

**COMMUNITY REDEVELOPMENT AGENCY
BOARD OF DIRECTORS**

MARCH 17, 2014
MONDAY, 6:30 P.M.
COUNCIL CHAMBERS

THIS MEETING WILL BE HELD AT THE END OF THE REGULAR CITY COUNCIL MEETING

ACTION AGENDA ITEMS:

- A. Discussion and Action Regarding Invoice from Smith, Sauer & DeMaria
- B. Discussion and Action Regarding Community Redevelopment Agency 2013 Report
- C. Discussion and Action Regarding Contribution of \$350,000 from CRA to support Construction of Regenerative Tissue Lab at Andrews Institute

Public Forum

Adjourn

If any person decides to appeal any decisions made with respect to any matter considered at this meeting or public hearing, such person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and any evidence upon which the appeal is to be based.

The public is invited to comment on matters before the City Council upon seeking and receiving the recognition from the Chair.



City of Gulf Breeze

Memorandum

To: Mayor and City Council

From:  Edwin A. Eddy, City Manager

Date: 3/5/2014

Subject: Invoice – Smith, Sauer and DeMaria

Attached please find a copy of an invoice we received this week from the law firm of Smith, Sauer and DeMaria for services provided to the City relative to determining ownership of a parcel of property just south of the Wayside Park Boat Ramp.

We needed to determine ownership information before we could decide what course of action to take relative to FDOT's plans for replacement of the Bay Bridge and the presentation Scott Wheatley made to the Council last Fall.

RECOMMENDATION:

THAT THE CITY COUNCIL MEET AS THE BOARD OF DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY ON MARCH 17, 2014 AND APPROVE THE PAYMENT OF THE INVOICE FROM SMITH, SAUER AND DEMARIA IN THE AMOUNT OF \$1,375.

**SMITH
SAUER
& DEMARIA**
ATTORNEYS AT LAW



Jeffrey T. Sauer
Kathleen K. DeMaria
G. Thomas Smith, of Counsel
Tax ID: 59-2716890

PLEASE INCLUDE YOUR ACCOUNT
NUMBER ON YOUR CHECK

City of Gulf Breeze
c/o Matt Dannheisser
504 North Baylen St.
Pensacola, FL 32501

Page: 1
02/11/2014
ACCOUNT NO: 8931-011M
STATEMENT NO: 2

Attn: Matt Dannheisser

Hwy 98 strip ownership issue

SERVICES RENDERED

		Hours	
11/06/2013			
JTS	Conference with assisting counsel Dannheisser; title examination.	1.60	440.00
11/07/2013			
JTS	Title examination and plotting of legals; telephone call with Dannheisser; conference with title examiner.	2.70	742.50
11/11/2013			
JTS	Review of letter from Dannheisser and Scott Wheatley; letter to Dannheisser.	0.70	192.50
	For Current Services Rendered	5.00	1,375.00
	TOTAL CURRENT WORK		1,375.00
	Balance Due		<u>\$1,375.00</u>

** Past Due accounts will accrue finance charges on the unpaid balance.*



City of Gulf Breeze

MEMORANDUM

TO: Edwin A. Eddy, City Manager
FROM:  David J. Szymanski, Assistant City Manager
DATE: March 05, 2014
SUBJECT: Community Redevelopment Agency 2013 Report

In accordance with requirements in Florida Statutes for Community Redevelopment Agencies, Chapter 163, Part III, S. 163.356(3)(c), the governing body shall report its activities for the preceding fiscal year. Attached find the 2013 Community Redevelopment Report. It would be appropriate to consider a motion to approve the report and authorize distribution.

RECOMMENDATION: That the City Council meet as the Board of Directors of the Community Redevelopment Agency on Monday, March 17, 2014 and approve the CRA FY2013 Report.

