



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

December 21, 2017

Emily Cromer
6320 Quadrangle Drive, Suite 180
Chapel Hill, NC 27517

No Review

Record #: 2463

Facility Name: The Arbor

FID #: 020376

Business Name: Galloway Ridge, Inc.

Business #: 786

Project Description: Reclassification of five double occupancy adult care home (ACH) rooms to single occupancy rooms to serve memory care patients with no change in the total number of licensed ACH beds in the facility

County: Chatham

Dear Ms. Cromer:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) received your letter of December 19, 2017 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. This letter does not constitute approval to develop new or additional special care unit beds. You will need to demonstrate that they meet the criteria for an exception and it be granted by the Secretary of the Department of Health and Human Services.

However, you need to contact the Agency's Construction and Adult Care Licensure Sections 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

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

LOCATION: EDGERTON BUILDING • 809 RUGGLES DRIVE • RALEIGH, NC 27603

MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

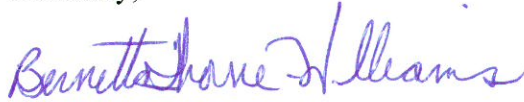
AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



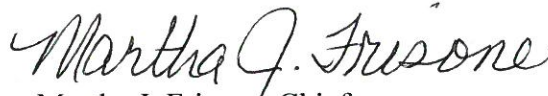
required would need to be made by this office. Changes in a project include, but are not limited to: (1) increases in the capital cost; (2) acquisition of medical equipment not included in the original cost estimate; (3) modifications in the design of the project; (4) change in location; and (5) any 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,



Bernetta Thorne-Williams
Project Analyst



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

cc: Construction Section, DHSR
Adult Care Licensure Section, DHSR
Sharetta Blackwell, Program Assistant, Healthcare Planning, DHSR

Record# 2463
FID# 020376
Bus# 786



Chapel Hill, NC • Washington, DC
6320 Quadrangle Drive
Suite 180
Chapel Hill, NC 27517
919.403.3300
fax 919.403.3302

December 19, 2017

Ms. Bernetta Williams, Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704



RE: No Review Request

Dear Ms. Williams:

I am writing on behalf of Galloway Ridge, Inc., an existing continuing care retirement community (CCRC), d/b/a The Arbor ("The Arbor"), located at 3000 Galloway Ridge Road in Pittsboro, which is licensed for 40 skilled nursing facility beds and 51 adult care home beds. The Arbor's existing licensed beds were developed under *State Medical Facilities Plan (SMFP)* policies NH-2 and LTC-1, which allow plan exemptions for CCRCs for the development of skilled nursing and adult care home beds. Of The Arbor's 51 existing adult care home beds, 15 are designated for memory care and the remaining 36 general adult care home beds are distributed among eight single occupancy rooms and 14 double occupancy rooms.

In response to growing demand for memory care beds within its community, The Arbor intends to designate an additional five of its existing adult care home beds as memory care beds by converting five double occupancy rooms to single occupancy rooms and constructing new space for the five adult care home beds that will be removed from double occupancy rooms. As noted above, The Arbor was developed under *SMFP* policies NH-2 and LTC-1; as such, the current moratorium on development of new special care units should have no impact on this proposed project. This project will not result in any change to The Arbor's inventory of licensed adult care home beds nor a change to the licensure category of any beds. Following completion of this project, The Arbor will continue to be licensed for 51 adult care home beds, 20 of which will be designated for memory care with the remaining 31 general adult care home beds distributed among 13 single occupancy rooms and nine double occupancy rooms.

The purpose of this letter is to request confirmation that the project described herein is not subject to CON review, as it does not involve the development of a "new institutional health service" as defined by NCGS 131E-176(16) nor does the total project cost exceed \$2 million, inclusive of site costs, construction costs, architect and engineering fees, furniture and

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HIGHER THINKING FOR HEALTHCARE MANAGEMENT

equipment, and contingencies. Please see Attachment 1 for line drawings demonstrating that The Arbor will continue to operate a total of 51 licensed adult care home beds following completion of the project. Please see Attachment 2 for a letter from the project architect certifying that the total project costs are estimated to be \$1,986,658.50 as well as a detailed breakdown of included costs.

Based on the foregoing discussion, The Arbor requests that the Healthcare Planning and Certificate of Need Section confirm that the project outlined in this letter does not constitute a "new institutional health service" and therefore does not require a Certificate of Need.

