



\$19,500,000 – FINAL ISSUANCE AMOUNT – CLOSED 10/19/2017

PAB CONDUIT

September 14, 2017

\$20,000,000

Iowa Health System d/b/a UnityPoint Health (Pekin)

REQUEST	<p>Purpose: Bond proceeds will be used by Iowa Health System d/b/a UnityPoint Health (“UnityPoint Health”) to (i) finance the costs of the acquisition of land and construction of a medical office building (the “Project”) located at 3591 Griffin Avenue, Pekin, Illinois, (ii) retire an existing loan entered into to finance a portion of the costs of the project, and, (iii) 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>)																				
JOB DATA	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: right;">702</td> <td style="width: 33%;">Current jobs</td> <td style="width: 33%; text-align: right;">0</td> <td style="width: 33%;">New jobs projected</td> </tr> <tr> <td style="text-align: right;">702</td> <td>Retained jobs</td> <td style="text-align: right;">200</td> <td>Construction jobs projected</td> </tr> </table>	702	Current jobs	0	New jobs projected	702	Retained jobs	200	Construction jobs projected												
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DESCRIPTION	<ul style="list-style-type: none"> • Location: Pekin/Tazewell County/North Central Region • Description: Effective January 1, 2017, the System’s subsidiary, Methodist Health Services Corporation (MHSC), entered into an Affiliation agreement with Progressive Health Systems, Inc. (PHS), of Pekin, Illinois, under which PHS became a consolidated subsidiary of MHSC. PHS primarily operates Pekin Hospital, a 107-bed facility, and Pekin ProHealth, Inc., which offers primary and specialty care along with home health services. This affiliation allows for enhanced access to primary care providers and specialists in the Peoria market and expands the System’s physician and hospital network in central Illinois. The affiliation was accomplished by MHSC becoming the sole member of PHS. 																				
SECURITY/ MATURITY	<ul style="list-style-type: none"> • Bonds will mature no later than 2047. • Secured by pledge of gross receivables. 																				
CREDIT INDICATORS	<ul style="list-style-type: none"> • Iowa Health System dba UnityPoint Health contemplates a bank direct purchase by Pekin Community Bank – a division of Morton Community Bank. • UnityPoint Health is currently rated “Aa3”/“AA-” long-term by Moody’s/Fitch. 																				
STRUCTURE	<ul style="list-style-type: none"> • Secured by pledge of gross receivables. 																				
SOURCES AND USES	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left;">Sources:</th> <th colspan="2" style="text-align: left;">Uses:</th> </tr> </thead> <tbody> <tr> <td style="width: 33%;">IFA Bonds</td> <td style="width: 33%; text-align: right;"><u>\$20,000,000</u></td> <td style="width: 33%;">Refunding</td> <td style="width: 33%; text-align: right;">\$12,000,000</td> </tr> <tr> <td></td> <td></td> <td>Project Fund</td> <td style="text-align: right;">7,600,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td style="text-align: right;"><u>400,000</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>\$20,000,000</u></td> <td>Total</td> <td style="text-align: right;"><u>\$20,000,000</u></td> </tr> </tbody> </table>	Sources:		Uses:		IFA Bonds	<u>\$20,000,000</u>	Refunding	\$12,000,000			Project Fund	7,600,000			Costs of Issuance	<u>400,000</u>	Total	<u>\$20,000,000</u>	Total	<u>\$20,000,000</u>
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RECOMMENDATION	Credit Review Committee recommends approval.																				

**ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2017**

Project: Iowa Health System d/b/a UnityPoint Health (Pekin)

STATISTICS

Project Number:	12407	Amount:	\$20,000,000 (not-to-exceed)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Pam Lenane
Location:	Pekin	County/Region:	Tazewell/North Central

BOARD ACTION

Final Bond Resolution (<i>One-time Consideration</i>)	
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 **Iowa Health System d/b/a UnityPoint Health** (“UnityPoint Health”) to (i) finance the costs of the acquisition of land and construction of a medical office building (the “Project”) located at 3591 Griffin Avenue, Pekin, Illinois, (ii) retire an existing loan entered into to finance a portion of the costs of the project, and, (iii) 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	<u>\$20,000,000</u>	Refunding	\$12,000,000
		Project Fund	7,600,000
		Costs of Issuance	<u>400,000</u>
Total	<u>\$20,000,000</u>	Total	<u>\$20,000,000</u>

