



May 12, 2016

**\$50,000,000
Rush University Medical Center**

REQUEST	<p>Purpose: Bond proceeds will be used by Rush University Medical Center (“RUMC”) to (i) refund Series 2008A Bonds, which were used to finance portions of projects on the RUMC campus, including the East Patient Tower, Central Plant, loading docks and parking; and (ii) pay costs of issuance.</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	10,878	Current jobs	N/A	New jobs projected																
	N/A	Retained jobs	N/A	Construction jobs projected																
DESCRIPTION	RUMC owns and operates an academic medical center in Chicago. Major operations of RUMC include Rush University Hospital, Rush University and Rush University Medical Group. The hospital operations include 679 staffed beds and RUMC is the third largest hospital provider in the eight county Chicago metropolitan areas as measured by market share.																			
STRUCTURE/CREDIT INDICATORS	<ul style="list-style-type: none"> Bank direct placement, variable rate, up to 10 year maturity with the Northern Trust Current underlying ratings of ‘A1’/‘A+’/‘A+’ by Moody’s, S&P and Fitch, respectively 																			
SECURITY	The Obligated Group (consisting of Rush University Medical Center (“RUMC”); Rush-Copley Medical Center, Inc. (“RCMC”); Rush Oak Park Hospital (“ROPH”); Copley Memorial Hospital (“Copley”); Copley Memorial Hospital Health Care Foundation (“Copley Foundation”); and Copley Ventures, Inc. (“Copley Ventures”)) will give a revenue pledge with certain covenants to be negotiated																			
MATURITY	<ul style="list-style-type: none"> Up to 10 years 																			
SOURCES AND USES ESTIMATED	<table border="0"> <tr> <td>Sources:</td> <td></td> <td>Uses:</td> <td></td> </tr> <tr> <td>IFA Bonds</td> <td>\$50,000,000</td> <td>Refunding</td> <td>\$50,000,000</td> </tr> <tr> <td>RUMC equity</td> <td><u>\$ 500,000</u></td> <td>Costs of Issuance*</td> <td><u>\$500,000</u></td> </tr> <tr> <td>Total</td> <td><u>\$50,500,000</u></td> <td>Total</td> <td><u>\$50,500,000</u></td> </tr> </table> <p>*Estimated – Preliminary subject to change – Costs of Issuance are to be paid by Borrower</p>				Sources:		Uses:		IFA Bonds	\$50,000,000	Refunding	\$50,000,000	RUMC equity	<u>\$ 500,000</u>	Costs of Issuance*	<u>\$500,000</u>	Total	<u>\$50,500,000</u>	Total	<u>\$50,500,000</u>
Sources:		Uses:																		
IFA Bonds	\$50,000,000	Refunding	\$50,000,000																	
RUMC equity	<u>\$ 500,000</u>	Costs of Issuance*	<u>\$500,000</u>																	
Total	<u>\$50,500,000</u>	Total	<u>\$50,500,000</u>																	
RECOMMENDATION	Credit Review Committee recommends approval.																			

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

Project: Rush University Medical Center

STATISTICS

Project Number:	12335	Amount:	\$50,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane and Tammy Harter
Location:	Chicago	County/Region:	Cook County Northeast Region

BOARD ACTION

Final Bond Resolution	
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 **Rush University Medical Center** (“RUMC”) to (i) refund Series 2008A 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:	
IFA Bonds	\$50,000,000	Refunding	\$50,000,000
RUMC equity	<u>\$500,000</u>	Costs of Issuance*	<u>\$500,000</u>
Total	<u>\$50,500,000</u>	Total	<u>\$50,500,000</u>

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

JOBS

Current employment:	10,878 FTEs	Projected new jobs:	N/A
Jobs retained:	N/A	Construction jobs:	N/A

FINANCING SUMMARY

Structure: Bank direct placement with The Northern Trust

Interest Rate: Variable 67% of 30 day LIBOR plus 80 bps

Interest Rate Modes: Variable rate

Underlying Ratings: 'A1'/'A+'/'A+' by Moody's, S&P and Fitch

Maturity: Up to 10 year maturity

Estimated Closing Date: June 29, 2016

PROJECT SUMMARY

The Series 2008 bonds were issued to finance portions of projects on the RUMC campus, including the East Patient Tower, Central Plant, loading docks and parking.

BUSINESS SUMMARY

Background:

Rush University Medical Center ("RUMC") has been part of the Chicago landscape longer than any other health care institution in the city. Rush Medical College, a part of Rush University, was the first institution of higher learning chartered in Illinois. Rush University is also home to one of the nation's top-ranked nursing colleges. RUMC employs over 10,000 FTEs, of which 489 are employed physicians.

