



UNIVERSITY OF CENTRAL FLORIDA

Vice President for Medical Affairs

Dean, College of Medicine
Health Sciences Campus at Lake Nona
6850 Lake Nona Blvd.
Orlando, FL 32827-7408

January 16, 2018

The Honorable Teresa Jacobs, Mayor
Orange County Board of County Commissioners
201 S. Rosalind Avenue, 5th Floor
Orlando, FL 32801

Re: Responses to Orange County Board of County Commissioners' Questions Regarding the
Lake Nona Research Facility Currently Operated by Sanford Burnham Prebys (SBP)

Dear Mayor Jacobs,

I am pleased to enclose the University of Central Florida's responses and proposal for development of a comprehensive cancer research and treatment center in the Sanford Burnham Presbys Building. We look forward to discussing these at your meeting on January 23, 2018.

Thank you.

Sincerely,

Deborah C. German, MD
Vice President for Medical Affairs
Dean, College of Medicine



Responses to Orange County Board of County Commissioners' Questions Regarding the Lake Nona Research Facility Currently Operated by Sanford Burnham Prebys (SBP)

A proposal from UCF and Partners

January 16, 2018

Responses to Orange County Board of County Commissioners' Questions Regarding the
Lake Nona Research Facility Currently Operated by Sanford Burnham Prebys (SBP)

January 16, 2018

**Proposal to Create a Comprehensive Cancer Research and Treatment Center in the Sanford Burnham Prebys (SBP) Building:
A Collaboration of UCF Academic Health, Inc., Provision Healthcare, HCA's Sarah Cannon Research Institute, and Alter+Care**

Primary Contact Information

Lead Organization: University of Central Florida; UCF Academic Health, Inc.

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Provision Healthcare

Terry Douglass, Executive Chairman

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Sarah Cannon Research Institute

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Alter+Care

John Driscoll, President

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General Project Description: Provide a description of your proposal for the use of the 173,700 square foot research facility currently occupied by SBP? Please limit this to 5 pages.

OVERVIEW

Proposal to Create a Comprehensive Cancer Research and Treatment Center in the Sanford Burnham Prebys (SBP) Building at Lake Nona: A Proposed Collaboration of UCF Academic Health, Inc., Provision Healthcare, HCA's Sarah Cannon Research Institute, and Alter+Care

The University of Central Florida (UCF), through its direct support organization UCF Academic Health, Inc. (UCFAH), together with national partners Provision Healthcare, LLC (Provision), HCA's national cancer research division, Sarah Cannon Research Institute (Sarah Cannon), and development partner Alter+Care propose to lease the Sanford Burnham Prebys (SBP) Building to develop a Comprehensive Cancer Research and Treatment Center (the Cancer Center). This center will provide state-of-the-art cancer treatment services for patients including access to a wide range of emerging therapies and clinical trials. It will include basic and translational cancer research, advanced pencil proton beam therapy, radiation therapy, imaging, chemotherapy, immunotherapy, infusion, and medical clinics including oncology and other clinical specialties tailored to the needs of cancer patients.

The Cancer Center will be a hub for comprehensive, advanced cancer care as well as basic and translational research. It will provide Central Florida with new resources and access to clinical trials that are not currently available. The adjacent UCF Lake Nona Medical Center hospital, a joint venture of UCFAH and HCA, as well as Nemours Children's Hospital and the Orlando VA Medical Center will collaborate with the Cancer Center to provide a continuum of integrated, specialized, coordinated cancer services convenient to patients and families. The Cancer Center will be a hub for training and education of medical students and residents, nursing and other health disciplines in UCF's emerging Academic Health Sciences Center, and will be an educational resource for patients, families, and the community. The opportunity for basic and clinical cancer scientists to be working in the same building where patients are being diagnosed and treated will help advance cancer research and treatment.

The Cancer Center will advance economic development, leveraging previous investments made in Sanford Burnham and throughout Lake Nona Medical City. As further described below, UCF's proposal will bring expertise and resources of two established national leaders in cancer care and cancer research, create over 300 new higher-paying jobs, include over \$85 million in private investment, provide \$2 million in annual rent payments to Orange County, and generate over \$4 million per year in new local and state taxes beginning after year 5. Partnering within Lake Nona Medical City's clinical and research cluster and across the community and beyond, over time the proposed Cancer Center will advance discovery, generate new businesses to incubate, and build a medical destination in Central Florida for cancer care and research.

The diagram below shows the proximity of the SBP Building to the UCF College of Medicine, the UCF Lake Nona Medical Center (hospital), and the cluster of other medical city partners. This proximity provides a unique opportunity to establish a cancer research and treatment center that enables patients to receive comprehensive, integrated services within a single campus. Patient care is seamless when all services are co-located. When diagnosis or treatment requires a 20-30 mile drive, care and scheduling of care becomes more disrupted and more complex.



UCF and Partners intend to become a National Cancer Institute (NCI)-designated Comprehensive Cancer Center, as described below. This prestigious national designation typically requires a research-focused medical school with comprehensive cancer research, a hospital, and advanced cancer care services accessible in close proximity.

PARTNERS AND THEIR ROLES

UCF, UCF College of Medicine - UCF's education, research and clinical programs and its recently approved teaching hospital (UCF Lake Nona Medical Center, a partnership with HCA) adjacent to the SBP Building will be an anchor for the comprehensive Cancer Center. UCF is building programs in cancer research and currently has 72 faculty, post docs, and graduate students engaged in cancer research. UCF College of Medicine and other UCF health sciences divisions will continue to build and expand cancer research in the new Cancer Center. UCF Health, the College of Medicine's faculty practice, will provide oncology and related clinical specialties and other clinical services to cancer patients on site in the Cancer Center. Community oncologists will also be welcome to participate. UCF students and residents from all health care disciplines will participate in educational and research programs in the Cancer Center.

