



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

August 20, 2019

Anne M. Cooper  
(312) 873-3606  
(312) 276-4317 Direct Fax  
acooper@polsinelli.com

Via Federal Express

Courtney Avery  
Illinois Health Facilities and Services Review  
Board  
525 West Jefferson Street, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

**Re: Permit Alteration – Geneva Crossing Dialysis (Proj. No 17-013)**

Dear Ms. Avery:

Pursuant to Section 1130.750 of the Illinois Health Facilities and Services Review Board (“HFSRB”) rules, I am writing on behalf of DaVita Inc., DuPage Medical Group Ltd. and Rockwood Dialysis, LLC (collectively, the “Permit Holders”) to request an alteration to the above referenced project. As you are aware, on July 24, 2018, the Illinois Health Facilities and Services Review Board (“HFSRB”) approved the Permit Holders’ Certificate of Need permit application to establish a 12 station dialysis clinic to be located at 540-560 South Schmale Road, Carol Stream, Illinois (the “Project”). The application for this project was submitted on March 28, 2017, and due to the passage of time from application submission to approval, construction costs increased approximately \$150,000.

The Board’s rules allow for certain alterations to a project for which a permit has been issued. As set forth in 77 Ill. Admin. Code 1130.750, an increase up to 7% of the total approved project cost is an allowable alteration that requires Board approval. For your review, I have attached the following documents:

- Project Costs and Sources of Funds
- Attachment – 7 (Itemized Project Costs and Sources of Funds)
- Attachment – 9 (Cost Space Requirements)
- Availability of Funds
- Attachment – 36C (Reasonableness of Project and Related Costs)

[polsinelli.com](http://polsinelli.com)

Atlanta Boston Chicago Dallas Denver Houston Kansas City Los Angeles Nashville New York Phoenix  
St. Louis San Francisco Silicon Valley Washington, D.C. Wilmington

Polsinelli LLP in California



Ms. Courtney Avery  
August 20, 2019  
Page 2

By this letter, the Permit Holders request the Board approve this alteration. Enclosed is a \$1,000 check for the fee associated with the alteration.

Sincerely,

A handwritten signature in blue ink that reads "Anne M. Cooper".

Anne M. Cooper

Attachments

## 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 be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$1,205,500		\$1,205,500
Contingencies	\$158,300		\$158,300
Architectural/Engineering Fees	\$123,000		\$123,000
Consulting and Other Fees	\$117,079		\$117,079
Movable or Other Equipment (not in construction contracts)	\$529,295		\$529,295
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	\$718,840		\$718,840
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
<b>TOTAL USES OF FUNDS</b>	<b>\$2,852,014</b>		<b>\$2,852,014</b>
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$2,133,177		\$2,133,177
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	\$718,840		\$718,840
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$2,852,014</b>		<b>\$2,852,014</b>
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

**Section I, Identification, General Information, and Certification**  
**Project Costs and Sources of Funds**

<b>Table 1120.110</b>			
<b>Project Cost</b>	<b>Clinical</b>	<b>Non-Clinical</b>	<b>Total</b>
Modernization Contracts	\$1,205,500		\$1,205,500
Contingencies	\$158,300		\$158,300
Architectural/Engineering Fees	\$123,000		\$123,000
Consulting and Other Fees	\$117,079		\$117,079
<b>Moveable and Other Equipment</b>			
Communications	\$68,644		\$68,644
Water Treatment	\$140,475		\$140,475
Bio-Medical Equipment	\$11,550		\$11,550
Clinical Equipment	\$210,444		\$210,444
Clinical Furniture/Fixtures	\$18,060		\$18,060
Lounge Furniture/Fixtures	\$3,855		\$3,855
Storage Furniture/Fixtures	\$5,862		\$5,862
Business Office Fixtures	\$30,905		\$30,905
General Furniture/Fixtures	\$27,500		\$27,500
Signage	\$12,000		\$12,000
<b>Total Moveable and Other Equipment</b>	<b>\$529,295</b>		<b>\$529,295</b>
Fair Market Value of Leased Space	\$718,840		\$718,840
<b>Total Project Costs</b>	<b>\$2,852,014</b>		<b>\$2,852,014</b>

**Section I, Identification, General Information, and Certification  
Cost Space Requirements**

<b>Cost Space Table</b>							
<b>Dept. / Area</b>	<b>Cost</b>	<b>Gross Square Feet</b>		<b>Amount of Proposed Total Gross Square Feet That Is:</b>			
		<b>Existing</b>	<b>Proposed</b>	<b>New Const.</b>	<b>Modernized</b>	<b>As Is</b>	<b>Vacated Space</b>
<b>CLINICAL</b>							
ESRD	\$2,852,014		6,240	6,240			
<b>Total Clinical</b>	<b>\$2,852,014</b>		<b>6,240</b>	<b>6,240</b>			
<b>NON REVIEWABLE</b>							
<b>Total Non-Reviewable</b>							
<b>TOTAL</b>	<b>\$2,852,014</b>		<b>6,240</b>	<b>6,240</b>			



	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.
<b><u>\$2,852,014</u></b>	<b>TOTAL FUNDS AVAILABLE</b>

**APPEND DOCUMENTATION AS ATTACHMENT 33, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.**

**Section X, Economic Feasibility Review Criteria**  
**Criterion 1120.140(c), Reasonableness of Project and Related Costs**

1. The Cost and Gross Square Feet by Department is provided in the table below.

<b>COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE</b>									
Department (list below) CLINICAL	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
<b>CLINICAL</b>									
ESRD		\$193.19			6,240			\$1,205,500	\$1,205,500
Contingency		\$25.37			6,240			\$158,300	\$158,300
<b>TOTAL CLINICAL</b>		<b>\$218.56</b>			<b>6,240</b>			<b>\$1,363,800</b>	<b>\$1,363,800</b>
<b>NON- CLINICAL</b>									
Admin									
Contingency									
<b>TOTAL NON- CLINICAL</b>									
<b>TOTAL</b>		<b>\$218.56</b>			<b>6,240</b>			<b>\$1,363,800</b>	<b>\$1,363,800</b>

\* Include the percentage (%) of space for circulation

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

<b>Table 1120.310(c)</b>			
	<b>Proposed Project</b>	<b>State Standard</b>	<b>Above/Below State Standard</b>
Modernization Contracts & Contingencies	\$1,363,800	\$200.71 x 6,240 GSF = \$1,252,430	Above State Standard
Contingencies	\$158,300	10% - 15% Modernization Contracts 15% x \$1,205,500 = \$180,825	Meets State Standard
Architectural/Engineering Fees	\$123,000	6.76% - 10.16% of New Modernization Contracts + Contingencies) = 6.76% - 10.16% x (\$1,205,500 + \$158,300)= 6.76% - 10.16% x \$1,363,800 = \$92,193 - \$138,562	Meets State Standard

**Table 1120.310(c)**

	<b>Proposed Project</b>	<b>State Standard</b>	<b>Above/Below State Standard</b>
Consulting and Other Fees	\$117,079	No State Standard	No State Standard
Moveable Equipment	\$529,295	\$55,293.22 per station x 12 stations \$55,293.22 x 12 = \$663,518.66	Below State Standard
Fair Market Value of Leased Space or Equipment	\$718,840	No State Standard	No State Standard