



# 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-01	<b>BOARD MEETING:</b> May 6, 2025	<b>PROJECT NUMBER:</b> 22-020
<b>PERMIT HOLDERS(S):</b> Humboldt Park Health, Inc.		
<b>FACILITY NAME and LOCATION:</b> Humboldt Park Health Wellness Center, Chicago		

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

### **I. Background**

On July 7, 2022, the State Board approved Project #22-020. The permit authorized the establishment of a three-story wellness center at the southwest corner of Division Street and Richmond Avenue, Chicago. The project cost was \$26,119,841. The current project completion date is April 7, 2025. The State Agency notes that the project is obligated.

State Board Staff notes the permit holders submitted the permit renewal request on April 7, 2025. This submittal was not in accordance with 77 Ill. Ad. Code 1130.740(c), which states that the State Board must receive renewal requests at least 45 days prior to the permit expiration date. A \$500.00 application processing fee, and a \$500 late fee accompanied the renewal request (per 77 Ill. Adm. Code 1130.230(h)(5)).

### **II. Findings**

State Board Staff notes this is the third renewal request for this project and the permit holders have submitted all information required in Section 1130.740 for a permit renewal. Information pertinent to the permit renewal chronology is below.

- 1) 10/25/23: The Permit Holder requests a 12-month permit renewal (December 31, 2023, to December 31, 2024), which the Board Chairwoman approved on November 14, 2023.
- 2) 12/27/24: The Permit Holder requests a 3-month permit renewal (December 31, 2024, to April 7, 2025), which was approved by the full Board on January 27, 2025.

### **III. The Permit Renewal Request**

- A. Requested Completion Date: The Permit Holder requests a project completion date of September 1, 2025. This would extend the project's completion date approximately five months, from April 7, 2025, to September 1, 2025.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is proceeding with due diligence and is 98% complete. Construction is complete. Remaining components include the final building inspection/certification of occupancy by the Illinois Department of Public Health and the City of Chicago.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders state delays in the permitting process with the City of Chicago delayed project commencement to Spring 2023, whereafter, and construction has proceeded in compliance with the initial schedule. The Permit Holder notes delays in receipt of ordered equipment due to supply chain issues, and the need to switch electricians and electrical components as cause for additional delays.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$25,900,000 (99% of the overall project cost of \$26,119,841) has been expended to date and that sufficient financial resources remain to ensure project completion.
- E. Anticipated Final Cost of the Project: The permit holders note the final project cost will be \$26,119,841, which is reflective of the permit alteration that occurred previously in the project timeline.

### **IV. Project Description & Other Background Information**

The permit authorized the establishment of a three-story wellness center in the Humboldt Park neighborhood of Chicago. The total project cost is \$26,119,841.

Permit Issuance Date:	July 7, 2022
Project Obligation Date:	July 3, 2023
Original Project Completion Date:	December 31, 2023
Proposed Project Completion Date: (12-month renewal request)	December 31, 2024
Proposed Project Completion Date: (3-month renewal request)	April 7, 2025
Proposed Project Completion Date: (5-month renewal request)	September 1, 2025

**V. Applicable Rules for Permit Renewal Requests**

77 Ill. Adm. Code 1130.230(h)(5) states that a permit holder shall be assessed a \$500 application processing fee. Permit renewal requests that are not received at least 45 days prior to the expiration date of the permit shall be subject to an additional \$500 late application processing fee. Any permit renewal request received by the State Board after the stated completion date is subject to the fines provided in the Health Facilities Planning Act.

77 Ill. Adm. Code 1130.740 specifies that a permit holder may request a change in the approved project completion date by applying for a permit renewal.

77 Ill. Adm. Code 1130.740(b) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 Ill. Adm. Code 1130.740(c)(1-4) 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 holder' 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 Ill. Adm. Code 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 Ill. Adm. Code 1130.140). Denial of a permit renewal request constitutes HFSRB's Notice of Intent to revoke a permit and the permit holder 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 and a copy of the original State Board Staff Report.



