

# CHARLES H. FOLEY & ASSOCIATES INC.

1638 South MacArthur Boulevard • Springfield, Illinois 62704  
217/544-1551 • Fax: 217/544-3615 • E-mail: foley.associates@sbcglobal.net

April 15, 2011

**RECEIVED**

APR 15 2011

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

Ms. Courtney Avery,  
Administrator  
Illinois Health Facilities and Services Review Board  
Illinois Department of Public Health  
525 West Jefferson Street, 2<sup>nd</sup> floor  
Springfield, Illinois 62761

**Re: Project Number 08-086, Springfield Nursing and  
Rehabilitation Center**

Dear Ms. Avery:

On April 21, 2009, Springfield Nursing and Rehabilitation Center was approved for the establishment of a 75 bed long-term care facility to be located at 3089 Old Jacksonville Road, Springfield, Illinois. The project will be constructed in 45,055/GSF of new space. Additionally on April 16, 2010 our Annual Progress Report was filed with the Department. A twelve month Extension of Obligation was approved on September 21, 2010, extending the Obligation deadline to October 21, 2011.

As of this date, the Applicants request a twenty-four month extension of the completion date of May 31, 2013. The Applicants anticipate breaking ground by September 1, 2011 and completing construction of the Project by November 30, 2012. It is also anticipated that within two months from this date the building will be approved for its certificate of occupancy and that it will receive its IDPH license. From this January date (January 31, 2013) it is estimated that within four months all of the project costs will have been submitted and accounted for in order for the Applicant to submit its final realized cost back to the Board.

To date, no construction on the project has been initiated. However, significant funds have been expended. Consulting fees have been expended to the point of completing the Certificate of Need Application and receiving said permit and for fees to navigate the local zoning process. The site survey and soil investigation studies have been performed. Architectural and engineering fees have been expended to the point that the process is underway to complete construction documents for Illinois Department of Public Health (licensure) approvals. Appended as **EXHIBIT I** is the Project Costs and Sources of Funds page providing the approved permit amount, the dollars expended to date and the percentage of each line item completed in accordance with the requirements of Section 1130.0



Health Care Consulting

Ms. Courtney Avery  
April 15, 2011  
Page Two

The Applicants request a twenty-four month extension to the completion date of May 31, 2013, because (a) Applicants are continuing to work with adjacent property owners and City of Springfield to obtain the necessary zoning for the site, which zoning process will be completed and approved by the end of August 2011, and (b) Applicants continue to work with local general and sub-contractors to obtain pricing for the project that complies with the approved budget. The Applicants submitted the design docs to the Illinois Department of Public Health on March 7, 2011 and will be submitting construction documents to the IDPH by the end of May, 2011. A copy of the Staff report approving the zoning request is attached as **Exhibit II** Attached as **EXHIBIT III** is a letter from Mainstreet Capital Partners, LP, indicating the availability of funds for this project. Enclosed is a check in the amount of \$500.00 made payable to the Illinois Department of Public Health for the fee associated with this request.

At this point it appears that due to the resultant cost of the preliminary bids being received, the cost could be increasing. To adjust and minimize the effect of the pricing, the Applicant is looking to possibly alter the size of the project as indicated in the square footage provided above. The Applicant understands that this change in scope will require an alteration request that will come under separate cover. If you have any questions, please do not hesitate to contact me.

Sincerely,



John P. Kniery  
Health Care Consultant

**Enclosures**

C: Brian Levinson, OJCC  
Christopher J. Lukaart, General Counsel  
Mainstreet Capital Partners, LP

**N. Project Costs and Sources of Funds**

**Project Number 08-086**

**April 15, 2011**

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains components that are not related to the provision of health care, complete an additional table for the portions that are solely for health care and insert that table following this page (e.g. separate a nursing home's costs from the components of a retirement community; separate patient care area costs from a hospital project that includes a parking garage). Note, the use and sources of funds must equal.

