

## **Budget for CL Surgical Center**

### **Year 1**

Revenues net patient 3,000,000

Expenses: Salaries \$1,000,000

Supplies \$1,000,000

Debt \$400,000

Other Expenses \$100,000

Depreciation \$100,000

### **Year 2**

Revenues net patient \$4,500,000

Expenses: Salaries \$1,500,000

Supplies \$1,500,000

Debt \$400,000

Other Expenses \$150,000

Depreciation \$100,000

### **Year 3**

Revenues net patient \$6,000,000

Expenses: Salaries \$1,500,000

Supplies \$2,000,000

Debt \$400,000

Other Expenses \$200,000

Depreciation \$100,000

Year 1 projected income \$400,000, Year 2 \$850,000, Year 3 \$1,800,000

Variable costs would certainly be some supplies. If OR cases are less then supplies are less. We could also run with 1 OR team if number of surgical cases are less than forecasted which would bring down salaries.

1. Daniel Gabrielson DO,FACOOG,an LLC will be established upon approval of CON
2. Clear Lake Surgical Center
3. Near the intersection of 4<sup>th</sup> avenue south and S. 17<sup>th</sup> street clear lake, iowa 50428 adjacent to the Gabrielson clinic for women
4. Dr Daniel Gabrielson, 515 835-9651, [drgabrielson@aol.com](mailto:drgabrielson@aol.com)
5. Ownership: Proprietary
6. Owner will be the operator but certainly would entertain opportunities to help with management if so needed.
7. The current thoughts are not to lease however, if a valuable and sustainable partner, i.e. current hospital system, would prove to be a value we would consider
8. No leasing of equipment.
9. Daniel Gabrielson

At this time the plan is that we will prepare an offering within our medical community and qualified investors who would be of benefit to the success of the ASC. I am prepared to do this without investors and without anyone owning 10 percent or more. address is 2407 south Lakeview court clear lake, IA 50428

10. N/A

11. CEO, Dr Daniel Gabrielson, DO,FACOOG

12 – 15. please see attached answers. 13 the design is attached

16. We will seek ASC accreditation and costs can vary greatly

17. We will seek Medicare and medicaid certification

18. Completion of construction would be 9 to 12 months, end of '26, 2027.

19. I own Gabrielson clinic for Women and have been practicing in north central Iowa for 20 years. We have had tremendous growth in our rural obgyn practice. I currently have clinics in clear lake, clarion, webster city, and boone. Since our involvement in cerro gordo county our growth intensified. The only other obgyn practice lost 5 of their 7 obgyns and they stopped taking new pregnant patients. The hospital they work at also does not do tubal ligations. The county has a population of 42,493. My practice currently consists of 3 obgyns and 7 NPs/PAs. We have a 4<sup>th</sup> obgyn hired starting next summer. We will do over 700 deliveries this year in a 25 bed hospital called Iowa specialty hospital in clarion Iowa. With this number of patients, there is need for additional operating room space especially for more minor outpatient procedures. ISH only has 3 ORs at the hospital that we perform our surgeries. They have had tremendous growth and space is quite limited. The other overwhelming concern is that many others in larger areas have access to an ASC which

## Clear Lake Medical Building

Notes for Application for Certificate of need:

### 12. Description of the project (partial wording, need Dr to finish description of procedures)

This project is new construction on a grass lot directly West of the Gabrielson Clinic in Clear Lake IA. The building construction would be a slab on grade steel and masonry type construction. Ambulatory surgery would be located in the one story portion of the building and be separated from other medical spaces (not part of this CON) by firewalls. The space will include:

- Two OR suites
- Recovery
- Clean/Sterile
- Decon Rm
- Endo
- Ancillary spaces required (storage, lockers, dictation, patient services)

### 14. Describe contact with Regulatory entities for the project

All designers will contact all regulatory agencies required. As preliminary plans are developed, plans and specs will be submitted to the agencies and constant communications. Final review of the documents will be verified by all agencies before contractors pricing and construction begins.

