



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

ITEM NUMBER: D-03	BOARD MEETING: September 17, 2019	PROJECT NUMBER: 18-027
PERMIT HOLDERS(S): Aghapy Surgical Center, S.C. Dr. George Atia M.D., S.C.		
FACILITY NAME and LOCATION: Aghapy Surgical Center, Barrington		

DESCRIPTION: The permit holders are requesting an Alteration to Permit #17-013. This is the first alteration request for this permit.

**STATE BOARD STAFF REPORT
ALTERATION TO PERMIT
PERMIT #18-027**

I. Project Description and Background

On December 4, 2018, the State Board approved Project #18-027, allowing the permit holders to establish a single-specialty Ambulatory Surgery Treatment Center (ASTC) in approximately 4,850 GSF of space in Barrington, Illinois. The initial project cost was \$3,855,000, and the completion date is December 31, 2019.

Attached to the end of this report are the permit-holders alteration request.

II. Alteration Request:

On August 29, 2019 the permit holders submitted a permit alteration request for Permit #18-027. The permit holders are requesting to increase the cost of the project from \$3,855,000 to \$4,038,785, (\$183,785 or 4.8%), and increase the total gross square footage from 4,850 GSF to 4,995 GSF (145 GSF or 3%). The applicants supplied a revised project costs and sources of funds page, a reasonableness of project costs and sources of funds page, and a revised with the alteration request.

TABLE ONE	
Alterations to Project Cost	
#18-027 Aghapy Surgical Center, Barrington	
Cost	Extent of Alteration
Approved	\$3,855,000
Altered	\$4,038,785
Difference	\$183,785 (4.8%)

TABLE TWO	
Alterations to Project Size	
#18-027 Aghapy Surgical Center, Barrington	
Space	Extent of Alteration
Approved	4,850 GSF
Altered	4,995 GSF
Difference	145 GSF (3%)

III. Reasons for the Proposed Alteration

The permit holders stated the reasons for the alteration are based on changes in the ASTC standards over the last ten years, when the original building was constructed. IDPH inspections warranted modifications to existing spatial elements involving plumbing, electrical, HVAC, and cabinetry. The applicant supplied a detailed listing of the required modifications, with additional costs under the line item for modernization, and a request for permit renewal to allow the permit holders sufficient time to complete the required modernizations.

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.

IV. Applicable Rules

20 ILCS 3960/5 states “*Projects may deviate from the costs, fees, and expenses provided in their project cost information for the project's cost components, provided that the final total project cost does not exceed the approved permit amount. Project alterations shall not increase the total approved permit amount by more than the limit set forth under the Board's 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 Findings

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

TABLE THREE Project Costs and Sources of Funds			
	Original	Altered	% of Total Alteration
Modernization	\$0	\$183,785	4.8%%

Consulting and Other Fees	\$75,000	\$75,000	0%
Movable or Other Equipment	\$3,780,000	\$3,780,000	0%
Total	\$3,855,000	\$4,038,485	4.8%
Cash	\$75,000	\$258,485	4.8%
FMV of Leased Space	\$3,780,000	\$3,780,000	0%
Total	\$3,855,000	\$4,038,485	4.8%

The increased modernization cost (\$183,785), has met the State Board standard for 2019 (\$281.00 per GSF), and is \$54.86 per GSF, and a positive finding results (See Table Four).

TABLE FOUR			
Reasonableness of Project Costs (Altered)			
		State Standard	
	Project Costs	%/GSF/Station	State Standard
Modernization Contracts	\$183,785	\$54.86 per GSF	\$281 per GSF
1. Modernization standard and contingency standard is \$200.71/GSF for 2019 (mid-point of construction)			

The map displays the region around Barrington, Illinois. A callout box identifies the **Aghapy Surgical Center** at **200 Fox Glen, Barrington, IL 60010**. The center is located near the intersection of Ridge Rd and W Lake Cook Rd. The map shows major roads such as I-55 (Rte 176), I-90 (Rte 4), and I-94 (Rte 2). Surrounding areas include Wauconda to the north, Port Barrington to the northeast, and Lake Zurich to the east. Various parks and preserves are marked, including Crystal Lake, Oakwood Hills, Fox River Valley Gardens, and several forest preserves like Spring Lake and Deer Grove. The map also shows the Fox River and several smaller lakes like Island Lake and Tower Lake.