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<b>DOCKET NO:</b>	<b>BOARD MEETING:</b>	<b>PROJECT NO:</b> 20-022	<b>PROJECT COST:</b>
<b>FACILITY NAME:</b> Humboldt Park Health	<b>CITY:</b> Chicago	Original: \$26,119,841	
<b>TYPE OF PROJECT:</b> Non-Substantive	<b>HSA:</b> VI		

**PROJECT DESCRIPTION:** Humboldt Park Health is asking the State Board to approve the establishment of a Wellness Center consisting of 45,500 GSF on a parcel of real property located at Southwest corner of Division Street and Richmond Avenue, Chicago, Illinois. The cost of the project \$26,119,841.

The purpose of the Illinois Health Facilities Planning Act is to establish a procedure (1) which requires a person establishing, constructing or modifying a health care facility, as herein defined, to have the qualifications, background, character and financial resources to adequately provide a proper service for the community; (2) that promotes the orderly and economic development of health care facilities in the State of Illinois that avoids unnecessary duplication of such facilities; and (3) that promotes planning for and development of health care facilities needed for comprehensive health care especially in areas where the health planning process has identified unmet needs. Cost containment and support for safety net services must continue to be central tenets of the Certificate of Need process. (20 ILCS 3960/2)

The Certificate of Need process required under this Act is designed to restrain rising health care costs by preventing unnecessary construction or modification of health care facilities. The Board must assure that the establishment, construction, or modification of a health care facility or the acquisition of major medical equipment is consistent with the public interest and that the proposed project is consistent with the orderly and economic development or acquisition of those facilities and equipment and is in accord with the standards, criteria, or plans of need adopted and approved by the Board. Board decisions regarding the construction of health care facilities must consider capacity, quality, value, and equity.

Information received by the State Board regarding this project can be found at this address:  
<https://www2.illinois.gov/sites/hfsrb/Projects/Pages/22-020.aspx>

## EXECUTIVE SUMMARY

### PROJECT DESCRIPTION

- Humboldt Park Health is asking the State Board to approve the establishment of a three-story Wellness Center consisting of 45,500 GSF on a parcel of real property located at Southwest corner of Division Street and Richmond Avenue, Chicago, Illinois. The cost of the project \$26,119,841.
- The Humboldt Park Health Wellness Center will include exercise equipment, swimming facilities, fitness training, space for classes, mind-body programming, a track, access to wellness resource tools, nutritional counseling, community gathering space and 2,000 GSF that will be dedicated to a rehabilitation/sports medicine clinic. The Applicant is funding the project with two grants and either fundraise or pay directly for the balance of the project costs which are \$4,619,841. One grant will come from the State of Illinois Capital Development Board in the amount of \$19,000,000<sup>1</sup> and another grant will come from the Chicago Recovery Plan Development Grant through the City of Chicago in the amount of \$2,500,000<sup>2</sup>. According to the Applicant the wellness center is the first part of a six-phase project including affordable housing, a senior center and commercial buildings in the area surrounding the hospital in the coming years.
- The Wellness Center's scope of work consists of:  
**Ground floor:** lobby, pool, rehabilitation sport medicine clinic, locker rooms and kids club for parents for safe place for their kids.  
**Second Floor:** fitness areas, minds and bodies studio, and indoor walking and running track.  
**Third Floor:** community space and community rooms, rooms to provide nutrition and wellness education classes and an outside deck for community events.

### WHY THE PROJECT IS BEFORE THE STATE BOARD

- This project is before the State Board because the project is by or on behalf of a health care facility and the cost exceeds the capital expenditure minimum of \$15,723,786.