<b>PROJECT USES AND SOURCES OF FUNDS</b>	<b>PERMIT</b>	<b>EXPENDED</b>	<b>PERCENTAGE</b>
<b>USE OF FUNDS</b>	<b>AMOUNT</b>	<b>TO DATE</b>	<b>%</b>
Preplanning Costs	\$6,500	\$3,407	52%
Site Survey and Soil Investigation	\$10,000	\$11,400	114%
Site Preparation	\$20,000		
Off Site Work	\$0		
New Construction Contracts	\$10,400,000	\$107,716	1.03%
Modernization Contracts	\$0		
Contingencies	\$520,000		
Architectural/Engineering Fees	\$55,000	\$250,266	455%
Consulting and Other Fees	\$558,000	\$195,156	35%
Movable or Other Equipment (not in construction contracts)	\$501,053		
Bond Issuance Expense (project related)	\$0		
Net Interest Expense During Construction (project related)	\$770,000		
Fair Market Value of Leased Space or Equipment	\$0		
Other Costs To Be Capitalized	\$109,448		
Acquisition of Building or Other Property (excluding land)	\$0		
<b>TOTAL USES OF FUNDS</b>	<b>\$12,950,000</b>	<b>\$567,945</b>	<b>4.4%</b>
<b>SOURCE OF FUNDS</b>	<b>AMOUNT</b>		
Cash and Securities	\$1,950,000	\$567,945	29%
Pledges	\$0		
Gifts and Bequests	\$		
Bond Issues (project related)	\$0		
Mortgages	\$11,000,000	0	0%
Leases (fair market value)	\$0		
Governmental Appropriations	\$0		
Grants	\$0		
Other Funds and Sources	\$0		
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$12,950,000</b>	<b>\$567,945</b>	<b>4.4%</b>

EXHIBIT I

SSCRPC

Springfield  
Sangamon County Regional  
Planning Commission

Staff Findings and Recommendation

(inspected 8-20-10 by MB & AB)

SPRINGFIELD ZONING CASE # 2010-063

ADDRESS 3089 Old Jacksonville Road

Property Index # 13-36-476-005

REQUESTED ZONING

Vary sections 155.020 (a) Regulations of the OFF, Office District (maximum square footage), and section 155.069, Fences.

PROPOSED LAND USE

Construction of a medical office containing a rehabilitation center to provide inpatient rehabilitation care on a short term basis for people recovering from surgery, accident, or illness. The petitioner is requesting a variance to allow a facility of 55,000 square feet instead of the required 30,000 square feet. Petitioner is also seeking a variance to allow an 8 foot high privacy fence to be built along the length of the eastern boundary of the property and to allow the fence to be built in the required front yard setback along the eastern boundary of the property.

EXISTING:

ZONING OFF, Office District

LAND USE Residential structure that will be demolished.

ROAD FRONTAGE Old Jacksonville Road - 330.5

Good

STRUCTURE DESIGNED FOR N/A

CONDITION OF STRUCTURE N/A

LOT AREA 5 acres

FRONT YARD N/A

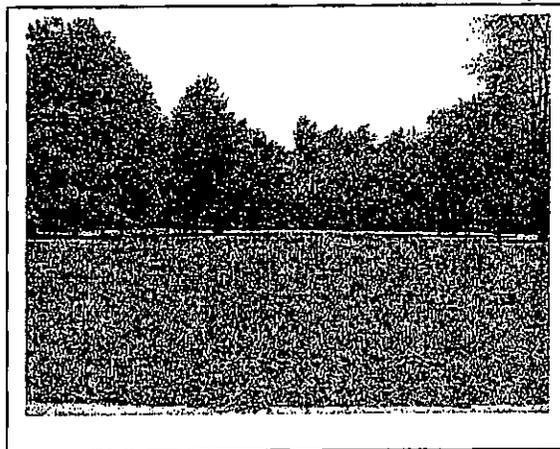
SIDE YARDS N/A

REAR YARD N/A

Would the proposed zoning be spot zoning? N/A

Is the proposed zoning in accord with the City Plan? N/A

If not in accord, is the request an acceptable variation? N/A



**PLANNING COMMISSION STAFF RECOMMENDATION:**

Recommend approval of the variance to increase the building size from 30,000 to 55,000 square feet. This is a five (5) acre parcel and it will support a building of this size without having a negative impact on the area. Recommend approval of the variance request to construct an eight (8) foot privacy fence along the eastern boundary of the property and to allow the fence to be built in the required front yard setback. The height and location of the fence is requested by the neighbors to provide additional buffering between the residential properties and the medical facility.