We would appreciate your response to this request as quickly as possible. If you have any questions, please contact me at 919.226.1707.

Best regards,

Emily Cromer

Emily Cromer
Consultant to Galloway Ridge, Inc. d/b/a The Arbor

Attachments

ATTACHMENT 1

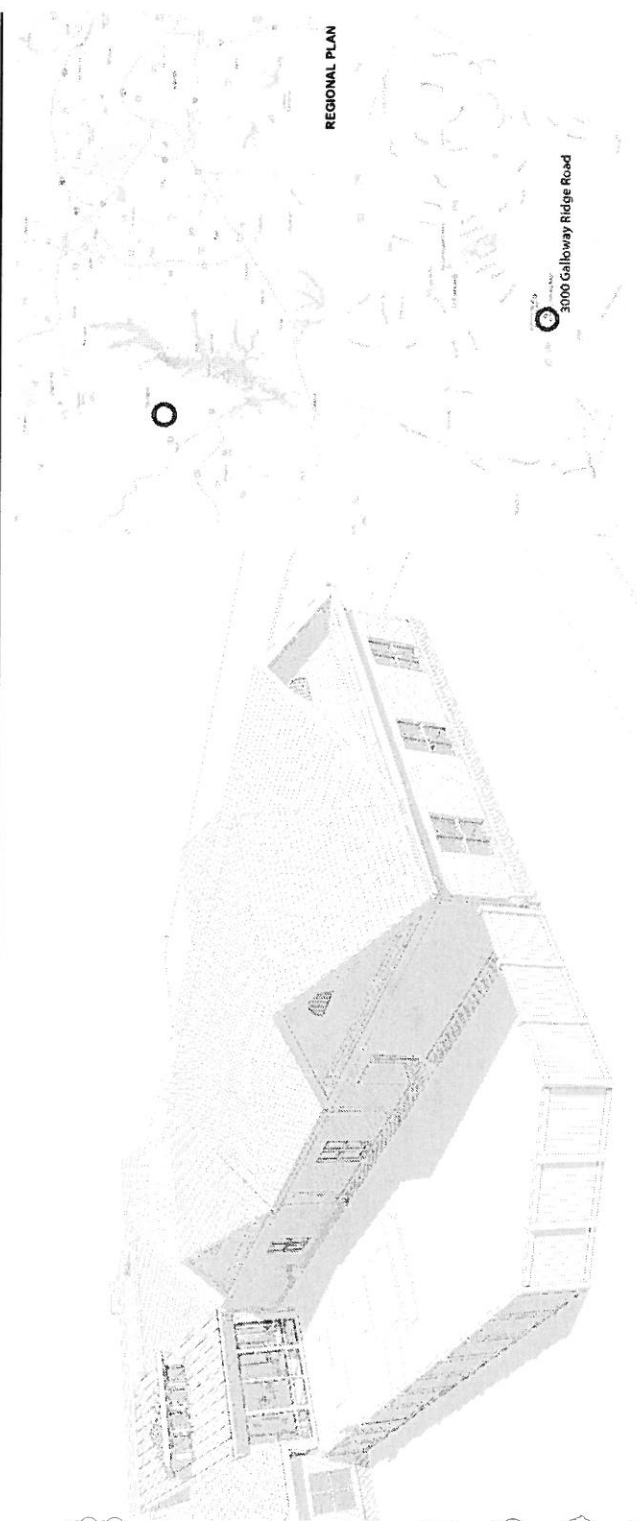
GALLOWAY RIDGE THE ARBORS - PAMLICO COVE MC EXPANSION

3000 GALLOWAY RIDGE RD PITTSBORO | NC 27312

Owner: Gateway Ridge at Farmington
Construction Manager: WaveCrest Construction
Civil / Site / Landscape: Cal-James & Stone
Mechanical / Electrical / Plumbing: Optima Engineering
Structural: Fitzpatrick Engineering
 3000 Galloway Ridge Rd, Suite 100, Pittsboro, NC 27312
 919.524.1100
 919.524.1100
 919.524.1100

DRAWING SCHEDULE

NO.	DESCRIPTION	DATE	BY	CHKD.
1	PERMITS			
2	PROVIDE PERMITS			
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REGIONAL PLAN

