

July 20th, 2015

Via Overnight Carrier

Ms. Courtney Avery, Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson Street  
Springfield, IL 62761

Re: Project #13-016 Advocate Good Shepherd Hospital (the "Project")

**Annual Progress Report**

Advocate Health and Hospitals Corporation, (dba Advocate Good Shepherd Hospital),  
and Advocate Health Care Network  
Modernization Project

Dear Ms. Avery:

Advocate Good Shepherd Hospital is pleased to submit to you our annual progress report on the Project referenced above in accordance with requirements of the 77 Ill. Adm. Code 1130.760. The Project is for the campus modernization consisting of 229,013 SF (New) and 154,507 SF (Modernization) for a combined project total of 383,520SF. The Review Board granted the permit for this Project June 26, 2013.

**1. Current status of the Project**

Obligation: The Project was obligated on November 17<sup>th</sup>, 2014 prior to the required project obligation date of December 26<sup>th</sup>, 2014.

IDPH design review was submitted on August 14, 2013 and approved on March 17, 2014. Concurrent to the design review we submitted a fast track portion for construction review on October 28, 2013 (Phase 1 through Phase 4). Demolition was approved on December 13, 2013, and construction was approved on March 18, 2014. Phase 5 (Interim Breast Center) was approved on April 2, 2014. The construction review submittal for the balance of the modernization project was submitted on April 2, 2014 and approved on September 5<sup>th</sup>, 2014. The Phase 2 (Admin suite and Chapel) portion was granted occupancy on 10/6/14, Phase 4 (Testing) was granted occupancy on 10/21/14 and Phase 5 (Interim Breast Center) was approved for occupancy by IDPH on 11/5/14.

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- The Village of Lake County issues building permits by phase for this Project. The North Site Utilities permit was issued on August 8, 2013. Phase 1 through Phase 4 has been issued individually by phase between April 1 through April 15, 2014. Phase 5 permit was issued on August 7<sup>th</sup>, 2014. Phase 6 permit was issued on October 8<sup>th</sup>, 2014. Phase 7 and 8 were issued on January 14<sup>th</sup>, 2015. Phase 9 was issued on January 12<sup>th</sup>, 2015. Phases 10-21 are submitted with all the correct documentation awaiting issuance of each individual phase permit prior to the start of construction in accordance with direction the Village of Lake County.

Percentage of the project finished: The Project is approximately 57% complete.

Components of Project finished: North Site Utilities, Phase 2 Administration, Phase 4 – Testing Center, and Phase 5 –Interim Breast Center.

Components yet to be finished: New structures Core and Shell (North & South), interior build-out and interior renovations (multiple phases).

There are no changes to the scope or size of the project.

## 2. Costs

Costs incurred to date, an itemized listing of the total current estimated Project costs, and a comparison of those costs to the approved permit amounts are shown below. The Architectural/Engineering line item has exceeded the original permit amount for that particular line item due to additional design required for unforeseen existing building conditions as well as higher than estimated technology design and site specific medical equipment engineering.

	Costs incurred to date	Estimated Project costs	Permit amount
Preplanning Costs	\$ 1,062,990	\$ 1,090,000	\$ 1,090,000
Site Survey and soil Investigation	\$ 16,775	\$ 70,000	\$ 70,000
Site Preparation	\$ 6,685,096	\$ 10,200,000	\$ 10,200,000
New Construction Contracts	\$ 55,089,974	\$ 95,100,043	\$ 94,100,043
Modernization Contracts	\$ 27,983,210	\$ 47,454,010	\$ 43,454,010
Contingencies	\$ -	\$ 6,181,725	\$ 11,681,725
Architectural/Engineering Fees	\$ 8,490,664	\$ 8,700,000	\$ 8,200,000
Consulting and Other Fees	\$ 388,341	\$ 2,050,921	\$ 2,050,921
Movable or Other Equipment (not in construction contracts)	\$ 5,987,280	\$ 44,978,386	\$ 44,978,386
Bond Issuance Expense (project related)	\$ 638,723	\$ 1,584,817	\$ 1,584,817
Net Interest Expense During Construction (project related)	\$ 1,952,444	\$ 24,187,145	\$ 24,187,145

Other Costs To Be Capitalized	\$ 1,930,562	\$ 5,244,035	\$ 5,244,035
TOTAL USES OF FUNDS	\$ 110,226,059	\$ 246,841,082	\$ 246,841,082

**3. Method of financing the Project and sources of Funds**

See below table for financing breakdown.

SOURCE OF FUNDS	TOTAL
Cash and Securities	\$ 198,397,879.67
Bond Issues (project related)	\$ 48,443,202.33
TOTAL SOURCES OF FUNDS	\$ 246,841,082

**4. Anticipated date of completion**

The Project completion date in the permit is December 31, 2017. The Project current schedule forecasts completion within the time constraints of the approved permit duration.

Please contact me at (630) 929-5575 or Sonja Reece at (309) 268-5482 if you have any questions about this report.

Sincerely,



Albert Manshum, III  
Vice President, Facilities and Construction  
Advocate Health and Hospitals Corporation

CC: James Kokaska  
Paul Neff  
Scott Nelson  
Peter Messina  
Trent Gordon  
Sonja Reece

Advocate Good Shepherd Hospital  
Project #13-016  
Annual Progress Report – June 2015