



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

August 16, 2024

Ms. Kimberly M. Randolph
krandolph@bakerdonaldson.com

Exempt from Review

Record #: 4537
Date of Request: August 16, 2024
Facility Name: Penick Village
FID #: 923395
Business Name: Episcopal Home for the Ageing
Business #: 711
Project Description: Renovation of the existing nursing facility with no change in bed capacity
County: Moore

Dear Ms. Randolph:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that the above referenced proposal is exempt from certificate of need review in accordance with G.S. 131E-184(e). Therefore, you may proceed to offer, develop or establish the above referenced project without a certificate of need.

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,

Tanya M. Saporito
Project Analyst

Micheala Mitchell
Chief

cc: Construction Section, DHSR
Nursing Home 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

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

KIMBERLY M. RANDOLPH, ATTORNEY
Direct Dial: 984.844.7903
E-Mail Address: krandolph@bakerdonelson.com

August 13, 2024

Via email and U.S. Mail

Ms. Micheala Mitchell, Chief, Health Care
Planning and Certificate of Need Section
Division of Health Service Regulation
North Carolina Department of Health
and Human Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Prior Written Notice of Exempt Renovation Project at Penick Village a
Continuing Care Retirement Community (“CCRC”) – NH 0127
FID # 923395

Dear Ms. Mitchell:

Our firm represents Penick Village, Inc. (“Penick Village”) at 401 East Rhode Island Avenue, Southern Pines, North Carolina in Moore County. Penick Village is a nonprofit corporation, incorporated in 1957, that owns and operates a CCRC located on 38 acres in Southern Pines, North Carolina. Penick Village provides continuum of care services, including independent living apartment buildings and cottages, assisted living and skilled nursing.

In 2021, Penick Village began a master planning process and developed separate projects to renovate and expand its existing community, primarily focused on the independent living areas but one project includes the renovation of the Terrace building. The first floor of the Terrace building has nursing facility (“NH”) beds and the second floor has (“ACH”) beds. Penick Village is licensed for a total of fifty nursing facility (“NH”) beds and forty-two adult care home (“ACH”) beds. The Terrace building has fifty (50) NH beds on the first floor and thirty-two (32) ACH beds on the second floor. The Garden Cottage building contains the remaining ten (10) ACH beds.

In particular, the Terrace renovation project will renovate thirty-two of its fifty NH beds on the first floor and add common areas to both floors. The interior first floor renovation of the Terrace building will include new paint, new carpet, renovations to the dining room and additions to the common areas. Living rooms will be added to the common areas on both floors. The renovations and additions of common areas will all occur in the existing Terrace building. Additionally, the planned improvements to the exterior of the Terrace building include new paint and an upgraded porte-cochere. Penick Village designed the Terrace building renovation to

enhance residents' living experience and improve their quality of life. The total number of licensed beds at Penick Village is not changing due to this renovation project.

The Terrace building renovation is planned to begin in December 2024, and projected to be complete around July 2025. Penick Village designed the renovation in phases to limit the disruption to the existing residents. Proposed floor plans for the first floor Terrace building renovation of thirty-two NH beds and the addition of common areas are attached as Exhibit A and Exhibit B contains the proposed floor plans for the second floor renovation of the common areas. There are no plans to renovate the Garden Cottage building for this project, but the floor plan is included as Exhibit C to demonstrate that the total licensed bed count is not changing. There will still be a total of fifty (50) licensed NH beds and thirty-two (32) licensed ACH beds in the Terrace building and ten (10) licensed ACH beds in the Garden Cottage following the Terrace building renovation.

The proposed capital expenditure for this project will exceed four million dollars and the total costs are estimated to be \$5.2 million, which includes the cost of renovations, construction, design, engineering, and other miscellaneous costs such as planning, zoning, and a contingency. The proposed capital expenditure for the Terrace building renovation will be used solely to renovate thirty-two existing NH beds and add common areas to both floors, on the same site.

