

Ferrell Hospital
DEACONESS ILLINOIS PARTNER

1201 Pine Street | Eldorado, Illinois 62930
Phone (618) 273-3361 | Fax (618) 273-2571

RECEIVED
MAR 02 2018
HEALTH FACILITIES &
SERVICES REVIEW BOARD

March 1, 2018

Ms. Courtney R. Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62731

RE: Annual Progress Report (Section 1130.760)
CON Permit #16-048
Ferrell Hospital
Modernization and Expansion Project

Dear Ms. Avery,

Our first Annual Progress Report is being submitted consistent with Section 1130.760 and our Permit Letter dated March 15, 2017. Our project has progressed and we are awaiting funding from the USDA. The application has been forwarded to the Illinois State Office USDA Rural Development for review. See email dated February 9, 2018 from Leeann Denny, Area Specialist with USDA, upon approval, the application will be forwarded to the USDA Rural Development Office in Washington, DC. After a federal review process, a letter of conditions is anticipated.

Components of the project, which have been completed, include contracting with the following: a financial advisor, Innovative Capital; Architect, David E. Johnson; Program Manager, Adams Group and Construction Manager, Doster as members of our team. Weekly meetings with this team have been established to update all parties of the progress being made on the project to the point of loan approval to begin construction.

Costs to date are included on Exhibit A as of March 1, 2018. Should you have additional questions, please contact me at 618-297-9615 or by email at acoleman@ferrellhospital.org.

Respectfully submitted by,



Alisa Coleman, CEO

Enclosure: Attachment A, Expended Funds
Email from Leeann Denny, Area Specialist, USDA

cc: Kathryn J. Olston, Chair
Mike Constantino, Supervisor, Project Review Section
Andrea Chelboun, Healthcare Futures
Ed McGrath, Healthcare Futures
Ed Parkhurst, Consult Prism

Exhibit A
CON Permit 16-048
Expended Funds

PROJECT COSTS AND SOURCES OF FUNDS			
USE OF FUNDS	APPROVED PROJECT COST	CURRENT PROJECT EXPENDITURES AS OF 3-1-2018	VARIANCE
Preplanning Costs	61,360	-	61,360.00
Site Survey and Soil Investigation	19,970	25,390.00	(5,420.00)
Site Preparation	-	-	-
Off Site Work	-	-	-
New Construction Contracts	20,100,110	-	20,100,110.00
Modernization Contracts	1,713,198	-	1,713,198.00
Contingencies			
New Construction	2,010,011	-	2,010,011.00
Modernization	256,980	-	256,980.00
Architectural/Engineering Fees	1,319,705	1,217,036.14	102,668.86
Consulting and Other Fees	1,153,213	433,776.69	719,436.31
Movable or Other Equipment (notin construction contracts)	4,463,172	-	4,463,172.00
Bond Issuance Expense (project related)	4,240,192	133,850.42	4,106,341.58
Net Interest ExpenseDuring Construction	1,692,865	-	1,692,865.00
Fair Market Value of Leased Space or Equipment	-	-	-
Other Costs To Be Capitalized	322,890	155,692.29	167,197.71
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	\$ 37,353,666	\$ 1,965,745.54	\$ 35,387,920.46

Alisa Coleman

From: Denny, Leeann - RD, Marion, IL <Leeann.Denny@il.usda.gov>
Sent: Friday, February 09, 2018 2:53 PM
To: Jonathan Stern
Cc: Alisa Coleman
Subject: RE: Ferrell

I am happy to report the entire package went to state office last night via UPS. Since I am sure they will have additional questions we can always adjust it before DC if we need to. Everyone have a good weekend.
Leeann

From: Jonathan Stern [mailto:js Stern@innovativecapital.com]
Sent: Friday, February 09, 2018 2:35 PM
To: Denny, Leeann - RD, Marion, IL <Leeann.Denny@il.usda.gov>
Subject: Ferrell

Leeann:

Is it safe to say the last piece of the puzzle is determining the Loan Amount? We have a Board Meeting on Monday to make that decision. If they decide to increase the Loan Amount, what mechanically has to be done to make that happen? Thanks.

