

ORIGINAL

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	OSF St. Joseph Medical Center – Expansion of ICU and Medical/Surgical Services		
Street Address:	2200 East Washington Street		
City and Zip Code:	Bloomington	61701	
County:	McLean	Health Service Area: 4	Health Planning Area: D-02

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	OSF St. Joseph Medical Center		
Street Address:	2200 East Washington Street		
City and Zip Code:	Bloomington	61701	
Name of Registered Agent:	Danielle McNear		
Registered Agent Street Address:	124 S.W. Adams Street		
Registered Agent City and Zip Code:	Peoria, IL	61602	
Name of Chief Executive Officer:	Lynn A. Fulton		
CEO Street Address:	2200 East Washington Street		
CEO City and Zip Code:	Bloomington, IL	61701	
CEO Telephone Number:	309-665-5784		

Type of Ownership of Applicants

☒	Non-profit Corporation	☐	Partnership
☐	For-profit Corporation	☐	Governmental
☐	Limited Liability Company	☐	Sole Proprietorship
		☐	Other
- Corporations and limited liability companies must provide an Illinois certificate of good standing. - Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.			
APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Primary Contact [Person to receive ALL correspondence or inquiries]

Name:	Ralph Weber		
Title:	CON Consultant		
Company Name:	Weber Alliance		
Address:	920 Hoffman Lane Riverwoods, IL 60015		
Telephone Number:	847-791-0830		
E-mail Address:	rmweber90@gmail.com		
Fax Number:	NA		

Additional Contact [Person who is also authorized to discuss the application for permit]

Name:	Mark Hohulin		
Title:	Senior Vice President, Healthcare Analytics		
Company Name:	OSF Healthcare System		
Address:	124 S.W. Adams Street Peoria, IL 61602		
Telephone Number:	309-308-9656		
E-mail Address:	mark.e.hohulin@osfhealthcare.org		
Fax Number:	309-308-0350		

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APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name:	OSF St. Joseph Medical Center – Expansion of ICU and Medical/Surgical Services		
Street Address:	2200 East Washington Street		
City and Zip Code:	Bloomington	61701	
County:	McLean	Health Service Area: 4	Health Planning Area: D-02

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name:	OSF Healthcare System		
Street Address:	124 S.W. Adams Street		
City and Zip Code:	Peoria, IL	61602	
Name of Registered Agent:	Danielle McNear		
Registered Agent Street Address:	124 S.W. Adams Street		
Registered Agent City and Zip Code:	Peoria, IL	61602	
Name of Chief Executive Officer:	Robert C. Sehring		
CEO Street Address:	124 S.W. Adams Street		
CEO City and Zip Code:	Peoria, IL	61602	
CEO Telephone Number:	309-655-2850		

Type of Ownership of Applicants

☒ Non-profit Corporation	☐ Partnership
☐ For-profit Corporation	☐ Governmental
☐ Limited Liability Company	☐ Sole Proprietorship ☐ Other
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Name:	Ralph Weber		
Title:	CON Consultant		
Company Name:	Weber Alliance		
Address:	920 Hoffman Lane	Riverwoods, IL	60015
Telephone Number:	847-791-0830		
E-mail Address:	rmweber90@gmail.com		
Fax Number:	NA		

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Telephone Number:	309-308-9656		
E-mail Address:	mark.e.hohulin@osfhealthcare.org		
Fax Number:	309-308-0350		

Post Permit Contact

[Person to receive all correspondence after permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

Name:	Mark Hohulin
Title:	Senior Vice President, Healthcare Analytics
Company Name:	OSF Healthcare System
Address:	124 S. W. Adams
Telephone Number:	309-308-9656
E-mail Address:	mark.e.hohulin@osfhealthcare.org
Fax Number:	309-308-0350

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner:	OSF Healthcare System
Address of Site Owner:	124 S.W. Adams Street Peoria, IL 61602
Street Address or Legal Description of the Site:	
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.	
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name:	OSF St. Joseph Medical Center
Address:	2200 E. Washington Street Bloomington, IL 61701
☒ Non-profit Corporation ☐ For-profit Corporation ☐ Limited Liability Company	☐ Partnership ☐ Governmental ☐ Sole Proprietorship ☐ Other
○ Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. ○ Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. ○ Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>). **NOTE: A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM** has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

APPEND DOCUMENTATION AS **ATTACHMENT 5**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT 6**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.20 and Part 1120.20(b)]

Part 1110 Classification :

- ☒ Substantive
☐ Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

The project is the expansion of 15 ICU beds and 10 medical/surgical beds at OSF St. Joseph Medical Center in Bloomington. If approved, the project will increase intensive care capacity from 14 to 29 beds, and medical/surgical capacity from 118 to 128 beds. (In an August 7 letter to the State, OSF St. Joseph Medical Center requested adding 3 medical/surgical beds by invoking the 20 bed/10% Rule. This will increase medical/surgical beds from 118 to 121, and, with the 10 beds in this permit application, to 131 medical/surgical beds.)

The project is sized at 17,419 departmental gross sq ft (dgsf). 13,749 sq ft is in modernized first floor space in a vacated non-inpatient area that was formerly occupied by the Center for Healthy Lifestyles. 3,670 sq ft is new construction of a single-story building addition adjacent to the modernized space. Of the project's 17,419 sq ft, 14,871 sq ft is clinical space. 2,548 sq ft is non-clinical.

Total capital cost of the project is \$17,772,853. \$12,509,694 is clinical, \$5,262,359 is non-clinical.

The anticipated completion date for the project is December 31, 2026.

The project is considered Substantive because it is the addition of 25 inpatient beds to existing categories of service.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts			
Contingencies			
Architectural/Engineering Fees			
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)			
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			
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS			

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project ☐ Yes ☒ No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service ☐ Yes ☒ No
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up costs and operating deficit cost is \$ <u>NA</u>

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.
Indicate the stage of the project's architectural drawings: ☐ None or not applicable ☐ Preliminary ☒ Schematics ☐ Final Working
Anticipated project completion date (refer to Part 1130.140): <u>December 31, 2026</u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): ☐ Purchase orders, leases or contracts pertaining to the project have been executed. ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies ☒ Financial Commitment will occur after permit issuance.
APPEND DOCUMENTATION AS ATTACHMENT 8 , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable?

- ☒ Cancer Registry
 - ☒ APORS
 - ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 - ☒ All reports regarding outstanding permits
- Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.**

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the departments or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Not Reviewable Space [i.e., non-clinical]: means an area for the benefit of the patients, visitors, staff, or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers. [20 ILCS 3960/3]

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON-REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS **ATTACHMENT 9**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: OSF St. Joseph Medical Center		CITY: Bloomington			
REPORTING PERIOD DATES: From: January 1, 2022 to: December 31, 2022					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical	118	4,845	32,952	+10	128 *
Obstetrics	12	748	1,462	0	12
Pediatrics	5	14	37	0	5
Intensive Care	14	790	3,056 **	+15	29
Comprehensive Physical Rehabilitation	0	0	0	0	0
Acute/Chronic Mental Illness	0	0	0	0	0
Neonatal Intensive Care	0	0	0	0	0
General Long-Term Care	0	0	0	0	0
Specialized Long-Term Care	0	0	0	0	0
Long Term Acute Care	0	0	0	0	0
Other ((identify))					
TOTALS:	149	6,397	37,507	+25	174 *

NOTES:

* Medical/surgical bed count is current as of December 31, 2022. On August 7, OSF St. Joseph Medical Center wrote a letter to the State to request adding three medical/surgical beds under the 20 bed/10% Rule. Medical/surgical authorized beds will increase from 118 to 121, and total hospital bed capacity will increase from 149 to 152. The project associated with this CON permit application to add ten more medical/surgical beds will increase the medical/surgical bed count from 121 to 131, the ICU bed count from 14 to 29, and the total facility bed count to 177.

** 3,056 ICU patient days includes 2,828 inpatient ICU days and 228 observation ICU days.

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors.
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist).
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist).
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of OSF St. Joseph Medical Center* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Carol A. Friesen

SIGNATURE

Carol A. Friesen
PRINTED NAME

Eastern Region, Chief Executive Officer
PRINTED TITLE

SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 11 day of AUGUST, 2023

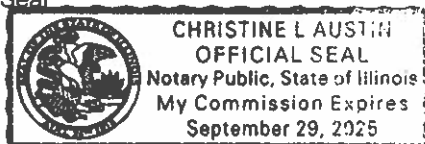
Notarization:

Subscribed and sworn to before me
this _____ day of _____

Christine L Austin

Signature of Notary

Seal



Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

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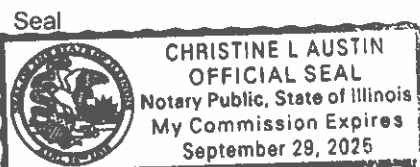
Lynn A. Fulton
SIGNATURE

Lynn A. Fulton
PRINTED NAME

President
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 11 day of August, 2023

Christine L Austin
Signature of Notary



SIGNATURE

PRINTED NAME

PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this _____ day of _____

Signature of Notary

Seal

*Insert the EXACT legal name of the applicant

CERTIFICATION

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- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of OSF Healthcare System* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.

Robert C. Sehring
SIGNATURE

Robert C. Sehring
PRINTED NAME

Chief Executive Officer
PRINTED TITLE

Michael A. Cruz, MD
SIGNATURE

Michael A. Cruz, MD
PRINTED NAME

Chief Operating Officer
PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 9th day of August 2023

Tonda L. Stewart
Signature of Notary

Seal

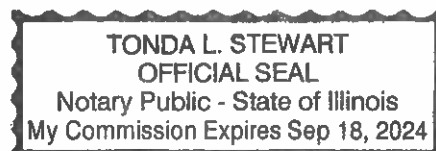


Notarization:

Subscribed and sworn to before me
this 9th day of August 2023

Tonda L. Stewart
Signature of Notary

Seal



*Insert the EXACT legal name of the applicant

SECTION II. DISCONTINUATION**Discontinuation is not part of this project.**

This Section is applicable to the discontinuation of a health care facility or the discontinuation of more than one category of service in a 6-month period. If the project is solely for a discontinuation of a health care facility the **Background of the Applicant(s) and Purpose of Project** **MUST** be addressed. A copy of the Notices listed in **Item 7** below **MUST** be submitted with this Application for Discontinuation <https://www.ilga.gov/legislation/ilcs/documents/002039600K8.7.htm>

Criterion 1110.290 – Discontinuation

READ THE REVIEW CRITERION and provide the following information:

GENERAL INFORMATION REQUIREMENTS

1. Identify the categories of service and the number of beds, if any that are to be discontinued.
2. Identify all the other clinical services that are to be discontinued.
3. Provide the anticipated date of discontinuation for each identified service or for the entire facility.
4. Provide the anticipated use of the physical plant and equipment after the discontinuation occurs.
5. Provide the anticipated disposition and location of all medical records pertaining to the services being discontinued and the length of time the records will be maintained.
6. Provide copies of the notices that were provided to the local media that would routinely be notified about facility events.
7. For applications involving the discontinuation of an entire facility, provide copies of the notices that were sent to the municipality in which the facility is located, the State Representative and State Senator of the district in which the health care facility is located, the Director of Public Health, and the Director of Healthcare and Family Services. These notices shall have been made at least 30 days prior to filing of the application.
8. For applications involving the discontinuation of an entire facility, certification by an authorized representative that all questionnaires and data required by HFSRB or DPH (e.g., annual questionnaires, capital expenditures surveys, etc.) will be provided through the date of discontinuation, and that the required information will be submitted no later than 90 days following the date of discontinuation.

REASONS FOR DISCONTINUATION

The applicant shall state the reasons for the discontinuation and provide data that verifies the need for the proposed action. See criterion 1110.290(b) for examples.

IMPACT ON ACCESS

1. Document whether the discontinuation of each service or of the entire facility will have an adverse effect upon access to care for residents of the facility's market area.
2. Document that a written request for an impact statement was received by all existing or approved health care facilities (that provide the same services as those being discontinued) located within the **geographic service area**.

APPEND DOCUMENTATION AS ATTACHMENT 10, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners, and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
 - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
 - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted, or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction, and submit any police or court records regarding any matters disclosed.
 - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
 - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
 - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant can submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.110(b) & (d)**PURPOSE OF PROJECT**

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as appropriate.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost.
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes.
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- D) Provide the reasons why the chosen alternative was selected.

- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality, and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE**Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space**

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
 - c. The project involves the conversion of existing space that results in excess square footage.
 - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions, or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110. Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

There is no unfinished or shell space in this project.

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area, or function.
3. Evidence that the shell space is being constructed due to:
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data is available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS **ATTACHMENT 16**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS **ATTACHMENT 17**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VI. SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing the establishment, expansion, or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion, and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria, and provide the required information APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

A. Criterion 1110.200 - Medical/Surgical, Obstetric, Pediatric and Intensive Care

- Applicants proposing to establish, expand and/or modernize the Medical/Surgical, Obstetric, Pediatric and/or Intensive Care categories of service must submit the following information:
- Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
☒ Medical/Surgical *	118	128
☐ Obstetric		
☐ Pediatric		
☒ Intensive Care	14	29

Note * :

* Medical/surgical bed count is current as of December 31, 2022. On August 7, OSF St. Joseph Medical Center wrote a letter to the State to request adding three medical/surgical beds under the 20 bed/10% Rule. Medical/surgical authorized beds will increase from 118 to 121, and total hospital bed capacity will increase from 149 to 152. The project associated with this CON permit application to add ten more medical/surgical beds will increase the medical/surgical bed count from 121 to 131.

- READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (Formula calculation)	X		
1110.200(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.200(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.200(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.200(b)(5) - Planning Area Need - Service Accessibility	X		

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.200(c)(1) - Unnecessary Duplication of Services	X		
1110.200(c)(2) - Maldistribution	X	X	
1110.200(c)(3) - Impact of Project on Other Area Providers	X		
1110.200(d)(1), (2), and (3) - Deteriorated Facilities			X
1110.200(d)(4) - Occupancy			X
1110.200(e) - Staffing Availability	X	X	
1110.200(f) - Performance Requirements	X	X	X
1110.200(g) - Assurances	X	X	
APPEND DOCUMENTATION AS <u>ATTACHMENT 19</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

- **Section 1120.120 Availability of Funds – Review Criteria**
- **Section 1120.130 Financial Viability – Review Criteria**
- **Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)**

The applicant shall document those financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable **[Indicate the dollar amount to be provided from the following sources]:**

_____ _____ _____ 17,772,653	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion. b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience. c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts. d) Debt – a statement of the estimated terms and conditions (including the debt time, variable or permanent interest rates over the debt time, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated. 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate. 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc. 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment. 5) For any option to lease, a copy of the option, including all
--	--

	terms and conditions.
	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent.
	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt.
	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$17,772,653	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding, or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All the project's capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available.
- 2) That the selected form of debt financing will not be at the lowest net cost available but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors.
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (List below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT

SAFETY NET IMPACT STATEMENT that describes all the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, *including the impact on racial and health care disparities in the community*, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in each community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.
3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 37.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			

	Outpatient				
	Total				

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 39.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS **ATTACHMENT 39**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI -SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: _____
 (Name) (Address)

 (City) (State) (ZIP Code) (Telephone Number)
2. Project Location: _____
 (Address) (City) (State)

 (County) (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go to NFHL Viewer** tab above the map. You can print a

copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes ___ No ___ ?

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: _____ Effective Date: _____

Name of Official: _____ Title: _____

Business/Agency: _____ Address: _____

(City)	(State)	(ZIP Code)	(Telephone Number)

Signature: _____ Date: _____

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

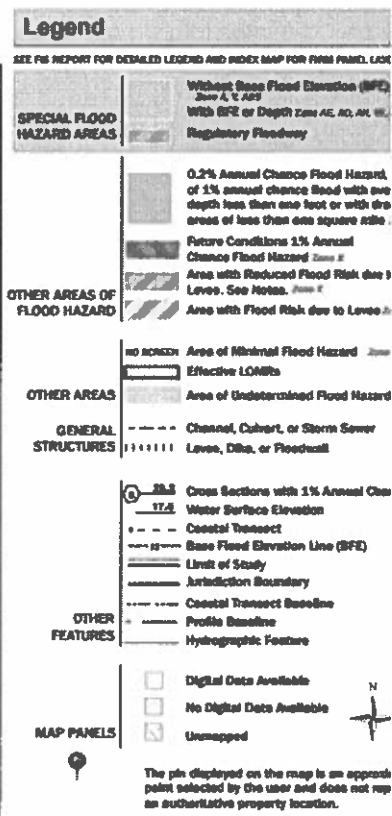
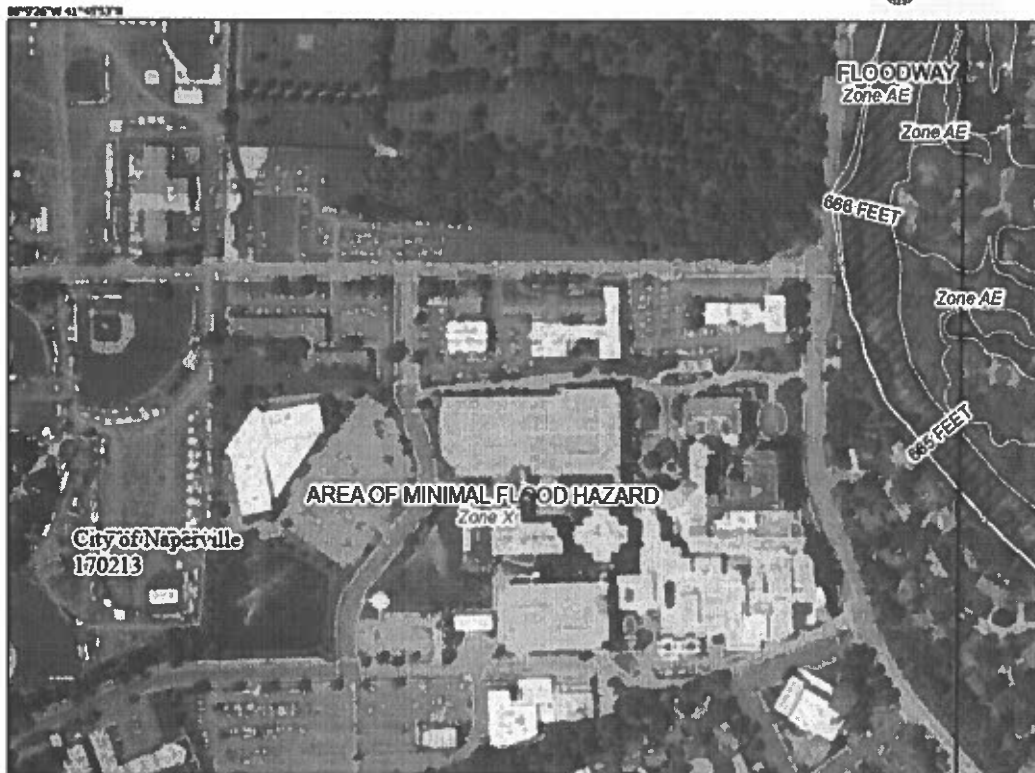
If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

Floodplain Map Example

The image below is an example of the floodplain mapping required as part of the IDPH swimming facility construction permit showing that the swimming pool, to undergo a major alteration, is outside the mapped floodplain.



National Flood Hazard Layer FIRMette



After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	31,32
2	Site Ownership	33
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	34
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	35
5	Flood Plain Requirements	36,37
6	Historic Preservation Act Requirements	38
7	Project and Sources of Funds Itemization	39-45
8	Financial Commitment Document if required	NA
9	Cost Space Requirements	46
10	Discontinuation	NA
11	Background of the Applicant	47-51
12	Purpose of the Project, with attachments	52-103
13	Alternatives to the Project	104, 105
14	Size of the Project	106
15	Project Service Utilization	107, 108
16	Unfinished or Shell Space	NA
17	Assurances for Unfinished/Shell Space	NA
	Service Specific:	
18	Medical Surgical Pediatrics, Obstetrics, ICU	109 - 135
19	Comprehensive Physical Rehabilitation	--
20	Acute Mental Illness	--
21	Open Heart Surgery	--
22	Cardiac Catheterization	--
23	In-Center Hemodialysis	--
24	Non-Hospital Based Ambulatory Surgery	--
25	Selected Organ Transplantation	--
26	Kidney Transplantation	--
27	Subacute Care Hospital Model	--
28	Community-Based Residential Rehabilitation Center	--
29	Long Term Acute Care Hospital	--
30	Clinical Service Areas Other than Categories of Service	--
31	Freestanding Emergency Center Medical Services	--
32	Birth Center	--
	Financial and Economic Feasibility:	
33	Availability of Funds	136
34	Financial Waiver	NA
35	Financial Viability	137 - 145
36	Economic Feasibility	146 - 156
37	Safety Net Impact Statement	157 - 160
38	Charity Care Information	161
39	Flood Plain Information	162, 163

File Number

0107-414-8



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, ADOPTED THE ASSUMED NAME OSF ST. JOSEPH MEDICAL CENTER, BLOOMINGTON ON NOVEMBER 18, 2020, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 18TH day of MAY A.D. 2023 .

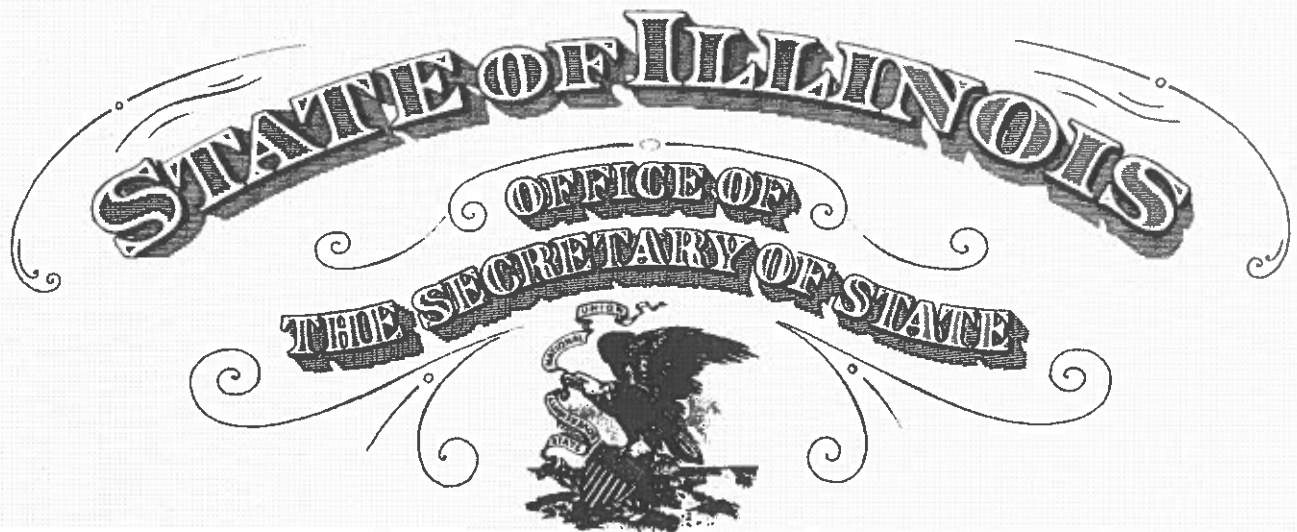
Authentication #: 2313801824 verifiable until 05/18/2024

Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas
SECRETARY OF STATE

File Number

0107-414-8



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 28TH
day of SEPTEMBER A.D. 2022 .***

Jesse White

SECRETARY OF STATE

Authentication #: 2227102514 verifiable until 09/28/2023
Authenticate at: <https://www.ilsos.gov>



OSF[®] HEALTHCARE

August 9, 2023

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

Re: Site Ownership
OSF St. Joseph Medical Center

Dear Chairwoman Savage:

I hereby certify that OSF Healthcare System owns the land and buildings of OSF St. Joseph Medical Center, 2200 East Washington Street, Bloomington.

If you have any questions, please contact Mark Hohulin, Senior Vice President, Healthcare Analytics, at 309-308-9656 or at mark.e.hohulin@osfhealthcare.org.

Sincerely,

Robert C. Sehring, Chief Executive Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

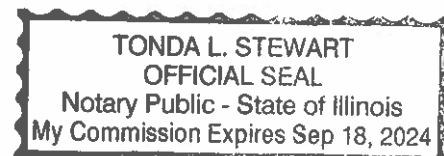
Notarization:

Subscribed and sworn to before me

this 9th day of August 2023

Signature of Notary

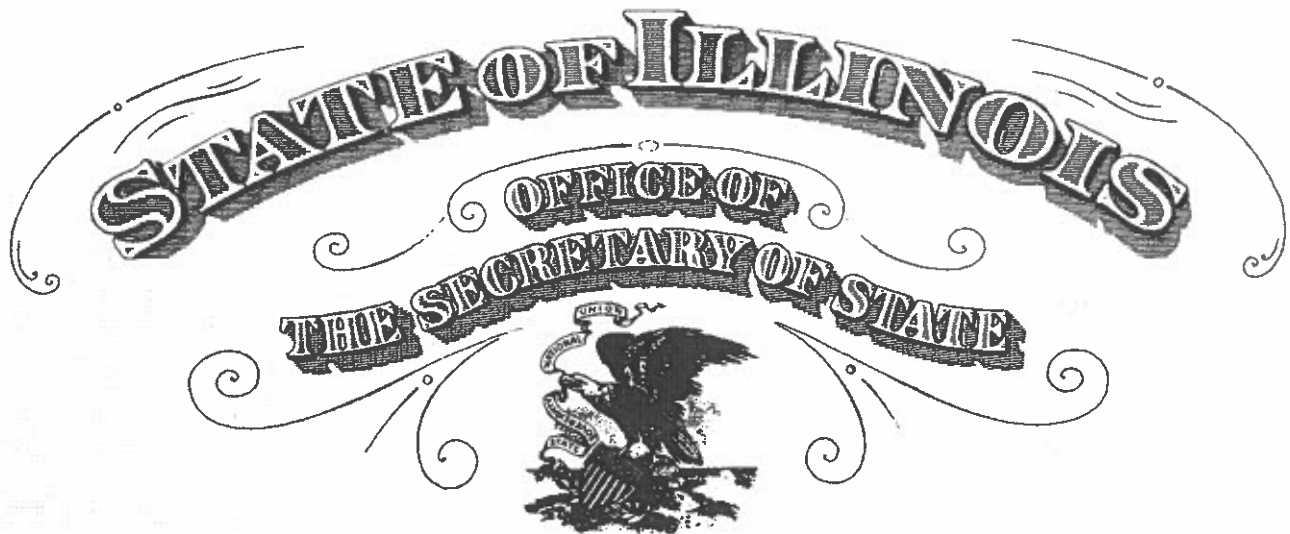
Seal



Attachment 2

File Number

0107-414-8



To all to whom these Presents Shall Come, Greeting:

I, Alexi Giannoulas, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

OSF HEALTHCARE SYSTEM, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 02, 1880, ADOPTED THE ASSUMED NAME OSF ST. JOSEPH MEDICAL CENTER, BLOOMINGTON ON NOVEMBER 18, 2020, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



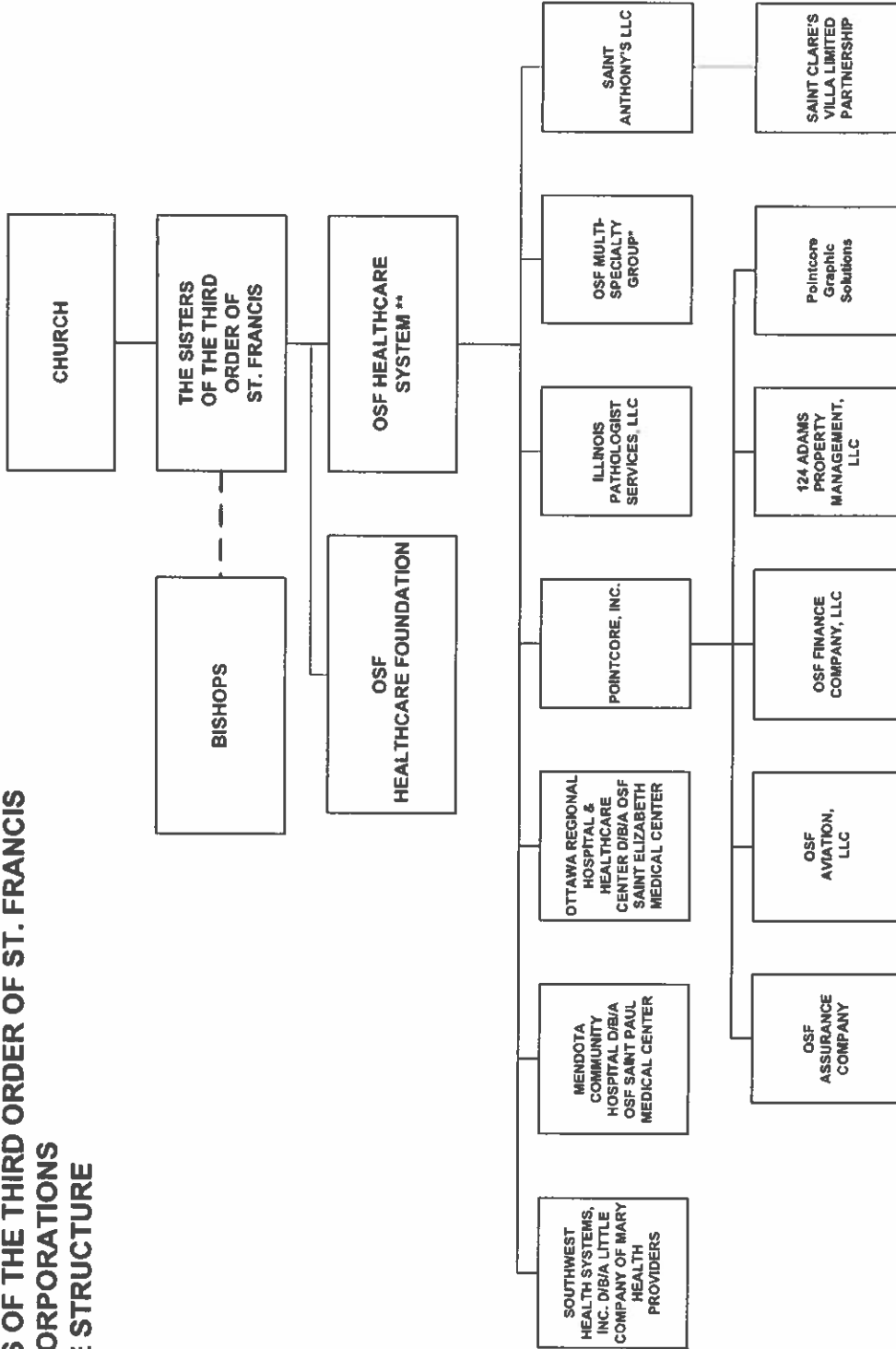
In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, this 18TH day of MAY A.D. 2023 .