UCF Academic Health, Inc. (UCFAH) - As a direct support organization of UCF, UCFAH builds community partnerships and joint ventures to advance the clinical, research and educational mission of UCF health sciences. UCFAH will lease the SBP Building from Orange County. Rent will be funded by private partners, estimated at \$2 million annually.

Provision Healthcare, LLC (Provision) - Provision is an experienced national developer of next-generation pencil proton beam therapy and a network of cancer centers, and owns and operates proton therapy and cancer centers across the country. Provision will develop and manage the advanced pencil beam proton therapy center, radiation treatment center, comprehensive diagnostic imaging center including PET/CT, MR, CT and other advanced medical imaging, and related services in the Cancer Center. The Cancer Center will be a member of Provision's national network of cancer centers, benefiting from resources, expertise and best practices in cancer treatment and patient care established across the network. Provision and partners will invest over \$85 million to develop and equip the Cancer Center in addition to their costs of leasing and renovating the space.

Sarah Cannon Cancer Research Institute, Inc., Hospital Corporation of America (HCA)'s cancer research division (Sarah Cannon) - Sarah Cannon, an international leader in clinical cancer research, provides care to almost one million patients world-wide, with 40,000 new patients per year and 250,000 total patients in Florida. Sarah Cannon manages complex clinical care and trials, and enrolls approximately 3,000 patients annually in cancer treatment trials, supporting patients from diagnosis through post-treatment. Sarah Cannon will develop and operate the clinical trials research center in the Cancer Center, enabling broad access to the most leading edge, emerging novel therapies. This includes comprehensive clinical trials management and oversight of operational and financial aspects of the clinical research.

Hospital Corporation of America (HCA) – HCA is the nation's largest hospital corporation and is UCFAH's partner in developing and managing the UCF Lake Nona Medical Center adjacent to the proposed Cancer Center. UCF Lake Nona Medical Center will provide inpatient hospital care and other clinical services needed by Cancer Center patients in partnership with Provision and others. This will enable cancer patients to receive a continuum of coordinated, comprehensive multispecialty care in one center.

Alter+Care is an Illinois-based development and investment company experienced in developing and financing health care, research, and educational facilities, including cancer centers. Alter+Care will work with all participants in the Cancer Center to develop and provide long-term financing for modifications of the SBP Building where needed to create the comprehensive cancer research and treatment center.

Medical Oncology Center and Clinics - In addition to UCF Health, the Cancer Center will include oncology groups and other medical specialists recruited to support the care of cancer patients.

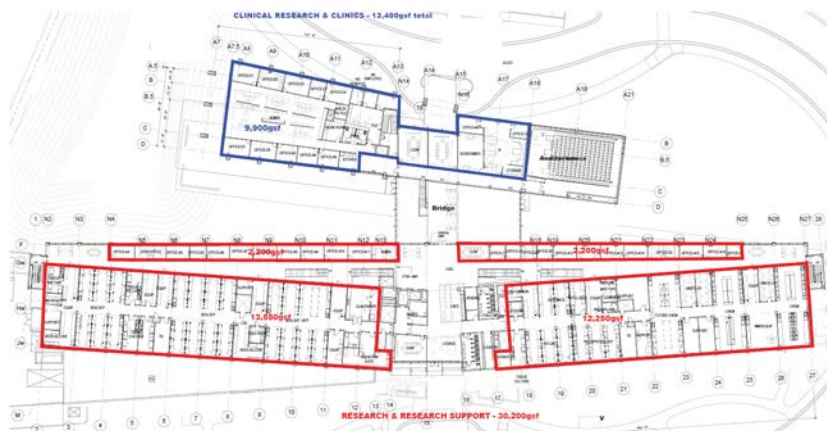
PROPOSED USE OF SANFORD BURNHAM PREBYS BUILDING

First Floor



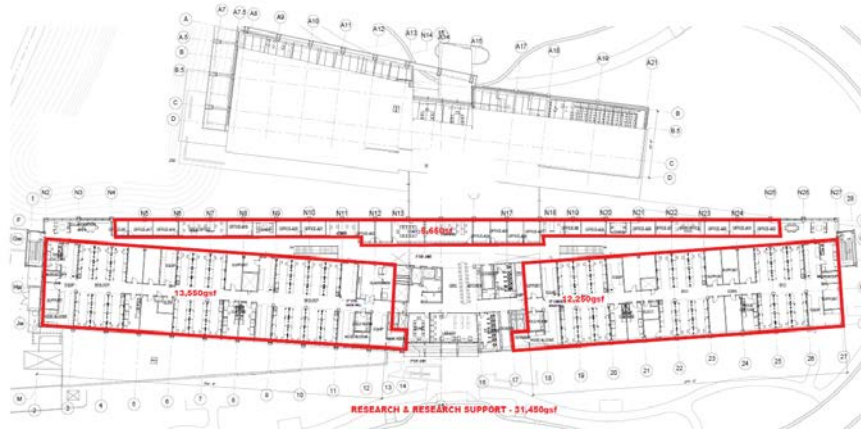
The first floor will be modified as needed to house advanced pencil proton beam therapy, radiation therapy, imaging, and clinical care. The auditorium will be retained for educational and community uses.

Second Floor



The second floor will retain existing research space for cancer research. The administrative building will be modified and used for clinical trials, chemotherapy, infusion, immunotherapy, and clinical care.

Third Floor



The third floor will house basic and translational research including precision medicine, stem cell therapy, and drug discovery.

Proposed Ownership and Financial Structure

It is proposed that UCFAH will lease the SPB Building from Orange County. Rent will be funded by private partners, estimated at \$2 million annually. Rent will not be charged for space used by UCF.

UCFAH will sublease the facility to Alter+Care, a development partner, who will work with Provision, Sarah Cannon and other private partners to develop and finance any modifications needed, all of which will be paid for by private partners.

Long term subleases will be secured at fair market rates with the private partners.

