

CHICAGO SURGICAL CLINIC

201 E. Strong Street – Ste 7 Wheeling, IL 60090

RECEIVED

April 13, 2015

Mrs. Kathryn J. Olson, Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street – 2nd Floor
Springfield, IL 62761

APR 14 2015

HEALTH FACILITIES &
SERVICES REVIEW BOARD

RE: Permit Renewal
Project No: 12-076
Chicago Surgical Clinic, Ltd

Dear Mrs. Olson and Board:

Our above-referenced project was granted a Certificate of Need Permit on December 10, 2012 with a project completion date of December 31, 2014, extended in November 2014 to May 31, 2015.

The project was timely obligated and construction continues to progress. We were 49% completed in October 2014 and the project is now 81% completed as of April 9, 2015. We are almost finished.

We request a permit renewal. This request is made more than 45 days prior to the expiration of the permit on May 31, 2015 and is made consistent with the requirements of Section 1130.740 of your rules.

REQUESTED COMPLETION DATE:

We respectfully request a permit renewal with a completion date of August 31, 2015. We believe that the August 31, 2015 completion date will allow for adequate time to complete construction including delivery and installation of the elevator and emergency generator, provide for any unforeseen additional delays and allow time for the final IDPH certification and inspection process required for licensure.

PERCENT PROJECT COMPLETION:

The project is now some 81% completed (as of April 9, 2015) and most work on the Second Floor has been completed. We have expended 75% of approved funds.

REASONS WHY PROJECT HAS NOT BEEN COMPLETED:

As noted in the enclosed letter from our project architect, Robert Kirk, we experienced three unforeseen delays in our construction schedule. First, site utility plans did not show existing underground ground water storage tanks which forced us to relocate the new Commonwealth Edison (electrical utility) underground main electrical service. This also caused us to relocate our site electrical service, switches and distribution panels. Second, we have been required to relocate the site of our emergency generator to a more remote area of the complex and are still awaiting delivery from the manufacturer of the emergency generator and its installation. This will require new pad excavation and conduit run across the parking lot. This will result in a three (3) week delay. Third, the manufacturer of the hydraulic elevator has delayed delivery by four (4) weeks due to a materials backlog. This has resulted in delaying our ability to substantially close up the area around the elevator shaft and complete finish work on the First Floor.

WORK COMPLETED AND COMPONENTS YET TO BE FINISHED:

Most work on the Second Floor has been completed as has the rough-in and interior wall framing on the First Floor. Most mechanical systems (including HVAC), plumbing, electrical, low voltage, medical gas piping and all major structural components are in place. We have completed work on ceiling framing; most drywall is in place on the Second Floor.

We still need to receive and install the hydraulic elevator and complete the enclosure. We are awaiting delivery of the diesel emergency generator and its installation at a remote site within the complex. Final work on the First Floor on drywall near the elevator, ceiling installation; floor finishes; painting; and installation of all equipment and furnishing remain to complete the project. We will also have to substantially complete all finish work and testing and certifications required prior to seeking final IDPH inspection and occupancy, and issuance of both local occupancy permits and IDPH licensure.

AMOUNT EXPENDED TO-DATE:

Project funds expended as of March 31, 2015 are \$ 2,945,750 (75.90%). We have attached a comparison between our CON-Approved Permit amount and our expended use and sources of funds as of that date.

APPLICATION PROCESSING FEE:

In accordance with the provisions of Section 1130.740(e) and Section 1130.230(h)(5) of your rules, we have enclosed our check in the amount of \$500 made payable to the Illinois Department of Public Health as the appropriate application processing fee for this permit renewal request.

We are current with our reporting requirements under our Permit as we submitted our annual progress report in December 2014, as required.

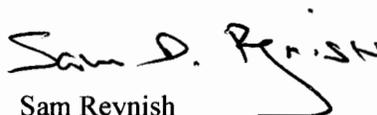
This request is respectfully submitted and confirmed by:

CONFIRMATORY STATEMENT:

As the permit holder, I/we hereby confirm by my/our signature(s) below that the scope of the project (multi-specialty ASTC) and size of the project (7,700 gross square feet) have not changed; that the project's final costs are/will be at or below that approved in our CON Permit (\$3,879,057) and that sufficient financing remains in place to complete the project.

CHICAGO SURGICAL CLINIC, Ltd by:


Yelena Levitin, M.D.


