

Economic Impact Research Findings

THE CASE for Making a Visible Difference in Mississippi's Health & Economy

Research Study Performed by:

- I. Establishes Baseline for Economic Conditions in Mississippi & Gulfport-Biloxi-Pascagoula Region
- II. Analyzes Range & Depth of Mississippi's Growing Diabetes & Obesity Issues
- III. Forecasts Economic & Health Impact of Future
 Developments in Tradition



ARDUIN, LAFFER MOORE

Commissioned by:





Economic Impact Research Findings

The Case for Making a Visible Difference in Mississippi's Health & Economy



Master-planned Community & Medical City Bring Potential Benefits to Mississippi:

- Economic Upswing & Growth
- Higher Education & Life Sciences Cluster
- High-Wage Industries
- Increased Worker Productivity
- Reduction in Diabetes & Obesity





Investment in Business & Health Can Change Trajectory of Mississippi's Economy





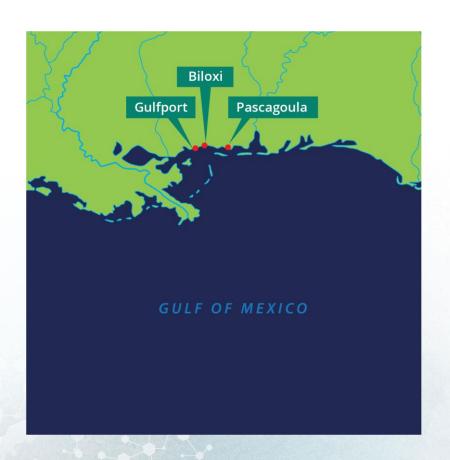
Factors Contributing to Mississippi's Low Economic Performance Rank

- Lack of Industry Diversity
- Low Productivity (GDP/Employee)
- Nation's Lowest Wage Sector
- Weak Wage Growth
- High Poverty Rates
- Public Health Crises Diabetes & Obesity
- Nation's Lowest Workforce Participation & Productivity
- Worker Migration Young Workers Leave



Current Gulf Coast Economy

- Suffered Greatly from Disasters Hurricane Katrina & BP Oil Spill
- Education, Health Services, IT Employment Quotients Are Very Low
- Low Number Highly Skilled Workers
- Low-Wage Sector
- Lack of Ability to Attract
 Business & Industry



Mississippi Has Great Potential – It Just Needs to Be Unlocked

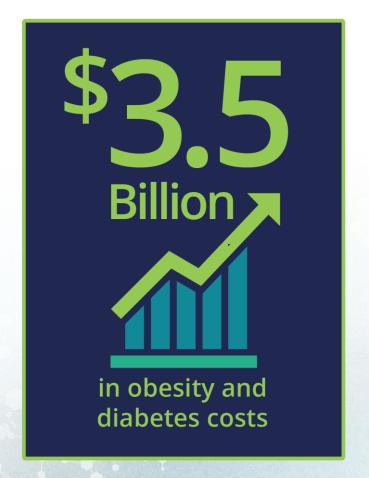
Recognizing the Health Crisis – the Prevalence of Diabetes & Obesity and How It Hinders Mississippi's Economic Competitiveness

Mississippi's Diabetes & Obesity Health Crisis

- Costs Mississippi \$3.5 Billion Annually
- Directly & Indirectly Detrimental to Forward Progress
- Leads to Economic Crisis / Works Against Growth
- Results in Weak Productivity, High Poverty Rates & Lower Labor Participation

Source:

American Diabetes Association, "The Burden of Diabetes in Mississippi," www.diabetes.org





New Tradition Developments
Critical to Improving Mississippi
and Gulf Coast Economies



10-year Economic Impact 10-YEAR Economic = 1.3 Billion - \$2 Billion



TRADITION

Investment in Solving **Economic & Health Crises**

- Fosters Economic Growth through Business and **Health Initiatives & Developments**
- Critical to Turning Local & State Economies Around
- **Geographic Magnet for:**
 - Innovation
 - **Research Advancement**
 - **Economic Growth**