Authentication #: 2313801824 verifiable until 05/18/2024
Authenticate at: <https://www.ilsos.gov>

Alexi Giannoulas
SECRETARY OF STATE

Attachment 3

THE SISTERS OF THE THIRD ORDER OF ST. FRANCIS AFFILIATE CORPORATIONS CORPORATE STRUCTURE



Legend:
 _____ Direct Responsibility
 - - - - - Advisory

** OSF Healthcare System

OSF St. Francis Hospital – Escanaba, Michigan
 OSF Saint Anthony Medical Center – Rockford
 OSF Saint James-John W. Albrecht Medical Center – Pontiac
OSF St. Joseph Medical Center – Bloomington
 OSF Heart of Mary Medical Center - Urbana
 OSF Sacred Heart Medical Center – Danville
 OSF Saint Francis Medical Center - Peoria
 OSF St. Mary Medical Center - Galesburg
 OSF Holy Family Medical Center - Monmouth
 OSF Saint Luke Medical Center – Kewanee
 OSF Saint Clare Medical Center - Princeton
 OSF Saint Anthony's Health Center – Alton
 OSF Little Company of Mary Medical Center – Evergreen Park
 OSF Home Care Services
 OSF OnCall - Peoria

*OSF Multi-Specialty Group

OSF Multi-Specialty Services
 OSF Medical Group
 Ambulatory Services

Flood Plain Requirements

The following page includes the most recent National Flood Hazard Layer FIRMette for the location of the OSF St. Joseph Medical Center, 2200 E. Washington Street, Bloomington.

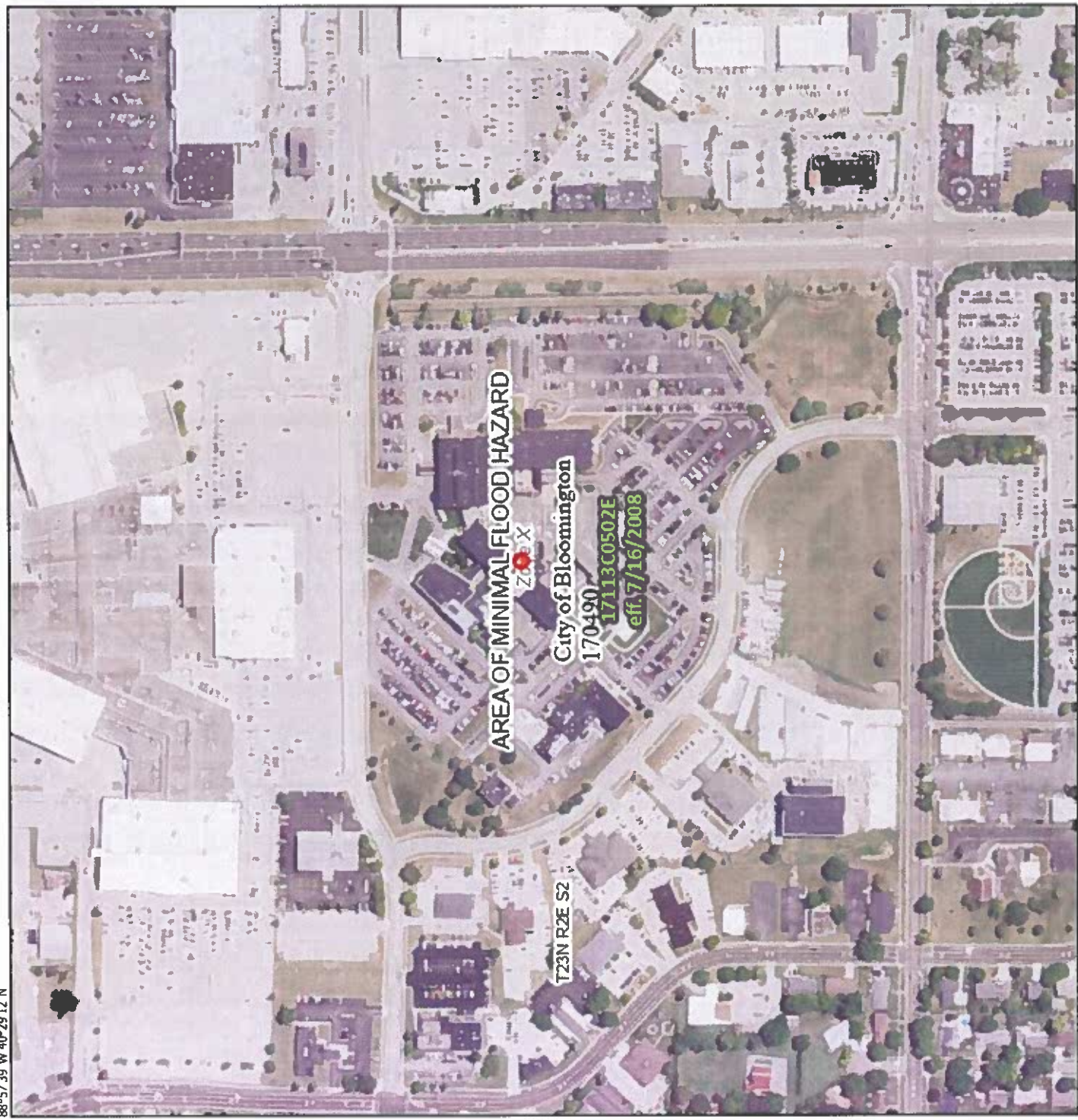
The site is located in Zone X, panel 17113C0502E, effective 7/16/2008. According to FEMA, Zone X consists of "areas determined to be outside 500 year floodplain determined to be outside the 1% and 0.2% annual chance floodplains." (www.floodmaps.com/zones.htm). This classification designates areas least susceptible to flooding in the FEMA system.

Illinois Executive Order #2006-5, "Construction Activities in Special Flood Hazard Areas" defines "Special Flood Hazard Areas" or "Floodplains" as areas subject to "100 year frequency flood and shown as such on the most current Flood Insurance Rate Map published by the Federal Emergency Management Agency."

The FIRMette designates the site as located in an "Area of Minimal Flood Hazard."



88°57'39"W 40°28'12"N



Feet 1.2 000

88°57'2"W 40°28'44"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE)
Zone A, V, A99
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard. Area of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone I
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN
- Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone X

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Cross Sections with 1% Annual Chance Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

MAP PANELS

- Digital Data Available
- No Digital Data Available
- Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 7/25/2023 at 7:14 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for

#23-037



**Illinois
Department of
Natural
Resources**

JB Pritzker, Governor • Natalie Phelan Finnie, Director
One Natural Resources Way • Springfield, Illinois 62702-1271
www.dnr.illinois.gov

**McLean County
Bloomington**

**CON - Rehabilitation and New Addition for 25 Inpatient Beds, OSF St. Joseph Medical Center
2200 E. Washington St.
SHPO Log #014071423**

August 10, 2023

**Ralph Weber
Weber Alliance
920 Hoffman Lane
Riverwoods, IL 60015**

Dear Mr. Weber:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact Rita Baker, Cultural Resources Manager, at 217/785-4998 or at Rita.E.Baker@illinois.gov.

Sincerely,

**Carey L. Mayer, AIA
Deputy State Historic
Preservation Officer**

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$127,300	\$62,700	\$190,000
Site Survey and Soil Investigation	---	---	---
Site Preparation	\$371,850	\$183,150	\$555,000
Off Site Work	---	---	---
New Construction Contracts	\$1,618,591	\$1,567,912	\$3,186,503
Modernization Contracts	\$5,029,757	\$1,678,713	\$6,708,470
Contingencies	\$916,323	\$408,598	\$1,324,921
Architectural/Engineering Fees	\$586,000	\$289,000	\$875,000
Consulting and Other Fees	\$335,370	\$165,179	\$500,549
Movable or Other Equipment (not in construction contracts)	\$1,843,553	\$78,447	\$1,922,000
Bond Issuance Expense (project related)	---	---	---
Net Interest Expense During Construction (project related)	\$1,500,950	\$739,260	\$2,240,210
Fair Market Value of Leased Space or Equipment	---	---	---
Other Costs to Be Capitalized	\$180,000	\$90,000	\$270,000
Acquisition of Building or Other Property (excluding land)	---	---	---
TOTAL USES OF FUNDS	\$12,509,694	\$5,262,959	\$17,772,653
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources -- Line of Credit Loan	\$12,509,694	\$5,262,959	\$17,772,653
TOTAL SOURCES OF FUNDS	\$12,509,694	\$5,262,959	\$17,772,653

NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Project Cost and Sources of Funds
Supporting Narrative

Pre-planning Costs \$190,000

Pre-planning costs include clinical pre-planning during the strategic planning phase, including concept development and feasibility studies by an architectural consultant, a medical equipment planner, and a construction manager to estimate high-level capital costs related to long term financial planning. \$127,300 of cost is related to clinical components of the project.

Site Preparation \$555,000

The site preparation work includes interior & exterior selective building demolition, site demolition, and mobilization costs. \$371,850 of cost is related to clinical components of the project.

Modernization costs \$6,708,470

The construction contract for the modernization portion of the project includes all renovation costs to build the project including contractor's overhead and fees. Due to an ongoing and unprecedented hyper-escalation of costs in the construction industry, the modernization construction contract includes an estimated 8% escalation to account for anticipated but unknown price and labor increases through the mid-way point of the construction process.

The conversion from non-clinical space to clinical space on the 1st floor is the majority of clinical construction cost associated with the project. It consists of converting 11,989 dgsf to accommodate both ICU and medical/surgical rooms. All 15 ICU rooms and a portion of 6 of the 10 medical/surgical rooms are in the modernized space.

ICU: 9,699 dgsf at a cost of \$4,117,032 = \$424.48 per sq ft

Medical/surgical: 2,290 dgsf at a cost of \$912,725 = \$398.57 per sq ft

With a clinical area total modernization cost of \$5,029,757 and the total Departmental Gross Square Feet (DGSF) of clinical space modernized at 11,989 square feet, the average cost per modernized clinical square foot is \$419.53.

Of the total \$419.53 per sq ft, approximately \$70/sf is attributed to construction requirements that are not associated with an average hospital modernization construction project as outlined below.

1. The vast majority of the modernization taking place on the first floor is in an area that is currently business occupancy (outpatient rehabilitation, education, and office space). Therefore, infrastructure required to support these new inpatient care spaces needs to be added or extended to these areas. Some examples include the extension of the medical gas system to each patient room, the addition of private bathrooms with showers and the associated domestic water and underslab plumbing required, the installation of exhaust ductwork for toilet rooms and the four ICU isolation rooms whose exhaust will be routed up

thru the existing second floor space to the roof to provide proper separation from windows and air intakes, and the installation of extensive low voltage systems for patient monitoring.

2. The existing space presents a difficult floor plate with angles and existing columns at the interior of the building. This results in some spaces that are oddly shaped or have inefficient layouts requiring extra space and associated additional cost.
3. The exterior of the existing building has a combination of ribbon windows, full-height storefront windows, and areas of continuous masonry walls. In order to provide windows at each of the patient rooms, there is extensive work required at the building envelope. This includes infilling the areas of storefront windows with masonry and new windows and creating new window openings in existing masonry walls. Additionally, portions of the existing ribbon windows will be blanked off to construct patient bathrooms at the exterior walls. This level of exterior building envelope work is not typical for the average hospital modernization project.
4. Upgraded flooring, wall protection, and ceiling systems to withstand heavy duty wear and tear with an eye toward infection control in keeping with recent upgrades made to other patient room spaces. These finishes are not standard in other general clinical spaces and typically have a premium cost in comparison to other less-specialized clinical spaces.
5. Due to the project complexity and various phasing requirements, there are many unknowns that will not be discovered until construction begins. For this reason, we include overtime and phasing allowances in the modernization costs. These construction allowances help alleviate changes that need to be made due to the sensitive location where construction is taking place. A large portion of the project is located below the second-floor obstetrics unit, and the project also adjoins the surgery waiting area. Certain work that could normally be complete during the day needs to be adjusted to off-hours to avoid disturbance to patient care.
6. Hyper cost escalation. Construction of healthcare (and other) facilities are currently experiencing an unprecedented rate of escalation, exceeding the standard 3% per year. The contract costs currently include an 8% escalation on top of the estimated costs to account for unknown pricing and labor increases.

In summary, these complexities add a premium of approximately \$70/sq ft ($\$70 \times 11,989 = \$839,230$). These factors imply that the \$419.53 clinical cost per DGSF of the modernization compares to a level of \$349.53 per sq ft.

New Construction costs \$3,186,503

The construction contract for the new construction portion of the project includes all new addition costs to build the project including contractor's overhead and fees. Due to an ongoing and unprecedented hyper-escalation of costs in the construction industry, the new construction contract includes an estimated 8% escalation to account for anticipated but unknown price and labor increases through the mid-way point of the construction process.

The existing 11,989 sq ft that is being modernized for future clinical space is not sufficient to accommodate the 25 bed project; a first floor addition of 2,882 sq ft of clinical space is planned adjacent to the space being modernized. This includes 312 sq ft for ICU expansion and 2,570 sq ft for medical/surgical beds and supporting clinical space. Four of the 10 medical/surgical rooms are entirely in the new construction space. Portions of 2 ICU rooms and 6 of the 10 medical/surgical rooms are in the new construction space.

ICU: 312 dgsf at a cost of \$182,938 = \$586.34 per sq ft

Medical/surgical: 2,570 dgsf at a cost of \$1,435,653 = \$558.62 per sq ft

With new clinical construction of cost of \$1,618,591 and 2,882 sq ft of newly constructed clinical space, the average cost per sq ft is \$561.62.

Of the total \$561.62 per sq ft, approximately \$80/sf is attributed to construction requirements that are not associated with a typical construction project as outlined below.

1. Tight construction site with difficult access. The location of the new construction includes additions at two locations. The primary addition is in an existing building nook (with existing buildings on three sides) that is mostly obstructed by the existing entry drive canopy, effectively creating a courtyard. This condition presents significant access challenges requiring the use of both smaller equipment that can fit into the space and larger equipment such as cranes that must be able to reach into the space from the existing drive. Both the inefficiency of smaller equipment and the added expense of larger equipment results in a cost premium. The smaller addition area is the infill of the existing covered building entrance at the corner of the building. Since this area has the existing second floor overhead, it presents tight access and overhead restrictions making construction in this area challenging.
2. Tie-ins to the existing building include foundation walls, concrete slabs, masonry exterior walls, metal stud interior walls, and roofs. These tie-ins require special consideration for structural stability, allowance for building movement, and proper water tightness and include elements such as dowels, expansion joints, flashings, and sealants.
3. The adjacency of the existing lower level of the hospital requires that deep foundations be utilized for portions of the building addition to address lateral loads. Deep foundations have a premium cost when compared to conventional shallow foundations systems.
4. Infrastructure required to support these new inpatient care spaces needs to be extended to these areas. Some examples include the extension of the medical gas system to each patient room, construction of private bathrooms with showers and the associated domestic water and underslab plumbing required, the installation of exhaust ductwork for toilet rooms, the installation of extensive low voltage systems for patient monitoring, and the extension of the pneumatic tube system. The density of infrastructure in patient room areas has a premium cost in comparison to other less-specialized clinical spaces.

5. Upgraded flooring, wall protection, and ceiling systems to withstand heavy duty wear and tear with an eye toward infection control in keeping with recent upgrades made to other patient room surgical spaces. These finishes are not standard in other general clinical spaces and typically have a premium cost in comparison to other less-specialized clinical spaces.
6. Hyper cost escalation. Construction of healthcare (and other) facilities are currently experiencing an unprecedented rate of escalation, exceeding the standard 3% per year. The contract costs currently include an 8% escalation on top of the estimated costs currently to account for unknown pricing and labor increases.

In summary, these complexities add a premium of approximately \$80/sq ft ($\$80 \times 2,882 = \$230,560$). These factors imply that the \$561.62 clinical cost per dgsf of the new construction compares to a level of \$481.62 per sq ft.

The new construction contract also includes the construction of a new entry addition to replace the existing entry referenced above that will be vacated and infilled to create clinical space. The new entry addition is a single-story steel-framed addition totaling 788 sq ft. The purpose of this addition is to provide a convenient entry and exit point at the northwest corner of the hospital. The addition is positioned adjacent to the existing drop off canopy, and a new covered overhang provides weather protection for pedestrians travelling to and from the entry. This entry is used by hospital visitors and is the primary exit point for obstetrics patients after discharge. The exterior of the addition is clad with masonry, and significant storefront glazing is included to provide visibility to the drive and canopy pick-up point as well as to the adjacent landscaped areas. The new entry addition includes a 1.5-story area with large building entrance signage immediately above the entry vestibule to provide prominence and visibility from the nearby public roadway. This 788 sq ft part of the addition is non-clinical/public circulation space.

Contingencies \$1,324,921

The project costs are currently based off schematic design phase. There are many complexities to this project that require further evaluation. As a result the maximum 10% contingency is budgeted for new construction, and 15% contingency for modernization.

Total clinical construction and modernization cost of \$6,648,348

Of this total, \$5,029,757 is clinical modernization; \$1,618,591 is clinical new construction

Clinical contingency of \$161,859, 10% of \$1,618,591 new construction

Clinical contingency of \$754,464, 15% of \$5,029,757 modernization

Total clinical contingency is \$916,323, as shown on the Project Costs and Sources of Funds table.

The remaining contingency of \$408,598 is assigned for the non-clinical areas of the project. It is also based on 10% of new construction ($10\% \times \$1,567,912 = \$156,791$) and 15% of non-clinical modernization. ($15\% \times \$1,678,713 = \$251,807$). $\$156,791 + \$251,807 = \$408,598$.

A/E fees \$875,000

The architectural and engineering fees cover the cost of programming, interior design, schematic design, design development, construction documentation and construction administration.

Total A/E fees are \$875,000.

\$289,000 (8.25% of the total of \$3,505,153)

(New construction of \$3,186,503 plus new construction contingency of \$318,650)

\$586,000 (7.60% of the total \$7,714,741)

(Modernization cost of \$6,708,470 plus modernization contingency of \$1,006,271)

These compare favorably with the standards of 6.42% - 9.64% for new construction under \$5,000,000 and 6.04% - 9.08% for modernization under \$9,000,000.

Consulting and other fees \$500,549

The consultant fees include the following:

- Program management services
- Medical equipment planning & procurement
- Commissioning Consultant (Building Systems)
- Water Management Testing and consultation
- FF&E Design
- IT/IM Project management services
- Construction management
- CON advisory services

The project fees include costs associated with the following reviews and permits:

- CON filing fee
- IDPH application cost
- City of Bloomington building permit application fee
- Bloomington-Normal Water Reclamation District fees

Moveable equipment, furnishings \$1,922,000

Equipment costs are projected to be as follows:

Patient rooms (25)	\$1,527,705
Care team	\$38,696
Med room	\$68,458
Nourishment	\$10,323
Clean supply	\$6,847
Soiled utility	\$2,702
Equipment storage	\$188,822
Other equipment	\$17,143

An additional \$61,304 in furnishings includes tables and chairs for the breakroom and consult room, desks and work stations at the care team area and offices, and chairs outside patient rooms.

Net interest expense during construction \$2,240,210

The project will be funded with a line of credit. Interest payments are estimated at \$2,240,210.

Other Capital Costs \$270,000

IT (\$210,000)

Computers, peripherals, printers, applications / licensing, network equipment and cabling.

Artwork (\$10,000)

Best patient and family experience in all clinical spaces and artwork is a key component.

Signage (\$50,000)

This includes new interior room identification signage and wayfinding signage for the new construction and modernization construction. This also includes new exterior building signage for the new entry addition. Due to the impact of modernization within an existing facility, not only do all the new spaces need new signage, but a large portion of existing wayfinding signage will need to be updated throughout the facility, outside of the areas impacted by construction.

Cost / Space Requirements
(departmental gross sq ft)

Department/Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Sq Ft That Is:			
		Existing	Proposed	New Const	Modernized	As Is	Vacated
Construction Costs							
CLINICAL/REVIEWABLE							
ICU beds			10,011				
new construction	\$182,938			312			
modernization	\$4,117,032				9,699		
Medical/surgical beds			4,860				
new construction	\$1,435,653			2,570			
modernization	\$912,725				2,290		
Subtotal Clinical	\$6,648,348		14,871	2,882	11,989		
NON-REVIEWABLE							
Public toilets, family room	\$124,879		128		128		
Administration, conference room	\$418,397		458		458		
Lockers and lounge	\$215,775		228		228		
Mech, bldg syst, hskeep	\$59,932		50		50		
Public Circulation			1,684				
new construction	\$1,567,912			788			
modernization	\$859,730				896		
Subtotal Non-Clinical	\$3,246,625		2,548	788	1,760		
TOTAL CONSTRUCTION	\$9,894,973		17,419	3,670	13,749		

Other Proj Costs	
Preplanning Costs	\$190,000
Site Survey / Soil	
Site Preparation	\$555,000
Off Site Work	
Contingencies	\$1,324,921
A/E fees	\$875,000
Consulting, fees	\$500,549
Moveable Equipt, Furnish	\$1,922,000
Bond Issuance Expense	
Net Int Exp Dur Constr	\$2,240,210
FMV leased space, eqpmnt	
- space	
- equipment	
Other Capital Costs	
- IT	\$210,000
- artwork	\$10,000
- signage	\$50,000
Subtotal	\$7,877,680
TOTAL PROJECT COSTS	\$17,772,653

OSF Healthcare System List of Facilities in Illinois**OSF HealthCare Holy Family Medical Center**

1000 W. Harlem Avenue

Monmouth, Illinois 61462

License #: 0005439, Expiration 4/11/24

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Francis Medical Center

530 NE Glen Oak Avenue

Peoria, Illinois 61637

License #: 0002394, Expiration 12/31/23

Joint Commission: 4/22/23, 36 months

OSF HealthCare Saint Anthony's Health Center

One Saint Anthony's Way

Alton, Illinois 62002-0340

License #: 0005942, Expiration 10/31/23

Joint Commission: 5/7/21, 36 months

OSF HealthCare Saint James-John W. Albrecht Medical Center

2500 W. Reynolds Street

Pontiac, Illinois 61764

License #: 0005264, Expiration 3/2/24

Joint Commission: 4/8/23, 36 months

OSF HealthCare St. Joseph Medical Center

2200 E. Washington Street

Bloomington, Illinois 61701

License #: 0002535, Expiration 12/31/23

Joint Commission: 3/25/23, 36 months

OSF HealthCare Saint Anthony Medical Center

5666 E. State Street

Rockford, Illinois 61108-2472

License #: 0002253, Expiration 12/31/23

Joint Commission: 3/11/23, 36 months

OSF HealthCare Saint Luke Medical Center

1051 West South Street

Kewanee, Illinois 61443

License #: 0005926, Expiration 3/31/24

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF HealthCare Saint Elizabeth Medical Center

1100 E. Norris Drive

Ottawa, Illinois 61350

License #: 0005520, Expiration 5/14/24

Joint Commission: 7/17/20, 36 months (surveyed May/June 2023 – has not received certificate yet)

OSF Saint Elizabeth Medical Center Freestanding Emergency Center

111 Spring Street

Streator, Illinois 61364

License #: 22006, Expiration 8/8/24

Joint Commission: 7/17/20, 36 months (included with Saint Elizabeth Medical Center)

OSF HealthCare St. Mary Medical Center

3333 N. Seminary Street

Galesburg, Illinois 61401

License #: 0002675, Expiration 12/31/23

Joint Commission: 2/24/23, 36 months

Attachment 11

OSF HealthCare Saint Paul Medical Center

1401 E. 12th Street

Mendota, Illinois 61342

License #: 0005819, Expiration 12/6/23

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

OSF Healthcare Sacred Heart Medical Center

812 N. Logan Avenue

Danville, Illinois 61832

License #: 0006072, Expiration 2/1/24

Joint Commission: 2/28/20, 36 months (surveyed May 2023 – has not received certificate yet)

OSF HealthCare Heart of Mary Medical Center

1400 W. Park Street

Urbana, Illinois 61801

License #: 0006080, Expiration 2/1/24

Joint Commission: 2/11/21, 36 months

OSF Little Company of Mary Medical Center

2800 W. 95th Street

Evergreen Park, Illinois 60805

License #: 0006163, Expiration 1/31/24

Joint Commission: 5/6/22, 36 months

OSF Saint Clare Medical Center

530 Park Avenue East

Princeton, IL 61356

License #: 006254, Expiration 6/30/24

Joint Commission: Critical Access Hospital-no Joint Commission Certificate

 Illinois Department of PUBLIC HEALTH		HF 126627
LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.		
Sameer Vohra, MD, JD, MA Director		Issued under the authority of the Illinois Department of Public Health
EXPIRATION DATE 12/31/2023	CA NUMBER	LC NUMBER 0002535
General Hospital		
Effective: 01/01/2023		
St. Joseph Medical Center 2200 E Washington Street Bloomington, IL 61701		
The face of this license has a colored background. Printed by Authority of the State of Illinois • PD, 619-693-001, 10M 9/16		

← **DISPLAY THIS PART IN A
CONSPICUOUS PLACE**

Exp. Date 12/31/2023

Lic Number 0002535

Date Printed 10/28/2022

St. Joseph Medical Center

2200 E Washington Street
Bloomington, IL 61701

FEE RECEIPT NO.

Attachment 11

OSF St. Joseph Medical Center

Bloomington, IL

has been Accredited by

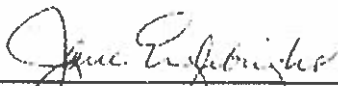


The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the
Hospital Accreditation Program

March 25, 2023

Accreditation is customarily valid for up to 36 months.


Jane Englebright, PhD, RN, CENP, FAAN
Chair, Board of Commissioners

ID #7248
Print/Reprint Date: 06/19/2023


Jonathan B. Perlin, MD, PhD, MSHA, MACP, FACMI
President and Chief Executive Officer

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.





OSF HEALTHCARE

August 9, 2023

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

Re: No Adverse Actions / Authorized Access to Information

Dear Chairwoman Savage:

I hereby certify that no adverse action has been taken against OSF Healthcare System ("OSF") or any facility owned or operated by OSF, directly or indirectly, within three years prior to the filing of this application. For the purpose of this letter, the term "adverse action" has the meaning given to it in the Illinois Administrative Code, Title 77, Section 1130.

I hereby authorize the Health Facilities and Services Review Board ("Board") and the Illinois Department of Public Health ("IDPH") to access any documentation they find necessary to verify any documentation or information submitted, including but not limited to official records of IDPH or other State agencies and the records of nationally recognized accreditation organizations. I further authorize the Board and IDPH to obtain any additional documentation or information that the Board or IDPH deems necessary to process the application.

If you have any questions, please contact Mark Hohulin, Senior Vice President, Healthcare Analytics, at 309-308-9656 or at mark.e.hohulin@osfhealthcare.org.

Sincerely,

Robert C. Sehring, Chief Executive Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

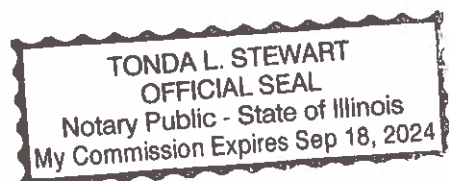
Notarization:

Subscribed and sworn to before me

this 9th day of August 2023

Tonda L. Stewart
Signature of Notary

Seal



Attachment 11

PURPOSE OF THE PROJECT

1. Document that the project will provide health care services that improve the health care or well-being of the market population to be served.

The Bloomington-Normal area is in the midst of significant population growth, due to the recent boom in area employment. The most significant event has been the start-up of Rivian, manufacturer of electric vehicles, which purchased the former Mitsubishi plant in Normal in 2017. Since then, Rivian has created 7,700 local jobs at its plant. Additional related businesses such as battery manufacturing and other suppliers have added to the demand for technical and professional workers, many moving to the area from outside McLean County and Illinois. Illinois State University is starting an engineering program, and Heartland Community College has started an EV manufacturing-training and apprentice program for the maintenance of high-voltage batteries. In addition, secondary growth in hospitality, leisure and other service industries is a response to the increased population in the Bloomington-Normal area. The population in McLean County is estimated at 176,370 in 2023, up from 170,954 in 2020. Projections estimate a population of approximately 185,000 in 2030.

OSF St. Joseph Medical Center (SJMC) in Bloomington operates 149 beds, including 118 medical/surgical and 14 ICU beds. It has been experiencing increasing utilization. Medical/surgical occupancy of 106 beds was 92% in 2021; 12 additional beds were opened (converted from long term care) in 2022 to meet the increasing demand at that time. ICU census has more than doubled in the past three years.

