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June 21, 2019

VIA EMAIL AND OVERNIGHT DELIVERYCourtney R. Avery
Administrator
Illinois Health Facilities and Services
Review Board
525 West Jefferson Street
2nd Floor
Springfield, IL 62761**RECEIVED**

JUN 24 2019

**HEALTH FACILITIES &
SERVICES REVIEW BOARD****Re: SwedishAmerican Hospital, Project 17-030, Medical Office Building, Rockford
First Permit Alteration Request, and Request for Expedited Review**

Dear Ms. Avery:

SwedishAmerican Hospital is requesting an alteration to Project #17-030, a medical office building in Rockford, which was approved on November 14, 2017. The approved total project costs are \$23,833,311 and total square footage is 67,675 gsf. This alteration seeks an increase of 3,200 gsf to 70,875 gsf, which is a 4.7% increase in square footage, and an increase in project costs of \$1,433,162 to \$25,266,473, which is a 6.0% increase in total project costs. A check in the amount of \$1,000 for the alteration fee is included with the hard copy of this letter.

As discussed in the applicant's technical assistance meeting with the Review Board's Staff on June 20, 2019, the alterations relate to changes to square footage, and related costs, to improve efficiencies and work flow in medical staff areas by widening work areas resulting in increased square footage. In addition, there were unanticipated soil conditions which affected the foundation and parking areas that had to be remediated. Also, the Fire Department required fire hydrant and main gas supply shut-off valves. As discussed at the technical assistance meeting, we will be providing Ms. Jeannie Mitchell with the date additional expenditures were incurred or paid as soon as those dates are determined.

Included with this request are the following tables reflecting the requested alteration:

- Project Cost and Source of Funds (Page 5)
- Itemization of Project Cost and Source of Funds (Attachment 7)
- Project Costs and Space Requirements Chart (Attachment 9)
- Size of Project (Attachment 14)

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Please note that the alteration reflects preplanning costs totaling \$84,564 which are itemized on Attachment 7. These were included in the original project costs under different line items and are being moved to preplanning costs as they were approved prior to the filing of the CON application.

We are requesting that the review of this request be scheduled for the Review Board's August 6 meeting as the Project Completion Date is September 30, 2019.

Please contact me if the Review Board's Staff desires any additional information relating to this request for alteration.

Sincerely,
Barnes & Thornburg LLP



Daniel J. Lawler

Enclosures

cc: Mike Constantino, Lead Project Reviewer
Ms. Jedediah Cantrell, VP of Operations, SwedishAmerican Health System

Project Costs and Sources of Funds

	Original Approved Application 08/03/2017					Requested Alteration		
	Clinical/Reviewable	Non-Clinical	Total	Clinical/Reviewable	Non-Clinical	Total		
Uses of Funds								
Preplanning Costs	\$ -	\$ -	\$ -	\$ 5,733	\$ 78,831	\$ 84,564		
Site Survey	\$ 1,140	\$ 17,860	\$ 19,000	\$ 1,218	\$ 16,747	\$ 17,965		
Site Preparation	\$ 104,544	\$ 1,637,856	\$ 1,742,400	\$ 124,307	\$ 1,709,134	\$ 1,833,442		
Off-Site Work	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
New Construction Contracts	\$ 961,250	\$ 15,957,500	\$ 16,918,750	\$ 1,222,432	\$ 16,783,633	\$ 18,006,064		
Modernization Contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Contingencies	\$ 67,870	\$ 1,063,291	\$ 1,131,161	\$ 16,973	\$ 233,028	\$ 250,000		
Architectural/Engineering Fees	\$ 91,920	\$ 1,440,080	\$ 1,532,000	\$ 112,444	\$ 1,546,015	\$ 1,658,459		
Consulting and Other fees	\$ 6,000	\$ 94,000	\$ 100,000	\$ 18,824	\$ 258,822	\$ 277,646		
Movable and Other Equipment	\$ 350,000	\$ 2,040,000	\$ 2,390,000	\$ 212,779	\$ 2,925,554	\$ 3,138,333		
Total Costs	\$ 1,582,724	\$ 22,250,587	\$ 23,833,311	\$ 1,714,710	\$ 23,551,763	\$ 25,266,473		
Sources of Funds:								
Cash and Securities	\$ 1,582,724	\$ 22,250,587	\$ 23,833,311	\$ 1,714,710	\$ 23,551,763	\$ 25,266,473		
Total Funds	\$ 1,582,724	\$ 22,250,587	\$ 23,833,311	\$ 1,714,710	\$ 23,551,763	\$ 25,266,473		

