



Timothy V Tincknell, FACHE
(312) 243-9286 x230
timothy.tincknell@davita.com

1600 W 13th St, Ste 3
Chicago, IL 60608
Fax: (866) 586-3214
www.davita.com

May 18, 2016

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FEDERAL EXPRESS

Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Progress Report – Machesney Park Dialysis (Proj. No. 15-004)

Dear Mr. Constantino:

Pursuant to Section 1130.760 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita HealthCare Partners Inc. and Total Renal Care Inc. (the “Permit Holders”) to submit the annual progress report for Machesney Park Dialysis (Project No. 15-004). As you are aware, on April 21, 2015, HFSRB approved the Permit Holders’ certificate of need application for the establishment of Machesney Park Dialysis (the “Project”). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #15-004.

1. Status of the Project

The Project was obligated on May 21, 2015, through the execution of a lease to establish the dialysis facility. Shell construction began October 19, 2015 and was complete as of April 29, 2016. The interior build out was started on January 11, 2016 and is 100% complete. The Certificate of Occupancy was received on May 3, 2016.

2. Costs Incurred to Date

To date, the Permit Holders have incurred \$1,724,842 in project costs.

Michael Constantino

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Page 2

PROJECT COSTS	Approved	Expended
New Construction Contracts	\$1,078,000	\$562,720
Contingencies	\$100,000	\$0
A & E Fees	\$82,200	\$91,157
Consulting & Other Fees	\$92,500	\$0
Moveable Equipment	\$485,587	\$220,589
Fair Market Value of Leased Space & Equipment	\$850,376	\$850,376
Other Costs to be Capitalized	\$0	\$0
Estimated Total Project Cost	\$2,688,663	\$1,724,842

3. **Sources of Funds**

The project will be financed through \$1,838,287 in cash and cash equivalents and \$850,376 lease.

4. **Anticipated Completion Date**

The anticipated completion date for the Project is April 30, 2017.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Timothy V. Tincknell

cc: Michael Mills, HFSRB
Lynanne Hike, DaVita HealthCare Partners Inc.