

David Pierce
Certificate of Need Program Coordinator
Health Planning and Systems Development Unit
PO Box 110601
Juneau, AK 99811-0601

7-21-08

Dear Mr. Pierce:

JUL 24 2008

This is a letter of intent requesting a determination of whether a certificate of need (CON) will be required for an ambulatory surgery center we intend to develop in Juneau, AK. In order for this to not require a CON, it is our understanding that among other requirements, expenditure costs cannot exceed \$1,200,000 as per 18.07.031.

Description of Proposed Activity:

Our group will be remodeling space within a building that we purchased in 2006, located at 3220 Hospital Dr., #101, Juneau, AK 99801. The remodeled space will total 1584 square feet and include one class B operating room to be used for pain management procedures. It will be designed in accordance to standards that will meet certification standards as an ambulatory surgery center.

Estimate of Total Cost of Proposed Activity:

- Value of property (land and building) to be used for activity, present and future
 - Age of building = 34 years
 - Significant improvements to building since 2006 purchase = none
 - Square Footage of Proposed Facility = 1584 square feet
 - Square Footage of Building = 8796square feet
 - Value of Building based upon purchase price = \$899,943
 - Value of Proposed Facility based in proportion to Building =
 $1584\text{SF}/8796\text{SF} \times \$899,943 = \$162,063$
- Total cost of leasehold improvements (demolition, construction, fixtures, improvements):
 - As per architectural plans: \$237,600
- Total cost of fixtures, furnishing, and equipment
 - C-arm fluoroscopy machine: \$120,000
 - Procedure table: \$13,000
 - Autoclave Sterilizer: \$3500
 - Vital sign monitors with stands (3): \$6000
 - Recovery recliner chairs (2): \$3000

- Wheelchairs (2): \$600
- Office furniture and waiting room chairs: \$7900
- Telephone system: \$2000
- Computers/Fax/Copier: \$3000
 - Total = \$159,000

- Architect Fees (Yorba, Jensen, Lott): \$28,000

Grand Total = \$586,663

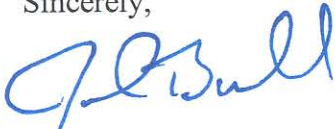
Estimated Start and Completion Dates:

Design completion and State application submission will take place in August 2008. Following approval of the ASC application by the State, the project remodel will begin in September 2008 with an estimated completion date of December 2008.

In conclusion, because the costs of this project does not exceed \$1,200,000, as per AS 18.07.031, it is our belief that the State will determine that a CON will not be required.

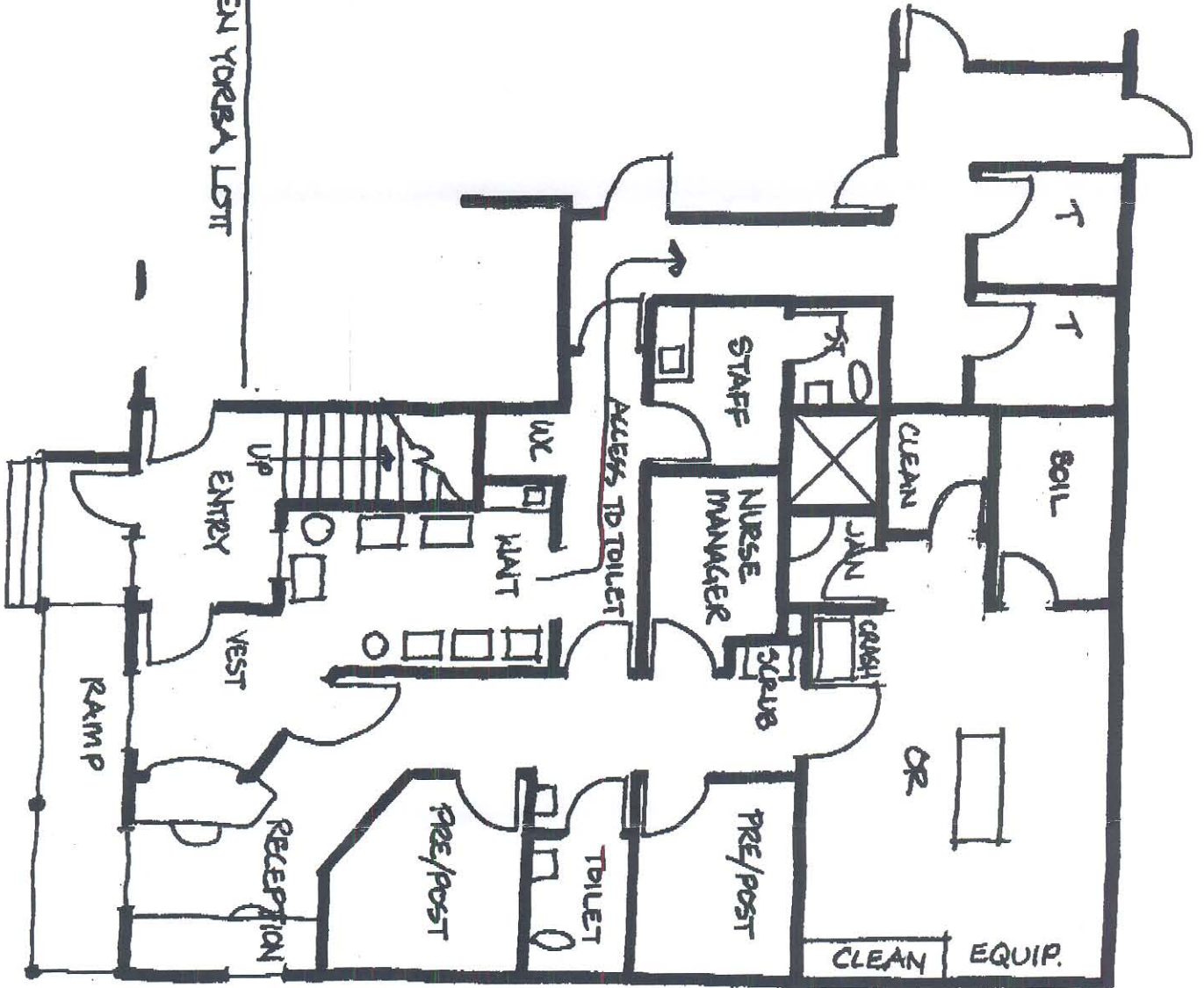
Thank you for your time and consideration. Should you have any questions, please feel free to contact me.

Sincerely,



John P Bursell MD

JENSEN YORBA LOT



FLOOR PLAN

