

September 6, 2016

Via Overnight Courier

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

RECEIVED

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Project #13-026 Advocate Lutheran General Hospital (the "Project")

Annual Progress Report

Advocate Health and Hospitals Corporation, (dba Advocate Lutheran General Hospital),
and Advocate Health Care Network Modernization Project

Dear Ms. Avery:

Advocate Lutheran General Hospital is pleased to submit 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 Expansion of the Emergency Department and Surgery Department originally consisting of 59,635 sf (New) and 6,829 sf (Modernization) for a combined project total of 66,464 sf. The Review Board granted the permit for this Project August 13, 2013.

An Alteration was granted April 22, 2015 to increase the total GSF by 2,229 and increase the costs from \$39,642,456 to \$40,636,730.

1. Current status of the Project

Obligation: The Project was obligated before February 13, 2015 (contract to Turner Construction executed September 8, 2014).

- IDPH design review was submitted on October 3rd, 2013 and approved on March 3, 2014.
- The City of Park Ridge issued a building permit for this Project on March 11, 2014.

Components of Project finished: The new ED and OR expansion is fully constructed.

- IDPH final occupancy was issued March 31, 2016.
- City of Park Ridge Occupancy was issued April 21, 2016.

Components yet to be finished: The new ED and OR expansion is fully constructed. Hospital is negotiating final change order with Contractor and closing any remaining invoices.

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	Alteration Permit amount
Preplanning Costs	\$ 70,000	\$ 70,000	\$ 113,185
Site Survey and soil Investigation	\$ 67,856	\$ 67,856	\$ 150,000
Site Preparation	\$ 2,799,162	\$ 2,799,162	\$ 1,812,100
New Construction Contracts	\$ 24,645,176	\$ 24,800,458	\$ 22,329,764
Modernization Contracts	\$ 567,937	\$ 567,937	\$ 1,192,797
Contingencies			\$ 3,162,418
Architectural/Engineering Fees	\$ 2,937,229	\$ 2,957,530	\$ 2,248,749
Consulting and Other Fees	\$ 642,640	\$ 660,899	\$ 1,326,826
Movable or Other Equipment (not in construction contracts)	\$ 4,637,263	\$ 4,822,679	\$ 3,399,974
Bond Issuance Expense (project related)	\$ 147,628	\$ 147,628	\$ 368,353
Net Interest Expense During Construction (project related)	\$ 511,752	\$ 511,752	\$ 2,145,115
Other Costs To Be Capitalized	\$ 569,138	\$ 592,714	\$ 2,387,449
TOTAL USES OF FUNDS	\$ 37,595,781	\$ 37,998,616	\$ 40,636,730

3. Method of financing the Project and sources of Funds

See below table for financing breakdown.

SOURCE OF FUNDS	TOTAL
Cash and Securities	\$ 29,440,061
Bond Issues (project related)	\$ 11,196,669
TOTAL SOURCES OF FUNDS	\$ 40,636,730

4. Anticipated date of completion

The Project completion date in the original permit is September 30, 2016 and has not changed. The current project schedule forecasts completion within the time constraints of the approved permit duration.

Please contact me at (630) 929-5577 or Jim Kokaska at (847) 723-8898 if you have any questions about this report.

Sincerely,

A handwritten signature in black ink that reads "Scott Nelson". The signature is written in a cursive style with a large initial "S".

Scott Nelson

Vice President, Planning, Design and Construction
Advocate Health and Hospitals Corporation

CC: James Kokaska
Vytas Zemaitaitis
Sonja Reece