City of Gulf Breeze Community Redevelopment Agency 2013 Annual Report



Prepared by
David Szymanski, Assistant City Manager
City of Gulf Breeze
1070 Shoreline Drive
Gulf Breeze, FL 32561



FY2013 Community Redevelopment Agency Board

The City of Gulf Breeze City Council serves as the Community Redevelopment Agency Board. The members for October 1, 2012 to September 30, 2013 were as follows:

Beverly H. Zimmern, Mayor

J.B. Schluter, Mayor Pro Tem

Joseph Henderson, Councilman

David G. Landfair, Councilman

Cherry Fitch, Councilwoman

FY2013 Community Redevelopment Agency Staff

Edwin. A. Eddy, City Manager

1070 Shoreline Drive
Gulf Breeze, FL 32561
(850) 934-5115
eaeddy@gulfbreezefl.gov

David Szymanski, Assistant City Manager

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Community Redevelopment Agency History

Before Gulf Breeze was incorporated in 1961 it witnessed significant commercial growth and investment along US 98, consisting of a variety of retail stores, service stations, office complexes, restaurants, motels and shopping centers. There were no standards or guidelines in place to discourage the “strip commercial” pattern that resulted, nor was there an attempt to establish or nurture a “downtown” or “city center” identity.

In an effort by the City to create a sustainable downtown community and to address high vacancy rates in retail and office units along US 98 (Gulf Breeze Parkway), the City of Gulf Breeze proposed the delineation of a redevelopment area along the US 98 corridor, which serves as the City’s economic and, to some extent, social core. To administer the activities and programs offered within the redevelopment area the City created a Community Redevelopment Agency in December of 1989.

The Gulf Breeze CRA is approximately 393 acres in size, about 13% of the City’s acreage, and is comprised of approximately 410 parcels. The CRA is located along the entire corridor of US 98 within the City limits, beginning at the south side of the Pensacola Bay Bridge and extending at various depths northeast and southwest of the highway to the City’s eastern limits. The CRA also includes the Pensacola Beach Road corridor south of US 98, which forms the approach to the Bob Sikes Bridge to Pensacola Beach.

The need for a CRA was established in 1989 based on the Finding of Necessity documentation required pursuant to Chapter 163, Florida Statutes. This document continues to act as the foundation for blight determination within the CRA and the elimination of these blighting characteristics remains the primary focus for redevelopment activities. Many of the blighting characteristics have been addressed to some degree since the time the CRA was established in 1989; however, some issues have not been addressed, or have not been addressed fully, so the need continues to exist.

The City of Gulf Breeze adopted its first redevelopment plan in 1990 to “...assist the City with addressing the early signs of blight identified in 1989 and to stimulate economic development within the community redevelopment area.” The City’s 1990 comprehensive plan states that “...much of the commercial core suffers from underutilization and aesthetically poor architecture.”

Concurrent with the Agency being created in 1989, the City Council was appointed as the Board of the Community Redevelopment Agency. Subsequently, a Redevelopment Plan was developed and adopted following several public hearings. The Redevelopment Plan established the goals for implementing revitalization of the core downtown area.

The CRA Plan has been updated in 2006 and again in 2009. In order to ensure that an orderly plan of growth would be followed, the Gulf Breeze Community Redevelopment Agency directed that the 1990 Gulf Breeze Community Redevelopment Plan be updated. Based on community input and visioning that began in March 2006 and culminated in July 2008, this updated plan evaluates the CRA's physical and economic conditions and the challenges and opportunities facing the community.

Redevelopment strategies and critical tasks are included in this update that will enable the City of Gulf Breeze to stimulate and encourage economic development, provide increased public amenities, improve pedestrian safety and effectively manage redevelopment within the CRA in order to realize the City's vision and long-term community goals. Short-term (up to five years) and long-term (up to ten years) capital improvements projects are identified as a means to address these issues in a way that will maximize leveraging of local, state and federal resources in the implementation of this plan.

Since 1989, the City has been proactive in addressing the issues in the Redevelopment Plan and several major initiatives have been completed over the past ten years. Most noticeable is the median landscaping, decorative fencing, establishment of the Community Redevelopment design guidelines and urban design standards, and designation of CRA four major Gateway Districts. Thanks to the efforts of the Community Redevelopment Agency Board, Gulf Breeze's downtown continues to improve.