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www.btlaw.com

August 29, 2019

Ms. Courtney Avery, Administrator
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, IL 62761

Re: First Alteration Request

Project: #18-027, Aghapy Surgical Center, Barrington

Permit Amount: \$3,855,000

Project Square Footage: 4,850 gsf

Current Completion Date: December 31, 2019

Dear Ms. Avery:

Aghapy Surgical Center, Barrington, is requesting an alteration to Project #18-027, a single specialty (gastroenterology) ambulatory surgical treatment center in Barrington, medical office building in Rockford, which was approved on December 4, 2018. The approved total project costs are \$3,855,000 and total square footage is 4,850 gsf. This alteration seeks an increase in the project costs by \$183,785 to \$4,038,785, which is less than a 4.8% increase and is within the 7% allowable increase for cost alterations. A slight increase in square footage of 145 gsf is also requested from 4,850 gsf to 4,995 gsf, which is less than a 3% increase in square footage. A check in the amount of \$1,000 for the alteration fee is included with the hard copy of this letter.

The project is located at 200 Fox Glen Court, Barrington, in the existing physician practice of the permit holder Dr. George N. Atia, M.D., S.C. d/b/a Illinois Center for Digestive and Liver Health. The building, which was built over ten years ago, was initially designed to ASTC licensing standards at the time. Following permit approval, certain modifications to the space were requested by IDPH following a survey of the premises. Those modifications related to, among other things, plumbing, electrical, HVAC and cabinetry. A detailed listing of the requested modifications is included with the Itemization of Project Costs included with this letter. As the modifications will take additional time to complete, a corresponding permit renewal request is also being submitted with this alteration request.

Included with this request are the following tables reflecting the requested alteration:

- Project Cost and Source of Funds (Page 5)
- Itemization of Project Cost and Source of Funds (Attachment 7)
- Project Costs and Space Requirements Chart (Attachment 9)
- Size of Project (Attachment 14)

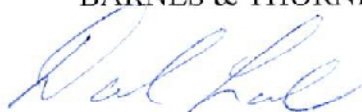
Courtney R. Avery
August 29, 2019
Page 2

The project was originally to be located in the lower level of the two story building in which the applicant's existing gastroenterology practice is located. To accommodate changes requested by IDPH, some space on the upper level of the building will be utilized for the ASTC (see attached floor plans).

Please contact me if the Review Board's Staff desires any additional information relating to this request for alteration.

Sincerely,

BARNES & THORNBURG LLP



Daniel J. Lawler

Enclosures

cc: Mike Constantino, Lead Project Reviewer

PROJECT COSTS AND SOURCE OF FUNDS

	Original Permit Approval			Requested Alteration		
	Reviewable	Non-Reviewable	Total	Reviewable	Non-Reviewable	Total
Uses of Funds						
Consulting and Other fees	\$ 40,000	\$ 35,000	\$ 75,000	\$ 40,000	\$ 35,000	\$ 75,000
Modernization Contracts				\$ 126,645	\$ 56,840	\$ 183,785
Movable or Other Equipment*	\$ 2,016,000	\$ 1,764,000	\$ 3,780,000	\$ 2,016,000	\$ 1,764,000	\$ 3,780,000
Fair Market Value of Leased Space or Equipment*						
Total Costs	\$ 2,056,000	\$ 1,799,000	\$ 3,855,000	\$ 2,182,645	\$ 1,855,840	\$ 4,038,485
Sources of Funds:						
Cash and Securities	\$ 40,000	\$ 35,000	\$ 75,000	\$ 166,645	\$ 91,840	\$ 258,485
Leases (fair market value)	\$ 2,016,000	\$ 1,764,000	\$ 3,780,000	\$ 2,016,000	\$ 1,764,000	\$ 3,780,000
Total Funds	\$ 2,056,000	\$ 1,799,000	\$ 3,855,000	\$ 2,182,645	\$ 1,855,840	\$ 4,038,485

*The original application materials properly identified the existing space and equipment leases in the line item for Fair Market Value of Leased Space or Equipment in Attachment 7 (Itemization of Project Costs), but included those numbers in the Movable or Other Equipment line item on page 6 of the application, which was reflected in the staff report.

