



STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET ITEM NUMBER: D-01	BOARD MEETING: September 14, 2021	PROJECT NUMBER: 16-008
PERMIT HOLDER: The University of Chicago Medical Center		
FACILITY NAME and LOCATION: The University of Chicago Medical Center, Chicago, Illinois		

STATE BOARD STAFF REPORT **PERMIT ALTERATION REQUEST**

I. Project Description and Background Information

On May 10, 2016, the State Board approved Permit #16-008 to increase the Permit Holder's number of medical-surgical beds by 168 (from 338 to 506 beds) and to increase the number of its intensive care beds by 20 (from 126 to 146 beds) at Bernard Mitchell Hospital. The Permit Holder was approved to renovate Bernard Mitchell Hospital to replace patient rooms and common areas, upgrade the mechanical systems, and replace the exterior. Additionally, the Adult Emergency Department was approved to be relocated and expanded from Bernard Mitchell Hospital to space adjacent to the Center for Disease and Recovery and to consist of 41 treatment stations, including four trauma resuscitation bays, two radiographic imaging rooms, and one CT room. As part of the State Board's approval the Medical Center stated it would seek Illinois Department of Public Health approval for a Level I Adult Trauma Center to be located on the hospital campus. The project has been obligated and the expected completion date is June 30, 2022. The total cost of the project is \$268,842,147.

This is the first alteration for this project.

II. Summary of Findings

The State Board Staff finds the Alteration is in conformance with 77 ILAC 750 Alteration to Permit.

III. Permit Holder

The **University of Chicago Medical Center** is an Illinois not-for profit corporation. The Medical Center operates the Center for Care and Discovery, the Bernard Mitchell Hospital, the Chicago Lying-In Hospital, the University of Chicago Comer Children's Hospital, the Duchossois Center for Advanced Medicine and various other outpatient clinics and treatment areas. These five facilities are operated under a single hospital license.

The Duchossois Center for Advanced Medicine houses 329 examination rooms, 90 rooms for outpatient procedures, a PET/CT scanner, two helical CT scanners, and three echoplanar MRI scanners. It has facilities for nuclear medicine, eight outpatient surgery suites, and four (4) linear accelerators and two (2) simulators for radiation therapy. The Chicago Lying in Hospital was opened in 1932 and was the Medical Center's first obstetric hospital. The Chicago Lying in Hospital has no beds or clinical operations and is used for office space and research labs.

TABLE ONE University of Chicago Medical Center Beds by Location Upon Approval of Alteration						
Category of Service	Bernard A Mitchell Hospital			Center for Care and Discovery	Comer Center for Children and Specialty Care	Total
Medical Surgical	196	-25	171	310	0	481
Intensive Care	20	-4	16	96	30	142
Obstetric	46	0	46	0	0	46
Pediatric	0	0	0	0	60	60
Neonatal	0	0	0	0	53	53
Total Beds	262	-29	233	406	143	782

IV. Permit Progress to Date:

The Permit Holder states the new Adult Emergency Department ("ED") opened December 29, 2017, and the Level I Adult Trauma services was approved by the Illinois Department of Public Health ("IDPH") on May 1, 2018. Adult ED visits have grown from 57,201 for 2015 to 73,385 for 2020. In three years, the University of Chicago Medical Center has had almost 9,000 adult trauma activations¹, making it the second busiest Trauma Center in the City of Chicago. The comprehensive trauma program saw 4,391 adult and pediatric activations in 2020 alone, a 47% increase from the previous year. The Permit Holder states the University of Chicago Medical Center brought trauma care back to the South Side of Chicago for the first time in 30 years. According to the Permit Holder, the trauma center significantly reduced the length of ambulance trips for South Side residents, including those with penetrating injuries where time is critical. (Average travel time for an emergency patient in South Shore decreased from more than 17 minutes to about 8 minutes).

¹ Trauma activation involves paging a number of hospital staff to go to the emergency department as quickly as possible. Those paged may include an attending surgeon, two or three surgical residents, an anesthesiologist or anesthesia resident, a respiratory therapist, a critical care nurse, and operating room nurse, and x-ray technician, a chaplain, and various others. The trauma team assesses the patient and if serious injuries are present, expeditiously diagnoses and treats the problem. But in cases like the one described above, the team quickly disperses and returns to their usual duties.

In June of 2021 the Permit Holder submitted its Annual Progress Report stating the renovation of the Mitchell Hospital building remains ongoing. The Annual Progress Report stated the Hospital had deployed 110 of the 188 patient beds approved by the State Board to support the general growth in inpatient demand as well as accommodate additional patients using the Adult ED and Trauma Level I service. Through May 31, 2021 expenses incurred were \$98,951,823.

