



October 13, 2016

**\$120,000,000
Swedish Covenant Hospital**

REQUEST	<p>Purpose: Proceeds will be used by Swedish Covenant Hospital (the “Swedish” or the “Borrower”), (i) to advance refund all or a portion of the Series 2010A Bonds (ii) to currently refund the Series 2010 GE Loan, (iii) to fund new money projects and to reimburse Swedish for previously paid capital expenditures, and (iv) to pay cost of issuance.</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																				
BOARD ACTIONS	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.																				
JOB DATA	<table border="0"> <tr> <td>1,695</td> <td>Current jobs</td> <td>22</td> <td>New jobs projected</td> </tr> <tr> <td>N/A</td> <td>Retained jobs</td> <td>30</td> <td>Construction jobs projected</td> </tr> </table>	1,695	Current jobs	22	New jobs projected	N/A	Retained jobs	30	Construction jobs projected												
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N/A	Retained jobs	30	Construction jobs projected																		
DESCRIPTION	<ul style="list-style-type: none"> • Location: Chicago (Cook County) • Swedish Covenant Hospital is an Illinois not-for-profit corporation which operates an acute care, community and teaching hospital on the Northwest Side of Chicago. The Swedish was founded in 1886 by The Evangelical Covenant Church (the “Church”) and was known as the Swedish Home of Mercy. The Swedish is licensed by the State of Illinois for 312 beds, of which 306 were in service as of June 30, 2016. The Swedish has received a determination letter from the Internal Revenue Service (“IRS”) that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the “Code”) as an organization described in Section 501(c)(3) of the Code. • The Swedish offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Swedish’ inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Swedish’ service area. The Swedish operates several satellite primary care facilities in various sections of its service area. 																				
SECURITY	<ul style="list-style-type: none"> • The current market does not require a mortgage — the mortgage associated with the 2010A bonds is expected to be released as part of the refunding. The 2016 bondholders will have a security interest in the Unrestricted Receivables of the Obligated Group. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • Swedish’s long-term ratings are currently ‘BBB+’/‘BBB+’ (S&P/Fitch). The Borrower has applied for ratings in connection with the new Series 2016 Bonds, and expects ratings in the ‘BBB’ to ‘BBB+’ category. 																				
STRUCTURE	<ul style="list-style-type: none"> • The tax-exempt fixed rate Bonds will be sold in a public underwriting by Bank of America Merrill Lynch and Ziegler Securities. • Bonds will mature no later than August 15, 2056. 																				
SOURCES AND USES ESTIMATED	<table border="0"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$120,000,000</u></td> <td>IFA Bonds</td> <td>\$108,390,000</td> </tr> <tr> <td></td> <td></td> <td>New Money/Reimbursement</td> <td>10,000,000</td> </tr> <tr> <td></td> <td></td> <td>Cost of Issuance*</td> <td><u>1,610,000*</u></td> </tr> <tr> <td>Total</td> <td><u>\$120,000,000</u></td> <td>Total</td> <td><u>\$120,000,000</u></td> </tr> </table> <p>*Estimated</p>	Sources:		Uses:		IFA Bonds	<u>\$120,000,000</u>	IFA Bonds	\$108,390,000			New Money/Reimbursement	10,000,000			Cost of Issuance*	<u>1,610,000*</u>	Total	<u>\$120,000,000</u>	Total	<u>\$120,000,000</u>
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RECOMMENDATION

Credit Review Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
October 13, 2016**

Project: Swedish Covenant Hospital

STATISTICS

Project Number: 12363	Amount: \$120,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane
Location: Chicago	County/Region: Cook/Northeast

BOARD ACTION

Final Bond Resolution (<i>One-time consideration</i>)	No IFA Funds at Risk
Conduit 501(c)(3) Revenue Bonds	No Extraordinary Conditions

Credit Review Committee recommends approval.

VOTING RECORD

This is the first time this project is being presented to the IFA Board of Directors.

PURPOSE

Proceeds will be used by **Swedish Covenant Hospital** (the “**Swedish**” or the “**Borrower**”), (i) to advance refund all or a portion of the Series 2010A Bonds (ii) to currently refund the Series 2010 GE Loan, (iii) to fund new money projects and to reimburse Swedish for previously paid capital expenditures, and (iv) to pay cost of issuance.

