



STATE OF ILLINOIS
 HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET ITEM: A-01	BOARD MEETING: November 17, 2015	PROJECT NUMBER: 09-030
PERMIT HOLDERS(S): Addison Rehabilitation & Living Center, LLC Elgin Property, LLC		
FACILITY NAME and LOCATION: Addison Rehabilitation & Living Center, Elgin		

STATE BOARD STAFF REPORT
PERMIT RENEWAL REQUEST

I. Background

On March 2, 2010, the State Board approved Project #09-030. The permit authorized the establishment of a 120-bed Long Term Care (LTC) facility in Elgin. The State Agency notes the project is obligated, and the current project completion date is December 31, 2015. Project cost: \$14,127,348.

The State Agency notes the permit holders submitted a permit renewal request on November 6, 2014. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Agency at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee accompanied the renewal request.

II. Findings

The State Agency notes this is the **third** renewal request for this project and it appears the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. Board Staff also notes the project was approved for an alteration on July 14, 2014, to decrease the overall size of the project from 61,196GSF to 52,090 GSF. Their two previous permit renewals are listed below:

- December 6, 2011: 36 month renewal, from 12/31/11 to 12/31/14
- December 16, 2014: 12 month renewal, from 12/31/14 to 7/31/16

Board staff notes the extended timeline (6+ years), for construction of a Long Term Care (LTC) facility presents issues with the project proceeding with due diligence. Based on the issue, a negative finding has been found for this permit renewal.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of July 31, 2016. This would extend the project's completion date by seven months, from December 31, 2015 to July 31, 2016.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is approximately 70% complete. Construction of the building shell is complete, and interior build-out is underway.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the following events occurred, which delayed completion of the project:
- The permit holders state the initial obstacles, changes in underwriting criteria combined with an early and prolonged winter, resulted in significant delays in the construction timeline. The permit holders request the additional time to ensure sufficient time for completion of construction and licensure inspection.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$7,933,526 (56.1% of the total project funds), has been expended to date, and attest that sufficient financial resources exist to complete the proposed project.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the originally approved permit amount of \$14,127,348.

IV. Project Description & Other Background Information

The permit authorized the establishment of a 120-bed LTC facility in Elgin. The facility will consist of 61,196 GSF of space, and the project cost is \$14,127,348.

Permit Issuance Date:	March 2, 2010
Original Project Completion Date:	December 31, 2011
Project Obligation Date:	August 31, 2011
Proposed Project Completion Date:	December 21, 2014

(First Renewal, 36 months)

Proposed Project Completion Date: December 31, 2015
(Second Renewal, 12 months)

Proposed Project Completion Date: July 31, 2016
(Third Renewal, 7 months)

V. **Applicable Rules for Permit Renewal Requests**

77 IAC 1130.740 specifies that a permit holder may request a change in the approved project completion date by applying for a permit renewal.

77 IAC 1130.740(b) states that failure to complete a project or to renew a permit within the prescribed timeframes will subject the permit holders to the sanctions and penalties provided in the Act and this Subpart.

77 IAC 1130.740(c) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 IAC 1130.740(d) states that the State Board must be in receipt of a permit renewal request at least 45 days prior to the expiration date of the completion period, and include the following: 1) the requested completion date; 2) a status report on the project detailing what percent has been completed and a summary of project components yet to be finished and the amount of funds expended on the project to date; 3) a statement as to the reasons why the project has not been completed; and 4) confirmatory evidence by the permit holders' authorized representative that the project's costs and scope are in compliance with what the State Board approved and that sufficient financial resources are available to complete the project.

