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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 8(M)(3)

TO:	Honorable Chairwoman Rebeca Sosa and Members, Board of County Commissioners	**DATE:**	March 5, 2013
FROM:	R. A. Cuevas, Jr. County Attorney	**SUBJECT:**	Resolution supporting Larkin Health Sciences University Campus for a State of Florida Brownfield Redevelopment Bonus Refund pursuant to Florida Statutes § 288.107 while opting out of the local match and further providing for an effective date Resolution No. R-170-13

The accompanying resolution was prepared by the Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Commissioner Dennis C. Moss.

R. A. Cuevas, Jr.
County Attorney

RAC/smm

/

Memorandum

MIAMI-DADE COUNTY

Date: March 5, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
County Mayor

Subject: Resolution in Support of Larkin Health Sciences University Campus for a State of Florida Brownfield Redevelopment Bonus Refund

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Recommendation

It is recommended that the Board of County Commissioners (Board) support the approval of Larkin Health Sciences University Campus for a State of Florida (State) Brownfield Redevelopment Bonus Refund and request that the State waive the required County match. Because the State requires that the locality provide financial support, the County must request a waiver to opt out of the 20 percent match requirement.

Scope

The business operations of this project will create 150 new jobs that will primarily impact District 9. However, the construction of this project will also have a positive countywide impact due to direct and indirect employment and capital investment.

Fiscal Impact / Funding Source

Approval of this Brownfield Redevelopment Bonus Refund will not create a negative fiscal impact to the County. Through this program, the business is eligible to receive up to $2,500 for each job created and the State will pay 80 percent (or $2,000) for each job created or up to $300,000 for the estimated 150 jobs to be created. The County opts out of its 20 percent match in the Brownfield Redevelopment Bonus program because it can support businesses through other incentive programs, such as the Qualified Targeted Industry (QTI) and the Targeted Jobs Incentive Fund (TJIF) programs. Unfortunately, this particular project is not eligible for a QTI or a TJIF incentive, as education is not a targeted industry under either of these two programs. However, under Florida Statute 288.107 the business is eligible for the Brownfield Redevelopment Bonus incentive providing that certain criteria are met, as specified in the statute and fully defined later in this memorandum.

Track Record/Monitor

The proposed project involves the construction and operation of multiple buildings for a health Sciences University totaling 250,000 new square feet located within the Naranja Community Redevelopment Area. The State will pay the incentive and verify that all conditions have been met.

The applicant has had a history of past legal issues which have currently been resolved. On June 30, 2004, the Department of Justice filed a civil lawsuit against Larkin Community Hospital (the developer) and its owners (S.D. Fla. No. 04-CIV-21579) stemming from allegations made from 1997-1999. Dr. Jack J. Michel, the current President and Chairman of the Board, had 20 percent ownership in the hospital but was not on the Board of Directors at the time. The primary allegation was that in 1997 while Dr. James H. Desnick had controlling ownership, Larkin Community Hospital and/or Dr. Desnick and his associates paid kickbacks to doctors who referred patients. Dr. Michel was named in this allegation. The second allegation was that referrals from Assisted Living Facilities (that were jointly owned by Dr. Michel and Morris Esformes) from 1998-1999 were in violation of the False Claims Act because certain patients did not meet the criteria for medical treatment. Dr. Michel was also named in this allegation. Dr. Michel and Larkin Community Hospital denied these allegations and considered them to be completely unfounded and without merit. Dr. Desnick, who was no longer a shareholder of Larkin Community Hospital at the time of the settlement, offered to contribute $5,000,000 towards a settlement. Mr. Esformes offered to

sell his 45% interest to Dr. Michel if Dr. Michel covered the remaining funds necessary to obtain a successful settlement. In 2006, Dr. Michel acquired 100 percent ownership of the hospital and a successful resolution to the settlement. He negotiated a Settlement Agreement to dismiss this case with prejudice in exchange for a $15,400,000 payment.

As part of the settlement, the Civil Division and the Department of Justice represented that they did not have any further investigations pending against the defendants. The settlement agreement was executed on November 20, 2006.

The hospital and Dr. Michel entered into a 5 year Integrity Agreement with the Office of the Inspector General as part of the 2006 settlement. This agreement was satisfactorily concluded in 2012 and neither Dr. Michel nor Larkin Community Hospital has any remaining obligations pertaining to the Integrity Agreement. Both the hospital and Dr. Michel are in good standing with the Medicare program and have an exclusive agreement to provide services to the Department of Justice, Division of Immigration Customs Enforcement, Federal Detention Center, and the Federal Correctional Institution.

Background

The State of Florida created the Brownfield Redevelopment Bonus Refund Program as codified in Section 288.107 of the Florida Statutes. The Brownfield Redevelopment Bonus is available to encourage redevelopment and job creation within designated brownfield areas. Pre-approved applicants receive tax refunds of up to $2,500 for each new job created. The amount of the refund is equal to 20 percent of the average annual wage of the new jobs created. The company has stated in its application that the average wage for its new jobs will be $30,000. Refunds are based on taxes paid by the business, including corporate income, sales, ad valorem, intangible personal property, insurance premiums, and certain other taxes. No more than 25 percent of the total refund approved may be paid in any single fiscal year. Under Florida Statute 288.107 Larkin Health Sciences University Campus is eligible to apply for the Brownfield Bonus to help offset cost spent to date to investigate and address legacy environmental issues associated with the property and their potential impact on redevelopment. The General Project Overview attached to this memorandum provides further detail regarding this project's development plans.

