

LEGISLATIVE FACT SHEET

DATE : May 9, 2012

BT or RC NUMBER: _____
(Administration Bills)

SPONSOR (Department/Division/Agency/ Council Member): Mayor's Office

PURPOSE/ SUMMARY: Novitas Solutions, Inc., (Novitas) is a Pennsylvania corporation headquartered in Camp Hill, PA., and a subsidiary of Blue Cross Blue Shield of Florida, Inc. They have proposed to locate a business unit in Jacksonville to provide management consultant services and serve as Medicare Administrative Contractor (MAC) for Medicare beneficiaries and assorted health care providers. Recently, Novitas was awarded a contract to perform administrative services for Medicare beneficiaries in the states of Arkansas, Colorado, Louisiana, Mississippi, New Mexico, Oklahoma and Texas. Novitas proposes to create up to 250 new full-time economic based jobs to perform the administrative services for the Medicare beneficiaries for the multi-state MAC contract. The average wage of the jobs to be created is \$45,834 equal to 115% of the 2011 State of Florida average wage. Additionally, Novitas estimates it would have to invest \$1.0 million in machinery, equipment, IT, furniture and fixtures to support the new employees. Novitas proposes to lease office space at 532 Riverside Avenue within Jacksonville's Enterprise Zone and designated Brownfield Redevelopment Area to accommodate the 250 new employees. Novitas proposes to lease office space within the existing Blue Cross Blue Shield building located at 532 Riverside Avenue, Jacksonville, Florida.

Because the jobs being proposed are within a state-targeted industry Financial Services (Insurance), and will offer an average wage of approximately \$45,834, which is 115 percent of the 2011 state average (\$3,000), located in an Enterprise Zone (\$3,000) and designated Brownfield Area (\$2,500) the project meets the requirements for \$8,500 per job under this state program. The total QTI award would be \$2,125,000. The city's portion of the QTI is 20 percent of the award, up to \$425,000. The State of Florida's portion is 80% of the award, up to \$1,700,000. In order for this expansion project to be competitive necessitates approval by the City and Florida Department of Economic Opportunity the recommended financial incentives.

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: Higher wage job creation resulting in an annual payroll of \$15.2 million including benefits and estimated ad valorem taxes from private capital investment of \$1.0 million. 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. Novitas is committed to hiring no less than 10% (25) 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. <u>JEDC</u>
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
 Mayor's Office, Fourth Floor, City Hall at St. James
 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