



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

October 22, 2020

Elizabeth Runyon
Elizabeth.Runyon@unchealth.unc.edu

Exempt from Review

Record #: 3371
Facility Name: University of North Carolina Hospitals
FID #: 923517
Business Name: University of North Carolina Hospitals at Chapel Hill
Business #: 1900
Project Description: Changes to the project described in Record #2311 involving accommodation of an observation bed unit, relocating 63 existing licensed acute care beds (instead of 56) and adding procedure rooms to the Surgical Tower Project on UNC Hospitals Main Campus
County: Orange

Dear Ms. Runyon:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of September 30, 2020, the above referenced proposal continues to be exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification 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 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 Agency. 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Handwritten signature of Kim Meymandi

Kim Meymandi
Project Analyst

Handwritten signature of Martha J. Frisone

Martha J. Frisone
Chief

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



September 30, 2020

VIA ELECTRONIC MAIL

Ms. Martha Frisone, Chief
Ms. Kim Meymandi, Project Analyst
Healthcare Planning and Certificate of Need Section
Division of Health Service Regulation, DHHS
2704 Mail Services Center
Raleigh, NC 27699-2704
martha.frisone@dhhs.nc.gov
kim.meymandi@dhhs.nc.gov

Re: Update to Issued CON Exemption
Construct New Surgical Tower on UNC Hospitals Main Campus; FID # 923517
Record # 2311

Dear Ms. Frisone and Ms. Meymandi:

UNC Hospitals (“UNCH”) is providing this updated notice regarding the CON exemption issued by the Agency on June 30, 2017 for UNCH’s construction of a new surgical tower on its main campus (the “Surgical Tower”) to accommodate the relocation of existing operating rooms (“ORs”), licensed acute care beds, central sterile processing, educational conference rooms, and classrooms. See Exhibit 1. The exemption was issued in response to the original request submitted by UNCH on June 22, 2017 (“Original Exemption”). See Exhibit 2. UNCH now provides this prior written notice to inform the Agency about some additional planned changes to the development of the Surgical Tower. Importantly, none of these changes impact UNCH’s ability to meet the requirements of the Main Campus Exemption in N.C. Gen. Stat. § 131E-184(g), as explained below.

I. Continued Design Work to Optimize Space Has Resulted in Planned Changes to the Surgical Tower Project.

In the course of designing and developing the Surgical Tower project, UNCH has analyzed how to make the building as efficient as possible and maximize the clinical capabilities of the space. As a result of this analysis, UNCH has determined that as compared to its original plans, it can optimize the Surgical Tower space by:

1. expanding the top two levels of the Surgical Tower (levels 5 and 6) to accommodate an observation bed unit;
2. moving 63 ICU beds (instead of 56) and making a minor adjustment to the complement of ICU beds that will be relocating to the Surgical Tower; and
3. adding a procedure room on levels 2 and 3 to enhance and optimize functioning of surgical services in the building.

On a crowded and congested main campus of an Academic Medical Center, it is critical for UNCH to take advantage of these opportunities to develop additional clinical space, particularly when it can be accomplished without taking up additional real estate. These planned clinical adjustments necessitate some related changes to the construction and structural support of the Surgical Tower, which also impacts project costs.

This notice to the Agency describes the planned adjustments to the project and requests written confirmation that the development of the Surgical Tower as described herein continues to meet the requirements of the Main Campus Exemption in N.C. Gen. Stat. § 131E-184(g).

II. Requirements of CON Main Campus Exemption

The exemption from CON law provided by N.C. Gen. Stat. § 131E-184(g) (the “Main Campus Exemption”) states that:

“(g) The Department shall exempt from certificate of need review any capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b. if all of the following conditions are met:

- (1) The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or a portion of an existing health service facility that is located on the main campus.
- (2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.
- (3) The licensed health service facility proposing to incur the capital expenditure shall provide prior written notice to the Department, along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.”

According to N.C. Gen. Stat. § 131E-176(14n), “main campus” means all of the following for purposes of N.C. Gen. Stat. § 131E- 184(f) and (g) only:

- a. The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building.
- b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.

The Surgical Tower project meets all criteria outlined above for the Main Campus Exemption to CON Law. As explained herein, the sole purpose of the capital expenditure is to renovate, replace, and expand existing surgical services and ICU inpatient services on the main campus of UNCH, an existing health service facility, in accordance with N.C. Gen. Stat. § 131E-184(g)(1). This will be accomplished through the relocation of existing ORs and ICU

beds, and the development and expansion of related ancillary spaces to support the surgical services and ICU level inpatient services that will be provided in the new Surgical Tower.

Additionally, in accordance with N.C. Gen. Stat. § 131E-184(g)(2), the capital expenditure for this project will not result in any change in bed capacity (as defined by N.C. Gen. Stat. § 131E-176(5)) or add any other health service facility or new institutional health service other than that allowed by N.C. Gen. Stat. § 131E-176(16b). In other words, the only portion of the definition of “new institutional health service” that could be implicated by this project is the \$2 million cost threshold in N.C. Gen. Stat. § 131E-176(16b), but that threshold is not applicable in the context of the Main Campus Exemption. The Surgical Tower project does not otherwise propose any development of a “new institutional health service.”

Finally, in accordance with N.C. Gen. Stat. § 131E-184(g)(3), the Surgical Tower is located on the UNCH main campus in Chapel Hill, which is the site of the main building from which UNCH provides clinical patient services and exercises financial and administrative control over the entire facility. See Exhibit 3 for a map identifying the location on the UNCH main campus where the Surgical Tower is being developed.

III. Changes to Levels 5 and 6 Meet the Requirements of the Main Campus Exemption.

Despite some changes to levels 5 and 6 of the Surgical Tower as described below, the project still meets the Main Campus Exemption.

a. Change in Number and Type of ICU Beds Relocating to Surgical Tower

The ICU beds that will be relocated from the main hospital building will be developed on levels 5 and 6 of the Surgical Tower. As explained in the Original Exemption, UNCH originally planned to relocate a total of 56 ICU beds from the following units: Surgical ICU (16); Neurosurgical ICU (16); Cardiothoracic ICU (9); Cardiac ICU (13); and Medical ICU (2).

However, as UNCH has continued work on this project to optimize the programming for the building, it has determined that the number and complement of ICU beds that should move to the Surgical Tower are slightly different. Instead, it is currently UNCH’s plan to relocate a total of 63 ICU beds from the following units: Surgical ICU (16); Cardiothoracic ICU (16); Cardiothoracic Step-down Unit (13); and Intermediate Surgical Care Unit (18).

There may be minor adjustments to this plan going forward, in terms of exactly which ICU beds will be relocated, but current plans are for 63 of UNCH’s licensed ICU beds to relocate from the main hospital building to the new Surgical Tower on the main campus. This move of existing beds will not increase UNCH’s licensed bed capacity. See Exhibits 4, 5, and 6 for the floorplans reflecting the present locations of these ICU beds in the main hospital and see Exhibit 7 for the planned location of these ICU beds in the Surgical Tower.

b. Expansion of Space for Observation Beds

In addition to the current plan to relocate 63 ICU beds, UNCH proposes to develop a larger footprint on these two ICU levels (levels 5 and 6) to accommodate an observation bed

unit. In the original plans, Levels 1-4 were each planned to be approximately 60,000 square feet, while levels 5 and 6 were proposed to have a smaller footprint, with only 33,000 square feet each. The revised plan will increase the square footage of both levels 5 and 6 to approximately 45,000 square feet each, which will allow the footprint on the ground to stay the same while providing for additional clinical space in the building.

UNCH has determined that an observation unit with 17 beds is a logical and desirable complement to the 63 ICU beds that are being relocated. See Exhibit 7 for location of the observation unit on levels 5 and 6. These beds will allow for observation of patients after surgery, who may not need ICU level care and have shorter anticipated recoveries, but who are not ready to be discharged. This location of the observation unit in close proximity to the ORs will also help with patient throughput and make the operation of the Surgical Tower more efficient, which ultimately benefits patients.

Finally, these observation beds will be built in a way that preserves the capability to accommodate licensed acute care beds in the future, but importantly, these beds will all be developed and operationalized as unlicensed observation beds. They will remain unlicensed beds unless and until CON approval for the development of additional licensed acute care beds can be secured by UNCH in the future. Because the development of this space (on levels 5 and 6) represents the expansion of an existing health service facility, and it will not result in any change in licensed bed capacity or any new institutional health service other than that allowed in N.C. Gen.Stat. § 131E-176(16)b, the Surgical Tower project continues to satisfy the Main Campus Exemption.

IV. Changes to Levels 2 and 3 Meet the Requirements of the Main Campus Exemption.

As discussed in the Original Exemption and above, one of the primary objectives of the Surgical Tower is to consolidate surgical services in a new location with sufficient support and ancillary services and physical space to deliver surgical care to patients as effectively and efficiently as possible. UNCH has consistently planned to relocate 24 operating rooms from the main hospital building to the Surgical Tower.¹ See Exhibits 4 and 5 for the floorplans reflecting the present locations of these ORs in the main hospital and see Exhibit 8 for the planned location of these ORs in the Surgical Tower.

The original plans only contemplated including ORs in the Surgical Tower, without any complementary procedural space. As part of the planning and design of the building, UNCH has also determined that there is sufficient space on Levels 2 and 3 of the building to add one procedure room on each level, to complement the surgical services that will be offered in the ORs on these levels. See Exhibit 8 for a floorplan showing the location of the procedure room on Levels 2 and 3 of the Surgical Tower. The revised plan for the addition of these two procedure rooms will allow UNCH to optimize the scheduling of major surgeries in the 24 ORs, while the procedure rooms will allow for additional capacity for more minor or ancillary procedures that may be required for patients of the Surgical Tower. This adjustment

¹ A prior update was provided on March 28, 2019 regarding a minor change in the complement of ORs to be relocated to the Surgical Tower, which resulted in no anticipated change in costs.

to the plans will improve the overall functioning of the surgical services to be provided in the Surgical Tower.

Development of these two procedure rooms, which are not regulated by CON law, represents a minor expansion of surgical services on the main campus of the hospital. Because the development of two procedure rooms to complement and enhance the surgical services on the UNCH main campus represents the expansion of an existing health service facility, and it will not result in any change in licensed bed capacity or any new institutional health service other than that allowed in N.C. Gen.Stat. § 131E-176(16)b, the Surgical Tower project continues to satisfy the Main Campus Exemption.

V. Increase in Costs

Finally, this updated Exemption provides prior written notice that UNCH anticipates incurring increased capital costs for the project, due to the changes described above. Based on the current scope of the project as described above, and to account for related structural changes to the building necessary to accommodate this additional space on levels 5 & 6, UNCH anticipates that completion of the Surgical Tower will cost approximately \$425,000,000. An updated certified cost estimate is attached as Exhibit 9. Finally, consistent with the Main Campus exemption, this correspondence serves as prior written notice of UNCH's intention to incur this capital expenditure for the development of the Surgical Tower.