SwedishAmerican Hospital, Project #17-030

SIZE OF PROJECT

DEPARTMENT/SERVICE	# of Units	Proposed DGSF	Proposed DGSF/Unit	State Standard DGSF	Difference	Met Standard
Radiology - X-ray	2	1,450	725	1,300	-575	Yes
Ultra-Sound	2	817	409	900	-491	Yes
Exam Rooms	89	66,063	742	800	-58	Yes
Lab w/ Draw Stations	1	2,545	2,545	None	NA	NA

Itemization of Project Costs

Preplanning Costs - \$84,564

Prefiling professional services; geotechnical engineering services; aerial imaging and conceptual planning; professional mock-up medical office bu

Site Survey and Soil Investigation - \$17,965

As-built topographic survey of the property with boundary & utility service verification.
Soil borings and resulting geotechnical report.

Site Preparation - \$1,833,461

New improvements to the 10-acre site – excavation, grading, storm water management, utility service connections, pavement, curbs, sidewalks, landscaping, lawn irrigation.

New Construction Contracts - \$18,006,064

Construction activities for new 70,875 gsf building – foundations, steel framing, exterior wall systems (masonry/ curtain wall), drop-off canopy construction, roofing system, rooftop mechanical screen system, vertical circulation systems (3 elevators/ 2 stairways), interior wall/ ceiling/ millwork construction, interior finishes, mechanical/ electrical/ plumbing/ fire protection systems, technology systems rough-in/ support, dumpster area construction, general conditions, contractor overhead/ profit/ fee.

Contingencies - \$250,000

1.3% contingency based on all cost line items for unforeseen circumstances included in construction.

Architectural/ Engineering Fees - \$1,658,459

A/E services include site planning/ engineering, all phases of architectural & interior design, structural engineering, mech/ elec/ plumb/ fire protection engineering, landscape architecture, bidding & construction administration.

Consulting and Other Fees - \$277,646

Professional fees for CON application process, legal counsel for consulting contracts & CON process, technology systems planning, commissioning.

Movable or Other Equipment - \$3,138,333

Medical equipment/ furniture/ accessories, business/ technology equipment & systems, appliances, furniture, artwork/ messaging systems, signage, window treatments.

New major medical equipment will be 2 X-ray units for the ground floor radiology area.

COST SPACE REQUIREMENTS

									Attachment 9
Department	Total Construction Cost	Gross Square Feet		Amount of Proposed Total GSF that is:					
		Existing	Proposed	New Construction	Remodeled	As Is	Vacated Space		
Reviewable/Clinical									
Radiology Xray	\$ 368,378		1,450	1,450					
Ultra-Sound	\$ 207,562		817	817					
Lab/ Draw Stations	\$ 646,567		2,545	2,545					
Total Reviewable/Clinical	\$ 1,222,507		4,812	4,812					
Non-Reviewable									
Provider Work Space/ Offices	\$ 3,446,240		13,565	13,565					
Administration/ Conference	\$ 1,112,756		4,380	4,380					
Exam/ Patient Space	\$ 3,795,056		14,938	14,938					
Staff Support Space	\$ 1,073,377		4,225	4,225					
Public Areas/Circulation	\$ 4,546,293		17,895	17,895					
Stairs / Elevators	\$ 797,729		3,140	3,140					
Bldg Support/ Stor / Mech/ Toilets	\$ 2,012,106		7,920	7,920					
Other Non-Reviewable Construction Cost	\$ 16,783,557		66,063	66,063					
Total Construction Cost	\$ 18,006,064		70,875	70,875					