V. Reasons for the Proposed Alteration

According to the Permit Holder *“the proposed change in scope is due to clinical and operational limitations stemming from the impact COVID-19 had on current operations and future facility design needs. We could not make needed changes to our air handling systems and substantial infrastructure changes to that building [Mitchell Hospital] cost-effectively. We also decided to forego extensive interior and exterior work in an aging facility where improvements would be cost prohibitive. Instead, we propose a smaller, more cost-efficient scope of capital improvements for Mitchell while we further plan more prudent investments in cancer care for our community. We believe that this alteration is both clinically and fiscally responsible, and we seek to continue to be a careful steward of resources on the South Side of Chicago. A cost-efficient refresh of Mitchell will enable us to seamlessly provide care to our patients without interruption while allowing us to shift funds to new projects.”*

VI. The Proposed Alteration

The Permit Holder is requesting to decrease the overall project cost from \$268,842,147 to \$116,444,591 or a decrease of **\$152,397,557** (56.7%), square footage from 259,617 GSF to 248,796 GSF (4.17%) and the number of new beds from 188 to 159. The Permit Holder is proposing to reduce the number of beds approved by 29 beds as reflected in the Table below. Should the State Board approve this Alteration the Permit Holder will have the following categories of service and beds:

TABLE TWO University of Chicago Medical Center			
Categories of Service	#16-008	Alteration	Change
Medical Surgical	506	-25	481
Pediatric	60	0	60
Intensive Care	146	-4	142
Obstetric	46	0	46
Neonatal	53	0	53
Total	811	-29	782

The alteration does **NOT** propose the discontinuation or addition of any categories of service nor an increase in borrowed funds. A change in the methods of financing the project from what was approved in the permit is being proposed as the Permit Holder will

no longer be using bond proceeds to fund the project. It is noted the amount of cash and securities will increase because of this change.

VII. Proposed Changes

Per the Statute, Projects **may deviate** from the costs, fees, and expenses provided in their project cost information for the project's cost components, provided that **the final total project cost** does not exceed the approved permit amount. Project alterations shall not increase the **total approved permit amount** by more than the limit [7% of total permit amount] set forth under the Board's rules [20 ILCS 3960/5].

The Permit Holder provided an explanation of the changes to the uses of funds in their Alteration Request and the explanations appear reasonable.

Permit #16-008 will no longer be funded from Bond Proceeds of \$200,000,000¹. The project will be funded with cash of \$90,468,591 and other sources of funds of \$25,976,000. The Other Sources of Funds refers to the Project's ability to take advantage of tax credits. The University of Chicago Medical Center's subsidiary Title Holding Corporation II² qualifies as a Qualified Active Low-Income Community Business (QALICB),³ which allowed it to enter a New Market Tax Credit (NMTC)⁴ financing of the Adult Emergency Department and Trauma Center. The NMTC program was established by the US Congress as part of the Community Renewal Tax Relief Act of 2000 and is administered by the Department of Treasury to encourage private investment in qualifying low-income communities.

¹ **The Permit Holder stated:** "Although there is no bond issuance, an amount shows for capitalized interest. This is consistent with Generally Accepted Accounting Principles (GAAP) that state that long term self-constructed assets require capitalizing all borrowing costs to finance the construction of assets. Borrowing costs can include both actual borrowing costs for a project and interest imputed based on weighted average rates on other borrowings. Further guidance is provided in FASB Statement No. 34. UCMC applies this calculation to self-constructed assets with an expected cost of greater than \$5,000,000 and when the construction period is greater than one year."

² IRC 501(c)(2) exempts from federal income tax corporations (as defined in IRC 7701(a)(3), "corporations" include associations) organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to an organization which itself is exempt under IRC 501(a). The Corporation is organized/operated, for the benefit of The University of Chicago Medical Center, a tax-exempt organization recognized as a public charity under 501(c)(3).

³A QALICB is any corporation or partnership (for profit or not for profit) **engaged in the active conduct of** a qualified business in a Low-Income Community meeting standard pertaining to gross income, use of property, and services performed.

⁴ NMTC investors provide capital to community development entities (CDEs), and in exchange are awarded credits against their federal tax obligations. Investors can claim their allotted tax credits in as little as seven years—5 percent of the investment for each of the first three years and 6 percent of the project for the remaining four years—for a total of 39 percent of the NMTC project. A CDE can be its own investor or find an outside investor. Investors are primarily corporate entities—often large international banks or other regulated financial institutions—but any entity or person is eligible to claim NMTCs.

