



3773 Cherry Creek North Drive
Suite 850
Denver, Colorado 80209-3868
303.321.2547 fax 303.399.0448
www.bbcresearch.com
bbc@bbcresearch.com

July 6, 2009

Mr. Stan Zemler
Town Manager
Town of Vail
75 S. Frontage Road
Vail, Colorado 81657

Re: Vail Valley Medical Center Economic Impact Analysis

Dear Stan,

In January 2009, the town of Vail, Colorado, with the cooperation of the Vail Valley Medical Center (VVMC), retained BBC Research & Consulting (BBC) to analyze and document the economic impact of Vail Valley Medical Center operations on the Vail community. This report was prepared for use by the Vail Town Council as they consider the effects of the potential redevelopment or market repositioning of the VVMC facility.

Background

The Vail Valley Medical Center is a private, not-for-profit organization offering general health care services for a resident population of over 50,000 persons as well as visitors and part-time residents in a 6 county area centered around Vail, Colorado. Since its inception in 1962, situated in the back of a local restaurant, VVMC has grown to a 58-licensed bed facility, providing medical care for over 4,000 admitted or observation patients and over 30,000 emergency room and outpatient clinic patients per year.

VVMC supports, and is supported by, a web of affiliated locations and organizations, including:

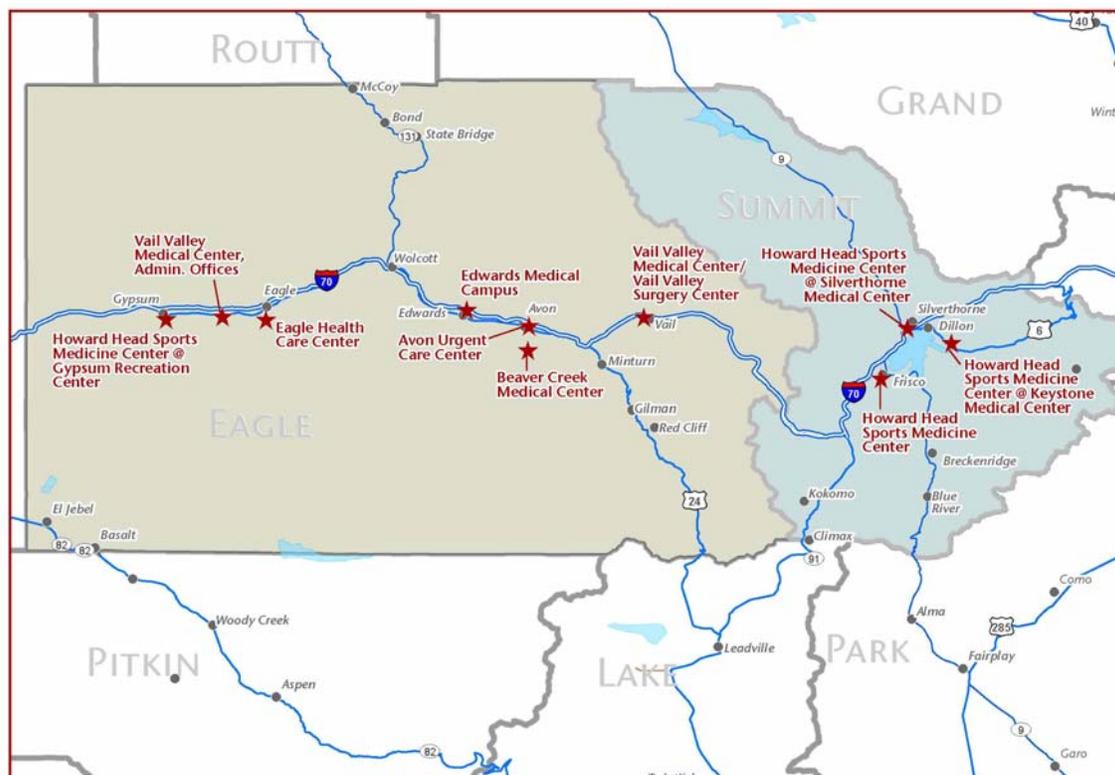
- Vail Valley Surgery Center
- Avon Urgent Care Center
- Beaver Creek Medical Center
- Edwards Medical Campus, including:
 - Shaw Regional Cancer Center
 - Sonnenalp Breast Center
 - Jack's Place
 - Eagle Care Clinic
- Eagle Healthcare Center
- Vail Valley Home Health & Mountain Hospice
- Vail Valley Women's and Children's Center
- Affiliated physician groups, including:
 - Steadman Hawkins
 - Howard Head Sports Medicine
 - Vail-Summit Orthopedics
 - Mountain Surgical Associates
 - Colorado Mountain Medical Group
 - Northstar Urology
 - Vail Anesthesiology
 - Avanti Cardiology

