



150 N. Riverside Plaza, Suite 3000, Chicago, IL 60606-1599 • 312.819.1900

February 23, 2022

Anne M. Cooper
312.873.3606
312.276.4317 Fax
acooper@polsinelli.com

FEDERAL EXPRESS

Michael Constantino
Supervisor, Project Review Section
Illinois Department of Public Health
Health Facilities and Services Review Board
525 West Jefferson Street, Second Floor
Springfield, Illinois 62761

Re: Application for Permit – Montrose Behavioral Health Hospital

Dear Mr. Constantino:

I am writing on behalf of Acadia Healthcare Company, Inc. and Chicago BH Hospital d/b/a Montrose Behavioral Health Hospital (collectively, the “Applicants”) to submit the attached Application for Permit to modernize its 101-bed inpatient adult building. For your review, I have attached an original and one copy of the following documents:

1. Completed Application for Permit;
2. Copies of Certificate of Good Standing for the Applicants;
3. Authorization to Access Information; and
4. Check for \$2,500 for the application processing fee.

Thank you for your time and consideration of the Applicants’ application for permit. If you have any questions or need any additional information to complete your review, please feel free to contact me.

Sincerely,

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

Anne M. Cooper

Attachments



CHECK NO.: 800650

#22-008
800650

REF. #	INV. #	DATE	INVOICE DESCRIPTION	AMOUNT
55629954	12422	01/24/22	CRINV 074195-696489 - Initial application fee for Montrose Behavioral Health (Pick A, Cooper) 80; 012422	2,500.00
TOTAL			NET	\$2,500.00

ORIGINAL DOCUMENT HAS A COLORED BACKGROUND PRINTED ON CHEMICAL REACTIVE PAPER WITH MICROPRINTED BORDER

900 W 48th Place
Suite 900
Kansas City, MO 64112US Bank
1201
WYANDOTTE
Kansas City, MO
64106DATE
JAN 27, 2022800650
NUMBER 800650

AMOUNT

\$*****2,500.00

PAY: TWO THOUSAND FIVE HUNDRED AND 00/100 DOLLAR(S)

TO THE ORDER OF
Illinois Department of Public Health
IL Health Facilities & Services Review Board
525 W Jefferson ST 2nd Floor
Springfield, IL 62761

VOID AFTER 1 YEAR

AUTHORIZED SIGNATURE

TWO SIGNATURES REQUIRED FOR AMOUNTS OVER \$15,000.00

THE REVERSE SIDE OF THIS DOCUMENT INCLUDES AN ARTIFICIAL WATERMARK - HOLD AT AN ANGLE TO VIEW

800650 1010001871 4343953230

**ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT**

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

This Section must be completed for all projects.

Facility/Project Identification

Facility Name: Montrose Behavioral Health Hospital			
Street Address: 4840 N. Marine Drive			
City and Zip Code: Chicago, IL 60640			
County: Cook	Health Service Area: 06	Health Planning Area: A-01	

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Acadia Healthcare Company, Inc.	
Street Address: 6100 Tower Circle, Suite 1000	
City and Zip Code: Franklin, Tennessee 37067	
Name of Registered Agent: CT Corporation System	
Registered Agent Street Address: 208 South LaSalle Street, Suite 814	
Registered Agent City and Zip Code: Chicago, IL 60604	
Name of Chief Executive Officer: Debra K. Osteen	
CEO Street Address: 6100 Tower Circle #1000	
CEO City and Zip Code: Franklin, Tennessee 37067	
CEO Telephone Number: 615-861-6000	

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input checked="" type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

☐ Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
☐ Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Kara Friedman
Title: Legal Counsel
Company Name: Polsinelli PC
Address: 150 N. Riverside Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Dr. Jeffrey Woods, MS, MPH, MSN, DNP
Title: Operations Group President
Company Name: Acadia Healthcare Company, Inc.
Address: 6100 Tower Circle, Suite 1000, Franklin, Tennessee 37067
Telephone Number: (615) 721-1238
E-mail Address: Jeffrey.Woods@acadiahealthcare.com
Fax Number:

Facility/Project Identification

Facility Name: Montrose Behavioral Health Hospital			
Street Address: 4840 N. Marine Drive			
City and Zip Code: Chicago, IL 60640			
County: Cook	Health Service Area: 06	Health Planning Area: A-01	

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Chicago BH Hospital, LLC d/b/a Montrose Behavioral Health Hospital
Street Address: 6100 Tower Circle, Suite 1000
City and Zip Code: Franklin, Tennessee 37067
Name of Registered Agent: CT Corporation System
Registered Agent Street Address: 208 South LaSalle Street, Suite 814
Registered Agent City and Zip Code: Chicago, IL 60604
Name of Chief Executive Officer: Debra K. Osteen
CEO Street Address: 6100 Tower Circle #1000
CEO City and Zip Code: Franklin, Tennessee 37067
CEO Telephone Number: 615-861-6000

Type of Ownership of Applicants

<input type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership	
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental	
<input checked="" type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Other

- Corporations and limited liability companies must provide an **Illinois certificate of good standing**.
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Kara Friedman
Title: Legal Counsel
Company Name: Polsinelli PC
Address: 150 N. Riverside Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number:

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Dr. Jeffrey Woods, MS, MPH, MSN, DNP
Title: Operations Group President
Company Name: Acadia Healthcare Company, Inc.
Address: 6100 Tower Circle, Suite 1000, Franklin, Tennessee 37067
Telephone Number: (615) 721-1238
E-mail Address: Jeffrey.Woods@acadiahealthcare.com
Fax Number:

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

Name: Kara Friedman
Title: Legal Counsel
Company Name: Polsinelli PC
Address: 150 N. Riverside Suite 3000, Chicago, IL 60606
Telephone Number: 312-873-3639
E-mail Address: kfriedman@polsinelli.com
Fax Number: 312-893-2261

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Chicago BH Hospital, LLC
Address of Site Owner: 6100 Tower Cir, Ste 1000, Franklin, TN 37067
Street Address or Legal Description of the Site: 4840 N. Marine Drive, Chicago, IL 60640
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS ATTACHMENT 2, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Chicago BH Hospital, LLC			
Address: 6100 Tower Cir, Ste 1000, Franklin, TN 37067			
<input type="checkbox"/>	Non-profit Corporation	<input type="checkbox"/>	Partnership
<input type="checkbox"/>	For-profit Corporation	<input type="checkbox"/>	Governmental
<input checked="" type="checkbox"/>	Limited Liability Company	<input type="checkbox"/>	Sole Proprietorship
		<input type="checkbox"/>	Other
<ul style="list-style-type: none"> Corporations and limited liability companies must provide an Illinois Certificate of Good Standing. Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner. Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership. 			
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS ATTACHMENT 4, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. **This map must be in a readable format.** In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>). **NOTE:** A SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM has been added at the conclusion of this Application for Permit that must be completed to deem a project complete.

APPEND DOCUMENTATION AS ATTACHMENT 5, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS ATTACHMENT 6, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT**1. Project Classification**

[Check those applicable - refer to Part 1110.20 and Part 1120.20(b)]

Part 1110 Classification :

- ☐ Substantive
- ☒ Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Acadia Healthcare Company, Inc. and Chicago BH Hospital, LLC (the "Applicants") seek authority from the Illinois Health Facilities and Services Review Board (the "State Board") to modernize its 101-bed inpatient adult behavioral health building located at 4840 N. Marine Drive, Chicago, IL 60640 at a cost of \$24,630,969. The adult inpatient building is a 5-story building consisting of 33,952 square feet of clinical space, 16,748 square feet of non-clinical space for a total of 50,700 square feet of space and is part of a larger complement of inpatient beds for specialized behavioral health services.

This project is classified as non-substantive because it proposes a modification of an existing health care facility.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

Project Costs and Sources of Funds			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs	\$77,396	\$38,179	\$115,575
Site Survey and Soil Investigation	\$22,260	\$10,980	\$33,240
Site Preparation			
Off Site Work			
New Construction Contracts			
Modernization Contracts	\$8,390,578	\$9,420,814	\$17,811,392
Contingencies	\$1,258,586	\$1,413,123	\$2,671,709
Architectural/Engineering Fees	\$753,079	\$371,483	\$1,124,562
Consulting and Other Fees			
Movable or Other Equipment (not in construction contracts)	\$1,851,846	\$994,154	\$2,846,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs to Be Capitalized	\$19,079	\$9,412	\$28,491
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$12,372,824	\$12,258,145	\$24,630,969
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities	\$12,372,824	\$12,258,145	\$24,630,969
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$12,372,824	\$12,258,145	\$24,630,969
NOTE: ITEMIZATION OF EACH LINE ITEM MUST BE PROVIDED AT ATTACHMENT 7, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Purchase Price: \$ _____ Fair Market Value: \$ _____
The project involves the establishment of a new facility or a new category of service <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100. Estimated start-up costs and operating deficit cost is \$ _____.

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers.

Indicate the stage of the project's architectural drawings:

- | | |
|---|--|
| <input type="checkbox"/> None or not applicable | <input type="checkbox"/> Preliminary |
| <input checked="" type="checkbox"/> Schematics | <input type="checkbox"/> Final Working |

Anticipated project completion date (refer to Part 1130.140): December 31, 2023¹

Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140):

- ☐ Purchase orders, leases or contracts pertaining to the project have been executed.
- ☐ Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies
- ☒ Financial Commitment will occur after permit issuance.

APPEND DOCUMENTATION AS ATTACHMENT 8, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable?

- ☐ Cancer Registry – **Not Applicable**
 - ☐ APORS – **Not Applicable**
 - ☒ All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted
 - ☒ All reports regarding outstanding permits
- Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.**

¹ While it is anticipated the adult inpatient building will be operational by the second quarter of 2023, the Applicants may encounter labor and supply chain issues related to the COVID-19 pandemic and have listed December 31, 2023 as the outside date for operationalizing the adult inpatient building.