As provided in Florida Statutes 288.107(3) (a)-(e) the criteria for participation in the program are, in relevant part:

1) Create at least ten new Florida full-time jobs with benefits, excluding construction and site remediation jobs. This project plans to create 150 new jobs.
2) Be a business that can demonstrate a fixed capital investment of at least $2 million in mixed-use business (including multi-unit housing, commercial, retail, and industrial) activity located in a brownfield area. This project is investing approximately $64 million excluding land.
3) Demonstrate that the project will diversify and strengthen the economy of the area surrounding the site. This project will invest towards development of the site and is projected to diversify the economy by attracting new businesses and creating employment opportunities for the residents of the area. As a result, the area's tax revenues will increase.
4) Demonstrate that the project will promote capital investments in the area beyond that contemplated for the rehabilitation of the site. This criterion is expected to be achieved due to the significant investment and scope of the project.
5) Provide a local government resolution supporting the project with a local match, or in the alternative, a resolution supporting the project, but opting out of the match. This item, if approved, will meet this criterion.

This project involves the construction of a new 250,000 square health sciences university campus which will include a school of medicine, pharmacy, and dentistry. The details of this project are listed below:

APPLICANT:	Larkin Health Sciences University Campus
LOCATION:	Folio Number 30-6933-008-0140
COMMISSION DISTRICT:	District 9
DATE OF APPLICATION:	January 15, 2013
OVERALL BUSINESS ACTIVITY/MISSION:	To construct and operate a 250,000 square feet health sciences university campus
PROPOSED LOCAL BUSINESS ACTIVITY:	Higher Education
PROPOSED CAPITAL INVESTMENT:	$64 million
TARGETED INDUSTRY:	Education
PROPOSED LOCATION IN DESIGNATED PRIORITY AREA?	Yes, Brownfield
NEW OR EXPANDING BUSINESS?	New
NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:	150
COMMENTS:	Project information provided by The Beacon Council

Jack Osterholt
Deputy Mayor

MEMORANDUM
(Revised)

TO: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

DATE: March 5, 2013

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(M)(3)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

✓ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(M)(3)
3-5-13

RESOLUTION NO. R-170-13

RESOLUTION SUPPORTING LARKIN HEALTH SCIENCES UNIVERSITY CAMPUS FOR A STATE OF FLORIDA BROWNFIELD REDEVELOPMENT BONUS REFUND PURSUANT TO FLORIDA STATUTES § 288.107 WHILE OPTING OUT OF THE LOCAL MATCH AND FURTHER PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference; and

WHEREAS, the business under consideration is a for-profit health sciences university; and

WHEREAS, LARKIN HEALTH SCIENCES UNIVERSITY CAMPUS is located in Southwest Miami-Dade County; and

WHEREAS, LARKIN HEALTH SCIENCES UNIVERSITY CAMPUS is a new business in Miami-Dade County and this project will invest $64 million in capital improvements; and

WHEREAS, this project will hire 150 residents with annualized wages of $30,000.00 from the local area for its operations; and

WHEREAS, participation in the local financial support is optional and understood; and

WHEREAS, the Board of County Commissioners of Miami-Dade County requests a waiver from the local financial support requirement authorized under the Brownfield Redevelopment Bonus Refund Program pursuant to Florida Statutes § 288.106, and will exercise that option,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board supports Larkin Health Sciences University Campus for the State of Florida Brownfield Redevelopment Bonus Refund pursuant to Florida Statutes § 288.107 and opts out of the local twenty percent match.

The foregoing resolution was offered by Commissioner **Dennis C. Moss**, who moved its adoption. The motion was seconded by Commissioner **José "Pepe" Diaz** and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman			**aye**
Lynda Bell, Vice Chair			**aye**
Bruno A. Barreiro	**absent**	Esteban L. Bovo, Jr.	**aye**
Jose "Pepe" Diaz	**aye**	Audrey M. Edmonson	**aye**
Sally A. Heyman	**absent**	Barbara J. Jordan	**aye**
Jean Monestime	**aye**	Dennis C. Moss	**aye**
Sen. Javier D. Souto	**aye**	Xavier L. Suarez	**aye**
Juan C. Zapata	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of March, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: ***Christopher Agrippa***
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Shannon D. Summerset-Williams

GENERAL PROJECT OVERVIEW

Larkin Health Sciences University Campus
Name of Business

Project Title or Code Name (1-5 word description)

FOR EFI USE ONLY		
Date Received	Date Revised	Date Completed
EFI Project Number		

Contact Enterprise Florida to discuss your project and application **before** submitting a formal proposal. The completed and signed application must be filed with:

The Atrium Building, Suite 201 • 325 John Knox Road
Tallahassee, Florida 32303
Phone: 850.298.6620 • Fax: 850.298.6659
http://www.eflorida.com/

GENERAL PROJECT OVERVIEW

1. BUSINESS INFORMATION

A. Legal Name of Applicant: Larkin Health Sciences University Campus
This should be the entity that will be party to the QTI agreement with the State of Florida. If multiple affiliates are involved in job creation and/or paying taxes, include an attachment listing affiliate name(s), Federal Employer Identification Number(s), Unemployment Compensation Number(s) and relationship to applicant.

