

June 2, 2016

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

RECEIVED
JUN 07 2016
HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Annual Progress Report (Section 1 130.760)
NorthPointe Health and Wellness Campus
Project Number 13-072

Dear Ms. Olson,

This first annual progress report summarizes the current status of the Ambulatory Surgery Treatment Center (ASTC) project on our NorthPointe Health and Wellness Campus. The project was approved on June 2, 2015, altered on January 16, 2016, and obligated on March 15, 2016. Our obligation notice to the IHFSB is dated April 27, 2016. Construction began on March 28, 2016. The total approved project cost is \$15,276,164.00. Beloit Health System maintains an "A-" from Fitch Ratings on bond offerings.

Key Milestones

Since approval, the following has been completed:

- Design Development and Construction Drawings were completed.
- IDPH plan review has been completed.
- The project has been bid and construction contracts executed.
- Local jurisdictions have issued required construction permits.
- Contractor has mobilized onsite and the subject construction site has been fenced.
- Construction has begun.

Construction Phase

Through May 30, 2016, the following activities have occurred: (edit and insert general list)

- Required demolition has occurred
- Rough site grading has occurred
- Footages and foundations are installed
- Structural Steel installation is underway

At-Home Healthcare
1904 E. Huebbe Parkway
Beloit, WI • (608) 363-5885

Clinton Clinic
307 Ogden Avenue
Clinton, WI • (608) 676-2206

Janesville Clinic
1321 Creston Park
Janesville, WI • (608) 757-1217

NorthPointe Terrace
5601 E. Rockton Road
Roscoe, IL • (815) 525-4800

Riverside Terrace
3055 S. Riverside Dr.
Beloit, WI • (608) 365-7222

Beloit Clinic
1905 E. Huebbe Parkway
Beloit, WI • (608) 364-2200

Darien Clinic
300 N. Walworth Street
Darien, WI • (262) 882-1151

NorthPointe Health & Wellness Campus
5605 E. Rockton Road
Roscoe, IL • (815) 525-4000

Occupational Health Sports & Family Medicine Center
1650 Lee Lane
Beloit, WI • (608) 362-0211

West Side Clinic
1735 Madison Road
Beloit, WI • (608) 363-7510

The next 90 days of construction will feature:

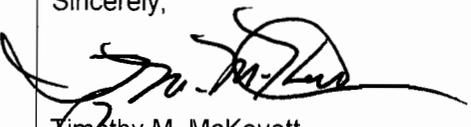
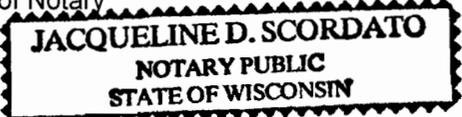
- Structural Steel framing, decking and concrete decks
- Installation of membrane roofing and asphalt shingles
- Interior mechanical rough ins, metal stud installation and exterior masonry will be underway

Committed / Expended Funds

Attachment A provides those funds expended through May 15, 2016 compared to the CON projected budget. Committed funds expended through May 15, 2016 are \$1,391,006 or 9.1% of the CON approved project budget.

The project scope and proposed financing is consistent with the approved permit.

Please contact me if you have any questions. I can be reached at 608-365-5685 or by e-mail at tmckevett@beloithealthsystem.org.

<p>Sincerely,</p>  <p>Timothy M. McKeve President and CEO Beloit Health System</p>	<p>Notarization:</p> <p>Subscribed and sworn to before me</p> <p>This <u>2</u> day of <u>June</u></p>  <p>Signature of Notary</p> <p>Seal</p> 
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Attachment: Attachment A – Use of Funds

CC: Courtney R. Avery, Administrator
Mike Constantino, Supervisor, Project Review Section
Thomas McCawley, Vice President
William Groeper, Chief Financial Officer
Ed Parkhurst, PRISM Healthcare Consulting

Attachment A
NorthPointe ASTC Permit 13-072
First Annual Progress Report
Expenditures through May 15, 2016

PROJECT COSTS		
USE OF FUNDS	CON APPROVED PROJECT	EXPENDED FUNDS AS OF MAY 15, 2016
Preplanning Costs	70,000	26,900
Site Survey and Soil Investigation	9,000	13,780
Site Preparation	166,400	39,400
Off Site Work	0	0
New Construction Contracts (Bldg. Only}	8,888,089	634,136
Modernization Contracts	0	0
Contingencies	888,809	0
Architectural/Engineering Fees	839,766	640,535
Consulting and Other Fees	55,720	870
Movable or Other Equipment (not in construction contracts)	ASTC 1,786,500	0
	Other 960,100	0
Bond Issuance Expense (project related)	362,000	0
Net Interest Expense During Construction (project related)	401,810	0
Fair Market Value of Leased Space or Equipment	0	0
Other Costs To Be Capitalized	848,000	35,385
Acquisition of Building or Other Property (excluding land)	0	0
TOTAL USES OF FUNDS	15,276,194	1,391,006