Table Three and Table Four outline the proposed changes to the gross square footage and the project costs. The difference in total gross feet is below the 5% State Board threshold as required.

TABLE THREE							
Cost Space Requirements							
Reviewable	Approved Permit		Proposed		Differences		% of Difference GSF
	Cost	GSF	Cost	GSF	Cost	GSF	
Adult Emergency	\$30,374,985	29,017	\$25,036,463	28,672	-\$5,338,522	-345	
Radiology	\$5,159,547	1,671	\$1,239,074	1,419	-\$3,920,473	-252	
Medical Surgical	\$122,729,291	109,322	\$27,597,462	79,217	-\$95,131,829	-30,105	
ICU	\$12,810,399	10,263	\$0	0	-\$12,810,399	-10,263	
Cancer Ancillaries	\$12,128,483	10,697	\$3,618,552	4,144	-\$8,509,931	-6,553	
Total Reviewable	\$183,202,705	160,970	\$57,491,551	113,452	-\$125,711,154	-47,518	-18.30%
Non-Reviewable							
Staff Support	\$6,247,571	18,220	\$14,111,461	32,397	\$7,863,890	14,177	
Public	\$37,862,380	65,004	\$0	0	-\$37,862,380	-65,004	
Bldg. Systems	\$41,529,491	15,423	\$44,841,578	102,947	\$3,312,087	87,524	
Total-Non-Reviewable	\$85,639,442	98,647	\$58,953,039	135,344	-\$26,686,403	36,697	37.2%
Total	\$268,842,147	259,617	\$116,444,590	248,796	-\$152,397,557	-10,821	-4.17%

TABLE SIX								
Project Costs and Sources of Funds								
	Approved Permit Amount				Alteration Request			
Uses of Funds	Reviewable	Non-Reviewable	Total		Reviewable	Non-Reviewable	Total	Difference % of Difference
Preplanning Costs	\$466,267	\$304,061	\$770,328		\$571,309	\$396,419	\$967,728	\$197,400 25.63%
Site Survey and Soil Investigation	\$17,694	\$4,451	\$22,145		\$3,900	\$5,850	\$9,750	-\$12,395 -55.97%
Site Preparation	\$493,934	\$322,104	\$816,038		\$3,920	\$5,880	\$9,800	-\$806,238 -98.80%
New Construction Contracts	\$90,479,752	\$59,003,477	\$149,483,229		\$19,040,370	\$11,182,439	\$30,222,809	- \$119,260,420 -79.78%
Modernization Contracts	\$0	\$0	\$0		\$14,292,922	\$21,439,384	\$35,732,306	\$35,732,306 100.00%
Contingencies	\$9,047,975	\$5,900,348	\$14,948,323		\$782,906	\$1,174,360	\$1,957,266	-\$12,991,057 -86.91%
Architectural and Engineering Fees	\$5,354,592	\$3,491,826	\$8,846,418		\$3,622,287	\$4,722,644	\$8,344,931	-\$501,487 -5.67%
Consulting and Other Fees	\$2,796,774	\$1,823,826	\$4,620,600		\$3,568,841	\$3,846,415	\$7,415,256	\$2,794,656 60.48%
Movable or Other Equipment	\$47,891,801	\$1,003,809	\$48,895,610		\$8,533,968	\$7,454,417	\$15,988,385	-\$32,907,225 -67.30%
Bond Issuance Expense	\$2,044,352	\$955,648	\$3,000,000		\$0	\$0	\$0	-\$3,000,000 -100.00%
Net Interest Expense During Construction	\$17,428,962	\$8,147,295	\$25,576,257		\$1,532,667	\$1,629,273	\$3,161,940	-\$22,414,317 -87.64%
Other Costs to be Capitalized	\$7,180,601	\$4,682,599	\$11,863,200		\$5,538,461	\$7,095,960	\$12,634,421	\$771,221 6.50%
Total Uses of Funds	\$183,202,703	\$85,639,444	\$268,842,147		\$57,491,551	\$58,953,041	\$116,444,591	- \$152,397,556 -56.69%
Sources of Funds								
Cash and Securities			\$68,842,147				\$90,468,591	\$21,626,444 31.41%
Bond Issues			\$200,000,000				\$0	- \$200,000,000 -100.00%
Other Sources of Funds			\$0				\$25,976,000	\$25,976,000 100.00%
Total Sources of Funds			\$268,842,147				\$116,444,591	- \$152,397,557 -56.69%

VIII. Applicable Rules

Board decisions regarding the construction of health care facilities must consider capacity, quality, value, and equity. Projects **may deviate** from the costs, fees, and expenses provided in their project cost information for the project's cost components, provided that the final total project cost does not exceed the approved permit amount. Project alterations shall not increase the **total approved permit amount** by more than the limit set forth under the Board's rules [20 ILCS 3960/5].

