

March 30, 2016

Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield IL 62761

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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Report; CON Permit 10-073
University of Illinois Medical Center at Chicago
Infrastructure and Select Clinical Modernization

Dear Chair Olson,

This is our fifth Annual Report for this approved project as required by Section 1130.750 (effective June 1, 2015). The project was obligated as of September 17, 2012 and on November 17, 2015, the permit was renewed until June 15, 2017. The attached Exhibit A profiles funds expended as of March 1, 2016 toward the approved project.

Project and non-project components related to the electrical, mechanical, plumbing, and infrastructure modernization are complete. The clinical space renovations are partially complete, excepting in particular the approved hybrid OR, which has been delayed due to unforeseen complexities affecting the entire project timeline. These complexities are due, in part, to unforeseen infrastructure conditions which required remediation, as well as necessary changes to the design team that were required to ensure the appropriate response to these conditions.

As noted in our Permit Renewal documentation, we may be requesting a Permit Alteration. If one is required, it will pertain solely to non-clinical modernization considerations.

Financing for the permitted project has not changed and our most recent bond rating remains A-2. If we can provide further information, please contact me at 312-996-3900 or by e-mail at dhloff@uic.edu.

Sincerely,



David H. Loffing
Chief Operating Officer

Attachment A, Expended Funds

CC: Courtney R. Avery, Administrator
Mike Constantino, Supervisor, Project Review Section
Cynthia Alcantara, University of Illinois Hospital
Janet Scheuerman, PRISM Healthcare Consulting
Ed Parkhurst, PRISM Healthcare Consulting
Doug Swill, Drinker, Biddle & Reath LLP

Exhibit A

University of Illinois Medical Center at Chicago Fifth Annual Progress Report Permit No. 10-073 Project Cost Information (as of 3/1/16)		
Use of Funds	Approved Permit Amount	Funds Expended
Preplanning Costs	\$ 280,00	\$ 136,102
Modernization Contracts	\$ 24,000,000	\$ 25,381,680
Architecture & Engineering Fees	\$ 1,954,000	\$ 2,984,312
Consulting & Other Fees	\$ 558,240	\$ 504,258
Contingencies	\$ 2,776,195	\$ 1,226,220
Equipment	\$ 6,000,000	\$ 1,585,558
Bond Issuance Expense	\$ 800,000	\$ 664,608
Net Interest Expense During Construction	\$ 2,818,125	\$ 3,491,379
Other Capitalized Costs	\$ 746,463	\$ 504,258
Grand Total	\$ 39,933,023	\$ 36,478,375