City of Gulf Breeze Community Redevelopment Area

2013 Community Redevelopment Achievements

CRA Paving Project

In the Community Redevelopment Agency FY2013 budget there was a project funded to resurface St. Francis Drive. The scope of the project was to repave McClure Drive from Roberts Ave to St. Francis Drive. FDOT required a sidewalk be built along St. Francis. The City signed an agreement with FDOT to build the sidewalk and that the expense was to be reimbursed by FDOT. The final cost of sidewalk was \$20,000. The City planted 26, 14-16 foot oak trees along the 455 foot stretch of St. Francis right-of way.

This entire project was funded out of the Community Redevelopment Agency for a price of \$187,199. The project was completed in July 2013.

Underground Wiring

In January, 2012 the City Council met as the Board of Directors of the Community Redevelopment Agency and directed staff to begin work with Gulf Power on the first phase of the conversion of U.S. Highway 98 wiring to underground. The scope of the project is to convert to underground about 4,200 linear feet of wires connecting street lights along U.S. Highway 98, convert banks of wire that cross over the highway from the Bay Bridge to McDonalds, and install L.E.D. lighting fixtures.

This entire project was funded out of the Community Redevelopment Agency for a price of \$230,500. The project was completed in September 2013.

Master Plan

The City and the consulting firm VHB MillerSellen have been working on the Master Plan to guide the City's short, intermediate and long-term development of the downtown commercial corridor. The impetus for this project was the pending replacement of the Pensacola Bridge by the Florida Department of Transportation. A Florida Department of Transportation Project Development and Environment study to replace the bridge is currently underway and scheduled to be completed by 2014.

VHB MillerSellen has completed 100% of these tasks associated with the scope of services. VHB MillerSellen presented their final findings and Mr. Dan Kopack (the chair of the Citizens Steering Committee) presented the draft Master Plan to the City Council on June 26, 2013. The Master Plan was adopted on July 1, 2013 by the City Council. The complete Master Plan is included in this report.

2014 Community Redevelopment Planning

As previously referenced, the Most Livable City Master Plan was completed last year through citizen input, the considerable efforts of the Steering Committee, and the City Council. In order for the Master Plan to formally become a development and growth management tool, it must be adopted into the City's Comprehensive Plan and Land Development Code (LDC).

This provides legal standing for the Master Plan. This action is necessary for the City to be able to apply for State funding and other grants for the development of roadways and other infrastructure. It removes questions from the developer level as to what is required.

VHB MillerSellen is the consulting firm best suited to assist the City with this effort. VHB MillerSellen will complete the following:

- Prepare new Goals, Objectives, and Policies to integrate the City's Master Plan into the City's Comprehensive Plan Elements.
- Prepare new Future Land Use Map to reflect Master Plan vision.
- Prepare Future Land Use amendments.
- Prepare written response to state agency comments.
- Prepare zoning and Land Development Code amendments that provide for the development standards described in the Master Plan.
- Prepare amendments to the City's Community Redevelopment Area (CRA) Master Plan.
- Update the City's demographic/economic profile and real estate conditions.
- Prepare detailed financial feasibility analysis of specific catalyst projects identified by the City.
- Calculate future tax increment revenue for catalyst projects.
- Estimate economic impacts generated by catalyst projects.
- Prepare draft and final report for CRA Master Plan Amendments.

This entire project will be funded out of the Community Redevelopment Agency for an estimated price of \$195,000.00. Estimated completion date of this project is Fall 2014.