JOBS

Current employment:	702	Projected new jobs:	0
Jobs retained:	702	Construction jobs:	200

FINANCING SUMMARY

Credit Enhancement:	None
Structure:	Iowa Health System d/b/a UnityPoint Health contemplated a bank direct purchase by Pekin Community Bank – a division of Morton Community Bank.
Interest Rate:	To be determined at time of pricing.
Interest Rate Modes:	Fixed
Underlying Ratings:	UnityPoint Health is currently rated “Aa3”/“AA-” long-term by Moody’s/Fitch.
Maturity:	Bonds will mature no later than 2047.
Estimated Closing Date:	September 19, 2017

PROJECT SUMMARY

Bond proceeds will be used by **Iowa Health System d/b/a UnityPoint Health** (“**UnityPoint Health**”) to (i) finance the costs of the acquisition of land and construction of a medical office building (the “**Project**”) located at 3591 Griffin Avenue, Pekin, Illinois, (ii) retire an existing loan entered into to finance a portion of the costs of the project, and, (iii) pay costs of issuance.

BUSINESS SUMMARY

Initially formed in 1994, Iowa Health System (“**IHS**”), an Iowa nonprofit corporation, controls, directly or indirectly, a regional health care delivery system that includes, as of March 31, 2017, thirteen Hospitals (including Blank Children’s Hospital) in eleven Iowa cities, five hospitals in four Illinois cities, one hospital in Madison, Wisconsin, and approximately 1,700 patient service provider full time equivalents practicing in 101 communities (collectively, the “**System**”).

IHS publicly operates as UnityPoint Health. The legal name of the parent remains Iowa Health System, with the UnityPoint Health name reflecting a doing business as (d/b/a). This “d/b/a” name reflects the transformation of clinical processes underway within the System and the adaptation to better address the health care needs of communities, including building a model of delivering health care that coordinates care around the patient while focusing on improving the quality of care and reducing costs. UnityPoint Health is a federally registered trademark and is intended to be the predominant name. UnityPoint Health will be referred to as the System for purposes of this document.

The System entities employ around 26,500 employees (on a full time equivalent basis) System-wide, including being the largest nonprofit workforce in the combined State of Iowa and Western Illinois area, and work toward innovative advancements to achieve the vision of delivering the Best Outcome for Every Patient Every Time. The System also provides a multitude of community benefit programs and services to improve the health of people in its communities.

The primary operations of the System are conducted through an array of nonprofit and for-profit subsidiaries controlled, directly or indirectly, by UnityPoint Health. The affiliates include Central Iowa Health System d/b/a UnityPoint Health – Des Moines, Methodist Health Services Corporation (“MHSC”), Trinity Regional Health System, Meriter Health Services, Inc. (“MHS”), St. Luke’s Healthcare, Allen Health Systems, Inc., St. Luke’s Health System, Inc., Trinity Health Systems, Inc., Finley Tri-States Health Group, Inc., Iowa Physicians Clinic Medical Foundation d/b/a UnityPoint Clinic, and UnityPoint at Home.

Corporations that own and operate hospitals are referred to as “Hospitals”. The Hospitals include Central Iowa Hospital Corporation, which operates Iowa Methodist Medical Center in Des Moines, Iowa, including Blank Children’s Hospital, Iowa Lutheran Hospital in Des Moines and Methodist West Hospital in West Des Moines; The Methodist Medical Center of Illinois and Proctor Hospital, both in Peoria, Illinois and Pekin Hospital in Pekin, Illinois; Trinity Medical Center, which operates Trinity Rock Island in Rock Island, Illinois, Trinity Moline in Moline, Illinois and Trinity Bettendorf in Bettendorf, Iowa; Unity HealthCare, which operates as Trinity Muscatine in Muscatine, Iowa; Meriter Hospital in Madison, Wisconsin; St. Luke’s Methodist Hospital in Cedar Rapids, Iowa; St. Luke’s/Jones Regional Medical Center in Anamosa, Iowa; Allen Memorial Hospital Corporation in Waterloo, Iowa; Northwest Iowa Hospital Corporation, which operates St. Luke’s Regional Medical Center of Sioux City, Iowa; Trinity Regional Medical Center in Fort Dodge, Iowa; The Finley Hospital in Dubuque, Iowa; and Keokuk Area Hospital in Keokuk, Iowa.

