



Advocate Good Shepherd Hospital

450 West Highway 22 || Barrington, IL 60010 || T 847.381.0123 || advocatehealth.com

June 24, 2014

Via Overnight Carrier

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

Re: Project #13-016 Advocate Good Shepherd Hospital (the "Project")

Annual Progress Report

Advocate Health and Hospitals Corporation, (dba Advocate Good Shepherd Hospital),
and Advocate Health Care Network
Modernization Project

Dear Ms. Avery:

Advocate Good Shepherd Hospital is pleased to submit to you our annual progress report on the Project referenced above in accordance with requirements of the 77 Ill. Adm. Code 1130.760. The Project is for the campus modernization consisting of 229,013 SF (New) and 154,507 SF (Modernization) for a combined project total of 383,520SF. The Review Board granted the permit for this Project June 26, 2013.

1. Current status of the Project

Obligation: The Project is not currently obligated, however we have obligated (early phases) on June 10, 2014 by the signing of a construction contract with M.A. Mortenson Construction Company. We do not anticipate any issues obligating the project in accordance with the date specified in the permit (December 2014).

- IDPH design review was submitted on August 14, 2013 and approved on March 17, 2014. Concurrent to the design review we submitted a fast track portion for construction review on October 28, 2013 (Phase 1 through Phase 4). Demolition was approved on December 13, 2013, and construction was approved on March 18, 2014. Phase 5 (Interim Breast Center) was approved on April 2, 2014. The construction review submittal for the balance of the modernization project was submitted on April 2, 2014 and we have provided a response to all IDPH review comments dated June 6, 2014. We anticipated final IDPH approval on the balance of the modernization project in the next 30 days.

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Advocate Good Shepherd Hospital
 Project #13-016
 Annual Progress Report – June 2014

- The Village of Lake County issued building permits by phase for this Project. The North Site Utilities permit was issued on August 8, 2013. Phase 1 through Phase 4 has been issued individually by phase between April 1 through April 15, 2014.

Percentage of the project finished: The Project is approximately 9 % complete

Components of Project finished: North Site Utilities.

Components yet to be finished: New structures Core and Shell (North & South), interior build-out and interior renovations (multiple phases).

There are no changes to the scope or size of the project.

2. Costs

Costs incurred to date, an itemized listing of the total current estimated Project costs, and a comparison of those costs to the approved permit amounts are shown below.

	Costs incurred to date	Estimated Project costs	Permit amount
Preplanning Costs	\$ 1,062,990	\$ 1,090,000	\$ 1,090,000
Site Survey and soil Investigation	\$ 16,775	\$ 70,000	\$ 70,000
Site Preparation	\$ 1,734,905	\$ 10,200,000	\$ 10,200,000
New Construction Contracts	\$ 7,103,104	\$ 94,100,043	\$ 94,100,043
Modernization Contracts	\$ 6,052,248	\$ 43,454,010	\$ 43,454,010
Contingencies	\$ -	\$ 11,681,725	\$ 11,681,725
Architectural/Engineering Fees	\$ 6,965,986	\$ 8,200,000	\$ 8,200,000
Consulting and Other Fees	\$ 263,688	\$ 2,050,921	\$ 2,050,921
Movable or Other Equipment (not in construction contracts)	\$ 282,401	\$ 44,978,386	\$ 44,978,386
Bond Issuance Expense (project related)	\$ 164,339	\$ 1,584,817	\$ 1,584,817
Net Interest Expense During Construction (project related)	\$ 200,672	\$ 24,187,145	\$ 24,187,145
Other Costs To Be Capitalized	\$ 722,057	\$ 5,244,035	\$ 5,244,035
TOTAL USES OF FUNDS	\$ 24,569,165	\$ 246,841,082	\$ 246,841,082

Advocate Good Shepherd Hospital
Project #13-016
Annual Progress Report – June 2014

3. Method of financing the Project and sources of Funds

See below table for financing breakdown.

SOURCE OF FUNDS	TOTAL
Cash and Securities	\$ 234,376,958
Bond Issues (project related)	\$ 12,464,124
TOTAL SOURCES OF FUNDS	\$ 246,841,082

4. Anticipated date of completion

The Project completion date in the permit is December 31, 2017. The Project current schedule forecasts completion within the time constraints of the approved permit duration.

Please contact me at (630) 929-5575 or Sonja Reece at (309) 268-5482 if you have any questions about this report.

Sincerely,



Albert L. Manshum, III
Vice President, Facilities and Construction

cc: James Kokaska
Paul Neff
Scott Nelson
Peter Messina
Trent Gordon
Sonja Reece