VI. Conclusion

As demonstrated above, UNCH seeks to maximize the clinical capabilities of this Surgical Tower space with this expansion, while staying within the regulatory framework required by the relevant CON statutes and the CON Main Campus Exemption. It is our understanding and belief that this project is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(g), and UNCH requests written confirmation that the Surgical Tower continues to meet the requirements of the Main Campus Exemption and is thus exempt from CON review. Please do not hesitate to contact me at elizabeth.runyon@unchealth.unc.edu if you have any questions, and thank you in advance for your attention to this matter.

Sincerely,



Elizabeth Frock Runyon
System Director of Regulatory Affairs & Special Counsel
UNC Health

From: [Runyon, Elizabeth](#)
To: [Frisone, Martha](#); [Meymandi, Kimberly](#)
Cc: [Waller, Martha K](#)
Subject: [External] RE: UNCH Updated Main Campus Exemption
Date: Wednesday, September 30, 2020 4:44:30 PM
Attachments: [Ex. 1 - 2017 Original CON Exemption Notice UNCH replacement surgical tower - Copy.pdf](#)
[Ex. 2 - CON Approval Exempt from Review UNCH Replacement Surgical Tower.pdf](#)
[Ex. 3 - CAMPUS PLAN.pdf](#)
[Ex. 4 - EXISTING LEVEL 2.pdf](#)
[Ex. 5 - EXISTING LEVEL 4.pdf](#)
[Ex. 6 - EXISTING LEVEL 6.pdf](#)
[Ex. 7 - NEW LEVELS 5 & 6.pdf](#)
[Ex. 8 - NEW LEVELS 2 & 3.pdf](#)
[Ex. 9 - UNCH ST Certified CON Cost Estimate 200929.pdf](#)
[2020.9.30 Update to Surgical Tower Main Campus CON Exemption Request.pdf](#)

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Martha and Kim,

Attached please find UNC Hospitals' updated main campus exemption (and supporting exhibits) for the Surgical Tower, which is under construction in Chapel Hill. The original exemption is Record # 2311.

Please let me know if any questions. I hope everyone is doing well and staying healthy!

Thanks,
Elizabeth

Elizabeth Frock Runyon
System Director of Regulatory Affairs and Special Counsel
UNC Health
211 Friday Center Drive, Chapel Hill, NC 27517
p (984) 215-3622
elizabeth.runyon@unchealth.unc.edu

----- Confidentiality Notice -----

The information contained in (or attached to) this electronic message may be legally privileged and/or confidential information. If you have received this communication in error, please notify the sender immediately and delete the message.

June 22, 2017

Gary S. Qualls
Gary.qualls@klgates.comT +1 919 466 1182
F +1 919 516 2072**Via Hand Delivery**Martha Frisone
Chief
Department of Health and Human Services
Division of Health Service Regulation
Healthcare Planning and Certificate of Need
Section
809 Ruggles Drive
Raleigh, North Carolina 27603Re: University of North Carolina Hospitals at Chapel Hill's Exemption Notice Regarding Replacement Surgical Tower

Dear Ms. Frisone:

Pursuant to N.C. Gen. Stat. § 131E-184(g), the University of North Carolina Hospitals at Chapel Hill ("UNCH") gives this prior written notice of a proposed exempt project. As you know, UNCH is a licensed hospital and is thus an existing "health service facility" under the CON Law. See N.C. Gen. Stat. § 131E-176(9b). This Exempt Project entails construction of a Surgical Tower that will be adjacent and connected to the current Main Campus Hospital Building,¹ which houses the current beds and operating rooms, located at 101 Manning Drive, Chapel Hill, North Carolina. The new Replacement Surgical Tower will have the same address.

Exemption Provisions

This Exempt Project falls within the "Main Campus Exemption Provisions" in N.C. Gen. Stat. § 131E-184(g)(1)-(3). Main Campus Exemption Provisions provide as follows:

- (g) The Department shall exempt from the certificate of need review and any capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b if all of the following conditions are met:

¹ Although some portions of UNCH's Main Campus Hospital Building have different names, they are all connected as one single Main Campus Building. See Exhibits 1 and 2.

- (1) The sole purpose of the capital expenditure is to renovate, replace on the same site, or expand the entirety or a portion of an existing health service facility that is located on the main campus.
- (2) The capital expenditure does not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service facility other than that allowed in G.S. 131E-176(16)b.
- (3) The licensed health service facility proposing to incur the capital expenditure shall provide written notice to the Department along with supporting documentation to demonstrate that it meets the exemption criteria of this subsection.

For purposes of the foregoing Main Campus Exemption Provisions in Section 131E-184(g), the term “main campus” is defined in N.C. Gen. Stat. § 131E-176(14n) as follows:

- (14n) “Main campus” means all of the following for the purpose of G.S. 131E-184(f) and (g) only:
- a. The site of the main building from which a licensed health service facility provides clinical patient services and exercises financial and administrative control over the entire facility, including the buildings and grounds adjacent to that main building.
 - b. Other areas and structures that are not strictly contiguous to the main building but are located within 250 yards of the main building.

Here, the proposed Replacement Surgical Tower will actually be connected to the existing UNCH Main Campus Hospital Building, as shown in Exhibits 1 and 2. Clinical patient services, financial control, and administrative control of UNCH are provided in the Main Campus Hospital Building, to which the proposed new Surgical Tower will be connected. Only existing health services currently offered at UNCH will be provided as a result of this Exempt Project.

In accordance with Section 131E-184(g)(2), the Exempt Project’s capital expenditures will “not result in (i) a change in bed capacity as defined in G.S. 131E-176(5) or (ii) the addition of a health service facility or any other new institutional health service facility other than that allowed in G.S. 131E-176(16)b.” No new operating rooms will be developed and no major medical equipment will be acquired as a result of this Exempt Project.

The capital expenditure for the Replacement Surgical Tower will exceed \$2 million. The current estimated capital expenditure is \$290 Million. See Exhibit 3.

Project Summary

The Replacement Surgical Tower will be constructed in the southwest corner of the Hospital directly in front of the Memorial Hospital segment of the Main Campus Hospital Building. The Replacement Surgical Tower will connect to the Main Campus Hospital Building on basement, ground, second floor, and possibly the fourth floor. The primary purpose of the Replacement Surgical Tower will be to provide replacement operating rooms meeting current design guidelines and co-location of inpatient bed services typically associated with surgery.

Operating Rooms

A total of 24 ORs will be relocated. As shown in Exhibit 1:

- 16 of the relocated ORs will be relocated from the main OR suite on the 2nd floor of the Memorial Hospital segment of the Main Campus Hospital Building;
- three (3) ORs will be relocated from the OR annex suite, also on the 2nd floor of the Memorial Hospital segment of the Main Campus Hospital Building; and
- five (5) ORs will be relocated from the 4th floor OR suite in the Patient Support segment of the Main Campus Hospital Building.

The placement of ORs in the Replacement Surgical Tower is depicted, level by level, in Exhibit 2. Planning for the backfill of those areas is still being developed. It is anticipated that they will be used for some type of procedural function that could potentially utilize the existing rooms. Once that planning is completed, a separate CON request may be submitted for any backfill projects and they will be treated as discrete projects.

Inpatient Beds

Fifty six (56) acute care beds are proposed to be relocated to the Replacement Surgical Tower. As shown in Exhibit 1, these relocated beds include:

- 16 beds from the Surgical ICU (SICU);
- 16 beds from Neurosurgery ICU (NSICU);
- nine (9) beds from the Cardiothoracic ICU (CTICU);
- 13 beds from the Cardiac ICU (CICU); and

- two (2) beds from the Medicine ICU (MICU).

The final service line and bed distribution in the Replacement Surgical Tower is still being developed, but they will likely be combined into just three services (SICU, CTICU, and NSICU). The vacated beds will be used as observation beds.

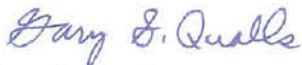
Other Supporting Services

Central sterile processing will be relocated to the Replacement Surgical Tower with the surgical services administrative and business offices. Educational conference/classrooms will be included as well. The ground floor lobby will provide typical patient access and amenities such as registration, discharge waiting, and food service or coffee bar. See Exhibit 2.

Conclusion

Based on the foregoing information, UNCH requests that the Agency provide a written response confirming that UNCH's Replacement Surgical Tower, which is located on UNCH's main campus, is exempt from certificate of need review. We thank you for your consideration for this notice.