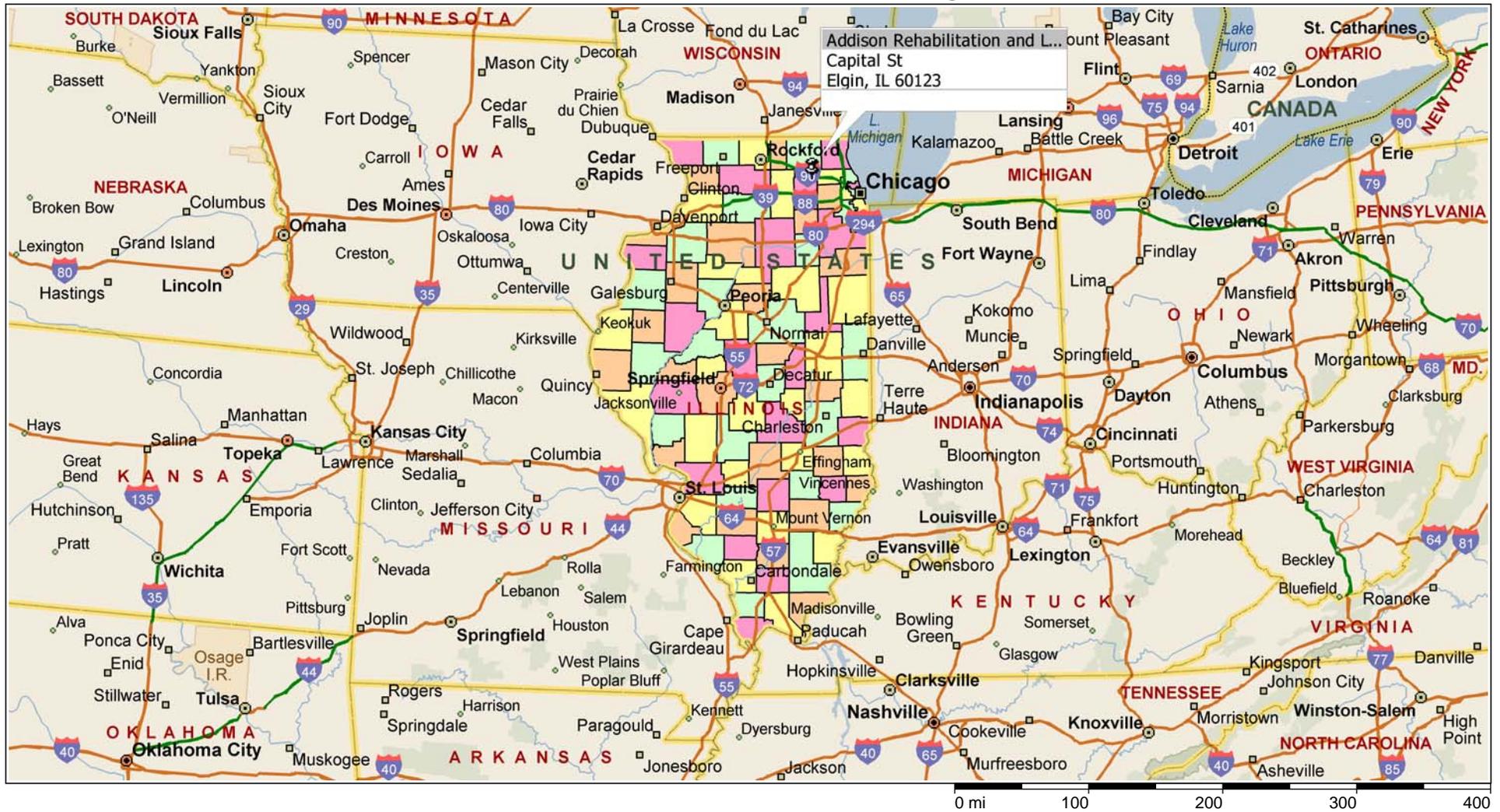
77 IAC 1130.740(e) states IDPH will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFPB criteria, and if this is the first request for this project, then the request, IDPH's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFPB, will approve, deny or refer the request to the HFPB for action. If IDPH finds that all criteria are not positive or, if this is not the first request for this project, or if the Chairman refers this to HFPB for action, then HFPB will evaluate the information submitted to determine if the project has proceeded with due diligence (as defined in 77 IAC 1130.140). Denial of a permit

renewal request constitutes HFPB's Notice of Intent to revoke a permit and the permit holders will be afforded an opportunity for an administrative hearing.

VI. Other Information

Appended to this report are the following: the permit holders' documents for a permit renewal.

