



NC DEPARTMENT OF  
HEALTH AND  
HUMAN SERVICES

ROY COOPER • Governor  
MANDY COHEN, MD, MPH • Secretary  
MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

September 19, 2018

Terri Harris  
Terri.harris@smithmoorelaw.com

**No Review**

**Record #:** 2701  
Business Name: Addiction Recovery Care Association, Inc.  
Business #: 36  
Project Description: Repair and replace HVAC and other basic plant and mechanical work in a leased building which is not a health service facility  
County: Forsyth

Dear Ms. Harris:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of September 13, 2018 regarding the above referenced proposal. Based on the CON law **in effect on the date of this response to your request**, the proposal described in your correspondence is not governed by, and therefore, does not currently require a certificate of need. However, please note that if the CON law is subsequently amended such that the above referenced proposal would require a certificate of need, this determination does not authorize you to proceed to develop the above referenced proposal when the new law becomes effective

It should be noted that this determination is binding only for the facts represented in your correspondence. Consequently, if changes are made in the project or in the facts provided in your correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any increase in the number of square feet to be constructed.

Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,

Celia C. Inman  
Project Analyst

Martha J. Frisone, Chief  
Healthcare Planning and Certificate of Need Section

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH SERVICE REGULATION

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

LOCATION: 809 Ruggles Drive, Edgerton Building, Raleigh, NC 27603  
MAILING ADDRESS: 2701 Mail Service Center, Raleigh, NC 27699-2701  
www.ncdhhs.gov/dhsr/ • TEL: 919-855-3750 • FAX: 919-733-2757

September 13, 2018

**VIA E-MAIL AND U.S. MAIL**

Martha Frisone, Chief  
Celia Inman, Project Analyst  
Healthcare Planning and Certificate of Need Section  
Division of Health Service Regulation  
NC Department of Health and Human Services  
2704 Mail Service Center  
Raleigh, North Carolina 27699-2704

Re: CON Exemption for Basic Plant and Mechanical Improvements  
5755 Shattalon Drive, Winston-Salem, Forsyth County

Dear Martha and Celia:

We are writing on behalf of Addiction Recovery Care Association, Inc. ("ARCA") to give prior written notice regarding basic plant and mechanical improvements that are exempt from certificate of need ("CON") review pursuant to N.C. Gen. Stat. § 131E-184(a)(4).

Forsyth County has proposed to lease to ARCA a building that was formerly used as a nursing home (Springwood) at 5755 Shattalon Drive in Winston-Salem, Forsyth County. ARCA hopes to relocate its existing residential treatment and non-hospital medical detox beds and its outpatient substance use disorder treatment services to this building in 2019. The building has not been operated as a nursing home for some time, and the HVAC systems need to be repaired or replaced along with other basic plant and mechanical work. This work is not specific to ARCA's services and would need to be performed for any tenant to use the building. Forsyth County has asked ARCA to manage the repair and replacement work, which will be completed before ARCA's lease term commences and before the relocation. Forsyth County is paying at least \$566,000 of the estimated cost of the work, which is estimated at \$1,059,550, as shown on the attached certified cost estimate.

Please confirm in writing that the HVAC and other basic plant and mechanical repairs on the building at 5755 Shattalon Drive in Winston-Salem are exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(a)(4). If you have any questions regarding this notice, please let me know.

**PROPOSED CAPITAL COSTS (HVAC/Mechanical)**

**Project Name:** Plant and Mechanical Work at 5755 Shattalon Drive, Winston-Salem

**Proponent:** Addiction Recovery Care Association, Inc.

**A. Site Costs**

(1)	Full purchase price of land	\$ _____
	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)	\$ _____
	Sub-Total Site Preparation Costs	\$ _____
(6)	Other (Specify)	\$ _____
(7)	<b>Sub-Total Site Costs</b>	<b>\$ _____</b>

**B. Construction Contract**

(8)	Cost of Materials	
	General Requirements	_____
	Concrete/Masonry	_____
	Woods/Doors & Windows/Finishes	_____
	Thermal & Moisture Protection	_____
	Equipment/Specialty Items	_____
	Mechanical/Electrical	\$866,000
	Other (Specify)	_____
	Sub-Total Cost of Materials	\$866,000
(9)	Cost of Labor	\$ 80,700
(10)	Other (Specify)	\$ _____
(11)	<b>Sub-Total Construction Contract</b>	<b>\$ 946,700</b>

**C. Miscellaneous Project Costs**

(12)	Building Purchase	\$ _____
(13)	Fixed Equipment Purchase/Lease	\$ _____
(14)	Movable Equipment Purchase/Lease	\$ _____
(15)	Furniture	\$ _____
(16)	Landscaping	\$ _____
(17)	Consultant Fees	
	Architect and Engineering Fees	\$112,850