



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Drexdal Pratt  
Division Director

October 16, 2013

Deanne R. Smith  
2201 S. Sterling Street  
Morganton, NC 28655

**Exempt from Review – Physician Office**

Provider: Blue Ridge HealthCare  
Project Description: Develop a physician office building  
County: Burke

Dear Ms. Smith:

In response to your letters of September 6, 2013, and September 20, 2013, the above referenced proposal is exempt from certificate of need review in accordance with N.C.G.S 131E-184(a)(9). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Construction and the Acute and Home Care Licensure and Certification Sections of the Division of Health Service Regulation to determine if they have any requirements for development of the proposed physician office.

It should be noted that this Agency's position is based solely on the facts represented by you and that any change in facts as represented would require further consideration by this Agency and a separate determination. If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Julie Halatek  
Project Analyst

Craig R. Smith, Chief  
Certificate of Need Section

cc: Steven Lewis, Construction Section, DHSR  
Azzie Conley, Acute and Home Care Licensure and Certification Section, DHSR



**Certificate of Need Section**

www.ncdhhs.gov

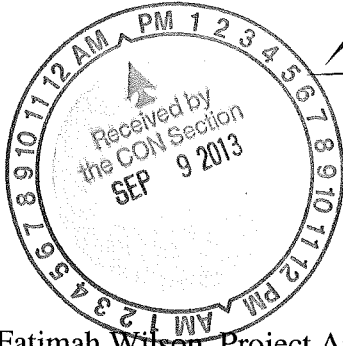
Telephone: 919-855-3873 • Fax: 919-733-8139

Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

An Equal Opportunity/ Affirmative Action Employer





**BLUE RIDGE**  
H E A L T H C A R E

*Jolie*

September 6, 2013

Fatimah Wilson, Project Analyst  
Certificate of Need Section  
DHHS, Division of Health Service Regulation  
2704 Mail Service Center  
Raleigh, North Carolina 27696-2704

Re: Notice of Exemption for Development of Physician Office Building

Dear Ms. Wilson:

This letter is to provide you with written notice pursuant to N.C. Gen. Stat. § 131E-184(a)(9) of the development of a physician office building. The physician office building will be owned by Blue Ridge HealthCare Hospitals, Inc. on land owned by Blue Ridge HealthCare Hospitals, Inc. within the Morganton Heights Shopping Center in Morganton, Burke County. The physician office building will be one story and approximately 6,300 square feet. The estimated total project cost is \$2,739,733.60. This includes not only construction but also the land purchase, all furnishings, signage, development, architectural fees, etc.

We would appreciate receiving written confirmation from you that this project is exempt under N.C. Gen. Stat. § 131E-184(a)(9). Should you have any questions or need any further information, please let us know.

Sincerely,

Deanne R. Smith  
Director of Capital Projects  
Blue Ridge HealthCare

cc: Kathy Bailey, BRHC  
Jon Mercer, BRHC  
Thom Eure, BRHC  
File

**PROPOSED TOTAL CAPITAL COST OF PROJECT**

Project Name:

Morganton Heights Medical Office Building located in Morganton, NC

Provider/Company:

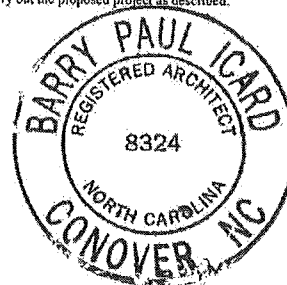
<b>A. Site Costs</b>		
(1) Full purchase price of land.....		\$ 775,000.00
Acres _____ Price per Acre		\$ -
(2) Closing costs.....		\$ -
(3) Site Inspection and Survey.....		\$ -
(4) Legal fees and subsoil investigation		\$ -
(5) Site Preparation Costs		\$ -
Soil Borings.....	\$ -	
Clearing-Earthwork...	\$ -	
Fine Grade For Slab...	\$ -	
Roads-Paving.....	\$ -	
Concrete Sidewalks...	\$ -	
Water and Sewer.....	\$ -	
Footing Excavation...	\$ -	
Footing Backfill.....	\$ -	
Termite Treatment.....	\$ -	
Other (Specify) Concrete/ Soil Testing	\$ -	
Sub-Total Site Preparation Costs	\$ 126,000.00	
(6) Other (Specify)	\$ -	
(7) Sub-Total Site Costs		\$ 901,000.00
<b>B. Construction Contract</b>		
(8) Cost of Materials & Labor		
General Requirements	\$ 1,208,080.00	
Concrete/Masonry		
Woods/Doors & Windows/Finishes		
Thermal & Moisture Protection		
Equipment/Specialty Items		
Mechanical/Electrical		
Other (Specify) - Data Cabling and Security	\$ 13,495.10	
Sub-Total Cost of Materials & Labor.....		
(9) Cost of Labor..... (See Item #8)	\$ 1,221,575.10	
(10) Other (Specify) Owner Contingency	\$ 152,000.00	
(11) Sub-Total Construction Contract		\$ 1,373,575.10
<b>C. Miscellaneous Project Costs</b>		
(12) Building Purchase.....	\$ -	
(13) Fixed Equipment Purchase/Lease	\$ -	
(14) Movable Equipment Purchase/Lease	\$ 415,858.50	
(15) Furniture	\$ -	
(16) Landscaping/Irrigation System	\$ -	
(17) Consultant Fees		
Architect and Engineering Fees.	\$ 35,800.00	
Legal Fees.....	\$ -	
Market Analysis.....	\$ -	
Other - Shell A&E.....	\$ -	
Other - Title.....	\$ -	
Other - Developer Fee.....	\$ -	
Other - Phase 1, Survey Geo.....	\$ 13,500.00	
Sub-Total Consultant Fees.....	\$ 49,300.00	
(18) Financing Costs (e.g. Bond, Loan, etc.)		
(19) Interest During Construction		
(20) Other (Specify) NCDHRS Construction Section Review Fee:		
(21) Sub-Total Miscellaneous		\$ 465,158.50
(22) Total Capital Cost of Project (Sum A-C above)		\$ 2,739,733.60

