



# 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-04	<b>BOARD MEETING:</b> January 15, 2019	<b>PROJECT NUMBER:</b> 15-056
<b>PERMIT HOLDERS(S):</b> IH OpCo, LLC IH Lisle Owner, LLC Innovative Health, LLC OnPointe Health Development, LLC		
<b>FACILITY NAME and LOCATION:</b> Transitional Care Of Lisle, Lisle		

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

### **I. Background**

On May 10, 2016, the State Board approved Project #15-056. The permit authorized the establishment of a 68-bed Long Term Care (LTC) facility, in Lisle. The State Agency notes the project is obligated, and the current project completion date is December 31, 2018. Project cost: \$15,841,700.

State Board Staff notes the permit holders submitted the permit renewal request on December 19, 2018. This submittal was **not** 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, and a \$500.00 late 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. Board Staff also notes that on March 22, 2018, the permit holders were granted a 12-month extension to their financial commitment date, from May 1, 2018, to May 10, 2019.

### III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of June 30, 2020. This would extend the project's completion date eighteen months, from December 31, 2018 to June 30, 2020.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project was obligated on July 27, 2018, and construction has commenced. Photographs included with the permit renewal request indicate that site work/excavation has begun, but vertical construction has taken place. The permit holders expect construction to be complete in 12 months.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project has experienced delays due to litigation concerning the CON permit, and site preparation involving the installation of site drainage systems, which required approval of a revised site plan by the Village of Lisle.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that \$1,158,044 (7.3% of project funds) 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 \$15,841,700.

### IV. Project Description & Other Background Information

The permit authorized the establishment of a 68-bed Long Term Care (LTC) facility in Lisle.  
Project cost: \$15,841,700.

Permit Issuance Date:	May 10, 2016
Project Obligation Date:	July 27, 2018
Original Project Completion Date: (Submittal of Final Cost Report)	December 31, 2018
Proposed Project Completion Date: (18-month renewal request)	June 30, 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.



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

December 19, 2018

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Via FedEx

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

**Re: Permit Renewal Request – Transitional Care of Lisle (Proj. No. 15-056)**

Dear Chair Olson:

This office represents IH KCB Lisle Owner, LLC and IH Lisle OpCo, LLC (collectively, “Permit Holders”). As you are aware, on May 10 2016, the Illinois Health Facilities and Services Review Board (the “State Board”) approved the Permit Holders’ application to establish a 68 bed long-term care facility to be located at 2850 Ogden Avenue, Lisle, Illinois (the “Project”). Due to litigation related to the Project and site issues, construction was delayed. Accordingly, the Permit Holders respectfully request the State Board grant the Permit Holders an 18 month renewal of the Project Permit and establish June 30, 2020 as the new project completion date to ensure compliance with the Project Permit.

**Requested Completion Date**

The Permit Holders request the State Board grant an 18 month renewal of the Project Permit and establish June 30, 2020 as the new project completion date.

**Status Report**

The Project was obligated on July 27, 2018 and construction has commenced. Due to litigation regarding approval of the permit, which was ultimately dismissed, and site issues, construction of the project was significantly delayed. As previously noted, litigation of the CON



Ms. Courtney Avery  
December 19, 2018  
Page 2

permit delayed commencement of the Project by a year. Further, the Project originally planned to tap directly into an adjacent drainage pipe; which would require an easement. Rather than seek an easement, the Permit Holders decided to drain the site by redirecting storm water directly into the storm drain without tapping the line. This further delayed the project as it required the Village of Lisle to approve the revised site plan.

Construction of the Project has commenced and is expected to be completed within 12 months. See Attachment – 1. The Permit Holders anticipate another six months for licensure.

The Permit Holders have expended \$1,158,044 on the Project to date.

**Statement Regarding Completion of the Project**

The Project is to establish a 68 bed general long-term care facility at 2850 Ogden Avenue, Lisle, Illinois. Litigation regarding the permit approval and site issues delayed construction of the Project. Construction has commenced and is expected to be complete within 12 months. To ensure sufficient time for its IDPH licensure inspection, the Permit Holders request a renewal of their Project Permit until June 30, 2020.

**Confirmatory Evidence of Permit Compliance**

The attached affidavit from Brad Haber confirms the Permit Holders are complying with the scope and costs of the project approved by the State Board pursuant to Project Permit # 15-056 and that sufficient financial resources are available to complete the project. (See Attachment – 2)

Based on the above information, which is provided to the State Board in compliance with Section 1130.740 of the Illinois Administrative Code, the Permit Holders formally request an 18-month renewal of its permit for project #15-056.

Sincerely

A handwritten signature in blue ink that reads "Anne M. Cooper".

