



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-01	BOARD MEETING: February 16, 2016	PROJECT NUMBER: 12-032
PERMIT HOLDERS(S): Alden Estates of Shorewood I, LLC Shorewood Investments I, LLC Alden Courts of Shorewood, Inc. The Alden Group, Ltd.		
FACILITY NAME and LOCATION: Alden Courts of Shorewood, Shorewood		

BOARD STAFF REPORT **SECOND PERMIT RENEWAL REQUEST**

I. Background

On July 23, 2012, the State Board approved Project #12-032. The permit authorized the addition of 50 Long Term Care (LTC) beds to Alden Courts of Shorewood, an existing 100-beds skilled nursing facility in Shorewood. The State Board Staff notes the project is obligated, and the current project completion date is November 30, 2015. Project cost: \$10,428,798.

This submittal was received by Board Staff on November 24, 2015. This is **not** in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Board Staff at least 45 days prior to the permit expiration date. A \$500.00 late fee and a \$500.00 permit renewal fee accompanied the renewal request.

II. Findings

The State Board Staff notes this is the permit holder's **second** renewal request. The previous request was approved by the Board Chair on April 4, 2014, extending the project completion date 18 months, from May 31, 2014 to November 30, 2015. It appears 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 December 31, 2016. This would extend the project's completion date by thirteen months, from November 30, 2015 to December 31, 2016.
- B. **Status of the Project and Components Yet to be Finished:** The permit holders state the construction phase of the project is underway. Basement foundations are

complete, pre-cast floor planks have been set, and vertical wall construction is 70% complete. HUD financing was established in June 2015. The remaining components involve completion of outer shell construction, interior construction, State inspections, and licensing.

C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the following events occurred, which delayed completion of the project:

- Project approval was delayed by three months, due to the State Board's issuance of an Intent to Deny for the project.
- Approval of the architectural drawings took longer than initially anticipated.
- The lending approval process for the HUD loan took longer than initially anticipated.

D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$4,255,233 (approximately 41% of the total project cost) has been expended to date, and that sufficient financial resources exist to complete this project.

E. Anticipated Final Cost of the Project: The permit holders note this project will be completed with costs within the approved permit amount of \$10,428,798.

IV. Project Description & Other Background Information

The permit authorized the addition of 50 LTC beds to Alden Estates of Shorewood, an existing 100-bed skilled nursing facility in Shorewood. Project cost: \$10,428,798.

Permit Issuance Date: July 23, 2012

Original Project Completion Date: May 31, 2014

Project Obligation Date: March 20, 2014

Proposed Project Completion Date: November 30, 2015 (18 months)
(1st permit renewal request)

Proposed Project Completion Date: December 31, 2016 (13 months)
(2nd permit 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 1130.740(b) 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(c) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 IAC 1130.740(d) 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(e) states IDPH will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFPB criteria, and if this is the first request for this project, then the request, IDPH's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFPB, will approve, deny or refer the request to the HFPB for action. If IDPH 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 HFPB for action, then HFPB 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 HFPB'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.



ALDEN COURTS OF SHOREWOOD
4200 WEST PETERSON AVENUE
CHICAGO, ILLINOIS 60646
(773) 286-3883

RECEIVED

NOV 24 2015

HEALTH FACILITIES &
SERVICES REVIEW BOARD

November 20, 2015

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street - 2nd Floor
Springfield, IL 62761

Subject: **Alden Courts of Shorewood, Project No. 12-032 (the Project)**
Request for Permit Renewal

Dear Ms. Avery:

We respectfully request a 13-month permit renewal for our Project to allow us to complete the Project referenced above. On October 31, 2012, the Illinois Health Facilities and Services Review Board granted the Applicants a permit to establish a 50-bed skilled nursing facility in Shorewood. On April 4, 2014, the Board granted an extension of the project completion date through November 30, 2015. The Applicants now seek a second permit renewal for this Project through December 31, 2016.

Project Overview and Status

Currently, construction is underway. The basement foundations are complete and the first floor precast planks have been set. The wing foundation walls are 70% complete and underground plumbing is currently underway. Project costs incurred through November, 2015 is approximately \$3,452,757.00, in addition to the \$802,476.00 expended for land acquisition. HUD financing is in place and was closed in June of 2015. The Project is approximately 33% complete. Please refer to the attached chart for a detailed breakdown in costs approved, costs incurred and the percent complete.

Requested Completion Date

The estimated remaining construction timeline is 14-months plus an additional 3 months to have the facility licensed. Therefore, the Applicant seeks a completion date of December 31, 2016, or a 13-month renewal.



Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
Project No. 12-032
November 20, 2015
Page 2

Statement as to reasons why the Project has not been completed

As we reported on our October 24, 2014 Annual Progress Report, we experienced a delay in the Project in our HUD financing and architectural approval was also slower than anticipated. Therefore, it took longer than originally anticipated to complete our final submission to HUD to complete the financing process.

As our October 24, 2014 Annual Progress Reported noted, we believed it likely that because of delay in our final financing that we may need to request a permit renewal and are now doing so.

We have moved forward as expeditiously as possible since closing on financing. The delay in financing approval was beyond our estimated timeline and outside of our control. Delay in the HUD approval process is not unique to our Project.

Project Cost and Scope


The Project's cost, and scope are in compliance with what the Health Facilities and Services Review Board approved. Sufficient financial resources are available to complete the 50-bed skilled nursing facility, as detailed on the attached chart.

Enclosed please find the required \$1,000 application fee. Please let me know of any questions on this material, or if additional information needs to be provided.

Thanking you in advance for your assistance, we remain,

Respectfully

ALDEN COURTS OF SHOREWOOD

By: 
Randi Schullo

cc: Mike Constantino, Supervisor of Project Review
Enclosure

**Alden Courts of Shorewood - Project 12-032
Annual Progress Report 2015**

Use of Funds	Anticipated	Total Project Permit	Expended November, 2015	Percentage Expended of Total
	Expenditures			
Site Survey & Soil Investigation	\$14,500	\$14,500	\$10,000	69%
Site Preparation	\$399,300	\$399,300	\$399,300	100%
New Construction Contracts	\$7,260,000	\$7,260,000	\$1,996,500	28%
Off-Site Work	\$50,000	\$50,000	\$50,000	100%
Contingencies	\$726,000	\$726,000	\$0	
Architectural / Engineering Fees	\$699,337	\$699,337	\$594,436	85%
Consulting and Other Fees	\$573,961	\$573,961	\$402,521	70%
Movable or Other Equipment	\$404,800	\$404,800	\$0	
Net Interest Expense During Const	\$157,500	\$157,500	\$0	
Other Costs to be Capitalized	\$143,400	\$143,400	\$0	
Total	\$10,428,798	\$10,428,798	\$3,452,757	33%
Sources of Funds				
Cash and Securities		\$4,428,798		
Mortgages		\$6,000,000		
Total		\$10,428,798		