

July 25, 2014

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

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**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.**
 - a. 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 the lawsuit remains pending. In November 2013, Circuit Court Judge Bobbi N. Petrunaro ruled in favor of Centegra Health System and the Illinois Health Facilities and Services Review Board upholding the CON approval. Opponents have appealed and the appeal has been fully briefed and is waiting assignment of an oral argument date. As a result, in accordance with 77 Ill. Adm. Code 1130.710(a)(2), the obligation period for the project was extended. However, the project was obligated on February 18th, 2014 when contracts were signed committing to spend over 33% of the project cost.
 - b. As of May 31, 2014, the overall project is approximately 9% complete and construction is approximately 3% complete. A total of \$20,266,868 in costs have been incurred through May 31, 2014 related to the project.
 - c. The architectural design documents were completed and submitted for IDPH review. As of May 22, 2014 IDPH completed their review of the project and IDPH had no further comments.
 - d. The Village of Huntley has also provided its review and approval of the architectural design documents for the project.
 - e. The following components of the project are finished.
 1. Pre-Planning & site survey
 2. Excavation

- f. The following components of the project are not yet finished.
1. Site utility work
 2. Site utility relocations
 3. Cast-in-place concrete foundations
 4. Structural steel erection
 5. Metal deck installation
 6. Exterior studs and sheathing
 7. Building enclosure including: windows, roofing, sheet metal, louvers and screen wall
 8. Precast concrete façade installation
 9. Mechanical, electrical and plumbing system rough in work
 10. Site paving
 11. Major mechanical equipment installation
 12. Elevators and pneumatic tube work
 13. Interior partitions and acoustic ceilings
 14. Interior wall finishes, ruining trim, ceramic tile and casework
 15. Floor finishes
 16. Mechanical, electrical and plumbing trim installation
 17. Off-site work
 18. Installation of signage, equipment and furnishings
 19. Landscaping

g. No equipment costs have been incurred to date.

h. The project scope and size remains consistent with the 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, 2014
Preplanning	\$ 2,935,000	\$ 2,932,066
Site Survey & Soil Preparation	\$ 85,000	\$ 84,489
Site Preparation	\$ 2,090,000	\$ 844,756
Offsite Work	\$ 10,880,000	\$ 417,910
New Construction	\$ 126,732,813	\$ 4,894,369
Modernization Contracts		
Contingencies	\$ 12,039,617	
A/E Fees	\$ 7,446,160	\$ 4,295,908
Consulting and Other Fees	\$ 7,724,729	\$ 5,779,280
Movable or Other Equipment	\$ 30,234,966	
Bond Issuance Expense	\$ 3,000,000	
Net Interest Expense During Construction	\$ 27,450,000	\$ 626,023
Fair Market Value of Leased Space or Equipment	\$ 2,150,000	
Other Costs	\$ 392,067	\$ 392,067
Total Uses of Funds	\$ 233,160,352	\$ 20,266,868

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, 2014
Cash and Securities	\$ 48,010,352	\$ 13,596,362
Pledges		
Gifts and Bequests		
Bond Issues (project related)	\$ 183,000,000	\$ 6,670,506
Mortgages		
Leases (fair market value)	\$ 2,150,000	
Governmental Appropriations		
Grants		
Other Funds and Sources		
Total Sources of Funds	\$ 233,160,352	\$ 20,266,868

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