



PAB CONDUIT

July 14, 2016

\$40,000,000

The Newman Foundation at the University of Illinois

REQUEST	<p>Purpose: Bond proceeds will be used by The Newman Foundation at the University of Illinois (“Newman”) to refund Series 2007 Bonds, which were used to finance construction of a student housing facility.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>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	30	Current jobs	N/A	New jobs projected
	N/A	Retained jobs	N/A	Construction jobs projected
DESCRIPTION	The Newman Foundation focuses on operating three areas: St. John’s Chapel which conducts masses for Catholics, Newman Hall which provides 581 beds for certified student housing, and the Institute of Catholic Thought which provides theology courses for both college credit and non-credit classes.			
STRUCTURE/CREDIT INDICATORS	• Bank direct purchase, variable rate, up to 10 year maturity with PNC Bank			
SECURITY	First mortgage on real estate and a lien on gross revenues, inventory, and equipment.			
MATURITY	• Up to 10 years			
SOURCES AND USES	Sources:	ESTIMATED	Uses:	
	IFA Bonds	<u>\$40,000,000</u>	Refunding	<u>\$40,000,000</u>
			Costs of Issuance*	
	Total	<u>\$40,000,000</u>	Total	<u>\$40,000,000</u>
			*Estimated – Preliminary subject to change – Costs of Issuance are to be paid by Borrower	
RECOMMENDATION	Credit Review Committee recommends approval.			

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
July 14, 2016

Project: **The Newman Foundation at the University of Illinois**

STATISTICS

Project Number: 12352	Amount: \$40,000,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Pam Lenane
Location: Champaign	County/Region: Champaign

BOARD ACTION

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

PURPOSE

Bond proceeds will be used by **Newman** to (i) refund Series 2007 Bonds and (ii) pay costs of issuance.

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 tax-exempt status on interest paid to bondholders, thereby reducing the Borrower's interest expense.

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS

Sources:		Uses:	
ESTIMATED			
IFA Bonds	<u>\$40,000,000</u>	Refunding	<u>\$40,000,000</u>
		Costs of Issuance*	
Total	<u>\$40,000,000</u>	Total	<u>\$40,000,000</u>

*Estimated – Preliminary,
subject to change – Costs to be
paid by the Borrower

JOBS

Current employment: 11 FTEs	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

FINANCING SUMMARY

Structure: Bank direct purchase by PNC Bank

Interest Rate: Rate floats at tax exempt equivalent of LIBOR plus a spread.

Interest Rate Modes: Variable rate and swapped to fixed.

Maturity: Series 2016 Bond shall be payable over a term not to exceed 40 years.

Estimated Closing Date: July 29, 2016

PROJECT SUMMARY

The Series 2007 Bonds were issued to finance the construction and equipping of a student housing facility expansion (Newman Hall).

BUSINESS SUMMARY

Background: In 1905, students attending the University of Illinois at Urbana-Champaign (“UIUC”) founded the first organization for Catholic Students, named for John Henry Newman, a Roman Catholic Cardinal from the 19th century. Today, Newman Centers can be found at most large public universities. Of the estimated 1,700 Catholic ministries located on public university and non-Catholic private campuses, the Newman Foundation is the 3rd oldest.

In 1927, a complex was built at UIUC consisting of St. John’s Catholic Chapel (seating of 1,000) and Newman Hall (a student residence). The Newman Center is located in the heart of the UIUC campus: directly across from the Library and the Armory; less than one block from the Quad, Foellinger Auditorium, and most classroom buildings; and only two blocks from the heart of campus. The hall was expanded in 2008 to the current 581 bed capacity.

Newman Hall is one of 16 Private Certified Housing facilities included as part of the University’s housing program. Private Certified Housing meets standards set by UIUC for all students, including freshmen. Within any given year approximately 27% of the entering freshman class chooses to live in one of Private Certified Housing facilities. Freshman enrollment for the fall of 2015 was 7,222; undergraduate enrollment was 32,878; and total enrollment was 43,123. Freshmen are required to spend their first 30 academic hours in University or Private Certified Housing. Students may transfer to Newman Hall (when there is a vacancy) without penalty. The University’s Private Certified Housing requires standards be met for safety, space/amenities, and programming/supervision. All students must be eligible to apply for private certified housing, regardless of religion.

ECONOMIC DISCLOSURE STATEMENT

Applicant: The Newman Foundation at the University of Illinois
Address: 604 East Armory Avenue, Champaign, IL
Contact: Dcn. Bob Sondag
Website: www.scjnc.org

Project name: The Newman Foundation at the University of Illinois

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

State: Illinois

Board of Directors:

Bishop Daniel R. Jenky, President Msgr. James Kruse, Vice President Patricia Gibson, Secretary Fr. Luke Spannagel, Treasurer	
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PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Catholic Diocese of Peoria	Peoria	Patricia Gibson
Borrower's Advisor:	Anne M. Donahoe	Chicago	Anne Donahoe
Bond Counsel:	Chapman and Cutler LLP	Chicago	Nancy Burke
Bank Counsel:	Thompson Coburn LLC	St. Louis, MO	Brandi Wilson
Bank:	PNC Bank	Peoria	Michael Zeller
Bond Trustee:	BNY Mellon Corporate Trust	Chicago	Eydie Wrobel
IFA Counsel:	Quarles & Brady	Chicago	Mary Ann Murray
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe S. Selden

LEGISLATIVE DISTRICTS

Congressional:	13	Rodney Davis
State Senate:	52	Scott Bennett
State House:	103	Carol Ammons