### 15. Life Safety Codes compliance

This building will be new greenfield construction. All codes related to Outpatient Facilities and the Clear Lake location will be followed during design and construction. A few of the codes considered will be:

- International Building Code
- International Energy Conservation Code
- Life Safety Code NFPA 101
- Fire Code NFPA 99
- American With Disabilities Act Standards for Accessible Design
- International Mechanical Code
- Uniform Plumbing Code
- Any city ordinances
- DNR permit #2

reduce patient costs. We also have excellent surgeons in other specialties who would benefit from an ASC for their patients.

20. We propose to offer ambulatory surgery within the fields of gynecology, urogynecology, orthopedics, pain management, urology, podiatry, and pediatric dentistry. We do not have historical data. 20b. We hope to have 1000 cases year one, 1500 year two, and 2000 cases year three at the minimum.

21. Given my office locations alone this could involve a 15 to 20 county service area

22. To my knowledge, in cerro gordo county there is one ASC and only 2 obgyns employed by Mercy hospital. No other like specialty in any surrounding counties. I would assume they can not hire effectively since they did have 7 OBGYNs. I would also assume they are quite busy which is why many of these patients are seeking care in my office.

23. As answered with the previous question, I believe they are maxed out given our new volume and the loss of 5 obgyns.

24. Clear Lake Iowa is a town without a medical center. It sits right off of I35 and is an attractive place for young families. This project would have strong community support as I have been asked many times to also expand my clinic and add other specialties and physicians. The counties just north of clear lake do not have medical centers either and the burden of driving great distance is substantial.

25. see letter

26. Dan Gabrielson, Tracey McIntire, Emily Hill OB/GYNs; Andrew Odland, Gautam Kakade orthopedic surgeons; Hillary Reynolds pediatric dentist; Shelly Wells pain specialist; Dr Hensley podiatry. this is a potential list and many others will also have the opportunity. The goal is to have two on site each day as we will have two ORs . All of these providers have been in practice greater than 5 years and currently operate at existing hospitals but do not have access to an ASC.

27. All the stated surgeons currently have partners and back up other than pediatric dentistry. We will hire or contract with CRNA group for anesthesia coverage who have had extensive experience in both hospitals and ASCs. Mercy hospital a leading expert in cardiology is a short drive as well as a verbal agreement made with iowa specialty hospital in belmond and clarion if inpatient treatments are necessary. I currently have an MSA and PSA agreements with Iowa Specialty hospital.

28. Forecasted FTEs/employees include 8 RNs, 2 to 3 surgical techs, and 2 to 4 admin. I have had great discussions with ISH about sharing staff which could benefit both greatly. This may involve leasing both surgical staff and surgeons.

29. As mentioned above I have worked closely with ISH for many years. We have had excellent agreeable conversations about this arrangement. I will be very active in recruitment and retention. I currently employ around 40 with Gabrielson Clinic.

30. We would put in place a vigorous training model for patient care as I have done firsthand with my clinic. I am also on med exec and work closely with the training for all our surgical nurses and staff.

31. I am in the process of hiring an expert in this area to keep the costs in line or less than the current ASC in the county. The Mason City Surgical Center would not give me the specific costs for comparison.

32. see attachement

33. BC/BS 40, medicare and medicaid 20 each, other insurance 15 and private pay 5 = 100

34. As I do with my office building, malpractice insurance and other liability we will be substantially covered in all areas based on national and state norms.

35. see exhibit 2

36. I have approval of up to 10 million in financing through clear lake bank and trust. 25 percent down. I will use my own cash on hand as well as put an offering together for only qualified investors. This will be a non managing membership and passive investment. If a leasing opportunity presents itself and allows for more favorable success I would hope that my CON would allow for this opportunity.

