



## Fresenius Medical Care

November 7, 2013

**RECEIVED**

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**HEALTH FACILITIES &  
SERVICES REVIEW BOARD**

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities & Services Review Board  
525 West Jefferson, 2<sup>nd</sup> Floor  
Springfield, IL 62761

**Re: Alteration, Permit #12-098, Fresenius Medical Care Monmouth**

Dear Ms. Avery:

I am writing to request an alteration of the above mentioned project which is for the establishment of a 12-station ESRD facility in 7,000 GSF of leased space. The alteration relates to station count, size and a reduction in project costs.

After receiving permit the applicant reviewed the proposed project and decided that a smaller building of only 5,463 GSF would be more suitable for the selected land-site. The station count will be reduced from 12 to 9 stations, which will accommodate the patient population and still leave room to expand at a later date if necessary. This will account for a reduction of 1,537 GSF and a cost reduction of \$624,231. Total revised cost of project will be \$2,719,944. There are no other changes to the scope of the project.

The following pages are replacement pages for the original application that are related to this alteration. These include:

- Page 6 Project Costs and Sources of Funds
- Page 16 Availability of Funds
- Page 36-37 Attachment 7 - Cost Itemization
- Page 39 Attachment 9 - Cost Space Requirements
- Page 52 Attachment 14 – Size
- Page 90 Attachment 42 – Economic Feasibility

Also, after permit approval it was discovered that the chosen name of the facility was in conflict with another Fresenius facility. The name of the clinic is therefore going to be Fresenius Medical Care Maple City upon opening.

**Fresenius Medical Services ♦ North Division**

One Westbrook Corporate Center, Suite 1000 Westchester, IL 60154 708-562-0371

Enclosed is a check for \$1000 to cover the alteration fee. Thank you for your consideration and please let me know if you require any additional information.

Sincerely,

*Lori Wright*

Lori Wright  
Senior CON Specialist  
Phone 708-498-9121

cc: Clare Ranalli

**Project Costs and Sources of Funds**

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 non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must equal.

<b>Project Costs and Sources of Funds</b>			
<b>USE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>TOTAL</b>
Preplanning Costs	N/A	N/A	N/A
Site Survey and Soil Investigation	N/A	N/A	N/A
Site Preparation	N/A	N/A	N/A
Off Site Work	N/A	N/A	N/A
New Construction Contracts	N/A	N/A	N/A
Modernization Contracts	885,006	N/A	885,006
Contingencies	97,023	N/A	97,023
Architectural/Engineering Fees	96,239	N/A	96,239
Consulting and Other Fees	N/A	N/A	N/A
Movable or Other Equipment (not in construction contracts)	298,700	N/A	298,700
Bond Issuance Expense (project related)	N/A	N/A	N/A
Net Interest Expense During Construction (project related)	N/A	N/A	N/A
Fair Market Value of Leased Space or Equipment	\$1,133,026 \$209,950	1,342,976	N/A 1,342,976
Other Costs To Be Capitalized	N/A	N/A	N/A
Acquisition of Building or Other Property (excluding land)	N/A	N/A	N/A
<b>TOTAL USES OF FUNDS</b>	2,719,944		2,719,944
<b>SOURCE OF FUNDS</b>	<b>CLINICAL</b>	<b>NONCLINICAL</b>	<b>CLINICAL</b>
Cash and Securities	1,376,968	N/A	1,376,968
Pledges	N/A	N/A	N/A
Gifts and Bequests	N/A	N/A	N/A
Bond Issues (project related)	N/A	N/A	N/A
Mortgages	N/A	N/A	N/A
Leases (fair market value)	1,342,976	N/A	1,342,976
Governmental Appropriations	N/A	N/A	N/A
Grants	N/A	N/A	N/A
Other Funds and Sources	N/A	N/A	N/A
<b>TOTAL SOURCES OF FUNDS</b>	2,719,944	N/A	2,719,944
<b>NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT-7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>			

