



**\$31,085,000 – FINAL ISSUANCE AMOUNT – CLOSED 5/04/2017**

**PAB CONDUIT**

March 9, 2017

**\$40,000,000**  
**Montgomery Place**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by <b>Montgomery Place</b> (the “<b>Borrower</b>”) to (i) currently refund the Series 2006A Bonds, (ii) fund a debt service reserve fund, and (iii) pay costs of issuance associated with the transaction.</p> <p><b>Program:</b> Conduit 501(c)(3) Revenue Bonds</p> <p><b>Extraordinary Conditions:</b> Waiver of the \$100,000 bond denomination requirement pursuant to Section K2(c) of the Bond Program Handbook (bonds are being refunded and sold in denominations of less than \$100,000 for savings).</p>			
<b>BOARD ACTIONS</b>	<p>Final Bond Resolution. Voting Record - February 9, 2017 – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstain; 5 Absent (Knox, Poole, Yonover, O’Brien, Funderburg); 0 Vacancies.</p>			
<b>MATERIAL CHANGES</b>	<p>Elimination of new money portion of financing.</p>			
<b>JOB DATA</b>	120	Current jobs	0	New jobs projected
	N/A	Retained jobs	0	Construction jobs projected
<b>DESCRIPTION</b>	<p>Illinois Location: Cook County (Chicago – Hyde Park neighborhood)</p> <ul style="list-style-type: none"> <li>Montgomery Place was incorporated as an Illinois not-for-profit corporation in 1987. Montgomery Place opened a continuing care retirement community (the “<b>Community</b>”) for senior adults in the historic Hyde Park neighborhood of Chicago in October 1991. Prior to its opening, The Church Home (“<b>The Home</b>”), an affiliate of Montgomery Place and an agency of Episcopal Charities and Community Services in the Episcopal Diocese of Chicago, operated a small life care retirement and nursing home in Hyde Park from 1888 until September 1987.</li> <li>The Community presently consists of 155 independent living units, 14 assisted living beds, 8 memory support units, and 40 skilled nursing beds that offer long-term and rehabilitative care. The common areas of the Community include a dining room, a pre-dining room waiting area, a living room, a cultural and meeting center, an exercise gym with a wave resistance pool, a library, a multi-purpose activity room, a craft/woodworking room, a game room, a chapel, private gardens, storage space, residential laundry, and underground parking. The total square footage of the building is approximately 232,000.</li> <li>The campus overlooks Lake Michigan immediately north of the Museum of Science and Industry and just east of The University of Chicago. The first floor of the building contains administrative spaces and common areas. The second and third floors currently house the nursing facility. The upper floors house the independent living units – most with beautiful views of the lake.</li> </ul>			
<b>SECURITY/MATURITY</b>	<ul style="list-style-type: none"> <li>Security: The 2017 bondholders will have a gross revenue pledge of Montgomery Place under a Master Trust Indenture and a mortgage on the property.</li> <li>Maturity: No later than 2057 (40 years).</li> </ul>			
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>The underwritten Bonds will not be rated. (Montgomery Place is not a rated entity.)</li> </ul>			
<b>STRUCTURE</b>	<ul style="list-style-type: none"> <li>Montgomery Place contemplates the issuance of tax-exempt fixed rate bonds to be sold in a public underwriting by Ziegler.</li> </ul>			
<b>SOURCES AND USES</b>	<b>Sources:</b>		<b>Uses:</b>	
<b>ESTIMATED</b>	IFA Bonds	\$30,635,000	Payoff of Existing Debt	\$31,742,331
	Existing Debt Service Reserve Fund (Series 2006)	2,443,000	New Debt Service Reserve Fund (Series 2017)	2,080,875
	Equity Contribution	185,555	Cost of Issuance	<u>802,248</u>
	Series 2006 Principal Fund	632,500		
	Series 2006 Interest Fund	<u>729,399</u>		
	<b>Total</b>	<b><u>\$34,625,454</u></b>	<b>Total</b>	<b><u>\$34,625,454</u></b>

**RECOMMENDATION** | Credit Review Committee recommends approval.

**ILLINOIS FINANCE AUTHORITY  
 BOARD SUMMARY  
 February 9, 2017**

**Project: Montgomery Place**

**STATISTICS**

Project Number: 12379	Amount: \$40,000,000 (not-to-exceed)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Pam Lenane
Locations: Chicago	County/Region: Cook/Northeast

**BOARD ACTION**

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

Extraordinary Condition: Waiver of the \$100,000 bond denomination requirement pursuant to Section K2(c) of the Bond Program Handbook (bonds are being refunded and sold in denominations of less than \$100,000 for savings).

**VOTING RECORD**

Final Bond Resolution  
 Voting Record - February 9, 2017 – Preliminary Bond Resolution – 10 Yeas; 0 Nays; 0 Abstains; 5 Absents (Knox, Poole, Yonover, O’Brien, Funderburg); 0 Vacancies

**PURPOSE**

Bond proceeds will be used by **Montgomery Place** (the “**Borrower**”) to (i) currently refund the Series 2006A Bonds, (ii) fund a debt service reserve fund, and (iii) pay costs of issuance associated with the transaction.

