



# 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> March 15, 2022	<b>PROJECT NUMBER:</b> 16-006
<b>PERMIT HOLDERS(S):</b> The Alden Group, Ltd. Bartlett Investments I, LLC Alden Estates of Bartlett, Inc. Alden Bartlett, LLC		
<b>FACILITY NAME and LOCATION:</b> Alden Estates of Bartlett, Bartlett		

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

### **I. Background**

On May 10, 2016, the State Board approved Project #16-006. The permit authorized the establishment of a 68-bed Long Term Care (LTC) facility, in Bartlett, Illinois. The State Agency notes the project is obligated, and the current project completion date is December 31, 2021. Project cost: \$19,026,652.

State Board Staff notes the submittal was **not** in accordance with 77 IAC 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 permit renewal fee, and a \$500.00 late fee accompanied the renewal request.

### **II. Findings**

State Board Staff notes this is the second 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 the permit holders requested an extension of the financial commitment on April 30, 2018. This one-year extension was approved on May 3, 2018.

### III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of December 31, 2023. This would extend the project's completion date by twenty-four months, from December 31, 2021 to December 31, 2023.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is proceeding with due diligence, the planning phase is complete, and the following components remain:
- Completion of HUD financing
  - All components associated with building construction
  - IDPH inspections and licensure
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project experienced an extended planning phase with the Village of Bartlett resulting in the modification of its Planned Unit Development (PUD). The permit holders also note having to wait for completion of a construction project on adjacent property before theirs could commence, and report that the adjacent project has reached completion.
- D. Evidence of Financial Commitment to Fund the Project: The permit is financially committed with the signing of the construction contract. The permit holders indicate approximately \$1,184,625 (6.22% of the total project cost), has 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 approved permit amount of \$19,026,652.

### IV. Project Description & Other Background Information

The permit authorized the establishment of a 68-bed Long Term Care (LTC) facility in Bartlett, Illinois. Project cost: \$19,026,652.

Permit Issuance Date:	May 10, 2016
Project Obligation Date:	May 1, 2019
Original Project Completion Date:	December 31, 2019
Proposed Project Completion Date: (24-month renewal request)	December 31, 2021
Proposed Project Completion Date: (24-month renewal request)	December 31, 2023

**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.

**ALDEN**   
**ESTATES OF BARTLETT**  
Short-Term Rehabilitation

**HAND DELIVERED**

December 10, 2021

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

**Re:** Permit: 16-006, Alden Estates of Bartlett

Dear Ms. Avery,

I am writing to request a permit renewal for Alden Estates of Bartlett. The permit expires December 31, 2021. This is the second permit renewal. As reported in our Annual Progress Report, all the necessary site plan, engineering, environmental and soils studies have been completed. Also as previously noted, HUD financing is underway for this Project. Once final working drawings have been complete, we will forward to HUD as part of their final review process.

Although we currently have final PUD approval from the Village of Bartlett, the adjacent property owner recently completed construction and we are now able to proceed with our project as we have a shared ingress, egress, and detention. These changes require us to go back to the Village with a few modifications to the shared entrance way, parking, and pond, thereby modifying the PUD. Design drawings have been completed and final working drawings on this Project will commence once we finalize the revised PUD. Although approximately 6.22% of the project cost has been expended, all construction components remain to be finished. Project costs incurred through November 30, 2021, are \$1,184,625 as detailed on the attached chart.

As also indicated in our annual progress report, the real reason for this delay has been due to the ongoing pandemic. Even as the local, county and State Governments have been opening back up, the pandemic continues to slow progress based upon both internal and external pressures. As can be imagined, the internal pressure of caring for our population during these times has taken nearly all of our company's discretionary time and resources. While external pressures include slow response times, higher than expected inflation rates, increased construction costs and supply chain delays, all require further value engineering to maintain project compliance with this permit. Due to these unprecedented delays, and worldwide Pandemic, we respectfully request an additional 24-month renewal to December 31, 2023, and only hope that it will be adequate.

Attached are the current costs and sources of funds chart providing the total dollars expended to date as a percentage of the project.

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

Sincerely,



Randi Schullo

**Alden Estates of Bartlett - Project 16-006**  
**Annual Progress Report 2021**

Use of Funds	Total Project Permit	Expended - December 2021	Percentage Expended of Total Approved
Preplanning Costs	\$42,500	\$40,183	95%
Site Survey & Soil Investigation	\$40,000	\$10,832	27%
Site Preparation	\$600,000	\$0	0%
Off-Site Work	\$120,000	\$0	0%
New Construction	\$13,344,545	\$0	0%
Contingencies	\$1,334,454	\$0	0%
Architectural / Engineering Fees	\$1,100,925	\$825,695	75%
Consulting and Other Fees	\$684,259	\$307,915	45%
Movable or Other Equipment	\$593,188	\$0	0%
Bond Issuance Expense	\$582,300	\$0	0%
Net Interest Expense During Construction	\$534,481	\$0	0%
Other Costs to be Capitalized	\$50,000	\$0	0%
<b>Total</b>	<b>\$19,026,652</b>	<b>\$1,184,625</b>	<b>6.22%</b>
<b>Sources of Funds</b>			
Cash and Securities	\$3,126,652	\$1,184,625	
Mortgages	\$15,900,000	\$0	
<b>Total</b>	<b>\$19,026,652</b>	<b>\$1,184,625</b>	