



Tripp Umbach

▼ **The Economic Impact of the
NExT Project at the University of
Nebraska Medical Center**

*Independent Economic Impact Assessment of the NExT Project
by Tripp Umbach*

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Introduction

Leaders at the University of Nebraska Medical Center (UNMC) and Nebraska Medicine unveiled early plans in December 2019 to propel the medical center campus and the state of Nebraska to even higher levels of clinical care, education and research with the construction of new, state-of-the-art facilities, scheduled to take shape over the next decade. The public-private partnership has goals of improving the quality of life for all Nebraskans and laying the groundwork for the state's 21st-century economy. These actions will create a new future of health care, research and education for the state of Nebraska, the nation and the world.

The **NExT** project will be constructed in the northwest corner of the current medical center campus in midtown Omaha. Buildings in the complex will include one or more new towers for research, education and inpatient care, which would consolidate care in one location and dramatically improve upon older facilities.

Strategic investments by UNMC, Nebraska Medicine, the federal Government, the state of Nebraska and the private sector will allow the **NExT** project to be a hub for expanding clinical trials and enrollment, new educational technologies and to become a magnet for additional medical tourists. These new facilities will expand educational workforce development in the health professions, be the home for even more high impact research and continue the University of Nebraska Medical Center's tradition of serious medicine, extraordinary care and breakthroughs for life.

The proposed public-private partnership between the medical center, the public sector, and the private sector will lead to new opportunities to collaborate with the federal government which could expand UNMC/Nebraska Medicine's reputation in treating highly infectious diseases and national readiness and training of federal and civilian employees. Collaboration with the federal government will drive the development of new research and training programs as well as facilities to treat military and civilian federal employees in times of national or global need.

NExT

"We want the medical center to continue to be a prime mover in propelling Nebraska's economy to new heights. This project will do just that. It will strengthen our position as a leading generator of new economic growth.

We will educate even more health professionals from around the world and recruit faculty and staff who are stars who will then attract more federal funding, corporate investment and patients from around the globe.

These new facilities will expand educational workforce development in the health professions, be the home for even more cutting-edge high impact research and continue our long tradition of serious medicine and extraordinary care."

Jeffrey P. Gold, MD,
Chancellor of UNMC and UNO

UNMC/Nebraska Medicine has had an increasing role as a collaborator with federal, military and civilian agencies. The National Strategic Research Institute (NSRI) at the University of Nebraska is one of 14 University Affiliated Research Centers (UARCs) in the nation, engaged in a long-term, strategic partnership with its Department of Defense sponsor, United States Strategic Command (USSTRATCOM).

Following the Ebola crisis, UNMC/Nebraska Medicine became a co-leader of the National Ebola Training and Education Center (NETEC) and separately the home of the national Department of Health and Human Services Training, Simulation and Quarantine Center. In addition, the US Air Force designated UNMC/Nebraska Medicine as one of its four Centers for Sustainment of Trauma and Readiness Skills (C-STARS) and the only one dedicated to specialized training for Air Force medical teams managing highly infectious disease threats. The proposed **NExT** project, estimated to be completed in the range of \$2.6 billion, represents a once in a century opportunity to update facilities on the UNMC campus and to drive future economic and societal impact.

Tripp Umbach was retained by UNMC to quantify the economic, employment, tax revenue and community impacts associated with the **NExT** project throughout the state of Nebraska over the period 2020-2030. Tripp Umbach analyzed multiple economic impacts associated with project construction, operations and multiple spin-off developments stemming from research, education and clinical expansion through multiple federal partnerships and investments by UNMC and Nebraska Medicine. Tripp Umbach has a long history of measuring the economic impact of UNMC and Nebraska Medicine and followed the same methodology as in previous economic impact studies to ensure the results are comparable.

Key Findings:

- The **NExT** project will increase the total annual combined economic impact of UNMC and Nebraska Medicine by \$1.9 billion over the period 2020 through 2030¹.
- The **NExT** project will generate direct and indirect employment for 41,655 Nebraska workers over the period 2020-2030. This includes approximately 32,955 temporary construction jobs and the remaining 8,700 permanent jobs statewide.
- The **NExT** project will generate \$211.8 million in state tax revenue over the 10-year period. Additional county and local tax revenue will also be generated for communities and school districts statewide.