ATTACHMENT 7

Alteration Request 8/26/2019

Itemization of Project Costs

Items	Cost
Consulting and Other Fees	
CON Application Fee	\$2,500
CON consulting fees	\$50,000
Attorney's fees	\$22,500
Fair Market Value of Leased Space or Equipment	
Space Lease	\$1,620,000
Equipment Lease	\$2,160,000
Modernization Contracts	
(See attached list)	\$183,785
TOTAL PROJECT COSTS	\$4,038,785

ATTACHMENT 9

Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept/Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Reviewable							
ASTC	\$2,182,645	3,350		0	3,350	0	0
Total Clinical	\$2,182,645	3,350		0	3,350	0	0
Nonreviewable							
Administration, Waiting Room, Reception, Medical Records, Other	\$1,855,840	1,645		0	1,645	0	0
Total Nonclinical	\$1,855,840	1,645		0	1,645	0	0
TOTAL	\$4,038,485	4,850		0	4,995	0	0

AGHAPY Surgical Center

ICDLH 200 Fox Glen Court, Barrington, IL

August 08, 2019

Contract Item	Amount	Specification	
Appliances	\$900.00	Nourishment, Clean Utility refrigerators	
Bath and Plumbing Fixtures	\$10,800.00	Per plumbing fixtures schedule	
Cabinetry	\$10,170.00	Nourishment, Clean Utility, Soiled Room, Lockers	
Cabinetry Installation	\$2,250.00	Cabinet installation	
Concrete	\$7,830.00	Concrete floor cutting, removal, excavating, backfill and pour new concrete for underground plumbing	
Countertops	\$3,150.00	Laminated countertops with backsplash	
Data/Phone/Internet	\$900.00	Low voltage, labor only, equipment not included	
Demolition	\$5,400.00	Demolish existing interior walls and ceiling	
Doors and Hardware	\$16,415.92	Solid core doors and metal frames	
Drywall	\$12,150.00	New 5/8" drywall taping and finishing	
Electrical	\$24,993.00	Electrical work per plan	
Finish Carpentry Labor	\$3,600.00	Installation of interior doors casings and base boards, door lock and hardware	
Finish Carpentry Materials	\$2,700.00	Casings, base boards	
Fire Alarm	\$2,659.50	Relocate existing and provide new	
Flooring	\$7,740.00	Epoxy floor coating	
General Conditions	\$1,800.00	Dumpsters, portable toilet ...	
Generator	\$3,150.00	Provide annunciator to existing generator	
HVAC	\$9,000.00	New duct work and new exhaust fans	
Insulation	\$2,700.00	Sound insulation	
Light Fixtures	\$2,466.00	Allowance for new light fixtures	
Onsite Labor	\$2,700.00	Moving, cleaning, unloading	
Painting/Stain	\$9,000.00	Prime and paint new drywall. Including one coat ceiling and two coats flat finish on walls.	
Plumbing	\$23,130.00	Underground, rough-in and trim out plumbing	
Roofing	\$1,350.00	Roof vents, flashing	
Rough Carpentry Labor	\$2,700.00	Frame interior walls, soffits and miscellaneous framing.	
Rough Carpentry Materials	\$2,700.00	Studs and misc. construction material.	
Sealant/Caulk	\$450.00	Fire caulking	
Sprinkler System	\$3,150.00	Relocate existing sprinkler heads	
Suspended Ceiling	\$4,230.00	Repair existing and provide new ceiling grid and acoustical ceiling tiles	
Tile Labor	\$1,800.00	wall tile installation.	
Tile Material	\$1,800.00	Material allowance	
	\$183,784.42		

ATTACHMENT 9

Cost Space Requirements

		Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
Dept/Area	Cost	Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
Reviewable							
ASTC	\$2,182,645	3,350		0	3,350	0	0
Total Clinical	\$2,182,645	3,350		0	3,350	0	0
Nonreviewable							
Administration, Waiting Room, Reception, Medical Records, Other	\$1,855,840	1,645		0	1,645	0	0
Total Nonclinical	\$1,855,840	1,645		0	1,645	0	0
TOTAL	\$4,038,485	4,850		0	4,995	0	0

ATTACHMENT 14

Size of Project

The Applicants propose to establish an ASTC with two procedure rooms and eight recovery stations. Pursuant to Section 1110, Appendix B of the Review Board's rules, the standard is 1660 to 2200 dgsf per procedure room.

Size of Project					
Department/Service	Rooms Proposed	Proposed BGSF	State Standard	Difference	Met Standard?
ASTC	Clinical	3,350	1660-2200 dgsf/rm (3,320-4,400 dgsf for two rooms)	(1050)	Yes
	Non-clinical	1,645	N/A		N/A
Total		4,995			

The State Board's guidelines regarding total departmental square footage ("DGSF") for a proposed ambulatory surgical treatment center ("ASTC") are shown in the above chart. The project meets the Board's Standards for the size of the project.

The existing floor plan of the facility is attached.

