



March 8, 2017

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

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Progress Report (Section 1130.760)
CON Permit 14-056, as altered
St. Anthony's Memorial Hospital (SAE)
Ambulatory Care Center (ACC/POB) Project

Dear Ms. Avery,

This second Annual Progress Report is being submitted consistent with Section 1130.760. The originally permitted project cost was \$14,004,619.00. It was subsequently altered to reflect a \$12,181,075.00 project cost as approved by the Health Facilities and Services Review Board (IHFSRB), on March 2, 2016. The altered project reflects shelling the originally proposed physician office space. As attested to in our February 19, 2016 Alteration Request Number 1, we will be submitting a CON permit application to develop and utilize this shelled area in the near future. For your reference purposes, included are the estimated altered project costs (Exhibit 1) and originally permitted project cost (Exhibit 2) as reflected on the Attachments 7.

Our ACC/POB project is being completed in several phases as noted below:

- | | |
|----------------|--|
| <u>Phase 1</u> | North Parking Lot (Completed November, 2015) |
| <u>Phase 2</u> | EMC Renovation (Partially complete) |
| <u>Phase 3</u> | ACC/POB Construction (In process) |
| <u>Phase 4</u> | Shelled Space Finishing (CON permit application to be filed and approved prior to construction; development is in process) |

Although the project has been delayed as reflected in our various requests to the IHFSRB, all of which have been approved, we are proceeding with due diligence and, as of this date, have expended, or have committed to be spent the following monies which are 17.8% of the altered \$12,181,075 permitted amount.

Altered CON Permit 14-056
Funds committed and/or expended

Project Costs and Sources of Funds			
USE OF FUNDS	ALTERED PROJECT COST *	PROJECT EXPENDITURES	VARIANCE
Preplanning Costs (BKD) (PRISM)	41,000	15,000	26,000
Site Survey and Soil Investigation	80,000	11,972	68,028
Site Preparation	40,000	0	40,000
Off Site Work	0	0	0
New Construction Contracts (Parking / ACC)	6,849,828	806,094	5,443,734
Modernization Contracts (EMC)	674,000	222,193	451,807
Contingencies	657,763	0	657,763
Architectural/Engineering Fees @ 8.0%	606,530	606,530	0
Consulting and Other Fees (CON Related)	92,898	61,745	31,153
Movable or Other Equipment (not in construction contracts)	2,454,511	0	2,454,511
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0		0
Fair Market Value of Leased Space or Equipment	0		0
Other Costs To Be Capitalized	1,284,545	450,627	833,918
Acquisition of Building or Other Property (excluding land)			0
TOTAL USES OF FUNDS	12,181,075	2,174,161	10,006,914
Percent Distribution	100.0%	17.8%	86.1%

* Adjusted use of funds

As evidenced by the above expenditures, major building development has not yet occurred. The site is being prepared to accept the project.

Please let me know if you have any questions. I can be reached by e-mail at Theresa.Rutherford@hshs.org or by telephone at 217-347-1494.

Sincerely,

A handwritten signature in cursive script, reading "Theresa J. Rutherford".

Theresa J. Rutherford
President and Chief Executive Officer

CC: Mike Constantino, Supervisor, Project Review Section
E.W. Parkhurst, Jr., PRISM Healthcare Consulting

Attachments: Exhibit 1 – Attachment 7 – Alteration Number 1 (Estimated Project Costs)
Exhibit 2 - Attachment 7 – Alteration Number 2 (Originally permitted project costs)

St. Anthony's Memorial Hospital
Alteration Number 1 Request
February 19, 2016
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Project Costs and Sources of Funds (Alteration Number 1)

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL (SAE)	NONCLINICAL (SAE)	TOTAL
Preplanning Costs	18,450	22,550	41,000
Site Survey and Soil Investigation	36,000	44,000	80,000
Site Preparation	18,000	22,000	40,000
Off Site Work	0	0	0
New Construction Contracts	3,089,350	3,834,478	6,923,828
Modernization Contracts	0	0	0
Contingencies	293,488	364,275	657,763
Architectural/Engineering Fees @ 8.0%	270,630	335,900	606,530
Consulting and Other Fees	41,450	51,448	92,898
Movable or Other Equipment (not in construction contracts)	2,317,713	136,798	2,454,511
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	0	0	0
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	578,000	706,545	1,284,545
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	6,663,081	5,517,994	12,181,075
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	6,663,081	5,517,994	12,181,075
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	6,663,081	5,517,994	12,181,075
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Project Costs and Sources of Funds (Total Project Cost) (Original permit)

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds (Total Project)			
USE OF FUNDS	CLINICAL (SAE)	NONCLINICAL (SAE) (DEVL)	TOTAL
Preplanning Costs	0	41,000	41,000
Site Survey and Soil Investigation	0	80,000	80,000
Site Preparation	0	40,000	40,000
Off Site Work	0	0	0
New Construction Contracts	3,382,838	5,087,925	8,470,763
Modernization Contracts	0	0	0
Contingencies (Allowance)	0	720,000	720,000
Architectural/Engineering Fees	0	565,937	565,937
Consulting and Other Fees	48,300	44,598	92,898
Movable or Other Equipment (not in construction contracts)	2,317,713	136,798	2,454,511
Bond Issuance Expense (project related)	0	55,000	55,000
Net Interest Expense During Construction (project related)	0	199,965	199,965
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	204,280	1,080,265	1,284,545
Acquisition of Building or Other Property (excluding land)	0		0
TOTAL USES OF FUNDS	5,953,131	8,051,488	14,004,619
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities (SAE/HS/HS/Agrace)	2,570,293	3,264,508	5,834,801
Pledges	--	--	0
Gifts and Bequests	--	--	0
Bond Issues (project related)	--	--	0
Mortgages (Includes FMV Cost)	3,382,838	4,786,980	8,169,818
Leases (fair market value)	--	--	0
Governmental Appropriations	--	--	0
Grants	--	--	0
Other Funds and Sources	--	--	0
TOTAL SOURCES OF FUNDS	5,953,131	8,051,488	14,004,619
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

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Attachment 7 (Total Project Costs)
Project Costs and Sources of Funds