I certify that, to the best of my knowledge, the above construction related costs of the proposed project named above are complete and correct.

\_\_\_\_\_  
 (signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above capital costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

\_\_\_\_\_  
 (Title of Officer) Signature of Office Authorized to Represent Provider/Company)



*Julie*



September 20, 2013

Julie Halatek, Project Analyst  
Certificate of Need Section  
DHHS, Division of Health Service Regulation  
2704 Mail Service Center  
Raleigh, North Carolina 27696-2704



Re: Notice of Exemption for Development of Physician Office Building

Dear Ms. Halatek:

As per our telephone conversation please find enclosed the correct, signed copy of the Certified Cost Estimate for the physician office building development in Morganton, NC. Should you have any questions or need any further information, please let us know.

Sincerely,

A handwritten signature in black ink, appearing to read "Deanne R. Smith".

Deanne R. Smith  
Director of Capital Projects  
Blue Ridge HealthCare

September 6, 2013

Fatimah Wilson, Project Analyst  
Certificate of Need Section  
DHHS, Division of Health Service Regulation  
2704 Mail Service Center  
Raleigh, North Carolina 27696-2704

Re: Notice of Exemption for Development of Physician Office Building

Dear Ms. Wilson:

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Sincerely,



Deanne R. Smith  
Director of Capital Projects  
Blue Ridge HealthCare

cc: Kathy Bailey, BRHC  
Jon Mercer, BRHC  
Thom Eure, BRHC  
File

**PROPOSED TOTAL CAPITAL COST OF PROJECT**

Project Name:

Morganton Heights Medical Office Building located in Morganton, NC

Provider/Company:

<b>A. Site Costs</b>		
(1) Full purchase price of land.....	\$	775,000.00
Acres _____ Price per Acre	\$	-
(2) Closing costs.....	\$	-
(3) Site Inspection and Survey.....	\$	-
(4) Legal fees and subsoil investigation	\$	-
(5) Site Preparation Costs	\$	-
Soil Borings.....	\$	-
Clearing-Earthwork...	\$	-
Fine Grade For Slab...	\$	-
Roads-Paving.....	\$	-
Concrete Sidewalks...	\$	-
Water and Sewer.....	\$	-
Footing Excavation...	\$	-
Footing Backfill.....	\$	-
Termite Treatment...	\$	-
Other (Specify) Concrete/ Soil Testing	\$	-
Sub-Total Site Preparation Costs	\$	-
(6) Other (Specify)	\$	126,000.00
(7) Sub-Total Site Costs	\$	901,000.00
<b>B. Construction Contract</b>		
(8) Cost of Materials & Labor	\$	1,208,080.00
General Requirements		
Concrete/Masonry		
Woods/Doors & Windows/Finishes		
Thermal & Moisture Protection		
Equipment/Specialty Items		
Mechanical/Electrical		
Other (Specify) - Data Cabling and Security	\$	13,495.10
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(13) Fixed Equipment Purchase/Lease	\$	-
(14) Movable Equipment Purchase/Lease	\$	415,858.50
(15) Furniture	\$	-
(16) Landscaping/Irrigation System	\$	-
(17) Consultant Fees	\$	35,800.00
Architect and Engineering Fees	\$	-
Legal Fees.....	\$	-
Market Analysis.....	\$	-
Other - Shell A&E.....	\$	-
Other - Title.....	\$	-
Other - Developer Fee.....	\$	-
Other - Phase I, Survey Geo.....	\$	13,500.00
Sub-Total Consultant Fees.....	\$	49,300.00
(18) Financing Costs (e.g. Bond, Loan, etc.)	\$	-
(19) Interest During Construction	\$	-
(20) Other (Specify) NCDHSR Construction Section Review Fees	\$	-
(21) Sub-Total Miscellaneous	\$	465,158.50
(22) Total Capital Cost of Project (Sum A-C above)	\$	2,739,733.60

I certify that, to the best of my knowledge, the above construction related costs of the proposed project named above are complete and correct.

*[Signature]*  
 (Signature of Licensed Architect or Engineer)

I assure that, to the best of my knowledge, the above capital costs for the proposed project are complete and correct and that it is my intent to carry out the proposed project as described.

*[Signature]*  
 SVP/LFO (Title of Officer)      Signature of Office Authorized to Represent Provider/Company