All proposed arrangements are subject to reasonable due diligence, development of definitive agreements and any necessary approvals.

Project Details: Provide responses to each of the questions listed below.

Economic Development

- Provide a schedule detailing the number of jobs that will be created, the job categories (research, administrative, marketing, etc.), the average wage for each job category, and when these jobs will be created. Also, indicate whether you are willing to guarantee the jobs schedule.
 - The following chart shows the estimated number of jobs associated with the proposed Cancer Center beginning in Year 1 of operations.

		<u>Number of Jobs</u>					5 Year total Count	Average Wage & Benefit Amount in Year 5
<u>Category</u>	<u>Average Wage & Benefits</u>	Year 1	Year 2	Year 3	Year 4	Year 5		
1. Proton Beam & Imaging								
Staff	\$90,000	79	6	7			92	\$8,859,600
Physician	\$600,000	3	1	2			6	\$3,852,000
2. Sarah Cannon Clinical Trials								
Investigators	\$149,500	2		1			3	\$479,895
Staff	\$68,900	7		5			12	\$884,676
3. UCF Cancer Research								
Investigators	\$149,500	8	5	6	7	8	34	\$5,438,810
Staff	\$68,900	42	17	21	24	27	131	\$9,657,713
4. UCF Health Clinicians							0	
Physicians	\$422,922	2	0	0	1	1	4	\$1,810,106
Staff	\$58,500	10	0	0	5	5	20	\$1,251,900
							0	
Totals							302	\$32,234,700
Private Sector Jobs	189							
Public Sector Jobs	113							

UCF provides these estimates in good faith and is willing to provide public updates on numbers of persons hired.

- Describe your plans for the employees currently working for SBP at the Lake Nona facility.

Faculty researchers – For those SBP faculty who have elected to remain in Lake Nona, UCF will be willing to offer a position at UCF. This will be based on an evaluation of their productivity (e.g., prior and current research funding, academic scholarship), their potential contributions to the UCF research and education/training missions, and their “fit” within the research foci of the UCF Biomedical Research enterprise.

Postdoctoral scientists – UCF will encourage any postdoctoral scientists who have elected to remain in Lake Nona to consider transfer to an existing UCF lab. This transfer will be facilitated by an ongoing initiative in the UCF Office of Research which provides matching salary funds to a UCF faculty researcher who hires a new postdoctoral scientist.

Staff – There will be a number of staff openings in our proposed facility, many of which would be ideal for the current SBP staff as continuations of their employment. This might include laboratory technicians or administrative staff who will contribute to the UCF faculty research efforts. The ongoing and anticipated growth of research will assure that all current staff will have opportunities for continued employment in the new enterprise, as well as lead to multiple new hires.

Graduate students – In the past, a number of SBP faculty trained UCF graduate students through the UCF Biomedical Sciences Graduate Program. There are no current UCF graduate students at SBP Lake Nona. Any SBP students from other programs will have the option of joining the UCF program and transferring to a current UCF lab to complete their training.

3. Does your proposal contemplate the creation of private cluster companies (spin-offs, attraction of out-of-region and out-of-state companies)? If so, provide details. Also, are you willing to guarantee the creation of private cluster companies?

Yes, the Cancer Center will create an environment that will promote and support the creation of companies as is currently occurring in the UCF College of Medicine at Lake Nona. While there is no guarantee of creating companies, UCF has a long standing history of patents, licensing and commercialization of discoveries in biomedical sciences. For example, two UCF College of Medicine cancer researchers have initiated start-up companies recently – one focused on NK cell technologies and the other on nanoparticle targeting to tumors. Researchers and clinicians who develop discoveries and innovations at the Cancer Center that are suitable for patents and spinoff companies will work with the UCF Life Sciences Business Incubator in the Guidewell Innovation Center, which is adjacent to the SBP Building.

4. Describe any other economic development benefit. How will the project bring additional resources to Central Florida and/or contribute to economic development? For example, will you bring NIH grants or other investments to the county?

All researchers in the Cancer Center will be expected to bring in extramural funding. While NIH funding is most desirable (prestige, high indirect costs, etc.), other funding sources could include Department of Defense (DOD), Florida Department of Health (e.g., Bankhead Coley), American Cancer Society, and private foundation support (e.g., Breast Cancer Foundation). At present, approximately 75% of UCF's Burnett Biomedical Science researchers have extramural support for their labs.

The proposed Cancer Center will advance economic development by bringing to Lake Nona and Central Florida the investments, resources and expertise of three national organizations - Provision Healthcare, Sarah Cannon Research Institute, and Alter+Care. Additionally, a Central Florida comprehensive cancer research and treatment center will accelerate recruitment of world class researchers, clinicians, and faculty, advance the work of partners, and bring patients and families to the Lake Nona Medical City area.

As part of the UCF Academic Health Sciences Center, the proposed Cancer Center will be another step to create a Medical City that is nationally prominent and will one day be a global destination for health care and research.

Recoupment/Return of Taxpayer/Private Investment

1. Is the project proposal for the ownership transfer of the research facility or a long-term lease? If the proposal is for the ownership transfer of the research facility, then provide details of when the transfer would occur and under what terms and conditions.

The proposal is for a long-term lease.

2. Describe the proposed financial terms:

- a. Does proposal include a rent payment? If so, provide the amount, length of term, renewal option(s) and annual escalators.

The proposal is for UCFAH to lease the SBP Building from Orange County for 20 years. There will be one 20-year renewal term at the option of UCFAH. The rent will be funded from rent payments from UCF's private partners and is estimated at \$2 million per year. UCFAH is not proposing any escalators but in the lease negotiation process is willing to discuss a modest escalator beginning after year 5.

- b. If rent will be paid, what is the proposed rent commencement date?

Rent will commence as of the date that UCF's private partners occupy the facility.

- c. Describe any other direct payments for the use of the research facility.

No other direct payments are proposed.

- d. Does your proposal contemplate returning the approximate remaining \$11 million of state funding?