VVMC has gained special recognition in orthopedics and sports medicine by its affiliation with the Vail-Summit Orthopedics and Sports Medicine Group, the Steadman Hawkins Clinic and six Howard Head Sports Medicine Centers that offer specialized services in orthopedic rehabilitation.

A map of Vail Valley Medical Center's properties and locations are shown below in Exhibit 1.

Exhibit 1.

Map of Vail Valley Medical Center – Properties and Locations



The Vail Valley Medical Center facility is the only full service hospital in the VVMC collection of facilities.

Study Objectives

Regional hospitals and affiliated services can be important contributors to a community's economic base as a result of a variety of functions:

- Hospitals serve overnight, emergency and scheduled patients. Patients and family members may stay temporarily in the community in association with medical care, with related spending on lodging, food, retail and local services.
- Hospitals provide full-time, part-time and seasonal jobs for town residents, and the community receives some benefits from spending by persons who work at the hospital but live elsewhere in the area.

- Hospitals often utilize local businesses and contractors for various services and supplies;
- The availability of well-regarded local health care services supports the second home community, which tends to place high value on convenient medical services. In the same manner, the availability of a local health care services support ski area and summer visitation in situations where emergency services are required.
- In resort communities, hospital operations can help diversify and balance an otherwise highly seasonal economy, and the regional hospital facility reinforces the perception of Vail as a regional center.

Over the past several decades, VVMC's service area has expanded and a growing share of VVMC business is generated outside of the town of Vail. Over the same period, Eagle County's resident population has migrated further down valley reinforcing a need for medical services elsewhere in the Vail Valley. In FY 2008, over half of all VVMC outpatient visits occurred at VVMC facilities outside the town of Vail.

Operating a large facility in a physically constrained area such as Vail, with housing, parking and weather limitations, is challenging. The VVMC Board has discussed transferring some health care services to other locations in the Vail Valley and potentially creating opportunity for other functions at the present VVMC Vail facility.

The objective of this study is to provide a better understanding of how VVMC functions within the Vail economy as a basis for community discussions about VVMC's role in the Vail community and the institution's long-term development and operational plans.