**IFA PROGRAM AND CONTRIBUTION**

Federal income tax-exempt status on bond interest.

**VOLUME CAP**

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

**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	\$30,635,000	Payoff of Existing Debt	\$31,742,331
Existing Debt Service Reserve Fund (Series 2006)	2,443,000	New Debt Service Reserve Fund (Series 2017)	2,080,875
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<b>Total</b>	<b><u>\$34,625,454</u></b>	<b>Total</b>	<b><u>\$34,625,454</u></b>

**JOBS**

Current employment: 120	Projected new jobs: 0
Jobs retained: N/A	Construction jobs: 0

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#### FINANCING SUMMARY

Security:	The 2017 bondholders will have a gross revenue pledge of Montgomery Place under a Master Trust Indenture and a mortgage on the property.
Structure:	Montgomery Place contemplates the issuance of tax-exempt bonds to be sold in a public underwriting by Ziegler.
Interest Rate:	To be determined at pricing based on market conditions.
Underlying Ratings:	The bonds will not be rated.
Maturity:	Not later than 2057 (40 years).
Estimated Closing Date:	April 15, 2017

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#### PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used by **Montgomery Place** (the “**Borrower**”) to (i) currently refund the Series 2006A Bonds, (ii) fund a debt service reserve fund, and (iii) pay costs of issuance associated with the transaction.

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#### BUSINESS SUMMARY

Montgomery Place was incorporated as an Illinois not-for-profit corporation in 1987. Montgomery Place opened a new continuing care retirement community (the “**Community**”) for senior adults in the historic Hyde Park neighborhood of Chicago in October 1991. Prior to its opening, The Church Home (“**The Home**”), an affiliate of Montgomery Place and an agency of Episcopal Charities and Community Services in the Episcopal Diocese of Chicago, operated a small life care retirement and nursing home in Hyde Park from 1888 until September 1987.

The Community presently consists of 155 independent living units, 14 assisted living beds, 8 memory support units, and 40 skilled nursing beds that offer long-term and rehabilitative care. The common areas of the Community include a dining room, a pre-dining room waiting area, a living room, a cultural and meeting center, an exercise gym with a wave resistance pool, a library, a multi-purpose activity room, a craft/woodworking room, a game room, a chapel, private gardens, storage space, residential laundry, and underground parking. The total square footage of the building is approximately 232,000.

The campus overlooks Lake Michigan immediately north of the Museum of Science and Industry and just east of The University of Chicago. The first floor of the building contains administrative spaces and common areas. The second and third floors currently house the nursing facility. The upper floors house the independent living units – most with beautiful views of the lake.

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#### ECONOMIC DISCLOSURE STATEMENT

Applicant:	Montgomery Place
Site Address:	5550 South Shore Drive Chicago, IL 60637 (773) 966-0159
Contact:	Deborah Hart, CEO Fred Saviano, CFO
Website:	<a href="http://www.montgomeryplace.org">www.montgomeryplace.org</a>

Project name: Montgomery Place  
 Organization: 501(c)(3) Not-for-Profit Corporation  
 State: Illinois  
 Board of Directors:

Name	Board Position	Occupation/Profession	Year Term Expires
Michael M. McGarry	Chair	President Hyde Park Bank	2019
Dr. Constance Bonbrest	Vice Chair	Retired	2018
John Juroe	Treasurer	Investment Advisor	2018
Susan Levy	Secretary	Retired	2017
Susanne Dutcher	Member	Retired	2019
Deborah C. Franczek	Member	Retired	2017
Margo Brooks-Pugh	Member	V. P. of Development/Pres. of Foundation Jackson Park Hospital	2018
Evan Freund	Member	Retired	2017
Gregory L. Gleason	Member	IT services	2019
Douglas R. Hoffman	Member	Attorney	2019
Helen M. Johnson	Member	Retired	2019
Dr. Cynthia Lindner	Member	Professor	2017
Dr. Bryon Rosner	Member	Medical Physician	2017
John Segal	Member	Investment Advisor	2019
Scott R. Williamson	Member	Governmental Investigator	2019
Rev. Nancy R. Meyer	Ex-Officio Member	Retired	

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**PROFESSIONAL & FINANCIAL**

Borrower's Counsel:	Katten Muchin Rosenman LLP	Chicago	Janet Goelz Hoffman
Bond Counsel:	Chapman and Cutler LLP	Chicago	John Bibby
Underwriter:	Ziegler	Chicago	Steve Johnson
Placement Agent	Ziegler	Chicago	Steve Johnson
Underwriter's Counsel:	Dentons	Chicago	Kathryn Ashton
Issuer's Counsel:	Greenberg Traurig LLP	Chicago	Thomas Smith
Issuer's Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe Selden

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**LEGISLATIVE DISTRICTS**

Congressional: 2  
 State Senate: 13  
 State House: 25

