



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> June 30, 2020	<b>PROJECT NUMBER:</b> 17-035
<b>PERMIT HOLDERS(S):</b> Frances House, Inc. Residential Alternatives of Illinois, Inc.		
<b>FACILITY NAME and LOCATION:</b> Manor Court of Rochelle, Rochelle		

**STATE BOARD STAFF REPORT**  
**PERMIT RENEWAL REQUEST**

**I. Background**

On January 9, 2018, the State Board approved Project #17-035. The permit authorized the establishment of a 92-bed general Long Term Care (LTC) facility in Rochelle. The State Agency notes the project is obligated, and the current project completion date is July 1, 2020. Project cost: \$18,871,873.

State Board Staff notes the permit holders submitted the permit renewal request on May 15, 2020. 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 second renewal request for this project and the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. Information pertaining to the first permit renewal request is shown below. The project also was subject to an alteration to increase the project size and cost (see below)

**June 26, 2018:** Permit Alteration: Increase permit amount \$1,225,105 (6.94%), and increase project size 3,177 GSF (4.99%).

**August 6, 2019:** 9 Month Permit Renewal request, (October 1, 2019 – July 1, 2020)

### III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of January 1, 2021. This would extend the project's completion date six months, from July 1, 2020 to January 1, 2021.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the construction phase of the project is complete. The permit holder is recruiting staff, and has scheduled the required IDPH inspection/certification/licensure.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project initially experienced delays resulting from an exceptionally cold winter and wet spring. More recently, delays were experienced due to the COVID-19 Pandemic, and the heightened precautions exercised by IDPH during their inspection/licensure processes.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$18,485,229 (98% of the total project costs) have 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 \$18,871,873.

### IV. Project Description & Other Background Information

The permit authorized the establishment of a 92-bed general long term care (LTC) facility in Rochelle. Project cost: \$18,871,873.

Permit Issuance Date:	January 9, 2018
Project Obligation Date:	October 1, 2018
Project Alteration:	August 6, 2019
Original Project Completion Date:	October 1, 2019
Proposed Project Completion Date: (9-month renewal 1 <sup>st</sup> request)	July 1, 2020
Proposed Project Completion Date: (6-month renewal 2 <sup>nd</sup> request)	January 1, 2021

**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.

# FOLEY & ASSOCIATES, INC.

Charles H. Foley, MHSA  
cfoley@foleyandassociates.com

John P. Kniery  
jkniery@foleyandassociates.com

RECEIVED

MAY 15 2020

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

HAND DELIVERED

May 15, 2020

Courtney Avery, Administrator  
Illinois Health and Services Review Board  
Illinois Department of Public Health  
525 West Jefferson Avenue, 2<sup>nd</sup> Floor  
Springfield, Illinois 62761

2ND  
PCR

Re: Permit: 17-035 – Manor Court of Rochelle

Dear Ms. Avery,

I am writing to request for a second permit renewal. The permit expires July 1, 2020. While construction is complete, we will need additional time to receive licensing and time to collect all costs to report back to the Board. We feel that a 6-month renewal to January 1, 2021 would be adequate. Please note that in total the project has only been extended for 15 months should this permit renewal be granted.

I have attached the final AIA G702-703 (EXHIBIT A) for the project. The construction of the project is complete. The Applicant has been in the process of hiring the appropriate and required staff and now will be awaiting State surveys and Licensure processes that are needed. Finally, should there be any areas of non-compliance; those issues would have to be remedied. It is estimated that this process should be completed before September 30<sup>th</sup> of this year. Also attached is the current cost and sources of funds chart (EXHIBIT B) providing the total dollars spent to date as a percentage of the project.

Given the delays being caused by State Agency closures or offsite working due to the New Covid-19 pandemic we are uncertain that the following components can be completed within the project's approved deadline. These specific components are:

- IDPH Life Safety Code and Design Review;
- IDPH Life Safety Inspections;
- IDPH Licensure Reviews;
- IDPH Initial Licensure Surveys;



Courtney Avery, Administrator  
May 15, 2020  
Page Two

On 3/31/20, we submitted our Initial Licensure Application. On 5/11/20, IDPH Life Safety Code and Design deemed our Project Final Occupancy Checklist and Request for Inspection packet complete. IDPH has 45-days complete its review of the packet, then schedule a survey.

Please note that financing for the construction is still in place and remains as stated in the application. Additionally, as we are within 45-days window to project completion, enclosed herein is a check for \$500.00 made payable to the Illinois Department of Public Health for the processing of this request.

Sincerely,

A handwritten signature in blue ink, appearing to read "John P. Kniery". The signature is fluid and cursive, with a large loop at the end.