City of Gulf Breeze, Florida
GOVERNMENTAL FUNDS
BALANCE SHEET
September 30, 2013

	General	Urban Core Redevelopment	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,784,274	\$ 796,153	\$ 617,204	\$ 3,197,631
Receivables	429,474	-	-	429,474
Interfund receivables	4,201,186	-	-	4,201,186
Due from other governments	515,680	-	-	515,680
Inventory, at cost	5,488	-	-	5,488
Restricted assets				
Cash and cash equivalents	394,869	-	-	394,869
Total assets	<u>\$ 7,330,971</u>	<u>\$ 796,153</u>	<u>\$ 617,204</u>	<u>\$ 8,744,328</u>
LIABILITIES				
Accounts payable	\$ 367,940	\$ 85,031	\$ 40,313	\$ 493,284
Accrued liabilities	220,363	-	388	220,751
Interfund payables	-	-	49,786	49,786
Total liabilities	<u>588,303</u>	<u>85,031</u>	<u>90,487</u>	<u>763,821</u>
FUND BALANCE				
Non-spendable				
Inventory	5,488	-	-	5,488
Restricted				
Public safety	-	-	51,308	51,308
Community redevelopment	-	711,122	-	711,122
Committed				
Community funds	437	-	-	437
Self-insurance	250,000	-	-	250,000
Public safety	-	-	475,409	475,409
Beautification	296,352	-	-	296,352
Parks subdivision	15,481	-	-	15,481
Assigned				
Disaster recovery	100,000	-	-	100,000
Public safety	15,993	-	-	15,993
Unassigned	6,058,917	-	-	6,058,917
Total fund balance	<u>6,742,668</u>	<u>711,122</u>	<u>526,717</u>	<u>7,980,507</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 7,330,971</u>	<u>\$ 796,153</u>	<u>\$ 617,204</u>	<u>\$ 8,744,328</u>

City of Gulf Breeze, Florida
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year Ended September 30, 2013

	General	Urban Core Redevelopment	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 2,180,923	\$ 573,363	\$ -	\$ 2,754,286
Licenses and permits	382,850	-	-	382,850
Intergovernmental	3,624,993	-	-	3,624,993
Charges for services	232,418	-	-	232,418
Fines and forfeitures	102,046	-	777,679	879,725
Investment earnings	13,904	-	-	13,904
Miscellaneous	820,407	-	36,992	857,399
TOTAL REVENUES	<u>7,357,541</u>	<u>573,363</u>	<u>814,671</u>	<u>8,745,575</u>
EXPENDITURES				
Current				
General government	1,422,331	395,889	-	1,818,220
Public safety	2,335,032	-	634,514	2,969,546
Transportation	713,559	-	-	713,559
Economic environment	116,579	-	-	116,579
Culture and recreation	1,119,344	-	-	1,119,344
Capital outlay	3,280,636	-	-	3,280,636
Debt service				
Principal	175,650	-	-	175,650
Interest	305,046	-	-	305,046
TOTAL EXPENDITURES	<u>9,468,177</u>	<u>395,889</u>	<u>634,514</u>	<u>10,498,580</u>
EXCESS REVENUES OVER EXPENDITURES	(2,110,636)	177,474	180,157	(1,753,005)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,936,284	178,726	-	2,115,010
Transfers out	<u>(265,726)</u>	<u>(524,099)</u>	<u>(107,597)</u>	<u>(897,422)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,670,558</u>	<u>(345,373)</u>	<u>(107,597)</u>	<u>1,217,588</u>
NET CHANGE IN FUND BALANCE	(440,078)	(167,899)	72,560	(535,417)
FUND BALANCE - BEGINNING OF YEAR	<u>7,182,746</u>	<u>879,021</u>	<u>454,157</u>	<u>8,515,924</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,742,668</u>	<u>\$ 711,122</u>	<u>\$ 526,717</u>	<u>\$ 7,980,507</u>

City of Gulf Breeze, Florida
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - URBAN CORE REDEVELOPMENT
SPECIAL REVENUE FUND
Year Ended September 30, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 573,363	\$ 573,363	\$ 573,363	\$ -
Intergovernmental	-	-	-	-
TOTAL REVENUES	<u>573,363</u>	<u>573,363</u>	<u>573,363</u>	<u>-</u>
EXPENDITURES				
Current				
General government	354,400	395,889	395,889	-
Capital outlay	<u>168,952</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>523,352</u>	<u>395,889</u>	<u>395,889</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>50,011</u>	<u>177,474</u>	<u>177,474</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	178,726	178,726	178,726	-
Transfers out	<u>(193,737)</u>	<u>(725,839)</u>	<u>(524,099)</u>	<u>201,740</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(15,011)</u>	<u>(547,113)</u>	<u>(345,373)</u>	<u>201,740</u>
NET CHANGES IN FUND BALANCE	35,000	(369,639)	(167,899)	201,740
FUND BALANCES, BEGINNING OF YEAR	<u>(35,000)</u>	<u>369,639</u>	<u>879,021</u>	<u>509,382</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 711,122</u>	<u>\$ 711,122</u>