Penick Village's renovation project is exempt from CON review pursuant to N.C. Gen. Stat. § 131E-184(e) because the proposed capital expenditure is solely for the purposes of renovating, replacing on the same site, or expanding an existing nursing home facility and adult care home facility. The proposed capital expenditure will be used to renovate thirty-two of the fifty NH beds in the Terrace building and to renovate, replace, and expand residential living and shared areas to improve the residents' quality of life on both floors. This project will not result in a change in bed capacity, the addition of a health service facility, an increase in the number of nursing facility beds or adult care home beds, the acquisition of major medical equipment, or any other new institutional health service.

We look forward to receiving your letter confirming that Penick Village's renovation of thirty-two of its existing fifty NH beds and the addition of common areas to both floors of the Terrace building, on the same site, is exempt from certificate of need review pursuant to N.C. Gen. Stat. § 131E-184(e).

If you have any questions or need further information, please let me know.

Best regards,

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ, PC

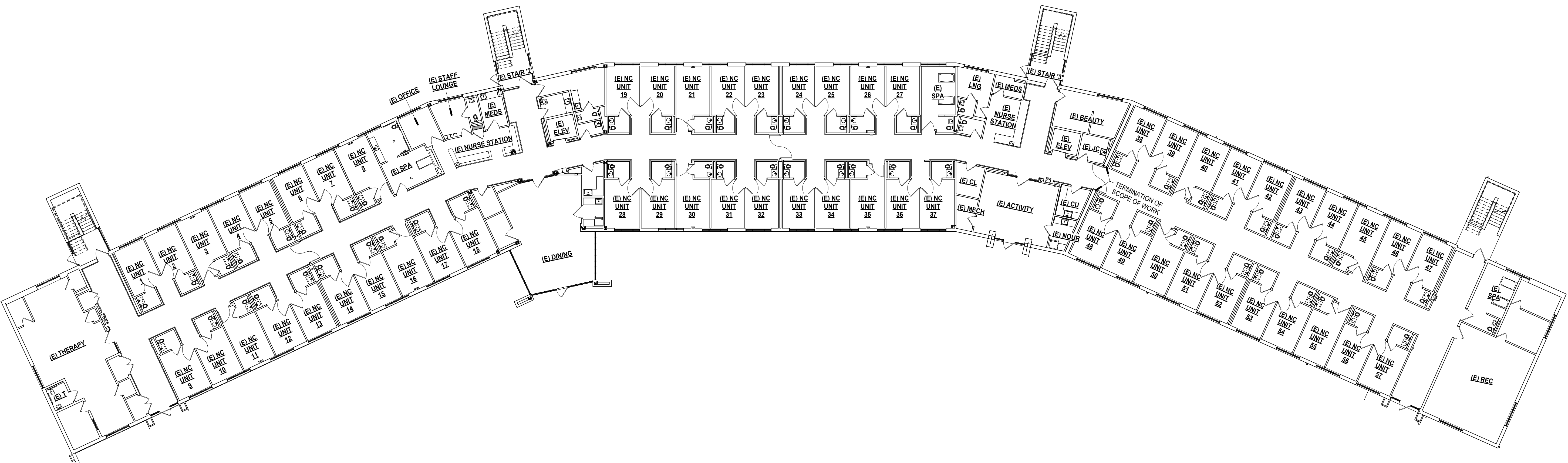
/s/ Kimberly Randolph
Kimberly Randolph, Attorney