Sincerely,

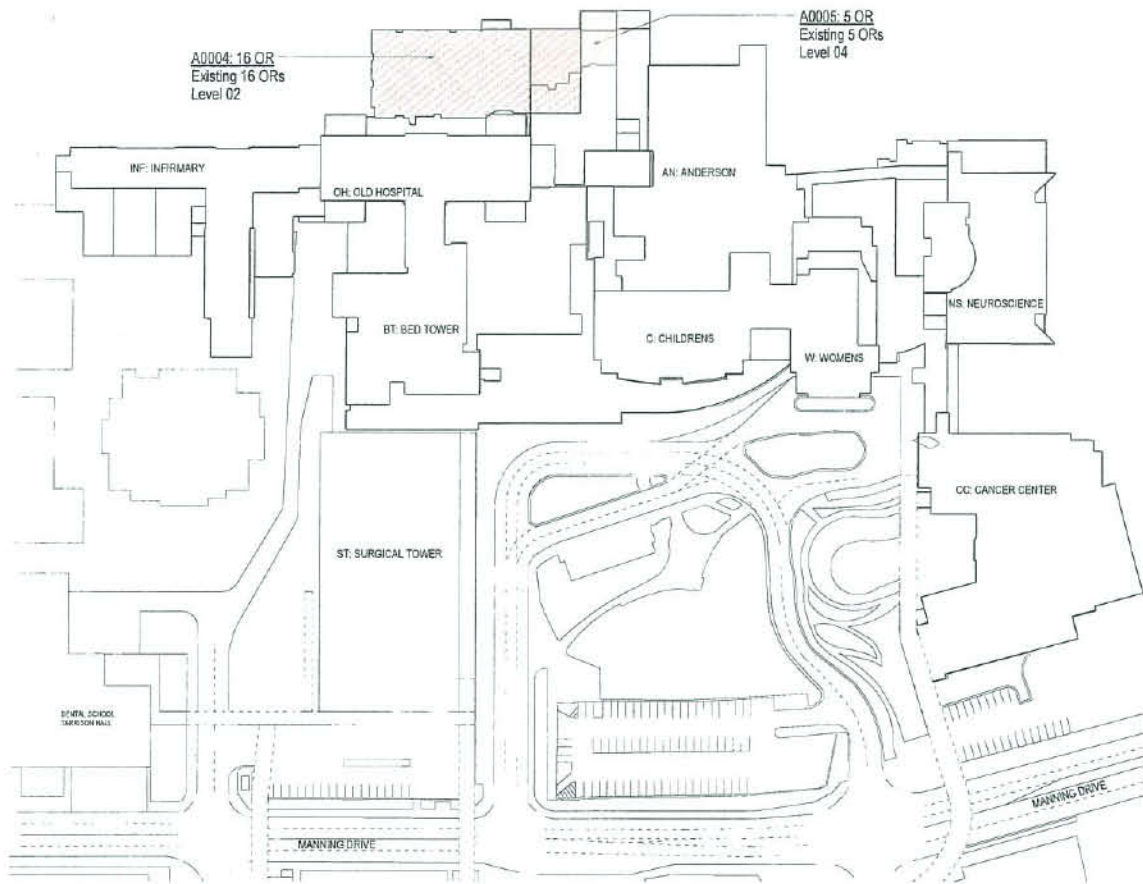


Gary S. Qualls

Enclosures

Exhibit List

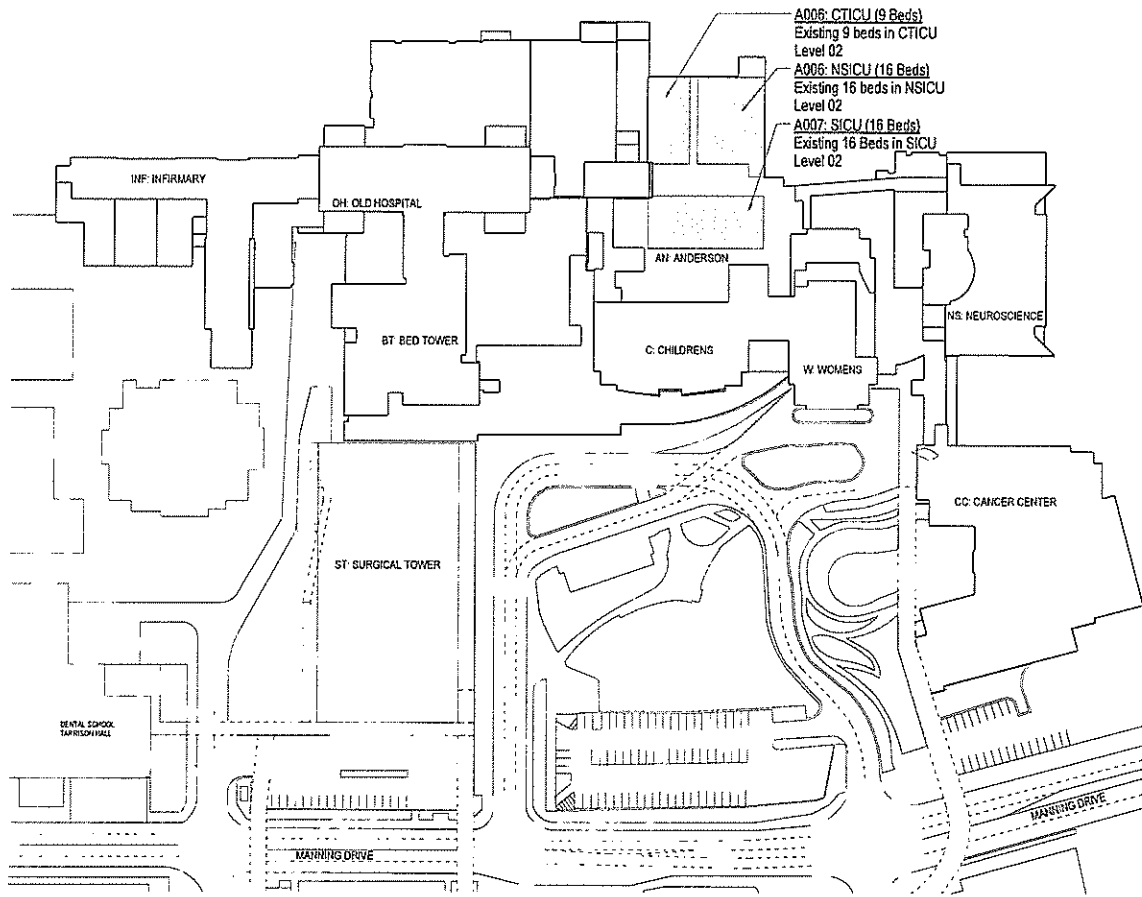
1. Line Drawings Showing Physical Relationship of Existing Main Campus Hospital Building to new Replacement Surgical Tower and Current Locations of Existing Beds and Operating Rooms to be Relocated to Replacement Surgical Tower
2. Line Drawings Showing Physical Relationship of Existing Main Campus Hospital Building to new Replacement Surgical Tower and Locations of Relocated Beds and Operating Rooms in Replacement Surgical Tower
3. Certified Cost Estimate for the Exempt Replacement Surgical Tower



A 5001 EXISTING OR CON - CAMPUS SITE PLAN
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 DATE: 08/01/11
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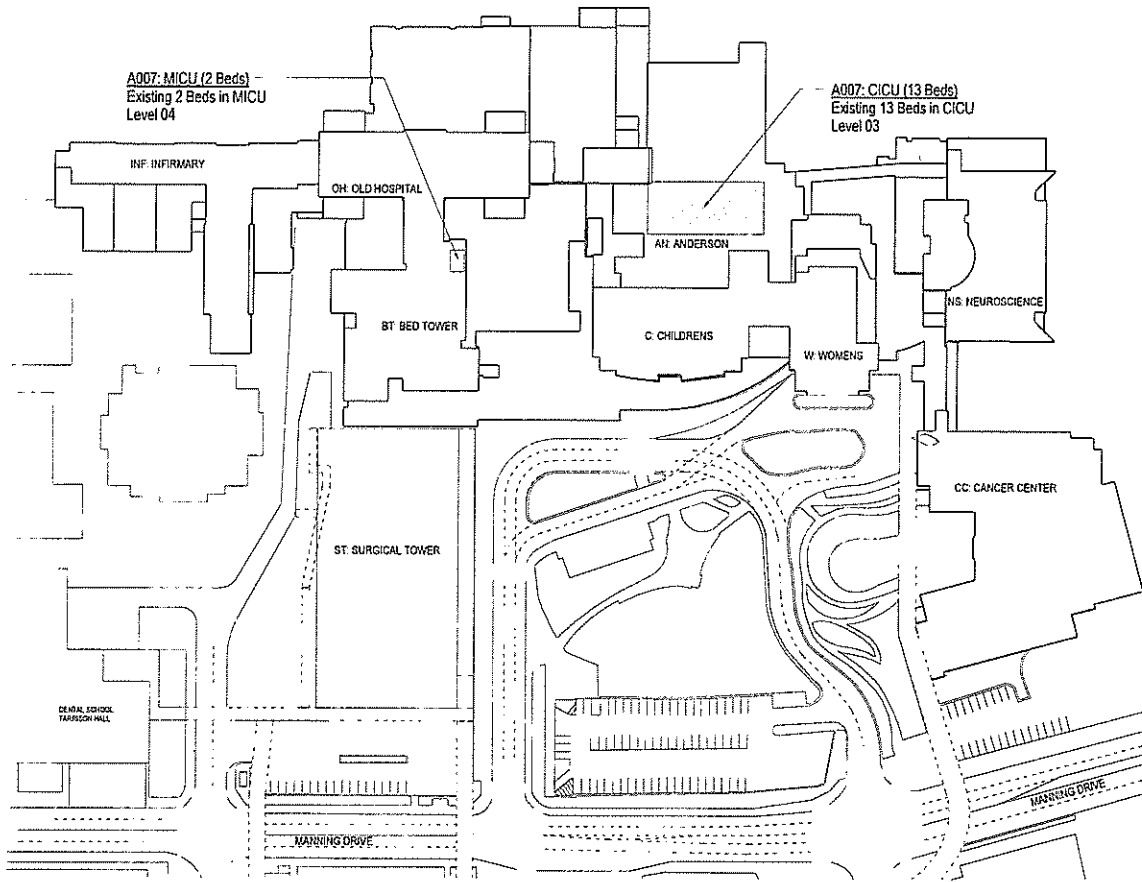
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 1000 W. Hargett Street, Suite 200
 Charlotte, NC 28202
 Phone: 704.375.1234
 Fax: 704.375.1235
 www.whrarchitects.com



A 0022 EXISTING BED CON - SITE PLAN
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 DATE: 08/2011
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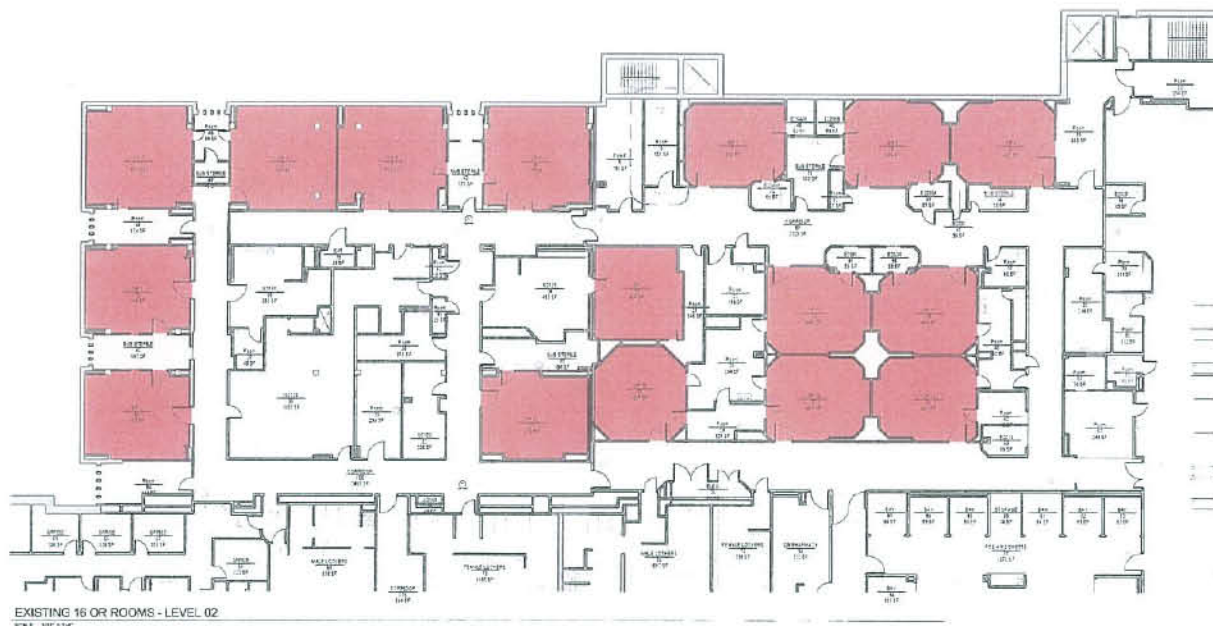
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A 002 EXISTING BED CON. - SITE PLAN
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 JOB NO. 1908111
 DATE: 8/2017