City of Gulf Breeze

Memorandum

To: Mayor and City Council

From:  Bryan A. Eddy, City Manager

Date: 3/7/2014

Subject: Contribution to Development of Regenerative Tissue Lab at Andrews Institute

Attached please find an economic impact analysis of a proposal that was made to the City last Fall. The proposal entailed the City contributing \$350,000 toward the development of a lab at Andrews Institute. The new lab would be known as the Andrews Research and Education Foundation Regenerative Lab. The AREF Lab would be one of the first labs to “research and formulate procedures in regenerative medicine.”

The desired result of this effort is to continue the leadership of Andrews Institute in the field of treating musculoskeletal diseases and injuries. The report documents this success. The City contributed to the original construction of Andrews Institute in order to achieve the type of economic growth detailed in the analysis. The projections provided then have been exceeded. The economic impact of 750 to 800 jobs of the type that exist on the Baptist Andrews Campus in a small community such as Gulf Breeze is hard to overstate.

When the concept of a \$350,000 contribution to the Lab was presented to the Council in the Fall, one basis for the investment was the potential in the future for “breakthrough” innovations to come from the Lab. We focused on preparation of an agreement that would allow the City to recapture part of its investment by sharing in the proceeds that may result from Lab operations and research. The focus of this report is simply on economic development. The Lab will continue the extremely positive economic impact of Baptist/Andrews Institute on the City and the region.

The City Council should consider a contribution from Community Redevelopment Agency funds of \$350,000 toward the development of a Regenerative Tissue Lab at Andrews. The return on this investment will be the continued expansion of the taxable value, employment and economic impact of the entire campus on the City of Gulf Breeze.

As a side note, staff encouraged Baptist/Andrews to use more natural gas in partial recognition of the economic development incentive discussed here. Those efforts to date will result in an increase of gas consumption of about \$20,000 per year. We expect more gas consumption as appliances are replaced.

The management of Baptist/Andrews have indicated that future expansion of other facilities is also pending. We want that expansion to be right here in downtown Gulf Breeze.

RECOMMENDATION:

THAT THE CITY COUNCIL MEET AS THE BOARD OF DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY AND AUTHORIZE THE EXPENDITURE OF \$350,000 TOWARD THE DEVELOPMENT OF ANDREWS RESEARCH AND EDUCATION FOUNDATION REGENERATIVE TISSUE LAB.

City of Gulf Breeze

FW: AREF proposa,latest draft

Ed Gray III <edgray3@muniad.com>

Fri, Mar 7, 2014 at 11:45 AM

To: Buz Eddy <eaeddy@gulfbreezefl.gov>

Cc: Chad Gilliland <Chad.Gilliland@bhcpns.org>, Adam Anz <anz.adam.w@gmail.com>, Scott Raynes <Scott.Raynes@bhcpns.org>

Buz,

As previously discussed, we have completed a more thorough analysis of the economic impact projected in the original analysis of the GB Hospital/Andrews Institute Campus as compiled in 2004 to the actual current day economic activity benefitting the area today. As the numbers you will see show, the Andrews Institute as an added component of the GBH campus has been a significant enhancement. The request to the City to assist in the creation of the Andrews Regenerative Tissue Laboratory is yet another means of growing the legacy and business advances of the Andrews Institute. The result, of course, will be added economic opportunity for the citizens of Gulf Breeze and its tax base. We appreciate your consideration of this proposal.

From: Ed Gray III

Sent: Wednesday, March 05, 2014 3:23 PM

To: 'Chad Gilliland'; 'Scott Raynes'; Adam Anz

Subject: FW: AREF proposa,latest draft

Attached is the revised submittal incorporating a comparison of the current and previously projected economic impact numbers. I also did some word cleanup. Please review and let me know if you see anything incorrect. Buz is waiting on this draft once we deem it final.