Part of this growth is associated with OSF St. Joseph Medical Center's role in the region as a referral center for specialized care. This was especially evident during 2020 and 2021, when SJMC accepted significant referrals of COVID patients from other area hospitals because of specialty services it had in place. In the three years, SJMC accepted almost 3,000 referrals from area hospitals. 988 referrals were in year 2020, 983 in 2021 and 987 in 2022. These referrals were from a total of 66 hospitals and other providers. 2,064 of these referrals were from other hospitals in the OSF system. 894 were from non-OSF hospitals and other providers. The majority of the referrals were in the following four areas: infectious disease, cardiology, neuroscience and gastroenterology. SJMC plays an increasingly important role in support of other providers in the region. But because of capacity and staffing limitations in these years, it was not able to accept 256 referral requests. 228 of these were in just the past two years.

This role as a referral center is also consistent with the plan within OSF to establish hospital hubs in central Illinois to offload some of the additional growth pressures at OSF Saint Francis Medical Center in Peoria. OSF St. Joseph Medical Center has been selected as one of those hubs because of the breadth of clinical services now in place at the hospital.

The proposed project will add 10 medical/surgical beds and 15 ICU beds. This will allow OSF St. Joseph Medical Center to keep pace with increasing demand for inpatient care. These beds will help accommodate continued inpatient clinical growth, which averaged 5.3% annually from 2014 to 2022 for medical/surgical patient days, and 19.6% annually for ICU from 2017 to 2022. (It is interesting to note that the area population was not growing significantly during most of those years, yet volumes at SJMC were increasing.) This extra capacity will improve the delivery of inpatient services in the Bloomington-Normal area during the boom years and thereafter.

2. Define the planning area or market area, or other relevant area, per the applicant's definition.

The Planning Area for the project is made up of the Primary Service Area (PSA) and the Secondary Service Area (SSA) of OSF St. Joseph Medical Center. The table on the next page displays the zip codes that comprise these areas. Patient data includes all inpatients and observation cases at SJMC for the fiscal year ending September 30, 2022.

The PSA is made up of the 4 zip codes containing Bloomington-Normal, with a population of 138,128. It is the source of 55% of admissions and observation cases at SJMC. These four zip codes contain 76% of the total population of McLean County. The four zip codes that comprise the Primary Service Area are the source of 5,050 admissions and observation cases at SJMC.

The SSA is the remainder of McClean County, with a resident population of 34,163. The SSA provides an additional 1,310 admissions and observation cases (14.3% of all admissions and observation cases at SJMC).

Together, the PSA and SSA are the entire McLean County. The PSA and SSA define the Planning Area for the project, and are the source of 69.3% of all admissions and observation cases.

The remaining patients come from outside McLean County and constitute 30.7% of all admissions and observation cases at SJMC. McLean County is the largest County in Illinois by land measurement, approximately 1,186 sq miles. The fact that such a large number of SJMC's patients, slightly more than 30% of its patients, come from outside this large area is testimony to the scope and complexity of inpatient clinical care at the hospital, and the fact that the hospital functions as a regional referral center.

3. Identify the existing problems or issues that need to be addressed as applicable or appropriate for the project.

The project is intended to address three issues that were highlighted on the first page of the Purposes of the Project Section. These are: a) add bed capacity at OSF St. Joseph Medical Center to respond to its consistently growing patient census during the last decade; b) add capacity to meet the needs of a growing population in the Bloomington-Normal area and greater McLean County; and c) enable SJMC to be a regional hub in the OSF system to off-load some of the increasing patient volume at the 642 bed OSF Saint Francis Medical Center in Peoria.

On the first topic, SJMC has had significant increasing census in its medical/surgical and intensive care patient census in recent years, and is now at or near capacity. As reported later in this permit application in response to 1110.200(b)(4), medical surgical patient days increased from 23,095 patient days in 2014 to 32,952 patient days in 2022 (source: HFSRB Profiles and Annual Hospital Questionnaires for OSF St. Joseph Medical Center 2021 and 2022). This is an increase of 42.7% over the 8-year period.

Medical/surgical bed occupancy averaged 84.3% over the past two years. To meet this increasing census in recent years, SJMC twice used the 20 bed/10% rule to add beds to meet the growing demand. This included the re-classification of 11 pediatric beds as med/surg in July, 2020, increasing authorized med/surg beds from 95 to 106. Occupancy of the 106 beds in 2021 was 92%, significantly above the State standard of 85%. Then in 2022, the hospital closed its 12-bed long term care unit, and converted the space to med/surg, increasing the bed count from 106 to 118. The hospital is in the process of adding three more beds this summer, increasing the med/surg bed count to 121. In the face of growing

Table: Patient Origin by zip code of residence -- OSF St Joseph Medical Center
Inpatient admissions and observation cases, FY 2022

Zip Code	Community Name	County Name	Population	# of inpts and obs pts at OSF St. Joseph Medical Center (2022)	% of total OSF St Joseph inpatients & obs pts from this zip code	Cumulative %
Primary Service Area						
61701	BLOOMINGTON	MCLEAN, IL	35,342	1,794	19.6%	19.6%
61704	BLOOMINGTON	MCLEAN, IL	36,639	1,414	15.4%	35.0%
61761	NORMAL	MCLEAN, IL	52,851	1,359	14.8%	49.8%
61705	BLOOMINGTON	MCLEAN, IL	13,296	483	5.3%	55.0%
Total			138,128	5,050		55.0%
Secondary Service Area						
McLean County						
61745	HEYWORTH	MCLEAN, IL	4,686	202	2.2%	57.2%
61752	LE ROY	MCLEAN, IL	4,277	153	1.7%	58.9%
61753	LEXINGTON	MCLEAN, IL	2,938	133	1.4%	60.4%
61726	CHENOA	MCLEAN, IL	2,542	102	1.1%	61.5%
61748	HUDSON	MCLEAN, IL	3,005	100	1.1%	62.6%
61732	DANVERS	MCLEAN, IL	2,065	84	0.9%	63.5%
61744	GRIDLEY	MCLEAN, IL	2,141	80	0.9%	64.4%
61736	DOWNS	MCLEAN, IL	1,958	71	0.8%	65.2%
61776	TOWANDA	MCLEAN, IL	1,292	62	0.7%	65.9%
61754	MC LEAN	MCLEAN, IL	1,233	48	0.5%	66.4%
61728	COLFAX	MCLEAN, IL	1,524	43	0.4%	66.8%
61725	CARLOCK	MCLEAN, IL	1,688	42	0.4%	67.2%
61770	SAYBROOK	MCLEAN, IL	1,019	39	0.4%	67.6%
61774	STANFORD	MCLEAN, IL	961	35	0.4%	68.0%
61737	ELLSWORTH	MCLEAN, IL	431	26	0.3%	68.3%
61730	COOKSVILLE	MCLEAN, IL	391	24	0.3%	68.6%
61722	ARROWSMITH	MCLEAN, IL	601	19	0.2%	68.8%
61702	BLOOMINGTON	MCLEAN, IL		17	0.2%	69.0%
Subtotal, McLean zips, more than 15 pts			32,752	1280		69.0%
Zip Codes McLean Co with 15 pts or less			1,411	30	0.3%	69.3%
Total, McLean County			172,291	6,360		69.3%
Zip Codes outside of McLean County						
Livingston Co			32,937	695		
Dewitt Co			15,528	406		
Woodford Co			31,952	373		
LaSalle Co			96,944	292		
Tazewell Co			129,313	187		
Logan Co			26,754	142		
All other			395,689	719		
Subtotal areas outside of McLean County			729,117	2,814	30.7%	100.0%
TOTAL POPULATION						
			901,408			
TOTAL PATIENTS						
				9,174		100.0%

area population described below, the addition of ten new medical/surgical beds cannot be handled by invoking the 20 bed/10% rule, but must be supported with a permit application for HFSRB review.

Similarly, ICU patient days at OSF SJMC have grown by 97.8%, from 1,545 days in 2017 to 3,056 in 2022. Occupancy of the 14 bed ICU was 71.7% and 60.0% in the past two years, meeting the State's standard for utilization.

The second issue is that the area population is experiencing significant growth, a nice problem to have, and relatively unique in Illinois. As stated later in this permit application, the population was relatively constant/slightly declining throughout most of the past decade, but is now increasing, mostly due to the opening of the Rivian electric vehicle manufacturing plant in 2017 and the hiring of about 7,700 workers at the plant. Related automotive suppliers are hiring additional people, and service industries in support of the growing population are expanding. The population of McLean County is expected to grow by about 13,500 persons from 2021 to 2028, two years after project completion.

Documentation of the employment growth is covered in several selected media articles included as attachments to this section of the permit application. The following two pages highlight key statements in the media as evidence of the employment growth driving the increased area population.

EXCERPTS FROM MEDIA ARTICLESRivian to relocate staff to Illinois EV plant to accelerate production – WSJ, March 24, 2023

“Rivian Automotive is relocating parts of its manufacturing and engineering team to Illinois, the Wall Street Journal reported on Friday, citing a person familiar with the matter.”

Rivian's growth drives Bloomington-Normal jobs numbers, by Eric Stock, WGLT, March 16, 2023

“Data from the Illinois Department of Employment Security (IDES) show the area, which includes McLean and DeWitt counties, added more than 2,400 manufacturing jobs since January, 2022, and added 2,900 jobs overall.”

“Rivian has added more than 2,000 jobs in the last 6 years as it ramps up production. The plant in Normal has more than 7,400 workers, according to spokesperson Zach Dietmer, making it the second largest employer in McClean County behind State Farm.”

“Leisure and hospitality also added 800 jobs in the Bloomington-Normal area in the last year.”

“The Bloomington-Normal labor market has the lowest unemployment rate of any metro area in Illinois and electric vehicle maker Rivian is a big reason why.”

How Bloomington-Normal became a boomtown, by John Pletz, Crain's Chicago Business, July 1, 2022

“The company more than tripled its workforce in the past year to almost 6,000 employees as it began making trucks at the former Mitsubishi auto plant, adding about 100 people a week. Rivian plans to add another 1,000 jobs, says Gov. J. B. Pritzker.”

“Rivian, which had fewer than 1,000 employees in the area 18 months ago, has since become its (Bloomington-Normal) second largest employer, after Bloomington-based insurer State Farm.”

“It's by far the biggest boost in decades for the central Illinois economy from a single project, says Mark Genzler, CEO of the Illinois Manufacturing Association.”

“As a result of Rivian's growth, Bloomington-Normal was the first metro area in the State to rebound to its pre-pandemic employment levels, says Sarah Crane, senior economist at Moody's Analytics. From February through March, Bloomington-Normal had the fastest job growth in Illinois.”

“The company has created about 2,000 construction jobs in addition to the 6,000 jobs at its manufacturing plant, (Patrick) Hoban (CEO of the Economic Development Council) estimates. Suppliers now are looking for space, too, though none has announced plans and Hoban declines to identify prospects he has talked to. ‘You'll see suppliers opening their doors this year that will add 5,000 jobs,’ he says.”

“Heartland Community College created an EV manufacturing training and apprenticeship program involving maintenance of high-voltage batteries that launched a year ago.”

5 Years of Rivian: From 'stealth mode' to one of the biggest IPOs in American History, by Ryan Denham, WGLT, December 6, 2021

"The company added about 3,000 workers in 12 months (2021) making it one of McLean County's largest employers almost overnight."

The New Normal: How one Midwestern town got swept up in the electric vehicle boom, by Matt McFarland, CNN Business, March 24, 2021

"Rivian has been on a rocketship trajectory ... and local leaders credit the electric vehicle maker's arrival with invigorating Bloomington-Normal's future."

"...targeting adding 2,500 more manufacturing jobs this year on top of the 940 full time employees already in Bloomington-Normal, according to Rivian spokeswoman Amy Mast."

Candy maker Ferrero plans another, bigger expansion at its Bloomington plant, by Eric Stock, WGLT, June 13, 2022

President of Ferrero North America Todd Siwak said "the expansion will add 200 jobs over the next four years. Ferrero has about 350 workers at its existing Bloomington plant."

Finally, the planned addition of 15 ICU beds and 10 medical/surgical beds will allow OSF St. Joseph Medical Center to be a medical hub in the OSF Healthcare System. This strategic plan will enable off-loading some patients, especially those living in southwestern McLean County, from OSF's flagship hospital, OSF Saint Francis Medical Center in Peoria. OSF SJMC in Bloomington offers a significant breadth of medical and surgical services serving a large region in central Illinois. As stated earlier, OSF SJMC has been a referral hospital for especially small and rural hospitals, receiving almost 3,000 referrals from 66 hospitals and other providers in the region over the past three years. The increased med/surg and ICU capacity will enable OSF SJMC to continue to expand this role, providing secondary and tertiary services in Bloomington and relieving OSF Saint Francis Medical Center of some of its patient volume especially when it is experiencing high census in Peoria.

4. Cite the sources of information.

- COMPdata, Illinois Hospital Association
- OSF St. Joseph Medical Center medical records
- Community Health Needs Assessment, McLean County, Illinois, 2022
- Community Benefit Report, Fiscal Year 2022, OSF Healthcare System
- HFSRB Hospital Profiles; Annual Hospital Questionnaires; *Inventory of Health Facilities and Services and Need Determinations*, October 25, 2021; Monthly Updates to the Inventory of Health Facilities and Services
- *Demographic Profiles*, Bloomington-Normal Economic Development Council: 2021, 2019, 2018, 2017, 2015, 2010 and 2009
- Quarterly Census of Employment and Wages, County Reports, McLean County, Employment Covered by the Illinois Unemployment Insurance Act and Federal Government Employment, State of Illinois, Department of Employment Security, Economic Information and Analysis Division
- Placer.ai, McLean County population
- US Census Bureau, Census 2010 Summary File 1., ESRI forecasts for 2021/2026 and ESRI converted Census 2000 data into 2010 geography
- Rivian to relocate staff to Illinois EV plant to accelerate production – WSJ, March 24, 2023
- Rivian's growth drives Bloomington-Normal jobs numbers, by Eric Stock, WGLT, March 16, 2023
- How Bloomington-Normal became a boomtown, by John Pletz, Crain's Chicago Business, July 1, 2022
- Five years of Rivian: From 'stealth mode' to one of the biggest IPOs in American History, by Ryan Denham, WGLT, December 6, 2021
- The New Normal: How one Midwestern town got swept up in the electric vehicle boom, by Matt McFarland, CNN Business, March 24, 2021
- Candy maker Ferrero plans another, bigger expansion at its Bloomington plant, by Eric Stock, WGLT, June 13, 2022
- Press Release: The Wall Street Journal and Realtor.com Release Spring 2023 Emerging Housing Markets Index Report, April 26, 2023 (listing Bloomington as #2 in the U.S.)

Attachments 12 A to 12 G are reprints of several media articles for reference.

5. Detail how the project will address the previously referenced issues, as well as the population status and well-being.

The addition of 15 ICU beds and 10 medical surgical beds will address current and future capacity issues at OSF St. Joseph Medical Center. As stated in section 1110.200(b)(4) later in this application, historic patient volume utilization trends and area population growth projections support a forecast of 41,000 medical/surgical patient days and a forecast of 6,500 ICU patient days. Both forecasts are for 2028, two years after project completion.

OSF St. Joseph Medical Center is one of two hospitals in McLean County, a county with a geographic span roughly the size of Rhode Island. It is the largest county in Illinois by land area. With this extra capacity, OSF SJMC will be able to better serve the growing area population, especially centered around the Bloomington-Normal area.

6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving stated goals as appropriate.

- Provide sufficient bed capacity to achieve 85% utilization of medical/surgical beds and 60% utilization of ICU beds at SJMC in 2028, 2 years after project completion.
- Accommodate 1,100 to 1,200 annual referrals from area hospitals and other providers, an increase of up to 20% from current transfers accepted.
- Accept 300 patients annually that are now admitted at OSF Saint Francis Medical Center in Peoria.

INDEX OF SELECTED ARTICLES

The following articles are included in their entirety as attachments, as follows:

Attachment 12 A

Rivian to relocate staff to Illinois EV plant to accelerate production – WSJ, March 24, 2023

Attachment 12 B

Rivian's growth drives Bloomington-Normal jobs numbers, by Eric Stock, WGLT, March 16, 2023

Attachment 12 C

How Bloomington-Normal became a boomtown; Rivian has transformed Bloomington-Normal, by John Pletz, Crain's Chicago Business, July 1, 2022

Attachment 12 D

5 Years of Rivian: From 'stealth mode' to one of the biggest IPOs in American History, by Ryan Denham, WGLT, December 6, 2021

Attachment 12 E

The New Normal: How one Midwestern town got swept up in the electric vehicle boom, by Matt McFarland, CNN Business, March 24, 2021

Attachment 12 F

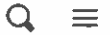
Candy maker Ferrero plans another, bigger expansion at its Bloomington plant, by Eric Stock, WGLT, June 13, 2022

Attachment 12 G

Press Releases: The Wall Street Journal and Realtor.com Release Spring 2023 Emerging Housing Markets Index Report, April 26, 2023

7/2/23, 11:12 AM

Rivian to relocate staff to Illinois EV plant to accelerate production - WSJ | Reuters

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Rivian to relocate staff to Illinois EV plant to accelerate production - WSJ

Reuters

March 24, 2023 3:57 PM CDT · Updated 3 months ago



Aa



The Rivian name is shown on one of their new electric SUV vehicles in San Diego, U.S., December 16, 2022. REUTERS/Mike Blake/File Photo



Companies



Rivian Automotive Inc

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March 24 (Reuters) - Rivian Automotive Inc ([RIVN.O](#)) is relocating parts of its manufacturing engineering team to Illinois to speed up production, the Wall Street Journal reported on Friday, citing a person familiar with the matter.

7/2/23, 11:12 AM

Rivian to relocate staff to Illinois EV plant to accelerate production - WSJ | Reuters

The reorganization, expected to be announced soon, would mean those working on manufacturing engineering would be asked to relocate to central Illinois or its headquarters in Irvine, California, according to the [WSJ report](#).

"In terms of ramping production, it's helpful to have the manufacturing and engineering teams closer to our facilities in Normal as well as our headquarters in Irvine," a Rivian spokesperson told Reuters, but declined to confirm if the company was relocating teams.

Rivian, which makes R1T electric pickup trucks and R1S SUVs at its factory in Normal, Illinois, in February [forecast](#) 2023 production below analysts' expectations as it grapples with lingering supply chain snarls.

The electric-vehicle maker has been losing money on every vehicle it builds, and narrowly missed its annual production target of 25,000 units last year.

Investors have been unnerved by weakening demand for EVs as interest rate hikes and fears of a looming recession creep in.

Reporting by Akash Sriram in Bengaluru and Abhirup Roy in San Francisco; Editing by Shilpi Majumdar

Our Standards: [The Thomson Reuters Trust Principles](#).

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July 1, 2023

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Rivian to relocate staff to Illinois EV plant to accelerate production - WSJ | Reuters

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Tesla set to report record quarterly vehicle deliveries, fueled by incentives

June 30, 2023

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New car sales up 11.5% in France in June

July 1, 2023

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GM buys Israel-based software startup to detect early battery defects

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Rivian growth drives Bloomington-Normal jobs numbers

WGLT | By Eric Stock

Published March 16, 2023 at 5:03 PM CDT



Rivian / Facebook

Rivian has more than 7,000 employees at its plant in Normal.

The Bloomington-Normal labor market has the lowest unemployment rate of any metro area in Illinois and electric vehicle maker Rivian is a big reason why.

Data from the Illinois Department of Employment Security (IDES) show the area, which includes McLean and DeWitt counties, added more than 2,400 manufacturing jobs since January 2022, and added 2,900 jobs overall.

According to IDES, the Twin Cities has 95,400 nonfarm workers on payrolls. The unemployment rate of 3.7% is up from 2.9% in December 2022, but down from 4.3% last January.

Attachment 12 B

**Local News**

Rivian leaders stress path to profitability, including a busier plant in Normal

▶ LISTEN • 6:34

Rivian has added more than 2,000 jobs in the last year as it ramps up production. The plant in Normal has more than 7,400 workers, according to spokesperson Zach Dietmeier, making it the second largest employer in McLean County behind State Farm.

Leisure and hospitality also added 800 jobs in the Bloomington-Normal area in the last year. Government lost 1,600 jobs.

Professional and business services (-400) and the information (-100) sectors also lost jobs.

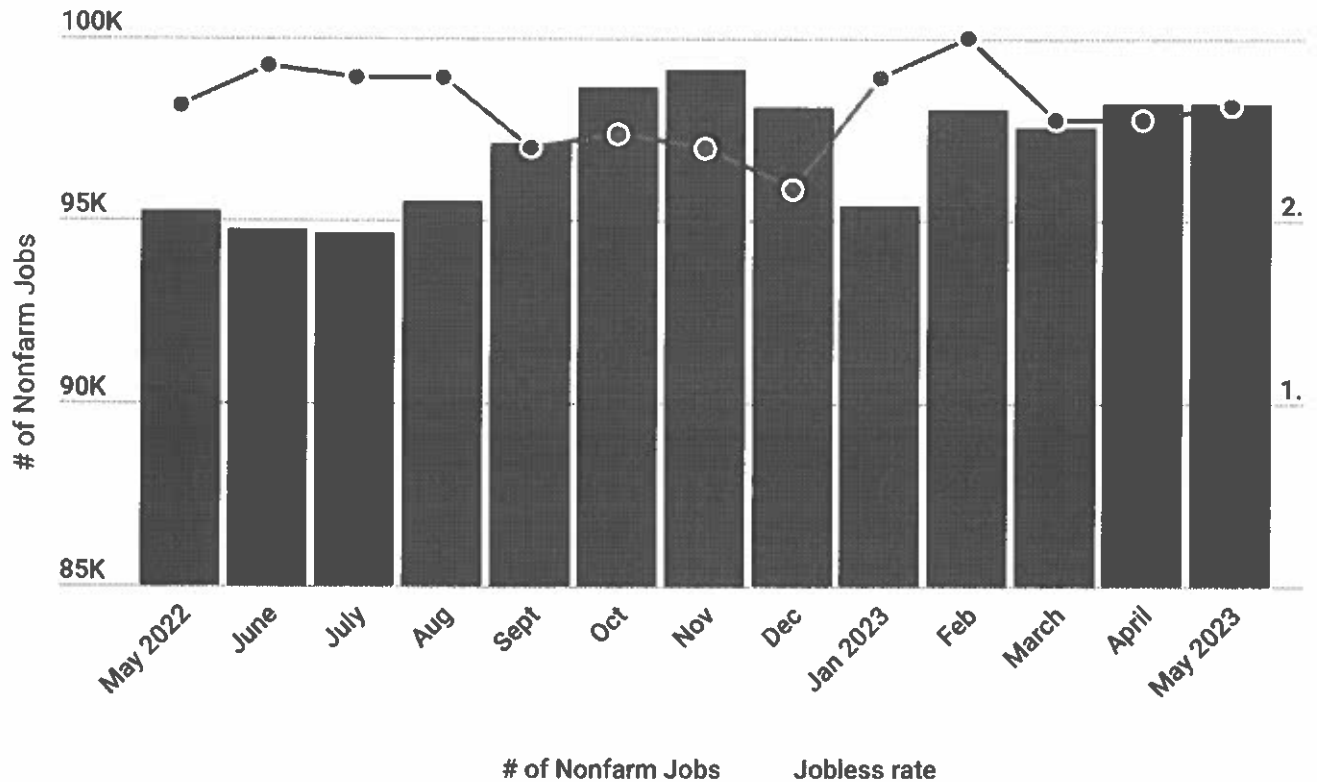
The statewide jobless rate in January was 4.7%. The unemployment rate decreased in all 14 metro areas of Illinois over the last year.

Kankakee has the highest jobless rate of 6.1%.

Attachment 12 B

Twin City unemployment

A look at the jobless rate in the Bloomington-Normal area, by month.



SOURCE: Illinois Department of Employment Security

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Tags

Local News

Rivian

Jobless Rate



Attachment 12 B

WGLT
This American Life

66

CRAIN'S CHICAGO BUSINESS

Economy

Rivian has transformed Bloomington-Normal

July 1, 2022

Six years ago, the downstate community took a gamble — and won big.

By John Pletz



Jim Fruin listed a house for a client in Normal, Ill., on a Friday for just under \$150,000. After 30 showings during that weekend, it sold for 10% over the list price.

CHICAGO BUSINESS

Q

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July 01, 2022 05:45 AM | UPDATED 2 HOURS AGO

How Bloomington-Normal became a boomtown

Startup electric-vehicle maker Rivian now has nearly 6,000 workers there and may add 1,000 more.

JOHN PLETZ



TWEET

f SHARE

in SHARE

EMAIL

REPRINTS

It's just one example of the Rivian effect on this downstate community, which gambled six years ago on the startup electric-vehicle maker and won big. The company more than tripled its workforce in the past year to almost 6,000 employees as it began making trucks at the former Mitsubishi auto plant, adding about 100 people a week. Rivian plans to add another 1,000 jobs, says Gov. J.B. Pritzker. The company declines to comment on future hiring plans.

It's by far the biggest boost in decades for the central Illinois economy from a single project, says Mark Denzler, CEO of the Illinois Manufacturers Association.

"You can feel it in restaurants and shopping: More than 5,000 good-paying jobs that rippled throughout the community," adds Patrick Hoban, who leads the Bloomington-Normal Economic Development Council.

Susan Goeckner, owner of Ivy Lane Bakery, got an order from Rivian around the holidays last year for 7,000 cookies for an employee and family appreciation event. It was the largest order she'd ever received since opening the business five years ago. "They've been amazing," she says.

Rivian has drawn people from across the country and across the state, who came to this college town about 130 miles south of Chicago for jobs on the cutting edge of auto manufacturing and needed places to live.

"Rivian caught the Bloomington-Normal housing market by surprise," says Fruin, of Coldwell Banker Real Estate Group. The number of homes available is about 70, compared with about 700 in a normal market.

Rivian, which had fewer than 1,000 employees in the area 18 months ago, has since become its second-largest employer, after Bloomington-based insurer State Farm.

As a result of Rivian's growth, Bloomington-Normal was the first metro area in the state to rebound to its pre-pandemic employment levels, says Sarah Crane, senior economist at Moody's Analytics. From February through March, Bloomington-Normal had the fastest job growth in Illinois.

She notices the new license plates. "Before you would see some from Texas or Arizona because of State Farm. Now they're from California and Canada."

Builders are scrambling to meet demand for housing. The number of construction permits for new homes issued in Bloomington through May this year rose to 49 from 26 during the same period a year earlier. Apartments in downtown Bloomington have filled up, says Goeckner, the bakery owner. "There are a lot of fresh faces, new people stopping in."

FOR-SALE SIGNS AND LICENSE PLATES

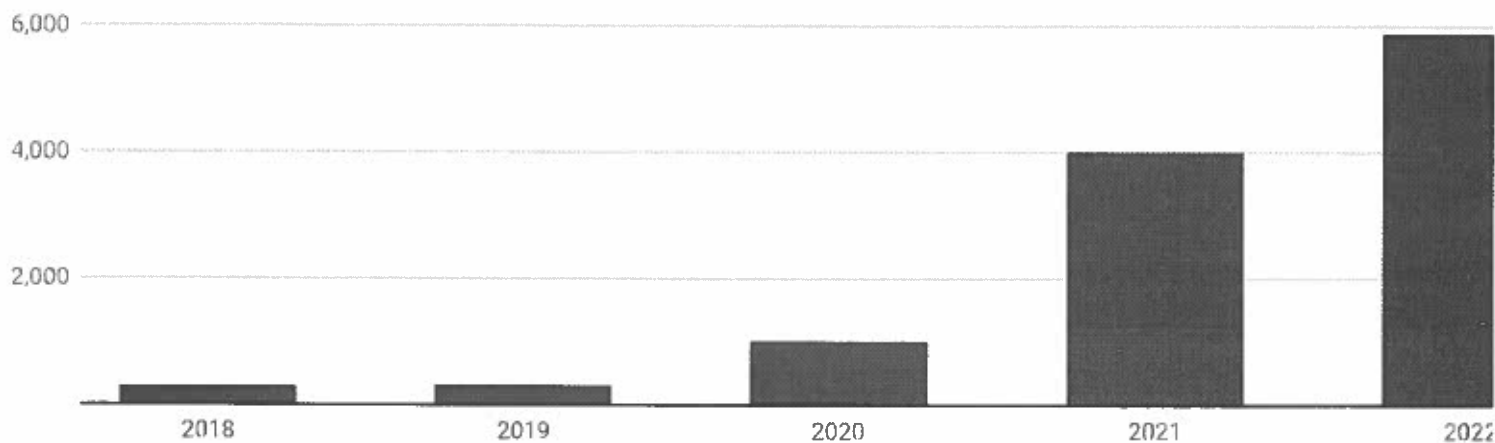
"It's a good thing for us," says Lynn Fulton, president of OSF's St. Joseph Medical Center in Bloomington. "It's bringing new people to town, rejuvenating economic development, which is hard to do downstate."

She sees the impact in her own neighborhood: "Two houses recently went up for sale. Both sold within 48 hours. "When I moved here 4½ years ago, there were lots of houses to look at."

Rivian's takeoff

The number of workers at the electric-vehicle maker's Normal, Ill., plant has soared since production began last year.

Number of Rivian workers



Source: Bloomington Normal Economic Development Council • Created with Datawrapper

Businesses are raising wages to compete for workers. Rivian starts off manufacturing workers at \$20 an hour, more than most other similar employers nearby.