¹ The total economic impact of UNMC and Nebraska medicine equaled \$4.4 billion in 2018 and with the development of the NExT project, is expected to equal \$6.3 billion.

- Tripp Umbach estimates that the **NExT** project will add \$1.3 billion annually to the Nebraska economy when the project is fully operational in 2030, support 9,934 full-time high paying jobs and generate \$38.2 million in annual state tax revenue.

Economic Impact

Pre-Development / Construction

- The economic impact of pre-construction and construction will generate \$4.6 billion in total economic impact to the State of Nebraska during the planning and construction period. Pre-construction spending for infrastructure and site preparation on the UNMC campus will alone generate \$330 million in economic impact to the state of Nebraska.

Operational Expansion

- The total economic impact of additional operations associated with the **NExT** project will generate \$3.0 billion to the State of Nebraska over the period 2020-2030.

Employment Impacts

Pre-Development / Construction

- The employment impact of pre-construction and construction will support 32,867 jobs over the planning and construction period. Pre-construction spending will alone support 2,279 jobs throughout Nebraska.

Operational Expansion

- The employment impact of additional operations associated with the **NExT** project will support 8,788 jobs over the period 2020-2030.

State Tax Impacts

Pre-Development / Construction

- Construction the **NExT** project will generate \$109.3 million in state tax revenue over the 10-year period. Pre-construction spending will alone generate \$11.2 million in Nebraska tax revenue. Additional county and local tax revenue will also be generated for communities and school districts statewide.

Operational Expansion

- The economic impact of operations associated with the **NExT** project from 2020 through 2030 will generate a \$102.5 million in state tax revenue. Additional county and local tax revenue will also be generated for communities and school districts statewide.

Appendix A (optional): Development Assumptions

The table below is intended to provide an overview of how federal investment in the NEXt project along with the investment by UNMC and Nebraska Medicine will impact the Nebraska economy over the next 10 years.

Impacts	\$2.6 B total investment (Federal, UNMC and Nebraska Medicine)
Total Economic Impact on Nebraska (2020-2030)	\$7.6 billion
Total Jobs Impact on Nebraska	41,655
Total State Tax Revenue (2020-2030)	\$211.8 million

Tripp Umbach Assumptions:

- Economic impact findings outlined in this report are based on a total investment of \$2.6 billion over a 10-year period (2020-2030). Estimates are based on federal, state, private, and institutional investments over the period in planning, design, demolition, infrastructure, utilities, new construction, equipment, technology.
- Tripp Umbach assumes that operational spending at UNMC and Nebraska Medicine will increase by 15% over current levels due to the NEXt project, specifically to support expanded federal programs, higher patient volumes and acuity, and increase patient and visitor spending from out of state travelers.
- Tripp Umbach used IMPLAN to develop Economic impact findings outlined in this report, including direct impacts from the construction-related spending outlined above PLUS all indirect and induced impacts from the expansion of operations of UNMC and Nebraska Medicine impacts related to increased patients, visitors, research, education, and commercial spin-offs.

Appendix B: Statement of Consultant Qualifications

Tripp Umbach is the national leader in conducting economic impact studies, consultation, and communication services for a wide variety of clients including non-profit organizations, leading corporations, colleges/universities, hospitals, medical schools, academic medical centers, industry associations, and tourist destinations. Tripp Umbach has provided consultation and economic impact analysis services to more than 500 clients in all regions of the United States since 1990.

Tripp Umbach has completed many notable economic impact studies including:

- Planning and impact analysis studies with the University of Nebraska Medical Center in 2014, the University of Nebraska system in 2016 and currently in 2019, as well as the University of Nebraska Medical Center iEXCEL program in 2015. Tripp Umbach has also completed a recent study of the economic impact of Tobacco Settlement funding for UNMC and other academic medicine-related institutions in Nebraska.
- Leading academic institutions, such as The Pennsylvania State University, University of Michigan, University of Iowa, The University of Pittsburgh, University of Illinois, University of Washington, University of Minnesota, Indiana University, University of Missouri and the University of Virginia.
- National studies measuring the economic impact of all 130 medical schools and more than 400 teaching hospitals for the Association of American Medical Colleges (AAMC) and individual studies for 50 of the top 100 academic medical centers ranked by U.S. News & World Report.