

UP

Silverleaf Perimeter Center Special Hospital

8600 East Anderson Drive
Scottsdale, Arizona 85255

Silverleaf Perimeter Center, LLC (SLPC), the owner, is proposing to renovate an existing 2 story office building and convert to a special medical facility for MicroSpine. This special hospital will have an entire first floor dedicated to a Surgery Center and the upstairs level will be occupied by MicroSpine medical offices and support services in direct relevancy to the surgery center.

The entire site (zoned as I-1 / PCD), with 3.79 acres and has been identified as lot 21 of the perimeter Center. This lot has been previously divided in to two parcels: phase one, 1.72 acres with an existing two story building, and phase two, 2.07 acres as vacant lot suitable for future corporate offices.

The proposed project, located at the Eastern border line of the Perimeter Center, has two major strategic impacts. Inside the Center, being located on the Northwest corner of Hartford and Anderson Drive, provides an ideal visibility and opportunity for an integrated specialty Medical facility center. As a corner lot, it is also surrounded by the 101 Pima Freeway on the East side of the property which shall provide an outstanding visibility, business attraction and prestige for outside visitors.

The proposed remodeling and new occupancy will not only create Silverleaf Perimeter Center Special Hospital to become attractively viable and practically visible from the free way, but will also complement the surrounding environment to be more in line with a professionally upscale business center in conjunction with North Neighbor which is occupied by The Princess Medical Center, where aesthetic consideration and professional balance is optimized, relative to North Scottsdale's prestigious reputation and the 101 freeway corridor.

Improvements to Existing phase one building:

The existing phase one building will be remodeled as following:

- Convert the first floor production plan to a surgery center with 10 in-patient rooms.
- Complete new tenant improvements to the upstairs level and convert the open-cubical like back-offices to upscale medical offices and support services, in direct relation to the downstairs level function.
- Remove the industrial/ warehouse 10'x12' heavy metal doors at the North elevation and install new 4' x8' high-end exit aluminum frame glass door.
- Upscale classification by converting building structure from a type III none rated to a type II one hour fire rated building by simply spraying fire coating to the inside shell structure under the ceiling deck and structural steel members. This has been initially negotiated and is in line with the building official's approval.

City Requirements:

Parking, landscaping, open space, lot coverage, etc. is/ will be consistent with the requirements and regulations of the current City of Scottsdale Zoning Code.

OOSAVI
DESIGN GROUP

ARCHITECTURE

MASTER SITE PLANNING

INTERIOR DESIGN

TENANT IMPROVEMENTS

City of Scottsdale zoning ordinance compliance:

This conditional use permit will be in line with the following :

Per Section 1.401 of the City Zoning Ordinance: This project will not be materially detrimental to the public health, safety or welfare. There will be no damage or nuisance arising from noise, smoke odor, dust vibration or illumination, no impact on surrounding areas resulting from an unusual volume or character or traffic impact. In addition the characteristics of the proposed conditional use will be reasonably compatible with the types of uses permitted in the surrounding areas.

Per Section 1.403.H of the City Zoning Ordinance:

1. The proposed conditional use is in line with all the State and County regulations.
2. Maximum building height will be 56 feet.
3. A minimum of 27.6% of the net Lot Area is provided in open space.
 - a. More than $\frac{3}{4}$ of the total open space has been provided as frontage open space. In addition the frontage open space is 38 square feet per one foot of public street frontage.
 - b. The remainder of the required open space has been provided in common open space.
4. Since the maximum height of the building is 56', the district yard requirements has applied.
 - a. & b. There is no single family or multi - family residential district in the side and rear yard.

The proposed rezoning is also in line with the requirements per Section 5.2105 as following:

- A. substantial harmony with the general Plan of the City of Scottsdale, and is in coordination with existing and planned development of surrounding areas.
- B. The surrounding streets are suitable and adequate to serve the proposed use and the anticipated traffic.
- C. The proposed hospital is appropriate in area, location and overall planning to the purpose intended, and is in harmony with the character of the surrounding areas.

This request seeks Use Permit approval to replace the existing Office Building with the proposed Special Hospital.

In addition see the attached Microspine, Inc. portfolio:

MicroSpine

The World Leader In Endoscopic Laser Spinal Surgery

2009

MicroSpine Specialty Hospital - Arizona

thoracic facet surgery, vertebroplasty, cervical laminoforaminoplasty, spinal ligament surgery, endoscopic hardware removal, scoliosis surgery, spondylolisthesis spine surgery and sacral decompression surgery.

We specialize in "incurable" back pain, leg pain, cervical pain, failed back syndrome, failed spine surgery syndrome, headache, spinal stenosis, thoracic pain, radiculopathy, spondylolisthesis, and disc herniation. We can often resolve pain due to prior spine surgeries and spine fusions. Most patients do not need a 6 to 12 inch incision, and probably do not need a fusion or metallic disc to cure their pain. With conventional spine surgery, recovery time is months, but with our endoscopic spine surgery procedures, patients can walk the same day of their spine surgery! Our physicians have performed thousands of minimally invasive spinal surgeries. All of our physicians are Board Certified Medical Doctors and have outstanding credentials which we proudly display.

Much of our success is due to an accurate pre-op diagnosis derived from our diagnostic algorithms. The anticipated patient volume for the first year will be approx. 900 increasing to 2500 per year. This will be an average of 75-80 patients per month the first year than increasing to 208 per month. We will work to become contracted with most of the major carriers in the market including Medicare. Our goal is to treat patients with quality of care and services needed while keeping any out of pocket expenses minimal to the patient. Patient care is our main focus.

We will be working with the state of Arizona to obtain state licensure for the specialty hospital along with accreditation with JCAHO or AAAHC.

Since we will be severing not only the local market but majority of the patients will be coming from out of the area for treatment at our facility. This will make a significant economic impact to the Scottsdale market.

The Company's success in the Eastern United States has motivated MicroSpine to serving patients in other parts of the United States. The opportunities in the Western U.S. are greatly enhanced with the opening of a full service specialty hospital specializing in Minimally Invasive Spine Surgery. The state-of-the-art facility will not only provide patient treatment, but physician training and education, as well.

Microspine currently has over 40 employees, with this expansion in Scottsdale Microspine will be adding approx. 40+ employees that will be based at the Scottsdale location. The company will be adding approx. 7 physicians and 19 nursing personnel along with other necessary licensed professionals at the Scottsdale facility.

According to The Internet Journal of Minimally Invasive Surgical Technology (2008, Volume 2, Number 3) "medical professions expect that up to 85% of spinal surgery will be soon be done with endoscopic MISS technique. [¶] Obviously, this minimally invasive, less traumatic, outpatient endoscopic MISS treatment leads to excellent results, faster recovery and significant economic savings."