

LEGISLATIVE FACT SHEET

DATE : October 16, 2011

BT or RC NUMBER: _____
(Administration Bills)

SPONSOR (Department/Division/Agency/ Council Member): JEDC

PURPOSE/ SUMMARY: First Coast Service Options (First Coast) is a Florida corporation headquartered in Jacksonville located at 532 Riverside Avenue within Jacksonville's Enterprise Zone, Brownfield Redevelopment area are proposing to expand their corporate headquarters to grow their Medicare Administrative Contractor (MAC) business. The company currently employs 1,080 full-time employees of which 1,018 are located within the corporate office. First Coast is competing for the federal contract to expand their Medicare Contracting business to add the states of Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma and Texas. Availability of the Qualified Target Industry Tax Refund proposed will enable First Coast to lower the payroll and operating costs and increase their competitiveness in bidding on this Medicare Administrative Contract. Award of this contract will result in the creation of 395 new, full-time jobs to the local market with an average wage of \$46,859, plus benefits totaling \$15,000 generating an annual payroll of approximately \$24.4 million. The average annual wage proposed is more than 118 percent of the state average wage (\$39,856) and qualifies First Coast for participation in the QTI Program. The types of jobs created include the following: customer service/claims representatives, operations analysts, auditors, administrative support staff and technical analysts. First Coast anticipates all 395 jobs will be created in 2012. The expansion will require the investment of approximately \$1,900,000 for machinery, equipment, furniture, fixtures and IT infrastructure within their 532 Riverside Avenue headquarters location in Jacksonville's Enterprise Zone, Brownfield Redevelopment area.

Because the QTI eligible jobs are being created in the Enterprise Zone (\$6,000) and Brownfield Designated Area (\$2,500) and pay an average wage of not less than 115% of the State of Florida Average (\$39,856) wage the project meets the requirements for a tax refund of \$8,500 per job under the State of Florida QTI Program. The total QTI award proposed is \$3,357,500. The City portion of the QTI is 20% of the award up to \$671,500. The State of Florida funded portion is 80% or up to \$2,686,000. In order for this expansion project to be competitive necessitates approval by the City and Florida Department of Economic Opportunity the recommended financial incentives. This project will strengthen two state and local high-impact target industry sectors, headquarters, and financial services.

No BT is required at this time as funding will be requested in the appropriate budget cycle.

APPROPRIATION: Total Amount Appropriated: \$ NA as follows:

(Name of Fund as it will appear in title of legislation) _____

Name of Federal Funding Source: _____	Amount: \$ _____
Name of State Funding Source: _____	Amount: \$ _____
Name of City of Jax. Funding Source: _____	Amount: \$ _____
Name of In-Kind Contribution: _____	Amount: \$ _____
Name of Bond Acct: _____	Amount: \$ _____
Bond Acct. Number: _____	

IMPACT- FINANCIAL/ OTHER: In addition to higher wage job creation resulting in an annual payroll of \$24.4 million including benefits and estimated ad valorem taxes from private capital investment of \$1.9 million. First Coast Service Options, Inc. is a Jacksonville headquartered financial services company employing over 1,000 persons. The company is a wholly-owned subsidiary of Blue Cross and Blue Shield of Florida, Inc. (BCBSF). Note: This economic development project requires a waiver of the \$10

million private capital investment provision of the 2006 City of Jacksonville Public Investment Policy for Enterprise Zone/Brownfield Redevelopment Area projects. First Coast is committed to hiring no less than 10% (40) of the new employees from Jacksonville's Enterprise Zone and Brownfield Area.

ACTION ITEMS:

Emergency?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Justification:	
Federal or State Mandates.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Fiscal Year Carryover?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
CIP Amendment?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Attach CIP form)	
Contract/ Agreement (C/A) Approval.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	(Attach a copy only)	
C/A Negotiations On-going?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Oversight Department Required?.....	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	Name of Dept.	JEDC
Related RC/BT?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Attach a copy)	
Waiver of Code?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Identify Code Provision)	
Code Exception?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Identify Code Provision)	
Continuation of Grant?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
Surplus Property Certification?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	(Attach a copy)	
Related Enacted Ordinances?.....	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Ordinance # of previous Ordinance	
Report Required to City Council/ Council Auditors	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date	Frequency

ADMINISTRATIVE TRANSMITTAL

To: MBRC, c/o Roselyn Chall, Budget Division, Suite 325

Cc: Chris Hand, Chief of Staff, Office of Mayor
Heath Beach, Assistant Budget Officer, Budget Division

From: Paul Crawford , Deputy Executive Director, JEDC
(Name, Job Title, Department)
Phone: 630-7063 Fax: 630-2919 E-mail PaulC@coj.net

Contact person: Joe Whitaker, Business Retention and Recruitment Coordinator, JEDC
(Name, Job Title, Department)
Phone: 630-1624 Fax: 630-2919 E-mail josephw@coj.net

**COUNCIL MEMBER/ INDEPENDENT AGENCY/ CONSTITUTIONAL
OFFICER TRANSMITTAL**

To: Steve Rohan (630-1672) or Peggy Sidman (630-4647), Office of General Counsel
Suite 480, City Hall at St. James

From: _____
(Name, Job Title, Department)
Phone: _____ Fax: _____ E-mail _____

Contact person: _____
(Name, Job Title, Department)
Phone: _____ Fax: _____ E-mail _____

Legislation from Independent Agencies requires a resolution from the Independent Agency Board approving the legislation.

FACT SHEET IS REQUIRED BEFORE LEGISLATION IS INTRODUCED

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