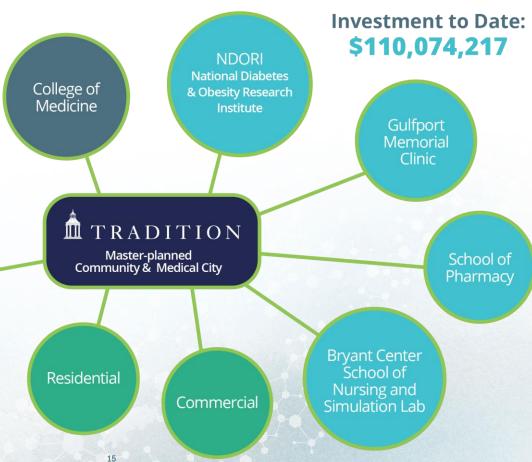


About Tradition

- **Current/Existing**
- **In-Progress**
- **Forthcoming**

NDORI National Diabetes & Obesity Research Institute **Facility**

- World-class Research Center in Affiliation with Cleveland Clinic's Endocrinology & **Metabolism Institute**
- Leads to Medical Advancements. Attraction of Biopharma & Medical Device Industries and Culinary Innovation & Industry





Will Diversify MS Economy & Compare in Scope with Other Major Economic Development Projects











































Targeted Companies for Tradition Development









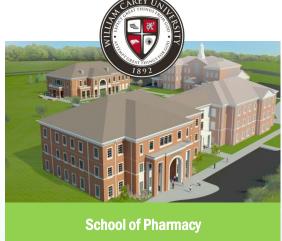




TRADITION

Recent Development







- Opened June 2018
- 800 Nursing Students
- 27 Full-time Jobs
- 50,000 sf State-of-the-Art Facility

- 192 Students
- 34 New Full-time Jobs

- 9,000 sf Facility
- Data Sharing with NDORI
- Hospital Affiliations
- Potential Patient Pool 400,000
- 20+ New Jobs



Forthcoming Development

- 100,000 sf Facility
- Clinical Trials Underway
- Science Research Center
- Translational Research
- Clinical Services
- Imaging
- Laboratory
- Interventional Resources
- Dietary & Nutrition Kitchen
- Educational Training
 - Continuing Ed for Healthcare Providers
 - Patient Education









Forthcoming Development

College of Medicine

- 400 Students
- 45 New Full-time Jobs
- Endocrinology Fellowship

Program (TBD)





Forthcoming Projects

Coastal Family Health Center

- Federally Qualified Health Center
- National Committee for Quality Assurance Patient-centered Medical Home Practice
- Veteran's Administration Choice Provider
- Potential Data Sharing with NDORI
- Tradition Will Be 24th Location
- Potential Patient Pool: 35,000
- Corporate Office, Medical, Dental & Optometry Care, & Pharmacy

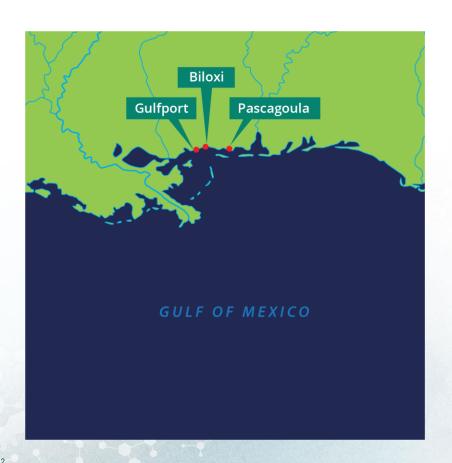




Goal: Become Full-fledged Research Cluster

Tri-city Location –
Gulfport-Biloxi-Pascagoula Has
Infrastructure That Supports a Cluster:

- Located on a Major Highway
- Desirable Climate
- Airport Access
- Proximity to Hospital Systems
- Low Construction Costs
- Competitive Tax Rates & Incentives





Located in Gulfport-Biloxi-Pascagoula Tri-city Area Similar Design & Development to Successful Clusters:



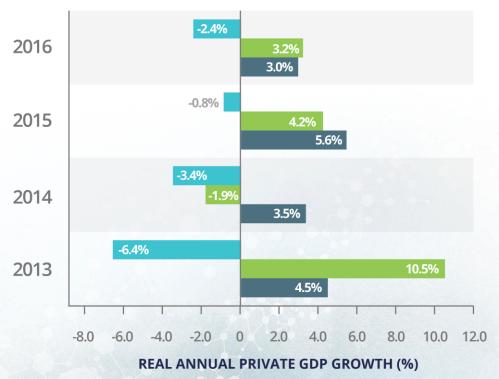


Successes of Similar Clusters Indicate Tradition Will Achieve Similar Growth & Bring Upswing to Gulfport-Biloxi-Pascagoula Area Resulting in:



Local Economies with Clusters Create Tremendous Private Sector Growth

- Gulfport-Biloxi-Pascagoula, MS (Metropolitan Statistical Area)
- Orlando-Kissimmee-Sanford, FL (Metropolitan Statistical Area)
- Research Triangle Park
 Raleigh-Durham-Chapel Hill, NC
 (Metropolitan Statistical Area)



