



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

June 18, 2020

Brittney Burns, MBA, MHA

bburns@plattmc.com

Exempt from Review

Record #: 3283
Facility Name: The Forest at Duke
FID #: 943489
Business Name: The Forest at Duke, Inc.
Business #: 1783
Project Description: Replace existing facility on same site and delicense 2 NF beds for a total of 56 NF beds and 34 ACH beds
County: Durham

Dear Ms. Burns:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency), determined that based on your letter of June 10, 2020, the above referenced proposal is exempt from certificate of need review in accordance with N.C. Gen. Stat. §131E-184(e). 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 Nursing Home 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,

Kim Meymandi
Project Analyst

Martha J. Frisone
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



June 10, 2020

Ms. Martha Frisone, Chief
Healthcare Planning and Certificate of Need Section
NC DHHS, Division of Health Service Regulation
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

RE: Exemption Request for Replacement of Skilled Nursing and Assisted Living Cottages in Durham County

Dear Ms. Frisone:

The Forest at Duke is a continuing care retirement community (“CCRC”) serving Durham County residents for over 25 years. This letter serves as notice of The Forest at Duke’s intention to replace the physical buildings on site that house the facility’s nursing home and adult care home beds.

Currently, The Forest at Duke has 58 licensed Nursing Home Facility (“NHF”) beds and 34 licensed Adult Care Home (“ACH”) ACH beds for a total of 92 licensed beds. The planned replacement facility will be a five-story, approximately 110,000 square-foot building on the existing 47-acre campus and will house a total of 90 licensed beds (58 NHF and 32 ACH beds) upon completion. The Forest at Duke will delicense 2 NHF beds, as 90 is the maximum number of beds that that will fit in the physical footprint of the project construction design.

The existing cottages that house the current 92 licensed ACH and NHF beds were built in 1992 and, as such, are outdated. The new facility is designed to enhance the residential culture of the campus by increasing the number of recreational spaces, as research suggests that programs fostering engagement and peer support provide opportunities for residents to be socially productive and to develop a valued social identity. For instance, the new facility will double the number of dining areas from three to six. While all rooms are currently private and will remain so, not all residents have private baths. With the completion of the proposed project, all residents will have private baths. Once the new building is complete, the residents will be transitioned from their existing homes to the new facility. The existing cottages will be demolished to make room for future expansion of recreational and administrative space for the community.

The project will not increase the number of licensed beds or other regulated assets. The Forest at Duke will file a certificate of need application for any additional new instructional health services that would be developed in any newly constructed spaces

Pursuant to N.C.G.S. §131E-184(e), *“The Department shall exempt from certificate of need review a 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:*



2701 Pickett Road / Durham, North Carolina 27705 / 919-490-8000 / forestduke.org



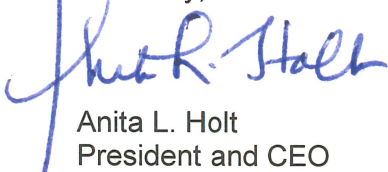
- (1) *The proposed capital expenditure would:*
- a. *Be used solely for the purpose of renovating, replacing on the same site, or expanding an existing:*
 1. *Nursing home facility,*
 2. *Adult care home facility, or*
 3. *Intermediate care facility for the mentally retarded; and*
 - b. *Not result in a change in bed capacity, as defined in G.S. 131E-176(5), or 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.*
- (2) *The entity proposing to incur the capital expenditure provides prior written notice to the Department, which notice includes documentation that demonstrates that the proposed capital expenditure would be used for one or more of the following purposes:*
- a. *Conversion of semiprivate resident rooms to private rooms.*
 - b. *Providing innovative, homelike residential dining spaces, such as cafes, kitchenettes, or private dining areas to accommodate residents and their families or visitors.*
 - c. *Renovating, replacing, or expanding residential living or common areas to improve the quality of life of residents.”*

The proposed project meets each applicable condition set forth above:

- The estimated capital cost of the project exceeds \$2,000,000 (see **Appendix A**);
- The sole purpose of the capital expenditure is to replace the existing licensed ACH and NHF beds on the same site located at 2701 Picket Road, Durham, NC;
- The capital expenditure will not result in a change in bed capacity under G.S. 131E-176(5) or 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;
- The letter constitutes the require prior written notice; and
- The proposed project will be used to provide innovative homelike residential dining spaces and will replace and expand residential living or common areas to improve the quality of life of residents.

Based on the project as described above, we respectfully request that the CON section issue written concurrence that this project is exempt from Certificate of Need review under N.C.G.S. §131E-184(e). If you have any questions or require further information regarding this project, please contact me at 919-433-2343.

Sincerely,



Anita L. Holt
President and CEO
The Forest at Duke

Attachment A

Architect Cost Estimate Letter

EXHIBIT A

Building Purchase Price	\$0
Purchase Price of Land	\$0
Closing Costs	\$0
Site Preparation	\$1,595,819
Construction/Renovation Contracts(s)	\$35,653,988
Landscaping	\$829,886
Architect/Engineering Fees	\$2,413,297
Medical Equipment	\$50,000
Non-Medical Equipment	\$1,425,120
Furniture	\$2,850,000
Consultant Fees	\$1,012,560
Financing Costs	TBD
Interest During Construction	TBD
Legal/Zoning/Entitlement	\$690,398
Owner's Contingency	\$2,325,925
Debt Service Reserve Fund	TBD
Total Capital Cost	\$48,846,993

Certification by a Licensed Architect or Engineer

I certify that, to the best of my knowledge, the projected capital cost for the proposed project is complete and correct.

AM [Signature] AIA
 Signature of Licensed Architect or Engineer

Date Signed: 6/10/2020

Certification by an Officer or Agent for the Proponent

I certify that, to the best of my knowledge, the projected total capital cost for the project for the proposed project is complete and correct and that it is our intent to carry out the proposed project as described.

[Signature]
 Signature of Officer Agent

Date Signed: 6/10/2020

President/CEO
 Title of Officer/Agent

From: [Frisone, Martha](#)
To: [Waller, Martha K](#)
Subject: Fwd: [External] Exemption Request: The Forest at Duke
Date: Friday, June 12, 2020 11:31:34 AM
Attachments: [The Forest at Duke Exemption Request - 6-11-2020.pdf](#)

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From: Brittny Burns <bburns@platthmc.com>
Sent: Friday, June 12, 2020 11:16:26 AM
To: Frisone, Martha <martha.frisone@dhhs.nc.gov>; Faenza, Julie M <Julie.Faenza@dhhs.nc.gov>
Cc: Kathy Platt <kplatt@platthmc.com>
Subject: [External] Exemption Request: The Forest at Duke

CAUTION: External email. Do not click links or open attachments unless you verify. Send all suspicious email as an attachment to report.spam@nc.gov

Good Morning -

On behalf of The Forest at Duke, I am submitting the attached exemption request for a proposed project which entails the construction of a new facility to house existing NHF and ACH beds on the CCRC campus.

Please kindly see the attached request and confirm receipt at your earliest convenience. Should you have any questions, please do not hesitate to contact me. Thank you.

--

Sincerely,

Brittny Burns, MBA, MHA

Manager

Platt HMC, Inc.

881 Piedmont Ave NE

Atlanta, GA 30309

Office: (404) 728-1974

www.platthmc.com

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