

# USF HEALTH

- MORSANI COLLEGE OF MEDICINE
  - HEART INSTITUTE



A Plan for a Downtown Tampa Facility



# Executive Summary

**The USF Health Morsani College of Medicine (MCOM) critically needs a new facility to adapt to contemporary medical training requirements, compete for outstanding students and ensure their success. Our students deserve an educational setting that both meets today's standards and can rapidly adapt to the changing educational and technological requirements of modern 21st Century medical education. We base this recommendation on the following rationale:**

1. Today's MCOM is housed in a 40-year -old facility designed for a large lecture hall-based curriculum. It has limited functionality for information technology, simulation and multi-media needs and is strained to meet the requirements of the modern medical classroom, which emphasizes newer modes of smaller, team-based, technologically intensive, simulation-dependent learning.
2. The Building Facility Condition Index is rated "Poor," as determined by the National Association of College and University Business Officers.
3. While a new facility on the main USF campus in North Tampa was originally contemplated, the opportunity provided by a generous donation of land in a soon to be developed amenity-rich, highly accessible and pedestrian-friendly site in downtown Tampa dramatically changes the landscape and offers a much better fit in developing an ideal solution for USF.
4. The new downtown Tampa MCOM facility can be built at no total additional PECO cost to the State of Florida than was proposed at the main USF campus. The move will also not cause any increase in student tuition or fees.
5. The proposed downtown location brings the MCOM in close proximity to USF's primary teaching hospital, Tampa General Hospital (TGH), a relationship consistent with 72 of the top 75 *U.S. News and World Report's* ranked medical schools. It also accommodates the strong preference of our medical students.
6. This location is a short walking distance from the USF Health Center for Advanced Medical Learning and Simulation (CAMLs), which is the nation's largest such facility that houses some of the worlds' most sophisticated medical simulation equipment.
7. The proposed downtown location is strongly supported by our USF medical students. It will enhance their training, improve their quality of life, and not impact the cost of their education.
8. The current USF Health site on the main North Tampa campus is constrained by traffic congestion and parking shortages which impede growth of other USF Health programs critical to meeting Florida's workforce needs, such as nursing. A new facility downtown would free up existing on-campus space to allow USF Health to contemplate future expanded enrollment in high-demand healthcare fields.
9. The downtown site will not just be transformational for USF and the healthcare community; its impact will be a boon to downtown community and felt throughout the entire region.

USF is grateful for the support and funding already provided to the project by the Florida Legislature and Gov. Rick Scott for the planning phase of the MCOM project, in addition to funding for the new USF Health Heart Institute. This Institute will put Tampa Bay at the forefront of addressing heart disease. Despite heart disease being the leading cause of death on a national,

state, and local level that creates massive public expenses, it is in dire need of biomedical research to produce more effective, more efficient and less costly treatments. While this facility had been originally slated for the main USF campus, given the incredible opportunities for synergies with community partners, USF now proposes to co-locate the USF Health Heart Institute with the new MCOM building in the downtown district. This location will enhance recruitment of top cardiovascular researchers, support clinical and translational research opportunities to advance public health, increase MCOM NIH funding levels, and improve the rankings of MCOM and our partner, TGH, on the U.S. News and World Report survey and comparable national surveys.

The proposed downtown Tampa location for the USF Health Heart Institute, coupled with MCOM, provides a host of advantages, including:

1. Close proximity to TGH, USF's primary cardiology faculty practice site responsible for most of the university's inpatient and outpatient services and all inpatient clinical trials.
2. Proximity to CAMLS, which has among the world's most sophisticated cardiovascular simulation equipment to enhance fellowship training and serve as a platform for continuing medical education programs to improve the quality and value of cardiac care in Florida.
3. Proximity to the USF Health Tampa Bay Research and Innovation Center (TBRIC) at CAMLS, which utilizes multidisciplinary teams of healthcare providers and engineers to assist medical device companies in the entire medical device lifecycle.
4. Enhanced opportunities to develop and support affiliated downtown biotechnical companies — given the confluence of our researchers, TGH's vast cardiac clinical volume, TBRIC and the abundance of planned corporate space in the district.
5. Greatly enhanced opportunities for USF MCOM-TGH-based resident and fellow trainees to participate in basic and translational research, which should greatly improve the national competitiveness of our Graduate Medical Education (GME) programs.
6. Greatly enhanced opportunities to recruit top NIH-funded Heart Institute faculty because of all the factors listed above, as well as location of labs in a vibrant, amenity-rich, waterfront urban environment.

**Combined, these two projects, the new MCOM and USF Health Heart Institute sited in downtown Tampa will bring together superior medical education, clinical care, and translational research to improve patient care and health outcomes. Moreover, as an anchor for one of the Nation's largest urban development projects, the downtown location will also be a major driver of Tampa Bay's economic growth. The incremental regional biomedical sector economic benefits created by locating the Heart Institute downtown should be recognized and are projected to be in excess of \$72 million.**

## Alignment with the Board of Governors Strategic Plan

The relocation of the MCOM downtown will support key goals as outlined in the Board of Governors' State University System Strategic Plan to enhance Excellence, Productivity and to meet Strategic Priorities for a Knowledge Economy. These include:

*Improve the quality and relevance of the System's institutions with regard to state, national, and international preeminence.*

The new downtown location will help USF attract high quality faculty and students, thus lifting the quality and relevance of the entire institution, as well as the reputation of the State University System.