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Not Reviewable Space [i.e. non-clinical]: means an area for the benefit of the patients, visitors, staff or employees of a health care facility and not directly related to the diagnosis, treatment, or rehabilitation of persons receiving services from the health care facility. "Non-clinical service areas" include, but are not limited to, chapels; gift shops; newsstands; computer systems; tunnels, walkways, and elevators; telephone systems; projects to comply with life safety codes; educational facilities; student housing; patient, employee, staff, and visitor dining areas; administration and volunteer offices; modernization of structural components (such as roof replacement and masonry work); boiler repair or replacement; vehicle maintenance and storage facilities; parking facilities; mechanical systems for heating, ventilation, and air conditioning; loading docks; and repair or replacement of carpeting, tile, wall coverings, window coverings or treatments, or furniture. Solely for the purpose of this definition, "non-clinical service area" does not include health and fitness centers. [20 ILCS 3960/3]

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON-REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS **ATTACHMENT 9**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available**. Include observation days in the patient day totals for each bed service. Any bed capacity discrepancy from the Inventory will result in the application being deemed incomplete.

FACILITY NAME: Montrose Behavioral Health Hospital			CITY: Chicago		
REPORTING PERIOD DATES: From: January 1, 2020 to: December 31, 2020					
Category of Service	Authorized Beds	Admissions	Patient Days	Bed Changes	Proposed Beds
Medical/Surgical					
Obstetrics					
Pediatrics					
Intensive Care					
Comprehensive Physical Rehabilitation					
Acute/Chronic Mental Illness	161	66	421	0	161
<i>Adult Acute Mental Illness</i>	101	66	421	0	101
<i>Pediatric AMI</i>	60	0	0	0	60
Neonatal Intensive Care					
General Long-Term Care					
Specialized Long-Term Care					
Long Term Acute Care					
Other ((identify))					
TOTALS:	161	66	421	0	161

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Acadia Healthcare Company, Inc.* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Christopher L. Howard

PRINTED NAME

Vice President and Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this 24 day of January 2022


Signature of Notary

Seal

*Insert EXACT legal name of the applicant


SIGNATURE

David Duckworth

PRINTED NAME


Vice President and Treasurer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me

this 24 day of January 2022


Signature of Notary

Seal

CERTIFICATION

The application must be signed by the authorized representative(s) of the applicant entity. The authorized representative(s) are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application for Permit is filed on the behalf of Chicago BH Hospital, LLC* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this application for permit on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the permit application fee required for this application is sent herewith or will be paid upon request.



SIGNATURE

Christopher L. Howard

PRINTED NAME

Vice President and Secretary

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 24 day of January 2022

Signature of Notary

Seal



*Insert EXACT legal name of the applicant



SIGNATURE

David Duckworth

PRINTED NAME

Vice President and Treasurer

PRINTED TITLE

Notarization:

Subscribed and sworn to before me
this 24 day of January 2022

Signature of Notary

Seal



SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

1110.110(a) – Background of the Applicant

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A listing of all health care facilities currently owned and/or operated in Illinois, by any corporate officers or directors, LLC members, partners, or owners of at least 5% of the proposed health care facility.
3. For the following questions, please provide information for each applicant, including corporate officers or directors, LLC members, partners and owners of at least 5% of the proposed facility. A health care facility is considered owned or operated by every person or entity that owns, directly or indirectly, an ownership interest.
 - a. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant, directly or indirectly, during the three years prior to the filing of the application.
 - b. A certified listing of each applicant, identifying those individuals that have been cited, arrested, taken into custody, charged with, indicted, convicted or tried for, or pled guilty to the commission of any felony or misdemeanor or violation of the law, except for minor parking violations; or the subject of any juvenile delinquency or youthful offender proceeding. Unless expunged, provide details about the conviction and submit any police or court records regarding any matters disclosed.
 - c. A certified and detailed listing of each applicant or person charged with fraudulent conduct or any act involving moral turpitude.
 - d. A certified listing of each applicant with one or more unsatisfied judgements against him or her.
 - e. A certified and detailed listing of each applicant who is in default in the performance or discharge of any duty or obligation imposed by a judgment, decree, order or directive of any court or governmental agency.
4. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
5. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant can submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.110(b) & (d)**PURPOSE OF PROJECT**

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals **as appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
- B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
- C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
- D) Provide the reasons why the chosen alternative was selected.

- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
- 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.120 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. **This must be a narrative and it shall include the basis used for determining the space and the methodology applied.**
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
 - c. The project involves the conversion of existing space that results in excess square footage.
 - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110. Appendix B. **A narrative of the rationale that supports the projections must be provided.**

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.
3. Evidence that the shell space is being constructed due to:
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data is available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION V. SERVICE SPECIFIC REVIEW CRITERIA

This Section is applicable to all projects proposing the establishment, expansion or modernization of categories of service that are subject to CON review, as provided in the Illinois Health Facilities Planning Act [20 ILCS 3960]. It is comprised of information requirements for each category of service, as well as charts for each service, indicating the review criteria that must be addressed for each action (establishment, expansion, and modernization). After identifying the applicable review criteria for each category of service involved, read the criteria and provide the required information APPLICABLE TO THE CRITERIA THAT MUST BE ADDRESSED:

C. Criterion 1110.210 - Acute Mental Illness and Chronic Mental Illness

- Applicants proposing to establish, expand and/or modernize the Acute Mental Illness and Chronic Mental Illness categories of service must submit the following information:
- Indicate bed capacity changes by Service: Indicate # of beds changed by action(s):

Category of Service	# Existing Beds	# Proposed Beds
<input checked="" type="checkbox"/> Acute Mental Illness	161	161
<input type="checkbox"/> Chronic Mental Illness		

- READ the applicable review criteria outlined below and **submit the required documentation for the criteria:**

APPLICABLE REVIEW CRITERIA	Establish	Expand	Modernize
1110.210(b)(1) - Planning Area Need - 77 Ill. Adm. Code 1100 (formula calculation)	X		
1110.210(b)(2) - Planning Area Need - Service to Planning Area Residents	X	X	
1110.210(b)(3) - Planning Area Need - Service Demand - Establishment of Category of Service	X		
1110.210(b)(4) - Planning Area Need - Service Demand - Expansion of Existing Category of Service		X	
1110.210(b)(5) - Planning Area Need - Service Accessibility	X		
1110.210(c)(1) - Unnecessary Duplication of Services	X		
1110.210(c)(2) - Maldistribution	X		
1110.210(c)(3) - Impact of Project on Other Area Providers	X		
1110.210(d)(1), (2), and (3) - Deteriorated Facilities			X
1110.210(d)(4) - Occupancy			X
1110.210(e)(1) - Staffing Availability	X	X	
1110.210(f) - Performance Requirements	X	X	X
1110.210(g) - Assurances	X	X	

APPEND DOCUMENTATION AS ATTACHMENT <u>20</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.			

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has 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):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VI. 1120.120 - AVAILABILITY OF FUNDS

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [Indicate the dollar amount to be provided from the following sources]:

<u>\$24,630,969</u>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion; <p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated timetable of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p> <p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated timetable of receipts;</p> <p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment; 5) For any option to lease, a copy of the option, including all terms and conditions.
---------------------	---

SECTION VII. 1120.130 - FINANCIAL VIABILITY

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All the project's capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third-party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS ATTACHMENT 35, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION VIII.1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 36, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. CHARITY CARE INFORMATION

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 39.


CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS **ATTACHMENT 38**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI -SPECIAL FLOOD HAZARD AREA AND 500-YEAR FLOODPLAIN DETERMINATION FORM

In accordance with Executive Order 2006-5 (EO 5), the Health Facilities & Services Review Board (HFSRB) must determine if the site of the CRITICAL FACILITY, as defined in EO 5, is located in a mapped floodplain (Special Flood Hazard Area) or a 500-year floodplain. All state agencies are required to ensure that before a permit, grant or a development is planned or promoted, the proposed project meets the requirements of the Executive Order, including compliance with the National Flood Insurance Program (NFIP) and state floodplain regulation.

- | | | |
|----------------------|--------------------------|-------------------------|
| 1. Applicant: | Chicago BH Hospital, LLC | 6100 Tower Circle #1000 |
| | (Name) | (Address) |
| | (City) | (State) |
| | (ZIP Code) | (Telephone Number) |
| 2. Project Location: | 4840 North Marine Drive | Chicago, Illinois |
| | (Address) | (City) (State) |
| | Cook | Lakeview |
| | (County) | (Township) (Section) |

3. You can create a small map of your site showing the FEMA floodplain mapping using the FEMA Map Service Center website (<https://msc.fema.gov/portal/home>) by entering the address for the property in the Search bar. If a map, like that shown on page 2 is shown, select the **Go To NFHL Viewer** tab above the map. You can print a copy of the floodplain map by selecting the  icon in the top corner of the page. Select the pin tool icon  and place a pin on your site. Print a FIRMETTE size image.

If there is no digital floodplain map available select the **View/Print FIRM** icon above the aerial photo. You will then need to use the Zoom tools provided to locate the property on the map and use the **Make a FIRMette** tool to create a pdf of the floodplain map.

IS THE PROJECT SITE LOCATED IN A SPECIAL FLOOD HAZARD AREA: Yes___ No X

IS THE PROJECT SITE LOCATED IN THE 500-YEAR FLOOD PLAIN?

If you are unable to determine if the site is in the mapped floodplain or 500-year floodplain, contact the county or the local community building or planning department for assistance.

If the determination is being made by a local official, please complete the following:

FIRM Panel Number: _____ Effective Date: _____

Name of Official: _____ Title: _____

Business/Agency: _____ Address: _____

(City)	(State)	(ZIP Code)	(Telephone Number)

Signature: _____ Date: _____

NOTE: This finding only means that the property in question is or is not in a Special Flood Hazard Area or a 500-year floodplain as designated on the map noted above. It does not constitute a guarantee that the property will or will not be flooded or be subject to local drainage problems.

If you need additional help, contact the Illinois Statewide Floodplain Program at 217/782-4428

National Flood Hazard Layer FIRMette



87°39'20"W 41°58'26"N



0 250 500 1,000 1,500 2,000 Feet
1:6,000 25
Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

OTHER AREAS OF FLOOD HAZARD

GENERAL STRUCTURES

OTHER FEATURES

MAP PANELS

N



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 1/7/2022 at 5:37 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

#22-008

Section I, Identification, General Information, and Certification

Applicants

Certificates of Good Standing for Acadia Healthcare Company, Inc. and Chicago BH Hospital, LLC (collectively, "Applicants") are attached at Attachment – 1.

