

# McDermott Will & Emery

17-008

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February 16, 2017

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HEALTH FACILITIES &  
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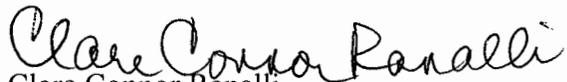
Mr. George K. Roate, Reviewer  
Illinois Department of Public Health  
Office of Health Systems Development  
525 West Jefferson, 2nd Flr.  
Springfield, Illinois 62761

Re: OSF Streator Center

Dear George:

Per your request, enclosed is a replacement page 19 of the application with the chart on reasonableness of costs filled out.

Very truly yours,

  
Clare Connor Ranalli

CCR/jp  
enclosure

**X. 1120.140 - Economic Feasibility**

**This section is applicable to all projects subject to Part 1120.**

**A. Reasonableness of Financing Arrangements N/A – See Attached Bond Rating**

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
  - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
  - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

**B. Conditions of Debt Financing**

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

**C. Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

- 1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE											
Department (list below)	A	B	C		D		E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)			
	0	270.51	0	0	24,231			0			
Contingency	0	20.63	0	0				0			
<b>TOTALS</b>	<b>0</b>	<b>291.15</b>	<b>0</b>	<b>0</b>	<b>24,231</b>			<b>0</b>	<b>7,054,855.65</b>	<b>7,054,855.65</b>	

\* Include the percentage (%) of space for circulation