77 ILAC 1130.140 defines "Alteration" to mean:

".... any revision or change to a project as detailed in the application that occurs after HFSRB issued the permit. A completed project cannot be altered. The site of the proposed project or the persons who are the permit holder cannot be altered..."

77 ILAC 130.750 states that a permit is only valid for the designated construction or modification, equipment, site, amount, and person named in the application. Any change to a project after the State Board's issuance of a permit constitutes an alteration to the project.

77 ILAC 1130.750 (b) - Limits on Allowable Alterations Requiring HFSRB Approval

The cumulative effect of alterations to a project shall not exceed the following:

- 1) a change in the approved number of beds or stations, provided that the change would not independently require a permit or exemption from HFSRB.
- 2) abandonment of an approved category of service established under the permit.
- 3) any increase in the square footage of the project up to 5% of the approved gross square footage.
- 4) any decrease in square footage greater than 5% of the project.
- 5) any increase in the cost of the project not to exceed 7% of the total project cost. This alteration may exceed the capital expenditure minimum in place when the permit was issued if it does not exceed 7% of the total project cost.
- 6) any increase in the amount of funds to be borrowed for those permit holders that have not documented a bond rating of "A-" or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from

Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application).

IX. Other Information

Attached to the end of this report is the Permit Holder's request for an Alteration.



August 4, 2021

Via Overnight Courier

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

Re: University of Chicago Medical Center (“UCMC”, the “Medical Center”)
ED Relocation, Re-opening of Mitchell Beds, Trauma Center, Project No. 16-
008(the “Project”)
Request for Permit Alteration

Dear Ms. Avery:

The enclosed Permit Alteration follows a Technical Assistance Meeting held on June 11, 2021 at the University of Chicago Medical Center (“UCMC”) with the staff of the Illinois Health Facilities and Services Review Board (“HFSRB” or “Review Board”) regarding whether the proposed changes could be accomplished through a permit alteration. Review Board staff subsequently determined that the reduction in both project costs and new beds for Project 16-008 could be accomplished by a Permit Alteration. Documentation of the Technical Assistance meeting is in the Project file.

Specifically, UCMC is requesting an alteration to Project 16-008, which the Review Board approved on May 10, 2016 with a total cost of \$268,842,148 and total square footage of 259,617 GSF. UCMC is requesting to decrease the overall project cost to \$116,444,591, square footage to 248,796 GSF (4.2%) and the number of new beds from 188 to 159.

Current Status of Project

In 2016, the Review Board approved Project 16-008 – UCMC’s GetCare Project to reduce disparities in life-saving care available in our community. The Project had three main components, including a new and expanded Adult Emergency Department and Adult Level I trauma service capabilities near some of the highest incidences of trauma injury and gun violence in Chicago. The Project also contemplated a comprehensive renovation of UCMC’s Mitchell Hospital by re-opening critically needed beds.

The new Adult Emergency Department (“ED”) opened December 29, 2017, and the Level I Adult Trauma services was approved by the Illinois Department of Public Health on May 1, 2018. Adult ED visits have grown from the 57,201 for 2015 to 73,385 for 2020. On May 1, 2021, our Adult Level I Trauma Center celebrated its third anniversary and IDPH recently renewed our Adult Level I trauma designation. In these three years, UCMC has had almost 9,000 adult trauma activations, making it the second busiest Trauma Center in the City of Chicago. Our comprehensive trauma program saw 4,391 adult and pediatric activations in 2020 alone, a

47% increase from the previous year. More importantly, we brought trauma care back to the South Side of Chicago for the first time in 30 years. UCMC's trauma center significantly reduced the length of ambulance trips for South Side residents, including those with penetrating injuries where time is critical. (Average travel time for an emergency patient in South Shore decreased from more than 17 minutes to about 8 minutes).

As part of the CON Project in 2016, UCMC received approval to add 168 medical-surgical beds and 20 ICU beds. UCMC began operating additional medical-surgical units in Mitchell to accommodate high bed utilization soon after CON approval and has continued to open units over the past several years to accommodate growth. Growth is mainly due to trauma patients and additional admissions coming through the ED. As we have brought beds online, we have consistently operated at more than 90% occupancy of medical-surgical beds.