09-030 Addison Rehabilitation and Living Center



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OCT 15 2015

HEALTH FACILITIES & SERVICES REVIEW BOARD

Anne M. Cooper
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October 14, 2015

Via FedEx

Ms. Kathryn Olson
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

**Re: Permit Renewal Request – Addison Rehabilitation & Living Center
(Proj. No. 09-030)**

Dear Chair Olson:

This office represents Addison Rehabilitation & Living Center, LLC and Elgin Property, LLC (collectively, “Addison”). As you are aware, on March 2, 2010, the Illinois Health Facilities and Services Review Board (the “State Board”) unanimously approved Addison’s application to construct and establish a 120-bed long term care facility located at 1754-1760 Capital Street, Elgin, Illinois (the “Project Permit”). On December 16, 2014, the State Board approved a 12 month renewal of the Project Permit and established December 31, 2015 as the project completion date. Due to an early and prolonged winter last year, construction has been delayed. Accordingly, we respectfully request the State Board grant Addison a seven month renewal of the Project Permit and establish July 31, 2016 as the new project completion date.

Requested Completion Date

Addison requests the State Board grant a seven month renewal of the Project Permit and establish July 31, 2016 as the new project completion date.

Status Report

Construction is approximately 70 percent complete, and as of today’s date, Addison has expended \$7,933,526, which represents approximately 56 percent of the approved project costs. As shown in the pictures attached at Attachment – 1, the core and shell of the building are complete. Drywall is complete on the first and second floors and is currently being hung on the third floor. Painting on the first and second floors is nearly complete. Bathrooms on the first floor are being tiled, and bathroom fixture installation will begin once tiling is complete. Doors and hardware installation will begin shortly. The ceiling grid is being installed on the first floor, which will allow electricians to install light fixtures and the HVAC contractor to install registers.

Ms. Kathryn Olson
October 14, 2015
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Elevators have been installed but not tested. Kitchen equipment orders will be finalized within the week. Finally, landscaping, parking lot finish asphalt and the rest of the exterior work will be completed by the end of October.

Statement Regarding Completion of the Project

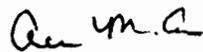
Addison is constructing a new nursing facility in Elgin, Illinois. Due to early and protracted winters, construction has taken longer than anticipated. Addison anticipates construction will be complete by the end of the year. To ensure sufficient time for licensure and compliance with its Project Permit, Addison is requesting a renewal of its Project Permit until July 31, 2016.

Confirmatory Evidence of Permit Compliance

The attached affidavit from Sheldon Rosenberg of Addison Rehabilitation & Living Center, LLC confirms that Addison is complying with the scope and costs of the project approved by the State Board pursuant to Project Permit # 09-030 and that sufficient financial resources are available to complete the project. (See Attachment – 2)

Based on the above information, which is provided to the State Board in compliance with Section 1130.740 of the Illinois Administrative Code, Addison formally requests a 7-month renewal of its permit for project #09-030.

