



**STATE OF ILLINOIS**  
**HEALTH FACILITIES AND SERVICES REVIEW BOARD**

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

<b>DOCKET ITEM</b> A-01	<b>BOARD MEETING:</b> December 5, 2023	<b>PROJECT NUMBER:</b> 21-019
<b>PERMIT HOLDERS(S):</b> Sycamore Renal Care, LLC Nephrology Associates of Northern Illinois, Ltd. (NANI)		
<b>FACILITY NAME and LOCATION:</b> NANI Sycamore Dialysis, Sycamore		

**STATE BOARD STAFF REPORT**  
**PERMIT RENEWAL REQUEST**

**I. Background**

On December 14, 2021, the State Board approved Project #21-019. The permit authorized the establishment of a 10-station End Stage Renal Dialysis (ESRD) facility in Sycamore. The State Agency notes the project is not obligated, and the current project completion date is December 1, 2022. Project cost: \$4,570,170.

State Board Staff notes the permit holders submitted the permit renewal request on October 18, 2022. 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 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.

The first renewal request was submitted on October 21, 2022, was approved on October 24, 2022, and it extended the permit timeline 12 months, from December 1, 2022, to December 1, 2023.

### **III. The Permit Renewal Request**

- A. Requested Completion Date: The permit holders request a project completion date of September 2, 2024. This would extend the project's completion date nine months, from December 1, 2023, to September 2, 2024.
- B. Status of the Project and Components Yet to be Finished: The permit holders state construction of the building shell is nearing completion, with interior build-out, and State/IDPH inspections/certifications to follow.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the facility is located in a newly established business park that is experiencing construction as well. The Permit Holders note the completion of construction in the business park (roads, easements, utilities), will be complete by November 2023, allowing interior construction to progress in the ESRD facility.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate that approximately \$500,000 (11% of the overall project cost), has been expended to date, and that sufficient financial resources remain 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 \$4,570,170.

### **IV. Project Description & Other Background Information**

The permit authorized the establishment of a 10-station ESRD facility in Sycamore. Project cost: \$4,570,170.

Permit Issuance Date: December 14, 2021

Project Obligation Date: December 1, 2022

Original Project Completion Date: December 1, 2022

Proposed Project Completion Date: December 1, 2023  
(12-month renewal request) 1<sup>st</sup> request

Proposed Project Completion Date: September 2, 2024  
(9-month renewal request) 2<sup>nd</sup> request

**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.



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October 17, 2023

**VIA E-MAIL**

John P. Kniery  
Board Administrator  
Illinois Health Facilities and Services Review Board  
525 West Jefferson, Second Floor  
Springfield, IL 62761

**Re: Permit Renewal Request – NANI Sycamore Dialysis, Project #21-019**

Dear Mr. Kniery:

We represent Sycamore Renal Care, LLC and Nephrology Associates of Northern Illinois, LTD., (collectively “Permit Holders”) with regard to a permit issued for Project #21-019. On December 14, 2021, the Illinois Health Facilities and Services Review Board (“HFSRB”) approved Project #21-019, an application to establish a 10-station ESRD facility (“Project”). The facility will be located at Bethany Road Business Park on Lots 3-5, in Sycamore, Illinois 61265. The Project was anticipated to be completed by December 31, 2023. The purpose of this letter is to request a Permit Renewal pursuant to 77 Ill. Admin. Code 1130.740. A check with the permit renewal fee is being submitted under separate cover. This is our second renewal request.

**Requested Project Completion Date**

The permit holder requests that the HFSRB grant a permit renewal and establish Monday, September 2, 2024, as the project completion date for this project.

**Status of the Project**

This Project involves new construction of a structure that will house a 10-station ESRD facility on undeveloped land in Sycamore, Illinois. The land on which the facility will be constructed is in a zoned and designated “business park”, that will also house other commercial businesses within the park. Fortunately, substantive construction of the business park and the shell where the facility will be located is nearly complete. That construction work is expected to be complete by mid-November. However, as a result of the developer’s delays with the business park construction, the work related to the interior where the facility will be located has not begun.

Overall, the Project is approximately 25% complete. The shell, interior plumbing, and vapor barrier are complete. Electrical work and HVAC work has also begun at the site. The General Contractor has been in contact with various vendors regarding the supplies required to construct remainder of the facility. The Permit Holders have financially committed the project through the execution of agreements with their general contractor that were in excess of 33% of the total project cost. The general contractor for the project has engaged a design team who completed the plans for the facility and has received some of the building permits from the City of Sycamore.

### **Statement Regarding Project Completion**

As result of their ongoing communications with various vendors, the General Contractor has informed the Permit Holder of their continued expectation of delays as a result of the nation's ongoing supply chain issues. Supply Chain issues are another reason that has led the Permit Holders to seek the extension of the completion date for the Project. Bids for the work related to the interior are expected to go out in the next several weeks, and construction will begin in December 2023. To date approximately \$500,000 of the approved \$4,570,170 has been expended on this Project.

### **Confirmatory Evidence of Permit Compliance**

Enclosed is a verified statement from Lindy Nakaerts, Vice President of Facilities, Mergers and Acquisitions, that confirms the Permit Holders are currently complying with the scope, costs, and conditions of the Project approved by the HFSRB, pursuant to the permit letter issued for this project. Additionally, the aforementioned verified statement confirms that there are sufficient financial resources available to complete this project.

If you have any questions or need any additional information regarding the project or this permit renewal request, please feel free to contact me at 312-212-4967.

Very truly yours,

BENESCH, FRIEDLANDER,  
COPLAN & ARONOFF, LLP

A handwritten signature in black ink, appearing to read "Juan Morado, Jr.", written in a cursive style.

Juan Morado, Jr.

County of Cook

**Verification**

I, Lindy Nakaerts, being first duly sworn, an oath, depose and state as follows:

1. I serve as Vice President of Facilities, Mergers and Acquisitions for Nephrology Associates of Northern Illinois and Indiana, one of the Permit Holders for NANI Sycamore Dialysis, Project #21-019.
2. This project involves the establishment of a 10-station ESRD facility located at Bethany Road Business Park Lots 3-5, in Sycamore, Illinois 60178.
3. Construction on the project has been delayed to date as a result of various issues associated with developer's construction of the business park where the proposed facility will be located.
4. The Permit Holder expects supply and construction material delays that will extend the time required complete the project given recent updates from the Project's General Contractor.
5. The Permit Holders have applied for building permits and has received some of the permits from the City of Sycamore.
6. At this time the project's costs and scope comply with the application of the HFSRB approved for Project #21-019.
7. Sufficient financial resources remain available for the facility to complete project #21-019.

Under penalties as provided by law pursuant to Sec. 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this instrument are true and correct.

*Lindy Nakaerts*

\_\_\_\_\_ (signature)

October 18, 2023

\_\_\_\_\_ (date)