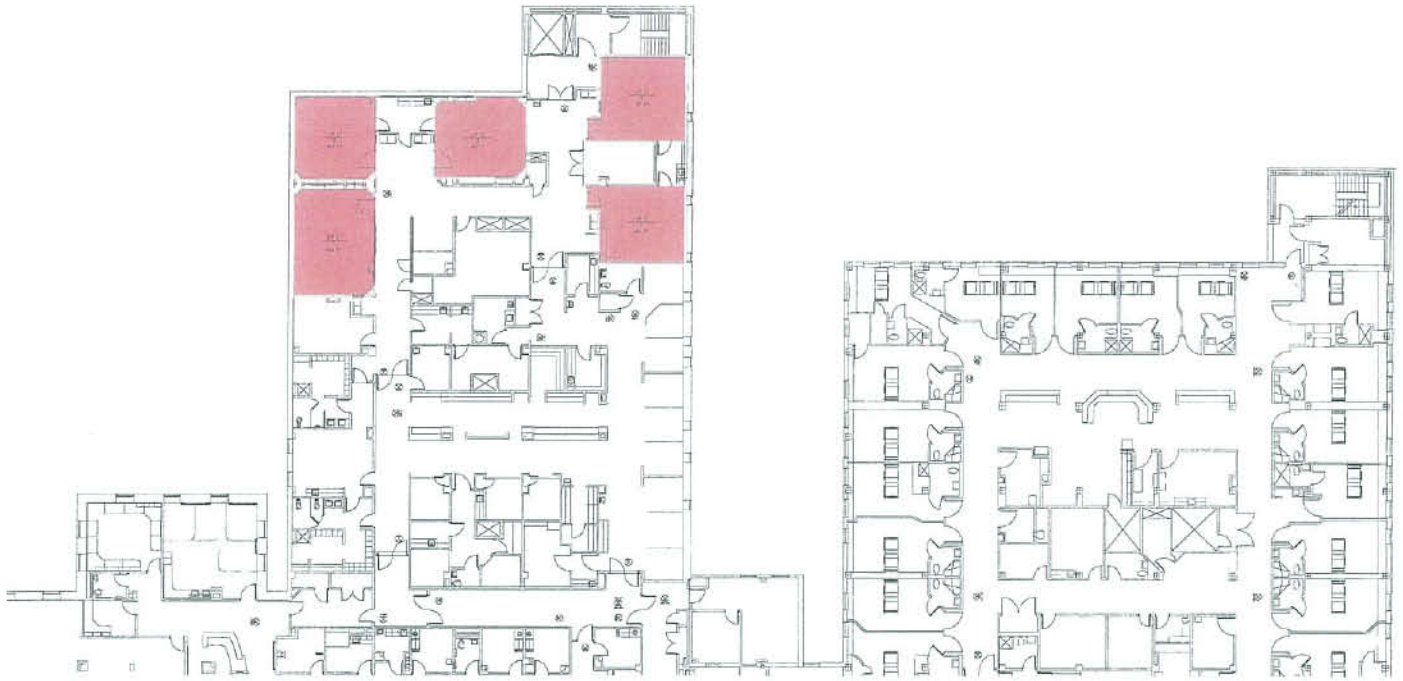
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A 0204 EXISTING OR LOCATION - 16 OR LEVEL 02
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 JOB NO: 16200101
 DATE: 01/14/17
 16200101-0204



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A 0000 EXISTING OR LOCATION - 5 OF LEVEL 04

SCALE: 1/8" = 1'-0"
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DATE: 06/07



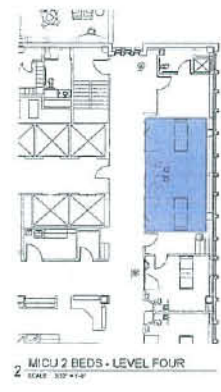
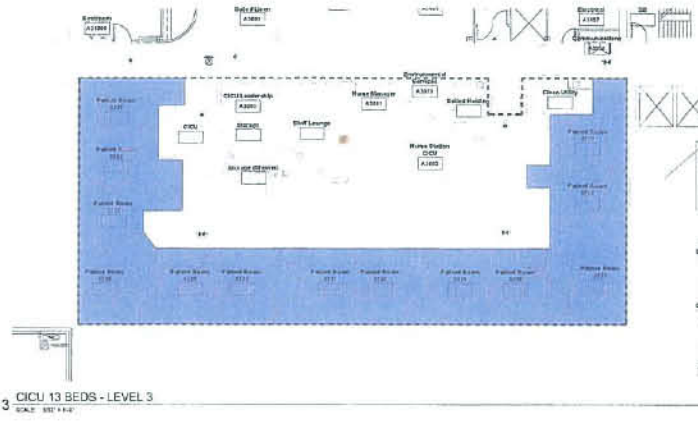
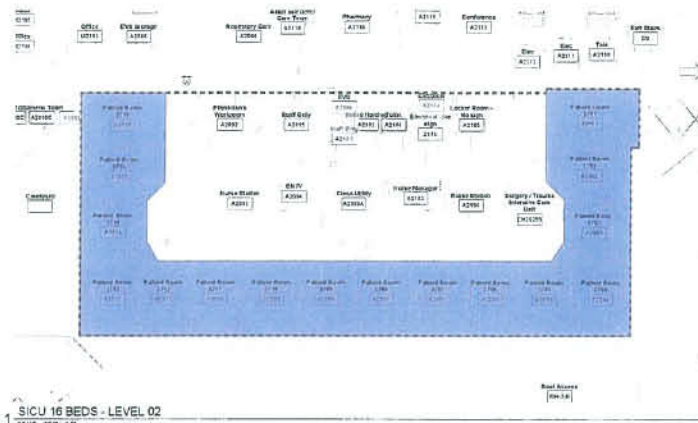
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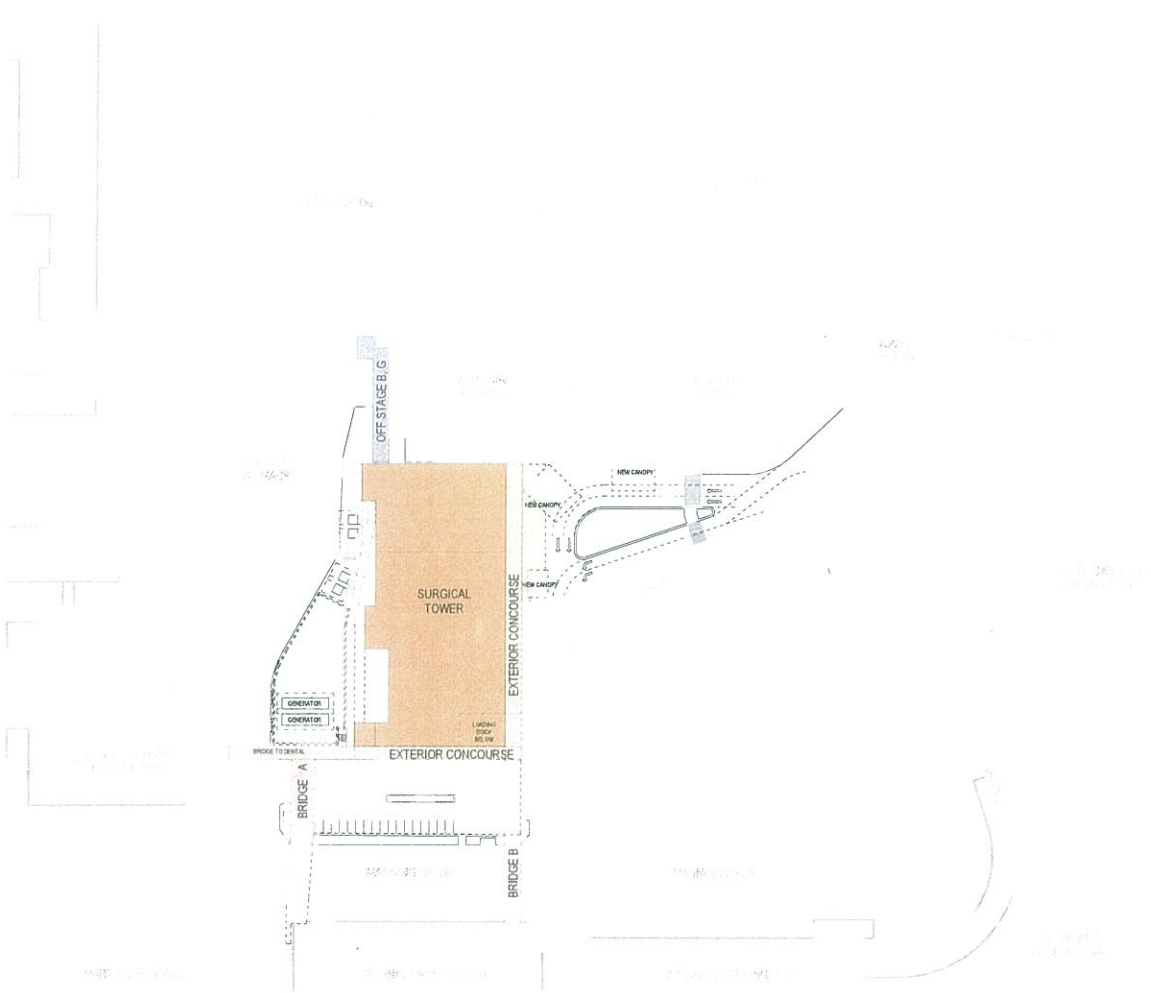
Level 04 - Existing
06/07/07



A-001 EXISTING BED COR - LEVEL TWO, THREE & FOUR
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 JOB NO: 14388131
 DATE: MARCH
 DATE PLOTTED: 6/2/17



