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Via Overnight Courier

March 14, 2014

Ms. Kathryn Olson, Chairperson  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson, Second Floor  
Springfield, Illinois 62761

RECEIVED

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Re: Request for Permit Alteration, Advocate Illinois Masonic Medical Center, Project #12-065 (the "Project")

Dear Ms. Olson:

Advocate Illinois Masonic Medical Center (Masonic), requests an alteration to Permit #12-065.

On December 10, 2012, the Review Board granted Masonic a permit to construct a three-story outpatient center. This center will contain digestive health care, cancer care, and ambulatory surgery plus various clinical and non-clinical services. The Project will adjoin Advocate Illinois Masonic Medical Center located at 836 West Wellington Avenue in Chicago. The applicants for this Project are now seeking a permit alteration to increase the size of the Project by 4.4%.

In the Annual Report letter dated November 27, 2013, we indicated that we expected some fluctuation in the square footages and would be pursuing a permit alteration to reflect those changes. This letter makes that permit alteration request.

We considered the review criteria for this Project and believe all the review criterion affected by the alteration is addressed with this submittal. Based upon Review Board rules, Section 1130.750, we understand that an increase in size requires approval by the Board or its Chair, but that this is an allowable alteration because the increase is less than 5%.

### **Background of Project**

The Project, as approved by the HFSRB, includes both clinical and non-clinical areas. All the programs of care remain the same. Most of the non-clinical changes were a result of the due diligence from the authorities having jurisdiction over a project of this size in the City of Chicago, essentially related to various building codes. The only noteworthy change in the clinical area is the reduction of one Surgical GI Procedure Room. The changes of significance are explained below.

**Change in Various Clinical Areas Increased from 59,229 to 59,513 sq. ft.**

- A modest redesign of the Surgical Operating Rooms enlarged the dgsf from 19,742 to 20,380, or by 3.2%. The department remains within the standard for size.
- The Surgical GI Procedure Suite changed by reducing from 6 to 5 rooms for a 16.4% decrease in space. This reflects a careful reassessment of the rate the service will grow. (The space originally planned and the associated circulation will be needed for the non-clinical biomedical engineering team to have satellite work space in the outpatient center.)
- The Infusion Therapy area was redesigned, which enlarged the dgsf from 5,721 to 6,389. This increase of 668 dgsf remains within the standard for size.

**Change in Various Non-Clinical Space Increased from 84,862 to 90,953 sq. ft.**

- Stairs are proposed to be extended to the roof level on the south-east corner of the building to give access and ability to maintain the green roof that is required by the City of Chicago Zoning and Planned Development 50 (PD50) agreement.
- The stairwells' floor landings on the west and east stairs will be enlarged to allow for areas for rescue assistance, per Chicago Building Code (CBC), as well as exit door locations at all levels. Intermediate landings will be added to accommodate three switchbacks to navigate the 21 foot distance between first and third floors and intermediate landing at grade for final discharge.
- An unexcavated area below the Lobby Mezzanine was modified to capture needed space for the atrium smoke control exhaust system / fresh-air intake and mechanical equipment per requirements of the Chicago Building Code (CBC) as well as the CBC high-rise requirements.
- Enclosed space under an overhang on the north side of the building has been designed to contain irrigation equipment. The equipment is needed to more easily maintain the green wall as required in the Planned Development 50 Code.
- The third floor mezzanine has been redesigned to extend further over the Lobby to regain seating lost in reconfiguring the elevator placement.
- Space for the Biomedical Engineering Department has been added to have a satellite location closer to the areas it serves within the outpatient center.
- The connecting corridor (where the new corridor leads from the existing hospital across to the new surgery) has been widened to keep the column bays aligned and thus avoid the use of transfer beams to support the weight of the building.

**Comparison of the CON Permit to the Alteration Size of Project**

The following table compares the space in the CON Permit with the space proposed by this alteration.

