



# STATE OF ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

<b>ITEM NUMBER:</b> NA	<b>BOARD MEETING:</b> NA	<b>PROJECT NUMBER:</b> 17-044
<b>PERMIT HOLDERS:</b> Washington and Jane Smith Community - Orland Park d/b/a Smith Crossing and The Washington and Jane Smith Home d/b/a Smith Living Center		
<b>FACILITY NAME and LOCATION:</b> Smith Crossing, Orland Park, Illinois		

**DESCRIPTION:** The permit holders are requesting an Alteration to Permit #17-044. This is the **first alteration** for this permit.

**STATE BOARD STAFF REPORT  
ALTERATION TO PERMIT  
PERMIT #17-044**

**I. Project Description and Background Information:**

On February 27, 2018 the State Board approved the permit holders to add 46 nursing care beds to an existing 46-bed skilled care facility for a total of 92-beds and construct an addition in 43,596 GSF of space at a cost of \$22,162,276.

**II. Alteration Request:**

On March 28, 2018 the permit holders submitted a permit alteration request for Permit #17-044. The permit holders are requesting to increase the size of the project by 1,622 GSF of space. There is no increase in the approved number of beds or an increase in the total permit amount.

**III. Reasons for the Proposed Alteration**

The permit holders stated the reasons for the alteration *“in proceeding with due diligence in submission of the drawings to IDPH for preliminary plan review, a Scrivener's (i.e. the architect) error was found in the size of the project as requested and approved. The cost of the project as approved is accurate and does not change. During the design of the project, the decision was made to go from 42 beds to 46 nursing care beds. In response, adjustments were made to the drawings and the cost figures, but inadvertently the square footage in the cost/space chart was not updated. Inadvertently, the incorrect figure was included in the application are refinements to the square footage and cost requirements identified through the post-CON approval planning process.*

The alteration does NOT propose the discontinuation or addition of any categories of service, or a change in the methods of financing of the project from what was approved in the permit. It is noted the amount of cash and securities will remain unchanged and the amount of borrowed funds will remain the same for this project.

**IV. Applicable Rules**

77 IAC 1130.750 – Alteration of Post Permit Projects specifies that a permit is valid only for the project as defined in the application and any change to the project subsequent to permit issuance constitutes an Alteration to the Project. **All alterations** are required to be reported to the State Board before any alteration is executed.

77 IAC 1130.750 b) states the cumulative effect of alterations to a project shall not exceed the following:

- 1) a change in the approved number of beds or stations, provided that the change would not independently require a permit or exemption from HFSRB;
- 2) abandonment of an approved category of service established under the permit;
- 3) any increase in the square footage of the project up to 5% of the approved gross square footage;
- 4) any decrease in square footage greater than 5% of the project;

- 5) any increase in the cost of the project not to exceed 7% of the total project cost. This alteration may exceed the capital expenditure minimum in place when the permit was issued, provided that it does not exceed 7% of the total project cost;
- 6) any increase in the amount of funds to be borrowed for those permit holders that have not documented a bond rating of "A-" or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18 month period prior to the submittal of the application).

The State Board Staff notes that only those criteria that are relevant to this alteration request are discussed below. All other criteria remain unchanged from the Original State Board Staff Report.

**V. Summary of Staff Findings**

- A. State Board Staff finds the proposed alteration appears to be in conformance with the provisions of 77 ILAC 1110 (Part 1110).
- B. State Board Staff finds the proposed alteration appears to be in conformance with the provisions of 77 ILAC 1120 (Part 1120).

**VI. Project Costs and Sources of Funds**

The permit holders are requesting to increase the cost of the project from \$2,603,250 to \$2,707,415 or \$104,165 or 4%.

## VII. Size of the Proposed Project

### A) **Criterion 1110.234 (a) – Size of the Project**

To demonstrate compliance with this criterion the permit holders must document that the proposed project is in conformance with the State Board Standard in Part 1110 Appendix B.

#### Original Report

*The applicants are proposing a total of 43,596 BGSF. The nursing care (clinical) portion of the project will be 22,973 BGSF. The remaining BGSF will be for the new assisted living apartments and assisted living memory care apartments.*

*Reviewer Note: The State Board has no jurisdiction over assisted living or sheltered care units/beds or assisted living memory care units/beds. However, the State Board annually collects patient day information for sheltered care units/beds as part of the Annual Long Term Care Survey. “Assisted living – a home, **building, residence, or any other place where sleeping accommodations are provided for at least three unrelated adults, at least 80% of whom are 55 years of age or older and provided consistent with the purposes of the Act.**” [77 IAC 295.200] “Sheltered Care – a home, institution, building, residence or any other place which provides maintenance and personal care [i.e room and board] for three (3) or more unrelated persons” ( 210 ILCS 45/1-113)*

*The applicants are proposing the construction of 3,000 GSF of clinical space for eight (8) stations or 375 GSF per station. The State Board standard is 450-650 GSF per station.*

The permit holders provided a revised cost space chart as required. The applicants propose to add 46 skilled nursing beds to an existing 46-bed facility, resulting in a 92-bed facility in 50,803 GSF of space (552.2 GSF/Bed). The State Board Standard is 435-713 GSF per bed or 65,596 GSF.