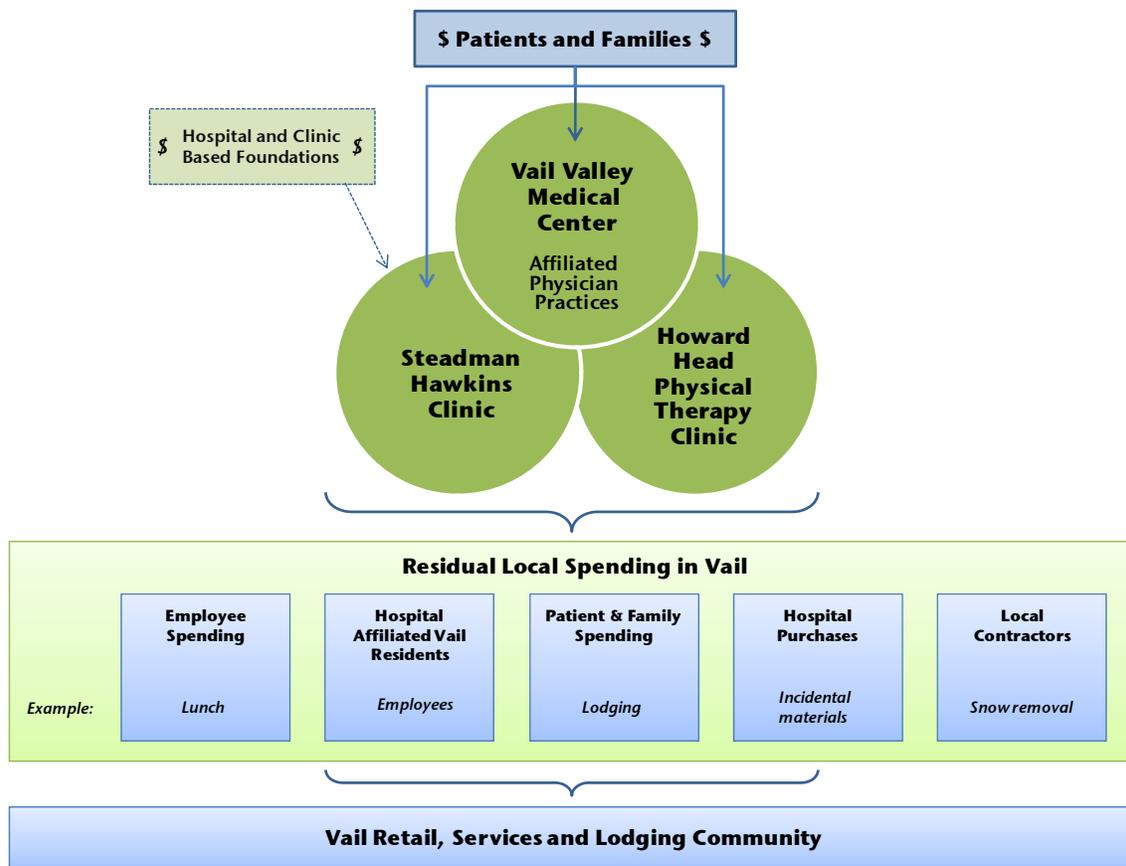
Economic Impact Model

The Vail Valley Medical Center is the core of an inter-dependent network of affiliated health care services, which include affiliated physician practices, specialized service providers (e.g. private imaging services) and two notable private clinics.

Exhibit 2 on the following page diagrams the manner in which patient and insurance dollars enter the VVMC hospital system and eventually contribute to local spending and the broader Vail economy.

**Exhibit 2.
VVMC Economic Impact Model**

Vail Valley Medical Center Economic Impact on the Town of Vail



Source: BBC Research & Consulting, 2009.

Hospital operations are paid for by fees for services and insurance reimbursements, along with a relatively small amount of grant and gift revenue from health care affiliated foundations. Howard Head Sports Medicine Center and the Steadman Hawkins Clinic are two of the most prominent VVMC affiliated institutions, but there are a number of other medical practices that also draw patients to Vail and participate in VVMC operations.

A patient associated with VVMC or its affiliated institutions will not only generate immediate service fees and charges but may return for follow-up treatment at VVMC or the Howard Head Physical Therapy Center. Additionally, VVMC patients, along with their spouses or families, may stay in the Vail area for multiple days in association with their treatment and spend dollars at local lodging, retail stores and restaurants.

Economic Impacts of VVMC

From a community perspective, the direct economic impacts of the Vail Valley Medical Center are those new dollars brought into the Vail community as a result of VVMC operations and the affiliated network of health care providers. As noted in prior Exhibit 2, virtually all VVMC dollars originate as patient payments, although the VVMC Foundation also receives personal and corporate donations that support local operations. Within VVMC, patient and insurer expenditures support employee salaries and hospital functions as well as capital investment and facility renovation.

Patients. In FY 2008, the Vail Valley Medical Center and its affiliated care centers in the region treated nearly 31,000 patients on an outpatient basis and nearly 4,000 patients as inpatients.¹ Approximately 16,000 patients engaged the VVMC facility in Vail at some point in their medical care. VVMC's relationship with Steadman Hawkins complicates this characterization of patient care volume because Steadman Hawkins generates some of its own patients, many of whom have no interaction with VVMC, while others also use VVMC services for portions of their health care needs.