37. see attachment/NA

38. I have worked and lived in rural iowa most of my life. I chose to relocate to clarion iowa 20 years ago. I grew up in Belmond. These towns are the epitome of rural and lower income persons. We also have a very robust ethnic hispanic population which I have served for 20 years. I will always take medicaid and make the less fortunate, elderly and persons with disabilities feel beyond welcome. It is one of the main reasons I was able to build a very large OBGYN practice in the "middle of nowhere, iowa". The hospital was doing 80 deliveries before my arrival and we will now do over 700. I have added my expertise in urogynecology and added multiple locations to the underserved rural areas. If there is one thing I will make certain is that this ASC will do the same!

39. We do feel like a 2 OR minimum was necessary. We previously had 2 additional endoscopy rooms but in order to save some costs and to be able to accommodate the number of persons and car traffic we thought this smaller ASC lent itself to better focused and over the top care.

40. As stated before so many of our patients are driving great distance for these outpatient procedures. If we can add just two more operating rooms in the area where my clinics have seen the greatest need that will greatly impact cost to all involved.

41. I only here from afar how adding an ASC can benefit. I believe I am one of the only rural OBGYNs in private practice that is investing in this kind of project for my patients. After 20 years, it has become obvious to me that rural healthcare and specifically OBGYNs have been left to struggle. I say why not us? why not little towns and small communities. Ultimately, I think it is the right thing to do, and I do believe if you give extraordinary care, it will work out for all.

42. It seems obvious to me that many ASCs in more suburban and urban areas are thriving and patients in my service area just do not have access to these opportunities. It saddens me that despite our OBGYN rural practice success that our patients can't experience a more affordable and time saving opportunity. If I do not spend my resources in expanding services then who will?

25. To Mercy Hospital and Mercy surgical center:

I am writing to inform you of my intention to add a 2 OR ASC in Clear Lake next to my current office location. I am applying for a certificate of need. The project consists of 2 ORs and ample space to support the ORs. It will be adjacent to my office.

Sincerely, Dan Gabrielson DO FACOOG

## EXHIBIT 2

### Estimate Application of Funds and Estimate Depreciation

<u>Application of Funds</u>	<u>Estimated Amount</u>	<u>Estimated Average Useful Life</u>	<u>Estimated First Year Depreciation</u>
<b>1. Site Costs:</b>			
Site Acquisition	\$ _____		
Demolition of Existing Structures	\$ _____		
Site Preparation	\$200,000		
Other (Specify)	\$ _____		
<b>Subtotal</b>	\$ _____		
<b>2. Land Improvements (Specify)</b>			
	\$400,000		
Paving, Site Lighting, Landscaping, Sidewalk			
<b>3. Construction Costs (all areas must meet current applicable Life Safety Codes):</b>			
General (Construction Shell)	\$2,360,000	_____	_____
Heating, Ventilating, A/C	\$860,000	_____	_____
Plumbing	\$580,000	_____	_____
Electrical	\$1,000,000	_____	_____
Elevator	\$ _____	_____	_____
Other Fixed Equipment	\$ _____	_____	_____
Architectural	\$300,000	_____	_____
Construction Management, Supervision, Engineering, Testing, Inspection	\$600,000	_____	_____
Other (Specify)	\$ _____	_____	_____
<b>Subtotal</b>	\$ _____	_____	_____
<b>4. Movable Equipment (list each item and its cost)</b>	\$ _____	_____	_____
<b>5. Equipment Lease (list each item and its cost)</b>			
<b>Total value including sales tax, delivery and installation</b>			
<b>Annual Cost</b>	\$ 0		
<b>6. Land Lease</b>			
<b>Annual Cost</b>	\$ 0		



**Subject** RE: [EXTERNAL] Re: Potential Surgical Center  
**To:** [drgabrielson@aol.com <drgabrielson@aol.com>]  
**From** Paul Stevenson <pstevenson@clearlakebank.com>  
**Date:** Tue, Oct 7, 2025 at 8:41 AM

Hi Dan,

I listed a cost of \$6,000,000 with 25% down and 25 year amortization. I also included borrowing \$6,000,000 with the same terms. Please let me know if you have any questions or need anything else. The rate has gone down a little bit from when we last spoke.

