



# STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

<b>DOCKET ITEM:</b> A-02	<b>BOARD MEETING:</b> September 13, 2016	<b>PROJECT NUMBER:</b> 11-104
<b>PERMIT HOLDERS(S):</b> McAllister Property, LLC McAllister Nursing & Rehab, LLC		
<b>FACILITY NAME and LOCATION:</b> McAllister Nursing & Rehab, Tinley Park		

## STATE BOARD STAFF REPORT PERMIT RENEWAL REQUEST

### **I. Background**

On April 17, 2012, the State Board approved Project #11-104. The permit authorized the establishment of a 200 bed skilled nursing facility, through the modernization of an existing 111 bed skilled nursing facility, in Tinley Park. The State Agency notes the project is obligated, and the current project completion date is July 31, 2016. Project cost: \$24,914,868.

The State Agency notes the permit holders submitted the permit renewal request on July 14, 2016. This submittal was **not** 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 late fee accompanied the \$500.00 permit renewal fee required for this renewal request.

### **II. Findings**

The State Agency notes this is the **second** 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 notes the application was subject to an alteration in June 2014, to increase the size of the project from 102,937 GSF to 107,399 GSF (4.3%). A second project alteration request was approved in June 2016, increasing the project cost from \$24,910,942 to \$24,914,868 (.015%).

**III. The Permit Renewal Request**

- A. Requested Completion Date: The permit holders request a project completion date of January 31, 2017. This would extend the project’s completion date by six months, from July 31, 2016 to January 31, 2017.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is essentially complete. The initial life safety inspection has been completed, with the second part of the inspection (the nursing inspection), expected to be completed by the end of August 2016.
- 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 following events initially occurred, leading to the request for the first permit renewal:

- 1) Three month delay in issuance of the building permit.
- 2) Subsequent delays with precast concrete production and erection.
- 3) Adverse weather conditions during winter of 2014, resulting in 72 lost working days.
- 4) Delays in shipment of materials, resulting in 1 month of lost work.

The permit holders are confident that the inspection phase will be completed, and certificates of occupancy granted before the end of the year.

- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$24,914,868 (100% of the total project cost), has been expended to date and attest to the existence of sufficient financial resources to complete the project.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the altered permit amount of \$24,914,868.

**IV. Project Description & Other Background Information**

The permit authorized the establishment of a 200 bed skilled nursing facility, through the modernization of an existing 111 bed skilled nursing facility, in Tinley Park. Project cost: \$24,914,868.

Permit Issuance Date: April 17, 2012

Project Obligation Date: May 1, 2013

Original Project Completion Date: January 31, 2016

Proposed Project Completion Date: July 31, 2016  
1<sup>st</sup> renewal request 6 months

Proposed Project Completion Date: January 31, 2017  
2<sup>nd</sup> renewal request (6 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**

The permit holders' documents for the second permit renewal are included at the end of this report.

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Windsor  Estates

JUL 14 2016

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

July 13, 2016

Ms. Courtney Avery, Administrator  
Illinois Health Facilities and Services Review Board  
525 W. Jefferson Street - 2<sup>nd</sup> Floor  
Springfield, IL 62761

Subject: Permit # **11-104** McAllister Nursing and Rehab; Request for Permit Renewal

Dear Administrator Avery:

On April 17, 2012 the Illinois Health Facilities and Services Review Board granted a permit to McAllister Nursing and Rehab for the modernization of 111 Long-Term Care beds and the addition of 89 Long-Term Care beds, for a total of 200 nursing care beds. On behalf of the Applicant, I am writing this letter to comply with section 1130.740 (Permit Renewal of the 77 Illinois Administrative Code). The first permit renewal was for a sixth month extension from January 31, 2016 to July 31, 2016. This correspondence seeks a permit renewal for this Project from the its current completion date of July 31, 2016 to September 30, 2016 (a two month extension). This is the Applicant's second request for a permit renewal.

