



Carle Foundation Hospital  
611 W. Park Street, Urbana, IL 61801

**RECEIVED**

SEP 13 2012

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

September 12, 2012

**BY FEDERAL EXPRESS**

Mr. Dale Galassie  
Chairman  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson, Second Floor  
Springfield, Illinois 62761

**RE: Carle Foundation Hospital, Project # 08-013 Permit Renewal Request**

Dear Chairman Galassie:

Pursuant to Section 1130.740 of the Illinois Health Facilities and Services Review Board ("HFSRB") rules, I am writing on behalf of Carle Foundation Hospital (the "Hospital") to request a renewal of Permit # 08-013. As the current permit expiration date is December 31, 2012, this request is timely filed at least 45 days prior to permit expiration. The application fee of \$500 is attached and made payable to the Illinois Department of Public Health.

The Hospital's CON permit for project 08-013 was approved on August 12, 2008.

On January 12, 2010 the HFSRB approved a request to extend the Obligation period for the project from February 12, 2010 to February 12, 2011.

On December 14, 2010 the Board approved an alteration request for the project, which resulted in the following:

1. A decrease in the permit amount from \$235,896,765 to \$218,632,421.
2. A decrease in the gross square footage ("GSF") of the clinical portion of the project from 163,328 GSF to 154,828 GSF.
3. A change to the ninth floor of the bed tower to shell space.
4. A change in funding sources of the project.

The project was obligated on January 31, 2011.

### **The Requested Project Completion Date**

The project completion date of record is December 31, 2012. As was stated during the hearing for the alteration request, on December 14, 2010, the project will complete after the approved completion date. An extension of the Project Completion Date to June 30, 2014 is hereby requested.

### **Reasons for Renewal Request**

Like many other hospitals seeking tax-exempt bond financing in 2008-2009, the Hospital was not able to secure a reasonable financing arrangement for the project in the turbulent financial climate in the period following permit approval. An extension of the Obligation period was requested and approved by the HFSRB on January 12, 2010.

In addition, the merger of the Hospital and the Carle Clinic (Permit # 09-059, completed April 1, 2010) resulted in the need for changes in the design of the bed tower. The approval of the Obligation extension request allowed the opportunity to analyze the need and propose changes to the design of the bed tower. The resultant alteration request was approved by the HFSRB on December 14, 2010.

### **Current Status of the Project**

The project is approximately 39% percent complete.

Neither the size nor the scope of the project has changed. The Digestive Health Center portion of the project is complete. This portion involved modernization work in the existing facility.

The bed tower portion of the project remains in the middle stages of work. The following components are completed: design drawings, construction drawings, utility installation, footings and shear walls, stair tower, and elevator tower, exterior framing. All other components are yet to be completed.

The project has incurred costs in the amount of \$79,973,583 as of June 30, 2012. The Project Costs table below provides an itemized listing showing the Approved Permit Amount and the Cost Incurred to Date.

<b>PROJECT COSTS</b>	<b>Approved Permit Amount</b>	<b>Cost Incurred to Date</b>
Preplanning Costs	\$2,771,658	\$2,771,658
Site Survey and Soil Investigation	\$50,000	\$30,313
Site Preparation	\$6,960,679	\$5,418,089
Off Site Work	\$5,750,000	\$2,506,427
New Construction Contracts	\$105,592,973	\$44,862,891
Modernization Contracts	\$10,441,425	\$8,216,413
Contingencies	\$11,603,440	\$268,924
Architectural/Engineering Fees	\$11,792,767	\$11,032,090
Consulting and Other Fees	\$1,000,000	\$383,813
Movable or Other Equipment (not in construction contracts)	\$27,328,232	\$3,034,277
Bond Issuance Expense (project related)	\$3,560,000	\$133,659
Net Interest Expense During Construction (project related)	\$26,600,000	\$146,174
Fair Market Value of Leased Space or Equipment	\$4,787,919	\$1,168,854
Other Costs To be Capitalized	\$393,328	\$0
Acquisition of Building or Other Property (excluding land)	\$0	\$0
<b>ESTIMATED TOTAL PROJECT COSTS</b>	<b>218,632,421</b>	<b>\$79,973,583</b>

The project costs and scope are in compliance with HFSRB approval, and there are sufficient financial resources available to complete the project.

We appreciate your time and attention to review this matter. Please contact Fred Segovich at 217-383-3662 or [fred.segovich@carle.com](mailto:fred.segovich@carle.com), or Kara Friedman at 312-873-3639 or [kfriedman@polsinelli.com](mailto:kfriedman@polsinelli.com) if you require further information in order to consider this request.

Thank you very much.

Sincerely,

  
Stephanie Beever

Vice President, Strategic Development and Diagnostic Services

Cc: James Leonard, MD  
Ms. Kara Friedman

ILLINOIS DEPARTMENT OF PUBLIC HEALTH, 505 WEST JEFFERSON, SECOND FLOOR, SPRINGFIELD IL 62761

(3977-H10)

Invoice No.	Description	Date	Gross Amount	Discount Amount	Net Amount Paid
090612	CERT OF NEED PERMIT RENEWAL REQUEST	09/06/12	\$500.00	\$0.00	\$500.00
Detach at Perforation Before Depositing Check			<b>TOTALS:</b>	<b>\$500.00</b>	<b>\$0.00</b>

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Carle Foundation *08-013 Renewal* Busey Bank  
 611 W. Park 201 West Main  
 Urbana, IL 61801 Urbana, IL 61801  
 Phone: (217) 383-3385

Check Date	Number
09/11/2012	680724

PAY *Five Hundred and 00/100 Dollars*

Amount
\$ *****500.00

VOID

PAY TO THE ORDER OF ILLINOIS DEPARTMENT OF PUBLIC HEALTH  
 505 WEST JEFFERSON  
 SECOND FLOOR  
 SPRINGFIELD IL 62761  
 (3977-H10)

*James Leonard MD*

VOID After 180 Days

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