B. Mailing Address: 5996 SW 70th Street 5th Floor
Street Address

South Miami — *City* | FL — *State* | 33143 — *Zip Code*

C. Name of Parent Company: Larkin Community Hospital, Inc

D. Primary Business Unit Contact: Jack J. Michel MD

Title: President and Chairman of the Board

Mailing Address: 5996 SW 70th Street 5th Floor
Street Address

South Miami — *City* | FL — *State* | 33143 — *Zip Code*

Telephone: 786-200-6510 **Fax:** 305-284-7545

Email: jmichel@larkinhospital.com **Website:** www.larkinhospital.com

E. Business Uni t's Federal Employer Identification Number:
(Please complete either the substitute W-9 Form at the end of this application or attach a completed IRS Form W-9.) To be applied for

F. Business Unit's Unemployment Compensation Number[1]: To be applied for

G. Business Unit's Florida Sales Tax Registration Number: To be applied for

H. Will the business unit or its parent company have Federal Corporate Income Tax liability attributable to this project?

Yes ☒ No ☐ If yes, will there also be State Corporate Income Tax Liability attributable to this project? Yes ☐ No ☒

I. Is the business unit minority owned?

Yes ☒ No ☐ If yes, explain: 100% Owner is Hispanic

J. What is the business unit's tax year (ex: Jan 1 to Dec 31): Jan 1 to Dec 31

K. Has this business unit, or any related entities, applied for and/or been approved for State incentives in the past?

Yes ☐ No ☒ If yes, explain: _____

[1] If multiple unemployment compensation reporting units or multiple worksites are involved, contact Enterprise Florida to discuss this structure or include an attachment listing the additional units and their relationship to the applicant. Business entities not disclosed here may not be party to or count toward the requirements of the contract with the State of Florida.

GENERAL PROJECT OVERVIEW

2. PROJECT OVERVIEW

A. Which of the following best describes this business unit[2]:

☒ New business unit to Florida

☐ Existing Florida business creating and / or retaining jobs[3],

0 If an expansion, how many jobs are currently in the expanding business unit?

B. How many individuals are employed at all Florida locations? 0

C. Are any jobs being transferred from other Florida locations[4]?

Yes ☐ No ☒ If yes, how many jobs and from where? _____

Why are these jobs moving and why is it justified in light of the statutory language governing the applicable incentive program(s)?

D. Give a full description of this project, including a company overview, the primary activities / functions of this business unit and project, and the reasons for contemplating an expansion in / relocation to Florida:

Local South Miami hospital, Larkin Community Hospital is proposing the development of a new for-profit Health Sciences University that will include a School of Medicine, a School of Pharmacy and a School of Dentistry in Miami-Dade County. All three schools are graduate schools and will confer doctor degrees in their respective areas. Each School will train 150 new physicians per year through a 4 year program. The medical school will be the only Osteopathic Medical School in Miami-Dade County and the third in Florida, thereby creating an educational facility of great demand on a local and national level and adding a much needed option for Miami-Dade County's very well respected medical/educational industry.

E. In what Targeted Industry(ies) does the proposed project operate?[5]: Life Sciences

F. Break down the project's primary function(s) and the corresponding wages:

Business Unit Activities	5 Digit NAICS Code(s)	Project Function (total = 100%)	Annualized Wage ($)
College/University/Professional School	611310	100%	$30,000
		%	$
		%	$

G. What is the project's proposed location address:

Folio Number 30-6933-008-0140 (Address to be assigned by zoning dept.)
Street Address

Miami FL 33032
City *State* *Zip Code*

What is the project's current location address (if different):

n/a
Street Address

[2] Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.
[3] A QTI Tax Refund award cannot be granted for existing Florida jobs.
[4] Incentives may not be used in connection with a project that involves the relocation of jobs from one Florida community to another except in certain circumstances as described in statute.
[5] Refer to the QTI Target Industry list.

GENERAL PROJECT OVERVIEW

City State Zip Code

H. Is the project location within a current or proposed Brownfield site / area?
Yes ☒ No ☐ If yes, attach a copy of the official document designating the Brownfield area.
Is the project location in an Enterprise Zone?
Yes ☐ No ☒ If yes, which zone? _____
Is the project location in a designated Rural area?
Yes ☐ No ☒ If yes, which Rural area? _____
Is the project location in an Urban area[6]?
Yes ☒ No ☐ If yes, describe? Naranja CRA

I. Which of the following describes the applicant's operations (select all that apply):
- ☐ Multi-state business enterprise
- ☐ Multinational business enterprise
- ☒ Florida business enterprise (eligible for Brownfield Redevelopment Bonus Incentive only)

J. Which of the following describes this business unit (select all that apply):
- ☒ Regional headquarters office
- ☐ National headquarters office
- ☐ International headquarters office
- ☐ This is not a dedicated headquarters office

K. What is the estimated percentage of gross receipts or final sales resulting from this project that will be made outside of Florida (if sales is not a reasonable measure, use another basis for measure and provide explanation below):
0% Explain, if necessary: _____

3. JOB AND WAGE OVERVIEW

A. How many Florida jobs[7] are expected to be created as part of this project? 150

B. If an existing business unit, how many Florida jobs are expected to be retained as part of this project? (jobs in jeopardy of leaving Florida should only be included here; these jobs are not eligible for QTI) 0

C. What is the anticipated annualized average wage (excluding benefits) of the new to Florida jobs created as part of this project? (Cash payments to the employees such as performance bonuses and overtime should be included. The wage reported here is only an estimate of the average wage to be paid and will not be used in the certification, agreement, and claim evaluation process.) $30,000

D. What is the annualized average value of benefits associated with each new job created as part of this project? $8,750

E. What benefits are included in this value? (health insurance, 401(k) contributions, vacation and sick leave, etc.)
Health and disability insurance, 401K contribution, vacation and sick leave.

