

Constantino, Mike

From: Lori McLaughlin [lmcLaughlin@westshorellc.com]
Sent: Thursday, March 29, 2012 10:02 AM
To: Constantino, Mike
Subject: Mercy Circle request for permit alteration
Attachments: mercy circle request for permit alteration.pdf

Importance: High

Mike

As a follow up to our prior conversations, please find attached a copy of Mercy Circle's request for a permit alteration. The only change is to reduce the number of SNF beds by 1 and reduce the overall costs of the project.

If upon review you find that you need any other information, please don't hesitate to call me. I will be placing the original along with the filing fee in the mail to you today.

Lastly, the annual report will be filed within the next week on behalf of the existing permit.

Thanks so much for your help. A similar update will be reported to the Illinois Finance Authority for purposes of the existing bond financing at their meeting in mid April. The IFA is wanting to me to evidence the alteration approval so we appreciate any efforts you can provide to expedite this request.

Thanks much
Lori

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WestShore
Counsel, LLC

March 29, 2012

VIA ELECTRONIC AND REGULAR MAIL

Mike Constantino
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

**RE: PROJECT 11-008 MERCY CIRCLE
REQUEST FOR PERMIT ALTERATION**

Dear Mr. Constantino:

Mercy Circle was granted a Certificate of Need ("CON") Permit #11-008 on March 21, 2011. The CON Permit recognized both a continuum of care retirement community variance and a defined population variance for religious members. Subsequent to the granting of that permit, Mercy Circle has continued to discuss the project with its surrounding neighbors and as a result has changed both its proposed size and scope. Because of these impending changes, the construction of the project has not started. Mercy Circle hereby submits this Request for Permit Alteration. The changes in both size and scope are described below:

	Current Permit	Proposed Changes
Total Number of SNF Beds	24	23
Total Number of Residential Housing Apartments	122	87
SNF square footage	23,303	22,805
Total Project Costs	\$54,560,000	\$49,745,852

Upon completion of construction, Mercy Circle will be a continuing care retirement community for religious members of any religion. Therefore it will continue to be recognized both as a continuum of care retirement community as well as a community serving a defined population.

Construction is still anticipated to be completed by August 31, 2013.

This is Mercy Circle's first request for a Permit Alteration. Attached are the following revisions from its original application:

- Page 7 – PROJECT COSTS AND SOURCES OF FUNDS
- Page 9 – COST SPACE REQUIREMENTS
- Page 10 – FACILITY BED CAPACITY AND UTILIZATION

Enclosed with this request is a check in the amount of \$1,000 made payable to the Illinois Department of Public Health. Should you have any questions or require additional information, please contact me at (219) 227-6075.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori McLaughlin".

Lori McLaughlin

Enclosures

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$10,967	\$304,419	\$315,386
Site Survey and Soil Investigation	\$3,650	\$28,050	\$31,700
Site Preparation	\$292,410	\$792,590	\$1,085,000
Off Site Work	\$126,337	\$773,663	\$900,000
New Construction Contracts	\$3,922,372	\$21,794,535	\$25,716,907
Modernization Contracts	\$0	\$0	\$0
Contingencies	\$556,840	\$3,259,373	\$3,816,213
Architectural/Engineering Fees	\$264,701	\$4,159,993	\$4,424,694
Consulting and Other Fees	\$240,135	\$2,234,141	\$2,474,276
Movable or Other Equipment (not in construction contracts)	\$473,433	\$1,008,679	\$1,482,112
Bond Issuance Expense (project related)	\$99,832	\$796,537	\$896,369
Net Interest Expense During Construction (project related)	\$206,904	\$706,355	\$913,259
Fair Market Value of Leased Space or Equipment	\$0	\$0	\$0
Other Costs to be Capitalized	\$337,301	\$2,142,635	\$2,479,936
Acquisition of Building or Other Property (excluding land)	\$0	\$0	\$0
Leases (fair market value - property)	\$731,351	\$4,478,649	\$5,210,000
TOTAL USES OF FUNDS	\$7,266,233	\$42,479,619	\$49,745,852
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Subordinated Debt/Note – West Midwest FIDES, Inc.	\$2,223,671	\$12,962,181	\$15,185,852
Cash Equity – Sisters of Mercy	\$0	\$3,100,000	\$3,100,000
Gifts and Bequests	\$0	\$0	\$0
Bond Issuance (project related)	\$4,311,211	\$21,938,789	\$26,250,000
Mortgages	\$0	\$0	\$0
Leases (fair market value)	\$731,351	\$4,478,649	\$5,210,000
Governmental Appropriations	\$0	\$0	\$0
Grants	\$0	\$0	\$0
Other Funds and Sources	\$0	\$0	\$0
TOTAL SOURCES OF FUNDS	\$7,266,233	\$42,479,619	\$49,745,852
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Cost Space Requirements

Provide in the following format, the department/area **DGSF** or the building/area **BGSF** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical SNF	-		22,805	22,805			
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical	-		124,087	124,087			
TOTAL	-		146,892	146,892			
APPEND DOCUMENTATION AS <u>ATTACHMENT-9</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.							

CLINICAL IS DGSF

NONCLINICAL IS BGSF

