

Hills, Bonnie

From: Kendrick, Alexis
Sent: Friday, August 17, 2012 3:50 PM
To: Hills, Bonnie
Subject: FW: Apollo Health Center (Proj. No. 11-002)
Attachments: Apollo Annual Progress Report (08-17-2012).pdf

From: Anne Cooper [mailto:ACooper@Polsinelli.com]
Sent: Friday, August 17, 2012 3:35 PM
To: Kendrick, Alexis
Cc: 'veras@networkgci.net'; Constantino, Mike; Kara Friedman
Subject: Apollo Health Center (Proj. No. 11-002)

Alexis:

Attached is a copy of the annual progress report for Apollo Health Center (Proj. No. 11-002). If you have any questions regarding the status of the project, please feel free to contact me.

Anne



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August 17, 2012

ELECTRONIC MAIL

Ms. Alexis Kendrick
Compliance and Legislative Affairs Manager
Illinois Health Facilities and Services Review
Board
122 South Michigan Avenue, 7th Floor
Chicago, Illinois 60603

Re: Annual Progress Report - Apollo Health Center (Proj. No. 11-002)

Dear Ms. Kendrick:

This office represents Apollo Health Center, Ltd. ("Apollo"). As you are aware, on July 21, 2011 the Illinois Health Facilities and Services Review Board ("HFSRB") approved Apollo's application to establish a multi-specialty ambulatory surgical treatment center at 2750 South River Road, Des Plaines, Illinois 60018 (the "Project"). The permit for this Project was renewed and an extension of the obligation requirement was approved by the HFSRB Chair on July 18, 2012. Pursuant to Section 1130.760, Apollo submits the following information regarding the progress of Project Permit #11-002.

-1. Status of the Project

The surgery center will be located in an existing medical office building, and as stated in the application, the project will involve minor modifications to the existing physical plant consisting of installation of a backup generator and modifications to the existing HVAC system. Since approval of the Project Permit, Apollo has been diligently working to get the surgery center operational; however, it has taken longer than expected to get the necessary approvals. In May 2012, Apollo applied for an emergency generator permit from the City of Des Plaines; however, it was not until the generator application was filed that Apollo learned its plat survey was outdated and needed to be revised. Apollo is currently working with the City to update the plat survey.

Apollo is also working with its architects on its architectural plans for the surgery center. Due to various issues with its architects, submission of an initial draft of the architectural plans

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Ms. Alexis Kendrick

August 17, 2012

Page 2

to Illinois Department of Public Health ("IDPH") Design Standards Unit has been delayed. Apollo intends to submit its initial architectural plans to the IDPH Design Standards Unit after receiving approval by the City of Des Plaines and a permit for the generator is issued. Apollo anticipates final approval of the architectural drawings could take three to six months. Once Apollo receives final approval from the Design Standards Unit, it anticipates it will take another six to nine months to install the emergency generator and complete the modifications to the physical plant.

2. Costs Incurred to Date

To date, \$77,737 in costs has been expended on the Project. Importantly, these costs have been paid by the landlord and are included as part of the fair market value of leased space.

PROJECT COSTS			
	Approved	Proposed	Expended
Moveable or Other Equipment	\$296,751	\$296,751	\$0
Fair Market Value of Leased Space or Equipment	\$2,240,000	\$2,240,000	\$77,737
Estimated Total Project Cost	\$2,536,751	\$2,536,751	\$77,737

Fair Market Value of Leased Space (Landlord's Costs)			
	Approved	Proposed	Expended
Building	\$1,850,000	\$1,850,000	\$0
Modernization Contracts	\$7,500	\$7,500	\$0
Contingencies	\$7,500	\$7,500	\$0
Architectural/Engineering Fees	\$12,500	\$12,500	\$30,287
Consulting/Other Fees	\$62,500	\$62,500	\$3,500
Equipment	\$0	\$0	\$43,950
Total	\$1,940,000	\$1,940,000	\$77,737

3. Sources of Funds

The project will be financed through \$296,751 in cash and cash equivalents and a \$2,240,000 lease.

Ms. Alexis Kendrick

August 17, 2012

Page 3

4. Application and Certification for Payment

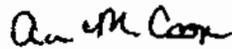
Construction on the project has not commenced. Therefore, no Application and Certification for Payment (AIA Form G702) has been presented for payment.

5. Anticipated Completion Date

The anticipated completion date for the Project is January 31, 2014.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me at 312-873-3606 or acooper@polsinelli.com

Sincerely,



Anne M. Cooper

AMC:

cc: Michael Constantino

Vera Schmidt

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