

December 24, 2018

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HEALTH FACILITIES &  
SERVICES REVIEW BOARD

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

RE: Project 16-044: Lurie Children's Outpatient Services and Surgical Center  
Annual Progress Report  
Project Completion Report

Dear Ms. Avery:

Pursuant to 77 Illinois Administrative Code Section 1130.760, Ann & Robert H. Lurie Children's Hospital of Chicago ("Lurie Children's") is submitting this annual progress report for Project #16-044, Lurie Children's Outpatient Services & Surgical Center (the "Project"). This report serves the dual purpose as notification of project completion.

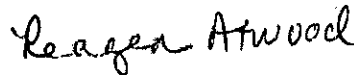
The permit was approved on May 2, 2017. The approved permit amount (as modified by the alteration adding \$500,000 approved June 28, 2018) is \$36,055,707 for the establishment of a multi-specialty ASTC with 4 operating rooms, including space for a MRI and physician offices and support services in 26,298 GSF. Lurie Children's submits the following information regarding the progress on the Project:

1. **Current Status of the Project:** The Project is complete. The scope and size of the Project have not changed since permit issuance and alteration. The construction of the facility is complete, equipment has been installed and tested and service contracts are in place. In addition, the staff have been hired and are trained. The physician offices began providing services on October 1, 2018. The Illinois Department of Public Health has inspected and granted a license on September 25, 2018 for the ambulatory surgical treatment center space. Lurie Children's is currently in the process of credentialing physicians with payors and finalizing managed care contracting for the surgical center and MRI services.
2. **Costs Incurred to Date:** Through December 19, 2018, the Project costs incurred to date are \$21,148,176. Lurie Children's anticipates the total Project costs at completion will be consistent with those reported in the approved CON application and alteration. Attached please find a table showing Project Costs and Sources of Funds as of December 19, 2018. Lurie Children's is compiling the report of final realized costs and will submit its project close out report by March 31, 2019, as required.

3. Obligation of the Project: The Project was obligated via commitment of at least one-third of the projected Project costs. The Project was obligated on April 14, 2017.
4. Method of Financing the Project: The Project has been financed using all cash in accord with the permit, except for the lease as a source of funding. No bonds were issued.
5. Anticipated Date of Completion: Completion of the Project is consistent with the approved CON application's stated completion date of December 31, 2018. There has been no change to the scope of the Project.

Please contact me at 312-227-7470 if you have any questions about this report.

Sincerely,



Reagen Atwood  
Associate General Counsel

cc: Michael Constantino, Illinois Health Facilities and Services Review Board  
Stacey Panek, Assistant Project Manager, Lurie Children's  
Ralph Weber, Consultant

**PROJECT COSTS AND SOURCES OF FUNDS**

Project 16-044

Updated 12/19/18

Use of Funds	Permit Amount (Alteration approved 6/28/18)	Spending as of 12/19/18	Amount Under (Over)	Key Notes
Pre-planning Costs	\$20,000	\$20,000	\$0	
Site Survey and Soil Investigation	\$0	\$0	\$0	
Site Preparation	\$0	\$0	\$0	
Off-Site Work	\$162,418	\$162,418	\$0	
Modernization Contracts	\$9,450,000	\$10,061,209	(\$611,209)	
New Construction Contracts	\$0	\$0	\$0	
Contingencies	\$854,289	\$0	\$854,289	1
A/E Fees	\$550,000	\$542,274	\$7,726	
Consultant Fees	\$630,000	\$707,102	(\$77,102)	
Movable Equipment	\$8,750,000	\$9,614,370	(\$864,370)	
Bond Issuance Expense	\$0	\$0	\$0	
Net Interest Expense During Construction	\$0	\$0	\$0	
FMV Leased Space	15,599,000	\$14,479,275	\$1,119,725	
Other Capital Costs	\$40,000	\$40,803	(\$803)	
Acquisition of Building			\$0	
<b>Total Uses of Funds</b>	<b>\$36,055,707</b>	<b>\$35,627,451</b>	<b>\$428,256</b>	
<b>Sources of Funds</b>				
Cash and Securities	\$20,456,707	\$21,148,176	(\$691,469)	
Mortgages/Bonds	\$0	\$0	\$0	
Leases	\$15,599,000	\$14,479,275	\$1,119,725	
<b>Total Sources of Funds</b>	<b>\$36,055,707</b>	<b>\$35,627,451</b>	<b>\$428,256</b>	

**General Note:**

A tenant improvement allowance of \$2,024,840 will be provided by the developer and is not included in this chart

**Key Notes:**

1. Contingencies are distributed to the actual use of funds in Modernization Contracts and Movable Equipment line items. In order to be consistent with internal tracking and submitted purchase orders, no direct costs are associated with the Contingencies line item.