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December 26, 2018

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson
Springfield, IL 62761

RE: Annual Progress Report - Project # 15-039
Rockford Memorial Hospital – Riverside Boulevard Campus

Dear Ms. Avery,

Please accept this document in response to the annual progress reporting requirements for the above-referenced project, consistent with the provisions of Section 1130.760.

This project was approved by the State Board on November 18, 2015 and involves the establishment of a new hospital.

The project is currently approximately 74% complete, and the anticipated completion date remains June 2019. To date, it is estimated that a total of approximately \$321,628,885.97 has been incurred, related to project.

The attached table identifies the anticipated project costs, as identified in the *Application*, the currently-anticipated project cost, and costs incurred to date. The sources of funds are not anticipated to change from that identified in the *Application*.

The major project components completed to date include:

- Facility Design
- Mass grading
- Foundation excavation
- Core Construction
- Storm drainage, water and sanitary systems
- Building enclosure
- Landscaping and parking lots
- Mechanical systems including plumbing, HVAC & electrical

The major project components yet to be completed include:

- Furniture
- Artwork
- Completion of equipment installation

Please note that the legal name of Rockford Memorial Hospital is now "Javon Bea Hospital," to honor the accomplishments of Javon R. Bea, Chief Executive Officer of Mercy Health Corporation. The name change was registered with the Illinois Secretary of State on September 27, 2018.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Van Den Heuvel", written over a horizontal line.

Paul Van Den Heuvel
Vice President of Legal Affairs and General Counsel

attachment

IDENTIFICATION OF COSTS INCURRED

Project Costs	<u>Approved Amount</u>	<u>Current Estimate</u>	<u>Incurred to Date*</u>
Preplanning Costs	\$ 4,453,000	\$ 382,500	\$ 382,500
Site Survey & Soil Investigation	\$ 150,000	\$ 777,739	\$ 776,297
Construction Contracts	\$ 222,013,791	\$ 280,574,723	\$ 262,861,434
Contingencies	\$ 10,086,060	\$ 15,510,424	\$ 0
A&E Fees	\$ 9,890,000	\$ 14,636,418	\$ 13,069,867
Consulting & Other Fees	\$ 9,940,000	\$ 3,674,959	\$ 2,623,043
Moveable Equipment	\$ 119,000,000	\$ 62,677,994	\$ 27,508,940
Net Interest Expense	\$ 53,233,755	\$ 51,198,691	\$ 8,733,293
Bond Issue Expense	\$ 4,178,740	\$ 2,817,118	\$ 2,817,118
Other Costs to be Capitalized	\$ 2,200,000	\$ 2,894,780	\$ 2,856,394
TOTAL	\$ 435,145,346	\$ 435,145,346	\$ 321,628,886

Sources of Funds

Cash and Securities	\$ 15,000,000	\$ 15,000,000	
Pledges			
Gifts & Bequests			
Bond Issues	\$ 420,145,346	\$ 420,145,346	\$ 321,628,886
Leases (FMV)			
Depreciated Value of Equip.			
Grants			
Other Funds			
TOTAL	\$ 435,145,346	\$ 435,145,346	\$ 321,628,886

*estimate