



OFFICE OF THE GOVERNOR

# NEWS

ROD R. BLAGOJEVICH – GOVERNOR

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## **Gov. Blagojevich announces support for OSF Saint Francis Medical Center expansion in Peoria that will create nearly 1,000 jobs**

*Illinois Finance Authority issues \$460 million in bond financing to build new, state-of-the-art patient tower*

**SPRINGFIELD**– Governor Rod R. Blagojevich today announced the expansion of a project that will greatly improve healthcare throughout Central Illinois and create nearly 1,000 jobs. The expansion of Saint Francis Medical Center in Peoria, part of the OSF Healthcare System, will be supported by the issuance of \$460 million in tax-exempt bonds by the Illinois Finance Authority (IFA). The project will help create 300 new permanent jobs, as well as 650 construction jobs in Peoria and the surrounding area.

“This significant financing represents another step forward in delivering even better healthcare to people in Central Illinois and across the state. Not only are we expanding and improving access to cutting-edge medical services with this project, we’re also putting more and more people to work. I want to commend OSF for its continued commitment to providing the highest quality healthcare, and the Illinois Finance Authority for helping to support this project,” Gov. Blagojevich said.

The project, which includes the construction of a new patient tower at OSF Saint Francis Medical Center and other capital projects throughout its system, is the largest OSF Healthcare System financing through IFA, as well as IFA’s second largest financing in its history.

“Approximately \$221 million of the proceeds of the Series 2007 Bonds will be used to finance the Milestone Project in Peoria. This new patient tower, consisting of almost 441,000 square feet, will be connected to OSF Saint Francis Medical Center,” according to Dan Baker, CFO, OSF Healthcare System.

The expansion on the OSF Saint Francis campus will have eight patient care floors that will bring all of the Children’s Hospital of Illinois inpatient and outpatient services from five

different areas into one building. Also housed in this patient care tower will be a new emergency department, an expansion of surgery and a corresponding new recovery area, a new central supply department, a new outpatient diagnostic center, additional interventional radiology/cardiac catheterization space and new pediatric and cardiac ICU's. Baker also noted that the additional dollars garnered through this bond issue will be used as reserve funds and to cover other construction projects within OSF, as well as financing costs associated with the Milestone Project. A Certificate of Need for the Milestone Project was granted by the Illinois Health Facilities Planning Board last September.

“This expansion is one of the biggest construction projects in our area and, when completed, the facilities will draw patients from as many as 60 counties. The economic benefits of the Milestone Project for Peoria will be considerable. But more than that, the Milestone Project represents an investment in healthcare leadership and community stewardship for Peoria and for all of Central Illinois.” said State Senator David Koehler (D-Pekin).

IFA has a strong record of support for healthcare facilities in Illinois. Gov. Blagojevich created IFA in January 2004, through the consolidation of several statewide authorities, including the Illinois Health Facilities Authority. Since its creation, IFA has become one of the leading healthcare issuers nationwide, issuing more than \$6.4 billion in healthcare bonds in 63 financings. Healthcare projects range from \$500,000 and under for small hospital and equipment financings to nearly \$500 million for Illinois' world-class medical institutions such as OSF Healthcare.

The financial responsibility for the payment of the Series 2007 Bonds will lie solely with OSF Healthcare System, and not with the State of Illinois.

“We are pleased to participate in the OSF project, which is one of our largest financings,” said IFA Executive Director Kym M. Hubbard. “By assisting OSF to borrow funds at favorable rates and to reduce its cost to finance these projects, OSF is able to progressively meet the changing needs of today's healthcare, and to help reach Gov. Blagojevich's goal of improving access to quality healthcare for people across the state.”

OSF HealthCare, owned and operated by The Sisters of the Third Order of St. Francis, Peoria, Illinois, includes OSF Healthcare System consisting of six acute care facilities in Illinois and one in Upper Michigan, one long-term care facility and two colleges of nursing. It also has a primary care physician network consisting of approximately 170 physicians and 75 mid-level providers, known as OSF Medical Group. OSF HealthCare owns OSF Saint Francis, Inc., comprised of healthcare-related businesses, and OSF Healthcare Foundation, the philanthropic arm of OSF Healthcare System and OSF Home Care. Additionally, OSF HealthPlans, Inc., a subsidiary of OSF Saint Francis, Inc., is a licensed managed care company in the State of Illinois with nearly 80,000 members.

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