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APR 16 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

April 15, 2014

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

Re: Renewal of a Permit-10-065-Park Pointe - South Elgin Healthcare and Rehabilitation Center Ms.

Avery:

We are respectfully requesting a "Renewal of a Permit" regarding the above cited property.

- 1.) The requested completion date is now, May 2016.
- 2.) The project status is that entitlements have been obtained and architectural/engineering drawings are complete through preliminary design. No other work has been completed to date. (See Attachment labeled Exhibit 1)
- 3.) The reason for the delay in the project is directly related to financing. At the date of issue of the CON permit, the project had the necessary approvals to obtain an allocation of bonds in the amount of \$15,444,500. However, given the environment in the capital markets at the time, we were unsuccessful in securing a financial institution to provide the necessary credit enhancement that would allow us to sell the bonds in the marketplace. As such, the bond commitment expired. Subsequent to their expiration, we have been actively engaged in discussions with various lenders to provide debt financing for the project. We have been successful in obtaining financing through the EB5 Regional Center for permit #10-065 in the amount of \$22,200,000. To develop the Skilled Nursing Facility.
- 4.) The project's costs and scope are in compliance with what the HEPB approved and sufficient financial resources (equity) are available to complete the project.

If you have any questions or need any additional information, please do not hesitate to contact me at 630-649-1577.

Sincerely,



Kimberly A. Westerkamp

Managing Member

South Elgin Real Estate Holdings I, LLC

EXHIBIT 1

Project Costs and Sources of Funds vs Costs to Date

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	NON-CLINICAL	TOTAL	Costs to Date
Preplanning Costs	\$ 44,240	\$ 11,760	\$ 56,000	\$ 35,650
Site Survey and Soil Investigation	\$ 7,900	\$ 2,100	\$ 10,000	\$ 5,500
Site Preparation	\$ 395,000	\$ 105,000	\$ 500,000	\$ -
Off Site Work	\$ 316,000	\$ 84,000	\$ 400,000	\$ -
New Construction Contracts	\$ 10,724,764	\$ 2,850,887	\$ 13,575,650	\$ -
Modernization Contracts	\$ -	\$ -	\$ -	\$ -
Contingencies	\$ 703,175	\$ 186,920	\$ 890,096	\$ -
Architectural/Engineering Fees	\$ 518,559	\$ 137,845	\$ 656,404	\$ 165,800
Consulting and Other Fees	\$ 1,631,620	\$ 433,722	\$ 2,065,342	\$ 65,250
Movable or Other Equipment (not in construction contracts)	\$ 1,142,571	\$ 303,721	\$ 1,446,292	\$ -
Bond Issuance Expense (project related)	\$ 474,000	\$ 126,000	\$ 600,000	\$ -
Net Interest Expense During Construction (project related)	\$ 1,028,580	\$ 273,420	\$ 1,302,000	\$ -
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	\$ -	\$ -
Other Costs To Be Capitalized	\$ 165,900	\$ 44,100	\$ 210,000	\$ -
Acquisition of Building or Other Property (excluding land)	\$ -	\$ -	\$ -	\$ -
TOTAL USES OF FUNDS	\$ 5,009,420	\$ 1,331,618	\$ 21,711,784	\$ 272,200
SOURCE OF FUNDS	CLINICAL	NON-CLINICAL	TOTAL	TOTAL
Cash and Securities	\$ -	\$ -	\$ -	\$ -
Pledges	\$ -	\$ -	\$ -	\$ -
Gifts and Bequests	\$ -	\$ -	\$ -	\$ -
Bond Issues (project related)	\$ 15,444,500	\$ 4,105,500	\$ 19,550,000	\$ -
Mortgages	\$ -	\$ -	\$ -	\$ -
Leases (fair market value)	\$ -	\$ -	\$ -	\$ -
Governmental Appropriations	\$ -	\$ -	\$ -	\$ -
Grants	\$ -	\$ -	\$ -	\$ -
Other Funds and Sources - Land Value, Dev Fee	\$ 1,707,809	\$ 453,975	\$ 2,161,784	\$ 272,200
TOTAL SOURCES OF FUNDS	\$ 17,152,309	\$ 4,559,475	\$ 21,711,784	\$ 272,200
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.				