[6] An Urban area may include a Community Redevelopment Area (CRA), Urban Job Tax Credit eligible area, Urban Enterprise Zone, Federal Empowerment Zone, an Urban revitalization area, etc.
[7] A "full time equivalent job" means at least 35 hours of paid work per week.

GENERAL PROJECT OVERVIEW

4. CAPITAL INVESTMENT OVERVIEW

A. Describe the capital investment in real and personal property (Examples: construction of new facility; remodeling of facility; upgrading, replacing, or buying new equipment.):
Purchase of land, construction of a new facilities, and buying new equipment.

B. Will this facility be:

- ☐ Leased space with renovations or build out
- ☒ Land purchase and construction of a new building
- ☐ Purchase of existing building(s) with renovations
- ☐ Addition to existing building(s) (already owned)
- ☐ Other (please describe in 4A above)

C. List the anticipated amount and type of major capital investment to be made by the applicant in connection with this project:

Calendar Year :	2013	2014	2015	2016	2017	Total
Land or Building Purchase	$4,200,000	$	$	$	$	$4,200,000
Construction / Renovations	$	$12,000,000	$22,000,000	$12,000,000	$12,000,000	$58,000,00(
Manufacturing Equipment	$	$	$	$	$	$
R&D Equipment	$	$	$	$	$	$
Other Equipment (computer equipment, office furniture, etc.)	$	$	$2,000,000	$2,000,000	$2,000,000	$6,000,000
Total Capital Investment	$4,200,000	$12,000,000	$24,000,000	$14,000,000	$14,000,000	$68,200,00(

D. What is the estimated cost of machinery and equipment or other resources for this project expected to be purchased <u>outside</u> of Florida? $0

E. Describe the type(s) of machinery and / or other resources to be purchased <u>outside</u> of Florida.
0

F. What is the estimated square footage of the new or expanded facility? 100,000 SF

G. When is the final location decision anticipated (date)? February 2013

H. What is the anticipated date construction will begin? January 2014

I. What is the anticipated date operations will commence? July 2015 for the Medical School. July 2016 for the Pharmacy School and July 2017 for the Dental School

5. COMPETITIVE LANDSCAPE

A. What role will the incentive(s) play in the business unit's decision to locate, expand, or remain in Florida?
The Brownfield Job Incentive will help us determine whether to move forward with the land purchase on this particular site and will ensure that the project remains financially viable as we create the jobs.

B. How will the incentive dollars be used by the business?
To offset capital costs associated with redeveloping at the Brownfield site.

C. **What other cities, states, or countries are being considered for this project?**
This site is being considered because the company is committed to investing in economically distressed and high unemployment areas. This site is in a Community redevelopment area.

D. **What advantages or incentives offered by these locations do you consider important in your decision?**
Any opportunities offered to reward us for the job creation we will generate for the local community. We are looking for communities who understand the economic value to the local area and to the State from a project of this magnitude.

E. **What advantages or disadvantages offered by the proposed Florida location do you consider important in your decision?**
The ability to maximize State and Local Incentives such as the Brownfield incentives and also potential infrastructure dollars from the County.

F. **Indicate any additional internal or external competitive issues impacting this project's location decision?**
The proximity to our hospital (which is located 20 miles from this site) is also important because most of the clinical experiences will occur there.

6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY

A. **Provide a brief synopsis of the special impacts the project is expected to stimulate in the community, the state, and the regional economy.** Include the impact on indicators such as unemployment rate, poverty rate, and per capita income.
The net economic benefit of the project is an additional 1,500 jobs, $120 Million in average annual sales, and $36 Million in average annual employee earnings. LCH will generate significant tax revenues for the State and the County in addition to a steady supply of physicians for the County and the State. The parcel we are currently evaluating is located in an area with an unemployment rate of 25.3% which is substantially higher than is required for TEA designation.

B. **Provide a summary of past activities in Florida and in other states.** For example, what kind of corporate citizen has the applicant been? Also list awards or commendations.
Larkin Community Hospital (LCH) is a 146 Bed Medical/Surgical Teaching hospital. LCH is one of 12 designated Statutory Teaching Hospitals in Florida and the largest teaching hospital for Osteopathic physicians in the United States, offering the largest number of training programs (offering training in 27 different specialties in total). LCH sponsors an allopathic residency program in Psychiatry. In addition, LCH also has a Nursing School (Registered Nurse Associate Degree program). LCH is the only hospital in Miami-Dade County with an Area of Critical Need designation by the Florida Board of Medicine.

Our facilities are also a National Health Services Corps (NHSC) site designated by the Health Resources and Services Administration (HRSA) of the United States Department of Health and Human Services. The NHSC Loan Repayment Program offers primary care providers the opportunity to have their student loans repaid for serving communities in need. The NHSC Scholarship Program awards scholarships each year to students pursuing careers in primary care. In return, students commit to serving for two to four years, upon graduation and completion of training.

We are academically affiliated to Jackson Memorial Hospital, Holtz Children's

who referred patients.

The second allegation was that referrals from Assisted Living Facilities (that were jointly owned by Dr. Michel and Morris Esformes) from 1998 to 1999 were in violation of the False Claims Act. They alleged that certain patients referred from these Assisted Living Facilities in 1998 and 1999 did not meet criteria for medical treatment.