From: Ed Gray III

Sent: Wednesday, March 05, 2014 12:13 PM

To: Ed Gray III

Subject: AREF proposa,latest draft

3 attachments



AREI Lab Updated Proposal request.docx

26K



ATT.A.AAOSmagazineArticle.pdf

153K

**Establishing a world class Regenerative Tissue Laboratory in the
City of Gulf Breeze**

***A Project of the Andrews Research and Education Foundation (AREF)
An independent IRS determined 501(c)(3) nonprofit corporation on the campus
Of Gulf Breeze Hospital and the Andrews Institute***

Beginning with the start of 2014, Andrews Research and Education Institute (AREI) becomes a nonprofit research facility operating independent of any other medically related, hospital owned facilities also on the campus of Andrews Institute. Although guided by Dr. James Andrews, the most renowned orthopedic surgeon in the world, the establishment of the Andrews Research and Education Foundation (AREF) enters a new era of being without the control or ownership of any outside organization. Baptist Healthcare Corporation began the Andrews Campus development, including the establishment of AREI, as part of a comprehensive medical oasis to treat musculoskeletal diseases and injuries. It is now part of the evolvement of AREI that it should operate independent of the organizing entity in order to fulfill its full potential. It will be called AREF.

An initial venture of this evolution is already underway. A laboratory has been through the planning and organizational phase of development. It will be one of the first laboratories to research and formulate procedures in regenerative medicine including regenerating damaged cartilage, ligaments, and other human tissues. The regenerative procedures will be developed using stem cells of the injured person, including storing stem cells of individuals wanting to “bank” the cells in case of an injury. This AREF Regenerative Lab will be spearheaded by Dr. Adam Anz and Dr. Josh Hackel, in collaboration with the noted Malaysian physician Dr Khay Yong Saw and others. With advanced research data and protocols already in practice in other countries, this facility will be the first such lab in the United States with the goal to obtain licensing from the US Food and Drug Administration (FDA). No other such licensing in the use of same body stem cells for regenerative tissue has been issued to date to any other US institution or corporate entity. More details of the lab and its objectives are contained in the attached more extensive project description.

The Capital Need to Start

Organizers of the new AREF entity believe physician, corporate, and grant support will evolve following the conversion of AREI into its new independent nonprofit organization. In its commitment to “spin off” AREI, Baptist Healthcare has committed up to \$750,000 in the first year of the nonprofit becoming independent to assure its operations can begin on a stable footing. Aside from the operational necessities, the new bio lab has an estimated \$500,000 in building modifications and specialized equipment to construct and order for the bio lab to start its objectives. The request to the City of Gulf Breeze is to be the catalyst for the lab. Through its CRA district improvement funds or other identified sources, a \$350,000 investment into the lab will enable an immediate opening of the lab to jumpstart the research protocols and eventually obtain the FDA approvals. Already, grant applications are pending for other financial support with the contribution of the City being a large leverage factor in matching other grants that may be applied for.

What the City can Expect

The legacy of the Andrews Institute must live on. The notoriety achieved by the continued influx of business for surgical and other acute care treatments cannot be assumed to be everlasting. A reputation for cutting edge regenerative stem cell treatments will elevate the Andrews name into another level of achievement. Is this assured? Certainly not. No new venture can boast a guarantee of success. However, without venturing into this leading edge medical technology and being the first to make significant achievements, no gain can be expected.

In reaching success, and thus helping to preserve an already significant contribution to the economic well being of Gulf Breeze, Santa Rosa County, Escambia County, Pensacola Beach, and the state of Florida, the economic impact of the Andrews campus will be exponential. By capitalizing innovation that further builds the reputation of the Andrews Institute, the city's largest employer and economic driver is prolonged and expanded.