Jon

InnoVative CAPITAL

Jonathan M. Stern
Vice President
Tel: 610-543-2490, Ext. 103
js Stern@innovativecapital.com

InnoVative Capital, LLC
1489 Baltimore Pike, Building 400, Springfield, PA 19064
Tel: 610-543-2490 | Fax: 610-543-2491 | www.innovativecapital.com

Notice of Confidentiality: This electronic message and all attachments are to be used solely for the purposes specified herein, and may only be viewed by the individual or entity to which it is addressed. As such, the contents shall not be shared with any other party, without the expressed written consent of InnoVative Capital. This correspondence is privileged, confidential and may constitute inside or non-public information under federal or state securities laws. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, reproduction, or other use of this message or its attachments is strictly prohibited. If you have received this communication in error, please notify the sender immediately by replying to this message and delete it from your computer system.

This electronic message contains information generated by the USDA solely for the intended recipients. Any

unauthorized interception of this message or the use or disclosure of the information it contains may violate the law and subject the violator to civil or criminal penalties. If you believe you have received this message in error, please notify the sender and delete the email immediately.

Ferrell Hospital
DEACONESS ILLINOIS PARTNER

1201 Pine Street | Eldorado, Illinois 62930
Phone (618) 273-3361 | Fax (618) 273-2571

March 1, 2018

Ms. Courtney R. Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62731

RE: Annual Progress Report (Section 1130.760)
CON Permit #16-048
Ferrell Hospital
Modernization and Expansion Project

Dear Ms. Avery,

Our first Annual Progress Report is being submitted consistent with Section 1130.760 and our Permit Letter dated March 15, 2017. Our project has progressed and we are awaiting funding from the USDA. The application has been forwarded to the Illinois State Office USDA Rural Development for review. See email dated February 9, 2018 from Leeann Denny, Area Specialist with USDA, upon approval, the application will be forwarded to the USDA Rural Development Office in Washington, DC. After a federal review process, a letter of conditions is anticipated.

Components of the project, which have been completed, include contracting with the following: a financial advisor, Innovative Capital; Architect, David E. Johnson; Program Manager, Adams Group and Construction Manager, Doster as members of our team. Weekly meetings with this team have been established to update all parties of the progress being made on the project to the point of loan approval to begin construction.

Costs to date are included on Exhibit A as of March 1, 2018. Should you have additional questions, please contact me at 618-297-9615 or by email at acoleman@ferrellhospital.org.

Respectfully submitted by,



Alisa Coleman, CEO

Enclosure: Attachment A, Expended Funds
Email from Leeann Denny, Area Specialist, USDA

cc: Kathryn J. Olston, Chair
Mike Constantino, Supervisor, Project Review Section
Andrea Chelboun, Healthcare Futures
Ed McGrath, Healthcare Futures
Ed Parkhurst, Consult Prism

Exhibit A
CON Permit 16-048
Expended Funds

PROJECT COSTS AND SOURCES OF FUNDS			
USE OF FUNDS	APPROVED PROJECT COST	CURRENT PROJECT EXPENDITURES AS OF 3-1-2018	VARIANCE
Preplanning Costs	61,360	-	61,360.00
Site Survey and Soil Investigation	19,970	25,390.00	(5,420.00)
Site Preparation	-	-	-
Off Site Work	-	-	-
New Construction Contracts	20,100,110	-	20,100,110.00
Modernization Contracts	1,713,198	-	1,713,198.00
Contingencies			
New Construction	2,010,011	-	2,010,011.00
Modernization	256,980	-	256,980.00
Architectural/Engineering Fees	1,319,705	1,217,036.14	102,668.86
Consulting and Other Fees	1,153,213	433,776.69	719,436.31
Movable or Other Equipment (notin construction contracts)	4,463,172	-	4,463,172.00
Bond Issuance Expense (project related)	4,240,192	133,850.42	4,106,341.58
Net Interest ExpenseDuring Construction	1,692,865	-	1,692,865.00
Fair Market Value of Leased Space or Equipment	-	-	-
Other Costs To Be Capitalized	322,890	155,692.29	167,197.71
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	\$ 37,353,666	\$ 1,965,745.54	\$ 35,387,920.46