Cost of \$6,000,000

Loan of \$4,500,000

Five year fixed rate of 6.05%

25 year amortization

Estimated monthly payment - \$29,200

Loan of \$6,000,000

Five year fixed rate of 6.05%

25 year amortization

Estimated monthly payment - \$38,900

Thank you.

**Paul Stevenson**

*President & Chief Credit Officer*  
Clear Lake Bank and Trust Company  
[pstevenson@clearlakebank.com](mailto:pstevenson@clearlakebank.com)

Please do not send personal/confidential information via regular email.

Phone: (641) 355-2243 | Extension: 243  
322 Main Avenue, Clear Lake, IA 50428

**From:** drgabrielson@aol.com <drgabrielson@aol.com>  
**Sent:** Tuesday, October 7, 2025 8:27 AM  
**To:** Paul Stevenson <pstevenson@clearlakebank.com>  
**Subject:** [EXTERNAL] Re: Potential Surgical Center

**This email is from an EXTERNAL sender! Links & attachments may be DANGEROUS!**

Can u send me a current potential interest with amortization on borrowing 6 million with 25 percent down over 25 years. I need to submit it for CON getting it sent off by Friday thanks dr dan

[Sent from AOL on Android](#)

On Fri, Sep 5, 2025 at 1:22 PM, Paul Stevenson

<pstevenson@clearlakebank.com> wrote:

Dan,

Thank you for your time this afternoon. I'm going to attempt to provide you with payment options using some figures we discussed. This illustration does not include all the terms and conditions that might be a part of any future loan proposal, but it will give you an idea of possible payments. These two illustrations are based on putting 25% equity into the project.

Cost of \$10,000,000

Loan of \$7,500,000

Five year fixed rate of 6.25%

25 year amortization

Estimated monthly payment - \$49,500

Cost of \$8,000,000

Loan of \$6,000,000

Five year fixed rate of 6.25%

25 year amortization

Estimated monthly payment - \$39,600

Dan, as I indicated, these are just estimates. The payment could change significantly based on the amount borrowed and interest rate changes by the time the project is ready to begin. Please let me know if you have any questions.

Best regards,

**Paul Stevenson**

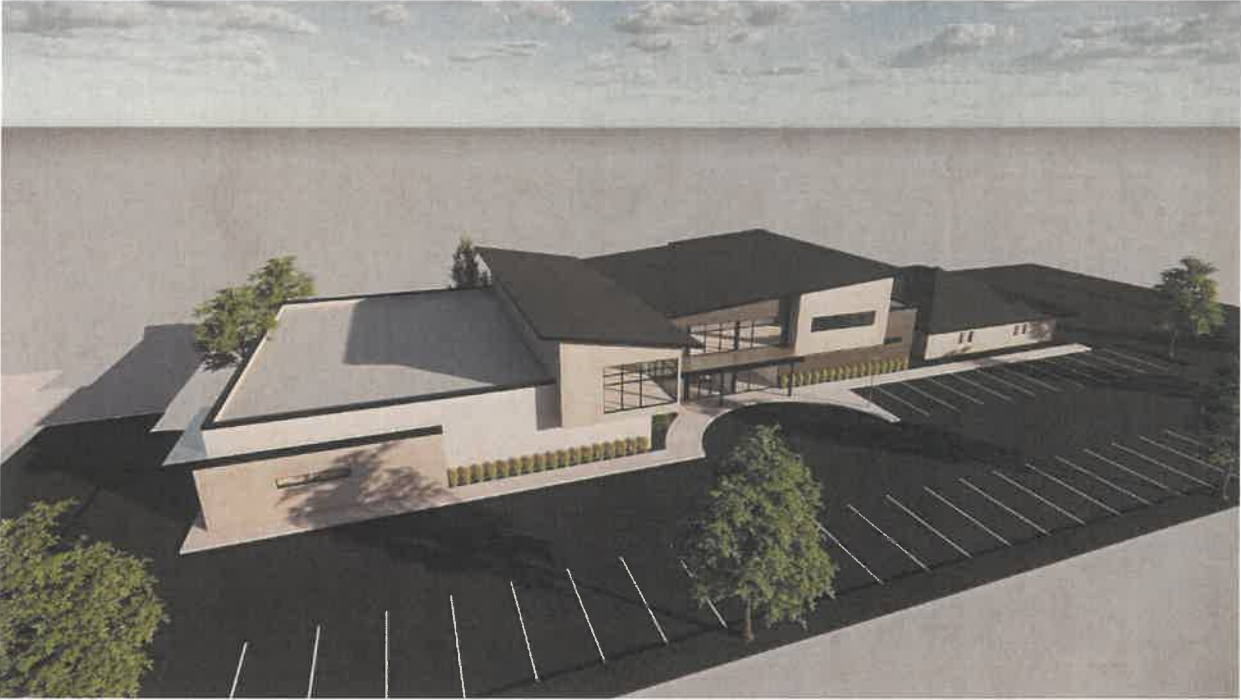
*President & Chief Credit Officer*  
Clear Lake Bank and Trust Company  
[pstevenson@clearlakebank.com](mailto:pstevenson@clearlakebank.com)

