



**\$135,480,000– FINAL ISSUANCE AMOUNT – CLOSED 5/31/17**

**PAB CONDUIT**

April 13, 2017

**\$225,000,000**

**Ann & Robert H. Lurie Children’s Hospital of Chicago**

<b>REQUEST</b>	<p><b>Purpose:</b> Bond proceeds will be used by Ann &amp; Robert H. Lurie Children’s Hospital of Chicago (“<b>Lurie Children’s</b>”, “<b>Lurie</b>”, the “<b>Hospital</b>”, or the “<b>Borrower</b>”) to: (i) advance refund all or a portion of the IFA Series 2008A and 2008B Bonds, and (ii) pay costs of issuance.</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 ( <i>One-time consideration</i> ).																
<b>MATERIAL CHANGES</b>	None.																
<b>JOB DATA</b>	<table border="0"> <tr> <td>4,758 (All of Lurie, 3/28/2017)</td> <td>Current jobs</td> <td>N/A</td> <td>New jobs projected</td> </tr> <tr> <td></td> <td>N/A Retained jobs</td> <td>N/A</td> <td>Construction jobs projected</td> </tr> </table>	4,758 (All of Lurie, 3/28/2017)	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: Cook County/Northeast</li> <li>• Ann &amp; Robert H. Lurie Children’s Hospital of Chicago (formerly, The Children’s Memorial Hospital) (“the Hospital”) is an Illinois not-for-profit corporation that presently owns and operates the only full-service, independent, freestanding pediatric hospital in Illinois, with 288 licensed beds, as well as a full range of inpatient and outpatient care and related ancillary services.</li> <li>• Lurie Children’s is a nationally recognized children’s hospital and is the leading provider of complex quaternary pediatric services in the Chicagoland area. In addition, for more than 60 years, Lurie Children’s has served as the pediatric training site for Northwestern University’s Feinberg School of Medicine, training residents, medical students and fellows who will comprise the next generation of health care providers. The Hospital has a full range of inpatient and outpatient care and related ancillary services.</li> </ul>																
<b>SECURITY/MATURITY</b>	<ul style="list-style-type: none"> <li>• The Bonds will be secured by the Borrower’s Direct Note Obligations issued pursuant to its Master Trust Indenture (“<b>MTI</b>”) and an assignment of and security interest in the Gross Revenue of the Borrower.</li> <li>• 2008A – August 15, 2047; 2008B – August 15, 2039</li> </ul>																
<b>CREDIT INDICATORS</b>	<ul style="list-style-type: none"> <li>• +</li> </ul>																
<b>STRUCTURE</b>	<ul style="list-style-type: none"> <li>• The Bonds will be sold in a public offering by JP Morgan Securities LLC, Goldman Sachs &amp; Co. and Loop Capital Markets LLC.</li> </ul>																
<b>SOURCES AND USES ESTIMATED</b>	<table border="0"> <tr> <td><b>Sources:</b></td> <td></td> <td><b>Uses:</b></td> <td></td> </tr> <tr> <td>IFA Bonds</td> <td><u>\$225,000,000</u></td> <td>Refunding Escrow Deposits</td> <td>\$221,625,000</td> </tr> <tr> <td></td> <td></td> <td>Costs of Issuance</td> <td><u>3,375,000</u></td> </tr> <tr> <td><b>Total</b></td> <td><b><u>\$225,000,000</u></b></td> <td><b>Total</b></td> <td><b><u>\$225,000,000</u></b></td> </tr> </table>	<b>Sources:</b>		<b>Uses:</b>		IFA Bonds	<u>\$225,000,000</u>	Refunding Escrow Deposits	\$221,625,000			Costs of Issuance	<u>3,375,000</u>	<b>Total</b>	<b><u>\$225,000,000</u></b>	<b>Total</b>	<b><u>\$225,000,000</u></b>
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<b>RECOMMENDATION</b>	Credit Review Committee recommends approval.																