Sam Reynish

Cc: Ira Rogal, Shea, Paige & Rogal

April 9, 2015

Yelena Levitin, M.D.
Mr. Sam Reynish
Chicago Surgical Clinic
201 E Strong Street – Ste 7
Wheeling, IL 60090

RE: Chicago Surgical Center
129 W Rand Road, Arlington Heights, IL

Construction Completion Issues and Estimated Timeframe for Completion

Dear Dr. Levitin and Mr. Reynish:

As the project architect I want to update you on site condition and equipment production delays that have resulted in a delay in project completion. While we have moved the project with due diligence we will require an extension of time in order to complete the project as a result of these unforeseen delays:

1) Emergency Generator (Diesel 200 KW): The manufacturer reports a delay in production and delivery of the emergency generator due to a backlog related to software engineering design. Also, per the Village of Arlington Heights, the emergency generator has to be relocated to a remote on-site location. This will require a new underground route for service wiring, additional excavation for control conduit and a new concrete pad to be poured with construction of an enclosure. This will cause a delay in construction of three (3) weeks.

2) Schlinder Hydraulic Elevator: The delivery onsite and installation of the hydraulic elevator has been delayed by four (4) weeks by the manufacturer due to a material backlog. Once onsite the unit will need to be inspected and tested and connected to the fire alarm system.

3) Unforeseen Site Conditions: The new surgical center is being built within an existing building shell with the creation of a second story. Service utilities had to be relocated and there were unforeseen existing conditions that are now being corrected. Structural changes resulted in a portion of the main floor having to be rebuilt and a slight grade change will be required near the stairway. This will cause a delay of three (3) – four (4) weeks as work on final finishes on the first floor cannot be addressed until these site changes are completed.

The project is 81% completed as of April 9, 2015. All mechanical (except for the elevator and emergency generator), plumbing, electrical, low voltage, medical gas and major structural components are in place. Most of the second floor is completed with gypsum wall board installed in place and we expect ceiling work to begin in the next few weeks.

April 13 – April 30	Ceiling will be installed; wall finishes done and flooring installed (2nd Floor).
May 1 – May 15	Wall finishes and flooring installed (1 st Floor); site pad prepared for emergency generator.
June 1 – June 30	Emergency generator delivered and installed; utility relocation completed.

Chicago Surgical Center
129 W Rand Road, Arlington Heights, IL

April 9, 2015

Construction Completion Issues and Estimated Timeframe for Completion – con't

June 15 – July 15	Elevator will be delivered and installed; ceiling installed (1 st Floor); final finishes
July 1 – July 20	Equipment and furnishings delivered; sterilizers installed; OR lights installed
July 15 – July 30	Testing and certifications completed; local inspections and occupancy; application for IDPH site inspections; staff orientation
July 20 – August 15	IDPH architectural and nursing inspections;
August 15	The surgical center will be fully operational

While we hope that these delays will not be as long as stated and while we move forward to complete the project as soon as possible, we wanted to inform you of the delays and our promise to work with you as we finish our work leading to the opening of your new surgical center. Please contact me if you have any questions and we look forward to updating you during our next onsite meeting.

Sincerely,
SURGICAL CONSTRUCTION LLC


Robert W. Kirk, AIA
Vice President

Cc: Mr. Ira Rogal
Dr. Sam Akmakjian



**CHICAGO SURGICAL CLINIC
PROJECT COST REPORT**

USES OF FUNDS	CON APPROVED 12/10/2013	EXPENDED TO-DATE As of 03/31/2015
Preplanning	\$11,000	\$11,000
Site Survey/Soil Investigation	1,000	1,000
Site Preparation	57,000	54,000
Off Site Work	N/A	
New Construction Contracts	1,640,000	1,385,300
Modernization Contracts	N/A	
Contingencies	160,000	97,340
Architect/Engineering Fees	265,000	225,000
Consultants & Other Fees	165,000	128,000
Moveable/Other Equipment	250,000	174,500
New Equipment	206,157	110,875
Bond Issue Expenses	N/A	
Net Interest During Construction	60,000	10,380
FMV of Space or Equipment	N/A	
Other Costs to be Capitalized	293,900	228,170
Acquisition of Bldg/Property	770,000	520,185
TOTAL USES OF FUNDS	\$3,879,057	\$2,945,750
SOURCES OF FUNDS		
Cash & Securities	\$1,629,057	1,416,200
Pledges		
Gifts & Bequests		
Bond Issues		
Mortgages	2,000,000	1,396,050
Leases (FMV)		
Government Appropriations		
Grants		
Existing Equipment	250,000	133,500
Other Funds & Sources		
TOTAL SOURCES OF FUNDS	\$3,879,057	2,945,750