



HSHS
St. Anthony's
Memorial Hospital

February 21, 2018

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

RECEIVED

FEB 26 2018

**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 third Annual Progress Report is being submitted consistent with Section 1130.760. The originally permitted project cost was \$14,004,619.00. The original permit 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, a CON permit application was submitted and approved to develop and utilize this shelled area (CON Permit #17-022).

The ACC/POB project was financially committed, per Section 1130.720, in a letter dated June 2, 2017 which was received by the Review Board on June 5, 2017. In addition, an alteration notice was submitted on December 13, 2017 to change the approved project financing. In a letter to Ms. Ann Carr dated December 15, 2017, Ms. Kathy Olson, IHFSRB Chair, acknowledged its receipt.

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 (Completed November, 2017) |
| <u>Phase 3</u> | ACC/POB Construction (In process) |
| <u>Phase 4</u> | Shelled Space Finishing (approved CON permit application #17-022) |

Although the project has been delayed as reflected in our various correspondence with 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 31.9% of the altered \$12,181,075.00 permitted amount.

Altered CON Permit 14-056
Funds expended through January 2018

Project Costs and Sources of Funds			
USE OF FUNDS	ALTERED PROJECT COST *	PROJECT EXPENDITURES	VARIANCE
Preplanning Costs (BKD) (Adams) (Odell)	41,000	47,332	(6,332)
Site Survey and Soil Investigation	80,000	7,349	72,651
Site Preparation	40,000	8,250	31,750
Off Site Work	0	0	0
New Construction Contracts (Parking / ACC)	6,923,828	2,678,932	4,224,896
Modernization Contracts (EMC)	0	222,193	(222,193)
Contingencies	657,763	0	657,763
Architectural/Engineering Fees @ 8.0%	606,530	101,355	505,175
Consulting and Other Fees (CON Related)	92,898	41,981	50,917
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	0
Fair Market Value of Leased Space or Equipment	0	0	0
Other Costs To Be Capitalized	1,284,545	783,066	501,479
Acquisition of Building or Other Property (excluding land)	0	0	0
TOTAL USES OF FUNDS	12,181,075	3,890,458	8,290,617
Percent Distribution	100.0%	31.9%	68.1%

* Per Alteration #1

The change in financing funds the altered project cost with \$12,000,000.00 in bond proceeds (98.5% of approved project cost) with the remaining \$181,075,000.00 (1.5% of approved project cost) with cash and securities.

As evidenced by the expenditures outlined herein, major building development is underway.

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