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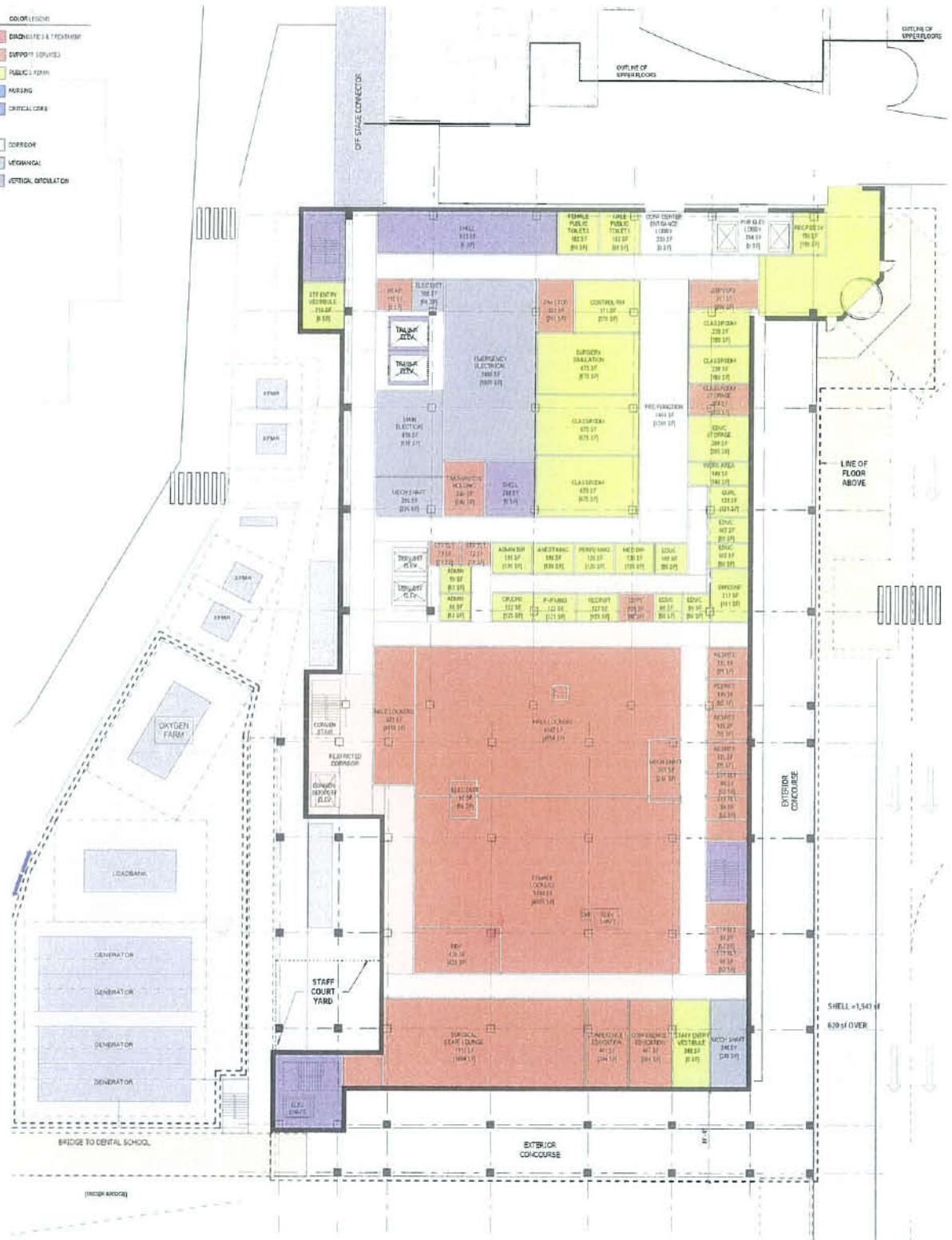
A 001 UNC CAMPUS SITE PLAN

ISSUE: 2/14/12
 DATE: 02/14/12
 DATE: 02/14/12
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UNC
 HEALTH CARE
UNC SURGICAL TOWER

WHR ARCHITECTS

- COLOR CODE**
- DIAGNOSTIC & TREATMENT
 - SUPPORT SERVICES
 - PUBLIC ROOM
 - MARKING
 - CRITICAL CARE
 - CORRIDOR
 - MECHANICAL
 - VERTICAL PENETRATOR



GROUND FLOOR PLAN (24 ORs)
 SCALE: 1/8" = 1'-0"
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LEVEL 2 PLAN (24 ORs)
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 - MEDICAL
 - OFFICE/RECEPTION

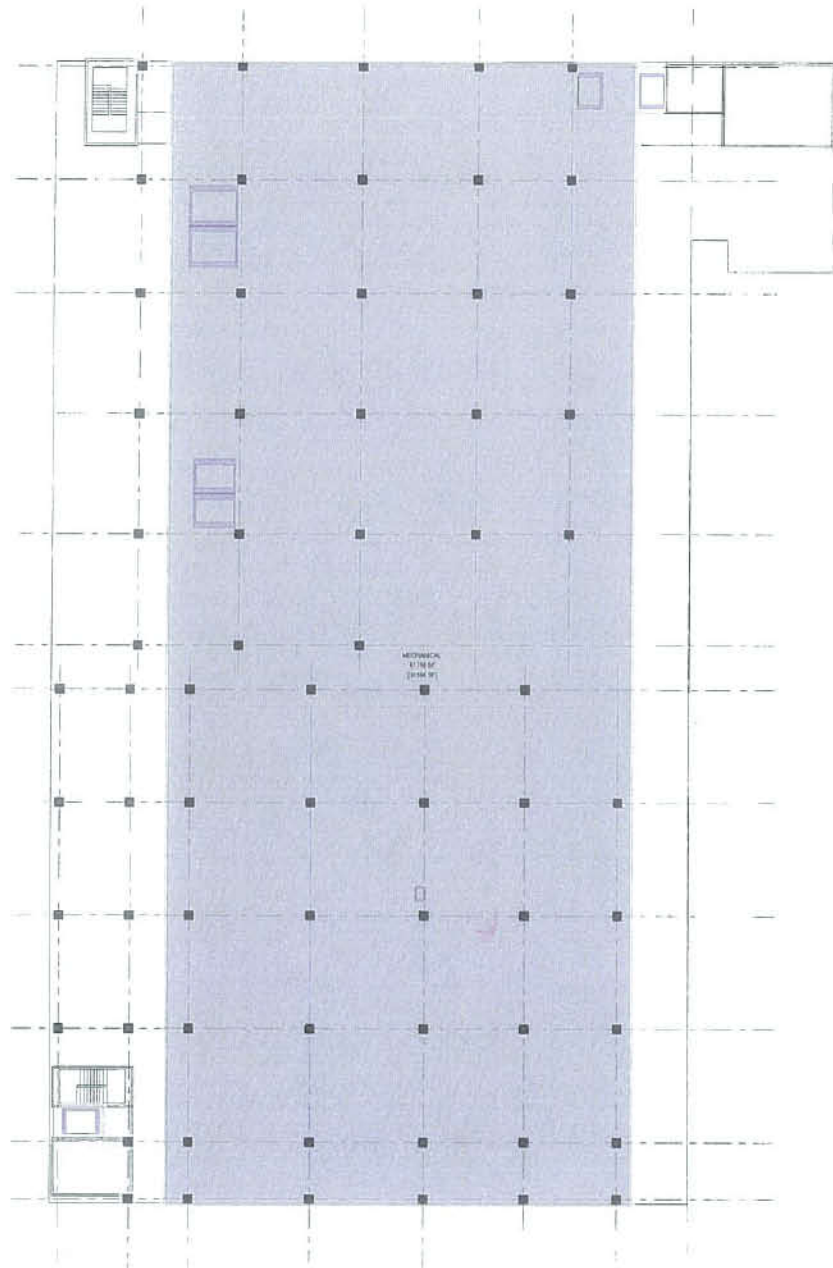
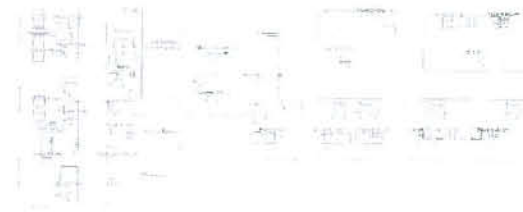


LEVEL 4 PLAN (24 ORs)
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 - MECHANICAL
 - VERTICAL CIRCULATION

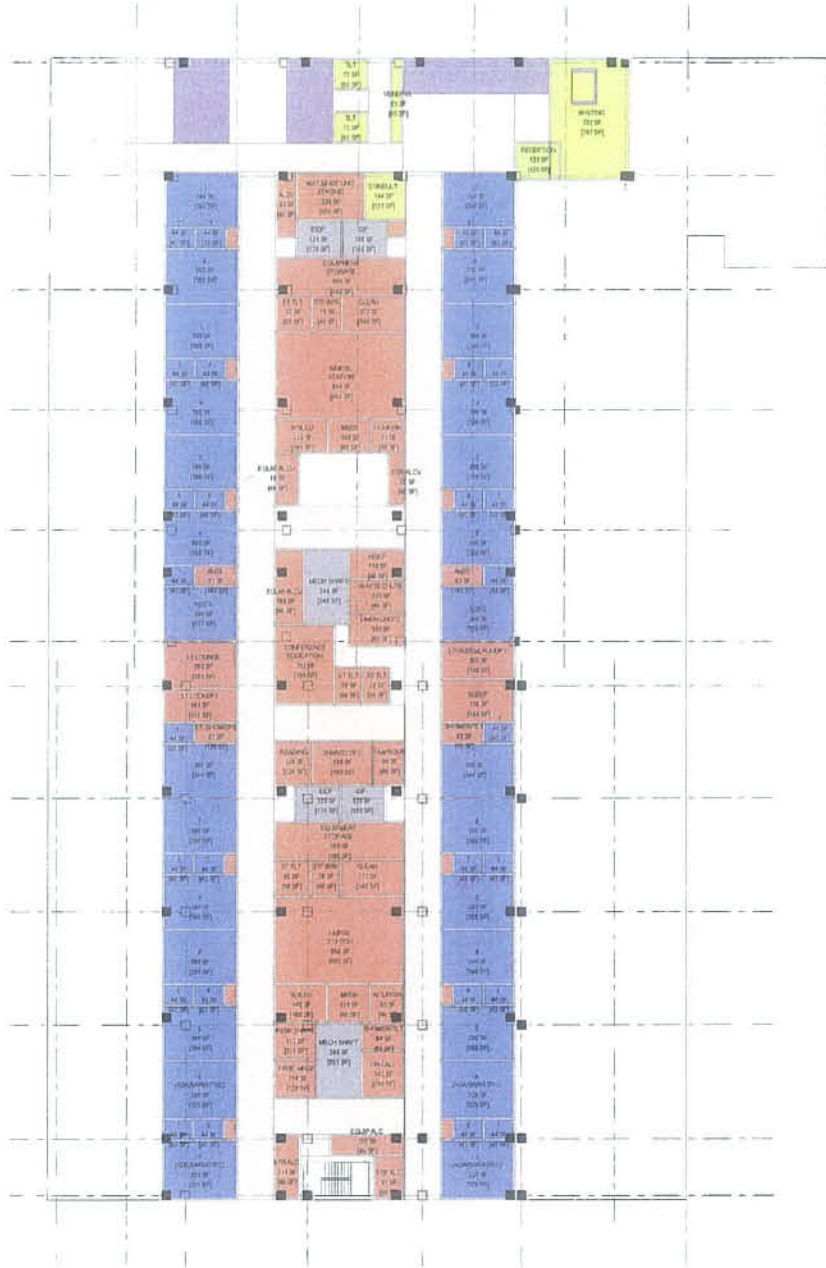


LEVEL 5 PLAN (24 ORs)
 SCALE: 1/8" = 1'-0"
 JOB NO: 021001.01
 DATE: 03/17/11
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UNC
 HEALTH CARE
 SURGICAL TOWER STUDY

WHR ARCHITECTS
 4715 North College Street
 Raleigh, NC 27617
 919.873.8810 www.whrarch.com