Yes, remaining state funding would be returned.

- e. Will the project be revenue producing? If so, what revenues are anticipated to be generated annually by the project? Provide a five year pro-forma.

Yes, please see the Pro Forma below.

Pro Forma

		Year 1	Year 2	Year 3	Year 4	Year 5	5 Year total
Category							
1. Proton Beam, Radiation Therapy & Imaging							
	Revenue	\$33,638,608	\$45,826,865	\$53,345,672	\$59,255,894	\$60,441,012	\$252,508,051
	Expense	\$29,538,859	\$37,081,454	\$38,387,131	\$40,205,637	\$40,602,409	\$185,815,490
Total		\$4,099,749	\$8,745,411	\$14,958,541	\$19,050,257	\$19,838,603	\$66,692,561
2. Sarah Cannon Clinical Trials							
	Revenue	\$727,967	\$1,213,279	\$2,128,636	\$2,128,636	\$2,722,381	\$8,920,899
	Expense	\$727,967	\$959,919	\$1,147,028	\$1,147,028	\$1,268,397	\$5,250,339
Total		\$0	\$253,360	\$981,608	\$981,608	\$1,453,984	\$3,670,560
3. UCF Cancer Research							
	Revenue	\$2,240,000	\$3,640,000	\$5,320,000	\$7,280,000	\$9,520,000	\$28,000,000
	Expense	\$2,246,120	\$3,649,945	\$5,334,535	\$7,299,890	\$9,546,010	\$28,076,500
Total		-\$6,120	-\$9,945	-\$14,535	-\$19,890	-\$26,010	-\$76,500
4. UCF Clinicians							
	Revenue	\$374,985	\$656,223	\$1,499,938	\$1,949,919	\$2,737,387	\$7,218,452
	Expense	\$374,984	\$656,223	\$1,499,938	\$1,949,919	\$2,737,387	\$7,218,451
Total		\$0	\$0	\$0	\$0	\$0	\$0
Totals							
	Revenue	\$36,981,560	\$51,336,367	\$62,294,246	\$70,614,449	\$75,420,780	\$296,647,402
	Expense	\$32,887,931	\$42,347,541	\$46,368,632	\$50,602,474	\$54,154,203	\$226,360,780

3. How much state and local taxes are anticipated to be generated by the project?

- a. Provide the calculations and assumptions for these estimates.

State and local tax revenues are estimated at over \$4 million annually after year 5. Business taxes are projected to be between \$1 million and \$3 million in each of the first 5 years and should be approximately \$3 million each year after year 5. State and county sales taxes should grow in the first 5 years from about \$400,000 to \$800,000 each year after year 5. Annual property taxes should increase over the first five years as homes are purchased by these new people. As such, the annual property tax should increase by about \$200,000 annually after year 5.

Please see assumptions and chart below.

Assumptions

State and local sales tax rate is 6.5%

Property tax rate is 1.18%

Corporate tax rate for private Sector is 5%

Median home price is \$146,450

Median rent is \$1,200

Disposable income is 25%

% who buy homes is 40%

Homes purchased =	128
rental properties	191
Home purchase Revenue	\$18,687,020

Taxes (In year 5)

Category

Annual Property Taxes	\$220,504
Annual Sales tax based on 50% of disposable income.	\$898,458
Corporate Earnings Tax	\$3,158,170
Total	\$4,277,134

- b. Are you willing to guarantee these estimates?

UCF has provided good faith estimates calculated based on the above assumptions. It would be impossible, given the many assumptions and the nuances associated with disposable income and home purchases, to track precisely the actual tax revenues associated with the Cancer Center project.

Research Laboratory Facility

1. What investments will be necessary to achieve your vision for the project? How much funding will be invested and who will provide the investments? And are you able to provide verification of funding prior to any vote by the partners?

Investments needed to develop the proton beam center, radiation therapy center, and imaging center total approximately \$85 million, not including building related costs. Provision has stated its intent to provide this \$85 million investment through a combination of equity, financing and partnerships and has access to the necessary capital. UCF will be responsible for salaries of researchers and research staff recruited for cancer research.

Costs for modifications needed in proton beam, radiation therapy, imaging, clinical research and clinic space will be financed by Alter+Care, who has access to necessary funding, and paid by private partners who are using the space. Detailed cost estimates will require access to the SBP Building and further due diligence.

2. What building modifications are you planning to make to the research facility?

Modifications will be needed of:

- The first floor lab wing for proton beam, radiation therapy and imaging, and
- The administrative suite, cafeteria, server, and kitchen to repurpose for clinical research and clinics.

The research and research support areas are expected to require little or no modifications.

The auditorium and related meeting areas will be retained for educational and community use.

3. What standard of maintenance of the facility will you adhere to?

UCF uses the APPA (the Association of Higher Education Facilities Officers) Maintenance, Custodial, and Grounds Matrices as a basis for determining levels of care for its facilities. The levels range from Level 1, which is the highest level and is considered a “show piece” facility, to Level 5, the lowest, which is in “crisis management.”

UCF maintains research laboratories at APPA Level 1, and when feasible, increases the level of other space types to a Level 1. Level 1 is the level we intend to maintain for this facility. This high level is defined as Showpiece Facility in Maintenance; Orderly Spotlessness in Custodial; and State-of-the-Art for Grounds. For Maintenance care, preventive maintenance is completed at 100%; service efficiency is highly organized; building system breakdowns are rare; and the average Facility Condition Index is less than .05. For Custodial care, floors are bright/shiny; surfaces are freshly cleaned; restrooms are freshly cleaned; trashcans are emptied of daily waste and are odor-free; and light fixtures are freshly cleaned. For Grounds care, mowing occurs more often than every five days, and weeds are less than 1%; floral plantings are extensive and receive multiple rotations; hardscape surfaces are in great repair; and litter control occurs seven days per week, rather than five.