Chicago BH Hospital, LLC is the licensee of Montrose Behavioral Health Hospital. Montrose Behavioral Health Hospital is a trade name of Chicago BH Hospital, LLC and is not separately organized.

As the person with final control of the licensee, Acadia Healthcare Company, Inc. is named as an applicant in this certificate of need application.

File Number

7152-269-5



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

ACADIA HEALTHCARE COMPANY, INC., INCORPORATED IN DELAWARE AND LICENSED TO TRANSACT BUSINESS IN THIS STATE ON JANUARY 05, 2018, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE BUSINESS CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 27TH
day of JULY A.D. 2021 .***

Jesse White

SECRETARY OF STATE

Authentication #: 2120804082 verifiable until 07/27/2022
Authenticate at: <http://www.cyberdriveillinois.com>

File Number

0874321-5



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

CHICAGO BH HOSPITAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON AUGUST 05, 2021, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 10TH
day of AUGUST A.D. 2021 .***

Jesse White

SECRETARY OF STATE

Authentication #: 2122200416 verifiable until 08/10/2022
Authenticate at: <http://www.isos.gov>

Section I, Identification, General Information, and Certification
Site Ownership

A copy of the recorded warranty deed for the property located at 4840 North Marine Drive, Chicago, Illinois 60640 is attached at Attachment – 2.

PREPARED BY:

Jared I. Rothkopf
 Polsinelli PC
 150 N. Riverside Plaza, Suite 3000
 Chicago, IL 60606

RETURN**RECORDED DOCUMENT TO:**

J. Steven Kirkham
 Waller Law
 511 Union Street, Suite 2700
 Nashville, Tennessee 37219

SEND FUTURE TAX BILLS TO:

Acadia Healthcare Company, Inc.
 6100 Tower Circle, Suite 1000
 Franklin, TN 37067
 Attn: Keith E. Thompson



Doc# 2135657015 Fee \$88.00

RHSP FEE: \$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 12/22/2021 10:05 AM PG: 1 OF 4

Above Space for Recorder's use only

SPECIAL WARRANTY DEED

THE GRANTOR, **CCP LAKESHORE 4000 LLC**, a Delaware limited liability company ("Grantor"), whose address is 18500 Von Karman Avenue, Suite 550, Irvine, CA 92612 for and in consideration of TEN AND 00/100 DOLLARS, and other good and valuable consideration in hand paid, conveys and specially warrants to **CHICAGO BH HOSPITAL, LLC**, a Delaware limited liability company ("Grantee") whose address is 6100 Tower Circle, Suite 1000, Franklin, Tennessee 37067, all interest in the real estate legally described in Exhibit A attached hereto, subject however to the matters set forth on Exhibit B, and hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Grantor, by execution and delivery of this Special Warranty Deed, warrants title to the real estate legally described in Exhibit A as to and against its own acts and all persons claiming by, through or under Grantor only and none other.

PIN: 14-08-418-046-0000; 14-08-418-047-0000; 14-08-418-048-0000; 14-08-418-049-0000; 14-08-418-050-0000

Property Address: 4840 N. Marine Drive, Chicago, Illinois

Dated: December 17, 2021

[Grantor's signatures begin on next page]

COMMONWEALTH LAND TITLE

FC# 121077361
 778

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed as of the 17th day of December, 2021.

GRANTOR:

CCP LAKESHORE 4000 LLC,
a Delaware limited liability company

By: 

Name: Talya Nevo-Hacohen

Title: EVP, Chief Investment Officer

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF ORANGE)

REAL ESTATE TRANSFER TAX

20-Dec-2021



COUNTY: 12,086.00
ILLINOIS: 24,172.00
TOTAL: 36,258.00

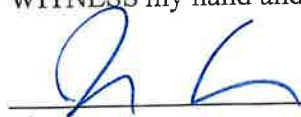
14-08-418-050-0000

| 20211201674990 | 1-277-172-368

On December 13, 2021, before me, JACKLYN M. CHEN, Notary Public, personally appeared TALYA NEVO-HACOHEN, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature

(Seal)

REAL ESTATE TRANSFER TAX

20-Dec-2021



CHICAGO: 181,290.00
CTA: 72,516.00
TOTAL: 253,806.00 *

14-08-418-050-0000 | 20211201674990 | 0-215-816-848

* Total does not include any applicable penalty or interest due.



SPECIAL WARRANTY DEED – SIGNATURE PAGE

EXHIBIT "A"**LEGAL DESCRIPTION**

Lots 65, 66, 67, 68 and the East 18.00 feet of Lot 69 in Block 4 and premises, if any, East of and adjoining said Lot 65 and between North and South lines of said Lot 65, produced East and lying West of the West line of Lincoln Park, as established by decree entered July 18, 1907 in case 280120 Circuit Court in Castlewood, being a Subdivision of that part of Lot 4 in Fussey and Fennimore's Subdivision of the Southeast fractional 1/4 of Section 8, Township 40 North, Range 14, East of the Third Principal Meridian, lying East of centerline of Sheridan Road and North of the North line of South 5 20/100 chains of said Section 8 aforesaid, in Cook County, Illinois.

PIN: 14-08-418-046-0000; 14-08-418-047-0000; 14-08-418-048-0000; 14-08-418-049-0000; 14-08-418-050-0000

Property Address: 4840 N. Marine Drive, Chicago, Illinois

EXHIBIT "B"**PERMITTED EXCEPTIONS**

1. Taxes and assessments for the year 2021 and subsequent years, not yet due or payable.
2. Ordinance of the City of Chicago recorded December 30, 2014 as document number 1436433017 enlarging the boundaries of special service area number 34 and amending the terms of said special service area.
3. Building line 10.00 Feet from the street line as established by instrument recorded May 26, 1909 as document 3869659, and restrictions relating to the location and character of buildings to be erected in said instrument.
4. Easement for private passageway or alley over the West 4.00 Feet of the East 18.00 Feet of Lot 69 in Castlewood and the East 4.00 Feet of the West 32.00 Feet of Lot 69, established by agreement between John E. Groves, Della A. Groves, Auston O'Malley and Alice O'Malley recorded September 9, 1918 as document number 6388166, as modified as disclosed in instruments recorded as document numbers 6472256 and 6472257.

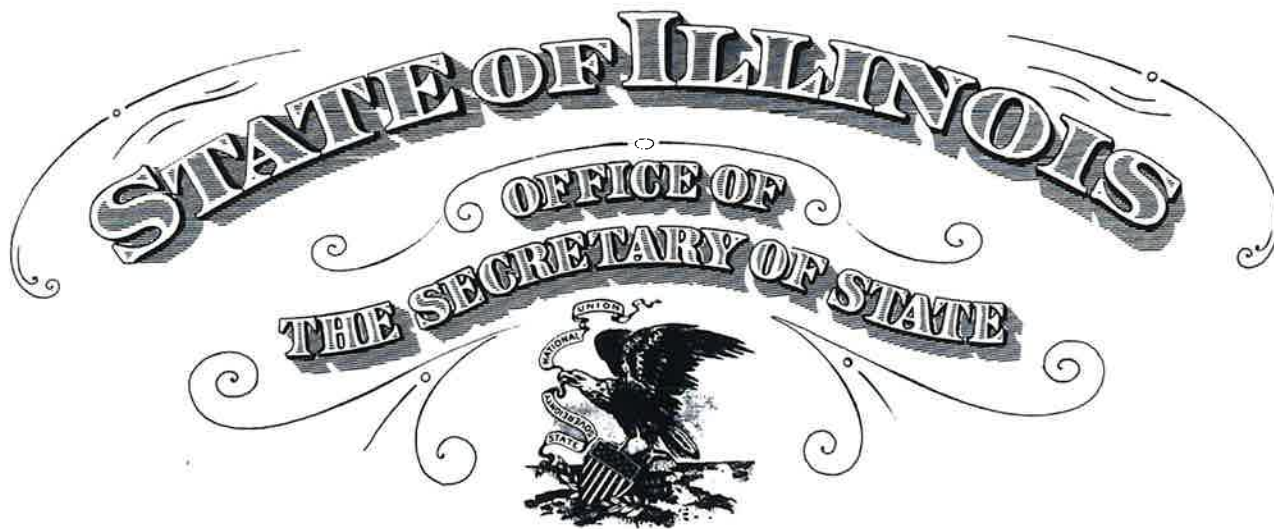
(Affects the East 18.00 Feet of Lot 69)
5. Encroachment Agreement recorded August 29, 1989 as document number 89403945 between HCA Health Services of Midwest, Inc., and Chicago Title and Trust Company as Trustee under trust number 64456 relating to the use of a brick wall.
6. Existing unrecorded leases and all rights thereunder of the lessees and of any person or party claiming by, through or under the lessees.
7. The following matters disclosed by the survey prepared by Bock & Clark Corporation known as Project No. 202104170-002:
 - (a) Encroachment of the garage located mainly on the property Northerly and adjoining onto Lot 68 by approximately 0.40 feet; and
 - (b) Encroachment of the fence located mainly on Lot 68 onto the public right of way Southerly and adjoining by approximately 7.25 feet.
8. Matters done or suffered by, through or under Grantee.

Section I, Identification, General Information, and Certification
Operating Entity/Licensee

The Certificate of Good Standing for Chicago BH Hospital, LLC is attached at Attachment – 3.

File Number

0874321-5



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

CHICAGO BH HOSPITAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY HAVING OBTAINED ADMISSION TO TRANSACT BUSINESS IN ILLINOIS ON AUGUST 05, 2021, APPEARS TO HAVE COMPLIED WITH ALL PROVISIONS OF THE LIMITED LIABILITY COMPANY ACT OF THIS STATE, AND AS OF THIS DATE IS IN GOOD STANDING AS A FOREIGN LIMITED LIABILITY COMPANY ADMITTED TO TRANSACT BUSINESS IN THE STATE OF ILLINOIS.