RE: Ferrell

Denny, Leeann - RD, Marion, IL <Leeann.Denny@il.usda.gov>

Fri 2/9/2018 2:53 PM

To: Jonathan Stern <jstern@innovativecapital.com>;

Cc: Alisa Coleman <acoleman@ferrellhospital.org>;

I am happy to report the entire package went to state office last night via UPS. Since I am sure they will have additional questions we can always adjust it before DC if we need to. Everyone have a good weekend.
Leeann

From: Jonathan Stern [mailto:jstern@innovativecapital.com]
Sent: Friday, February 09, 2018 2:35 PM
To: Denny, Leeann - RD, Marion, IL <Leeann.Denny@il.usda.gov>
Subject: Ferrell

Leeann:

Is it safe to say the last piece of the puzzle is determining the Loan Amount? We have a Board Meeting on Monday to make that decision. If they decide to increase the Loan Amount, what mechanically has to be done to make that happen? Thanks.

Jon



Jonathan M. Stern
Vice President
Tel: 610-543-2490, Ext. 103
[jstern@innovativecapital.com]jstern@innovativecapital.com

InnoVative Capital, LLC
1489 Baltimore Pike, Building 400, Springfield, PA 19064
Tel: 610-543-2490 | Fax: 610-543-2491 | www.innovativecapital.com

Notice of Confidentiality: This electronic message and all attachments are to be used solely for the purposes specified herein, and may only be viewed by the individual or entity to which it is addressed. As such, the contents shall not be shared with any other party, without the expressed written consent of InnoVative Capital. This correspondence is privileged, confidential and may constitute inside or non-public information under federal or state securities laws. If the reader of this message is not the intended recipient, or an employee or agent

responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, reproduction, or other use of this message or its attachments is strictly prohibited. If you have received this communication in error, please notify the sender immediately by replying to this message and delete it from your computer system.

This electronic message contains information generated by the USDA solely for the intended recipients. Any unauthorized interception of this message or the use or disclosure of the information it contains may violate the law and subject the violator to civil or criminal penalties. If you believe you have received this message in error, please notify the sender and delete the email immediately.



Ferrell Hospital
DEACONESS ILLINOIS PARTNER

1201 Pine Street | Eldorado, Illinois 62930
Phone (618) 273-3361 | Fax (618) 273-2571

March 1, 2018

Ms. Courtney R. Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62731

RE: Annual Progress Report (Section 1130.760)
CON Permit #16-048
Ferrell Hospital
Modernization and Expansion Project

Dear Ms. Avery,

Our first Annual Progress Report is being submitted consistent with Section 1130.760 and our Permit Letter dated March 15, 2017. Our project has progressed and we are awaiting funding from the USDA. The application has been forwarded to the Illinois State Office USDA Rural Development for review. See email dated February 9, 2018 from Leeann Denny, Area Specialist with USDA, upon approval, the application will be forwarded to the USDA Rural Development Office in Washington, DC. After a federal review process, a letter of conditions is anticipated.

Components of the project, which have been completed, include contracting with the following: a financial advisor, Innovative Capital; Architect, David E. Johnson; Program Manager, Adams Group and Construction Manager, Doster as members of our team. Weekly meetings with this team have been established to update all parties of the progress being made on the project to the point of loan approval to begin construction.

Costs to date are included on Exhibit A as of March 1, 2018. Should you have additional questions, please contact me at 618-297-9615 or by email at acoleman@ferrellhospital.org.