Net Revenue. After allowances for bad debt and contractual write-offs, VVMC collected approximately \$162 million in revenue from patients and insurers.

Employment. The Vail Valley Medical Center employs approximately 600 regular² employees and 100 seasonal³ employees. In FY 2008, VVMC paid \$59 million in salaries and benefits. VVMC also offers employee housing to qualifying seasonal employees; approximately 43 leased housing units accommodate employees in Vail, Minturn, Edwards, and Avon. Excluding benefits, VVMC estimates overall average employee salary is \$66,000. Exhibit 3 below shows total employment data by work location and residence location.

Exhibit 3. VVMC Employment by Residency and Work Location

Vail Valley Medical Center	Regular Employees	Seasonal Employees
Work in Vail	437	91
Work at non-Vail location	<u>176</u>	<u>24</u>
Total Employees	613	115
Total who live in Vail	137	24
Total who work in Vail but don't live in Vail	300	67

Source:
VVMC, BBC Research & Consulting.

As shown above, approximately 137 regular and 24 seasonal employees reside in the town of Vail. Assuming that Vail resident employees mirror the distribution of average salaries at VVMC, this suggests nearly \$10 million in resident income⁴.

¹ Inpatients are persons spending the night and these figures include approximately 1,000 observation patients.

² Regular employees are defined as year round, full-time or part-time employees.

³ Seasonal employees are defined as pool, traveler, or seasonal employees.

⁴ For this calculation, average annual salary data is halved for seasonal employees, assuming a 6-month contract period.

Typically, about 30-35 percent of family income is spent on retail goods. In Vail, because of limited local shopping opportunities and considerable nearby competition, this capture rate is likely to be lower than national averages. Assuming 15 percent of resident family income is spent on retail goods in Vail, VVMC resident employees will spend about \$1.5 million annually within Vail.

Employee purchases. Vail retail establishments also benefit from non-resident VVMC employee spending. Even employees who do not live in Vail will make occasional local purchase for meals, groceries and incidental retail goods.

As shown in prior Exhibit 3, 300 regular and 67 seasonal employees are employed at VVMC's Vail facilities, but do not live in the community. Assuming each regular and seasonal employee spends approximately \$20 per week on food and incidentals, VVMC employees will generate \$322,800 in town of Vail retail spending. This calculation is shown in Exhibit 4:

**Exhibit 4.
Non-Vail Resident VVMC
Employee Purchases**

Description	Regular Employees	Seasonal Employees
Number of weeks at work	50	20
<i>(times)</i> Avg. purchases per week	<u>\$20</u>	<u>\$20</u>
<i>(equals)</i> Annual purchases per employee	\$1,000	\$400
<i>(times)</i> Number of Employees	<u>300</u>	<u>67</u>
<i>(equals)</i> Annual Purchases	\$300,000	\$26,800

Medical center purchases. The Vail Valley Medical Center purchases supplies and inventories, hospital-related services, and capital equipment each year. In FY 2008, total purchases for services and supplies totaled nearly \$80 million. However, the economic impact for the town of Vail is only those purchases made through Vail companies, which in turn may re-circulate through the Vail economy. According to VVMC records, as much as \$5.0 million dollars per year is directly paid to Vail companies, although review by BBC suggests that many of these entities simply hold Vail post office boxes or maintain Vail business licenses without a large Vail presence. Based on our discussions with VVMC representatives, we estimate that roughly one percent (\$800,000) of VVMC's purchased services and supply expenditures are spent within the Vail community.

Patient and family community spending. In the same manner that the Vail Ski Area attracts destination, day and local-resident skiers, VVMC draws destination, day and local-resident patients. Some VVMC patients stay for a very short visit, perhaps a simple consultation, while others stay for many days or even weeks and return for multiple follow-up treatments. This latter category is a major source of revenue for town businesses and for local government.

The town of Vail supports seasonal populations of transient guests and second homeowners that far exceed the town's small resident population. The presence of a high quality medical center offers guests the security and convenience of obtaining emergency medical care in town, and when required remaining in Vail for their medical care needs, rather than returning to their home cities. Often visitors using medical services will be accompanied by family or friends who require local food and lodging during the patient's stay.