*Increase access and efficient degree completion for students.*

Moving downtown provides students better access to their primary teaching hospital, Tampa General Hospital, as well as world-class medical simulation training facilities at CAMLS – just a few blocks away from the proposed MCOM site. Many of USF's medical students already live in closer proximity to the proposed new location of the medical college than the current on-campus site.

*Increase student access and success in degree programs in the STEM/Health fields and other Programs of Strategic Emphasis that respond to existing, evolving, and emerging critical needs and opportunities.*

Not only will the project provide access to STEM and Health fields at the new downtown site, but USF will have more flexibility to free-up space on its main campus to contemplate the expansion of existing, evolving and emerging areas of critical needs – such as nursing, physical therapy and public health.

*Increase research activities to help foster entrepreneurial campus cultures.*

Moving in closer proximity to USF's main teaching hospital and CAMLS, in the heart of a vibrant city center characterized by dynamic new development and a hub of healthcare activity, will cultivate an environment rich in research and entrepreneurial spirit.

*Attract more research funding from external (includes federal and private) sources.*

Better faculty and student recruitment brings stronger research productivity and support from a variety of sources. The Heart Institute alone projects an increase of \$28 million in funding.

*Improve the quality and relevance of public service activities, and grow the number of institutions recognized for their commitment to community and business engagement. Increase faculty and student involvement in community and business engagement activities.*

Close connection with the Tampa Bay business community, TGH, and other health entities downtown will open up myriad opportunities for students and faculty. The Hillsborough Board of County Commissioners, the City of Tampa leadership, and the Tampa Bay Partnership are strongly in support of this proposal.

*Increase the percentage of graduates who continue their education or are employed full-time.*

With close proximity to USF's main teaching hospital, as well as the added benefits of location in the thriving urban core community, students have repeatedly expressed great support for moving downtown. These added benefits will no doubt incentivize students to remain on track in their classes and seek employment in Tampa Bay following graduation. Physicians who attend medical school and residency in the same state have a 65% likelihood to stay in state, thereby decreasing outmigration of talent and augmenting areas of workforce need.

## Student Success

### HOW STUDENTS WILL BE POSITIVELY IMPACTED BY A DOWNTOWN LOCATION

Students overwhelmingly support the move to a downtown campus. Key considerations in the move are:

- Student tuition and fees will not increase as a result of a move downtown; the in-state tuition rate for the USF MD program has not increased since 2012-13.
- A downtown location will enhance USF's ability to recruit high-quality students and faculty;

- Proximity to the clinical training at our primary teaching hospital, TGH, is strongly desired by our medical students;
- In a recent survey, 84% of student survey respondents believe that establishing the MCOM downtown will have a large to very large positive impact on students' educational experiences;
- A survey of highly competitive students who were accepted but did not choose to attend USF's MCOM revealed that a downtown location proximate to TGH would have changed their minds;
- More USF medical students currently live within two miles of the downtown site than near the main USF campus.

Students are the heart of a medical college. Meeting their academic, professional, social and health needs is not just paramount to the success of USF but to the development of the next generation of healthcare providers and leaders. At the center of USF's downtown plan is the positive impact that it will have on MCOM students. Among the many benefits, this proposal:

- Provides students access to services and programs on par with the leading schools in the country;
- Assures that the project will not increase costs to the students. The cost of tuition and fees will not go up as a result of the downtown plan – as they have not since 2012-13;
- Galvanizes the students and recognizes their voice in the process. Students realize the positive impact that the downtown plan will have on their medical education and they overwhelmingly support the downtown MCOM plan;
- Provides benefit for all USF Health students. The additional capacity created on-campus by the MCOM relocation will provide USF the option and ability to grow other high-demand, critical workforce-need programs on the main campus. It will also reduce traffic congestion and chronic parking shortages.

## AN EXCELLENT LEARNING ENVIRONMENT TO ATTRACT THE BEST AND THE BRIGHTEST

The proximity of any college of medicine to its major teaching hospital is crucial. Successful medical schools put a premium on co-locating their educational and clinical delivery components in an efficient and attractive environment. This relationship better facilitates student-faculty interactions, as well as fosters better scientific collaboration. A comprehensive review of the national facility landscape reveals that:

- Of the top 75 medical schools ranked on the U.S. News Survey, 72 (or 96%) are within a 10 minute drive of the affiliated hospital. (USF's MCOM is currently about a half-hour drive away from TGH, depending on traffic.)



