

May 11, 2017

\$45,000,000 (not-to-exceed)
Benedictine University

REQUEST	<p>Purpose: Bond proceeds, together with certain other funds, will be used by Benedictine University (the “University”) to (i) currently refund all or a portion of the Illinois Finance Authority Revenue Bonds (Benedictine University Project) Series 2013B (the “Series 2013B Bonds”); (ii) refinance the outstanding balance of the Bridge Loan Agreement dated November 20, 2013, among the University, Founders Woods, Ltd. and RBS Citizens, N.A.; (iii) finance certain fees relating to the termination of a swap agreement; (iv) fund a debt service reserve fund for the benefit of the Series 2017 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds, all as permitted by the Act (collectively, the “Financing Purposes”).</p> <p>Program: Conduit 501(c)(3) Revenue Bonds</p> <p>Extraordinary Conditions: None.</p>																																
BOARD ACTION	Final Bond Resolution (<i>One-time consideration</i>)																																
MATERIAL CHANGES	Not applicable. This is the first time this financing is being presented.																																
JOB DATA	<table style="width:100%; border:none;"> <tr> <td style="text-align:center;">1,367</td> <td style="text-align:center;">Current jobs</td> <td style="text-align:center;">15</td> <td style="text-align:center;">New jobs projected (1-2 years)</td> </tr> <tr> <td style="text-align:center;">N/A</td> <td style="text-align:center;">Retained jobs</td> <td style="text-align:center;">N/A</td> <td style="text-align:center;">Construction jobs projected</td> </tr> </table>	1,367	Current jobs	15	New jobs projected (1-2 years)	N/A	Retained jobs	N/A	Construction jobs projected																								
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DESCRIPTION	<ul style="list-style-type: none"> ● Location: Lisle / DuPage County / Northeast ● Type of entity: The University, a 501(c)(3) organization incorporated under Illinois law, is a private, Catholic, co-educational institution of higher learning founded by the Benedictine monks of St. Procopius Abbey in 1887 that is governed by a 25-member Board of Trustees (see pp. 5-6). ● The IFA Revenue Refunding Bonds (Benedictine University) Series 2017 will refund the University’s Series 2013B Bonds (bank purchased) as well as refinance on a tax-exempt basis a conventional bank loan with RBS Citizens, N.A. The Series 2017 Bonds will be sold publicly based on the University’s long-term debt rating. 																																
CREDIT INDICATORS	<ul style="list-style-type: none"> ● S&P Global Ratings assigned a ‘BBB’ rating to the proposed 2017 Bonds and affirmed the rating on the University’s outstanding Series 2013A Bonds at ‘BBB’ (while also revising the Outlook from Negative to Stable) as of April 25, 2017. 																																
STRUCTURE	<ul style="list-style-type: none"> ● The plan of finance contemplates the public offering of the Series 2017 Bonds, underwritten by Goldman Sachs & Co. LLC (the “Underwriter”). ● The Series 2013B Bonds to be refunded were purchased directly by RBS Citizens, N.A. and First Midwest Bank, N.A. in an initial Bank Purchase Mode Term that would otherwise expire as of October 1, 2020. ● The Bonds will be sold on a fixed rate basis, potentially with both serial and term maturities. ● The final maturity of the Series 2017 Bonds is expected to be no later October 1, 2043 (which is the same final maturity date as the Series 2013B Bonds to be refunded (i.e., 26 years)). 																																
SOURCES AND USES – ESTIMATED	<table style="width:100%; border:none;"> <tr> <td colspan="2">Sources:</td> <td colspan="2">Uses:</td> </tr> <tr> <td>IFA Series 2017 Bonds</td> <td style="text-align:right;">\$35,500,000</td> <td>Series 2013B Refunding</td> <td style="text-align:right;">\$30,000,000</td> </tr> <tr> <td>Equity</td> <td style="text-align:right;"><u>600,000</u></td> <td>Conventional Loan</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Refinancing</td> <td style="text-align:right;">1,400,000</td> </tr> <tr> <td></td> <td></td> <td>Swap Termination Fees</td> <td style="text-align:right;">900,000</td> </tr> <tr> <td></td> <td></td> <td>Debt Service Reserve Fund</td> <td style="text-align:right;">3,200,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align:right;"><u>600,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align:right;"><u>\$36,100,000</u></td> <td>Total</td> <td style="text-align:right;"><u>\$36,100,000</u></td> </tr> </table>	Sources:		Uses:		IFA Series 2017 Bonds	\$35,500,000	Series 2013B Refunding	\$30,000,000	Equity	<u>600,000</u>	Conventional Loan				Refinancing	1,400,000			Swap Termination Fees	900,000			Debt Service Reserve Fund	3,200,000			Costs of Issuance	<u>600,000</u>	Total	<u>\$36,100,000</u>	Total	<u>\$36,100,000</u>
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RECOMMENDATION	Credit Review Committee recommends approval.																																

