



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of
Health and Social Services

Certificate of Need Program

3601 C Street, Suite 978
Anchorage, Alaska 99503
Main: 907-754-3428
Fax: 907-334-2220

December 26, 2018

Mr. Donald W. McClintock
Ashburn & Mason, P.C.
1227 West 9th Avenue, Suite 200
Anchorage, AK 99501

RE: Request for Determination dated 11-29-2018

Dear Mr. McClintock,

I am in receipt of your request for a determination ("RFD") whether a Certificate of Need ("CON") is necessary for a diagnostic imaging center project that your client, Diagnostic Imaging of Alaska, proposes to open. The facility will be located at 2110 East Northern Lights Boulevard in Anchorage, Alaska. You state the project encompasses 7,085 rentable square feet and will include the following radiological modalities: MRI, CT, C-Arm, Ultrasound and X-Ray. You estimate the cost of the project to be \$1,380,661 and construction to take approximately 90 days after notice to proceed from the department.

In order to make a determination, additional information is required.

Please provide a response to the bolded questions below:

Building Lease: Exhibit B, Page 1 of 31

3. Term, 3.2.i.

"The Tenant shall have the right to exercise the Option (option to purchase) at any time during the period that begins with the Rent Commencement Date and expires on October 14, 2020 ("Option Term")."

This date does not coincide with 3.1 Initial Term, which states "The Lease Term shall commence on October 1, 2018 and continue for two years thereafter expiring on September 30, 2020".

Please confirm Option to Purchase Terms; specifically the dates which Diagnostic Imaging of Alaska can exercise their right to purchase the facility located at 2110 East Northern Lights Boulevard.

Authorization and Exclusive Right to Rent or Lease Agreement: Exhibit D, page 1 of 7

Please provide an executed sub-lease with the sub-tenant currently occupying the portion of the space (estimated to be 1,326 square feet) being used by the sub-tenant. Please provide the terms, the actual square footage sub-leased

and the cost per square foot. Please include the common area maintenance costs passed down to the sub-tenant over the two year term.

Please provide the nature of the business and services of the sub-tenant.

Cost of Construction: Exhibit E, Page 7 of 81

A.1.1.1 states the contract sum guaranteed by the Contractor not to exceed “[t]hree hundred thirty eight thousand two hundred eight dollars (\$338,280), subject to additions and deductions by Change Order as provided in GMP documents.” The amount written and the amount in parenthesis (which corresponds to the amount in the GMP document) are not the same.

Please confirm the cost of construction.

Please provide the requested, additional information within thirty days from the date of this letter.

Please do not hesitate to contact me with any questions.

Regards,

Alexandria Hicks

Alexandria Hicks, CON Program Coordinator