

May 31, 2016

Larry Carbonneau, CPA, Senior Healthcare Financial Analyst Division of Licensing and Regulatory Services Department of Health and Human Services 11 State House Station Augusta, Maine 04333-0011

Re: Hospital Administrative District No. 4 (d/b/a Mayo Regional Hospital)

Dear Mr. Carbonneau:

With this letter, Mayo Regional Hospital is seeking a determination that the second floor renovations and mechanical and electrical infrastructure projects, which will be undertaken simultaneously in different locations within the existing hospital structure, is non-reviewable under the Certificate of Need rules and regulations.

As you can see from the enclosed project budgets for these two projects, the total combined expected capital costs are \$5,525,000.00. Furthermore, as you can see from the project budget for the mechanical and electrical infrastructure work at the hospital, much of this work is being done for the purpose of making various mechanical and electrical systems within the existing hospital structure more energy-efficient in their operation.

These two projects are being conducted as a result of an internal and community-based study that Mayo Regional Hospital has performed to determine the needs that must be met in order to modernize and make the current hospital structure and operating systems more efficient and better capable of meeting the needs of our patients. Furthermore, the second floor renovation project is principally focused on the re-purposing of some of the space within the existing hospital structure in order to allow us to move our cancer treatment clinic into the principal structure of the hospital from the ancillary building (the old hospital building) where it is presently located. The second floor renovation project also will update a number of our acute care rooms and the bathrooms servicing those rooms.

Mayo Regional Hospital plans to begin construction on both of these projects in early July 2016. These projects are anticipated to take the better part of a year to complete because of the nature of the work and the fact that the work will have to be performed in areas of the hospital that are currently operational.

The cost of these projects are initially being financed through an interim bridge loan with Bangor Savings Bank, followed by a permanent financing through participation in the Maine Municipal Bond Bank Fall 2016 bond issue pool for which Mayo Regional Hospital is qualified since it is municipally owned and operated.



Together, We're Better.

Since we understand that, under the present applicable Certificate of Need threshold of \$11,058,137.00, even if these two projects described above in this letter are combined, they do not exceed that threshold, Mayo Regional Hospital is seeking confirmation from your office that these projects do not require Certificate of Need approval. Please advise us in writing of the CON applicability of this proposal as described above. Also, please contact me directly with any questions you might have concerning this request.

Thank you.