## MEDICAL SCHOOL PROXIMITY TO TEACHING HOSPITAL



■ Aside from USF, three other highly regarded schools are also currently addressing this problem and relocating to be closer to their academic teaching hospitals:

- SUNY at Buffalo (ranked #84) is now 15 minutes from its major teaching hospitals. The school has broken ground on a new facility with a new downtown location to open in 2017. The move to the downtown area will place the medical school in direct contact or close proximity with Buffalo General Medical Center and Women and Children's Hospital of Buffalo. This project will create the Buffalo Niagara Medical Campus and has been heavily supported by the State of New York to create an economic engine to revitalize downtown Buffalo. Of note, the year after SUNY announced the move and submitted plans and drawings, medical school applications increased, bucking a trend of declining applications in upstate NY.
- Michigan State (ranked #103) recently relocated two of its campuses (Grand Rapids and Flint) to more downtown and proximate locations.
- The University of California at Davis moved its medical school to downtown Sacramento in 2005 after being cited by the Liaison Committee on Medical Education (LCME), the national medical education accrediting agency, for substandard teaching facilities. Fortunately, their move has been a great success with a recent LCME commendation that the new facilities enhanced teaching. In addition to being lauded by the LCME at its next accreditation site visit, the move has been well-received by clinical faculty and students. And the proximity of the education component of the campus to the teaching hospital has greatly improved student access to in-patient clinical experiences, enhanced early clinical shadowing opportunities, and provided added exposure to preceptors and mentors.

- The existing USF MCOM facility is graded inferior to 80% of medical schools in the U.S. in terms of facility quality, according to the National Association of College and University Business Officers.
- While MCOM students and faculty fare well in comparison to their peers at the nation's preeminent medical schools, MCOM's existing campus and facilities are not in line with the teaching environments offered by the nation's highest ranked schools.
- As a result, the current site on the main campus puts MCOM at a competitive disadvantage.

The existing MCOM facilities on campus were designed for a different era of medical teaching, when classroom instruction was the primary focus rather than hands-on clinical exposure. Medical education has undergone a transformation, with successful students spending much more of their time in early clinical exposure and simulation environments. Current MCOM students spend more than 50% of their time outside of the classroom in simulation labs and at teaching hospitals. The downtown location creates a central hub for students to provide them additional opportunity to reinforce and expand on their clinical learning.

Due to its age and structural features, MCOM's current facility has not kept pace with these curricular changes and, as a result, MCOM's current teaching platform is operationally inefficient and not conducive to modern medical education.

- The drive time between the main campus and downtown clinical settings is an operationally inefficient arrangement that forces students and faculty to spend more time in their cars than learning and teaching.
- The downtown facility will provide MCOM students with a state-of-the-art, world class platform for training in medicine with a focus on small-group learning, information technology, simulation and early clinical experiences that are equal or superior to the majority of medical schools in the U.S.
- In the past, separating MCOM from the main campus might have detracted from the inter-professional aspects of health and interaction of students. However, in today's medical learning environment the majority of inter-professional student interactions occur primarily in clinical settings, which are located downtown at TGH/CAMLS. Thus, there will be more interactive engagements and chance encounters at these locations.

## NO INCREASED COST TO STUDENTS

**Student tuition and fees will not increase as a result of the downtown facility.** USF is committed to keeping the cost of a medical education as affordable as possible. This is evidenced by the fact that the USF Board of Trustees has not raised the resident tuition rate for the MD program since 2012-13. USF is further committed to keeping other cost-of-living expenses for MD students as low as possible through relationships with our partners in the community.

The developer and USF have agreed to work together to collectively control the cost of parking to ensure that it is comparable to parking costs on campus. USF is further committed to absorbing any incremental costs to students, should there be any. Conversely, parking is currently the leading source of MCOM medical student complaints and frustration on the main campus based on their recent LCME IPA survey. Given the downtown district-wide parking strategy, the downtown facility will afford medical students transit alternatives and far better parking solutions at no additional cost.

USF has identified and will communicate availability of a myriad of housing choices in or near downtown that are equivalent to what students currently spend on housing near the main campus. Currently, there are more MCOM students living within a two-mile radius of the proposed downtown site than there are medical students living within the same proximity to the main campus.

While maintaining the same tuition levels and fees, USF will be able to provide MCOM students with equal or enhanced amenities and support at the downtown facility that they currently receive on campus, all in a more satisfying and user-friendly exciting urban environment. These include:



- Access to outstanding nearby health and fitness clubs;
- Library, cafeteria, and IT support on site;
- Access to the WELL (the Wellness, Engagement, Leadership, and Learning center). The WELL downtown, like the WELL on the USF Tampa campus, will include student affairs, financial aid, registrar services, and USF Health Service Corps;
- Multiple spaces for students to meet and study, from open lounges and a computer bar to enclosed conference rooms and quiet study spaces;
- Students will have greater access to the rich amenities, arts, restaurants, entertainment, and learning centers planned for the downtown district and concentrated within one to three blocks of the college.