In addition to extended stays associated with medical care, certain physicians and group practices affiliated with VVMC offer highly regarded services and attract “destination patients” who travel to Vail specifically for their medical needs. These patients can require multiple visits for diagnosis, surgery and rehabilitation, and sometimes will be accompanied by family or friends, resulting in spending on Vail area lodging, retail, and food services. The Steadman Hawkins Clinic in particular has had success in attracting destination patients and those patients, particularly surgical patients, may receive a portion of their care through VVMC operations. The following analysis captures the hospital associated economic activity generated when Steadman Hawkins patients proceed with surgery, but does not fully account for the potentially significant impact of Steadman Hawkins patients’ pre- and post-op surgical visits and affiliated local expenditures.

Visitor days – inpatient activity. In FY 2008, Vail Valley Medical Center provided inpatient (overnight stay) hospital services to nearly 4,000 patients. Surgical patients made up approximately one quarter of VVMC’s inpatient utilization.

BBC analyzed residence data from inpatient surgical records to determine patient geographic distribution. Patients from the five counties surrounding Vail Valley Medical Center, including Eagle, Summit, Pitkin, Lake, and Park, were defined as “local” patients. These patients were assumed to have little or no economic impact on Vail, since the patient and any accompanying family or friends would likely return home after receiving medical services. Approximately half of all inpatients were determined to be “local.”

Patients from outside the five county area but within the State of Colorado were deemed “Other Colorado” patients. In these cases, a family member or friend is assumed to accompany the patient, thereby generating visitor days equal to the number of days an average inpatient spends at the facility, or 2.7 days.

Finally, visitation behavior data for patients from outside the state or outside the country were examined. A higher accompaniment rate was assumed for these patients, based on the greater likelihood that the patient would bring additional family members or friends. Also, the number of visitor days generated was based on the average inpatient length of stay plus one day, assuming that the patient and family/friends would either arrive a day prior to checking in to the hospital, or stay an additional day prior to traveling to their home state or country.

Exhibit 5 illustrates the generation of family and friends visitor days from inpatient hospital utilization.

**Exhibit 5.
VVMC Inpatient
Utilization &
Annual Visitor Days**

Note:

Distribution of patients by location was based on an analysis of all inpatient surgeries performed at VVMC in FY 2008. Non-surgical inpatients were assumed to have the same distribution of patient locations.

Source:

VVMC Inpatient Surgery by patient zip code, FY 2008 VVMC Utilization Statistics, BBC Research & Consulting.

	Local Colorado Patients	Other Colorado Patients	Out-of-State/Out-of-Country Patients	
Inpatient Discharges	3,270			
Total Inpatients:	1,595	940	735	
<i>(multiplied by)</i>	X	X	X	
Patient Accompaniment Rate:	0.0	1.0	1.35	
Family/Friends with patient:	0	940	992	
<i>(multiplied by)</i>	X	X	X	
Length of Stay (days):	2.7	2.7	3.7	
Family/friends Visitor Days:	0	2,538	3,670	= 6,208

As can be seen above, the prevalence of out-of-town patients at Vail Valley Medical Center generates approximately 6,200 visitor days annually.

Visitor days – outpatient surgeries. Based on 4,700 outpatient surgeries performed at the Vail Valley Medical Center or Vail Valley Surgery Center, and the same residential location assumptions described above for inpatients, Exhibit 6 below calculates visitor days generated as a result of outpatient surgeries. In most metropolitan areas, outpatient surgeries would not generate many new out of hospital visitor days, but VVMC completes a high percentage of orthopedic surgeries, which generally require some post-op recuperation. VVMC, in part because of its association with Steadman Hawkins, and in part because of its tourism orientation, attracts a very high percentage of out-of-state patients who are more likely to recuperate locally before returning home.

**Exhibit 6.
VVMC Outpatient
Surgeries & Annual
Visitor Days**

Note:

Distribution of patients by location was based on an analysis of all outpatient surgeries performed at VVMC in FY 2008. Outpatient surgeries performed at VVSC were assumed to have the same distribution of patient locations.

