Presence®
Saint Joseph Hospital

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JUN 10 2016

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Via Federal Express

June 9, 2016

Ms. Courtney Avery
Administrator
Illinois Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Project # 13-011, Presence Saint Joseph Hospital – Chicago, Annual Report

Dear Ms. Avery:

Please accept this letter as the 2016 annual report for the above referenced project. The project was granted a Certificate of Need by the Illinois Health Facilities Planning Board on May 14, 2013. This project is for new construction of a nine story building connected by a bridge to Presence Saint Joseph Hospital – Chicago, and the modernization of selected areas within the existing hospital structure.

The permit was approved with total project costs of $156,956,132.

1. The current status of the project is as follows:

   a. 90 percent of the project is completed.

   b. The following components of the project are completed:

- The 9 story ambulatory care building ("PCAC") is complete
- The clinical areas of the PCAC were certified for occupancy on 09/2015
  - The IDPH approved commencement of work on the modernization of the existing Hospital building in January of 2016
- The modernization work has commenced

   c. The following components of the project are not yet completed:

   d. There are no changes in the scope of the project or its size. However, in March we submitted notice of changes to the work on the modernization of the existing Hospital building, all of which are that certain work that was planned will not be done, to remain within project budget.

2. The costs incurred to date are $133,372,797.

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3. The method of financing the project and the source of funds is mainly cash and securities as well as certain pledges and gifts.

4. We estimate project completion by November 30, 2017. A permit renewal request was approved to extend the completion date from November 2016 to November 2017.

We are attaching, per your request, an updated costs and sources of funds page and an updated Cost Space page. This request was in response to our notifying you in March of this year that the modernization portion of the project was reduced in order to remain within the project budget.

Please feel free to contact Clare Ranalli at 312-984-3365.

Sincerely,

Roberta Luskin-Hawk, MD
Regional President & CEO
Presence Saint Joseph Hospital – Chicago

Enc.

cc: Mike Constantino
Nousha Parkhill
Brandy Canady
Clare Ranalli

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PROJECT COSTS AND SOURCES OF FUNDS						
	Updated Project Costs*			Actual Costs Expended To Date		
	Clinical Service Components	Non-Clinical Service Components	TOTAL PROJECT	Clinical Service Components	Non-Clinical Service Components	TOTAL PROJECT
Preplanning Costs	$510,180	$649,320	$1,159,500	$510,180	$649,320	$1,159,500
Site Survey and Soil Investigation	$7,920	$10,080	$18,000	$7,920	$10,080	$18,000
Site Preparation	$37,400	$47,600	$85,000	$37,400	$47,600	$85,000
Off Site Work	$0	$0	$0	$0	$0	$0
New Construction Contracts	$39,617,570	$58,547,971	$98,165,541	$33,617,570	$47,516,518	$81,134,088
Modernization Contracts	$10,914,135	$0	$10,914,135	$6,292,879	$0	$6,292,879
Contingencies	$2,660,178	$4,338,324	$6,998,502	$2,660,178	$2,964,887	$5,625,065
Architectural/Engineering Fees	$1,862,512	$1,787,214	$3,649,726	$1,677,160	$1,840,000	$3,517,160
Consulting and Other Fees	$500,000	$504,404	$1,004,404	$150,700	$504,404	$655,104
Movable or Other Equipment (not in construction contracts)	$23,000,000	$450,700	$23,450,700	$22,921,676	$450,700	$23,372,376
Bond Insurance Expense (project related)						
Net Interest Expense During Construction (project related)	$4,210,635	$5,358,990	$9,569,625	4210635	5358990	$9,569,625
Fair Market Value of Leased Space or Equipment						
Other Costs to be Capitalized	$855,360	$1,088,640	$1,944,000	855360	1088640	$1,944,000
Acquisition of Building or other property (excluding land)						
ESTIMATED TOTAL PROJECT COST	$84,175,890	$72,783,243	$156,959,133	$72,941,658	$60,431,139	$133,372,797
	Clinical Service Components	**Non-Clinical Service Components**	**TOTAL PROJECT**			
Cash Presence Health	$40,000,000	$5,356,132	$45,356,132			
Cash Hammes	$20,000,000	$5,700,000	$25,700,000			
Gifts and Bequests						
Bond Issues (project related)						
Mortgages Hammes	$25,228,811	$60,671,190	$85,900,001			
Leases (fair market value)						
Governmental Appropriations						
Grants						
Other Funds and Sources						
TOTAL FUNDS	$85,228,811	$71,727,322	$156,956,133			

*Project is 90% complete. These numbers reflect current anticipated/known costs and some estimated costs for completion of project.

COST SPACE REQUIREMENTS

Dept / Area	Cost	Existing	Proposed	New Construction	Modernized	As Is	Vacated Space
Reviewable							
Musculo. Inst	$8,447,900	0	10,526	10,526	0		
Imaging	$18,611,655	18,583	19,426	14,189	10,611		0
Oncology Clinic	$8,275,768	0	11,227	12,573	0		
Infusion Therapy (Onc.)	$4,657,209	5,292	6,800	6,800	0		5,292
Radiation Therapy	$9,851,149	4,250	4,200	4,200	0		4,250
Infusion Therapy (Non-Onc.)	$0	0	0	0	0		2,000
Outpt. PT/OT	$2,928,181	0	5,792	5,792	0		
Surgery	$34,374,446	23,461	59,299	38,598	23,461		
Recovery		12,956	0	0	0		12,956
GI Labs		6,350	0	0	0		6,350
Bariatrics	$3,601,696	0	2,498	2,498	0		
Neurodiagnostic / Sleep	$0	2,400	0	0	0	2,400	
Inpt. Rehab	$0	8,870	0	0	0	11,270	
Bronchoscopy	$0	250	0	0	0		250
SUB-TOTAL	**$90,748,004**	**82,412**	**119,768**	**95,176**	**34,072**	**13,670**	**31,098**
Non-Reviewable							
Retail	$751,154	0	1,658	1,590			
Pre-Admin Testing	$955,187	0	1,509	1,500			
Diabetes Ed	$1,229,161	0	1,173	2,900			
Lease - Dialysis	$3,072,902	0	8,000	8,000			
Public Area	$2,565,734	0	12,345	2,705			
Admin	$0	6,100	0	0	0	6,100	
Care Suites	$0	0	0	0	0	2,600	
Bridge	$1,229,161	0	848	848			
Physician's Offices	$39,811,155	0	78,696	78,696			
Bldg. Services	$409,720	0	1,090	1,090			
Nurs. Ed / Admin	$0	0	0	0	0	5,072	
On Call Rms	$0	3,250	0	0	0	3,250	
Med Ed / Med Admin	$0	3,650	0	0	0	6,600	
SUB-TOTAL	**$50,024,174**	**13,000**	**105,319**	**97,329**	**0**	**23,622**	**0**
DGSF>BGSF	$16,183,951		42,438	42,438			
TOTALS	**$156,956,129**	**95,412**	**267,525**	**234,943**	**34,072**	**37,292**	**31,098**

*recovery DGSF supports inpatient surgery, outpatient surgery, and GI lab: and surgery, recovery and GI lab share support space.

NOTE: These are actual current numbers, and while certain GSF areas changed somewhat, the total new construction and modernized space combined decreased both in total and for reviewable space