Dr. Michel and Larkin Community Hospital completely denied these allegations and considered them to be completely unfounded and without merit. However, Dr. Desnick who was no longer a shareholder of Larkin Community Hospital at the time, offered to contribute $5,000,000 towards a settlement. Mr. Esformes offered to sell his 45% interest to Dr. Michel if Dr. Michel covered the remaining funds necessary to obtain a successful settlement.

To Dr. Michel this represented an opportunity to acquire 100% ownership of the hospital and a successful resolution of the investigation. He negotiated a Settlement Agreement to dismiss this case with prejudice in exchange for a payment $15,400,000 (of which Dr. Desnick would pay $5,000,000).

As part of the settlement, The Civil Division and the Department of Justice represented that they did not have any further investigations pending against the Defendants regarding Larkin Community Hospital, nor did they have any intention to pursue any investigation against of the Defendants with respect to the allegations set forth in the lawsuit from 1997 through the effective date of the Settlement Agreement (November 20th, 2006). Finally, pursuant to the settlement, Mr. Esformes relinquished his ownership in Larkin Community Hospital and Dr. Michel relinquished his ownership in any facility owned by Mr. Esformes. This served to prevent all future suspicion of improper referrals between Larkin Community Hospital and other facilities.

The hospital and Dr. Michel entered into a 5 year Integrity Agreement with the Office of the Inspector General as part of the settlement on November,2006. This agreement was satisfactory concluded this year and neither Dr. Michel nor Larkin Community Hospital have any remaining obligations pertaining to the Integrity Agreement. Both the hospital and Dr. Michel are in good standing with the Medicare program and have and exclusive agreement to provide services to the Department of Justice, Division of Immigration Customs Enforcement, to the Federal Detention Center and the Federal Correctional Institution, all located in Miami-Dade County.

D. Provide any additional information you wish to be considered as part of this incentive application or items that may provide supplementary background information on your project or company.

The passage of the Affordable Care Act (health care reform law), while setting in motion long-overdue efforts to insure an additional 32 million Americans, will increase the need for doctors and exacerbate a physician shortage driven by the rapid expansion of the number of Americans over the age of 65. The U.S. Department of Health and Human Services estimates that the physician supply will increase by only 7 percent in the next 10 years. The Census Bureau projects a 36 percent growth (15 million new patients) in the number of Americans over age 65, the very segment of the population with the greatest health care needs. By 2020 our

nation will face a serious shortage of both primary care and specialist physicians to care for an aging and growing population. According to the AAMC's Center for Workforce Studies, there will be 45,000 too few primary care physicians – and a shortage of 46,000 surgeons and medical specialists – in the next decade. Nearly one-third of all physicians will retire in the next decade just as more Americans need care. 1 in 3 active physicians is 55 or older. In much of the Sunshine State, primary care physicians – internists, pediatricians, OB/GYNs and others who work in preventative medicine – are in short supply. That supply grows shorter every day. Meanwhile, as the population continues to grow, the state is heading for a crisis. Source: http://healthystate.org/2012/01/grassroots-efforts-to-increase-floridas-crop-of-primary-care-doctors/

Miami-Dade County has the largest population over the age of 60 of all counties in Florida. This population accounted for 18.5% of the population in 2008, with 13.8% of the population of the county, or 345,734 persons, being over the age of 65. There are about 89,000 persons age 60 and older who are medically underserved. They represent 18% of the state medically underserved population.
Source: http://allianceforaging.org/pdfs/2007AreaPlan.pdf.

Currently there are 2 allopathic medical schools in Miami-Dade County: University of Miami and Florida International University. There are 2 Osteopathic Medical Schools in Florida: NSU College of Osteopathic Medicine in Davie and Lake Erie College of Osteopathic Medicine in Bradenton. The proposed Larkin Community Hospital College of Osteopathic Medicine will be the only Osteopathic Medical School in Miami-Dade County.

Larkin Community Hospital (LCH) is one of 12 designated Statutory Teaching Hospitals in Florida and the largest teaching hospital for Osteopathic physicians in the United States, offering the largest number of training programs (offering training in 27 different specialties in total). LCH sponsors an allopathic residency program in Psychiatry. We have develop a close working relationship with the American Osteopathic Association and we have been involved in the development of the first and only osteopathic residency programs in Addiction Medicine, Pain Medicine, and Forensic Psychiatry in the United States, thus making a substantial contribution to the osteopathic profession.

There is also a need for a Pharmacy and a Dental school since there are none in Miami-Dade County.

The net economic benefit of the project is an additional 1,500 jobs, $120 Million in average annual sales, and $36 Million in average annual employee earnings. Thus, LCH will generate significant tax revenues for the State and the County in addition to a steady supply of physicians for the County and the State. In addition, in Florida each new Family Medicine physician has an economic impact of $1 Million a year to the local economy. We will be graduating 150 new physicians each year. Because we are offering the post graduate residency programs locally this will influence the number of physicians who will stay and establish their practice locally as the majority of physicians stay where they complete their post graduate training.
Source:http://www.aafp.org/online/etc/medialib/aafp_org/documents/policy/state/econimpact/fla.Par.0001.File.tmp/Florida.pdf

GENERAL PROJECT OVERVIEW

7. CONFIDENTIALITY

A. You may request that your project information (including information contained in this application) be confidential per F.S. 288.075, Confidentiality of Records for a 12 month period, with an additional 12 month extension available upon request for projects still under consideration.

