



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

525 WEST JEFFERSON ST. • SPRINGFIELD, ILLINOIS 62761 • (217) 782-3516 FAX: (217) 785-4111

DOCKET NO: C-11	BOARD MEETING: August 6, 2019	PERMIT NO: 17-012
FACILITY NAME: Meadowbrook Manor of Geneva, Geneva, Illinois		
PERMIT HOLDERS: Butterfield HealthCare III, LLC and MMG Partners, L.P.		
TYPE OF PROJECT: Relinquishment of a Permit		

RELINQUISHMENT OF A PERMIT
Meadowbrook Manor of Geneva
Permit #17-012

I. Background

In February of 2018 the Permit Holders (Butterfield HealthCare III, LLC and MMG Partners, L.P.) were approved to establish a 150-bed skilled nursing facility in Geneva, Illinois (Meadowbrook Manor of Geneva). The total permit amount was \$30,083,868. The completion date was March 31, 2021. Permit #17-012 was approved with a condition: *that financing for the project was to be secured by March 31, 2019.*

On March 29, 2019 the first Annual Progress Report for Permit #17-012 was received by the State Board. The Annual Progress Report stated that Greystone Funding Corporation was committed to the debt financing of the project (mortgage) subject to the United States Department of Housing and Urban Development commitment. As of the date of the Annual Progress Report (March 28, 2019) construction had not begun, zoning had been approved by the Kane County Development Department and the Permit Holders have not received approval from IDPH on the Architectural submittal.

At the June 4, 2019 State Board Meeting the State Board Staff asked the State Board in a Declaratory Ruling Request to determine if the Permit Holders (Butterfield HealthCare III, LLC and MMG Partners, L.P.) had met the condition of the permit. At that meeting the State Board determined that the Permit Holders had not met the condition of the permit and the Permit Holders were to submit a relinquishment request for Permit #17-012.

On July 18, 2019 the State Board received the permit relinquishment request.

II. Section 1130.775 - Relinquishment of a Permit

The relinquishment of Permit #17-012 requires approval of the State Board. All the information required by the State Board has been provided.

A permit holder may request to withdraw its permit. The request requires an application to and approval by HFSRB for relinquishment. Upon approval of relinquishment by HFSRB, the permit is considered null and void. Requests for relinquishment shall be considered only for permits that are current and valid. Requests shall be filed with HFSRB prior to the completion date of the permit. HFSRB will not process a request for relinquishment until it receives the application-processing fee.

- a) Relinquishment Procedure
The permit holder shall notify HFSRB in writing, prior to the abandonment or withdrawal of a project. The notice shall include:
 - 1) A description of the permit and related costs;
 - 2) A detailed explanation of the reasons for abandonment; and

- 3) If the approval of the permit or exemption was based upon need, an explanation of how that need will be met in absence of the project.
- b) HFSRB staff shall review the request for withdrawal and prepare a report of its findings. HFSRB staff findings and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFSRB, shall approve the request or refer it to the full Board for action. The approval or denial of a request for relinquishment constitutes HFSRB's final administrative decision.
- c) Upon approval of a request for relinquishment, HFSRB staff shall adjust all inventories accordingly.
- d) Decisions on requests for relinquishment shall be transmitted in writing to the permit holder.
- e) Any relinquishment undertaken without prior HFSRB approval shall be considered a violation of the Act and shall be subject to the sanctions and penalties in the Act (see 20 ILCS 3960/14.1) and Section 1130.790.

All information required by the State Board has been submitted.

**STATE BOARD STAFF FINDS THE RELINQUISHMENT OF PERMIT #17-012
IN CONFORMANCE WITH THE REQUIREMENTS OF 77 ILAC 1130.775**



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**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

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July 17, 2019

Via Federal Express
Via Email

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

**Re: Meadowbrook Manor of Geneva (Proj. No. 17-012)
Relinquishment of Permit**

Dear Ms. Avery:

On behalf of Butterfield HealthCare III, LLC and MMG Partners, L.P. (the "Permit Holders"), I am writing to notify the Illinois Health Facilities and Services Review Board (the "State Board") of the Permit Holder's intent to relinquish the permit for Project. No. 17-012. On February 27, 2018, the State Board approved the establishment of a 150 bed general long term care facility to be located at 37W220 Keslinger Road, Geneva, Illinois (the "Project"). Due to the inability to secure financing from the U.S. Department of Housing and Urban Development ("HUD"), the Permit Holders decided not to move forward with the Project. Accordingly, Permit Holders respectfully request the State Board approve its request to relinquish its permit for Meadowbrook Manor of Geneva (Proj. No. 17-012).

1. Project Description

On February 27, 2018, the State Board approved the establishment of a 150 bed general long term care facility consisting of 26 private rooms and 62 semi-private rooms to be located at 37W220 Keslinger Road, Geneva, Illinois. The site is adjacently located to Northwestern Medicine Delnor Hospital campus, which also houses physician offices, specialists and an ambulatory surgical treatment center. The site is proximately located to three elderly age restricted independent living buildings with 90 fully occupied units. The proposed facility would complete the continuum of care for this burgeoning health care hub by providing skilled nursing care.



Ms. Courtney Avery
July 17, 2019
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2. Reason for Relinquishment

Since permit approval, the Permit Holders have worked to obtain HUD financing for the Project. Due to the inability to secure HUD financing, the Permit Holders decided not to move forward with this project and to request the State Board approve the relinquishment of its permit for Meadowbrook Manor of Geneva (Proj. No. 17-012).

3. How Need will be Met

The Project was to be located in Kane County in HSA 8. Based upon the May 2, 2019 Long-Term Care Facility Updates, there is an excess of 138 skilled nursing beds in Kane County. Relinquishment of the permit would eliminate the excess skilled nursing beds and create a nominal need of 12 skilled nursing beds, which is in line with State Board's need calculation.

If you have any questions pertaining to this request, or need additional information, please feel free to contact me.

Sincerely,

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

Anne M. Cooper