**ILLINOIS FINANCE AUTHORITY
 BOARD SUMMARY
 May 11, 2017**

Project: Benedictine University

STATISTICS

Project Number: 12391	Amount: \$45,000,000 (not-to-exceed amount)
Type: 501(c)(3) Revenue Bonds	IFA Staff: Rich Frampton and Brad R. Fletcher
Locations: Lisle	County/Region: DuPage County/Northeast

BOARD ACTION

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

VOTING RECORD

Not applicable. This is the first time this financing is being presented.

PURPOSE

Bond proceeds, together with certain other funds, will be used by **Benedictine University** (the “**University**”) to (i) currently refund all or a portion of the Illinois Finance Authority Revenue Bonds (Benedictine University Project) Series 2013B (the “**Series 2013B Bonds**”); (ii) refinance the outstanding balance of the Bridge Loan Agreement dated November 20, 2013, among the University, Founders Woods, Ltd. and RBS Citizens, N.A.; (iii) finance certain fees relating to the termination of a swap agreement; (iv) fund a debt service reserve fund for the benefit of the Series 2017 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Bonds are a form of municipal bond financing 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 Bond paid to bondholders, thereby reducing the Borrowers’ interest expense.

VOLUME CAP

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

ESTIMATED SOURCES AND USES OF FUNDS – SUBJECT TO CHANGE

Sources: ESTIMATED		Uses:	
IFA Series 2017 Bonds	\$35,500,000	Series 2013B Refunding	\$30,000,000
Equity	<u>600,000</u>	Conventional Loan Refinancing	1,400,000
		Swap Termination Fees	900,000
		Debt Service Reserve Fund	3,200,000
		Costs of Issuance	<u>600,000</u>
Total	<u>\$36,100,000</u>	Total	<u>\$36,100,000</u>

JOBS

Current employment:	1,367	Projected new jobs:	15 (1-2 years)
Jobs retained:	N/A	Construction jobs:	N/A

The University employs 143 Full Time and 3 Part Time FTE faculty (i.e., 146 total). Current employment includes full- and part-time employees (including students).

FINANCING SUMMARY

Structure/ Security:	<p>The plan of finance contemplates the public offering of the Series 2017 Bonds, underwritten by Goldman Sachs & Co. LLC (the “Underwriter”). The Series 2017 Bonds are general obligations of the University under the Loan Agreement payable from any available funds.</p> <p>The Series 2013B Bonds to be refunded are currently held by RBS Citizens, N.A. and First Midwest Bank, N.A. in an initial Bank Purchase Mode Term that would otherwise be scheduled to expire on October 1, 2020.</p>
Underlying Rating:	<p>S&P Global Ratings assigned a ‘BBB’ rating to the proposed IFA Series 2017 Bonds and affirmed the rating on the University’s outstanding Series 2013A Bonds at ‘BBB’ (while also revising the Outlook on the Series 2013A Bonds from Negative to Stable) effective as of April 25, 2017.</p>
Interest Rate:	<p>Both sizing and interest rate modes will be determined based on evaluation of market conditions by the University and its financing team at pricing.</p>
Maturity:	<p>The final maturity of the Series 2017 Bonds is expected to be no later October 1, 2043, the current final maturity date of the Series 2013B Bonds that will be refunded (i.e., 26 years).</p>
Estimated Closing Date:	<p>May 2017</p>
Rationale:	<p>The proposed Series 2017 Bonds will reduce debt service payments for the University while also keeping its fixed charges (including debt service payments) as low as possible.</p> <p>The University intends to use the funds made available by the lower debt service obligations to pay for various ongoing instructional and academic purposes.</p>

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds, together with certain other funds, will be used by **Benedictine University** (the “**University**”) to (i) currently refund all or a portion of the Illinois Finance Authority Revenue Bonds (Benedictine University Project) Series 2013B (the “**Series 2013B Bonds**”); (ii) refinance the outstanding balance of the Bridge Loan Agreement dated November 20, 2013, among the University, Founders Woods, Ltd. and RBS Citizens, N.A.; (iii) finance certain fees relating to the termination of a swap agreement; (iv) fund a debt service reserve fund for the benefit of the Series 2017 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2017 Bonds, all as permitted by the Act (collectively, the “**Financing Purposes**”).