If you wish to request confidentiality for information contained within the General Project Overview to be held confidential pursuant to section 288.075, Florida Statutes, please submit to Enterprise Florida, Inc. a request on company letterhead and signed by an authorized company officer including the following statement:

"On behalf of (Legal Name of Applicant), please accept this letter as a request for all documents, records, reports, correspondence, conversations, applications, data and other sources of information concerning our business plans, interests, or intention to evaluate or locate in Florida as well as other trade secrets, identification, account, and registration numbers, and proprietary confidential business information be held confidential pursuant to section 288.075, Florida Statutes for a period of 12 months after the date of receipt of this request for confidentiality or until the information is otherwise disclosed, whichever occurs first."

*** Be sure to attach the proper incentive attachment sheet(s) ***

8. SIGNATURES

Application Completed By:

Signature

Date

Jack J. Michel MD
Name

President and Chairman of the Board
Title

Larkin Community Hospital
Company

7031 SW 62nd Ave
South Miami, FL 33143
Address, if different than mailing address

786-200-6510
Phone Number

305-284-7545
Fax Number

jmichel@larkinhospital.com
Email Address

Name of contact person, if different than above

Phone Number

Address

Email Address

To the best of my knowledge, the information included in this application is accurate.

Signature (Authorized Company Officer) REQUIRED

Date

Jack J. Michel MD
Name

President and Chairman of the Board
Title

Larkin Community Hospital
Company

7031 SW 62nd Ave
South Miami, FL 33143
Address, if different than mailing address

786-200-6510
Phone Number

305-284-7545
Fax Number

jmichel@larkinhospital.com
Email Address

STATE OF FLORIDA
Department of Financial Services – Chief Financial Officer
Bureau of Accounting, 200 East Gaines Street, Tallahassee, FL 32399-0354
Telephone (850) 413-5519 Fax (850) 413-5550

Substitute Form W-9

In order to comply with IRS regulations, we are requesting Taxpayer Identification information that will be used to determine whether you will receive a Form 1099 for payment(s) made to you by an agency of the State of Florida. For questions regarding this form, please use the address or telephone number provided above. In order to comply with the IRS rules, please provide us with your social security (SSN) or federal employer identification number (FEIN). This is **not** a request for state sales tax exemption.

In the event this information is not provided, or should the IRS notify us that the provided information is incorrect, all payments made to you may become subject to a 28% Backup Withholding Tax Rate. Please print clearly or type.

PART 1 – Please provide the correct Tax Identification Number (TIN), be it FEIN –**or**- SSN, and the applicable name and address **as shown on your income tax return.**

The TIN is (check one) X **FEIN** ___ **SSN**

Federal Employer Identification Number (FEIN) to be applied for - **or** -
Example 9 9 -- 9 9 9 9 9 9 9

Social Security Number (SSN) ____
Example 9 9 9 -- 9 9 -- 9 9 9 9

NAME (as shown on your income tax return) **Larkin Health Sciences University Campus**

Business name if sole proprietor _____

ADDRESS _____

CITY, STATE, ZIP _____

PART 2 - Below, **circle** one number that accurately describes the business or the individual:

1 - **CORPORATION, PROFESSIONAL ASSOCIATION OR PROFESSIONAL CORPORATION**
(A corporation formed under the laws of any state within the United States.)

2 - **NOT FOR PROFIT CORPORATION** (Section 501(c) (3) Internal Revenue Code)

3 - **PARTNERSHIP, JOINT VENTURE, ESTATE, TRUST OR MULTIPLE MEMBER LLC**

4 - **INDIVIDUAL, SOLE PROPRIETOR, SELF EMPLOYED OR SINGLE MEMBER LLC**
(Circle #4 if you are an individual that benefited from a student loan forgiveness payment)

5 - **NONCORPORATE RENTAL AGENT**

6 - **GOVERNMENTAL ENTITY** (City, County, State or U.S. Government)

7 - **FOREIGN CORPORATION OR ENTITY** (A foreign entity formed under the laws of a country other than the United States.) If YES is marked below, complete and attach Form W-8ECI.
Is income effectively connected with business in the United States? ____YES __X__NO

8 - **NONRESIDENT ALIEN** (An individual temporarily in the U. S. who is not a U.S. citizen or resident.)

Under the penalties of perjury, I certify that I have examined this request and to the best of my knowledge and belief, it is true, correct and complete.

Signature	Date	786-200-6510 Telephone Number
President and Chairman of the Board Title	jmichel@larkinhospital.com email (optional)	

Brownfield Redevelopment Bonus Tax Refund
Attachment to the General Project Overview

Larkin Health Sciences University Campus

Name of Business

FOR EFI USE ONLY		
Date Received	Date Revised	Date Completed

Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

IMPORTANT NOTE: This form should be used if a company is considering locating in a Brownfield area and the project involves a fixed capital investment of at least $2 million ($500,000 minimum if no site remediation is required), creation of at least 10 net new jobs, and there is a mixed-use component (including multiunit housing, commercial, retail, or industrial) to the overall development area. The application should be submitted **before** the decision has been made to locate in a Brownfield area.

**** *Be sure to submit the General Project Overview and Local Support Resolution[1] following passage by the City / County* * ***

1. SITE INFORMATION

A. Indicate which organizations or agencies you have contacted for assistance with this project and provide the following contact information:
For example: local economic development agency, DEP, city or county

Name: The Beacon Council **Organization:** _____
Telephone: 305.579.1300 **Email Address:** _____
Name: _____ **Organization:** _____
Telephone: _____ **Email Address:** _____

B. Is the proposed site abandoned or underutilized?

Yes ☒ No ☐ If yes, explain: The proposed site is currently in foreclosure. The developer was unable to start construction due to financial difficulties and the economic downturn.

