



March 8, 2017

Ms. Courtney R. Avery
Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield IL 62761

RECEIVED
MAR 10 2017
HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Annual Progress Report (Section 1130.760)
CON Permit 14-056, as altered
St. Anthony's Memorial Hospital (SAE)
Ambulatory Care Center (ACC/POB) Project

Dear Ms. Avery,

This second Annual Progress Report is being submitted consistent with Section 1130.760. The originally permitted project cost was \$14,004,619.00. It was subsequently altered to reflect a \$12,181,075.00 project cost as approved by the Health Facilities and Services Review Board (IHFSRB), on March 2, 2016. The altered project reflects shelling the originally proposed physician office space. As attested to in our February 19, 2016 Alteration Request Number 1, we will be submitting a CON permit application to develop and utilize this shelled area in the near future. For your reference purposes, included are the estimated altered project costs (Exhibit 1) and originally permitted project cost (Exhibit 2) as reflected on the Attachments 7.

Our ACC/POB project is being completed in several phases as noted below:

- | | |
|----------------|--|
| <u>Phase 1</u> | North Parking Lot (Completed November, 2015) |
| <u>Phase 2</u> | EMC Renovation (Partially complete) |
| <u>Phase 3</u> | ACC/POB Construction (In process) |
| <u>Phase 4</u> | Shelled Space Finishing (CON permit application to be filed and approved prior to construction; development is in process) |

Although the project has been delayed as reflected in our various requests to the IHFSRB, all of which have been approved, we are proceeding with due diligence and, as of this date, have expended, or have committed to be spent the following monies which are 17.8% of the altered \$12,181,075 permitted amount.

Altered CON Permit 14-056
 Funds committed and/or expended

| Project Costs and Sources of Funds | | | |
|--|------------------------|----------------------|-------------------|
| USE OF FUNDS | ALTERED PROJECT COST * | PROJECT EXPENDITURES | VARIANCE |
| Preplanning Costs (BKD) (PRISM) | 41,000 | 15,000 | 26,000 |
| Site Survey and Soil Investigation | 80,000 | 11,972 | 68,028 |
| Site Preparation | 40,000 | 0 | 40,000 |
| Off Site Work | 0 | 0 | 0 |
| New Construction Contracts (Parking / ACC) | 6,849,828 | 806,094 | 5,443,734 |
| Modernization Contracts (EMC) | 674,000 | 222,193 | 451,807 |
| Contingencies | 657,763 | 0 | 657,763 |
| Architectural/Engineering Fees @ 8.0% | 606,530 | 606,530 | 0 |
| Consulting and Other Fees (CON Related) | 92,898 | 61,745 | 31,153 |
| Movable or Other Equipment (not in construction contracts) | 2,454,511 | 0 | 2,454,511 |
| Bond Issuance Expense (project related) | 0 | 0 | 0 |
| Net Interest Expense During Construction (project related) | 0 | | 0 |
| Fair Market Value of Leased Space or Equipment | 0 | | 0 |
| Other Costs To Be Capitalized | 1,284,545 | 450,627 | 833,918 |
| Acquisition of Building or Other Property (excluding land) | | | 0 |
| TOTAL USES OF FUNDS | 12,181,075 | 2,174,161 | 10,006,914 |
| Percent Distribution | 100.0% | 17.8% | 86.1% |

* Adjusted use of funds

SAE Project 14-056
Second Annual Progress Report
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As evidenced by the above expenditures, major building development has not yet occurred. The site is being prepared to accept the project.

Please let me know if you have any questions. I can be reached by e-mail at Theresa.Rutherford@hshs.org or by telephone at 217-347-1494.

Sincerely,



Theresa J. Rutherford
President and Chief Executive Officer

CC: Mike Constantino, Supervisor, Project Review Section
E.W. Parkhurst, Jr., PRISM Healthcare Consulting

Attachments: Exhibit 1 – Attachment 7 – Alteration Number 1 (Estimated Project Costs)
Exhibit 2 - Attachment 7 – Alteration Number 2 (Originally permitted project costs)

St. Anthony's Memorial Hospital
 Alteration Number 1 Request
 February 19, 2016
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Project Costs and Sources of Funds (Alteration Number 1)

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 equal.

