



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

MARK PAYNE • Director, Division of Health Service Regulation

VIA EMAIL ONLY

May 26, 2022

Christy Majors
Christy.Majors@mcleodcenter.com

No Review

Record #: 3907
Date of Request: May 23, 2022
Facility Name: McLeod Addictive Disease Center-4th Floor
FID #: 080350
Business Name: McLeod Addictive Disease Center, Inc.
Business #: 1191
Project Description: Relocate existing facility within the same county
County: Mecklenburg

Dear Ms. Majors:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your correspondence regarding the project described above. Based on the CON law **in effect on the date of this response to your request**, the project as described is not governed by, and therefore, does not currently require a certificate of need. 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.

This determination is binding only for the facts represented in your correspondence. If changes are made in the project or in the facts provided in the correspondence referenced above, a new determination as to whether a certificate of need is required would need to be made by this office.

Please do not hesitate to contact this office if you have any questions.

Sincerely,
Julie M. Faenza

Project Analyst

Micheala Mitchell
Chief

cc: Mental Health Licensure Section, DHSR
Construction Section, DHSR

**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: 809 Ruggles Drive, 2704 Mail Service Center, Raleigh, NC 27699-2704
<https://info.ncdhhs.gov/dhsr/> • TEL: 919-855-3873

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



March 31, 2022

Julie M. Faenza, Esq.
Project Analyst, Certificate of Need
NC Division of Health Service Regulation
2701 Mail Service Center
Raleigh, NC 27699-2701

Dear Ms. Faenza:

McLeod Addictive Disease Center is currently licensed to provide Substance Abuse Intensive Outpatient (SAIOP) and 27G.3400 and 27G.3100 Residential Treatment at our 515 Clanton Road, Charlotte, NC 28217 location. Additionally, we are licensed to provide Medication Assisted Treatment (OTP) at our 521 Clanton Road location that is adjacent to 515 Clanton Road. These facilities are dated and in need of significant updating. Due to the age and construction type of the buildings, renovation of the buildings is cost prohibitive per square foot. However, the land has significant value. As a result, McLeod is planning to renovate a building on land we own at 500 Archdale Drive, Charlotte, NC 28217. This property is much better suited for renovation and service delivery. Once renovation is complete, we plan to relocate all services we are licensed for at 515 and 521 Clanton Road. I am writing to ask if we will need to apply for a Certificate of Need to relocate our existing Residential Treatment services from 515 Clanton Road, Charlotte, NC 28217 to this facility.

McLeod has secured \$10,800,000 in financing from First Citizens Bank for development and renovation costs of 500 Archdale using the 515 and 521 Clanton Road properties as collateral. The building in total is 67,425 square feet, with 21,328 square feet available on the third floor that will house Residential Treatment. Only 19,909 square feet will be built out on the third floor to accommodate the 36 beds and all ancillary services currently in operation at 515 Clanton Road. The remaining 1,419 square feet will be held as space for future expansions. In addition to relocating the same number of beds, the services will continue to be offered in the same county and same zip code.

Using a square foot allocation, the cost to renovate the 19,909 square feet of residential space for the existing 36 beds is 3.1 MM. I've attached the Capital Cost Form as an exhibit to this letter.

I am happy to provide any additional information you may need to evaluate our situation. We appreciate your time and effort in reviewing this request.

Sincerely,

Christy Majors
Vice President of Finance

Enclosure: Capital Cost Form

515 Clanton Road Charlotte, North Carolina 28217

Phone: 704-332-9001 Fax: 704-332-0124

www.mcleodcenter.com

North Carolina Charitable Solicitation License No. SL013259



Form F.1a Capital Cost	Column B	Column C	Column D	Column E
	Applicant 1	Applicant 2	Applicant 3	Total (Sum of Columns B-D)
	McLeod Addictive Disease	Insert Name Here *	Insert Name Here *	
Building Purchase Price				\$0
Purchase Price of Land	\$ -			\$0
Closing Costs				\$0
Site Preparation				\$0
Construction/Renovation Contract(s)	\$ 3,188,983			\$3,188,983
Landscaping				\$0
Architect / Engineering Fees				\$0
Medical Equipment				\$0
Non Medical Equipment				\$0
Furniture				\$0
Consultant Fees (describe)				\$0
Financing Costs				\$0
Interest during Construction				\$0
Other (describe)				\$0
Total Capital Cost	\$3,188,983	\$0	\$0	\$3,188,983
* This should match the name provided in Section A, Question 1.				

From: [Faenza, Julie M](#)
To: [Waller, Martha K](#)
Subject: FW: [External] RE: McLeod Certificate of Need Inquiry
Date: Monday, May 23, 2022 10:04:44 AM
Attachments: [CON Inquiry - McLeod.pdf](#)

For logging as a no review.

Julie M. Faenza, Esq.

Project Analyst, Certificate of Need

[Division of Health Service Regulation](#), [Healthcare Planning and Certificate of Need Section](#)
[NC Department of Health and Human Services](#)

Office: 919-855-3873 (*I am working remotely most of the time; email is the best way to reach me.*)

Julie.Faenza@dhhs.nc.gov

Pronouns: She/her/hers

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From: Majors, Christy <Christy.Majors@mcleodcenter.com>
Sent: Monday, May 23, 2022 10:00 AM
To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>
Subject: RE: [External] RE: McLeod Certificate of Need Inquiry

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to [Report Spam](#).

Thank you, Julie. Attached is the letter I sent. Please confirm receipt.

From: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>
Sent: Monday, May 23, 2022 8:03 AM
To: Majors, Christy <Christy.Majors@mcleodcenter.com>
Subject: [External] RE: [External] RE: McLeod Certificate of Need Inquiry

This email is from an external sender. If you think it is malicious or fraudulent, please do not open any attachments or links.

Christy, I just got your voicemail, and I see by your email chain you have sent me two prior emails. I'm so sorry, but for some reason they never got to me – I just searched my inbox multiple different ways and have no record of previous emails. I have no idea why that is – but I'm so sorry – the reason I hadn't responded is I hadn't gotten the emails.

Can you reply to this email and resend the documents you sent with the original email? Hopefully that way they will get through. Just as an FYI, if they are larger than about 22MB, they won't come through, so you may have to split them up into multiple emails if the total file size is larger than that.

Julie M. Faenza, Esq.

Project Analyst, Certificate of Need

[Division of Health Service Regulation](#), [Healthcare Planning and Certificate of Need Section](#)
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Office: 919-855-3873 (*I am working remotely most of the time; email is the best way to reach me.*)

Julie.Faenza@dhhs.nc.gov

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From: Majors, Christy <Christy.Majors@mcleodcenter.com>

Sent: Friday, May 20, 2022 4:17 PM

To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>

Subject: [External] RE: McLeod Certificate of Need Inquiry

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Hi Julie,

Just doing my monthly check in. I'm hoping no news is good news, but wanted to see if we could connect on next steps.

Feel free to also call my cell 704-575-1494.

Christy

From: Majors, Christy

Sent: Wednesday, April 20, 2022 9:48 AM

To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>

Subject: RE: McLeod Certificate of Need Inquiry

Hi Julie,

Hope you are well. I wanted to touch base on our inquiry. Can you share a timeline of when we may have an update?

Christy

From: Majors, Christy
Sent: Thursday, March 31, 2022 2:19 PM
To: Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>
Subject: McLeod Certificate of Need Inquiry

Julie,

Please see the attached inquiry. I will be out of the office tomorrow, but back on Monday. I am happy to answer any questions you may have.

Best,

Christy



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