



Timothy V Tincknell, FACHE  
(773) 278-4403 x232  
[timothy.tincknell@davita.com](mailto:timothy.tincknell@davita.com)

2484 N Elston Ave  
Chicago, IL 60647  
Fax: (866) 586-3214  
[www.davita.com](http://www.davita.com)

December 8, 2016

RECEIVED

DEC 09 2016

**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 – Tinley Park Dialysis (Proj. No. 14-042)**

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 Inc. and Kidney Center South, LLC (the "Permit Holders") to submit the annual progress report for Tinley Park Dialysis (Project No. 14-042). As you are aware, on November 12, 2014, HFSRB approved the Permit Holders' certificate of need application for the establishment of Tinley Park Dialysis (the "Project"). Pursuant to Section 1130.760, the Permit Holders submit the following information regarding the progress of Project Permit #14-042.

**1. Status of the Project**

The Project was obligated on March 2, 2015, through the execution of a lease to establish the dialysis facility. Shell construction began August 10, 2015 and was completed on March 18, 2016. The interior build out was started on October 23, 2015 and is 100% complete. The Certificate of Occupancy was received on March 18, 2016 and the facility had its first treatment on September 9, 2016. DaVita is presently awaiting Medicare certification and, based upon recent experience, anticipates Medicare certification of the facility to occur in the first quarter of 2017.

**2. Costs Incurred to Date**

To date, the Permit Holders have incurred \$3,313,382 in project costs.

| PROJECT COSTS                                 | Approved           | Expended           |
|-----------------------------------------------|--------------------|--------------------|
| New Construction Contracts                    | \$1,080,000        | \$914,725*         |
| Contingencies                                 | \$100,000          | \$0                |
| A & E Fees                                    | \$90,250           | \$61,637           |
| Consulting & Other Fees                       | \$75,000           | \$16,127           |
| Moveable Equipment                            | \$483,187          | \$483,448          |
| Fair Market Value of Leased Space & Equipment | \$1,837,445        | \$1,837,445        |
| Other Costs to be Capitalized                 | \$0                | \$0                |
| <b>Estimated Total Project Cost</b>           | <b>\$3,665,882</b> | <b>\$3,313,382</b> |

\*The construction costs include \$19,431.25 for a security doors and locks system and \$37,146.61 for the facility lighting package.

3. Sources of Funds

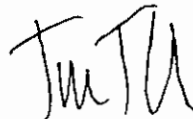
The project will be financed through \$1,828,437 in cash and cash equivalents and \$1,837,445 lease.

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: Gaurav Bhattacharyya  
Brent Habitz  
Kelly Ladd