- COLOR LEGEND**
- DIAGNOSTIC & TREATMENT
 - SUPPORT SERVICES
 - PUBLIC ADMIN
 - HOURS
 - ONYX CARE
-
- CORRIDOR
 - MECHANICAL
 - VERTICAL CIRCULATION

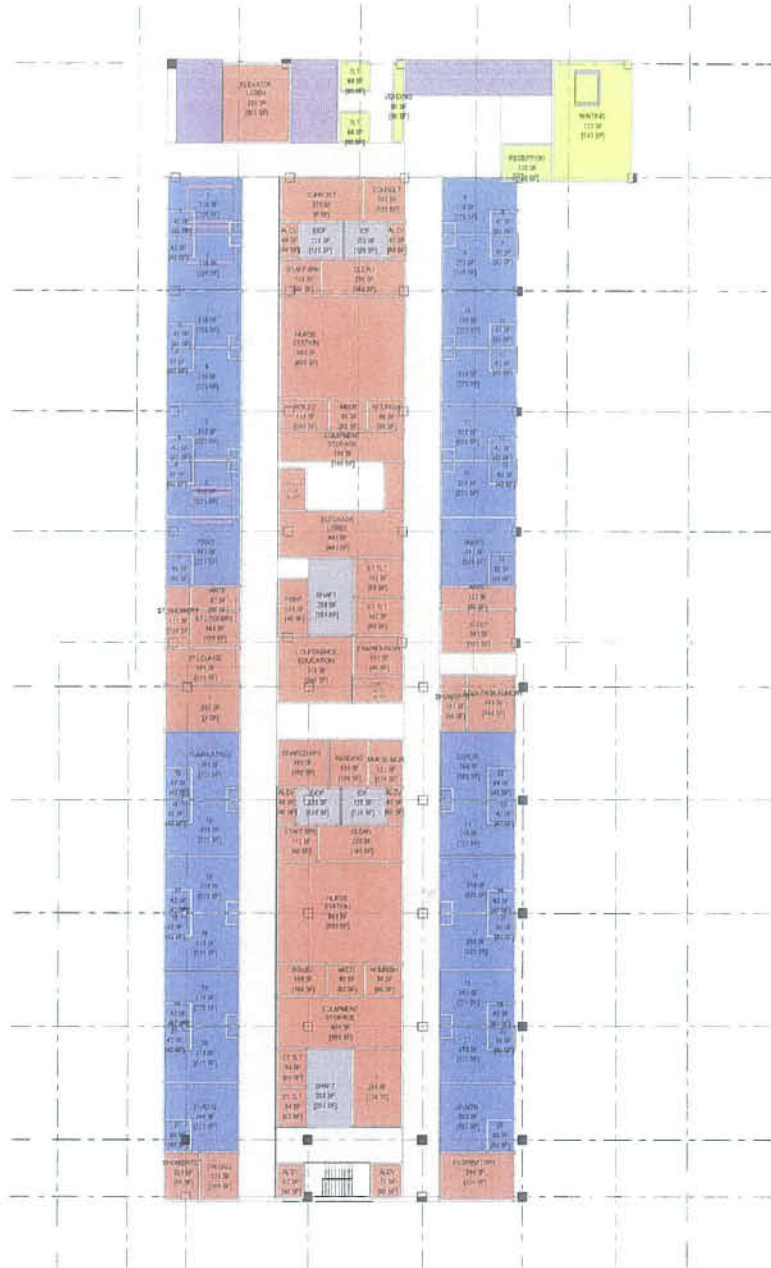


LEVEL 6 PLAN (24 DRs)
 SCALE: 1/8" = 1'-0"
 JOB NO. 20061121
 DATE: 09/13/11
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UNC
 HEALTH CARE
 SURGICAL TOWER STUDY

WHR ARCHITECTS
 411 Park Street, Suite 2000
 Raleigh, NC 27601
 919.833.9999

- LEGEND
- DIAGNOSTICS & TREATMENT
 - SUPPORT SERVICES
 - PUBLIC & FOOD
 - NURSING
 - SPECIAL CARE
-
- CORRIDOR
 - MECHANICAL
 - ELEVATOR CIRCULATION



LEVEL 7 PLAN (24 ORs)
 SCALE: 1/8" = 1'-0"
 JOB NO: 20060109
 DATE: 05/11/07
 Copyright © 2007 WMA Group, PC



WHR ARCHITECTS
 111 West Bragg Street
 Raleigh, NC 27603
 1-800-881-8811 www.wma.com

**PROPOSED TOTAL CAPITAL COST OF PROJECT
UNC HOSPITALS SURGICAL TOWER**

A. Site Costs

(1) Full purchase price of land		\$0	
Acres _____ Price per Acre \$ _____			
(2) Closing costs		\$0	
(3) Site Inspection and Survey		\$26,910	
(4) Legal fees and subsoil investigation		\$0	
(5) Site Preparation Costs			
Soil Borings	\$9,500		
Clearing - Earthwork	\$333,089		
Fine Grade for Slab	\$106,274		
Roads - Paving	\$540,000		
Concrete Sidewalks	\$1,837,500		
Water and Sewer	\$6,053,021		
Footing Excavation	\$406,173		
Footing Backfill	\$419,875		
Termite Treatment	\$0		
Other (Basement / Rock Excavation, Caissor	\$3,620,035		
Sub-Total Site Preparation Costs		\$13,325,467	
(6) Other (Landscaping, site furnishings, lighting)		\$1,814,867	
(7) Sub-Total Site Costs			\$15,167,244

B. Construction Contract

(8) Cost of Materials			
General Requirements	\$7,076,857		
Concrete/Masonry	\$5,590,799		
Woods/Doors & Windows/Finishes	\$18,637,914		
Thermal & Moisture Protection	\$9,346,193		
Equipment/Specialty Items	\$5,816,338		
Mechanical/Electrical	\$43,063,678		
Other (Structural Steel, Bridge Connectors)	\$8,726,831		
Sub-Total Cost of Materials		\$98,258,610	
(9) Cost of Labor		\$73,039,949	
(10) Other: Construction Contingency		\$14,906,102	
(11) Sub-Total Construction Contract			\$186,204,661

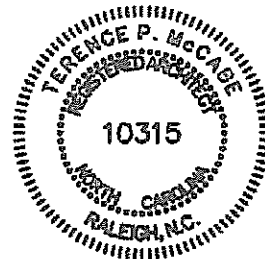
C. Miscellaneous Project Costs

(12) Building Purchase		\$0	
(13) Fixed Equipment Purchase		\$6,398,000	
(14) Movable Equipment Purchase		\$21,573,000	
(15) Furniture		\$5,034,298	
(16) Landscaping		\$0	
(17) Consultant Fees			
Architect and Engineering Fees	\$17,790,120		
Legal Fees	\$0		
Market Analysis	\$0		
Other (Specify)	\$0		
Sub-Total Consultant Fees		\$17,790,120	
(18) Financing Costs (e.g. Bond, Loan, etc.)		\$0	
(19) Interest During Construction		\$0	
(20) Other: Project Contingency		\$34,812,099	
IT Costs		\$3,020,579	
(21) Sub-Total Miscellaneous			\$88,628,095
(22) Total Capital Cost of Project (Sum A-C above)			\$290,000,000

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



Signature of Licensed Architect or Engineer



April 10, 2017

Date



DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF HEALTH SERVICE REGULATION

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

MARK PAYNE
DIRECTOR

June 30, 2017

Gary S. Qualls
430 Davis Drive, Suite 400
Morrisville, NC 27560

Exempt from Review

Record #: 2311
Facility Name: University of North Carolina Hospitals
FID #: 923517
Business Name: University of North Carolina Hospitals at Chapel Hill
Business #: 1900
Project Description: Construct a new surgical tower to accommodate the relocation of 24 existing operating rooms, 56 existing licensed acute care beds, central sterile processing, educational conference rooms and classrooms
County: Orange

Dear Mr. Qualls:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of June 22, 2017 the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(g). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

However, you need to contact the Agency's Construction and Acute and Home Care Licensure and Certification 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 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 Agency. 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.

If you have any questions concerning this matter, please feel free to contact this office.

Sincerely,

Bernetta Thorne-Williams
Project Analyst

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

cc: Construction Section, DHSR
Acute and Home Care Licensure and Certification Section, DHSR
Paige Bennett, Assistant Chief, Healthcare Planning, DHSR

