



FIRST ATLANTIC HEALTHCARE

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APR - 4 2011

Division of Licensing and
Regulatory Services

Ms. Phyllis Powel
CON Unit, Licensing Regulatory Services
Department of Human Services
11 State House Station
221 State Street
Augusta, Maine 043330-0011

Subject: Letter of Intent

Re: Construction of new 60-bed nursing facility in Bucksport Maine

Date: Tuesday, March 29, 2011

Dear Ms. Powel,

We are sending this **Letter Of Intent** (LOI) as required by Section 71.05 of the Bureau of Elder and Adult Services Policy Manual, titled, CERTIFICATE OF NEED FOR NURSING FACILITY LEVEL OF CARE PROJECTS. Pursuant to this section we are providing the following information and seek a determination whether or not this particular project is subject to CON review by your office.

Brief Description:

First Atlantic Healthcare, in partnership with Rosscare, an Eastern Maine Healthcare affiliate, intends to construct and operate a 60 bed NF facility in Bucksport Maine.

The new facility will offer long-term care and skilled nursing facility rehabilitation care. The facility will be dually certified to provide care to both Mainecare and Medicare beneficiaries. While the project will be smaller in scale than our NF in Saco, Maine we will provide enlightened design offering privacy through both private and semi-private accommodations and small living clusters that promote a personalized, homelike environment.

We seek HUD financing for the project. Current rates for new construction are favorable and still at 20 year historic lows. If the financing were closed today the rate would be 4.8% with a term of thirty-five years. We also are interested in seeking Department assistance to encourage MHHEFA bond financing as an alternative to HUD. While the authority has not engaged in the financing of nursing facilities for some years, the cost to taxpayers would be significantly mitigated by the issuance of long term fixed rate bonds in accordance with their charter.

Capital and First Year Operating Costs:

Summary of capital costs	Depreciation	
Land	250,000	0
Land improvements	1,000,000	40,000
Building	6,192,149	206,405
Fixed equipment	750,000	41,667
Major movable equipment	300,000	30,000
Vehicles	50,000	10,000
	<u>8,542,149</u>	<u>328,072</u>

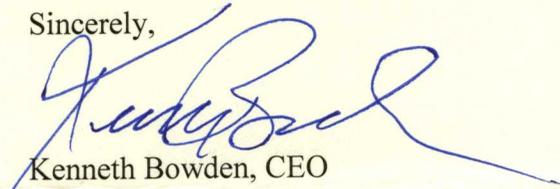
We estimate total project capital costs will be \$8,542,149 and first year annual operating costs will amount to approximately \$4,033,000. Utilization will be 95%.

Need:

Currently the Bucksport area is served by a nursing facility located approximately fifteen minutes away, operates under receivership, has a horrid compliance history and is listed for replacement by the Department. Our proposal will accommodate the relocation of residents from this distressed property. While not sufficient in and of themselves, it is expected that residual Mainecare resources will be available from the closure of CA Dean Beds in Greenville.

We would welcome the opportunity to discuss this project more fully with you and your staff prior to our submitting an application for CON approval using the Department's most current uniform application template.

Sincerely,



Kenneth Bowden, CEO
First Atlantic Healthcare

cc: Ronald Coffin, Craig Coffin and Wanda Pelkey
Lisa Harvey McPherson
Senator Richard Rosen
Catherine Cobb Licensing, Larry Carbonneau CON Unit, Diana Scully and Jack McMillan Elder Services