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**RECEIVED**

SEP 18 2014

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

September 17, 2014

VIA FEDERAL EXPRESS

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

**Re: Good Samaritan-Pontiac Project # 12-027  
Notice of Alteration**

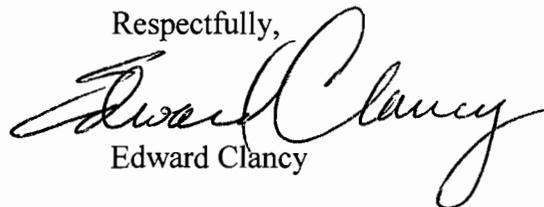
Dear Ms. Avery:

In accordance with Section 1130.750(d) of the Illinois Health Facilities and Services Review Board's (the "Board's") rules and in response to your letter of August 29, 2014, Good Samaritan - Pontiac ("GS-Pontiac") hereby notifies the Board of its alterations to Project #12-027. We enclose revised pages to GS-Pontiac's application for permit and a check for \$1,000, payable to the Illinois Department of Public Health, as the Board's rules require. We also enclose architectural schematics of the revised building.

Under the Board's rules, the alterations are allowable, they conform to all review criteria, and this is the first alteration request for this project. Therefore, we respectfully ask that the Chair of the Board approve the alterations.

Should you have any questions or need additional information, please let me know.

Respectfully,



Edward Clancy

Enclosures

## Narrative Description

Provide in the space below, a brief narrative description of the project. Explain **WHAT** is to be done, **NOT WHY** it is being done. If the project site does NOT have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

**Include: the number and type of beds involved; the actions proposed (establishment, expansion and/or modernization); the ESTIMATED total project cost and the funding source(s) for the project.**

On July 23, 2012, the Health Facilities and Services Review Board (the "Board") granted a Permit for this Project, #12-027, and, at the request of Good Samaritan – Pontiac ("GS-Pontiac"), renewed it on July 10, 2013 and again on October 28, 2013. The Permit allows GS-Pontiac to discontinue a 122-bed skilled nursing facility at 14335 Highway 66, Pontiac, Illinois (the "Existing Facility") and replace it with a 122-bed skilled nursing facility at 840 Ewing Drive,<sup>1</sup> Pontiac, Illinois in Livingston County (the "Replacement Facility"), both of which are within Health Service Area 4. The project is "substantive" under the Board's Rule 1110.40(b), as it entails the establishment of a health care facility that will provide general long-term care.

Due to a variety of circumstances since the Board's approval of the permit, GS-Pontiac has determined that certain changes to the design and scope of the Replacement Facility are necessary and will better reflect community need. The specific alterations are as follows:

- The Replacement Facility will contain 90 beds, as opposed to the original request of 122 beds;
- The space layout has changed, resulting in a reduction in square footage of 5.3%, from 55,413 square feet to 52,444 square feet; and
- The reduction in size and capacity will consequently reduce the project costs from \$14,590,261 to \$13,366,800.

The proposed alteration is allowable, under Section 1130.750(b), and requires Board approval. This is the first alteration for this project.

GS-Pontiac proposes no changes to the services or the acuity of care it will offer within the facility. The proposed alteration will neither affect any of the other area providers, in that it reduces the number of proposed beds, nor adversely affect the facility's ability to meet the needs of its residents.

The discontinuation of the Existing Facility will be effective upon transfer of the Existing Facility's residents to the Replacement Facility. The Existing Facility suffers from severe physical plant issues due to age and design, including water and plumbing issues, insufficient room size, and ventilation and insulation problems. The Replacement Facility will house three clinical areas, which include Long-Term Care, Short-Term Rehab, and Long-Term Care Memory Support. Furthermore, the Replacement Facility will also house Clinical Support, Community Support, and Administrative areas.

The funding for the Replacement Facility remains the same.

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<sup>1</sup> Please note that City of Pontiac changed the address of the replacement facility from 840 Ewing Drive to 1225 Ewing Drive, as the enclosed revised application pages set forth. However, the location remains the same.