BUSINESS SUMMARY

Description:	<p>Benedictine University (the “University” or the “Borrower”) was established in 1887 and is incorporated under State of Illinois law. The Borrower is a 501(c)(3) not-for-profit corporation exempt from federal income taxes under the Internal Revenue Code. The University is governed by a 25-member Board of Trustees (currently comprised of 23 trustees and 2 <i>ex officio</i> trustees - see Economic Disclosure Statement on pages 5-6).</p>
Background:	<p>Benedictine University dedicates itself to the education of undergraduate and graduate students from diverse ethnic, racial, and religious backgrounds. The University specializes in undergraduate liberal arts and graduate professional education guided by its Roman Catholic tradition and Benedictine heritage. The University relocated from Chicago to its present 108-acre main campus in Lisle in 1901. The campus is located approximately 25 miles west of the Chicago Loop.</p> <p>The University has locations in Lisle (main campus) with branch campuses in Springfield, IL, and Mesa, AZ as well as online and offsite campus offerings. The University’s student body at its Lisle and Springfield campuses is primarily drawn from the Midwest. The University’s Mesa, AZ</p>

campus opened in August 2013 with 100 students. The University's Springfield and Mesa, AZ campuses focus on graduate and adult undergraduate programs.

Benedictine established its Mesa, AZ campus after being approached by the City of Mesa to respond to a "Request for Information" for the purpose of seeking an established university to bring a higher education institution to the City of Mesa. Market research by Mesa's Office of Economic Development concluded that there was an underserved population of traditional and adult students desiring an established liberal arts institution that was faith-based. In January 2012, Benedictine University was named the lead higher education institution for the City of Mesa. Benedictine is the only Catholic university in the State of Arizona. Benedictine currently leases its classroom space in Mesa.

For Fall 2016, the University had a total headcount enrollment of 5,893 students and a full-time equivalent ("FTE") enrollment of 4,116 students. The University offers 56 undergraduate majors, 20 graduate and four doctoral programs, as well as 49 graduate certificate programs. For academic year 2016-17, approximately 3,171 students were enrolled in undergraduate programs while an additional 2,722 students were enrolled in graduate programs.

The University's educational offerings are provided through the following colleges: College of Liberal Arts; College of Science; the Goodwin College of Business; the College of Education and Health Services; and the School of Graduate, Adult, and Professional Education (which provides for adult undergraduate degree completion, certification programs through master's degrees, and the doctoral programs).

Forbes magazine named the University among "America's Top Colleges" for the sixth consecutive year in 2016. The University's Master of Business Administration ("M.B.A.") program is listed by Crain's Chicago Business as the fifth largest in the Chicago area in 2015. *StateUniversity.com* ranks the University as the safest four-year school in Illinois based on a scale that accounts for the severity and frequency of on-campus crime in 2014 and has consistently been ranked among the safest four-year schools in Illinois. For 2016, *Graduateprograms.com* ranked the University's online M.B.A. program among the top six best programs in the nation and the University's online Public Health program among the top four best programs in the nation. The University's Doctor of Philosophy ("Ph.D.)/Doctor of Business Administration ("D.B.A.") in Values-Driven Leadership Program was recognized as a Top 10 Ph.D. program in *HR.com's* 2017 Leadership Excellence and Development ("LEAD") Awards.

Accreditations: Benedictine University is accredited by the Higher Learning Commission and is a member of the North Central Association; the Illinois State Board of Education, Teacher Certification Section; the Commission on Accreditation for Dietetics Education of the American Dietetic Association; the Commission on Collegiate Nursing Education and is approved by the Illinois Board of Higher Education. Benedictine University is approved by the American Chemical Society to award ACS certified B.S. degrees in chemistry and biochemistry.

The undergraduate Didactic Program in Dietetics (DPD) and graduate Dietetic Internship program are accredited by the Commission on Accreditation for Dietetics Education of the American Dietetic Association.

Affiliates: The University has three affiliates, including (i) Founders Woods, Ltd., (ii) Benedictine University at Springfield (formerly Springfield (IL) College), and (iii) Benedictine (Guangzhou) Education Consulting Co., Ltd.

Founders Woods, Ltd. is a nonprofit entity established to acquire a student housing facility developed on University land. Pursuant to an agreement between Founders Woods and the University, the assets of Founders Woods will be transferred to the University effective June 1, 2017.

