

TO: Chairman and Trustees of the Oklahoma City Economic Development Trust

FROM: Craig Freeman, General Manager

Joint Resolution between The City of Oklahoma City and the Oklahoma City Economic Development Trust approving the allocation of General Obligation Limited Tax Bond proceeds and/or investment proceeds in an amount not to exceed \$400,000 for the provision of certain job creation economic development incentives to Signify Health, Inc., in exchange for its establishment of a new call center facility in Oklahoma City, and for its commitment to create approximately 224 new quality jobs over the next five (5) years, and authorizing and directing the General Manager and/or designee to negotiate an Economic Development Agreement with Signify Health, Inc., for subsequent Trust and City Council concurrence. (GOLT)

Location:

The Company is considering multiple locations within the city limits of Oklahoma City and final property negotiations are underway.

Background:

The Company plans to add 224 new jobs in Oklahoma City over the next five (5) years. These jobs reflect a new business presence in Oklahoma City by the Company. The average wage of these new jobs is estimated to be \$46,210. After evaluating options for the location of this business unit, the Company has decided to lease an existing building in Oklahoma City due to the efficiencies and infrastructure of this location, along with the quality of the local area workforce, and availability of state and local business incentives.

Company Background

Signify Health (“SGFY”) is a leading healthcare platform that leverages advanced analytics, technology, and nationwide healthcare provider networks to create and power value-based payment programs. Their mission is to transform how care is paid for and delivered so that people can enjoy more healthy, happy days at home. Their customers include health plans, governments, employers, health systems and physician groups. They are a market leader in two fast-growing segments of the value-based healthcare payment industry: payment models based on individual episodes of care and in-home health evaluations (“IHEs”). Payment models based on individual episodes of care bundle payments for all, or a substantial portion of, services received by a patient in connection with an episode of care, such as a surgical procedure, particular condition or other reason for a hospital stay. IHEs are health evaluations performed by a clinician in the home to support payors’ participation in Medicare Advantage and other government-run managed care plans. What differentiates Signify Health's technology is the speed in which they can collect and analyze their client's critical data. They currently have more than 2,000 employees across two call

center locations (Dallas, TX and Rapid City, SD), with corporate offices in both Norwalk, CT and Dallas, TX. This new location will be a call center operation primarily comprised of their Member Engagement business unit, under the Home and Community Services Division.

Project Background

The Greater Oklahoma City Chamber and the City have worked with the Company since March 2021. In evaluating multiple location options for their call center facility, Company management and representation met with City and Chamber staff to discuss the needs of their planned operation. Based in part upon local incentives (city and state), the company has decided to locate this operation in Oklahoma City.

Economic Impact

The total estimated economic impact of this project is \$137,738,931 over the first seven (7) years of operation (based on total project impact, including capital investment, wages, state and local taxes). The estimated local sales tax and property tax revenue is expected to be \$198,656 over the first three (3) years of operation and approximately \$88,000 annually from the fourth year forward.

Recommended SIP offer: \$400,000

The Greater Oklahoma City Chamber Economic Development Division recommends a local incentive package of \$400,000 based on the following information provided by the Company:

- Incentive based on the creation of 224 new jobs over five (5) years.
- Estimated average annual wage of \$46,210 (first year wage) growing to \$51,223 (fifth year wage).
- Estimated first year additional payroll of \$3.2 million, ramping up to \$10.3 million by the end of the third year.
- The Oklahoma City location will support the Company's nationwide growth strategy requirements in its Home and Community Services Division.
- This is the latest expansion in an established pattern of continual growth by the Company and there is the potential for additional future growth.

The Company considered a number of alternative locations for these jobs. The state and local incentives were important in positioning Oklahoma City as a competitive location for this operation.

Adoption of the attached resolution authorizes the OCEDT General Manager or his designee to begin negotiations with the Company for the development of an Economic Development Agreement and approves the allocation of \$400,000 in General Obligation Limited Tax Bond proceeds and/or investment proceeds for the Economic Development Agreement with the Company.

Cost:

Not to exceed \$400,000

Source of Funds:

OCEDT - GOLT Fund - ED Operations-Rstr - OKC Economic Development Trust - Signify Health - Economic Development Contract (OCEDT - 110 - 5709 - 0400599 - ED0179 - 52010030)

Recommendation: Joint Resolution be adopted.