## STUDENTS SUPPORT DOWNTOWN

In a recent USF Health survey (Jan. 15-18, 2015) of 246 current USF millennial medical students in all four classes regarding their opinions on a downtown location, the results were overwhelmingly positive:

- 84% of all respondents believe that establishing the MCOM downtown will have a large to very large positive impact on students' educational experiences.
- 84% believe establishing a medical facility downtown will have a large or very large positive impact on the college's reputation.
- 92% believe a new medical facility downtown will be attractive to prospective students.
- 80% believe a new medical facility downtown will receive greater philanthropy.
- 84% are in favor, overall, of the new medical facility downtown.

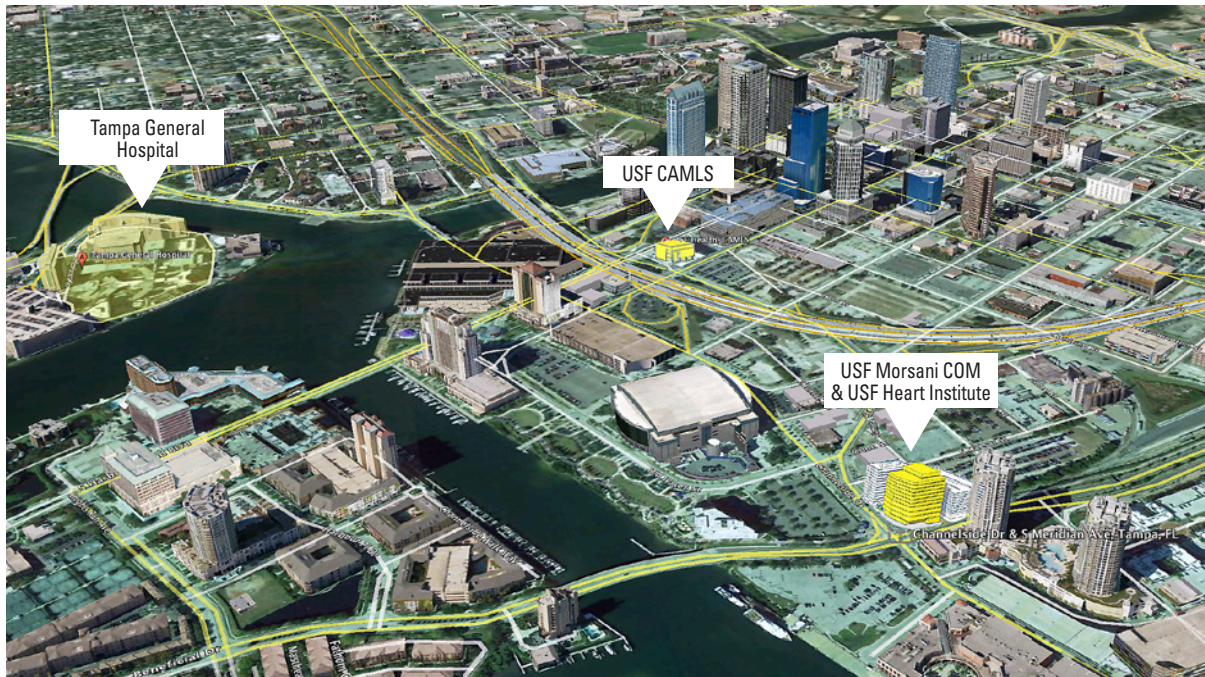
## The Morsani College of Medicine

The MCOM's current facility has not kept pace with the changing way medicine is taught and it is not on par with MCOM's peer group medical schools. The process of teaching medicine has changed significantly since the USF College of Medicine facilities were constructed in the late 1960's and early 1970's. Whereas previous generations of medical students spent the majority of their time in didactic learning in classrooms, today's medical students have "flipped" the classroom, spending a greater percentage of their time in interactive engagement in clinical simulation labs or at the teaching hospital.

Over the past several years, the USF Health MCOM has gone through unprecedented growth of faculty and clinical programs but our educational and research programs have been restrained by inadequate facilities. USF Health and MCOM continue to press forward towards its goals of national prominence, enhanced research infrastructure, creative educational models, entrepreneurial academic approaches and interdisciplinary mindsets but require these new downtown facilities to fully realize these goals. To achieve this USF must reengineer processes to take the best that the USF Health MCOM has been and catapult that to the next phase of excellence. The new medical campus in downtown Tampa has many goals but a primary purpose is to bring together education, translational research, and high quality patient care under one roof.

Through the generosity of Mr. Jeff Vinik, the University of South Florida Board of Trustees will be granted a fee simple ownership of the unimproved, new location via a special warranty deed from Crestline Acquisition Group, LLC. Additionally the City of Tampa and Hillsborough County are slated to reimburse Mr. Vinik's Strategic Property Partners up to \$30 million in street and infrastructure improvements to create a site that is ready for construction. In addition, the Strategic Property Partners are constructing a medical office building and parking garage on the site with an estimated value of \$90 million. The land donation creates an extraordinary opportunity for the university that would otherwise not exist or be cost prohibitive.