| Project Costs and Sources of Funds | | | |
|---|------------------|-------------------|-------------------|
| USE OF FUNDS | CLINICAL (SAE) | NONCLINICAL (SAE) | TOTAL |
| Preplanning Costs | 18,450 | 22,550 | 41,000 |
| Site Survey and Soil Investigation | 36,000 | 44,000 | 80,000 |
| Site Preparation | 18,000 | 22,000 | 40,000 |
| Off Site Work | 0 | 0 | 0 |
| New Construction Contracts | 3,089,350 | 3,834,478 | 6,923,828 |
| Modernization Contracts | 0 | 0 | 0 |
| Contingencies | 293,488 | 364,275 | 657,763 |
| Architectural/Engineering Fees @ 8.0% | 270,630 | 335,900 | 606,530 |
| Consulting and Other Fees | 41,450 | 51,448 | 92,898 |
| Movable or Other Equipment (not in construction contracts) | 2,317,713 | 136,798 | 2,454,511 |
| Bond Issuance Expense (project related) | 0 | 0 | 0 |
| Net Interest Expense During Construction (project related) | 0 | 0 | 0 |
| Fair Market Value of Leased Space or Equipment | 0 | 0 | 0 |
| Other Costs To Be Capitalized | 578,000 | 706,545 | 1,284,545 |
| Acquisition of Building or Other Property (excluding land) | 0 | 0 | 0 |
| TOTAL USES OF FUNDS | 6,663,081 | 5,517,994 | 12,181,075 |
| SOURCE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Cash and Securities | 6,663,081 | 5,517,994 | 12,181,075 |
| Pledges | | | |
| Gifts and Bequests | | | |
| Bond Issues (project related) | | | |
| Mortgages | | | |
| Leases (fair market value) | | | |
| Governmental Appropriations | | | |
| Grants | | | |
| Other Funds and Sources | | | |
| TOTAL SOURCES OF FUNDS | 6,663,081 | 5,517,994 | 12,181,075 |
| 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 Costs and Sources of Funds (Total Project Cost) (Original permit)
 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 equal.

| Project Costs and Sources of Funds (Total Project) | | | |
|---|------------------|--------------------------|-------------------|
| USE OF FUNDS | CLINICAL (SAE) | NONCLINICAL (SAE) (DEVL) | TOTAL |
| Preplanning Costs | 0 | 41,000 | 41,000 |
| Site Survey and Soil Investigation | 0 | 80,000 | 80,000 |
| Site Preparation | 0 | 40,000 | 40,000 |
| Off Site Work | 0 | 0 | 0 |
| New Construction Contracts | 3,382,838 | 5,087,925 | 8,470,763 |
| Modernization Contracts | 0 | 0 | 0 |
| Contingencies (Allowance) | 0 | 720,000 | 720,000 |
| Architectural/Engineering Fees | 0 | 565,937 | 565,937 |
| Consulting and Other Fees | 48,300 | 44,598 | 92,898 |
| Movable or Other Equipment (not in construction contracts) | 2,317,713 | 136,798 | 2,454,511 |
| Bond Issuance Expense (project related) | 0 | 55,000 | 55,000 |
| Net Interest Expense During Construction (project related) | 0 | 199,965 | 199,965 |
| Fair Market Value of Leased Space or Equipment | 0 | 0 | 0 |
| Other Costs To Be Capitalized | 204,280 | 1,080,265 | 1,284,545 |
| Acquisition of Building or Other Property (excluding land) | 0 | | 0 |
| TOTAL USES OF FUNDS | 5,953,131 | 8,051,488 | 14,004,619 |
| SOURCE OF FUNDS | CLINICAL | NONCLINICAL | TOTAL |
| Cash and Securities (SAE/HS/HS/Agracef) | 2,570,293 | 3,264,508 | 5,834,801 |
| Pledges | -- | -- | 0 |
| Gifts and Bequests | -- | -- | 0 |
| Bond Issues (project related) | -- | -- | 0 |
| Mortgages (Includes FMV Cost) | 3,382,838 | 4,786,980 | 8,169,818 |
| Leases (fair market value) | -- | -- | 0 |
| Governmental Appropriations | -- | -- | 0 |
| Grants | -- | -- | 0 |
| Other Funds and Sources | -- | -- | 0 |
| TOTAL SOURCES OF FUNDS | 5,953,131 | 8,051,488 | 14,004,619 |
| NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. | | | |