



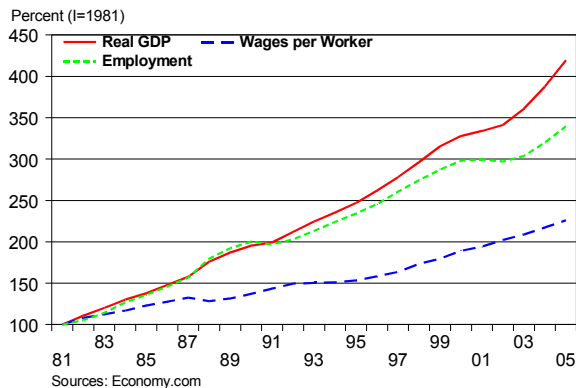
Nemours Children’s Hospital: Advancing Orlando’s Life Science and Economic Development Summary

The Milken Institute economic impact study concludes that building a Nemours Children’s Hospital represents one strategic route to bring growth and prosperity to Orlando.

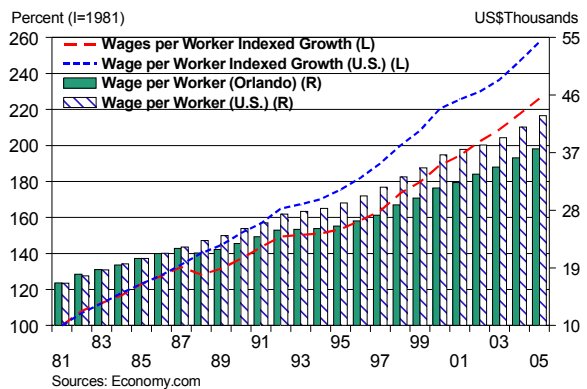
Orlando’s Biotech and Economic Overview

- Florida is one of the top states for biomedical technology business, attracting Scripps and Burnham Institute for Medical Research.
- Although Orlando is quickly growing, it does not have comparable employment size to other major markets (benchmarked against Philadelphia, Pittsburgh and Boston). Comparatively, the life sciences base is currently weak in Orlando.
- In Orlando, the University of Central Florida (UCF) College of Medicine and Burnett College of Biomedical Sciences are expected to play anchoring positions in the life sciences R&D programs.
- Since 1990, Orlando’s wages have remained consistently lower than the national average.
- Between 1981 and 2005, Orlando saw a net increase in number of workers, but no corresponding increase in wages distributed. This suggests slow development and growth of high-value industry sectors.

Orlando’s Economic Background
Indexed Growth, 1981 to 2005



Orlando's Economic Background
Wage Comparison, 1981 to 2005

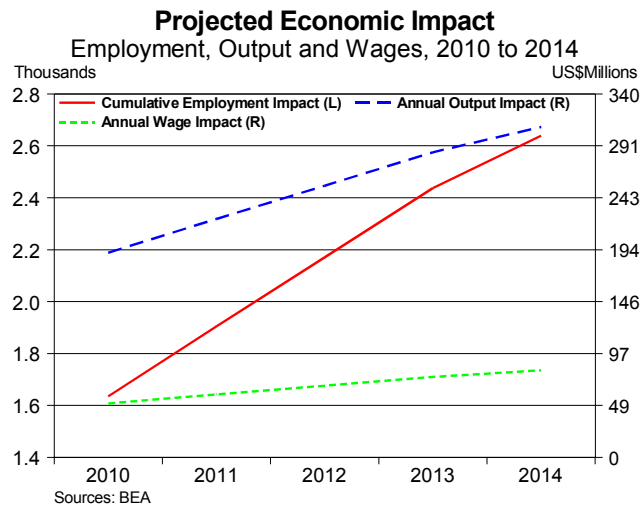


Regional Economic Benefits of Proposed Hospital

The Milken Institute projects that the proposed hospital will trigger increased economic growth in the metropolitan Orlando area.

- During the construction phase alone, we project that **5,082 jobs** will be created. Although some of these jobs might be temporary, we project that within five years of operation the hospital will have generated more than 2,600 jobs. We anticipate growth in the following sectors:
 - Construction
 - Health care and social assistance
 - Accommodation and food services
 - Professional, scientific and technical services
 - Retail trade
 - Real estate

- We also predict overall **increases in regional wages**, from \$50 million in the first year to \$81 million after five years.
- The hospital will **increase Orlando’s annual output** from \$191 million in the first year to \$309 million by the fifth year.
- Research shows that the presence of a specialty hospital in a region leads to **higher profits among existing general hospitals** and thus facilitates positive impact on a regional scale.
- **Patient satisfaction** in specialty hospitals tends to be higher when general hospitals are in the market because competition promotes better-quality services.
- Nemours’ addition brings external **R&D expertise** to the region, further enhancing Orlando’s potential to become a regional life sciences cluster.



Analysis of Nemours’ Past and Proposed Investment

- Since 1980, Nemours has invested \$547 million in providing pediatric health care in Florida, with pediatric clinics in Orlando, Pensacola and Jacksonville.
- Nemours plans to invest \$258 million in the construction of a children’s hospital, including neonatal intensive care units and such pediatric specialties as pediatric rheumatology, allergies/immunology and dermatology, which do not exist at current area hospitals.
- Nemours has achieved national recognition for its use of medical informatics — technology that promotes the efficient use of electronic records and the ability to monitor chronically ill children at home. A “tactical operations center,” not unlike that in the military,” manages communications, information, computing and multimedia.

Summary of Nemours University and Life Science Affiliations

With its longstanding history of research, university teaching affiliations and clinical trials, Nemours is expected to help anchor the region’s life sciences development.

- We anticipate that the Nemours Children’s Hospital would provide specialized faculty in pediatrics to the newly approved College of Medicine at the University of Central Florida, which has announced plans to produce 120 graduates per year. We anticipate that the hospital would benefit in turn by a steady pool of medical school graduates.
- We also would expect to see collaboration with Florida Hospital, the Orlando Regional Healthcare System and the Arnold Palmer and Winnie Palmer Hospitals.
- The children’s hospital would be expected combine expertise with the Burnham Institute for Medical Research, a Veteran’s Administration hospital and a University of Florida research facility.