



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

MEMORANDUM

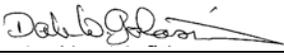
TO: Mike Constantino, Chief – Program Review Section
Division of Health Systems Development

FROM: Dale Galassie, Chairman
Illinois Health Facilities and Services Review Board

RE: Permit Renewal Request for Project # 11-008, Mercy Circle, Chicago

This is to advise you that I have reviewed the above-captioned permit renewal request within the requirements in 77 IAC 1130.740 and have determined the following:

- The request is in compliance with the requirements in 77 IAC 1130.740 and the renewal request is approved.
- This request is to be reviewed by the Health Facilities Planning Board.
- This request is DENIED effective _____ because it does **NOT** comply with the requirements specified in 77 IAC 1130.740.
- Other actions as follows:



Dale Galassie, Chairman
Illinois Health Facilities and
Services Review Board

2013.6.13

Date



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DOCKET ITEM: NA	BOARD MEETING: NA	PROJECT NUMBER: 11-008
PERMIT HOLDERS(S): Mercy Circle West Midwest FIDES, Inc. Sisters of Mercy of the Americas Midwest Community, Inc.		
FACILITY NAME and LOCATION: Mercy Circle, Chicago		

STATE AGENCY REPORT
PERMIT RENEWAL REQUEST

I. Background

On March 22, 2011, the State Board approved Project #11-1008. The permit authorized the establishment of a 24-bed skilled nursing facility in a Continuum of Care Retirement Community (CCRC). The State Agency notes the project is not obligated, and the current project completion date is August 31, 2013. Project cost: \$49,745,852.

The State Agency notes the permit holders submitted the permit renewal request on June 3, 2013. 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. The application packet included a \$500.00 permit renewal fee.

II. Findings

The State Agency notes this is the first 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. The State Agency also notes this project was originally approved as #10-044, and approved by the State Board at its September 2010 meeting. The applicants submitted an alteration that changed the source of the project debt, and guarantor of project #10-044, and an applicant was added. This transaction called for the abandonment of Project #10-044, and the subsequent submittal of application #11-008, for State Board review and approval.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of August 31, 2014. This would extend the project's completion date by twelve months, from August 31, 2013 to August 31, 2014.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is approximately 54% complete. The permit holders listed each component, and its estimated completion status in percentages:
- Exterior Shell Completion - 90%
 - Mechanical, Electrical, Plumbing - 52%
 - Interior Finishes - 12%
 - Furniture, Fixtures, and Equipment - 0%
- The remaining components are the balances of the listed percentages.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' identified the following that could result in delays in the completion of the project:
- The permit holders note that recent events resulting in significant delays of the required inspections from the State of Illinois and City of Chicago have the potential to delay this project for the entirety of the requested extended time frame.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders state \$22,577,803 (45.3% of the total project costs), have been expended to date, and that sufficient funds exist to complete the project.
- E. Anticipated Final Cost of the Project: The permit holders state the project cost will remain within the approved permit amount of \$49,745,852.

IV. Project Description & Other Background Information

The permit authorized the establishment of a 24-bed skilled nursing facility under the continuum of care (CCRC) variance. Project cost: \$49,745,852.

Permit Issuance Date: March 22, 2011

Original Project Completion Date: August 31, 2013

Project Obligation Date: October 17, 2013

Proposed Project Completion Date: August 31, 2014 (12 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

Permit Renewal Request

Project #11-008

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Appended to this report are the following: the permit holders' documents for a permit renewal, and a copy of the original State Agency Report.