

NORTH

Architecture Construction Development, LLC

June 14, 2021

Alexandria Hicks, Coordinator
Certificate of Need Program
Department of Health and Social Services
3601 C Street, Suite 978
Anchorage, AK 99503

RE: Coastal ASC, LLC - Request for Determination

Dear Ms. Hicks,

We represent Coastal ASC, LLC (Coastal ASC), an Alaska limited liability company, which proposes to establish an Ambulatory Surgery Center to be located at 188 W. Norther Lights Blvd., Suite 110, Anchorage, Alaska 99503. This space was previously used as an ambulatory surgery center under different ownership. Coastal ASC requests a determination of the project's exemption from the Certificate of Need as the costs of this project will not exceed \$1,500,000 under AS 18.07.031.

The proposed ASC will be located in a leased space previously utilized by Alaska Medical Center, LLC ("AMC"), AMC vacated the facility during its parent companies (Alaska Urological Associates) bankruptcy proceedings. Coastal ASC, LLC signed a letter of intent (LOI) to lease the Suite "as-is", without any tenant improvement allowances, at an initial rate of \$3.25 per square foot, per month (with annual escalations). The proposed Coastal ASC will occupy 7,007 square feet and will contain two Class "C" Operating Rooms, ancillary spaces and services as required to meet State of Alaska licensure. Coastal ASC intends to begin work on the project immediately upon receipt of a favorable determination from your agency; the project expects to complete the work within 60 days.

DEVELOPMENT COSTS FOR PROPOSED COASTAL ASC, LLC PROJECT

- NPV OF LEASE PAYMENTS \$ 546,546
- TENANT IMPROVEMENTS \$ 382,498
Reference **Exhibit A** – Sheet SK-1
Reference **Exhibit B** – North ACD Proposal
- CONSULTING & LEGAL FEE'S - Estimated \$ 30,000
- EQUIPMENT \$ 413,750
Reference **Exhibit C** – Equipment Cost Breakdown

- CONTINGENCY RESERVE

\$ 25,000

TOTAL PROJECT ESTIMATE: \$ 1,397,794*

*The aggregate total projected cost, as calculated per 7 AAC 07.031, is therefore the sum of its Building and Land (Lease), Tenant Improvements, Fees and Expenses, Equipment, Estimated Shipping Costs:

Please call me (907) 229-4923 with any questions regarding this request for determination.

Sincerely,

A handwritten signature in blue ink, appearing to read "D.L. McConnell", with a stylized flourish at the end.

David L. McConnell, Architect
North Architecture Construction Development, LLC