

**NORTHWESTERN MEDICAL FACULTY FOUNDATION
DIALYSIS CENTER, LLC**

March 24, 2014

VIA FEDEX

Mr. Michael Constantino
c/o Illinois Health Facilities and
Services Review Board
525 West Jefferson
Springfield, IL 62761

RECEIVED

MAR 25 2014

HEALTH FACILITIES &
SERVICES REVIEW BOARD

RE: Annual Progress Report
Project # 12-099

Dear Mr. Constantino:

Please accept this document in response to the annual progress reporting requirements for the above-referenced project, consistent with the provisions of Section 1130.760.

This project was approved by the State Board on March 26, 2013 and involves the establishment of a 36-station ESRD facility.

The project is currently approximately 6% complete, and the anticipated completion date remains June 30, 2016. To date, it is estimated that a total of approximately \$275,000 has been incurred, related to project.

The attached table identifies the anticipated project costs, as identified in the *Application*, the currently-anticipated project cost, and costs incurred to date. The sources of funds of the ESRD center are not anticipated to change from that identified in the *Application*. Additional planning is being undertaken and it is likely that the physical size of the ESRD center will be reduced from that identified in the *Application*. If the reduction in physical size is 5% or more, a request for an alteration would be filed in that case.

The major project components completed to date include:

- completion of programming processes
- partial completion of design process
- execution of lease for space to be leased
- preliminary equipment planning review
- budget confirmation

The major project components yet to be completed include:

- finalize design process
- construction
- purchase and installation of equipment
- inspections and occupancy permit

As the IHFSRB is aware, the proposed ESRD facility will be located in a medical office building currently under construction on the Northwestern Medical Center campus (Project 11-107). Progress on the construction of that building is on schedule, and approximately 85% of the core and shell have been completed. The “build out” for the ESRD facility, as addressed in Permit 12-099, cannot commence until the associated core and shell space has been completed and approved for “build out”.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Walsh". The signature is fluid and cursive, with the first name "B." and the last name "Walsh" clearly legible.

Brian Walsh
Member, Board of Managers

680 N. Lake Shore Drive
Suite 1118
Chicago, IL 60611

Cc: Jack Axel

Attachment

IDENTIFICATION OF COSTS INCURRED

	<u>Approved Amount</u>	<u>Current Estimate</u>	<u>Incurred to Date *</u>
Preplanning Costs	\$70,000	\$70,000	
Site Survey & Soil Invest.			
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$2,375,000	\$2,375,000	
Contingencies	\$263,000	\$263,000	
A & E Fees	\$236,700	\$236,700	
Consulting & Other Fees	\$250,000	\$250,000	
Movable Equipment	\$1,422,000	\$1,422,000	
FMV of Leased Space	<u>\$4,390,764</u>	<u>\$4,390,764</u>	
TOTAL	\$9,007,464	\$9,007,464	

SOURCES OF FUNDS

Cash and Securities	\$4,616,700	\$4,616,700	
Pledges			
Gifts and Bequests			
Bond Issues			
Mortgages/Loans			
FMV of Leased Space	\$4,390,764	\$4,390,764	
Depreciated Value of Equipment			
Grants			
Other Funds (earned interest)			
TOTAL	\$9,007,464	\$9,007,464	

*Estimate