C. Is there evidence of contamination on the proposed site?

Yes ☐ No ☒
If yes, what is DEP's involvement in the remediation process?

_____

D. Has a Brownfield Site Rehabilitation Agreement (BSRA) been contemplated or executed for the subject property?

Yes ☐ No ☒ If yes, explain: _____

E. What role is the company (applicant) playing in the clean-up process?
While there is no known contamination on the site, should contamination be discovered during the redevelopment process it will be addressed. The proposed site was designated a Brownfield site by Miami-Dade County resolution.

_____

[1] Submit the resolution adopted by the local governing body recommending the applicant be approved as a Brownfield Redevelopment Bonus Business unit and indicating the amount of local financial support that has been committed. Resolution should clearly indicate waivers requested and justification for such waivers.

Brownfield Redevelopment Bonus Tax Refund
Attachment to the General Project Overview

F. Describe how the project demonstrates the principles of site reuse:
Local South Miami hospital, Larkin Community Hospital is proposing the development of a new for-profit Health Sciences University that will include a School of Medicine, a School of Pharmacy and a School of Dentistry in Miami-Dade County. All three schools are graduate schools and will confer doctor degrees in their respective areas. Each School will train 150 new physicians per year through a 4 year program. The medical school will be the only Osteopathic Medical School in Miami-Dade County and the third in Florida, thereby creating an educational facility of great demand on a local and national level and adding a much needed option for Miami-Dade County's very well respected medical/educational industry. The parcel we are currently evaluating is located in an area with an unemployment rate of 25.3% .

G. Describe efforts to involve the community in cleanup and redevelopment of the site:
We will encourage local business in the area to work with us in regards to projects in site clearance and construction.

H. How will this project promote mixed-use development[2] in the Brownfield area:
This is an educational facility which will have a total of 600 medical students, 600 pharmacy students and 600 dentistry students and also faculty and staff. It is expected that they will need housing, and a number of other mixed use businesses normally found in University campuses (such as Banks, Restaurants).We plan to design the project so that there will be a central area located in the center of the project that will have mixed use, including restaurants, housing and other services.

2. PROJECT EMPLOYMENT AND WAGE COMMITMENTS

A. What is the total number of net new full-time equivalent Florida jobs to be created by the project at the business unit[3]? 150

B. Provide job creation schedule to which you commit: (Please limit the phases to a maximum of three consecutive years and job creation to no less than ten jobs in the first year. However, more than three phases are required, please prepare a separate attachment, including the proposed schedule and justification for phasing beyond three years.)

Phase	Number of net new full-time equivalent Florida jobs created in the business unit	Date by which jobs will be created
I	37	12/31/2015
II	45	12/31/2016
III	40	12/31/2017
IV	18	12/31/2018
V	10	12/31/2019
Total	**150**	

C. For the purposes of certification, agreement, and claim review, indicate the average wage to which you commit:

$30,000

[2] Mixed use business activities include multiunit housing, commercial, retail, and industrial development within the Brownfield area.
[3] Must be a minimum of 10 new jobs and a 10 percent increase in current business unit employment (if an existing Florida business).

Brownfield Redevelopment Bonus Tax Refund
Attachment to the General Project Overview

3. LOCAL FINANCIAL SUPPORT

A. Identify the local government(s) anticipated to provide local financial support[4]:

Miami-Dade County will provide non-financial permitting support.

B. Indicate the date the Brownfield Redevelopment Bonus support resolution is anticipated to be passed by the local government:

February 2013

4. SIGNATURES

Signature of Individual Completing this Attachment (if different from General Project Overview) — Date

Address (if different)

Phone Number (if different)