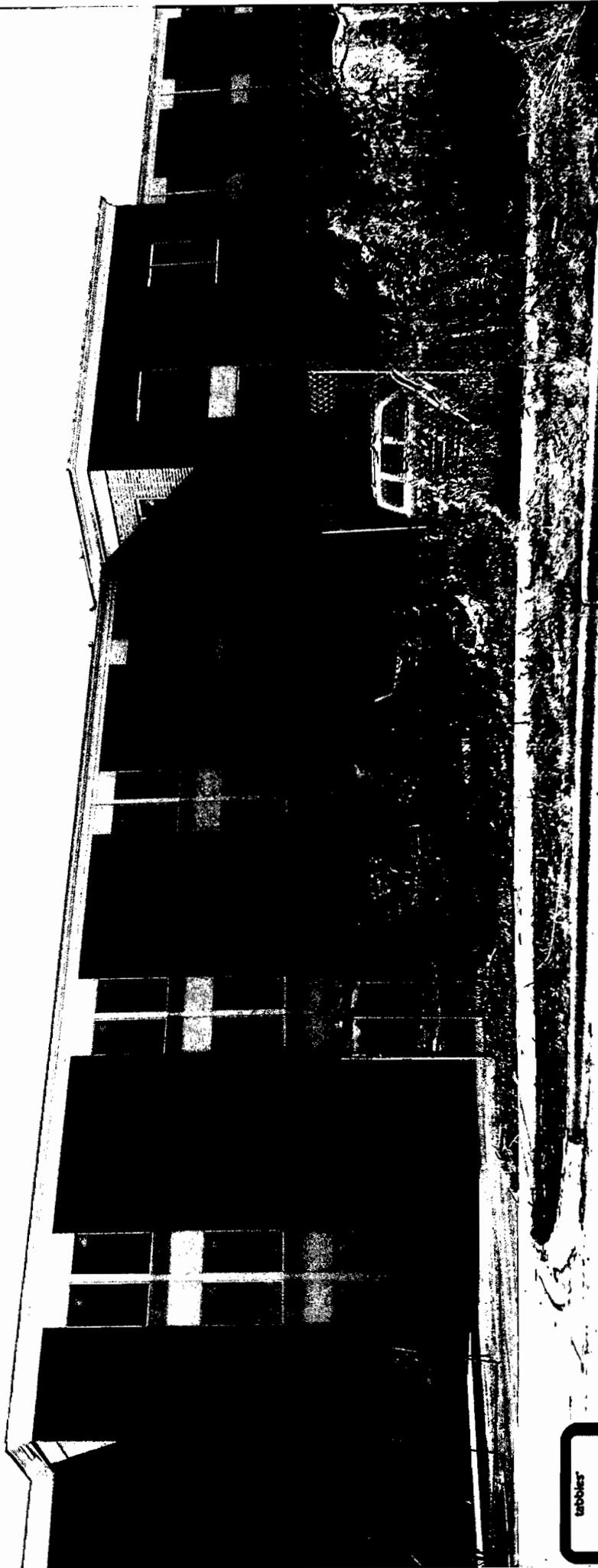
Sincerely,



Anne M. Cooper

Attachments

cc: Michael Constantino



EXHIBIT

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EXHIBIT