Source:

BBC Research & Consulting.

	Local Colorado Patients	Other Colorado Patients	Out-of-State/Out-of-Country Patients	
Outpatient Surgeries¹	4,700			
Total Patients:	2,632	987	1,081	
<i>(multiplied by)</i>	X	X	X	
Patient Accompaniment Rate:	0.0	0.75	1.0	
Family/Friends with patient:	0	740	1,081	
<i>(multiplied by)</i>	X	X	X	
Length of Stay (days):	0.0	1.0	2.0	
Family/Friends Visitor Days:	0	740	2,162	= 2,902

1. Includes all outpatient surgeries performed at VVMC and VVSC.

The accompaniment rate for non-local Colorado patients is .75, recognizing that in some cases the patient and family member or friend may choose to return home the same day as the outpatient surgery is performed. Similarly, out-of-state and out-of-country patients may choose to bring along fewer family members or friends and stay in the community for a more limited period of time, as compared to patients that require inpatient stays.

Based on these assumptions, outpatient surgeries performed at VVMC or VVSC generate nearly 3,000 visitor days per year.

Lodging, restaurant, and retail spending. Affiliated overnight lodging and retail and restaurant spending can be calculated based on the sum of inpatient and outpatient generated visitor days calculated in Exhibits 5 and 6. A small portion of these visitors is assumed to stay with friends or in private homes, or outside the town of Vail. Estimated lodging expenditures are calculated in Exhibit 7.

Exhibit 7. Lodging Expenditures based on Visitor Days

Note:
Calculation of visitor days includes accompaniment rates between .75 and 1.35. Persons per room is assumed to average one person.

Source:
BBC Research & Consulting.

Description	Family/Friends Accompaniment
Total Number of Visitor Days	9,110
(times) Percent of Visitors commercially lodged	90%
(times) Lodging costs per night	<u>\$250</u>
(equals) Lodging expenditures	\$2,049,750

The \$2.0 million in family and friends lodging supports hospitality employment and personal income, and generates lodging tax revenue for the town of Vail.

In addition to lodging, visitors to Vail will likely dine and purchase retail goods during their stay. Exhibit 8 below details expected retail and restaurant contributions to the town of Vail economy.

Exhibit 8. Retail & Restaurant Expenditures based on Visitor Days

Source:
BBC Research & Consulting.

Description	Family/Friends Accompaniment
Total Number of Visitor Days	9,110
(times) Average retail and restaurant spending per day in Vail	<u>\$100</u>
(equals) Family and Friends spending	\$911,000

In total, family and friends accompanying patients are estimated to contribute over \$900,000 each year to the Vail retail and restaurant economy.

Vail Tax Impacts

Vail Valley Medical Center is a not-for-profit corporation; as such, tax revenue generation directly from VVMC is very limited. A very modest amount of property and sales tax is paid directly from VVMC related to their Vail physician office building and cafeteria sales. However, the many economic impacts discussed previously in this section have a measurable impact on sales and lodging tax generation for the town of Vail.

Property taxes. Vail Valley Medical Center owns two separate parcels of land in the town of Vail. The first parcel is nearly 4 acres, valued by Eagle County at \$36.3 million, and contains the VVMC inpatient hospital. This parcel is 100 percent tax exempt and therefore generates no property taxes. The second parcel owned by VVMC is one half an acre, valued at \$6.2 million, and holds a professional services building. This property is not tax exempt and in 2008 generated \$83,000 in town property taxes

Vail Valley Medical Center also owns several other parcels of land outside the town of Vail, all of which are tax exempt.

Lodging tax. The town of Vail charges a lodging tax of 1.4 percent on all short term lodging accommodations. Based on the lodging expenditures estimated in Exhibit 7 above, Vail would collect and additional \$29,000 annually on VVMC patients, family and friends' lodging requirements.

Sales tax. The town of Vail charges a 4 percent sales tax on all retail purchases. Exhibit 9 below shows estimated sales tax collections from VVMC cafeteria sales and from VVMC economic impacts.