## Attachment 13 Planning Area Need

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### **Criterion 1125.530**

The discontinuation of the Existing Facility without the corresponding construction of the Replacement Facility would result in unmet long-term care need in the Livingston County. As of the August 28, 2014 "Update to Inventory of Long-Term Care Services," there is a 72-bed excess in long-term care beds in the Livingston County, however, the Existing Facility accounts for 122 of currently inventoried beds. As such, the discontinuation of the Existing Facility without the corresponding establishment of Replacement Facility would result in an unmet need of 48 long-term care beds in the area.

## Attachment 22 Project Size

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### Criterion 1125.620

The proposed project does not exceed the state standard of 453-713 building gross square feet

<b>Size of Project</b>				
<b>Department/Service</b>	<b>Proposed BGSF/DGSF</b>	<b>State Standard</b>	<b>Difference</b>	<b>Met Standard?</b>
General Long Term Care	583 BGSF/Bed	453-713 BGSF/Bed	0	Yes

("BGSF") per bed.

## Attachment 27 Availability of Funds

### Criterion 1125.800

<u>\$2,500,000</u>	<p>a. Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>1. the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and</li> <li>2. interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;</li> </ol>
_____	<p>b. Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
_____	<p>c. Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>\$10,866,800</u>	<p>d. Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> <li>1. For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated;</li> <li>2. For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>3. For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.;</li> <li>4. For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;</li> <li>5. For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>

_____	e. Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f. Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g. All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
\$13,366,800	<b>TOTAL FUNDS AVAILABLE</b>

## Appendix A Project Costs and Sources of Funds

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs	\$60,693	\$23,976	\$84,669
Site Survey and Soil Investigation	0	0	0
Site Preparation	0	\$1,028,108	\$1,028,108
Off Site Work	0	0	0
New Construction Contracts	\$7,785,645	\$1,366,247	\$9,151,892
Modernization Contracts	0	0	0
Contingencies	\$500,000	\$54,225	\$554,225
Architectural/Engineering Fees	\$656,000	\$114,000	\$770,000
Consulting and Other Fees	\$575,558	\$22,758	\$598,316
Movable or Other Equipment (not in construction contracts)	\$555,657	\$88,533	\$644,190
Bond Issuance Expense (project related)	0	0	0
Net Interest Expense During Construction (project related)	\$422,966	\$112,434	\$535,400
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$10,556,519</b>	<b>\$2,810,281</b>	<b>\$13,366,800</b>
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Cash and Securities	\$1,975,000	\$525,000	\$2,500,000
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources	\$8,581,519	\$2,285,281	\$10,866,800
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$10,556,519</b>	<b>\$2,810,281</b>	<b>\$13,366,800</b>

## Appendix C Project Status and Completion Schedules

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Indicate the stage of the project's architectural drawings:

- |   |   |
|---|---|
| <input type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary              |
| <input type="checkbox"/> Schematics             | <input checked="" type="checkbox"/> Final Working |

Anticipated project completion date (refer to Part 1130.140): January 23, 2017

Indicate the following with respect to project expenditures or to obligation (refer to Part 1130.140):

- Purchase orders, leases or contracts pertaining to the project have been executed.
- Project obligation is contingent upon permit issuance. Provide a copy of the contingent "certification of obligation" document, highlighting any language related to CON Contingencies
- Project obligation will occur after permit issuance.

## Appendix D 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 New Const.
		Existing	Proposed	
<b>CLINICAL</b>				
Long Term Care	\$3,870,316	0 BGSF	15,185 BGSF	15,185 BGSF
Short Term Rehab	\$3,832,084	0 BGSF	15,035 BGSF	15,035 BGSF
LTC Memory Support	\$2,854,119	0 BGSF	11,198 BGSF	11,198 BGSF
Total Review	\$10,556,519	0 BGSF	41,418 BGSF	41,418 BGSF
<b>NON CLINICAL</b>				
Administrative	\$442,213	0 BGSF	1,735 BGSF	1,735 BGSF
Community Space	\$1,045,253	0 BGSF	4,101 BGSF	4,101 BGSF
Community Support	\$1,322,815	0 BGSF	5,190 BGSF	5,190 BGSF
Total Non-clinical	\$2,810,281	0 BGSF	11,026 BGSF	11,026 BGSF
<b>TOTAL</b>	<b>\$13,366,800</b>	<b>0 BGSF</b>	<b>52,444 BGSF</b>	<b>52,444 BGSF</b>