



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-03	BOARD MEETING: April 17, 2018	PROJECT NUMBER: 11-021
PERMIT HOLDERS(S): MML Properties, LLC Butterfield Healthcare VII, LLC		
FACILITY NAME and LOCATION: Meadowbrook Manor, LaGrange		

STATE BOARD STAFF REPORT
PERMIT RENEWAL REQUEST

I. Background

On August 16, 2011, the State Board approved Project #11-021. The permit authorized the modernization of an existing Long Term Care (LTC) facility in LaGrange. Board staff notes the project is obligated and the current project completion date is March 31, 2018. Project cost: \$30,634,493.

State Board Staff notes the permit holders submitted the permit renewal request on March 29, 2018. This submittal was **not** in accordance with 77 IAC 1130.740(d), which states that the State Board must receive renewal requests at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee, and a \$500.00 late fee, accompanied the renewal request.

II. Findings

State Board Staff notes this is the **fourth renewal** request for this project, with previous renewals occurring on:

- 12/16/14: 24-month permit renewal (12/31/14-12/31/16).
- 01/24/17: 9-month permit renewal (12/31/16-09/30/17).
- 09/26/17: 6-month permit renewal (9/30/17-3/31/18).

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 permit holders submitted a permit alteration request in conjunction with this third renewal request, which seeks to increase the project cost by \$2,004,124 (6.9%), from 28,630,369 to 30,634,493.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of June 30, 2018. This would extend the project's completion date by three months, from March 31, 2018, to June 30, 2018.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase is complete, and the permit holders are waiting for the IDPH licensure survey.
- 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 that unforeseen delays in the HUD financing account solely for this request. Since the HUD approval in March 2015, construction has proceeded with due diligence, and the permit holders are requesting a fourth permit renewal to provide sufficient time for the IDPH survey.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$21,349,390 (69.6% of the total project cost) has been expended to date and can 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 \$30,634,493.

IV. Project Description & Other Background Information

The permit authorized the modernization of an existing Long Term Care (LTC) facility, in LaGrange. Project cost: \$30,634,493.

Permit Issuance Date:	August 16, 2011
Project Obligation Date:	February 7, 2013
Original Project Completion Date:	December 31, 2014
Project Completion Date/1 st Renewal: (24 month renewal request)	December 31, 2016
Proposed Project Completion Date: (2 nd renewal request 9 months)	September 30, 2017
Proposed Project Completion Date: (3 rd renewal request 6 months)	March 31, 2018

Proposed Project Completion Date: June 30, 2018
(4th renewal request 3 months)

Project Alteration Request: September 26, 2017
(increase project cost \$2,004,124/6.9%)

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 1130.230(h)(5) 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(b) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 IAC 1130.740(c) 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, 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(d) states the Board staff will review the request and prepare a report of its findings. If staff finds that the request is in conformance with all HFSRB criteria, and if this is the first request for this project, then the request, staff's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFSRB, will approve, deny or refer the request to the HFSRB for action. If staff 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 HFSRB for action, then HFSRB 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 HFSRB'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.