The renovation of the Mitchell Hospital building remains ongoing, but we have reconsidered the magnitude of the renovation, which is the purpose of this request for a Permit Alteration. While we plan to reduce the scope of the capital project in Mitchell, our investment has already been significant and is ongoing. We have spent \$48.4 million in Mitchell alone in new contracts. Consistent with our aim to award 40% of economic dollars to minority and women owned businesses, this figure includes seven (7) diverse firms as prime contractors and twelve (12) as subcontractors. Mitchell has remained open and operational throughout the construction, which has been managed to minimize disruption to patient care. The planned total capital expenditure for Mitchell is approximately \$65 million, which is in addition to the \$52 million on the other two components.

Proposed Changes and Reason for Changes

Mitchell Hospital

As part of the Project, we originally proposed a comprehensive renovation of Mitchell that would have essentially gutted and replaced patient rooms and common areas, upgraded the mechanical systems, and replaced the exterior. At the same time, UCMC proposed to repurpose Mitchell as a hospital primarily dedicated to a broad spectrum of clinical cancer care. With this Permit Alteration, we seek the CON Board's approval to decrease the overall project cost and to obtain a modest decrease in the number of new beds.

During the past year and a half of the public health emergency, we have pressure tested our facilities under extraordinary circumstances and, as part of that, learned that optimizing care for our patients, especially an immunocompromised cancer population, could not be accomplished in Mitchell. This change in scope is due, in large part, to clinical and operational limitations stemming from the impact COVID-19 had on current operations and future facility design needs. We could not make needed changes to our air handling systems and substantial infrastructure changes to that building cost-effectively. We also decided to forego extensive interior and exterior work in an aging facility where improvements would be cost prohibitive. Instead, we propose a smaller, more cost-efficient scope of capital improvements for Mitchell while we further plan more prudent investments in cancer care for our community. We believe that this alteration is both clinically and fiscally responsible, and we seek to continue to be a careful steward of resources on the South Side of Chicago. A cost-efficient refresh of Mitchell

will enable us to seamlessly provide care to our patients without interruption while allowing us to shift funds to new projects.

Medical-Surgical & ICU Beds

As part of this Permit Alteration, we propose to add 143 medical-surgical beds rather than the 168 beds approved, and to add 16 ICU beds instead of the 20 approved. Medical-surgical bed numbers changed due to a new use of Mitchell's 6th floor, updated designs for beds in each of the ten (10) other Mitchell units, and the conversion of medical-surgical beds in Center for Care & Discovery ("CCD") to ICU. The number of ICU beds changed because we were unable to convert rooms on the 6th floor of our Rubloff tower to ICU beds – the space was simply not sufficient for efficiently designed ICU rooms. Instead, we converted existing medical-surgical beds in the CCD, which is a better solution for our patients, particularly in the wake of COVID.

Specific Changes and Explanation

Attached are revised pages to the original CON application that implement the Permit Alteration.

1. Revised Contact Information. The first page of the application has been revised to change contact information for the Chief Executive Officer and the Primary Contact to reflect changes in those positions resulting from retirements.
2. Project Costs and Sources of Funds. This table has been revised to reflect the proposed reduction in costs. Because of the original large scope of the changes to Mitchell hospital, the construction was considered New Construction. Because the work will now be more limited, we have allocated the changes at Mitchell to be Modernization rather than New Construction. Other components of the Project, such as the new Emergency Department/Trauma Center in which there was new construction continues to show as New Construction. We note that the New Construction cost/sf is above the state standard for 2016, but is less than the cost/sf approved in the permit. Otherwise, we believe that the revised Project Costs meet all of the state standards, with the exception of Architectural and Engineering Fees. Much of the design work was performed for the original project and before the decision to reduce the scope. The redesign resulted in lower construction costs, but a higher percentage for A & E Fees increased to above state standards. Although there is no bond issuance, an amount shows for capitalized interest. This is consistent with Generally Accepted Accounting Principles (GAAP) that state that long term self-constructed assets require capitalizing all borrowing costs to finance the construction of assets. Borrowing costs can include both actual borrowing costs for a project and interest imputed based on weighted average rates on other borrowings. Further guidance is provided in FASB Statement No. 34. UCMC applies this calculation to self-constructed assets with an expected cost of greater than \$5,000,000 and when the construction period is greater than one year.

