



**\$160,000,000 (not-to-exceed)**  
**Northwest Community Hospital**

May 12, 2016

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>Northwest Community Hospital</b> (“Northwest” or “NCH” or the “Hospital”) to (i) advance refund Series 2008A Bonds and (ii) pay costs of issuance.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> None.</p>																								
<b>BOARD ACTIONS</b>	Final Bond Resolution ( <i>One-time consideration</i> )																								
<b>MATERIAL CHANGES</b>	None. This is the first time this financing has been presented to the IFA Board of Directors																								
<b>JOB DATA</b>	<table border="0"> <tr> <td>2,602 FTE</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	2,602 FTE	Current jobs	N/A	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected																
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<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location: Arlington Heights, Illinois (Cook County/Northeast Region)</li> <li>• NCH, an Illinois not-for-profit corporation, owns and operates a patient care facility located in Arlington Heights, Illinois. The facility is approximately 1.6 million square feet and licensed to operate 440 acute care beds, 395 of which are currently in operation. The Hospital began operations in 1959 and is located on approximately 35 acres of land. NCH also owns a 50,000 square foot office building three miles from the main campus. This facility provides office space for various administrative departments of the Hospital.</li> </ul>																								
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• NCH is rated ‘A2’/ ‘A+’ by Moody’s/ S&amp;P, both with stable outlooks and the Hospital has applied for the ratings. Ratings are expected during the week of 5/16/2016 in at least the ‘A’ category.</li> </ul>																								
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• The Bonds will be secured on a senior parity basis with all other obligations issued under the Hospital’s Amended and Restated Master Trust Indenture (“MTI”), and will be evidenced by a Master Note issued under the MTI, and will be secured by a pledge of unrestricted receivables on parity with all other debt issued under the MTI. Notwithstanding the pledge of Unrestricted Receivables, the Obligated Group Members may sell or otherwise transfer Unrestricted Receivables in accordance with the provisions of the MTI.</li> </ul>																								
<b>MATURITY</b>	<ul style="list-style-type: none"> <li>• Bonds will mature no later than 2046 (30 years)</li> </ul>																								
<b>SOURCES AND USES*</b> <b>ESTIMATED</b>	<table border="0"> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td>\$131,820,000</td> <td>Series 2008A Refunding</td> <td>\$156,112,823</td> </tr> <tr> <td>Original Issue Premium</td> <td>\$22,528,846</td> <td></td> <td></td> </tr> <tr> <td>Accrued Interest</td> <td><u>\$3,761,050</u></td> <td>Costs of Issuance</td> <td>\$1,318,200</td> </tr> <tr> <td></td> <td></td> <td>Underwriter’s Discount</td> <td><u>\$678,873</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$158,109,896</u></b></td> <td><b>Total</b></td> <td><b><u>\$158,109,896</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	\$131,820,000	Series 2008A Refunding	\$156,112,823	Original Issue Premium	\$22,528,846			Accrued Interest	<u>\$3,761,050</u>	Costs of Issuance	\$1,318,200			Underwriter’s Discount	<u>\$678,873</u>	<b>Total</b>	<b><u>\$158,109,896</u></b>	<b>Total</b>	<b><u>\$158,109,896</u></b>
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*Estimated – subject to change																									
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																								

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
May 12, 2016**

**Project: Northwest Community Hospital**

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**STATISTICS**

Project Number:	12334	Amount:	\$160,000,000 (not-to-exceed)
Type:	501(c)(3) Bonds	IFA Staff:	Pam Lenane and Tammy Harter
Location:	Arlington Heights	County/	
		Region:	Cook County/ Northeast

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**BOARD ACTION**

Final Bond Resolution (*One-time consideration*)  
Conduit 501(c)(3) Bonds                              No extraordinary conditions  
Credit Review Committee recommends approval     No IFA funds at risk

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**VOTING RECORD**

This is the first time this Project is being presented to the Board.

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**PURPOSE**

Bond proceeds will be used by Northwest Community Hospital to (i) advance refund Series 2008A Bonds and (ii) pay costs of issuance.

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**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.

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**VOLUME CAP**

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

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**ESTIMATED SOURCES AND USES OF FUNDS**

Sources:		Uses:	
IFA Bonds	\$131,820,000	Series 2008A Refunding	\$156,112,823
Orig. Issue Premium	\$22,528,846	Costs of Issuance*	\$1,318,200
Accrued Interest	\$3,761,050	Underwriter's Discount	\$678,873
<b>Total</b>	<b><u>\$158,109,896</u></b>	<b>Total</b> *Estimated	<b><u>\$158,109,896</u></b>

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**JOBS**

Current employment:	2,602 FTE	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

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**FINANCING SUMMARY/STRUCTURE**