EXHIBIT II

# City Zoning

Case# 2010-063

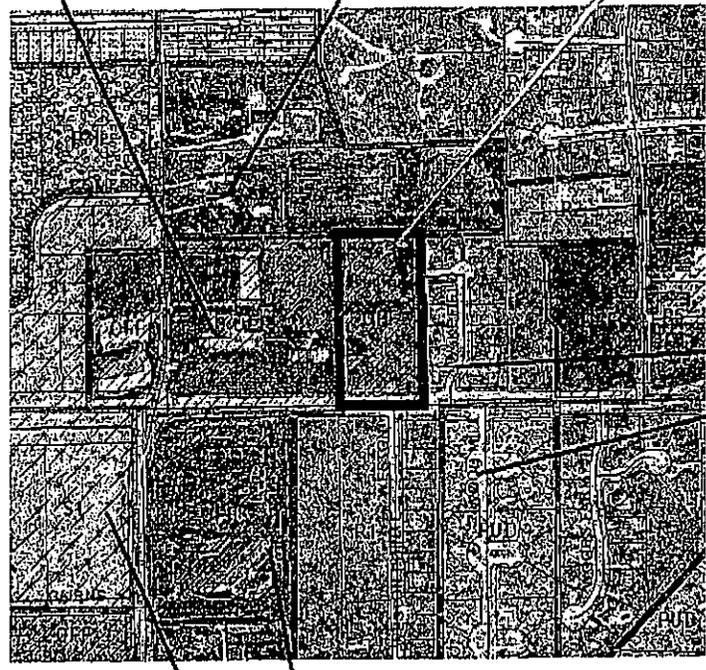
Requested:  
VARIANCE

State  
Office  
Building

Single Family  
Residential

Single  
Family  
Residential

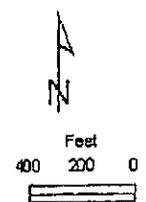
Medical Building



## County Zoning

## City Zoning

	RM-4		I1		R5		H1		OFF
	R3		I2		R1		H2		PUD
	R2		B3		R2		H3		B1
	R1a		B2		R3a		S1		B2
	R1		B1		R3b		S2		I1
	OFF		A		R4		S3		I2



**SSC**  
Solid Service County  
Regional Planning Commission

## RECOMMENDED - STANDARDS FOR VARIATIONS

Case #: 2010-063

Address: 3089 Old Jacksonville Road

- (i) Can the property in question be economically used or yield a reasonable return, if permitted to be used only for the conditions allowed by the regulations?

The proposed development will be a medical office and an inpatient rehabilitation center. While the proposed structure could be built in compliance with the bulk regulations, it is likely to yield an increased return if the size of the structure were allowed to be 55,000 square feet.

While the fence could also be constructed in compliance with the regulations, allowing an eight (8) foot fence will provide more screening for the residential area to the east.

- (ii) Is the plight of the owner due to unique circumstances?

This is a new construction and the petitioner seeks to maximize the economic benefit of the medical facility/rehabilitation center at this location while addressing the State of Illinois regulatory requirements of a facility of this nature.

The neighbors have requested the eight (8) foot fence and the petitioner has agreed to address this need.

- (iii) Will the variation, if granted, alter the essential character of the locality, impair an adequate supply of light and air to adjacent property, increase the congestion of traffic, or diminish or impair property values in the locality? . . . . .

No. This is a five (5) acre parcel and it will easily accommodate a structure that is 55,000 square feet.

It does not appear that the eight (8) foot fence will have a negative impact on the area. Instead additional height will provide an increased buffer between the facility and the residential properties to the east.



**mainstreet**

investing more than capital

April 13, 2011

OJCC, Realty, LLC  
Attn: Mr. Brian Levinson  
7444 N. Long Ave.  
Skokie, IL 60077

Re: 3089 Old Jacksonville Road  
Springfield, IL

Dear Mr. Levinson:

We have reviewed the CON application of OJCC Realty, LLC and OJCC, LLC (together, "OJCC") for the development of a nursing home facility at the above referenced address. Based on our due diligence and the executed Development Agreement with OJCC, Mainstreet will provide 100% of the financing to OJCC for the development.

**Mainstreet Capital Partners, LLC**

By:   
**Zeke Turner**  
**Chief Executive Officer**

CHARLES H. FOLEY & ASSOCIATES, INC.

1638 SOUTH MACARTHUR BOULEVARD  
SPRINGFIELD, IL 62704  
217-544-1551

5372

DATE 4/15/11

70-7345-2711

PAY TO THE ORDER OF

Illinois Department of Public Health

\$ 500.00

Five hundred and no/100

DOLLARS

Security Features  
Included  
Check on Back



SECURITY BANK

510 E. Monroe  
Springfield, IL 62701

FOR

Project # 08-086  
Permit Renewal Fee

*Dina M. Kmerly*

MP

⑈005372⑈ - ⑈271173452⑈ 0300001070⑈