***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 10TH
day of AUGUST A.D. 2021 .***

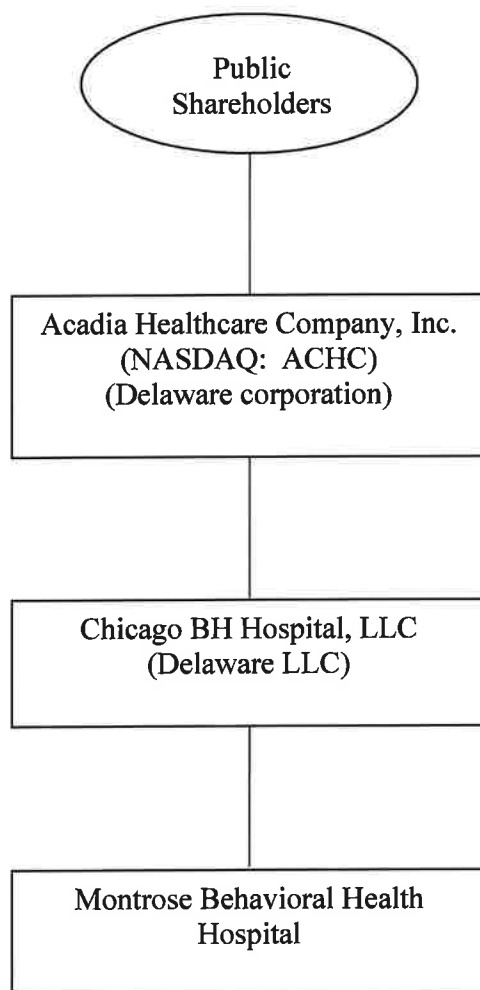
Jesse White

SECRETARY OF STATE

Authentication #: 2122200416 verifiable until 08/10/2022
Authenticate at: <http://www.ilsos.gov>

Section I, Identification, General Information, and Certification
Organizational Relationships

The organization chart for Chicago BH Hospital, LLC is attached at Attachment – 4.



Section I, Identification, General Information, and Certification
Flood Plain Requirements

The site of the Montrose Behavioral Health Hospital complies with the requirements of Illinois Executive Order #2006-5. As shown in the documentation from the FEMA Flood Map Service Center attached at Attachment – 5, the interactive map for Panel 17031C0407K shows this area is not located within a flood plain.

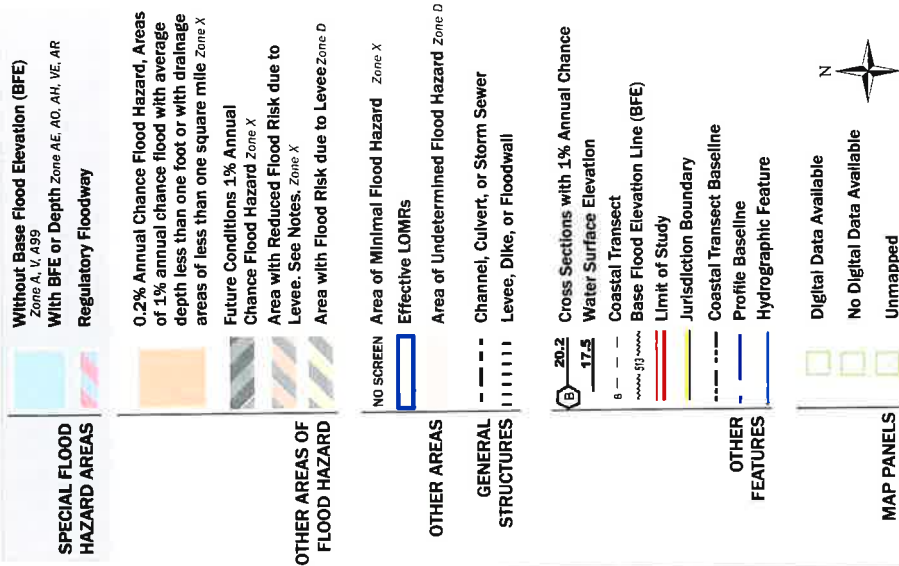
National Flood Hazard Layer FIRMette



87°39'20"W 41°58'26"N

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

#22-008

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 1/7/2022 at 5:37 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



87°38'43"W 41°58'N

1:6,000 39

Feet

2,000

1,500

1,000

500

0

Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Section I, Identification, General Information, and Certification
Historic Resources Preservation Act Requirements

The Historic Preservation Act determination from the Illinois Historic Preservation Agency is attached at Attachment – 6.



Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

JB Pritzker, Governor
Colleen Callahan, Director

Cook County
Chicago

CON - Internal Modernization and Exterior Facade & Main Entrance Upgrades at Montrose Behavioral Health

4840 N. Marine Dr.
SHPO Log #001011322

February 4, 2022

Anne Cooper
Polsinelli
150 N. Riverside Plaza, Suite 3000
Chicago, IL 60606-1599

Dear Ms. Cooper:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact Rita Baker, Cultural Resources Manager, at 217/785-4998 or at Rita.E.Baker@illinois.gov.

Sincerely,

A handwritten signature in black ink that reads "Carey L. Mayer".

Carey L. Mayer, AIA
Deputy State Historic
Preservation Officer

Section I, Identification, General Information, and Certification
Project Costs

Project Costs			
USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs			
Bid Solicitation	\$55,137	\$27,198	\$82,335
Space Planning	\$22,259	\$10,981	\$33,240
Site Survey and Soil Investigation			
Site Survey	\$9,540	\$4,706	\$14,246
Soil/Environmental Survey	\$12,720	\$6,274	\$18,994
Modernization Contracts	\$8,390,578	\$9,420,814	\$17,811,392
Contingencies	\$1,258,586	\$1,413,123	\$2,671,709
Architectural/Engineering Fees			
Design and Development	\$602,463	\$297,186	\$899,649
Construction Administration	\$150,616	\$74,297	\$224,913
Moveable and Other Equipment			
Fixed and Moveable Capital Equipment	\$246,000	\$350,000	\$596,000
Furniture	\$870,564	\$429,436	\$1,300,000
IT/Telecom	\$735,282	\$214,718	\$950,000
Other Costs to Be Capitalized			
Zoning & Conditional Use Changes	\$19,079	\$9,412	\$28,491
TOTAL USES OF FUNDS	\$12,372,824	\$12,258,145	\$24,630,969

Section I, Identification, General Information, and Certification
Cost Space Requirements

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Nursing	\$7,859,681	31,752			31,752		
Admissions/Intake	\$455,605	1,819			1,819		
Pharmacy	\$75,292	381			381		
Total Reviewable	\$8,390,578	33,952			33,952		
NON-REVIEWABLE							
Administration	\$1,170,953	3,756			3,756		
Dietary	\$215,282	1,871			1,871		
Dining/Activity/ Day Room	\$447,826	2,110			2,110		
ECT Clinic	\$256,119	967			967		
Maintenance	\$79,268	652			652		
Mechanical/ Electrical	\$5,533,366	2,352			2,352		
Circulation – Horizontal	\$547,436	2,086			2,086		
Circulation - Vertical	\$410,710	2,954			2,954		
Total Non-Reviewable	\$8,660,960	16,748			16,748		
Misc – (Roofing, Exterior Improvement)	\$759,854						
Total Construction	\$17,811,392	50,700			50,700		
Other Project Costs							
Preplanning	\$115,575						
Site Survey & Soil Investigation	\$33,240						
Contingencies	\$2,671,709						
Architectural/Engineering	\$1,124,562						
Moveable and Other Equipment	\$2,846,000						
Other Costs to be Capitalized	\$28,491						
Total Other Project Costs	\$6,819,577						
Total Use of Funds	\$24,630,969						

Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.110(a), Project Purpose, Background, and Alternatives

1. Acadia is synonymous with excellent care and service and an unparalleled commitment to patients, staff, physicians, and community. Acadia Healthcare Company, Inc., and Chicago BH Hospital, LLC own and operate one health care facility in Illinois, Montrose Behavioral Health Hospital. IDPH conducted a life safety code survey of the pediatrics building on February 8, 2022 and the provisional license will be submitted under separate cover once it is received from IDPH.
2. Letters from the Applicants certifying no adverse action has been taken against any facility owned and/or operated by the Applicants in Illinois during the three years prior to filing this application is attached at Attachment – 11B.
3. An authorization permitting the State Board and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted, including, but not limited to: official records of IDPH or other State agencies is attached at Attachment – 11B.

Name	Address	City
Montrose Behavioral Health Hospital	4840 North Marine Drive	Chicago

Name	Address	City
Montrose Behavioral Health Hospital	4840 North Marine Drive	Chicago

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 Ill. Admin. Code § 1130.140 has been taken against any health care facility owned or operated by Chicago BH Hospital, LLC in the State of Illinois during the three-year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,



Christopher L. Howard
Vice President and Secretary
Chicago BH Hospital, LLC

Subscribed and sworn to me
This 21 day of January, 2022


Notary Public

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 that no adverse action as defined in 77 Ill. Admin. Code § 1130.140 has been taken against any health care facility owned or operated by Acadia Healthcare Company, Inc. in the State of Illinois during the three-year period prior to filing this application.

Additionally, pursuant to 77 Ill. Admin. Code § 1110.110(a)(2)(J), I hereby authorize the Health Facilities and Services Review Board ("HFSRB") and the Illinois Department of Public Health ("IDPH") access to any documents necessary to verify information submitted as part of this application for permit. I further authorize HFSRB and IDPH to obtain any additional information or documents from other government agencies which HFSRB or IDPH deem pertinent to process this application for permit.

Sincerely,



Christopher L. Howard
Vice President and Secretary
Acadia Healthcare Company, Inc.

