



September 8, 2016

**\$250,000,000**

**The University of Chicago Medical Center**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>The University of Chicago Medical Center</b> (“UCMC” or the “Borrower”), together with certain other funds to: (i) partially refund the Series 2009A&amp;B Illinois Finance Authority Revenue Bonds, (ii) to fully refund the Illinois Finance Authority Series 2009C and Series 2011C Bonds, (iii) to reimburse UCMC for previously paid capital expenditures; (iv) fund any original issue discount or premium, if applicable; and (v) to pay certain expenses incurred in connection with the issuance of the Series 2016 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 (one-time consideration).																
<b>MATERIAL CHANGES</b>	None. This is the first time this project has been presented to the IFA Board of Directors.																
<b>JOB DATA</b>	<table border="0"> <tr> <td>7,044</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>	7,044	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: Chicago (Cook County/Northeast Region)</li> <li>• The Corporation currently operates three hospitals and an ambulatory care facility located on the main campus of the University as well as certain outlying facilities and activities. The three hospitals operated by the Corporation consist of the newly opened adult patient care facility for complex and specialty care (the Center for Care and Discovery), the original adult patient care facility (Bernard Mitchell Hospital), and a children’s hospital (Comer Children’s Hospital).</li> </ul>																
<b>SECURITY</b>	<ul style="list-style-type: none"> <li>• All Obligations issued under the Master Trust Indenture, including the Series 2016A Bonds will be secured by a security interest in the Unrestricted Receivables of the Obligated Group.</li> </ul>																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• The University of Chicago Medical Center’s ratings are currently ‘Aa3’/ ‘AA-’/ ‘AA-’.</li> </ul> <p>(Moody’s/S&amp;P/Fitch).</p>																
<b>STRUCTURE</b>	<ul style="list-style-type: none"> <li>• The tax-exempt fixed rate Bonds will be sold in a public underwriting by JP Morgan Securities, Citigroup Global Markets, Inc. and Loop Capital Markets, LLC.</li> <li>• Bonds will mature no later than August 15, 2041.</li> </ul>																
<b>SOURCES AND USES</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><u>\$250,000,000</u></td> <td>Refunding Escrow</td> <td>\$247,500,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of issuance</td> <td><u>2,500,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$250,000,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$250,000,000</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	<u>\$250,000,000</u>	Refunding Escrow	\$247,500,000			Costs of issuance	<u>2,500,000</u>	<b>Total</b>	<b><u>\$250,000,000</u></b>	<b>Total</b>	<b><u>\$250,000,000</u></b>
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<b>Total</b>	<b><u>\$250,000,000</u></b>	<b>Total</b>	<b><u>\$250,000,000</u></b>														
<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
September 8, 2016**

**Project: The University of Chicago Medical Center**

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**STATISTICS**

Project Number: 12359	Amount: \$250,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane
Location: Chicago	County/Region: Cook/Northeast

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**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	

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**VOTING RECORD**

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

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**PURPOSE**

Bond proceeds will be used by **The University of Chicago Medical Center** (“UCMC” or the “**Borrower**”), together with certain other funds to: (i) partially refund the Series 2009A&B Illinois Finance Authority Revenue Bonds, (ii) to fully refund the Illinois Finance Authority Series 2009C and Series 2011C Bonds, (iii) to reimburse UCMC for previously paid capital expenditures; (iv) fund any original issue discount or premium, if applicable; and (v) to pay certain expenses incurred in connection with the issuance of the Series 2016 Bonds.

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

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**VOLUME CAP**

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

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**JOBS**

Current employment: 7,044	New jobs projected: N/A
Retained jobs: N/A	Construction jobs projected: N/A

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**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	<u>\$250,000,000</u>	Refunding Escrow	\$247,500,000
		Costs of issuance	<u>2,500,000</u>
<b>Total</b>	<b><u>\$250,000,000</u></b>	<b>Total</b>	<b><u>\$250,000,000</u></b>

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### FINANCING SUMMARY

Security:	The Bonds will be secured by a security interest in the Unrestricted Receivables of the Obligated Group.
Structure:	Fixed Rate Bonds sold in a public offering by JP Morgan Securities, Citigroup Global Markets, Inc., Loop Capital Markets, LLC.
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, 2041.
Rating:	The University of Chicago Medical Center's ratings are 'Aa3'/'AA-'/'AA-' (Moody's/S&P/Fitch).
Estimated Closing Date:	October 31, 2016

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### PROJECT SUMMARY

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### BUSINESS SUMMARY

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### ECONOMIC DISCLOSURE STATEMENT

Applicant:	The University of Chicago Medical Center 5841 S. Maryland Avenue Chicago (Cook County), IL 60637-1447
Contact:	Jim Watson, Chief Financial Officer
Website:	<a href="http://www.uchospitals.edu">www.uchospitals.edu</a>
Borrower:	The University of Chicago Medical Center

Board Members:	Emily Nicklin Diane Atwood Paul Carbone Sandra Culbertson Thomas Duckworth Rodney Goldstein Patrick Kelly William Morrison Joseph Nolan Kenneth Polonsky Jeffrey Sheffield Michael Tang Paula Wolff	James Abrams Ellen Block Robert Clark Daniel Diermeier Richard Edelman Richard Gonzalez Rachel Kohler Joseph Neubauer Brien O'Brien Nicholas Pontikes James Stephen Terry Van Der Aa Paul Yovovich	Andrew Alper Kevin Brown John Cooney Craig Duchossois James Frank Stephanie Harris Jonathan Kovler Cheryl Mayberry McKissack Sharon O'Keefe James Reynolds, Jr. John Svoboda Scott Wald Robert Zimmer
<i>Life Trustees:</i>	Paul Anderson Jules Knapp Barry MacLean Robert Weiss	Robert Feitler Howard Krane Robert Schloerb	Stanford Goldblatt John Mabie Gordon Segal

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Katten Muchin Rosenman	Chicago	Janet Hoffman
Bond Counsel:	Chapman and Cutler LLP	Chicago	John Bibby
Financial Advisor:	Melio & Company	Chicago	Mark Melio
Underwriter:	JP Morgan	New York City	Susanne Beitel
	Loop Capital Markets, LLC	Chicago	Prakash Ramani
	Citigroup Global Markets Inc.	Chicago	Brian Caristead
Underwriters' Counsel:	Polsinelli	Chicago	Janet Zeigler
IFA Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago	Stephen Welcome
IFA Financial Advisor:	Sycamore Advisors, LLC	Chicago	Melanie Shaker

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**LEGISLATIVE DISTRICTS**

Congressional:	1
State Senate:	13
State House:	26

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**SERVICE AREA**

UCMC's primary service area covers much of the south side of the City of Chicago. The primary service area is bounded by 36th Street to the north, Lake Michigan and the Indiana border to the east, 130th Street to the south and Western Avenue to the west. The primary service area is eight miles long, four miles wide at the northern boundary and eight miles wide at the southern boundary. Travel time from UCMC's facilities to the most distant parts of the primary service area is 25 to 30 minutes.

