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January 13, 2023

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Via Email and FedEx

Mr. John Kniery
Administrator
Illinois Health Facilities and Services Review
Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

**Re: Advocate Outpatient Center - South Elgin (Proj. No. 22-050)
Type B Modification**

Dear Mr. Kniery:

This letter is written in connection with the above referenced project. Based on further review of the final application, it was determined the allocation of the sources of funds should be divided between Cash and Securities and Bond Issues. This is why there were interest and bond issuance expenses included in the application when it was filed. As this change will not result in a change in the cost of the project, this letter constitutes a Type B modification to the pending CON application pursuant to Section 1130.650(b) of the Illinois Health Facilities and Services Review Board ("State Board") rules.

For your review, we have included the following items with this submission:

- Updated Project Costs and Sources of Funds schedule; and
- Updated Availability of Funds schedule.

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The applicants apologize for this oversight. Given the prompt identification and correction of this issue, we trust this does not interfere with the State Board's consideration of the project at the March 21, 2023 meeting or similarly prompt Board Chair approval if the application qualifies for desk approval.

Sincerely,

A handwritten signature in blue ink that reads "Anne M. Cooper".

Anne M. Cooper

Attachments

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$93,098	\$211,777	\$304,875
Site Survey and Soil Investigation			
Site Preparation			
Off Site Work			
New Construction Contracts	\$5,645,763	\$9,842,258	\$15,488,021
Modernization Contracts			
Contingencies	\$305,366	\$694,634	\$1,000,000
Architectural/Engineering Fees	\$379,800	\$863,954	\$1,243,754
Consulting and Other Fees	\$269,237	\$612,449	\$881,686
Movable or Other Equipment (not in construction contracts)	\$2,209,657	\$741,010	\$2,950,667
Bond Issuance Expense (project related)	\$66,505	\$151,282	\$217,787
Net Interest Expense During Construction (project related)	\$118,326	\$269,164	\$387,490
Fair Market Value of Leased Space or Equipment	\$1,132,276	\$2,575,661	\$3,707,937
Other Costs to Be Capitalized	\$554,551	\$1,261,474	\$1,816,025
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$10,774,579	\$17,223,663	\$27,998,242
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$3,836,776	\$6,133,264	\$9,970,040
Pledges			
Gifts and Bequests			
Bond Issues (project related)	\$6,937,803	\$11,090,399	\$18,028,202
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$10,774,579	\$17,223,663	\$27,998,242
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

VI. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable **[Indicate the dollar amount to be provided from the following sources]:**

<u>\$9,970,040</u>	a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to: <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
_____	b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.
_____	c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts;
<u>\$18,028,202</u>	d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including: <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
_____	e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;
_____	f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;
_____	g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.
<u>\$27,998,242</u>	TOTAL FUNDS AVAILABLE