
Minutes
Cumberland County Board of Commissioners
December 5, 2001, 7:45 p.m.
Special Meeting

PRESENT: Chairman J. Breeden Blackwell
Commissioner Jeannette Council
Commissioner Kenneth Edge
Commissioner John Henley
Commissioner Billy R. King
Commissioner J. Lee Warren, Jr.
Grainger Barrett, County Attorney
James Martin, County Manager
Marsha Fogle, Clerk to the Board

ABSENT: Commissioner Talmage Baggett

This special meeting of the Board of Commissioners is called to consider a Resolution of Intent to Sublease a Portion of Highsmith-Rainey Hospital for the purpose of establishing a long-term acute care hospital at that location and to approve a solicitation of proposals for the operation of that Long Term Acute Care Hospital. In addition, the Board would approve publication of legal notices for meetings on January 7, 2002 (public hearing), February 18, 2002 (public hearing) and March 4, 2002.

Grainger Barrett, County Attorney, asked the Board to consider adoption of the Resolution.

MOTION: Commissioner Council moved to approve the Resolution of Intent, solicitation of proposals for the operation of the Long Term Acute Care Hospital and authorization to publish legal notices for joint meetings with the Hospital Board of Trustees on January 7, 2002 (public hearing), February 18, 2002 (public hearing), and a notice of a meeting on March 4, 2002 to consider approval of any proposal coming from the above meetings. Commissioner King said that Commissioner Baggett, although not at this meeting because of a previous commitment, asked him to advise the Board that Commissioner Baggett is supportive of this project.

SECOND: Commissioner Warren
VOTE: UNANIMOUS

**RESOLUTION OF INTENT TO APPROVE THE SUBLEASE OF
A PORTION OF HIGHSMITH-RAINEY HOSPITAL FOR THE
OPERATION OF A LONG-TERM ACUTE CARE HOSPITAL**

WHEREAS, the County of Cumberland (the "County") currently leases Highsmith-Rainey Memorial Hospital (the "Hospital"), located at 150 Robeson Street, Fayetteville,

North Carolina 28301, to Cumberland County Hospital System, Inc., dba Cape Fear Valley Health System (the “Corporation”), pursuant to a Restated Management Lease Agreement dated April 30, 1999, (the “Lease”);

WHEREAS, the County believes that it is in the best interest of the public the Corporation and the County to develop a long-term acute care hospital (“LTACH”) ON THE FOURTH FLOOR OF THE Hospital building, which would permit the conversion of general acute care beds to a specialized unit, would help the community better utilize the existing bed capacity, better serve substantial numbers of hospital patients with acute needs and long lengths of stay, and more effectively serve the public’s health needs;

WHEREAS, the establishment of the LTACH as proposed is a new institutional health service under NCGS 131E-176(16)(a) and requires a certificate of need;

WHEREAS, the Corporation, with its co-applicant Highsmith-Rainey Long-Term Acute Care Hospital, Inc., has submitted a Certificate of Need Application for Long-Term Acute Care on May 15, 2001 to the NC Department of Health and Human Services, Division of Facility Services, Certificate of Need Section, to establish a long-term acute care hospital utilizing approximately 16,852 square feet of space located on the fourth floor of the Hospital (the “Subleased Premises”) for this purpose;

WHEREAS, Medicare regulations require that, in order for the LTACH not to be subject to the general hospital reimbursement system, a separate entity not controlled by the Corporation must operate the LTACH as an independent “hospital within a hospital;”

WHEREAS, to meet the need identified in the community for a LTACH and comply with the Medicare regulations, the Corporation desires to sublease the Subleased Premises, including all hospital equipment, furniture and movable personal property owned or leased by the Corporation and located on the Subleased Premises, and the County desires to approve said sublease, for development of a LTACH in that location, and such a sublease may be subject to the provisions of NCGS 131E-14 and the procedural requirements of NCGS 131E-13(d); and

WHEREAS, the Corporation and the County desire to initiate the statutory procedure set forth in NCGS 131E-13(d) by each of them adopting a Resolution declaring their respective intent that the Subleased Premises and such equipment, furniture and movable personal property in that location be subleased, and to provide notice of such Resolution as required by law, including the direct solicitation of at least five (5) prospective sublessees.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

- 1. The Cumberland County Board of Commissioners (the “Board of Commissioners”), at its regular meeting held on November 19, 2001,**

authorized a “Notice of Special Meeting of the Board of Commissioners of Cumberland County to Consider Resolution of Intent to Sublease a Portion of Highsmith-Rainey Memorial Hospital,” which Notice was published in the Fayetteville Observer, a newspaper of general circulation in Cumberland, on November 23, 2001, notifying the public of the Board’s special meeting on December 5, 2001 to consider adoption of a Resolution of Intent for the aforesaid purpose.

2. Specific notice has been given by certified mail to the NC Department of Health and Human Services, the NC Office of State Budget and Management and the Local Government Commission of the intent of the Board of Commissioners to initiate the statutory procedures set forth in NCGS 131E-13 and to adopt this Resolution as required by NCGS 131E13(d)(1).

3. The Board of Commissioners hereby adopts this Resolution declaring its intent to approve the sublease of the Subleased Premises of the Hospital and the equipment, furniture and movable personal property owned or leased by Corporation and located on said premises.

4. The Board of Commissioners hereby adopts the Solicitation of Proposals for Sublease attached hereto (the” Solicitation”) and instructs the County Attorney to mail or cause to be mailed a copy of said Solicitation to each of the five (5) prospective sublessees identified below, which Solicitation shall include a copy of NCGS 131E-13. Copies of Solicitation shall also be sent to any other individuals or entities who become known to the Associate Administrator of the Corporation or the County Manager of the County as having an interest in the possible sublease of the Subleased Premises and such equipment, furniture and movable personal property located thereon.

5. The Associate Administrator of the Corporation and the County Manager have determined the identity of the following five (5) potential prospective sublessees:

Highsmith-Rainey Long Term Acute Care Hospital, Inc.
150 Robeson Street
Fayetteville, NC 28301-5570
Attn: Harold L. Godwin, M.D., Vice President

Valley Management Consultants, Inc.
7741 N. Pinesview Drive
Scottsdale, AZ 85258-3456
Attn: Kathleen M. Griffin, Ph.D., President/CEO

Hillcrest Specialty Hospital

**2408 East 81 Street, Ste. 2500
Tulsa, Oklahoma 74137
Attn: Ken Noteboom, CEO**

**The Brown Schools Specialty Hospital
1106 W. Dittmar Road
Austin, Texas 78745
Attn: Shirley Sturdevant, Director of Marketing & Development**

**InterMedical Hospital of SC
Taylor at Marion Street
Columbia, SC 29220
Attn: Kenneth McManus, Chief Executive Officer**

6. A Notice of the adoption of the Resolution of Intent shall be published in the Fayetteville Observer, a newspaper of general circulation in Cumberland County on December 22, 2001, notifying the public of the adoption of this Resolution of Intent and informing the public that a public hearing on this Resolution of Intent will be held on the 7th Day of January 2002, at 9:00AM in Room 118 in the Cumberland County Courthouse, 117 Dick Street, Fayetteville, North Carolina, in conjunction with a special meeting of the Board of Trustees of the Corporation, where all interested persons shall be heard at said public hearing.

7. The County Manager and the County Attorney are instructed to take or cause to be taken all such steps as are necessary or desirable to initiate immediately the provisions of NCGS 131E-13 as they apply to the sublease of the Subleased Premises and the equipment located thereon.

There being no further business, this Special Meeting was adjourned at 8:00PM.