Sincerely,

Marie Vienneau, BSN, MHA, NE-BC, FACHE

President and Chief Executive Officer

TOTAL PROJECT BUDGET

Mayo Regional Hospital Mechanical and Electrical Infrastructure

Dover-Foxcroft, ME

February 26, 2016 (Modified March 2, 2016) DAI Project No. 153677.00

_	Categories of Cost	Area (n sq. ft.	Cost per sq. ft.	Current Budget		
Ā,	Site Development					
	Demottion and Electrical Generator Pac	1		\$20,000		
				\$(
		<u> </u>		\$(
В,	Building Construction Electrical Infrastructure					
	1) 500k and separation of services	1		\$660,000		
	2) Modify fuel oil piping for Generalor			\$30,000		
	Mechanical Infrastructure					
	1) S-1, S-2, S-4, S-5, S-6			\$590,000		
	2) Replace Boder Feed Water System			\$75,000		
	3) Replace existing 200 HP Bollers 4) Domestic Hot Water	1		\$480,000 \$30,000		
	77001103101101144101	+		930,000		
	General Requirements, Bonds, Fees,					
	GC Support - 20%	-		\$377,000		
	Alternate Electrical - Do only 500k	 				
	Generalor and delay separation of services (\$300,000)					
	Sub-total Area	1				
¢.	Sub-Total A & B			\$2,262,000		
O.	Design and Construction Contingenc	y at 15%		\$339,300		
_	CONSTRUCTION COST (Sum C & O)	•		\$2,601,300		
<u> </u>	Professional Fass			······································		
		07Th				
G.	Furniture/Furnishings			N/		
	Furniture/Furnishings Owner Furnished Equipment			***************************************		
H.	Owner Furnished Equipment			***************************************		
H.				N		
	Owner Furnished Equipment			N		
H.	Owner Furnished Equipment			N		
H.	Owner Furnished Equipment			N		
H.	Owner Furnished Equipment Telecommunications Systems			W.		
H.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental Issues			W.		
H.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental Issues Legal/Administrative			W W		
J. K.	Owner Fornished Equipment Telecommunications Systems Asbestos/Environmental Issues Legal/Administrative Preconstruction Services			N/ N/ N/ Ncluded in		
I.	Owner Furnished Equipment Telecommunications Systems Asbestos/Emvironmental Issues Legal/Administrative Preconstruction Services Permits/Impact Fees			N/ N/ N/ Ncluded in		
J. K. M.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental Issues Legal/Administrative Preconstruction Services Permits/Impact Faes Escalation			N/ N/ N/ N/ N/ N/ N/ N/ N/ Ncluded in		
J. K. L. M.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental Issues Legal/Administrative Preconstruction Services Permids/Impact Faes Eacalation Move-in			N/ N/ N/ N/ Ncluded in		
I.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental Issues Legal/Administrative Preconstruction Services Permits/Impact Face Eacalation Move-In Financing (Construction Only) at 5%			N/ N/ N/ Ncluded in		

USE	\$3,275,000

^{*}Areas of cost to be determined by Owner,
**Dependent upon start of construction date.

TOTAL PROJECT BUDGET

Mayo Regional Hospital Second Floor Renovations

Dover-Foxcroft, ME

February 26, 2016 (Modified March 2, 2016) DAI Project No. 153677.00

L	Categories of Gost	Area in sq. ft.	Cost per sq. ft.	Current Budget	
A.	Site Development				
	Parking			\$33,000	
				\$0	
			·	\$6	
8.					
	Base Project- Oncology, Confiders,	5,000	205	\$1,025,000	
	Two Private Rooms, Ns Station/Meds				
	Add Alternate 1 - Nourishment, Toilet,				
	Clean Supply			\$120,000	
	Add Alternate 2 - Private Bath Rooms (6)			\$195,000	
	Add Afternate 3 - S-3 AHU			\$135,000	
	Sub-total Area	N/A			
Ç,	Sub-Total A & B			\$1,508,000	
	Design and Construction Contingency a	t 15%		\$228,200	
	CONSTRUCTION COST (Sum C & D)			\$1,734,200	
=				\$1,104,200	
F.	Professional Fees				
	Architecture, Engineering, Reimbursable expenses and miscellaneous consultants				
				,	
	L				
				-	
G.	Furniture/Furnishings			ТВІ	
				TBI	

Н.				T8I	
Н.	Owner Furnished Equipment			***************************************	
	Owner Furnished Equipment			T8l	
Н.	Owner Furnished Equipment			T8l	
Н.	Owner Furnished Equipment			T8l	
H.	Owner Furnished Equipment Telecommunications Systems			T81	
I.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental issues			TBI	
I.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental issues Legal/Administrative			T8l T8l	
J. K	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental issues Legal/Administrative Preconstruction Services			T8l NV NV	
J. K	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental issues Legal/Administrative			T8l NV NV	
J. K L.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental issues Legal/Administrative Preconstruction Services			T8l NV NV	
H. I. K. K. N.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental issues Legal/Administrativo Preconstruction Services Permitalimpact Fees			T8l	
J. K. N.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental Issues Legal/Administrative Preconstruction Services Permital/impact Fees Escalation	nstruction only		TBI TBI NU. NV. Included in	
J. K. N.	Owner Furnished Equipment Telecommunications Systems Asbestos/Environmental issues Legal/Administrative Preconstruction Services Permitalimpaot Fees Escalation Move-in Financing (Construction Only) at 5% Co	······································		T8I NV. NV. Nv. Individed in i	

\$2,250,000

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*Areas of cost to be determined by Owner.

^{**}Dependent upon start of construction date,