Anne M. Cooper

Attachment  
cc: Michael Constantino



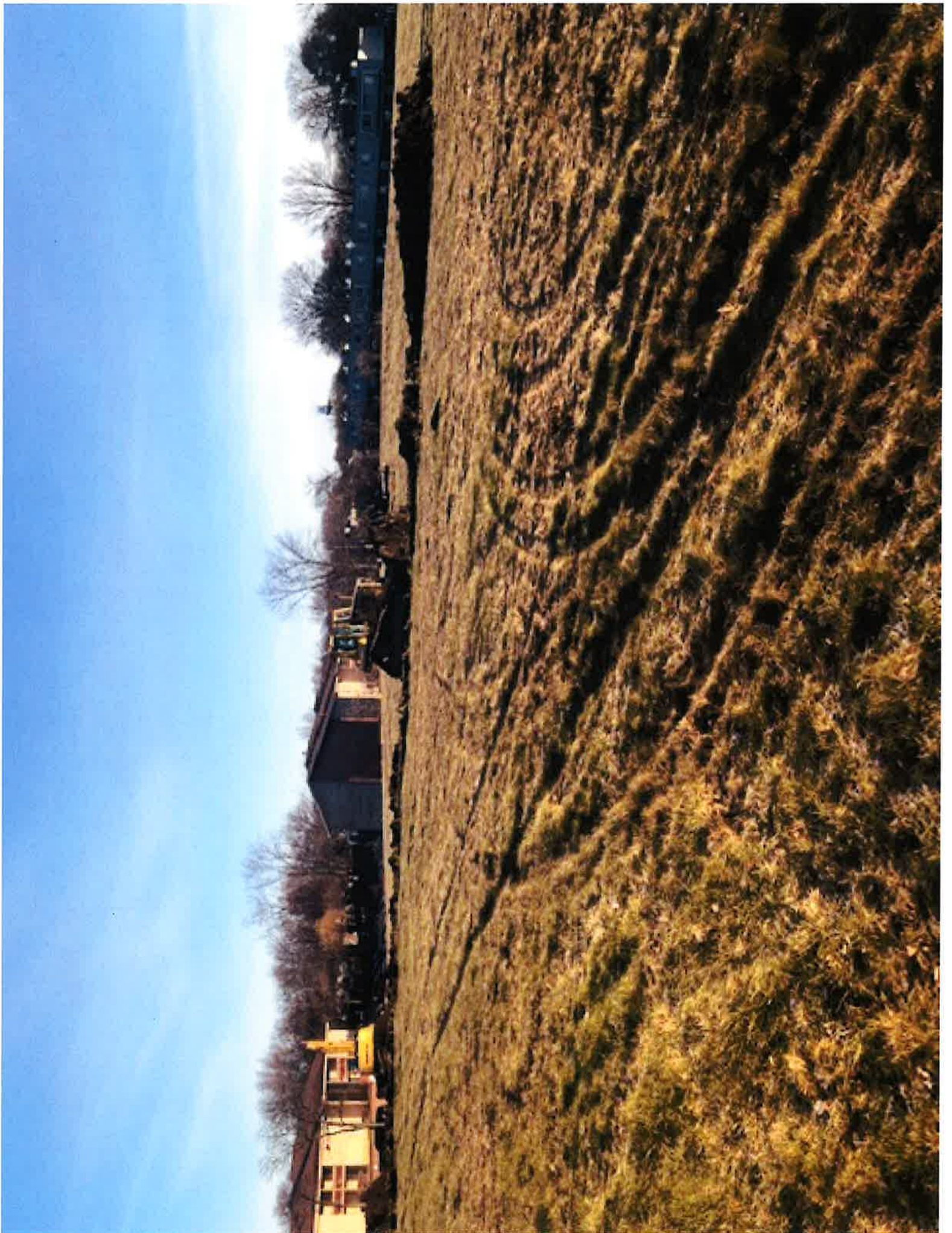
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ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

TRANSITIONAL CARE OF LISLE

REQUEST FOR RENEWAL OF PROJECT PERMIT # 15-056

I, Brad Haber do hereby affirm and testify:

1. I am an authorized representative of the Permit Holders, IH KCB Lisle Owner, LLC and IH Lisle OpCo, LLC. I have personal knowledge of the facts stated herein.

2. Based on my personal knowledge of the on-going project to establish a 68 bed long-term care facility to be located at 2850 Ogden Avenue, Lisle, Illinois, I can attest that the project's cost and scope are in compliance with those approved by the Illinois Health Facilities and Services Review Board.

3. Additionally, I can attest that there currently exists sufficient financial resources to complete the project.

FURTHER THE AFFIANT SAYETH NOT.

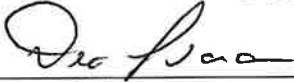
The undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.

By: IH Lisle OpCo, LLC  
By: IH Manager, LLC, its Manager



By: Brad S. Haber  
Manager

Subscribed and sworn before me  
This 19th day of ~~November~~ December 2018



Notary Public

