



# 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> April 30, 2019	<b>PROJECT NUMBER:</b> 16-043
<b>PERMIT HOLDERS(S):</b> Rush University Medical Center Rush Oak Park Hospital		
<b>FACILITY NAME and LOCATION:</b> Rush Oak Park Hospital, Oak Park		

## STATE AGENCY STAFF REPORT PERMIT RENEWAL REQUEST

### **I. Background**

On January 24, 2017, the State Board approved Project #16-043. The permit authorized a major modernization project of the Emergency Department, to include relocation of the Emergency Department on the campus of Rush Oak Park Hospital, Oak Park . The State Agency notes the project is obligated, and the current project completion date is April 30, 2019. Project cost: \$30,176,692.

State Board Staff notes the State Board received the permit renewal request on March 12, 2019. This submittal was 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 accompanied the renewal request.

### **II. Findings**

State Board Staff notes this is the first renewal request for this project and the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal.

### III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of November 30, 2019. This would extend the project's completion date by seven months, from April 30, 2019 to November 30, 2019.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase is underway, and is proceeding with due diligence. The following project components remain:
- Curtainwall: Expected to be complete April 30, 2019, drywall cannot be fully completed until curtainwall is complete, and building is fully enclosed.
  - Site Paving: Area asphalt production will not resume until mid-April. Will commence immediately upon resumption of production.
  - Site Utilities/Storm Detention: Will commence once sufficient ground thaw is realized at the construction site.
  - Roofing: Roofing component is delaying final building tie-in with existing structures. This component will commence when weather conditions improve.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project experienced a one month delay (5/2/17-6/5/17), in securing a demolition permit from Cook County, which pushed major project components into the winter construction season. This in turn, resulted in more significant delays in the overall project.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate approximately \$18,862,624 (62.5% 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 approved permit amount of \$30,176,692.

### IV. Project Description & Other Background Information

The permit authorized a major modernization/relocation project of the Emergency Department (ED), on the campus of Rush Oak Park Hospital, Oak Park. Project cost: \$30,176,692.

Permit Issuance Date: January 24, 2017

Project Obligation Date: February 20, 2018

Original Project Completion Date: April 30, 2019

Proposed Project Completion Date: November 30, 2019  
(6-month renewal request)

**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 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(d) states the State Board staff will review the request and prepare a report of its findings. If the findings are 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.



March 7, 2019

Ms. Courtney Avery  
Administrator  
Illinois Health Facilities and  
Services Review Board  
525 West Jefferson  
Springfield, IL 62761

RE: Request for Permit Renewal  
Rush Oak Park Hospital  
Permit #16-043  
Emergency Department Modernization

Dear Ms. Avery:

Pursuant to 77 Illinois Administrative Code 1130.740, this is a request for a Permit Renewal, changing the completion date of the above-referenced from April 30, 2019 to November 30, 2019. The project was approved by the HFSRB on January 24, 2017.

Delays in the completion of the project have resulted from the original project completion date was based on Cook County Demolition permitting May 2, 2017 start date which was not received until June 5, 2017. As of the writing of this letter, the following project components have yet to be completed:

- Curtainwall – Drywall cannot be complete until fully enclosed (curtainwall to finish mid-April). Finishes cannot not be completed until all drywall is done.
- Site Paving – Asphalt plants do not open until mid-late April.
- Site Utilities including storm detention vault – Weather permitting, ground is frozen.
- Roofing – Weather is holding up final building tie-in details which is holding up the new lobby connections to the existing West Building.

To date, approximately \$18,862,624 of the approved project cost of \$30,176,692 has been spent. As a result, the project is approximately 62.5% complete. As proposed through the Certificate of Need ("CON") application, the project is being funded through cash and securities, and sufficient resources are available to complete the project.

There have been no substantial changes to the project's scope or cost, from that described in the CON application.

Enclosed please find a check for \$1,500.00, as the required alteration and renewal fees.

Should you require any further information, please contact Sarah Roche at 312-942-4938 or Sarah\_Roche@rush.edu.

Sincerely,

A handwritten signature in black ink that reads "Robert S. Spadon".

Robert S. Spadon  
VP Hospital Operations

RSS/cw  
Enc.