

FOLEY & ASSOCIATES, INC.

Charles H. Foley, MHSA
cfoley@foleyandassociates.com

John P. Kniery
jkniery@foleyandassociates.com

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

December 1, 2015

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street - 2nd Floor
Springfield, IL 62761

Subject: Permit # 11-104 McAllister Nursing and Rehab; Request for Permit Renewal

Dear Administrator Avery:

On April 17, 2012 the Illinois Health Facilities and Services Review Board granted a permit to McAllister Nursing and Rehab for the modernization of 111 Long-Term Care beds and the addition of 89 Long-Term Care beds, for a total of 200 nursing care beds. On behalf of the Applicant, I am writing this letter to comply with section 1130.740 (Permit Renewal of the 77 Illinois Administrative Code). The Applicants are now seeking a permit renewal for this Project from the original completion date of January 31, 2016. This is the Applicant's first request for a permit renewal.

Project Overview and Status

The project is 95% complete and the Applicant anticipates 100% project completion by February-March of 2016. Once the project is complete, the Village will need to grant a certificate of occupancy, which may take 45-90 days after completion. IDPH Licensure will proceed with their two-part survey process on a parallel track as the Certificate of Occupancy and could take up to 120 days.

Request Completion Date

The Applicant respectfully requests a 6-month extension for this project. A completion date of July 30, 2016 would be adequate to complete the licensure process.

Status Report on Project

The Review Board approved the permit for McAllister Nursing and Rehab on April 17, 2012 for the modernization of 111 Long-Term Care beds and the addition of 89 Long-Term Care beds, for a total of 200 nursing care beds. On April 30, 2014 the Applicant closed on financing. The method



of financing and sources of funds have not changed from that as originally approved. The project was Obligated as said documentation was provided in the 2013 annual progress report. On June 3, 2014 a permit alteration was approved to increase the project size by 4,462 GSF, from 102,937 GSF to 107,399 GSF. The overall cost of the project has not changed as originally approved, even with the change in the project. Construction is at 95% completion and the Applicant anticipates 100% project completion by February-March of 2016. Once the project is complete, the Village will need to grant a certificate of occupancy, which may take 45-90 days after completion. Finally, it is anticipated that the 2-part IDPH licensure survey can take up to 3-4 months. These last two items and completion of construction outline the timeline for the requested 6 month extension.

Statement as to reasons why the Project has not been completed

The following are the reasons for Project delay:

1. Building Permit was initially anticipated in May 2014. Permit was not released until 8/2014; hence delaying the schedule 3 months from the onset.
2. Permit delay caused a delay in the precast concrete production and erection. The original supplier/erector was originally supposed to erect in 7/2014 but the permit delay pushed the precast concrete to 10/2014. The original precast supplier & erector could not perform the work at that time, so the original precast contractor had to be replaced. We ultimately lost approximately 2 months during that process.
3. Winter time: we lost 72 working days due to winter weather, which meant we lost approximately 3 months in total.
4. Material Shipping: we have lost approximately 1 month due to equipment shipment delays.
5. The total delay has been approximately 9 months to our overall schedule. The General Contractor has accelerated the critical path of the schedule to gain approximately 2 months of time, ultimately, reducing the total delay to 7 months.

Project Cost and Scope

The Project cost and scope are in compliance with what the Health Facilities and Services Review Board approved. Appended herein (**EXHIBIT A**) is a project costs and sources of funds

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
Page 3

chart illustrating the approved line items and the corresponding expenditures. Sufficient financial resources are available to complete the 200-bed skilled nursing facility.

Enclosed please find the required \$500 application fee. Please let me know of any questions on this material, or if additional information needs to be provided.

Thanking you in advance for your assistance, we remain,

Respectfully,

A handwritten signature in black ink, appearing to read "John P. Kniery". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

John P. Kniery
Health Care Consultant

ECLOSURES
cc: Eli Atkin

McAllister Nursing and Rehab #11-104

PROJECT COSTS AND SOURCES OF FUNDS

Use of Funds	COST	Expended to Date	% Expended
Preplanning Costs	\$ 38,500	\$ 38,500.00	100%
Site Survey and Soil Investigation	\$ 13,200	\$ 13,200.00	100%
Site Preparation	\$ 165,000	\$ 165,000.00	100%
Off Site Work	\$ 35,000	\$ 35,000.00	100%
New Construction Contracts	\$ 20,868,326	\$ 19,362,476.00	93%
Modernization Contracts	\$ -	\$ -	#DIV/0!
Contingencies	\$ 1,043,416	\$ 938,611.00	90%
Architectural/Engineering Fees	\$ 695,000	\$ 593,694.97	85%
Consulting and Other Fees	\$ 209,000	\$ 200,000.00	96%
Movable or Other Equipment	\$ 1,091,000	\$ 995,000.00	91%
Bond Issuance Expense	\$ -	\$ -	#DIV/0!
Net Interest Expense During Construction	\$ 705,000	\$ 660,000.00	94%
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	#DIV/0!
Other Costs to be Capitalized	\$ 47,500	\$ 47,500.00	100%
Acquisition of Building or Other Property	\$ -	\$ -	#DIV/0!
Total Uses of Funds	\$ 24,910,942	\$ 23,048,982	93%
Source of Funds			#DIV/0!
Cash and Securities	\$ 2,610,942	\$ 2,610,942.00	100%
Pledges		\$ -	#DIV/0!
Gifts and Bequests		\$ -	#DIV/0!
Bond Issues		\$ -	#DIV/0!
Mortgages	\$ 22,300,000	\$ 19,362,476.00	87%
Leases		\$ -	#DIV/0!
Governmental Appropriations		\$ -	#DIV/0!
Grants		\$ -	#DIV/0!
Other Funds and Sources		\$ -	#DIV/0!
Total Sources of Funds	\$ 24,910,942	\$ 21,973,418.00	88%