Exhibit 9. Sales Tax Revenue

Source:
BBC Research & Consulting.

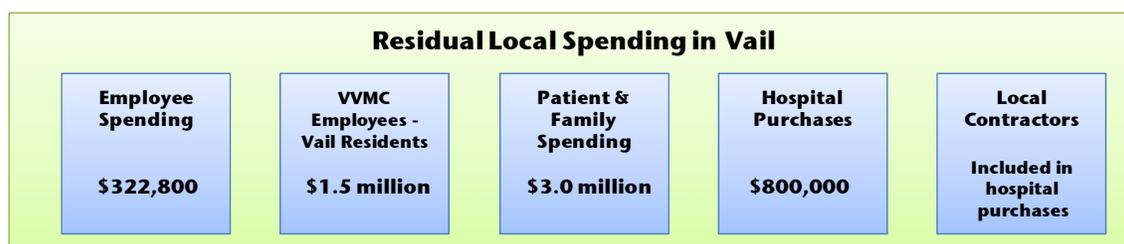
Type of Sales	Taxable Sales
VVMC Cafeteria	\$172,387
Employee Purchases	\$322,800
VVMC Employee Resident Purchases	\$1,500,000
Medical Center Purchases	\$800,000
Lodging	\$2,049,750
Patient Family/Friend Purchases	<u>\$911,000</u>
Total Taxable Sales	\$5,755,937
Town of Vail Sales Tax Rate	× <u>4%</u>
Total Sales Taxes	\$230,237

As can be seen in Exhibit 9, Vail Valley Medical Center economic impacts generate an estimated \$5.8 million in annual purchases and \$230,000 in sales tax revenue.

Summary of Economic Impacts

The economic impact of VVMC is principally the annual amount of spending by employees, patients and the hospital corporation within the town of Vail. The largest category of VVMC associated spending involves lodging, retail and restaurant sales associated with patients, family and friends staying in the community in association with medical care. The full array of VVMC associated spending in Vail is summarized in Exhibit 10:

Exhibit 10. Summary of VVMC Economic Impacts on the Town of Vail



Source: BBC Research & Consulting.

In total, VVMC supports approximately 160 town resident employees and generates about \$5.8 million of annual local spending. The majority of this economic infusion comes from local by families accompanying a hospital patient or by patients staying overnight locally for pre or post surgical recuperation.

Other Economic Impacts

The most significant value of the Vail Valley Medical Center to the town of Vail may be in intangible benefits that are not fully captured in a standard economic impact analysis.

Steadman Hawkins Clinic and Howard Head Clinic. The Steadman Hawkins Clinic is a separately owned and operated entity that shares some operational facilities and patients with VVMC. Patients using only Steadman Hawkins physicians and services are not included in this VVMC analysis but because of some shared services, it is not possible to entirely separate institutional accounts. Operations of the Howard Head Physical Therapy Center presents similar challenges in that Howard Head patients may originate at either Steadman Hawkins or VVMC, or independently. Further, the Howard Head Clinic is wholly owned by VVMC and there is considerable patient integration between the five Howard Head locations, such that some patients may originate at the VVMC Vail facility, but eventually receive their therapy at Howard Head facilities elsewhere in the region.

The Steadman Hawkins Clinic is internationally recognized for orthopedic care and generates a large destination market. Many patients use Steadman Hawkins Clinic services by admittance through the VVMC emergency center while Steadman Hawkins clinic physicians are on call. Other Steadman Hawkins patients seek out the clinic's orthopedic services because of the practice's reputation. Although the Steadman Hawkins Clinic may attract destination patients into the local health care system, the Vail Valley Medical Center, the Howard Head Physical Therapy Center and other local health service providers, may also be part of the patient's service provision network.

Virtually all surgery cases and the majority of non-surgical cases generated by the Steadman Hawkins Clinic also utilize the Howard Head Physical Therapy Center. The Howard Head Center also serves patients who are not affiliated with either Steadman Hawkins or VVMC. In 2004, Steadman Hawkins reported that approximately 77 percent of Steadman Hawkins patients had at least one session at the Howard Head Center. Many surgical patients will have multiple visits, with some patients returning many times over the course of years for extensive follow-up support.

