

December 31, 2019

VIA FED EXPRESS AND E-MAIL

Mr. Michael Constantino
Supervisor, Project Review Section
Illinois Health Facilities & Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Annual Progress Report for Project No. 18-020 – Silver Cross Hospital (Open Heart Surgery)

Dear Mr. Constantino:

On December 4, 2018, the Illinois Health Facilities & Services Review Board (the “Review Board”) approved our application for permit (the “Application”) to establish an open heart surgery program on our main campus at 1900 Silver Cross Boulevard, New Lenox, Illinois (the “Project”). Pursuant to 77 Ill. Adm. Code 1130.760, we are hereby submitting our annual progress report for the Project.

1. *CURRENT STATUS OF PROJECT*

No changes have been made to the scope or size of the Project. On October 24, 2019, we executed a construction contract with Reed Construction in the amount of \$11,846,991. On November 18, 2019, we filed a financial commitment letter with the Review Board. On November 25, 2019, Reed Construction began work.

2. *COSTS INCURRED TO DATE*

To date, we have spent \$2,674,802.60 on the Project (and have obligated a total of \$14,629,056.35), as set forth on Exhibit A.

3. *THE METHOD OF FINANCING THE PROJECT AND SOURCES OF FUNDS*

The method of financing and sources of funds for the Project have not changed since the filing of the Application. More specifically, the Project will be funded with cash.

4. *THE MOST RECENT APPLICATION AND CERTIFICATION FOR PAYMENT FOR THE CONSTRUCTION CONTRACT, AS PER FORM G702 (AIA) OR EQUIVALENT*

No payments have been made to Reed Construction (as of today’s date) because construction has just begun. Accordingly, there are no G702 forms available yet.

5. THE ANTICIPATED DATE OF COMPLETION

In the Application, we inadvertently listed June 30, 2020 as the Project completion date when, in fact, the Project completion date should have been listed as June 30, 2021. We are in the process of filing a permit renewal request pursuant to 77 Ill. Admin. Code § 1130.740 to correct the Project completion date.

Please contact me directly at (815) 300-7112 if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Geoffrey Tryon", followed by a long horizontal flourish line.

Geoffrey Tryon
Vice President, Operations

Attachments

cc: Edward J. Green, Foley & Lardner, LLP
Ruth Colby, Silver Cross Hospital
Mary Bakken, Silver Cross Hospital

EXHIBIT A
ANNUAL REPORT 12/31/2019
PROJECT NO. 18-020
SILVER CROSS HOSPITAL OPEN HEART SURGERY PROGRAM

Project Costs			
USE OF FUNDS	Approved CON Permit Amount	Obligated to Date	Amounts Paid to Date
Preplanning Costs	\$200,000		
Site Survey and Soil Investigation	\$15,000	\$27,312.50	\$27,312.50
Site Preparation	\$100,000		
Off Site Work			
New Construction Contracts	\$14,998,000	\$11,846,991	
Modernization Contracts			
Contingencies	\$1,499,800	\$74,078.40	\$74,078.40
Architectural/Engineering Fees	\$759,000	\$760,000	\$652,674.25
Consulting and Other Fees	\$140,000		
Movable or Other Equipment (not in construction contracts)	\$4,434,500	\$1,920,674.45	\$1,920,674.45
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$22,146,300	\$14,629,056.35	\$2,674,802.60