

July 17, 2013

Ms. Courtney Avery
Administrator
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

RECEIVED

JUL 18 2013

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Annual Progress Report

Project: #10-090 Centegra Hospital - Huntley
Permit Holders: Centegra Health System
Centegra Hospital - Huntley
Permit Amount: \$233,160,352

Dear Ms. Avery,

Per Illinois Administrative Code Section 1130.760, this letter is being submitted as the Annual Progress Report for project #10-090 for which a permit has been issued by the Health Facilities and Services Review Board.

1) Current status of the project, including the percentage of the project finished, components finished and components yet to be finished, and any changes in the scope of the project and size.

The Review Board's issuance of the permit for this project has been contested by complaints for administrative review filed in the Circuit Court of Will County on August 24, 2012 (Case No. 12 MR 1824) and August 28, 2012 (Case No. 12 MR 1840). The two cases were consolidated and they remain pending in the Circuit Court.

As a result, in accordance with 77 Ill. Adm. Code 1130.710(a)(2), the obligation period for the project is extended "from the date a summons was received until the date of final disposition of the suit."

Architectural Design Development documents are complete and have been submitted to IDPH's Design Standards Unit for preliminary review. Work has begun on architectural Construction Documents.

The Planned Unit Development documents have been submitted to the Village of Huntley for review and the public hearing is scheduled for July 22, 2013.

Because of the pending litigation, neither the bond issuance nor the project construction have taken place.

Based upon the project costs, this project is currently 3% complete. Construction has not begun given the pending litigation so the project construction is 0% complete.

The project scope and size remain consistent with the approved permit.

- 2) Cost incurred to date and an itemized listing of the total current estimated project costs and a comparison of those costs to the approved permit amounts.

Use of Funds	CON Permit Amount/ Current Estimated Cost	Cost Incurred Through May 31, 2013
Preplanning	\$ 2,935,000	\$ 2,932,066
Site Survey & Soil Preparation	\$ 85,000	\$ 84,489
Site Preparation	\$ 2,090,000	
Offsite Work	\$ 10,880,000	
New Construction	\$ 126,732,813	
Modernization Contracts		
Contingencies	\$ 12,039,617	
A/E Fees	\$ 7,446,160	\$ 1,537,500
Consulting and Other Fees	\$ 7,724,729	\$ 3,416,057
Movable or Other Equipment	\$ 30,234,966	
Bond Issuance Expense	\$ 3,000,000	
Net Interest Expense During Construction	\$ 27,450,000	
Fair Market Value of Leased Space or Equipment	\$ 2,150,000	
Other Costs	\$ 392,067	
Total Uses of Funds	\$ 233,160,352	\$ 7,970,112

- 3) The method of financing the project and sources of funds.

Source of Funds	CON Permit Amount/ Current Estimated Cost	Cost Incurred Through May 31, 2013
Cash and Securities	\$ 48,010,352	\$ 7,970,112
Pledges		
Gifts and Bequests		
Bond Issues (project related)	\$ 183,000,000	
Mortgages		
Leases (fair market value)	\$ 2,150,000	
Governmental Appropriations		
Grants		
Other Funds and Sources		
Total Sources of Funds	\$ 233,160,352	\$ 7,970,112

The method of financing the project and sources of funds have not changed.

- 4) The anticipated date of completion.

The anticipated completion date remains September 30, 2016.

If you have any questions, please feel free to contact me at (815)788-5858.

Sincerely,



Hadley Streng
 Director, Planning and Business Development
 Centegra Health System