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April 14, 2017

Via Federal Express

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Michael Constantino
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

RECEIVED

APR 17 2017

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Whiteside Dialysis (Proj. No. 16-051) – Permit Alteration

Dear Mr. Constantino:

As you are aware, on March 14, 2017, the Illinois Health Facilities and Services Review Board ("Board") approved DaVita's Certificate of Need permit application to discontinue its existing 15-station dialysis facility at 2600 North Locust, Suite D, Sterling, Illinois 61081 and establish a 15-station dialysis facility at 4320 East Lincolnway, Sterling, Illinois 61081. This project will involve a ground-up development by a third party developer. After further defining the building footprint, completing the design plan and working out the space requirements with the landlord, DaVita has determined that the facility will consist of 6,815 gross square feet rather than the 6,600 gross square feet as originally anticipated.

The Board's rules allow for certain alterations to a project for which a permit has been issued. As set forth in 77 Ill. Admin. Code 1130.750, an increase in the square footage of the project up to 5% of the approved gross square footage is an allowable alteration that requires Board approval. The increased square footage complies with the Board's size standards. For your review, I have attached the following documents:

- Attachment – 9 (Cost Space Requirements)
- Attachment – 14 (Size of the Project)
- Attachment – 39C (Reasonableness of Project and Related Costs)



Mr. Michael Constantino
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By this letter, DaVita requests the Board approve this alteration. Enclosed is a \$1,000 check for the fee associated with the alteration. We would appreciate if the Chair could review and approve it with a desk review.

Sincerely,

A handwritten signature in cursive script that reads "Anne M. Cooper".

Anne M. Cooper

Attachments

Section I, Identification, General Information, and Certification
Cost Space Requirements

Cost Space Table							
Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
CLINICAL							
ESRD	\$3,168,654		6,815	6,815			
Total Clinical	\$3,168,654		6,815	6,815			
NON CLINICAL							
Total Non-clinical							
TOTAL	\$3,168,654		6,815	6,815			

Section IV, Project Scope, Utilization, and Unfinished/Shell Space
Criterion 1110.234(a), Size of the Project

The Applicants propose to relocate its Existing Facility. Pursuant to Section 1110, Appendix B of the HFSRB's rules, the State standard allows for a maximum of 6,750 to 9,750 gross square feet for 15 dialysis stations. The total gross square footage of the proposed dialysis facility is 6,815 gross square feet. The Replacement Facility is below the State standard.

Table 1110.234(a) SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?
ESRD	6,815 GSF	6750 GSF – 9,750 GSF	-	Meets

Section X, Economic Feasibility Review Criteria
Criterion 1120.310(c), Reasonableness of Project and Related Costs

1. The Cost and Gross Square Feet by Department is provided in the table below.

Table 1120.310(c) 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	\$188.08		6,815				\$1,281,775		\$1,281,775
Contingency	\$16.14		6,815				\$110,000		\$110,000
TOTALS	\$204.22		6,815				\$1,391,775		\$1,391,775

* Include the percentage (%) of space for circulation

2. As shown in Table 1120.310(c) below, the project costs are below the State Standard.

Table 1120.310(c)			
	Proposed Project	State Standard	Above/Below State Standard
New Construction Contracts and Contingencies	\$1,391,775	\$278.19 per gross square foot x 6,815 gross square feet = \$1,895,865	Below State Standard
Contingencies	\$110,000	10% of New Construction Costs = 10% x \$1,281,775 = \$128,177	Below State Standard
Architectural/Engineering Fees	\$107,625	6.64% - 9.98% x (Construction Costs + Contingencies) = 6.64% - 9.98% x (\$1,281,775 + \$110,000) = 6.64% - 9.98% x \$1,391,775 = \$92,413 - \$138,899	Meets State Standard
Consulting and Other Fees	\$60,501	No State Standard	No State Standard
Moveable Equipment	\$606,524	\$53,682.74 per station \$53,682.74 x 15 = \$805,241	Below State Standard