UnityPoint Health is also the sole corporate member of Iowa Physicians Clinic Medical Foundation, d/b/a UnityPoint Clinic, a group practice which employs approximately 800 patient service provider full time equivalents in several markets in which the System operates Hospitals. UnityPoint Health has been the sole corporate member of UnityPoint Clinic since 1993, however, as a part of the consolidation of the System’s employed physicians into UnityPoint Clinic and as a part of UnityPoint Health becoming a physician driven organization, UnityPoint Clinic is also recognized as an affiliate. Other employed physician groups in the System may use the name UnityPoint Clinic if they follow agreed upon standards and terms of trademark usage.

UnityPoint Health is the sole corporate member of UnityPoint at Home, which provides adult and pediatric home care services, nursing care, rehabilitation therapy, infusion therapy, palliative care, hospice, and home medical equipment services in communities across Iowa, Illinois, and Wisconsin. Its Iowa site locations include Des Moines, Fort Dodge, Sioux City, Storm Lake, Atlantic, Jefferson, Osceola, Waterloo, and Muscatine. Its Illinois sites are located in Moline and Quincy. Its Wisconsin location is in Madison. UnityPoint at Home works together with its affiliated UnityPoint Health physicians and hospitals to coordinate the services, support, and education necessary for patients to continue their care at home. Home care services in the System which are not a part of UnityPoint at Home may use the name UnityPoint at Home if they follow agreed upon standards and terms of trademark usage. Currently, the home care services provided in three regions are not part of UnityPoint at Home, but have agreed to these standards and thus are operating under the UnityPoint at Home name.

ECONOMIC DISCLOSURE STATEMENT

Applicant: Iowa Health System d/b/a UnityPoint Health (Pekin)

Address: 3591 Griffin Avenue, Pekin, Illinois 61554

Contact: Matthew Kirschner
Vice President Treasury
515-241-8272

Website: www.unitypoint.org

Project name: Pekin medical office building

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

State: Iowa, Illinois, Wisconsin

Board of Directors:

Chair: Mike Stone	Secretary: Linda Newborn
Chair Elect/Vice Chair: Randy Easton	Treasurer: Rick McConnell
Angela Aldrich, M.D. <i>Sioux City</i>	Steve Herwig, D.O. <i>Des Moines</i>

Bill Arnold
Dubuque

Francis Kane, M.D.
Quad Cities (At-Large)

Dave Boyer
Madison

Rick McConnell
Des Moines

Kyle Christianson, M.D.
Waterloo (At-Large)

Pete McLaughlin
Quad Cities

Brenda Clancy
Cedar Rapids (At-Large)

Linda Newborn
Quad Cities

Stanton Danielson, M.D.
Des Moines (UP Clinic)

Cate Ranheim, M.D.
Madison (At-Large)