UCF is a recognized leader in reliability-centered maintenance (RCM) and facilities operations. All assets are documented in a Computerized Maintenance Management System, which is used for work capture and management; tracking and reporting of all preventative, corrective, and deferred maintenance; and performance modeling and benchmarking. Through internal efficiencies and the reliability effort, UCF has been able to exceed its APPA Level targets and Key Performance Indicators, provide maximum efficiency within its Plant Operations and Maintenance budget, and reduce its deferred maintenance backlog. Equipment and building components are fully functional and in operating condition. Service and maintenance calls are responded to timely. All regulatory and compliance requirements are met timely and by the due date. Buildings and equipment are regularly upgraded, keeping them current with modern standards and usage.

Further, it is our intent to retain the current Sanford Burnham Director of Facilities, if possible, to ensure continuity of care and maintenance of the building. UCFAH will ensure that all tenants comply with UCF standards in maintaining the building.

4. What plans do you have regarding the FF&E that currently exists in the building?

UCF would use and maintain all of the existing furniture, fixtures, and equipment. If some of the equipment can be maintained with extended warranties versus purchasing a replacement that will be our preferred process.

Other Benefits to Community

1. How will the project enhance and distinguish Central Florida?

The Cancer Center will provide novel and futuristic cancer treatment options to the citizens of Central Florida. And in doing so, it will create a one-stop center for cancer treatment. Patients will have access to innovative therapies, currently not available in our community, in the same setting where research is done. Patients requiring hospitalization will be able to go right next door to a teaching hospital rather than having to travel across town.

The Cancer Center will also add to the portfolio of Medical City. The addition of an academically focused cancer center that seeks NCI designation will further Medical's City's vision of becoming a national and global healthcare destination. The Cancer Center will add to the strength of the existing hospitals, research and educational programs that are currently in Medical City. There will be synergy with the new UCF Lake Nona Medical Center, and the Cancer Center will serve as a booster to the success of the new hospital. UCF College of Medicine's original approval as an anchor for Medical City was part of a long-term plan for Medical City to provide to Central Florida economic impact and a new academically focused medical industry. This Cancer Center is a critical piece of that strategic plan.

2. How will the project otherwise benefit residents of Central Florida?

This project will recruit top scientists and clinicians to our community, who will contribute to our school systems, our neighborhoods and our community at large. It will allow the healthcare providers of tomorrow to train in a state-of-the-art facility, and provide our sons and daughters with another reason to stay at home for their medical training. The Cancer Center will expand educational and research opportunities for our community, and UCF faculty and graduate students who are currently doing cancer research will work with national cancer specialists, which will increase opportunities for clinical trials and hasten bench-to-bedside discoveries. An academically focused center will provide a location for expanded interprofessional healthcare education – allowing UCF to train medical, nursing, pharmacy, social work and physical therapy students in the communication and teamwork skills necessary to better serve their patients.

3. Provide financial statements for any proposed tenant and any proposed guarantor.

Provision Healthcare is a privately-owned company and does not provide its financial statements. Evidence of Provision's financial strength can be provided as needed.

Sarah Cannon Research Institute has provided below its unaudited income stated for Sarah Cannon's 2017 consolidated operations. As a wholly owned subsidiary of HCA, Sarah Cannon does not have a separate representative balance sheet or cash flow statement. When confirming Sarah Cannon's financial stability, it would be appropriate to review the consolidated HCA financial statements available in quarterly or annual public filings. These can be found at <http://investor.hcahealthcare.com/sec-filings>. HCA's 2016 revenue was \$41.49 billion.



Sarah Cannon RESEARCH
Income Statement YTD
For Period Ending: December 31st, 2017

GROSS REVENUE	168,555,610
BAD DEBT	1,453,948
NET REVENUE	<u>167,101,662</u>
SALARIES AND WAGES	55,400,365
CONTRACT LABOR	3,374,890
BENEFITS	11,806,429
SUPPLY EXPENSE	984,689
CONTRACT SERVICES	
Physician Fee For Service	26,357,842
Pass-Through	15,902,740
Other Contract Services	<u>12,717,824</u>
Sub-Total CONTRACT SVCS	54,978,406
REPAIRS & MAINTENANCE	443,314
RENTS & LEASES	7,992,761
UTILITIES	702,980
INSURANCE	354,493
NON-INCOME TAXES	55,790
LEGAL / ACCOUNTING	709,449
MARKETING / ADVERTISING	203
POSTAGE / TRANSPORT	461,361
TRAVEL / ENTERTAINMENT	3,021,590
DUES / SUBSCRIPTIONS	101,036
OTHER INCOME	(116,149)
OTHER EXPENSES	<u>1,830,272</u>
TOTAL OPERATING EXPENSES	<u>142,101,879</u>
EBITDA	<u>24,999,783</u>
DEPRECIATION	6,722,746
INTERCOMPANY INTEREST	(3,628,992)
EXTERNAL INTEREST	1
MANAGEMENT FEES	88,655
FEDERAL INCOME TAXES	18,162
NET INCOME	<u>21,799,211</u>

Miscellaneous

1. Describe any current or past involvement with the facility and/or SBP?
 - a. Collaborative Research Projects - Examples of recent UCF-SBP research projects headed by UCF faculty, include:
 - Cancer
 - Preclinical Testing of PI3K Inhibitors for Vestibular Cancers – Fernandez-Valle
 - Polyamine transporter drugs for tumor therapy – Phanstiel
 - Long non-coding RNAs in prostate cancer – R. Chakrabarti
 - Infectious Disease
 - Screening marine products for anti-TB activity – Rohde
 - RNA profiles of persistent parainfluenza infection – Parks
 - Regulation of CD4 T cell memory subsets – McKinsty
 - Metabolism
 - Natural compounds with calcilytic or calcimimetic activity at the calcium sensing receptor – Ross
 - b. Graduate Education and Training - Six SBP faculty have been active participants in the UCF Biomedical Sciences Graduate Program. This included training of UCF graduate students and involvement in the BSBS seminar program.
 - c. Postdoc and Graduate Training - Co-development of “Lake Nona Medical City Research Trainee” Symposium
 - d. Leadership at Lake Nona - UCF COM and SBP leadership have been founding members of the Lake Nona Medical City Research Council
 - e. Shared core research infrastructure - e.g., flow cytometry
2. Have you entered into any agreements with SBP with respect to the transfer of this facility?
No

If so, list out each agreement along with the terms and conditions of each agreement and any financial payments required. N/A
3. Describe any anticipated synergy between your proposed uses for the facility and the existing Lake Nona “medical city.”