HEALTHCARE PLANNING AND CERTIFICATE OF NEED SECTION

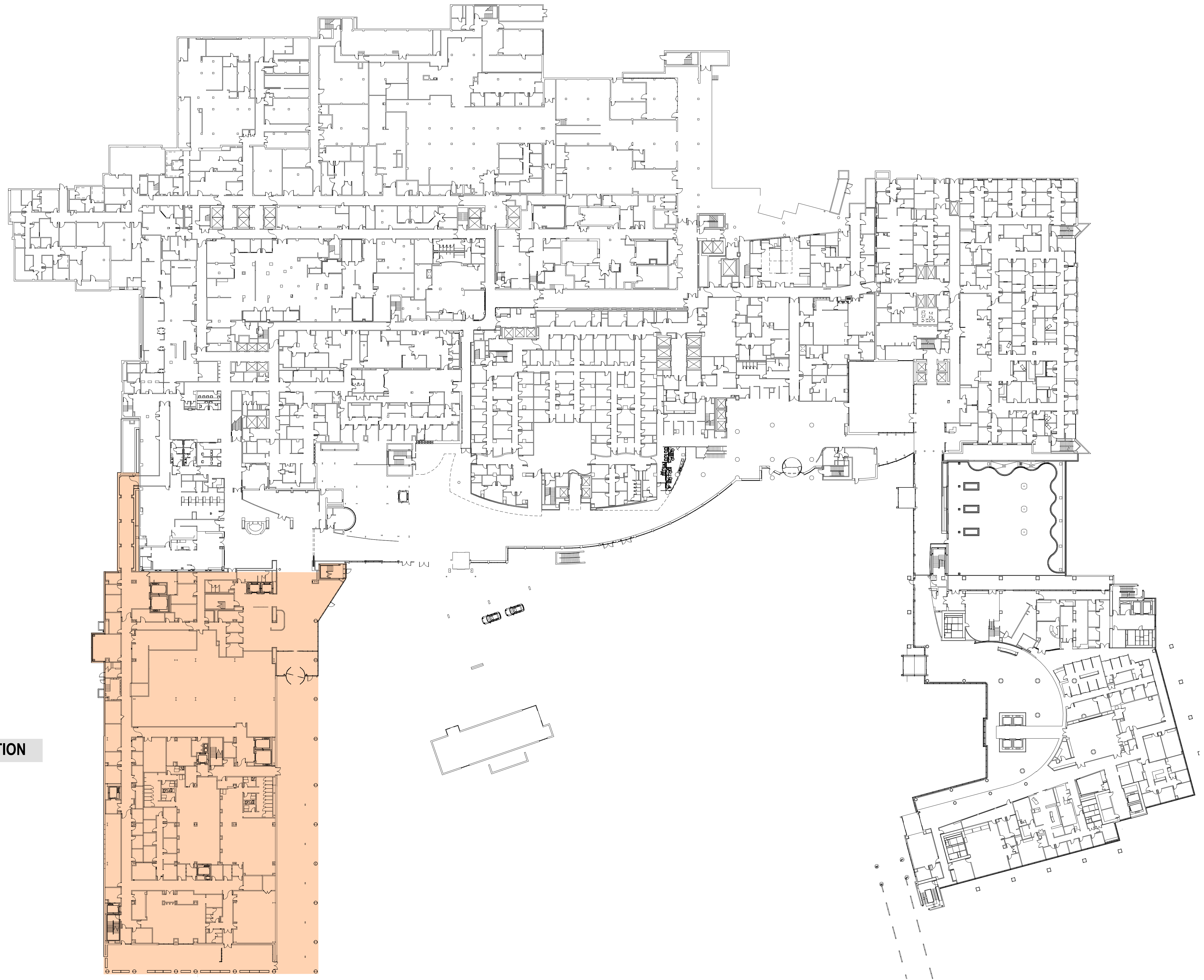
WWW.NCDHHS.GOV

TELEPHONE 919-855-3873

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

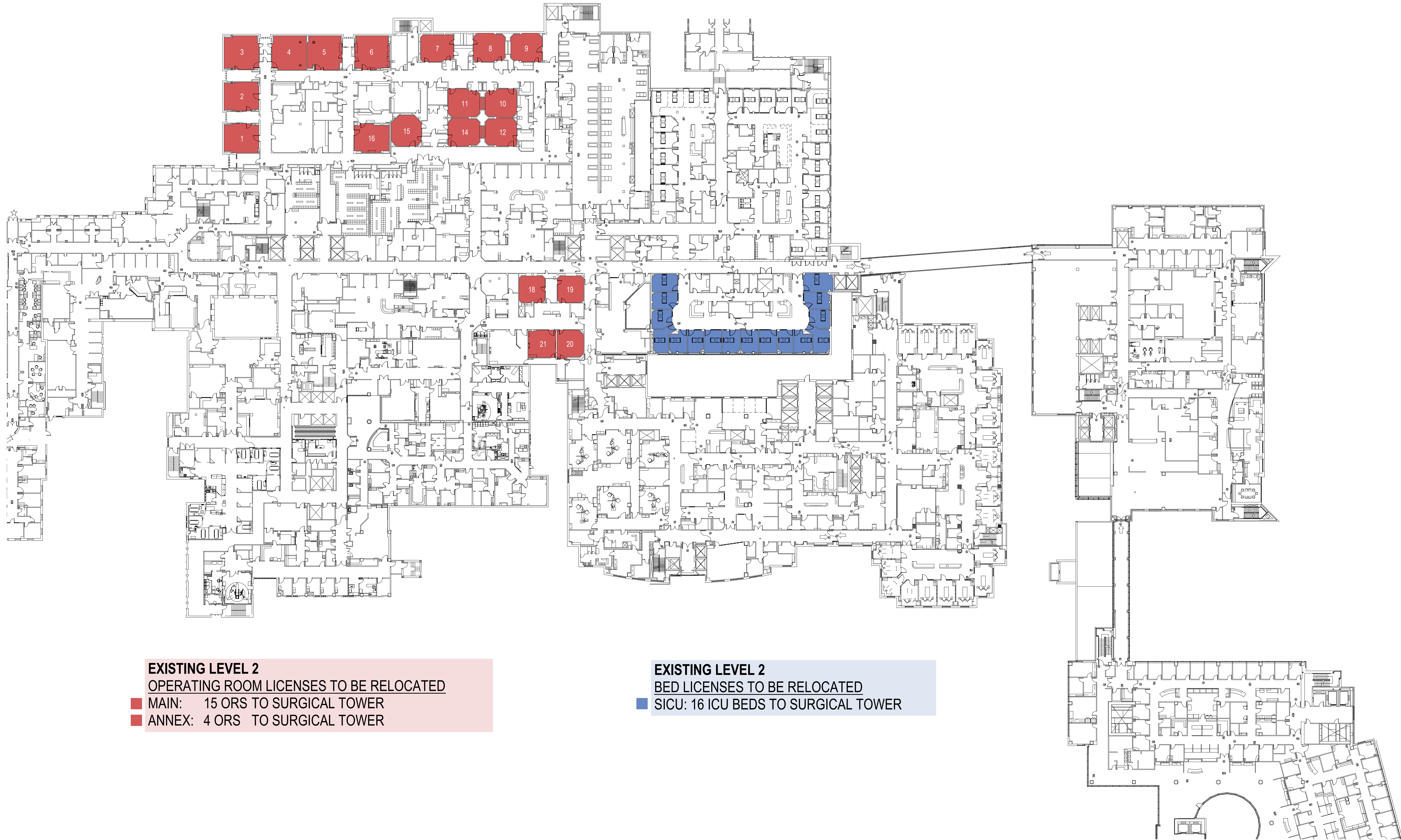
MAILING ADDRESS: 2704 MAIL SERVICE CENTER • RALEIGH, NC 27699-2704

AN EQUAL OPPORTUNITY/ AFFIRMATIVE ACTION EMPLOYER



NEW SURGICAL TOWER LOCATION





EXISTING LEVEL 2
OPERATING ROOM LICENSES TO BE RELOCATED

- MAIN: 15 ORS TO SURGICAL TOWER
- ANNEX: 4 ORS TO SURGICAL TOWER

EXISTING LEVEL 2
BED LICENSES TO BE RELOCATED

- SICU: 16 ICU BEDS TO SURGICAL TOWER



EXISTING LEVEL 4
OPERATING ROOM LICENSES TO BE RELOCATED

■ 5 ORS TO SURGICAL TOWER

EXISTING LEVEL 4
BED LICENSES TO BE RELOCATED

■ CTICU: 16 ICU BEDS TO SURGICAL TOWER
■ CTSU: 13 BEDS TO SURGICAL TOWER



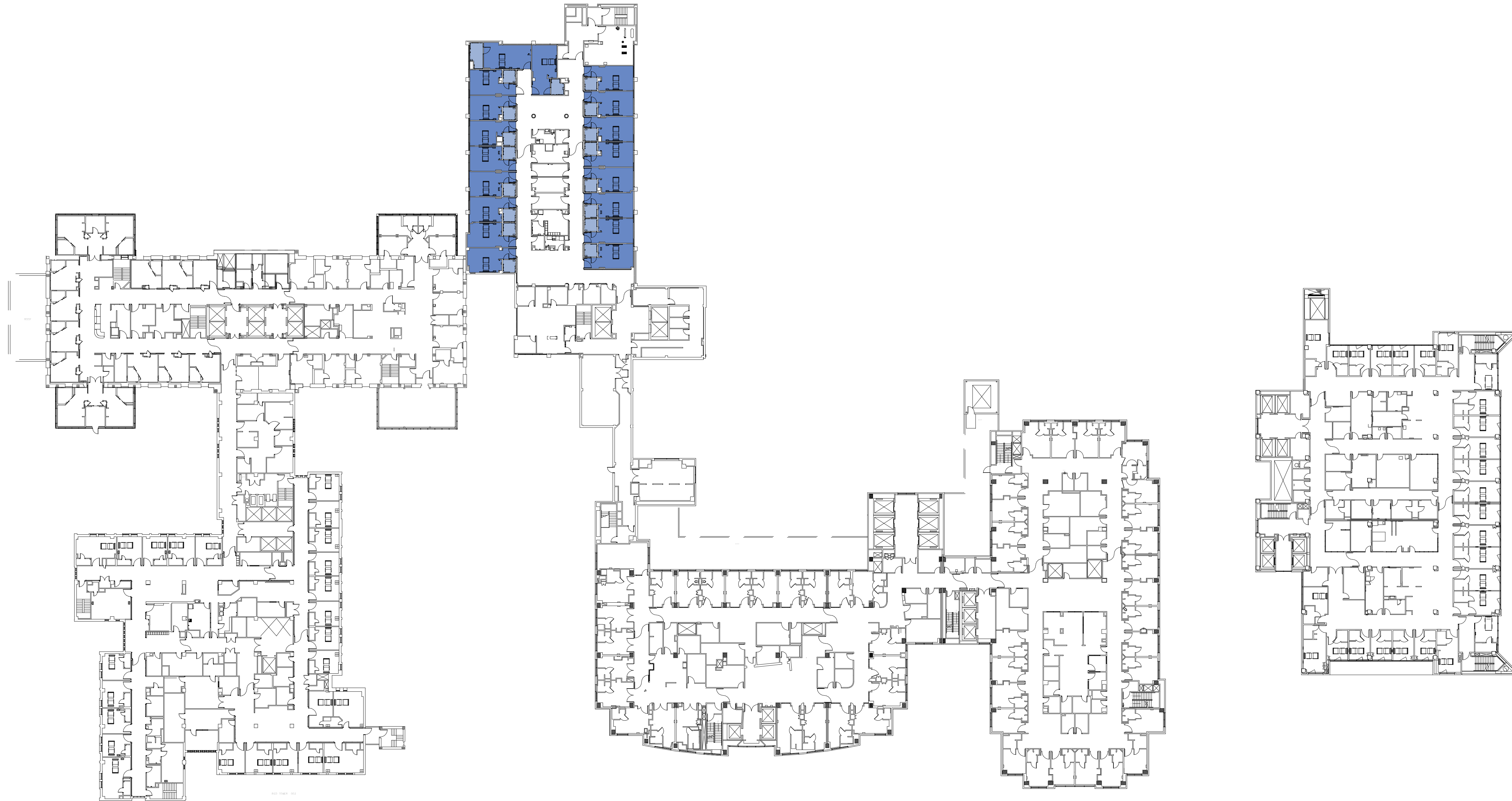
CON 0.4 EXISTING LEVEL 4

SCALE: 1/32" = 1'-0"
JOB NO.: 6016061.02
DATE: 09/21/20



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EXISTING LEVEL 6
BED LICENSES TO BE RELOCATED
■ ISCU: 18 ICU BEDS TO SURGICAL TOWER



CON 0.6 EXISTING LEVEL 6

SCALE: 1/32" = 1'-0"
JOB NO.: 6016061.02
DATE: 09/21/20



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200 Park at North Hills St, Suite 180
Raleigh, NC 27609
T 919 833 8818
eypae.com

NEW LEVEL 5

- 34 RELOCATED ICU BEDS
- 6 OBSERVATION BEDS



NEW LEVEL 5 BEDS

SCALE: 1" = 20'-0"