Security:	The Bonds will be secured on a senior parity basis with all other obligations issued under the Hospital's Amended and Restated Master Trust Indenture ("MTI"), and will be evidenced by a Master Note issued under the MTI, and will be secured by a pledge of unrestricted receivables on parity with all other debt issued under the MTI. Notwithstanding the pledge of Unrestricted Receivables, the Obligated Group Members may sell or otherwise transfer Unrestricted Receivables in accordance with the provisions of the MTI.
Structure:	Fixed rate bonds
Interest Rate:	To be determined on the day of pricing.
Interest Rate Modes:	Fixed rate
Underlying Ratings:	NCH is rated 'A2' / 'A+' by Moody's/ S&P, both with stable outlooks and the Hospital has applied for the ratings. Ratings are expected during the week of 5/16/2016 in at least the 'A' category.
Maturity:	Bonds will mature no later than 2046 (30 years)
Estimated Closing Date:	June 2016

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**PROJECT SUMMARY**

Bond proceeds will be used by Northwest Community Hospital to (i) advance refund Series 2008A Bonds and (ii) pay costs of issuance.

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**BUSINESS SUMMARY**

Northwest Community Hospital, an Illinois not-for-profit corporation, owns and operates a patient care facility located in Arlington Heights, Illinois. The facility is approximately 1.6 million square feet and licensed to operate 440 acute care beds, 395 of which are currently in operation. The Hospital began operations in 1959 and is located on approximately 35 acres of land. The Hospital also owns a 50,000 square foot office building three miles from the main campus. This facility provides office space for various administrative departments of the Hospital.

In addition to providing general acute care services and mental health services, NCH has distinguished itself in the following specialties: Cardiovascular Services, Neurosciences, Orthopedic Services, Gastroenterology, Women's and Children's Services and Emergency Services. Emergency Services are the source of the majority of NCH's admissions.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Northwest Community Hospital  
800 West Central Road  
Arlington Heights, IL 60005-2349

Contact: John L. Skeans, Executive Vice President & Chief Financial Officer

Website: www.nch.org

Project name: Northwest Community Hospital 2016 Refunding

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

State: Illinois

Board Members:

<b><u>Name</u></b>	<b><u>Business or Affiliation</u></b>	<b><u>Board Member Since</u></b>	<b><u>Term Expires</u></b>
James H. Bishop	Retired Executive Wintrust Financial Corp.	1986	2016
Craig E. Christell	Financial Advisor Edward Jones Investments	2003	2018
Kirk Clark, MD	NCH Medical Staff President, Department of Surgery.	2014	2017
Jay S. Cowen	President Intensive Care Evaluations	2016	2019
Guy W. Eisenhuth	President & CEO Village Bank & Trust	2016	2019
Ann K. Ford	Chief Ethics and Compliance Officer, Chief Privacy Officer Medline Industries, Inc.	2016	2019
Dale J. Garber	Retired Executive	1991	2016
Louis A. Gatta, Ph.D.	CEO and Chairman President, ECRA Group, Inc.	1991	2016
Maria F. Glabe	Business Advisor Management Control International, Inc.	2011	2017
Charles A. Hempfling	President C.A. Hempfling & Associates, Inc.	1986	2016

<u>Name</u>	<u>Business or Affiliation</u>	<u>Board Member Since</u>	<u>Term Expires</u>
Diane G. Hill	Retired Professor Northwestern University	2005	2016
Richard D. Hoffman	President & CEO Atomatic Mechanical Services	2016	2019
Thomas P. MacCarthy	Chairman & CEO Cornerstone National Bank & Trust Company	2005	2018
E, Quinn Regan, MD	NCH Medical Staff Vice President Department of Orthopedics	2015	2019
Stephen O. Scogna	President & CEO NCH	2013	Ex-officio
Mary R. Sheahan, MS, RN	Board President Midwest Medical Center	2010	2019

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Nixon Peabody LLP	Thomas M. Fahey	Chicago, IL
Borrower's Financial Advisor	Kaufman Hall & Associates, LLC	Glenn Wagner	Skokie, IL
Auditor:	Ernst & Young	Tadd Ingles	Chicago, IL
Underwriter:	Goldman Sachs & Co.	Jeff Ellis	New York, NY
Bond Counsel:	Chapman and Cutler LLP	David Kates	Chicago, IL
Underwriter's Counsel:	Dentons	Kathryn B. Ashton	Chicago, IL
Bond Trustee:	Wells Fargo Bank, N.A.	Gail Klewin	Chicago, IL
Issuer's Counsel:	Foley & Lardner LLP	Laura Bilas	Chicago, IL
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe S. Selden

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**LEGISLATIVE DISTRICTS**

Congressional:	9
State Senate:	27
State House:	54

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**SERVICE AREA**

NCH's primary service area is located to the northwest of downtown Chicago and includes the suburban communities of Arlington Heights, Mount Prospect, Palatine, and Rolling Meadows. The secondary service area includes the communities of Barrington, Buffalo Grove, Des Plaines, Elk Grove Village, Lake Zurich, Prospect Heights, Schaumburg, and Wheeling.