[illegible]

CLINICAL	3,350 S.F.
NON-CLINICAL	1,645 S.F.

ASTC CON AREA
LOWER LEVEL

A-O

Anderson Mikos Architects Ltd.

"Architecture through Listening"
 Oak Brook Gateway
 1111 W. 31st Street, Suite 203
 Oak Brook, Illinois 60121
 Tel. 630 - 573 - 5149
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100% LEED-Certified
 100% LEED-Certified - LEVER HEALTH

The ILLINOIS CENTER
 for DIGESTIVE and
 LIVER HEALTH

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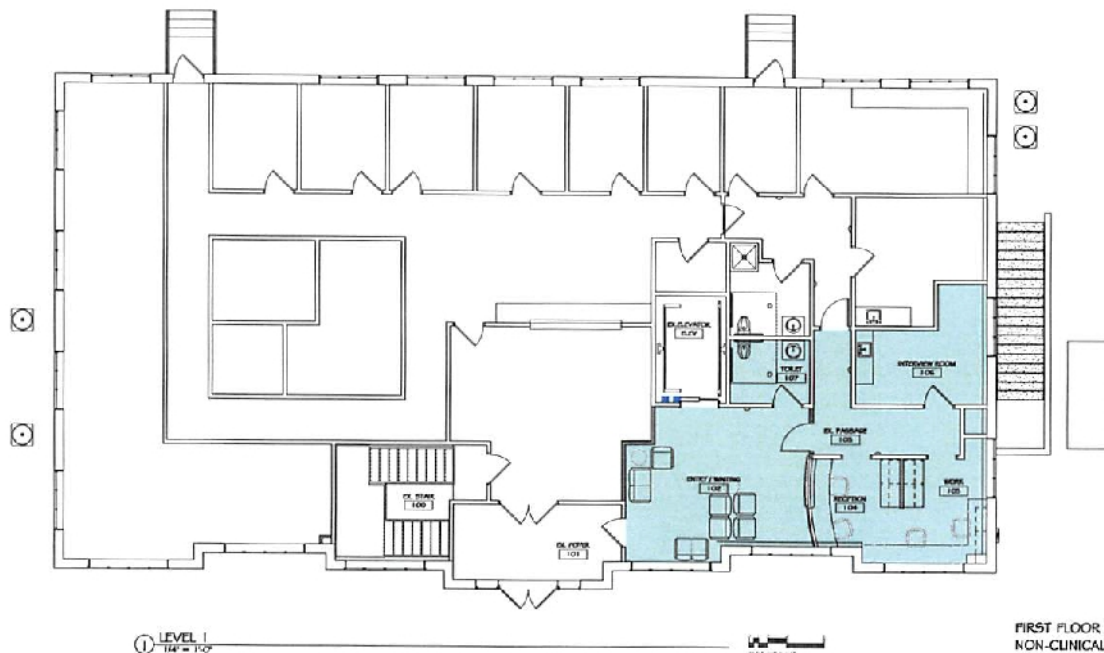


KEY PLAN
 100% LEED-Certified
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DATE	NO.	DESCRIPTION
08/11/11	001	ISSUED FOR PERMIT
08/11/11	002	ISSUED FOR PERMIT
08/11/11	003	ISSUED FOR PERMIT
08/11/11	004	ISSUED FOR PERMIT
08/11/11	005	ISSUED FOR PERMIT
08/11/11	006	ISSUED FOR PERMIT
08/11/11	007	ISSUED FOR PERMIT
08/11/11	008	ISSUED FOR PERMIT
08/11/11	009	ISSUED FOR PERMIT
08/11/11	010	ISSUED FOR PERMIT

ASTC CON AREA
 FIRST FLOOR

A-1



LEVEL 1
 100' = 1" = 0"



FIRST FLOOR AREA = 845 S.F.
 NON-CLINICAL = 845 S.F.

TOTAL = LOWER LEVEL + 1ST FLOOR

CLINICAL 3,350 S.F.
 NON-CLINICAL 1,645 S.F.

AGHAPY SURGICAL CENTER, S.C.

107 GREEN BAY ROAD
WILMETTE, IL 60091



JPMorgan Chase Bank, N.A.
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2-1/710

0004

08/21/2019

**PAY TO THE
ORDER OF**

Illinois Department of Public Health

\$ **1,000.00

One thousand and 00/100 *****

DOLLARS

Illinois Department of Public Health

MEMO

alteration request

AUTHORIZED SIGNATURE

⑈000000⑈ ⑆0710000013⑆

392293830⑈



Security features. Details on back.