"You always hear, 'We just lost another one to Rivian,'" says Bill Montes, a vice president at staffing firm Talent Management Professionals. "They're losing them from every industry, not just light industrial. It's good and bad."

A TIMELY LIFT

Bloomington-Normal, the seventh-largest metro area in the state, had been struggling prior to the pandemic. Employment in the area peaked at 96,400 jobs in May 2015 before Mitsubishi closed. The plant, opened in 1988, once employed about 3,100 employees. It was down to about 1,100 workers when it closed. State Farm also began shedding jobs.

The insurer is hiring again, and candy maker Ferrero is adding 200 jobs over the next four years at its factory in Bloomington. But all eyes have been on Rivian, which paid \$16 million for the 2.6 million-square-foot factory and has been expanding it.

"Initially they said they'd be happy to fill one-third of the plant," says Hoban of the Bloomington-Normal Economic Development Council.

A developer is doubling a long-underutilized warehouse to 1 million square feet for Rivian.

The company has created about 2,000 construction jobs in addition to the 6,000 jobs at its manufacturing plant, Hoban estimates. Suppliers now are looking for space, too, though none has announced plans and Hoban declines to identify prospects he's talked to. "You'll see suppliers opening their doors this year that will add 5,000 jobs," he says.

The state has its eye on an even bigger prize: A new plant to make batteries for electric vehicles. Pritzker says the state is still in the hunt for a major battery manufacturing facility.

New jobs are the best hope to reverse a 3% population decline since 2013 to 186,230 last year. The outflow of people already shows signs of slowing, based on credit-card data, Crane of Moody's Analytics says.

Bloomington-Normal is best known as a college town because it's home to Illinois State and Illinois Wesleyan universities. But manufacturing is an important part of the economy, too. An automaker seems an unlikely economic savior in an area that has been suffering manufacturing job losses for decades.

"(Rivian) is good news for central Illinois, which has really suffered from years of population losses, decline in manufacturing and the state's fiscal problems," Crane says. "To have a high-tech, high-value-added employer coming in will put it on a stronger trajectory. The labor force is recovering more quickly than the rest of the state. The labor market is really tight."

The growth was hard to see, at first, even as Rivian employee shuttle buses showed up at hotels around town. The hiring didn't show up in the data until the Bureau of Labor Statistics revised its jobs count in March.

Heartland Community College created an EV manufacturing-training and apprenticeship program involving maintenance of high-voltage batteries that launched a year ago. The apprenticeship program, which has about 25 students, is expected to double enrollment.

Rivian is now building another plant in Georgia that's expected to employ 7,500 workers. The company is getting an estimated \$1.5 billion in tax breaks to build the new factory. That makes the Normal deal looks like a bargain: Illinois offered Rivian \$50 million in incentives, while local governments gave up just \$2.4 million in property taxes in a deal that ended last year.

"The plant was within two days of being sold for scrap metal," says state Rep. Dan Brady, R-Bloomington.

By John Pletz

John Pletz is a senior reporter covering technology, aviation and cannabis for Crain's Chicago Business. He joined Crain's in 2007 and previously covered technology for the American-Statesman in Austin, Texas.

 Homepage, Electric vehicles, Rivian, State Government, Economy and Economic Development, Labor and Workforce, Manufacturing, Employment

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5 years of Rivian: From 'stealth mode' to one of the biggest IPOs in American history

WGLT | By Ryan Denham

Published December 6, 2021 at 11:50 AM CST



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Courtesy / Bloomington-Normal Economic Development Council

Rivian founder and CEO RJ Scaringe, center, with elected officials, from left, Bill Brady, Chris Koos, Bruce Rauner and Dan Brady inside the plant in March 2017.

It's been five years -- almost to the day -- since the word "Rivian" was first uttered publicly in Bloomington-Normal. Now, the electric automaker is the community's third-largest employer -- with 3,700 workers -- and just wrapped up one of the largest initial public offerings in American history. WGLT's Sound Ideas has this look back at the last five years, from small

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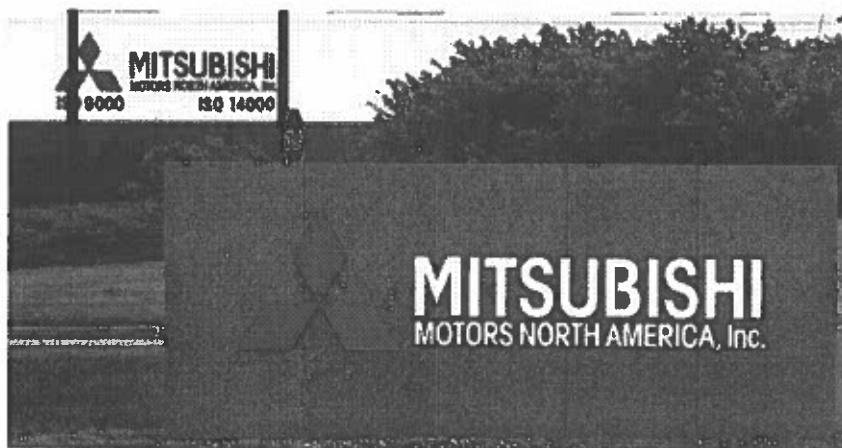
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Technically this story begins six years ago, the end of 2015. That's when Mitsubishi finally stopped production at its Normal manufacturing plant.

The old Diamond Star facility once had 3,000 workers. The final 1,200 lost their jobs when Mitsubishi left town.

Jerry Harcharik spent 27 years at the plant. He spoke then with WGLT about the job hunt AND the grieving process with his co-workers.



MMNA Inc. /

Rivian bought the former Mitsubishi plant in Normal for \$16 million.

"There is life outside Mitsubishi. You have to look for it. You have to work for it. There is opportunity out there for you, but you have to go out there and grab it," Harcharik said.

Bloomington-Normal's economy is notoriously stable, thanks to stalwarts like State Farm and Illinois State University. But Mitsubishi's closure was a reminder that manufacturing is very, very different. After all, just a few years earlier, then-Gov. Pat Quinn gave Mitsubishi tax incentives to retool the plant to make a new crossover SUV. At the time Mitsubishi said it was fully committed to Normal. Turns out, not so much.

2016: Hello, Normal

Around this time, a young entrepreneur and car geek from MIT named RJ Scaringe was looking to take the next step with his business, now called Rivian.

A liquidator owned the old Mitsubishi plant by now, and Scaringe was looking to see

"It became very clear that there was a real opportunity for us to not just buy some equipment, but to buy the entire facility," Scaringe told WGLT's Sound Ideas in 2016.

So they did, for \$16 million. A relative bargain.

In the community, Scaringe saw a potential partner. After all, Normal had dubbed itself EV Town during a short-lived campaign years earlier, as Mitsubishi was trying to inch into the EV business itself.

"The community that surrounds this facility is really something special. If you look at other plants in the Midwest, and areas affected by their plants shutting down or manufacturing moving out of the area, you don't have this level of energy. You don't have this level of progressive thinking," Scaringe said.

Rivian wanted the plant, but also wanted financial incentives from local governments. Hundred of thousands of dollars in annual property tax breaks, plus a \$1 million grant from the Town of Normal. In turn, they were promising 500 full-time workers within five years and a multimillion dollar investment into the plant.



Rivian Founder And CEO RJ Scaringe, Left, With Then-EDC Chief Kyle Ham At A Heartland Community College Board Meeting In 2016. / Staff

And many community members were like, wait, who the heck is Rivian?

"They're a technology company that's developing a portfolio of vehicles as well as

time was the head of the local Economic Development Council.

Scaringe came on WGLT during the hunt for tax breaks to explain his vision, although it was still vague. Few specifics on the vehicles themselves. More talk about remaking vehicle ownership and shared use.

He told WGLT's Mike McCurdy production would begin in 2019 and sales would begin in early 2020.

"This is like 1992 in the internet days. We are at the very, very beginning of a major transformation in how we look at the customer model with regards to the vehicle," Scaringe said.

Scaringe then made the rounds to city council and school board meetings, trading his now-famous Patagonia look for a suit and tie. He made the pitch to local officials like Rob Widmer, who was then president at Heartland Community College in Normal.

"We look forward to opportunities to partner with Rivian over the years to come, for opportunities for our students to learn and experience what the manufacturing industry is all about – and research and development in what's going to be a high-tech industry," Widmer said.

The tax breaks were approved. But there was still skepticism around the community. Normal Mayor Chris Koos stressed the hiring and investment benchmarks that Rivian needed to hit to get its money.

"There is a certain amount of risk with any startup operation. Capitalizing the manufacturing of an automobile is a pretty tall order. What people need to realize in terms of the incentives package is that there are no incentives without performance," Koos said.

2017: Stealth mode

After winning those tax breaks, Rivian largely went silent. It spent much of 2017 in what was dubbed "Stealth Mode." That left reporters digging through patent and trademark applications -- anything, really -- looking for clues.

Scaringe says this silent period was deliberate, dating back to when he was working on a sports car. Then they pivoted to something else.

"Because of frankly some of the things we talked too much about in the early days, we made the decision to go deep into stealth mode, and to avoid the distraction of committing to things and making statements that were highly likely to change," Scaringe said.

"They're supportive, but they really want to know what's going on out there."

Normal City Manager Mark Peterson in 2017

A few bits of information trickled out. Rivian picked up smaller investment from Sumitomo Corp., a Japanese company with a U.S. operation based in New York. Abdul Latif Jameel, a global leader in auto distribution, became Rivian's largest shareholder early on, thanks in part to a connection Scaringe made at MIT.

But the public was clamoring for more. Mark Peterson was Normal's city manager at the time.

"People are just curious," said Mark Peterson, who was Normal's city manager in 2017. "They're supportive, but they really want to know what's going on out there. There's a lot to talk about, because they've been working very hard the past 12 months, and I think some of the results of that hard work will become apparent fairly soon."

Chamberly Cummings was elected to the Normal Town Council after the initial Rivian vote. In early 2018, she was concerned by the minimal amount of information Rivian shared with the public and the elected bodies.

"Everything seems very secretive and convoluted at this point," she said in 2018. "I'm just so nervous we'll be an episode of 'American Greed' one day."

2018: Opening up

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And slowly but surely, Rivian began to open up. In early 2018, Scaringe came back on WGLT's Sound Ideas. They were now talking openly about electric vehicles: a pickup truck and an SUV specifically.

"That brand promise has to transcend all the changes we're going to see over the next 20, 30, 40 years. So the shift away from steering wheels and traditional ownership. The first product is really our handshake with the world to say, We're a brand here to help you engage with life's adventures," said Scaringe.

A few months later, a delegation of local elected and appointed officials – the same ones that lined up and approved those tax breaks – made a day trip to Michigan to see Rivian's vehicle and engineering facility firsthand.

Several attendees came back more optimistic, more assured about the company's trajectory.

Among them was then-Unit 5 Superintendent Mark Daniel. He went in cautiously but came home hopeful about Rivian's ability to impact STEM education in his district.

"It's not a facade. It's happening. It's just a matter of how fortunate they'll be when they launch. I'm looking forward to seeing that time," Daniel said.



Ryan Denham / WGLT

Rivian founder and CEO RJ Scaringe was the star attraction at the EDC's Community Leaders dinner in October 2018.

Scaringe also did some relationship-building as the star attraction at the EDC's Community Leaders dinner in October 2018. EDC moderator Mike O'Grady asked him who was getting the first Rivian off the assembly line.

"The very first vehicle goes to our largest shareholder. I'm actually fairly far down on the list. Maybe in the first year I'll get one," Scaringe joked with O'Grady.

All of this led to the LA Auto Show just after Thanksgiving 2018. Rivian stole the show with a big reveal of its R1T truck and R1S SUV. Rivian's long battery range and skateboard chassis earned a lot of praise.

WGLT was there to capture the moment, as were celebrity guests like pop star Rihanna, who was dating a Rivian investor at the time and made an appearance at the Griffith Observatory rollout.

The LA Auto Show splash led to real pre-order customers and countless stories in national media about Rivian, many of whom sent reporters to Bloomington-Normal to cover the company's debut.

Scaringe's profile began to grow. He was compared and contrasted over and over again to Tesla's founder Elon Musk. Reporters noted (accurately) how he's a spitting image of Clark Kent.

Scaringe's approach to the spotlight was very different than Musk's. No bluster. Barely used Twitter. Literally just spent years in stealth mode.

He also surrounded himself with auto manufacturing veterans, like Jim Womack, an early advisor and a leading voice on lean business principles.

"He's a real contrast to the kind of predominant model of entrepreneur, which is this very hard-charging kind of guy who's gonna do what it takes to get to be a billionaire. I've known RJ for 10 years, and he has never talked about making money. Never. It's never come up," Womack said on the sidelines of the LA Auto Show.

2019: Big-time investors

All that attention started to turn into real money. The year 2019 was marked with major

It was enough to make all those local tax breaks look like small potatoes. In fact, Rivian missed out on one of its first years of local tax breaks because it failed to meet minimum investment thresholds at the Normal plant.

But the big money was there. First Amazon led an investment round of \$700 million. Then Ford invested \$500 million. Cox Automotive announced another \$350 million.

Rivian needed that money to staff up and build out the Normal plant. Other young auto startups have run out of cash at this stage.

In September 2019, Amazon announced it was ordering 100,000 electric delivery vans from Rivian. It was a major turning point, guaranteeing revenue and positioning Rivian at the front lines of corporate climate accountability.



Amazon announced in September 2019 plans to buy 100,000 electric delivery vehicles from Rivian as part of a larger effort to reduce its carbon footprint.

"This is why we invested in Rivian. We invested \$440 million in Rivian. That's part of what I'm so excited about," said Amazon founder Jeff Bezos.

Back in Normal, renovations were well underway at the plant. Several union leaders began to raise concerns that Rivian was using out-of-town workers for some of the remodeling.

"Shame on Rivian for taking tax incentives from the Town of Normal and using those incentives to hire workers from the Chicagoland area," said Mandy Jo Ganieany of

The agreement Rivian signed with local governments to win millions in tax breaks did not require the painters and floor polishers and laborers be Bloomington or Normal residents. Union workers did end up getting a lot of work through various remodeling and expansion projects at Rivian.

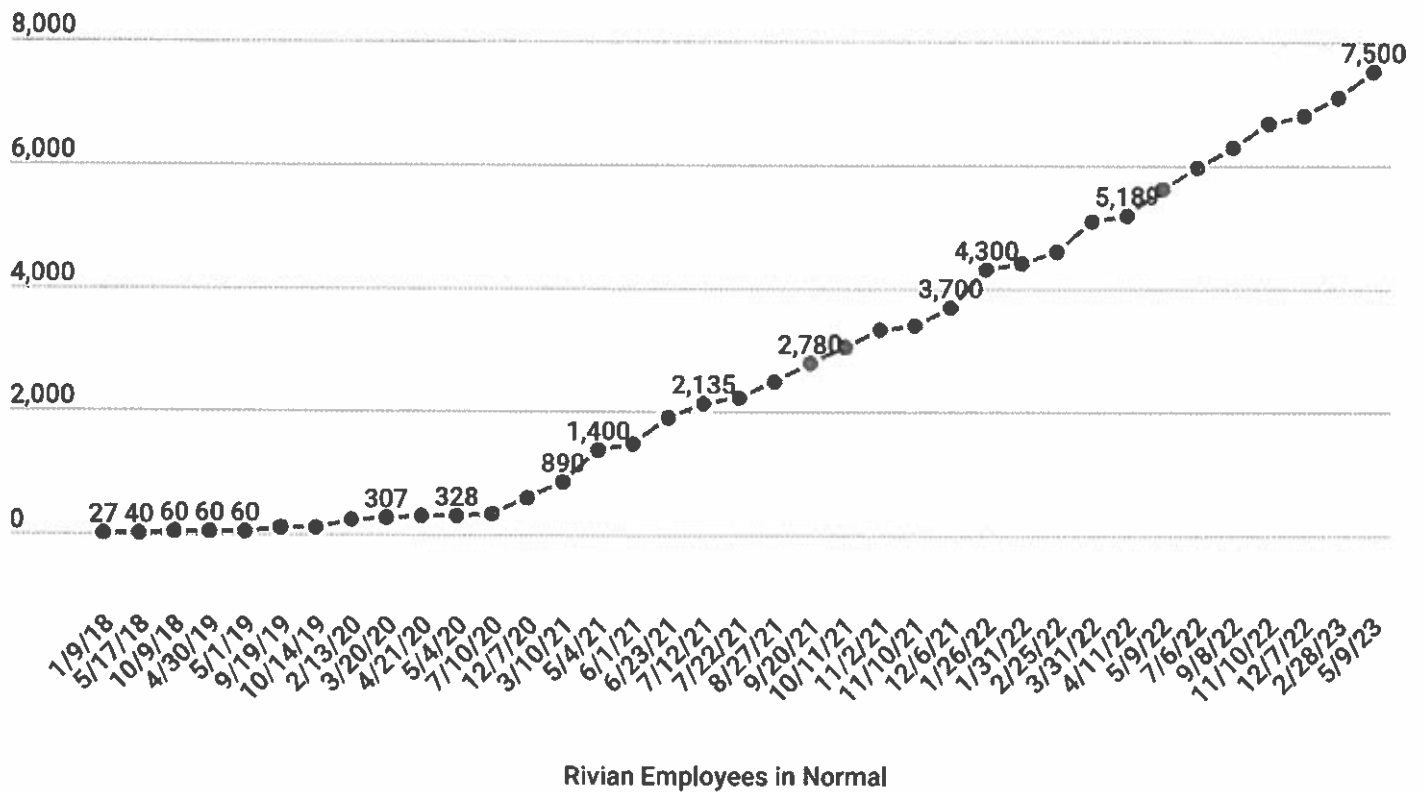
By fall 2019, Bloomington-Normal residents themselves still hadn't gotten to see the Rivian vehicles themselves up close.

That changed on a Sunday in October, when Rivian held a community event at Uptown Normal circle. New Gov. JB Pritzker was one of the hundreds who showed up.

"I'm thrilled for the people of Normal and for Illinois that we have manufacturing that's reviving in our state. And this is advanced manufacturing, with an advanced vehicle that's the leader in the world," Pritzker said.

Rivian's Hiring Surge

Electric automaker Rivian has been on a hiring surge in Normal since fall 2020.



SOURCE: Rivian, WGLT reporting

Share

2020: Disrupted by COVID

Just like everyone else, 2020 was the year of COVID at Rivian.

The plant in Normal shut down temporarily that spring, although the company said it would keep paying its 300 local workers.

It also meant a delay to the start of vehicle deliveries to customers. That was supposed to be the end of 2020. Rivian now said that wasn't going to happen.

Scaringe said the pandemic impacted "everything from facility construction, to

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He spoke later to Bloomberg about supply chain bottlenecks.

"This is one of those rare situations where 99.5% is not good enough. Meaning if 99.5% of the supply chain is ramping at the same rate as our production, but 0.5% isn't, that creates a constraint or a throttle for how fast we can ramp the rest of the facility," Scaringe said.

2020 was also a tough year on the legal front.

Rivian was hit with a high-profile lawsuit by Tesla, claiming Rivian poached its employees and stole trade secrets. Their friendly rivalry suddenly became not-so-friendly.

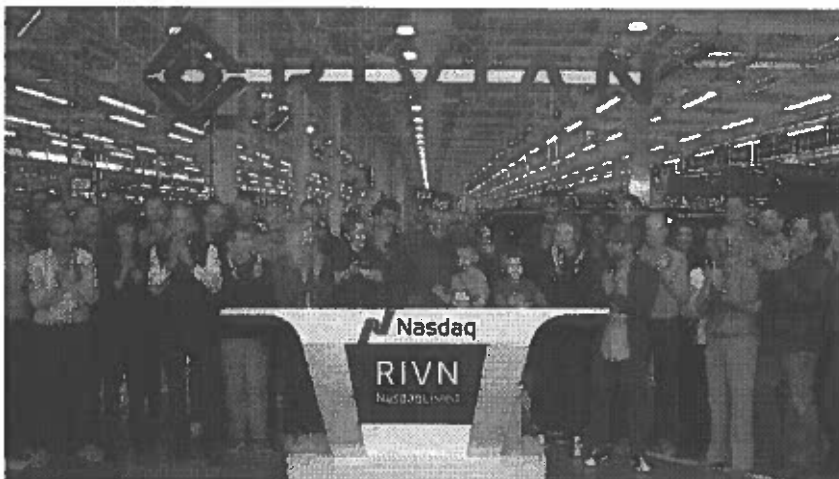
A few months later, a coalition of Illinois auto dealers sued Rivian, alleging that its plans to sell EVs directly to consumers—without going through a dealer—are illegal.

More recently, a former female executive filed her own lawsuit claiming she experienced gender discrimination and a "toxic bro culture" during her short tenure with the company. All of those lawsuits remain pending.

2021: Hiring and the IPO

Rivian spent much of 2021 on the march toward going public. Bloomberg first reported back in February that an IPO was possible by the end of the year.

At the time, EV leader Tesla was approaching a trillion-dollar valuation, a sign of how investors were feeling about EVs as the future of transportation.



Rivian founder and CEO RJ Scaringe rings the opening bell of the Nasdaq on Nov. 10, 2021, at the Normal manufacturing plant.

"Why you may want to consider going to the public now is the market is pricing you like a technology company, not like a car company," said Jaime Peters, then an assistant professor of accounting and financial services at Illinois Wesleyan University.

And that's how it happened. Rivian started trading on the Nasdaq on Nov. 10, 2021, with Scaringe ringing the opening bell with his family from the floor of the Normal manufacturing plant.

Rivian priced its shares \$78 for the IPO. They jumped as high as \$170 a share within a week, though it's since come back to earth. It still has a higher market cap than Ford and GM, which make far more vehicles than Rivian.

The day of the IPO, Scaringe thanked his employees, then about 9,300 hundred companywide.

"The most enjoyable part of what we're doing is getting to work with such an incredible team, getting to see all of you pour your heart and soul into what we're building and the impact we're having," Scaringe said.

Rivian also spent most of 2021 on a hiring spree in Normal.

The company added about 3,000 workers in 12 months, making it one of McLean County's largest employers almost overnight. There's so many people they put a fourth Coffee Hound location in the lobby.

What's next: Ramping up production

Now, it's time to make some vehicles. It has over 55,000 preorders for trucks and SUVs, a backlog it expects to take until the end of 2023 to clear. It had only made 180 trucks in the first 6 weeks of production, which began in September. It also has tens of thousands of Amazon delivery vans to make.

"That's the dance, of keeping the quality high on the R1T, getting the quality ready on the R1S, and keeping those going at the same time," said Rivian's manufacturing chief, Erik Fields, on a recent plant tour.

"Scaling up to volume -- that's the hell, that's the hard part. And so let's see whether they can pull that off."

Steve Levine, author and EV industry watcher

Rivian has said it doesn't expect to be profitable "for the foreseeable future," and that's not uncommon in the EV world. It took 18 years for Tesla to turn a full-year profit, which it finally did in 2020. That year it made 500,000 vehicles.

The challenge now for Rivian is to ramp up production – during a tight labor market and supply chain disruptions.

And yes, Rivian won the race to bring the first electric pickup to market. But it won't be alone for long. Ford is famously releasing its electric Ford F-150 Lightning. Tesla has the Cybertruck. GM is doing an all-electric Silverado. And there are SUV competitors too, like the electric Hummer.

"Elon Musk (from Tesla) says it's one thing to create something, but then scaling up to volume -- that's the hell, that's the hard part. And so let's see whether they can pull that off," said author and journalist Steve Levine, who follows the EV industry.

In a way, Bloomington-Normal taxpayers were among Rivian's earliest investors. Rivian has already received \$1.8 million in property tax breaks, with one more year to go on its five-year agreement.

Rivian declined, however, to accept the \$1 million grant it earned from the Town of Normal. Scaringe told town leaders "the impact of COVID-19 has reminded us all of the importance of community."

That public investment is paying dividends in other ways. The housing market is hot and prices are up. Heartland Community College got \$7.5 million from the state to open a new Electric Vehicle–Energy Storage Manufacturing Training Academy.

More could be coming. WGLT first reported this summer that Normal was a finalist community for a new Samsung battery plant that would be build near Rivian. Samsung is Rivian's battery supplier. That could mean thousands more jobs.

Samsung was on the minds of state lawmakers this fall when they passed a tax incentives package they hope will help Illinois become a manufacturing hub for the EV industry. It provides tax credits for income tax withheld for EV manufacturers and costs to train new or retained employees. It also applies to the manufacturers of EV parts, such as batteries.

"Today's bill-signing represents the next step in promoting Illinois as the Silicon Valley of EVs, as we work together to attract new investment from suppliers and other supporting players in this industry," said Rivian public policy chief Jim Chen.

It's another example of policymakers – using taxpayer money – taking a risk on something new. Last time that happened, we got Rivian. We'll see what happens in the next 5 years.

A dark rectangular button with a white heart icon on the left and the text "DONATE NOW" in white capital letters.

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Ryan Denham

Ryan Denham is the digital content director for WGLT.

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The new Normal: How one Midwestern town got swept up in the electric vehicle boom

By Matt McFarland, CNN Business

Updated 5:53 PM EDT, Wed March 24, 2021



Rivian CEO: Our electric trucks are comfortable getting dirty **RELATED**



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Washington, DC (CNN) — Mike O'Grady still remembers the fear he felt on Mitsubishi's last day in Normal, Illinois, in 2015. The factory had sat on the outskirts of Normal and its twin city, Bloomington, since 1988.

O'Grady, then an executive with the Bloomington Normal Economic Development Council, stood outside the manufacturing plant and watched as its 1,000 workers exited for the last time. The plant had its good years, peaking at 3,000 jobs. Tax revenue from the its SUV production had been huge, he recalled. He worried about the impact on the school district.

O'Grady had feared this day might come. Two years prior, he reached out to Mitsubishi and was assured the plant wouldn't leave town, he said.



6/21/23, 8:32 AM

Rivian's growth changed this Midwestern town's fortunes | CNN Business



Steve Smedley/The Pantagraph/AP

Mitsubishi's plant was home to 3,000 jobs before the company left Illinois. (2004 photo)

Six years after Mitsubishi left, O'Grady, and all of Bloomington-Normal, can feel better about a day that felt like "a kick in the butt," as O'Grady puts it. Rivian, an electric vehicle company, surprised O'Grady and others when it took over the plant in 2017. Rivian has been on a rocketship trajectory since, with its valuation growing to a reported \$27.6 billion this year, and local leaders credit the electric vehicle maker's arrival with invigorating Bloomington-Normal's future.

Bloomington and Normal are among several cities nationwide riding the wave of electric vehicle excitement in the last two years. Casa Grande, Arizona, population 55,000, will be home to a factory for electric vehicle startup Lucid Motors. Sparks, Nevada, with 100,000 residents next to the better-known city of Reno, hosts Tesla's gigafactory. These cities didn't have a reputation as hotbeds for innovation in decades past.

Now Central Illinois, best known for auto insurance, corn and soybeans, finds itself hosting a startup that touts its own expertise in lithium ion battery architecture and cloud computing. The majority of new vehicles sold worldwide in 2040 are forecast to be electric, and Rivian appears set on taking a big slice of that pie. Rivian is building a pickup truck and SUV that will start at about \$70,000 and have more than 300 miles of range. The vehicles are designed for adventuring, and are capable of wading through water that's more than three feet deep, according to the company. Rivian is also building a vehicle charging network, and says it will have more than 13,500 chargers before 2024.



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Courtesy of Rivian

Rivian is expanding its factory in Bloomington-Normal, Illinois. (Courtesy, Rivian)

Amazon, which has highlighted Rivian's use of its cloud computing technology, has agreed to purchase 100,000 delivery vans from the company. It's also led a \$700 million funding round, part of the \$8 billion Rivian has raised since 2019.

The partnership also gives Rivian and Bloomington-Normal a stake in the rivalry between Elon Musk and Jeff Bezos, who compete in space exploration and now on electric vehicles, as they jockey for the title of world's richest person.

Bloomington-Normal can feel the effects of Rivian's growing significance. Some real estate agents are asking potential home buyers to submit their offers just hours after open houses end, a practice local real estate agent Greg Zavitz said he hadn't previously seen in 35 years of business in the area. Hotels are filling with Rivian employees, defying the national trend of vacancies brought on by the pandemic. Residents say optimism and excitement are high as Rivian's presence has helped Bloomington-Normal buck the trend of Midwestern states and smaller cities struggling in the digital age.

"It doesn't happen here"

Bloomington-Normal residents were used to companies looking past them even before Mitsubishi left.

When State Farm, headquartered in Bloomington-Normal since 1922, wanted to add offices, it didn't choose its hometown. Instead it added an office in Arizona in 2015. By 2016 it had four new office towers in Dallas. Caterpillar's headquarters, once an hour from Bloomington-Normal in Peoria, moved to Chicago in 2017.

Local leaders expected the Mitsubishi plant to be leveled after the automaker sold it to a liquidator. O'Grady was told the plant wasn't modern enough.



Rivian

Rivian's R1S SUV will start at \$70,000 and have more than 300 miles of range.

"It would become a huge concrete slab in the middle of the prairie that you'd never farm again, never be able to use," O'Grady said.

Detroit's automakers weren't interested, Normal Mayor Chris Koos told CNN Business. Rivian employees toured the facility just weeks before it was set to be demolished, and the company decided to make a bid.

"This is the Midwest, it doesn't happen here," Mayor Koos recalls being told by Sen. Dick Durbin (D-IL) after sharing the news that Rivian wanted to buy the Mitsubishi plant.

Durbin said it with a chuckle, according to Koos, alluding to how things have been in the past for the Midwest, and how they were used to getting passed over.

Koos and other locals described Rivian to CNN Business as a company that was quiet when it first arrived in 2017. Some residents had doubts. In 2018, the EV maker didn't earn a tax incentive the government had set up to entice Rivian to meet requirements for buying new plant equipment.