3. Bed Capacity and Utilization. This page has been revised to reflect that 29 fewer new beds are being added. Because of COVID related anomalies for 2020, the table uses 2019 data.
4. Availability of Funds. The Availability of Funds pages have been revised to reflect the revised Project. Most importantly, the Project will not rely on any external borrowing. Also, the Project was able to take advantage of certain tax credits. UCMC subsidiary Title Holding Corporation II qualifies as a Qualified Active Low-Income Community Business (QALICB), which allowed it to enter into a New Market Tax Credit (NMTC) financing of the Adult Emergency Department and Trauma Center. The NMTC program was established by the US Congress as part of the Community Renewal Tax Relief Act of 2000 and is administered by the Department of Treasury to encourage private investment in qualifying low-income communities.
5. Attachment 7 – Project Cost Detail. Attachment 7 has been revised to show detail as to Project Costs.
6. Attachment 9 – Cost Space Requirements. This table has been revised to reflect the reduced scope of the Project. The table reflects that changes to Mitchell Hospital are now categorized as “Modernization” rather than “New Construction”. The amount of square footage for the Project is reduced by 4.2%.
7. Attachment 39 – Economic Feasibility. As with Attachment 9, this table has been revised to reflect the reduced scope of the Project. The table reflects that changes to Mitchell Hospital are now categorized as “Modernization” rather than “New Construction”. As noted above, while the \$/sf remains above the state standard the \$/sf is below the amount approved in the permit.

Conclusion

We are pleased to submit our Permit Alteration to the Review Board and look forward to working with you to fulfill our mission.

Very truly yours,



Phillip L. Kaufman, CPA
Vice President
Finance and Shared Services

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	The University of Chicago Medical Center – Bed Expansion, ED, Trauma		
Street Address:	5841 S. Maryland Avenue		
City and Zip Code:	Chicago, IL 60637		
County:	Cook	Health Service Area:	HSA6 Health Planning Area:A-03

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	The University of Chicago Medical Center
Street Address:	5841 S. Maryland Avenue
City and Zip Code:	Chicago 60637
Name of Registered Agent:	John Satalic
Registered Agent Street Address:	5841 S. Maryland Avenue
Registered Agent City and Zip Code:	Chicago 60637
Name of Chief Executive Officer:	Tom Jackiewicz
CEO Street Address:	5841 S. Maryland Avenue
CEO City and Zip Code:	Chicago 60637
CEO Telephone Number:	(773) 702-6240

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

☐ Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
☐ Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Phillip Kaufman, CPA
Title:	Vice President – Finance Shared Services
Company Name:	UChicago Medicine
Address:	5841 S. Maryland, RM W-110A, Chicago, IL 60637
Telephone Number:	773-705-9665
E-mail Address:	Phillip.kaufman@uchicagomedicine.org
Fax Number:	

Additional Contact [Person who is also authorized to discuss the application for permit]

Name:	Joe Ourth
Title:	Partner
Company Name:	Saul Ewing Arnstein & Lehr LLP
Address:	1610 N. Clark Street, Suite 4200, Chicago, IL 60601
Telephone Number:	(312)876-7815
E-mail Address:	joe.ourth@saul.com
Fax Number:	(312)876-6215

Project Costs and Sources of Funds				
USE OF FUNDS		PERMIT ALTERATION		TOTAL
	Original Permit Amount	CLINICAL	NONCLINICAL	Alteration Permit Estimate
Preplanning Costs	\$770,328	\$571,309	\$396,419	\$967,728
Site Survey and Soil Investigation	22,145	3,900	5,850	9,750
Site Preparation	816,038	3,920	5,880	9,800
Off Site Work				
New Construction Contracts	149,483,229	19,040,370	11,182,439	30,222,809
Modernization Contracts		14,292,922	21,439,384	35,732,306
Contingencies	14,948,323	782,906	1,174,360	1,957,266
Architectural/Engineering Fees	8,846,418	3,622,287	4,722,644	8,344,930
Consulting and Other Fees	4,620,600	3,568,841	3,846,415	7,415,256
Movable or Other Equipment (not in construction contracts)	48,895,610	8,533,968	7,454,417	15,988,385
Bond Issuance Expense (project related)	3,000,000	-	-	-
Net Interest Expense During Construction(project related)	25,576,257	1,532,667	1,629,273	3,161,940
Fair Market Value of Leased Space or Equipment				
Other Costs To Be Capitalized	11,863,200	5,538,461	7,095,960	12,634,421
Acquisition of Building or Other Property(excluding land)				
TOTAL USES OF FUNDS	\$268,842,148	\$57,491,551	\$58,953,039	\$116,444,591
SOURCE OF FUNDS				TOTAL
Cash and Securities	\$68,842,148	\$44,666,563	\$45,802,028	90,468,591
Pledges				
Gifts and Bequests				
Bond Issues (project related)	200,000,000			-
Mortgages				
Leases (fair market value)				
Governmental Appropriations				
Grants				
Other Funds and Sources		12,824,988	13,151,012	25,976,000
TOTAL SOURCES OF FUNDS	\$268,842,148	\$57,491,551	\$58,953,040	\$116,444,591