Deliverables

Payroll and Fixed Assets

The existing payroll contribution of the Gulf Breeze campus, inclusive of the hospital and Andrews Institute, is over \$44 Million annually. The acute care services of the hospital, outpatient surgeries, rehab services, and imaging at Andrews, the Athletic Performance Pavilion of Andrews (the related medical office buildings adjoining both) and AREF all comprise contributors to a campus serving the entire spectrum of patient care. Each feeds on and off of the other. AREF will significantly grow as a meaningful bearer of fruit in this big orchard. The more fruit produced, the more the city wins. Expected gains in economic activity include:

Present payroll on the campus as of January 2014 **\$44.7 million annually**

Included in this number is approximately **\$26 million** affiliated with the **Andrews Institute** facilities and services apart from the hospital based operations

Employed persons currently on the campus

BHC Employees (GB-472 and AI-128)	600
AI Surgery Center	90
Athletes Performance	13
AI Independent Physicians FT on campus	7
AI Independent Physician Office Staff	41
Current Total	751

Projected Regen Lab Impact on Campus

Regen Lab FTE's year 3*	7
Other areas growth secondary to lab growth	5

Campus Growth Projections over the next 3 years:

FTE's	12.5 FTE avg wage \$65k
	1.5 MD's avg wage \$500k

Salaries	2.35 million
Projected Total FTE's	777
Projected Annual Salaries	\$47 million

*Jobs specific to the Lab (not inclusive of growth in other services resulting from the lab success) Projected 4 FTE's in years 1-2 with potential growth to 7-9 by year 3-4; impact on other clinical areas projected 5-7FTE's

Ad Valorem Impact of the Andrews development

In 2004, an economic analysis of the impact of developing the Andrews Orthopedic and Sports Medicine Institute was compiled by Jennifer Fleming. Her report took projections supplied by Baptist Healthcare based on phasing in the building of the Andrews facilities and increasing the scope of Gulf Breeze Hospital. As of now, the campus inclusive of Andrews is in year 7 of its development. Below are comparisons of the report's projections and the actual amounts in economic impact through 2013.

	Projected	2013 Actual	Pct. Over
Ad Valorem tax base, combined tax receipts	199,201	314,252	58%
Andrews permanent employees	126	279	121%
Employment Wages and related expenditures	11,462,900	25,600,000	123%
Multiplier of Projected Wages	17,791,377	39,680,000	123%

Campus Visitor Economic Impact

The 2004 analysis projected an annual visitor impact of \$8,549,220 by year 7 of the facility being in operation. The methodology for this amount included variables associated with days a patient is recuperating from surgery, extended stays due to rehab therapy, follow up visits, and facility use by athletes being trained to increase physical performance in their chosen endeavor. Since those projections were compiled, unanticipated clinical activities have evolved associated with the Eagle Fund warrior program, an influx of clinicians attending education courses at AREI, the training of Andrews fellows, other clinical specialties being offered at the Institute and many other programs attracting healthcare professionals and patients to the campus. In revising the Visitor Impact calculation, actual patient visits with the average number of days were multiplied by the daily visitor expenditures. The daily visitor expenditures were independently provided by the Visit Pensacola Center staff. The current annual visitor impact is now estimated to be \$13,127,300.

Annual Visitor Impact in the 2004 Analysis	\$8,549,220
Current Annual Impact	\$13,127,300
Increase over the original projection	54%

Additional Positive Impact to the Tax Base

A list of the key physicians, administrators, and other support personnel was compiled to then research the impact of these professionals residing in the area. The survey did not include all the employed persons on campus. By researching the tax rolls of just the key physician staff, the

residential ad valorem impact was determined. The amounts were taken from the most recent 2013 tax collector data.

Physicians on campus, residential ad valorem impact	
Santa Rosa County, total countywide	\$248,797
Gulf Breeze city limits only	\$172,680
Escambia County including Pens. Bch	\$303,745
Two County total	\$552,542

Cumulative Ad Valorem impact of Campus facilities, physician offices, and physicians residing in the city (Gulf Breeze proper only)	\$486,932
Expected value increase in 3 years (3% growth rate)	\$532,084

Moving Forward

With the city’s continued support in growing and expanding the musculoskeletal industry that calls Gulf Breeze its home, the economic stimulus enjoyed by this medical campus will grow. How many other communities look upon this campus with envy and wishes an employer exists to provide the high paying jobs present at this complex? The city’s long standing involvement in partnering with this campus has resulted in community impact far exceeding expectations. The leadership of AREF ask for the city’s help in making the Regenerative Lab a reality. Only the future will determine its success and positive impact, but if history is an indicator, the city will see measurable return on its investment.

