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VIA FEDEX

November 17, 2017

Courtney Avery
Illinois Health Facilities and Services Review Board
525 West Jefferson, 2nd Floor
Springfield, Illinois 62761

RECEIVED

NOV 20 2017

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Cook County Hospital and Health System/Provident Hospital
Project #017-17 Modification Request per 77 IAC 1130.650

Dear Ms. Avery:

Please accept this Type B modification request regarding the above referenced project. The applicant would like to decrease the cost of modernization by \$200,577.00. This modification will allow it to meet the Health Facilities & Services Review Board cost standards, and still maintains ample budget for the cost of the modernization which is part of the project. Enclosed are modified pages of the application to reflect the change in project costs.

Thank you.

Sincerely,


Clare E. Connor

cc: Samuel Williams
Letitia Close
Jeff McCutchan
Mike Constantino

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 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	\$ 849,443	\$ 450,000	\$ 1,299,443
Contingencies	\$ 91,000	\$ 39,000	\$ 130,000
Architectural/Engineering Fees	\$ 75,600	\$ 32,400	\$ 108,000
Consulting and Other Fees	\$ 0	\$ 100,000	\$ 100,000
Movable or Other Equipment (not in construction contracts)	\$ 350,578	\$ 150,247	\$ 500,825
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized	\$ 0	\$ 100,000	\$ 100,000
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$ 1,366,621	\$ 871,647	\$ 2,238,268
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$ 1,366,621	\$ 871,647	\$ 2,238,268
Pledges	\$		\$
Gifts and Bequests	\$		\$
Bond Issues (project related)	\$		\$
Mortgages	\$		\$
Leases (fair market value)	\$		\$
Governmental Appropriations	\$		\$
Grants	\$		\$
Other Funds and Sources	\$		\$
TOTAL SOURCES OF FUNDS	\$ 1,366,621	\$ 871,647	\$ 2,238,268
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VIII. - 1120.120 - Availability of Funds

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable: Indicate the dollar amount to be provided from the following sources:

\$2,238,268.00	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> 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 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;
_____	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.
_____	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;
_____	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: <ol style="list-style-type: none"> 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; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 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.; 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; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	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.
\$2,238,268.00	TOTAL FUNDS AVAILABLE

APPEND DOCUMENTATION AS ATTACHMENT 36 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

X. 1120.140 - Economic Feasibility

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements - NOT APPLICABLE

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing - NOT APPLICABLE

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following: **NOT APPLICABLE - EST ESRD CATEGORY OF SERVICE**

- 1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	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)	
ESRD		\$176			4,826			\$849,443	\$849,443
Contingency		\$18.86			N/A			\$91,000	\$91,000
TOTALS		\$194.86			4,826			\$940,900	\$940,900

* Include the percentage (%) of space for circulation

Cost Space Requirements

Dept. / Area	Cost (\$)	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Renal Dialysis	1,366,621	0	4,826	0	4,826	0	0
Total Clinical	1,366,621	0	4,826	0	4,826	0	0
NON-REVIEWABLE							
Admin/Common Areas (lobby/public areas)	871,647	0	1,724	0	1,724	0	0
Total Non-clinical	871,647	0	1,724	0	1,724	0	0
TOTAL	\$2,238,628	6,550	6,550	0	6,550	0	0