

25

Ruby Potter -MDH- <ruby.potter@maryland.gov>

**Fwd: FW: Additional CON question**

1 message

Bill Chan -MDH- <bill.chan@maryland.gov>

Thu, Jan 13, 2022 at 11:51 AM

To: Ruby Potter -MDH- <ruby.potter@maryland.gov>

Wanted to make sure you received this email from Shannon Magro.

----- Forwarded message -----

From: **Shannon.Magro** physiciansurgerycenter.net <shannon.magro@physiciansurgerycenter.net>

Date: Wed, Oct 13, 2021 at 2:06 PM

Subject: FW: Additional CON question

To: Bill Chan -MDH- <bill.chan@maryland.gov>

Hello Mr. Chan,

I just received this updated table E (with financing updates) at 1305. I am respectfully submitting it as it is not in the packets as updated. If this is not appropriate, I understand and can submit it at a later date if it is needed. However, documents from the FCBank regarding financing is in the packets.

Thank you and sorry for the inconvenience. I apologize for any confusion.

Shannon Magro

From: Scott Norberg <sanorberg@medarchdesign.com>**Sent:** Wednesday, October 13, 2021 1:05 PM**To:** Shannon.Magro physiciansurgerycenter.net <shannon.magro@physiciansurgerycenter.net>**Cc:** Scott Andochick <seandochick@hotmail.com>**Subject:** RE: Additional CON question

Hi Shannon,

Please find the new Worksheet with Interest Numbers and Construction Loan Costs



Scott A. Norberg AIA LEED AP

President

MedArch PLLC

23063 Meriweather Court

Ashburn, VA 20148

Direct: 703.999.1074

sanorberg@medarchdesign.com

www.medarchdesign.com

From: Shannon.Magro physicianssurgerycenter.net <shannon.magro@physicianssurgerycenter.net>
Sent: Wednesday, October 13, 2021 12:24 PM
To: Scott Norberg <sanorberg@medarchdesign.com>
Subject: FW: Additional CON question

Please see attached term letter.

Thank you

From: Weetenkamp, Harry L. <hweetenkamp@acnb.com>
Sent: Monday, October 11, 2021 7:50 AM
To: Shannon.Magro physicianssurgerycenter.net <shannon.magro@physicianssurgerycenter.net>
Cc: Scott Andochick <seandochick@hotmail.com>
Subject: RE: Additional CON question

Please see attached "Term Sheet". Hopefully, this will suffice. I should be available after 10:00 this morning.

Harry L. Weetenkamp Jr.

Senior Vice President

Commercial Loans

FCB Bank, A Division of ACNB Bank

2 N Market Street

Frederick, MD 21701

Office: 240.529.1568

Fax: 240.379.7674

hweetenkamp@acnb.com

From: Shannon.Magro physicianssurgerycenter.net <shannon.magro@physicianssurgerycenter.net>
Sent: Saturday, October 9, 2021 3:11 PM
To: Weetenkamp, Harry L. <hweetenkamp@acnb.com>
Cc: Scott Andochick <seandochick@hotmail.com>
Subject: RE: Additional CON question

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Is it possible to place this information in the body of the letter? The MHCC is requesting:

"the interest rate, length of the loan, and any terms such as debt service costs or use of funds for working capital for the loan."

From: Weetenkamp, Harry L. <hweetenkamp@acnb.com>
Sent: Friday, October 8, 2021 11:52 AM
To: Shannon.Magro physicianssurgerycenter.net <shannon.magro@physicianssurgerycenter.net>
Cc: Scott Andochick <seandochick@hotmail.com>
Subject: RE: Additional CON question

Please take a look at the attached letters and let me know if they will suffice. Hopefully, they will.

Harry L. Weetenkamp Jr.

Senior Vice President

Commercial Loans

FCB Bank, A Division of ACNB Bank

2 N Market Street

Frederick, MD 21701

Office: 240.529.1568

Fax: 240.379.7674

hweetenkamp@acnb.com

From: Shannon.Magro physicianssurgerycenter.net <shannon.magro@physicianssurgerycenter.net>
Sent: Friday, October 8, 2021 11:16 AM
To: Weetenkamp, Harry L. <hweetenkamp@acnb.com>
Cc: Scott Andochick <seandochick@hotmail.com>
Subject: Additional CON question

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See an additional question the Maryland Healthcare Commission requires documentation of. Can you assist us with this also?

