



STATE OF ILLINOIS
HEALTH FACILITIES AND SERVICES REVIEW BOARD

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

DOCKET ITEM: A-02	BOARD MEETING: January 27, 2015	PROJECT NUMBER: 08-099
PERMIT HOLDERS(S): MGM Partners, L.P. Butterfield Healthcare III, LLC		
FACILITY NAME and LOCATION: Meadowbrook Manor, Geneva		

STATE BOARD STAFF REPORT
PERMIT RENEWAL REQUEST

I. Background

On September 1, 2009, the State Board approved Project #08-099. The permit authorized the establishment of a 150-bed general Long Term Care (LTC) facility in Geneva. The State Agency notes the project is obligated, and the current project completion date is January 31, 2015. Project cost: \$25,273,839.

The State Agency notes the permit holders submitted this permit renewal request on December 12, 2014, to extend the project completion date 18 months, from January 31, 2015, to January 31, 2016. This submittal was in accordance with 77 IAC 1130.740(d), which states that renewal requests must be received by the State Agency at least 45 days prior to the permit expiration date. A \$500.00 permit renewal fee accompanied this renewal request.

II. Findings

The State Agency notes this is the fourth renewal request for this project and it appears the permit holders have submitted all of the information required in Section 1130.740 for this permit renewal. Earlier permit renewals include:

- 1) 1st Renewal: 24 Months, January 31, 2011 to January 31, 2013
- 2) 2nd Renewal: 6 Months, January 31, 2013 to July 31, 2013
- 3) 3rd Renewal: 18 Months, January 31, 2015 to July 31, 2016

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of July 31, 2016. This would extend the project's completion date by eighteen months, from January 31, 2015, to July 31, 2016.
- Status of the Project and Components Yet to be Finished: The permit holders state the following:
 - The permit holders state construction has yet to commence on the project, due to the expiration of the initial site plan approval, and the subsequent resubmission of said plan to the Geneva City Planning Commission. Currently the permit holders addressed additional comments to the site plan, and are waiting for approval from the Planning Commission before construction can commence. The permit holders acknowledge having received a commitment letter from the Department of Housing and Urban Development on July 31, 2013, ascertaining its commitment to fund the proposed project.
- C. Reason(s) Why the Project Has Not Been Completed: The permit holders' state the following events occurred, which delayed completion of the project:
- The permit holders state significant delays in the HUD financing approval process have delayed construction considerably, forcing the applicants to update their original HUD application. The permit holders received funding approval from HUD, via a commitment letter received on July 31, 2013.
 - While waiting for HUD approval, the initial site plan from the city of Geneva expired, requiring the permit holders to revise and resubmit said site plan. The revised site plan has been resubmitted on several occasions, with additional comments needing clarified. The permit holders are currently responding to additional comments from the Planning Commission, and hope to address all questions/concerns so construction can commence.
- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate approximately \$1,088,839 (4.3% of total project costs), has been expended to date, and that sufficient financial resources exist to complete the project.

- E. Anticipated Final Cost of the Project: The permit holders estimate the final project cost to be in compliance with the initially approved project cost of \$25,273,839.

IV. Project Description & Other Background Information

The permit authorized the establishment of a 150-bed General LTC facility in Geneva. Total project cost is \$25,273,839, and the LTC unit will be located in 89,402 GSF of space.

Permit Issuance Date: September 1, 2009

Original Project Completion Date: January 31, 2011

Project Obligation Date: March 1, 2011

Original Project Completion Date: January 31, 2011

Proposed Project Completion Date: January 31, 2013
(1st Renewal, 24-Months)

Proposed Project Completion Date: July 31, 2013
(2nd Renewal, 6-Months)

Proposed Project Completion Date: January 31, 2015
(3rd Renewal, 18-Months)

Proposed Project Completion Date: July 31, 2016
(4th Renewal, 18 Months)

V. Applicable Rules for Permit Renewal Requests

77 IAC 1130.740 specifies that a permit holder may request a change in the approved project completion date by applying for a permit renewal.

77 IAC 1130.740(b) states that failure to complete a project or to renew a permit within the prescribed timeframes will subject the permit holders to the sanctions and penalties provided in the Act and this Subpart.

77 IAC 1130.740(c) states that a permit renewal will commence on the expiration date of the original or renewed completion period.

77 IAC 1130.740(d) states that the State Board must be in receipt of a permit renewal request at least 45 days prior to the expiration date of the completion period, and include the following: 1) the requested completion date; 2) a status report on the project detailing what percent has been completed and a summary of project components yet to be finished and the amount of funds expended on the project to date; 3) a statement as to the reasons why the project has not been completed; and 4) confirmatory evidence by the permit holders' authorized representative that the project's costs and scope are in compliance with what the State Board approved and that sufficient financial resources are available to complete the project.

