



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

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

<b>DOCKET ITEM NUMBER:</b> <b>D-01</b>	<b>BOARD MEETING:</b> June 21, 2016	<b>PROJECT NUMBER:</b> #11-104
<b>PERMIT HOLDERS(S):</b> McAllister Nursing & Rehab, LLC McAllister Property, LLC		
<b>FACILITY NAME and LOCATION:</b> McAllister Nursing & Rehab, Tinley Park		

**Project Description:**

The permit holders are requesting a second Alteration to Permit #11-104 McAllister Nursing & Rehab in accordance with 77 IAC 1130.750 – Alteration of the Project.

**STATE AGENCY REPORT**  
**PERMIT ALTERATION REQUEST**  
**Project #11-104**

**I. Project Description and Background Information**

On April 17, 2012 the State Board approved Permit #11-104. The permit authorized the replacement of a 111-bed skilled nursing facility, with a 200-bed replacement facility, consisting of 102,937 GSF of newly constructed space. The approved cost of the project is \$24,910,942. **The anticipated project completion date is January 31, 2015.**

This project was obligated on May 1, 2013, and is being funded with cash and securities totaling \$2,610,942, and mortgages totaling \$22,300,000. The permit holders are currently compliant with all post-permit requirements.

**II. First Alteration**

The permit holders were approved on June 3, 2014 by the Board Chair to increase the project square footage by 4.3%, from 102,937 GSF to 107,399 GSF (4,462 GSF). The permit holders note this increased square footage is attributed to a response in the Illinois Department of Public Health's review findings, which required an additional square foot of space per bed. The proposed alteration in project size did not result in increased project costs

**III. Second Alteration**

This alteration seeks to increase the total project cost to \$24,914,868, an increase of \$3,926 from the approved total project cost of \$24,910,942 or less than 1% of the total project costs. This alteration request is a result of final last minute change orders to complete the project.

<b>TABLE ONE</b>				
<b>Project Costs and Source of Funds</b>				
<b>Project 11-104 McAllister Nursing &amp; Rehab, Tinley Park</b>				
<b>Use of Funds</b>	<b>Clinical</b>	<b>Non -Clinical</b>	<b>Total</b>	<b>A</b>
Preplanning Costs	\$24,072	\$14,428	\$38,500	\$38,500
Site Survey/Soil Investigation	\$8,253	\$4,947	\$13,200	\$13,200
Site Preparation	\$103,164	\$61,836	\$165,000	\$165,000
Off Site Work	\$21,883	\$13,117	\$35,000	\$35,000
New Construction Contracts	\$13,047,645	\$7,820,681	\$20,868,326	\$20,872,252
Contingencies	\$652,382	\$391,034	\$1,043,416	\$1,043,416
Architectural & Engineering Fees	\$434,540	\$260,460	\$695,000	\$695,000
Consulting & Other Fees	\$130,674	\$78,326	\$209,000	\$209,000
Moveable & Other Equipment	\$682,133	\$408,867	\$1,091,000	\$1,091,000
Net Interest Expense During Construction	\$440,792	\$264,208	\$705,000	\$705,000
Other Costs to be Capitalized	\$29,699	\$17,801	\$47,500	\$47,500
<b>Totals</b>	<b>\$15,575,237</b>	<b>\$9,335,705</b>	<b>\$24,910,942</b>	<b>\$24,914,868</b>
<b>Source of Funds</b>				
Cash & Securities			\$2,610,942	\$2,614,868
Mortgages			\$22,300,000	\$22,300,000
<b>Total</b>			<b>\$24,910,942</b>	<b>\$24,914,868</b>

### **III. Applicable Rules**

77 IAC 1130.750 specifies that a permit is valid only for the project as defined in the application and any change to the project subsequent to permit issuance constitutes an Alteration to the project.

#### **Allowable alterations that require HFPB action are:**

- 1) a change in the approved number of beds or stations provided that the change would not independently require a permit or exemption from HFPB;
- 2) abandonment of an approved category of service established under the permit;
- 3) any increase in the square footage of the project up to 5% of the approved gross square footage;
- 4) any decrease in square footage greater than 5% of the project;

- 5) any increase in the cost of the project not to exceed 5% of the total project cost. This alteration may exceed the capital expenditure minimum in place when the permit was issued, provided that it does not exceed 5% of the total project cost;
- 6) any increase in the amount of funds to be borrowed for those permit holders that have not documented a bond rating of "A" or better;
- 7) any increase in the project costs components (i.e., line item amounts) if the increase is not in compliance with the 77 Ill. Adm. Code 1120 review criteria; or
- 8) any change that substantially changes the scope or changes the functional operation of the project, as defined in Section 1130.140.

V. **Summary of State Agency Findings**

**All findings from the Original State Agency Report remain unchanged.**

The State Agency finds the proposed Alteration appears to be in conformance with all applicable review criteria for Part 1110.

The State Agency finds the proposed Alteration is inapplicable with all applicable review criteria for Part 1120.

**Other Information**

Included with this report is the second alteration request.