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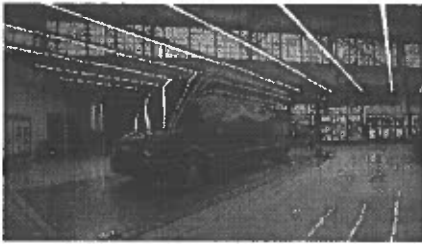
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Many leaders point to Rivian's deal in 2019 for 100,000 vans with Amazon as an inflection point. Koos describes the company's growth as "unbelievable."



Rivian is manufacturing a delivery van for Amazon. (Amazon)

Rivian has expanded the 2.6 million square foot plant by nearly 1 million square feet, and is targeting adding 2,500 more manufacturing jobs this year on top of the 940 full-time employees already in Bloomington-Normal, according to Rivian spokeswoman Amy Mast.

"It's just been expansion after expansion," said Patrick Hoban, who leads the Bloomington Normal Economic Development Council. "They literally blew the doors off that facility because they're growing so fast."

Local businesses feel an impact

Migidi Tembo, general manager of the Bloomington-Normal Marriott, credits Rivian with reviving his business. He said he feared that he'd have to shut down when the pandemic hit. Most of his employees were furloughed.



Daniel Acker/Bloomberg/Getty Images

Bloomington-Normal has been energized by the growth of electric vehicle maker Rivian. (2017 photo)

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Since July 2020 he said that 75% of his occupancy has been associated with Rivian, and noted that he's been at capacity during much of this month.

"I'm really a big advocate for Rivian," Tembo said. "It's almost like an industrial revolution is going on in my backyard."



Ben Moon/Rivian

Rivian plans to deliver its pickup truck, the R1T, this summer.

Marty Trunk, who has lived in Bloomington-Normal for more than 30 years, says he's seen Rivian attract younger people to the area. Trunk, a home builder, said he's adding high-voltage outlets to new homes to cater to Rivian employees. His said his doubts about Rivian have faded.

"The hope and prayer was, could they get it together," Trunk said. "I'm absolutely totally excited. I'm prouder than I've ever been to be a resident of Normal, Illinois."

The story has been updated to reflect Rivian's expanding vehicle charging network plans.

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Candy maker Ferrero plans another, bigger expansion at its Bloomington plant

WGLT | By Eric Stock

Published June 13, 2022 at 3:34 PM CDT



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Emily Bollinger / WGLT

Gov. JB Pritzker, left, and Ferrero North America president Todd Siwak at Monday's announcement.

Less than a year after candy maker Ferrero announced a \$75 million expansion to its plant in Bloomington, the company plans to grow even further thanks to a deal that economic developers say is pretty sweet.

With the shell of Ferrero's new chocolate-making factory in the background, officials from the Italy-based company announced on Monday that the building that's under construction will be much bigger than first planned.

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World Cafe

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Candy maker Ferrero plans another, bigger expansion at its Bloomington plant | WGLT

*Emily Bollinger / WGLT*

Gov. JB Pritzker spoke to reporters at a news conference outside Ferrero's planned expansion at its Bloomington plant.

President of Ferrero North America Todd Siwak said the company will add close to 169,000 additional square feet as part of a planned \$214 million expansion so it can make Kinder Bueno bars in the U.S. The premium chocolate bar debuted in 2019, and Siwak said its sales jumped 51% in North America last year, so the company wants to make them here.

"The ability to make Kinder Bueno right here in the heart of North America's food and confection industry ensures we are able to build on this tremendous momentum and meet growing demand," Siwak said at a news conference.

Siwak said the expansion will add 200 jobs over the next four years. Ferrero has about 350 workers at its existing Bloomington plant.

Gov. JB Pritzker said Ferrero will be able to use a state tax credit for apprenticeship training to build its workforce. Heartland Community College started an apprenticeship program for Ferrero workers last year.



Local News

Sweet: Ferrero breaks ground on its first North American chocolate plant in Bloomington

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Candy maker Ferrero plans another, bigger expansion at its Bloomington plant | WGLT

"Central Illinois is the heart of our nation with some of the hardest working people in America. Jobs and economic opportunity for Bloomington and the entire region remain among my highest priorities," Pritzker said.

Ferrero has eight North American offices and 10 plants and warehouses, including a plant in the Chicago suburb of Franklin Park.

Siwak said Bloomington was the logical place to expand. "This really is the heartland logistically and by that we mean from a supply chain perspective, ingress, egress, highways, thoroughfares, access to a well trained, thoughtful workforce (and) access to the commodities that we use," Siwak said. "It's very intuitive."

Financial incentives also helped. Patrick Hoban, CEO of the Bloomington-Normal Economic Development Council, helped to create a package of standardized incentives. That includes property tax breaks on a sliding scale over five years for businesses that are in the county's enterprise zone.

"Including them in the zone originally whenever we amended the zone (last year) is how we got this away from Canada and Mexico. This was a big competition for us to get the chocolate factory (number) one, but to continue to work with them and continue to standardize our incentives is how we landed this major expansion," Hoban said.

*Emily Bollinger / WGLT*

Bloomington mayor Mboka Mwilambwe spoke to reporters at a news conference outside Ferrero's planned expansion at its Bloomington plant.

6/28/23, 8:53 PM

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The last taxing body to sign off on the deal for Ferrero came last week. The school board of Normal-based Unit 5, which is not included in this deal, is scheduled to vote on the standardized incentives on Wednesday.

The package also includes incentives for hiring women and minorities. The enterprise zone offers several tax incentives including a sales tax break on building materials. The zone includes parts of Bloomington, Normal and Ford County. It is administered by the Illinois Department of Commerce and Economic Opportunity.

Bloomington Mayor Mboka Mwilambwe said Ferrero's expansion is a sign of a business-friendly community and the Ferrero name will bring more notoriety and perhaps more business for the city.

"Chocolate is relatively inexpensive compared to other products, and I think it's going to be great for people all across North America to know that chocolate is made here in Bloomington," Mwilambwe said.

Construction is expected to begin this fall. The chocolate processing plant that's already under construction is expected to be in operation next year.

Ferrero makes Crunch, Nutella, Raisinets, Tic Tacs and other candies.

A black rectangular button with a white heart icon on the left and the text "DONATE NOW" in white capital letters on the right.

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Press Releases

The Wall Street Journal and Realtor.com® Release Spring 2023 Emerging Housing Markets Index Report

APRIL 26, 2023

Lafayette-West Lafayette, Ind., remains the No. 1 emerging market in America.

[NEW YORK/SANTA CLARA, Calif.] April 26, 2023 — The Wall Street Journal and Realtor.com® today released [\[https://www.wsj.com/articles/see-the-full-rankings-for-wsj-realtor-coms-spring-emerging-housing-markets-index-3c485783?mod=article_inline\]](https://www.wsj.com/articles/see-the-full-rankings-for-wsj-realtor-coms-spring-emerging-housing-markets-index-3c485783?mod=article_inline) the WSJ/Realtor.com® Spring 2023 Emerging Housing Markets Index, which revealed Lafayette-West Lafayette, Ind. remains the No. 1 emerging market in America. The index analyzes key housing market data, as well as economic vitality and lifestyle metrics, to surface emerging housing markets that offer a high quality of life and are expected to see future home price appreciation.

The Top 20 Emerging Markets for Spring 2023 are:

1. Lafayette-West Lafayette, Ind. (https://www.realtor.com/realestateandhomes-search/Lafayette_IN)
2. **Bloomington, Ill.** (https://www.realtor.com/realestateandhomes-search/Bloomington_IL)
3. Elkhart-Goshen, Ind. (https://www.realtor.com/realestateandhomes-search/Elkhart_IN)
4. Lebanon, Penn. (https://www.realtor.com/realestateandhomes-search/Lebanon_PA)
5. Fort Wayne, Ind. (https://www.realtor.com/realestateandhomes-search/Fort-Wayne_IN)
6. Topeka, Kan. (https://www.realtor.com/realestateandhomes-search/Topeka_KS)
7. Sioux City, Iowa-Neb.-S.D. (https://www.realtor.com/realestateandhomes-search/Sioux-City_IA)
8. Omaha-Council Bluffs, Neb.-Iowa (https://www.realtor.com/realestateandhomes-search/Omaha_NE)
9. Springfield, Ill. (https://www.realtor.com/realestateandhomes-search/Springfield_IL)
10. Manchester-Nashua, N.H. (https://www.realtor.com/realestateandhomes-search/Manchester_NH)
11. Janesville-Beloit, Wisc. (https://www.realtor.com/realestateandhomes-search/Janesville_WI)

12. Columbus, Ohio (https://www.realtor.com/realestateandhomes-search/Columbus_OH)
13. La Crosse-Onalaska, Wisc. (<https://www.realtor.com/realestateandhomes-search/La-Crosse-WI>)
14. Johnson City, Tenn. (https://www.realtor.com/realestateandhomes-search/Johnson-City_TN)
15. Springfield, Ohio (https://www.realtor.com/realestateandhomes-search/Springfield_OH)
16. Hickory-Lenoir-Morganton, N.C. (https://www.realtor.com/realestateandhomes-search/Hickory_NC)
17. Burlington, N.C. (https://www.realtor.com/realestateandhomes-search/Burlington_NC)
18. Columbia, Mo. (https://www.realtor.com/realestateandhomes-search/Columbia_MO)
19. Waterloo-Cedar Falls, Ind. (https://www.realtor.com/realestateandhomes-search/Waterloo_IA)
20. Knoxville, Tenn. (https://www.realtor.com/realestateandhomes-search/Knoxville_TN)

Key Trends Among the Spring 2023 Top 20 Emerging Housing Markets:

Emerging Markets Offer Relief from High Costs

With home prices still elevated and inflation easing but still well above the target level, this quarter's emerging markets lean further into affordability relative to previous quarters. Home list prices in all but two of the top 20 markets are lower than the median-priced U.S. home for sale, which was \$424,000 in March. The lowest priced locale on the list, Springfield, Ill., offered 66% savings on the median priced home relative to the national level in March.

Demand for Affordability Drives High Price Growth

The median price of the typical home for sale is still higher on a year-over-year basis nationwide and this is even truer among the top markets. The average increase in listing price was 29% among the top 20 markets compared to 12% nationally for the 12 months ending in March 2023. All of the top markets saw price growth exceed the national rate. Each market saw double-digit price growth except Springfield, Ohio. Although 17 of the top 20 emerging markets saw an increase in time on market, homes sold on average 12 days faster than the average across the 300 markets ranked for the index [36 vs. 40 days]. Additionally, all 20 markets outperformed this national average.

Much Smaller Markets with Healthy Economies and Easy Commutes

Only one of the top 20 markets has more than a million residents: Columbus, Ohio, although Omaha-Council Bluffs, Neb.-Iowa, comes close and Knoxville, Tenn., isn't too far behind. Just two of the top 20 markets had an unemployment rate above the 300-market

average (3.6%) and on average unemployment in the top 20 emerging markets was just 3.0%. Even though these areas have a low out of work job seekers, commutes are relatively easy, clocking in at just over 21 minutes compared to nearly 24 minutes on average across all markets reviewed in the index. Typical wages lagged behind the U.S. with an average weekly wage of \$1,106 among the top markets compared to \$1,174 among the broader market average. But this roughly 6% gap in wages is made up for in the cost of living differential. Prices in the top emerging markets on average are less than 92% of the national price level, and only one market has prices that are slightly higher than the national average.

A Lower, but Growing Share of Out of Market Shopping Interest

While some markets like Manchester-Nashua, N.H., and fall 2022 No. 1 market Johnson City, Tenn., attract an outsized share of shoppers from elsewhere, others including Columbus, Ohio, and Omaha-Council Bluffs, Neb.-Iowa, rely more on local housing demand. Reflecting the broad trend of willingness to relocate among home shoppers, both the top emerging markets and broader index markets have seen the share of out-of-market shoppers grow more than seven percentage points compared to one year ago with the top emerging markets seeing a somewhat greater increase in out of market shopping share.

City Spotlight: Bloomington, Ill.

This list's highest-ranked emerging market is Lafayette-West Lafayette, Ind., the same as last quarter in our winter 2023 index. Located just a couple hours west is the No. 2 market of Bloomington, Ill. Home to the corporate headquarters of State Farm Insurance Co., other major Bloomington-Normal employers include Illinois State University and Rivian, a maker of electric trucks that has been ramping up employment in its production facility in the area. The typical home for sale in Bloomington was listed for \$339,000, a 20% discount compared to the national median for March. More than half of views to properties in Bloomington come from outside of the metro, with particularly sizable out-of-metro attention from the Chicago area.

Returning Markets

There are many familiar places on the list of the top 20 emerging markets: 13 members of the winter 2022 list, most notably No. 1, Lafayette-West Lafayette, Ind. This is the second quarter that this market has held the top spot. Among the markets that have remained on our list are the ever-popular southern locales Burlington, N.C., Johnson City, Tenn., and Knoxville, Tenn., as well as the midwestern hotspot of Columbus, Ohio, and various small-to mid-sized midwestern cities that offer affordable housing and low costs of living.

Markets Falling Out of the Top 20

Of the seven markets that did not remain on the list from the winter into the spring, five were troubled a bit but remained in the top 50. The two biggest movers, Savannah, Ga., and South Bend, Ind., which fell 61 spots and 102 spots, respectively, remained in the top half of areas studied, ranking 69th and 117th this quarter. The markets that departed the top 20 in our index included two Southern markets of Savannah, Ga., and Kingsport-Bristol, Tenn., as well as Portland-South Portland, Maine, and the midwestern markets of Springfield, Mo., Rapid City, S.D., Milwaukee, Wisc., and South Bend, Ind. As economic conditions have changed since earlier in the year, with mortgage rates rising sharply, these largely affordable markets fell out of favor in exchange for even lower-priced areas.

Methodology

The ranking evaluates the 300 most populous core-based statistical areas, as measured by the U.S. Census Bureau, and defined by March 2020 delineation standards for eight indicators across two broad categories: real estate market (50%) and economic health and quality of life (50%). Each market is ranked on a scale of 0 to 100 according to the category indicators, and the overall index is based on the weighted sum of these rankings. The real estate market category indicators are: real estate demand (16.6%), based on average pageviews per property; real estate supply (16.6%), based on median days on market for real estate listings, median listing price trend (16.6%). The economic and quality of life category indicators are: unemployment (6.25%); wages (6.251%); regional price parities (6.25%); the share of foreign born (6.25%); small businesses (6.25%); amenities (6.25%), measured as per capita "everyday splurge" stores in an area; commute (6.25%); and estimated effective real estate taxes (6.25%).

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ALTERNATIVES

The selected project proposes to add 15 ICU beds and 10 medical/surgical beds at OSF St. Joseph Medical Center (SJMC) in Bloomington. All 25 beds are in single occupancy rooms. Approval of the project would enable increasing ICU bed capacity from the current 14 beds to 29, and medical/surgical bed capacity from the current authorized count of 118 beds to 128. Total hospital authorized beds would increase from 149 to 174 beds. (An August 7 letter from OSF to the State has requested the addition of 3 medical/surgical beds under the 20 bed / 10% Rule. The medical/surgical bed count upon approval of this project will be 131.)

The expansion is needed to accommodate the growth in population in McClean County, due in part to the significant increase in area employment resulting from the opening of the Rivian plant in Normal in 2017 for the manufacture of electric cars, and related businesses spurred by that nationally prominent development. The increase in ICU bed capacity is associated with projected continued growth in ICU patient days, which increased 113% from 2017 to 2022, an average annual increase of 19.6%. The increase in medical/surgical bed capacity is associated with projected continued growth in medical/surgical patient days, which increased 42.7% over the past 8 years, an average annual increase of 5.3%. The total capital cost of the project is approximately \$17.8 million.

During the early planning phase, several alternative projects were considered. These included:

Alternative 1: Consideration of adding more than the proposed 25 beds.

Alternative 2: Locate new beds at OSF SJMC in an addition to the hospital rather than modernizing existing space.

Alternative 3: Add beds at another existing OSF hospital in the region instead of OSF SJMC.

These were evaluated, with the following findings.

Alternative 1: Consideration of adding more than the proposed 25 beds.

The current facility has limited space that can be converted to other uses. Available space on the first floor had been used for community health programs, including healthy lifestyles education and a small gym. Hospital staff now deliver these services at various locations out in the community. The space is adjacent to the hospital's surgical department.

The existing space totals 13,749 sq ft. Design planning determined that the space, including an adjacent addition of 3,670 sq ft of new construction, can accommodate a mix of at most 25 beds. Clinical operational planning determined that the appropriate mix was for 15 ICU beds and 10 medical/surgical beds.

Based on experienced historic growth of ICU and medical/surgical patient days over the past 8 years, projected patient volumes for year 2028 (two years after project completion) justify more than the 15 ICU beds and 10 medical/surgical beds. The selected sizing is a conservative response to past growth, and anticipates the potential for additional investment in bed capacity in future years.

Because there is no available space for accommodating a project with more than 25 beds, there was no specific alternative plan developed for comparison. At a project capital cost of \$17.8 million for the proposed 25 beds, cost per bed is roughly \$712,000. If appropriate space were to be available, for example, for an additional 10 beds, that project cost would be higher by approximately \$7.1 million.

This option was rejected because of lack of available space in the existing hospital.

Alternative 2: Locate new beds at OSF SJMC in an addition to the hospital rather than modernizing existing space.

The current 149 bed hospital is not configured in a way that easily allows for the extension of existing patient units by adding wings to the building. Parking areas and circulation access roads limit modifications on the 31.25 acre site. A previous addition to the hospital was constructed to accommodate two additional floors, but it currently houses the Critical Care Unit. Construction above the CCU would be too disruptive of operations, and is not feasible. The proposed project will enable the possible relocation of that unit in the future, which could facilitate future construction to occur above that area. If it were feasible, new construction of the proposed 25 bed unit would likely cost between \$22 and \$26 million.

Alternative 3: Add beds at another existing OSF hospital in the region instead of at OSF SJMC.

OSF operates 14 hospitals in Illinois. Three of those, OSF Saint James-John W. Albrecht Medical Center (Pontiac), OSF Healthcare Heart of Mary Medical Center (Urbana), and OSF Sacred Heart Medical Center (Danville) are located in the same HSA as OSF SJMC, HSA 4. The closest of these to Bloomington are OSF Saint James-John W. Albrecht Medical Center (39 miles) and OSF Heart of Mary Medical Center (49 miles). OSF Saint Francis Medical Center (Peoria) is in HSA 2, 40 miles from Bloomington.

The decision for expansion at OSF St. Joseph Medical Center in Bloomington is driven by three factors:

1) The center of growth in McLean County in particular and HSA 4 in general is the Bloomington-Normal SMSA. With a population of over 131,000, Bloomington-Normal has almost 80% of the population of the county. (Source: Bloomington-Normal Economic Development Council, 2021.) The Rivian plant and many related businesses are located in Bloomington-Normal. The above hospitals are remote, located at distances of approximately 40 - 50 miles from Bloomington-Normal.

2) In part because of its location, OSF SJMC is a hub for health care delivery, more so than the other OSF hospitals in HSA 4. It has more combined ICU and medical/surgical bed capacity than the other three OSF hospitals each have, and offers tertiary health services in cardiac care, vascular care, Level II trauma, cancer care and other specialties.

3) OSF Saint Francis Medical Center in Peoria is located 40 miles from Bloomington-Normal. With 642 beds, it is the largest hospital in HSA 2, a tertiary care medical center affiliated with the University of Illinois College of Medicine-Peoria. Almost all clinical programs are operating at capacity, and it has no ability to accommodate additional growth from the Bloomington-Normal area. OSF Healthcare System is evaluating strategies for OSF Saint Francis Medical Center to manage its volume by directing some clinical services growth to outlying hospitals in the system, especially where the care can be provided closer to patients' homes.

For these and other reasons, the expansion of beds at OSF St. Joseph Medical Center is the natural choice when compared to expansion of system capability at other OSF hospitals.

In summary, the planning process concluded that the addition of 15 ICU beds and 10 medical/surgical beds at OSF St. Joseph Medical Center is the best response to meet the increasing needs of Bloomington-Normal and surrounding communities throughout McLean County.

SIZE OF THE PROJECT

The project is the combination of modernization of 13,749 dgsf (departmental gross sq. ft.) of existing space, and new construction of 3,670 dgsf of new space. The total project size is 17,419 (dgsf). Of this total, 14,871 dgsf is clinical; 2,548 dgsf is non-clinical space. The table shows the distribution of space by function.

Clinical space includes 11,989 dgsf of modernized existing space and 2,882 dgsf of new construction. Non-clinical space includes 1,760 dgsf of modernized existing space and 788 dgsf of new construction.

Department/Service	Proposed DGSF	State Standard (dgsf)	Difference	Met Standard?
<i>Clinical Space</i>				
ICU beds	10,011	600-685 dgsf per bed	under by 264 dgsf	YES
		15 x 685 = 10,275		
Medical/surgical beds	4,860	500-660 dgsf per bed	under by 1,784 dgsf	YES
		10 x 660 = 6,600		
<i>Total Clinical</i>	14,871			
<i>Non-clinical</i>				
Public toilets, family room	128	NA		NA
Admin, conference room	458	NA		NA
Lockers and lounge	228	NA		NA
Mech, bldg syst, hskeep	50	NA		NA
Public circulation	1,684	NA		NA
<i>Total Non-clinical</i>	2,548			
Total dgsf	17,419			

The proposed project meets the State standards for ICU beds and medical/surgical beds.

There is no shelled space in the proposed project.

PROJECT SERVICES UTILIZATION

The request to expand medical/surgical and ICU bed capacities is based on rapid population growth in McLean County and the continuation of historic growth in these services. The population growth documentation and calculations are shown in section 1110.200 of this permit application. The relevant historic growth and projections based on historic utilization are shown below.

Medical/Surgical Services

The following table shows that total medical/surgical patient days (inpatient admissions and observation cases) increased from 23,095 days in 2014 to 32,952 days in 2022, an increase of almost 10,000 patient days. This 42.7% increase in total medical/surgical patient days over the 8 years is an average annual increase of 5.3%.

Year	Medical/Surgical Patient Day Utilization and Projections				
	Historic Utilization	Projected Utilization	Occupancy (%)	Standard 85%	Authorized Beds
2014	23,095		66.6		95
2015	21,719		62.6		95
2016	23,130		66.7		95
2017	25,327		73.0		95
2018	27,005		77.9		95
2019	28,130		81.1		95
2020	31,454		90.4		106
2021	35,583		92.0		106 / 118
2022	32,952		76.5		118
2023		34,293	79.6		118 / 121
2024		35,689	80.8		121
2025		37,141	84.1		121
2026		38,653	87.5		121
2027		40,226	84.1		131
2028		41,000	85.7	Yes	131

During these 8 years, OSF St. Joseph Medical Center twice used the 20 bed/10% Rule to add beds to meet the growing demand. This included the re-classification of 11 pediatric beds as med/surg in July, 2020, increasing authorized med/surg beds from 95 to 106. Occupancy of the 106 beds in 2021 was 92%, significantly above the State standard of 85%. Then in 2022, the hospital closed its 12-bed long term care unit and converted the space to med/surg, increasing the bed count from 106 to 118. The hospital is in the process of adding three more beds this summer, increasing the med/surg bed count to 121.

The utilization forecast in 2028, two years after project completion, is 41,000 med/surg patient days. This is an increase of 8,048 patient days from 32,952 days in 2022, a total increase of 24.4% over the six year period from 2022 to 2028. This increase is an annual average increase of 4.1%, a more conservative projection than the historic annual average annual increase of 5.3% from 2014 to 2022. This projection

is especially conservative given that this six-year period is the time of significant population growth in the area.

41,000 medical/surgical patient days in 2028 is an average daily census of 112.3 patients. This ADC of 131 medical/surgical beds is an occupancy level of 85.7%, achieving the State standard of 85%.

Intensive Care Services

The following table shows that ICU total patient days increased from 1,545 in 2017 to 3,056 in 2022, an increase of 1,511 days. This 97.8% increase in patient days is an average annual increase of 19.6%. During the past two years, the occupancy of the 14 bed unit at OSF St. Joseph Medical Center was 71.7% and 60.0%, meeting the State's utilization standard of 60.0% for ICU. Average utilization for these two years was 3,360 patient days.

Year	Intensive Care Patient Day Utilization and Projections				
	Historic Utilization	Projected Utilization	Occupancy (%)	Standard 60%	Authorized Beds
2017	1,545		30.2		14
2018	1,877		36.9		14
2019	1,686		33.0		14
2020	2,389		46.6		14
2021	3,664		71.7		14
2022	3,056		60.0		14
2023		3,630	71.0		14
2024		4,202	82.2		14
2025		4,778	93.5		14
2026		5,352	50.6		14/29
2027		5,926	56.0		29
2028		6,500	61.4	Yes	29

The utilization projection for 2028, two years after project completion, is 6,500 ICU patient days. 6,500 patient days is an increase of 3,444 days above 3,056 in 2022, a total increase of 113% over the period 2022 to 2028. This increase is an average annual increase of 18.8%, which compares favorably to the historic average annual increase of 19.6% from 2017 to 2022.

The forecast of 6,500 patient days results in an average annual increase of 574 patient days each year from 2023 to 2028.

6,500 ICU patient days in 2028 is an average daily census of 17.8 patients. This ADC in 29 ICU beds is an occupancy level of 61.4%, achieving the State standard of 60% for intensive care.

Section 1110.200

Medical/Surgical, Obstetric, Pediatric and Intensive Care

Expansion of Existing Services -- Medical/Surgical and Intensive Care

1110.200(b)(2) Planning Area Need – Service to Planning Area Residents

The proposed project is the expansion of existing services at OSF St. Joseph Medical Center in Bloomington, increasing bed capacity by 10 medical/surgical beds and 15 ICU beds.

McLean County is the Planning Area for the project, and is the source of 69.3% of all admissions and observation cases at OSF St. Joseph Medical Center. The project meets the requirement that at least 50% of the projected patient volume will be from residents of the area. (1110.200(b)(2)(B)).

The Planning Area for the project is made up of the Primary Service Area (PSA) and the Secondary Service Area (SSA) of OSF St. Joseph Medical Center. The table on the next page displays the zip codes that comprise these areas. Patient data includes all inpatients and observation cases at SJMC for the fiscal year ending September 30, 2022. Together, the PSA and SSA are the entire McLean County.

The PSA is made up of the 4 zip codes containing Bloomington-Normal, with a population of 138,128. It is the source of 55% of admissions and observation cases at SJMC. These four zip codes contain 76% of the total population of McLean County. The four zip codes that comprise the Primary Service Area are the source of 5,050 admissions and observation cases at SJMC.

The SSA is the remainder of McLean County, with a resident population of 34,163. The SSA provides an additional 1,310 admissions and observation cases (14.3% of all admissions and observation cases at SJMC).

The remaining patients come from outside McLean County and constitute 30.7% of all admissions and observation cases at SJMC. McLean County is the largest County in Illinois by land measurement, approximately 1,186 sq miles. The fact that such a large number of SJMC's patients, slightly more than 30% of its patients, come from outside this large area is testimony to the scope and complexity of inpatient clinical care at the hospital, and the fact that the hospital functions as a regional referral center.

The expansion of existing medical/surgical and ICU beds responds to the growing population of McLean County. In large part, this growth is associated with new electric vehicle manufacturing and related development and the expansion of employment in service industries, educational institutions and other business activity.

1110.200(b)(4)(A) Historical Services Demand

Tables in the following section 1110.200(b)(4)(C) show the utilization data for medical/surgical and ICU services at OSF St. Joseph Medical Center. Medical/Surgical utilization was 92.0% of 106 beds in 2021 and 76.5% of 118 beds in 2022. In the second half of 2022, the hospital applied the 20 bed/10% rule to convert 12 long term care beds to medical/surgical in response to high utilization in the first part of the year, increasing bed capacity to 118. The lower utilization reflects the additional 12 beds that were in service for only a partial year. Average occupancy for the two years was 84.25%. Medical/Surgical bed utilization increased by 42.7% from 2014 to 2022, an average annual increase of 5.3%.

Table: Patient Origin by zip code of residence -- OSF St Joseph Medical Center
Inpatient admissions and observation cases, FY 2022

Zip Code	Community Name	County Name	Population	# of inpts and obs pts at OSF St. Joseph Medical Center (2022)	% of total OSF St Joseph inpatients & obs pts from this zip code	Cumulative %
Primary Service Area						
61701	BLOOMINGTON	MCLEAN, IL	35,342	1,794	19.6%	19.6%
61704	BLOOMINGTON	MCLEAN, IL	36,639	1,414	15.4%	35.0%
61761	NORMAL	MCLEAN, IL	52,851	1,359	14.8%	49.8%
61705	BLOOMINGTON	MCLEAN, IL	13,296	483	5.3%	55.0%
Total			138,128	5,050		55.0%
Secondary Service Area						
McLean County						
61745	HEYWORTH	MCLEAN, IL	4,686	202	2.2%	57.2%
61752	LE ROY	MCLEAN, IL	4,277	153	1.7%	58.9%
61753	LEXINGTON	MCLEAN, IL	2,938	133	1.4%	60.4%
61726	CHENOA	MCLEAN, IL	2,542	102	1.1%	61.5%
61748	HUDSON	MCLEAN, IL	3,005	100	1.1%	62.6%
61732	DANVERS	MCLEAN, IL	2,065	84	0.9%	63.5%
61744	GRIDLEY	MCLEAN, IL	2,141	80	0.9%	64.4%
61736	DOWNS	MCLEAN, IL	1,958	71	0.8%	65.2%
61776	TOWANDA	MCLEAN, IL	1,292	62	0.7%	65.9%
61754	MC LEAN	MCLEAN, IL	1,233	48	0.5%	66.4%
61728	COLFAX	MCLEAN, IL	1,524	43	0.4%	66.8%
61725	CARLOCK	MCLEAN, IL	1,688	42	0.4%	67.2%
61770	SAYBROOK	MCLEAN, IL	1,019	39	0.4%	67.6%
61774	STANFORD	MCLEAN, IL	961	35	0.4%	68.0%
61737	ELLSWORTH	MCLEAN, IL	431	26	0.3%	68.3%
61730	COOKSVILLE	MCLEAN, IL	391	24	0.3%	68.6%
61722	ARROWSMITH	MCLEAN, IL	601	19	0.2%	68.8%
61702	BLOOMINGTON	MCLEAN, IL		17	0.2%	69.0%
Subtotal, McLean zips, more than 15 pts			32,752	1280		69.0%
Zip Codes McLean Co with 15 pts or less			1,411	30	0.3%	69.3%
Total, McLean County			172,291	6,360		69.3%
Zip Codes outside of McLean County						
Livingston Co			32,937	695		
Dewitt Co			15,528	406		
Woodford Co			31,952	373		
LaSalle Co			96,944	292		
Tazewell Co			129,313	187		
Logan Co			26,754	142		
All other			395,689	719		
Subtotal areas outside of McLean County			729,117	2,814	30.7%	100.0%
TOTAL POPULATION			901,408			
TOTAL PATIENTS				9,174		100.0%

ICU utilization was 71.7% in 2021 and 60.0% in 2022. ICU utilization increased by 97.8% from 2017 to 2022, an average annual increase of 19.6%.

