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June 7, 2019

VIA HAND DELIVERY

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

RECEIVED

JUN 07 2019

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Annual Progress Report-Transitional Care of Lisle, Project #15-056

Dear Ms. Avery:

On May 10, 2016, the Illinois Health Facilities and Services Review Board ("HFSRB") approved Project #15-056, Transitional Care of Lisle, a project to construct and establish a 68 bed general long term category of service to be located at 2850 Ogden Avenue, Lisle, Illinois. The purpose of this letter is to provide an annual progress report pursuant to 77 Ill. Admin. Code 1130.760.

Status of the Project

At the January 15, 2019 HFSRB meeting we presented a request for a permit renewal and were approved to extend our completion date to June 30, 2020. We are happy to report that the Illinois Department of Public Health approved of our architectural and construction plans for the facility and we broke ground in November of 2018. However, due to the harsh winter weather our construction was shut down for 3 months. The recent incessant rainstorms have also caused further delays. Our general contractor has estimated that the remainder of the construction timeline will be 9-10 months. The project is approximately 15% complete at this time.

The permit renewal request for additional time was necessary to complete construction of the facility and allow for the requisite Illinois Department of Public Health ("IDPH") life safety and licensure inspections. As this Board knows, we were also delayed because of litigation regarding the permit for the project. Competitors filed an administrative review action in Circuit Court requesting that the Court overturn the Board's approval. After extensive delay the action was voluntarily dismissed by the competitors on May 30, 2017.

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Costs Incurred to Date

Since the resolution of the construction issues and litigation, significant progress was made on the project. The project was financially committed on July 27, 2018 through the execution of a construction contract to build the skilled nursing facility and has been reported to the Board. To date approximately \$2,500,000 of the approved \$15,841,700 project costs have been expended on the project. We do not anticipate the need to alter the project in any way, as we expect to come in on budget.

If you have any questions or need any additional information regarding the project or this permit renewal request, please feel free to contact me at 312-212-4967.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP

A handwritten signature in black ink, appearing to read "Juan Morado, Jr.", with a stylized flourish at the end.

Juan Morado, Jr.

cc: Jeannie Mitchell, General Counsel (via email)