VOLUME CAP

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, thereby reducing the Borrower’s interest expense.

IFA PROGRAM AND CONTRIBUTION

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

JOBS

Current employment: 1,695	Projected new jobs: 22
Jobs retained: N/A	Construction jobs: 30

ESTIMATED SOURCES AND USES OF FUNDS

IFA Bonds	<u>\$120,000,000</u>	IFA Bonds	\$108,390,000
		New Money/Reimbursement	10,000,000
		Cost of Issuance	<u>1,610,000*</u>
Total	<u>\$120,000,000</u>	Total	<u>\$120,000,000</u>

*Estimated

FINANCING SUMMARY

Security:	The Bonds will be secured by a security interest in the Unrestricted Receivables of the Obligated Group.
Structure:	Fixed Rate Bonds will be sold in a public underwriting by Bank of America Merrill Lynch, and B.C Zeigler and Company.
Interest Rate:	To be determined the day of pricing.
Interest Mode:	Fixed Rate
Credit Enhancement:	None
Maturity:	Bonds will mature no later than August 15, 2056.
Rating:	Swedish's long-term ratings are currently 'BBB+'/'BBB+' (S&P/Fitch). The Borrower has applied for ratings in connection with the new Series 2016 Bonds, and expects ratings in the 'BBB' to 'BBB+' category
Estimated Closing Date:	December 14, 2016

PROJECT SUMMARY

Proceeds will be used by **Swedish Covenant Hospital** (the "**Swedish**" or the "**Borrower**"), (i) to advance refund all or a portion of the Series 2010A Bonds (ii) to currently refund the Series 2010 GE Loan, (iii) to fund new money projects and to reimburse Swedish for previously paid capital expenditures, and (iv) to pay cost of issuance.

BUSINESS SUMMARY

Swedish Covenant Hospital (the "**Swedish**") is an Illinois not-for-profit corporation that operates an acute care, community and teaching hospital on the Northwest Side of Chicago. The Swedish was founded in 1886 by The **Evangelical Covenant Church** (the "**Church**") and was known as the Swedish Home of Mercy. The Swedish is licensed by the State of Illinois for 312 beds, of which 306 were in service as of June 30, 2016. The Swedish has received a determination letter from the Internal Revenue Service ("IRS") that it is exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986 (the "Code") as an organization described in Section 501(c)(3) of the Code.

The Swedish offers a wide range of inpatient and outpatient diagnostic and therapeutic services and related ancillary services. The Swedish' inpatient services include all major categories of medicine and surgery. The outpatient programs and services provide a continuum of care for patients in the Swedish' service area. The Swedish operates several satellite primary care facilities in various sections of its service area.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Swedish Covenant Hospital 5145 North California Avenue Chicago, IL 60625
Contact:	Tom Garvey, Chief Financial Officer
Website:	www.swedishcovenant.org
Borrower:	Swedish Covenant Hospital

Board of Directors:

Adair, Charles L.
Anderson, Kurt D.
Archibald, Carolin
Banks, Lyle
Baughman, Michael J., *Secretary*
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Sullivan, Chris
Swanson, John A.
Tilkin, Jeffrey M.D.
Werling, Kristian A.

Ex Officio:

Anderson, Lawrence P.
Dwight, David A.
Guaccio, Anthony
Suricci, Arminio M.D.
Walter, Rev. Gary B.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Hoffman
Bond Counsel:	Chapman and Cutler LLP	Chicago	Rich Tomei
Financial Advisor:	Ponder & Company	Chicago	Jennifer Brown
Underwriters:			
Senior Manager:	Bank of America Merrill Lynch	Chicago	Joe Hegner, Ken Vallrugo
Co-Manager:	Ziegler	Chicago	Don Carlson
Underwriter Counsel:	Nixon Peabody LLP	Chicago	Tom Fahey
IFA Counsel:	Ice Miller LLP	Chicago	Jim Snyder
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe Selden

