



November 10, 2016

**\$275,000,000  
Rehabilitation Institute of Chicago**

<b>REQUEST</b>	<p><b>Purpose:</b> The proceeds will be used by <b>Rehabilitation Institute of Chicago</b> (“<b>RIC</b>” or the “<b>Borrower</b>”) to (i) refund all of the IFA Series 2013B, C, D and E Bonds, proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, and equipping certain of the Borrower’s health care facilities, including but not limited to the construction and equipping of a 27-floor building which will house a 242-bed replacement rehabilitation hospital occupying 20 floors, a seven-floor parking garage, (ii) fund a debt service reserve fund, if deemed necessary or advisable, (iii) pay certain expenses in connection with the issuance of the Series 2016 Bonds (as hereinafter defined) and the refunding of the Series 2013 Bonds.</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																
<b>JOB DATA</b>	<table> <tr> <td>1,535</td> <td>Current jobs</td> <td>0</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>	1,535	Current jobs	0	New jobs projected	N/A	Retained jobs	N/A	Construction jobs projected								
1,535	Current jobs	0	New jobs projected														
N/A	Retained jobs	N/A	Construction jobs projected														
<b>DESCRIPTION</b>	<ul style="list-style-type: none"> <li>• Location (Chicago/ Cook County/ Northeast Region)</li> </ul>																
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• The Bonds are expected to be secured by an obligation of Rehabilitation Institute of Chicago, the sole member of the Obligated Group, under a Master Trust Indenture. Such obligation will include a pledge of revenues.</li> </ul>																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• RIC current rating on its long-term fixed rate indebtedness is ‘A-’ Fitch (Stable).</li> <li>• The plan of finance contemplates 3 private placements with Northern Trust &amp; Co., PNC Bank, and Bank of America.</li> <li>• The Bonds will not be rated as the will be privately placed.</li> </ul>																
<b>STRUCTURE</b>	<ul style="list-style-type: none"> <li>• Bonds will mature no later than 56 years.</li> </ul>																
<b>SOURCES AND USES ESTIMATED</b>	<table> <tr> <td colspan="2"><b>Sources:</b></td> <td colspan="2"><b>Uses:</b></td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$275,000,000</u></td> <td>Reissued Bonds</td> <td>\$273,000,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance</td> <td>2,000,000</td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$275,000,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$275,000,000</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	<u>\$275,000,000</u>	Reissued Bonds	\$273,000,000			Cost of Issuance	2,000,000	<b>Total</b>	<b><u>\$275,000,000</u></b>	<b>Total</b>	<b><u>\$275,000,000</u></b>
<b>Sources:</b>		<b>Uses:</b>															
IFA Bonds	<u>\$275,000,000</u>	Reissued Bonds	\$273,000,000														
		Cost of Issuance	2,000,000														
<b>Total</b>	<b><u>\$275,000,000</u></b>	<b>Total</b>	<b><u>\$275,000,000</u></b>														
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
November 10, 2016**

**Project: Rehabilitation Institute of Chicago**

---

**STATISTICS**

Project Number:	12367	Amount:	\$275,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Location:	Chicago	County/Region:	Cook/Northeast

---

**BOARD ACTION**

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

---

**PURPOSE**

**Purpose:** The proceeds will be used by **Rehabilitation Institute of Chicago** (“**RIC**” or the “**Borrower**”) to (i) refund all of the IFA Series 2013B, C, D and E Bonds, proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, and equipping certain of the Borrower’s health care facilities, including but not limited to the construction and equipping of a 27-floor building which will house a 242-bed replacement rehabilitation hospital occupying 20 floors, a seven-floor parking garage, (ii) fund a debt service reserve fund, if deemed necessary or advisable, (iii) pay certain expenses in connection with the issuance of the Series 2016 Bonds (as hereinafter defined) and the refunding of the Series 2013 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 tax-exempt status on interest paid to bondholders, thereby reducing the Borrower’s interest expense.

---

**VOLUME CAP**

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

---

**JOBS**

Current employment:	1,535	Projected new jobs:	0
Retained jobs	N/A	Construction jobs:	N/A

---

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]**

---

**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	<u>\$275,000,000</u>	Reissued Bonds	\$275,000,000
		Cost of Issuance	2,000,000
<b>Total</b>	<b><u>\$275,000,000</u></b>	<b>Total</b>	<b><u>\$275,000,000</u></b>