## A DOWNTOWN CAMPUS PROMOTES SYNERGY WITH TGH AND CAMLS



A downtown Tampa location will resolve MCOM's primary facility deficiencies while placing students within five minutes of both a world-class simulation learning space (CAMLS) and USF's primary teaching hospital, TGH, where they conduct the majority of their clinical rotations. No other location in the greater Tampa Bay region offers this combination of synergy, accessibility and dynamic learning environment.

■ Currently, third and fourth-year medical students spend nearly 40% of their time at TGH and surrounding clinical facilities, including the USF Health South Tampa Center for Advanced Healthcare adjacent to TGH. Through the Doctoring Clinical Experience, a substantial group of first- and second-year medical students gain early supervised clinical experiences while shadowing community physicians at TGH and surrounding facilities. The close proximity to TGH and other facilities downtown will greatly improve physician access to senior medical students, shadowing opportunities, preceptors, mentors and a diverse population of patients. The downtown campus is also far closer to student rotation sites in St. Petersburg, Pinellas County, including All Children's Hospital, their primary pediatric training site.

■ Due to the distance from main campus, training activities at CAMLS are limited, particularly for first- and second-year medical students. Both medical students and faculty have frequently voiced a desire to spend more time at CAMLS given its world-class, state-of-the-art, high-fidelity simulation and educational space.

■ USF is a global research university ranked 27th in federal research expenditures for public universities and is one of the fastest growing public research universities in federal funding. In fact, the MCOM leads the University's aggressive drive to achieve the fastest growth of federally sponsored research in the nation. However, current funding has been focused in oncology research at the H. Lee Moffitt Cancer Center and diabetes clinical trials. The proposed downtown Heart Institute will expand our research repertoire and funding levels. Combined with the expansion of neuroscience research at the Byrd Alzheimer Center on the main campus, we believe that MCOM is poised to move to the top quartile of NIH funded schools within a decade. Moreover, co-locating the MCOM and USF Health Heart Institute will bring together researchers, clinicians, educators and students in ways not previously possible. Students will have more access to basic and physician scientists as well as clinical researchers.

■ The new downtown corridor of health intellectual capital (Heart Institute-CAMLS/TBRIC/TGH) will create a critical mass, which should foster a stimulating environment that engenders better science, teaching, innovations and care, as well as

collaboration with biotech firms. True excellence requires creating a virtuous cycle where all three mission areas – teaching, research and service – complement and enhance each other.

While the current MCOM facilities began in an era when professors lectured in front of large classes, future USF Health MCOM facilities will need be flexible to meet the needs of the curriculum, which requires students to work more in groups and fully incorporate technology into their classwork. As medical education transitions into digital learning methodologies, a new building will become more of an “idea lab” – a core laboratory for technology-based learning. Even anatomy is now taught virtually with limited cadaver dissection. Thus, technologically sophisticated infrastructure is needed to replace the lecture halls of the past.

## The Heart Institute

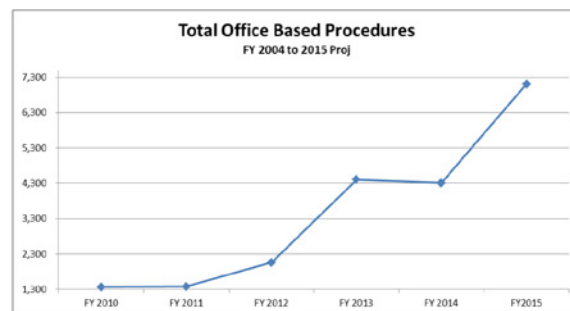
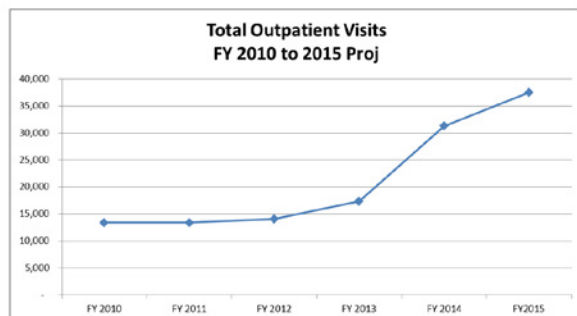
### USF HEART INSTITUTE IN DOWNTOWN TAMPA

The USF Health Heart Institute will conduct basic, translational and clinical research, and provide cardiovascular disease related care. At its core, the Institute’s research activities will address the root causes of cardiovascular diseases, and will translate knowledge into novel therapeutics and diagnostics to improve treatment and quality of life. As described and approved by the Board of Governors, authorized by the Legislature, and signed by Governor Scott, the Institute will focus and leverage these strengths and elevate the region to national prominence.

Tampa General Hospital has one of the busiest cardiac transplant, cardiac surgery and invasive cardiology programs in the nation but in order to achieve “Top 10 *U.S. News & World Report*” ranking, it requires enhanced academic productivity and it currently is impeded by a lack of ready collaboration with USF Health.