### **Project Overview and Status**

The project is complete and the Applicant has had the initial life safety inspection. The finding of the life safety inspection were minimal but will take this week and possibly next to satisfy and complete the first of the two part IDPH survey process. The second part of the licensing/survey process is the for the IDPH "nurses" inspection. It is anticipated to take up to 30-days for that process to be scheduled leaving an additional 30-days for the State to complete its survey and for the Applicant to ensure compliance.

### **Request Completion Date**

The Applicant respectfully requests a 2-month extension for this project. A completion date of September 30, 2016 should be adequate to complete the licensure process.

### **Status Report on Project**

The construction of the project is complete and is midstream in the IDPH two-part survey process. Once the initial Life Safety survey is complete, the Village can issue the Certificate of Occupancy.

Page Two

**Statement as to reasons why the Project has not been completed**

The initial permit renewal request set forth the rationale for the overall project delay. Now, the construction is complete and the first part of the two part IDPH licensure survey process is underway. The extension is merely to complete that part of the project to receive licensure as construction was completed as estimated in March of this year.

**Project Cost and Scope**

The Project cost and scope are in compliance with what the Health Facilities and Services Review Board approved. Appended herein (**EXHIBIT A**) is a project costs and sources of funds chart illustrating the approved line items and the corresponding expenditures. Sufficient financial resources are available to complete the 200-bed skilled nursing facility.

Enclosed please find the required \$1,000 application fee. Please let me know of any questions on this material, or if additional information needs to be provided.

Thanking you in advance for your assistance.

Respectfully,



Eli Atkin  
Member

**ENCLOSURES**

**PROJECT COSTS AND SOURCES OF FUNDS**

<b><u>USE OF FUNDS</u></b>	<b><u>APPROVED</u></b>	<b><u>EXPENDED</u></b>	<b><u>PERCENT</u></b>
Preplanning Costs	\$ 38,500	\$ 38,500	100%
Site Survey and Soil Investigation	\$ 13,200	\$ 13,200	100%
Site Preparation	\$ 165,000	\$ 165,000	100%
Off Site Work	\$ 35,000	\$ 35,000	100%
New Construction Contracts	\$ 20,872,252	\$ 20,872,252	100%
Modernization Contracts	\$ -	\$ -	0%
Contingencies	\$ 1,043,416	\$ 1,043,416	100%
Architectural/Engineering Fees	\$ 695,000	\$ 695,000	100%
Consulting and Other Fees	\$ 209,000	\$ 209,000	100%
Movable or Other Equipment (not in construction contracts)	\$ 1,091,000	\$ 1,091,000	100%
Bond Issuance Expense (project related)	\$ -	\$ -	0%
Net Interest Expense During Construction (project related)	\$ 705,000	\$ 705,000	100%
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	0%
Other Costs To Be Capitalized	\$ 47,500	\$ 47,500	100%
Acquisition of Building or Other Property (excluding land)	\$ -	\$ -	0%
<b>TOTAL USES OF FUNDS</b>	<b>\$24,914,868</b>	<b>\$24,914,868</b>	<b>100%</b>
<b><u>SOURCE OF FUNDS</u></b>	<b><u>APPROVED</u></b>	<b><u>EXPENDED</u></b>	<b><u>PERCENT</u></b>
Cash and Securities	\$ 2,614,868	\$ 2,614,868	100%
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages	\$ 22,300,000	\$ 22,300,000	100%
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 24,914,868</b>	<b>\$ 24,914,868</b>	<b>100%</b>

11-104 McAllister Nursing and Rehab

McAllister Property LLC  
18300 S. Lavergne Ave.  
Tinley Park, IL 60477



4173

DATE JUNE 10 2016

PAY TO THE ORDER OF IDPH \$ 1000 —  
ONE thousand dollars and 00/100 DOLLARS  Security Features Included. Details on back.

FirstMerit

  
AUTHORIZED SIGNATURE

FOR WINDSOR ESTATES



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