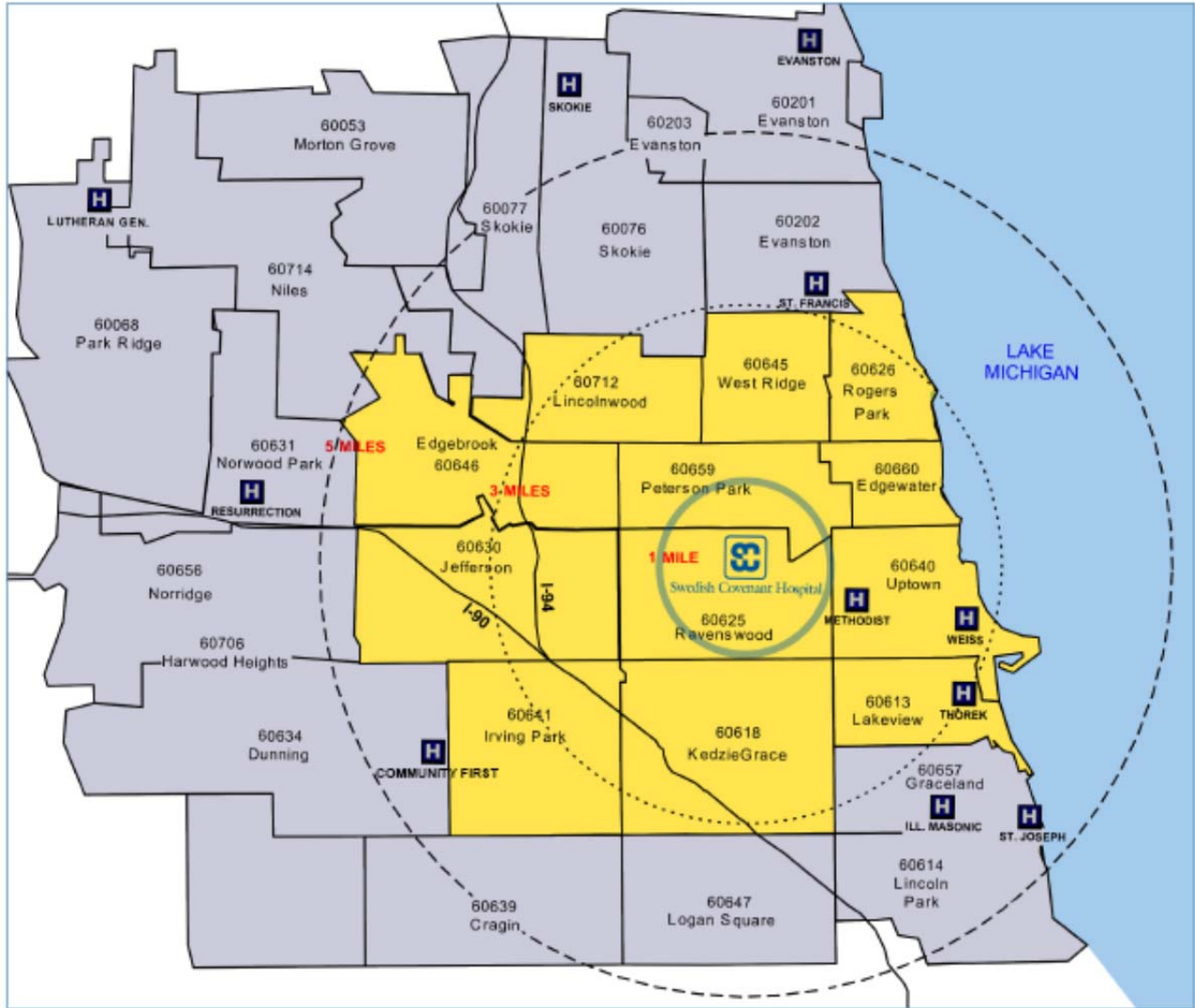
LEGISLATIVE DISTRICTS

Congressional:	5
State Senate:	7
State House:	13

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SERVICE AREA

Swedish Covenant Hospital's primary service area covers the north side of the City of Chicago and the Village of Lincolnwood. The primary service area is bounded by Touhy Avenue and Howard Street to the north, Lake Michigan to the east, Diversey Avenue to the south and Nagel Avenue to the west. The primary service area is six miles long, nearly seven miles wide at the northern boundary and six miles wide at the southern boundary. Travel time from Swedish Covenant Hospital's facilities to the most distant parts of the primary service area is 30 to 45 minutes.



Swedish Covenant Hospital Service Area
■ = Target Area
■ = Extended Area