



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-05	BOARD MEETING: August 6, 2019	PROJECT NUMBER: 17-035
PERMIT HOLDERS(S): Frances House, Inc. Residential Alternatives of Illinois, Inc.		
FACILITY NAME and LOCATION: 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 October 1, 2019. Project cost: \$17,646,768.

State Board Staff notes the permit holders submitted the permit renewal request on July 18, 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 July 1, 2020. This would extend the project's completion date nine months, from October 1, 2019 to July 1, 2020.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is approximately 39% complete, with all shell construction completed for the nursing units. Remaining components include the kitchen/dining area, all plumbing and electrical, and IDPH inspection/certification/licensure.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has experienced delay resulting from an exceptionally cold winter and wet spring. Forms and footing were poured in the fall in hopes of a continued construction schedule over the winter months. The weather did not permit this to occur.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$7,318,333.32 (39% 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 original permit amount of \$17,646,768.

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
Original Project Completion Date:	October 1, 2019
Proposed Project Completion Date: (9-month renewal request)	July 1, 2020

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

HAND DELIVERED

July 18, 2019

RECEIVED

JUL 18 2019

HEALTH FACILITIES &
SERVICES REVIEW BOARD

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

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

Dear Ms. Avery,

I am writing to request a permit renewal. The permit expires October 1, 2019. While construction is proceeding efficiently, we will need additional time to complete the project, receive licensing and to collect all costs to report back to the Board. It is estimated that an additional nine (9) months should be sufficient to complete the project bringing the project completion date to July 1, 2020.

I have attached the latest AIA G702-703 showing that about thirty-nine percent (39%) of the project cost has been spent (refer to **EXHIBIT I**). Also attached is the current Costs and Sources of Funds chart providing the total dollars expended to date as a percentage of the project (appended as **EXHIBIT II**).

This request for additional completion time is due to having an exceptionally cold/snowy winter and wet spring. The footings were done in the fall in hopes for a mild winter that would allow for continued construction. However, due to conditions the contractors could not get on the site until late March/early April. Therefore, further construction did not commence until late Spring.

Current status of the project construction is about also about 39% complete. The four nursing bed wings are "enveloped" and "dried in". Also completed is the onsite storage garage. Yet to be completed is the center (kitchen and services) area. This area required massive amounts of electrical and plumbing. The plumbing and electrical have been installed and the flooring has been poured. Walls and trusses are currently being set. The entire building should be "dried in" within 30 days. In the resident room wings contractors have begun hanging the drywall. The building is estimated to be completed in early Spring of 2020 with IDPH licensure to follow. For your

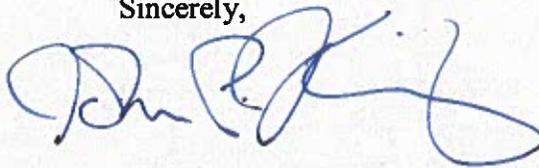


Courtney Avery, Administrator
July 18, 2019
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convenience we have provided a picture of the campus construction completed to date. The picture was taken by drone on July 12, 2019 (see **EXHIBIT III**).

Please note that financing for the construction is still in place and the total project cost and financing remains in-place as approved. Additionally, enclosed herein is a check made payable to the Illinois Department of Public Health for the processing of this request.

Sincerely,



John P. Kniery
Health Care Consultant

ENCLOSURES

C: Michael Constantino, HFSRB
Don Fike, RFMS, Inc.

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

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

APPLICATION NO: _____

PERIOD TO: 7/31/2019

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

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

VIA ARCHITECT:

CONTRACT FOR: New Facility

CONTRACT DATE 07/01/18

PROJECT NOS: _____

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.

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) \$ 7,318,333.32

5. RETAINAGE:
 a. % of Completed Work (Column D + E on G703) \$ 0.00
 b. % of Stored Material (Column F on G703) \$ 0.00
 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) \$ 7,318,333.32

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 0.00

8. CURRENT PAYMENT DUE \$ 7,318,333.32

9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 11,553,539.68

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

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that 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\$ _____

By: *M. Kenyon*
 State of Illinois
 Subscribed and sworn to before me this 12 day of July, 2019
 Notary Public: *Lori K. Mason*
 My Commission expires: June 18/2020

County of: *Keokuk*
OFFICIAL SEAL
LORI K. MASON
 Notary Public, State of Illinois
 My Commission Expires 6/18/2020

EXHIBIT I

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 2 OF 2 PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

APPLICATION NO: One

Contractor's signed certification is attached.

APPLICATION DATE: 7/31/2019

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

PERIOD TO: 7/31/2019

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

ARCHITECT'S PROJECT NO: 1058-00

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)							
1	Preplanning Cost	\$67,123.00			\$67,123.00		\$67,123.00	100.00%		
2	Site work	\$752,378.00			\$683,265.00		\$683,265.00	90.81%	\$69,113.00	
3	Architctocutural/Engineering Fees	\$1,008,895.00			\$859,982.00		\$859,982.00	85.24%	\$148,913.00	
4	New Construction Contracts	\$14,270,000.00			\$5,087,045.25		\$5,087,045.25	35.65%	\$9,182,954.75	
6	Furn, Fixtures & Equipment	\$1,068,851.00			\$486,004.37		\$486,004.37	45.47%	\$582,846.63	
7	Other Costs to be Capitalized	\$297,256.00			\$134,913.70		\$134,913.70	45.39%	\$162,342.30	
8	Contingencies	\$1,402,170.00			\$0.00		\$0.00	0.00%	\$1,402,170.00	
9	Interest	\$5,200.00			\$0.00		\$0.00	0.00%	\$5,200.00	
GRAND TOTALS		\$18,871,873.00	\$0.00	\$7,318,333.32	\$0.00	\$7,318,333.32	\$11,553,539.68	38.78%	\$1,553,539.68	\$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 II

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	\$ 67,123.00	100%
Site Survey and Soil Investigation	\$ 46,035	\$ 46,035.00	100%
Site Preparation	\$ 662,604	\$ 593,491.00	90%
Off Site Work	\$ 43,739	\$ 43,739.00	100%
New Construction Contracts	\$ 14,270,000	\$ 5,087,045.25	36%
Modernization Contracts	\$ -	\$ -	
Contingencies	\$ 1,402,170	\$ -	0%
Architectural/Engineering Fees	\$ 1,008,895	\$ 859,982.00	85%
Consulting and Other Fees	\$ 297,256	\$ 134,913.70	45%
Movable or Other Equipment	\$ 1,068,851	\$ 486,004.37	45%
Bond Issuance Expense	\$ -	\$ -	
Net Interest Expense During Construction	\$ 5,200	\$ -	0%
Fair Market Value of Leased Space or Equipment	\$ -	\$ -	
Other Costs to be Capitalized	\$ -	\$ -	
Acquisition of Building or Other Property	\$ -	\$ -	
Total Uses of Funds	\$ 18,871,873	\$ 7,318,333	39%
Source of Funds			
Cash and Securities	\$ 18,871,873	\$ 7,318,333.32	39%
Pledges	\$ -	\$ -	
Gifts and Bequests	\$ -	\$ -	
Bond Issues	\$ -	\$ -	
Mortgages	\$ -	\$ -	
Leases	\$ -	\$ -	
Governmental Appropriations	\$ -	\$ -	
Grants	\$ -	\$ -	
Other Funds and Sources	\$ -	\$ -	
Total Sources of Funds	\$ 18,871,873	\$ 7,318,333.32	39%

EXHIBIT III

Manor Court of Rochelle
July 12, 2019