Research synergies

Cancer research is a shared focus for a number of academic institutions at Lake Nona. The proposed facility would strengthen and synergize with the following efforts:

- a. University of Central Florida, where currently 18 PIs have active programs that address basic and translational aspects of cancer. There is also a Division of Cancer Biology which is housed in the Burnett School of Biomedical Sciences in the UCF College of Medicine.
- b. Nemours Children’s Hospital at Lake Nona, where 4 researchers are partnering with UCF researchers to develop novel therapies for childhood cancers such as neuroblastomas.
- c. University of Florida College of Pharmacy at Lake Nona, where researchers are addressing the efficacy and safety of new cancer drugs often using simulation approaches. There is a strong collaboration between UCF researchers and UF Pharmacy researchers in use of animal models for cancer studies.

- d. Orlando VA Medical Center has strong interests in how cancer affects veterans across Central Florida. The proposed facility would be critical for VA researchers as it would provide much needed outlets for wet lab studies which are currently not possible at the VA due to lack of lab infrastructure. A number of strong collaborations currently exist with VA researchers and UCF COM cancer researchers.
- e. Guidewell Innovation Center, which seeks to provide research infrastructure for companies of all sizes to commercialize their research findings. The proposed new facility would make Guidewell more attractive to outside companies due to the close proximity to academic institutions and the new cancer research building. In addition, the new facility can provide tenants in Guidewell with additional infrastructure which would not be provided by Guidewell – for example flow cytometry and the technical expertise to carry out these sophisticated experimental approaches.

Incubator

Researchers and clinicians who develop discoveries and innovations at the Cancer Center that are suitable for patents and spinoff companies will work with the UCF Life Sciences Business Incubator in the Guidewell Innovation Center, which is adjacent to the SBP Building.

Clinical synergies

As discussed above, the proximity of the Cancer Center to the UCF Lake Nona Medical Center, the Orlando VA Medical Center and Nemours Children's Hospital will enable access and close coordination of care for patients across the continuum of services. Patients undergoing cancer clinical and research protocols will be able to receive care in these Medical City hospitals.

Educational synergies

UCF College of Medicine faculty, residents and students will be able to participate in cancer research and clinical learning in the adjacent Cancer Center. As the UCF College of Nursing and other disciplines in the emerging UCF Academic Health Sciences Center move to UCF's Lake Nona Health Sciences campus, the synergies will grow exponentially.

As noted earlier, the co-location of comprehensive cancer research and advanced clinical care with a research-based medical school and university will enable development of a Lake Nona-based NCI-designated Comprehensive Cancer Center.

4. Describe plans and timeline to become an NCI Designated Comprehensive Cancer Center.

In the proposed arrangement, UCF College of Medicine would be uniquely poised to aggressively pursue the prestigious NCI Comprehensive Cancer Center designation for the proposed Cancer Center, which would make a substantial contribution to improving cancer outcomes for Central Florida residents. To achieve the NCI Comprehensive Cancer Center designation, the Cancer Center will apply for a NCI Cancer Center Support Grant and will demonstrate it has the appropriate facilities, a qualified Center Director, a strong organizational structure, cancer-focused research, collaboration between programs, community engagement and a strong commitment from UCF. Establishment of the Cancer Center will be a catalyst for clinical care, basic science, translational research, and population health research – all of which have been established and are growing. The timeline UCF anticipates for being awarded the Comprehensive Cancer Center (CCC) designation is 10-12 years.

Space and Environment. The UCF Health Science Campus, Lake Nona, and the UCF Lake Nona Medical Center readily address the education, research and patient care environments NCI looks for when evaluating centers for CCC designation. UCF is creating a UCF Academic Health Sciences Center which will incorporate UCF health-related disciplines into a single structure and will attract additional medical professionals to Lake Nona. There will be countless opportunities for interdisciplinary research among all stakeholders in the UCF Academic Health Sciences Center and across Medical City. In addition, the Cancer Center will provide students with residency and training opportunities. The SBP Building will contribute to the Cancer Center's

extensive, state-of-the-art space dedicated to cancer-focused research. Sarah Cannon Research Institute and UCF Lake Nona Medical Center, together with sister HCA facilities throughout Florida, will provide patients with access to clinical trials and the most current available diagnostic tools and treatment options. UCF Health, UCF's faculty practice, will recruit academically oriented medical and surgical oncologists in its specialty lines of practice to provide direct care to cancer patients, in partnership with private oncology and specialty medical groups.

Director and Organization. UCF and Partners will recruit as the Cancer Center's Director an experienced translational scientist who will lead the Center on its strategic path to obtaining the NCI designation. He or she will recruit researchers and physicians for the growing Cancer Center and will be responsible for the creation of a shared resources program that includes, among other things, Genomics, a Biospecimen Repository, Animal Imaging, Proteomic and Metabolomics, and Flow Cytometry. The Cancer Center will also expand its membership to include community partners in Cancer Research (e.g., Nemours Children's Hospital, Orlando VA Medical Center) and form a Cancer Center Advisory board to steer the Center towards NCI designation.