Signature (Authorized Company Officer) REQUIRED — Date

Name and Title of Authorized Officer

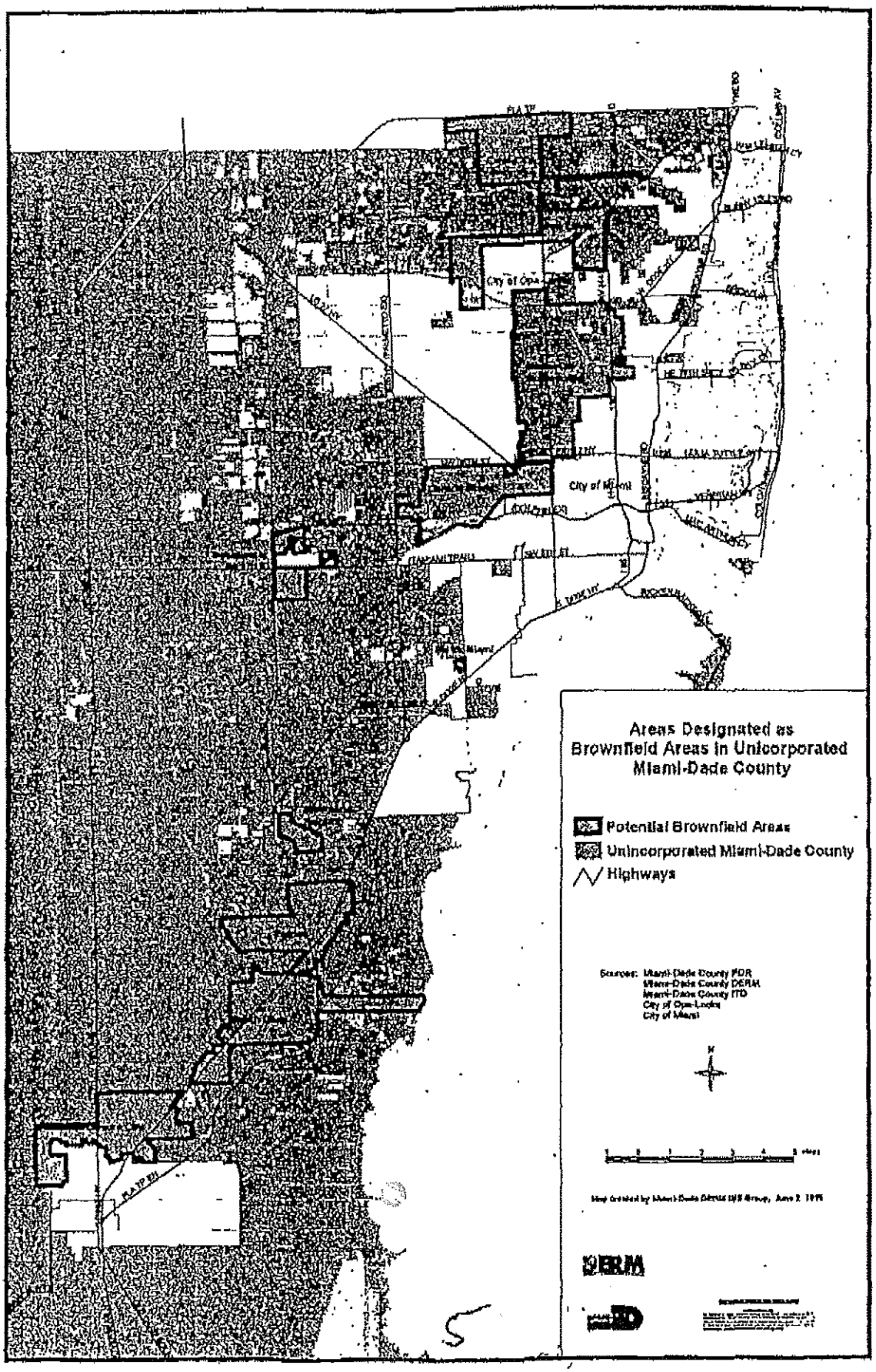
[4] The total Brownfield Redevelopment Bonus award may not exceed five times the local financial support provided by the community. If the community has requested a local financial support waiver or the support is provided in the form of ad valorem tax abatement, the Brownfield Redevelopment Bonus award will be reduced by this amount.

Brownfield Redevelopment Bonus Tax Refund
Attachment to the General Project Overview

5. KEY BROWNFIELD REDEVELOPMENT BONUS PROGRAM INFORMATION

- he tax refund claim form will be due by January 31st each year for the number of jobs on December 31st of the previous calendar year. Tax refunds paid per state fiscal year (July 1 – June 30) may not exceed 25 percent of the total tax refund award associated with the phase(s) scheduled.
- Minimum program requirements include creation of at least 10 new jobs and capital investment of at least $2 million in a development consisting of mixed-use business activities.
- Pre-approved applicants receive tax refunds of up to $2,500 per new job created.
- If in any year the company does not achieve the job creation schedule outlined in item 2B, but achieves at least 80% of the required net new jobs, the company will receive a pro-rated refund less a 5% penalty of the scheduled award amount for that year. If job creation falls below 80% of the required jobs, the company will not receive a refund and will be terminated from the program. **If job creation falls below 80% of the required jobs, the company will not receive a refund and will be terminated from the program. Similarly, if the average wage falls below the wage committed to in 1C, the company will not receive a refund and will be terminated from the program.**
- For an expanding Florida business unit:
  - Existing number of full-time equivalent jobs must be maintained for the duration of the Brownfield Redevelopment Bonus agreement.
  - The average wage commitment should include the wages paid across the expanding business unit or reporting unit for all new and existing jobs, as shown on the unit's UCT-6 form. If your project involves activities that are not representative of the expanding business unit or reporting unit and are anticipated to be substantially different from the historical range and distribution of jobs and wages paid (either higher or lower) in the existing unit, that issue should be disclosed and discussed with Enterprise Florida at the time of application to determine if separate record keeping needs to be established.
- Brownfield Bonus eligible jobs are those that are physically located within the State of Florida and located at the facility listed as the proposed location address in question 2G of the General Project Overview or subsequent Brownfield Bonus contract with the State of Florida. If any jobs will not be physically located at the proposed location address, contact Enterprise Florida to discuss the situation. Jobs that are paid out of the proposed location address facility but are not located at that facility or in the State of Florida are not considered net new jobs for Brownfield Bonus purposes.
- A business that fraudulently claims a refund under *288.107(4)(e), Florida Statutes*:
  - Is liable for repayment of the amount of the refund to the account, plus a mandatory penalty in the amount of 200 percent of the tax refund which shall be deposited into the General Revenue Fund.
  - Is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- Brownfield Redevelopment Bonus: *Section 288.107, Florida Statutes*

EXHIBIT A



Areas Designated as
Brownfield Areas in Unincorporated
Miami-Dade County
Potential Brownfield Areas
Unincorporated Miami-Dade County
Highways
City of Opa-Locka
City of Miami
DERM

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