Respectfully submitted by,

Alisa Coleman, CEO

Enclosure: Attachment A, Expended Funds
Email from Leeann Denny, Area Specialist, USDA

cc: Kathryn J. Olston, Chair
Mike Constantino, Supervisor, Project Review Section
Andrea Chelboun, Healthcare Futures
Ed McGrath, Healthcare Futures
Ed Parkhurst, Consult Prism

Exhibit A
CON Permit 16-048
Expended Funds

PROJECT COSTS AND SOURCES OF FUNDS			
USE OF FUNDS	APPROVED PROJECT COST	CURRENT PROJECT EXPENDITURES AS OF 3-1-2018	VARIANCE
Preplanning Costs	61,360	-	61,360.00
Site Survey and Soil Investigation	19,970	25,390.00	(5,420.00)
Site Preparation	-	-	-
Off Site Work	-	-	-
New Construction Contracts	20,100,110	-	20,100,110.00
Modernization Contracts	1,713,198	-	1,713,198.00
Contingencies			
New Construction	2,010,011	-	2,010,011.00
Modernization	256,980	-	256,980.00
Architectural/Engineering Fees	1,319,705	1,217,036.14	102,668.86
Consulting and Other Fees	1,153,213	433,776.69	719,436.31
Movable or Other Equipment (notin construction contracts)	4,463,172	-	4,463,172.00
Bond Issuance Expense (project related)	4,240,192	133,850.42	4,106,341.58
Net Interest ExpenseDuring Construction	1,692,865	-	1,692,865.00
Fair Market Value of Leased Space or Equipment	-	-	-
Other Costs To Be Capitalized	322,890	155,692.29	167,197.71
Acquisition of Building or Other Property (excluding land)	-	-	-
TOTAL USES OF FUNDS	\$ 37,353,666	\$ 1,965,745.54	\$ 35,387,920.46

Alisa Coleman

From: Denny, Leeann - RD, Marion, IL <Leeann.Denny@il.usda.gov>
Sent: Friday, February 09, 2018 2:53 PM
To: Jonathan Stern
Cc: Alisa Coleman
Subject: RE: Ferrell

I am happy to report the entire package went to state office last night via UPS. Since I am sure they will have additional questions we can always adjust it before DC if we need to. Everyone have a good weekend.
Leeann

From: Jonathan Stern [mailto:jstern@innovativecapital.com]
Sent: Friday, February 09, 2018 2:35 PM
To: Denny, Leeann - RD, Marion, IL <Leeann.Denny@il.usda.gov>
Subject: Ferrell

Leeann:

Is it safe to say the last piece of the puzzle is determining the Loan Amount? We have a Board Meeting on Monday to make that decision. If they decide to increase the Loan Amount, what mechanically has to be done to make that happen? Thanks.

Jon

InnoVative CAPITAL

Jonathan M. Stern
Vice President
Tel: 610-543-2490, Ext. 103
jstern@innovativecapital.com

InnoVative Capital, LLC
1489 Baltimore Pike, Building 400, Springfield, PA 19064
Tel: 610-543-2490 | Fax: 610-543-2491 | www.innovativecapital.com

Notice of Confidentiality: This electronic message and all attachments are to be used solely for the purposes specified herein, and may only be viewed by the individual or entity to which it is addressed. As such, the contents shall not be shared with any other party, without the expressed written consent of InnoVative Capital. This correspondence is privileged, confidential and may constitute inside or non-public information under federal or state securities laws. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, reproduction, or other use of this message or its attachments is strictly prohibited. If you have received this communication in error, please notify the sender immediately by replying to this message and delete it from your computer system.

This electronic message contains information generated by the USDA solely for the intended recipients. Any

unauthorized interception of this message or the use or disclosure of the information it contains may violate the law and subject the violator to civil or criminal penalties. If you believe you have received this message in error, please notify the sender and delete the email immediately.