Cancer Focus and Transdisciplinary Collaboration and Coordination. The University of Central Florida has 18 Principle Investigators in cancer research including fundamental aspects of cancer biology and therapeutics. For example, one cancer research lab is currently funded by an annual grant from the Breast Cancer Research Foundation (BCRF) and a grant from National Institutes of Health (NIH) that is in its fourth year. This lab discovered a novel therapeutic peptide and is engaged in pre-clinical studies to advance this agent for the treatment of metastatic forms of breast, lung and prostate cancer. Other researchers are developing novel oncolytic virus vectors which target cancer cells, adoptive transfer approaches for NK cell-mediated therapies, immune-modulatory approaches to harness T cells as anti-tumor agents, and identification of new chemical drugs that fight pediatric cancers of the nervous system.

Eight faculty members collaborate on research under the guidance of the Head of the Division of Cancer Research, and other individuals at the Burnett School of Biomedical Sciences and the College of Medicine work in labs and/or conduct research related to cancer. In total UCF currently has 72 individuals engaged in cancer research. Building upon this cancer research foundation and UCF's proven track record of successfully partnering across many industries, the Cancer Center can develop partnerships with other medical researchers and providers in the medical community to further grow clinical and cancer research programs in Central Florida. Examples of these existing partners include Nemours Children's Hospital, UF Pharmacy Department at Lake Nona, and the Orlando VA Medical Center. Facilitated by the formation of the UCF Academic Health Sciences Center and the recruitment of faculty and staff, the Cancer Center will be poised for growth of its research portfolio and the development of programs to quickly translate research findings into state of the art care.

Institutional Commitment. UCF has repeatedly demonstrated its commitment to Lake Nona Medical City, as evidenced by construction of the Health Sciences campus and the future UCF Lake Nona Medical Center. UCF's commitment to Lake Nona is further reflected in the creation of the UCF Academic Health Sciences Center. UCF as a whole is committed to playing a critical role in producing improvements in cancer outcomes for the residents of Central Florida.

UCF's timeline to achieve NCI Comprehensive Cancer Center designation is aggressive, with recruitment of a Director and formation of steering committee to begin immediately. In addition, UCF College of Medicine can begin to actively recruit providers to its faculty practice that specialize in the care of cancer patients. The Cancer Center will work to obtain its initial designation as a NCI Designated Cancer Center within five years, with an ultimate goal of achieving the designation of a NCI Comprehensive Cancer Center by 2028.

5. Describe philanthropic fundraising plans

As the only not-for-profit member in our Cancer Center partnership, UCF, through the UCF Foundation, will

be the exclusive fundraiser for the Cancer Center. As a public university, UCF can offer potential donors a broad range of philanthropic opportunities, including scholarships for medical and graduate students, endowed professorships, and support for cancer research that is also training future scientists. UCF College of Medicine already has an extensive history of such philanthropy. Thanks to more than \$6.5 million in community donations, UCF became the first medical school in U.S. history to provide full four-year scholarships to an entire class – its charter Class of 2013.

6. What percentage of operations will be research versus clinical care?

Based on plans for use of space in the SBP Building, basic and translational research will occupy approximately 55% and clinical research uses will occupy approximately 45%. Space allocation will be designed to maximize the use of valuable and much-needed existing research space in the SBP Building while modifying other parts of the building to enable the integration of clinical and research activities required for a world-class, academically-oriented comprehensive cancer center.

Qualifications: Provide information regarding the lead organization and partners' experience and capabilities needed to be successful in this project. Limit to 3 pages please.

UCF

The University of Central Florida, founded in 1963, is one of the largest universities in the nation. UCF and its 12 colleges provide opportunities to 66,000 students, offer 177 bachelors and master's degrees, and 30 doctoral programs. Students come from all 50 states and 148 countries. The Princeton Review and *Kiplinger's* named UCF a best-value university and *Forbes* named UCF one of the nation's 50 most-affordable colleges. UCF's College of Medicine is one of the first U.S. medical schools in decades to be built from the ground up. As a new medical school, UCF's program epitomizes innovation, high-tech learning tools and a pioneering spirit to educate young doctors and scientists in a new and better way for the 21st century. The medical school is research-based and is unique nationally in that it includes more than 3,000 undergraduate and graduate students in the biomedical sciences. The college enrolled its charter class of 41 M.D. students in 2009 and today is at full enrollment of 480 physicians in training. UCF medical students score in the top quartile nationally in all measures of performance.

UCF in partnership with HCA is developing needed residency programs that will help alleviate the physician shortage. When we began this partnership in 2014, we had one graduate medical education program – an internal medicine residency. Today we have 17 approved programs with 255 residents – all UCF employees – training in Central and North Central Florida. And more are on the way. By 2020, we hope to have more than 600 new residency slots in our state. The teaching hospital in Medical City will increase that number even more.

UCF has demonstrated a long-term commitment to research at the SBP site by participating in the original Sanford Burnham incentive package; since 2008, UCF has paid \$18,750,000 to SBP as a part of the incentive package. The proposed Comprehensive Cancer Research and Treatment Center will build on previous investments, leveraging strengths from UCF and enhancing the success of the UCF Lake Nona campus.

The Cancer Center would include research and patient care under one roof. We would conduct basic and translational research, including stem cell therapy, precision medicine and cancer drug discovery. We already have the foundation of this scientific work in UCF College of Medicine's existing Cancer Research Division working at Lake Nona. With these basic scientists working with clinicians and other researchers, UCF can expand and hasten discoveries and bring more research from lab bench to patient bedside.