### SUMMARY:

- The State Board does not have standards or a need methodology for Wellness Centers. The Applicant has met all the requirements of the State Board

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<sup>1</sup> Rebuild Illinois authorizes \$200 million to Capital Development Board ("CDB") for the new Hospital and Healthcare Transformation Capital Investment Program. CDB will work in coordination with HFS to issue grants to hospitals and healthcare providers to renovate, rehabilitate, and construct facilities to meet the needs of the communities they serve. This program will help low-income communities with high numbers of Medicaid patients to ensure Illinoisans have access to the medical care they need (Source State of Illinois website).

<sup>2</sup>A grant through the City of Chicago Recovery Plan Community Development program. The program is designed to assist business owners with building costs such as storefront upgrades, construction, or renovation.

## STATE BOARD STAFF REPORT

### Project #22-020

#### Humboldt Park Health

APPLICATION/CHRONOLOGY/SUMMARY	
Applicants	Humboldt Park Health Inc.
Facility Name	Humboldt Park Health Wellness Center
Location	Southwest corner of Division Street and Richmond Avenue, Chicago, Illinois
Permit Holder	Humboldt Park Health Inc.
Operating Entity	Humboldt Park Health Inc.
Owner of Site	Humboldt Park Health Inc.
Total GSF	45,500 GSF
Application Received	May 17, 2022
Application Deemed Substantially Complete	May 31, 2022
Review Period Ends	July 30, 2022
Project Completion Date	December 31, 2023
Review Period Extended by the State Board Staff?	No
Can the Applicants request a deferral?	Yes

#### I. Project Description

Humboldt Park Health is asking the State Board to approve the establishment of a Wellness Center consisting of 45,500 GSF on a parcel of real property located at the Southwest corner of Division Street and Richmond Avenue, Chicago, Illinois. The cost of the project \$26,119,841. The completion date is December 31, 2023.

#### II. Summary of Findings

- A. State Board Staff finds the proposed project is in conformance with the provisions of 77 ILAC 1110 (Part 1110).
- B. State Board Staff finds the proposed project is in conformance with the provisions of 77 ILAC 1120 (Part 1120).

#### III. General Information

Humboldt Park Health, Inc. is a 210-bed acute care facility whose purpose is to provide health care services to residents of the northwest Chicago area. Humboldt Park Health is one of several safety net hospitals located in Chicago, which has a high population of Medicaid and uninsured patients. This is a non-substantive project subject to Part 1110 and Part 1120 review. Financial commitment will occur at the time of permit issuance.

<b>TABLE ONE</b> Humboldt Park Health Utilization Data 2020						
	Authorized	Staff	ALOS	ADC	Occ Auth	Staff Occ
Medical Surgical	98	93	6.2	44	44.90%	47.31%
Intensive Care	12	12	6.9	15	125.00%	125.00%
Obstetric	48	34	3.3	3.3	6.88%	9.71%
AMI	52	52	7.2	40.4	77.69%	77.69%
Total	210	191		102.7	48.90%	53.77%

<b>TABLE TWO</b> Humboldt Park Health Number of Patients by Payor Source 2020							
	Medicare	Medicaid	Other Public	Private Ins	Private Pay	Charity Care	Total
Inpatient	1,864	3,067	0	495	0	379	5,805
Outpatient	8,229	29,907	0	15,219	0	10,614	63,969

#### **IV. Project Uses and Sources of Funds**

The Applicant is funding the project with two grants and either fundraise or pay directly for the balance of the project costs which are \$4,619,841. One grant will come from the State of Illinois Capital Development Board in the amount of \$19,000,000 and another grant will come from the City of Chicago in the amount of \$2,500,000.