Patient volumes projected for this expansion of 10 medical/surgical and 15 ICU beds are associated with population growth. Accordingly, there is no information on their prior referrals to other facilities in the planning area.

1110.200(b)(4)(C) Projected Service Demand – Based on Rapid Population Growth

As presented in the Purpose of the Project Section, McLean County is experiencing significant growth in area employment, driven by the start-up of the Rivian electric automotive vehicle manufacturing business in Normal in 2017. The business has stimulated growth in area automotive-related suppliers, as well as expansion of service industries in the Bloomington-Normal area. The result has been a sudden boom in area population. The population of McLean County has increased from 170,954 in 2020 to 176,370 in 2023, and is forecast to increase to approximately 185,000 by the end of this decade.

Certificate of Need regulations offer rapid population growth in a planning area as a potential justification for hospital service and bed expansions. This approach has been seldom used in the recent decade because most areas of the State have seen populations stabilize and decline. The growth of the Bloomington-Normal area is an opportunity to apply the regulation for evaluating service expansion.

The chart on the next page was prepared with input from Patrick Hoban of the Bloomington-Normal Economic Development Council. It provides a methodology using known employment data to supplement US Bureau of the Census data to estimate current and forecast the future population of McLean County. The model uses the ratio of 2.131 population per member of the labor force. (Source: Bloomington-Normal Economic Development Council.)

Historic population and employment information

The US Bureau of the Census is the source of historic population data:

2010 through 2019: <https://fred.stlouisfed.org/series/ILMCLE2POP>

2020 and 2021: U.S. Bureau of the Census: Annual Estimates of Resident Population for Counties in Illinois: April 1, 2020 to July 1, 2022

2022 and 2023: The Illinois Department of Employment Security is the source of employment data for McLean County in the chart on the next page. The source of data on employed in the service area and living in the service area is contained in <https://onthemap.ces.census.gov/>. Employment data for 2022 and 2023 (growth driven primarily by Rivian, and documented in the media articles) is used to derive population estimates for 2022 and 2023:

Year 2021: 171,190 population / 80,331 members of the labor force = 2.131 multiplier

Year 2022: 81,945 labor force x 2.131 = population of 174,630

Year 2023: 82,761 labor force x 2.131 = population of 176,370

Historic and Current Population estimates - McLean County

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
169,815	170,939	172,762	175,087	174,166	173,222	173,157	172,769	172,368	171,272	170,954	171,190		
											171,190	174,630	176,370

Employment and Population Estimates - McLean County

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Population	169,815	170,939	172,762	175,087	174,166	173,222	173,157	172,769	172,368	171,272	170,954	171,190		
Projected Population												171,190	174,630	176,370
Employed in the Selected Area	86,697	89,425	88,847	88,109	88,817	88,879	87,177	86,400	85,516	82,843	78,769	82,291	86,253	87,488
Living in the Selected Area	77,677	78,586	79,592	79,227	79,781	81,353	80,396	80,169	79,404	78,168	74,039	76,293	78,797	79,577
Living and Employed in the Selection Area %	70.80%	70.60%	70.10%	69.00%	69.20%	69.40%	69.00%	67.70%	67.60%	67.10%	67.20%	67.20%	67.20%	67.20%
Unemployed	6,818	6,317	6,041	6,069	5,009	4,375	4,595	3,687	3,681	3,198	5,856	4,038	3,148	3,184
Laborforce	84,495	84,903	85,633	85,296	84,790	85,728	84,991	83,856	83,085	81,366	79,895	80,331	81,945	82,761
Good Producing	7,300	7,285	7,280	7,097	7,294	7,327	5,894	5,588	5,445	5,460	5,619	5,705	12,313	13,548
Ag and Mining	498	512	455	430	471	499	444	398	356	352	322	358	328	328
Agriculture, Forestry, Fishing and Hunting	1	1	3	2	20	16	23	14	19	15	14			
Mining, Quarrying, and Oil and Gas Extraction	2,642	2,467	2,400	2,222	2,306	2,479	2,478	2,458	2,376	2,302	2,381	2,400	2,516	2,516
Construction	4,159	4,305	4,422	4,443	4,497	4,333	2,949	2,718	2,694	2,791	2,902	2,947	9,469	10,704
Manufacturing														
Service and Government	79,397	82,140	81,567	81,012	81,523	81,552	81,283	80,812	80,071	77,383	73,150	76,586	73,940	73,940
Service Providing												64,778	61,595	61,595
Utilities	315	199	212	203	231	239	236	234	230	220	222			
Wholesale Trade	2,714	2,701	2,517	2,643	2,579	2,039	1,733	1,726	1,860	1,885	1,832			
Retail Trade	7,683	7,860	7,957	7,865	7,785	8,411	8,388	8,033	7,816	7,347	7,100			
Transportation and Warehousing	1,942	1,866	2,040	2,167	2,262	2,135	1,943	1,941	1,915	2,069	1,832			
Information	793	825	811	815	743	831	743	587	568	475	500			
Finance and Insurance	12,973	12,524	12,808	12,903	12,019	21,869	21,969	22,003	22,054	20,310	20,503			
Real Estate and Rental and Leasing	723	751	741	793	789	808	926	874	1,192	1,154	1,123			
Professional, Scientific, and Technical Services	3,371	3,410	2,939	3,105	2,988	2,279	2,863	2,934	3,205	3,208	3,474			
Management of Companies and Enterprises	8,471	10,283	10,024	10,334	10,256	1,440	1,611	1,276	973	1,171	1,207			
Administration & Support, Waste Management and Remedi	4,990	6,004	6,274	6,110	5,915	5,641	4,900	4,896	4,494	4,477	4,234			
Health Care and Social Assistance	8,597	8,878	8,155	7,934	7,860	8,120	8,066	8,296	8,287	8,372	8,209			
Arts, Entertainment, and Recreation	848	878	1,000	1,011	1,152	1,257	1,289	1,310	1,340	1,336	1,056			
Accommodation and Food Services	8,390	8,520	8,699	9,105	9,455	9,513	9,821	9,723	9,176	8,515	6,272			
Other Services (excluding Public Administration)	2,616	2,750	2,805	2,760	2,903	2,842	2,937	2,953	2,685	2,725	2,518			
Public and Health												11,808	12,345	12,345
Educational Services	11,406	11,090	11,126	9,733	10,900	10,676	10,572	10,636	10,859	10,930	10,112			
Public Administration	3,565	3,601	3,459	3,531	3,686	3,452	3,286	3,390	3,417	3,189	2,956			

The estimates show a population increase of 5,776 persons, from 170,954 in 2020 to 176,370 in 2023.

Attachments 19A and 19B at the end of this section present two of the major sources of data used in this section. Attachment 19A shows resident population in McLean County using FRED, the Federal Reserve Bank of St. Louis resource based on the US Census Bureau. This tool is an interactive model.

Attachment 19B is taken from the Illinois Department of Employment Security website. The last three pages of this attachment are printouts of McClean County employment data for 2020, 2021 and 2022. They show an increase in total employment from 77,726 in 2020 to 82,291 in 2021 and to 86,253 in 2022. (All data are for the fourth quarter of those years.)

Projected Population based on employment data

Population forecasts for the remainder of this decade are derived as follows.

1. An article quoted that suppliers supporting the automotive industry will be creating 5,000 additional jobs (additional to employment at Rivian) in 2022. Source: "How Bloomington-Normal became a boomtown," John Pletz, Crain's Chicago Business, July 1, 2022.
2. To be conservative, the model adds these 5,000 jobs as follows: 2,000 in 2024, 2,000 in 2025 and 1,000 in 2026.
3. The media articles cite 200 additional jobs at Ferrero, and expansion within the service industries and educational institutions that was not counted above. (Estimated total at 700 jobs, distributed as follows: 250 in 2024, 250 in 2025, and 200 in 2026.)
4. Estimated increase in total jobs: 2,250 in 2024, 2,250 in 2025 and 1,200 in 2026.
5. At 2.13 population per member of the labor force, this adds 4,793 population in 2024, 4,793 population in 2025 and 2,556 population in 2026.
6. Some of the new jobs will be held by unemployed members of the labor force, who already reside in McLean County and are counted in the historic population (not new growth). In addition, some of the new employees will not reside in McLean County but in neighboring counties, and should not be counted in the forecasts for McLean County. As a result, the population numbers in item 5 above should be discounted. As a conservative assumption, only two-thirds of the estimated job-driven increase in population is counted, as an adjustment for jobs taken by workers who had been unemployed, or held by residents of other counties.
7. The net add of residents of McLean County are: 3,195 in 2024; 3,195 in 2025; and 1,704 in 2026
(Sample calculation: $4,793 \text{ population} \times 2/3 = 3,195 \text{ population}$)
8. For years 2027 and beyond: The same annual average population growth rate of 0.0007 for 2010 through 2020 is used to forecast annual population for years 2027 through 2030.
9. As a result, population forecasts for 2024 through 2030 are as follows:

Population Estimates - McLean County, 2024 - 2030

2023	2024	2025	2026	2027	2028	2029	2030
176,370							
	179,565	182,760	184,464	184,593	184,722	184,852	184,980

Justification of Medical/Surgical Beds

Analysis A: Population growth

Based on the computations above, the population is expected to grow by 13,532 from 2021 to 2028 (two years after project completion in 2026).

Population forecast for 2028:	184,722
<u>Less Population in 2021:</u>	<u>171,190</u>
Population increase:	13,532

The model estimates the additional demand for medical/surgical beds associated with the population increase. This method applies information contained in the State's "Inventory of Health Care Facilities and Services and Need Determinations." The next page is a section from the October 26, 2021 "Inventory" specific to the Medical/Surgical category of service in Hospital Planning Area D-2. The page shows the percentage distribution of area population for different age cohorts in 2019. The page also shows medical/surgical use rates associated with the different age cohorts. Both the age distributions and use rates are applied in this model to determine that an additional 3,670 medical/surgical patient days are associated with the population of 11,164 (total increase of 13,532 less 2,368 in the pediatric age group, which is not included in the demand for medical/surgical beds).

Age Cohorts	2019 Population Plng Area D-2	Distribution Plng Area D-2	Distribution applied to growth of 13,532	Use Rates	Projected Days (Med/Surg)
0-14 yrs old	37,590	0.175	2,368*	0.0096*	not included
15-44 yrs old	92,780	0.433	5,859	0.0602	353
45-64 yrs old	53,050	0.248	3,356	0.3135	1,052
65-74 yrs old	17,170	0.080	1,083	0.7997	866
75-up yrs old	13,620	0.064	866	1.6158	1,399
					3,670

Note: *Population and use rate for pediatrics are not included in med/surg bed calculation.

Source: Columns 1, 2, 3 and 5 are from "Inventory of Health Care Facilities and Services and Need Determinations," 10/26/2021, page A-31

The model then calculates that 3,670 medical/surgical patient days require 12 beds at 85% occupancy:

$$3,670 \text{ med/surg days divided by } 365 \text{ days} = 10.1 \text{ ADC (average daily census)}$$

$$10.1 \text{ ADC AT } 85\% \text{ occupancy standard} = 11.8 \text{ med/surg beds justified (12)}$$

In summary, the estimated need for additional medical/surgical beds is associated with rapid population growth due to the increased employment at EV auto manufacturer Rivian, as well as supporting automotive related businesses and the expansion of service industries. Most of these jobs are in the immediate Bloomington-Normal area in McLean County, part of Planning Area D-2. The 10 medical/surgical beds that are requested in the proposed project are less than the total forecast of 12 additional medical/surgical beds needed to meet the growth in population in McLean County.

MEDICAL-SURGICAL and PEDIATRIC Categories of Service

Hospital Planning Area:

Hospital	City	CATEGORY OF SERVICE:	Medical-Surgical	Beds	Admissions	Patient Days			
Carle BroMenn Medical Center 5/4/2020 E-013-20	Normal	Exemption approved for Change of Ownership.		134	6,208	27,024			
Saint James Hospital	Pontiac			33	1,280	5,897			
St. Joseph Medical Center 7/20/2020 Bed Change	Bloomington	Hospital re-classified 11 Pediatric beds as Medical-Surgical. Hospital now authorized for 106 Medical-Surgical beds.		106	5,885	28,130			
		Medical-Surgical	TOTAL	273	13,373	61,051			
Carle BroMenn Medical Center 5/4/2020 E-013-20	Normal	Exemption approved for Change of Ownership.		11	33	258			
St. Joseph Medical Center 7/20/2020 Bed Change	Bloomington	Hospital re-classified 11 Pediatric beds as Medical-Surgical. Hospital now authorized for 5 Pediatrics beds.		5	17	119			
		Pediatrics	TOTAL	16	50	377			
		Medical-Surgical/Pediatrics Planning Area Totals		289	13,423	61,428			
Patient Days by Age	2017	2018	2019	TOTAL	3 Year Average	2019 Population	Use Rates	2024 Population	Projected Days
0-14 Years Old	400	307	373	1,080	360	37,590	0.0096	38,270	367
15-44 Years Old	5,346	5,969	5,453	16,768	5,589	92,780	0.0602	95,220	5,736
45-64 Years Old	16,165	16,438	17,295	49,898	16,633	53,050	0.3135	42,740	13,400
65-74 Years Old	12,394	13,968	14,828	41,190	13,730	17,170	0.7997	21,650	17,312
75-up Years Old	20,517	22,063	23,440	66,020	22,007	13,620	1.6158	14,770	23,865
Out-Migration	In-Migration	Net Migration	Average Length of Stay	Migration Days	Adjustment Factor	Adjustment	Total Projected Days	Adjusted Days	
2,892	2,897	-5	5,018	-25	0.50	-13	60,680	60,668	
Adjusted Days	Days in Year 2024	Adjusted Average Daily Census	Occupancy Target*	Adjusted Beds Needed	Existing Beds	Excess Beds			
60,668	366	166	0.85	196	289	93			

* If ADC less than 100 in Planning Area, Occupancy Target is 80%; if the Planning Area has ADC of 100-199, the Occupancy Target is 85%; if ADC is 200 or more, 90%.

Analysis B: Historic growth of medical/surgical patient days at St. Joseph Medical Center

In addition to the population-based model, the need for additional medical/surgical beds at SJMC is supported by a review of historic utilization. Total medical/surgical patient days (admissions and observation cases) increased from 23,095 days in 2014 to 32,952 in 2022, an increase of almost 10,000 days. This 42.7% increase in total medical/surgical patient days over the 8 years is an annual average increase of 5.3%. The following table presents this information.

Medical/Surgical patient volumes

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Admissions	4,768	5,077	5,085	5,463	5,929	5,885	5,217	5,335	4,845
Patient days	19,629	19,514	20,697	22,639	23,684	24,594	28,142	31,532	28,752
Observ days	3,466	2,205	2,433	2,688	3,321	3,536	3,312	4,051	4,200
Total days	23,095	21,719	23,130	25,327	27,005	28,130	31,454	35,583	32,952
ALOS	4.8	4.3	4.5	4.6	4.6	4.8	6	6.7	6.8
ADC	63.3	59.5	63.2	69.4	74	77.1	85.9	97.5	90.3
Occupancy	66.6	62.6	66.5	73	77.9	81	81	92	76.5
Beds	95	95	95	95	95	95	106	106	118

Source: HFSRB Profiles; AHQs for St. Joseph Medical Center 2021 and 2022.

During these 8 years, OSF St. Joseph Medical Center twice used the 20 bed/10% rule to add beds to meet the growing demand. This included the re-classification of 11 pediatric beds as med/surg in July, 2020, increasing authorized med/surg beds from 95 to 106. Occupancy of the 106 beds in 2021 was 92%, significantly above the State standard of 85%. Then in 2022, the hospital closed its 12-bed long term care unit and converted the space to med/surg, increasing the bed count from 106 to 118. The hospital is in the process of adding three more beds this summer, increasing the med/surg bed count to 121.

It is important to note that the increase in historic utilization was not totally driven by population growth. From 2014 to 2021, the population of McLean County was relatively constant/slightly declining. The proposed project requests approval to add 10 medical/surgical beds, increasing med/surg authorized beds to 131 in order to meet the needs of the increasing area population.

The utilization forecast in 2028, two years after project completion, is 41,000 med/surg patient days. This is an increase of 8,048 patient days from 32,952 days in 2022, a total increase of 24.4% from 2022 to 2028. This increase is an annual average increase of 4.1%, a more conservative projection than the historic annual average annual increase of 5.3% from 2014 to 2022. This projection is especially conservative given that this six-year period is the time of significant population growth in the area.

41,000 medical/surgical patient days in 2028 is an average daily census of 112.3 patients. This ADC in 131 medical/surgical beds is an occupancy level of 85.7%, achieving the State standard of 85%.

Justification of ICU beds**Analysis A: Population Growth**

For each of the State's ICU planning areas, the State uses the past three years of ICU utilization in determining the need for ICU beds. The formula does not rely on age cohorts to support projections, as was the case for the medical/surgical category of service. The following table from the "Inventory of Health Care Facilities and Services and Need Determinations" (10/25/2021, page C-30) shows that the three ICU units in Planning Area D-2 provided an average of 4,653 patient days of care in a total combined 31 beds. This volume of patient intensive care was for years 2017-2019, and resulted in an ICU use rate of 0.0217 days per resident.

INVENTORY OF HEALTH CARE FACILITIES AND SERVICES AND NEED DETERMINATIONS

Illinois Health Facilities and Services Review Board Illinois
Department of Public Health

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INTENSIVE CARE Category of Service

Hospital	Hospital Planning Area: D-02		2019 Utilization			
	City	City	Beds	Admissions	Patient Days	
Carle BroMenn Medical Center	Normal	Normal	12	788	2,175	
5/4/2020 E-013-20	Exemption approved for Change of Ownership.					
Saint James Hospital	Pontiac	Pontiac	5	424	1,112	
St. Joseph Medical Center	Bloomington	Bloomington	14	640	1,686	
Planning Area Totals			31	1,852	4,973	
Three-Year Utilization						
2017	4,074	Estimated				
2018	4,911	2019 Total				
2019	4,973	Population				
TOTAL	13,958					
AVERAGE	4,653	214,200	0.0217	4,619	366	12.6
		212,660				0.60 (60%)
						21
						10

The following table provides updated utilization data for the three ICU units in Planning Area D-2 in 2020, 2021 and 2022.

ICU Utilization, three most recent years, Planning Area D-2

	ICU patient days			Av annual Patient days	2022 Population *	ICU Use Rate	ADC	Bed Need
	2020	2021	2022					
Facility								
Carle BroMenn Medical Center	2,511	2,699	2,639					
Saint James Hospital	1,044	1,277	1,208					
St. Joseph Medical Center	2,389	3,664	3,056					
TOTAL	5,944	7,640	6,903	6,829	213,430	0.0320	18.7	31.2

Note *: The 2022 population estimate is interpolated from 2019 (214,200) to 2024 (212,660). The source of the 2019 and 2024 population estimates for HPA D-02 is the State's "Inventory of Health Facilities and Services and Need Determinations."

Three observations about this data are:

- 1) The table shows an increase in bed need, from 21 beds in 2019 to 31.2 (or 32 beds) in 2022. Available bed capacity is 31 beds at the three hospitals in D-2. The current need is for 1 additional bed.
- 2) The additional population of 13,532, through year 2028, at a use rate of 0.0320, generates 433 additional patient days ($0.0320 \times 13,532$), an ADC of 1.2. At 60% occupancy, this ADC requires 2.0 additional beds.
- 3) The third factor in this analysis is the significant increase in the intensive care use rate, from 0.0217 for 2017-2019 to 0.0320 in 2020-2022. This increase of 47% in just a three-year period of time is significant, and is associated with an ADC of 6.02 patients (10 beds at the 60% utilization standard.) Most of this increase occurred when population increase was not as significant as it is now. The increase was due in part to COVID related intensive care, and the need continues to provide for the care of patients with long-haul conditions.

Combined, these three factors generate a case for additional 13 ICU beds, approaching the 15 beds requested. While not documenting the full 15 beds requested, it demonstrates that more than the current existing 31 ICU beds are needed in Planning Area D-2.

Analysis B: Historic growth of Intensive Care services at St. Joseph Medical Center

In addition to the above model, the need for additional ICU beds at St. Joseph Medical Center is supported by a review of historic utilization at SJMC. ICU total days (admissions, transfers and observation cases) increased from 1,545 in 2017 to 3,056 in 2022, an increase of 1,511 days. This 97.8% increase in patient days is an average annual increase of 19.6%. The following table presents this information.

Intensive Care patient volumes

Year	2017	2018	2019	2020	2021	2022
Admissions	559	559	640	698	726	790
Patient days	1,545	1,887	1,686	2,369	3,480	2,828
Observ days	0	0	0	20	184	228
Total days	1,545	1,887	1,686	2,389	3,664	3,056
ALOS	2.8	3.4	2.6	3.4	5.0	3.9
ADC	4.2	5.2	4.6	6.5	10.0	8.4
Occupancy	30.2	36.9	33.0	46.6	71.7	60.0
Beds	14	14	14	14	14	14

During the past two years, the occupancy of the 14 bed ICU at OSF St. Joseph Medical Center was 71.7% and 60.0%, meeting the State's utilization standard of 60% for ICU. Average utilization for the two years was 3,360 patient days. The utilization forecast in 2028, two years after project completion is 6,500 ICU patient days.

6,500 ICU days is an increase of 3,444 days from the 3,056 days in 2022, a total increase of 113% over the period from 2022 to 2028 (two years after project completion). This increase is an average annual increase of **18.8%**, comparing favorably to the historic average annual increase of **19.6%** (1,545 to 3,056 days, a 97.8% total increase in 5 years.) from 2017 to 2022.

The incremental yearly increase from 3,056 days in 2022 to 6,500 days in 2028 is an average increase of 574 patient days per year.

6,500 ICU patient days in 2028 is an average daily census of 17.8 patients. This ADC in 29 ICU beds is an occupancy level of 61.4%, achieving the State standard of 60% for intensive care.

1110.200(c) Unnecessary Duplication/Maldistribution

Maldistribution for a service exists when a ratio of beds to population exceeds 1.5 times the Statewide average for that service. This test shows that the project does not result in a maldistribution of medical/surgical or intensive care beds in the geographic service area.

For Bloomington-Normal and McLean County, regulation 1100.510(d) states that the geographic service is defined by a 21-mile radius. The zip codes contained in whole or in part within this area are shown on the table on the next page. The population of this area is 169,631.

Analysis of Medical/Surgical Services

For the State of Illinois, the statewide ratio is 1.52 medical/surgical beds per 1,000 population.

20,012 med/surg beds divided by 13,129,233 persons = 1.52 med/surg beds per 1,000 population

Sources: Population Projections: Illinois, Chicago and Illinois Counties, July 1, 2010 to July 1, 2025 IDPH (2014 Edition). Population stated for year 2020.

Illinois Hospital Data Summary – CY 2020: 20,077 medical/surgical beds

Addendum to Inventory of Health Care Facilities, 04/15/2023: deduction of 65 beds

Zip Codes in whole or in part within 21 miles
of OSF St. Joseph Medical Center

Zip Code	Community Name	Population
61701	Bloomington	35,342
61704	Bloomington	36,639
61705	Bloomington	13,296
61722	Arrowsmith	601
61725	Carlock	1,688
61728	Colfax	1,524
61730	Cropsey	391
61732	Danvers	2,065
61736	Downs	1,958
61737	Ellsworth	431
61744	Gridley	2,141
61745	Heyworth	4,686
61748	Hudson	3,005
61752	Le	4,277
61753	Lexington	2,938
61754	McLean	1,233
61761	Normal	52,851
61772	Saybrook	339
61774	Stanford	961
61776	Towanda	1,292
61777	Wapella	911
61790	Normal	1,062

169,631

For the geographic service area, the ratio is 1.49 beds medical/surgical beds per 1,000 population

There are currently 134 med/surg beds at Carle BroMenn Medical Center and 118 med/surg beds at OSF St. Joseph Medical Center, for a total of 252 med/surg beds.

$252 \text{ med/surg beds} \div 169,631 \text{ residents} = 1.49 \text{ med/surg beds per 1,000 population}$

With the addition of 3 med/surg beds under the 20 bed/10% rule (requested by OSF SJMC in August 7, 2023 letter) and the 10 beds requested in this permit application, the count of authorized med/surg beds will increase from 252 to 265.

$265 \text{ med/surg beds} \div 169,631 \text{ residents} = 1.56 \text{ med/surg beds per 1,000 population.}$

To cause a maldistribution of services, the beds would have to increase above 2.30 beds per 1,000 population. (The statewide average is 1.53; $150\% \times 1.53 = 2.30 \text{ med/surg beds per 1,000 population.}$)

Because the project will increase beds to 1.56 med/surg beds per 1,000 population, there is no maldistribution of medical/surgical beds.

Analysis of Intensive Care Services

For the State of Illinois, the statewide ratio is 0.272 ICU beds per 1,000 population.

$3,566 \text{ ICU beds} \div 13,129,233 \text{ persons} = 0.272 \text{ ICU beds per 1,000 population}$

Sources: Population Projections: Illinois, Chicago and Illinois Counties, July 1, 2010 to July 1, 2025 IDPH (2014 Edition). Population stated for year 2020.

Illinois Hospital Data Summary – CY 2020: 3,537 ICU beds

Addendum to Inventory of Health Care Facilities, 04/15/2023: addition of 29 ICU beds

For the geographic service area, the ratio is 0.153 ICU beds per 1,000 population

There are currently 12 ICU beds at Carle BroMenn and 14 beds at OSF St. Joseph Medical Center, for a total of 26 ICU beds.

$26 \text{ ICU beds} \div 169,631 \text{ residents} = 0.153 \text{ ICU beds per 1,000 population}$

With the addition of 15 med/surg beds requested in this permit application, the count of authorized ICU beds will increase from 26 to 41.

$41 \text{ ICU beds} \div 169,631 \text{ residents} = 0.242 \text{ ICU beds per 1,000 population.}$

To cause a maldistribution of services, the beds would have to increase above 0.408 beds per 1,000 population. (The statewide average is 0.272; $150\% \times 0.272 \text{ beds} = 0.408 \text{ ICU beds per 1,000 population.}$)

Because the project will increase beds to 0.242 ICU beds per 1,000 population, there is no maldistribution of ICU beds.

Impact on other area providers

The project will have no negative impact on medical/surgical and ICU services at Carle BroMenn Medical Center, the only other acute care hospital located within the 21 mile geographic area, as well as the only other hospital in the entire McLean County. Because the project is based on rapid population growth, new patient volumes are associated with new population, not a diversion of patients from other area hospitals.

Further, as a referral resource for hospitals in the broader region, it will enable OSF St. Joseph Medical Center to more effectively accommodate requests by other hospitals in central Illinois for referral of their patients for specialized care. As previously noted, SJMC accepted almost 3,000 referrals from area hospitals in the past three years. 988 referrals were in year 2020, 983 in 2021 and 987 in 2022. These referrals were from a total of 66 hospitals and other providers. 2,064 of these referrals were from other hospitals in the OSF system. 894 were from non-OSF hospitals and other providers. The majority of the referrals were in the following four areas: infectious disease, cardiology, neuroscience and gastroenterology. SJMC plays an increasingly important role in support of other providers in the region. But because of capacity and staffing limitations in these years, it was not able to accept 256 referral requests. 228 of these were in just the past two years.

1110.200(e) Staffing Availability

Over the last year, OSF St. Joseph Medical Center has made great effort to stabilize hospital operations including core staffing. Physician partnerships, recruitment and retention efforts have led to the Hospital signing a PSA with a multi-specialty group to provide oncologic surgery and acute care surgery to the region and expand the capacity to accept requests for patient transfers from the area small and rural hospitals.

Nurse staffing, recruitment and retention remains a focus for 2024 and beyond. Over the last two years, OSF St. Joseph has decreased turnover steadily since July 2022 and decreased reliance on travel staff by >75%. OSF St. Joseph works closely with Illinois State University, Illinois Wesleyan University, Heartland Community College and OSF College of Nursing to provide clinical education as well as employment opportunities to students enrolled in degree programs. Nurse externship and LPN to RN programs are two examples.