Randy Easton
Cedar Rapids

Mike Stone
Peoria

Ginny Graves
Madison

John Taets
Fort Dodge

Sally Gray
Cedar Rapids

Devendra Trivedi, M.D.
Peoria

Kent Henning
Des Moines

Mike Williams
Waterloo

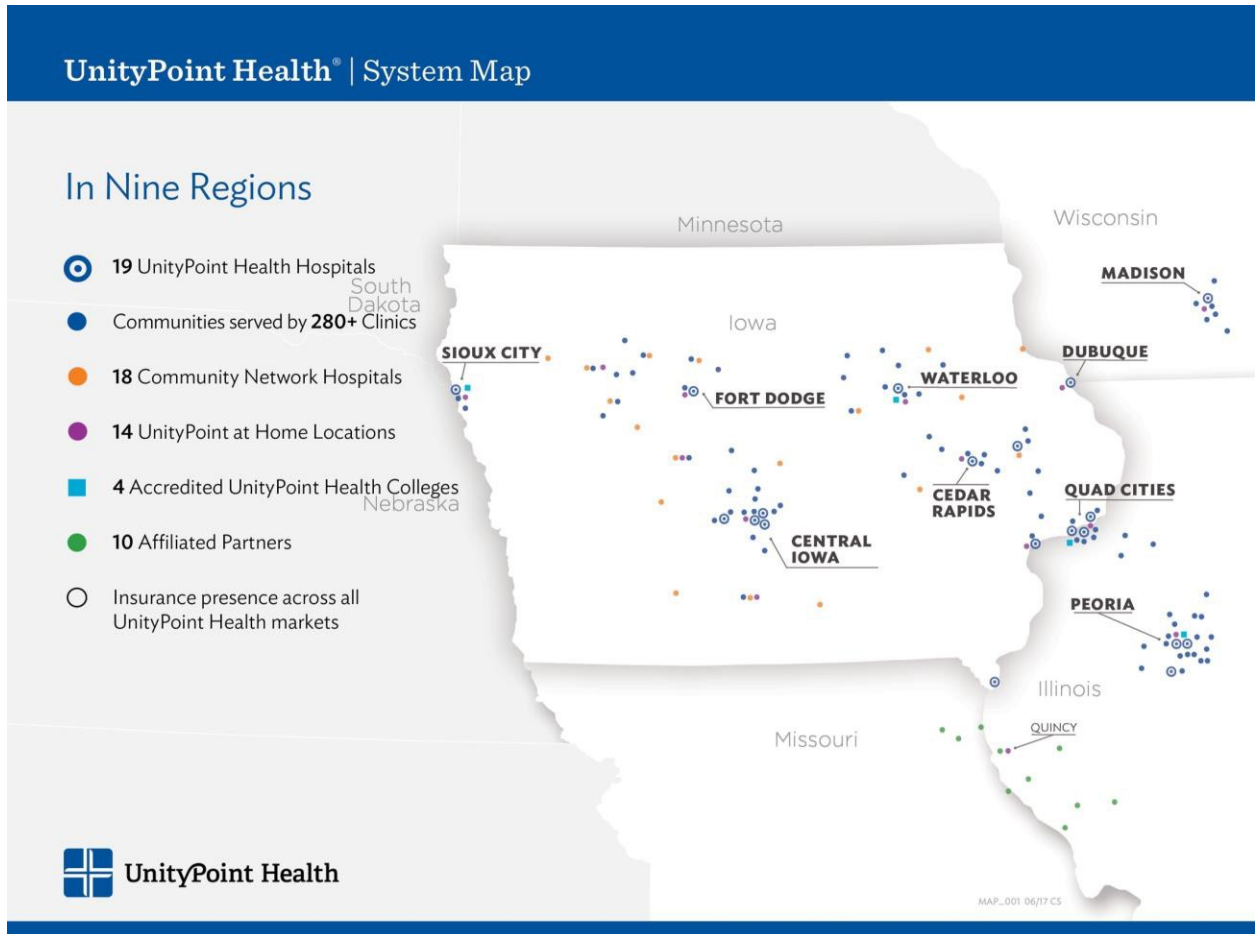
PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Norton Rose Fulbright US, LLP	Dallas, TX	Scott Kortmeyer
Bond Counsel:	Dorsey & Whitney LLP	Des Moines, IA	David Claypool, Chris Kuhn
Bank Counsel:	Quinn, Johnston, Henderson, Pretorius & Cerulo	Peoria, IL	Kenny Eathington
Bond Trustee:	US Bank, National Association	St. Paul, MN	Christine Robinette
Issuer's Counsel:	Chapman and Cutler LLP	Chicago, IL	Rich Tomei
Issuer's Financial Advisor:	Acacia Financial Group, Inc.	Chicago, IL	Phoebe Selden Siamac Afshar

LEGISLATIVE DISTRICTS

Congressional: 17
State Senate: 44
State House: 87

SERVICE AREA FOR PEKIN HOSPITAL



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