The Steadman Hawkins Foundation is funded through public donations, corporate sponsors, grants and special events and provides clinical research, biomechanics, information technologies, a Fellowship program, and education seminars. Foundation spending supports professional research and an administrative support staff of 20 persons—all located at the Vail Valley Medical Center. These impacts are not included in the analysis of VVMC economic effects but the ongoing affiliation—just like the Steadman Hawkins Clinic—should be acknowledged.

In sum, VVMC, the Steadman Hawkins Clinic and the Howard Head Clinic have a mutually beneficial and synergistic business relationship. A change in operational status of any of these three entities would affect the financial well being of the others and this institutional co-dependence should be considered when evaluating community effects of operational changes at VVMC.

Support of second home market. In recent years, the Vail community has matured to include many second homeowners and retirees who spend all or part of the year in Vail. The presence of a full service hospital and affiliated clinics undoubtedly provides support to this important segment of the local economy and allows second homeowners to remain a part of the Vail community for an extended period. This same effect very likely carries over to support real estate and home values and to give Vail a competitive advantage over other similar communities. Although difficult to quantify, loss of full service medical care would undermine this competitive advantage.

Support of Vail Resorts. A large share of VVMC patients are admitted through ski patrol as a result of Vail Mountain or Beaver Creek accidents. Although medical services are unlikely to be a factor in a visitor's resort choice decision, many guests have benefited from the hospital's close proximity and extended range of services.

Charity care. In FY 2008, Vail Valley Medical Center provided nearly \$4 million in unreimbursed charity care services. It is reasonable to assume that a large share of this charity care was provided to low-income support services workers in Vail and the surrounding resort communities. Delivering high quality medical care to this population undoubtedly helps to create a sustainable support services employment base in the area, which is to the benefit of the town and its employers.

Conclusions

As a rule, hospital operations can bring broad economic benefit to a host community, primarily by the acquisition of local goods and services, the attraction health care associated visitors and services, and by providing well-paid employment for local residents.

The Vail Valley Medical Center is part of a large network of integrated medical service providers. VVMC attended to nearly 40,000 patients in 2008 of which approximately 16,000 used the Vail hospital facilities.

VVMC patient characteristics are varied. Some patients arrive for a medical consultation and leave immediately thereafter with very little impact on the town; others have chronic conditions that require multiple visits. Some patients are local residents, who are attracted by high quality, convenient services; others are non-local visitors who may arrive with family or friends and stay for multiple nights in association with surgery or consultations. This later category of “destination” patients, who generate sales in lodging, restaurants and retail, is the most important category in terms of Vail economic development conditions. Hospital generated offsite sales from recuperating patients and associated visitors represent about \$3.0 million in annual sales.

VVMC operates on an annual budget of over \$150 million, but very little of those funds remain in the community because the town has very few businesses that have direct economic ties with VVMC. Including seasonal employees, VVMC employs over 500 persons at the Vail facility and about 161 live in the community. The direct impact of VVMC spending for all reasonably attributable retail activity is about \$2.8 million annually. The combination of VVMC associated visitor spending, VVMC employee spending and VVMC business to business sales is about \$5.8 million annually.

VVMC brings other benefits to the Vail besides direct economic stimulation. Second homeowners and guests have access to high quality medical services, which is an unusual attribute for a small, relatively isolated community and provides some competitive market advantage. The proximity of emergency services is also a highly valued guest amenity and VVMC’s operations help counter the town’s strong seasonality.

Finally, it should be noted that VVMC helps support the Steadman Hawkins Clinic and the Howard Head Clinic, the benefits of which are not fully captured in this analysis. Steadman Hawkins in particular is very successful in attracting destination patients who are likely to stay in the area for multiple days and produce significant economic benefits.

I hope this analysis is helpful in your considerations of how best to manage VVMC’s operations in the town. I look forward to further discussions with staff and council.

Sincerely,

A handwritten signature in black ink that reads "Ford C. Frick". The signature is written in a cursive, flowing style with a large initial "F".

Ford C. Frick
Managing Director