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1

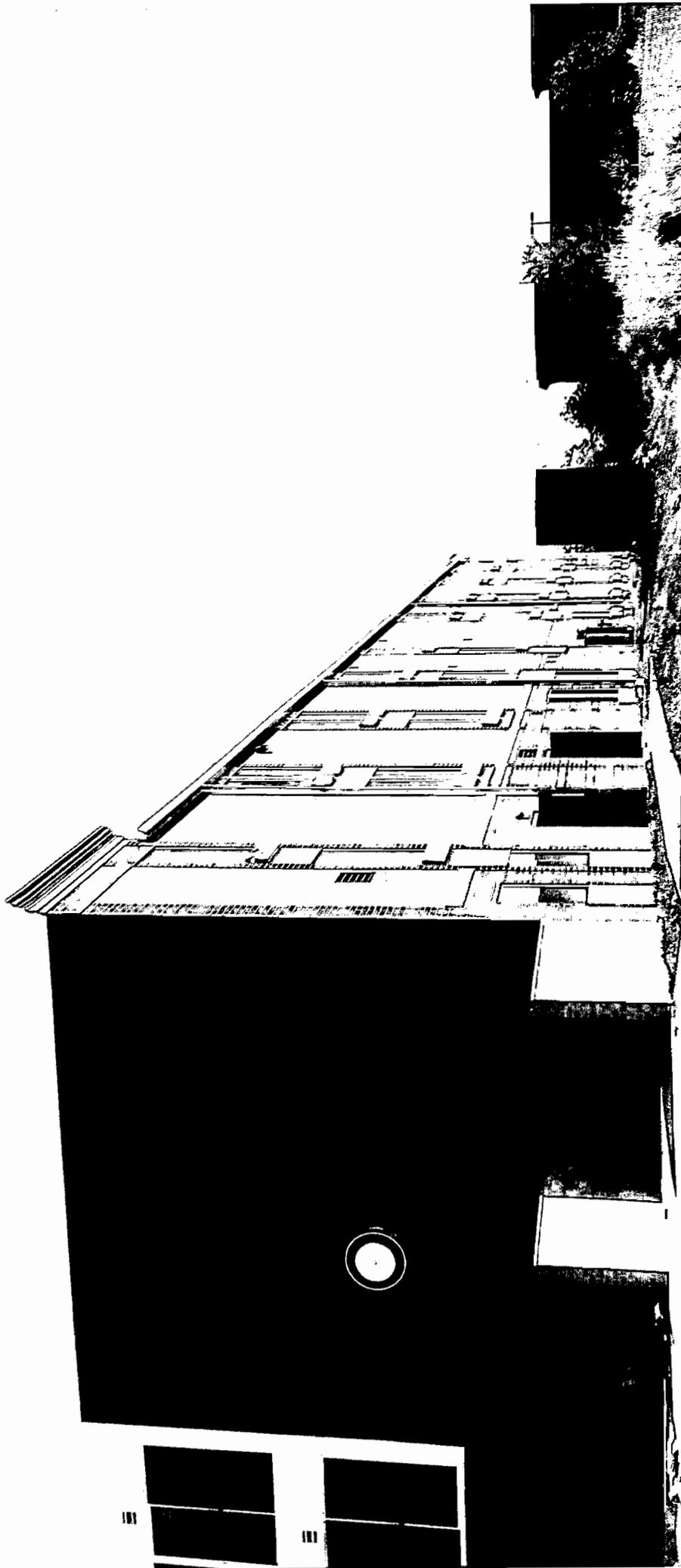


EXHIBIT
1

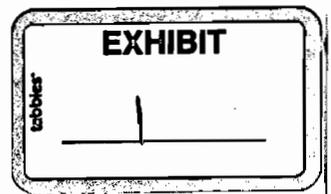
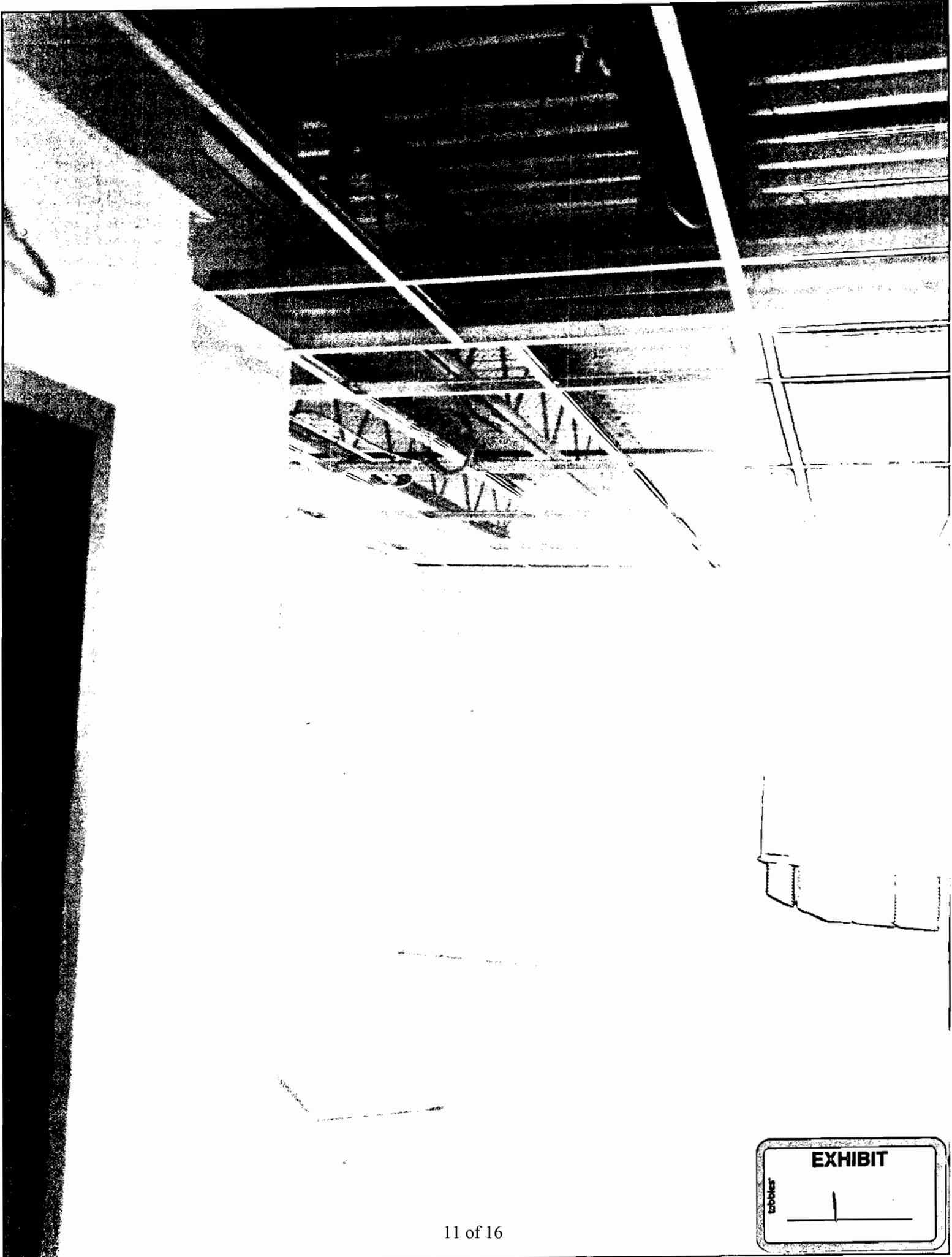