Please do not send personal/confidential information via regular email.

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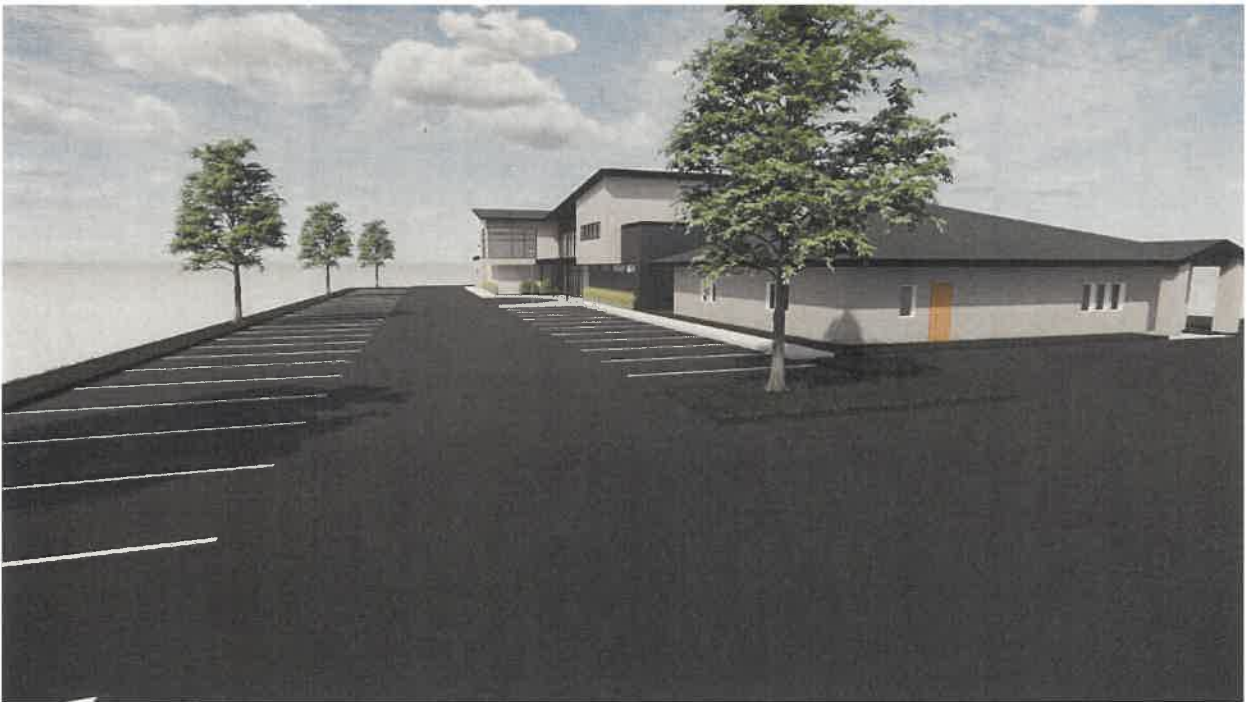
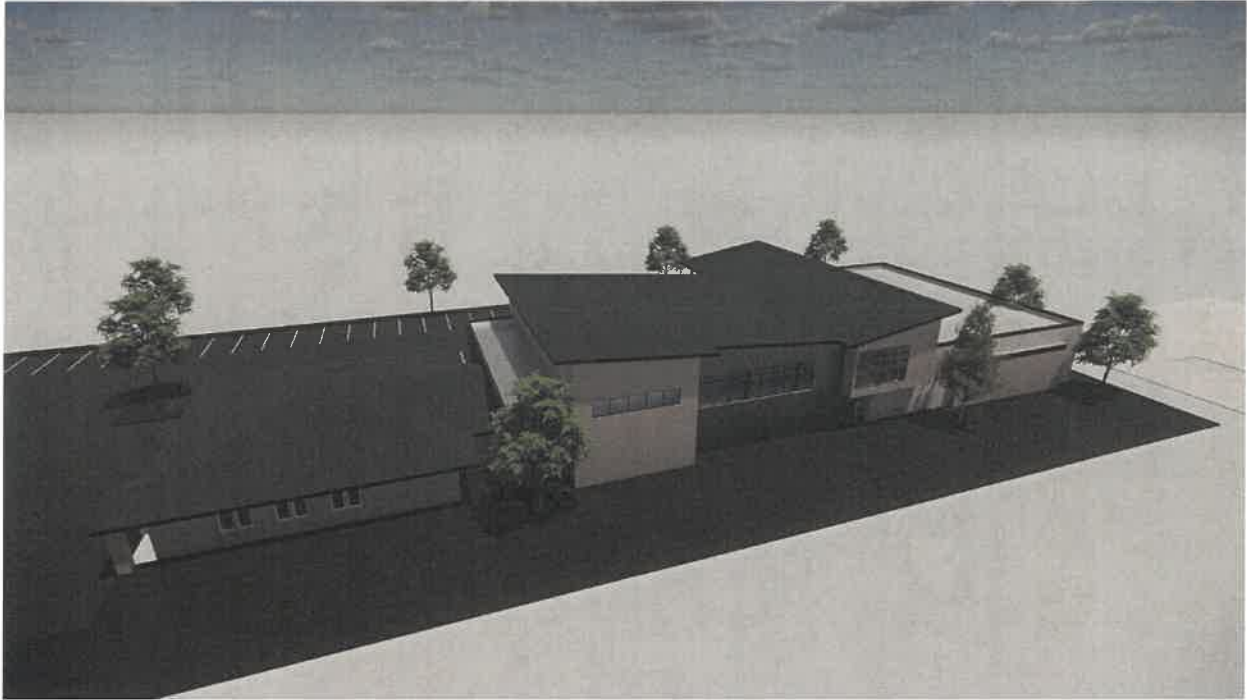
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42. Describe how patients will experience serious problems obtaining care of the type proposed in the absence of that proposed service.

### CERTIFICATION

I, the undersigned, certify that:

I have read Chapter 135.61-.83 Code of Iowa and the Administrative Rules (641 IAC 202 and 203) promulgated pursuant thereto; and

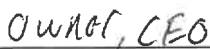
I have read this application, including all exhibits and attachments, and the information therein is, to the best of my knowledge and belief, accurate and true.



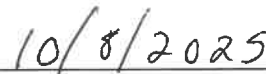
Signature of Owner or  
Chairperson, Board of Directors



Printed Name



Position or Title



Date

If you wish to designate an official representative to act on your behalf, as addressee for written notifications and/or to speak for you before the Health Facilities Council, specify below:

Name 

Agency

Address

Phone

Email