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RECEIVED
OCT 09 2018
HEALTH FACILITIES &
SERVICES REVIEW BOARD

October 5, 2018

VIA Federal Express

Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd floor
Springfield, Illinois, 62761
Attn: Michael Constantino

Re: #17-071 Dialysis Care Center Hazel Crest
Additional Information in response to board staff report

Dear Ms. Avery,

On July 24, 2018, the Illinois Health Facilities & Services Review Board issued a board staff report for Dialysis Care Center Hazel Crest project #17-071. Please find attached updated project costs and source of funds replacement pages 7, 19,20, 76, 78 and 172 from the application.

Thank you for your attention to this matter. Please do not hesitate to contact me if you have any questions regarding the proposed project to establish an in-center hemodialysis facility.

Sincerely,

Asim M. Shazzad
Chief Operating Officer

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	$487,500		$487,500
Modernization Contracts			
Contingencies	$43,875		$43,875
Architectural/Engineering Fees	$45,000		$45,000
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)	$420,000		$420,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment	$426,335		$426,335
Other Costs To Be Capitalized			
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	$1,422,710		$1,422,710
SOURCE OF FUNDS	**CLINICAL**	**NONCLINICAL**	**TOTAL**
Cash and Securities	**$996,375**		**$996,375**
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)	**$426,335**		**$426,335**
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	**$1,422,710**		**$1,422,710**
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)**

VII. 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]:**

$996,375	a)	Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: 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;
$426,335 (FMV OF LEASE)	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: 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.
$1,422,710	**TOTAL FUNDS AVAILABLE**

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section 1, Identification, General Information, and certification

Project Costs and sources of funds

Table 1120.110			
Project Costs	Clinical	Non-Clinical	Total
New Construction Contracts	487,500.00		487,500.00
Contingencies	43,875.00		43,875.00
Architectural/Enginerring Fees	45,000.00		45,000.00
Moveable and Other Equipment			
Communications	11,000.00		11,000.00
Water Treatment	160,000.00		160,000.00
Clinical Furniture	18,000.00		18,000.00
Bio-Medical Equipment	13,500.00		13,500.00
Clinical Equipment	165,500.00		165,500.00
Office Furniture	23,000.00		23,000.00
Office Equipment	29,000.00		29,000.00
Total Moveable and Other Equipment	420,000.00		420,000.00
Fair Market Value of Leased Space	426,335.20		426,335.20
Total Project Cost	1,422,710.20		1,422,710.20

Section 1, Identification, General Information, and certification

Cost Space Requirements

Provide in the following format, the department/area **GSF** or the building/area **GSF** and cost.. 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.**

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept. / Area	**Cost**	**Existing**	**Proposed**	**New Const.**	**Modernized**	**As Is**	**Vacated Space**
REVIEWABLE							
In-center Hemodialysis	$1,422,710	3,900			3,900		
Total Clinical	$1,422,710	3,900			3,900		
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL	**$1,422,710**	**3,900**			**3,900**		

APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Section IX. Financial and economic Feasibility

Criterion 1120.310 (c) Reasonableness of project and related cost

Dialysis Care Center Hazel Crest will be funded entirely with cash and cash equivalents, thereby meeting the criteria for the financial waiver

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		$125.00			3900			$487,500.00	$487,500.00
Contingency		$11.25			3900			$43,875	$43,875
TOTALS		$136.25			3900			$531,375.00	$531,375.00

These projected costs are below the state standards.

Attachment 37