



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: March 5, 2019	PROJECT NUMBER: 17-008
PERMIT HOLDERS(S): Ottawa Regional Hospital and Healthcare System d/b/a Saint Elizabeth Medical Center OSF Healthcare System		
FACILITY NAME and LOCATION: OSF Center for Health-Streator, Streator		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On May 2, 2017, the State Board approved Project #17-008. The permit authorized the establishment of an Ambulatory Health Center in 63,047 GSF of existing space, in Streator. The State Agency notes the project is obligated, and the current project completion date is March 31, 2019. Project cost: \$32,545,000.

State Board Staff notes the State Board received the permit renewal request on January 24, 2019. This submittal was 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 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.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of March 31, 2020. This would extend the project's completion date twelve months, from March 31, 2019 to March 31, 2020.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is essentially 50% complete. New construction is 30% complete, and the modernization/renovation of the existing 4th floor area is 64% complete. Remaining components involve the balance of the listed components, IDPH inspection, approval, and licensure.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the project commenced in early 2018, almost 7 months after permit approval. This late commencement is attributed to the contractor bidding process, release of capital funding, and the attainment of permits to begin construction.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders state that \$12,580,313 (38.6% of the total project funds) has been expended on the project to date, and that sufficient resources exist to ensure project completion.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the original permit amount of \$32,545,000.

IV. Project Description & Other Background Information

The permit authorized the establishment of an Ambulatory Health Center in 63,047 GSF of existing space, in Streator. Project cost: \$32,545,000.

Permit Issuance Date:	May 2, 2017
Project Obligation Date:	February 1, 2018
Original Project Completion Date: (Submittal of Final Cost Report)	March 31, 2019
Proposed Project Completion Date: (12-month renewal request)	March 31, 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.

January 21, 2019

Ms. Courtney Avery
Illinois Health Facilities and Services Review Board
525 West Jefferson, 2nd Floor
Springfield, Illinois 62761

RECEIVED

JAN 24 2019
HEALTH FACILITIES &
SERVICES REVIEW BOARD

Re: Project #17-008: OSF Center for Health-Streator, Streator
First Request for Permit Renewal

Dear Ms. Avery:

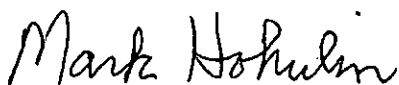
On behalf of Ottawa Regional Hospital & Healthcare Center d/b/a OSF Saint Elizabeth Hospital and OSF Healthcare System, we are submitting a permit renewal request for the above referenced project. The project had a delayed start after project permit approval. Once contractors were chosen, construction began in early 2018 almost seven (7) months after the permit was approved. The current permit is set to expire on March 31, 2019 and we are requesting a one (1) year extension, until March 31, 2020, to allow sufficient time for project completion, including the required Illinois Department of Public Health inspection and approval. The permit was issued to modernize a portion of the former HSHS St. Mary's Hospital to develop an Ambulatory Health Center. The status of the project is as follows:

- The project is 50% complete.
- To date, approximately \$12,580,313.00 has been spent on the project.
- The project scope and cost is in compliance with the permit issued on May 2, 2017.

I am submitting the required permit renewal fee with this request.

Thank you for your consideration and should you have any questions do not hesitate to contact me at 309-308-9656 or mark.e.hohulin@osfhealthcare.org.

Sincerely,



Mark Hohulin, Senior Vice President
OSF Healthcare System

c: Ken Beutke
Michael Henderson
Brian Geier
Don Damron
DeCarol Hardenburg