Additional information:

- Cumulative UCF research funding of \$105,746,923 in areas of Cancer, Cardiovascular disease, neurodegenerative disease, infectious disease, medical simulation, and population health
- National expertise in new era of cancer research. Currently 72 UCF researchers already focused on

cancer; 300+ clinical trials. Examples for possible clinical trials – Dr. Khaled’s nanoparticle attack on metastatic breast cancer, Dr. Copik activated natural killer cells

- Synergy -- basic and translational research – UCF and Sarah Cannon researchers working together in same location with patients who are receiving treatment – brings access to the most leading edge new therapies and hastens bench to bedside research
- 72 faculty, post docs, graduate students currently focused on cancer research
- Comprehensive care on-site. UCF Lake Nona Medical Center, VA, Nemours
- We have a strong foundation already in Medical City
- Education – Students, residents, and fellows. Expanded education for tomorrow’s providers of cancer care. Bench-to-bedside opportunities in research.
- 36 Central Florida Affiliations
- 2,624 affiliated volunteer faculty
- 3 UCF Health Physician Practice locations
- Strong history of building successful partnerships

HCA’s Sarah Cannon Research Institute

Sarah Cannon Research Institute is the research arm of HCA Healthcare’s global cancer institute, Sarah Cannon. Focused on advancing therapies for patients, it is one of the world’s leading clinical research organizations conducting community-based clinical trials throughout the United States and United Kingdom. Sarah Cannon’s network of strategic sites includes more than 275 physicians who engage in research. The organization has led more than 360 first-in-man clinical trials since its inception in 1993, and has been a clinical trial leader in the majority of approved cancer therapies over the last 10 years. Additionally, Sarah Cannon provides management, regulatory, and other research support services for drug development and industry sponsors as well as strategic investigator sites through its contract research organization (CRO), Sarah Cannon Development Innovations. For more information, please see sarahcannon.com.

Sarah Cannon performs more than 1,000 stem cell transplants a year. It has 3,000 patients a year in cancer treatment trials. And it has participated in research of more than 75 percent of the FDA newly approved oncology drugs over the past 10 years. With locations across the world, it provides cancer care to hundreds of thousands of patients – more than any other single cancer center.

HCA is already a proven partner with UCF. Together, UCF and HCA are building the new joint venture hospital next door to the medical school as well as the residencies described above.

- Nation’s largest hospital corporation -- 174 hospitals, 119 freestanding surgery centers
- 2016 revenue of \$41.49 billion
- Partner in UCF Lake Nona Medical Center, residency programs across Central Florida
- Sarah Cannon locations worldwide – provides care to hundreds of thousands of patients – more than any other single cancer center
- Participated in research of more than 75% of FDA’s newly approved oncology drugs over past 10 years

Provision Healthcare

Provision Healthcare is the only medical provider for cancer patients that also develops and manufactures cancer treatment equipment. In developing new proton therapy systems, Provision has reduced the size and cost of its equipment to improve care and increase efficiencies. Provision also owns and operates proton therapy and cancer centers. Provision’s leadership in all spheres of cancer treatment gives it a unique ability to partner and develop best practices. Its CARES Cancer Network allows physicians and researchers across the globe to share their expertise in research, patient care, clinical outcomes and innovative approaches to treatment.

- Developer of next-generation proton therapy system
- Integrated cancer solutions – Provision develops and manufactures equipment and also owns and operates state-of-the-art proton therapy centers and cancer centers
- Provision's CARES Cancer Network shares expertise, best practices with clinicians and researchers nationwide
- Will provide first pencil beam proton therapy in Orlando
- Pencil beam is next generation of proton therapy -- performs better in 80% of cancers treated by X-rays.
- Only medical provider for cancer patients that also develops and manufactures cancer treatment equipment like pencil beam
- Owns and operates proton therapy and cancer centers across country
- Leadership in all spheres of cancer treatment gives Provision unique ability to develop and share best practices
- Advanced Cancer Treatment

Alter+Care

Alter+Care is the healthcare real estate services affiliate of The Alter Group, one of the nation's pre-eminent privately held real estate companies. Established in 1996, Alter+Care is solely dedicated to providing comprehensive, integrated real estate capabilities to implement strategic objectives established by healthcare providers, educators and researchers.

Alter+Care benefits from the name recognition, financial stature and historical knowledge of The Alter Group to provide turnkey development services. These include competitive financing terms; property acquisition capability; facility development expertise; and in-house construction management, tenant leasing and property management services in association with its affiliated companies.

Alter+Care's services are complemented by personnel who have previous healthcare operational experience. Because achieving healthcare objectives is difficult in an increasingly competitive environment, it is vital that the correct real estate solutions are implemented by individuals who have an equal understanding of both professions. A prime benefit of this knowledge is that Alter+Care develops assets that spend capital cost effectively to achieve operational efficiencies over the life of the facility.

Additional Information: Provide any additional information about your project, your organization and/or your partners that would be useful in our evaluation. Limit to 3 pages please.

We have all invested significantly in Sanford Burnham Prebys and we all want our community get the best result from that investment. As noted above, UCF has to date contributed \$18,750,000 to Sanford Burnham Prebys as part of its incentive package. UCF's proposal for use of the SBP Building provides the biggest ROI – for cancer patients, medical education and economic development. Our plan provides new private investment in our community, including tax dollars. It provides rental dollars back to Orange County in recognition of the investments already made in the SBP Building. It expands the portfolio and economic opportunity of Medical City by bringing to it new nationally recognized cancer specialists. Both proposals provide cancer care and research. UCF's proposal provides those services next door to a teaching hospital. Our competitors will transport patients across town to downtown Orlando if they need hospitalization. Under our plan, patients needing hospitalization just have to go next door. UCF's plan offers a one-stop location for seamless, comprehensive, collaborative care in a research-intense, university-based comprehensive cancer center, something our community lacks today. Our plan also offers the only educational return on the Sanford Burnham Prebys investment. Our center is academically focused and offers new opportunities to train the physicians and scientists of tomorrow. A cancer center affiliated with a medical school and Academic Health Sciences Center provides new interprofessional educational opportunities that will keep healthcare learners in Central Florida for their training. UCF's plan and its partnership spirit will create a center that provides new, coordinated care for today's patients, trains tomorrow's healthcare leaders, leverages previous investments across Medical City, and builds towards an advanced Central Florida NCI-designated comprehensive cancer research and treatment at Lake Nona.