



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

May 31, 2013

Catharine W. Cummer, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707

No Review

Facility or Business: Duke University Health System d/b/a Duke University Hospital
Project Description: Relocation of cardiac and pulmonary rehabilitation from Duke University Hospital campus to Croasdaile Commons on Hillandale Road in Durham
County: Durham
FID #: 943138

Dear Ms. Cummer:

The Certificate of Need Section (CON Section) received your letter of May 23, 2013 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.

Moreover, you need to contact the Construction and 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 project.

It should be noted that this determination is binding only for the facts represented by you. 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 the Certificate of Need Section. 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.

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



Please contact the CON Section if you have any questions. Also, in all future correspondence you should reference the Facility I.D. # (FID) if the facility is licensed.

Sincerely,



Michael J. McKillip
Project Analyst



Craig R. Smith, Chief
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR
Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR



Duke University Health System

Catharine W. Cummer
Regulatory Counsel, Strategic Planning

May 23, 2013

Via Electronic Mail

Michael J. McKillip, Project Analyst
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Duke University Hospital cardiac and pulmonary rehab program

Dear Mr. McKillip:

I am writing to inform you of a Duke University Hospital project and to request your confirmation that this project does not require a certificate of need. Duke University Hospital will be relocating its cardiac and pulmonary rehab programs from the Center for Living on the Duke University Campus to a new location at Croasdaile Commons on Hillandale Road in building space leased from Glenwood Hillandale Company, LLC. The construction upfit and equipment costs are estimated to total \$1,999,900, which will be shared by Duke and the lessor using a tenant improvement (TI) allowance. This budget includes a significant project contingency of \$169,900.

Given that the Croasdaile Commons is also going to house a CPDC Cardiology clinic as well as a Duke Pulmonary clinic and is approximately equidistant between Duke Hospital and Duke Regional, this project will enable Duke to provide these rehab services efficiently and cost-effectively.

A capital cost form outlining the project costs is included. As the total project is less than \$2 million, and the project does not entail the acquisition of any major medical equipment or development of any new services but rather the relocation of existing services, it is our understanding that the project would not require a certificate of need. We would appreciate it if you could confirm our understanding. Please let me know if you have any questions. Thank you very much.

Very truly yours,

Catharine W. Cummer

Enclosure

PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: Cardiac and Pulmonary Rehab Relocation
 Provider/Company: Duke University Health System d/b/a Duke University Hospital

A. Site Costs

- (1) Full purchase price of land \$ NA
 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) \$ 46,337 (utilities, permits, inspections)
- (7) Sub-Total Site Costs \$ _____

B. Construction Contract

- (8) Cost of Materials
 - General Requirements \$ _____
 - Concrete/Masonry \$ _____
 - Woods/Doors & Windows/Finishes \$ _____
 - Thermal & Moisture Protection \$ _____
 - Equipment/Specialty Items \$ _____
 - Mechanical/Electrical \$ _____
 - Other (Specify) \$ _____
- Sub-Total Cost of Materials..... \$ _____
- (9) Cost of Labor..... \$ _____
- (10) Other (Specify)..... \$ _____
- (11) Sub-Total Construction Contract \$ 1,101,908

C. Miscellaneous Project Costs

- (12) Building Purchase..... \$ _____
- (13) Fixed Equipment Purchase/Lease \$ 497,474 (furniture, equipment and technology)
- (14) Movable Equipment Purchase/Lease \$ _____
- (15) Furniture \$ _____
- (16) Landscaping \$ _____
- (17) Consultant Fees
 - Architect and Engineering Fees \$ 184,281
 - Legal Fees..... \$ _____
 - Market Analysis..... \$ _____
 - Other (Specify)..... \$ _____
 - Other (Specify)..... \$ _____
- Sub-Total Consultant Fees..... \$ _____
- (18) Financing Costs (e.g. Bond, Loan, etc.). \$ _____
- (19) Interest During Construction. \$ _____
- (20) Other (Specify) \$ 169,900 (contingency)
- (21) Sub-Total Miscellaneous \$ _____
- (22) Total Capital Cost of Project (Sum A-C above) \$ \$1,999,900

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

 (Signature of Licensed Architect or Engineer) Date Certified: _____

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


 _____ Date Signed: 5.22.13
 (Signature and Title of Officer Authorized to Represent Provider/Company)

PROJECT REDEVELOPMENT

CROASDAILE COMMONS SHOPPING CENTER

DURHAM, NORTH CAROLINA, 27705

LOCATION

NORTH DURHAM, I-85 AT HILLDALE ROAD,
NORTH OF EXIT 174A
NEAR DURHAM REGIONAL & DUKE UNIVERSITY HOSPITALS

TRAFFIC COUNTS

18,000 CARS PER DAY HILLDALE RD.
88,000 CARS PER DAY I-85 (2009 NCDOT)