Subscribed and sworn to me
This 24 day of January, 2022



Notary Public



Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.110(b), Project Purpose, Background, and Alternatives

1. Purpose. The purpose of this modernization project is to provide intensive inpatient mental health services that are responsive to a significant unmet need for behavioral health services and to advance behavioral health equity. In the Chicago metropolitan area,² there are only 2,201 inpatient behavioral health beds to serve a population of nearly 8.7 million people (or one behavioral health bed for every 3,929 people). Ideally, adequate and consistent access to outpatient behavioral health services could reduce the need for inpatient services but as it stands, there should be 50 behavioral health beds for every 100,000 people, or a total of 4,325 beds to adequately serve the Chicago metropolitan area.³ This project does not add beds to the inventory of the State Board but rather updates the quality of existing bed units to allow critical local access to behavioral health services to the residents of the Uptown neighborhood of Chicago and surrounding communities.

Acadia Healthcare's mission is to create a world-class organization that sets the standard of excellence in the treatment of behavioral health. The Montrose Behavioral Health Hospital modernization project will involve general physical plant improvements to ensure the adult inpatient building is updated to provide the best option for clinical area design and construction and upgraded infrastructure systems, including mechanical systems and air handlers, to maintain a long-term, healthy building environment for patients and staff. The new design will incorporate a therapeutic healing environment by upgrading the fixtures, lighting, and finishes, and installing modern windows to increase daylight exposure. It will provide a safe and comfortable healing environment where patients with behavioral health conditions are treated with respect and compassion that enables them to regain hope and develop resilience in a supportive, caring environment. The building's exterior façade and main entrance will be upgraded to be inviting and non-institutional. The upgrades will be made within the current physical plant and as such they will be influenced by the site restraints.

Key elements to be addressed include:

- Promoting staff efficiency by minimizing distance of necessary travel between frequently used spaces
- Allowing easy visual supervision of patients by staff
- Including all needed spaces, but no redundant ones.
- Providing an efficient logistics system for the efficient handling of food and clean supplies and the removal of waste, recyclables, and soiled material

While the new design will focus on providing a positive aesthetic environment for patients in crisis with a more residential character, the safety and welfare of the patients is paramount. Patient safety upgrades for building hardware, including plumbing fixtures, door hardware, ceilings and related items will be made to mitigate ligature risks. The patient care units will focus on the individual with sub-unit stations providing

² Cook, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, McHenry, and Will Counties.

³ This equates to a need for 2,124 additional behavioral health beds.

targeted care for different patient populations, and communal shower rooms will be replaced with private bathrooms in each patient room to ensure patient dignity and privacy. Finally, upgrades necessary to comply with ADA requirements, both on and off patient units, will be made.

As noted above, the Montrose Behavioral Health Hospital is located in the Uptown neighborhood on the northside of Chicago, and the project will create greater access to services for underserved and unrepresented communities. Uptown is among Chicago's most culturally diverse neighborhoods, nearly half of the residents are African-American, Hispanic or Asian.⁴ It is a port of entry for immigrants and refugees, with 25% foreign born residents and 16% of residents with limited English proficiency (or LEP).⁵ Individuals with LEP face barriers to health care access, experience lower quality of care, and suffer worse health outcomes than the general population. LEP is an "independent driver of health care disparities and exacerbates other social determinants of health."⁶ Due to these and other access issues, the Health Resources & Services Administration ("HRSA") designated Uptown and the surrounding neighborhoods as a mental health professional shortage area, a primary care Health Professional Shortage Area, medically underserved population and a medically underserved area for its Asian American population. See Attachment – 12A. These designations document the significant need for this project.

In determining whether an area is a mental health professional shortage area HRSA considers (i) population to psychiatrist ratio, (ii) percent of population below 100% of the Federal Poverty Limit, (iii) elderly ratio, (iv) youth ratio, (v) alcohol and substance abuse prevalence, and (vi) the travel time to the nearest source of care. Acadia's model for care across the country demands that it use innovative solutions to address shortages of behavioral health care professionals. It will implement those solutions in this market to ensure that Montrose Behavioral Health Hospital addresses the mental health professional shortage including by acquiring better access to behavioral health professionals and by reducing the travel time for patients residing in Uptown and surrounding neighborhoods requiring behavioral health services.

2. Market Area

A map of the market area for Montrose Behavioral Health Hospital is attached at Attachment – 12B. A list of all zip codes located, in total or in part, within 10 miles of the Montrose Behavioral Health Hospital is provided in the table on the following page:

⁴ Chicago Metropolitan Agency for Planning, Uptown: Community Data Snapshot (Aug. 2021) available at <https://www.cmap.illinois.gov/documents/10180/126764/Uptown.pdf> (last visited Feb. 11, 2022).

⁵ Id.

⁶ Jason Espinoza, M.D. and Sabrina Derrington, M.D., M.A., HEC-C, *How Should Clinicians Respond to Language Barriers that Exacerbate Health Inequity?*, 23 AMA J Ethics 109, 109 (

Table 1110.110(b) Geographic Service Area Population		
Zip Code	City	Population
60029	Golf	476
60043	Kenilworth	2,460
60053	Morton Grove	23,089
60076	Skokie	31,788
60077	Skokie	27,626
60091	Wilmette	27,165
60201	Evanston	41,884
60202	Evanston	32,703
60203	Evanston	4,397
60301	Oak Park	2,831
60302	Oak Park	31,620
60304	Oak Park	17,782
60601	Chicago	15,083
60602	Chicago	1,145
60603	Chicago	1,052
60604	Chicago	823
60605	Chicago	29,060
60606	Chicago	3,287
60607	Chicago	29,293
60608	Chicago	80,059
60610	Chicago	40,548
60611	Chicago	33,224
60612	Chicago	33,735
60613	Chicago	50,761
60614	Chicago	71,954
60616	Chicago	54,197
60618	Chicago	94,907
60622	Chicago	53,294
60624	Chicago	34,892
60625	Chicago	79,444
60626	Chicago	50,544
60630	Chicago	56,433
60631	Chicago	29,529
60634	Chicago	75,082
60639	Chicago	88,204
60640	Chicago	69,363
60641	Chicago	69,880
60642	Chicago	19,716

Table 1110.110(b) Geographic Service Area Population		
Zip Code	City	Population
60644	Chicago	46,591
60645	Chicago	47,270
60646	Chicago	28,569
60647	Chicago	87,633
60651	Chicago	63,492
60654	Chicago	20,022
60656	Chicago	28,218
60657	Chicago	70,958
60659	Chicago	42,735
60660	Chicago	44,498
60661	Chicago	10,354
60706	Harwood Heights	23,114
60707	Elmwood Park	43,093
60712	Lincolnwood	12,434
60714	Niles	29,520
Total		2,007,831

U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates Data Profiles available at <https://data.census.gov/cedsci/table?q=United%20States&g=0100000U&tid=ACSDP1Y2018.DP05> (last visited Jan. 14, 2022).

3. Existing problems

The adult inpatient building was constructed in 1965, when behavioral health care was provided in an institutionalized setting with locked-down units and enclosed nurses stations. Patients received custodial care, spent the majority of their time in their rooms, and had limited access to the outside world. As care shifts from an observation and evaluation model to a more holistic treatment approach in which patients take charge of their healing process through the individual and team-based care in a supportive environment, treatment facility design should be safe and comfortable, emphasizing personal empowerment and dignity.

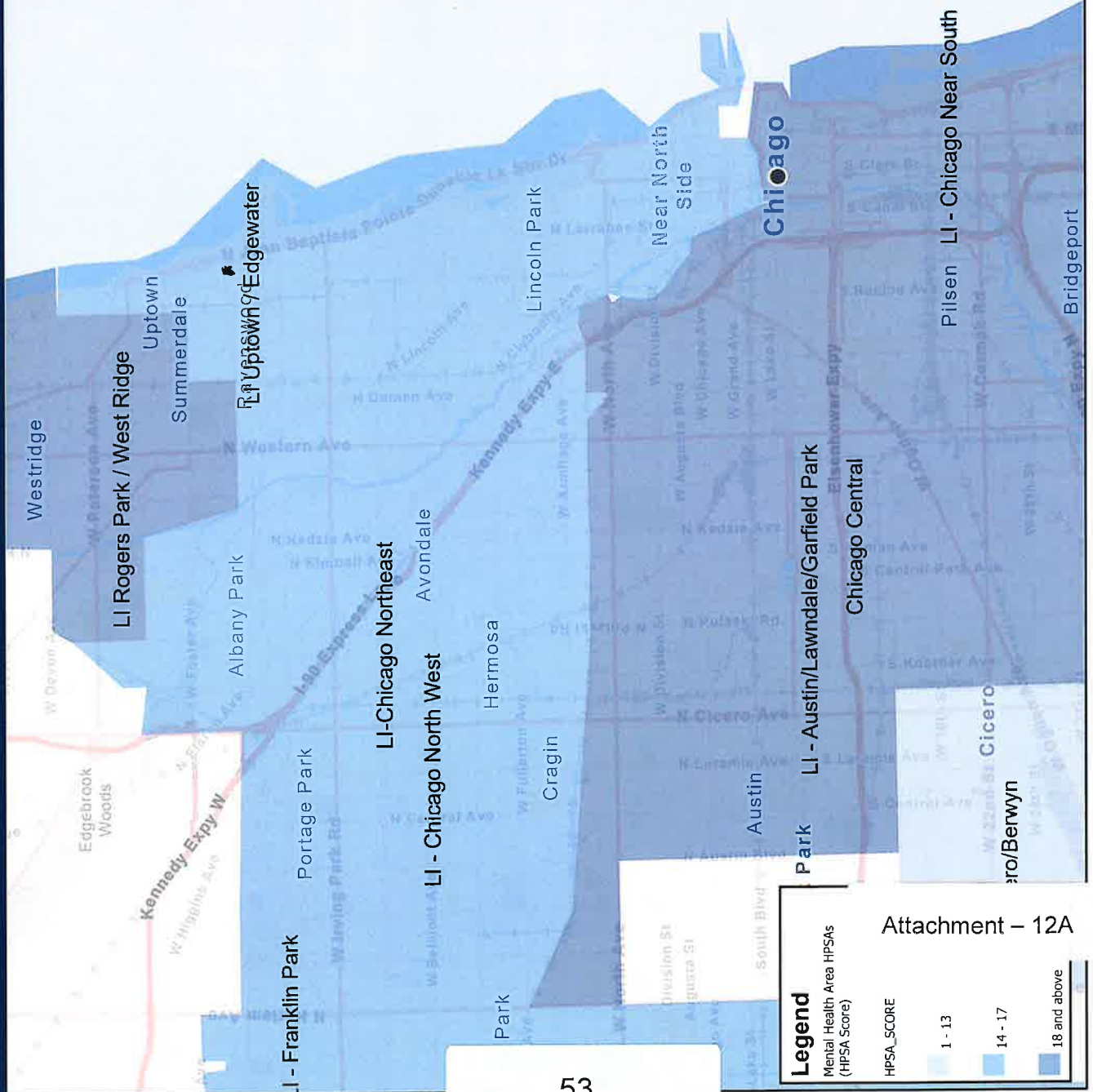
4. Sources

Jocelyn M. Stroupe, AAHID, IIDA, ASID, EDAC, *Behavioral Health Design: Effective Patients Spaces for Treating Mental Illness*, HEALTH FACILITIES MANAGEMENT, Sept. 3, 2014 available at <https://www.hfmmagazine.com/articles/1370-behavioral-health-design> (last visited Jan. 18, 2022).