<b>TABLE THREE</b> Project Cost and Sources of Funds				
	Reviewable	Non- reviewable	Total	% Of Total
Site Preparation	\$14,843	\$375,757	\$390,600	1.50%
New Construction	\$915,619	\$19,914,724	\$20,830,343	79.75%
Contingencies	\$90,232	\$2,284,299	\$2,374,531	9.09%
A&E Fees	\$63,631	\$1,383,971	\$1,447,602	5.54%
Consulting	\$11,326	\$246,345	\$257,671	0.99%
Movable Equipment	\$36,004	\$783,090	\$819,094	3.14%
Total	\$1,131,655	\$24,988,186	\$26,119,841	100.00%
Cash			\$4,619,841	17.69%
Grant			\$21,500,000	82.31%
Total			\$26,119,841	100.00%

#### **VI. Background of the Applicant, Purpose of the Project, Safety Net Impact Statement, Alternative to the Project**



**A) Criterion 1110.110 (a)- Background of the Applicant**

The Applicant has attested that no adverse action as defined in 77 IAC 1130.140 has been taken against any health care facility owned or operated by the Applicant in the State of Illinois during the three-year period prior to filing this application. The Applicant has authorized the Health Facilities and Services Review Board and the Illinois Department of Public Health access to any documents necessary to verify information submitted as part of this application for permit AND authorize the State Board and the Department to obtain any additional information or documents from other government agencies deem pertinent to process this application for permit.

**B) Criterion 1110.110 (b) – Purpose of the Project**

The HPH Wellness Center will be located in the city's historical and largest Latino communities, Humboldt Park. According to the Applicant the facility will focus on wellness, education, employment, and economic growth in the neighborhood. The goal of the facility will be to provide access to wellness options and fosters healthy outcomes for community members to avoid hospitalization and use of the hospital itself. The Wellness Center will serve as a place to improve the health of community members by extending the hospital's continuum of care with offerings such as the following: exercise equipment, swimming facilities, individual and group fitness training and exercise classes, mind-body programming, indoor track, access to wellness resource tools, nutritional counseling, rehabilitation/sports medicine clinic; and community gathering spaces including an outdoor open-air deck that provides ample community space for events and gatherings.

**C) Criterion 1110.110 (c) - Safety Net Impact Statement**

This is a non-substantive project a safety net impact statement is not required.

**D) Criterion 1110.110 (d) – Alternatives to Proposed Project**

1. Not Move Forward with the Project
2. Propose a project of greater or lesser scope than proposed
3. Pursue a Joint Venture with Another Provider
4. Project as proposed

The Applicant considered three options to the proposed project. Doing nothing was rejected because the Applicant believed that option would not solve the problems identified in the Application for Permit. The Applicant considered a smaller facility, but that option was rejected because it would not allow for the full spectrum of services that are able to be offered by the facility as proposed. A larger facility than what has been proposed was not possible as there are limitations imposed by the site itself and City of Chicago zoning and building requirements. Humboldt Park Health is unaffiliated with other healthcare systems. When the opportunity arose to obtain both state and city resources to improve health outcomes for community members and the facility's patients, Humboldt Park Health was able to move forward with the project without seeking a partner for fiscal support related to the project.

## **VII. Project Size and Projected Utilization**

**A) Criterion 1110.120 (a) – Size of the Project**

**B) Criterion 1110.120 (b) – Projected Utilization**

The proposed project does not include any reviewable components.

## **VIII. Financial Viability and Economic Feasibility**

**A) Criterion 1120.120 - Availability of Funds**

**B) Criterion 1120.130 – Financial Viability**

**C) Criterion 1120.140 (a) – Reasonableness of Project Debt Financing**

**D) Criterion 1120.140 (b) – Terms of Debt Financing**

The Applicant is funding the project with two grants and either fundraise or pay directly for the balance of the project costs which are \$4,619,841. One grant will come from the State of Illinois Capital Development Board in the amount of \$19,000,000 and another grant will come from the City of Chicago in the amount of \$2,500,000. The Applicant has sufficient resources to fund the cash portion of the project.