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

**VIII. - 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>1,376,968</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol>
<u>N/A</u>	<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
<u>N/A</u>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<u>1,342,976</u>	<p>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:</p> <ol style="list-style-type: none"> <li>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;</li> <li>2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate;</li> <li>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.;</li> <li>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;</li> <li>5) For any option to lease, a copy of the option, including all terms and conditions.</li> </ol>
<u>N/A</u>	<p>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;</p>
<u>N/A</u>	<p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p>
<u>N/A</u>	<p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
<u>2,719,944</u>	<b>TOTAL FUNDS AVAILABLE</b>

## SUMMARY OF PROJECT COSTS

### Modernization Contracts

General Conditions	43,389
Temp Facilities, Controls, Cleaning, Waste Management	1,795
Concrete	11,200
Masonry	13,350
Metal Fabrications	6,380
Carpentry	77,800
Thermal, Moisture & Fire Protection	15,500
Doors, Frames, Hardware, Glass & Glazing	60,650
Walls, Ceilings, Floors, Painting	142,780
Specialities	11,000
Casework, FI Mats & Window Treatments	5,200
Piping, Sanitary Waste, HVAC, Ductwork, Roof Penetrations	282,500
Wiring, Fire Alarm System, Lighting	170,300
Miscellaneous Construction Costs	43,162
<b>Total</b>	<b>885,006</b>

### Contingencies

Contingencies **\$97,023**

### Architectural/Engineering

Architecture/Engineering Fees **\$96,239**

**Movable or Other Equipment**

Dialysis Chairs	\$19,500
Misc. Clinical Equipment	16,000
Clinical Furniture & Equipment	21,000
Office Equipment & Other Furniture	30,000
Water Treatment	100,000
TVs & Accessories	50,000
Telephones	12,000
Generator	30,000
Facility Automation	17,000
Other miscellaneous	3,200
<b>Total</b>	<b>\$298,700</b>

**Fair Market Value Leased Space & Equipment**

FMV Leased Space (5,463 GSF)	\$1,133,026
FMV Leased Dialysis Machines	201,950
FMV Leased Computers	8,000
<b>Total</b>	<b>\$1,342,976</b>

**Cost Space Requirements**

Provide in the following format, the department/area GSF and cost. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
<b>REVIEWABLE</b>							
In-Center Hemodialysis	2,719,944		5,463		5,463		
Total Clinical	2,719,944		5,463		5,463		
<b>NON REVIEWABLE</b>							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
<b>TOTAL</b>	2,719,944		5,463		5,463		
<b>APPEND DOCUMENTATION AS ATTACHMENT-9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</b>							

**Criterion 1110.234, Size of Project**

<b>SIZE OF PROJECT</b>				
<b>DEPARTMENT/SERVICE</b>	<b>PROPOSED BGSF/DGSF</b>	<b>STATE STANDARD</b>	<b>DIFFERENCE</b>	<b>MET STANDARD?</b>
ESRD IN-CENTER HEMODIALYSIS	5,463 (9 Stations)	360-520 DGSF	783 DGSF	No

As seen in the chart above, the State Standard for ESRD is between 360-520 DGSF per station. This project is being accomplished in leased space with the interior to be built out by the applicant. Therefore, the standard being applied is expressed in departmental gross square feet. The proposed 5,463 DGSF amounts to 607 DGSF per station and is 87 GSF over the State Standard per station.

**Criterion 1120.310 (c) Reasonableness of Project and Related Costs**

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New Mod.		Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)	
ESRD		162.00			5,463			\$885,006	\$885,006
Contingency		17.76			5,463			\$97,023	\$97,023
TOTALS		179.76			5,463			\$982,029	\$982,029

\* Include the percentage (%) of space for circulation

**Criterion 1120.310 (d) – Projected Operating Costs**

**Year 2017**

Salaries	\$450,000
Benefits	112,500
Supplies	<u>68,400</u>
Total	\$630,900

Annual Treatments 8,986

Cost Per Treatment \$70.21

**Criterion 1120.310 (e) – Total Effect of the Project on Capital Costs**

**Year 2017**

Depreciation/Amortization	\$105,051
Interest	<u>0</u>
CAPITAL COSTS	\$105,051

Treatments: 8,986

Capital Cost per treatment \$11.69