



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-02	BOARD MEETING: December 5, 2023	PROJECT NUMBER: 19-035
PERMIT HOLDERS(S): Fresenius Medical Care Holdings, Inc WSKC Dialysis Services Inc d/b/a Fresenius Medical Care Chicago Skyway (fka: Fresenius Kidney Care Jackson Park)		
FACILITY NAME and LOCATION: Fresenius Kidney Care Chicago Skyway, Chicago		

STATE BOARD STAFF REPORT **PERMIT RENEWAL REQUEST**

I. Background

On October 22, 2019, the State Board approved Project #19-035. The permit authorized the relocation (discontinuation/reestablishment) of an existing 24-station End Stage Renal Dialysis (ESRD) facility from 7531 South Stony Island to 1441 East 75th Street, in Chicago, Illinois. State Board Staff notes the project is obligated and the current project completion date is December 31, 2023. Project cost: \$7,436,967.

State Board Staff notes the permit holders submitted the permit renewal request on November 15, 2023. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Board 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 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 notes on September 13, 2021, the permit holders received Board approval to extend the financial commitment date 12 months, to October 22, 2022. The first permit renewal was approved on September 24, 2021, extending the project completion date twenty-four months, from December 31, 2021, to December 31, 2023.

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of May 31, 2024. This would extend the project's completion date by five months, from December 31, 2023, to May 31, 2024.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is 99% complete. The ESRD facility relocated and began providing services on October 23, 2023. The remaining components include CMS inspection and certification/licensure.
- C. Reason(s) Why the Project Has Not Been Completed: The Permit Holders state the project required extended plan review by the City of Chicago that took 5 months to complete, and shell/interior construction was delayed due the discover of underground storage tanks on the property, lengthy delays in procurement of suitable roof top HVAC components, and an extended wait to have permanent power installed from the provider, Commonwealth Edison.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$7,088,638 (95.3% of the overall project cost of \$7,436,967) 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 original permit amount of \$7,436,967.

IV. Project Description & Other Background Information

The permit authorized the emergency relocation of an existing 24-station ESRD facility within the city limits of Chicago. Project cost: \$7,436,967.

Permit Issuance Date:	October 22, 2019
Project Obligation Date:	April 11, 2022
Original Project Completion Date:	December 31, 2021
Proposed Project Completion Date: (24-month renewal 1 st request)	December 31, 2023
Proposed Project Completion Date: (5-month renewal 2 nd request)	May 31, 2024

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, a summary of project components yet to be finished and a summary of 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 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). If a request for permit renewal is denied, HFSRB may issue a Notice of Intent to Revoke a permit if the project is not completed by the HFSRB-approved completion date. If such a Notice is issued, 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.

November 15, 2023

John Kniery
Administrator
Illinois Health Facilities & Services Review Board
525 West Jefferson, 2nd Floor
Springfield, IL 62761

Re: Request for Permit Renewal Section 1130.740
Project #19-035, Fresenius Kidney Care Chicago Skyway
Permit Holder: WSKC Dialysis Services, Inc., and Fresenius Medical Care Holdings, Inc.
Permit Amount: \$7,436,967

Dear Mr. Kniery:

WSKC Dialysis Services, Inc. is seeking a permit renewal for the Fresenius Kidney Care Chicago Skyway (formerly known as Fresenius Medical Care Jackson Park) 24-station ESRD facility located at 1453 E 75th Street, Chicago. A \$500 permit renewal fee is being submitted directly to the Board separately. There has been no change to the size and scope of this project. This report summarizes the status of the project.

Sincerely,



Lori Wright
Fresenius Medical Care
Senior CON Specialist



November 15, 2023

Request For Permit Renewal Section 1130.740

Project #19-035, Fresenius Kidney Care Chicago Skyway (Jackson Park)

Permit Holder: WSKC Dialysis Services, Inc., and Fresenius Medical Care Holdings, Inc.

Permit Amount: \$7,436,967

1. **The requested completion date:** The requested completion date is May 31, 2024.
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:**

Per permit #19-035, the Fresenius Medical Care Jackson Park ESRD facility was approved to relocate with 24 stations.