KMR02: jgp
Enclosures

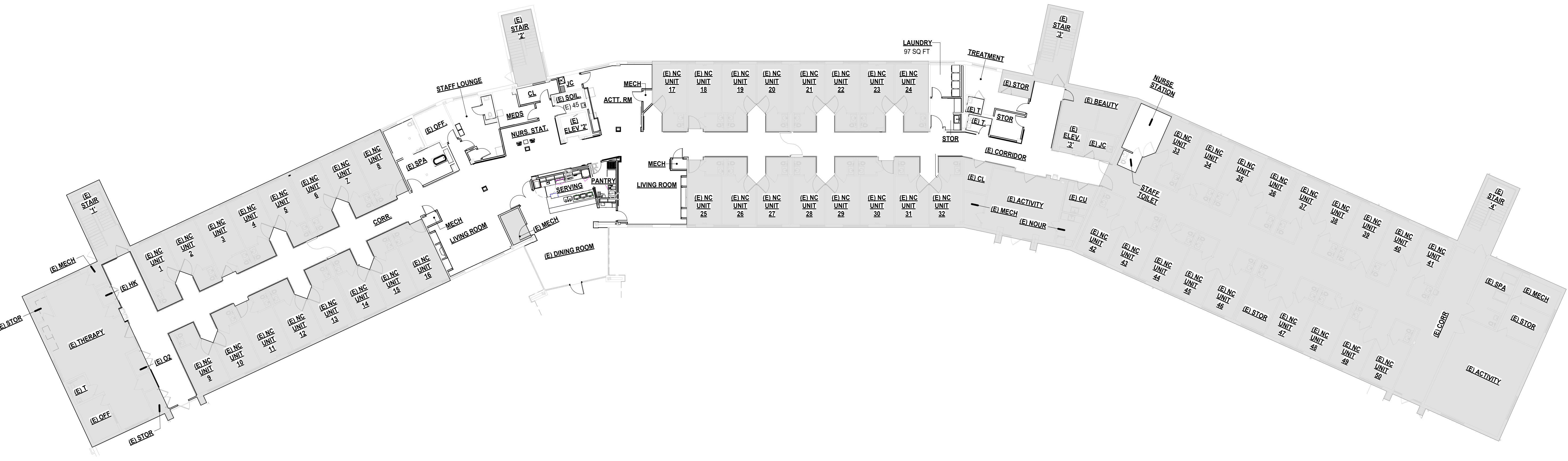
Exhibit A

THIS DRAWING AS AN INSTRUMENT OF SERVICE, IS THE PROPERTY OF THE ARCHITECT, AND MAY NOT BE REPRODUCED WITHOUT THE ARCHITECT'S PERMISSION AND UNLESS THE REPRODUCTION CARRIES THE NAME OF THE ARCHITECT

CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND CONDITIONS AT THE SITE BEFORE PROCEEDING WITH THE WORK



1 EXISTING NURSING CARE PLAN
1/16" = 1'-0"



2 LOWER LEVEL OVERALL PLAN
1/16" = 1'-0"

GMP DOCUMENTS



RLPS ARCHITECTS, LLP
250 VALLEYBROOK DRIVE
LANCASTER, PA 17601
PHONE: 717-560-9501
www.rlps.com

PROJECT NAME:
THE TERRACE FOR PENICK VILLAGE

PROJECT ADDRESS:
401 EAST RHODE ISLAND AVENUE, SOUTHERN PINES, NC 28387

REVISIONS		
NO.	DATE	DESCRIPTION
1	07/26/24	ADDENDUM 01

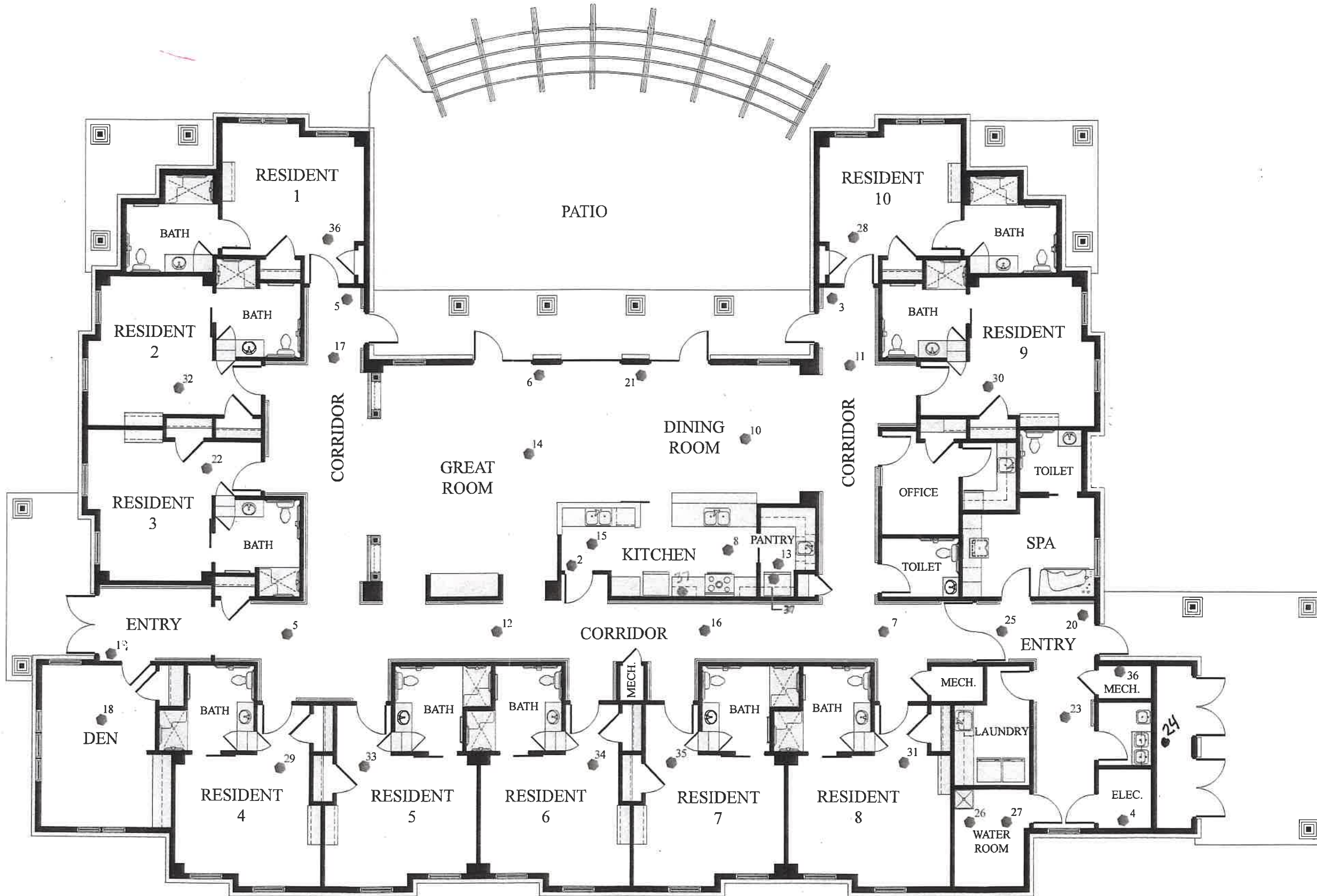
DRAWING TITLE:
BEFORE AND AFTER

SCALE: AS NOTED
DRAWN BY: JDH
COORDINATED BY: JDH
CHECKED BY: JAM
APPROVED BY: CPK

VOLUME
2 OF 6

DRAWING NO:
EX-A

COMMISSION NO: 2021023
DATE: 26 JULY 2024



■ **BLANCHE ROBERTSON**
GARDEN COTTAGE FLOOR PLAN ■

From: [Randolph, Kim](#)
To: [Mitchell, Micheala L](#)
Cc: [Stancil, Tiffany C](#)
Subject: [External] Exemption Request - Penick Village Renovations
Date: Tuesday, August 13, 2024 5:31:37 PM
Attachments: [Notice of Exemption - Penick Village - 8-13-24.pdf](#)
[Penick Village Exemption Exhibits A-C.pdf](#)

You don't often get email from krandolph@bakerdonelson.com. [Learn why this is important](#)

CAUTION: External email. Do not click links or open attachments unless verified. Report suspicious emails with the Report Message button located on your Outlook menu bar on the Home tab.

Hi Micheala,

Hope you are well. Attached is a Notice of Exemption Request and three Exhibits for Penick Village in Moore County.

We would like to ask for an expedited review if possible. Thanks so much!

Kim Randolph
Attorney

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC
2235 Gateway Access Point, Suite 220
Raleigh, NC 27607

Direct: 984-844-7903
Cell: 919-614-9124
krandolph@bakerdonelson.com

Baker, Donelson, Bearman, Caldwell & Berkowitz, PC represents clients across the U.S. and abroad from offices in Alabama, Florida, Georgia, Louisiana, Maryland, Mississippi, North Carolina, South Carolina, Tennessee, Texas, Virginia and Washington, D.C.

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