Department / Area	CON Permit New dgsf Const.	CON Permit Modernized	Proposed New dgsf Const.	Proposed Modernized	% change	dgsf Change
<b>CLINICAL</b>						
<b>Surgery</b>						
Surgery Operating Rooms	19,742		20,380		3.2%	638
Surgery GI Procedure Rooms	6,559		5,486		-16.4%	-1,073
Phase II Recovery(Prep/Recovery)	16,169		16,097		-0.4%	-72
<b>Ambulatory Care Services</b>						
Infusion Therapy	5,721		6,389		11.7%	668
Pre Surgical Care	1,574		1,609		2.2%	35
<b>Diag and Interventional Radiology</b>						
Mammography, Dedicated Needle Loc.	338		338		0.0%	0
<b>Therapeutic Radiology</b>						
Linear Accelerator	4,752		4,800		1.0%	48
CT Simulator	1,663		1,691		1.7%	28
Brachytherapy	2,046		2,005		-2.0%	-41
<b>Pharmacy, Outpatient</b>	665		718		8.0%	53
<b>Total Clinical</b>	59,229		59,513		0.5%	284
<b>NON CLINICAL Non Reviewable</b>						
Physicians & Multidisciplinary Team Offices (Time Share, Exam, Consultation)	17,184		17,893		4.1%	709
Patient Ed/Resource Cntr./Conference Cntr.	2,373		2,453		3.4%	80
Public Lobby, Waiting, Toilets, Stairs, Elevators, Corridors	25,852		28,847		11.6%	2,995
Corridors (Modernized Connectors)	0	4,300	0	4,300		0
Mechanical / Electrical / Plumbing	6,411		8,728		36.1%	2,317
Biomedical Engineering	0		996		N/A	996
Crawl Area	11,086		10,000		-9.8%	-1,086
Penthouse, Air Handlers	17,656		17,736		0.5%	80
<b>Total Non-Clinical</b>	80,562	4,300	86,653	4,300		
<b>Total Clinical and Non Clinical</b>	139,791	4,300	146,166	4,300		
<b>Total New Construction + Modernization</b>	144,091		150,466		+4.4%	

### Total Proposed Size of the Project, including "As Is" Space

This table shows the basis for determining the total department square feet.

Dept. / Area	Department Gross Square Feet		Amount of Proposed Total Department Gross Square Feet That Is:				
	Existing	Proposed	CON New Const.	Modernized	As Is	Vacated Space	Reclassified as Procedure
<b>CLINICAL</b>							
<b>Surgery</b>							
Surgery Operating Rooms	25,711	44,314	20,380		23,934	1,321	456
Surgery GI Procedure Rooms	1,978	5,486	5,486			1,978	
Phase II Recovery (Prep/Recovery)	3,715	18,655	16,097		2,558	1,157	
<b>Ambulatory Care Services</b>							
Infusion Therapy	2,147	6,389	6,389			2,147	
Pre Surgical Care	0	1,609	1,609				
<b>Diag. and Interventional Radiology</b>							
Mammography, Dedicated Needle Loc.	0	338	338				
<b>Therapeutic Radiology</b>							
Linear Accelerator	2,148	4,800	4,800			2,148	
CT Simulator	644	1,691	1,691			644	
Brachytherapy	0	2,005	2,005				
<b>Pharmacy, Outpatient</b>	298	718	718			298	
<b>Total Clinical</b>	36,641	86,005	59,513		26,492	9,693	456
<b>NON CLINICAL Non Reviewable</b>							
Physicians & Multidisciplinary Team Offices (Time Share, Exam, Consultation)	34,881	37,975	17,893		20,082	14,799	
Patient Ed/Resource Cntr./Conf. Cntr.	13,128	15,581	2,453		13,128		
Public Lobby, Waiting, Toilets, Stairs, Elevators, Corridors	160,000	188,847	28,847		160,000		
Corridors (Modernized Connectors)	0	4,300		4,300			
Mechanical/Electrical/Plumbing	22,749	31,477	8,728		22,749		
Biomedical Engineering	1,466	2,462	996				
Crawl Area	0	10,000	10,000				
Penthouse, Air Handlers	0	17,736	17,736				
<b>Total Non-clinical</b>	232,224	308,378	86,653	4,300	215,959	14,799	
<b>Total</b>	268,865	394,383	146,166	4,300	242,451	24,492	456
<b>Total Construction + Modernization</b>			<b>150,466</b>				

### Impact on Standard Size of Clinical Departments

The following table shows that all the departments that have standard size requirements will continue to meet those standards.

