, Romeoville, Shorewood, Tinley Park and Wilmington (the "Secondary Service Area").