Recruitment for ancillary and support staff including imaging, respiratory therapy and surgical technicians takes place at community-related job fairs in the area and at their respective schools and colleges. The Hospital continues to expand clinical sites to area schools as a method for recruitment. In addition, OSF often uses web-based programs and traditional sites and methods such as nurse.com, monster.com, careerbuilder.com, National Healthcare Career Network, Sun-Times Network, Chicago Tribune, and job fairs. Salaries are competitive and select qualifying employees seeking career advancement benefit from educational support programs.

Where there are opportunities and interest on the part of its employees, OSF enables the transfer of employees from the other OSF facilities in Illinois. For example, the system's human resource program assures that nurses and other staff at facilities undergoing transition, such as the planned closures of the obstetric units at OSF Heart of Mary Medical Center in Urbana and the OSF Saint James-John W. Albrecht Medical Center in Pontiac, receive priority consideration for placement at other hospitals in the system.

Because the proposed project at OSF St. Joseph Medical Center is the expansion of existing inpatient units, processes and procedures for staffing are already in place. All licensure and Joint Commission requirements are in place and will continue to be followed.

1110.200(f) Performance Requirements – Bed Capacity Minimum

The minimum bed capacity for a new medical/surgical category of service is 100 beds. The project proposes to expand the existing service from 121 beds to 131 beds.

The minimum unit size for intensive care is four beds. The project proposes to expand the existing 14 bed ICU to 29 beds.

The project meets the minimum size performance requirements.

1110.200(g) Assurances

The letter on the following page confirms the applicants understanding that the project will meet the utilization standards for medical/surgical and ICU services.



OSF HEALTHCARE

August 9, 2023

Mr. John Kniery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street - 2nd Floor
Springfield, IL 62761

Re: Assurance, 1110.200(g)

Dear Mr. Kniery:

Consistent with the requirement in 1110.200(g), I hereby attest that it is my understanding that by the second year of operation after the expansion of medical/surgical beds and intensive care beds at OSF St. Joseph Medical Center that these two services will achieve the occupancy standards of 85% and 60%, respectively, as set forth in 77 Ill. Adm. Code 1100.

If you have any questions, please contact me at 309-665-5784, or Mark Hohulin at 309-308-9656.

Sincerely,

Lynn A. Fulton, President
OSF St. Joseph Medical Center
2200 East Washington Street
Bloomington, IL 61701

c: Mark Hohulin, Senior Vice President, Healthcare Analytics, OSF Healthcare System

Notarization:

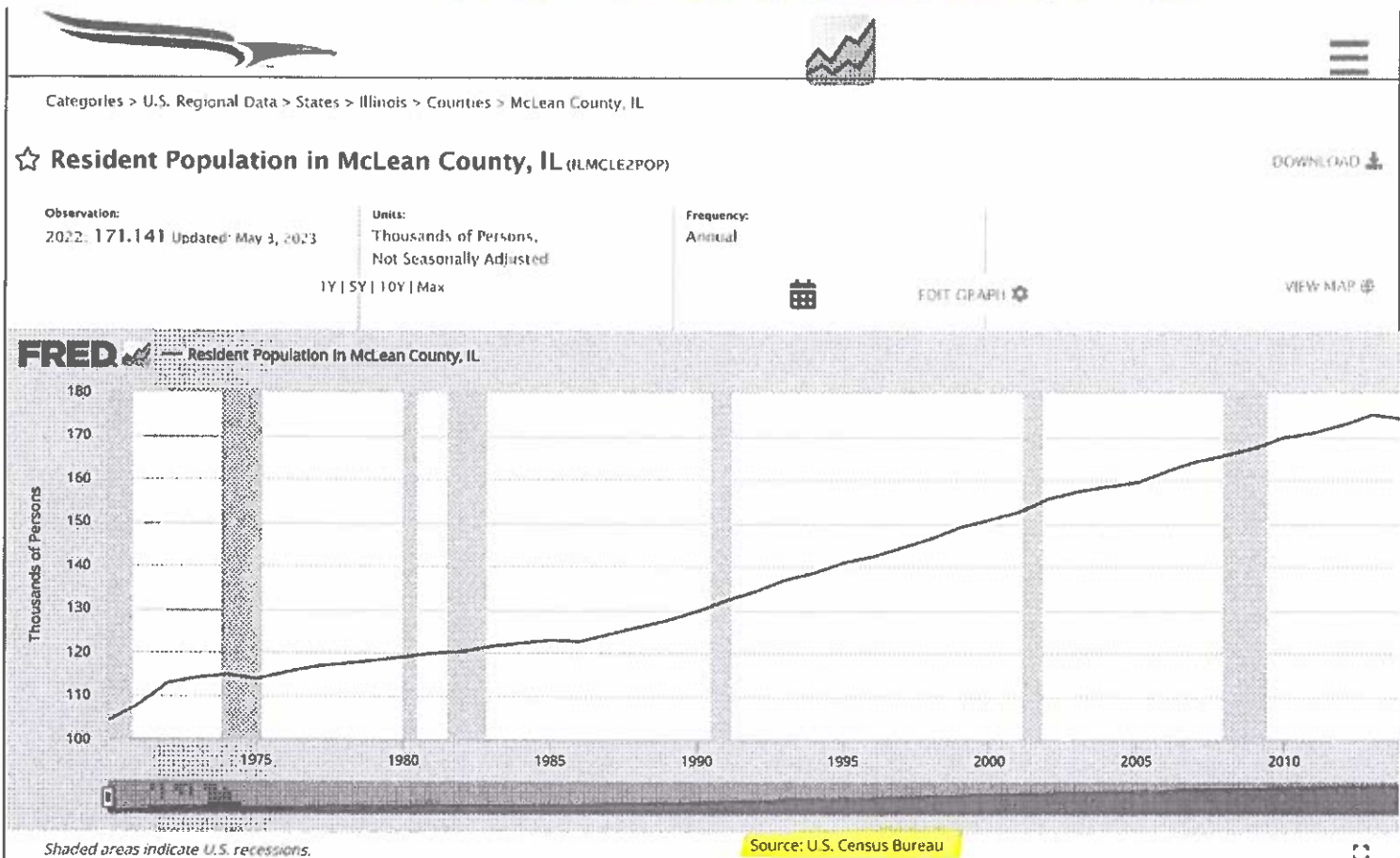
Subscribed and sworn to before me

this 11 day of August 2023

Signature of Notary

Seal





Share Links Account Tools



NOTES

Source: U.S. Census Bureau [Release:](#) Annual Estimates of the Population for Counties

Units: Thousands of Persons, Not Seasonally Adjusted

Frequency: Annual

Data for "Resident Population" are estimates as of July 1. Data for 1970, 1980, 1990, and 2000 are annual census.

Population estimates are updated annually using current data on births, deaths, and migration to calculate population change since the most recent decennial census. The annual time series of estimates begins with the most recent decennial census data and extends to the vintage year. Each vintage of estimates includes all years since the most recent decennial census.

Suggested Citation:

U.S. Census Bureau, Resident Population in McLean County, IL (ILMCLE2POP), retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/ILMCLE2POP>, August 2, 2023.

RELEASE TABLES

Annual Estimates of the Population for Counties

Annual Population by Location: Illinois

RELATED CONTENT

Related Resources

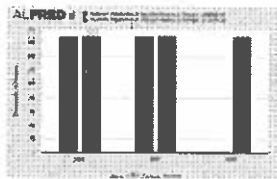


Attachment 19A

8/3/23, 5:51 PM

Resident Population in McLean County, IL (ILMCLE2POP) | FRED | St. Louis Fed

Population Estimate, Total (5-year estimate) in McLean County, IL



ALFRED Vintage Series
Resident Population in
McLean County, IL

Related Categories

McLean County, IL Counties Illinois States U.S. Regional Data

Sources

More Releases from U.S. Census Bureau

Releases

More Series from Annual Estimates of the Population for Counties

Tags

McLean County, IL Bloomington Illinois Residents Population County or County Equivalent Census Annual Not Seasonally Adjusted

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Attachment 19A

Back to Top

Quarterly Census of Employment & Wages (QCEW)

This program produces a comprehensive quarterly count of employment and wages for workers covered under the Illinois Unemployment and Insurance (UI) Act and the Federal Unemployment Compensation programs. QCEW data is sometimes referred to as covered employment and wages. For more information, see our [overview of QCEW program](#).

Note: QCEW data are not designed as a time series. QCEW data are simply the sums of individual establishment records and reflect the number of business establishments that exist in a county or industry at a point in time. Businesses can move in or out of a county or industry for a number of reasons - some reflecting economic events, others reflecting administrative changes. For example, economic change would come from a business relocating into the county; administrative change would come from a business correcting its county designation.

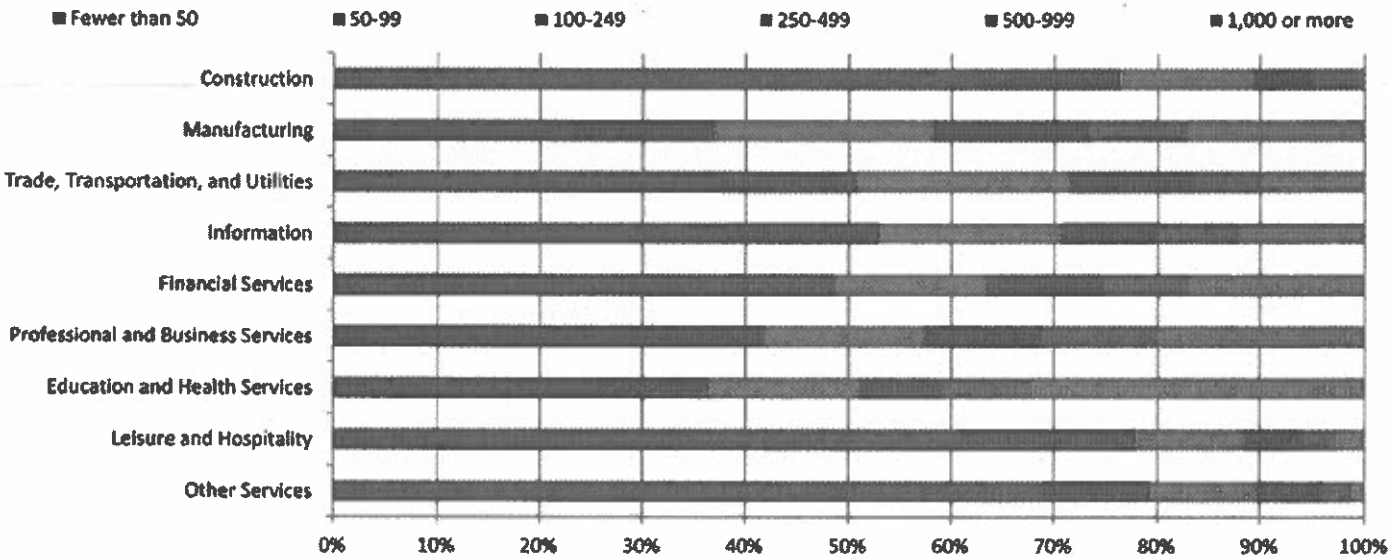
Note: In 2016, IDES instituted a policy to deactivate employer accounts with zero employment and zero wages for eight or more quarters. In 2017, a new tax system became operational which allowed for the deactivation of accounts that should have been deactivated earlier. In the future, accounts will be deactivated on a scheduled basis. This has resulted in a decrease in the number of business establishments previously considered active. The number of establishments had previously been overstated. The new policy did not change totals for employment or wages, only the total number of business establishments.

Establishments, by Employer Size Category (Tables and Charts)

(Tabulation of business establishments, by employment size category, by geographical area (county or state), by either ownership or NAICS-industry sector)

Employing establishments can be characterized by employment size category [0-4; 5-9; 10-19; 20-49; 50-99; 100-249; 250-499; and 500 or more]; and ownership [Federal, State, Local Government or Private Sector]; within geographies such as Local Workforce Investment Areas (LWIAs) or Statewide; and by NAICS industry sectors. The reports listed below are tabulations based on these data elements.

Percent distribution of employees by size of business establishment in selected private industries, March 2022



Source: Illinois Department of Employment Security, QCEW

2022 Number of Establishments by Size Category, by Geography (Illinois and Local Workforce Investment Area), and by Ownership (Excel)

2022 Number of Establishments by Size Category, by Geography (Illinois, Local Workforce Investment Areas and Economic Development Regions), and by Major NAICS Industry Sector (PDF)

Filters

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All

Filter Table

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SELECT REPORT

Illinois Statewide

LWIA01

LWIA02

LWIA03

[LWIA04](#)

[LWIA05](#)

[LWIA06](#)

[LWIA07](#)

[LWIA10](#)

[LWIA11](#)

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Definitions of Local Workforce Investment Areas (LWIAs)

Illinois at Work

A quarterly tabulation of business establishments, employment, and total wages paid, by geographical area (county or state), and by NAICS-industry sector.

The Illinois at Work report summarizes private sector employment (detailed by the North American Industry Classification System, NAICS), state and local government employment (all covered by the Illinois Unemployment Insurance Act) and federal government employment for each of Illinois's 102 counties. This quarterly county-level report provides the number of business establishments, employment level and total wages, by major NAICS-industry sector. The report also includes a page for the state totals, by major NAICS-industry sector. A separate statewide-only report is now available that provides the number of establishments, employment level and total wages, by 3-digit NAICS industry.

Filters

County Reports by Quarter

All

130

Attachment 19B

Filter Table

Clear Filters

COUNTY REPORTS BY QUARTER



2022 4th Qtr

2022 3rd Qtr

2022 2nd Qtr

2022 1st Qtr

2021 4th Qtr

2021 3rd Qtr

2021 2nd Qtr

2021 1st Qtr

2020 4th Qtr

2020 3rd Qtr

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Filters



Statewide 3 Digit

All



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STATEWIDE 3 DIGIT



2022 4th Qtr

2022 3rd Qtr

2022 2nd Qtr

2022 1st Qtr

2021 4th Qtr

2021 3rd Qtr

2021 2nd Qtr

2021 1st Qtr

2020 4th Qtr

2020 3rd Qtr

Showing 1 to 10 of 53 entries

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Next

Where Workers Work

Where Workers Work is a report that features basic private sector employment totals, tabulated by major NAICS industry sector for six northeastern Illinois counties, major communities in each of these counties, and neighborhoods (associated with ZIP codes) within the City of Chicago. The report is based on March employment data each year, and is produced once a year.

STATE OF ILLINOIS
DEPARTMENT OF EMPLOYMENT SECURITY
ECONOMIC INFORMATION AND ANALYSIS DIVISION

Employment Covered by the Illinois Unemployment Insurance Act and Federal Government Employment
As of December 2020 (4th Quarter)

Mc LEAN COUNTY

	Number of Units	Number of Employed	Wages (\$1,000s)
Total	3,318	77,627	\$1,196,461
Private Sector (NAICS)	3,195	66,175	\$1,041,390
GOODS-PRODUCING			
Natural Resources and Mining	500	6,330	\$100,488
Agriculture, Forestry, Fishing & Hunting (11)	58	330	\$4,668
Mining, Quarrying, & Oil and Gas Extraction (21)	*	*	*
Construction	322	2,433	\$41,978
Manufacturing	322	2,433	\$41,978
Manufacturing (31,32,33)	120	3,567	\$53,842
	120	3,567	\$53,842
SERVICE-PROVIDING	2,695	59,845	\$940,902
Trade, Transportation, and Utilities	705	12,498	\$128,647
Wholesale Trade (42)	164	1,747	\$31,368
Retail Trade (44,45)	429	8,554	\$65,172
Transportation & Warehousing (48,49)	104	1,972	\$26,070
Utilities (22)	8	225	\$6,036
Information	46	388	\$6,538
Information (51)	46	388	\$6,538
Financial Activities	327	18,771	\$453,223
Finance & Insurance (52)	189	17,812	\$443,802
Real Estate & Rental & Leasing (53)	138	959	\$9,620
Professional and Business Services	533	8,799	\$141,276
Professional, Scientific & Technical Services (54)	334	3,357	\$67,454
Management of Companies & Enterprises (55)	10	1,125	\$27,878
Administrative & Support & Waste Mngmt. (56)	189	4,317	\$46,144
Educational and Health Services	353	10,245	\$146,304
Educational Services (61)	53	1,075	\$10,882
Health Care & Social Assistance (62)	300	9,170	\$135,823
Leisure and Hospitality	398	6,798	\$37,374
Arts, Entertainment & Recreation (71)	69	819	\$5,748
Accommodation & Food Services (72)	329	5,979	\$32,226
Other Services	331	2,345	\$26,891
Other Services (81)	331	2,345	\$26,891
Unclassified	*	*	*
Unclassified (99)	*	*	*
State & Local Government	91	11,005	\$148,576
State Government	*	*	*
Local Government	*	*	*
Federal Government	32	447	\$6,496

* Figures not disclosed due to confidentiality rules

STATE OF ILLINOIS
DEPARTMENT OF EMPLOYMENT SECURITY
ECONOMIC INFORMATION AND ANALYSIS DIVISION

Employment Covered by the Illinois Unemployment Insurance Act and Federal Government Employment
As of December 2021 (4th Quarter)

MCLEAN COUNTY

	Number of Units	Number of Employed	Wages (\$1,000s)
Total	3,339	82,291	\$1,279,016
Private Sector (NAICS)	3,217	70,483	\$1,120,548
GOODS-PRODUCING	506	5,705	\$91,142
Natural Resources and Mining	59	358	\$5,297
Agriculture, Forestry, Fishing & Hunting (11)	*	*	*
Mining, Quarrying, & Oil and Gas Extraction (21)	*	*	*
Construction	325	2,400	\$42,730
Construction (23)	325	2,400	\$42,730
Manufacturing	122	2,947	\$43,116
Manufacturing (31,32,33)	122	2,947	\$43,116
SERVICE-PROVIDING	2,711	64,778	\$1,029,406
Trade, Transportation, and Utilities	696	12,490	\$142,194
Wholesale Trade (42)	164	1,812	\$32,883
Retail Trade (44,45)	417	8,375	\$72,841
Transportation & Warehousing (48,49)	107	2,075	\$30,494
Utilities (22)	8	228	\$6,376
Information	48	376	\$6,206
Information (51)	48	376	\$6,206
Financial Activities	326	18,622	\$436,126
Finance & Insurance (52)	196	17,569	\$425,222
Real Estate & Rental & Leasing (53)	130	1,053	\$10,904
Professional and Business Services	538	11,600	\$216,922
Professional, Scientific & Technical Services (54)	342	6,502	\$133,127
Management of Companies & Enterprises (55)	*	*	*
Administrative & Support & Waste Mngmt. (56)	*	*	*
Educational and Health Services	351	10,016	\$143,649
Educational Services (61)	49	1,086	\$10,641
Health Care & Social Assistance (62)	302	8,930	\$133,008
Leisure and Hospitality	412	9,221	\$56,517
Arts, Entertainment & Recreation (71)	71	1,020	\$9,900
Accommodation & Food Services (72)	341	8,201	\$46,616
Other Services	338	2,453	\$27,792
Other Services (81)	338	2,453	\$27,792
Unclassified	2	0	\$0
Unclassified (99)	2	0	\$0
State & Local Government	91	11,388	\$151,837
State Government	*	*	*
Local Government	*	*	*
Federal Government	31	420	\$6,632

* Figures not disclosed due to confidentiality rules

STATE OF ILLINOIS
DEPARTMENT OF EMPLOYMENT SECURITY
ECONOMIC INFORMATION AND ANALYSIS DIVISION

Employment Covered by the Illinois Unemployment Insurance Act and Federal Government Employment
As of December 2022 (4th Quarter)

McLEAN COUNTY

	Number of Units	Number of Employed	Wages (\$1,000s)
Total	3,332	86,253	\$1,341,866
Private Sector (NAICS)	3,209	73,908	\$1,178,257
GOODS-PRODUCING			
Natural Resources and Mining	505	12,313	\$220,234
Agriculture, Forestry, Fishing & Hunting (11)	59	328	\$5,806
Mining, Quarrying, & Oil and Gas Extraction (21)	*	*	*
Construction	325	2,516	\$45,873
Construction (23)	325	2,516	\$45,873
Manufacturing	121	9,469	\$168,555
Manufacturing (31,32,33)	121	9,469	\$168,555
SERVICE-PROVIDING	2,704	61,595	\$958,023
Trade, Transportation, and Utilities	680	12,524	\$140,582
Wholesale Trade (42)	153	1,893	\$33,550
Retail Trade (44,45)	412	8,347	\$68,960
Transportation & Warehousing (48,49)	107	2,056	\$31,241
Utilities (22)	8	228	\$6,831
Information	50	350	\$6,087
Information (51)	50	350	\$6,087
Financial Activities	330	18,169	\$442,266
Finance & Insurance (52)	196	17,038	\$430,325
Real Estate & Rental & Leasing (53)	134	1,131	\$11,941
Professional and Business Services	531	7,825	\$138,825
Professional, Scientific & Technical Services (54)	334	2,834	\$57,940
Management of Companies & Enterprises (55)	*	*	*
Administrative & Support & Waste Mngmt. (56)	*	*	*
Educational and Health Services	361	10,567	\$141,246
Educational Services (61)	48	1,136	\$10,707
Health Care & Social Assistance (62)	313	9,431	\$130,539
Leisure and Hospitality	412	9,473	\$58,233
Arts, Entertainment & Recreation (71)	69	1,075	\$8,456
Accommodation & Food Services (72)	343	8,398	\$49,777
Other Services	333	2,658	\$30,644
Other Services (81)	333	2,658	\$30,644
Unclassified	7	29	\$340
Unclassified (99)	7	29	\$340
State & Local Government	91	11,949	\$157,200
State Government	*	*	*
Local Government	*	*	*
Federal Government	32	396	\$6,409

* Figures not disclosed due to confidentiality rules

1120.120 AVAILABILITY OF FUNDS

Audited Financial Statements are submitted separately from this permit application, attesting to the financial capability of OSF Healthcare System.

The project will be funded with an established line of credit. A letter from Michael Allen, Chief Financial Officer of OSF Healthcare System, is included in Attachment 37, in the section responding to the Reasonableness of Financing Arrangements.

1120.130 FINANCIAL VIABILITY

The following report by Fitch Ratings affirms that OSF Healthcare System has a bond rating of A+. As a result, the applicant meets the requirement for the financial viability waiver.



RATING ACTION COMMENTARY

Fitch Affirms OSF HealthCare System's (IL) IDR at 'A+'; Outlook Stable

Wed 29 Mar, 2023 - 2:35 PM ET

Fitch Ratings - Chicago - 29 Mar 2023: Fitch Ratings has affirmed OSF HealthCare System's (OSF) Issuer Default Rating (IDR) and the ratings applied to revenue bonds issued by the Illinois Finance Authority on behalf of OSF at 'A+'.

The Rating Outlook is Stable.

RATING ACTIONS

ENTITY / DEBT ↕	RATING ↕			PRIOR ↕
OSF Healthcare System (IL)	LT IDR	A+ Rating Outlook Stable	Affirmed	A+ Rating Outlook Stable
OSF Healthcare System (IL) /General Revenues/1 LT	LT	A+ Rating Outlook Stable	Affirmed	A+ Rating Outlook Stable

VIEW ADDITIONAL RATING DETAILS

Analytical Conclusion

The 'A+' reflects OSF's leading market position its core primary service area (PSA) around Peoria, with assets distributed among multiple markets throughout Illinois. Liquidity ratios remained sound at FYE 2022 despite cash flow pressures and equity market volatility. The Stable Outlook considers Fitch's expectation that while macro labor and inflationary pressures will continue to compress operating margins, long term OSF should sustain an operating EBITDA margins generally in the 7% range and its liquidity position should strengthen over time.

SECURITY

Revenue bonds are secured by a security interest in the unrestricted receivables of the obligated group (OG). The OG represents the vast majority of assets and operating revenues.

KEY RATING DRIVERS**Revenue Defensibility - 'bbb'****Broad Reach with Market Lead in Peoria**

OSF has a broad reach across multiple markets in Illinois and the system is the distinct market leader in the core PSA around Peoria. OSF has exclusive or leading positions for many high-end services (e.g., OSF has the only children's hospital between Chicago and St. Louis). Still, many OSF markets are competitive. In the Peoria area (Central Region), OSF's flagship Saint Francis Medical Center competes with Carle Foundation (AA-), which is acquiring the acute care operations in Peoria from UnityPoint Health.

OSF also competes with Carle in the Eastern Region of Bloomington/Pontiac and Campaign/Urbana, where Carle is the market leader in the Urbana area, while OSF is the leader in Bloomington/Pontiac. OSF has one of three hospitals in Rockford, IL (the core of the Northern Region), competing with University of Wisconsin Health's SwedishAmerican Hospital and Mercy Health (A). The acquisition of LCOM in early calendar year 2020 introduced OSF to the competitive Chicago metro market.

Demographic indicators vary by local market. Population trends in many of OSF's more populous service areas are stagnant to declining, although the service area economy is considered to be generally stable. OSF's combined Medicaid and self pay consistently account for less than 25% of gross revenue (including 22.6% in FY22), even though OSF has a large children's hospital (children's hospitals tend to rely heavily on Medicaid).

Operating Risk - 'bbb'**Track Record of Profitability; Margins Compress in FY22**

OSF has a track record of profitability and sound operating EBITDA margins, although like most other hospitals in the U.S. the system faced pronounced operating pressure in FY22. Prior to the pandemic, OSF's operating EBITDA margin averaged around 8%. In FY20, pandemic related challenges resulted in a modest 4.0% operating EBITDA margin. Metrics rebounded in FY21 with a 7.4% operating EBITDA margin. Results compressed noticeably in FY22 with a 1.7% operating EBITDA margin. Despite this degree of margin compression, Fitch would characterize this as roughly in line with industry peers in 2022.

Fitch notes that OSF generally did not face volume pressures in FY22. While the system experienced a 3.4% decline in admissions, this was offset by a 12% increase in observations (resulting in a 0.1% increase in combined admissions/observations). Most other key volumes experienced growth, including unique patients, surgeries, and total outpatient visits.

Like all other healthcare providers in 2022, OSF faced significant labor pressures (combined salaries, benefits and agency costs increased nearly 11%) and generationally elevated inflation. Management also reports a

spike in malpractice expenses because of increased reserves expensed in 2022 related to actuarial adjustments. Per management calculations, OSF met its 1.1x debt service coverage covenant in FY22.

The Stable Outlook reflects Fitch's expectation that operating margins will show significant and sustained improvement over time. Management has budgeted an operating EBITDA margin in excess of 5% in FY23 with further improvement expected in FY24. OSF initiated an improvement plan, which includes streamlining leadership structure, significant reduction in agency costs, supply cost savings, reducing average length of stay (ALOS), targeting additional volume gain opportunities, and structural care delivery remodel.

Management is also pursuing FEMA funding, although this is not budgeted. Longer-term Fitch expects the operating EBITDA margin should be sustained in the 7% range. In unaudited 1Q23 metrics remained compressed with a 0.6% operating EBITDA margin; management's goal is to be profitable by 4Q23 or early FY24.

Capital Spending

OSF's capital spending plans are manageable. Capex has been robust in recent years, as the capital spending ratio averaged approximately 1.8x between fiscal years 2017 and 2022. Capex is starting to moderate, as management is expecting a capital spending ratio in the 1.3x-1.4x range. Capex is highlighted by the Comprehensive Cancer Center in Peoria (which includes a proton beam) as well as continued investments in OSF urgent care centers.

The Cancer Center is supported by considerable philanthropy and a portion is financed by prior bond proceeds. Management does not have new money debt plans in the near term, although Fitch expects a system of OSF's scope to access the capital markets from time-to-time.

Financial Profile - 'a'

Strong Capital-Related Ratios Despite Macro Pressures

OSF's financial profile remains strong in the context of its midrange revenue defensibility and operating risk assessments. Fitch expects capital-related ratios to be strong in the forward-looking stress case.

At FYE 2022 OSF's debt measured nearly \$1.9 billion and unrestricted liquidity was about \$2.1 billion (excluding payroll tax deferrals). OSF has a defined benefit (DB) Church pension. The DB plan was 71% funded compared to a projected benefit obligation (PBO) of just under \$1 billion at FYE 2022. Combined with direct debt, total adjusted debt measured just under \$2 billion at FYE 2022 (Fitch counts the portion of a DB pension plan below 80% funded when calculating adjusted debt). Net adjusted debt-to-adjusted EBITDA was favorably negative at FYE 2022. Liquidity remains robust despite investment volatility; cash on hand measured 202 days at FYE 2022 and does not pose an asymmetric risk to the financial profile.

Given Fitch's operating margin expectations, cash should continue to grow in a base case of the forward-looking scenario analysis. Even in a stress case, cash-to-adjusted debt should approach 120% by year three at which point net adjusted debt-to-adjusted EBITDA should be favorably negative.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--Failure to show material operating improvement in the coming months, particularly if the operating EBITDA margin were expected to be sustained below 6% for an extended period;

--Compression in liquidity and capital-related ratios, particularly if cash-to-adjusted debt in the forward look failed to rebound well above 120%.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--Material rebound in operating metrics in the coming years, with an operating EBITDA margin sustained in the 8%-9% range;

--Improved liquidity, such that cash-to-adjusted debt exceeds 190% even in forward-looking stress case.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Sovereigns, Public Finance and Infrastructure issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of three notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>.

PROFILE**CREDIT PROFILE**

OSF is a large integrated health system headquartered in Peoria, IL. The system operates 15 acute-care hospitals in three regions: the Central Region, centered on Peoria, IL where the flagship OSF Saint Francis Medical Center referral center is located; the Eastern Region, inclusive of on Urbana, Danville, Bloomington, and the Chicago south suburbs; and the Western Region, centered on Galesburg and Rockford (and inclusive of suburban St. Louis operations). OSF's total audited operating revenue exceeded \$3.8 billion in audited FY22 (September 30 FYE).