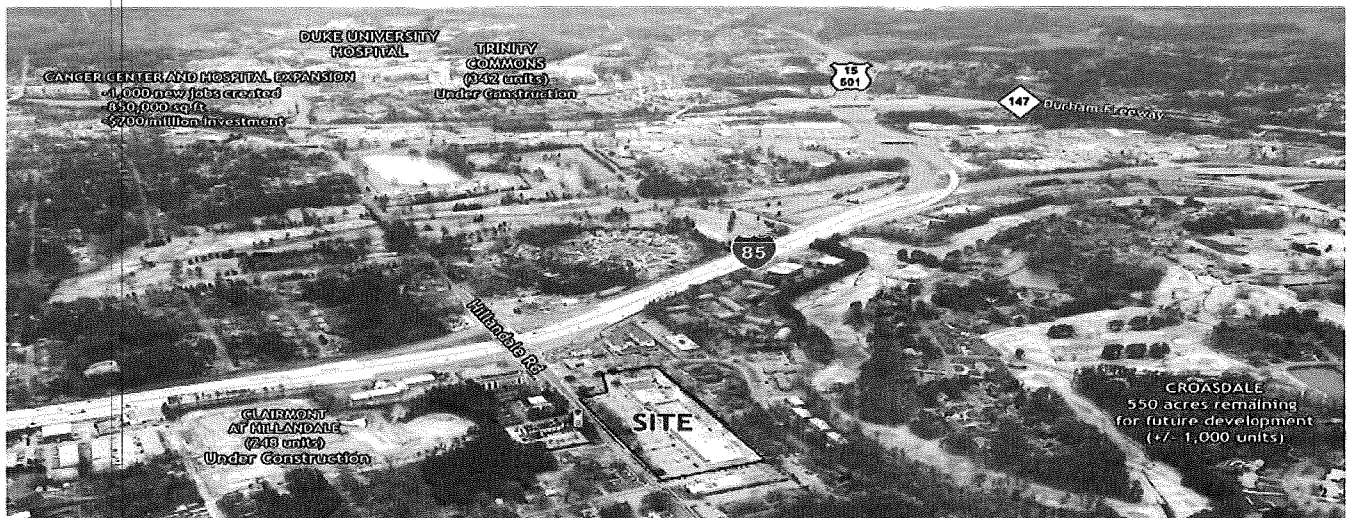
TENANTS

DUKE MEDICINE	PAPA'S GRILL
KERR DRUG	KD NAILS & TAN
UPS STORE	EL CORRAL RESTAURANT
CHINA KING	PRESTIGE GREEN CLEANERS
MEELOS RESTAURANT	

DEMOGRAPHICS

	1 MILE	3 MILE	5 MILE
POPULATION	4,896	66,903	138,898
AVG. HH INC.	\$82,965	\$57,997	\$63,569

(PITNEY BOWES BUSINESS INSIGHT 2011 EST.)

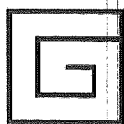
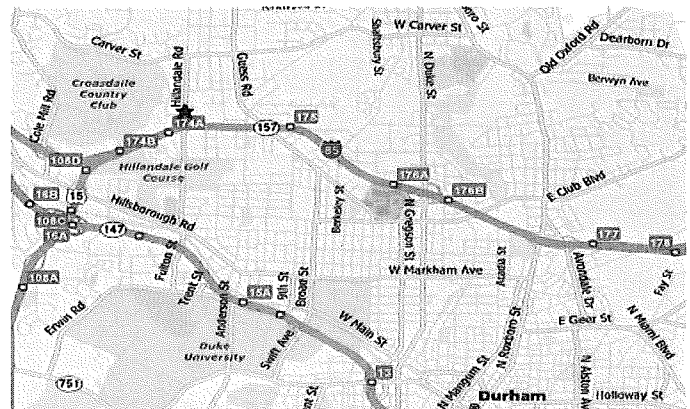


SPACE AVAILABLE

RETAIL SPACE AVAILABLE

CONTACT

FOR MORE INFORMATION, PLEASE CONTACT:
KRIS NIEBERGALL (919) 280-0070
EMAIL: KNIEBERGALL@BELLSOUTH.NET



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