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available**. Include observation days in the patient day totals for each bed service. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: The University of Chicago Medical Center		CITY: Chicago			
REPORTING PERIOD DATES: From: January 1, 2019 to: December 31, 2019					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	506	19,934	135,639	-25	481
Obstetrics	46	2,929	6,655	-	46
Pediatrics	60	3,257	16,273	-	60
Intensive Care	146	5,877	35,283	-4	142
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness					
Neonatal Intensive Care	53	846	14,989	-	53
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	811	32,843	208,839	-29	782

VI. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable **[Indicate the dollar amount to be provided from the following sources]**:

\$90,468,591	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion; <p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p> <p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts;</p> <p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions. <p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>	

\$25,976,000		

Attachment 7

Cost Detailed

Line Item	Detail	Adult ED/Cell therapy	Mitchell	Total	Clinical	Non-Clinical
Preplanning Costs	Mockups	\$800,948	\$166,780	\$967,728		
				967,728	\$571,309	\$396,419
Site Survey and Soil Investigation		-	9,750	9,750	3,900	5,850
Site Preparation	Other	-	9,800	9,800		
				9,800	3,920	5,880
New Construction	Construction	30,196,849		30,196,849		
	Material Testing	25,960		25,960		
	IT Systems (Infrastructure)	0		0		
		30,222,809		30,222,809	19,040,370	11,182,439
Modernization Contracts	Construction		32,679,393	32,679,393		
			52,913	52,913		
			3,000,000	3,000,000		
			35,732,306	35,732,306	14,292,922	21,439,384
Contingencies		0	1,957,266	1,957,266	782,906	1,174,360
Architectural/Engineering Fees		1,236,150	7,108,780	8,344,930	3,622,287	4,722,644
Consulting and Other Fees	Legal	85,552	166,538	252,090		
	Program Manager	1,540,122	2,815,210	4,355,332		
	IT Project Management	54,992	57,760	112,752		
	Equipment Planner	474,872	138,676	613,547		
	Scheduling Consultant	1,944	100,473	102,417		
	Traffic Consultant	20,368	0	20,368		
	Vibration Consultant	74,145	30,148	104,293		

Line Item	Detail	Adult ED/Cell therapy	Mitchell	Total	Clinical	Non-Clinical
	Code Consultant	282,965	72,930	93,298		
	Other Consultants	183,437	1,189,262	1,372,698		
	City Permit Fees	38,853	39,092	77,945		
	IDPH Review Fees	118,021	172,840	290,861		
	Builders Risk Insurance	0	11,725	11,725		
		2,620,602	4,794,654	7,415,256	3,568,841	3,846,415
Movable and Other Equipment						
	Adult Emergency	7,899,850		7,899,850		
	Med-Surg		6,690,062	6,690,062		
	Cell Therapy	1,398,473	0	1,398,473		
		9,298,323	6,690,062	15,988,385	8,533,968	7,454,417
Net Interest Expense During Construction		1,164,744	1,997,196	3,161,940	1,532,667	1,629,273
Other Costs to be Capitalized						
	Builders Risk	48,000		48,000		
	IT Systems (Labor,Cabling)	1,492,521	9,634,166	11,126,688		
	Environmental Services	169,184	172,005	341,189		
	Movers	175,691	422,676	598,367		
	Asbestos Work	255	151,160	151,415		
	Capitalized Salaries - Outside Consultants	87,960	86,526	174,486		
	Artwork/Marketing	3,227	59,404	62,631		
	Security	130,520	1,125	131,645		
		2,107,359	10,527,062	12,634,421	5,538,461	7,095,960
Total Costs		\$47,450,935	\$68,993,656	\$116,444,591	\$57,491,551	\$58,953,039

Attachment 7

Equipment Detail

Movable or Other Equipment (not in construction contracts)