The nursing program has been awarded Magnet Designation four consecutive times, the highest honor a hospital can receive for outstanding achievement in nursing services: less than 1% of all hospitals nationwide have received this honor four times. It was the first medical center in Illinois caring for both adults and children to receive the Magnet Status. Rush University Medical Center provides a full range of medical and surgical services and consistently ranks in numerous categories in the U.S News & World Report Top Hospital report. RUMC is also the only four star-rated hospital in Chicago by the federal "CMS" ("Centers for Medicare and Medicaid Services").

Rush University includes Rush Medical College, the College of Nursing, the College of Health Sciences and The Graduate College. Total enrollment for the 2015-2016 academic year was over 2,500 students. RUMC is also the site of more than 70 residency and fellowship programs in medical and surgical specialties. Total research expenditures for FY2015 totaled \$131 million. Research is focused on improving day-to-day lives of patients through community-based studies and research focused on clinical care.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Rush University Medical Center
Address: 1700 West Van Buren, Suite 265, Chicago IL 60612
Contact: Patricia S. O'Neil, VP, Treasurer
Website: www.rush.edu

Project name: Rush University Medical Center Series 2016

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

State: Illinois

Board of Directors:

<p>General Trustees</p> <p>James A. Bell Matthew J. Boler John L. Brennan Marca L. Bristo Peter C. B. Bynoe* Karen B. Case E. David Coolidge III* Kelly McNamara Corley Susan Crown (Vice Chair)* James W. DeYoung (Vice Chair)* William A. Downe Bruce W. Duncan Christine A. Edwards* Francesca Maher Edwardson Charles L. Evans, PhD Larry Field Robert F. Finke* William J. Friend Ronald J. Gidwitz H. John Gilbertson Larry Goodman, MD* William M. Goodyear (Chairman)* Sandra P. Guthman* William J. Hagenah* William K. Hall* Christie Hefner Marcie B. Hemmelstein Jay L. Henderson* Marvin J. Herb John W. Higgins John L. Howard Ron Huberman Richard M. Jaffee* P. Kasper Jakobsen John P. Keller Kip Kirkpatrick Fred A. Krehbiel Sheldon Lavin Aylwin B. Lewis Susan R. Lichtenstein Pamela Forbes Lieberman Todd W. Lillibridge Donald G. Lubin (Vice Chair)* Robert A. Mariano Gary E. McCullough Andrew J. McKenna, Jr. James S. Metcalf Wayne L. Moore* William A. Mynatt, Jr. Martin H. Nesbitt Michael J. O'Connor</p>	<p>Carole Browe Segal* Alejandro Silva Jennifer W. Steans Joan E. Steel Carl W. Stern Jonathan W. Thayer Charles A. Tribbett III Greg Welch John R. Willis* Thomas J. Wilson Robert A. Wislow Barbara Jil Wu, PhD</p> <p>Annual Trustees</p> <p>Harry Bond* Bruce W. Dienst Steven Gitelis, MD David W. Hines, MD Jerald W. Hoekstra Anthony D. Ivankovich, MD Catherine J. King Anthony M. Kotin, MD The Rt. Rev. Jeffrey D. Lee Mary K. McCarthy* Mark C. Metzger* Marsha Murphy, DNP Karl A. Palasz Karen C. Reid Angelique L. Richard, PhD Dino Rumoro, DO* Carole Streicher</p> <p><i>Member of Executive Committee*</i></p>
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PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Dentons US LLP	Mary Wilson	Chicago, IL
Borrower's Advisor:	Public Financial Management	Errol Brick	New York, NY
Bond Counsel:	Chapman and Cutler LLP	Christopher Walrath	Chicago, IL
Bank Counsel:	Foley & Lardner LLP	Laura Bilas	Chicago, IL
Bond Trustee:	Wells Fargo Bank, N.A.	Chitra Patel	Chicago, IL
IFA Counsel:	Burke Burns & Pinelli, Ltd.	Mary Pat Burns	Chicago, IL
IFA Financial Advisor:	Acacia Financial Group, Inc.	Phoebe S. Selden	Chicago, IL

LEGISLATIVE DISTRICTS

RUMC

Congressional: 7
 State Senate: 5
 State House: 9

Copley Memorial Hospital

Congressional: 14
 State Senate: 42
 State House: 83

Rush Oak Park Hospital

Congressional: 7
 State Senate: 39
 State House: 78