John P. Kniery  
Health Care Consultant

ENCLOSURES

C: Ron Wilson

TO OWNER: Residential Alternatives of IL, Inc.  
285 S. Farnham Street  
Galesburg, IL 61401

PROJECT: New Skilled Nursing Home  
2203 Flagg Road  
Rochelle, IL

Distribution to:

<input checked="" type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR

PERIOD TO: 5/15/2020

VIA ARCHITECT:

FROM CONTRACTOR:  
RFMS Construction  
285 S. Farnham Street  
Galesburg, IL 61401

PROJECT NOS:

CONTRACT DATE 07/01/18

**CONTRACTOR'S APPLICATION FOR PAYMENT**

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

1. ORIGINAL CONTRACT SUM \$ 18,871,873.00  
 2. Net change by Change Orders \$ 0.00  
 3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 18,871,873.00  
 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 18,485,229.00

5. RETAINAGE:  
 a. 0 % of Completed Work \$ 0.00  
 (Column D + E on G703)  
 b. 0.00 % of Stored Material \$ 0.00  
 (Column F on G703)  
 Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 0.00

6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 18,485,229.00  
 7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 16,292,056.00  
 8. CURRENT PAYMENT DUE \$ 2,193,173.00  
 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 386,644.00

CONTRACTOR:

By: *Ken Dullhoff*

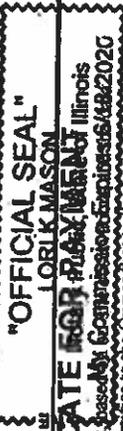
Date: 5/15/2020

State of Illinois County of: Knox

Subscribed and sworn to before me this 15 day of May, 2020

Notary Public: *D. K. Mason*

My Commission expires: June 18/2020



**ARCHITECT'S CERTIFICATE FOR PAYMENT**  
 In accordance with the Contract Documents, I, D. K. Mason, Notary Public for the State of Illinois, do hereby certify that the Contractor has completed the Work to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner		
Total approved this Month		
<b>TOTALS</b>	\$0.00	\$0.00
<b>NET CHANGES by Change Order</b>	\$0.00	\$0.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.) ARCHITECT:

By: \_\_\_\_\_ Date: \_\_\_\_\_

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVE. N.W., WASHINGTON, DC 20005-5202

AIA DOCUMENT G702 APPLICATION AND CERTIFICATION FOR PAYMENT 1992 EDITION AUG 6 1992

Users may obtain validation of this document by requesting a completed AIA Document D401 - Certification of Document's Authenticity from the Licensee.

# CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 2 OF 2 PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: Three

APPLICATION DATE: 5/15/2020

PERIOD TO: 5/15/2020

ARCHITECT'S PROJECT NO: 1058-00

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	% (G - C)					
1	Preplanning Cost	\$67,123.00	\$67,123.00				\$67,123.00	100.00%	
2	Site work	\$752,378.00	\$744,578.00				\$744,578.00	98.96%	\$7,800.00
3	Architectural/Engineering Fees	\$1,008,895.00	\$927,561.00	\$81,334.00			\$1,008,895.00	100.00%	
4	New Construction Contracts	\$14,270,000.00	\$12,964,991.00	\$1,014,211.59			\$13,979,202.59	97.96%	\$290,797.41
5	Furn, Fixtures & Equipment	\$1,068,851.00	\$788,654.00	\$228,532.00			\$1,017,186.00	95.17%	\$280,196.32
6	Other Costs to be Capitalized	\$297,256.00	\$292,813.00				\$292,813.41	98.51%	\$4,442.59
7	Contingencies	\$1,402,170.00	\$501,986.00	\$868,295.00			\$1,370,281.00	97.73%	\$900,184.02
8	Interest	\$5,200.00	\$4,350.00	\$800.00			\$5,150.00	99.04%	\$850.00
	<b>GRAND TOTALS</b>	\$18,871,873.00	\$16,292,056.00	\$2,193,172.59		\$0.00	\$18,485,229.00	97.95%	\$1,484,270.34
									\$0.00

Users may obtain validation of this document by requesting of the license a completed AIA Document D401 - Certification of Document's Authenticity

EXHIBIT A

Manor Court of Rochelle  
Project No. 17-035

**PROJECT COSTS AND SOURCES OF FUNDS**

Use of Funds	Cost	Expended to Date	% Expended
Preplanning Costs	\$ 67,123	\$ 67,123	100%
Site Survey and Soil Investigation	\$ 46,035	\$ 46,035	100%
Site Preparation	\$ 662,604	\$ 662,604	100%
Off Site Work	\$ 43,739	\$ 43,739	100%
New Construction Contracts	\$ 14,270,000	\$ 13,948,650	98%
Modernization Contracts	\$ -	\$ -	
Contingencies	\$ 1,402,170	\$ 1,350,289	96%
Architectural/Engineering Fees	\$ 1,008,895	\$ 995,682	99%
Consulting and Other Fees	\$ 297,256	\$ 297,256	100%
Movable or Other Equipment	\$ 1,068,851	\$ 1,068,851	100%
Bond Issuance Expense	\$ -	\$ -	
Net Interest Expense During Construction	\$ 5,200	\$ 5,000	96%
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	
Other Costs to be Capitalized	\$ -	\$ -	
Acquisition of Building or Other Property	\$ -	\$ -	
<b>Total Uses of Funds</b>	<b>\$ 18,871,873</b>	<b>\$ 18,485,229</b>	<b>98%</b>
<b>Source of Funds</b>			
Cash and Securities	\$ 18,871,873	\$ 18,485,229	98%
Pledges	\$ -	\$ -	
Gifts and Bequests	\$ -	\$ -	
Bond Issues	\$ -	\$ -	
Mortgages	\$ -	\$ -	
Leases	\$ -	\$ -	
Governmental Appropriations	\$ -	\$ -	
Grants	\$ -	\$ -	
Other Funds and Sources	\$ -	\$ -	
<b>Total Sources of Funds</b>	<b>\$ 18,871,873</b>	<b>\$ 18,485,229</b>	<b>98%</b>