VICINITY PLAN



PROJECT No. 69700
12/05/2017

FOR CONSTRUCTION

Perkins Eastman
 1000 BANKERS BUILDING
 CHARLOTTE, NC 28202
 T. 704.940.0501
 F. 704.940.4602

ATTACHMENT 2

PROPOSED CAPITAL COSTS

Project Name: Double Occupancy to Single Occupancy Memory Care Adult Care Home Beds

Proponent: Galloway Ridge, Inc. d/b/a The Arbor

A. Site Costs

(1)	Full purchase price of land	\$N/A
	Acres _____ Price per Acre	\$N/A
(2)	Closing costs	\$N/A
(3)	Site Inspection and Survey	\$ 6,000
(4)	Legal fees and subsoil investigation.	\$ N/A
(5)	Site Preparation Costs (Sitework)	
	Soil Borings	\$ N/A
	Clearing-Earthwork/Demo	\$ 45,000
	Earthwork	
	Sediment and erosion control, grading and clearing	\$ 42,000
	Site Utilities	
	Fine Grade For Slab	
	Roads-Paving	
	Concrete Sidewalks	
	Water and Sewer	
	Footing Excavation	
	Footing Backfill	
	Termite Treatment	\$46,600
	Sub-Total Site Preparation Costs	
(6)	Exterior Improvements	
	Site Concrete, Landscaping, seed, sod	
	Irrigation, gravel border, site fencing, Landscape and pedestrian lighting	
	Building Concrete (slab on grade, Perimeter insulation, patch slabs, Level porch slab, Site Fencing, Sea Walls, 44" planters, mailboxes	
		\$86,334
(7)	Sub-Total Site work costs	\$226,434

B. Construction Contract

(8)	Cost of Materials/Sub-contract	
	General Requirements	\$ 152,465
	Concrete/Masonry/Precast	\$ 54,200
	Metals	\$ 2,300
	Carpentry, Millwork & Trim	\$ 127,162
	Finishes/Insulation/Drywall	\$ 423,802
	Woods/Doors & Windows/Finishes	\$ 62,807

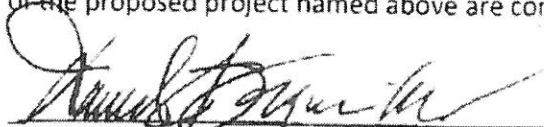
Thermal & Moisture Protection	\$ 55,586
Equipment/Specialty Items	\$ 15,535
Mechanical/Electrical/Plumbing	\$ 479,472
Fire Protection	\$ 23,850
Sub-Total Cost of Materials/sub-cont.	\$1,397,179

(9) Cost of Labor	\$Included in the above
(10) Special Inspection	\$5000
(11) GC Contingency	\$33,375
(12) Builders Risk insurance	\$7,200
(13) GC general liability insurance	\$7,142
(14) Building and Grading Permits	\$10,600
(15) Contractor Fee	\$116,811
(16) Sub-Total Construction Contract	\$ 180,128

C. **Miscellaneous Project Costs**

(12) Building Purchase	N/A
(13) Fixed Equipment Purchase/Lease	N/A
(14) Movable Equipment Purchase/Lease	N/A
(15) Furniture and Fixtures	\$19,451.5
(16) Landscaping (included in Sitework Scope)	\$N/A
(17) Consultant Fees	
Architect and Engineering Fees	\$ 163,466
Legal Fees	\$ N/A
Market Analysis	\$ N/A
Other	\$ N/A
(18) Financing Costs (e.g. Bond, Loan, etc.)	\$ N/A
(19) Interest During Construction	\$ N/A
(20) Other (Specify) _____	\$ N/A
(21) Sub-Total Miscellaneous	\$ 182,917.50
(22) Total Capital Cost of Project (Sum A-C above)	\$1,986,658.50

I certify that to the best of my knowledge, and based on pricing drawings by Perkins Eastman dated June 6th, 2017 and base price probable cost estimate dated June 12th, 2017 by Weaver Cooke construction, the costs of the proposed project named above are complete and correct.



 (Signature of Licensed Architect or Engineer)

Date Certified: December 15th, 2017

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.



 (Proponent Signature of Officer)

Executive Director / CEO

 (Title of Officer)

Date Signed: 12/15/2017