"Please document the availability of \$500,000.00 for proposed project.

Evidence for this standard can be provided by a letter from FCB Bank or an accountant stating the applicant has the cash resources to support the \$500,000 in cash equity."

I can only assume the previous letters were not acceptable to the MHCC and they want to confirm we will have the specific 500K available.

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**10.13.2021 Table E updated with financing.xlsx**

101K

TABLE E. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application.

NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.d as a use of funds and on line B.8 as a source of funds

	Hospital Building: Landlord liability	See Attached Explanation of Budget for PSCF liability for internal build and renovation: 12287sf	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building	\$1,684,401	\$1,907,000	\$3,591,401
(2) Fixed Equipment	\$0	\$50,000	\$50,000
(3) Site and Infrastructure	\$220,000	\$0	\$220,000
(4) Architect/Engineering Fees	\$154,500	\$130,500	\$285,000
(5) Permits (Building, Utilities, Etc.)	\$21,000	\$24,000	\$45,000
SUBTOTAL	\$2,079,901	\$2,111,500	\$4,191,401
b. Renovations			
(1) Building	\$0	\$127,800	\$127,800
(2) Fixed Equipment (not included in construction)	\$0	\$0	\$0
(3) Architect/Engineering Fees	\$0	\$35,000	\$35,000
(4) Permits (Building, Utilities, Etc.)	\$0	\$5,000	\$5,000
SUBTOTAL	\$0	\$167,800	\$167,800
c. Other Capital Costs			
(1) Movable Equipment	\$0	\$300,000	\$300,000
(2) Contingency Allowance	\$95,000	\$105,000	\$200,000
(3) Gross interest during construction period			\$0
(4) Other (Specify/add rows if needed)			\$0
SUBTOTAL	\$95,000	\$405,000	\$500,000
TOTAL CURRENT CAPITAL COSTS	\$2,174,901	\$2,684,300	\$4,859,201
d. Land Purchase	\$375,000		\$375,000
e. Inflation Allowance			\$0
TOTAL CAPITAL COSTS	\$2,549,901	\$2,684,300	\$5,234,201
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees	\$10,000	\$11,000	\$21,000
b. Bond Discount	\$0	\$0	\$0
c. CON Application Assistance	\$0	\$10,000	\$10,000
c1. Legal Fees	\$0	\$0	\$0
c2. Other (Specify/add rows if needed)	\$0	\$0	\$0
d. Non-CON Consulting Fees (Phase 1, Hazard Insurance, d1. Legal Fees	\$7,500	\$0	\$7,500
d2. Other (Specify/add rows if needed) (Flood Plain Cert)	\$2,500	\$0	\$2,500
e. Debt Service Reserve Fund	\$0	\$0	\$0
f. Other (Specify/add rows if needed) Construction Financing	\$51,000	\$65,000	\$116,000
g. Start Up operations	\$0	\$8,700	\$8,700
SUBTOTAL	\$71,000	\$73,700	\$144,700
3. Working Capital Startup Costs			\$0
TOTAL USES OF FUNDS	\$2,620,901	\$2,758,000	\$5,378,901
B. Sources of Funds			
1. Cash (PSCF-500,000/SEA 500,000)	\$500,000	\$500,000	\$1,000,000
2. Philanthropy (to date and expected)		\$0	\$0
3. Authorized Bonds		\$0	\$0
4. Interest Income from bond proceeds listed in #3		\$0	\$0
5. Mortgage		\$58,000	\$58,000
6. Working Capital Loans (two notes up to 2.2M each over 20 years at 4%)	\$1,745,901	\$2,200,000	\$3,945,901
7. Grants or Appropriations			
a. Federal		\$0	\$0
b. State		\$0	\$0
c. Local		\$0	\$0
8. Other (Specify/add rows if needed)		\$0	\$0
Owner Contribution of Land \$375,000	\$375,000	\$0	\$375,000
TOTAL SOURCES OF FUNDS	\$2,620,901	\$2,758,000	\$5,378,901
	Hospital Building	Other Structure	Total
Annual Lease Costs (if applicable)			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0

5. Other (Specify/add rows if needed) Recommended Contingency			\$0
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* Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.