

| | | |
|------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|
| DOCKET ITEM: A-02 | BOARD MEETING: August 2, 2016 | PROJECT NUMBER: 11-104 |
| PERMIT HOLDERS(S): McAllister Property, LLC McAllister Nursing & Rehab, LLC | | |
| FACILITY NAME and LOCATION: McAllister Nursing & Rehab, Tinley Park | | |

STATE AGENCY REPORT
PERMIT RENEWAL REQUEST

I. Background

On April 17, 2012, the State Board approved Project #11-104. The permit authorized the establishment of a 200 bed skilled nursing facility, through the modernization of an existing 111 bed skilled nursing facility, in Tinley Park. The State Agency notes the project is obligated, and the current project completion date is July 31, 2016. Project cost: \$24,914,868.

The State Agency notes the permit holders submitted the permit renewal request on July 14, 2016. This submittal was **not** 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 late fee accompanied the \$550.00 permit renewal fee required for this renewal request.

II. Findings

The State Agency notes this is the **second** renewal request for this project and it appears the permit holders have submitted all of the information required in Section 1130.740 for a permit renewal. Board Staff notes the application was subject to an alteration in June 2014, to increase the size of the project from 102,937 GSF to 107,399 GSF (4.3%). A second project alteration request was approved in June 2016, increasing the project cost from \$24,910,942 to \$24,914,868 (.015%).

III. The Permit Renewal Request

- A. Requested Completion Date: The permit holders request a project completion date of January 31, 2017. This would extend the project's completion date by six months, from July 31, 2016 to January 31, 2017.
- B. Status of the Project and Components Yet to be Finished: The permit holders state the project is essentially complete. The initial life safety inspection has been completed, with the second part of the inspection (the nursing inspection), expected to be completed by the end of August 2016.
- 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 the following events initially occurred, leading to the request for the first permit renewal:

- 1) Three month delay in issuance of the building permit.
- 2) Subsequent delays with precast concrete production and erection.
- 3) Adverse weather conditions during winter of 2014, resulting in 72 lost working days.
- 4) Delays in shipment of materials, resulting in 1 month of lost work.

The permit holders are confident that the inspection phase will be completed, and certificates of occupancy granted before the end of the year.

- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate \$24,914,868 (100% of the total project cost), has been expended to date and attest to the existence of sufficient financial resources to complete the project.
- E. Anticipated Final Cost of the Project: The permit holders estimate the project will not deviate from the altered permit amount of \$24,914,868.

IV. Project Description & Other Background Information

The permit authorized the establishment of a 200 bed skilled nursing facility, through the modernization of an existing 111 bed skilled nursing facility, in Tinley Park. Project cost: \$24,914,868.

Permit Issuance Date: April 17, 2012

Project Obligation Date: May 1, 2013

Original Project Completion Date: January 31, 2016

Proposed Project Completion Date: July 31, 2016
1st renewal request 6 months

Proposed Project Completion Date: January 31, 2017
2nd renewal request (6 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, and a copy of the original State Agency Report.