SIZE OF PROJECT				
Department/Service	Proposed dgsf	State Standard	Difference	Met Standard?
Surgery Operating Rooms	44,314/ 18 ORs = 2,462 per OR	2750 dgsf per OR	-288	Yes
Surgery Procedure Rooms	5,486/ 5 Rooms = 1,097 per Room	1,100 dgsf per Procedure Room	-3	Yes
Phase II Recovery	18,655/47 Stations = 397 per Station	400 dgsf per Recovery Station	-3	Yes
Infusion Therapy	6,389 dgsf/ (27,129 equivalent visits/2,000) = 471 dgsf per 2,000 visits	800 dgsf per 2,000 visits	-329	Yes
Pre Surgical Care	1,609 dgsf/ (4,491 visits/2,000) = 717 dgsf per 2,000 visits	800 dgsf per 2,000 visits	-83	Yes
Mammography, Dedicated for Surgical Needle Localization Only	338 dgsf/1 unit	900 dgsf per unit	-562	Yes
Linear Accelerator	4,800/ 2 units = 2,400 per unit	2,400 dgsf per unit	0	Yes
CT Simulator	1,691/1 unit	1800 dgsf per unit	-109	Yes

### Cost of Project

The Project cost is expected to stay within the Permit amount and possibly be less. The exterior shell of the building will not change by this alteration. Any adjustments for redesign changes can be accommodated within the original budget. The allocation of funds between clinical and non-clinical reflects the slightly larger amount of non-clinical space. The allocation of funds within the cost lines has also shifted, as several tasks, planned in the "other costs to be capitalized" category, will be carried out by the contractor. In addition, some of the contingency funds have been allocated. The comparison of estimated costs to permit costs is shown in the following table:

USE OF FUNDS	Original CON Permit			Alteration		
	CLINICAL	NON CLINICAL	TOTAL	CLINICAL	NON CLINICAL	TOTAL
Preplanning Costs	\$ 377,094	\$ 540,293	\$ 917,387	\$ 362,849	\$ 554,538	\$ 917,387
Site Survey and Soil Investigation	\$ 66,282	\$ 94,968	\$ 161,250	\$ 78,085	\$ 119,337	\$ 197,422
Site Preparation	\$ 1,109,842	\$ 1,590,158	\$ 2,700,000	\$ 1,067,916	\$ 1,632,084	\$ 2,700,000
Off Site Work	\$ 1,145,346	\$ 1,641,026	\$ 2,786,372	\$ 1,102,079	\$ 1,684,293	\$ 2,786,372
New Construction Contracts	\$ 27,524,175	\$ 24,433,476	\$ 51,957,650	\$ 35,386,798	\$ 31,413,202	\$ 66,800,000
Modernization Contracts	\$ -	\$ 944,832	\$ 944,832	\$ -	\$ 944,832	\$ 944,832
Contingencies	\$ 2,135,733	\$ 3,060,032	\$ 5,195,765	\$ 1,333,801	\$ 2,038,431	\$ 3,372,232
Architectural/Engineering Fees	\$ 1,264,491	\$ 1,811,734	\$ 3,076,225	\$ 1,216,723	\$ 1,859,502	\$ 3,076,225
Consulting and Other Fees	\$ 2,812,637	\$ 4,029,885	\$ 6,842,522	\$ 2,706,386	\$ 4,136,136	\$ 6,842,522
Movable or Other Equipment (not in construction contracts)	\$ 11,337,653	\$ 4,988,507	\$ 16,326,160	\$ 7,222,249	\$ 3,177,751	\$ 10,400,000
Bond Issuance Expense (project related)	\$ 364,973	\$ 522,926	\$ 887,899	\$ 351,186	\$ 536,713	\$ 887,899
Net Interest Expense During Construction (project related)	\$ 2,574,413	\$ 3,688,561	\$ 6,262,974	\$ 2,477,160	\$ 3,785,814	\$ 6,262,974
Fair Market Value, Leased Space, Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Costs To Be Capitalized	\$ 4,599,654	\$ 6,590,283	\$ 11,189,937	\$ 1,606,268	\$ 2,454,840	\$ 4,061,108
Acquisition of Building or Other Property (excluding land)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL USES OF FUNDS	\$ 55,312,294	\$ 53,936,679	\$ 109,248,973	\$ 54,911,499	\$ 54,337,474	\$ 109,248,973

## Conclusion

The applicants believe this alteration request for the Project is appropriate and meets the criterion for approval. Enclosed with this letter is a check for the application processing fee, in the amount of \$1,000.

If you have any questions regarding this alteration request or if you need any further information, please call me at (630) 929-5575, or our legal counsel, Joe Ourth (312-498-8487). We look forward to working with you on this Project.

Sincerely,



Albert Manshum, III  
Vice President, Facilities and Construction  
Advocate Health and Hospitals Corporation

CC: Jack Gilbert, Advocate Illinois Masonic Medical Center  
Sonja Reece, Advocate Health Care  
Joe Ourth, Arnstein & Lehr

Enclosure: Check #4070570