77 IAC 1130.740(e) states IDPH will review the request and prepare a report of its findings. If the findings are that the request is in conformance with all HFPB criteria, and if this is the first request for this project, then the request, IDPH's findings, and all related documentation shall be sent to the Chairman. The Chairman, acting on behalf of HFPB, will approve, deny or refer the request to the HFPB for action. If IDPH finds that all criteria are not positive or, if this is not the first request for this project, or if the Chairman refers this to HFPB for action, then HFPB will evaluate the information submitted to determine if the project has proceeded with due diligence (as defined in 77 IAC 1130.140). Denial of a permit renewal request constitutes HFPB's Notice of Intent to revoke a permit and the permit holders will be afforded an opportunity for an administrative hearing.

VI. Other Information

Appended to this report are the following: the permit holders' documents for a permit renewal.



161 N. Clark Street, Suite 4200, Chicago, IL 60601-3316 • 312.819.1900

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HEALTH FACILITIES &
SERVICES REVIEW BOARD

December 11, 2014

Anne M. Cooper
(312) 873-3606
(312) 819-1910
acooper@polsinelli.com

Via Federal Express

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

Re: Permit Renewal Request - Meadowbrook Manor – Geneva (Proj. No. 08-099)

Dear Mr. Constantino:

I am writing on behalf of MMG Partners, L.P. and Butterfield Healthcare III, LLC (collectively, the "Permit Holders") to request a renewal of Project permit 08-099, Meadowbrook Manor - Geneva. On September 2, 2009, the Illinois Health Facilities and Services Review Board ("Board") approved the Permit Holders' application to establish a 150-bed general long-term care facility to be located at 37W220 Keslinger Road, Geneva, Illinois (the "Project"). As discussed at the February 5, 2013 Board meeting, the Project has not proceeded as anticipated due to issues surrounding site plan approval from the City of Geneva and U.S. Department of Housing and Urban Development ("HUD") financing. On July 31, 2013, the Permit Holders received a HUD Commitment letter; however, due to expiration of the Project site plan and required resubmission of the site plan to the City of Geneva as well as Illinois Department of Public Health review of the architectural plans the Project has not commenced. Accordingly, the Permit Holders respectfully request an eighteen month renewal of the Project permit and a new project completion date of July 31, 2016.

1. Requested Project Completion Date

The Permit Holders request the Board grant an eighteen month renewal of the Project permit and establish July 31, 2016 as the new project completion date.

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Atlanta Chicago Dallas Denver Kansas City Los Angeles New York Phoenix St. Louis Washington, D.C. Wilmington
Polsinelli PC, Polsinelli LLP in California

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Mr. Michael Constantino
December 11, 2014
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2. Status of the Project

As discussed in greater detail at the February 5, 2013 Board meeting, the Project has been significantly delayed due to two factors: (1) approval of the site plan from the City of Geneva (“City”) and (2) approval of HUD financing.

The Permit Holders diligently worked to obtain HUD financing for the Project for nearly two years. Importantly, filing of the HUD financing application was delayed approximately two years due to issues related to securing a second access point to the site. In August 2011, after obtaining site plan approval from the City, the Permit Holders filed their financing application with HUD. Due, in part, to a HUD reorganization and diversion of HUD resources to refinancing applications, initial review of the Permit Holders’ financing application did not occur until approximately one year after filing. On July 31, 2013, the Permit Holders received a HUD commitment letter, which was submitted to the Board on September 12, 2013.

Due to the delay in obtaining HUD financing, the initial site plan approval from the City expired, and the site plan had to be resubmitted for approval. The Permit Holders submitted the same drawings, engineering plans, and traffic study that were previously approved in 2011 to the City’s Plan Commission. On September 24, 2014, the Permit Holders received comments from the Plan Commission. The Permit Holders timely submitted their revised site plan to comply with the Plan Commission’s comments. On November 12, 2014, the Permit Holders received additional comments from the Plan Commission. The Permit Holders will timely address these additional comments, so their site plan can be reviewed at the December 11, 2014 Plan Commission meeting. If the Plan Commission requests additional information in response to the Permit Holders’ revised site plan, it is likely the site plan will not be considered until the Plan Commission’s January 8, 2015 meeting. Importantly, construction cannot commence until the Permit Holders receive approval of its site plan.

In addition to seeking approval of its site plan from the City, the Permit Holders worked diligently with Illinois Department of Public Health (“IDPH”) to obtain approval of their architectural plans. On November 10, 2014, IDPH approved their architectural plans. (See Attachment 1).