During construction the City of Chicago decided to assign a different street number to the structure. The address as filed in the CON was 1551 E. 75th Street. The address now assigned to the same site is 1453 E. 75th Street. The location has not changed.

Along with the relocation, the facility has changed its name to match its new location more closely. The new name is Fresenius Kidney Care Chicago Skyway. No other aspects of the project have changed.

The facility relocated into the new premises and began operations on October 23, 2023. The facility is waiting on CMS certification and receipt of the certification letter for the project to be completed.

The project is approximately 99% complete and is expected to be complete (Certified) prior to the requested new completion date of May 31, 2024.

3. **a statement as to the reasons why the project has not been completed:**

After the first permit renewal was granted, there were several construction related delays as listed below.

- The building permit plan review process by the City of Chicago took 5 months.
- Shell construction and interior landlord work was delayed by a few things:



- Underground storage tanks were discovered that required lengthy inspections before they could be removed.
 - The roof top HVAC unit procurement time was unusually lengthy.
 - Commonwealth Edison, energy provider, took a very long time to provide permanent power to the building.
- After construction, inspections by the City of Chicago were slow for both the shell and the interior build-out.

The construction is now complete, and the facility is operating. The facility is just waiting for certification, which could come prior to the current completion date of December 31, 2023. Because it is not certain that will occur, this renewal is being submitted to remain in compliance with Board rules.

4. evidence of financial commitment to fund the project:

All Project financing to date has been funded from available cash and its equivalents as reported on the company's financial statements. The right to occupy the premises will be secured through a leasing arrangement. This leasing arrangement is utilized to obligate the project. Project costs have not exceeded the approved permit amount.

Project Costs and Sources of Funds

Line Item	Allowance/CON	Realized Costs
Modernization	1,717,756	1,717,456
Contingencies	164,466	79,884
Architectural/Engineering	180,000	86,964
Movable & Other Equipment	680,000	509,589
FMV of Leased Space & Equipment	4,694,745	4,694,745
Total Project Costs	\$7,436,967	
Realized Total Project Costs To Date		\$7,088,638

5. **Anticipated final cost of the project:** *Final cost will be within the permit amount of \$7,436,967*



WSKC Dialysis Services, Inc

In accordance with Section 1130.740 part c, of the Illinois Health Facilities & Services Review Board rules for renewal of a permit;


I do hereby certify that the financial resources to fund the project are available or otherwise committed; and that the project's cost, scope, design, square footage, number of stations are compliant with that which the State Board has approved.

By: 

ITS: Vice President and Assistant Treasurer

By: 

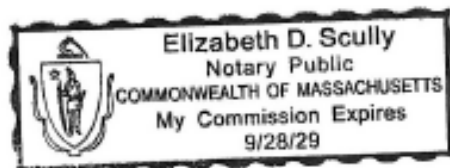
ITS: Assistant Secretary

Notarization: 
Subscribed and sworn to before me
This 9th day of November, 2023

Seal

Notarization:
Subscribed and sworn to before me
This _____ day of _____, 2023

Seal






Fresenius Medical Care Holdings, Inc.

In accordance with Section 1130.740 part c, of the Illinois Health Facilities & Services Review Board rules for renewal of a permit;

I do hereby certify that the financial resources to fund the project are available or otherwise committed; and that the project's cost, scope, design, square footage, number of stations are compliant with that which the State Board has approved.

By: 

ITS: Vice President and Assistant
Treasurer

By: 

ITS: Vice President and Assistant
Secretary

Notarization:

Subscribed and sworn to before me

This 9th day of November, 2023

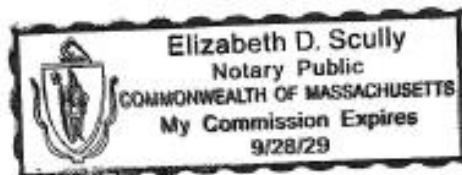
Seal

Notarization:

Subscribed and sworn to before me

This day of , 2023

Seal



APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702/CMa

CONSTRUCTION MANAGER-ADVISER EDITION

PAGE ONE OF 3

TO CONTRACTOR: DiNaso & Sons Construction Co., Inc. 9910 W. 191st St., Suite A Mokena, IL 60448		PROJECT: Jackson Park 1453 E 75th Street Chicago, IL 60619	
FROM SUBCONTRACTOR: DiNaso & Sons Construction Co., Inc. 9910 W. 191st St., Suite A Mokena, IL 60448		OWNER: WSKC Dialysis Services, Inc. C/O Fresenius Medical Care NA 1909 Tyler Street, 8th Floor Hollywood, FL 33020	
CONTRACT FOR: General Contractor		CONTRACTOR: DiNaso & Sons Construction Co., Inc.	

