

Resthave Home

408 Maple Avenue
Morrison, Illinois 61270-2998

Phone: 815-772-4021
Fax: 815-772-4583

Tami Tegeler, Executive Director
Kristi Christiansen, Nursing Administrator

VIA CERTIFIED MAIL AND EMAIL

RECEIVED

AUG 07 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

Mr. Michael Constantino
Project Review Supervisor
Illinois Health Facilities & Services Review Board
535 West Jefferson Street
Springfield, IL. 62761-0001

**RE: Annual Progress Report for Project No. 12-022,
Resthave Home of Morrison**

Dear Mr. Constantino:

As facility Executive Director for Resthave Home of Whiteside County (the "Permit Holder"). Pursuant to 77 Ill. Admin. Code § 1130.740, and on behalf of the Permit Holder, we are hereby submitting this Annual Progress Report (the "Annual Progress Report") for Project No. 12-022.

Background Facts

On March, 2012, the Permit Holder filed its original application for permit (the "Original Application") under the Illinois Health Facilities Planning Act seeking to modernize 49 existing long term care beds and to add 21 long term care beds, for a total of 70 long term care beds (the "Project"), to its existing long term care facility in Morrison, Illinois (the "Facility"). The Original Application stated that the Project would cost \$9,510,780 (the "Original Permit Amount") and that the Project would comprise 57,580 gross square feet (the "Original Square Footage"). The Original Application also stated that the Project would be completed by June 1, 2014 (the "Original Project Completion Date"). The Project also contained an assisted living component that is/was not subject to the jurisdiction of the Illinois Health Facilities & Services Review Board (the "Review Board"), so those numbers were not included in the Original Application.

On July 23, 2012, Illinois Health Facilities & Services Review Board (the "Review Board") approved the Project.

On August 28, 2012, the Permit Holder obligated the Project.

On August 6, 2013, the Permit Holder filed an alteration request for the Project (the "Alteration Request"), seeking to increase the Original Permit Amount by 3% to \$9,796,102 ("Altered Permit Amount") and seeking to increase the Original Square Footage by 3% to 59,164 (the "Altered Square Footage").

On September 20, 2013, the Review Board approved the Alteration Request.

On May 20, 2014, the Permit Holder filed a request for a new Project Completion Date of September 1, 2015.

On June 3, 2014, the Review Board approved the new Project Completion Date.

Elements Required by 77 Ill. Admin. Code § 1130.760

As you know, 77 Ill. Admin. Code § 1130.760 requires a permit holder to file an annual report that includes: (1) a current status of the Project; (2) the costs incurred by the Permit Holder to date on the Project; (3) the method of financing the Project and sources of funds; and (4) the anticipated date of completion for the Project.

Status of the Project

As stated above, the Permit Holder obligated the Project on August 28th, 2012.

To date, the Permit Holder has spent \$3,448,453 on the skilled nursing care/reviewable portion of the Project, which represents approximately 35.20% of the total costs of the Project (i.e., \$9,797,102). The Permit Holder has also spent \$ 3,110,999 on the assisted living/non-reviewable parts of the Project.

The Project contains 3 phases (all of which have been approved by the Illinois Department of Public Health. Phase 1 is the assisted living component of the Project. Phase 1 was started on August 6, 2012 and was completed in July 2013. The Illinois Department of Public Health issued an Assisted Living License to the Permit Holder on November 18, 2013.

Phases 2 and 3 of the Project are the skilled nursing components of the Project (and are the portions of the Project that were set forth in the Original Application).

Phase 2 was started on October 28th, 2013 and is scheduled to be completed on or about October 3, 2014. The General Contractor for the Project provided the following snap-shot of the status of Phase 2:

- o Kitchen Flooring complete**
- o AL dining room flooring complete**
- o Kitchen equipment complete**
- o Waiting on some final connections of HVAC Equipment for Start Up at Kitchen**

- o Siding on Nursing addition 95% complete**
- o Roof is complete, wall panel left out for access to courtyard**
- o Nursing slab on grade complete**
- o FRP installation complete in kitchen**
- o Interior demolition ongoing for new corridor from AL to Nursing**
- o Framing of new interior walls in Nursing Addition complete**
- o Electrical rough in 90%**
- o HVAC & Plumbing rough in 75%**
- o Phase 2&3 site utility work complete**
- o Drywall & Taping of Nursing addition 80% complete**
- o Courtyard concrete complete**
- o South parking lot addition excavated and stone has been installed**
- o North parking lot addition excavated and stone has been installed**
- o Landscaping against building installed around Phase 1 additions**

Phase 3 is currently scheduled to begin on or about September 8, 2014 and is scheduled to be completed on or about March 30, 2015. IDPH will then have to inspect the modernized and expanded Facility. It is currently anticipated that licensure and other related certification processes could take several months. Thus, out of an abundance of caution, the Permit Holders requested a new Project Completion Date of September 1, 2015.

Evidence of Financial Commitment to Fund the Project

The Permit Holder obtained a mortgage commitment letter from The National Bank of Bettendorf, Iowa, on August 28, 2012, a copy of which was previously submitted to the Review Board. The Project will continue to be funded as originally approved by the Review Board.

Anticipated Final Cost of Project

The Permit Holder believes that the final cost of the Project will be within the Altered Permit Amount of \$9,796,102. See attachment A for the sources of funds used through June 30th, 2014.

Sincerely,

Tami Tegeler

Cc: Grant Shumway, Revere Healthcare, Ltd.

Appendix A

Project Costs and Source of Funds through 6-30-2014

Project 12-022 Resthave Home of Morrison_revised CON

Approved CON

Use of Funds	Clinical	Non-Clinical	Total	Clinical Costs to Date	Non-Clinical Costs to Date	Total to Date	Remaining Budget
Preplanning Costs	\$314,902	\$572,663	\$887,565	\$142,806	\$259,699	\$402,505	\$485,060
Construction Costs	\$2,615,032	\$4,755,545	\$7,370,577	\$1,137,483	\$2,068,562	\$3,206,044	\$4,164,533
Contingencies	\$132,009	\$240,064	\$372,073	\$0	\$0	\$0	\$372,073
A&E Fees	\$151,087	\$274,758	\$425,845	\$91,459	\$166,322	\$257,780	\$168,065
Consulting & Other Fees	\$20,830	\$37,880	\$58,710	\$0	\$0	\$0	\$58,710
Moveable & Other Equipment	\$67,058	\$121,947	\$189,005	\$3,176	\$5,775	\$8,951	\$180,054
Construction Interest	\$76,011	\$138,229	\$214,240	\$71,738	\$130,459	\$202,197	\$12,043
Other Costs to be Capitalized	\$98,663	\$179,423	\$278,086	\$0	\$0	\$0	\$278,086
Totals	\$3,475,592	\$6,320,509	\$9,796,101	\$1,446,661	\$2,630,817	\$4,077,478	\$5,718,623

Paid out of Equity

\$628,925

Paid from Construction Funds

\$3,448,553