Steve Cimino, *A New Era Dawns In Behavioral Health Design*, AM. INSTITUTE OF ARCHITECTS, available at <https://www.aia.org/articles/6120749-a-new-era-dawns-in-behavioral-health-design>:31 (last visited Jan. 18, 2022).

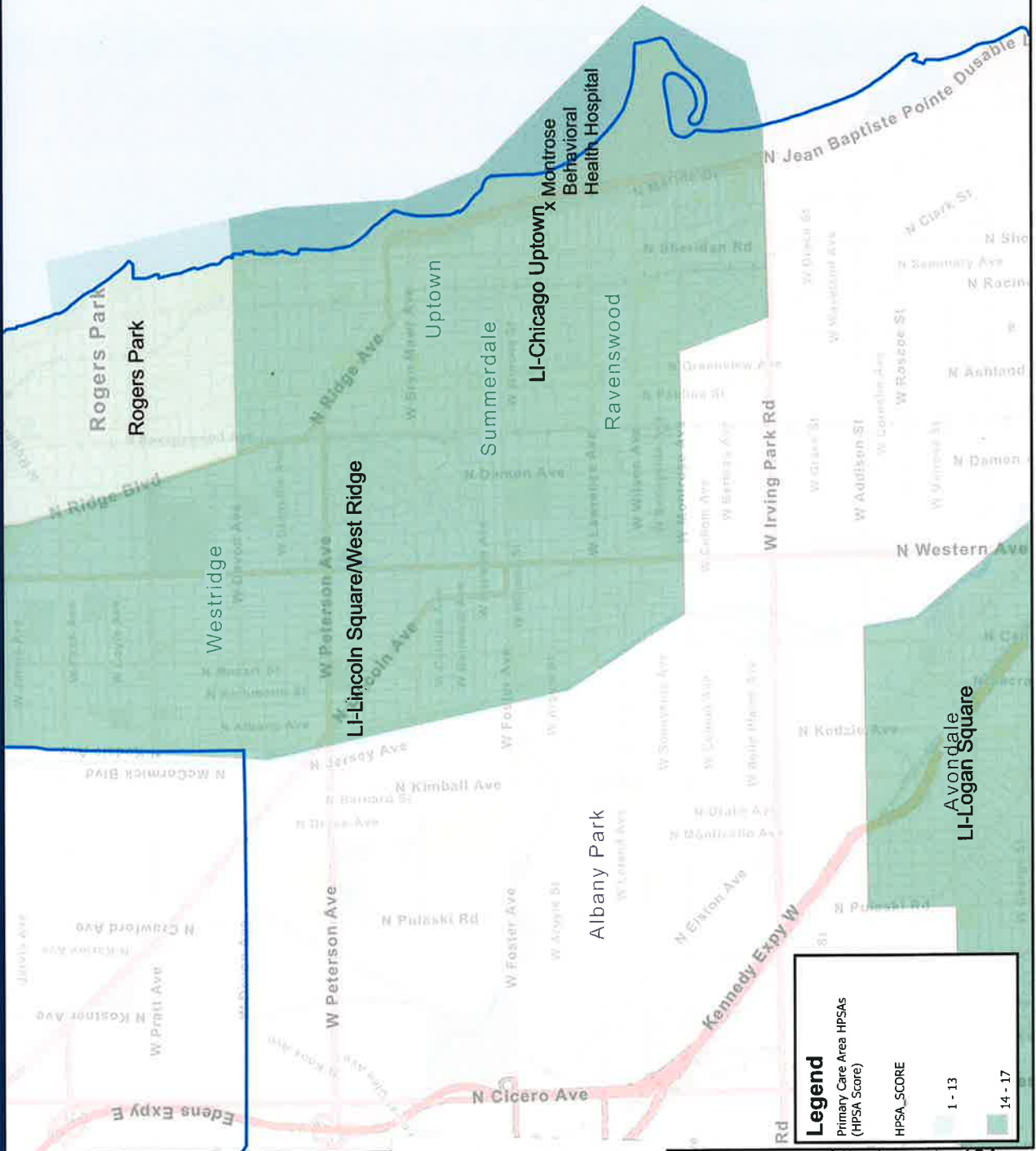
Kari Thorsen, *5 Ways Design is Transforming Behavioral Healthcare*, BUILDING DESIGN + CONSTRUCTION, Jul. 11, 2018 available at <https://www.bdcnetwork.com/5-ways-design-transforming-behavioral-healthcare> (last visited Jan. 18, 2022).

5. The modernization of the Montrose Behavioral Health Hospital adult inpatient building will provide a safe and comfortable healing environment where patients with behavioral health conditions are treated with respect and compassion that enables them to regain hope in a supportive, caring environment. The new design will incorporate a therapeutic healing environment by upgrading the lighting, colors and finishes, and installing modern windows to increase daylight exposure, which can reduce anxiety while supporting an environment of safety and normalcy.
6. The Applicants anticipate the modernization of the Montrose Behavioral Health Hospital adult inpatient building to be completed within 10 months, once all necessary permits are in place. While it is anticipated the adult inpatient building will be operational by the second quarter of 2023, the Applicants may encounter labor and supply chain issues related to the COVID-19 pandemic and have listed December 31, 2023 as the outside date for operationalizing the adult inpatient building.



