



21020 Kostner Avenue
Matteson, IL 60443
Phone: 708-747-1300
Fax: 708-747-6282

SENT VIA HAND DELIVERY

RECEIVED

June 23, 2016

JUN 28 2016

Ms. Courtney Avery, Administrator
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

**Re: Permit #15-008, Applewood Rehabilitation Center;
Annual Progress Report**

Dear Ms. Avery:

On June 2, 2015 the Illinois Health Facilities and Services Review Board granted a permit to Applewood Rehabilitation Center for the Major modernization of an existing facility with new construction and addition of 39 general nursing beds. On behalf of the Applicant, I am writing this letter to comply with section 1130.760 (Annual Progress Reports) of the 77 Illinois Administrative Code.

Current Status:

Facility has had plans approved by Public Health. The project has been out to bid and the preliminary bids received are higher than expected. Facility is working with contractors to bring our cost in line with our expectations. The project is about 5.3% completed; this includes primarily the architectural and consulting fees.

Specific timeline to the project is as follows:

- June 2, 2015: CON Approval
- June 8, 2015 - September 29, 2015: Design Development documents completed and sent to contractors for pricing.
- September 30, 2015 - October 15, 2015: Value engineering to resolve cost difference.

- October 16, 2015: Construction documents were completed and submitted to IDPH for plan and design approval.
- February 8, 2016: IDPH design approval received.
- February 8, 2016 - March 11, 2016: Construction documents were sent to contractors for Bids; bids came back over Budget.
- March 11, 2016 - April 7, 2016: The budget was again resolved through value engineering.
Ms. Courtney Avery, Administrator
June 23, 2016
Page Two

- April 8, 2016: Initiated Zoning process with Village of Matteson. Scheduled to present to the plan commission on July 7, 2016 with initial approval expected July 18, 2016. Building permit to proceed after plan commission approval.
- Contract to be signed July 2016
- Expected to break ground in Early August.

Project Costs:

Appended herein (EXHIBIT A) is a project cost and sources of funds chart illustrating the approved line items and the corresponding expenditures that have been made per line item.

Project Financing:

The method and sources of funds have not changed as originally approved. All funds to date have been paid from cash.

Project Completion:

The need to value engineer this project twice to keep costs in-check have moved the project significantly off of its timeline, yet at this point, the contractors still believe that it is possible to meet our anticipated date of completion of December 2017 as stated in the permit letter. Therefore, this project remains in compliance with all the conditions and items of the permit.

Should you have any questions or concerns, please do not hesitate to contact me on behalf of the Applicant.

Sincerely,



Kirsten (Barrish) Schloss (VP Physical Plant and Dietary Services)
Applewood Property, LLC
Applewood Rehabilitation Center, LLC

PROJECT COSTS AND SOURCES OF FUNDS

Use of Funds	COST	Expended to Date	% Expended
Preplanning Costs	\$ -	\$ -	0%
Site Survey and Soil Investigation	\$ 17,500	\$ -	0%
Site Preparation	\$ 100,000	\$ -	0%
Off Site Work	\$ 24,407	\$ -	0%
New Construction Contracts	\$ 6,429,094	\$ -	0%
Modernization Contracts	\$ 1,804,809	\$ -	0%
Contingencies	\$ 213,791	\$ -	0%
Architectural/Engineering Fees	\$ 667,660	\$ 500,420.00	75%
Consulting and Other Fees	\$ 80,000	\$ 44,365.00	55%
Movable or Other Equipment	\$ -	\$ -	0%
Bond Issuance Expense	\$ 85,516	\$ -	0%
Net Interest Expense During Construction	\$ -	\$ -	0%
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	0%
Other Costs to be Capitalized	\$ 847,550	\$ -	0%
Acquisition of Building or Other Property	\$ -	\$ -	0%
Total Uses of Funds	\$ 10,270,327	\$ 544,785	5%
Source of Funds			#DIV/0!
Cash and Securities	\$ 1,270,327	\$ 544,785.00	43%
Pledges		\$ -	0%
Gifts and Bequests		\$ -	0%
Bond Issues		\$ -	0%
Mortgages	\$ 9,000,000	\$ -	0%
Leases		\$ -	0%
Governmental Appropriations		\$ -	0%
Grants		\$ -	0%
Other Funds and Sources		\$ -	0%
Total Sources of Funds	\$ 10,270,327	\$ 544,785.00	5%

EXHIBIT A