

Hospital Administration (MC 693)
1740 West Taylor Street, Suite 1400
Chicago, Illinois 60612

RECEIVED

MAR 21 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

March 21, 2014

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

Subject Project # 10-073
Project Title: Master Design, University of Illinois Medical Center at Chicago (UIMCC) Infrastructure and Modernization
Permit Holder: Board of Trustees of the University of Illinois

Dear Ms. Avery:

This is the third annual progress report on Project #10-073. The project was obligated as of September 17, 2012 and now has 92% of the total cost committed. Attached as Exhibit A, is a schedule showing itemized obligations as compared to the approved permit amount and estimated costs to completion. The project is approximately 80% percent complete.

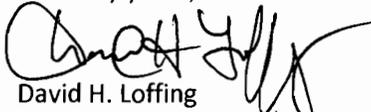
The design of the clinical and non-clinical space has been completed with the exception of the Hybrid Operating Room. The upgrades to the electrical, mechanical and plumbing infrastructure are completed with the exception of the elevators. The clinical space renovations are 50% complete with the exception of the OR. The expenditures to date have been delayed due to the complexity of the work and unforeseen conditions related to the infrastructure.

On November 20, 2013, the Illinois Health Facilities and Services Review Board approved a permit renewal for project #10-073. Therefore, the completion date of the project is January 15, 2016. The other information in the certificate of need application regarding the financing of this project has not changed.

The University of Illinois Hospital is considering a change in the sources of funds from bond to cash in order to maximize the funding of the infrastructure replacement and modernization. Note our most recent rating from Moody's is A2. As previously noted in the above referenced permit renewal, we are also considering an alteration to the permit as it related to the Surgical Suite program as we study the best use of space to support our patients. In all cases the project will remain within budget as prescribed by the rules and regulations.

If we can provide you with any further information on this project, please contact me at 312-996-3900 or by e-mail at dhloff@uic.edu.

Sincerely yours,


David H. Loffing
Chief Operating Officer

cc: Mike Constantino, IHFSRB
 Cynthia Alcantara, University of Illinois Hospital
 Janet Scheuerman, Prism Consulting Services, Inc.
 Ed Parkhurst, Prism Consulting Services, Inc.
 Doug Swill, Drinker, Biddle & Reath LLP

Exhibit A

University of Illinois Medical Center Second Annual Progress Report Permit No. 10-073 Project Cost Information (as of 3/5/14)			
Use of Funds	Approved Permit Amount	Obligated Amount	Estimated Left to Complete
Preplanning Costs	\$ 280,000	\$ 36,102	\$ 243,898
Modernization Contracts	\$ 24,000,000	\$ 27,827,601	\$ (3,827,601)
Architecture & Engineering Fees	\$ 1,954,000	\$ 3,958,043	\$ (2,004,043)
Consulting & Other Fees	\$ 558,240	\$ 802,925	\$ (244,685)
Contingencies	\$ 2,776,195	\$ 2,753,303	\$ 22,892
Equipment	\$ 6,000,000	\$ 3,782,102	\$ 2,217,898
Bond Issuance Expense	\$ 800,000	\$ -	\$ 800,000
Net Interest Expense During Construction	\$ 2,818,125	\$ -	\$ 2,818,125
Other Capitalized Costs	\$ 746,463	\$ 802,925	\$ (56,462)
Grand Total	\$ 39,933,023	\$ 39,963,001	\$ (29,978)