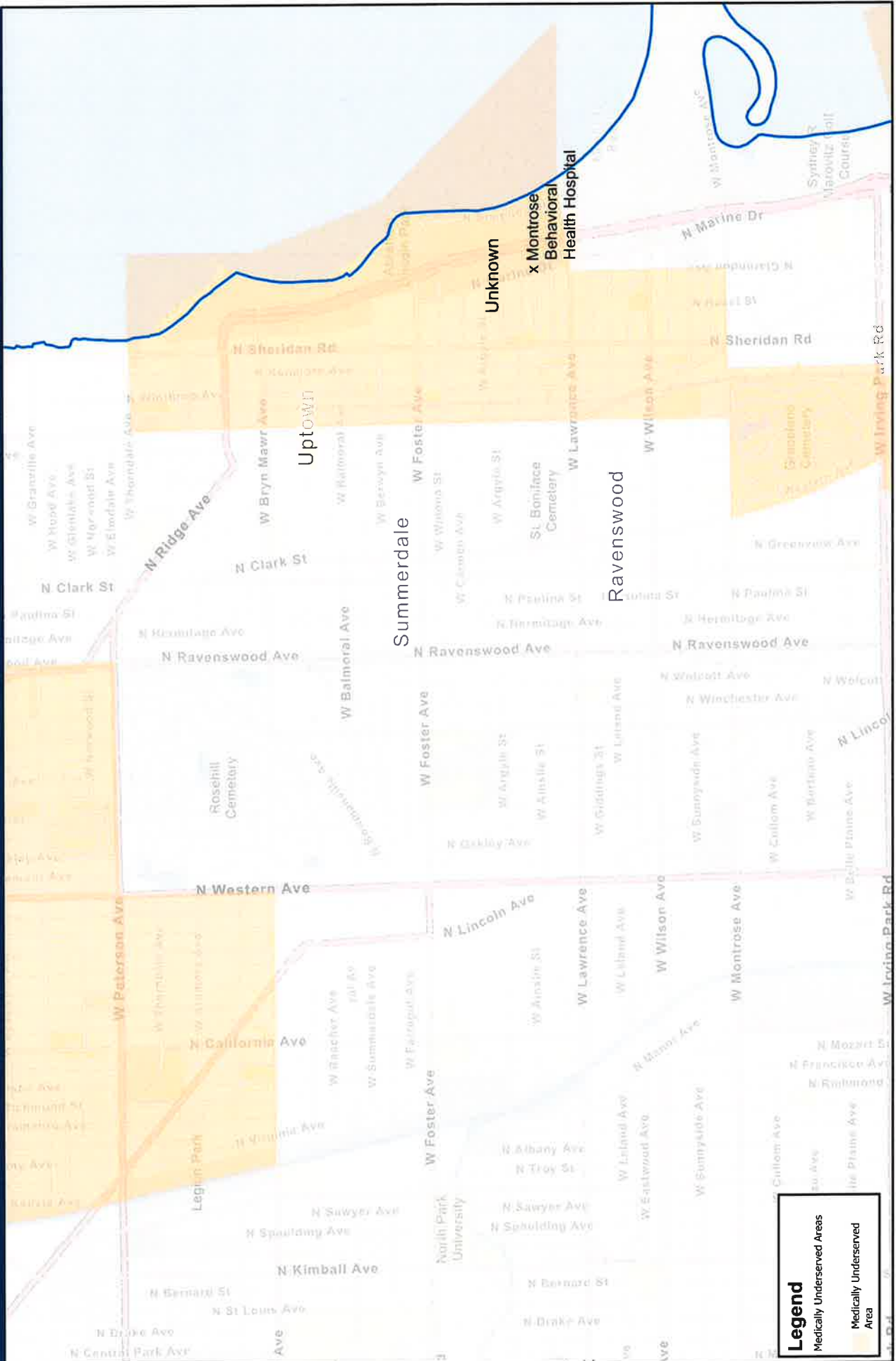
HRSA Map

HRSA
Health Resources & Services Administration



HRSA Map

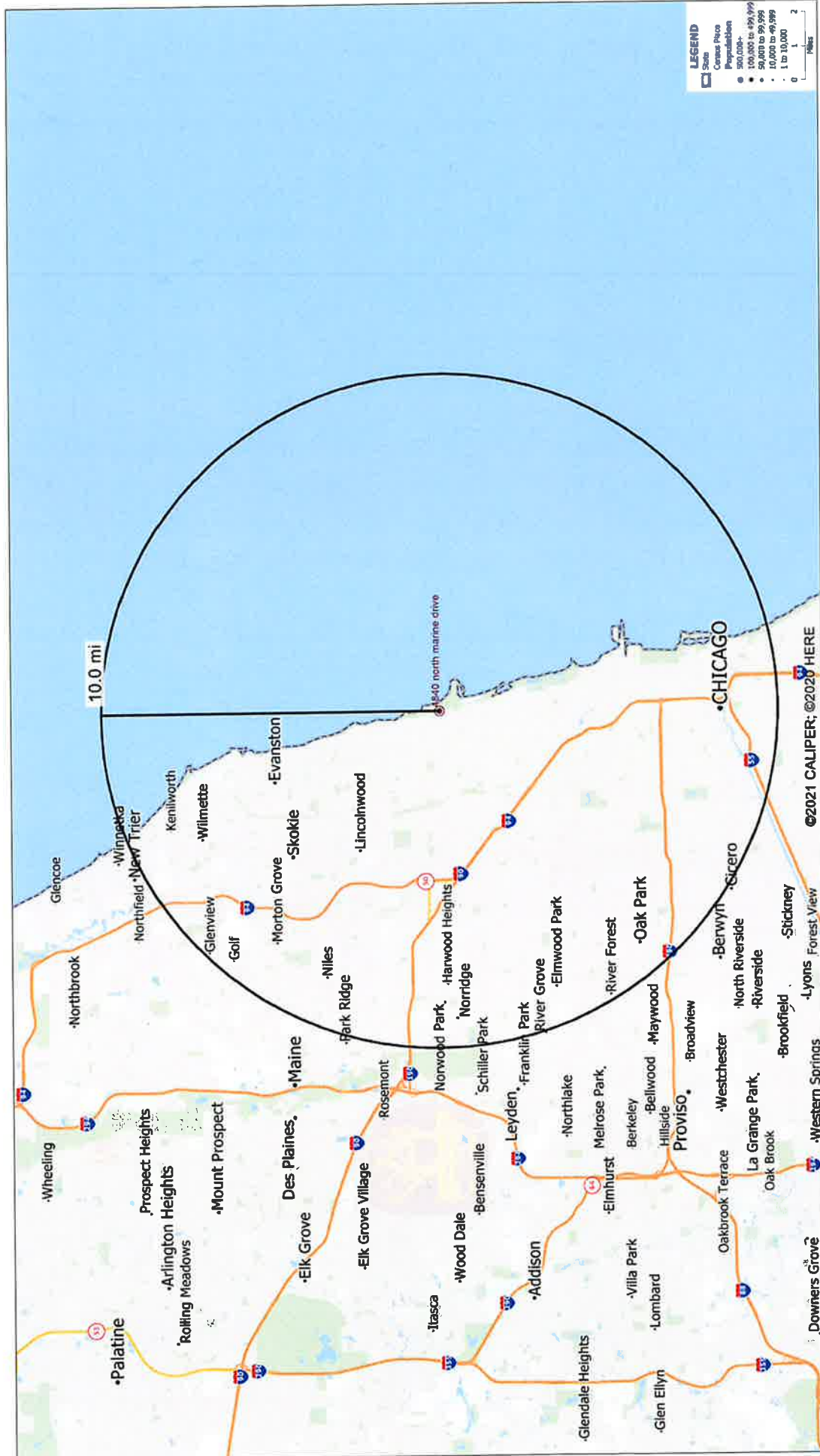
HRSA
Health Resources & Services Administration



Prepared by:
Division of Data and Information Services
Office of Information Technology
Health Resources and Services Administration
Created on: 1/31/2022

data.hrsa.gov





Section III, Project Purpose, Background and Alternatives – Information Requirements
Criterion 1110.110(b), Project Purpose, Background, and Alternatives

Alternatives

The Applicants considered two options prior to determining to modernize the Montrose Behavioral Health Hospital adult inpatient building.

1. Maintain the Status Quo/Do Nothing
2. Modernize the Adult Inpatient Building

After exploring these options, which are discussed in greater detail, the Applicants determined to modernize the adult inpatient building. A review of each of the options considered and the reasons they were rejected follows.

Maintain the Status Quo

The Applicants considered the option not to do anything. The adult inpatient building was constructed in 1965, when behavioral health care was provided in an institutionalized setting with locked-down units and enclosed nurses stations. Patients received custodial care, spent the majority of their time in their rooms, and had limited access to the outside world. As care shifts from an observation and evaluation model to a more holistic treatment approach, treatment facility design should be safe and comfortable, emphasizing personal empowerment and dignity and allowing patients to take control of their own healing process. Maintaining the status quo will prohibit the Applicants from providing a therapeutic healing environment which will meet patients' needs and improve outcomes. Accordingly, this option was rejected.

There is no capital cost with this alternative, but it is not a feasible option for operating the inpatient units in the adult building.

Modernize the Adult Inpatient Building

The Applicants propose to modernize the Montrose Behavioral Health Hospital adult inpatient building to bring it up to state-of-the-art, safe, clinically appropriate and environmentally friendly standards. The project will involve general physical plant improvements to ensure the adult inpatient building is updated to provide updated clinical area design and construction and upgraded infrastructure systems, including mechanical systems and air handlers, to maintain a long-term, healthy building environment for patients and staff. It will provide a safe and comfortable healing environment where patients with behavioral health conditions are treated with respect and compassion that enables them to regain hope in a supportive, caring environment. The new design will incorporate a therapeutic healing environment by upgrading the lighting, colors and finishes, and installing modern windows to increase daylight exposure, which will meet patients' needs and improve outcomes. The building's exterior façade and main entrance will be upgraded to have an inviting and non-institutional appearance.

Further, in considering needed updates to the building, the safety and welfare of the patients who will receive treatment is paramount. Patient safety upgrades for building hardware, including plumbing fixtures, door hardware, ceilings and related items will be made to mitigate ligature risks. The patient care units will focus on the individual with sub-unit stations providing targeted care for different patient populations, and communal shower rooms will be replaced

with private bathrooms in each patient room to ensure patient dignity and privacy. Finally, upgrades necessary to comply with ADA requirements, both on and off patient units, will be made.

The modernization of the adult inpatient building is needed to provide patients with state-of-the-art, safe, clinically appropriate care. Accordingly, the Applicants chose this option.

The cost of this alternative is \$24,630,969.

Section IV, Project Scope, Utilization, and Unfinished Shell Space
Criterion 1110.120(a), Size of the Project

The Applicants propose to modernize its 101-bed adult behavioral health building located at 4840 N. Marine Drive, Chicago, IL 60640. Pursuant to Section 1110, Appendix B of the State Board's rules, the maximum size of a behavioral health inpatient bed unit is 560 GSF per acute bed for a total maximum of 56,560 GSF for 101 acute mental illness beds. The total gross square footage of clinical space at the adult behavioral health building is 33,952 (or 336.2 per bed). Accordingly, the adult behavioral health building meets the State standard.

Section IV, Project Scope, Utilization, and Unfinished Shell Space
Criterion 1110.120(c), Project Services Utilization

By the second year of operation, annual utilization at Montrose Behavioral Health Hospital shall meet or exceed the State Board's utilization standard of 85%. By the second year after project completion, the Applicants anticipate at least 3,737 adult admissions and an average length of stay of 8.4 days for 31,390 patient days and at least 2,216 pediatric admissions and an average length of stay of 8.4 days for 18,615 patient days. An explanation for the demand for behavioral health services in the area is described in the Purpose of the Project narrative.

Section IV, Project Scope, Utilization, and Unfinished Shell Space
Criterion 1110.120(d), Unfinished Shell Space

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section IV, Project Scope, Utilization, and Unfinished Shell Space
Criterion 1110.120(e), Assurances

This project will not include unfinished space designed to meet an anticipated future demand for service. Accordingly, this criterion is not applicable.

Section VI, Service Specific Review Criteria**Acute Mental Illness****Criterion 1110.210, Acute Mental Illness – Review Criteria****1. Deteriorated Facilities**

The adult inpatient building was constructed in 1965, when behavioral health care was provided in an institutionalized setting with locked-down units and enclosed nurses' stations. Patients received custodial care, spent the majority of their time in their rooms, and had limited access to the outside world. As care shifts from an observation and evaluation model to a more holistic treatment approach in which patients take charge of their healing process through the individual and team-based care in a supportive environment, treatment facility design should be safe and comfortable, emphasizing personal empowerment and dignity and allowing patients to take control of their own healing process.

The modernization of the Montrose Behavioral Health Hospital adult inpatient building will provide a safe and comfortable healing environment where patients with behavioral health conditions are treated with respect and compassion that enables them to regain hope in a supportive, caring environment. The new design will incorporate a therapeutic healing environment by upgrading the lighting, colors and finishes, and installing modern windows to increase daylight exposure, which can reduce anxiety while supporting an environment of safety and normalcy.

The project will involve general architectural and physical plant improvements including upgraded infrastructure systems to maintain a long-term, healthy building environment for patients and staff. Prior to the acquisition of Montrose Behavioral Health Hospital, the Applicants surveyed the building and made the following observations:

- The majority of the building's mechanical equipment needs to be replaced/upgraded as it is past its useful life and/or not performing as intended.
- The larger plumbing equipment is at the end of its useful life and should be replaced to achieve reliability and better energy efficiency.
- Some of the electrical equipment has exceeded its useful life and should be replaced.
- Patient units and common areas will be upgraded to ensure compliance with Americans with Disabilities Act standards.
- The building will require exterior envelope improvements, psychiatric safety upgrades, aesthetic upgrades, and internal renovations to improve the operational layout on all floors.