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 1,595,814.60
 2. Net change by Change Orders \$ 51,583.18
 3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 1,647,397.78
 4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 1,647,397.78

5. RETAINAGE:
 a. % of Completed Work \$ 0.00
 b. % of Stored Material (Column F on G703) 0.00

Total Retainage (Lines 5a + 5b or Total in Column I of G703) \$ 0.00
 6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total) \$ 1,647,397.78

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) \$ 1,403,340.66
 8. CURRENT PAYMENT DUE \$ 184,057.12
 9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6) \$ 0.00

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$39,293.41	\$0.00
Total approved this Month	\$11,989.77	\$0.00
TOTALS	\$51,583.18	\$0.00
NET CHANGES by Change Order	\$51,583.18	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

By: Chad R. D. Date: 11-1-23
 State of: Illinois
 Subscribed and sworn to before me this 1st day of November, 2023
 Notary Public: Christine A. Hassel
 My Commission expires: 7-5-2027

By: _____ Date: _____
 State of: _____
 Subscribed and sworn to before me this _____ day of _____, 2023
 Notary Public: _____
 My Commission expires: _____

CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 184,057.12
 (Attach explanation of amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to confirm with the amount certified.)

By: _____ Date: _____
 ARCHITECT:
 By: _____ Date: _____

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.



APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702

Page 1 of 2

TO (OWNER): Fresenius Medical Care PROJECT: Chicago IL Jackson Park FKC 2975

FROM (CONTR.): Cohen Architectural

VIA (ARCHITECT):

CONTRACT FOR: Millwork & Installation

APPLICATION NO: 221147.5

PERIOD TO: September 2023

CONTRACTOR'S

PROJECT NO: 002975-5-RL-W-GU-2021

CONTRACT DATE: 12/16/22

Distribution to:

OWNER:

ARCHITECT

CONTRACTOR

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY			ADDITIONS	DEDUCTIONS
Change Orders approved in previous months by Owner				
TOTAL			536.97	
Approved this month				
Number	Date Approved			
TOTALS			-	-
Net change by Change Orders			536.97	

The undersigned Subcontractor certifies that to the best of Subcontractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By:

Date:

11/10/23

Application is made for Payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM \$ 149,405.60
2. Net change by Change Orders \$ 536.97
3. CONTRACT SUM TO DATE (Line 1 + 2) \$ 149,942.57
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703) \$ 149,942.57
5. RETAINAGE:
 - a. 0% of Completed Work \$ -
(Columns D + E on G703)
 - b. 0% of Stored Material \$ -
(Column F on G703)

Total Retainage (Line 5a + 5b or

Total in Column I of G703)

6. TOTAL EARNED LESS RETAINAGE \$ -

(Line 4 less Line 5 Total)

7. LESS PREVIOUS CERTIFICATES FOR PAYMENT

(Line 6 from prior Certificate)

8. CURRENT PAYMENT DUE \$ 149,942.57

9. BALANCE TO FINISH, INCLUDING RETAINAGE

(Line 3 less Line 6)

\$ 0.00

State of: Missouri

County of:

Maries

Subscribed and sworn to before me this

day of

November 2023

Notary Public:

My Commission expires: 26 Jan 2024

AMOUNT CERTIFIED

(Attach explanation if amount certified differs from the amount applied for.)

ARCHITECT:

By:

Date:

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the contract Documents, based on on-site observations and the data comprising the above application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

NOTICE: PROPERTY OWNERS IMPORTANT INFORMATION
CONCERNING MECHANICS LIENS ON REVERSE SIDE.