

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

Pat McCrory
Governor

Richard O. Brajer
Secretary DHHS

Mark Payne, Director
Health Service Regulation

August 18, 2016

David J. Coster
VIA EMAIL ONLY

No Review

Record #: 1987
Facility Name: Mars Hill Retirement Community
FID #: 980237
Business Name: Western North Carolina Retirement, Inc.
Business #: 2430
Project Description: Change of licensee
County: Madison

Dear Mr. Coster:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your emails of June 30, 2016 and July 27, 2016 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.

However, you need to contact the Agency's Adult Care Licensure Section 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 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.



Healthcare Planning and Certificate of Need Section

www.ncdhhs.gov

Telephone: 919-855-3873 • Fax: 919-715-4413

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

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

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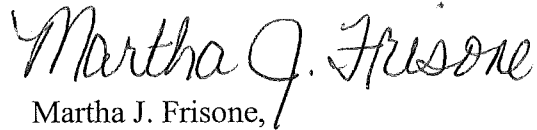


Please contact this office if you have any questions. Also, in all future correspondence you should reference the Facility ID # (FID) if the facility is licensed.

Sincerely,



Julie Halatek
Project Analyst



Martha J. Frisone,
Assistant Chief, Certificate of Need

cc: Adult Care Licensure Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

Halatek, Julie F

From: David Coster <David.Coster@rlainc.com>
Sent: Wednesday, July 27, 2016 8:45 AM
To: Halatek, Julie F
Subject: RE: Notice of Intent to Change Licensee

I enjoyed speaking with you about this project. Here is the overview of the change that is taking place as it relates to Mars Hill Retirement Community in Madison County.

- The Facility is owned by Western North Carolina Retirement, LLC (WNCR) who is also the current licensee
- The facility is operated under management contract by Mars Hill Retirement, Inc.
- Both entities are 100% owned by David W. Ammons
- The facility resides on land leased from Mars Hill University
- WNCR is acquiring the leased site from the University and refinancing the project
- The lender has requested a separation of land/building owner from the licensee/operator
- Thus, Mars Hill Retirement, Inc. will apply to become the licensee and will lease the facility from WNCR

Please let me know if you need additional information.



David J. Coster
Vice President Community Development
Office: 919-783-0735 x3
Mobile: 919-559-2171

From: Halatek, Julie F [mailto:julie.halatek@dhhs.nc.gov]
Sent: Friday, July 15, 2016 4:19 PM
To: David Coster
Cc: Frisone, Martha
Subject: RE: Notice of Intent to Change Licensee

David, I'm sorry, I typed the wrong company in my question. I need to know whether any of the steps in the transaction involve transferring property or whether it is purely a transaction to change the licensee with no change in the property ownership. Thanks!

Julie Halatek, Esq.
Project Analyst, Certificate of Need
Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services

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Julie.Halatek@dhhs.nc.gov

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From: Halatek, Julie F
Sent: Friday, July 15, 2016 4:16 PM
To: 'David Coster' <David.Coster@rlainc.com>
Cc: Frisone, Martha <martha.frisone@dhhs.nc.gov>
Subject: RE: Notice of Intent to Change Licensee

David, I need to understand just a little bit more about the transaction to determine whether this would fall into the category of not reviewable under the CON statutes or an exemption from review. Can you please explain what entity currently owns the facility and which one operates it, if they are not the same, and then provide me with the same information for after the completion of the transaction? Specifically, I need to know if Western North Carolina Retirement, Inc. exists or if it will be created and what will happen with each company during the transaction. If you have questions about my request, please respond to this email or call me at the number below. Thanks!

Julie Halatek, Esq.
Project Analyst, Certificate of Need
Division of Health Service Regulation, Healthcare Planning and Certificate of Need Section
North Carolina Department of Health and Human Services

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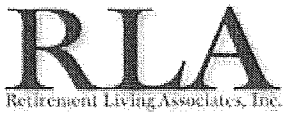
From: David Coster [<mailto:David.Coster@rlainc.com>]
Sent: Thursday, June 30, 2016 9:32 AM
To: Halatek, Julie F <julie.halatek@dhhs.nc.gov>
Cc: Frisone, Martha <martha.frisone@dhhs.nc.gov>
Subject: Notice of Intent to Change Licensee

Good afternoon Ms. Halatek—

On behalf of Western North Carolina Retirement, Inc. which currently owns and operates an Adult Care facility in Mars Hill, NC (Madison County) that does business as Mars Hill Retirement Community, I am writing to inform the Certificate of Need Section of the intent to change the licensee. As part of an effort to refinance the entire property, the lender has requested a division between the entity that owns the property and that which operates the assisted living facility. Mars Hill Retirement Living, Inc. the current management company will also become the licensee, and will lease the facility from Western North Carolina Retirement, Inc. Both entities are owned 100% by David W. Ammons. No addition of beds or construction is involved with this change.

Please let me know if further information is required.

Thank you.



David J. Coster
Vice President Community Development
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Mobile: 919-559-2171

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