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January 25, 2019

Via Federal Express Via E-Mail Anne M. Cooper (312) 873-3606 (312) 276-4317 Direct Fax acooper@polsinelli.com

Ms. Courtney Avery Administrator Illinois Health Facilities and Services Review Board 525 West Jefferson Street, 2nd Floor Springfield, Illinois 62761 RECEIVED

JAN 28 2019

HEALTH FACILITIES & SERVICES REVIEW BOARD

Re: River North Center for Reproductive Health- Request for Expedited Review

Dear Ms. Avery:

We appreciate the Illinois Health Facilities and Services Review Board's ("State Board") prompt attention to the preliminary review of the River North Center for Reproductive Health ("River North") CON permit application ("CON Application"). We understand that the CON Application was deemed complete today. At this time, we respectfully request the State Board staff grant expedited review of the CON Application and consider it at the March 5, 2019 State Board meeting. This project proposes the establishment of an ambulatory surgical treatment center ("ASTC") focused on family building through Assisted Reproductive Technology to be located at 361 West Chestnut, Chicago, Illinois. Due to real estate issues as described below, it is critical the CON Application be heard at the March 5, 2019 meeting.

As you may know, for a variety of reasons the commercial real estate market in the City of Chicago, whether for a ground-up development or for leasing, is extremely tight. This is particularly true in the area suited for the proposed River North ASTC. Currently, vacancy rates for commercial properties in this area are at an all-time low. The availability of suitable space is even more limited for ASTCs due to City of Chicago code requirements that effectively mandate that new ASTCs developed in Chicago be located on the ground floor. Ground floor space is at a higher premium than any other building location and our client had to compete with the other opportunities the landlord has for retail leases with companies which do not have a limitation on leasing like River North does due to the CON rules. Accordingly, the options are extremely limited.



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For over six months, River North's real estate broker searched the Chicago downtown area for a site that met both the code requirements and the planned ASTC's space needs. Of the four available spaces, only two could accommodate the ASTC. The first site was leased within one week of the real estate broker's identification of it as a possible location for the ASTC. The second site is the location identified in the CON application.

As discussed more fully in the River North CON application, the site of the proposed ASTC will be a full gut/rehab, e.g., installation of new mechanical, electrical and sprinkler system; structural reinforcement of the roof; construction of a new ramp and canopy; reframing of the floor to permit installation of new duct work; and other modifications to make the building ADA compliant. Given there are other parties interested in the space, who do not require substantial renovation of the building and could occupy it on a much quicker timeframe, the landlord has agreed to hold the space through the end of March. We appreciate the patience of the property owner, 361 Chestnut, LLC, in accommodating our client to this point. If River North loses this site, its real estate broker estimates such an event will delay the project for at least a year as they search for a new site in the City of Chicago.

Assuming there is no request for a public hearing and the State Board staff has the capability from a work load perspective, we believe, based on the State Board's rules that this application could be heard at the March 5, 2019 State Board meeting. Further, there are no other projects pending in the City of Chicago (or anywhere else in the State) that are similar to this project so there is no competitive advantage vis-à-vis another applicant that would restrain the State Board from expediting its consideration of the CON Application.

Thank you for your time and consideration of River North's request for expedited review of its CON Application. If you have any questions or need any additional information, please feel free to contact me.

Sincerely,

Anne M. Cooper

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