2. Occupancy

Projects involving the modernization of a category of service or hospital shall meet or exceed the State Board's 85% occupancy standard. By the second year after project completion, the Applicants anticipate 3,737 adult admissions and an average length of

stay of 8.4 days for 31,390 patient days and 2,216 pediatric admissions and an average length of stay of 8.4 days for 18,615 patient days.

3. Montrose Behavioral Health Hospital is located in the Chicago metropolitan statistical area ("MSA"). The minimum unit size for an acute mental illness unit within an MSA is 20 beds. The Applicants propose to modernize its 101-bed adult inpatient acute mental illness unit. Accordingly, this criterion is met.

Section VII, Financial Feasibility
Criterion 1120.120 Availability of Funds

This project will be funded entirely with cash and cash equivalents. A copy of Acadia Healthcare Company, Inc.'s 2020 10-K statement evidencing sufficient internal resources to fund the project is attached at Attachment – 33.

Section VII, Financial Feasibility
Criterion 1120.130 Financial Viability

This project will be funded entirely with cash and cash equivalents. A copy of Acadia Healthcare Company, Inc.'s 2020 10-K statement evidencing sufficient internal resources to fund the project is attached at Attachment – 33.

Section IX, Economic Feasibility

Criterion 1120.140(a), Reasonableness of Financing Arrangements

Attached at Attachment – 36A is a letter from Christopher L. Howard, Vice President and Secretary of Acadia Healthcare Company, Inc. and Chicago BH Hospital, LLC attesting that the total estimated project costs will be funded entirely with cash.

Debra Savage
Chair
Illinois Health Facilities and Services Review Board
525 West Jefferson Street, 2nd Floor
Springfield, Illinois 62761

Re: Reasonableness of Financing Arrangements

Dear Chair Savage:

I hereby certify under penalty of perjury as provided in § 1-109 of the Illinois Code of Civil Procedure, 735 ILCS 5/1-109 and pursuant to 77 Ill. Admin. Code § 1120.140(a) that the total estimated project costs and related costs will be funded in total with cash and cash equivalents.

Sincerely,



Christopher L. Howard
Vice President and Secretary
Acadia Healthcare Company, Inc.
Chicago BH Hospital, LLC

Subscribed and sworn to me
This 24 day of January, 2022

Notary Public



Section IX, Economic Feasibility
Criterion 1120.140(b), Conditions of Debt Financing

This project will be funded in total with cash and cash equivalents. Accordingly, this criterion is not applicable.

Section IX, Economic Feasibility
Criterion 1120.140(c), Reasonableness of Project and Related Costs

1. The cost and gross square feet by department is provided in the table below.

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE								
Department (list below)	A	B	C	D	E	F	G	H
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New Circ.*		Gross Sq. Ft. Mod. Circ.*		Const. \$ (A x C)	Mod. \$ (B x E)
REVIEWABLE								
Nursing		\$247.53			31,752			\$7,859,681
Admissions/Intake		\$250.47			1,819			\$455,605
Pharmacy		\$197.62			381			\$75,292
Contingency		\$37.07			33,952			\$1,258,586
TOTAL REVIEWABLE		\$284.20			33,952			\$9,649,164
NON-REVIEWABLE								
Administration		\$311.76			3,756			\$1,170,953
Dietary		\$115.06			1,871			\$215,282
Dining/Activity/ Day Room		\$212.24			2,110			\$447,826
ECT Clinic		\$264.86			967			\$256,119
Maintenance		\$121.58			652			\$79,268
Mechanical/ Electrical		\$2,352.62			2,352			\$5,533,366
Circulation- Horizontal		\$262.43			2,086			\$547,436
Circulation – Vertical		\$139.04			2,954			\$410,710
Roofing, Exterior Improvements								\$759,854
Contingency		\$84.38			16,748			\$1,413,123
TOTAL NON-REVIEWABLE		\$646.88			16,748			\$10,833,937
TOTALS		\$404.01			50,700			\$20,483,101
* Include the percentage (%) of space for circulation								

2. As shown in Table 1120.140(c) below, the project costs are below the State Board standard.

Table 1120.140(c)			
	Proposed Project	State Standard	Above/Below State Standard
Preplanning Costs	\$77,396	$1.8\% \times (\text{New Construction Contracts} + \text{Contingencies} + \text{Equipment}) =$ $1.8\% \times (\$8,390,578 + \$1,258,586 + \$1,851,846) =$ $1.8\% \times \$11,501,010 =$ $\$207,018$	Below State Standard
Site Survey and Preparation	\$22,260	$5.0\% \times (\text{New Construction Contracts} + \text{Contingencies}) =$ $5.0\% \times (\$8,390,578 + \$1,258,586) =$ $5.0\% \times \$9,649,164 =$ $\$482,458$	Below State Standard
Modernization Contracts and Contingencies	\$9,649,164	$\$421.24 \times 33,952 \text{ GSF} =$ $\$14,301,940$	Below State Standard
Contingencies	\$1,258,586	$10\% - 15\% \times$ $\text{Modernization Contracts}$ $10\% - 15\% \times \$8,390,578 =$ $\$839,058 - \$1,258,587$	Meets State Standard
Architectural/Engineering Fees	\$753,079	$6.00\% - 9.02\% \text{ of}$ $\text{Modernization Contracts} + \text{Contingencies}) =$ $6.00\% - 9.02\% \times$ $(\$8,390,578 + \$1,258,586) =$ $6.0\% - 9.02\% \times$ $\$9,649,164 =$ $\$578,950 - \$870,355$	Meets State Standard
Moveable Equipment	\$1,851,846	No State Standard	No State Standard
Other Costs to be Capitalized	\$19,079	No State Standard	No State Standard

Section IX, Economic Feasibility
Criterion 1120.140(d), Projected Operating Costs

Operating Expenses	\$17,175,048
Patient Days	31,390
Operating Expense per Patient Day	\$547.15

Section IX, Economic Feasibility**Criterion 1120.140(e), Total Effect of Project on Capital Costs**

Capital Costs	\$0
Patient Days	31,390
Capital Costs per Patient Days	\$0

Section X, Safety Net Impact Statement

This project is a non-substantive project because it does not propose the establishment of a health care facility. Accordingly, this criterion is not applicable.

Section X, Charity Care

Chicago BH Hospital, LLC is a newly formed entity and has no net revenue or charity care. Thus, it cannot report historical charity care data; however, it anticipates its payor mix for Montrose Behavioral Health Hospital will be as follows:

Payor Source	Percentage of Patients
Medicare	20%
Medicaid	61%
Private Insurance	15%
Tricare/VA	2%
Other (Local Govt)	2%

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS			
ATTACHMENT NO.			PAGES
1	Applicant Identification including Certificate of Good Standing		26 – 28
2	Site Ownership		29 – 33
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.		34 – 35
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.		36 – 37
5	Flood Plain Requirements		38 – 39
6	Historic Preservation Act Requirements		40 – 41
7	Project and Sources of Funds Itemization		42
8	Financial Commitment Document if required		
9	Cost Space Requirements		43
10	Discontinuation		
11	Background of the Applicant		44 – 47
12	Purpose of the Project		48 – 57
13	Alternatives to the Project		58 – 59
14	Size of the Project		60
15	Project Service Utilization		61
16	Unfinished or Shell Space		62
17	Assurances for Unfinished/Shell Space		63
	Service Specific:		
18	Medical Surgical Pediatrics, Obstetrics, ICU		
19	Comprehensive Physical Rehabilitation		
20	Acute Mental Illness		64 – 65
21	Open Heart Surgery		
22	Cardiac Catheterization		
23	In-Center Hemodialysis		
24	Non-Hospital Based Ambulatory Surgery		
25	Selected Organ Transplantation		
26	Kidney Transplantation		
27	Subacute Care Hospital Model		
28	Community-Based Residential Rehabilitation Center		
29	Long Term Acute Care Hospital		
30	Clinical Service Areas Other than Categories of Service		
31	Freestanding Emergency Center Medical Services		
32	Birth Center		
	Financial and Economic Feasibility:		
33	Availability of Funds		66 – 265
34	Financial Waiver		266
35	Financial Viability		
36	Economic Feasibility		267 – 273
37	Safety Net Impact Statement		274
38	Charity Care Information		275
39	Flood Plain Information		24 – 25

ORIGIN ID: CHIA (312) 819-1900 ANNE COOPER POL SINELLI PC 150 N. RIVERSIDE PLAZA SUITE 3000 CHICAGO, IL 60606 UNITED STATES US		SHIP DATE: 23FEB22 ACTWGT: 3.00 LB CAD: 233859844WMSX13600
TO MICHAEL CONSTANTINO IL HEALTH FAC AND SERVS REV. BD 525 W JEFFERSON ST. 2ND FL SPRINGFIELD IL 62761		BILL SENDER
(217) 785-1557 REF: 0741957184572454 INV/ DEPT		
		
REL # 3785346		
		
66DJ2027C/FE4A		
TRK# 2701 5916 2475 0201	THU - 24 FEB 10:30A PRIORITY OVERNIGHT	62761 IL-US STL
		

FOLD on this line and place in shipping pouch with bar code and delivery address visible

1. Fold the first printed page in half and use as the shipping label.
2. Place the label in a waybill pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.
3. Keep the second page as a receipt for your records. The receipt contains the terms and conditions of shipping and information useful for tracking your package.

Legal Terms and Conditions

Tendering packages by using this system constitutes your agreement to the service conditions for the transportation of your shipments as found in the applicable FedEx Service Guide, available upon request. FedEx will not be responsible for any claim in excess of the applicable declared value, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the applicable FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of 100 USD or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is 500 USD, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see applicable FedEx Service Guide. FedEx will not be liable for loss or damage to prohibited items in any event or for your acts or omissions, including, without limitation, improper or insufficient packaging, securing, marking or addressing, or the acts or omissions of the recipient or anyone else with an interest in the package. See the applicable FedEx Service Guide for complete terms and conditions. To obtain information regarding how to file a claim or to obtain a Service Guide, please call 1-800-GO-FEDEX (1-800-463-3339).