

<b>DOCKET ITEM:</b> D-1	<b>BOARD MEETING:</b> August 12-13, 2008	<b>PROJECT NUMBER:</b> 06-036
<b>PERMIT HOLDER(S):</b> Ritacca Laser Center Ltd Daniel J. Ritacca, M.D.		
<b>FACILITY NAME and LOCATION:</b> Ritacca Laser Center, Vernon Hills		

**STATE AGENCY REPORT**  
**SECOND PERMIT RENEWAL REQUEST**

**I. Background**

On December 20, 2006, the State Board approved Project #06-036. The permit authorized the establishment of Ritacca Laser Center in Vernon Hills. The limited-specialty Ambulatory Surgical Treatment Center (ASTC) will contain two operating rooms, six recovery rooms, and consist of 4,497 gross square feet of space. The new facility will be located at 230 Center Drive, Suite 101, in Vernon Hills. The State Agency notes the project is obligated and the current required completion date is August 31, 2008. On October 22, 2007, the State Board approved the first permit renewal, extending the completion date twelve months, from August 31, 2007, to August 31, 2008. In the latest permit renewal request, the permit holders request a six-month extension from August 31, 2008, to February 28, 2009.

**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.

**III. The Permit Renewal Request**

A. Requested Completion Date: The permit holders request a completion date of February 28, 2009. This would extend the project's completion date by six months, from August 31, 2008 to February 28, 2009.

B. Status of the Project and Components Yet to be Finished: The permit holders state the project is approximately 30% complete. A new construction firm has been hired that has obtained zoning approval, and considerable work has been completed. To date, \$171,340 (or 26% of the permit amount) has been expended on the project, leaving \$478,660 (or 74% of the permit amount), available for completion.

- 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 village of Vernon Hills took longer than anticipated to approve zoning for the project due to misunderstandings regarding applicable parking regulations. The applicants also note that engineering issues arose regarding plumbing and medical gases due to ceiling height restrictions.

- D. Evidence of Financial Commitment to Fund the Project: The permit holders indicate the project will continue to be funded as originally approved (mortgages/cash and securities).

- E. Anticipated Final Cost of the Project: The permit holders estimate the final cost of the project will be within the permit amount of \$650,000.

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

The permit authorized the establishment of Ritacca Laser Center in Vernon Hills. The facility will contain two operating rooms, six recovery rooms, and will be located at 230 Center Drive, Suite 101 in Vernon Hills. The new facility will contain 4,497 GSF and have an estimated project cost of \$650,000.

Permit Issuance Date:	December 20, 2006
Original Project Completion Date:	August 31, 2007
Extended Completion Date (first renewal):	August 31, 2008
Project Obligation Date:	December 20, 2006
Proposed Project Completion Date:	February 28, 2009

#### 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 holder 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 holder's 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 holder 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 second permit renewal, the permit holders' documents for the first permit renewal, and a copy of the Original State Agency Report.