**THE STATE BOARD STAFF FINDS THE PROPOSED ALTERATION IN CONFORMANCE WITH CRITERION SIZE OF THE PROJECT (77 IAC 1110.234 (a))**

**TABLE THREE**  
**Cost Space Requirements**  
**Smith Crossing**

	Approved						Revised				Difference	
	Cost	Existing	Proposed	New Const	Modern	As Is	Proposed	New Const	Modern	As Is	Proposed	New Const
<b>Clinical/Reviewable</b>												
Nursing	\$7,863,407	17,629	32,973	15,495	0	17,478	34,412	16,783	0	17,478	1,439	1,288
Living/Dining/Activity	\$1,832,869	4,937	8,218	3,281	296	4,641	8,218	3,281	296	4,641	0	0
Kitchen/Food Service	\$297,970	595	1,336	741	0	595	1,336	741	0	595	0	0
PT/OT	\$493,791	2,133	2,214	2,214	0	0	4,347	2,214	0	0	2,133	0
Laundry	\$14,943	67	67	0	0	67	67	0	0	67	0	0
Janitor Closets	\$74,492	152	334	182	0	152	334	182	0	152	0	0
Clean/Soiled Utility	\$416,176	806	1,866	1,060	0	806	1,866	1,060	0	806	0	0
Beauty/Barber	\$49,736	223	223	0	0	223	223	0	0	223	0	0
<b>Total Reviewable</b>	<b>\$11,043,384</b>	<b>26,542</b>	<b>47,231</b>	<b>22,973</b>	<b>296</b>	<b>23,962</b>	<b>50,803</b>	<b>24,261</b>	<b>296</b>	<b>23,962</b>	<b>3,572</b>	<b>1,288</b>
<b>Non-Clinical/Non-Reviewable</b>												
Office/Administration	\$1,036,809	499	2,795	2,296	0	499	2,795	2,296	0	499	0	0
Employee Lounge/Locker/Training	\$217,006	0	585	585	0	0	585	585	0	0	0	0
Mechanical/Electrical	\$672,535	188	1,813	1,625	0	188	1,911	1,723	0	188	98	98
Lobby	\$666,228	56	1,796	1,740	0	56	1,796	1,740	0	56	0	0
Storage/Maintenance	\$988,585	942	2,665	1,016	707	942	2,254	1,312	707	942	-411	296
Corridor/Public Toilets	\$6,248,303	5,382	16,844	10,683	6,161	0	16,009	10,627	6,161	0	-835	-56
Stair/Elevator	\$583,506	0	1,573	1,573	0	0	1,573	1,573	0	0	0	0
PT/OT AL/IL Res. Use	\$409,901	0	1,105	1,105	0	0	1,105	1,105	0	0	0	0
Beauty/Barber AL/IL Res Use	\$296,019	0	798	0	798	0	0	0	798	0	-798	0
<b>Total Non-Clinical</b>	<b>\$11,118,892</b>	<b>7,067</b>	<b>29,974</b>	<b>20,623</b>	<b>7,666</b>	<b>1,685</b>	<b>28,028</b>	<b>20,961</b>	<b>7,666</b>	<b>1,685</b>	<b>-1,946</b>	<b>338</b>
<b>TOTAL</b>	<b>\$22,162,276</b>	<b>33,609</b>	<b>77,205</b>	<b>43,596</b>	<b>7,962</b>	<b>25,647</b>	<b>78,831</b>	<b>45,222</b>	<b>7,962</b>	<b>25,647</b>	<b>1,626</b>	<b>1,626</b>

## VIII. ECONOMIC FEASIBILITY

- A) **Criterion 1120.140(c) – Reasonableness of Project Costs**  
**To demonstrate compliance with this criterion the permit holders must meet the State Board requirements in Part 1120.Appendix A.**

**Only new construction costs and contingencies are changing as the result of this alteration Clinical Costs are reviewed in this criterion.**

### Original State Board Staff Report

New Construction and Proportionate Contingencies – These costs total \$7,132,015 or \$310.45/GSF. ( $\$7,132,015/22,973=\$310.45$ ). This appears high when compared to the State Board Standard of \$284.10/GSF [2019 mid-point of construction].

### Alteration Request

#### New Construction and Proportionate Contingencies

These costs total \$7,132,015 or \$293.97/GSF. ( $\$7,132,015/24,261=\$293.97$ ). This cost is below the approved permit amount of \$310.45/GSF [2019 mid-point of construction].

The Applicants have met the requirements of this criterion.

**STATE BOARD STAFF FINDS THE PROPOSED ALTERATION TO BE IN CONFORMANCE WITH CRITERION REASONABLENESS OF PROJECT COSTS (77 IAC 1120.140 (c)).**