



AT THE FOREFRONT

**UChicago
Medicine**

Finance and
Shared Services

April 27, 2023

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Via Hand-Delivery

Ms. Debra Savage, Chair
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street - 2nd Floor
Springfield, IL 62761

Subject: The University of Chicago Medical Center Orland Park MOB
Project No. 21-033 (the “Project”)
Request for Permit Renewal

Dear Chairwoman Savage:

The University of Chicago Medical Center (“UCMC”) respectfully requests an 11-month permit renewal for our Project referenced above. On August 27, 2014, UCMC received approval from the Illinois Health Facilities and Services Review Board (the “Review Board”) to construct a four-story medical office building in Orland Park, with the fourth floor reserved as shelled space. On December 14, 2021, the Review Board granted UCMC a permit to build out the remaining shelled space and to add one (1) MRI and one (1) PET Scan on the second floor Diagnostic Imaging Suite with an original Project completion date of May 31, 2023.

This is UCMC’s first request for a Permit Renewal.

Project Overview and Status

This Project is a two-phase undertaking. First, UCMC will build out the 4th floor to create additional multi-specialty clinic exam rooms, a procedure suite, a blood draw area, and associated non-reviewable space. The 4th floor phase is substantially complete. The first patients were seen in the new clinics on December 19, 2023. Minor construction activities in this area that do not affect patient care are winding down.

The second phase is to expand imaging services in space on the 2nd floor in space used for services being moved to the 4th floor. This included adding one additional MRI and one PET scanner. The updated programming and design of the remaining renovations for the 2nd floor Diagnostic Imaging Suite are complete. The design changes include additional structural steel and equipment shielding for the safe deployment of the additional MRI and PET scanner, as well as associated modifications to enhance clinical efficiency. The updated design for the 2nd floor has

Ms. Debra Savage, Chair
Illinois Health Facilities and Services Review Board
Project No. 21-033
April 26, 2023
Page 2

been bid, UCMC has finalized the revised costs, and the remaining work on the Project is ready to proceed.

UCMC is proposing to install the needed structural steel for both the new MRI and PET Scanner in the Diagnostic Imaging Suite on the 2nd floor, to install the additional MRI, and to renovate the associated non-reviewable spaces necessary to operationalize the MRI under this Permit Renewal. UCMC is simultaneously submitting a Permit Alteration to reflect the proposed 2nd floor changes and associated cost increases.

Reasons why the Project has not been Completed and Requested Completion Date

The Project was planned in phases with the 4th floor needing to be completed before the 2nd floor phase could begin. Completion of the 4th floor created the space on the 2nd floor necessary to renovate the Diagnostic Imaging Suite and the MRI and PET scanner. Completion of the 4th floor was delayed by two months due to supply chain delays for mobile medical equipment and construction materials (*e.g.*, patient room doors), which directly affected the planned start of the 2nd floor renovations.

Following an updated review of the Project, a radiation physicist recommended that additional shielding for the PET scanner was needed to further enhance the safety of its operation. This, in turn, required UCMC to redesign the structural steel to support the equipment's installation and to obtain new bids and pricing from contractors. Initial bid submissions were significantly above the Project Costs and required bid re-submission, which resulted in a further delay. While renovation of the 4th floor is essentially complete, the renovation to install the MRI and associated non-reviewable spaces on the 2nd floor will also extend the construction phase.

UCMC is requesting a new Project Completion Date of April 30, 2024.

Project Cost and Scope

UCMC Financial Committed the Project on April 29, 2022, when it signed a construction contract for the first phase of construction. The attached table showing Project Costs incurred to date shows that UCMC has expended over \$9,686,245 or 52% of the approved amount.

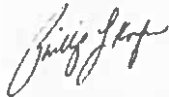
The Project Cost remains in compliance with what the Review Board approved in UCMC's Permit for Project 21-033.

Ms. Debra Savage, Chair
Illinois Health Facilities and Services Review Board
Project No. 21-033
April 26, 2023
Page 2

Conclusion

Enclosed please find the required \$1,000 application fee. Please let us know if you have any questions or if you need additional information.

Very truly yours,

A handwritten signature in black ink, appearing to read "Phillip L. Kaufman", is written over a light gray rectangular background.

Phillip L. Kaufman, CPA
VP Finance & Shared Services

Enclosures



The University of Chicago Medical Center
Project No. 21-033

Project Costs and Sources of Funds		
USE OF FUNDS		TOTAL
	Permit Amount	Exp. Through 3/2023
Preplanning Costs	\$0	\$0
Site Survey and Soil Investigation	528,560	278,560
Site Preparation		
Off Site Work		
New Construction Contracts	4,648,901	4,395,400
Modernization Contracts	2,031,343	434,710
Contingencies	668,024	0
Architectural/Engineering Fees	573,400	446,641
Consulting and Other Fees	665,000	585,818
Movable or Other Equipment (not in construction contracts)	7,373,850	2,251,456
Bond Issuance Expense (project related)	-	-
Net Interest Expense During Construction (project related)	782,691	293,000
Fair Market Value of Leased Space or Equipment		
Other Costs To Be Capitalized	1,259,000	1,000,660
Acquisition of Building or Other Property (excluding land)		
	\$18,530,769	9,686,245
SOURCE OF FUNDS		
	Permit Amount	Exp. Through 3/2023
Cash and Securities	\$18,530,769	9,686,245
Pledges		
Gifts and Bequests		
Bond Issues (project related)		-
Mortgages		
Leases (fair market value)		
Governmental Appropriations		
Grants		
Other Funds and Sources		
TOTAL SOURCES OF FUNDS	\$18,530,769	\$9,686,245