STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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DOCKET NO	BOARD MEETING	PROJECT NO:
NA	NA	16-002
APPLICANTS: IH Fox Valley Owner, LLC m Fox Valley OpCo, LLC Innovative Health, LLC - OnPointe Health Development, LLC		
FACILITY NAME: Transitional Care of Fox Valley		**CITY:** Aurora

STATE BOARD STAFF REPORT
EXTENSION OF FINANCIAL COMMITMENT PERIOD

On May 10, 2016, the Health Facilities and Services Review Board approved Project #16-002, to construct and establish a 68 bed general long term care facility in 52,000 GSF of space at a cost of $15,841,700.

The project is not obligated and the required completion date is December 31, 2018. In accordance with the Planning Act, the permit is valid provided that financial commitment of the project occurs prior to May 10, 2018. On March 14, 2018, the permit holders submitted a request to extend the financial commitment period. The State Board Staff notes the permit holders are requesting a 12-month extension to the current financial commitment period, from May 10, 2018 to May 10, 2019. The State Board Staff also notes the financial commitment extension request was received at least 45 days prior to the permit expiration date.

I. The Obligation Extension Request

A. Status of the Project and Components Yet to be Finished:

The second annual progress report is not due until May 10, 2018. The permit holders submitted the first annual progress report as required. At that time the Permit Holders stated the following:

"Transitional Care of Lisle ("TC Lisle") and Transitional Care of Fox Valley ("TC Fox Valley", together with TC Lisle, "Transitional Care") were issued Certificate of Need ("CON") permits to construct 68-bed nursing home facilities in Lisle and Fox Valley (the "Projects"). In June 2016, competitors of Transitional Care filed complaints for administrative review with the Circuit Court, seeking to reverse the approval of the CON permits for the Projects. In January 2017, the Circuit Court affirmed the issuance of the CON permits. In February 2017, one of the plaintiffs, the Springs at Monarch Landing ("Monarch") filed appeals of the Circuit Court's decisions. Transitional Care requested that the TC Lisle and TC Fox Valley appeals be consolidated to promote judicial economy, and the Appellate Court granted the request. Monarch also filed motions in the Circuit Court and Appellate Court to stay the issuance of the CON permits pending the appeals, which Transitional Care

opposed, and the courts denied the motions. On May 30, 2017, Monarch filed a motion to voluntarily dismiss the case. The Appellate Court granted the motion and dismissed the appeal."

As of June 6, 2017 the date of the annual report the Permit Holders stated that the project has proceeded with the Project, acquiring the land at a cost of $1,070,736.70. Additionally, the Illinois Department of Public Health approved the architectural drawings. The capital cost expended as of June 6, 2017 was $445,736.70.

B. Reason Why the Project Has Not Been Financially Committed:

The Aurora Planning and Development Division recently approved zoning for the Project. The delay in zoning approval was attributed to the need to sub-divide the property. The Project was to be located on a six acre site; however, the City of Aurora did not want the long-term care facility to occupy the entire six acre site. It required the Permit Holders to sub-divide the site to allow two acres of the site to be used for commercial development. Not only did the requirement to sub-divide the site delay zoning approval, but it delayed submission of the architectural plans Illinois Department of Public Health ("IDPH") as the architect must revise the plans to conform to the four acre site. Finally, the prior developer stored a significant amount of soil on the property. As a result, the site will require significant preparation before construction can commence. Once IDPH approves the architectural drawings and site preparation is completed, the Permit Holders will obligate the Project.

C. Anticipated Final Cost of the Project:

As of the date of this report the approved cost of the project will remain unchanged.

STATE BOARD STAFF NOTES IT APPEARS THAT THE PERMIT HOLDERS HAVE SUBMITTED ALL OF THE REQUIRED INFORMATION SPECIFIED IN 77 ILAC 1130.730 EXTENSION OF FINANCIAL COMMITMENT PERIOD

II. Other Information

Appended to this report are the permit holders' materials for an obligation extension request.