

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Certificate of Need Section

2704 Mail Service Center • Raleigh, North Carolina 27699-2704
<http://www.ncdhs.gov/dhsr/>

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Craig R. Smith, Section Chief
Phone: (919) 855-3873
Fax: (919) 733-8139

March 9, 2012

Dee Jay Zerman, Associate Director
Planning & Program Development
University of North Carolina Hospitals
101 Manning Dr., Suite 6021, East Wing
Chapel Hill, NC 27514

RE: No Review/ UNC School of Medicine/Physicians Practice Plan/Relocate UNC Fertility LLC from UNC Women's Hospital to off-Campus Renovated Space in an Existing Building at 7920 ACC Boulevard, Alexander Office Park, Brier Creek Development, Raleigh.


Dear Ms. Zerman:


The Certificate of Need (CON) Section received your letter of February 28, 2012 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.

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.

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,

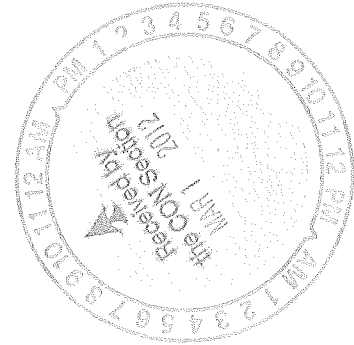

F. Gene DePorter
Project Analyst


Craig R. Smith, Chief
Certificate of Need Section





UNC
HEALTH CARE



February 28, 2012

Mr. F. Gene DePorter
Certificate of Need Section
Division of Health Service Regulation, DHHS
Mail Services Center 2704
Raleigh, NC 27699-2704

RE: Request for No Review Determination/ Relocation and Renovation of UNC Fertility LLC

Dear Mr. DePorter:

UNC Fertility LLC is a physician-based in-vitro fertilization outpatient clinic currently physically housed within UNC Hospitals. UNC Fertility is planning to relocate to leased space outside of the UNC medical campus. The clinic requires more space to be able to continue to provide appropriate care for its patients, and additional space is currently not available within the medical complex. Relocation of this physician-based clinic to an off-site location will also provide patients more convenient parking and access to this program and its services.

Currently, the fertility clinic is housed in approximately 5,510 square feet of space located on the 1st floor of the NC Women's Hospital. The clinic will be relocated to approximately 8,995 square feet of rentable space (which results in 7,688 square feet of useable space) on the 3rd floor of an existing office building, located at 7920 ACC Boulevard, Alexander Office Park, Brier Creek Development, Raleigh, NC. We are requesting confirmation that the proposed renovation does not require CON review pursuant to G.S. 131E-178(d).

Enclosed is a certified cost estimate using the 'Proposed Total Capital Cost of Project' form which confirms the total capital cost of this project to be \$1,608,004. Also attached is copy of the proposed facility floor plan with the boundaries of the area included in this project clearly identified. The existing fertility clinic currently provides care using the same type of rooms that are being proposed at the new site. No inpatient rooms or operating rooms are involved in this project and most of the required equipment and furniture already exists. The only medical equipment costing more than \$10,000 are two ultrasound machines valued at \$42,946 each. Renovations are to begin during April or May, 2012. This project will be designed, bid, contracted, and developed separately from any other project. UNC Hospitals has not yet determined how the vacated space will be used. Once the occupant is determined, if CON approval is required, UNC Hospitals will seek approval at that time.

Should you require any additional information please contact me at 919-966-1129.

Sincerely,

Dee Jay Zerman, Associate Director
Strategic Planning and Network Development

PERKINS
+ WILL

February 27, 2012

UNC IVF LLC
7920 ACC Boulevard
Raleigh, NC 27617

Project: UNC In Vitro Fertilisation (IVF) Outpatient Clinic
Project No. #830261.00

Cost Certification

This is to certify that I have reviewed the Construction Costs for the referenced project.

Based on my review and comparison of this project with similar projects, I believe the costs indicated are a reasonable estimate of the costs to be expected on a project of the scope defined. The *Anticipated Construction Cost* of \$799,165 combined with the associated *Soft Costs* of \$808,839 result in a **Total Project Budget for the UNC In Vitro Fertilisation (IVF) Outpatient Clinic of \$1,608,004.**

Perkins+Will is willing to develop the drawings for this project under contract with UNC Hospitals.



