May 31, 2013

Catharine W. Cummer, Regulatory Counsel, Strategic Planning
Duke University Health System
3100 Tower Blvd, Suite 1300
Durham NC 27707

No Review
Facility or Business: Duke University Health System d/b/a Duke University Hospital
Project Description: Relocation of cardiac and pulmonary rehabilitation from Duke University Hospital campus to Croasdaile Commons on Hillandale Road in Durham
County: Durham
FID #: 943138

Dear Ms. Cummer:

The Certificate of Need Section (CON Section) received your letter of May 23, 2013 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.

Moreover, you need to contact the Construction and Acute and Home Care Licensure and Certification Sections of the Division of Health Service Regulation 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 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,

Michael J. McKillip
Project Analyst

Craig R. Smith
Chief
Certificate of Need Section

cc: Medical Facilities Planning Section, DHSR
    Construction Section, DHSR
    Acute and Home Care Licensure and Certification Section, DHSR
May 23, 2013

Via Electronic Mail

Michael J. McKillip, Project Analyst
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Duke University Hospital cardiac and pulmonary rehab program

Dear Mr. McKillip:

I am writing to inform you of a Duke University Hospital project and to request your confirmation that this project does not require a certificate of need. Duke University Hospital will be relocating its cardiac and pulmonary rehab programs from the Center for Living on the Duke University Campus to a new location at Croasdaile Commons on Hillandale Road in building space leased from Glenwood Hillandale Company, LLC. The construction upfit and equipment costs are estimated to total $1,999,900, which will be shared by Duke and the lessor using a tenant improvement (TI) allowance. This budget includes a significant project contingency of $169,900.

Given that the Croasdaile Commons is also going to house a CPDC Cardiology clinic as well as a Duke Pulmonary clinic and is approximately equidistant between Duke Hospital and Duke Regional, this project will enable Duke to provide these rehab services efficiently and cost-effectively.

A capital cost form outlining the project costs is included. As the total project is less than $2 million, and the project does not entail the acquisition of any major medical equipment or development of any new services but rather the relocation of existing services, it is our understanding that the project would not require a certificate of need. We would appreciate it if you could confirm our understanding. Please let me know if you have any questions. Thank you very much.

Very truly yours,

Catharine W. Cummer

Catharine W. Cummer

Enclosure

3100 Tower Blvd Suite 1300 * Durham, NC 27707 * tel (919) 668-0857 * catharine.cummer@duke.edu
PROPOSED TOTAL CAPITAL COST OF PROJECT

Project Name: __Cardiac and Pulmonary Rehab Relocation__
Provider/Company: __Duke University Health System d/b/a Duke University Hospital__

A. Site Costs
   (1) Full purchase price of land
      Acres __________ Price per Acre __________
   (2) Closing costs __________
   (3) Site Inspection and Survey __________
   (4) Legal fees and subsurface investigation __________
   (5) Site Preparation Costs
      Soil borings __________
      Clearing-landwork __________
      Fine Grade for Slab __________
      Roads-Paving __________
      Concrete Sidewalks __________
      Water and Sewer __________
      Footing Excavation __________
      Footing Backfill __________
      Termite Treatment __________
      Other (Specify) __________
      Sub-Total Site Preparation Costs __________
   (6) Other (Specify) __________
   (7) Sub-Total Site Costs __________

B. Construction Contract
(8) Cost of Materials
   General Requirements __________
   Concrete/Masonry __________
   Woods/Doors & Windows/Finishes __________
   Thermal & Moisture Protection __________
   Equipment/Specialty Items __________
   Mechanical/Electrical __________
   Other (Specify) __________
   Sub-Total Cost of Materials __________
(9) Cost of Labor __________
(10) Other (Specify) __________
(11) Sub-Total Construction Contract __________

C. Miscellaneous Project Costs
(12) Building Purchase __________
(13) Fixed Equipment Purchase/Lease __________ (furniture, equipment and technology)
(14) Movable Equipment Purchase/Lease __________
(15) Furniture __________
(16) Landscaping __________
(17) Consultant Fees
      Architect and Engineering Fees __________
      Legal Fees __________
      Market Analysis __________
      Other (Specify) __________
      Sub-Total Consultant Fees __________
(18) Financing Costs (e.g., Bond, Loan, etc.) __________
(19) Interest During Construction __________
(20) Other (Specify) __________ (contingency)
(21) Sub-Total Miscellaneous __________
(22) Total Capital Cost of Project (Sum A-C above) __________

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

____________________________
Date Certified:

(Signature of Licensed Architect or Engineer)

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.

____________________________
Date Signed: 5/22/13

(Signature and Title of Officer Authorized to Represent Provider/Company)
PROJECT REDEVELOPMENT
CROASDAILE COMMONS SHOPPING CENTER
DURHAM, NORTH CAROLINA, 27705

LOCATION
North Durham, I-85 at Hillandale Road,
North of Exit 174a
Near Durham Regional & Duke University Hospitals

TRAFFIC COUNTS
18,000 cars per day Hillandale Rd.
88,000 cars per day I-85 (2009 NCDOT)

TENANTS
Duke Medicine
Papa's Grill
Kerr Drug
KD Nails & Tan
UPS Store
El Corral Restaurant
China King
Prestige Green Cleaners
Meeolo's Restaurant

DEMographics
1 Mile 3 Mile 5 Mile
Population 4,896 66,903 138,898
Avg. HH Inc. $82,965 $57,997 $63,569
(Pitney Bowes Business Insight 2011 est.)

SPACE AVAILABLE
Retail Space Available

CONTACT
For more information, please contact:
Kris Niebergall (919) 280-0070
Email: kniebergall@bellsouth.net

GLENWOOD
www.glenwoodco.com

9525 Birkdale Crossing Drive, Suite 200
Huntersville, North Carolina 28078
Phone: 704-897-1400  Fax: 704-897-1401

This material is submitted without representation or warranty.
Date 01.03.13