The University established an affiliation agreement with Springfield College in June 2010. Under this affiliation agreement, the University pays rent to the College for providing classroom and office space for the University's programs. The use of the Springfield College property is required to be consistent with the mission and identity of Springfield College as a not-for-profit Catholic

institution of higher education. This affiliation agreement established the University's Springfield, Illinois campus (which is now known as Benedictine University at Springfield), and now focuses on adult and graduate education.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Benedictine University, 5700 College Road, Lisle, IL 60532

Contact: Ms. Miroslava Krug, Chief Financial Officer and Vice President of Administration and Finance, Benedictine University; (T): 630-829-6418; E-mail: mmkrug@ben.edu

Website: <http://www.ben.edu/>

Location: 5700 College Road, Lisle (DuPage County), IL 60532

Project name: IFA 501(c)(3) Revenue Refunding Bonds (Benedictine University) Series 2017

Organizations: Benedictine University is an Illinois not-for-profit corporation.

Board of Trustees: The Benedictine University Board of Trustees provide guidance and oversee fulfillment of the University's educational mission and is comprised of the following members:

Trustee	Year Elected	Term Expires	Principal Business Affiliation
Maureen Beal	2003	2019	National Van Lines, Chairman/CEO
Norman J. Beles	2011	2017	Belcorp Financial Services, Inc., President
Christopher E. Birck	2014	2017	Oak Street Investments, L.P., Partner
John P. Calamos, Sr.	2002	2017	Calamos Investments, Chairman & Global CIO
Claudia J. Colalillo	2008	2017	Robinson Resource Group, Vice President
Katherine A. Donofrio	2003	2017	
Rev. James P. Flint	2016	2019	St. Procopius Abbey, Treasurer and Vocation Director
Willis M. Gillett	1991	2017	
Daniel L. Goodwin	1991	2018	Inland Real Estate Group, Chairman/CEO
Sister Judith Ann Heble O.S.B.	1995	2017	Moderator of the <i>Communio Internationalis Benedictinarum</i>
Donna Hrozencik	2014	2017	Canton Obstetrics and Gynecology
Raymond Konopka, Jr.	2015	2018	Walt Disney Co., Lead Software Engineer; Raize Software, President
Paul J. Lehman	1986	2019	Frontgate Property Management, LLC
Becky Meggesin	2014	2017	
James L. Melsa	2008	2017	Iowa State University, Dean Emeritus of College of Engineering

Michael Mikula	2014	2017	
Tasneem A. Osmani	2008	2017	Vice President, Northern Trust Company
Leonard S. Piazza	2006	2018	Naperville ENT Associates, President
Robert Ramirez	2006	2018	Spanish Public Media Foundation, Founder/CEO
Daniel F. Rigby	2001	2019	Gallagher Benefits Services, Senior Vice President
Michael S. Siurek	2007	2019	ROC, Inc., President
Rosemary Macko Wisnosky	1993	2017	RE/MAX Professionals Select, Broker
Gregory Ziols	2015	2018	Vistage International – Chicago, CEO Advisory Board Chairman

Ex Officio

Michael S. Brophy	2015	N/A	President of Benedictine University
Abbot Austin G. Murphy, O.S.B.	2010	N/A	St. Procopius Abbey, Abbot, and Chancellor, Benedictine University and Benet Academy

PROFESSIONAL & FINANCIAL

Auditor:	BKD LLP	Oakbrook Terrace, IL	
Borrower’s Advisor:	Columbia Capital Mgmt., LLC	Chicago, IL	Jeff White Adam Pope
Borrower’s Counsel:	Chuhak & Tecson, P.C.	Chicago, IL	Andrew P. Tecson Kimberly T. Boike Andrew L. Glubisz
Bond Counsel:	Katten Muchin Rosenman LLP	Chicago, IL	Janet Hoffman Chad Doobay
Underwriter:	Goldman Sachs & Co. LLC	New York, NY	John Stevenson Joe Resendiz
Underwriter’s Counsel:	Chapman and Cutler LLP	Chicago, IL	Nancy Burke Latrice Phillips
Trustee:	Zions Bank	Chicago, IL	Darryl Pomykala Bob Capparelli
IFA Counsel:	Nixon Peabody LLP	Chicago, IL	Julie Seymour Gretchen E. Sherwood
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden

LEGISLATIVE DISTRICTS

Congressional:	6
State Senate:	21
State House:	42
