



Juan Morado, Jr.
333 West Wacker Drive, Suite 1900
Chicago, IL 60606
Direct Dial: 312.212.4967
Fax: 312.757.9192
jmorado@beneschlaw.com

May 15, 2019

VIA FEDEX

Courtney Avery
Board Administrator
Health Facilities and Services Review Board
Illinois Department of Public Health
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

RECEIVED

MAY 16 2019

HEALTH FACILITIES &
SERVICES REVIEW BOARD

**Re: Permit Renewal Request-Transitional Care of Lake County, Mundelein,
Project #16-012**

Dear Ms. Avery:

On June 21, 2016, the Illinois Health Facilities and Services Review Board (“HFSRB”) approved Project #16-012, a project to construct and establish a 185 bed general long term category of service to be located at 850 East U.S. Highway, Mundelein, Illinois. The purpose of this letter is to request a Permit Renewal pursuant to 77 Ill. Admin. Code 1130.740. Enclosed you will find a check with the permit renewal fee. This is our first renewal request.

Request Project Completion Date

The permit holder requests that the HFSRB grant a permit renewal and establish Thursday, December 31, 2020 as the project completion date for this project.

Status of the Project

The project was able to begin construction in earnest in December 2018. We expected more progress on construction, however, given the harsh winter weather we were unable to continue work for weeks at a time. Currently, the project is approximately 10-15% complete. We anticipate an additional 14-16 months of construction will be required to complete the building. The additional time is necessary to complete construction of the facility, and allow for the requisite Illinois Department of Public Health (“IDPH”) life safety and licensure inspections. This additional time will also allow for the final reconciliation of costs and expenses to allow for proper final cost reporting to the Board.

As this Board knows, there were several unforeseen delays with the project due to the Department of Housing and Urban Development (“HUD”) financing process. We are happy to

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report that we have closed on our HUD loan which allowed to begin construction of the facility. Over the last year we have also worked through additional zoning matters that arose with the site and have satisfactorily addressed them. The project was also financially committed on July 27, 2018 through the execution of the construction contract to build the skilled nursing facility and has been reported to the Board.

Statement Regarding Project Completion

Sufficient progress was made with financing and zoning to allow construction to begin late last year, but additional time is necessary to close the project out and meet the commitments made to this Board and the Lake County community.

To date approximately \$3,000,000 of the approved \$29,232,700 has been expended on the project. The project is progressing consistent with the application underlying the permit approved by the Board and will be completed in accordance with the terms of the permit letter issued by the HFSRB. We do not anticipate the need to alter the project in any way, and we expect the project to be completed in accordance with the approved permit.

Confirmatory Evidence of Permit Compliance

Enclosed is a verified statement from Brad Haber, one of the Managing Principals of Innovative Health, LLC that confirms the permit holders are complying with the scope, costs, and conditions of the project approved by the HFSRB, pursuant to the permit letter issued for this project. Additionally, the aforementioned verified statement confirms that there are sufficient financial resources available to complete this project.

If you have any questions or need any additional information regarding the project or this permit renewal request, please feel free to contact me at 312-212-4967.

Very truly yours,

BENESCH, FRIEDLANDER,
COPLAN & ARONOFF LLP



Juan Morado, Jr.

JM:

Enclosures

cc: Jeannie Mitchell, General Counsel (via email)
Mike Constantino, Senior Project Reviewer (via email)

**State of Illinois
County of Cook**

Verification

I, Brad Haber., being first duly sworn, on oath, depose and state as follows:

1. I serve as one of the Managing Principals of Innovative Health, LLC an owner and the entity responsible for the management of Transitional Care of Lake County, Mundelein.
2. The project to construct and establish a 185 bed general long term facility in 90,000 square feet is progressing consistently with the commitments reflected in the permit letter issued for this project.
3. Our project costs remain on track and in accordance with the terms of the project approved by the Illinois Health Facilities and Services Review Board, Project #16-012.
4. The project's costs and scope continue to comply with the application the HFSRB approved for Project # 16-012.
5. Sufficient financial resources remain available to complete Project #16-012.

Under penalties as provided by law pursuant to § 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct.



(signature)

5/10/19

(date)