**ILLINOIS FINANCE AUTHORITY  
BOARD SUMMARY  
April 13, 2017**

**Project: Ann & Robert H. Lurie Children's Hospital of Chicago**

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**STATISTICS**

Project Number: 12389	Amount: \$225,000,000 (Not-to-Exceed)
Type: 501(c)(3) Bonds	IFA Staff: Pam Lenane
Location: Chicago, IL	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) Bonds	No Extraordinary Conditions
Credit Review Committee recommends approval	

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**PURPOSE**

Bond proceeds will be used by Ann & Robert H. Lurie Children's Hospital of Chicago ("**Lurie Children's**", "**Lurie**", the "**Hospital**", or the "**Borrower**") to: (i) advance refund all or a portion of the IFA Series 2008A and 2008B Bonds, and (ii) pay costs of issuance.

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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 and refinance 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 and 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: 4,758 (All of Lurie, 3/28/17)	Projected new jobs: N/A
Jobs retained: N/A	Construction jobs: N/A

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**ESTIMATED SOURCES AND USES OF FUNDS**

<b>Sources:</b>		<b>Uses:</b>	
IFA Bonds	<u>\$225,000,000</u>	Refunding Escrow Deposits	\$221,625,000
		Costs of Issuance	<u>3,375,000</u>
<b>Total</b>	<b><u>\$225,000,000</u></b>	<b>Total</b>	<b><u>\$225,000,000</u></b>

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### FINANCING SUMMARY

Security:	The Bonds will be secured by the Borrower's Direct Note Obligations issued pursuant to its Master Trust Indenture ("MTI") and an assignment of and security interest in the Gross Revenue of the Borrower.
Structure:	The Bonds will be sold in a public offering by JP Morgan Securities LLC, Goldman Sachs & Co. and Loop Capital Markets LLC.
Interest Rate:	To be determined at pricing.
Interest Mode:	The plan of finance contemplates fixed rate bonds.
Credit Enhancement:	None
Maturity:	2008A – August 15, 2047; 2008B – August 15, 2039
Rating:	The bonds will carry ratings. Ann & Robert H. Lurie Children's Hospital has underlying ratings of: 'A+' (positive) / 'AA-' (stable)" from S&P and Fitch, respectively, which is expected to be affirmed as part of this financing.
Estimated Closing Date:	June 22, 2017

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### PROJECT SUMMARY

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### BUSINESS SUMMARY

Children's Hospital of Chicago Medical Center (the "**Medical Center**"), an Illinois not-for-profit Corporation is the sole member of **Ann & Robert H. Lurie Children's Hospital of Chicago ("the Hospital")**, an Illinois not-for-profit corporation. The Hospital was founded in 1882 by Julia Foster Porter to provide medical care for all children. Today, the Medical Center and its affiliates comprise an independent, freestanding academic institution dedicated to the health and well-being of all children. The Medical Center is also the sole member of Ann & Robert H. Lurie Children's Hospital of Chicago Foundation ("**the Foundation**"), Stanley Manne Children's Research Institute ("**the Research Center**"), Pediatric Faculty Foundation, Inc. ("**PF**") and Almost Home Kids ("**AHK**"), all Illinois not-for-profit corporations.

The Hospital owns and operates a pediatric hospital with 288 licensed beds in Chicago, Illinois. The Hospital provides a complete range of pediatric health care services, including pediatric inpatient medical and surgical care, tertiary and quaternary care services, and emergency services. The Hospital operates more than 50 specialty and primary care outpatient clinic at its main campus in the Streeterville neighborhood and throughout the Chicago area, as well as two ambulatory care facilities and thirteen outpatient specialty centers in the surrounding metro Chicago areas.

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**ECONOMIC DISCLOSURE STATEMENT**

Applicant: Ann & Robert H. Lurie Children's Hospital of Chicago  
Site Address: 225 East Chicago Ave. Chicago, IL 60611  
Contact: Ron Blaustein, Chief Financial Officer  
Website: www.luriechildrens.org  
Project Name: Anne & Robert H. Lurie Children's Hospital of Chicago  
Organization: 501(c)(3) Not-For-Profit Corporation  
State: Illinois  
Board of Directors:

**CHILDREN'S HOSPITAL OF CHICAGO MEDICAL CENTER /  
ANN & ROBERT H. LURIE CHILDREN'S HOSPITAL OF CHICAGO  
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**PROFESSIONAL & FINANCIAL**