NEW LEVEL 6

- 29 RELOCATED ICU BEDS
- 11 OBSERVATION BEDS



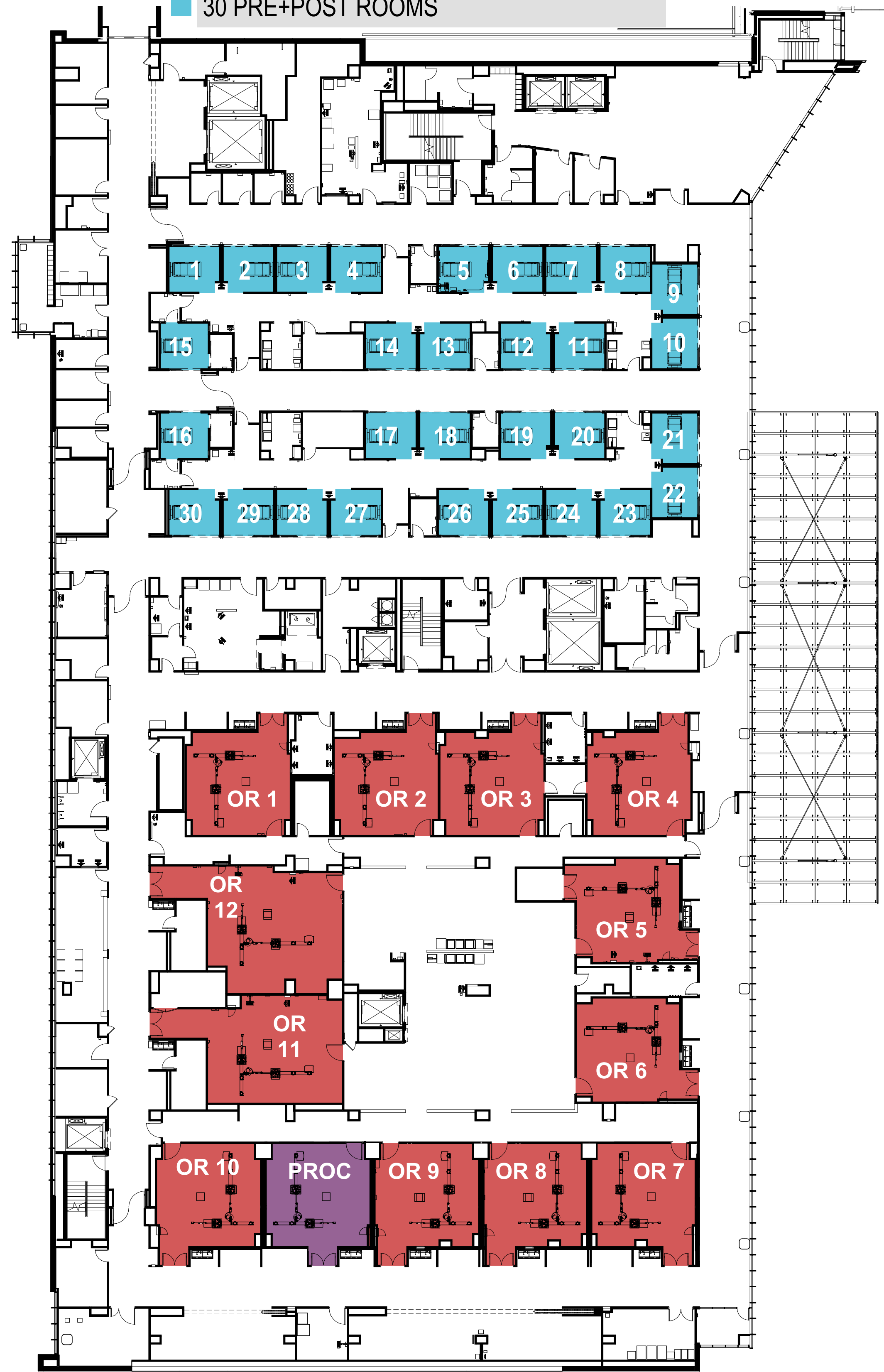
NEW LEVEL 6 BEDS

SCALE: 1" = 20'-0"



LEVEL 2

- 12 RELOCATED OPERATING ROOMS
- 1 PROCEDURE ROOM
- 30 PRE+POST ROOMS

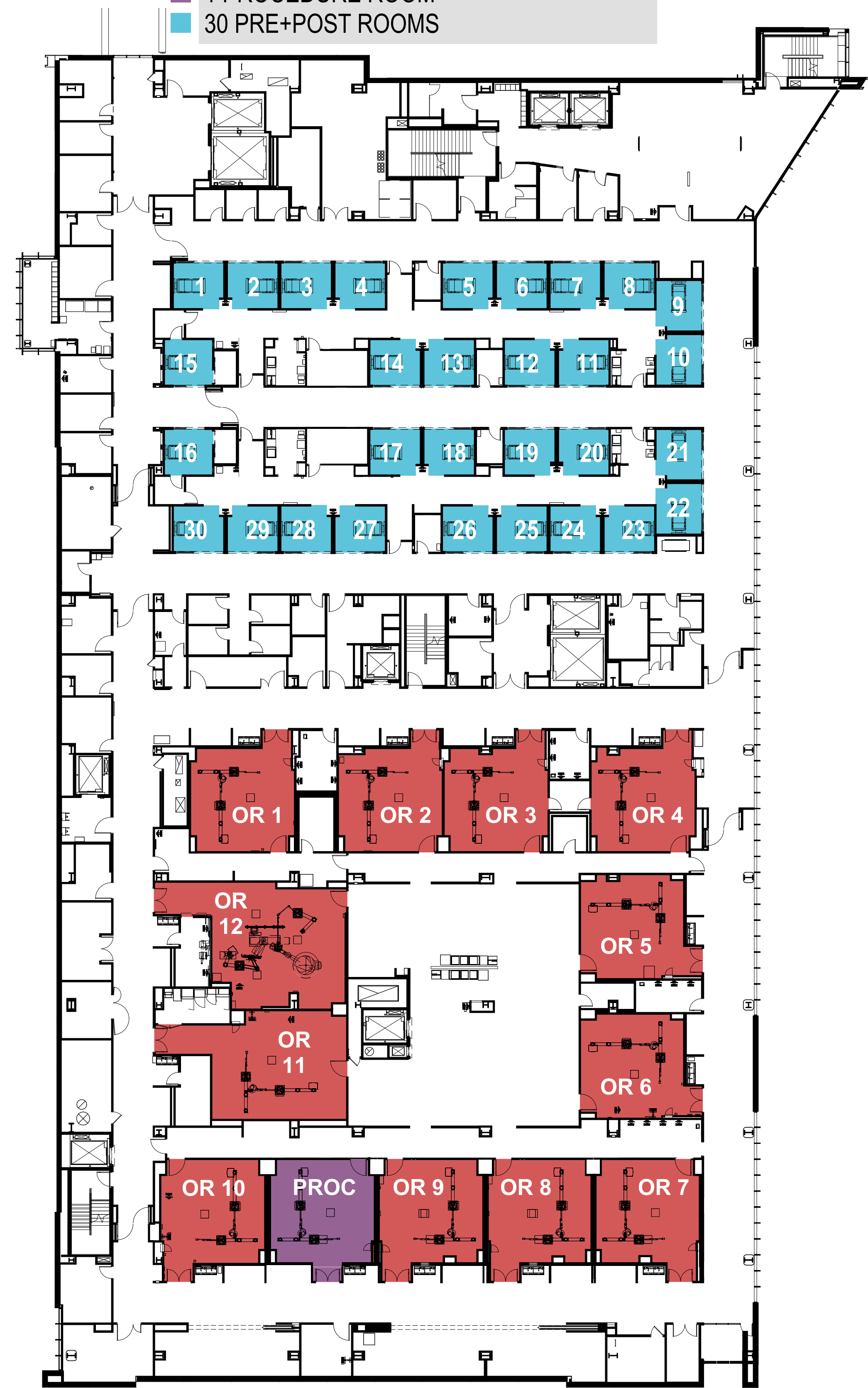


NEW LEVEL 2

SCALE: 1" = 20'-0"

LEVEL 3

- 12 RELOCATED OPERATING ROOMS
- 1 PROCEDURE ROOM
- 30 PRE+POST ROOMS



NEW LEVEL 3

SCALE: 1" = 20'-0"



**PROPOSED TOTAL CAPITAL COST OF PROJECT
UNC HOSPITALS SURGICAL TOWER**

A. Site Costs

(1) Full purchase price of land		\$0	
Acres _____ Price per Acre \$ _____			
(2) Closing costs		\$0	
(3) Site Inspection and Survey		\$26,910	
(4) Legal fees and subsoil investigation		\$0	
(5) Site Preparation Costs			
Soil Borings	\$168,766		
Clearing - Earthwork	\$2,367,486		
Fine Grade for Slab	\$136,840		
Roads - Paving	\$594,000		
Concrete Sidewalks	\$6,658,323		
Water and Sewer	\$10,098,574		
Footing Excavation	\$1,106,790		
Footing Backfill	\$461,863		
Termite Treatment	\$0		
Other (Basement / Rock Excavation, Caissons, Shoring)	\$24,013,119		
Sub-Total Site Preparation Costs		\$45,605,762	
(6) Other (Landscaping, site furnishings, lighting)		\$1,996,354	
(7) Sub-Total Site Costs			\$47,629,025

B. Construction Contract

(8) Cost of Materials			
General Requirements	\$9,140,224		
Concrete/Masonry	\$7,875,824		
Woods/Doors & Windows/Finishes	\$23,317,850		
Thermal & Moisture Protection	\$10,485,358		
Equipment/Specialty Items	\$7,527,510		
Mechanical/Electrical	\$68,068,824		
Other (Steel, Bridges, Existing Hospital Work)	\$14,318,374		
Sub-Total Cost of Materials		\$140,733,963	
(9) Cost of Labor		\$112,276,848	
(10) Other: Contingency			
CM Contingency		\$ 7,298,330	
Owner Construction Contingency		\$ 3,000,000	
GC's & Schedule Contingency		\$ 5,916,000	
(11) Sub-Total Construction Contract			\$269,225,141

C. Miscellaneous Project Costs

(12) Building Purchase		\$0	
(13) Fixed Equipment Purchase		\$15,025,128	
(14) Movable Equipment Purchase		\$15,889,872	
(15) Furniture		\$6,308,580	
(16) Landscaping		\$0	
(17) Consultant Fees			
Architect and Engineering Fees	\$24,500,000		
Legal Fees	\$0		
Market Analysis	\$0		
Other (Envelope & HVAC Commissioning, PM Fees)	\$5,500,000		
Sub-Total Consultant Fees		\$30,000,000	
(18) Financing Costs (e.g. Bond, Loan, etc.)			
(19) Interest During Construction			
(20) Other: Project Contingency		\$24,383,394	
IT Costs		\$16,538,860	
(21) Sub-Total Miscellaneous			\$108,145,834

(22) Total Capital Cost of Project (Sum A-C above)			\$425,000,000
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I certify that, to the best of my knowledge, the above construction related costs of the proposed project named above are complete and correct.

Michelle E. McNutt

Signature of Licensed Architect or Engineer



September 29, 2020
Date