The placement of the Heart Institute at the downtown location will enhance a primary goal of the USF mission, which is to achieve national prominence in research. The downtown location provides a host of synergistic benefits:

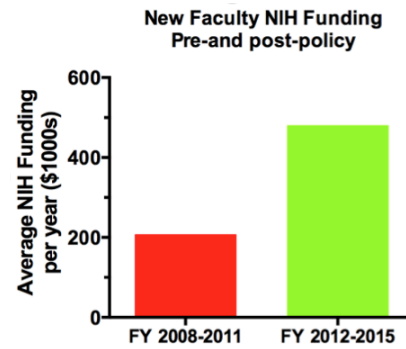
- Close proximity to the clinical activity (inpatient and outpatient) and clinical trials of the MCOM Department of Cardiovascular Sciences;
- Close proximity to CAMLS and TGH and its active cardiovascular surgical programs;



- Promotion of the public-private model of technology development by biotech and health-related companies in close proximity to the facility;
- Educational opportunities for students, residents and clinical fellows: The close proximity of the patients to the laboratories is the ideal setting for 3rd and 4th year medical students, residents and clinical fellows who are stationed at TGH.
- Enhanced opportunity to recruit Institute faculty.

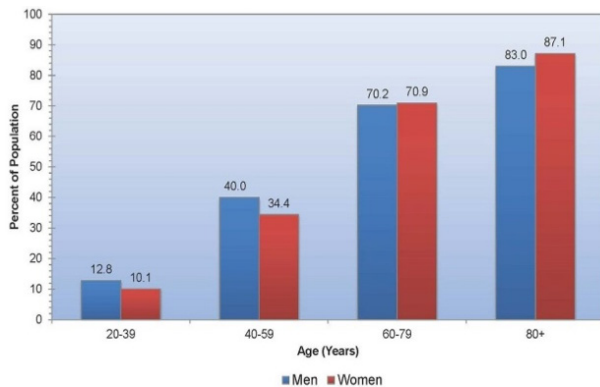
## THE NEW HEART INSTITUTE WILL INCREASE GRANT FUNDING

- At least \$28 million per year in additional NIH research expenditures is anticipated when the new facility is at full capacity.
- The more favorable downtown location is expected to decrease the time of program ramp-up by as much as 60%, from 12-15 years to reach \$28 million in NIH funding to only 5 years. The downtown campus accelerates this curve because investigator access to funds is largely dependent on co-localization with TGH, so funding opportunities for grants will be larger. Without co-location it will simply take longer to recruit investigators to USF as opportunities will not be viewed as competitively or attractively.
- The pro forma is grounded in the demonstrated success of the past three years. Any new hire must be of national prominence in his or her field as determined by objective criteria, and must have a National Institutes of Health (NIH) grant generating at least \$300,000 per year in research.



Average grant funding per new faculty for the three years before and after institution of the policy.

## THE PUBLIC HEALTH IMPACT AND IMPERATIVE FOR NOVEL RESEARCH



Cardiovascular disease is highly prevalent in the population. The prevalence of cardiovascular disease ranges from approximately 34% to 87% of the U.S. population from ages 40 to 80 years.

In the greater Tampa Bay area, there were 28,139 deaths due to cardiovascular disease between 2011-2013, with a death rate per 100,000 similar to that of the national average. The cardiac service line continues to shift patient care from inpatient settings to outpatient settings, increasing the need for combined patient care and research facilities like the Heart Institute. In Hillsborough County, outpatient cardiology procedures are

expected to increase 16% from 2014-2019.

“As competition increases and traditional growth opportunities decline, cardiovascular programs must redefine their growth strategy. Given heightened demand for multidisciplinary, cross-continuum care, progressive hospitals are investing in ‘disease centers’ that streamline treatment and offer new avenues for growth, particularly for heart failure patients.” (The Advisory Board Company, April 2013)

The pipeline from pharmaceutical firms and device manufacturers for novel cardiovascular treatments is nearly empty. Of growing concern is the population of patients who suffer from depressed cardiac function and have few novel treatment options available.

To fill this gap it is now recognized that investigators who have bench research, clinical trial and clinical care skills must work together. This effort is termed “translational research” and can propel the fight against heart disease forward through a multidisciplinary, team-oriented, research and clinical environment, which is the founding principle of the USF Health Heart Institute.

# Downtown Program and Budget for a Co-Located Facility

The total cost of the co-located MCOM and the USF Health Heart Institute is estimated to be \$152.6 million, but USF is not solely relying on state funding to complete this project and has crafted a plan that ensures Florida taxpayers will not bear additional costs related to downtown construction.

