

Prattville Senior Services, LLC
d/b/a The Harbor at Hickory Hill
2235 Candies Lane, NW | Cleveland, Tennessee 37312
 Office: 423-478-8071
 Fax: 423-478-8072

August 4th, 2022

Emily T. Marsal
 Executive Director
 State Health Planning and Development Agency
 100 North Union Street, Suite 870
 Montgomery, AL 36104

Re: Request for Project Modification - AL2017-001, CON #2776-SCALF
 Prattville Senior Services, LLC
 d/b/a The Harbor at Hickory Hill

Dear Ms. Marsal,

Please accept this Project Modification for Prattville Senior Services, LLC d/b/a The Harbor at Hickory Hill. Below, please see the side-by-side comparison of the costs proposed in the original SCALF CON application compared to the actual cost incurred.

	<u>Original</u>	<u>Actual</u>
• Construction cost totaled	\$ 1,279,155	\$2,683,044
• Architect and Engineering Fees totaled	\$ 165,000	\$125,420
• Attorney and Consultant Fees	\$ 10,000	
o Total Cost of Construction	\$ 1,454,415	\$2,808,464
• First Year Annual Operating Costs totaled	\$ 397,000	\$361,011
• Total Cost of the project	\$1,851,142	\$3,169,475

As you can see above, the total cost of the project increased by \$1,354,049 over the initial pricing estimate. The initial construction pricing estimated was completed in 2016, however construction started in 2020. Between 2016 and 2020, we realized that we were adding brand new rooms to the existing building, but we also needed to enhance the existing building to match the new construction. To ensure the highest resident satisfaction, we enhanced and enlarged the dining room, nurse station, front offices, activity room and a new vintage activities kitchen. While these additions did not affect our unit count, we felt it was important to upgrade these important areas for residents to enjoy. Please note that this full plan set was approved by ADPH Technical Services. Additionally, building costs increased significantly from 2016 estimates to actual prices during the pandemic and that contributed to the overall cost of construction increasing.

These increases in construction cost were slightly offset by a decrease in First Year Annual Operating Costs. We were fortunate to have a second community within 75 miles from The Harbor at Hickory Hill, so we were able

to utilize an Area Marketing Director that covered both buildings. This allowed us to split the marketing persons salary between both buildings and save some money on operating costs. However, these savings were not enough to offset the additional cost of construction.

Prattville Senior Services strives to provide a quality and "home-like" environment to each of our residents and we entered into this construction project with the goal to give our residents the best possible place to live. As assisted living and memory care operators, we are constantly focused on fiscal responsibility and ensuring that we are good stewards of every dollar that we received. However, in this project, we felt it was prudent to ensure that we provided a quality environment that our residents would be proud to call home.

We hope you accept this Project Modification report as part of our file. As always, if you need any additional information or clarifications, please do not hesitate to contact me at (423) 605-0850 or at bcook@legacysl.net.

Most Sincerely,

Bryan A Cook

Bryan A Cook, Member / blr
Prattville Senior Services, LLC

Prattville Senior Services, LLC
d/b/a The Harbor at Hickory Hill
2235 Candies Lane, NW | Cleveland, Tennessee 37312
Office: 423-478-8071
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August 9th, 2022

Emily T. Marsal
Executive Director
State Health Planning and Development Agency
100 North Union Street, Suite 870
Montgomery, AL 36104

Re: Request for Project Modification - AL2017-001, CON #2776-SCALF
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• Attorney and Consultant Fees	\$ 10,000	
o Total Cost of Construction	\$ 1,454,155	\$2,808,464
• First Year Annual Operating Costs totaled	\$ 397,000	\$361,011
• Total Cost of the project	\$1,851,155	\$3,169,475

As you can see above, the total cost of the project increased by \$1,318,320 over the initial pricing estimate. The initial construction pricing estimated was completed in 2016, however construction started in 2020. Between 2016 and 2020, we realized that we were adding brand new rooms to the existing building, but we also needed to enhance the existing building to match the new construction. To ensure the highest resident satisfaction, we enhanced and enlarged the dining room, nurse station, front offices, activity room and a new vintage activities kitchen. While these additions did not affect our unit count, we felt it was important to upgrade these important areas for residents to enjoy. Please note that this full plan set was approved by ADPH Technical Services. Additionally, building costs increased significantly from 2016 estimates to actual prices during the pandemic and that contributed to the overall cost of construction increasing.

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