EXHIBIT
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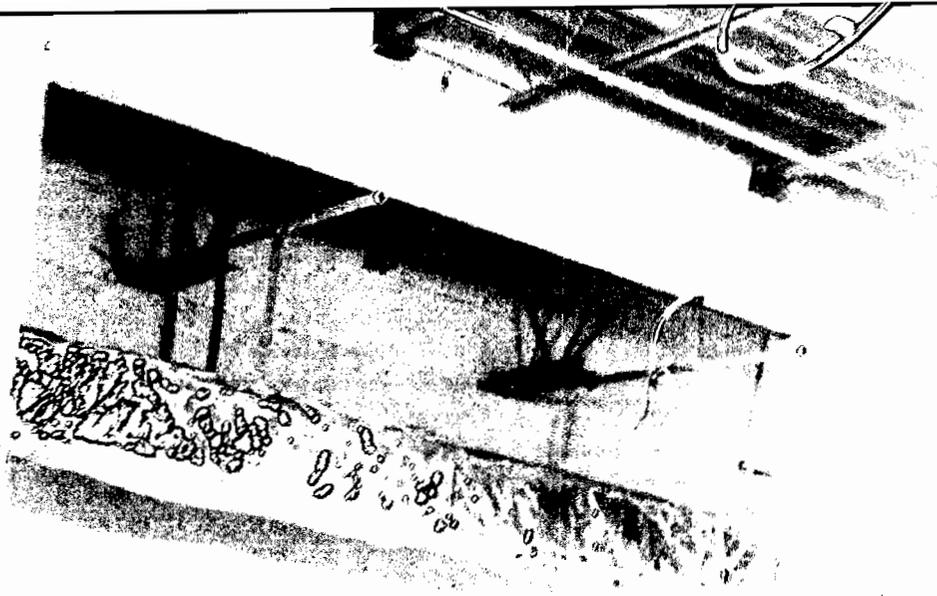


EXHIBIT
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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

ADDISON REHABILITATION & LIVING CENTER

REQUEST FOR RENEWAL OF PROJECT PERMIT # 09-030

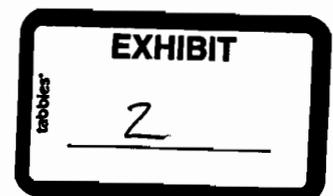
I, SHELDON ROSENBERG, do hereby affirm and testify:

1. I am an authorized representative of the Permit Holders, Addison Rehabilitation & Living Center, LLC and Elgin Property, LLC. I have personal knowledge of the facts stated herein.

2. Based on my personal knowledge of the on-going project to establish a 120-bed long-term care facility to be located at 1754-1760 Capital Street, Elgin, Illinois, I can attest that the project's cost and scope are in compliance with those approved by the Illinois Health Facilities and Services Review Board.

3. Additionally, I can also attest that there currently exists sufficient financial resources to complete the project.

FURTHER THE AFFIANT SAYETH NOT.



The undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.


Sheldon Rosenberg
Addison Rehabilitation & Living Center, LLC

Subscribed and sworn before me
This 14th day of ~~September~~ October, 2015



Notary Public