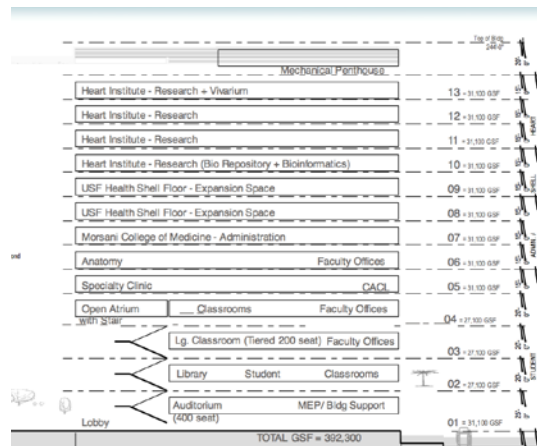
State funding for the construction of this co-located site will come in the form of two PECO requests for 2015:

- The final \$15.78 million installment of the \$50 million budgeted for construction of the Heart Institute, which has already been approved and recommended for funding by the Board of Governors.
- \$17 million to fund the first stage of construction for the Morsani College of Medicine. With the \$5 million that has already been appropriated by the 2014 Legislature and approved by Governor Scott to be allocated for MCOM project planning. The total construction cost of MCOM to the state is \$62 million whether it is constructed on the proposed downtown site or on the main campus.

State funding is coupled with the \$18 million pledged from Frank and Carol Morsani for the construction of a new medical college. A robust capital campaign will bridge the remaining need. In summary, the downtown Morsani College of Medicine and USF Health Heart Institute will be completed for the same cost to taxpayers as has been consistently pledged.

Even without the anticipated private support, USF has a number of options to reprogram the space to moderate cost without impacting student success.

Program Summary	Net Usable Area
College of Medicine	97,585
Heart Institute Labs	100,389
Auditorium/Dining/support	41,581
Faculty Offices	29,610
Clinical Trials/Care unit	8,379
<b>Total Net Useable Area</b>	<b>277,544</b>
<b>Grossing Factor</b>	<b>41,632</b>
<b>TOTAL GROSS SQUARE FOOTAGE</b>	<b>319,176</b>

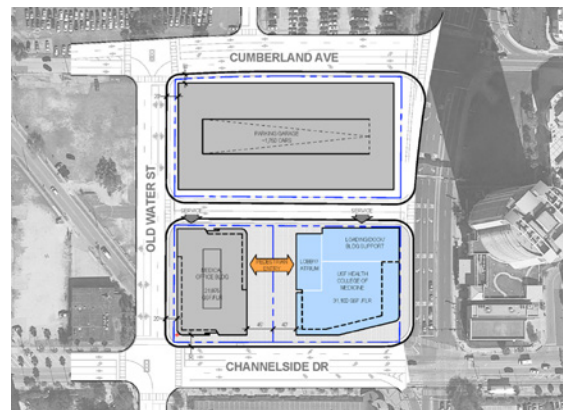


## SITE OVERVIEW

The site proposed for the USF Morsani College of Medicine is a one acre site located at the premier hard corner of Channelside Drive and Meridian Avenue in downtown Tampa.

MCOM and the Heart Institute will benefit materially from the developer's contributions to the site with:

- Approximately one-acre site donated by the developer with an estimated value of \$10 million;
- District-wide parking alternatives with no need to construct new parking;



- Road improvements, drainage and public infrastructure needs provided via a \$30 million reimbursement to the developer by the City of Tampa and Hillsborough County.

## ANTICIPATED PROJECT COSTS

Program Assumptions:	Design Target Average	
College of Medicine	97,585 net usable	
Heart Institute Labs	100,389 net usable	
Auditorium / Dining / Support	41,581 net usable	
Faculty Offices	29,610 net usable	
Clinical Trials/Care Unit	8,379 net usable	
<b>Subtotal Net Useable</b>	<b>277,544</b>	
Grossing Factor	41,632	
<b>TOTAL GROSS BUILDING AREA</b>	<b>319,176 GSF</b>	
TOTAL CONSTRUCTION	\$ 126,254,076	\$ 395.56 /GSF
TOTAL DESIGN, ENGINEERING, CIVIL	\$ 10,439,593	\$ 32.71 /GSF
TOTAL FF&E	\$ 15,958,800	\$ 50.00 /GSF
<b>TOTAL PROJECT COST</b>	<b>\$ 152,652,469</b>	
Estimated Funding	\$130,000,000	
Projected Philanthropy Need	<b>(\$22,652,469)</b>	

The team has calculated the anticipated cost to build, furnish and design the downtown MCOC and Heart Institute project. The following represents the USF estimate of project cost as well as the anticipated private support:

### Methodology to Calculate Project Costs

In order to provide the team with a most complete estimate of project costs prior to completed building design (as funds for this purpose were just recently released), the following methodology was used:

- Benchmarked USF project costs from completed science and lab projects.
  - Furniture, Fixtures and Equipment (FF&E) Costs
  - Design & Engineering Costs
- Benchmarked similar College of Medicine projects either recently completed or currently under construction throughout the country. The project and construction costs were normalized to the economics anticipated when the USF MCOM facility will be built.
- A calculated range of anticipated project costs from low to high in order to understand the potential swing in project costs to market conditions.
  - Design Contingency
  - Construction Contingency

### Benchmarked USF Project Costs

In order to inform the anticipated project costs, USF has studied costs for furniture, fixtures and equipment (FF&E) and design and engineering fees from other completed USF projects. These costs have been added to the cost model:

Item	Anticipated Costs
Furniture, Fixtures and Equipment (FF&E)	\$50.00 per Gross Square Foot
Design, Engineering and Civil Fees	10% of Construction Costs

The FF&E numbers above represent the cost to supply furniture, lab equipment and benches, as well as IT infrastructure to support the highly technical nature of current learning environments.