<b>TABLE FOUR</b> Financial Data Humboldt Park Health Inc. As of September 30 <sup>th</sup> ,		
Year	2021	2020
Cash	\$40,716,914	\$61,818,073
Current Assets	\$80,829,051	\$97,867,219
Total Assets	\$141,323,287	\$144,130,280
Current Liabilities	\$43,894,319	\$69,510,050
LTD	\$23,405,239	\$23,299,103
Patient Service Revenue	\$72,375,401	\$71,392,603
Medicaid Hospital Assessment	\$43,891,145	\$39,436,714
Other Operating revenue	\$640,461	\$3,369,558
Grant Revenue	\$23,701,589	\$9,927,950
Net Assets released from Restrictions	\$916,553	\$1,070,612
<b>Total Revenue</b>	<b>\$141,525,149</b>	<b>\$125,197,437</b>
Total Expenses	\$122,371,945	\$123,411,255
<b>Operating Income</b>	<b>\$19,153,204</b>	<b>\$1,786,182</b>

**A) Criterion 1120.140 (c) - Reasonable of Project Costs**

**B) Criterion 1120.140 (d) - Direct Operating Costs**

**C) Criterion 1120.140 (e) – Effect of the Project on Capital Costs**

The State Board does not have standards for the costs for a Health Wellness Facility.



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December 19, 2024

REC-308

DEC 27 2024

HEALTH FACILITIES &  
SERVICES REVIEW BOARD

**VIA EMAIL**

John P. Kniery  
Board Administrator  
Health Facilities and Services Review Board  
Illinois Department of Public Health  
525 West Jefferson Street, Second Floor  
Springfield, Illinois 62761

**Re: Permit Renewal Request-Humboldt Park Health - Project #22-020**

Dear Mr. Kniery:

We represent Humboldt Park Health (the "Permit Holder") with regard to Permit #22-020. On July 7, 2022, the Illinois Health Facilities and Services Review Board ("HFSRB") approved Project #22-020, an application to establish a Wellness Center on the campus of Humboldt Park Health Hospital. The facility will be located at the Southwest Cordner of Division Street and Richmond Avenue, in Chicago, Illinois. The original project completion date was December 31, 2023, and we submitted and the Board approved a permit renewal request to extend the project completion date to December 31, 2024. 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 second renewal request.

**Request Project Completion Date**

The permit holder requests that the HFSRB grant a permit renewal and establish Tuesday, April 7, 2025, as the project completion date for this project.

**Status of the Project**

The project is 90% complete at this time. Construction of the facility is nearing completion with the general contractor completing final interior work and will then begin preparing for the City of Chicago Building Department to schedule and conduct their final inspection before issuing a certificate of occupancy inspection. The Permit Holder engaged All-Construction Group to both design and construct the facility and the Project has been financially committed through the execution of a contract with the general contractor. Notice of Financial Commitment was provided to the Board July 3, 2023. At this time approximately, \$24,500,000 has been spent to date on the project.

www.beneschlaw.com

7/3/23

### **Statement Regarding Project Completion**

This project involves the de novo construction of a Wellness Center on the campus of Humboldt Park Health hospital on what was previously an empty parcel covered with grass and trees. There were various construction delays are a result of permit issues with the City of Chicago, and further delays resulting in having to switch electrical equipment and the electrician group originally hired to work on the project. Additionally, the Permit Holder experienced a number of delays with various equipment related to operating the facility as a result of supply chain issues in the country.

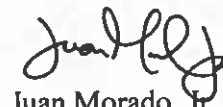
### **Confirmatory Evidence of Permit Compliance**

Enclosed is a verified statement from Jose R. Sanchez, Chief Executive Officer for Humboldt Park Health that confirms the Permit Holder is currently complying with the scope, costs, and conditions of the project approved by the HFSRB, pursuant to the permit letter issued for this project. While at this time the project is in compliance with the project budget approved by the Board it is expected that there may be a need to file an alteration to increase the project budget. Finally, 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.

JMJ:  
Enclosure