In addition to the sources of information identified in Fitch's applicable criteria specified below, this action was informed by information from Lumesis.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg

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Additional information is available on www.fitchratings.com**PARTICIPATION STATUS**

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

U.S. Not-For-Profit Hospitals and Health Systems Rating Criteria (pub. 18 Nov 2020) (including rating assumption sensitivity)

Public Sector, Revenue-Supported Entities Rating Criteria (pub. 01 Sep 2021) (including rating assumption sensitivity)

APPLICABLE MODELS

Numbers in parentheses accompanying applicable model(s) contain hyperlinks to criteria providing description of model(s).

Portfolio Analysis Model (PAM), v2.0.0 (1)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

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Illinois Finance Authority (IL)

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US Public Finance

Healthcare and Pharma

North America

United States

1120.140 ECONOMIC FEASIBILITY

- A. Reasonableness of Financing Arrangements *and*
- B. Conditions of Debt Financing

See the following letter by Michael Allen, Chief Financial Officer, OSF Healthcare System.

- C. Reasonableness of Project and Related Costs

See the following table of capital construction and modernization costs for the clinical and non-clinical components of the project. Also included in this section is a copy of the table *Project Costs and Sources of Funds*, and accompanying narrative explanations of the line items of cost.

- D. Projected Operating Cost

Table follows in this section.

- E. Total Effect of the Project on Capital Costs

Table follows in this section.



OSF HEALTHCARE

August 17, 2023

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

Re: Financing Arrangements
Bed Expansion Project
OSF St. Joseph Medical Center

Dear Chairwoman Savage:

My name is Michael Allen. As Chief Financial Officer, OSF Healthcare System, I attest to the fact the selected form of debt financing will be at the lowest cost available, or if not, it will be more advantageous due to other terms, such as pre-payment privileges, lack of security interest, loan timing, or other reasons.

Sincerely,

Michael M. Allen, Chief Financial Officer
OSF Healthcare System
124 S.W. Adams Street
Peoria, IL 61602

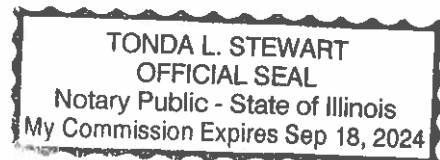
Notarization:

Subscribed and sworn to before me

this 18th day of August 2023

Signature of Notary

Seal



Attachment 37

C. Reasonableness of Project and Related Costs

COST AND SQUARE FOOT BY DEPARTMENT

Department	A	B	C	D	E	F	G	H		As Is
	Cost / Sq Ft		DGSF		DGSF		Const \$	Mod \$	Total Cost	Sq Ft
	New	Mod	New	Circ %	Mod	Circ %	(A x C)	(B x E)	(G + H)	
CLINICAL										
ICU										
new construction	\$586.34		312	0%			\$182,938		\$182,938	
modernization		\$424.48			9,699	29%		\$4,117,032	\$4,117,032	
Medical/surgical										
new construction	\$558.62		2,570	23%			\$1,435,653		\$1,435,653	
modernization		\$398.57			2,290	10%		\$912,725	\$912,725	
Clinical subtotal	\$561.62	\$419.53	2,882	21%	11,989	25%	\$1,618,591	\$5,029,757	\$6,648,348	
NON-CLINICAL										
Public toilets, family room		\$975.62			128			\$124,879	\$124,879	
Admin, conference room		\$913.53			458			\$418,397	\$418,397	
Lockers and lounge		\$946.38			228			\$215,775	\$215,775	
Mech, bldg systems, hskp		\$1,198.64			50			\$59,932	\$59,932	
Public circulation	\$1,989.74	\$959.52	788		896		\$1,567,912	\$859,730	\$2,427,642	
Subtotal Non-clinical	\$1,989.74	\$953.81	788		1,760		\$1,567,912	\$1,678,713	\$3,246,625	
TOTAL CONSTRUCTION	\$868.26	\$487.92	3,670		13,749		\$3,186,503	\$6,708,470	\$9,894,973	

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$127,300	\$62,700	\$190,000
Site Survey and Soil Investigation	---	---	---
Site Preparation	\$371,850	\$183,150	\$555,000
Off Site Work	---	---	---
New Construction Contracts	\$1,618,591	\$1,567,912	\$3,186,503
Modernization Contracts	\$5,029,757	\$1,678,713	\$6,708,470
Contingencies	\$916,323	\$408,598	\$1,324,921
Architectural/Engineering Fees	\$586,000	\$289,000	\$875,000
Consulting and Other Fees	\$335,370	\$165,179	\$500,549
Movable or Other Equipment (not in construction contracts)	\$1,843,553	\$78,447	\$1,922,000
Bond Issuance Expense (project related)	---	---	---
Net Interest Expense During Construction (project related)	\$1,500,950	\$739,260	\$2,240,210
Fair Market Value of Leased Space or Equipment	---	---	---
Other Costs to Be Capitalized	\$180,000	\$90,000	\$270,000
Acquisition of Building or Other Property (excluding land)	---	---	---
TOTAL USES OF FUNDS	\$12,509,694	\$5,262,959	\$17,772,653
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities			
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources – Line of Credit Loan	\$12,509,694	\$5,262,959	\$17,772,653
TOTAL SOURCES OF FUNDS	\$12,509,694	\$5,262,959	\$17,772,653
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Project Cost and Sources of Funds
Supporting Narrative

Pre-planning Costs \$190,000

Pre-planning costs include clinical pre-planning during the strategic planning phase, including concept development and feasibility studies by an architectural consultant, a medical equipment planner, and a construction manager to estimate high-level capital costs related to long term financial planning. \$127,300 of cost is related to clinical components of the project.

Site Preparation \$555,000

The site preparation work includes interior & exterior selective building demolition, site demolition, and mobilization costs. \$371,850 of cost is related to clinical components of the project.

Modernization costs \$6,708,470

The construction contract for the modernization portion of the project includes all renovation costs to build the project including contractor's overhead and fees. Due to an ongoing and unprecedented hyper-escalation of costs in the construction industry, the modernization construction contract includes an estimated 8% escalation to account for anticipated but unknown price and labor increases through the mid-way point of the construction process.

The conversion from non-clinical space to clinical space on the 1st floor is the majority of clinical construction cost associated with the project. It consists of converting 11,989 dgsf to accommodate both ICU and medical/surgical rooms. All 15 ICU rooms and a portion of 6 of the 10 medical/surgical rooms are in the modernized space.

ICU: 9,699 dgsf at a cost of \$4,117,032 = \$424.48 per sq ft

Medical/surgical: 2,290 dgsf at a cost of \$912,725 = \$398.57 per sq ft

With a clinical area total modernization cost of \$5,029,757 and the total Departmental Gross Square Feet (DGSF) of clinical space modernized at 11,989 square feet, the average cost per modernized clinical square foot is \$419.53.

Of the total \$419.53 per sq ft, approximately \$70/sf is attributed to construction requirements that are not associated with an average hospital modernization construction project as outlined below.

1. The vast majority of the modernization taking place on the first floor is in an area that is currently business occupancy (outpatient rehabilitation, education, and office space). Therefore, infrastructure required to support these new inpatient care spaces needs to be added or extended to these areas. Some examples include the extension of the medical gas system to each patient room, the addition of private bathrooms with showers and the associated domestic water and underslab plumbing required, the installation of exhaust ductwork for toilet rooms and the four ICU isolation rooms whose exhaust will be routed up

thru the existing second floor space to the roof to provide proper separation from windows and air intakes, and the installation of extensive low voltage systems for patient monitoring.

2. The existing space presents a difficult floor plate with angles and existing columns at the interior of the building. This results in some spaces that are oddly shaped or have inefficient layouts requiring extra space and associated additional cost.
3. The exterior of the existing building has a combination of ribbon windows, full-height storefront windows, and areas of continuous masonry walls. In order to provide windows at each of the patient rooms, there is extensive work required at the building envelope. This includes infilling the areas of storefront windows with masonry and new windows and creating new window openings in existing masonry walls. Additionally, portions of the existing ribbon windows will be blanked off to construct patient bathrooms at the exterior walls. This level of exterior building envelope work is not typical for the average hospital modernization project.
4. Upgraded flooring, wall protection, and ceiling systems to withstand heavy duty wear and tear with an eye toward infection control in keeping with recent upgrades made to other patient room spaces. These finishes are not standard in other general clinical spaces and typically have a premium cost in comparison to other less-specialized clinical spaces.
5. Due to the project complexity and various phasing requirements, there are many unknowns that will not be discovered until construction begins. For this reason, we include overtime and phasing allowances in the modernization costs. These construction allowances help alleviate changes that need to be made due to the sensitive location where construction is taking place. A large portion of the project is located below the second-floor obstetrics unit, and the project also adjoins the surgery waiting area. Certain work that could normally be complete during the day needs to be adjusted to off-hours to avoid disturbance to patient care.
6. Hyper cost escalation. Construction of healthcare (and other) facilities are currently experiencing an unprecedented rate of escalation, exceeding the standard 3% per year. The contract costs currently include an 8% escalation on top of the estimated costs to account for unknown pricing and labor increases.

In summary, these complexities add a premium of approximately \$70/sq ft ($\$70 \times 11,989 = \$839,230$). These factors imply that the \$419.53 clinical cost per DGSF of the modernization compares to a level of \$349.53 per sq ft.

New Construction costs \$3,186,503

The construction contract for the new construction portion of the project includes all new addition costs to build the project including contractor's overhead and fees. Due to an ongoing and unprecedented hyper-escalation of costs in the construction industry, the new construction contract includes an estimated 8% escalation to account for anticipated but unknown price and labor increases through the mid-way point of the construction process.

The existing 11,989 sq ft that is being modernized for future clinical space is not sufficient to accommodate the 25 bed project; a first floor addition of 2,882 sq ft of clinical space is planned adjacent to the space being modernized. This includes 312 sq ft for ICU expansion and 2,570 sq ft for medical/surgical beds and supporting clinical space. Four of the 10 medical/surgical rooms are entirely in the new construction space. Portions of 2 ICU rooms and 6 of the 10 medical/surgical rooms are in the new construction space.

ICU: 312 dgsf at a cost of \$182,938 = \$586.34 per sq ft

Medical/surgical: 2,570 dgsf at a cost of \$1,435,653 = \$558.62 per sq ft

With new clinical construction of cost of \$1,618,591 and 2,882 sq ft of newly constructed clinical space, the average cost per sq ft is \$561.62.

Of the total \$561.62 per sq ft, approximately \$80/sf is attributed to construction requirements that are not associated with a typical construction project as outlined below.

1. Tight construction site with difficult access. The location of the new construction includes additions at two locations. The primary addition is in an existing building nook (with existing buildings on three sides) that is mostly obstructed by the existing entry drive canopy, effectively creating a courtyard. This condition presents significant access challenges requiring the use of both smaller equipment that can fit into the space and larger equipment such as cranes that must be able to reach into the space from the existing drive. Both the inefficiency of smaller equipment and the added expense of larger equipment results in a cost premium. The smaller addition area is the infill of the existing covered building entrance at the corner of the building. Since this area has the existing second floor overhead, it presents tight access and overhead restrictions making construction in this area challenging.
2. Tie-ins to the existing building include foundation walls, concrete slabs, masonry exterior walls, metal stud interior walls, and roofs. These tie-ins require special consideration for structural stability, allowance for building movement, and proper water tightness and include elements such as dowels, expansion joints, flashings, and sealants.
3. The adjacency of the existing lower level of the hospital requires that deep foundations be utilized for portions of the building addition to address lateral loads. Deep foundations have a premium cost when compared to conventional shallow foundations systems.
4. Infrastructure required to support these new inpatient care spaces needs to be extended to these areas. Some examples include the extension of the medical gas system to each patient room, construction of private bathrooms with showers and the associated domestic water and underslab plumbing required, the installation of exhaust ductwork for toilet rooms, the installation of extensive low voltage systems for patient monitoring, and the extension of the pneumatic tube system. The density of infrastructure in patient room areas has a premium cost in comparison to other less-specialized clinical spaces.

5. Upgraded flooring, wall protection, and ceiling systems to withstand heavy duty wear and tear with an eye toward infection control in keeping with recent upgrades made to other patient room surgical spaces. These finishes are not standard in other general clinical spaces and typically have a premium cost in comparison to other less-specialized clinical spaces.
6. Hyper cost escalation. Construction of healthcare (and other) facilities are currently experiencing an unprecedented rate of escalation, exceeding the standard 3% per year. The contract costs currently include an 8% escalation on top of the estimated costs currently to account for unknown pricing and labor increases.

In summary, these complexities add a premium of approximately \$80/sq ft ($\$80 \times 2,882 = \$230,560$). These factors imply that the \$561.62 clinical cost per dgsf of the new construction compares to a level of \$481.62 per sq ft.

The new construction contract also includes the construction of a new entry addition to replace the existing entry referenced above that will be vacated and infilled to create clinical space. The new entry addition is a single-story steel-framed addition totaling 788 sq ft. The purpose of this addition is to provide a convenient entry and exit point at the northwest corner of the hospital. The addition is positioned adjacent to the existing drop off canopy, and a new covered overhang provides weather protection for pedestrians travelling to and from the entry. This entry is used by hospital visitors and is the primary exit point for obstetrics patients after discharge. The exterior of the addition is clad with masonry, and significant storefront glazing is included to provide visibility to the drive and canopy pick-up point as well as to the adjacent landscaped areas. The new entry addition includes a 1.5-story area with large building entrance signage immediately above the entry vestibule to provide prominence and visibility from the nearby public roadway. This 788 sq ft part of the addition is non-clinical/public circulation space.

Contingencies \$1,324,921

The project costs are currently based off schematic design phase. There are many complexities to this project that require further evaluation. As a result the maximum 10% contingency is budgeted for new construction, and 15% contingency for modernization.

Total clinical construction and modernization cost of \$6,648,348

Of this total, \$5,029,757 is clinical modernization; \$1,618,591 is clinical new construction

Clinical contingency of \$161,859, 10% of \$1,618,591 new construction

Clinical contingency of \$754,464, 15% of \$5,029,757 modernization

Total clinical contingency is \$916,323, as shown on the Project Costs and Sources of Funds table.

The remaining contingency of \$408,598 is assigned for the non-clinical areas of the project. It is also based on 10% of new construction ($10\% \times \$1,567,912 = \$156,791$) and 15% of non-clinical modernization. ($15\% \times \$1,678,713 = \$251,807$). $\$156,791 + \$251,807 = \$408,598$.

A/E fees \$875,000

The architectural and engineering fees cover the cost of programming, interior design, schematic design, design development, construction documentation and construction administration.

Total A/E fees are \$875,000.

\$289,000 (8.25% of the total of \$3,505,153)

(New construction of \$3,186,503 plus new construction contingency of \$318,650)

\$586,000 (7.60% of the total \$7,714,741)

(Modernization cost of \$6,708,470 plus modernization contingency of \$1,006,271)

These compare favorably with the standards of 6.42% - 9.64% for new construction under \$5,000,000 and 6.04% - 9.08% for modernization under \$9,000,000.

Consulting and other fees \$500,549

The consultant fees include the following:

- Program management services
- Medical equipment planning & procurement
- Commissioning Consultant (Building Systems)
- Water Management Testing and consultation
- FF&E Design
- IT/IM Project management services
- Construction management
- CON advisory services

The project fees include costs associated with the following reviews and permits:

- CON filing fee
- IDPH application cost
- City of Bloomington building permit application fee
- Bloomington-Normal Water Reclamation District fees

Moveable equipment, furnishings \$1,922,000

Equipment costs are projected to be as follows:

Patient rooms (25)	\$1,527,705
Care team	\$38,696
Med room	\$68,458
Nourishment	\$10,323
Clean supply	\$6,847
Soiled utility	\$2,702
Equipment storage	\$188,822
Other equipment	\$17,143

An additional \$61,304 in furnishings includes tables and chairs for the breakroom and consult room, desks and work stations at the care team area and offices, and chairs outside patient rooms.

Net interest expense during construction \$2,240,210

The project will be funded with a line of credit. Interest payments are estimated at \$2,240,210.

Other Capital Costs \$270,000

IT (\$210,000)

Computers, peripherals, printers, applications / licensing, network equipment and cabling.

Artwork (\$10,000)

Best patient and family experience in all clinical spaces and artwork is a key component.

Signage (\$50,000)

This includes new interior room identification signage and wayfinding signage for the new construction and modernization construction. This also includes new exterior building signage for the new entry addition. Due to the impact of modernization within an existing facility, not only do all the new spaces need new signage, but a large portion of existing wayfinding signage will need to be updated throughout the facility, outside of the areas impacted by construction.

D. Project Operating Costs

Estimated Project Start Up Operating Cost
(first year) \$ 13,536,000

Project Direct Operating Expenses – 2 years after
project completion (Year 2028)

	Bed Expansion Project
Total Operating Costs	\$14,221,000
Equivalent Patient Days	6,388
Direct Cost per Equivalent Patient Day	\$2,226

E. Total Effect of the Project on Capital Costs

Projected Capital Costs – two years after project
completion (2028)

	Project, FY 2028	Total hospital, FY 2028
Equivalent Patient Days (all St. Joseph Medical Ctr)	--	103,260
Total Project Capital Cost	\$17,800,000	--
Useful Life	20	--
Total Annual Depreciation	\$890,000	\$9,690,000
Depreciation Cost per Equivalent Patient Day	\$139	\$94

Safety Net Impact Statement

1. The project's material impact, if any, on essential safety net services in the community, including the impact on racial and ethnic disparities in the community, to the extent that it is feasible for an applicant to have such knowledge.

Health safety net services have been defined as services provided to patients who are low-income and otherwise vulnerable, including those uninsured and covered by Medicaid. (Agency for Healthcare Research and Quality, Public Health Services, U.S. Department of Health and Human Services, "The Safety Net Monitoring Initiative," AHRQ Pub. No 03-P011, August, 2003.)

OSF St. Joseph Medical Center provides several services that are considered safety net services. These include emergency medical care (Level II trauma), outpatient clinic services, pharmaceuticals and other medical services. These services do not cover their costs, and are subsidized by revenues generated from inpatient care, including medical/surgical and intensive care, as well as diagnostic services. The expansion of medical/surgical and ICU services at SJMC will continue the hospital's ability to subsidize and strengthen safety net services.

The payor mix of inpatient services (based on patient days) will continue to reflect the current mix (Year 2022):

Medicare:	62.4%
Medicaid:	13.8%
Commercial:	22.4%
Self Pay:	1.4%
TOTAL	100.0%

In addition, the expanded inpatient services will provide a similar percentage of charity care as the current facility provides.

OSF St. Joseph Medical Center is an active member of the McLean County Community Health Council. The Council's 2020-2022 McLean County Community Health Improvement Plan selected three significant public health needs: access to appropriate care, behavioral health (including mental health and substance abuse) and healthy eating/active living.

The first area of focus emphasizes access to appropriate care for the underserved and areas of high socioeconomic need, including need related to geographic and racial/ethnic disparities in McLean County. In support of this issue, SJMC served over 350 patients through the Community Health Care Clinic's CAATCH program (Coordinating Appropriate Access to Comprehensive Care). The hospital collaborated with Chestnut Health Systems to bring community health workers to Bloomington-Normal for special assistance to individuals with chronic health conditions. SJMC provided COVID-19 education and vaccinations throughout its communities, as well as free 6-week education sessions to patients struggling with chronic disease and lifestyle challenges. OSF Healthcare sponsored the Peace Meal Senior Nutrition Program, delivering over 145,000 meals to seniors living in McLean County.

Regarding behavioral health, the McLean County Mental Health Action Plan includes the goal of reducing the percentage of residents stating that they have poor overall mental health from 8% to 7%, based on the 2019 Community Health Needs Assessment survey. In 2022, more than 15,000 patients were screened for SDOH (Social Determinates of Health). 407 patients were referred to community based organizations for follow-up; 134 additional patients were referred to OSF Care Management and social workers. OSF is active in training community members in Mental Health First Aid, provides courses in mental health first aid for the community, and posts bi-monthly social media messages with collaborating agencies.

Obesity is a widespread health issue affecting many people in McLean County across all social and economic sectors. OSF St. Joseph Medical Center is one of about 30 organizations in the McLean County Wellness Coalition actively promoting healthy eating and active living. Last year, OSF St. Joseph Medical Center reached over 3,600 individuals in community presentations related to nutrition, as well as being a sponsor of school and youth programs focused on wellness education, and contributor to food co-operatives.

The OSF Community Benefit Report for FY ending September, 2022 lists OSF St. Joseph Medical Center providing \$3,460,583 in charity care (at cost) including almost \$700,000 in emergency department charity care. The hospital also provided \$48,863,273 in unreimbursed government-sponsored indigent health care.

2. The project's impact on the ability of another provider or healthcare system to cross-subsidize safety net services, if reasonable known to the applicant.

The expansion of ICU and medical/surgical beds at OSF St. Joseph Medical Center will have no impact on other hospitals' ability to provide safety net services. The source of patients to be served in the additional 25 beds is new population growth, patients moving to the County from outside the area, primarily as the result of job growth in the Bloomington-Normal area. The patients are not being drawn from the only other hospital in the County, namely Carle BroMenn Medical Center.

3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

There is no discontinuation of any clinical services associated with the proposed project.

4. Additional information on Safety Net Services.

A. For the three fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by the hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with the appropriate methodology specified by the Board.

B. For the three fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by

Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

See the following tables for OSF Healthcare System and OSF St. Joseph Medical Center.

Safety Net Information per PA 96-0031			
For OSF St. Joseph Medical Center			
CHARITY CARE			
Charity (# of patients)	2020	2021	2022
Inpatient	112	96	84
Outpatient	3,112	3,784	2,735
Total	3,224	3,880	2,819
Charity (cost in dollars)			
Inpatient	\$1,246,476	\$1,622,060	\$1,357,928
Outpatient	\$1,946,132	\$1,780,359	\$2,102,655
Total	\$3,192,608	\$3,402,419	\$3,460,583
MEDICAID			
Medicaid (# of patients)	2020	2021	2022
Inpatient	745	823	749
Outpatient	25,336	33,296	32,525
Total	26,081	34,119	33,274
Medicaid (revenue)			
Inpatient	\$9,898,644	\$12,563,764	\$15,424,429
Outpatient	\$11,624,148	\$12,034,933	\$14,054,458
Total	\$21,522,792	\$24,598,697	\$29,478,887

Safety Net Information per PA 96-0031 For OSF Healthcare System CHARITY CARE			
Charity (# of patients)	2020	2021	2022
Inpatient	1,231	945	857
Outpatient	22,945	28,323	25,162
Total	24,176	29,268	26,019
Charity (cost in dollars)			
Inpatient	\$18,862,733	\$17,740,857	\$19,288,516
Outpatient	\$22,422,102	\$22,532,449	\$25,420,598
Total	\$41,284,835	\$40,273,306	\$44,709,114
MEDICAID			
Medicaid (# of patients)	2020	2021	2022
Inpatient	14,074	15,608	15,168
Outpatient	307,481	427,556	506,719
Total	321,555	443,164	521,887
Medicaid (revenue)			
Inpatient	\$253,442,281	\$274,688,101	\$337,605,609
Outpatient	\$131,986,088	\$201,739,577	\$242,779,460
Total	\$385,428,369	\$476,427,678	\$580,385,069

CHARITY CARE – OSF Healthcare System			
	2020	2021	2022
Net Patient Revenue	\$2,383,901,200	\$2,978,991,756	\$3,211,070,549
Amount of Charity Care (charges)	\$201,864,109	\$195,002,654	\$217,695,250
Cost of Charity Care	\$41,284,835	\$40,569,889	\$54,215,573

CHARITY CARE – OSF St. Joseph Medical Center			
	2020	2021	2022
Net Patient Revenue	\$180,211,007	\$242,165,268	\$240,392,314
Amount of Charity Care (charges)	\$16,108,010	\$17,779,404	\$15,830,665
Cost of Charity Care	\$3,193,143	\$3,402,420	\$3,460,620

SECTION XI -SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

1. Applicant: OSF ST. JOSEPH MEDICAL CENTER 2200 E. WASHINGTON ST.
 (Name) (Address)
BLOOMINGTON IL 61701
 (City) (State) (ZIP Code) (Telephone Number)
2. Project Location: 2200 E. WASHINGTON ST. BLOOMINGTON, IL
 (Address) (City) (State)
MCLEAN
 (County) (Township) (Section)

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go to NFHL Viewer** tab above the map. You can print a

copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes___ No X ?

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN? NO.

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: _____ Effective Date: _____
 Name of Official: _____ Title: _____
 Business/Agency: _____ Address: _____

(City) (State) (ZIP Code) (Telephone Number)
 Signature: _____ Date: _____

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

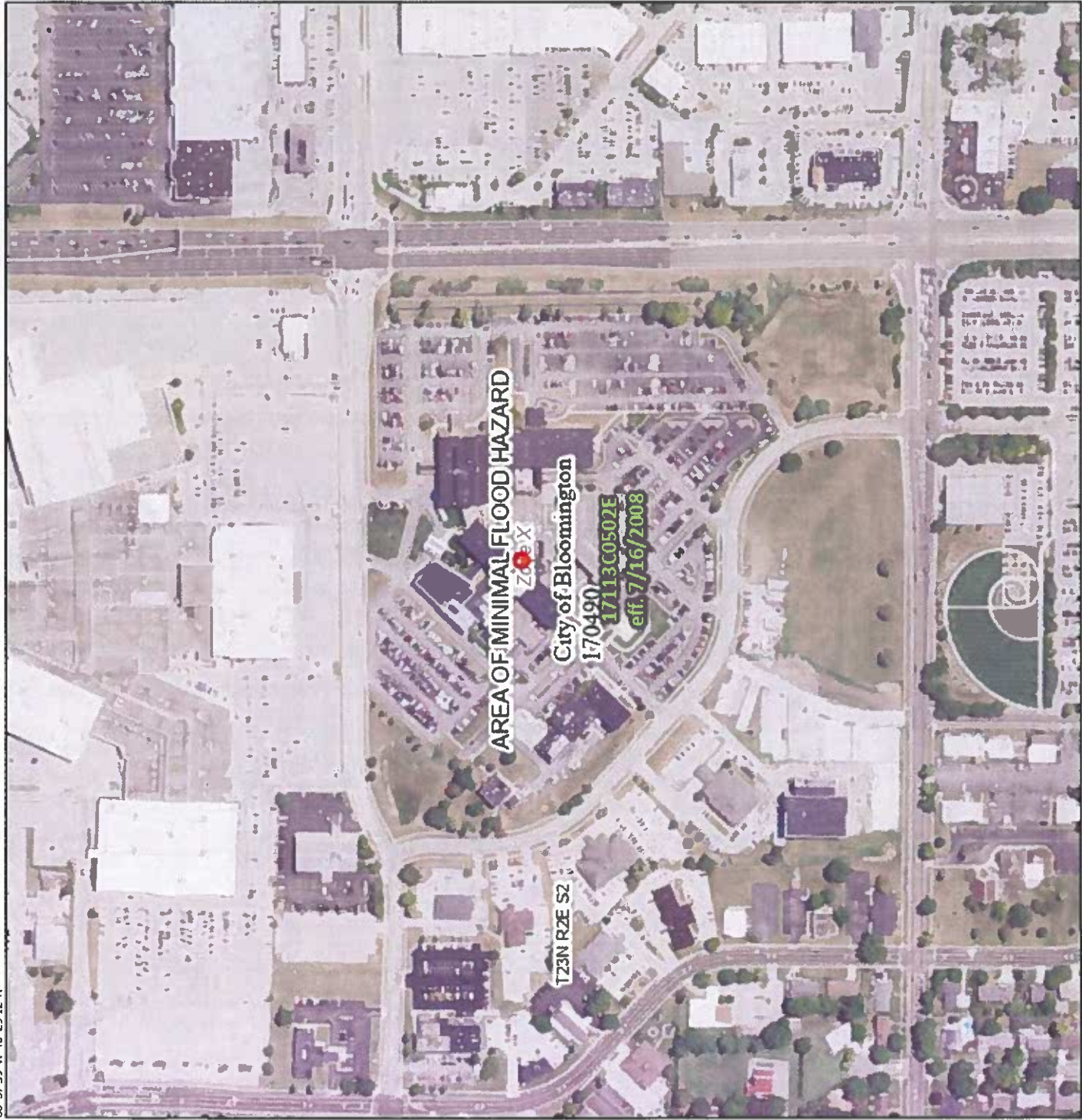
If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

Flood Plain

National Flood Hazard Layer FIRMette



88°57'39"W 40°29'12"N



Feet 1-6 000

88°57'2"W 40°28'44"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, V, A99
	With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD	0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depths less than one foot or with drainage areas of less than one square mile (Zone X)
	Future Conditions 1% Annual Chance Flood Hazard (Zone X)
	Area with Reduced Flood Risk due to Levee. See Notes. (Zone X)
	Area with Flood Risk due to Levee (Zone D)
OTHER AREAS	NO SCREEN
	Area of Minimal Flood Hazard (Zone X) Effective LOMRs
GENERAL STRUCTURES	Area of Undetermined Flood Hazard (Zone X)
	Channel, Culvert, or Storm Sewer Levee, Dike, or Floodwall
OTHER FEATURES	Cross Sections with 1% Annual Chance Water Surface Elevation
	Coastal Transect
	Base Flood Elevation Line (BFE)
	Limit of Study
	Jurisdiction Boundary
	Coastal Transect Baseline
MAP PANELS	Profile Baseline
	Hydrographic Feature
	Digital Data Available
	No Digital Data Available
	Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 7/25/2023 at 7:14 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for

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