3. Statement Regarding Completion of the Project

As described more fully in the application, the Permit Holders are constructing a 150-bed general long-term care facility to be located in Geneva, Illinois. Due to prolonged HUD review of the Permit Holders’ financing application, approval of the initial site plan expired

Mr. Michael Constantino
December 11, 2014
Page 3

necessitating the resubmission of the previously approved Project site plan to the City of Geneva. The Permit Holders anticipate presenting their site plan for approval to the Plan Commission at its December 11, 2014 meeting. Further, IDPH approved the Permit Holder's architectural drawings on November 10, 2014. Once the site plan is approved, construction will commence. Construction and licensure of the facility are expected to be completed by July 31, 2016.

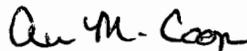
4. Confirmatory Evidence of Project Compliance

Attached as Attachment 2 is the affidavit from John Maze confirming that the Permit Holders are complying with the scope and costs of the project approved by the Board pursuant to Project Permit #08-099.

Based on the above information, which is provided to the Board in compliance with Section 1130.740 of the Illinois Administrative Code, the Permit Holders formally request an eighteen month renewal of its permit for Project #08-099 and a new project completion date of July 31, 2016.

If you need any additional information or have any questions regarding the status of the project, please feel free to contact me.

Sincerely,



Anne M. Cooper

Attachments



Pat Quinn, Governor
LaMar Hasbrouck, MD, MPH, Director

525-535 West Jefferson Street • Springfield, Illinois 62761-0001 • www.dph.illinois.gov

November 10, 2014

Jon Lindstrom
SAS Architects and Planners
630 Dundee Road, Ste 110
Northbrook, IL 60062

Re: Meadowbrook Manor Geneva
Geneva
Skilled Nursing Facility
IDPH No: L3630 (Please refer to the IDPH number on all correspondence)
Reviews Complete: November 10, 2014

Dear Jon Lindstrom:

We have completed the reviews on the date indicated above for this project and have no further comments. Please complete and submit the Notification of Construction Start Date form, located on the Department's website, when the contract has been awarded and construction has begun. Please send this office a copy of the construction schedule for this project. The construction schedule shall incorporate the Illinois Department of Public Health Department notification benchmark for the submittal of the Request for Inspection Certification Package. Please allow sufficient time for review and acceptance of the certifications and scheduling of the inspection when completing the construction schedule. The Request for Occupancy should not be submitted until the project is sufficiently (at least 95 percent) complete. For phased project, please refer to the Temporary Occupancy Policy.

Forms are available on the Department's web site at www.idph.state.il.us – publications – forms – Long Term Care. Please refer to the web site for the most current edition of the required forms. **Previous editions of forms will not be accepted.**

If you have any questions regarding this matter, please contact us at 217-785-4264. The Illinois Department of Public Health TTY number is (800) 547-0466, for use by the hearing impaired.

Sincerely,

Jackie Richmond, Office Administrator
Design and Construction Section
Division of Life Safety and Construction

Cc: John Maze
Butterfield Healthcare Group
640 N. River Road, Suite 106
Naperville, IL 60563

PROTECTING HEALTH, IMPROVING LIVES



ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD

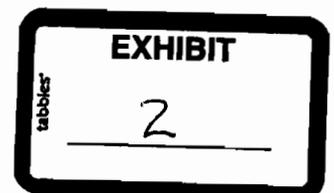
MEADOWBROOK MANOR - GENEVA

REQUEST FOR RENEWAL OF PROJECT PERMIT # 08-099

I, John Maze do hereby affirm and testify:

1. I am an authorized representative of the Permit Holders, MMG Partners, L.P. and Butterfield Healthcare III, LLC. I have personal knowledge of the facts stated herein.
2. Based on my personal knowledge of the on-going project to build a 150-bed general long-term care facility in Geneva, Illinois, I can attest that the project's cost and scope are in compliance with those approved by the Illinois Health Facilities and Services Review Board.
3. Additionally, I can also attest that there currently exists sufficient financial resources to complete the project.

FURTHER THE AFFIANT SAYETH NOT.



The undersigned certifies that the statements set forth in this instrument are true and correct, except as to matters therein stated to be on information and belief and as to such matters the undersigned certifies as aforesaid that he verily believes the same to be true.

A handwritten signature in black ink, appearing to be "Paula Keane", written over a horizontal line.

Subscribed and sworn before me

This 4th day of December, 2014

Paula Keane
Notary Public



MMG PARTNERS, LP
640 N. River Road, Suite 106
Naperville, IL 60563

08-099 Meadowbrook Manor
Geneva 70-2334719

3036

DATE 12/4/14

PAY TO THE ORDER OF Illinois Department of Public Health

\$ 500.00

Five hundred + ^{no}/₁₀₀

DOLLARS

WFB WESTMORE MEYERS BANK
711 WESTMORE MEYERS RD
LOMARD, IL 60148-3770

MEMO: Permit Renewal (Permit # 08-099)



AUTHORIZED SIGNATURE

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DETAILS ON BACK
SECURITY FEATURES INCLUDED