Recent Press Releases/Articles about Regenerative Medicine at Andrews Institute:

- **PBS Interview with Jeff Weeks**
- **Feb 2014 AAOS Now: Official Member News Magazine of the AAOS**
- **Article in Journal of the American Academy of Orthopaedic Surgeons**
Application of Biologics in the Treatment of the Rotator Cuff, Meniscus, Cartilage and Osteoarthritis

Studies/Projects Immediately Awaiting a Stem Cell Harvest and Processing Center

- **Cartilage Regeneration Study with Dr. Khay Yong Saw**
FDA progress Awaits US Cell Processing Lab to Validate Process in US
- **Stem Cell from Bone Marrow versus Platelet Rich Plasma to Treat Osteoarthritis in Retired NFL Athletes, with Dr. Jim Andrews, Dr. Joshua Hackel and Dr. Adam Anz**
Study with IRB Approval and Funding through Emcyte: Set to Enroll Late February
- **Harvest and Storage of Peripheral Blood Stem Cells, Dr. Adam Anz**
Awaiting Storage and Processing Center to Develop Standard Operating Procedures
- **Augmentation of ACL Reconstruction with Bone Marrow Derived Stem Cells, with Dr. Jim Andrews, Dr. Adam Anz, Dr. Roger Ostrander**
IRB Approval Underway for Pilot Study Involving Bone Marrow Aspirate
Needs Lab for Cell Quantification
- **Stem Cell Harvest from Fat Pad During ACL Reconstruction, with Dr. Jim Andrews, Dr. Adam Anz and Dr. Roger Ostrander**

Study Underway, Will Need Storage Facilities in Future, Funding from Celling Technologies

- **Chemokine Labeling of Graft during ACL Reconstruction, with Dr. Jim Andrews, Dr. Adam Anz and Dr. Josh Hackel**
Pre-clinical Animal Study Underway, Needs Processing Lab for Clinical Implementation

Fwd: Send data from MFP07307702 03/10/2014 08:16

Edwin Eddy <eaeddy@gulfbreezefl.gov>

Mon, Mar 10, 2014 at 9:43 AM

To: Beverly Zimmern <mayor@gulfbreezefl.gov>, JB Schluter <innerlightjb@aol.com>, Cherry Fitch <cherry.fitch@gmail.com>, Joe Henderson <joehenderson62@att.net>, D & M Landfair <dmlandfair@hotmail.com>, "Landfair, David G." <landfaiird@mail.santarosa.k12.fl.us>, Matt Dannheisser <mdannheisser@dannheisserlaw.com>, Leslie Guyer <lguyer@gulfbreezefl.gov>, Stephanie Lucas <slucas@gulfbreezefl.gov>

Attached please find a memo that we would like to add to the agenda for your Executive Session Meeting this Wednesday. The economic report attached was received after we had the agenda generally prepared on Friday. Rather than wait for the next round of meetings, we decided to prepare a memo Friday afternoon and send it to Council today.

We recommend meeting as the Board of the Community Development Agency on Monday March 17 and approving a contribution of \$350,000 toward the construction of a Regenerative Tissue Lab at Andrews Institute strictly on the basis of economic development rather than breakthrough inventions or techniques that may arise from lab operations. This contribution would be similar to the contributions the City made toward the original construction of the Institute.

Let me know if you have any comments or questions.

Thanks, Buz

----- Forwarded message -----

From: **City of Gulf Breeze Scanner** <donotreply@gulfbreezefl.gov>

Date: Mon, Mar 10, 2014 at 3:16 AM

Subject: Send data from MFP07307702 03/10/2014 08:16

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