Borrower’s Counsel:	SNR Denton US LLP	Chicago	Mary Wilson
Accountant:	PricewaterhouseCoopers	Chicago	Shea Fowler
Financial Advisor:	Kaufman Hall	Chicago	Therese Wareham
Bond Counsel:	Chapman and Cutler LLP	Chicago	Mike Mitchell
Underwriters:	JP Morgan Securities LLC	Chicago	Meghan O’Keefe
	Goldman Sachs & Co.	New York	Sue Benz
	Loop Capital Markets LLC	Chicago	Prakesh Ramani
Underwriters Counsel:	Nixon Peabody LLP	Chicago	Julie Seymour
IFA Counsel:	Burke, Burns & Pinelli, Ltd.	Chicago	Steve Welcome
IFA Financial Advisor:	Acacia Financial Group, Inc.	Chicago	Phoebe Selden

**LEGISLATIVE DISTRICTS**

Congressional: 7  
 State Senate: 13  
 State House: 26

**SERVICE AREA**

Lurie Children’s remains the only stand-alone acute care pediatric facility in the state. Its market share has increased to 29% from 27%; Advocate Children’s Hospital, the next-largest provider of pediatric services, has an 18% share. CHCMC’s large active physician base of over 1,200, including approximately 500 employed pediatric care and pediatric subspecialty physicians, helps support the hospital with its breadth and depth of specialties and CHCMC’s larger research and educational mission.

The hospital’s market position is enhanced by its affiliations with Northwestern Memorial Hospital (“NMH”) and the Feinberg School of Medicine (“FSM”). The affiliation strengthens Lurie Children’s physician recruiting and alignment initiatives. As FSM’s primary teaching hospital, virtually all of Lurie Children’s hospital-based physicians hold faculty appointments at the medical school. In addition to its affiliation with Northwestern, Lurie Children’s has extended its geographic reach through strategic partnerships with 14 hospitals and Lurie Children’s 11 outpatient centers located throughout the Chicago metropolitan area.



## Main hospital in Chicago (Streeterville)

### Partner hospitals

- Arlington Heights: Northwest Community Hospital
- Aurora: Presence Mercy Medical Center
- Chicago (Jackson Park): La Rabida Children's Hospital
- Chicago (Humboldt Park): Norwegian American
- Chicago (Lincoln Square) Swedish Covenant Hospital
- Chicago (Streeterville): Prentice Women's Hospital
- Chicago (Bronzeville): Mercy Hospital & Medical Center
- Geneva: Northwestern Medicine Delnor Hospital
- Hinsdale: Adventist Hinsdale Hospital
- Huntley: Centegra Hospital NEW
- New Lenox: Silver Cross Hospital
- Lake Forest: Northwestern Lake Forest Hospital
- Melrose Park: Westlake Hospital
- Oak Park: West Suburban Medical Center
- Winfield: Lurie Children's at Northwestern Medicine of Central DuPage Hospital



### Outpatient Services

- **Arlington Heights:** Northwest Community Hospital
- **Geneva:** Delnor Community Hospital
- **Grayslake:** 1475 E. Belvidere Road
- **Huntley:** Centegra Hospital - **NEW**
- **Lake Forest:** Northwestern Lake Forest Hospital

- **Lincoln Park:** 2515 N. Clark/467 W. Deming Place
- **Lincoln Square:** Swedish Covenant Hospital
- **New Lenox:** Silver Cross Hospital
- **Northbrook:** 1131 Techny Road
- **Westchester** (two locations):  
2301 Enterprise Drive  
11301 West Cermak Road
- **Winfield:** Lurie Children's at Central DuPage Hospital
- **Uptown:** Lawrence and Broadway Avenues

**Lurie Children's Primary Care - Town & Country Pediatrics**

- **Halsted:** 1460 N. Halsted Street
- **Lincoln Avenue:** 6374 N Lincoln Avenue
- **Glenview:** 2601 Compass Road, Glenview

**Almost Home Kids**

- Almost Home Kids - **Naperville**
- Almost Home Kids - **Chicago**