



SENT VIA HAND DELIVERY

RECEIVED

FEB 19 2020

HEALTH FACILITIES &
SERVICES REVIEW BOARD

February 19, 2020

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

**Re: Permit# 17-044, Smith Crossing;
Annual Progress Report**

Dear Ms. Avery:

On February 27, 2018 the Illinois Health Facilities and Services Review Board granted a permit to Washington and Jane Smith Community - Orland Park d/b/a Smith Crossing for the renovation of the existing nursing unit and the addition of 46 nursing care beds. The addition will include 45,222 gross square feet for a total of 78,831 gross square feet at a cost of \$22,162,276. We submitted an alteration request to expand the gross square feet that was approved on April 4, 2018, 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:

The project is currently on schedule. Actual sitework began in August 2018 and is 93% completed with only a few trees to be replanted in the spring of 2020. On November 28, 2018 construction of the expanded space began and is 95% completed. The general contractor is currently completing the work on the punch list and all furniture will be delivered and installed by February 21, 2020. The general contractor should be done with construction work by the end of February and all of the necessary paperwork will be submitted to the Illinois Department of Public Health ("IDPH") for both the life safety and licensure surveys. The remaining renovation of the existing skilled nursing building can't begin until after the expansion has been surveyed and a license has been received the from IDPH, and the current therapy room could be moved into the expanded space.

A Smith Senior Living Community

10501 Emilie Lane • Orland Park, Illinois 60467 T 708-326-2300 F 708-326-2770 smithcrossing.org



Project Costs and Financing:

As the Board knows, the method and sources of funds have changed for this project as originally approved. On October 10, 2018, the Smith Crossing Plan of Financing was completed. The Illinois Finance Authority issued Variable Rate Bonds Series 2018A which were directly purchased by BBVA Compass Bank. The loan proceeds will be a construction draw down used to finance the third phase of the Smith Crossing development (the addition of the 46 skilled bed rehab unit), to finance routine or non-routine capital projects within the Independent Living building and to fund the capitalized interest during construction and to provide payment for the cost of issuance.

Simultaneously, the Illinois Finance Authority issued Variable Rate Bonds Series 2018B which were directly purchased by BBVA Compass Bank and issued Variable Rate Bonds Series 2018C which were directly purchased by First Midwest Bank. The loan proceeds from the Series 2018B and Series 2018C Bonds were used to refund the existing Series 2013 Bonds and provide funds to cover the Series 2013 swap terminations and pay the cost of issuance.

On April 30, 2019 a project alteration was approved converting the project to 100% financing. All funds to date have been paid from Bonds that were issued on October 10, 2018. The project costs remain consistent with what was previously approved by the Board and we do not anticipate any additional alterations at this time.

Project Completion:

The project has been financially committed through our execution of construction contracts for the project and our expending at least 33% of the project costs to date. Financing was issued and the construction contract is in place as represented in the previous Annual Progress Report and permit alterations. The anticipated date of completion is still on schedule for December 31, 2020 as stated in the permit letter. It is anticipated that the expanded rehab space will be completed by February 28, 2020. Once the expanded space receives a nursing license from the Illinois Department of Public Health and the therapy room is moved into that space, we will begin on the remaining modernization of the existing skilled care building. 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,



Ray Marneris, Chief Financial Officer
Smith Crossing

ENCLOSURES

- C: Michael Constantino, Chief Project Review
- John Kniery, Health Care Consultant
- Juan Morado, Jr., Legal Counsel Benesch