Sean P. Murphy, AIA, LEED®AP
Senior Associate
Perkins + Will



PROPOSED TOTAL CAPITAL COST OF PROJECT

A. Site Costs

(1) Full purchase price of land	\$	<u>0</u>
Acres _____ Price per Acre \$ _____		
(2) Closing costs	\$	<u>0</u>
(3) Site Inspection and Survey	\$	<u>0</u>
(4) Legal fees and subsoil investigation	\$	<u>0</u>
(5) Site Preparation Costs		
Soil Borings	\$	<u>0</u>
Clearing - Earthwork	\$	<u>0</u>
Fine Grade for Slab	\$	<u>0</u>
Roads - Paving	\$	<u>0</u>
Concrete Sidewalks	\$	<u>0</u>
Water and Sewer	\$	<u>0</u>
Footing Excavation	\$	<u>0</u>
Footing Backfill	\$	<u>0</u>
Termite Treatment	\$	<u>0</u>
Other (Specify)	\$	<u>0</u>
Sub-Total Site Preparation Costs	\$	<u>0</u>
(6) Other (Specify)	\$	<u>0</u>
(7) Sub-Total Site Costs		<u>\$ 0</u>

B. Construction Contract

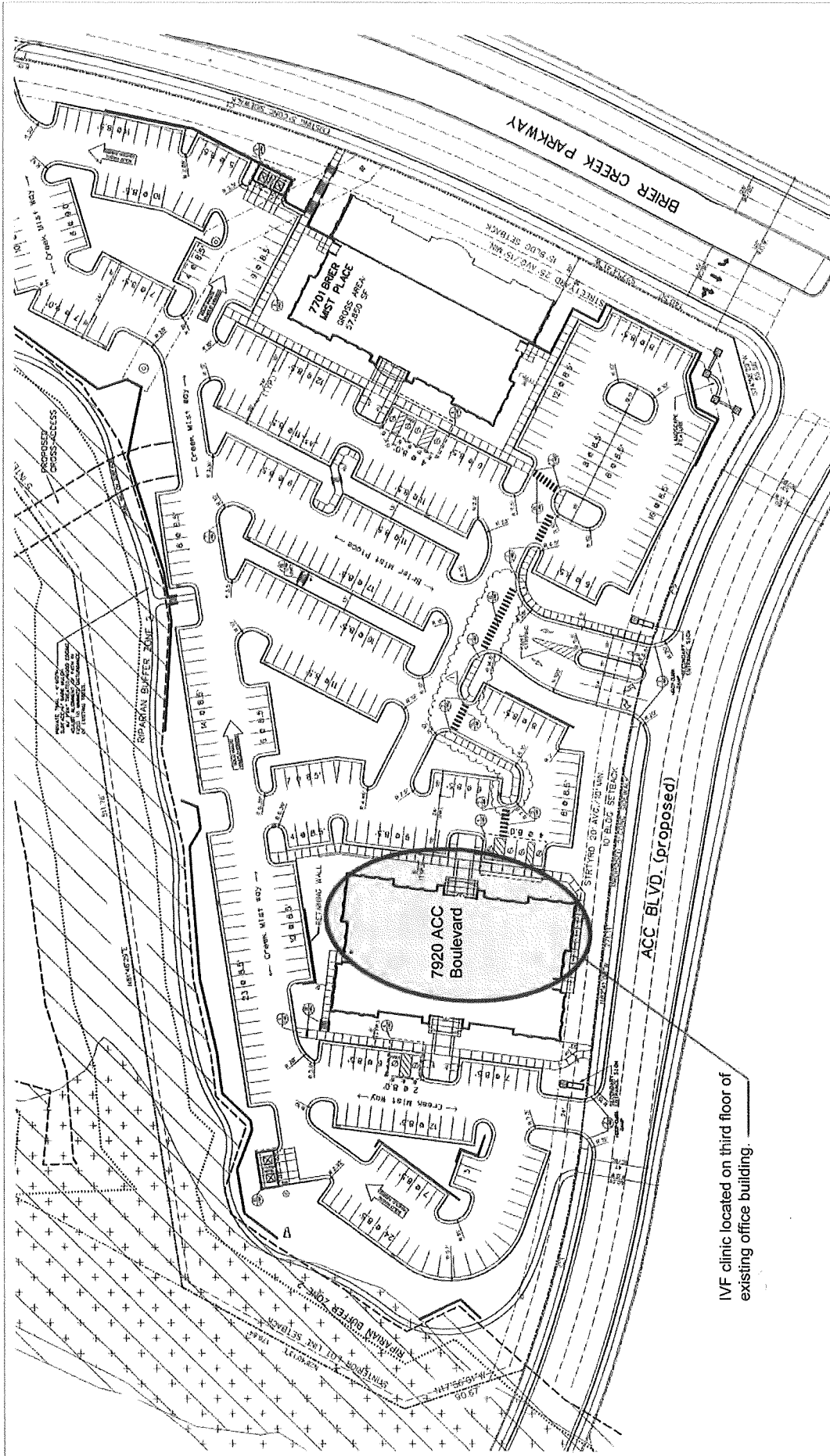
(8) Cost of Materials		
General Requirements	\$	<u>80,000</u>
Concrete/Masonry	\$	<u>0</u>
Woods/Doors & Windows/Finishes	\$	<u>160,000</u>
Thermal & Moisture Protection	\$	<u>12,000</u>
Equipment/Specialty Items	\$	<u>12,000</u>
Mechanical/Electrical	\$	<u>216,000</u>
Other (Unit Strut Support)	\$	<u>0</u>
Sub-Total Cost of Materials	\$	<u>480,000</u>
(9) Cost of Labor	\$	<u>319,165</u>
(10) Other (Specify)	\$	<u>0</u>
Firestopping	\$	<u>0</u>
Asbestos Abatement	\$	<u>0</u>
Window Upgrade	\$	<u>0</u>
HVAC Upgrade	\$	<u>0</u>
(11) Sub-Total Construction Contract		<u>\$ 799,165</u>