Source: Bureau of Economic Analysis, Laffer Associates Calculations



Representative Scenarios & Associated Potential 10-Year Impact



Representative Scenarios & Associated Potential 10-Year Impact

College of Medicine



Current Developments:

NDORI, School of Nursing, School of Pharmacy, Gulfport Memorial Clinic



JOBS:

Year 10 Total **4,078 7,050**



\$821 Million

Cumulative Wages over 10 Years



\$76 Million

Tax Revenue – State and Local



\$1.3 Billion

GDP (Gross Domestic Product)



Representative Scenarios & Associated Potential 10-Year Impact

College of Medicine, NDORI, School of Nursing, School of Pharmacy, Gulfport Memorial Clinic



Research Cluster Effect (New Industry)



JOBS:

Year 10

Total



\$1.2 Billion

Cumulative Wages over 10 Years



\$114 Million

Tax Revenue – State and Local



\$2 Billion

GDP (Gross Domestic Product)



Potential Economic 10-Year Impact

College of Medicine

+ Current Developments

College of Medicine

- **+** Current Developments
- + Research Cluster Effect

	JOBS: Year 10 Total 4,078 7,050	\$	JOBS: Year 10 Total 5,439 9,403	
\$	\$821 Million Cumulative Wages over 10 Years	\$	\$1.2 Billion Cumulative Wages over 10 Years	
% ⊞	\$76 Million Tax Revenue – State and Local	%	\$114 Million Tax Revenue – State and Local	
M.	\$1.3 Billion GDP (Gross Domestic Product)	N.	\$2 Billion GDP (Gross Domestic Product)	



Additional GDP Growth on Tax Dollars Spent

Source:

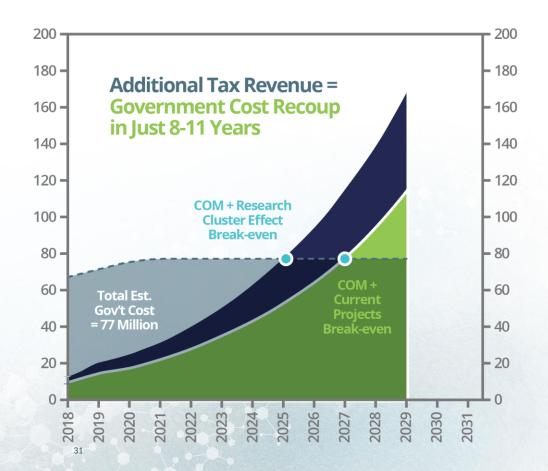
A. Barefield, "Estimation of the Economic Burden of Diabetes on the State of Mississippi in 2013," Mississippi Department of Health & Mississippi State University Department of Agricultural Economics, 2015





Government Break-Even

- Scenario 2 Cumulative State and Local Tax Revenue
- Scenario 3 Cumulative State and Local Tax Revenue
- Cumulative State
 Government Cost





Reducing the Rate of Diabetes

(from direct and indirect costs of diabetes)

In 2013, Diabetes Cost the State \$600 Million

Source:

A. Barefield, "Estimation of the Economic Burden of Diabetes on the State of Mississippi in 2013," Mississippi Department of Health & Mississippi State University Department of Agricultural Economics, 2015

Mississippi's 2013 GDF Would Have Been MILLION — HIGHER —



Summary of Findings

- Economic Benefits to Gulfport-Biloxi-Pascagoula MSA
- College of Medicine Will Spark
 Economic Growth
- College of Medicine + Other Developments = Bolstered
 Gulf Coast Economic Indicators
- Even Greater Economic Impact May Result from Clustering Activity & Development

Source:

A. Barefield, "Estimation of the Economic Burden of Diabetes on the State of Mississippi in 2013," Mississippi Department of Health & Mississippi State University Department of Agricultural Economics, 2015

	2027 Baseline Estimated Level	College of Medicine, NDORI, School of Nursing, School of Pharmacy, Memorial Clinic (cumulative impact)	Future Tradition Medical City – Research Cluster Effect (cumulative impact)
Number of Full-time and Part-time Jobs	210,632	7,050	9,403
Government Cost	n/a	\$77M	\$77M
Wages	\$9.5B	\$821M	\$1.2B
Tax Revenue	\$883M	\$76M	\$114M
GDP	\$17.6B	\$1.3B	\$2B



Learning Medical City

- Overcoming Barriers to Economic Growth Through Business & Health Developments
- Creating a Stable Economic Future in Mississippi
- Making a Visible Difference in Mississippi's Health by Reducing Diabetes & Obesity





INVEST in Making a Visible Difference in Mississippi's Health & Economy.



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