
June 27, 2024

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, Illinois 62761

Re: Project Number: #23-007
Advocate Ambulatory Surgery Center-Chicago Webster
Advocate Health and Hospitals Corporation, -Advocate Aurora Health, Inc., Advocate
Health, Inc.

Dear Mr. Kniery:

Advocate Ambulatory Surgery Center-Chicago Webster is pleased to submit to you our Annual Progress Report on the project referenced above in accordance with the requirements outlined in Title 77, Chapter II, Subchapter b, Part 1130, Section 1130.760. The project is for construction of a new 20,202 Square Feet Ambulatory Surgery Treatment Center in Chicago, Illinois.

The Review Board granted approval on 6/27/2023. This is our First Annual Report pertaining to this project.

Project Status

Upon Review Board approval, HDR Architecture and IMEG Corp thoroughly studied and presented several floor plan options to Advocate Health during design. This process was elongated comparatively to other tenant design projects due to several factors that were unforeseen, such as, coordination with the property owner (leasing management team) design efforts and structural considerations to handle surgery center medical equipment. This process necessitated more time to consider all options and evaluate costs to ensure the project remained within budget.

Upon resolution of the above unforeseen factors and completion of design and documentation, drawings were subsequently issued for permit with the City of Chicago and Illinois Department of Public Health (IDPH) Life Safety and Construction

department on 2/8/2024. IDPH granted approval to commence construction on 4/11/2024. A renovation permit was secured with the City of Chicago on 4/30/2024 allowing us to proceed with construction shortly thereafter.

As of 6/27/2024, the General Contractor, The Boldt Company, has executed contracts, onboarded subcontractors and procured material to mobilize on site. Work that is actively ongoing includes structural steel installations to support operating room equipment, mechanical infrastructure, and medical gas pipe installations. Additionally, initial wall layout and framing of full height fire/smoke barriers has begun.

Due to elongated design efforts, it is expected that this project may not be able to be completed prior to the 4/30/2025 Project Completion Date. A permit renewal request will be submitted to the HFSRB if the project completion date will need to be extended. Further evaluation of the construction schedule is actively ongoing and will continue to be monitored to minimize the delay.

Commitment of Funds

The project was obligated shortly after the review board's approval solidifying lease obligations with the property owner, valued at \$13,130,650, equating to 35.53% of the approved permit value. Rent commencement will not begin until 3/1/2025.

The project was further obligated on 5/14/2024 by executing a purchase order and fully signed construction contract with The Boldt Company, valued at \$9,805,480. Obligation increased to 62.06% of the approved permit value.

Changes in Scope and Size

The project remains substantially consistent with the scope of work as previously approved by the Review Board.

Cost Status

Costs incurred to date as of 6/27/2024 and a comparison of those costs to the approved Permit Amounts are outlined below.

USE OF FUNDS	PERMIT AMOUNT	COSTS COMMITTED	COSTS INCURRED
Preplanning Costs	\$172,000	\$143,120	\$143,120
Site Survey and Soil Investigation	\$0	\$0	\$0
Site Preparation	\$0	\$0	\$0
Off Site Work	\$0	\$0	\$0
New Construction Contracts	\$10,817,220	\$9,908,305	\$61,966
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$900,000	\$0	\$0
Architectural/Engineering Fees	\$915,512	\$769,893	\$708,683
Consulting and Other Fees	\$296,000	\$45,495	\$11,925
Movable or Other Equipment (not in construction contracts)	\$8,535,389	\$993,799	\$0
Bond Issuance Expense (project related)	\$147,383	\$0	\$0
Net Interest Expense During Construction (project related)	\$444,153	\$0	\$0
Fair Market Value of Leased Space or Equipment	\$13,130,650	\$13,130,650	\$0
Other Costs to Be Capitalized	\$1,597,815	\$337,928	\$131,742
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
TOTAL USES OF FUNDS	\$36,956,122	\$25,329,190	\$1,057,435
TOTAL PERCENTAGE		68.54%	2.86%

68.54% of the total Permit Amount has been committed with signed executed contracts and purchase orders.

Please feel free to contact me at (773) 480-9759 or via email at peter.messina@aah.org with any questions regarding this Annual Progress Report.



Sincerely,

Peter G. Messina, AIA
Vice President, Planning, Design & Construction
Advocate Health



Now part of  **ADVOCATE**HEALTH

2025 Windsor Drive
Oak Brook, Illinois
60523

T (773) 480-9759
advocatehealth.com

CC:

Myndee Balkan, Director, Health Facility Planning
Emily Jakacki, Vice President, Central Chicagoland Region
Thaddeus Jedrzejak, Construction Manager, Planning, Design & Construction
Mike Constantino, HFSRB/IDPH
George Roate, HFSRB/IDPH

Via Overnight Courier