The Design Engineering and Civil Fees represent all fees inclusive of Architecture, Mechanical, Electrical and Plumbing Engineering, Civil Engineering and Geotechnical Engineering. There is contingency in this number to allow for engineering related to unanticipated underground conditions.

## BENCHMARKED SIMILAR COLLEGE OF MEDICINE COSTS

This analysis indicates the anticipated construction cost of the USF College of Medicine is in line with other similar projects when costs are normalized for the Tampa market and between program elements.

Comparison Medical Schools	Size (GBSF)	Efficiency	Location	Yr. Complete	Original Cost	2016 Tampa Const Cost	2015 Const Cost/GSF	Major Program Elements
UCF College of Medicine	175,000	60%	Orlando	2010	\$ 53,000,000	\$ 67,473,240	\$ 386	0 % Research Lab 75 % Teaching 25 % Office
FSU College of Medicine	242,000	57.6%	Tallahassee	2004	\$ 51,000,000	\$ 102,094,997	\$ 422	32 % Research Lab 38 % Teaching 37 % Office
SUNY Buffalo / College of Medicine	600,000	55%	Buffalo, NY	2016	\$ 260,000,000	\$ 255,059,415	\$ 425	47 % Research Lab 40 % Teaching 8 % Office
ASU Health Science Education Building	286,000	n/a	Phoenix, AZ	2012	\$ 99,000,000	\$ 119,995,910	\$ 420	% Research Lab % Teaching % Office
Proposed USF COM	319,176	60%	Tampa			\$ 126,254,076	\$ 396	35 % Research Lab 51 % Teaching 14 % Office

Not all % listed will add up to 100% as some projects have auxiliary uses other than what is listed  
Numbers above are Construction cost only and do not include FFE or Design fees

## Economic Impact Analysis

The downtown site will not just be transformational for USF and the healthcare community, but its impact will be felt throughout the entire Tampa Bay Region. The direct economic impact of the research component is alone substantial.

**USF:** Grant revenues from the new faculty hired are estimated to be approximately \$28 million per year when the Institute is fully occupied. This includes an estimated \$9 million in indirect (F&A) costs that are provided by the NIH to the University to support grant-related infrastructure, grant administration and research facilities.

**Tampa Bay Region:** To estimate the economic impact of these grants to the Tampa Bay community, we utilized two reports that examined the relationship between federal research funding and local economic activity. In a report to Congress using the Regional Input-Output Modeling System (RIMS II) created by the U.S. Department of Commerce, the overall impact of NIH funding on each state's economy was estimated. This econometrics model measures the extent to which an investment in one industry affects all other industries in that region, and ultimately, the region's economy. It includes hundreds of economic multipliers to measure the impact of new spending in different industries. The key outputs measured were the increased value of goods and services produced in the state, the number of jobs created, and employee earnings. Using this model, on average, each dollar of NIH funding going into a state was doubled in local economic output.

Another study, commissioned by the AAMC, utilized the consulting company Tripp Umbach to examine economic benefits of federal and state funded research. Using a similar methodology they concluded that for every dollar of research funding received, \$2.60 was generated in local economic growth. Thus, the Heart Institute alone should drive \$56 million to \$73 million in local economic activity.

Beyond these effects of NIH dollars on state and local economies, there are substantial related impacts. These include patent

applications and licensing of technologies for local commercial development. In addition, cutting-edge research generates local biotech start-up companies.

## The Way Forward

The current campus is at capacity and cannot accommodate growth in place. Construction of a new MCOM will be a major step in providing a platform to execute the long-term strategic vision for USF by liberating space for needed campus growth. While the initiatives discussed in this report are not part of the current request for state funding, in response to questions from the Florida Board of Governors is discussion of various options for maximizing further opportunity as a result of the downtown location. These options - some of which can be realized through public-private partnerships and philanthropy - support other high-demand disciplines such as nursing, pharmacy and physical therapy which would meet the healthcare and workforce needs of Florida.

In essence, the downtown decision is a driver of future on-campus possibilities. It is important to note there is a wide gamut of choices going forward. Approval of this project, however, in no way obligates the State to fund additional renovation to accommodate other USF Health programs. Rather, it will provide the setting to consider a range of possibilities in several years, with variable costs and returns on investment.

We are collectively presented with a unique opportunity. The confluence of several generous gifts, at a time when two meritorious projects, the new Morsani College of Medicine and the Heart Institute, were advancing through the process for approval, provides us the strategic moment to provide crucial proximity of these facilities to our key teaching sites. The net effect is a facility that rises to the level of our students' potential, without burdening either our students or the citizens of Florida with increased costs, while simultaneously offering great benefit to our community, economic development for the state of Florida, and great progress toward the goals of the State University System's Strategic Plan.