Movable Equipment	Adult ED	Med/Surge/Mitchell Units	Cell Therapy	Non-Reviewable	Total
Medical Equipment					
Omnicell	\$69,791	\$274,125			\$343,916
Blood Flow Dopler	111,802				111,802
CT scanner	1,817,092				1,817,092
Endoscopes	149,997				149,997
Gynie stretchers	223,485	24,661			248,146
Infusion pumps and poles	155,290	330,891			486,181
Intermetro carts	172,922				172,922
Mindray Units	211,620				211,620
Mobile x-ray Unit	192,000				192,000
Philips Monitoring Package part 1	1,634,598				1,634,598
Trauma bays-exam lights, equipment booms, surgical lights and scrub sinks	343,335				343,335
X ray	617,548				617,548
IV Pumps	-	145,085			145,085
IV Pole		7,533			7,533
Vitals Monitors		6,486			6,486
Bladder Scanner		12,050			12,050
Other Fixed Medical Equipment	1,637,928	3,153,960	728,139		5,520,027
BD FACSCanto II			139,350		139,350
Environmental monitoring systems			114,198		114,198
Incubators, safety cabinets			160,713		160,713
Lab Equipment			126,574		126,574
Quad controlled freezer			66,814		66,814
Ultrasound System		55,346			55,346
R2 Carts		66,556			66,556
Medical Equipment Total	7,337,408	4,076,691	1,335,788		12,749,887
Furnishings					
Furniture	492,222	2,185,524	62,685	334,832	3,075,263
Cubicle Curtains	70,220	93,015			163,235
Total Furnishings	\$562,442	\$2,278,539	\$62,685	\$334,832	\$3,075,263
Total Movable or Other Equipment (not in construction contracts)	\$7,899,850	\$6,355,230	\$1,398,472	\$334,832	\$15,988,385

Section I, Cost Space Requirements

Attachment 9

Cost Space Requirements

				Amount of Proposed Total BGSF That Is:				
		Gross Square Feet						
<u>Department/Area</u>	<u>Cost</u>	<u>Existing</u>	<u>Proposed</u>	<u>New Constr.</u>	<u>Modern.</u>	<u>As Is</u>	<u>Vacated Space</u>	<u>Re- assign</u>
Reviewable:								
Adult Emergency	\$25,036,463	16,517	28,672	28,672			16,517	0
Radiology	1,239,074	117,306	1,419	1,419			2,000	
Medical/Surgical	27,597,462	236,012	79,217	0	79,215	236,012	0	0
ICU	-	77,446	0	0		77,446		
Cancer Ancillaries	3,618,552	2,991	4,144	4,144			2,991	0
Total Reviewable	\$57,491,551	450,272	113,452	34,235	79,215	313,458	21,508	
Nonreviewable:								
Staff/Support	\$14,111,461	1,093,742	32,397	5,321	27,076	1,093,742		
Public	0	598,546	0	0	0	598,546		
Bldg. Systems	44,841,578	961,201	102,947	10,389	92,558	961,201		
Total Nonreviewable	\$58,953,039	2,653,489	135,344	15,710	119,634	2,653,489		
Grand Total	\$116,444,591	3,103,761	248,796	49,945	198,849	2,966,947	21,508	0

Section X, Economic Feasibility

Attachment 39

I. Section 1120.140, Economic Feasibility

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A B Cost/Sq. Foot		C D Gross Sq. Ft.		E F Gross Sq. Ft .		G Const. \$	H Mod. \$	Total Costs
	New	Mod.	New	Circ.	Mod	Circ.	(A x C)	(B x E)	(G + H)
Reviewable:									
Adult Emergency	\$556.17		28,672	33%			\$15,946,414		\$15,946,414
Radiology	\$556.17		1,419	8%			789,201		789,201
Med/Surg	0.00	\$180.43	0	0%	79,217	21%	0	14,292,922	14,292,922
ICU	0.00		0	0%			0		0
Cancer Ancillaries	\$556.17		4,144	30%			2,304,755		2,304,755
Reviewable Total	\$556.17	\$180.43	34,235	31%	79,217	21%	19,040,370	14,292,922	\$33,333,292
Non-reviewable:									
Staff/Support	\$711.80	\$179.21	5,321	26%	27,076	17%	3,787,509	4,852,239	\$8,639,747
Public	0.00		0	0%			0		0
Bldg. Systems	\$711.80	\$179.21	10,389	0%	92,558	23%	7,394,931	16,587,145	\$23,982,075
Non-reviewable Total	\$711.80	\$179.21	15,710	9%	119,634	22%	11,182,439	21,439,384	\$32,621,823
Contingency		\$9.84						\$1,957,266	\$1,957,266
TOTALS	\$605.12	\$189.54	49,945	24%	198,851	21%	\$30,222,809	\$37,689,572	\$67,912,381