C. Miscellaneous Project Costs

(12) Building Purchase	\$	<u>0</u>
(13) Fixed Equipment Purchase	\$	<u>80,000</u>
(14) Movable Equipment Purchase	\$	<u>320,000</u>
(15) Furniture	\$	<u>60,000</u>
(16) Landscaping	\$	<u>0</u>
(17) Consultant Fees		
Architect and Engineering Fees	\$	<u>118,147</u>
Legal Fees	\$	<u>0</u>
Market Analysis	\$	<u>0</u>
Other (Structural fee)	\$	<u>0</u>
Other (CAP/CLIA Cert Fee)	\$	<u>1,500</u>
Sub-Total Consultant Fees	\$	<u>119,647</u>
(18) Financing Costs (e.g. Bond, Loan, etc.)	\$	<u>0</u>
(19) Interest During Construction	\$	<u>0</u>
(20) Other (contingency 5%)	\$	<u>69,192</u>
Other (Artwork, Computers, Graphics & Signage, Audio/Visual, Telephone/ Data, Security System, Moving expense)	\$	<u>160,000</u>
(21) Sub-Total Miscellaneous	\$	<u>808,839</u>
(22) Total Capital Cost of Project (Sum A-C above)		<u>\$ 1,608,004</u>

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

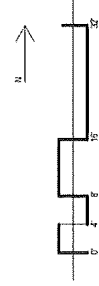
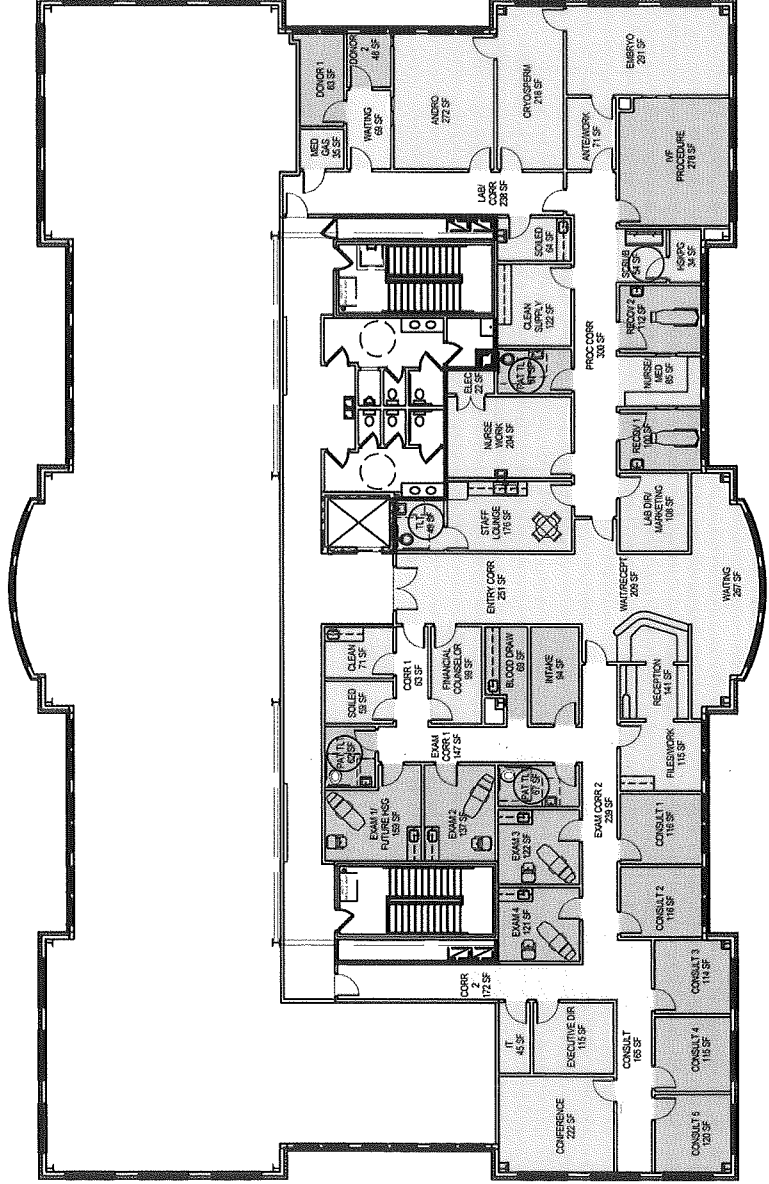
Signature of Licensed Architect or Engineer



UNC Fertility LLC
7920 ACC Boulevard
Raleigh, NC 27617

SITE PLAN

PERKINS
+ WILL
February 27, 2010



**PERKINS
+ WILL**
801024.000

Clinic Floor Plan

UNC Fertility LLC
7920 ACC Boulevard Raleigh, NC 27617
February 27, 2012