---

**FINANCING SUMMARY**

Security:	The Bonds are expected to be secured by an obligation of Rehabilitation Institute of Chicago, the sole member of the Obligated Group, under a Master Trust Indenture. Such obligation will include a pledge of revenues.
Structure:	Bonds will mature no later than 32 years.
Interest Rate:	Variable rate calculated at 0.40% to 0.65% over a percentage of Libor (approximately 0.50% currently).
Interest Mode:	Variable.
Maturity:	The Bonds will fully mature not later than 2056.
Rating:	RIC current rating on its long-term fixed rate indebtedness is 'A-' Fitch (Stable).
Estimated Closing Date:	December 1, 2016

---

**PROJECT SUMMARY**

**Purpose:** The proceeds will be used by **Rehabilitation Institute of Chicago** (“**RIC**” or the “**Borrower**”) to (i) refund all of the IFA Series 2013B, C, D and E Bonds, proceeds of which were used to pay or reimburse, the costs of acquiring, constructing, and equipping certain of the Borrower’s health care facilities, including but not limited to the construction and equipping of a 27-floor building which will house a 242-bed replacement rehabilitation hospital occupying 20 floors, a seven-floor parking garage, (ii) fund a debt service reserve fund, if deemed necessary or advisable, (iii) pay certain expenses in connection with the issuance of the Series 2016 Bonds (as hereinafter defined) and the refunding of the Series 2013 Bonds.

---

**BUSINESS SUMMARY**

Description of Business: The **Rehabilitation Institute of Chicago** (“**RIC**” or the “**Borrower**”) is the sole member of the Obligated Group. RIC’s mission is to provide for quality programs in patient care, education and research and to strive for the fullest assimilation and acceptance of the physically disabled in the community. It operates a health care system specializing in providing comprehensive rehabilitation services to the physically disabled through an array of diagnostic and therapeutic services including physical, occupational and speech therapies. RIC currently operates a 182-bed hospital and outpatient facility located in downtown Chicago near the medical center campus of Northwestern University. RIC is in the process of completing a 1.2 million square foot 27-floor building that will house 242 beds and provide significantly more space for outpatient services and research. The new facility is scheduled to open in March of 2017 and will replace the old facility. RIC also operates various outpatient facilities in the Chicagoland area. These facilities provide various day rehabilitation, outpatient, vocational and recreational care and activities.

---

**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Rehabilitation Institute of Chicago  
Site Address: 345 East Superior Street, Chicago, Illinois 60611  
Contact: Edward Case, Chief Financial Officer  
Website: [www.ric.org](http://www.ric.org)  
Project name: Rehabilitation Institute of Chicago  
Organization: 501(c)(3) Not-for-Profit Corporation  
State: Illinois

Ownership/2012-13 Board Members (501(c)(3)):

M. Judy Reyes, *Chair*  
Mike P. Krasny, *Vice Chair*  
Thomas A. Reynolds III, *Vice Chair*  
Joanne C. Smith, *President & CEO*  
Ed Case, *Treasurer*  
Nancy Paridy, *Secretary*  
Wayne R. Andersen  
Brenda C. Barnes  
William Cernugel  
Robert O. Delaney  
Daniel D. Dolan Jr.  
Chris Gust  
Michael L. Keiser  
James H. Litinsky  
William E. Lowry Jr.  
David D. Olson  
Sheli Rosenberg  
Shirley W. Ryan  
Mark Stephan  
William S. Wardrop Jr.  
Linda S. Wolf

---

**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Dentons US LLP	Chicago	Mary Wilson
Financial Advisor:	Hammond Hanlon Camp LLC	Chicago	Bill Hanlon
Bond Counsel	Chapman and Cutler LLC	Chicago	John Bibby
Auditor:	Deloitte	Chicago	Alan Truesdell
Banks:	Northern Trust & Co.	Chicago	Sara McCauley
	PNC Bank	Chicago	Rosemary Mauck
	Bank of America	Chicago	Greg Mojica
Bank Counsel:	Chapman/Foley	Chicago	Carol Thompson/Laura Bilas
IFA Counsel:	Quarles & Brady LLP	Chicago	Mary Ann Murray
IFA Advisor:	Sycamore Advisors LLP	Chicago	Courtney Tobin

---

**LEGISLATIVE DISTRICTS**

Congressional: 7  
State Senate: 13  
State House: 26

---

**SERVICE AREA**

RIC considers its primary service area to be Chicago and its surrounding suburbs and includes the counties of Cook, DuPage, Kane, Kankakee, Lake, McHenry and Will in Illinois.

RIC has developed strategic relationships with community hospitals extending its unique rehabilitation services to these communities as well as Central Illinois, Southern Illinois and Northwest Indiana. RIC also has strong referral relationships with Chicago's premier academic institutions.

In addition to servicing Illinois and greater Chicagoland, RIC maintains an increasing global reach -- serving patients from all 50 United States and 70 countries throughout the world.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]**